

# Annual Report 2024



WELCOME HOME

BRONCO FEDERAL CREDIT UNION & SUBSIDIARY  
STATEMENT OF FINANCIAL CONDITION  
(UNAUDITED)

DECEMBER 31, 2023 & 2022

ASSETS	2023	2022
Cash and Cash Equivalents	\$ 52,133,425	\$ 46,110,630
Investments	22,526,845	30,472,368
Loans Receivable, net of allowance for loan losses	166,485,133	164,600,140
Accrued Interest Receivable	830,387	787,782
Property and Equipment	4,093,360	4,760,207
NCUSIF Deposit	2,155,644	2,150,488
Other Assets	3,713,541	3,226,808
<b>Total Assets</b>	<b>\$ 251,938,335</b>	<b>\$ 252,108,423</b>
LIABILITIES	2023	2022
Members' Deposits	\$ 227,155,597	\$ 230,673,083
Accrued Interest Payable	-	-
Accrued Expenses and Other Liabilities	241,575	276,974
<b>Total Liabilities</b>	<b>\$ 227,397,172</b>	<b>\$ 230,950,057</b>
Members' Equity	24,541,163	21,158,366
<b>Total Liabilities &amp; Members' Equity</b>	<b>\$ 251,938,335</b>	<b>\$ 252,108,423</b>

BRONCO FEDERAL CREDIT UNION & SUBSIDIARY  
STATEMENT OF INCOME  
(UNAUDITED)

DECEMBER 31, 2023 & 2022

	2023	2022
<b>INTEREST INCOME</b>		
Loans Receivable	\$ 8,671,822	\$ 6,876,803
Investments	2,975,578	1,376,312
<b>Total Interest Income</b>	<b>\$ 11,647,400</b>	<b>\$ 8,253,115</b>
<b>INTEREST EXPENSE</b>		
Members' Deposits	1,113,072	403,701
Net Interest Income	\$ 10,534,328	\$ 7,849,414
<b>PROVISION FOR LOAN LOSSES</b>	<b>1,039,479</b>	<b>220,160</b>
<b>Net Interest Income after Provision for Loan Losses</b>	<b>\$ 9,494,849</b>	<b>\$ 7,629,254</b>
<b>NON-INTEREST INCOME</b>		
Fees & Charges	\$ 2,692,398	\$ 2,610,517
Rental Income	-	2,100
Gain on Sale of Assets	260,228	83,225
Other	142,231	1,068,737
<b>Total Non-Interest Income</b>	<b>\$ 3,094,857</b>	<b>\$ 3,764,579</b>
<b>NON-INTEREST EXPENSE</b>		
Compensation & Benefits	\$ 4,027,495	\$ 3,893,855
Office Occupancy	322,894	310,781
Office Operations	1,818,578	1,624,280
NCUA Operating Fee	40,771	37,287
Depreciation	275,588	269,713
Other Expense	2,721,535	2,632,652
<b>Total Non-Interest Expenses</b>	<b>\$ 9,206,861</b>	<b>\$ 8,768,568</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 3,382,845</b>	<b>\$ 2,625,265</b>

**Board of Directors**

Dell Cotton, Chairman  
Travis Parker, Vice-Chairman  
Frank Rabil, Secretary  
Kenny Barham  
P. Daniel Crumpler III  
Kelsey Derby  
Justin Oliver  
Brad Turner  
Zakary Wade



Phone: 757-569-6000  
Toll-Free: 800-667-BFCU  
Call24: 757-569-6001

broncofcu.com

Download our free app



**18,074**  
**Members**  
**Strong**

**Supervisory Committee**

Jenny Bunn  
Sharon Whitley  
Nadia Vann

**Chief Executive Officer**

Brian K. Hedgepeth



135 Stewart Dr, Franklin, VA  
206 E. 2nd Ave, Franklin, VA  
(Bronco Real Estate Services)  
3075 Godwin Blvd, Suffolk, VA



Federally Insured by NCUA.



# Letter to the Members

Each year as we begin the process of preparing the annual letter to our membership, we always ask ourselves the question, "What's changed?" What took place during the year that was good and what may have happened that presented a challenge? What will happen in the future that will affect our credit union? Whether we like it or not, things always change, personally and with Bronco Federal Credit Union. Our economy has forces that affect our personal lives and our businesses. This requires us to change or adapt. We experience the loss of loved ones or turnover in our staff that creates change. Each of us have unexpected challenges such as repairs to our car, maintenance on our homes, or medical setbacks. We have different types of challenges in business, but we all have challenges. The one thing that always stays the same is that change is inevitable.

The important thing is how we adapt. Are we planning for the unexpected? Do we have our affairs in order? Are there things on the horizon we can prepare for today? At Bronco Federal Credit Union, we do this every day. We plan not only for today, but also for tomorrow. We don't just plan for our business, we also assist our members to prepare for the unexpected and think about the "what ifs". We strive to be a solid resource as strong financial advisors. We exist and work for you, our members.

Each year we evaluate how Bronco is doing by looking at our financial performance. Bronco Federal Credit Union had a great year in 2023. Consumer confidence continued to remain as strong as it was in 2022. Our members benefited from the stimulus payments during the pandemic and were saving during that difficult time. Just like in 2022, there was still pent-up desire to make significant purchases, complete home improvement projects and finally take a vacation. While the country was looking at rising inflation and rising interest rates, our members were still confident.

When looking at our balance sheet, Bronco's loan balances grew only 1.4%. While this percentage may seem low, Bronco experienced a 25.5% increase in loans in 2022. It was critical for us to maintain our portfolio during a difficult time of rising interest rates. Based on that, we were very pleased with our overall loan performance. Solid growth was shown in Used Cars, Home Equities and Commercial loans. The only significant drop, attributed to the rising interest rates, was in Real Estate loans. Deposit balances dropped 1.48%. Keep in mind, between 2019 and 2022; deposits grew an amazing 38.9%. As previously stated, our members started utilizing their money on things they put off during the pandemic. In addition, the rising interest rates created a very competitive atmosphere for deposits. Overall, we were very pleased with a small drop in deposits.

Equally as important is how Bronco handled Income and Expenses. As mentioned, inflation and interest rates were rising. Total Expenses grew \$1.9 million. However, this was offset by Total Income rising \$2.7 million. In terms of Net Income, 2023 was an excellent year. Bronco showed Net Income of \$3,382,845. This is a 28.9% increase over Net Income in 2022.

Back to the original question, "What's changed?" The economy changed drastically in 2023. It changed much more than most people anticipated. Rates rose significantly higher than anticipated. With that said, Bronco adapted and we were extremely pleased with our results.

Speaking of change, it is with mixed emotions that we announce the retirement of Brian Hedgepeth. After 17 years with Bronco Federal Credit Union, 13 years as our CEO, Brian will be retiring later this year. Brian has worked in the financial services industry for 43 years. He and his team helped Bronco recover during the difficult times created by the Great Recession. Together they also navigated the challenges of the pandemic. To top it off, 2022 and 2023 were the two most profitable years Bronco has ever experienced. While he will be greatly missed, we are happy for Brian and know he is looking forward to spending more time with his wife Terri and the rest of his family. Because of Brian's decision, your Board of Directors is excited as we look to hire a new CEO in 2024. Your Board has been working diligently over the past 9 months with an executive search firm that has a broad reach to search for Brian's successor. We anticipate having a successor selected sometime this summer to allow for a smooth transition as your credit union enters a new chapter in its history. Bronco has been with you for 83 years and our goal is to continue to serve our membership for many years to come. We will be competitive and provide a safe and sound place to do business that is recognized as a "Well Capitalized" credit union. Together, we will adapt to what lies ahead.

None of this would be possible without you, our members.  
Thank you for your continued support!

  
Chairman

  
CEO