

HD 2 CU

**HIGHWAY DISTRICT 2
CREDIT UNION
FORT WORTH, TEXAS**

ANNUAL REPORT

DECEMBER 31, 2020

BOARD OF DIRECTORS

		Term Expiration
Chairman	Zelma Myers	April, 2022
Sec./Treasurer	Lisa Stone	April, 2022
Member	Charles Crockett	April, 2021
Member	Tanya Crockett	April, 2022
Member	Scott Hall	April, 2021
Member	Kysha Holland	April, 2021
Member	John Tillinghast	April, 2022

STAFF

President/Manager	Dania Pearson
Assistant Manager	Robin Scarberry

Highway District 2 Credit Union
Order of Business
62nd Annual Meeting, September 16th, 2021

*Spring Creek Barbecue
Burleson, TX 76028*

Board Member, Kysha Holland, presiding.

1. Call meeting to order
2. Ascertain a quorum is present (Bylaws require 25 members)
3. Invocation by Charles Crockett

Old Business

1. Approval of Minutes from the 61st Annual meeting.
2. Printed reports from:
 - Board of Directors
 - 2020 Balance Sheet and Income StatementQuestions may be directed to committee chairpersons
3. Other old business

New Business

1. Recognize chairperson of Nominating Committee, Stephen Brown and committee members, Paula Meyer and Rebecca Soria.
2. Chairman of Nominating Committee will nominate three directors to serve a two-year term. (Directors whose term expires are: Charles Crockett, Scott Hall and Kysha Holland).
3. Ask for nominations from the floor, if none ask for a motion to elect these nominees by acclamation. If there are nominees from the floor, then a ballot will need to be prepared. A tally committee will be appointed to count the ballots.
4. Present the Supervisory Committee and BSA Audit summaries to the membership
5. Recognize credit union staff: Dania Pearson and Robin Scarberry
6. Recognize TXDot retirees, those that have traveled the farthest distance, etc.
7. Other new business
8. Adjourn
9. Drawing for door prizes

Highway District 2 Credit Union
September 24th, 2020
Minutes of the 61st Annual Meeting

Hard Eight Barbecue
Burleson, TX 76028

The meeting was called to order by Tanya Crockett, Board Member, and it was ascertained that a quorum was present.

The invocation was given by Charles Crockett.

Old Business:

Jeff Western made a motion to accept the minutes of the 60th annual meeting as printed. Lisa Stone seconded; motion was approved.

There was no other old business.

New Business:

Printed reports from the Board of Directors, Balance Sheet and Income Statement were distributed to each attending member. Tanya reviewed the reports, announcing that the Credit Union had a good year in 2019, mostly due to the CD rates (income). The net income increased by \$29,771.33. Tanya informed the members that current CD rates are the lowest we have seen. There were no questions from members regarding the printed reports.

Stephen Brown, the chairperson of the Nominating Committee, presented the 4 nominees to serve a two-year term on the Board of Directors of the Highway District 2 Credit Union. They are as follows: Zelma Myers, Tanya Crockett (who filled a spot left vacant by Fred Valles), John Tillinghast (who filled a spot left vacant by Loyl Bussell) and Lisa Stone. Stephen asked for nominations from the floor; none were received. Motion by Robin Scarberry that the nominees be elected by acclamation. Harvey Opperman seconded and the motion carried.

Tanya recognized Dania Pearson and Robin Scarberry and thanked them for their service to the Credit Union. She then recognized all retirees of TXDot, and all of the members who are still working. The McEndrees were the couple who drove the furthest to attend the meeting. They currently reside in Stephenville. Tanya thanked the board for their support.

A special recognition was given to Tanya Crockett as she retired from the Credit Union after 20+ years. The impact she made on the Credit Union will be long-lasting and she is now serving on the BOD.

Tanya asked if there was other new business and there was none. Angel Soria made a motion to adjourn and John Tillinghast seconded.

The meeting was adjourned.

Dania Pearson and a non-biased guest (Sara) conducted the drawing for door prizes.

Dania Pearson
Manager

Zelma Myers
Chairperson of the Board

HIGHWAY DISTRICT TWO CREDIT UNION

Detailed Balance Sheet Comparison

In USD.

As of: 12/31/2020

Produced: 8/17/2021 2:30:54PM

		MTD Dec-2020	MTD Dec-2019
LOANS & CASH			
701000	Loans	2,230,153.28	2,505,183.25
719000	Allowance For Loan Losses	(31,859.82)	(29,428.53)
	Net Loans	2,198,293.46	2,475,754.72
732000	Southwest Bank	258,740.06	75,376.32
INVESTMENTS			
745100	SimpliCD	2,482,000.00	2,632,000.00
745200	Southwest Bk - MM	253,802.70	152,501.51
745300	Simmons Bank - CD	300,000.00	0.00
747000	Investment Deposit Ncuif	41,925.04	48,602.16
	Total Investments	3,077,727.74	2,833,103.67
ACCRUED INCOME & PREPAID EXPENSES			
781000	Accrued Interest on Loans	12,491.87	14,582.73
782000	Accrued Income On Investments	3,107.37	5,935.97
764000	Association Dues	(0.02)	(0.08)
765000	Prepaid Workman'S Comp	233.28	220.64
766000	PREPAID SECURITY SYSTEM	451.86	378.48
767000	Prepaid Exam Fee	490.67	530.61
768000	PREPAID HARDWARE MAINT	0.02	9.33
769000	Prepaid Bond	2,979.31	2,922.59
FIXED ASSETS			
772000	LEASE SECURITY DEPOSIT	951.00	951.00
	Net Land & Building	951.00	951.00
774000	Furniture And Equipment	19,947.59	21,798.51
775000	Allowance For Depreciation	(16,785.85)	(19,751.50)
	Net Furniture, Fixtures & Equipmen	3,161.74	2,047.01
OTHER ASSETS			
	TOTAL ASSETS	5,558,628.36	5,411,812.99
Liabilities and Equity			
840000	Member Paid Insurance	202.64	175.53
841000	Fed Withhold Taxes Payable	470.00	0.00
846000	Social Security Taxes Payable	1,224.00	0.00
855000	Accrued Annual Meeting Expense	744.83	765.00
856000	Accrued Audit Expense	5,457.34	5,295.70
	Total Liabilities	8,098.81	6,236.23
901000	Shares Of Members	4,305,279.89	4,192,503.78
	Total Shares	4,305,279.89	4,192,503.78
931000	Regular Reserves	264,500.00	264,500.00
940000	Undivided Earnings	980,749.66	948,572.98
	Total Equity	5,550,529.55	5,405,576.76
	Total Liabilities and Equity	5,558,628.36	5,411,812.99

HIGHWAY DISTRICT TWO CREDIT UNION

Detailed Income Statement Comparison

In USD.

As of: 12/31/2020

Produced: 8/17/2021 2:30:51PM

	MTD Dec-2020	MTD Dec-2019	YTD Dec-2020	YTD Dec-2019
Income				
=====				
111000 INTEREST ON LOANS	11,594.65	14,568.25	138,096.13	144,639.01
121200 SWC SimplicID	3,477.47	5,131.77	50,969.85	73,839.02
121205 Southwest Bank-MM	140.15	75.17	1,301.19	611.74
123000 Income From Inv. In Ncusif	0.00	0.00	29,129.33	963.43
131000 Fees And Charges	590.19	748.50	5,701.46	6,657.45
131010 Promotional Fees	850.00	1,725.00	3,550.00	3,975.00
131200 Gap Ins Fees	0.00	0.00	600.00	800.00
131300 Insurance rebate	16.79	15.79	199.20	165.49
132000 Accrued Investment Income	(94.39)	407.42	(2,828.60)	228.22
153000 Non-operating Income	0.00	0.00	1,747.00	3,200.00
Total Income	16,574.86	22,671.90	228,465.56	235,079.36

	MTD Dec-2020	MTD Dec-2019	YTD Dec-2020	YTD Dec-2019
Expenses				
=====				
211000 Salaries	8,000.00	11,631.56	104,728.50	105,978.72
222000 Social Security Taxes Employer	612.00	889.82	8,011.74	8,107.43
223000 Unemployment Compensation Tax	0.00	0.00	209.70	148.80
240000 Association Dues	331.27	323.22	3,975.24	3,878.64
251000 Rent	1,109.50	1,030.25	13,843.54	12,363.00
261000 Communication Expense	206.80	229.97	2,614.25	2,734.28
264000 Stationary And Supplies	752.46	931.04	9,786.81	9,930.75
265000 Insurance	367.91	365.33	4,394.28	4,280.68
266000 Depreciation Furniture Equip	120.41	403.37	3,219.95	4,840.44
267000 EMPLOYEE TRAINING	0.00	0.00	0.00	169.00
269000 Bank Service Charges	54.90	49.33	508.60	714.96
284000 Credit Reports	303.51	358.13	4,515.84	3,850.21
285000 Supervisor Fee	245.33	265.34	2,903.94	2,849.04
292000 Audit Fees	460.00	460.00	5,520.00	4,870.00
301000 Provision Loan Losses Consumer	317.10	(2,105.99)	2,431.29	4,464.61
304000 Data Processing	972.55	837.61	16,276.90	12,664.28
350000 Annual Meeting Expense	85.00	85.00	1,020.00	741.55
Total Expenses	13,938.74	15,753.98	183,960.58	182,586.39

380000 Dividends	894.60	1,359.41	12,328.30	18,324.67
Net Income	1,741.52	5,558.51	32,176.68	34,168.30

HIGHWAY DISTRICT 2 CREDIT UNION
ANNUAL MEETING SEPTEMBER 24TH 2020

2020 DOOR PRIZE WINNERS

\$100.00	Rebecca Soria
75.00	Butch Harris
50.00	John Purpura
50.00	James Weaver
50.00	Jeff Western
50.00	Tanya Crockett
50.00	Lisa Stone
35.00	Cissy Reyna
25.00	Angel Soria
25.00	Sue Kyler
25.00	Daniel Linehan
25.00	Sheila Doss
15.00	Adrian Truly
15.00	Juan Leal
15.00	Janet Ward
15.00	Buzz Kyler
15.00	Ana Leal
15.00	Stephen Brown
15.00	Zelma Myers
15.00	John Tillinghast
10.00	Dania Pearson
10.00	Lucy Opperman
100.00	Denise Tillinghast
\$800.00	TOTAL DOOR PRIZES

Highway District 2 Credit Union
62nd Annual Meeting, September 16th, 2021

BOARD OF DIRECTORS REPORT
DECEMBER 31, 2020

To the Highway District 2 Credit Union Members:

We, the Board of Directors, are elected by the membership to establish goals and give direction to the operation of our credit union in a sound business manner and in compliance with State and Federal laws and regulations. The daily operation is placed in the hands of the staff that serve you.

The Highway District 2 Credit Union experienced a good year in 2020 (even though interest rates began falling in March of 2020). A net income of \$32,176.68 was recorded for the year. Compared to 2019, this was a decrease in income of \$1,991.62.

The Highway District 2 Credit Union is well capitalized in accordance with the regulations set forth by the National Credit Union Administration (NCUA). A minimum net worth ratio of 7% is considered to be well capitalized. The Highway District 2 Credit Union net worth ratio is 22.40%.

The Highway District 2 Credit Union paid dividend rates competitive with on-demand accounts (funds available without early withdrawal penalty) in other financial institutions. Dividends are declared and paid quarterly.

Loan demand decreased from \$1,217,357 to \$1,039,303. Average yield on loans increased from 5.9992% to 6.2933%. The Credit Union continued to be competitive on the pricing of interest rates for new and used vehicles.

Membership decreased from 800 in 2019 to 765 in 2020. Share account balances increased from \$4,192,503.78 in 2019 to \$4,305,279.89 in 2020.

Earnings on the Credit Union investments decreased approximately \$22,869.17 in 2020.

Finally, let me say thanks to the staff, Dania Pearson and Robin Scarberry, who handle the daily business of our credit union.

Your comments are always welcomed. It is our goal to give you the best service possible.

Submitted by,

Zelma Myers, Chairman

PLEASE VISIT OUR INFORMATIONAL WEBSITE AT dist2cu.com.