

HD 2 CU

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

ANNUAL REPORT

DECEMBER 31, 2022

BOARD OF DIRECTORS

		Term Expiration
Chairman	Zelma Myers	April, 2024
Sec./Treasurer	Lisa Stone	April, 2024
Member	Charles Crockett	April, 2023
Member	Tanya Crockett	April, 2024
Member	Scott Hall	April, 2023
Member	Kysha Holland	April, 2023
Member	John Tillinghast	April, 2024

STAFF

President/Manager	Dania Pearson
Assistant Manager	Robin Scarberry

Highway District 2 Credit Union
Order of Business
64th Annual Meeting, April 20th, 2023

*Spring Creek Barbecue
Burleson, TX 76028*

Board Member, Lisa Stone, 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 63rd Annual meeting.
2. Printed reports from:
 - Board of Directors
 - 2022 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
April 21st, 2022
Minutes of the 63rd Annual Meeting

*Spring Creek Barbecue
Burleson, TX 76028*

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

The invocation was given by Ray Buzalsky.

Old Business:

Rebecca Soria made a motion to accept the minutes of the 62nd annual meeting as printed. Lisa Stone seconded; motion was approved. John went over the financials and there were no questions.

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. John went over the reports, announcing that the Credit Union had a good year in 2021. The net income decreased by \$8,830.99. CD rates continued to be at an all time low in 2021. There were no questions from members regarding the printed reports.

John recognized the nominating committee members, Stephen Brown, chairperson, Paula Meyer and Rebecca Sorio. Stephen 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: Tanya Crockett, Zelma Myers, John Tillinghast and Lisa Stone. Stephen asked for nominations from the floor; none were received. Motion by Butch Harris that the nominees be elected by acclamation. John Tillinghast seconded and the motion carried.

The BSA and Supervisory Committee results were shared with the members. The members did not have any questions regarding either audit.

John recognized Dania Pearson and Robin Scarberry and thanked them for their service to the Credit Union. He then recognized all retirees of TXDot, and all of the members who are still working. Butch Harris was the member who traveled the furthest to attend the meeting. He currently resides in Grandview. Tanya recognized EMS and Service people and thanked them for their service.

John asked if there was other new business and there was none. Ron Gilbreath made a motion to adjourn and Stephen Brown seconded.

The meeting was adjourned.

Dania Pearson 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: 12/31/2022

Produced: 4/17/2023 1:29:38PM

		MTD Dec-2022	MTD Dec-2021
LOANS & CASH			
701000	Loans	1,888,243.23	2,081,809.64
719000	Allowance For Loan Losses	(5,515.23)	(15,698.14)
	Net Loans	1,882,728.00	2,066,111.50
732000	Southwest Bank	205,404.32	296,229.44
INVESTMENTS			
745100	SimpliCD	3,082,000.00	2,682,000.00
745200	Southwest Bk - MM	206,279.16	204,187.30
745300	Simmons Bank - CD	0.00	150,000.00
747000	Investment Deposit Ncuif	41,821.55	43,052.80
	Total Investments	3,330,100.71	3,079,240.10
ACCRUED INCOME & PREPAID EXPENSES			
781000	Accrued Interest on Loans	8,078.59	10,094.03
782000	Accrued Income On Investments	6,668.92	970.25
764000	Association Dues	0.03	0.06
765000	Prepaid Workman'S Comp	209.32	211.00
766000	PREPAID SECURITY SYSTEM	451.88	451.87
767000	Prepaid Exam Fee	503.97	504.31
768000	PREPAID HARDWARE MAINT	(0.02)	0.01
769000	Prepaid Bond	2,825.31	2,860.67
FIXED ASSETS			
772000	LEASE SECURITY DEPOSIT	951.00	951.00
	Net Land & Building	951.00	951.00
774000	Furniture And Equipment	19,947.59	19,947.59
775000	Allowance For Depreciation	(19,675.69)	(18,230.77)
	Net Furniture, Fixtures & Equipmen	271.90	1,716.82
OTHER ASSETS			
	TOTAL ASSETS	5,438,193.93	5,459,341.06
Liabilities and Equity			
840000	Member Paid Insurance	125.89	155.90
841000	Fed Withhold Taxes Payable	580.00	580.00
846000	Social Security Taxes Payable	1,326.00	1,326.00
855000	Accrued Annual Meeting Expense	721.39	501.39
856000	Accrued Audit Expense	4,506.44	6,027.34
	Total Liabilities	7,259.72	8,590.63
901000	Shares Of Members	4,164,858.38	4,182,155.08
	Total Shares	4,164,858.38	4,182,155.08
931000	Regular Reserves	264,500.00	264,500.00
940000	Undivided Earnings	1,001,575.83	1,004,095.35
	Total Equity	5,430,934.21	5,450,750.43
	Total Liabilities and Equity	5,438,193.93	5,459,341.06

HIGHWAY DISTRICT TWO CREDIT UNION

Detailed Income Statement Comparison

In USD.

As of: 12/31/2022

Produced: 4/17/2023 1:28:55PM

	MTD Dec-2022	MTD Dec-2021	YTD Dec-2022	YTD Dec-2021
Income				
=====				
INTEREST ON LOANS	8,251.55	10,673.36	110,019.33	129,537.87
SWC SimpliCD	4,323.40	762.82	21,701.19	15,630.72
Simmons Bank-CD	4.93	246.58	1,126.85	3,000.00
Southwest Bank-MM	17.78	4.00	86.93	384.60
Fees And Charges	419.89	665.24	5,178.83	5,946.61
Promotional Fees	930.00	510.00	3,360.00	3,105.00
Gap Ins Fees	0.00	100.00	200.00	200.00
Insurance rebate	10.95	13.31	144.84	178.50
Accrued Investment Income	869.66	(122.43)	5,698.67	(2,137.12)
Non-operating income	0.00	0.00	33,670.30	39,474.83
Total Income	14,828.16	12,852.88	181,186.94	195,321.01
Expenses				
=====				
Salaries	8,666.64	8,666.64	103,732.18	99,999.84
Social Security Taxes Employer	663.00	663.00	8,223.50	7,650.00
Unemployment Compensation Tax	0.00	0.00	139.80	139.80
Association Dues	317.76	302.15	3,813.12	3,625.80
Rent	1,268.00	1,188.75	15,216.00	15,048.53
Communication Expense	266.55	233.28	3,103.77	2,691.37
Stationary And Supplies	991.65	1,107.36	9,987.52	9,493.14
Insurance	351.91	357.59	4,268.36	4,373.64
Depreciation Furniture Equip	120.41	120.41	1,444.92	1,444.92
Bank Service Charges	209.28	181.33	2,281.86	1,216.42
Credit Reports	383.35	384.44	5,384.32	4,630.70
Supervisor Fee	252.01	252.16	2,420.34	2,309.36
Audit Fees	285.89	460.00	4,127.12	5,520.00
Provision Loan Losses Consumer	298.98	113.27	(4,331.32)	(12,908.41)
Data Processing	1,051.91	1,011.46	15,616.81	15,253.27
Annual Meeting Expense	85.00	85.00	1,020.00	1,020.00
Total Expenses	15,212.34	15,126.84	176,448.30	161,508.38
Dividends	419.17	850.41	7,258.16	10,466.94
Net Income	(803.35)	(3,124.37)	(2,519.52)	23,345.69

HIGHWAY DISTRICT 2 CREDIT UNION
ANNUAL MEETING APRIL 21ST 2022

2022 DOOR PRIZE WINNERS

\$100.00	Karen Gilbreath
75.00	Butch Harris
50.00	Lisa Stone
50.00	Dottie Nicholson
50.00	Danny Doggett
50.00	John Purpura
50.00	Linda Hall
35.00	Robby Goolsby
25.00	Dania Pearson
25.00	Ron Gilbreath
25.00	Beverly Stone
25.00	James Weaver
15.00	John Tillinghast
15.00	Jessica Wilkerson
15.00	Zelma Myers
15.00	Tanya Crockett
15.00	Harvey Opperman
15.00	Donna Buzalsky
15.00	Jeff Western
15.00	Bilal Pearson
10.00	Stephen Brown
10.00	Rebecca Soria
100.00	Sandra Harris
\$800.00	TOTAL DOOR PRIZES

Highway District 2 Credit Union
64th Annual Meeting, April 20th 2023

BOARD OF DIRECTORS REPORT
DECEMBER 31, 2022

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 loss in 2022. Lower interest rates on investments and a decrease in loan demand contributed to the loss. A net loss of \$2,519.52 was recorded for the year. Compared to 2021, this was a decrease in income of \$25,865.21.

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 23.2%.

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 \$1,283,520 in 2021 to \$1,088,386 in 2022. Average yield on loans decreased from 5.9844% to 5.3575%. The Credit Union continued to be competitive on the pricing of interest rates for new and used vehicles.

Membership decreased from 742 in 2021 to 717 in 2022. Share account balances decreased from \$4,182,155.08 in 2021 to \$4,164,858.38 in 2022.

Earnings on the Credit Union investments increased approximately \$12,033.11 in 2022.

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.