

HD 2 CU

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

ANNUAL REPORT

DECEMBER 31, 2023

BOARD OF DIRECTORS

		Term Expiration
Chairman	Zelma Myers	April, 2024
Sec./Treasurer	Lisa Stone	April, 2024
Member	Charles Crockett	April, 2025
Member	Tanya Crockett	April, 2024
Member	Scott Hall	April, 2025
Member	Michael Gage	April, 2025
Member	John Tillinghast	April, 2024

STAFF

President/Manager	Dania Pearson
Assistant Manager	Robin Scarberry

Highway District 2 Credit Union
Order of Business
65th Annual Meeting, April 25th, 2024

*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 64th Annual meeting.
2. Printed reports from:
 - Board of Directors
 - 2023 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 four directors to serve a two-year term. (Directors whose term expires are: Zelma Myers, Tanya Crockett, Lisa Stone and John Tillinghast).
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 20th, 2023
Minutes of the 64th Annual Meeting

Spring Creek Barbecue
Burleson, TX 76028

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

The invocation was given by Charles Crockett.

Old Business:

Butch Harris made a motion to accept the minutes of the 63rd annual meeting as printed. Rebecca Soria seconded; motion was approved. Lisa 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. Lisa went over the reports, announcing that the Credit Union had a rough year in 2022. The net income decreased by \$25,865.21. CD rates began to increase in 2022 but the Credit Union still had CD's in the .10 and .4 range so it will take a while to recover from the drop in interest rates in 2020 and 2021. Lisa encouraged everyone present to talk up the credit union so we can attract more members. There were no questions from members regarding the printed reports.

Lisa recognized the nominating committee members, Stephen Brown, chairperson, Paula Meyer and Rebecca Soria. Stephen presented the 3 nominees to serve a two-year term on the Board of Directors of the Highway District 2 Credit Union. They are as follows: Charles Crockett, Lisa Stone and Michael Gage. Kysha started a new position and couldn't continue serving on the BOD. We appreciate her service to the Credit Union! Stephen asked for nominations from the floor; none were received. Motion by Lisa Stone that the nominees be elected by acclamation. Butch Harris 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.

Lisa 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. Loyl Bussell was the member who traveled the furthest to attend the meeting. He currently resides in Hico.

Lisa asked if there was other new business and there was none. Charlie Doss made a motion to adjourn and Danny Doggett seconded.

The meeting was adjourned.

Dania Kolailat conducted the drawing for door prizes.

Dania Kolailat
Manager

Zelma Myers
Chairperson of the Board

HIGHWAY DISTRICT TWO CREDIT UNION

Detailed Balance Sheet Comparison

In USD.

As of: 12/31/2023

Produced: 1/16/2024 1:31:18PM

		MTD Dec-2023	MTD Dec-2022
LOANS & CASH			
701000	Loans	1,875,906.62	1,888,243.23
719000	Allowance For Loan Losses	(2,447.31)	(5,515.23)
	Net Loans	1,873,459.31	1,882,728.00
732000	Southwest Bank	162,160.32	205,404.32
INVESTMENTS			
745100	SimpliCD	2,734,000.00	3,082,000.00
745200	Southwest Bk - MM	106,626.84	206,279.16
747000	Investment Deposit Ncuif	41,648.58	41,821.55
	Total Investments	2,882,275.42	3,330,100.71
ACCRUED INCOME & PREPAID EXPENSES			
781000	Accrued Interest on Loans	8,654.37	8,078.59
782000	Accrued Income On Investments	10,069.59	6,668.92
764000	Association Dues	0.04	0.03
765000	Prepaid Workman'S Comp	201.96	209.32
766000	PREPAID SECURITY SYSTEM	451.89	451.88
767000	Prepaid Exam Fee	466.31	503.97
768000	PREPAID HARDWARE MAINT	0.01	(0.02)
769000	Prepaid Bond	2,832.67	2,825.31
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	(19,915.43)	(19,675.69)
	Net Furniture, Fixtures & Equipmen	32.16	271.90
OTHER ASSETS			
	TOTAL ASSETS	4,941,555.05	5,438,193.93
Liabilities and Equity			
840000	Member Paid Insurance	122.50	125.89
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	941.39	721.39
856000	Accrued Audit Expense	2,687.12	4,506.44
	Total Liabilities	5,657.01	7,259.72
901000	Shares Of Members	3,650,258.45	4,164,858.38
	Total Shares	3,650,258.45	4,164,858.38
931000	Regular Reserves	264,500.00	264,500.00
940000	Undivided Earnings	1,021,139.59	1,001,575.83
	Total Equity	4,935,898.04	5,430,934.21
	Total Liabilities and Equity	4,941,555.05	5,438,193.93

HIGHWAY DISTRICT TWO CREDIT UNION

Detailed Income Statement Comparison

In USD.

As of: 12/31/2023

Produced: 1/16/2024 1:31:16PM

	MTD Dec-2023	MTD Dec-2022	YTD Dec-2023	YTD Dec-2022
Income				
=====				
INTEREST ON LOANS	8,775.06	8,251.55	102,222.05	110,019.33
SWC SimplicID	9,587.97	4,323.40	90,749.22	21,701.19
Simmons Bank-CD	0.00	4.93	0.00	1,126.85
Southwest Bank-MM	21.91	17.78	347.68	86.93
Fees And Charges	198.10	419.89	5,017.32	5,178.83
Promotional Fees	480.00	930.00	3,420.00	3,360.00
Gap Ins Fees	0.00	0.00	300.00	200.00
Insurance rebate	10.42	10.95	121.11	144.84
Accrued Investment Income	507.27	869.66	3,400.67	5,698.67
Non-operating Income	0.00	0.00	3,156.59	33,670.30
Total Income	19,580.73	14,828.16	208,734.64	181,186.94

	MTD Dec-2023	MTD Dec-2022	YTD Dec-2023	YTD Dec-2022
Expenses				
=====				
Salaries	8,666.64	8,666.64	103,999.68	103,732.18
Social Security Taxes Employer	663.00	663.00	7,956.00	8,223.50
Unemployment Compensation Tax	0.00	0.00	125.40	139.80
Association Dues	317.20	317.76	3,806.40	3,813.12
Rent	1,188.75	1,268.00	14,265.00	15,216.00
Communication Expense	276.34	266.55	3,296.12	3,103.77
Stationary And Supplies	919.18	991.65	9,665.33	9,987.52
Insurance	354.09	351.91	4,231.64	4,268.36
Depreciation Furniture Equip	0.00	120.41	239.74	1,444.92
Bank Service Charges	72.95	209.28	971.22	2,281.86
Credit Reports	383.12	383.35	5,327.46	5,384.32
Supervisor Fee	233.17	252.01	2,313.66	2,420.34
Audit Fees	285.89	285.89	3,430.68	4,127.12
Provision Loan Losses Consumer	(125.67)	298.98	(1,225.37)	(4,331.32)
Data Processing	1,139.23	1,051.91	16,996.57	15,616.81
Annual Meeting Expense	85.00	85.00	1,020.00	1,020.00

Total Expenses	14,458.89	15,212.34	176,419.53	176,448.30
Dividends	703.50	419.17	12,751.35	7,258.16
Net Income	4,418.34	(803.35)	19,563.76	(2,519.52)

HIGHWAY DISTRICT 2 CREDIT UNION
ANNUAL MEETING APRIL 20th 2023

2023 DOOR PRIZE WINNERS

\$100.00	Bilal Pearson
75.00	Charles Doss
50.00	Sheila Doss
50.00	Michael Gage
50.00	Rebecca Soria
50.00	Paula Myer
50.00	Charles Crockett
35.00	Beverly Doggett
25.00	Dania Pearson
25.00	Robby Goolsby
25.00	Tanya Crockett
25.00	Cissy Reyna
15.00	Alvin Myer
15.00	Lisa Stone
15.00	Stephen Brown
15.00	James Weaver
15.00	Joanna Gentry
15.00	Zelma Myers
15.00	Shelly Reed
15.00	Danny Doggett
10.00	John Purpura
10.00	Angela Soria
100.00	Loyl Bussell
\$800.00	TOTAL DOOR PRIZES

Highway District 2 Credit Union
65th Annual Meeting, April 18th 2024

BOARD OF DIRECTORS REPORT
DECEMBER 31, 2023

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 earned a profit in 2023. Interest rates increasing on investments were the main reason for the profit. A net profit of \$19,563.76 was recorded for the year. Compared to 2022, this was an increase in income of \$22,083.28 (in 2022, we experienced a loss).

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 26%.

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 \$1,088,386 in 2022 to \$1,018,892 in 2023. However, average yield on loans increased from 5.3575% to 5.8388%. The Credit Union continued to be competitive on the pricing of interest rates for new and used vehicles.

Membership decreased from 717 in 2022 to 701 in 2023. Share account balances decreased from \$4,164,858.38 in 2022 to \$3,650,258.45 in 2023.

Earnings on the Credit Union investments increased approximately \$65,883.93 in 2023.

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.