

# 70th Annual Business Meeting 2022 Report Monday, June 26, 2023



HIGHWAY  
CROSSROADS  
CREDIT UNION

2022  
Report



**HIGHWAY  
CROSSROADS**  
CREDIT UNION

*We always go the extra mile*

# STAFF & OFFICIALS

## ***Credit Union Staff***

Lindi Lynch  
Brandi Hicks  
Tonya Guevara  
Natalie Scott  
Alexi McGowan

## ***Elected Board of Directors***

### **TERM EXPIRES**

### ***Officers***

Jeff Wachter, Chairman	2023
David Wyman, Vice Chairman	2023
Mike Brandon, Treas/Secretary	2024

Scott Perry	2025
Brooks Pratt	2025
Jessie Philpot	2025
Mark Pfeffer	2024

### ***Supervisory Committee***

Julie Duenne, Chairman	2025
Kristy Pettit	2024
Michael Harris	2024

*We would like to extend a special thanks to all the staff, volunteers and members who contribute to the Credit Union in so many ways.  
Without your efforts, our success would not be possible.*

# MEETING AGENDA

I. Welcome and Introductions

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II. Reading of Minutes

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III. Chairman's Report

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IV. Treasurer's Report

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V. President's Report

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VI. Supervisory Committee

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VII. Report of Nominating Committee

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VIII. Election of Officials

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IX. Old Business

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X. New Business

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XI. Adjournment of Business Meeting

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# OFFICIAL MINUTES

## Official Minutes of the 69th Annual Membership Meeting May 26, 2022

David Wyman welcomed all Zoom Meeting attendees, thanked them for participating and introduced the board members, supervisory committee, and the staff of HCCU.

Jeff Wachter, Chairman of the Board of Directors, called the meeting to order at 11:00 am on Thursday, May 26, 2022 via Zoom Meeting platform. Twenty-two members were logged into the zoom conference. The minutes of the 28<sup>th</sup> Annual Meeting were approved by David Wyman and seconded by Jessie Philpot. **MOTION CARRIED.**

Michael Brandon, Treasurer was introduced for the reading of the Treasurer Report. Mike presented the treasurer report and emphasized the asset growth with slides to display the financial status as of 12.31.2021 along with the five-year history.

Michael Brandon then reintroduced Lindi Lynch, President of Highway Crossroads Credit Union. Lindi presented the President's report along with key performance indicators for loan volume, share volume, membership and dividends to membership. Lindi reported HCCU closed out 2021 with a record breaking million-dollar month in loan volume. Lindi recognized each of the team members for HCCU, Brandi Hicks, Tonya Guevara, Natalie Scott and Alexi McGowan. Lindi then turned it over to Julie Duenne, Supervisory Committee Chairman.

Julie presented the Supervisory Committee Report and spoke about her pride in watching the Credit Union grow and the financial strength of our credit union. She also spoke about the new branch which was completed in early 2021.

Jeff Wachter, presented the reading of nominees for the 2022-2023 Board of Director and supervisory committee vacancies.

Jeff requested additional nominations from the floor and no nominations were made, Jeff asked for a motion to accept the list of nominees to be elected by acclamation. **MOTION CARRIED** with no dissenting votes. The results were as follows: Jessie Philpot was re-elected to the Board of Directors for a three-year term.

Brooks Pratt was re-elected to the Board of Directors for a three-year term.

Scott Perry was re-elected to the Board of Directors for a three-year term.

Julie Duenne was re-elected to the Supervisory Committee for a three-year term.

Jeff Wachter called for Old Business. None.

Jeff Wachter called for new business.

David Wyman presented a slideshow video of the 2022 Highway Hero Recipients and spoke about the Highway Hero Honoree organization.

David Wyman made a motion to adjourn the business meeting at 11:25 am, Scott Perry seconded the motion. **MOTION CARRIED.**

All attendees were reminded to attend the Member Appreciation Event to be held September 10, 2022.

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# CHAIRMAN'S REPORT

On behalf of the Credit Union Board of Directors, staff and committee members, I welcome you to our 70th Annual Membership Meeting. In accordance with Missouri Division of Credit Unions, virtual business meetings are an acceptable component in conjunction with an in-person gathering for those who are unable to attend virtually. The past two years, we have hosted our membership appreciation event in the fall, which has been successful in gathering more than 200 of our credit union members. We will be holding our Membership Appreciation/Business Meeting in person on September 9, 2023.

As you will observe, 2022 continued our positive trend of successful outcomes. We maintained our strong financial position, while continuing to offer competitive interest rates and a strong commitment of service to our members. Our mission of growth has not slowed down; quite the contrary. I am thrilled to report we held a Special Meeting on November 10, 2022 to propose a field of membership change; which would aid in our effort to grow and reach more families. The motion was carried to expand our field of membership to anyone who lives or works in Cape Girardeau, New Madrid, Scott, Stoddard and Mississippi County of Missouri. On January 4, 2023, the official Certificate of Approval of Amendment of Credit Union By-Laws was signed, sealed and delivered. To say we took a huge step forward in our 70th year, wouldn't simply not do justice.

Our Credit Union, along with many others, faced liquidity challenges throughout the year. Our board of directors and our management were looking for ways to grow deposits; taking the step toward a community charter credit union made perfect sense.

Our staff and leadership of the Credit Union continually provided the utmost level of service to all of our members. This is evident in our continued loyalty and new membership growth with minimal losses to the Credit Union.

I would also like to personally thank the members of the Board of Directors, the Credit Union Staff and the Supervisory Committee for their hard work and dedication. Finally, I would like to acknowledge you, the members, for your continued support of the Credit Union. Without your loyalty and dedication, this fine Credit Union could not exist.

Best Regards

Jeff Wachter  
Chairman, Board of Directors  
Highway Crossroads Credit Union

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# TREASURER REPORT

Highlighted below is a summary of our Credit Union's key financial performance over the past five years. I'm pleased to report the Credit Union's financial performance during this period has remained strong. More specifically, our key ratios measuring management of the Credit Union's assets show that assets are changing. Simply speaking.... our deposits are being outpaced by our loan volume. This past year, we have faced liquidity obstacles as most financial institutions have experienced in our current economic situation.

As for the Credit Union's financial position on December 31, 2022, assets exceeded \$20 million, as of today, we are nearing \$23 million. Our mission in 2022 was to focus on membership and deposit growth. We continue to experience loan growth, to put into perspective, in 5 years, our loans have grown by 313%. If you haven't taken advantage of a loan through your Credit Union, I encourage you to contact our staff today to learn more about how they would welcome an opportunity to partner with you.

On a final note, this success would not have been possible without you, our loyal members, and the hard-working Credit Union staff. We appreciate your support and on behalf of all the management, staff, and officials, I thank you for making a difference in helping our Credit Union remain strong. Our Statement of Financial Condition as of December 31, 2022 and Statement of Income and Expenses for the year ending December 31, 2022 are presented after this report. Should you have any questions, please do not hesitate to ask.

	2022	2021	2020	2019	2018
<b>Income</b>	\$1,082,890	\$855,778	\$796,864	\$734,399	\$555,651
<b>Expense</b>	\$731,010	\$585,742	\$576,985	\$523,545	\$408,343
<b>Dividends to Members</b>	\$107,524	\$128,807	\$129,413	\$131,548	\$93,280
<b>Net Income</b>	\$244,355	\$151,985	\$90,466	\$79,306	\$54,028
<b>Total Investments</b>	\$992,000	\$1,192,000	\$1,096,000	\$2,438,000	\$3,681,000
<b>Total Loan Balance</b>	\$18,119,012	\$13,465,182	\$11,234,681	\$10,128,217	\$8,355,070
<b>Total Member Deposits</b>	\$16,826,081	\$16,289,568	\$14,152,057	\$10,689,801	\$9,966,481
<b>Total Asset Size</b>	\$20,506,898	\$19,583,781	\$17,252,769	\$13,897,442	\$12,818,318
<b>Total Equity</b>	\$3,351,637	\$3,107,282	\$2,936,061	\$2,864,831	\$2,785,526
<b>Return on Average Assets</b>	1.20%	0.79%	0.53%	0.57%	0.45%
<b>Total Loans/Total Deposits</b>	107.68%	82.70%	79.40%	93.08%	83.84%
<b>Average Deposit/Member</b>	\$7,929	\$8,597	\$6,766	\$6,451	\$6,560
<b>Membership</b>	2122	1894	1750	1657	1519

Mike Brandon  
Secretary / Treasurer  
Highway Crossroads Credit Union

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# FINANCIAL STATEMENTS

Highway Crossroads Credit Union  
Statement of Financial Condition  
Year Ended December 31, 2022

## Assets

Cash and Operating Accounts	\$135,284
Short-term Investments	\$211,866
Long-term Investments	\$992,000
Loans to Members	\$18,119,012
Allowance for Loan Losses	(\$78,178)
Equipment	\$50,320
741 York Drive	\$828,287
Other Assets	\$248,307
<b>TOTAL ASSETS</b>	<b>\$20,506,898</b>

## Liabilities and Members' Equity

### Liabilities

Member Deposits	\$16,833,685
Accounts Payable and Accrued Liabilities	\$321,575
<b>Total Liabilities</b>	<b>\$17,155,261</b>

### Members' Equity

Undivided Earnings	\$3,051,640
Regular Reserve	\$299,997
<b>Total Members' Equity</b>	<b>\$3,351,637</b>

<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$20,506,898</b>
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# FINANCIAL STATEMENTS

Highway Crossroads Credit Union  
Statement of Financial Condition  
Year Ended December 31, 2022

## INCOME

Loan Income	\$929,985
Investment Income	\$11,375
Fee Income	\$25,661
Other Operating Income	\$115,869
<b>Total Income</b>	<b>\$1,082,890</b>

## NON INTEREST EXPENSE

Compensation and Benefits	\$284,421
Office Occupancy Expense	\$66,369
Professional Outside Services	\$82,191
Office Operations	\$90,927
Products and Services Expenses	\$133,366
Other Expenses	\$73,736
Dividends to Members	\$107,524
<b>Total Expenses</b>	<b>\$838,535</b>

**NET INCOME** **\$244,356**

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# PRESIDENT'S REPORT

It has been another demanding and productive year at the Credit Union. We are pleased to have the same hard-working staff serving our members as we did this time last year. Our team has done a tremendous job of adapting to changes and growth. Our mission to become your full-service institution... has now expanded to serving five Missouri counties!

Seventy years strong, our Credit Union's Platinum anniversary was commemorated with our field of membership expansion!

**INTEGRITY:** We pride ourselves on sound moral principles; and you should accept NOTHING less from your financial partner. The security of your personal information and transactions is a top priority, and we leave no detail unattended to ensure you are always protected.

**TEAMWORK:** I am so proud of our dedicated, friendly staff and continue to learn from them each day. A special thanks is owed to our committed board of directors and committee members who generously volunteer their time, energy and expertise to strategically guide our organization and ensure the financial health of our Credit Union.

**SERVICE:** We are constantly working on improvements to modernize our services and be sure we are providing the latest technology and convenience to our members. We are committed to earning your five-star rating on the experience we provide you each day. We are in tune with the fact that technology evolves and we must embrace it; but we will never lose sight of the value in personal relationships!

**RESULTS:** Over the course of 6 years, we have grown our loan volume by 313%, our deposits have grown by 91%, our membership has increased by 59% and the dividends our members have received is 375% higher than it was in 2016. Yes, those are real numbers! We are proud of these statistics, however the real value in these numbers are the lives and families each number represents.

Highway Crossroads Credit Union continues to grow and now serves over 2,100 member-owners. We will continue to focus our efforts on providing you with the financial products and services you need to make the most out of your hard-earned money and achieve your financial goals. Whether it's in-person, online, or on the go with a mobile device, Highway Crossroads Credit Union offers you convenient options that help make managing your money easier than ever.

Regardless of how much we grow, however, we still measure our success by helping one member at a time. We promise to provide you exceptional value, convenience and personal service each day. We are your financial family - it is comforting to handle your business with folks who always know your name!

2022 did not disappoint; it was another year of challenges, rewards and excitement. We were thrilled to announce a record breaking million-dollar month in December 2021. It was an astounding accomplishment for our Credit Union. Fast forward one-year, same impressive team in place, but the bar got raised exponentially! 2022 produced SIX million dollar record breaking months. Just as impressive as our lending volume; I believe we have a lot to be proud of with the impact our Highway Hero Honoree organization has made. Our small credit union has pooled resources and presented \$150,000 worth of scholarships in only 6 short years!

Thank you for trusting us and embracing all the benefits our financial relationship with you has to offer.

Lindi Lynch  
President  
Highway Crossroads Credit Union

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# SUPERVISORY COMMITTEE REPORT

It is the responsibility of the Supervisory Committee of the Highway Crossroads Credit Union to deliver an annual report to the membership as to the condition of the credit union. The Highway Crossroads Credit Union Supervisory Committee consists of three members appointed by the Board of Directors. The term of each committee member is for a three-year term expiring at the first regular meeting of the board following each annual meeting or until the appointment and qualification of successors. Its function and responsibilities are set forth in the rules governing State Chartered Credit Unions and is responsible to the members to protect their interests. Accordingly, the primary objectives and responsibilities of the Supervisory Committee are:

- To verify the Credit Union's management practices and procedures are sufficient to safeguard members' assets against material error, carelessness, conflict of interest and fraud.
- To confirm the internal controls are established and effectively maintained to achieve the Credit Union's operating and financial reporting objectives.
- To validate the financial condition of the Credit Union by ensuring the accounting records are promptly recorded, financial reports are prepared timely and results of operations are accurately reflected in the financial statements.

To accomplish these objectives, we hire an independent firm specializing in Credit Union examinations.

J. Tenbrink and Associates performs the independent examinations for Highway Crossroads Credit Union. J. Tenbrink and Associates was engaged to perform an annual comprehensive examination of the Credit Union's operations as required by NCUA regulations. The Supervisory Committee also periodically performs a verification of member account balances as required by law, corresponds with members whose memberships have been closed, and conducts other periodic procedures as deemed necessary throughout the year. The results of these examinations are presented to the Board of Directors to document the accounting records and reports are being effectively maintained within the Credit Union and practices are being administered in accordance with existing rules and regulations.

In addition to the independent annual examination and procedures highlighted above, your Credit Union is annually examined by Missouri Division of Credit Unions. The most notable factor from the annual report by Missouri Division of Credit Unions reflected the credit union's liquidity position declined greatly. This was anticipated and was due solely to the consistent increase of loan growth in 2022. At the beginning of the year the liquidity ratio was 20.3% while it closed out the year at 2.4%. This large decline in liquid funds was due in full to consistent growth in loan volume throughout 2022. Share growth for 2022 was 3.3% while loan growth was 34.6%. As part of management efforts to increase liquidity, the credit union board made the decision to expand our credit union with a community charter, thus allowing the general public from surrounding counties to now become credit union members. By increasing our field of membership, the hope is to bring in new deposit customers to improve our overall liquidity. This decision along with other pertinent measures to increase liquidity have been noted positively by the Missouri Division of Credit Unions in their most recent examination.

While changing economic situations have presented challenges, the management of the credit union continues to be flexible and responsive and makes appropriate decisions to ensure the continued safe and sound operation of the credit union.

The members of the Supervisory Committee sincerely appreciate the support and assistance provided by the Board of Directors, and the Credit Union management and staff throughout the year. It is because of their dedication and hard work that the credit union continues to provide superior service to our members! We also wish to express our gratitude to the membership of the Credit Union for their patronage and friendship.

Submitted by:

Julie Duenne  
Chairperson, Supervisory Committee  
Highway Crossroads Credit Union

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# NOMINATING COMMITTEE REPORT

Highway Crossroads Credit Union is a member-owned financial cooperative. All qualified persons interested in serving in a voluntary capacity as an elected official are encouraged to seek election. Elections for the 2023 Annual Meeting will be held for two board positions; each to serve for a term of three years, with all terms commencing immediately following the 2023 Annual Meeting, June 26, 2023.

On March 29, 2023, the Nominating Committee reported to the Board of Directors two individuals they determined to be qualified, eligible and willing to serve and seek re-election to the respective positions on the Board of Directors.

## Board of Director Nominees

**(Term expiring in 2023)**

**Mr. David Wyman:** Mr. Wyman began his career at MoDOT in 1994 working as a summer laborer for the Sikeston Maintenance shed and the district striping crew. Upon graduation, he worked in Design for 10 years. He then transferred to the Poplar Bluff Construction office where he administered contracts on the Route 67 corridor. He then supervised the inspection of the Southeast District bridges constructed under the Safe and Sound Bridge Program. As an Area Engineer, David helps to coordinate MoDOT activities with the 10 counties of the Bootheel. David and his wife, Carrie, have two children, Kate and Joe. David is currently our Vice Chairman of HCCU and began serving as the City Administrator for the City of Dexter, MO this year.

**(Term expiring in 2023)**

**Mr. Jeff Wachter:** Mr. Wachter was hired at MoDOT in May of 1989 after he graduated from University of Missouri Columbia with a BS in Civil Engineering. He began as a Highway Designer and has been in design the duration of his 34-year long career at MoDOT. Jeff has been a supervisor since 1997 and enjoyed every moment of it. Jeff realized the benefit of the Credit Union from the start and he joined the Credit Union on Day 1 of his employment. Jeff has graciously served the Board of Directors for over 2 decades and has been the Board Chairman since 2011. Jeff is only days away from his official retirement of July 1<sup>st</sup>. Jeff has 5 children and 8 amazing grandchildren to fill his retirement days with.

*In addition to the nominations of the Nominating Committee, the bylaws permit eligible members to apply for nomination by a petition of the membership made from the floor, at the Annual Meeting. All qualified, eligible members seeking nomination must be at least 18 years of age, a member in good standing and be willing to fulfill the obligations of the office until their full term expire*

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# SERVICES TO MEMBERS

## MEMBERSHIP ELIGIBILITY

Membership eligibility for Highway Crossroads Credit Union is available to individuals who meet any of the following eligibility requirements:

- Live or work in the following Missouri Counties: Cape Girardeau, New Madrid, Mississippi, Scott or Stoddard
- Full-time employees of the Southeast District of the Missouri Department of Transportation (MoDOT)
- Full-time employees of Troop E of the Missouri State Highway Patrol (MSHP)
- Retirees that have retired while actively employed by the above-mentioned organizations.
- Immediate family members of any current members are also eligible to join.  
Immediate family is defined as spouse, child, sibling, parent, grandparent, grandchild, aunt, uncle, niece, nephew, first cousin or legal guardian. Also included are step, in-law and legally adoptive relationships.

## DEPOSIT SERVICES

### Checking

Share Draft Checking  
Complimentary Checks  
No Annual Fee Overdraft Transfer Protection Plan

### Share Certificates

6, 12, 24 & 36 month  
Periodic Certificate Promotions



### Savings

Share Accounts  
Christmas Club Accounts  
Youth Accounts

### 24 - Hour Access Services

Internet Member Access (IMA)  
Mobile App – Mobile Banking  
One Click – Bill Pay  
Mastercard Debit Card  
E-Statements  
ATM  
Night Deposit

## DEPOSIT INSURANCE

Your savings are federally insured to at least \$250,000 by the NCUA (National Credit Union Administration) and backed by the full faith and credit of the United States Government.

## LOAN SERVICES

New & Pre-Owned Vehicles  
New & Pre-Owned Boat, RV & Travel Trailer  
New & Pre-Owned Recreational Items  
Mortgage Products

Share Secured  
Personal/Signature Loans  
Special Lending Promotions  
Revolving Lines of Credit

## INSURANCE SERVICES

Members can purchase the following optional, low cost insurance services through their Credit Union.

*Certain restrictions may apply.*

### Collateral and Payment Protection

Vehicle Service Contracts through Route 66  
GAP Insurance (covering the difference between insurance settlement amount and outstanding loan balance)  
Credit Life and Disability Insurance

## MEMBER SERVICES

Notary Services	Travel & Auto Maintenance Discounts	Scholarship Program	Wire Transfers
Skip-A-Payment Program	Savings Bond Redemption	Certified Checks	Direct Deposit
NADA Online	ACH Transfers	Auto Link	Mobile Deposit
ATM	Night Deposit	Texting Service	Electronic Signatures