



**HIGHWAY
CROSSROADS**
CREDIT UNION

Service Integrity
Annual
Results Teamwork
Meeting

**69th Annual Business Meeting
2021 Report
Thursday, May 26, 2022**

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	2022
Brooks Pratt	2022
Jessie Philpot	2022
Mark Pfeffer	2024

Supervisory Committee

Julie Duenne, Chairman	2022
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

II. Reading of Minutes

III. Chairman's Report

IV. Treasurer's Report

V. President's Report

VI. Supervisory Committee

VII. Report of Nominating Committee

VIII. Election of Officials

IX. Old Business

X. New Business

XI. Adjournment of Business Meeting

OFFICIAL MINUTES

Official Minutes of the 68th Annual Membership Meeting September 11, 2021

David Wyman welcomed everyone around 5:15 on Saturday, September 11, 2021. David lead a prayer and spoke about the symbolism of the significant day in history. An emotional video was shown of the Attack on America which left all members in silence. Members were instructed to make their way to the fish buffet and then to return to their seats for the Annual Business Meeting.

David Wyman began with drawing for attendance prizes and then introduced our Board Members, Supervisory Committee and staff. David also informed all attendees they could download the 2020 Annual Report on the highwaycrossroadsccu.com website.

Jeff Wachter, Chairman of the Board of Directors, called the meeting to order at 6:00 pm. on Saturday, September 11, 2021 at the Sikeston Jaycee Rodeo Building. 214 members and guests were in attendance.

The minutes of the 67th Annual Meeting were approved by David Wyman and seconded by Scott Perry, **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 12.31.2020 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 recognized each of the team members for HCCU, Brandi Hicks, Dawn Guyer and Tonya Guevara.

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.

Lindi Lynch, presented the reading of nominees for the 2021-2022 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:

Board of Directors:

Mike Brandon was re-elected for a three-year term.

Mark Pfeffer was re-elected for a three-year term.

Supervisory Committee:

Mike Harris was re-elected for a three-year term.

Kristy Pettit was newly elected 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 2021 Highway Hero Recipient and spoke about the Highway Hero Honoree organization.

David Wyman made a motion to adjourn the business meeting at 8:10p.m, Scott Perry seconded the motion. **MOTION CARRIED**.

All attendees were invited to move outdoors for a spectacular firework display and live music by Jonathan Len

CHAIRMAN'S REPORT

On behalf of the Credit Union Board of Directors, staff and committee members, I welcome you to our 69th Annual Membership Meeting – this is now our third year in a row with an atypical meeting protocol. Last year we held our meeting on a memorable 9/11 with a very nice evening in the fall. This year we were required to hold our meeting the first six months of the year, so we opted for a virtual meeting; and we will still host a fall member appreciation event.

As you will observe, 2021 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.

The Highway Crossroads Credit Union Debit Card has continued to grow in its use and has been a big hit with our membership, making your money more accessible and providing a valuable added service. At just 5 cents per debit card swipe, we were able to donate \$7,061.10 towards the Highway Hero Scholarship Fund in 2021 just by using our debit card program. Speaking of scholarships, we are excited to share with you the massive impact our Highway Hero Honoree scholarship made in 2022.

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

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 have grown and we are continually loaning more money to our members, therefore investing less. Outstanding job to our CU staff!

As for the Credit Union's financial position on December 31, 2021, assets reached nearly \$20 million, as of today, we have bypassed that mark. Our mission in 2021 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 140%. 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, 2021 and Statement of Income and Expenses for the year ending December 31, 2021 are presented after this report. Should you have any questions, please do not hesitate to ask.

	2021	2020	2019	2018	2017
Income	\$855,778	\$796,864	\$734,399	\$555,651	\$410,699
Expense	\$585,742	\$576,985	\$523,545	\$408,343	\$318,585
Dividends to Members	\$128,807	\$129,413	\$131,548	\$93,280	\$25,830
Net Income	\$151,985	\$90,466	\$79,306	\$54,028	\$66,284
Total Investments	\$1,192,000	\$1,096,000	\$2,438,000	\$3,681,000	\$4,771,200
Total Loan Balance	\$13,465,182	\$11,234,681	\$10,128,217	\$8,355,070	\$5,620,307
Total Member Deposits	\$16,289,568	\$14,152,057	\$10,689,801	\$9,966,481	\$8,478,830
Total Asset Size	\$19,583,781	\$17,252,769	\$13,897,442	\$12,818,318	\$11,243,086
Total Equity	\$3,107,282	\$2,936,061	\$2,864,831	\$2,785,526	\$2,731,498
Return on Average Assets	0.79%	0.53%	0.57%	0.45%	0.58%
Total Loans/Total Deposits	82.70%	79.40%	93.08%	83.84%	66.29%
Average Deposit/Member	\$8,597	\$6,766	\$6,451	\$6,560	\$6,144
Membership	1894	1750	1657	1519	1380

Mike Brandon
Secretary / Treasurer
Highway Crossroads Credit Union

FINANCIAL STATEMENTS

Highway Crossroads Credit Union
Statement of Financial Condition
Year Ended December 31, 2021

Assets

Cash and Operating Accounts	\$1,883,799
Short-term Investments	\$1,988,623
Long-term Investments	\$1,192,000
Loans to Members	\$13,465,182
Allowance for Loan Losses	(\$65,398)
Equipment	\$57,696
741 York Drive	\$860,305
Other Assets	\$201,575
TOTAL ASSETS	\$19,583,781

Liabilities and Members' Equity

Liabilities

Member Deposits	\$16,289,568
Accounts Payable and Accrued Liabilities	\$186,931
Total Liabilities	\$16,476,498

Members' Equity

Undivided Earnings	\$2,807,285
Regular Reserve	\$299,997
Total Members' Equity	\$3,107,282

TOTAL LIABILITIES AND MEMBERS' EQUITY	\$19,583,781
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FINANCIAL STATEMENTS

Highway Crossroads Credit Union
Statement of Financial Condition
Year Ended December 31, 2021

INCOME

Loan Income	\$727,050
Investment Income	\$14,422
Fee Income	\$18,242
Other Operating Income	\$106,820
Total Income	\$866,534

NON INTEREST EXPENSE

Compensation and Benefits	\$222,367
Office Occupancy Expense	\$43,254
Professional Outside Services	\$73,091
Office Operations	\$72,670
Products and Services Expenses	\$124,102
Other Expenses	\$50,258
Dividends to Members	\$128,807
Total Expenses	\$714,549

NET INCOME **\$151,985**

PRESIDENT'S REPORT

It has been another demanding and productive year at the Credit Union. We are proud we had two essential team members return to work for HCCU this year. Our team has done a tremendous job of adapting to changes and growth. Our mission to become your full-service institution is approaching.

We were challenged with attracting and retaining the dynamic HCCU team we have now. Our Board of Directors are very cognizant and appreciative of hard work, they have figured out quickly food and flowers are well received as tokens of appreciation! In addition to the frequent thank you's – The Board also implemented a Simple IRA plan this year as an employee benefit.

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 have begun several new projects to improve and modernize our services and update our image. 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 5 years, we have grown our loan volume by 156%, our deposits have grown by 61%, our membership has increased by 31% and the dividends our members have received is 471% higher than it was in 2017. 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 nearly 2,000 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!

2021 did not disappoint; it was another year of excitement. Our hard-working team rounded out 2021 with a record breaking million dollar month!! 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 \$120,000 worth of scholarships in only 5 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

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. We are excited to be able to deliver this report to all of you in person at the annual meeting this year!

We are happy to say that in early 2021, Heartland Crossroads Credit Union relocated to its new home at 741 York Drive, in Sikeston. This accomplishment is one we are very proud of and want to commend the staff and board members of the credit union for all the hard work and patience in the moving process. The facility is beautiful inside and out and now offers the convenience of a drive thru and ATM. The investment in this facility will serve our membership well into the future as we continue to grow and thrive!

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 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 recent examination of Highway Crossroads Credit Union found the overall condition of the Credit Union was operating in a safe and sound manner as of the examination period based upon books and records as of December 31, 2020. In addition, the credit union experienced record asset growth during 2020 of \$3.35 million or 24%. The tremendous growth is a result of the number of new products and services that the credit union continues to implement and offer to the membership, now including mortgage loans.

The Highway Crossroads Credit Union continues to receive exemplary ratings from its examining agencies and remains strong and stable as it continues to expand and grow.

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

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 2022 Annual Meeting will be held for three board positions, along with one supervisory audit committee positions; each to serve for a term of three years, with all terms commencing immediately following the 2022 Annual Meeting, May 26, 2022.

On April 26, 2022, the Nominating Committee reported to the Board of Directors four individuals they determined to be qualified, eligible and willing to serve and seek re-election to the respective positions on the Board of Directors and Supervisory Audit Committee.

Board of Director Nominees

(Term expiring in 2022)

Mr. Brooks Pratt: Mr. Pratt served in the Kentucky National Guard from 2003 to 2011 and deployed to Ramadi, Iraq in support of Operation Iraqi Freedom as a Sergeant with the 438th Military Police Company. In December 2005, he graduated from Murray State University with a Bachelor of Science in Criminal Justice. He was appointed to the Missouri State Highway Patrol in January 2007, as a member of the 86th Recruit Class. After graduating from the Patrol's Law Enforcement Academy, he was assigned to Troop E, Zone 8, covering New Madrid and Pemiscot Counties. In May 2012, he was transferred to Troop E, Zone 6, covering Mississippi, New Madrid and Scott Counties. In February 2022, he was promoted to the rank of Corporal and designated the assistant zone supervisor of Zone 6. He began volunteering on the Credit Union's Board of Directors in 2019. Brooks is married to Adrienne, who is a first grade teacher with Sikeston Public Schools. Brooks and Adrienne have an 11-year-old daughter, Addison, and live in Sikeston.

(Term expiring in 2022)

Mr. Mark Pfeffer: Mr. Jessie "Benji" Philpot Mr. Philpot began his career at MoDOT in April of 2005. He started as a Survey Technician in Sikeston and moved to Poplar Bluff Construction in 2008 when he went back to finish his degree at Arkansas State University. In 2014 he became the District Pavement Specialist. He served as the District Land Survey Manager from 2015-2018 and moved to Transportation Project Designer from April of 2018 through November of 2018 when he became a Transportation Project Manager. He has been a volunteer for the Credit Union since 2018, he served on the Supervisory Audit Committee before he joined the Board of Directors in 2019. He has been married to Donna who is the Southeast District Utilities Engineer since 2020. He has two children, step-son Kurt age 14 and daughter Betsy age 12.

(Term expiring in 2022)

Mr. Scott Perry: Mr. Perry began his career at MoDOT in November 1961. He started his career as part of the survey party and worked his way to designer leader where he retired in 2006. He began volunteering on the Credit Union's Credit Committee in 1975 and has served as a board member since 1980. Mr. Perry is seeking his 15th term re-election. Scott has been married to Hazel for over six decades. They have been blessed with 3 children, 4 grandchildren and 8 great-grandchildren.

Supervisory Committee Nominee

(Term expiring in 2022)

Mrs. Kristy Pettit Mrs. Julie Duenne began her career at MoDOT in April of 2016 as an Intermediate Right of Way Specialist. She is now in the role of Senior Right of Way Specialist. Her prior work experience was in the banking and title company fields. This prior work experience led her to become involved with the credit union and the Supervisory Committee in 2019. She is married to Mark Duenne who is in sales with Sydenstricker-Nobbe Partners in Scott City. They have a 22-year-old daughter, Hannah and 16 year old daughter Emma. They reside in Benton and enjoy spending time outdoors with family and friends hunting, camping and gardening. They are members of Guardian Angel Catholic Church in Oran

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

SERVICES TO MEMBERS

MEMBERSHIP ELIGIBILITY

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

- 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
Skip-A-Payment Program
NADA Online
ATM

Travel & Auto Maintenance Discounts
Savings Bond Redemption
ACH Transfers
Night Deposit

Scholarship Program
Certified Checks
Auto Link
Texting Service

Wire Transfers
Direct Deposit
Mobile Deposit
Electronic Signatures

