

HIGHWAY CROSSROADS CREDIT UNION

never  *forget*
9-11-01



68th Annual Business Meeting
2020 Report
Saturday, September 11, 2021

20
YEARS LATER
NEVER FORGET

STAFF & OFFICIALS

Credit Union Staff

Lindi Lynch
Brandi Hicks
Dawn Guyer
Brandie Wallace
Tonya Guevara

Elected Board of Directors

TERM EXPIRES

Officers

Jeff Wachter, Chairman	2023
David Wyman, Vice Chairman	2023
Mike Brandon, Treas/Secretary	2021

Scott Perry	2022
Brooks Pratt	2022
Jessie Philpot	2022
Mark Pfeffer	2021

Supervisory Committee

Julie Duenne, Chairman	2022
Pamela Masterson	2021
Michael Harris	2021

*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 67th Annual Membership Meeting November 23, 2020

David Wyman welcomed everyone and explained the Zoom Virtual meeting dynamics. 2020 has been anything other than typical; our 2019 Annual Business Meeting was postponed due to the Pandemic, which was scheduled in March 2020.

David Wyman introduced our Board Members our Board of Directors, Supervisory Committee and staff. He then informed the attendees of how to participate by raising their hand, unmuting themselves or using the chat feature in Zoom. David also informed all attendees they could download the 2019 Annual Report on the highwaycrossroadscu.com website.

Jeff Wachter, Chairman of the Board of Directors, called the meeting to order at 12:01pm. on Monday, November 23rd with 21 members and guest attending via Zoom. The minutes of the 66th 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 12.31.2019 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 then turned it over to Julie Duenne, Supervisory Committee Chairman.

Julie presented the Supervisory Committee Report and spoke about the name change to Highway Crossroads Credit Union as well as the new building construction project.

Lindi Lynch, presented the reading of nominees for the 2020-2021 Board of Director vacancies.

After making requests for nominations from the floor and no nominations were made, Lindi 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: David Wyman was re-elected to the Board of Directors for a three-year term.

Jeff Wachter was re-elected to the Board of Directors for a three-year term.

Jeff Wachter called for Old Business. None.

Jeff Wachter called for new business.

Julie Duenne presented a slideshow video of the 2020 Highway Hero Recipients and spoke about the Highway Hero Honoree organization.

David Wyman discussed the progress of the construction of the new Highway Crossroads Credit Union branch to open in January 2021.

David Wyman made a motion to adjourn the business meeting at 12:37p.m, Scott Perry seconded the motion. **MOTION CARRIED**.

CHAIRMAN'S REPORT

On behalf of the Credit Union Board of Directors, staff and committee members, I welcome you to our 68th Annual Membership Meeting – this is now our second year in a row with an atypical meeting protocol. Last year we held our meeting via ZOOM, this year we gather on the monumental 20th anniversary of the Terrorist Attack on our Nation.

As you will observe, 2020 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 through 2020.

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 \$5,291.15 towards the Highway Hero Scholarship Fund in 2020 just by using our debit card program. Speaking of scholarships, we had 7 incredible applicants this year and look forward to re-announcing the 2021 recipient this evening.

One of our proudest accomplishments of 2020 was the completion of our branch. We endured a Missouri “blizzard” during our move, but are proud to be settled in now.

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; our outside investments are decreasing, as our loan volume is growing. Simply speaking.... We are 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, 2020, assets reached over \$17 million, as of today, we are just above \$19 million. Our mission in 2020 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 156%. 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, 2020 and Statement of Income and Expenses for the year ending December 31, 2020 are presented after this report. Should you have any questions, please do not hesitate to ask.

	2020	2019	2018	2017	2016
Income	\$796,864	\$734,399	\$555,651	\$410,699	\$352,867
Expense	\$576,985	\$523,545	\$408,343	\$318,585	\$278,754
Dividends to Members	\$129,413	\$131,548	\$93,280	\$25,830	\$22,675
Net Income	\$90,466	\$79,306	\$54,028	\$66,284	\$51,438
Total Investments	\$1,096,000	\$2,438,000	\$3,681,000	\$4,771,200	\$6,505,200
Total Loan Balance	\$11,234,681	\$10,128,217	\$8,355,070	\$5,620,307	\$4,385,644
Total Member Deposits	\$14,152,057	\$10,689,801	\$9,966,481	\$8,478,830	\$8,793,102
Total Asset Size	\$17,252,769	\$13,897,442	\$12,818,318	\$11,243,086	\$11,497,160
Total Equity	\$2,936,061	\$2,864,831	\$2,785,526	\$2,731,498	\$2,665,214
Return on Average Assets	0.53%	0.57%	0.45%	0.58%	0.44%
Total Loans/Total Deposits	79.40%	93.08%	83.84%	66.29%	49.88%
Average Deposit/Member	\$6,766	\$6,451	\$6,560	\$6,144	\$6,587
Membership	1750	1657	1519	1380	1335

Mike Brandon
Secretary / Treasurer
Highway Crossroads Credit Union

FINANCIAL STATEMENTS

Highway Crossroads Credit Union
Statement of Financial Condition
Year Ended December 31, 2020

Assets	
Cash and Operating Accounts	\$3,054,456
Short-term Investments	\$1,234,340
Long-term Investments	\$1,096,000
Loans to Members	\$11,241,196
Allowance for Loan Losses	(\$61,816)
Equipment	\$16,805
741 York Drive	\$486,436
Other Assets	\$186,914
TOTAL ASSETS	\$17,254,329
Liabilities and Members' Equity	
Liabilities	
Member Deposits	\$14,153,617
Accounts Payable and Accrued Liabilities	\$145,415
Total Liabilities	\$14,299,032
Members' Equity	
Undivided Earnings	\$2,655,300
Regular Reserve	\$299,997
Total Members' Equity	\$2,955,297
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$17,254,329

FINANCIAL STATEMENTS

Highway Crossroads Credit Union
Statement of Financial Condition
Year Ended December 31, 2020

INCOME	
Loan Income	\$692,209
Investment Income	\$36,488
Fee Income	\$18,344
Other Operating Income	\$49,822
Total Income	\$796,864
NON INTEREST EXPENSE	
Compensation and Benefits	\$252,228
Office Occupancy Expense	\$24,897
Professional Outside Services	\$66,837
Office Operations	\$42,482
Products and Services Expenses	\$167,297
Other Expenses	\$23,244
Dividends to Members	\$129,413
Total Expenses	\$706,398
NET INCOME	\$90,466

PRESIDENT'S REPORT

Another year of growth was successfully achieved in 2020, thanks to the commitment of you, our members, and the fortitude of your Credit Union staff. We introduced a new name, we built our own branch, have added remarkable staff and launched new products and services, which we are thankful for your support, participation and shared excitement. We are determined to become your full-service institution.

Since the start of my position with the Credit Union in 2016, I have been on a listening and learning tour with our staff, board of directors and members to better understand the collective needs and priorities of all our members. Based on what we've learned so far, we have set our sights on four pillar elements, which we have designed into our new crossroads image.

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 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 1,800 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!

2020 did not disappoint; it was another year of exciting changes! Our new branch was definitely a huge milestone for HCCU. Our growth and staff outpaced our square footage; so we have officially traded in rent for assets! Our budget in 2020 was developed with the intention of dedicating the year to concentrating on improving our delivery and participation in our programs, all the while growing our core, which is you, our shareholders. The dust has settled, the ribbon has been cut and 741 York Drive is our new place of business. We are equipped and eager to make 2021 another remarkable year. 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 2021 Annual Meeting will be held for two board positions, along with two supervisory audit committee positions; each to serve for a term of three years, with all terms commencing immediately following the 2021 Annual Meeting, September 11, 2021.

On April 23, 2019 the Board of Directors appointed the Nominating Committee of Highway Crossroads Credit Union to seek nominations. On August 30, 2021, the Nominating Committee reported to the Board of Directors three 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. A fourth candidate was nominated as a returning volunteer to serve on the Supervisory Audit Committee at our 2021 Annual Business meeting for position vacancies.

Board of Director Nominees

(Term expiring in 2021)

Mr. Michael Brandon Mr. Brandon began his career at MoDOT in December of 2000 after graduating from Southern Illinois University. He hired on as a Highway Designer and spent time cross training in Construction. In 2012 he served as the District Pavement Specialist. In 2014 he then began serving as a Transportation Project Designer. He has served in his current role of District Planning Manager since 2019, overseeing the Southeast District's planning activities. He began volunteering on the Credit Union's Board of Directors in 2006 and has served as Secretary/Treasurer since 2008. He married his wife, Danie in 2005, who is a Registered Nurse serving in the Sikeston area. They have a 14 year old daughter, Kinsley, and a 12 year old son, Jake. They reside in Sikeston and enjoying serving their church, Compassion Church, of Sikeston.

(Term expiring in 2021)

Mr. Mark Pfeffer: Mr. Pfeffer began his career at MoDOT in 1988 working summers for various sheds while attending school. He began full-time in 1992 on the survey crew. About six years later he moved over to Design and worked his way up to a Senior Highway Designer. Mark served on the Credit Committee as an alternate from 2007 until he joined the Board of Directors in 2012. Mark has served on the board for nearly ten years and takes great pride in being a part of the growth our Credit Union has experienced. Mark and his wife, Carmen, have two children. Their oldest, Carson, is a Junior at New Madrid County High School and their youngest, Cotton, is in Third Grade at New Madrid County Elementary.

(Term expiring in 2021)

Mr. Michael Harris: Mr. Harris was hired at MoDOT in December of 1996, most of this time was spent in the Design department. The approximately 3 years that he was not in the Design Department was spent in our Construction Department. He started as a Design Technician and is currently working as a Senior Highway Designer. Mike has served on the Supervisory Committee since 2018. Mike is married to Rewa and they have two children, Levi and Cierra, both of whom will graduate from the College of the Ozarks in the next year, and both of whom Rewa and Mike are extremely proud of.

(New nomination)

Mrs. Kristy Pettit Mrs. Pettit began her career at MoDOT in January of 1994 in the Human Resources/Financial Services Department at the Sikeston District Office. She continues her career in the Financial Services Department as a Sr. Financial Services Specialist. Kristy and her spouse, Shane, have two children, Madison and Noah. Though the real loves of her life are Teagan (4) and Kase (3), her grandchildren.

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
*NEW – ATM
*NEW – 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



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Payment Protection



may pay off your loan in the event of death, or make payments on your behalf if you become disabled.

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**WE HAVE A LOT MORE
THAN MONEY INVESTED IN
OUR COMMUNITY**

**HIGHWAY
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*Where were you when the world stopped turning
On that September day? Were you in the yard
with your wife and children or working on some
stage in L.A. Did you stand there in shock at the
site of that black smoke rising against that blue sky?
Did you shout out in anger, in fear for your
neighbor or did you just sit down and cry?*

*Did you weep for the children who lost their dear loved ones, pray for the
ones who don't know? Did you rejoice for the people who walked from the
rubble and sob for the ones left below? Did you burst out in pride for the
red, white and blue and the hero's who died just doing what they do? Did
you look up to heaven for some kind of answers and look at yourself and what really matters?
Where were you when the world stopped turning on that September Day?*



**YEARS LATER
NEVER FORGET**