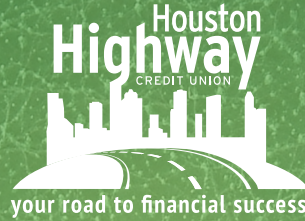


2016 ANNUAL REPORT



# REUNION

MARCH 14TH, 2017



## VISION STATEMENT

To create and develop mutually beneficial financial relationships with everyone possible!

## MISSION STATEMENT

To provide superior financial services for all stages of life!

## WELCOME MESSAGE

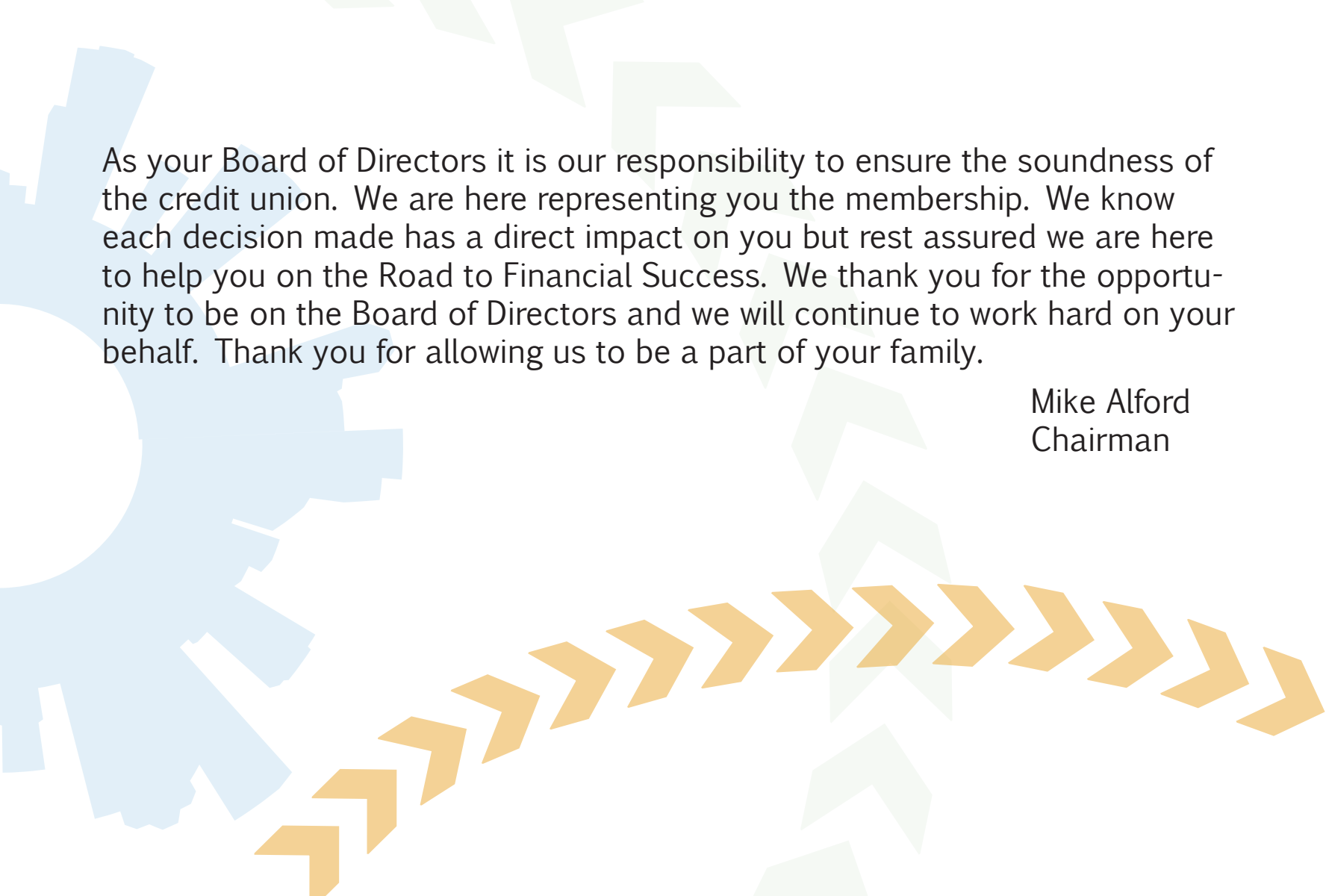
Welcome to our Annual Meeting. Thank you for joining us as we celebrate 64 years of continuous service to our members and our community. In order to know where we are going we have to take a look at our past. Through the vision and hard work of everyone beforehand we are able to provide the products and services needed to ensure that our members reach financial success.

As we reflect on 2016, we are thankful to our loyal membership, faithful staff and dedicated Board of Directors. We are where we are due to the strong commitment of everyone to ensure a bright future for Houston Highway.

## REPORT FROM THE BOARD OF DIRECTORS

On behalf of the Board of Directors, I would like to welcome each and every one of you to our 64th annual meeting. It is my pleasure to present Houston Highway's 2016 Annual Report. This year we want to take a look back at our roots, how we began. Houston Highway began 64 years ago when a group of TxDot employees got together and created District 12 Highway Employees Credit Union. Since then we've grown to 59 million in assets and more than 5,000 members. That's quite an accomplishment from the 20 members that began the credit union.

As we look onto the future, our goal is to ensure the stability of the credit union. Each president that has taken on the task of leading the credit union has brought in new ideas and visions. These visions are what keep Houston Highway alive. Our goal is to continue offering competitive products and services that allow the membership to reach financial freedom.



As your Board of Directors it is our responsibility to ensure the soundness of the credit union. We are here representing you the membership. We know each decision made has a direct impact on you but rest assured we are here to help you on the Road to Financial Success. We thank you for the opportunity to be on the Board of Directors and we will continue to work hard on your behalf. Thank you for allowing us to be a part of your family.

Mike Alford  
Chairman

## REPORT OF THE PRESIDENT

Thank you for joining us as we celebrate our 64th Annual Meeting. As always we are proud to be able to serve our members and the Houston Heights community. It's a little hard to believe that 64 years ago a group of TxDot employees came together to create what today is known as Houston Highway Credit Union. We actually began operations inside the TxDot building, eventually moving across the road into a business trailer. Now we operate in our own building less than 1 minute from TxDot. We have grown from the 20 or so members to over 5,000 members.

Throughout the years the credit union has achieved many milestones. The first happened on December 19, 1952 when District 12 Highway Employees Credit Union was chartered. We soon reached 1 million in assets. We began offering more products such as checking accounts and debit cards to accommodate our growing membership base. In 2005 we opened our charter to include the

community within 10 miles. Last year we completed a new extension to the building along with replacing the teller line with a remote teller station.

Within the last 64 years, HHCU has had four different presidents: E. H. Hengst, Dean LaTurno, Barbara Spaulding, & Craig Atkinson. Each new president brought on a new vision to the credit union, a vision to help the credit union grow and expand and reach a new membership. My vision has been and will always be helping members reach financial freedom. We offer the tools and resources that allow our members to understand their credit score, the importance of savings, and the best way to get out of debt. We also just began a new program aimed towards children under 11 to help them learn how to save, share and spend smart.

The reason Houston Highway CU is still operating is because of you; our members. You keep that vision alive every time you make a deposit, open a CD, get a loan, etc. You have allowed us to serve you for the last 64 years and my wish is to continue assisting members reach their financial goals for many years to come. Once again, thank you for joining us today and allowing us to be a part of your family.

Craig Atkinson  
President

## REPORT OF THE NOMINATING COMMITTEE

The Nominating Committee consisting of Shay Fontenot, Karen Othon and David Nitsch are charged with evaluating individuals who chose to be considered for board of directors positions. This year we had two qualified candidates to fill the two open positions:

We received application from the following candidates:

David Eng  
Gregory Ranft

The committee has made the following recommendations:

Position 1 – David Eng  
Position 2 – Gregory Ranft

Karen Othon  
Chairman



## REPORT OF THE AUDIT COMMITTEE

The primary responsibility of the Audit Committee is to review audited financial statements, internal controls, accounting policies and reporting procedures. This is delegated by the Board of Directors and required by the Texas Credit Union Department regulations. The firm John A. Weaver and Associates was hired to conduct the annual audit for 2016. The report received the highest rating for accounting accuracy.

In cooperation with the National Credit Union Association (NCUA), the Texas Credit Union Department also examined our operations from the perspective of regulators and deposit insurers in regards to complying with all applicable laws and regulations. The report listed no significant issues in the examination conducted during January 2016. The Audit Committee meets regularly throughout the year to review the operations of the credit union. We are pleased to find that the credit union has sound and efficient financial management practices. The credit union is well capitalized.

Gregory Ranft  
Chairman

# CHANGES

- **Changes to Management:**
  - Jacky Tamez - Branch Manager
- **Changes to Financial Condition:**
  - Assets 2015 \$63,136,456
  - Assets 2016: \$59,030,521
- **Changes to Bylaws:**
  - None
- **Changes to Membership Size:**
  - Members December 2015: 5,405
  - Members December 2016: 4,828
- **Changes to Articles of Incorporation:**
  - None
- **Services Offered Since Last Annual Meeting:**
  - None

	2016	2015	2014
<b>ASSETS:</b>			
Loans	\$ 42,505,008	\$ 37,795,947	\$ 36,046,716
Cash	\$ 363,893	\$ 310,477	\$ 457,503
Investments	\$ 11,175,456	\$ 19,894,302	\$ 21,577,045
Other Assets	\$ 4,986,164	\$ 5,135,730	\$ 3,961,596
<b>TOTAL ASSETS</b>	<b>\$ 59,030,521</b>	<b>\$ 63,136,456</b>	<b>\$ 62,042,861</b>
<b>LIABILITIES:</b>			
Shares	\$ 29,030,129	\$ 29,043,356	\$ 29,116,137
Certificates of Deposit	\$ 14,202,704	\$ 16,575,799	\$ 16,463,821
IRA's	\$ 3,456,409	\$ 3,740,975	\$ 3,688,133
Share Drafts / Money Market	\$ 8,660,246	\$ 9,233,062	\$ 8,128,282
Total Member Deposits	\$ 55,349,488	\$ 58,593,192	\$ 57,396,374
Equity Accounts	\$ 3,644,219	\$ 4,556,747	\$ 4,648,766
Other Liabilities	\$ 36,814	\$ (13,483)	\$ (2,279)
<b>TOTAL LIABILITIES</b>	<b>\$ 59,030,521</b>	<b>\$ 63,136,456</b>	<b>\$ 62,042,861</b>
<b>Operations</b>			
Gross Income	\$ 2,897,071	\$ 2,961,560	\$ 3,109,842
Dividends & Interest Paid to Members	\$ 195,294	\$ 210,886	\$ 219,532
Net Interest Income	\$ 2,701,777	\$ 2,750,674	\$ 2,890,310
Operating Expenses/Gains	\$ 2,895,816	\$ 2,538,462	\$ 2,521,131
Net Operating Income	\$ (194,039)	\$ 212,212	\$ 369,180
<b>Non Recurring Expenses</b>			
Total Non Operating Items	\$ (665,560)	\$ (110,009)	\$ (275,059)
<b>Adjusted Net Income</b>	<b>\$ (859,599)</b>	<b>\$ 102,203</b>	<b>\$ 94,121</b>

## **DIRECTORS**

Mike Alford, Chairman 2019  
Rita Dennis, Vice Chairman 2018  
Otto Maresh, Treasurer 2018  
David Eng, Secretary 2017  
Gail Morea, Director 2018  
Gregory Ranft, Director 2017  
Lonnie Johnson Sr., Director 2019

## **ADVISORY DIRECTORS**

Eliza Paul

## **AUDIT COMMITTEE**

Gregory Ranft, Chairman  
Eliza Paul  
Lonnie Johnson, Sr.

## **ALCO COMMITTEE**

Craig Atkinson - Chairman  
Gail Morea  
Juan Villegas  
Mike Alford  
Teresa Briggs

## **EXECUTIVE MANAGEMENT**

Craig Atkinson - President  
Juan Villegas - VP of Operations  
Teresa Briggs - VP of Marketing & Member Experience

## **BRANCH OPERATIONS**

Jacky Tamez - Branch Manager  
Adriana Briggs - Assistant Branch Manager  
Shaina Prugar - Assistant Branch Manager  
Brianna Hernandez  
Conner Graham  
Kiara Casas  
Martina Guerra  
Sandi Rogers

## **ACCOUNTING/AUDIT**

Debbie Heusi  
Nadine Bote

## **MEMBER ADVOCACY/MARKETING**

Joshua Alberto - Marketing Director  
Salma Estrada  
Vicki Fleeger

# SEVEN COOPERATIVE PRINCIPLES FOR CREDIT UNIONS

VOLUNTARY MEMBERSHIP

CONCERN FOR COMMUNITY

MEMBERS' ECONOMIC PARTICIPATION

COOPERATION AMONG COOPERATIVES

AUTONOMY AND INDEPENDENCE

EDUCATION, TRAINING AND INFORMATION

DEMOCRATIC MEMBER CONTROL

# HFCU'S IDEOLOGY AND SERVICE GOALS

**SUPPORT**  
**COOPERATION**  
**TRUST**  
**ADVICE**  
**COMMUNITY**  
**SOCIALLY**  
**RESPONSIBLE**

Does your financial institution value these same ideals?



**.05% APY\***

on any new Certificate of Deposit up to a 1 year term, opened on before April 29, 2017.

**RECEIVE  
1.50% REBATE**

for any credit card balance transferred from another credit card to a new existing HHCU Credit Card, on or before April 29, 2017.

**RECEIVE AN ADDITIONAL  
.10% APY\***

on any new Certificate of Deposit greater than 1 year but less than a 2 year term, opened on or before April 29, 2017. Does not include 1 year term.

**SPECIAL 4 YEAR CERTIFICATE  
OF DEPOSIT WITH A RATE  
1.25% APY\***

on any new Certificate of Deposit opened on or before April 29, 2017.

**RECEIVE  
.25% OFF**

on any new Auto Loan processed on or before April 29, 2017.

\*\*Maximum of one coupon per transaction, coupons may not be duplicated. No cash value. APY= Annual Percentage Yield. Coupons may not be combined with any other discounts, including service and loyalty discounts. All coupons expire April 29, 2017. Normal credit criteria apply for auto loans and credit card applications. Loan rates are based on creditworthiness and are subject to change. Certificate rates are subject to change. Call for current rates.

Houston Highway Credit Union · 8120 Washington Avenue · Houston, TX 77007  
(713) 864-4438 · Toll-free (800) 354-3541 · [www.houstonhighwaycu.com](http://www.houstonhighwaycu.com)

