



Houston Highway CREDIT UNION



CELEBRATING 57 YEARS OF SERVICE

Savings & Checking

- Christmas Club Account
- Certificates of Deposit
- Individual Retirement Accounts (IRAs)
- Classic Checking
- Club 55 Checking
- Young Adults Checking
- Money Market
- Freedom Checking

Loans

- New & Used Auto
- RV, Boat & Motorcycle
- Home Improvement & Home Equity (1st lien only)
- Unimproved Property
- Personal Loans
- Savings Secured
- MasterCard® Credit Cards

Services

- Auto Warranty Service
- AutoExam
- Credit Life & Credit Disability Insurance
- GAP Insurance
- Auto Buying Assistance
- Bank Wires & Western Union Wires
- Money Orders
- Travelers Checks
- Postage Stamps
- Night Depository
- Notary Service
- Safe Deposit Boxes
- VISA® Gift Cards
- Shared Branching
- Certified Checks
- Coin Counting Machine
- Overdraft Protection

Other Services

Free Use of Call24 (Audio Response Teller)
 HHCU Website – www.houstonhighwaycu.com

- Access PC banking
- Apply for a loan
- Online financial calculators
- Current promotions
- Financial podcasts
- Helpful links

Internet PC Banking

- Point and click convenience
- Free, easy and secure
- Transfer funds, verify deposits and withdrawals, check balances
- Free bill payer service

Free Visa® Debit and ATM Card



Houston Highway

CREDIT UNION



2009 ANNUAL REPORT



Your Road to Financial Success



Report from the Board of Directors

I would like to welcome you to our 57th annual meeting. I'm honored to be here and to celebrate with you another successful year in serving our members and the community in which we call home.

I am happy to report to you that Houston Highway Credit Union is safe and sound. It has been an unbelievable 12 months for the financial industry, our nation and the world as a whole. It has been quite tumultuous; however we have weathered the storm quite well. Many financial institutions struggled to remain in business. Others struggled to make a profit, but Houston Highway Credit Union was able to do both. You should rest well knowing that Houston Highway Credit Union, as well as the credit union industry, has survived well without the assistance of federal government TARP funds.

As a volunteer board of director, every decision that we make is focused on improving service and benefits to the membership. Over the past year, our new president, Craig Atkinson has added services, strengthened our operations, and grown the credit union. This is not an easy task during these extraordinary times. Our credit union grew over \$5 million dollars in assets. More importantly, we added almost \$3 million in outstanding loans in an environment when most banks were refusing to lend at all. We understand that our deposit rates are low, but they remain very competitive compared to other financial institutions, and our expansion of certificate rates for higher balances has assisted in growing deposit balances by over \$5 million.

Our goal is to be your primary financial institution, and to continue to offer products and services that benefit members and their everyday lives. We look forward to serving you in the coming year, and appreciate your continuous commitment to our credit union.

David Williams

David Williams
Chairman

President's Report

I welcome you to our 57th Annual Meeting of the Membership. The past year has been filled with many challenges and great successes for Houston Highway Credit Union. We feel we've stood apart this past year from many of the larger financial entities in our area with growth in every spectrum of our institution, including assets, deposits and loans. We've experienced growth that hasn't occurred in many years by simply changing a few of our everyday practices, obtaining assistance from our loyal membership by increasing their financial relationships with us and adding new products and services such as online debit cards, a coin machine in our lobby, a new website, e-statements and a new and updated brand which better serve the needs of our membership.

As we implemented several changes within the credit union to better serve you, we have kept our focus to make sure that Houston Highway Credit Union is Safe, Secure and Strong. We continued to update our lending practices to meet our member's needs and placed an emphasis on putting into place sound financial policies. As a result, I am pleased to say, 2009 was a very successful year for HHCU.

As we continue to progressively move forward, we feel it is important to make some changes to the way we look in the community. The impact of a name reinforces the importance of what we stand for and who we are. With a more professional and up-to-date look, we want our members to know and understand that "professionalism" is what they can expect from HHCU in the products and services we offer and the exceptional member service they will receive when conducting business with our credit union.

We feel our success is no accident. We truly value your feedback. We would like to hear from you, we really mean it. I frequently speak to our members in the lobby as they visit our credit union. We also just completed a survey of our members, seeking feedback on how we can serve each of you better. And if you have not noticed yet, in our quarterly newsletters, we ask for your opinion on different topics. We truly value your input. We will continue to strive to meet your needs to take that next step in growth but we need your help to better serve you and your family in all of your financial needs

We appreciate your attendance this evening and look forward to serving your financial needs. Stay tuned for more exciting products and services to be added throughout the year.

Craig Atkinson

Craig Atkinson
President/CEO



Report of the Audit Committee

The Audit Committee, at the direction of the Board of Directors, and as required by the Texas Credit Union Department regulations, has conducted the prescribed audit of the Credit Union's operations.

The firm of Hereford, Lynch, Sellars and Kirkham (HLSK), Certified Public Accountants, continue to assist in the audit of the accounting records, internal controls and general operations. In April 2009 HLSK issued an unqualified opinion for its year end 2008 accounting activity. (This is the best ranking available). While the opinion has not yet been rendered for 2009, they have indicated to the board they expect the same for 2009.

The Texas Credit Union Department, in cooperation with the National Credit Union Administration (NCUA) also examined our operations from the regulator's and deposit insurer's perspective – safety, soundness and compliance with all applicable laws and regulations.

The Audit Committee meets regularly throughout the year to review the operations. The committee is pleased to find the financial management of our credit union to be sound and efficient.

Gregory Ranft
Gregory Ranft
Chairman

Report of the Nominating Committee

The Nominating Committee, consisting of Quincy Allen, Karen Othon and David Nitsch. We were charged with evaluating the individuals who chose to be considered for board of director positions. This year we have two qualified candidates, that applied to fill the two open board positions.

We received applications from the following candidates:

- **Mike Alford** – long-term member, served on the Advisory board for the years 2000-2003 and on the Board of Director from 2003-current. Mike is currently the Vice Chairman of the Board.
- **Liz Gerstenberger** – long-term member, served on the Audit Committee for the years 1990-1994. She was an Advisory Board member 1994-1998 and Board of Director from 1998-Current.

The committee has made the following recommendations:

- Position 1** – Mike Alford
- Position 2** – Liz Gerstenberger

Quincy Allen
Quincy Allen
Chairman

Financials

	2009	2008
ASSETS:		
Loans	\$17,648,467	\$14,730,866
Cash	\$224,462	\$(12,118)
Investments	\$24,513,054	\$22,655,038
Other Assets	\$1,504,090	\$1,420,586
TOTAL ASSETS	\$43,890,072	\$38,794,372
LIABILITIES:		
Shares	\$16,888,405	\$17,215,781
Certificates of Deposit	\$13,697,793	\$8,750,663
IRA's	\$4,029,391	\$3,681,375
Checking Accounts	\$4,184,042	\$3,860,051
Total Member Deposits	\$38,799,631	\$33,507,870
Equity Accounts	\$4,807,875	\$5,044,588
Other Liabilities	\$282,567	\$241,914
TOTAL LIABILITIES	\$43,890,072	\$38,794,372
DISTRIBUTION OF INCOME:		
Gross Income	\$2,047,790	\$2,186,110
Dividends & Interest Paid to Members	\$475,065	\$649,493
Added to Equity Accounts	\$65,733	\$412,375
Loan Loss Expenses	\$94,000	\$49,629
CU Industry Liquidity Expenses	\$197,955	\$0
Expenses	\$1,215,037	\$1,074,613
Membership	5,346	5,395
Capital/Assets Ratio	10.95%	13.00%

Directors

Chairman	David Williams
Vice Chairman	Michael Alford
Treasurer	Rita Dennis
Secretary	Liz Gerstenberger
Director	Gail Morea
Director	David Eng
Director	Otto Maresh
Advisory Directors	Greg Ranft
	Eliza Paul
	Janet Kurtz

Audit Committee

Chairman	Greg Ranft
Member	Eliza Paul
Member	Janet Kurtz
Member	Lonnie Johnson, Sr.

Staff

President	Craig Atkinson
Vice President	Lois Krolczyk
Loans	Lynette Cannon
	Gwen Sweet
	Rony Molina
Accounting Assistant	Melissa Randles
Chief Teller	Gloria Garcia
Tellers	Paul Castillo
	Kita Leyva
	Maria Mahoney