“Bobcat at the Pool” original artwork by local award-winning artist Diana Madaras

Members can get this exclusive Madaras debit design instantly issued at any branch location, excluding our Voyager branch. Cards are also available online at HughesFCU.org/Debit
Continued Growth and Financial Strength
Hughes Federal Credit Union continues to grow providing new services and opportunities to our members while maintaining a strong, stable, and secure financial foundation. We have grown in assets, membership, services, products and community involvement. We are an active member of our community and have pride on our involvement and the impact we provide to not only our members, but to those in the areas we serve. Our current members continue to use our first-class products and services, and new members join us for the benefit of competitive loan rates, strong saving yields, and low fees. We remain committed to provide a positive difference in the financial lives of our members, and contribute to our community through our community outreach efforts.

We opened our new branch in October 29, 2018, to serve Vail, Rita Ranch, Corona de Tucson, and Tucson southeast communities. We are proud of our Vail branch and hope you will be too. It is a state-of-the-art signature branch that also keeps with the personal touch you are accustomed to. You are welcome to visit our new branch where our staff is eager to serve you.

Awards and Community Recognition
Awards and recognition result from our staff commitment and dedication to provide our members with products and service excellence.

- Forbes selected Hughes Federal Credit Union number one within Arizona banks and credit unions. Named “Best-In-State Banks and Credit Unions” by Forbes in June 28, 2018. Banks and Credit Unions were ranked nationally on recommendation, satisfaction, trust, term and conditions, branch services, digital services and financial advice.

- Hughes Federal Credit Union also received the top rating, the highest customer satisfaction score among all credit unions in the Mountain West Credit Union Association area that covers Arizona, Colorado and Wyoming.

- The Vail Chamber of Commerce recognized Hughes Federal Credit Union as a community contributor to the Tucson Southeast community. The Vail Chamber of Commerce presented the proclamation during the inauguration of the Vail branch this fall.

- Hughes Federal Credit Union was honored with a prestigious Community Impact recognition from the Mountain West Credit Union Association (MWCUA) at its 11th Annual Gala on October 26, 2018 in Phoenix. The MWCUA is the regional trade association representing 125 credit unions and 3.1 million credit union members in Arizona, Colorado and Wyoming. The Community Impact award recognizes a credit union for its commitment and dedication to the community it serves. Hughes placed as one of two finalists in the region for the Community Impact award receiving runner up for its Hughes Helps program.

- Hughes received three Diamond Awards from the Credit Union National Association (CUNA) Marketing and Business Council. The Diamond Awards are CUNA’s top honors, recognizing outstanding marketing and business development achievements in the credit union industry. The awards were presented to the Credit Union on March 13, 2018, at the Council’s 25th annual conference held in San Francisco, CA.

- Combining a low interest rate with a personalized card design feature gave the Hughes Federal Credit Union Visa® Platinum Card a top spot in CardRates.com “10 Best Credit Union Credit Cards of 2018,” published September 26, 2018. CardRates.com is an online financial resource aimed at educating consumers on credit cards and encouraging better credit decisions. Besides its customization feature, CardRates.com also highlighted the Hughes Platinum Visa credit card’s one low interest rate, no annual fee and limits of up to $25,000.

Community Outreach
- We are committed to continually improve the financial knowledge of our community. We have increased the people we reached with our financial education programs by 21% in 2018.
  - 21 local elementary, middle, and high schools
  - Numerous businesses and non-profits
  - Banzai online financial education

- Hughes Federal Credit Union granted $10,000 in scholarships to local high school students in 2018. Hughes has granted $70,000 in scholarships since 2005. Scholarship winners of the 13th Annual Hughes Scholarship were Maximillian Atkinson, Nicolas Dasper-Sullivan, Delany Harris, Julia O’Rourke and Nathan Schafer.

- Support of University of Arizona.
  - Over 30 athletic teams and university programs
  - Arizona Cancer Center
  - Diamond Children’s Medical Center

- News and upgraded services, please check with a service representative for details.
  - Checking PLUS enhancements
  - Now accepting businesses into new business partner program
  - Improved mobile banking app
  - Sallie Mae private student loans
  - Diana Madaras design debit card
2018 was another year of growth for Hughes Federal Credit Union. The Credit Union grew in assets, capital, deposits, loans and members. This makes eight years in a row that Hughes Federal Credit Union has grown in all five major categories.

Hughes Federal Credit Union marked 2018 by surpassing a billion dollars in total member savings. At yearend 2018, member savings equaled $1,015,772,244.00, an increase of $20,914,832.00 or 2.10% over the previous year. Credit Union assets totaled $1,143,261,151.00, an increase of $27,909,189.00 or 2.50% compared to total assets at yearend 2017.

Hughes Federal Credit Union granted 25,562 loans totaling $511,390,968.00 during 2018. At yearend, total outstanding loans to members equaled $1,046,534,523.00, an increase of $129,909,758.00 or 14.17% over the previous year. This is important because interest on loans provides the majority of the Credit Union's gross income (76% of gross income in 2018) from which we distribute dividends to our members, pay our operating expenses and increase our net capital.

During 2018 the Credit Union produced $66,132,290.11 in gross income. After paying operating expenses and distributing member dividends, Hughes Federal Credit Union increased its net capital by $8,193,778.74. Our increased net capital helps ensure continued financial strength and stability for our Credit Union. Hughes Federal Credit Union remained well-capitalized as your Credit Union's net worth ratio (the standard measure of a financial institution's strength and stability) measured 10.27% up from 9.79% at yearend 2017.

2018’s strong financial performance earned Hughes Federal Credit Union another BauerFinancial 5 Star (Superior) rating. Hughes Federal Credit Union has now earned a 5 Star (Superior) or 4 Star (Excellent) BauerFinancial rating for 115 consecutive quarters or over 28.75 years. If you would like to learn more about Hughes Federal Credit Union’s 5 Star rating visit BauerFinancial.com and click on Credit Union Star Ratings.

Strong financial performance combined with continued strong member loan demand has enabled Hughes Federal Credit Union to raise dividend rates. Effective January 1, 2019 dividend rates paid...
on health savings accounts, money market accounts, IRAs (Individual Retirement Account), IRA certificates and certificate accounts, have all been increased. Hughes Federal Credit Union’s savings rates have earned the Datatrac Great Rate Awards®. Datatrac is a financial research firm which maintains America’s largest interest rate database, comparing rates for more than 100,000 banking locations nationwide. Datatrac certified that Hughes Federal Credit Union offers 22 consumer banking products that outperform the market average by up to 283%. Current results of this research and a list of the award-winning products can be found at our website.

Hughes Federal Credit Union ended 2018 with 126,935 members a net increase of 10,279 members or 8.81% over the previous year. We encourage our newest members as we do all our members to make the most of their membership. Membership at Hughes Federal Credit Union means ownership in a local, Better Business Bureau accredited and A+ rated full service financial institution that has existed for over 67 years solely to benefit its member owners.

The Credit Union has a wide array of products and services designed to make a positive difference in our members financial lives. If you have a financial need just ask, chances are your Credit Union can service it.

One product we believe can benefit every member is our Checking PLUS account. Checking PLUS debuted in 2018 and is exclusive for Hughes Federal Credit Union members. Checking PLUS combines all the features of our traditional checking (Direct Deposit, a Visa Debit/ATM Card, online banking, mobile banking, bill pay, mobile deposit, account alerts, eStatement, and automatic transfers) with Benefits Plus which offers discounts on many products and services you won’t find anywhere else. Checking PLUS includes cell phone repair coverage, identity theft restoration, lowest prices and cash back on travel, movie and entertainment attraction discounts, discounted gift cards, a group dental discount plan, prescription discounts, vision care discounts and much more. Checking PLUS starts with a free, no obligation 90-day trial which makes it easy to experience everything first-hand.

In addition to the many participating national retailers and service providers, Checking PLUS also offers our members discounts at a growing list of local business partners. Over 50 local businesses have already signed on and our list of local businesses keeps growing. A merchant directory can be found at HughesFCU.org/LocalDiscounts

To join the many members who have already opened or upgraded to Checking PLUS just call 520-794-8341 or stop by any of our branches during regular business hours. Members upgrading their existing Hughes Federal Credit Union checking account to Checking PLUS keep their account number, checks, debit cards, bill pay and online banking making upgrading hassle free. The only thing that changes is that you receive immediate access to all the discounts and savings on products and services provided by Benefits Plus. Try it free for 90 days. A $5.95 monthly fee applies after the free 90-day no obligation trial and you may cancel at any time.

2018 also saw the opening our newest branch located at 9036 S. Houghton Road in the Houghton Town Center. We are pleased to provide this new full-service facility to our many members who live and work in the growing areas of southeast Tucson and Vail. While this new branch utilizes new technology and the teller stations look different, it is fully staffed with our friendly teller and member service representatives to provide the personal service our members deserve.

At Hughes Federal Credit Union our cooperative form of corporate governance ensures that all earnings of the Credit Union are returned to our members in the form of affordable financial services. This is what differentiates your Credit Union from other financial institutions. Your Board of Directors is comprised of volunteer members elected by our membership. Our volunteer Board of Directors is tasked with providing financial products and services that make a positive difference in our members’ financial lives while maintaining the long-term financial strength and stability of our Credit Union.

The success of our Credit Union is totally dependent on the participation of our members. If you are not participating in our services, we encourage you to do so. If you are, we thank you and ask you to refer family, friends, co-workers and neighbors. Hughes Federal Credit Union membership is open to anyone who lives, works, worships, or attends school in Tucson. Anyone interested can call 520-794-8341 for more information on membership eligibility.

Hughes Federal Credit Union continues to grow and throughout the past 67 years much has changed. But what is most important is what has not changed. We remain a member owned and operated financial cooperative in existence solely for the benefit of you our members. Thank you to our volunteer Board of Directors and Supervisory Committee members for their dedication, direction and support. Thank you to the staff for their hard work and dedication ensuring our members’ financial needs are met on a daily basis. And as always and most importantly, we want to thank you our members for your continued patronage and support of our Credit Union. So thank you for your membership and on behalf of the management and staff of your Credit Union we wish you a happy, healthy and prosperous 2019.
Your Hughes Federal Credit Union supervisory committee is assigned many vital responsibilities which we take seriously to ensure that each credit union member’s interests are protected. These include but are not limited to the following:

- Retention of a reputable accounting firm for the independent annual Credit Union audit.
- Overseeing the performance of outside agency audits including those for the Bank Secrecy Act, Office of Foreign Assets Control, and other Federal regulations.
- Attend the monthly board meetings.
- Make branch visits.
- Assure timely pickup of supervisory committee mail and Credit Union returned mail for review.
- Addressing member concerns and ensuring a timely response is given for each.
- Ensuring that staff is receiving required and continuing training to do a high-quality job for each Credit Union member.

These are a few of the required activities that your supervisory committee performs to ensure that Hughes Federal Credit Union remains a financially sound institution with continuing growth for its current and future members.

Your Credit Union continues to receive high ratings in all categories by our auditors and the National Credit Union Administration (NCUA), our federal regulator. This could not have been possible without the discipline, commitment, and work ethic of the entire Credit Union staff. We are proud of your efforts and thank you for the dedication to your Credit Union.

We would like to acknowledge the excellent work completed every day by the Hughes Federal Credit Union internal audit team that ensures continuing compliance with the many rules and regulations.

Hughes Federal Credit Union’s financial condition continues to remain strong with even greater growth projected into the future. With the unparalleled commitment of the board, supervisory committee, Credit Union employees and management team, we will continue to perform at a high standard for our Credit Union members today and tomorrow.

**Annual Meeting Entertainment**

Hughes is pleased to present Manny Herrera as entertainer at our 67th Annual Meeting

Manny Herrera has been a major artist for many events in Tucson. His music currently features tributes to unforgettable artists like Frank Sinatra, Dean Martin, Perry Como, Bobby Darin, Andy Williams, and Nat King Cole among others. His versatility includes music from the 50s, 60s, and 70s as well as Latin and Mariachi songs, holiday music, and gospel music.

Manny has five CDs of his music available and will soon be working on his sixth album. He really enjoys sharing his talent and bringing listening pleasure to others.

**Celebrate the Southwest**

with our newest Diana Madaras debit card design!

Hughes Federal Credit Union celebrates our natural desert environment with the latest addition to our line of popular Debit Cards. Wildlife lovers will enjoy the exclusive, bold “Bobcat at the Pool” design, by local artist Diana Madaras, released due to the popularity of her award-winning “Finger Rock” design. With this card, you’ll receive a 10% discount on select merchandise at the Madaras Gallery. You’ll also receive great Hughes benefits such as Checking PLUS with Benefits Plus® offering savings on many products and services, free access to 30,000+ surcharge free ATMs, and outstanding savings rates.*

$5 will be donated to the Tucson Wildlife Center for each Bobcat Debit Card opened. Add a bit of Tucson to your wallet today!

*Insured by NCUA. *Use of the Madaras card entitles users to a 10% discount on merchandise with Diana Madaras images at the Madaras Gallery on 3035 N. Swan Road, Tucson AZ. Certain restrictions apply. Excludes work by guest artists. Offer good through 12/31/19.
Nominating Committee Report
Submitted by Magda Campbell, Alicia Montano and John Sansbury

The Nominating Committee submitted the following names of candidates to serve on the Hughes Federal Credit Union board of directors. There are three openings on our board. The nominees with the three highest number of votes will serve a three-year term. Eligible members of voting age, 16 years and older, may vote at the annual meeting. Must be present to vote. One vote per primary member. No nominations are accepted from the floor.

Ashesh Bhalala*
Ashesh has been a member of Hughes Federal Credit Union for 33 years. He is a Senior Manager at Raytheon Missile Systems Company where he has worked in engineering design and development since 1985. He has more than 21 years of management experience at Hughes/Raytheon.

Ashesh received his Bachelor of Science and Master of Science degrees in Electrical Engineering from the University of Arizona. He joined the Credit Union shortly after starting his work at Hughes and subsequently volunteered as a member of the supervisory committee. Ashesh served on the supervisory committee for ten years, five of these years as the supervisory committee chairman. The supervisory committee position gave him an understanding on the issues and concerns of the membership as well as a clear understanding of the Credit Union operations.

Ashesh has served our Credit Union as a board of director since August 2012. His commitment to the Credit Union membership and philosophy has been evident throughout his 16 years as a volunteer. Mr. Bhalala welcomes the opportunity to continue to serve the Credit Union membership and the Credit Union board of directors.

Richard W. Chatfield
Richard has been a member of Hughes Federal Credit Union since 1984 and a resident of Tucson since 1972.

As a longstanding member of Hughes, Richard hopes to have the opportunity to reciprocate the years of excellent service he has enjoyed through service on the board of directors. Richard has over 30 years of experience as an engineer and project manager, continuing his support throughout the years, from Hughes Aircraft Company to Raytheon Missile Systems.

He has earned the Raytheon Excellence in Engineering Award and has received Engineering Honors as Senior Principal Engineer. Richard received his Bachelor and Master of Science Mechanical Engineering from the University of Arizona.

Linda Brickman
Linda has been working on building coalitions and fundraising for many political campaigns since the early 1980s. From working at the grassroots level, building coalitions, doing fundraisers, collecting endorsements for candidates, as well as being a campaign manager, her expertise as a political operative has proven effective.

Linda was instrumental in getting presidential candidates’ early endorsements from Arizona Governor, Doug Ducey and the National Federation of Republican Assemblies. Linda brings with her the 30+ years of business knowledge, political expertise and a personal recognition of many contacts in all walks of life.

Linda graduated as a Certified Nursing Assistant (CNA) from Southwestern Medical Preparatory College in Phoenix, Arizona and received her Certified Paralegal in Regulatory and Constitutional Matters in 1983.

Mary M. Kaluske
No stranger to the world of finance, Mary looks to bring her 30 years of expertise as a top-performing executive to the Hughes Federal Credit Union Board of Directors.

From Vice President of Regional Sales and & Operations Manager to Senior Vice President of Regional Market Banking Manager, Mary has managed operations across multiple states to consistently ensure growth in banking, brokerage, insurance and investments were achieved within each market.

Mary has served on multiple boards including the American Heart Association, United Way of Michigan and the Southern Arizona Home Builders Association. Mary received her Certified Financial Planning Certificate in 2002 and graduated with a Bachelor of Business Administration from Davenport University.
Adolfo Perez, Jr.

Currently an active Utternik.com board member, Adolfo Perez, Jr. hopes to bring his years of experience of working in the financial industry to the Hughes Federal Credit Union board of directors.

Throughout his professional career, Adolfo has held positions in various financial categories, from operations and marketing to mortgages and loans. During his time as AVP Operations Manager at Fremont Investment & Loan, Adolfo produced the lowest audit discrepancy issues, which earned him the Computer Operation Lead Award. In 2015, Adolfo gained the highest rate of return for his department at Fannie Mae, which added more than $12,700,000 to the bottom line for taxpayers.

Adolfo studied Business Administration & Sociology at Orange Coast College and is fluent in English and Spanish.

Roberta Reeves*

Roberta was employed at Hughes Missile Systems Company for 34 years prior to retiring December 1989. She has served on Hughes Federal Credit Union’s board of directors since 1989, and has been a Credit Union member for 59 years. Additionally, she has completed the Volunteer Achievement Program, a training program for credit union volunteers. Along with being secretary of the board, Roberta’s involvement includes serving on the educational/marketing, annual meeting, facilities planning and human resources committees. Ms. Reeves received the Rose Mofford Volunteer of the Year Award for individual distinguished service to the credit union movement in Arizona. She welcomes the opportunity to continue to fulfill her duties as a member of Hughes Federal Credit Union’s board of directors.

Roberta Reeves*  

*INCUMBENT SERVING ON BOARD

Robert Swick*

Robert has been a Hughes Federal Credit Union employee and member for 33 years. He has served as Finance Manager, VP of Finance and Data Processing, and Sr. Vice President. In 1999, he became President and General Manager of the Credit Union. He has reported on the Credit Union’s financial position to the board of directors since 1987, served on numerous board committees, and has been Board Treasurer since 2000. Currently, Robert serves on the asset/liability management, budget, compliance, computer systems, delinquent loans, executive, facilities planning, human resources, investment, loan appeals and sales and service committees.

Robert graduated from the University of Arizona with a Bachelor of Science degree in Business Administration, with a double major in Accounting and Management Information Systems. Mr. Swick welcomes the opportunity to continue to serve the Credit Union membership and the Credit Union board of directors.

2018 Board of Directors

1. Juan Gonzalez – Chairman
2. Rich Miller – Vice Chairman
3. Robert Swick – Treasurer
4. Roberta Reeves – Secretary
5. Ashesh Bhalala – Member
6. Willis Fagg – Member
7. Mary Middleton – Member
8. David Ortega – Member
9. Chad Marchand – Member

Supervisory Committee

A. Fabian Cordova – Chairman
B. Charles LaDue – Secretary
C. Jim Hall – Member
D. Robert Shaub - Member
67th Annual Meeting
When: 3pm, Saturday, April 27, 2019
Where: Amphi High School Auditorium
125 W. Yavapai Road, Tucson AZ

Meeting Agenda
1. Call to order
2. Approval of 66th Annual Meeting Minutes
3. Committee reports
4. Unfinished business
5. New business
6. Election
7. Scholarship winners
8. Entertainment by Manny Herrera
9. Election results
10. Drawing for cash prizes
11. Adjournment

Prize Drawing
$1,500 IN CASH PRIZES

1st Prize $500
2nd Prize $400
3rd prize $300
4th prize $200
5th prize $100

You must be present to win. Prize drawing closes at 3:30pm.

Handicapped parking
Handicapped parking is available in the main parking lot.

Interpreter
An interpreter for the hearing impaired will be provided. The interpreter will be located in the front, right corner of the auditorium.

Notice
Photographs and film footage may be taken during this event. By attending this event, you consent to being photographed or filmed. Hughes Federal Credit Union may use the photographs or film in print, digital, video or web based format for its promotional and archival purposes. For further information, please contact us at Email@HughesFCU.org.

Visit one of our convenient branches. Select branches open Saturdays!*

Cortaro Branch*
7820 N. Cortaro Rd.
Hermans Road Branch
951 E. Hermans Rd
Pantano Branch*
280 N. Pantano
Speedway Branch
3131 E. Speedway

Thornydale Branch*
7970 N. Thornydale
Vail Branch*
9036 S. Houghton Rd
Voyager Resort Branch
8701 S. Kolb
Wetmore Branch*
971 W. Wetmore

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