

## Membership Makes the Difference!

### DCU Main Office

920 NW Stallings Drive  
Nacogdoches, TX 75964

Tel: 936.569.7700

Toll: 1.800.424.2786

Fax: 936.560.5701

Hours: M-F: 8:30 a.m. - 5:00 p.m.

Sat: 8:00 a.m. - 12:00 p.m.

(Drive-thru Only)

### University Drive Branch

823 South University Drive  
Nacogdoches, TX 75964

Tel: 936.205.5925

Fax: 936.205.5929

Hours: M-F: 8:30 a.m. - 5:00 p.m.

## Doches Credit Union Staff

### Main Office

Jamie Flores

Cody Derouen

Kristi Spencer

Zoila Pacheco

Laura Daniels

Ashley Harris

Edith McCrumby

Jordan Scarborough

Amanda Gallegos

Kelly McClure

Jason Cuadra

### Center Branch

Emily Price

Norma Ruiz

Andrea Martinez

### University Drive Branch

Yessica Holliman

Priscila Chalco

Traniecia LaRode

### Hemphill Branch

Geana Russell

Paula Lloyd

Felicia Parks

### County Credit Union

815 Hurst Street

Center, TX 75935

Tel: 936.598.2330

Fax: 936.598.9362

Hours: M-F: 8:30 a.m. - 5:00 p.m.

Website: [www.dochescu.com](http://www.dochescu.com)

### Hemphill Branch

498 Worth Street

Mailing: P.O. Box 217

Hemphill, TX 75948

Hours: M-F: 8:30 a.m. - 5:00 p.m.

Email: [info@dochescu.com](mailto:info@dochescu.com)

# 2016 Annual Meeting

Thursday, February 4th & Friday, February 5th



Growing Together Since 1951

## Meeting Agenda

- Thursday February, 4th at 12:00pm
  - Welcome: Chairman of the Board
  - Ascertain Quorum
  - Distribute Annual Meeting Packets
    - Election Instructions
    - Ballot
    - Minutes from the 2015 Annual Meeting
    - Performance Reports
    - Audit Committee Report
    - Member Comments/ Suggestions/ Questions
  - Door Prizes (Attendance award at opening of meeting  
(Must be present to win))
- Thursday, February 4th & Friday, February, 5th
  - Board Member Voting
  - Snacks & Refreshments available at all branches
- Friday, February 5th at 5:00pm
  - Ballot Collection at all branches
  - Annual Meeting Door Prizes Drawing (need not be present to win)
- Adjourn

### Board of Directors

	<u>Term</u>
Orren Schmidt, Chairman	2018
Freddie Gibson, Vice Chairman	2018
Edeska Barnes	2018
Selita Hoya	2017
Joyce Strickland	2017
Pam Pagano	2017
Joey Michelle	2016
Joshua Moore	2016
Mary Riding / Marcela Coe	Advisory

## About Doches Credit Union

Doches Credit Union is a not-for-profit financial cooperative that provides a full line of affordable financial services to our member-owners. Our four branches provide services to member-owners in Nacogdoches, Shelby, and San Augustine counties located in the heart of East Texas' piney woods. Our credit union members include individuals who live, work, or worship in these three counties, as well as their families.

Founded on November 7th, 1951 in the oldest town in Texas, Doches Credit Union has grown to serve over 7,000 members and more than \$40 million in assets. The original field of membership was for employees of Southwestern Bell and Lufkin Conroe Telephone Exchange. This field of membership has since grown to include all community members that live, work, or that worship in Nacogdoches, Shelby, Sabine and San Augustine counties.

Doches Credit Union's overall mission is to create a quality, life-long financial relationship with our members by providing valuable financial products and services that meet their financial needs. Our vision is to advocate the credit union philosophy of "People Helping People" by providing exceptional financial services to all qualified members within our field of membership.

DCU's philosophy begins and ends with understanding and meeting member needs. Member-owners are at the forefront of all decisions made. As a result, DCU offers a full array of financial services including low-rate consumer loans, high-yield savings programs, systematic savings and investments, free checking and debit options, and online services. For more than 60 years, DCU has been an important contributor to the local economy. We remain dedicated to serving the communities in which we operate. We would like to thank you for your membership.



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# 2015 Annual Report

## President's Report/ Consolidated Statement Financial Condition

Description	2014	2015
Total Loans	\$19,104,094	\$21,250,621
Allowance for Loan Loss	(98,030)	(101,103)
Cash/Deposits	580,333	1,107,521
Total Investments	19,896,047	17,030,521
Other Assets/Receivables	1,367,841	1,596,295
Prepaid Expense/Insurances	53,841	144,670
<b>Total Assets</b>	<b>\$40,903,567</b>	<b>\$40,938,582</b>
<b>Total Liabilities</b>	<b>\$(635,971)</b>	<b>\$(124,964)</b>
Total Member Deposits	36,301,317	35,609,796
Total Capital	5,238,221	5,453,750
<b>Total Liabilities/Capital</b>	<b>\$40,903,567</b>	<b>\$41,063,546</b>
Total Income	\$1,754,573	\$1,947,775
Total Expense	1,369,500	1,560,208
Total Dividends	153,552	131,581
Non-Operating Income	1,324	0
<b>Net Income</b>	<b>\$232,845</b>	<b>\$256,415</b>

Loans Outstanding Increased 11%

Deposits Decreased 1\$

Assets Increased .01%

Capital Increased 4%

Year End 2015 Total Members 7,560

Total Income was over budget

Total Expense was over budget

Net Income was over budget

### **Other Accomplishments**

- Opened new Branch building in Hemphill to serve Sabine County
- Change in senior management: Jamie Flores Promoted to CEO



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MINUTES FOR THE 63<sup>rd</sup> ANNUAL MEETING OF  
DOCHES CREDIT UNION  
FEBRUARY 12-13, 2015  
920 NW STALLINGS, NACOGDOCHES, TEXAS

Directors Present: Orren Schmidt, Joyce Strickland, Selita Hoya, Pam Pagano,  
Joey Michelle, Freddie Gibson, Edeska Barnes, Josh Moore

Directors Absent: None

Chairman Orren Schmidt called the meeting to order at 12 noon on Thursday  
February 12<sup>th</sup> after it was determined a quorum was present. He welcomed  
members in attendance, and turned the floor over to the President Lynch. Members were  
invited to ask questions or make comments to Darrel Lynch or other staff members.

Roger Miller made a motion to declare the voting session open, and to allow  
members at all of the branches to vote from this point until 12:00 PM Friday (2/13/15).  
Alice Schmidt seconded the motion, and the motion carried. The ballots were reviewed,  
noting that three candidates were listed on the ballot, reviewing and approving of the  
minutes was needed, and the procedure for write in candidates was explained. Members  
were invited to take a copy of the annual report which  
contained operational reports, a copy of the 62<sup>nd</sup> annual meeting minutes to be  
approved, and the December 31, 2014 financial report.

As there was no other business to consider, the procedures for registering for door prizes  
were explained, and it was explained that the meeting would continue until Friday at  
12:00 PM.

The meeting was adjourned at 12:00 PM, Friday February 13<sup>th</sup>. The president was as-  
signed to collect the votes from each branch. After a preliminary count was performed,  
the nominees Orren Schmidt, Freddie Gibson, and Edeska Barnes were declared the win-  
ners. A final count will be performed later, to confirm the results.

As there was no other business, a motion was made by Selita Hoya, and seconded by Joey  
Michelle to adjourn the meeting of the membership. The motion carried, and the members  
were invited to enjoy the refreshments.

Total ballots cast = 148 (main =94, Center=14, University=33, Hemphill=7)

Edeska Barnes=88, Freddie Gibson=116, Orren Schmidt=101,  
Robert Wiggins=1 (write-in)

Approve minutes as written=130  
Approve with suggested change=0

X \_\_\_\_\_ CHAIRMAN Date \_\_\_\_\_

X \_\_\_\_\_ SECRETARY Date \_\_\_\_\_

Audit Committee Report for 2015

Doches Credit Union is a state chartered credit union regulated by the Texas Credit Union  
Department (TCUD, Austin, Texas) and the National Credit Union Administration  
(NCUA, Washington, DC) and is subject to their rules and regulations. In addition, the  
deposits of our member-owners are insured by the National Share Insurance Fund, a  
Federal Government entity under the direction of the NCUA. New financial institution  
regulations have required DCU, and all other credit unions, to contract and pay for more  
audits than ever before.

Credit Union Resources, Inc was on site in late 2014 to perform an ATM safety  
evaluation for the main and center branches. This report was received and reviewed in  
mid 2015. The primary focus of the report was the need for improved lighting which was  
installed in the third quarter of 2015.

A 748 security risk assessment audit was performed in late 2014 and reviewed by staff in  
mid 2015. This comprehensive audit covered all areas that might present a risk for DCU.  
Primary areas highlighted were: staff training and additional physical and cyber security  
measures. Recommendations from the report have been prioritized and are being  
addressed.

An automated clearing house audit was performed by Credit Union Resources, Inc and  
reviewed by staff in late 2015. The primary focus of this report was additional staff  
training, use of new disclosure forms, and performing self audits and risk assessments all  
of which have been addressed.

Credit Union Resources, Inc performed a bank secrecy act, customer identification, and  
Office of Foreign Asset Control audit in may 2015. The primary focus was additional  
staff training which is being addressed.

In September 2015, Credit Union Resources, Inc performed an external vulnerability  
assessment to test the effectiveness of DCU's computer system safeguards. No negative  
findings were reported. To ensure our safeguards remain effective, these assessments will  
continue periodically.

DCU's 2014 990tax exempt organization tax return was filed in March 2015; staff  
submitted information to our CPA firm, Axley and Rode, who filed the report.

Credit Union Resources, Inc performed a supervisory committee audit for the 15 month  
period ending March 31, 2015. The auditors recommended updates to some loan policies  
and disclosures, upgrade documentation of several certificate of deposits complete  
reconciliation of the new branch construction, and accounts payable.

The Texas Credit Union Department performed a regulatory exam in early December for  
the 18 month period ending September 30, 2015. The department asked us to add  
additional funds to our allowance accounts, and fully reconcile GL 721.

Management and staff performed monthly "manager audits" on overdrawn accounts,  
account maintenance, and loan due dates, dormant accounts, and unrepresented checks.

Pam Pagano, Audit Committee Chairperson