

2014 ANNUAL MEETING


THURSDAY, FEBRUARY 13TH & FRIDAY, FEBRUARY 14TH

AS A MEMBER OF DCU YOU ARE
NOT JUST A CUSTOMER YOU ARE A
MEMBER-OWNER

YOUR CREDIT UNION IS AN
ASSOCIATION OF "PEOPLE HELPING
PEOPLE" NOT OF CORPORATE
PROFIT.

YOU, AS A MEMBER-OWNER, HAVE
A VOICE AND A VOTE IN GOVERNING
THE CREDIT UNION.

THAT'S WHY I LOVE MY DCU!

I 
MY
DCU
DOCHES CREDIT UNION

BOARD OF DIRECTORS TERM

Orren Schmidt, Chairman	2015
Freddie Gibson, Vice Chairman	2015
Joyce Strickland, Secretary	2014
Pam Pagano, Treasurer	2014
Jim Boiles	Vacant
Selita Hoya	2014
Joey Michelle	2016
Candace Moore	2016
Joshua Moore	2016

STAFF

DCU MAIN OFFICE

James Muse

Sue Garcia

Cody Derouen

Kristi Spencer

Zolla Pacheco

Ashley Nunn

Amanda Gallegos

Kelly McClure

Crystal Burton

CENTER BRANCH

Amber O'pry

Laura Blackshire

Norma Ruiz

DCU UNIVERSTIY BRANCH

Jamie Flores

Yessica Holliman

Priscila Chalco

Jordan Scarborough

HEMPHILL BRANCH

Geana Russell

Meeting Agenda

Welcome: Chairman of the Board ●
Orren Schmidt

Ascertain Quorum ●

Distribute Annual Meeting Packets ●

- Election Instructions -
- Ballot -
- Minutes from the 2013 Annual Meeting -
- Performance Reports -
- Audit Committee Report -
- Member Comments/Suggestions/Questions -

Door Prizes ●

- Attendance award at opening of meeting -
(must be present to win)
- Periodic awards Thursday - Friday -
(need not be present to win)

Collection and Count of Ballots ●

Adjourn ●



2014 Annual Report

FINANCIAL REPORT AS OF 12/31/2012

	2012	2013
REGULAR LOANS	\$11,243,840	\$12,124,259
RISK BASED	700,652	577,048
REAL ESTATE	1,821,295	2,039,278
MASTERCARD	358,692	367,233
INDIRECT	207,084	469,064
RECOURSE	294,080	664,942
SHARED SECURE	1,023,275	1,294,279
TOTAL LOANS	\$15,664,270	\$17,536,103
LOAN LOSS ALLOWANCE	<132,777>	<110,319>
OTHER ALLOWANCE	<5,415>	<3,848>
CASH ACCOUNT & RESERVE ACCOUNTS	1,907,778	2,682,442
NCUSIF	313,705	311,651
INVESTMENTS	16,267,660	18,867,409
RECEIVABLES	104,502	117,892
PREPAIDS	78,372	235,412
FIXED ASSETS	918,328	950,371
TOTAL ASSETS	\$35,116,422	\$40,587,115
TOTAL LIABILITIES	\$110,933	\$152,705
DEPOSITS		
SHARE ACCOUNTS	\$12,544,076	\$15,533,624
CHECKING ACCOUNTS	2,200,865	2,478,125
CERTIFICATES OF DEPOSIT	7,223,766	8,758,108
INDIVIDUAL RETIREMENT ACCOUNTS	2,133,574	2,027,860
MONEY MARKETS	6,581,917	6,125,869
OTHER SHARES	527,768	491,269
TOTAL DEPOSITS	\$31,211,966	\$35,414,855
RESERVES	\$3,793,520	\$5,019,555

INCOME/EXPENSE STATEMENT AS OF 12/31/2013

	2012	2013
INCOME		
LOAN INTEREST	\$1,072,402	\$1,031,500
INVESTMENTS	189,205	163,726
FEES/CHARGES	374,923	410,053
TOTAL INCOME	\$1,636,530	\$1,605,278
EXPENSE		
SALARY/BENEFITS	\$642,359	\$644,320
OPERATIONS	483,137	565,513
ALLOWANCE	129,000	29,730
DIVIDENDS TO MEMBERS	224,720	173,982
TOTAL EXPENSE	\$1,479,216	\$1,413,545
NET INCOME	\$157,314	\$191,733



LENDING ACTIVITY REPORT

YEAR	TOTAL LOAN OUTSTANDING	AVERAGE LOAN BALANCE
1998	\$9,328,968	\$4,681
1999	\$10,968,115	\$5,742
2000	\$13,107,185	\$6,591
2001	\$12,058,149	\$6,741
2002	\$11,807,604	\$6,621
2003	\$11,851,139	\$6,932
2004	\$12,940,366	\$7,330
2005	\$15,345,699	\$8,942
2006	\$16,107,864	\$9,347
2007	\$16,153,052	\$9,235
2008	\$16,864,034	\$9,607
2009	\$17,655,772	\$9,287
2010	\$17,180,588	\$9,056
2011	\$15,726,058	\$8,459
2012	\$15,664,270	\$8,625
2013	\$17,536,103	\$7,433

NUMBER OF NEW LOANS: 2730

AMOUNT OF NEW LOANS: \$10,277,956

RESERVES FOR LOAN LOSSES: <\$110,319>

LOANS CHARGED TO LOSS: \$75,969



MINUTES FOR THE 61st ANNUAL MEETING OF DOCHES CREDIT UNION

FEBRUARY 14-15, 2013

920 NW Stallings, 823 S. University, 815 Hurst

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

Directors Absent: Candace Moore, Jim Boiles

Chairman Orren Schmidt called the meeting to order at 12 noon on Thursday February 14th after it was determined that a quorum was present. He welcomed members in attendance and explained that each location of Doches Credit Union was open for members to vote during the remaining hours of operation on Thursday and Friday. The ballot was reviewed with the four members on the ballot, approval of the minutes, and write-in candidates. Members were invited to take a copy of the annual report which contained operational reports, a copy of the minutes to be approved, and the December 31, 2012 financial statement.

Members were invited to ask questions or make comments to James Muse, President or other staff members. As there was no other business to consider, the procedures for registering for door prizes was explained and the first cash prize of \$150 (drawn from those in attendance) was awarded.

The Annual Meeting continued until 5:00 pm Thursday, resumed at 8:30 am Friday and was adjourned at 5:00 pm Friday.

James Muse and Cody Derouen collected and counted the ballots the ballots with the following results:

Election results are noted as follows:

Total ballots cast 673 (Main-303; County-140;
Universtiy - 230)

Ballots cast to approve minutes 462

Ballots for Board of Director positions:

Candace Moore 501

Joshua Moore 421

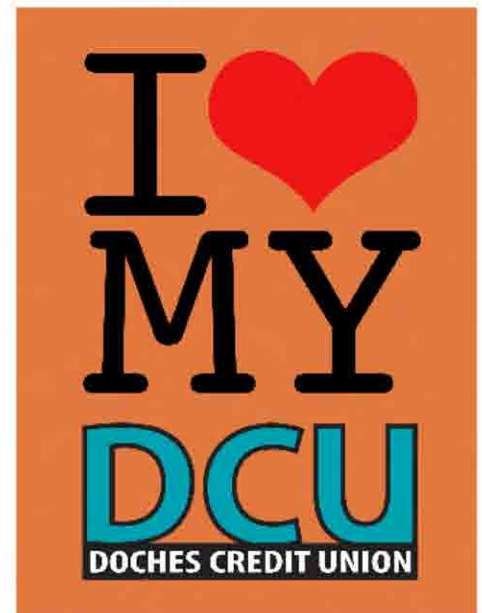
Pam Pagano 407

Joey Michelle 439

Non-Employee Write-ins (one vote each)

Rolando Ybarra, Curtis Upshaw,

Clifton Capiti, Keri Page, Charlarles R. Daniels



Presidents Report as of 12/31/2013
Financial and Operation Comparisons



- Loans outstanding decreased 12%
- Deposits decreased 13.5%
- Assets decreased 15.6%
- Capital increased 32%
- Total income was 4% under budget, total expenses were 10% under budget, and net income was 90% over budget.
- New members 864 - Making a total of 7,285 members
- New loans 2,730; Total Loans Outstanding \$17,536,103
- Sample of 2012 Operational Accomplishments:
 - Purchased "Loan Desk" software to automate loan processing
 - Merger with Toledo Bend Teachers Credit Union
 - Purchase of property in Hemphill for full service branch
 - Contracted with "Lendgistics" to offer financing at selected dealerships
 - Converted debit cards to a live system
 - Large increase in member participation at 2013 Annual Meeting
 - Converted collateral insurance to a blanket policy
 - Contracted with "Credit Union Members Mortgage" to offer mortgages
 - Upgraded computer equipment
 - Financial performance to budget
- Bylaw and Articles of Incorporation
 - Merger of Toledo Bend Teachers Credit Union into DCU
 - Granted community charter to serve Sabine County residents
- Senior Management
 - President - James Muse - No change in 2012
 - Controller - Sue Garcia - No change in 2012

Membership Makes the Difference!

Audit Committee Report for 2013

Doches Credit Union is a state-chartered credit union regulated by the Texas Credit Union Department and the National Credit Union Administration (NCUA) and subject to their rules and regulations. In addition, the member-owners deposits are insured by the National Credit Union Share Insurance Fund, a federal government entity under the direction of the NCUA.

A 100% Verification of savings accounts as of September 2011 produced a report we received in February 2013. The auditors had all statement envelopes printed with their PO Box address so that returned and undeliverable statements would be in their control. Special attention was given to accounts that were flagged as “bad address” and to “return mail” statements. Staff was instructed to find good addresses on these returns. Two member inquiries were referred to staff: one contained a change of address and the other questioned why an ACH item drawn on a savings account was returned.

An audit team from the Texas Credit Union League (TCUL) was on site in January to review the period from 8/1/11 to 12/31/12. The auditors recommended that DCU should begin using closed end lending on secured loans and strengthen record keeping on the investment portfolio; in addition they asked that a page of our Allowance Account Evaluation be reworked. The Audit report also noted that DCU remains well capitalized.

An exam team from the Texas Credit Union Department was on site after the TCUL auditors finished. They recommended changes to our mortgage lending documents and policies, noted several exceptions on consumer loans, called for Independent testing on some aspects of our lending, and required proof of the lending license credentials that resulted from recent legislation.

Our 990T was completed and submitted by the CPA firm Axley & Rode under a Tax Engagement audit that was finished in May 2013.

Management and staff performed monthly “Manager Audits” on overdrawn accounts, account maintenance, loan due dates, dormant accounts, and unrepresented checks.

The next Bank Secrecy Act audit is scheduled for early February 2014.

Members of the Audit Committee for the year included Jim Boiles, Candace Moore, Freddie Gibson and myself.

Pam Pagano, Audit Committee Chair



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 full service member financial branches provide services to member-owners in Nacogdoches, Shelby, San Augustine and Sabine Counties located in the heart of East Texas' piney woods. Our member-owners include individuals who live, work, or worship in these four 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, and San Augustine counties. In 2013 a merger with Teledo Bend Teach Credit Union expanded DCU's reach into Sabine County allowing all community members to join the credit union.



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.

Membership Makes the Difference!

Membership Makes the Difference!

LOCATIONS

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.

Center Branch

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.

Hemphill Branch

(Located on HWY 83 West)
P.O. Box 217
Hemphill, TX 75948
Tel: 409.787.4161
Fax: 409.787.9979
Hours: M-F: 8:30 a.m. - 5:00 p.m.

Website: www.dochescu.com

Email: info@dochescu.com



Stay up-to-date with your credit union!

