

# 2022 ANNUAL MEETING

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## ABOUT YOUR 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 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 11,000 members and more than \$50 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 philosophy begins and ends with understanding and meeting member needs. The Credit Union's member-owners are at the forefront of all decisions made. As a result, your credit union 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 70 years, Doches Credit Union has been an important contributor to the local economy and have remain dedicated to serving the communities in which we operate.

When you join Doches Credit Union, you become a member and owner of the financial cooperative. Earnings are returned to you through a broad range of convenient services, attractive rates, and lower fees.

## *Membership Makes The Difference!*

**Doches Credit Union's 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.**

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# Annual Meeting Agenda

## Thursday, February 10th at 12:00 pm

- Welcome: Chairman of the Board
- Ascertain Quorum
- Distribute Annual Meeting Packets
- Election Instructions
- Ballot
- Minutes from the 2021 Annual Meeting
- Performance Reports
- Audit Committee Report
- Member Comments/ Suggestions/ Questions
- Door Prizes -award at opening of meeting\*

\* Must be present to win

- **Thursday, February 10th & Friday, February 11th**
  - Board Member Elections
  - Snacks & refreshments available at all branches
- **Friday, February 11th at 5:00 pm**
  - Ballot Collection at all branches
  - Annual Meeting Door Prizes Drawing\*  
\*(need not be present to win)
  - Adjourn

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## Your Board of Directors

### Board Of Directors

	<u>Term</u>
Freddie Gibson, Chairman	2024
Edeska Barnes, Vice Chairman	2024
Clara Bryant	2024
Pam Pagano	2023
Selita Hoya	2022
Joseph Ramirez Jr.	2023
Joshua Moore	2022
Brian Eggebrecht	2023
Anna Middlebrook	Advisory
Chuck French	Advisory

### What's the Role the Board?

Working together in a constructive partnership with management, the Board of Directors has the responsibility for establishing and shaping the vision, mission and goals of the credit union as well as providing ongoing oversight to ensure the financial soundness and sustainability of the financial institution.



Let it never be forgotten that a credit union is, above all else, an association of people, not dollars.

- Alphonse Desjardins



# 2021 ANNUAL REPORT

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# Statement of Financial Conditions

DESCRIPTION	2020	2021
Total Loans	\$27,974,996	\$35,218,442
Allowance for Loan Loss	(231,424)	(376,334)
Cash/Deposits	2,597,476	2,336,301
Total Investments	27,310,428	28,857,616
Other Assets/Receivables	1,433,873	1,759,478
Prepaid Expense/Insurances	41,440	54,879
<b>Total Assets</b>	<b>\$59,136,789</b>	<b>\$67,850,398</b>
Total Liabilities	\$(1,197,631)	\$(82,159)
Total Member Deposits	53,335,173	60,464,139
Total Capital	6,999,246	7,468,418
<b>Total Liabilities/Capital</b>	<b>\$59,136,789</b>	<b>\$67,850,398</b>
Total Income	\$3,194,893	\$3,447,424
Total Expense	2,416,704	2,703,510
Total Dividends	270,439	283,253
Non-Operating Income	(30,156)	9,265
<b>Net Income</b>	<b>\$477,592</b>	<b>\$469,925</b>

**2,207**

NUMBER OF NEW LOANS

**25.89%**

TOTAL LOANS INCREASED

**14.73%**

TOTAL ASSETS INCREASED

**\$24,697,477**

NEW LOANS (DOLLAR)

**13.37%**

MEMBER DEPOSITS INCREASED

**6.70%**

TOTAL CAPITAL INCREASED

**11,267**

YEAR END TOTAL MEMBERS

TOTAL INCOME  
OVER BUDGET

TOTAL EXPENSE  
OVER BUDGET

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# MINUTES FOR THE 69TH ANNUAL MEETING OF DOCHES CREDIT UNION

FEBRUARY 11-12, 2021  
920 NW STALLINGS DR  
NACOGDOCHES, TX

**Board Directors Present:** (By Phone due to COVID) Freddie Gibson, Edeska Barnes, Selita Hoya, Joseph Ramirez, Josh Moore, and Pam Pagano

Mr. Gibson, Chairman of the Board, called the meeting to order at 12:00p.m. He determined that there was a quorum, welcomed everyone, and explained the voting procedures.

Mrs. Flores, the credit union's CEO, then welcomed everyone to the meeting. She went over the financials for the year. Loans decreased 5.91%. Assets increased by 21.58%. The total number of members was 10,838. Mrs. Flores thanked the staff for the hard work they put into another successful year and thanked everyone for attending the meeting.

As there was no other business to consider, Mr. Gibson explained how to register for the door prizes and that the meeting would continue during normal business hours until the following day, Friday at 5:00p.m.

The Annual Meeting closed at 5:00 p.m. on Friday, February 15, 2021.

**Total Ballots Cast:**

Freddie Gibson: 133

Edeska Barnes: 106

Clara Bryant: 125

Write Ins: 0

Approved minutes as written: 39

Approved with suggested changes: 1 (no changes provided)

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# Audit Committee Report 2021

## **Audit Committee Report 2021**

Doches Credit Union is a state chartered credit union regulated by the Texas Credit Union Department (TCUD Austin, Texas) and by 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. Exams and audits performed for 2020 are noted below

### **ACH (Automated Clearing House) Audit July 2021 by Credit Union Resources**

Objective: Audit ACH transactions in accordance with the ACH rules and regulations.

Recommendations: Reevaluating posting funds prior to settlement date

### **ACH Risk Assessment, April 2021 by Credit Union Resources**

Objective: Determine if ACH related systems, processes, control, and compliance are sufficient to adequately mitigate risk.

Recommendations: Update procedures; and provide additional process for reviewing transaction activity outside normal operations and updating policies to address late/or delayed posting ACH files, also testing ACH Business Continuity/Recovery Plan at least annually

### **Bank Secrecy Act (BSA) Audit August 2021 by Credit Union Resources**

Objective: Ensure compliance with the Bank Secrecy Act.

Recommendations: Update policies

### **Supervisory Committee Annual Review March 2021 by Credit Union Resources**

Objective: Audit accounting procedures, general ledger balances, lending procedures and documentation, and compliance with Rules and Regulations.

Recommendations: Lending updates and requirements

### **748 Security Risk Assessments August 2021 by Credit Union Resources**

Objective: Review DCU's E-Commerce policies, evaluate its information Security Policies and Program, Information Systems and Technology Compliance, and Network Topology and Facilities.

Recommendation: Provide more training and other recommendations from the report have been prioritized and are being addressed

### **Vault Audit June 2021 by Credit Union Staff Members**

Objective: Verify vault balances at all branches.

Recommendation: No Recommendations

### **ATM Safety Evaluation August 2021 by Credit Union Resources**

Objective: Evaluate the adequacy of lighting, obstructions near the ATM, safety instructions provided to members, and proper notifications.

Recommendations: No recommendations

### **Disaster Recovery Test September 2021 by Fiserv/CUSA Service Center**

Objective: Verify proper configurations of firewalls, verify software/hardware infrastructure is ready to support actual disaster event, verify procedures and documentation are accurate, and verify back office processes are functional.

Recommendations: None, successful test

### **990T Tax Return October 2021 by Axley & Rode LLP**

Objection: File 2020 tax return

### **Report of Examination December 2021 by Texas Credit Union Department Examiners/NCUA**

Objective: Assess adequacy of the financial condition and operating performance, determine compliance with codes, rules, board policies, sound business practices, and other laws and regulations.

Recommendations: BSA reporting requirement and CALL Report correction

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