



'YOUR FAMILY-ORIENTED FINANCIAL  
FRIEND'



**65<sup>th</sup> ANNUAL MEMBERSHIP  
MEETING**  
April 23, 2019



## WELCOME

Welcome to the **65th Annual Meeting** of Caprock Santa Fe Credit Union. We represent a cooperative founded in 1954 by a few far-sighted individuals who joined together to organize a financial institution where people of a common bond, employees of the Santa Fe Railway Company, could pool their funds and their talents to help other people. The field of membership was expanded in 1988 and now includes members from over 90 other sponsors. The premise of the credit union movement is “people-helping-people.” This is what makes us unique. Because we are member-owned and member-run, all of our members are equally important, not just a few stockholders. Our concept is reflected in our motto, “Not for Profit, Not for Charity, But for Service.”

Known for years as a “**family-oriented, financial friend,**” Caprock Santa Fe Credit Union decided to adopt an additional slogan, “**In Touch With You--and Your Family, Too!**” Both emphasize the importance of the entire family in our field of membership. Family is interpreted as anyone having a connection by blood or marriage. As a family financial institution, we are committed to providing quality service to every person in the family from the youngest to the oldest.

## OUR PURPOSE STATEMENT

The purpose of Caprock Santa Fe Credit Union is to promote the financial well-being of our entire membership in as many ways as feasibly possible.

## OUR MISSION STATEMENT

The mission of Caprock Santa Fe Credit Union is to serve our membership by providing:

- \*Stability
- \*Member driven services
- \*Competitive rates and reasonable fees
- \*Personalized service
- \*Technical advances in tune with the times that expand and enhance services.

## OUR VISION STATEMENT

The vision of Caprock Santa Fe Credit union is to advance the quality of life of those within our field of membership by providing needed financial services for the entire family in an economical, efficient and effective manner.

# **CAPROCK SANTA FE CREDIT UNION**

## **CREDIT UNION STATEMENT OF COMMITMENT TO MEMBERS**

April 2019

Caprock Santa Fe Credit Union is a member-owned not-for-profit financial cooperative that's sole purpose is to serve its members regardless of social or economic status. We are committed to the promotion of the financial well-being of our entire membership in as many ways as feasibly possible by providing stability, member-driven services, competitive rates, reasonable fees, personal service and technical advances that enhance and expand services. We will treat our members with dignity and respect and will provide services for the entire family in an economical, efficient and effective manner. As a member of our community we will participate in programs that favorably affect the community and its citizens, and we will to the fullest extent possible seek solutions to its social problems and concerns. As a member of the credit union movement, we will join with others in a cooperative spirit to insure that the movement as a whole remains strong and that the rights of our members remain in tact.

We will use meaningful communication methods to keep members, potential members, legislators, regulators and the Slaton community informed of our services so that they will understand and appreciate the unique role that we -- as locally owned, member-owned financial cooperatives -- play in their lives.

Throughout Caprock Santa Fe Credit Union's strategic plan, we will put forth every effort to enable our members to become financially self-sufficient and successful. We will place high importance on consumer education and the teaching of financial thrift.

This Statement of Commitment to Members is consistent with our credit union principles of "Not For Profit, Not For Charity, But For Service" and our philosophy of "People Helping People." This statement represents good business practices that ensure the financial strength of our credit union on behalf of our members.

### **Section 1: Service to Members**

Caprock Santa Fe Credit Union strives to offer a wide range of services designed to improve the economic and social well-being of all members from the very youngest to the oldest. We pride ourselves on being a "family oriented financial friend--where lifetime relationships begin." We want to be "number one" when it comes to member loyalty.

#### **We currently offer the following products and services:**

- \* Fast, friendly, convenient service
- \* Down home atmosphere where members are treated like family
- \* Savings accounts
- \* GEM checking accounts

- \* Visa Debit/ATM Cards
- \* Money Orders
- \* Check copies
- \* Cash Management (Money Market) account
- \* Traditional IRA accounts
- \* Certificates of Deposit
- \* Critter Club (ages 1 day - 6 years)
- \* Critter Club II (ages 7 - 10 years)
- \* Junior Hi Club (ages 11 - 13 years)
- \* Senior Hi Club (ages 14 - 17 years)
- \* College Bound (ages 18 -22 years)
- \* Organizational accounts
- \* Direct Deposit of government and payroll checks
- \* Night Depository
- \* ACH credits and Debits and ACH Origination
- \* Wire transfers
- \* Western Union
- \* Payroll Deduction
- \* MasterCard/MasterCard Gold
- \* Personal and Line of Credit loans
- \* Small balance personal loans
- \* Risk based pricing on loans
- \* Collateralized loans (Any on-the-road vehicle less than 12 years old)
- \* Member paid single life and single disability insurance
- \* Financial/Budget counseling
- \* Accidental Dismemberment and Death Insurance up to \$1,000 at no cost
- \* Notary, FAX and copy services available at no or minimal cost
- \* GAP insurance
- \* Mexico travel insurance
- \* Rt. 66 Extended Warranty Insurance

#### **New Service in 2018:**

- \* Mobile App for Apple and Android products

#### **New Services in the 2019 Strategic Plan:**

- \* Updated Credit Card Program and EMV Cards

## Section II: Member Education

Caprock Santa Fe Credit Union is committed to member and consumer financial education. In addition, we are committed to educating members and consumers, alike, about credit union uniqueness, philosophy and values.

### Current Programs that Support Member Education and Advocacy:

- \* **“Quarterly Opportunities”** – Our newsletter informing members of events, opportunities and educational information.
- \* **www.CSFCU.com** -- Our informational website explaining our uniqueness, our objectives, our services and our field of membership.
- \* **Seminars & individual counseling** are designed to help members understand checking accounts, to develop budgets and to do simple financial planning.
- \* **Trick-or-Treat** – Halloween Bags given to children to introduce them to the credit union.
- \* **Open Houses** -- International Credit Union Day and Christmas provide opportunities to inform our members of the uniqueness of credit union membership through fellowship.
- \* **Annual Easter Event** -- We utilize this event to introduce children to our youth clubs and to get their foot in the door to systematic savings at an early age.
- \* **Quarterly Member Appreciation Drawing** -- Our members put their name in drawing each time they come into the office or send it by mail. Attention is drawn to a new service each quarter and if member is selected, a monetary prize is given for each different type of account held in the credit union.
- \* **Hidden Number Contest** is used as an incentive to get members to read quarterly newsletter.

## Section III: Involvement/Governance

Caprock Santa Fe Credit Union endeavors to preserve credit union democratic principles, including demographic representation and volunteer participation in credit union activities.

### We are currently addressing this as follows:

- \* **Board elections** -- Elections are held in April of each year at our Annual Meeting. Meeting is mentioned in January newsletter and an article appears in the April newsletter. An ad is published in the local paper prior to the meeting announcing the time and place. Reminders are placed on receipts.
- \* **Limited Board terms** -- Board members are limited to serving two consecutive terms to encourage new volunteers to serve.
- \* **Committees** -- The board of directors appoints ten committees to assist the board in determining the direction of affairs of the credit union. These committees consist of board members and non board volunteers.

## **Section IV: Diversity**

Caprock Santa Fe Credit Union will operate as a democratically controlled, member-owned cooperative by focusing management, staff and volunteers on diversity in the leadership and staff of the credit union.

**We are currently addressing the above as follows:**

- \* **Demographic Study** -- in preparing for annual Strategic Planning meeting, we do a demographic study by age to determine how we can best serve our membership.
- \* **Nominating Committee** – Committee is also asked to seek candidates from all SEGS and not just main sponsor. Current 9 man board represents several employee groups.
- \* **Equal Employment Opportunity** -- Caprock Santa Fe Credit Union seeks out volunteers, staff and management that reflect the diversity of our membership.

## **Section V: Commitment to the Credit Union Movement and other Cooperative Activities**

Caprock Santa Fe Credit Union will work to build and strengthen a unique credit union movement by providing financial and in-kind resources throughout the credit union community, and by actively advocating the credit union difference at all levels of government and in other appropriate public forums.

**We are currently doing the following:**

- \* **Chapter involvement** – Our staff and volunteers are encouraged to participate on a regular basis in chapter activities. Our credit union consistently provides an officer and participates in cooperative chapter events such as newspaper advertising campaigns, Lubbock Chamber of Commerce Business Exposition and billboard advertising.
- \* **Political Activity** – Credit union members are made aware of the importance of being heard and of supporting candidates that support the credit union movement. We have participated actively in all grass roots movements supported by the CCUL by sending letters and participating in meetings and Webinars.
- \* **America's Credit Union Museum, Filene Research Council, Credit Union House, Cornerstone Credit Union Foundation** -- Our credit union has provided monetary support each year to these worthwhile credit union organizations and programs.

## **Section VI: Public Service/Corporate Citizenship**

Caprock Santa Fe Credit Union will strive to be an active partner in the community and its field of membership in ways that will enhance economic and social well-being.

\* **Community support** -- Each year the credit union budgets to support many organizations in our community, including but not limited to:

- 1) Youth events such as Little Dribblers, T-Ball teams, Stock Shows, Football and basketball events, and summer leagues.
- 2) Chamber events such as Ag & Commerce Banquet, July 4th celebration at the park, Annual Chamber Awards Banquet, and others as developed.
- 3) Charitable organizations such as United Way, Children's Miracle Network, Lions Club, Meals on Wheels and Senior Citizens Center.

\* **Public Service** -- The CEO and other staff participate in community organizations as a means of promoting the good will of the credit union within the community including but not limited to:

- 1) Providing programs for various civic groups and clubs when requested.
- 2) Serving as Director of the Slaton Chamber of Commerce
- 3) Serving as Director of the Housing and Urban Development
- 4) Serving as Director of the Railroad Heritage Association
- 5) Serving as Director of the Slaton Area Endowment

**CAPROCK SANTA FE CREDIT UNION**

P. O. Box 100 \* 405 Railroad Avenue  
Slaton, Texas 79364

**65th Annual Meeting**

April 23, 2019

**AGENDA**

Official Registration

Refreshments

Call to Order

Ascertain Quorum Present

Reading of Minutes  
(64rd Annual Meeting, April 17, 2018)

Introductions

Presentation of 2018 Annual Report  
Question and Answer Session

Unfinished Business

New Business Other Than Election

Election of Directors

Door Prizes

Adjournment



**Caprock Santa Fe Credit Union**  
**405 Railroad Avenue; P. O. Box 100**  
**Slaton, Texas 79364-0001**  
**806-828-5825**

**64th Annual Membership Meeting**  
**April 17, 2018**

The meeting was called to order by Chairman of the Board Rodney Simmons at 5:45 p.m.

President Ann Marie Wright stated that a quorum was present.

Nancy Henderson moved to accept the 2017 Annual Meeting Minutes as presented and Butch Dodson seconded. Motion carried.

Chairman Simmons discussed the events of this year and thanked the Credit Union for keeping members first. Savings dropped from approximately \$28,607,400 to \$26,818,515. Our loan demand was down to \$17,933,303 compared to last year of \$19,169,766. We moved \$796,345 into undivided earnings. Please look at our numbers in your book for specifics. Thank you to our members!

President Ann Marie Wright spoke about the numbers for the Credit Union. Our Credit Union has a Net Capital to Asset Ratio of 33% compared to our peers that have a 12% Net Capital. We have raised interest rates twice for the members this last year, first time in 11 years. President Wright is proud the Credit Union is benefiting the membership.

The word of the year is "Unity". We are all working together to press the Caprock Santa Fe Credit Union forward. We have great loyalty from members and staff. We have lots of commitment from the community to keep us united through the changes of the times. We sponsored many events in the community through the athletic programs, agriculture programs, senior citizens and more. We are alive and well in our community.

Pat Kitten was thanked for the great fajita meal.

President Wright introduced the Board members. Rodney Simmons, Chairman; Benny Arguello, Vice Chairman, Penny Polk, Nikki Dominguez, Kenneth Winchester, W.D. Sims and Sherri Rodriguez, Secretary/Treasurer. Emily Hargrave and Cody Bill were absent. Committee members were introduced. President Wright introduced the staff. Member

Services Department: Rose Eakin, Rachel Rodriguez, Jeannie Cisneros, Patsy Foster, Member Services Manager Caleigh Sue. Loan Department: Judy Thomas, Tammy Cook, Loan Department Manager, Deborah Pickens. Collections Department: Sharon McCarty, Cindy Clark, Dana Boyd Collections Manager.

Deborah Pickens was recognized for 30 years of service to the credit union. She was given a watch in appreciation of her service.

Nancy Henderson thanked the Credit Union for their personal greeting when you walk in the door.

Chairman Simmons asked if there was any unfinished business. None was presented.

New Business- Murder Mystery this Friday night at the Harvey House, talk to Jessica Kelley, Harvey House Manager.

April 21st Senior Citizen Open House from 10-2. The Lions Club is making hamburgers. All donations go to Slaton Meals on Wheels.

Election of Directors - Chairman Simmons stated Cody Bill resigned due to work relocation and Emily Hargrave will not seek reelection due to the demands of wife and mother duties.

The Nominating Committee nominated Larry Gamble to fulfill the 2 year term remaining on Cody Bill's term. Janie Westbrook moved to accept Gamble as the Director to replace Cody Bill and Butch Dodson seconded. Motion carried. Larry Gamble was voted in unanimously.

The Nominating Committee nominated Rodney Simmons, Kenneth Winchester and Mickey Cole to fill the 3 vacancies for 3 year terms each. Nancy Henderson made the motion to elect Mickey Cole, Rodney Simmons and Kenneth Winchester by acclamation. Doris Davis seconded. Motion carried.

Door prizes were drawn and the meeting was adjourned at 6:35.

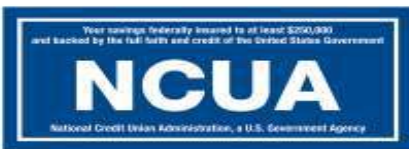
---

Chairman

  
Secretary/Treasurer

<b>CAPROCK SANTA FE CREDIT UNION</b>				
	<b>Statement of Condition</b>		<b>Year Ended 12/31/18</b>	
<b>INCOME</b>		<b>2016</b>	<b>2017</b>	<b>2018</b>
	Interest on Loans	\$1,674,504	\$1,646,361	\$1,617,012
	Interest on Investments	165,760	257,423	384,240
	Fee Income	315,049	294,493	275,682
	Other Income	118,291	112,056	129,771
<b>TOTAL INCOME</b>		\$2,273,604	\$2,310,333	\$2,406,705
<b>OPERATING EXP</b>	Employee Salaries	\$416,719	\$447,888	\$430,902
	Employee Benefits	184,254	227,943	214,925
	Travel & Con	1,925	3,486	744
	Office Occupancy	64,500	66,299	76,978
	Office Operations	191,257	194,183	179,181
	Educ & Promotion	23,696	25,082	19,563
	Loan Servicing	42,253	57,088	49,076
	Prof & Outside	34,100	46,323	45,535
	Member Insurance	8,291	9,510	6,264
	Oper Exp - Exams	7,781	8,423	8,693
	Miscellaneous	21,157	25,967	24,714
<b>TOTAL OPR EXP</b>		\$995,933	\$1,112,192	\$1,056,575
	Dividend Expense	\$183,519	\$179,159	\$181,219
	Req. Reserve Transfer	0	0	0
	Required PLL Transfer	\$148,581	\$222,637	\$280,573
<b>TOTAL EXPENSE</b>		\$1,328,033	\$1,513,988	\$1,518,367
<b>NET INCOME (LOSS)</b>		\$945,571	\$796,345	\$888,338
<b>TRANSFERS</b>	UDE	\$945,571	\$796,345	\$888,338

<b>BALANCE SHEET</b>				
<b>ASSETS</b>		<b>2016</b>	<b>2017</b>	<b>2018</b>
	Cash	\$9,438,376	\$7,873,700	\$9,059,007
	Loans	19,169,766	17,933,303	18,755,688
	Allow Loan Losses	(479,447)	(441,998)	(473,264)
	Investment	12,666,082	14,551,109	13,545,833
	Land & Building	537,278	518,153	510,811
	Other Assets	169,072	170,089	131,483
<b>TOTAL</b>		\$41,501,127	\$40,604,356	\$41,529,558
<b>LIABILITIES</b>				
	Dividends & Int.	\$27,755	\$27,252	\$29,859
	Other Liabilities	213,425	337,812	410,900
<b>MEMBER EQUITY</b>				
	Shares	28,635,155	26,818,155	26,779,325
	Reserves	371,287	371,287	371,287
	Undivided Earnings	12,253,505	13,049,850	13,938,187
<b>TOTAL</b>		\$41,501,127	\$40,604,356	\$41,529,558



## **BOARD OF DIRECTORS**

**4/17/18 - 4/23/19**

Rodney Simmons, chairman (2021)  
Benny Arguello, vice-chairman (2020)  
Sherri Rodriguez, secretary/treasurer (2019)  
Niki Dominguez (2019)  
Penny Polk (2020)  
Kenneth Winchester (2021)  
W. D. Sims (2019)  
Larry Gamble (2020)  
Mickey Cole (2021)  
\*term expired

## **AUDIT COMMITTEE**

Sherri Rodriguez  
Penny Polk  
Janie Westbrook

## **NOMINATING COMMITTEE**

Donnetta Lines  
Jacob Parker  
W. L. Rice

## **DELINQUENCY COMMITTEE**

Dana Boyd, Collections  
Deborah Pickens  
Niki Dominguez  
W. D. Sims

## **CREDIT UNION STAFF**

Ann Marie Wright, President, 12 yrs. hired 1/01/07  
Deborah Pickens, Loan Manager, 31 yrs. hired 7/18/88  
Tammy Cook, Loan Officer, 9 yrs. hired 5/10/10  
Judy Thomas, Loan Officer, 5 yrs. hired 3/31/14  
Cindy Clark, Adm. Assistant, 5 yrs. hired 12/01/14  
Sharon McCarty, Collections, 7 yrs. hired 3/19/12  
Caleigh Sue, Member Services Manager, 9 yrs. hired 7/06/10  
Rose Eakin, Receptionist, 14 yrs. hired 4/25/05  
Patsy Foster, Head Teller, 25 yrs. hired 5/16/94  
Jeannie Cisneros, Teller, 7 yrs. hired 1/27/12  
Rachael Rodriguez, Member services 3 yrs. hired 6/08/2016  
Dana Boyd, Collections Manager 2 yr. hired 3/06/2017

## **BOARD OF DIRECTORS REPORT**

I would like to welcome everyone to our 65<sup>th</sup> Annual Meeting of Caprock Santa Fe Credit Union. As I look back this year as Chairman of the Board, I am amazed at how the Credit Union is still an important place in our community. I had no idea when I began my career with the Santa Fe Railroad and opened my account at Caprock Santa Fe Credit Union, just how much the Credit Union would be a part of my life. For over 40 years now, the Credit Union has been there through my ups and downs, keeping the needs of my family in the forefront. I am thankful to the Credit Union for always putting its members first. The Board of Directors and staff strive to level out the roller coaster ride. The staff truly works one on one with each member. I want to say thank you to the Credit Union for always being helpful to its membership. It truly is people helping people.

For the year 2018, our Credit Union once again posted very good numbers. Caprock Santa Fe Credit Union is very strong and was able to add to our capital in 2018. Our solvency ratio as of December 31, 2018 was 153.435% vs. 150.045% in December 2017. Our net capital to asset ratio was at 34.456% at the end of December 2018 vs. 33.053% at the end of December 2017. A ratio above 7% is considered well capitalized and our peer average, credit unions in the \$10-\$50 Million range, was 12.75% as of 6/30/18. Our loan demand increase in 2018. We ended with \$18,755,687 in loans vs. \$17,933,303 in outstanding loans at the end of December 2017. Loan income was \$1,617,012 vs. \$1,623,252 in December 2017. This allowed us to move \$888,337 into undivided earnings in 2018 vs. \$796,345 into undivided earnings in 2017. Our net return on assets ratio was at 2.148% in December 2018 vs. 1.909% in December 2017 compared to our peer average on ROA at 0.42%. Please also look at the Loan Department report, the Collections Department report and the Member Services Department report for a closer look at the numbers.

It has been a pleasure to serve as your Chairman of the Board of Directors again this past year. I have enjoyed working together with Niki Dominguez and Sherri Rodriguez. Their valuable time and knowledge will be missed during our Board meetings. I would personally like to thank the other Directors on the Board for the time they gave to the Credit Union to make 2018 a very successful year. People Helping People is the Credit Union way of doing business. It is alive and well here in Slaton, TX. We look forward to another successful year in 2019.

Rodney Simmons, Chairman

## **SUPERVISORY REPORT**

The Credit Union Department of the State of Texas examined the books of the credit union in November 2018, which covered the period October 1, 2017 through September 30, 2018. We were examined in the areas of capital adequacy, asset quality, management, earnings, and liquidity. Per law the credit union must be examined periodically by the Credit Union Department which is usually every twelve to eighteen months. The annual examination was jointly conducted by the Credit Union Department and the National Credit Union Administration. At the conclusion of the examination, the board met with both the Credit Union Department examiner and the NCUA examiner to hear the results of the exam and to determine what actions, if any, needed to be taken to remedy negative situations or to create more positive situations. This year the report of examination from the Credit Union Department stated the credit union remains financially and operationally sound. The net worth position was strong, asset quality was adequate, earnings performance was strong, and liquidity risk was low. The examination report did not disclose any material weaknesses. Furthermore, operational management maintains effective control over the daily operations of the credit union, the board of directors' provides sound administrative oversight, and the credit union is operating in a safe and sound manner. The report of examination from the NCUA also stated the credit union was well-capitalized, the asset quality was satisfactory, earnings were high and no issues with liquidity risk. This exchange of information was followed by a complete written report addressed to the board which must be kept in strict confidentiality.

Bolinger, Segars, Gilbert & Moss, LLP conducted the annual board directed opinion audit based on our financial statements as of June 30, 2018. The audit was conducted in accordance with accounting standards generally accepted in the United States of America. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. They also conducted the annual verification of accounts audit as of June 30, 2018. Randy Robbins of the firm presented written results to the board at the August 2018 board meeting. In the opinion of Bolinger, Segars, Gilbert & Moss, LLP, the financial statements referred to above present fairly, in all material respects, the financial position of Caprock Santa Fe Credit Union as of June 30, 2018 and 2017, and the results of their operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Mr. Robbins stated that our financial statements were in order and gave us a clean report and stated no adjustments were made.

## PRESIDENT'S REPORT

Hello everyone and welcome to the 65<sup>th</sup> Annual Membership Meeting for Caprock Santa Fe Credit Union. Since our beginning in 1954, it has been our fast, friendly, convenient service to our members that has consistently given us strong financial numbers at the end of every year. 2018 was no exception. Our Board of Directors continued on the path of offering our members the highest rates possible on our savings products and our lowest possible rates on our loan products. In 2018, the rates on our certificates of deposit continued to increase. It has been through the hard work of our Board of Directors and our staff that the Credit Union was able to give its members a raise. It is you, our member, who is most important to us.

We ended the 2018 year serving 4,704 members vs. 4,771 members at the end of 2017. Our assets were higher at \$41,529,558 in 2018 vs. \$40,604,356 in December 2017. In 2017 our loans increased to \$18,755,687 from \$17,933,303. Our savings were unchanged at \$26,779,324 in December 2018 vs. \$26,818,155 in December 2017. We were able to move over \$888,337 to undivided earnings for the year. Our financial goals for 2018 were a capital to asset ratio above 10%, delinquency ratio below 3% and net return on assets ratio at 1.5% or higher. We ended the year with a capital to asset ratio of 34.456%, delinquency ratio of 1.939%, and a net return on assets at 2.148%. The capital ratio and return on assets are both very positive ratios and show the Credit Union is able to hold a strong position. The Credit Union was able to hit the mark on all of our goals in 2018. Our 2018 results illustrate that Caprock Santa Fe Credit Union is a strong, sustainable, and efficient financial institution. Enclosed are our Financial Statements for a year to year comparison, you are encouraged to take a closer look at all the numbers.

Also in 2018, effective 6/30/18 Caprock Santa Fe Credit Union members who had an account prior to 01/01/1991, will no longer have the life savings benefit. The life savings coverage is no longer a product offered by any of our current insurance providers. We have researched this issue and apologize for not being able to offer the benefit any longer.

In our continued effort to stay on top of the changes in technology, we did launch our mobile app in January of 2018. It can be downloaded on both Apple and Android products. This benefit is a very simple and convenient format that gives our member access to their account when our member needs it. The mobile app is paired with our online banking and helps keep the communication open with our membership. Best of all this benefit is free.

It is the commitment and the desire of the Board of Directors and staff members to move the Credit Union forward. The Board of Directors wants this Credit Union to be your first choice when making financial decisions. We want an opportunity to strengthen our relationship with you so together we can build a strong financial foundation. We want to stay engaged with our members and we want you, our member, to take advantage of all of our resources. We have a team of talented professionals who work every single day with one objective: to help you meet your financial goals. The staff offers fast, quality, friendly service with a smile. Just give us a call, we still answer every single call during regular business hours. It is part of our personal touch. I am honored to serve as your President and look forward to a successful 2019.

Respectfully Submitted,

Ann Marie Wright, President



## LOAN DEPARTMENT

The Loan Department consists of Tammy Cook, Judy Thomas and I. We each conduct loan interviews, review applications, compute ratios, make loan decisions and document the loan files. Cindy Clark reviews all loan files for our department. We strive to have accurate and completely documented loan files for ourselves, our auditors and state examiners.

To ensure a strong loan portfolio, we have a loan officers committee. The three of us are on the loan officer committee, along with President Wright. The Loan Committee acts with two or more of the loan officers and our purpose is to review loans obligations over \$35,000, debt to income ratios over 40%, unusual circumstances and member's applications with a credit score below 549. The Board of Directors or the Executive Committee members are called to take action if total obligation is over \$60,000, if a deviation from policy is requested or denial appeals.

The loan department approved 3539 loans with a dollar amount \$11,904,113.87 for the 2018. Since the Credit Union began in 1954, there have been 109,079 loans finalized for a total of \$265,647,818.46.

We want to help our members with those unexpected life occurrences; we offer single and joint life debt protection insurance, disability, involuntary unemployment and reasonable GAP insurance for your loans. Warranties on all automobiles are also available, even on those not financed with us. Call or email a loan officer with the VIN and current mileage for a quick warranty quote.

### ***BUT WAIT! WHY aren't they financed here??***

Ask us to do your financing. Bring us the information like VIN, mileage, contract and payoff amount and let's discuss how YOUR credit union can make your life easier. We conduct business face to face and via email. We personally answer your phone calls. We make it easy to do business by accepting direct deposit, ACH origination or doing automatic transfers. Ask us!!

In 2018, we have 173 MasterCard and MasterCard Gold cards issued. 120 of those accounts are active. The balance on the cards total \$182,238. The MasterCard program had \$28,684.00 in income to the Credit Union in 2018. After expenses the net income was \$6,770.00. Although that may not sound like much, the net yield was 3%. This shows it is a profitable program and certainly benefits our members. There are strict criteria for the issuance of one of our credit cards, but the benefits are that all cardholders enjoy NO ANNUAL FEES and a 30 DAY GRACE PERIOD on new charges. That means if the balance is paid in full each month, no interest is due. The Credit Union still receives interchange income just because the card was used. We do not offer a ridiculously low promotional rate to suck you in and then ruin your life with an extremely high rate based on the federal interest rates. Our rates have been the same since we began offering a credit card (MasterCard Gold – 12.99% and MasterCard Standard – 14%). For additional peace of mind, we offer credit life and credit disability insurance on the credit cards. If you currently have a card and would like to add the credit life and credit disability insurance to your existing card, or if you would like to apply for a card, please come see me. I would be happy to help you.

*Silviah Pickens, Loan Dept Manager*

## DELINQUENCY DEPARTMENT REPORT

---

“It is wonderful what great strides can be made when there is a resolute purpose behind them.” – Winston Churchill

When I started with Caprock Santa Fe Credit Union in March of 2017, I had no idea what I was doing or getting myself into. It still amazes me when I realize how much I have learned in the past 2 years, and how much this Credit Union has come to mean to me. I am extremely proud of the ladies in the Collections Department – Sharon McCarty and Cindy Clark. I think we have formed a cohesive group and have made great accomplishments in the past year. Their dedication and hard work are greatly appreciated. I believe the Credit Union, as a whole, is working together better than ever, and that all of us have a “resolute purpose” to make the Credit Union the best it has ever been.

The focus of Collections Department is to review delinquent accounts and try to work out the best possible resolution of what is a difficult time for our members who are struggling to make their payments. It is not always a pleasant experience, but we do our best to protect the Credit Union’s interest while treating our members with respect.

A summary of activity for 2018 is as follows:

1. Our goal is to maintain a delinquency ratio of less than 3%. **As of December 31, 2018, our delinquency ratio was 1.939%.** Our credit union has historically had higher ratios since we tend to provide riskier loans in our efforts to truly serve our membership.
2. Charge-off:
  - a. Total charge-off for 2018 was \$303,638.27, which included:
    - i. Loans charged off due to Bankruptcy \$ 32,963.00
    - ii. Other Loan Charge-offs (non-bankruptcy) \$262,512.82
    - iii. Base Share/Share Draft Charge-offs \$ 8,162.45
3. Repossessions
  - a. In 2018 we repossessed 27 vehicles with a loan balance of: \$332,836.04
  - b. Sale proceeds of repossessed vehicles totals: \$185,645.88
  - c. Loss on repossessed vehicles: \$141,930.69
4. Recoveries:
  - a. Recoveries to various loans total \$ 54,331.36

We will continue to follow established Credit Union procedures and attempt to stay in contact with members who are, for whatever reason, falling behind on their loans. We will continue to contact members on a set schedule for notices and phone calls and work to reach a satisfactory resolution for all involved.

I look forward to 2019 and providing the best representation of Caprock Santa Fe Credit Union that I can.

Dana Boyd, Collections Dept. Manager

# REPORT OF MEMBER SERVICES

## SHARE DRAFTS AND RELATED SERVICES

Our share draft accounts continue to grow with most taking advantage of having a debit card. At this time we have 1000 share draft accounts. Our program is called "GEM" checking which means that even though we charge a monthly administrative fee, there are perks that come with the account. Accidental life insurance and local discount from GEM merchants are key perks. There is a mobile app that you can download that is called VIP Perks that will give you coupons for various businesses. With the GEM account we provide direct deposit of government and payroll checks. Money orders, Cashier checks, wires - in and out, and Western Unions are also available for a small fee. There is no administrative charge for seniors over the age of 62 nor is there a charge for direct deposit of government checks that are cashed immediately following receipt. Our ACH Origination program is doing great. We have approximately \$110,000.00 coming into the credit union each month from other financial institutions for the payment of loans or placement into savings accounts. This is also a convenience for our members.

We now have the convenience of online banking for our members. So far we have 1,834 members who have signed up for this service. We also have e-statements so if you haven't signed up for online banking and would like to, you can come see us and we can get that started for you. If you have online banking and haven't signed up for e-statements, you will need to come and sign a new consent form.

We ask your indulgence in that you understand that we cannot give out information as easily as in the past due to the Privacy Act. If you are not on an account as a joint owner, we cannot give you information about the account even if it is your spouse or child. The Privacy Act has no respect for "community property" unless your name is on the dotted line.

Caleigh Sue, Member Services

## DEBIT CARDS

Many merchants are no longer accepting personal checks, so debit cards have become a great convenience. They can be used to obtain balance information, to transfer funds within the credit union or even obtain cash from the ATM.

Debit cards are easy to use, by simply swiping the debit card into the payment terminal and entering a Personal Identity Number (PIN), selected by the member, an electronic transfer of funds is set into motion. Debit cards must be safe guarded, just like a credit card. Used as either debit or credit, the funds are taken from the share draft account. Our debit cards are also being monitored 24/7 for possible fraudulent activity. Our debit card provider uses Falcon Fraud Manager to help identify and reduce fraud risk by detecting potentially fraudulent PIN-based and signature-based debit transactions. If you have a debit card, please enter 1 (800) 383-8000 (Shazam) into your mobile phone in case the card is lost or stolen. Report a missing card as soon as possible to stop potential fraud, for you and your credit union. This past year we upgraded our debit cards to the new chip card called the EMV card. As your debit card expires, you will be issued a new EMV card.

After numerous requests, the debit card program began in November of 2005. We have had great success with the program. As of December 31, 2018 we have 1,000 share draft accounts. From these accounts there are 1,234 debit cards in use. We continue to be paid by Shazam for the use of the cards. This is great news; it means the debit card program is paying for itself!

There are quarterly promotions offered by Shazam. The current promotion is "Refresh & Renew". There will be 8 monthly winners for a \$50 Home Depot gift card that started on April 1<sup>st</sup>. The grand prize is a \$500 Home Depot gift card that ends on June 30, 2019. Be sure to check out the promotions every quarter and remember to use your debit card to increase your chances of winning!

Caleigh Sue, Member Services

## **REPORT OF NOMINATING COMMITTEE**

The Board of Directors of the credit union consists of volunteers who give of their time and talents for the benefit of the membership. This is not a paid position yet the board of directors is ultimately and inescapably responsible for all operations and functions of the credit union by providing general direction and control of affairs, funds and records of the credit union and by exercising any and all powers granted by law to boards of directors of corporations. To carry out this responsibility it must: a) clearly establish policy, b) select competent management, and c) assure itself conclusively that management is performing properly.

The membership may nominate other persons from the floor if they so desire as long as they meet the following qualifications: 1) They are at least 23 years of age; 2) They have been a member of the credit union for 3 years; 3) They are a member in good standing -- credit and otherwise. They may not be related to any staff member. The Credit Union Department now requires that an elected board member have on file a "Director Application and Agreement to Serve" form which lists statutory requirements for persons willing to serve. The form may be completed after the elections, but a non-qualifying director will not be able to serve.

The nominating committee has contacted the following members who do qualify and each agreed to serve on the board if elected. If nominations are made from the floor, their names must be added to the ballot. The 3 nominees receiving the most votes will fill the 3 vacancies for 3 year terms each.

- 1) W. D. Sims
- 2) Juanita Heathington
- 3) Mike Green

Respectfully submitted,

Donnetta Lines  
Jacob Parker  
W. L. Rice

## CAPROCK SANTA FE CREDIT UNION

### Our Sponsors

\*Sponsorship no longer available except to existing members

B.N.S.F. Railway Company	Kitten Machine and Supply, Inc.*
Accent Convenience Store	Larry Lemon Plumbing Service*
All American Chevrolet	Law Offices of Claude S. Cravens*
Anton Buxkemper III, CPA	Law Office of Richard Edwards*
A-Rock Materials	Lowrie Drug*
Back to Earth Resources	Max Lee Crop Spraying*
Becker Wholesale Supply, Inc.	Mike's Texaco*
Becker Pump and Pipe Co.	N.A.R.F.E.
Benham Auto*	O. D. Kenney Auto Parts
Bible Baptist Church	One of a Kind Hair Design*
Bob Brake Insurance	Pauline's Flowers
Brazos Offset Printers*	Pride Construction*
Butler Monument Works*	Pember Agency
Carpenter Industrial Electric*	Redline Cafe*
Cecil's 66*	Ronald Young AC Repair
Citizens for Advancement of CXIII	S & D's Family Smokehouse Restaurant*
Church of Christ	Sadler Monument Works, Inc.
Church of God*	St. Joseph's Catholic Church
City of Slaton Employees	SELCO
Cloud Service & Equipment*	Slaton Bakery
Country Time*	Slaton Bronzing*
Cuttin' Chute*	Slaton Care Center
Danny's Boot & Shoe Repair*	Slaton Classroom Teachers Association
DECA	Slaton Clinic
Denim and Lace*	SLAT-CO
Eblen Pharmacy*	Slaton Co-op Gin
Edwards Insurance*	Slaton FFA
Edwards Ready Mix	Slatonite
Englunds Funeral Service & Chapel, Inc.	Slaton Jaycees*
Faith Christian P.H. Church	Slaton Railroad Heritage Association
First Assembly of God Church	Slaton Housing Authority
First Baptist Church	Slaton Pharmacy
First Christian Church	Slaton Rough Riders*
First United Methodist Church	Slaton Steak House*
Flo-Ree's*	Shamrock Café*
Freddie's Tees*	Smith South Plains
G & J Auto*	Smith's Barber Shop*
Gospel Chapel AME Church	Sonic Drive-in
Girls Athletic Dept/Slaton Tigerettes	South Plains Chem Dry
Grace Lutheran Church	Standing Room Only*
Hatley Remodeling*	Supreme Feed Mills, Inc.*
Henzler Automotive*	T & T Financial Aid*
Iglesia Templo Bautista	Texas EMU Association Zone 6
Jim Burns*	Town Square Restaurant*
J. Featheruffle*	VFW Post 6721*
Joe's Feed and Supply*	V.I.C.A.
Karla's Kut-Up	West Texas Seed & Delinting*
Klemke Sausage Haus & Gifts	Westside Church of Christ
Kendrick Insurance*	Westview Baptist Church

**CAPROCK SANTA FE CREDIT UNION**  
**65th Annual Meeting \* April 23, 2019**

We would like to thank the following businesses who have donated door prizes for our meeting:

Anonymous  
Accent Convenience Store  
Becker Wholesale  
Bob Brake Insurance Agency  
Calger Insurance  
Cowdogs and Cuties Boutique  
Hurst Farm Supply  
J J's Restaurant  
KSSL Radio  
Library of Legacies – Perks!  
O. D. Kenney Auto Parts  
O'Reilly's Auto Parts  
Pauline's Flowers & Gifts  
Quilts-N-More  
Slat-Co Printing  
Slaton Bakery  
Slaton Pharmacy  
Smith South Plains  
Tiger Nutrition

Please let these sponsors know how much you appreciate their participation.