



*In Remembrance of  
Durwood D. Johnson 1929 - 2010*

*Durwood D. Johnson was born on May 23, 1929 in Beaumont, TX. He retired from the Port Neches-Groves Independent School District in 1983 as a teacher and counselor after twenty five years of service. Johnson served our country overseas as an Army Military Police. He joined the MCT Credit Union board of directors in 1981 and served for 29 years. He is survived by his wife Johnnie, 6 children and 7 grandchildren.*



**2011**  
**MCT**  
**Credit Union**

# ANNUAL MEETING

Central Middle School  
200 17th Street



Tuesday, February 22, 2011  
5:30 p.m.

# BUSINESS MEETING AGENDA

- *Establishment of a Quorum*
- *Approval of 2010 Meeting Minutes*
- *Reading and Approval of Previous Meeting Minutes*
- *Report of Chairman.....Mike Laird*
- *Report of CEO .....Thad Angelle*
- *Report of Audit Committee .....Rebecca Demeter*
- *Old Business*
- *New Business*

*Election of Directors*

*Drawing of Door Prizes*

- *Adjournment*

## *Mission Statement*

*MCT has a passion for our Members' financial well-being by responsibly delivering the most innovative products and services in a fun, friendly atmosphere while creating member loyalty.*

## *Management*

<b>Board of Directors</b>	<b>Term Of Office Expiration</b>
Mike Laird, Chairman	2011
Charles Lankford, Vice Chairman	2011
Mike Guidry, Treasurer/Secretary	2013
Yvonne Grimes	2012
Randy Lupton	2011
Rebecca Demeter	2011
Lee Robinson	2012
Peggy Delahoussaye	2013
Debbie Norris	2013
Randy Chance	2013
Jimmy Myers	2012

### **Advisory Board**

Ed White

Randy Brown

### **Executive Management**

Thad Angelle, Chief Executive Officer

Mary Fadhli, Executive Vice President

Chad Powell, Chief Financial Officer

Jill Forse, Human Resources Director

Micheline Moody, Sr. Vice President/Branch Executive

Karen Frederick, Chief Operations Officer

# STATEMENT OF INCOME & EXPENSE

DECEMBER 31, 2010

	12-31-09	12-31-10
<b>INCOME</b>		
Income from Loans	\$ 9,405,411	\$10,172,739
Income from Investments	\$ 704,052	\$ 126,655
Other Income	\$ 3,763,579	\$ 3,524,534
<b>TOTAL INCOME</b>	<b>\$ 13,873,043</b>	<b>\$ 13,823,928</b>
<b>EXPENSES</b>		
Employee Compensation & Benefits	\$ 5,013,324	\$ 4,633,406
Travel and Conference	\$ 149,717	\$ 183,638
Office Occupancy	\$ 674,570	\$ 665,760
Office Operations	\$ 2,096,249	\$ 2,030,231
Promotion and Marketing	\$ 356,675	\$ 354,620
Loan Servicing	\$ 479,585	\$ 424,270
Professional & Outside Servicing	\$ 838,781	\$ 872,517
Provision for Loan Losses	\$ 582,345	\$ 297,009
Regulatory Fees	\$ 19,599	\$ 26,684
Miscellaneous	\$ 70,118	\$ 53,667
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 10,280,963</b>	<b>\$ 9,541,802</b>
Gain/(loss) Disposition On Fixed Assets	\$ 4,257	\$ 93,263
Other Non-Operating Income (Expense)	\$ (393,340)	\$ (1,097,355)
<b>NET INCOME</b>	<b>\$ 3,202,997</b>	<b>\$ 3,278,033</b>
Interest Paid on Certificates, Share Draft, IRA's & Other Deposits	\$ 1,173,797	\$ 2,245,419
Dividends on Shares	\$ 1,405,047	\$ 257,434
Net Income after Dividends and Interest paid	\$ 297,240	\$ 775,181
Transfer to Reserve	\$ (228,480)	\$ 0
<b>NET TO UNDIVIDED EARNINGS</b>	<b>\$ 91,770</b>	<b>\$ 785,791</b>

# CHAIRMAN'S REPORT

2010 was a year of unprecedented and unique challenges experienced by MCT Credit Union.

First, we completed the transition to our new President, Thad Angelle. He is only the fourth President in the Credit Union's fifty eight year history. This exemplifies the long history of strong leadership and financial soundness of the Credit Union.

Next, we did not have a hurricane, but we did have a banking crisis that tested our very foundation. Once again the Credit Union outperformed the industry average and continued to reflect a very strong capital position.

We also faced legislative changes that compromised the products and services the members have come to rely on. This is an ongoing issue the board and management team work on diligently to ensure the Credit Union stays in compliance and remains safe and sound.

Finally, appreciation must be given to the management team and staff for its continuous commitment to the members to provide new and innovative products and services.

The year ended on a sad note with the passing of Durwood Johnson. He served twenty nine years as a director of MCT and will be dearly missed.

In closing, we thank the members for their loyalty to the Credit Union and encourage the MCT family to continue promoting the "Thank God It's Monday" philosophy.

Mike Laird  
Board Chairman

## CEO'S REPORT

What a year 2010 has been. The Credit Union reported substantial increases in assets and membership along with decreases in expenditures during difficult economic times.

Kasasa Cash and Saver was introduced and proved to be key to the increased assets and membership. Members and nonmembers alike were attracted to the 4.01% checking and 2.00% savings accounts.

Member Business Lending reported significant increases while banks were freezing commercial lending due to the banking crisis. Mortgage Lending continued to generate strong loan volume in spite of uncertain legislative issues. These loan increases, along with a reduction in expenditures, contributed to the increased income.

Changes were made to the Investment Services Center to provide better investment options. A new Personal Financial Advisor was hired to assist the members in important investment and retirement decisions.

Renovations were completed to the Lumberton and Bridge City branches. These changes to the open concept are designed to encourage a more member friendly focus. They will join Orange which has been operating under the new concept for over a year.

Finally, the staff continues to work diligently to promote the "Thank God It's Monday" philosophy. This encourages teamwork, being considerate of others and developing a fun and friendly work environment with the ultimate goal of providing an excellent experience for our members.

We appreciate the members for giving us the opportunity to service them and welcome the challenges that lie ahead in 2011.

Thad J. Angelle  
Chief Executive Officer

## FINANCIAL REPORT

DECEMBER 31, 2010

ASSETS	12-31-09	12-31-10
Cash	\$ 2,775,943	\$ 2,771,479
Personal Loans	\$ 52,745,519	\$ 45,572,912
Real Estate Loans	\$ 88,027,331	\$ 95,138,359
Business Loans	\$ 3,232,330	\$ 3,356,333
Credit Card Loans	\$ 5,526,846	\$ 6,388,826
Less Allowance for Loan Loss	\$ (1,074,078)	\$ (753,639)
Land and Building	\$ 7,041,199	\$ 6,728,275
Furniture and Fixtures	\$ 803,120	\$ 835,619
Investments	\$ 11,522,724	\$ 32,156,216
Other Assets	\$ 5,405,896	\$ 4,424,269
<b>TOTAL ASSETS</b>	<b>\$176,306,828</b>	<b>\$196,618,648</b>
<b>LIABILITIES, SAVINGS &amp; EQUITY</b>		
Accounts Payable	\$ 1,808,595	\$ 213,788
Interest/Dividend Payable	\$ 182,020	\$ 180,741
Other Liabilities	\$ 603,020	\$ 122,427
Shares	\$ 40,932,089	\$ 50,656,352
Share Drafts	\$ 50,348,041	\$ 58,565,776
Certificates of Deposits	\$ 38,008,249	\$ 40,760,692
Money Market Funds	\$ 15,557,021	\$ 14,424,980
IRA's	\$ 12,650,916	\$ 13,673,511
Other Comprehensive Income	\$ (3,236,634)	\$ (2,331,140)
Reserve Fund	\$ 3,945,417	\$ 4,057,635
Undivided Earnings	\$ 15,508,094	\$ 16,293,885
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$176,306,828</b>	<b>\$196,618,648</b>
<b>STATISTICAL INFORMATION</b>		
Number of Members	18,890	19208
Growth in Membership	-1.32%	1.68%
Operating Expenses as a Percent of Total Income	69.91%	66.88%
Total Loans as a Percent of Assets	84.47%	76.52%
Capital (Reserves & Undivided Earnings)	10.97%	10.31%
Investments as a Percent of Assets	6.54%	16.35%
Growth in Shares and Deposits	-4.29%	13.07%
Growth in Loans	27.15%	.41%
Growth in Assets	-3.32%	11.52%