

ANNUAL MEETING MINUTES

The 59th Annual Meeting for Eastex Federal Credit Union was called to order at 7:00pm on March 18, 2014 in the Evadale school auditorium by James Parsley, chairman of the Board of Directors.

JE Martindale, board member, declared a quorum for the meeting to begin.

Mr. Lynn Ester opened the meeting with an invocation.

James Parsley asked for all the members present to review the minutes on the last page of the 2013 annual report. Christine Larsen motioned to approve the 2013 minutes. The motion was second by JE Martindale and passed by all members present.

James Parsley began his Chairman of the Board speech by welcoming everyone to the meeting. He introduced all the board members, Troyce Taylor, Diane Etue, Francis McDaniel, JE Martindale, Joey Davis and Lee Spence and thanked them for their dedicated service, commitment and passion to Eastex FCU . He credited 2013's great financial results to Eastex FCU's great manager, Loretta Chatagnier and her hard working, dedicated staff. James explained the seven principles Eastex FCU is guided by and is proud to participate in our financial cooperative. He closed by stating Eastex FCU is well positioned to face any challenges and opportunities in 2014.

Troyce Taylor gave the treasurer's report. Eastex FCU experienced another year of positive growth in 2013 ending the year with \$62 million in assets. Eastex FCU received positive reviews during the supervisory committee audit and the annual exam by the National Credit Union Administration.

JE Martindale gave the supervisory committee report. He explained the committee oversees all aspects of the credit union to determine that it is soundly managed and the members' assets are safeguarded. The annual audit was performed by A. John Weaver and Associates in October of 2013, who found all records and supporting documents in excellent condition. Marlene Lacy, JE Martindale and Shannon Adams are the committee members. JE repeated that the committee is very proud of the dedication and pride the credit union management and staff take in their work.

Next, James Parsley introduced Loretta Chatagnier, President/CEO, who thanked everyone for attending the meeting. She then thanked the Evadale ISD for the use of their facilities each year for the annual meeting. She thanked Hugh Terry and the Go Texas organization for cooking the meal the past nine years. She encouraged all present to shop the local businesses who donated the door prizes which brought in \$747 to be given to the Southeast Texas Food Bank. Loretta then recognized the staff of Eastex FCU by introducing each employees by department, years of service with EFCU and a brief summary of their job duties. Loretta commended the entire staff for a great job in 2013 and looks forward to another good year in 2014.

James Parsley then asked if there was any unfinished or new business. No member spoke up so he called on JE Martindale to give the Nominating Committee report. JE announced that incumbents Troyce Taylor, Francis McDaniel and Joey Davis were unopposed, so he declared the incumbents winners by acclamation.

James then turned the meeting over to JE Martindale, Michelle Spears and Loan Star Savers, Emilea and Chloe Stark to draw for the cash door prizes and the "Wheel of Prizes". After the last prize was awarded, James asked for a motion to adjourn the meeting. Christine Larsen motioned to adjourn, the motion was second by Troyce Taylor and the meeting adjourned at 8:00pm.

STATEMENT OF FINANCIAL CONDITION

	2014	2013
<b>ASSETS</b>		
Cash	3,425,595	3,239,518
Investments	18,775,340	18,822,340
Total Loans	41,539,646	37,113,427
Allowance for Ln Loss	(193,356)	(185,674)
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Land & Buildings	1,926,384	1,908,926
Furniture & Equipment	75,676	127,793
NCUA Share Insurance	561,192	535,105
Other Assets	549,879	460,622
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<b>TOTAL ASSETS</b>	<b>66,660,356</b>	<b>62,022,057</b>
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<b>LIABILITIES &amp; EQUITY</b>		
Accounts Payable	498,709	283,553
Total Shares	59,001,016	55,141,637
Undivided Earnings	5,981,295	5,417,531
Regular Reserves	1,179,336	1,179,336
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<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>66,660,356</b>	<b>62,022,057</b>



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# A MESSAGE FROM OUR CEO...

Good evening and welcome. On behalf of the management and staff of Eastex Credit Union, I want to say what a pleasure it is to be here with all of you on our 60th anniversary. Because of your trust and involvement, your credit union is able to thrive and provide so many important benefits, not only to our members but to our community.

As a financial cooperative, our success is your success. When you participate in the credit union, you are contributing to its growth. And because of our cooperative structure, we are able to return our profits back to you, the owners and members, by offering competitive rates and new products.

As a locally owned and governed financial institution, Eastex Credit Union has a strong connection to the communities we serve and we are well positioned to support the growing demand for a financial institution that cares about its community’s financial future.

As our membership grows, so do our assets, an indication that you are taking full advantage of the products and services we have to offer. Our current assets are 66.6 million. Membership at Eastex Credit Union increased 7% percent in 2014.

I am pleased that as loan demand has grown 11.93%, delinquencies remain low at .29%. This tells us that you value the competitive rates we’re able to offer and that you have a strong commitment to honoring your financial obligations with your credit union.

I’m delighted to point out that Eastex Credit Union is a well-capitalized financial institution, with a strong capital ratio of 11.03%. To put that in perspective, 7 percent is the industry standard.

Our 2014 results illustrate that Eastex Credit Union is a strong, sustainable, and efficient financial institution. Indeed, we are confident in our ability meet all of your financial services’ needs. But we are far more than an institution that offers financial products and services.

Here are but a few differentiators that make Eastex Credit Union special:

- We have a real presence in the communities we serve. In 2014, we:
  - o We raised \$747.00 for the Southeast Texas Food Bank
  - o We delivered 10 financial education seminars in 4 schools and we supplied academic calendars to the teachers at Silsbee ISD, Evadale ISD, Kountze ISD, Kirbyville CSD and Buna ISD.
- o Participated in Hero Day at MeadWestvaco
- o Sponsored The Magnolia Festival, Red Bud Festival and the Silsbee Cruise
- o Sponsored Evadale Fire Department Car Show
- o Sponsored Evadale HS Shattered Dreams Program
- o Support the Lions Club in Silsbee, Kirbyville and Buna

- o Supplied Silsbee Middle School with bags and charging carts for the notebook computers for their students.
- o Supported the Buna HS and Evadale HS fishing teams.
- o Supported the local teams that made it to the playoffs with dinner expense.
- o Provided a tent for the Silsbee track team and a T-shirt shooter and Flag for Evadale.
- o Sponsored Friday Night Lights Radio broadcast of Silsbee HS Football games
- We have a team of talented professionals who report to work every single day with one objective: to help you meet your financial goals. Our accomplishments would not have been possible without the commitment and unified effort of our dedicated credit union staff. Their passion is truly inspiring, and I am continuously moved by their steadfast desire to serve the credit union movement. I thank them for their continuous commitment and I thank you, our member, for having the confidence in these individuals who help drive the success of your credit union.
- We also have a highly capable volunteer board of directors who share their expertise and knowledge to guide this organization toward continued success. In 2014, our board of directors completed a total of 24 training hours, and I think that illustrates their strong desire to ensure they are a highly skilled and educated governing body.
- And, we have a unique business model that empowers every single member to have a voice. *One member, one vote.*

As we grow, we will keep our focus on doing what’s right. Locally, we will continue to provide better services and more convenience for our members. We will seek to help more people in our community get on solid ground through financial education. Nationally and on the state level, we will remain vigilant in making sure our elected officials know that a tax on credit unions is a tax on all of our members; and we must be sure they understand the credit union difference.

Through it all, we will continue to focus on people first. It’s what makes your credit union different, and what makes us strong.

As we embark on the year ahead, my commitment to you today is that Eastex Credit Union will continue to:

- Grow responsibly, while listening and responding to your needs;
- Explore innovative product/service solutions to enhance your financial life.
- Develop our staff and board so they can confidently serve you.

Many thanks for being an integral part of our credit union family. On behalf of the entire staff, we look forward to a happy and successful 2015 for us all.

Sincerely,

*Loretta Chatagnier.*

Loretta Chatagnier  
President/CEO

## TREASURER REPORT

The financial condition of Eastex Credit Union is sound, earning us positive reviews during our supervisory committee audit and our annual examination by the National Credit Union Administration. All exceptions noted during the audit and examination was addressed.

Eastex Credit Union experienced another year of positive growth with assets of 66.6 million, increasing 7.48% from 2013, our loans increased 4.4 million or 11.93%, and shares grew by 3.8 million or 7%. Capital remains strong at 11.03%, with a return on assets of .91% or 563 thousand.

On behalf of the board of directors, we thank you for your membership and support of Eastex Credit Union.

*Troyce Taylor.*

Troyce Taylor  
Board of Director – Treasurer

## SUPERVISORY COMMITTEE REPORT

The Credit Union Resources, Inc., a division of the Cornerstone Credit Union League, conducted our annual supervisory committee audit for 2014. The work was performed in accordance with requirements set forth in section 715.7© of the NCUA Rules and Regulations and included any additional procedures deemed necessary.

Credit Union Resources, Inc. examined or tested accounting records and other supporting evidence and made a general review of the system of internal controls. The noted exceptions were minor. The overall records of the credit union were found in good condition.

The supervisory committee also conducted two additional internal audits, the first covering payroll and bank reconciliations, IRA procedures, corporate credit card review, employee, family members and official account review, safe deposit box review, and a sample of recently granted loans. All accounting procedures are being performed in a timely manner with no exceptions noted. The loan sample reviewed had minor exceptions noted.

The second internal audit performed covered the Bank Secrecy Act (BSA), the Office of Foreign Assets Control (OFAC) and ACH. Minor exceptions were noted with recommendations for improvement. Management and staff reviewed the findings and made adjustments where necessary.

*JE Martindale.*

JE Martindale  
Supervisory Committee Chairman

### Mission Statement

To provide people with the best financial solutions.

### Vision Statement

To be recognized as the community leader in financial solutions.

### BOARD OF DIRECTORS

James Parsley	Chairman
Diane Etue	Vice Chairperson
Troyce Taylor	Treasurer
JE Martindale	Secretary
Lee Spence	Director
Francis McDaniel	Director
Joey Davis	Director

### SUPERVISORY COMMITTEE

Marlene Lacy	Chairman
Shannon Adams	Committee Member
JE Martindale	Committee Member

### STAFF

Loretta Chatagnier	President/CEO
Christine Larsen	VP of Lending
Mona Duce	VP Silsbee Office
Cheryl Loftin	VP Kirbyville Office
Connie Hawthorne	VP of Operations
Gayle Luna	AVP Member Service Silsbee
Renee Will	AVP Member Service Evadale
Denise Stark	AVP Member Service Kirbyville
Mischga Wright	Collections
Lauren Cook	MSR/Collections
Megan Whigham	Accounting/BSA Officer
Ashley Danielson	MSR/BSA Officer
Michelle Spears	Loan Officer
Brenda Davenport	Loan Officer
Polly Collier	Loan Officer
Erin Toney	Loan Interviewer
Laura Ross	Member Service Rep
Elizabeth Roesch	Member Service Rep
Breana Lake	Member Service Rep
Jamie Campbell	Member Service Rep
Tonya Munson	Member Service Rep
Kendra Hooks	Member Service Rep
Jessica Lee	Member Service Rep
Melissa Jenkins	Member Service Rep
Alysha Brown	Member Service Rep
Victoria Lightfoot	Part Time Silsbee High Senior

