

ANNUAL MEETING MINUTES

The 60th Anniversary Meeting for Eastex Federal Credit Union was called to order at 7:00pm on March 17, 2015 in the Evadale ISD auditorium by James Parsley, Chairman of the Board of Directors.

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

Shannon Adams, board member, opened the meeting with an invocation.

James Parsley asked for all the members present to review the minutes on the last page of the 2014 Annual Report. Francis McDaniel motioned to approve the 2014 minutes. The motion was second by Christine Larsen and approved by all members present.

James Parsley expressed how proud the Board was of the trust all the members placed in them to run EFCU. James introduced the board members. James then summarized on what a very good year of growth EFCU experienced touching on various highlights of 2014. The 2015 expectations for EFCU were going to be more community involvement focusing on financial literacy for the members. EFCU also plans to offer better resources and new technology. He expressed confidence in Loretta Chatagnier, the CEO, and her staff to implement the new resources.

Troyce Taylor, Treasurer, gave the treasurer report. EFCU experienced sound financial growth along with positive audit reviews from NCUA and the supervisory audit. The exceptions noted during both audits have been addressed.

JE Martindale gave the supervisory committee report. He explained how the committee audits the internal activities of EFCU, such as payroll, corporate credit cards, accounting, BSA and loans. JE reported minor exceptions found that have since been corrected.

Loretta Chatagnier, CEO, then addressed the crowd. She thanked all the members in attendance for making EFCU's 60th Anniversary a success. She gave special thanks to Hugh Terry, Francis McDaniel and the Go Texans for preparing the terrific fish fry. She also thanked the Evadale ISD, represented by Shannon Adams, for the use of the facilities and all the local businesses that made donations for the yearly raffle. Loretta then introduced Pam Hebert and Jessica Sparks of PMD Marketing Group. These are the ladies responsible for EFCU's new website and advertisements for the yearly promotions. Special thanks were given to Billy Lamb for letting PMD use his antique cars for EFCU's advertisements this year. Loretta then introduced EFCU's staff and thanked them for their dedication to making EFCU a financial success. Finally, Loretta thanked EFCU's members because without them, there would be no EFCU.

James Parsley asked the crowd if there was any unfinished or new business that needed to be addressed. There was no response.

Francis McDaniel gave the nominating committee report as turned in by Gary Fairchild, chairman of the committee. Incumbents James Parsley and JE Martindale ran unopposed; therefore they were declared winners by acclamation.

James then turned the meeting over to JE Martindale, Michelle Spears, Jessica Lee and Loan Star Saver Chloe Stark to draw for the cash door prizes and the "Wheel of Prizes." This year the members attending the annual meeting raised \$910 for the Southeast Texas Food Bank.

After the last prize was awarded, James asked for a motion to adjourn the meeting. JE Martindale motioned to adjourn, the motion was second by Jerry Hawthorne and the meeting closed at 8:10 pm.

STATEMENT OF FINANCIAL CONDITION

	2015	2014
<b>ASSETS</b>		
Catalyst Corporate FCU	2,926,595	3,425,595
Investments	15,161,840	18,775,340
Total Loans	46,191,366	41,539,646
Allowance for Ln Loss	(190,298)	(193,356)
Land & Buildings	1,904,224	1,926,384
Furniture & Equipment	210,968	75,676
NCUA Share Insurance	784,269	561,192
Other Assets	1,247,661	549,879
<b>TOTAL ASSETS</b>	<b>68,236,625</b>	<b>66,660,356</b>

<b>LIABILITIES &amp; EQUITY</b>		
Accounts Payable	502,931	498,709
Total Shares	59,907,110	59,001,016
Undivided Earnings	6,647,248	5,981,295
Regular Reserves	1,179,336	1,179,336
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>68,236,625</b>	<b>66,660,356</b>



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2015  
ANNUAL  
REPORT



A MESSAGE FROM OUR CEO...

Good evening and welcome. On behalf of the management and staff of Eastex Credit Union, I welcome you to the 61st annual meeting of our membership.

I'd like to express my sincere thanks to each and every member. When you participate in your credit union, you are contributing to its growth, and that's why this credit union continues to thrive year after year. In return, because of our cooperative structure, we're able to return our profits back to you, the owners and members, by offering competitive rates, new products and services, and additional points of service.

As our membership grows, so do our assets, which is an indicator of how well our members are receiving the products and services our credit union has to offer. Our current assets are 68.5 million and Membership is at 10,400.

Loan demand has increased 11.2% in 2016 and delinquencies remain low at .46%, this tells me that you value the competitive rates we are able to offer and that you have a strong commitment to honoring your financial obligations with your credit union.

Eastex Credit Union is a well-capitalized financial institution, with a strong net worth ratio of 11.47%. To put that in perspective, a net worth position above 7 percent is considered well capitalized by our regulators.

Our 2015 results illustrate that Eastex Credit Union is a strong, sustainable, and efficient financial institution, but we are also an integral part of the community.



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 2016.

Sincerely,  
*Loretta Chatagnier.*  
Loretta Chatagnier  
President/CEO

That's important to us, and that makes us significantly different from other financial institutions. Our commitment to and presence in the community can be seen in many of the activities we've take part in.

Our talented team of professionals take pride in helping our members meet their financial goals. Our accomplishments would not have been possible without their steadfast commitment and unified efforts. Their passion inspires me, and I thank them for their loyalty and commitment to providing great service.

We also have a highly capable volunteer board of directors that shares an enormous amount of time, knowledge, and expertise in guiding this organization. There's no doubt about their desire to ensure they remain a highly skilled and educated governing body.

As we grow, we will keep our focus on providing 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 and charitable activities. 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 our 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 and service solutions to enhance your financial life, and
- Develop our staff and board so they can confidently and wisely serve you.

TREASURER REPORT

The board of directors elected to retain Credit Union Resources, Inc., a division of the Cornerstone Credit Union League to conduct our annual audit. The work was performed in accordance with the requirements set forth in section 95.305 of the Texas Credit Union Department Rules and Regulations and included any additional procedures deemed necessary.

Credit Union Resources, Inc. audited our accounting records, a sample of our loan portfolio and made a general review of our internal controls. The noted exceptions were minor and the overall records and controls in place at the credit union were found to be in good condition.

Credit Union Resources, Inc., also conducted two additional internal audits, the first covering employee payroll reconciliations, general ledger reconciliations including clearing accounts and corporate. They also reviewed a sample of loans recently granted; file maintenance reports and loan exceptions. An audit of credit union officers, employees and family member accounts was conducted along with Individual Retirement Account procedures and a review of corporate credit cards. There were minor exceptions noted and management made the appropriate adjustments.

The second internal audit performed covered the Bank Secrecy Act (BSA), the Office of Foreign Assets and Control (OFAC) and ACH. Minor exceptions were noted. Management and staff reviewed the findings and made the appropriate changes.

The Texas Credit Union Department conducted its annual examination of the credit union. The credit union was found to be financially and operationally sound. Minor exceptions were noted and management took the appropriate steps to correct the infractions. The credit union earned the highest possible rating from the Texas Credit Union Department.

*Troyce Taylor.*  
Troyce Taylor  
Board of Director – Treasurer

MISSION STATEMENT  
To provide people with the best financial solutions.

VISION STATEMENT  
To be the community leader in financial solutions

BOARD OF DIRECTORS		(Term Expiration)
James Parsley	Chairman	(2018)
Diane Etue	Vice Chairperson	(2016)
Troyce Taylor	Treasurer	(2017)
JE Martindale	Secretary	(2018)
Shannon Adams	Director	(2016)
Francis McDaniels	Director	(2017)
Marlene Lacy	Director	(2016)



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
Renee Will	VP Member Service

Gayle Luna	AVP Member Service Silsbee
Denise Stark	AVP Member Service Kirbyville
Laura Ross	AVP Member Service Kountze

Lauren Balla	Collections
Jamie Campbell	MSR/Collections

Megan Whigham	Accounting/BSA Officer
Ashley Gibson	e-Services/BSA Officer

Michelle Spears	Loan Officer
Brenda Davenport	Loan Officer
Polly Collier	Loan Officer
Erin Toney	Loan Officer

Breeana Lake	Member Service Rep
Kristen LaRue	Member Service Rep

Tonya Munson	Member Service Rep
Kerri Richard	Member Service Rep
Stacey Galloway	Member Service Rep
Scotti Wheeler	Member Service Rep
Melissa Jenkins	Member Service Rep

Jessica Lee	Member Service Rep
Alysha Brown	Member Service Rep
Elisha McDaniel	Member Service Rep
Michaela Richardson	Member Service Rep