

The 61st Annual Meeting for Eastex Credit Union was called to order at 7:00pm on March 14, 2016 in the Evadale ISD Auditorium by James Parsley, Chairman of the Board of Directors.

Diane Etue, Vice Chairperson, 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 2015 Annual Report. Francis McDaniel motioned to approve the 2015 minutes. The motion was second by Diane Etue and approved by all members present.

James Parsley welcomed all to the meeting. He introduced each board member and expressed how proud he was to serve with each of them. James gave a quick review on how successful ECU was during 2015. The membership had grown to 10,400 with over \$70 million in assets. James spoke about the successful new products and services initiated in 2015. Then he touched on the new products ECU hopes to initiate in 2016. James spoke of how we should stay on top of credit union advocacy because the banks lobby heavily to tax credit unions. He thanked Loretta, her staff and the board members for their dedication to keeping ECU successful and the members for their confidence in ECU.

Troyce Taylor, Treasurer, gave the treasurer report. Troyce informed all that ECU had endured five in depth audits during 2015. When they were all finished and reviewed ECU earned the highest possible rating from the Texas Credit Union Department for Operations and Compliance.

Loretta Chatagnier, CEO, then addressed the audience. She thanked the Board and her Management Team for the success of the 2015 strategic plan that focused on growth, safety and soundness, security and convenience for the members. She recognized the entire staff for their commitment to ECU's success. Loretta then thanked Hugh Terry and the Go Texan organization for providing the meal, the Evadale ISD for the use of the facilities and all the businesses who donated prizes.

James Parsley asked the audience if there was any unfinished or new business that needed to be addressed. There was none.

Gary Fairchild, Chairman of the Nominating Committee, gave the nominating committee report. Gary explained the board was responsible for the safety and soundness of the credit union and was strictly a volunteer job. Three board members were up for re-election, Diane Etue, Shannon Adams and Marlene Lacy. Gary gave a brief biography of each board member and then opened the floor up for nominations. There being no further nominations, Gary turned the meeting over to James Parsley. James asked for a motion to declare the three incumbents winners by acclamation. The motion was made by Christine Larsen and second by Troyce Taylor. The motion was passed by all members present at the meeting.

James turned the meeting over to employees Michelle Spears, Megan Whigham and Kerri Richard and Lone Star Saver, Melody Hare to draw for the cash door prizes and the donated gifts. The members attending this year's meeting raised \$810 for the Southeast Texas Food Bank.

After the last prize was awarded, James asked for a motion to adjourn the meeting. Troyce Taylor motioned to adjourn, the motion was second by Diane Etue and the meeting closed at 7:45 p.m.



**STATEMENT OF FINANCIAL CONDITION**

	2016	2015
<b>ASSETS</b>		
Catalyst Corporate FCU	3,191,414	2,926,595
Investments	18,390,340	15,161,840
Total Loans	47,671,534	46,191,366
Allowance for Ln Loss	(226,781)	(190,298)
<b>NET LOANS</b>	<b>47,444,753</b>	<b>46,001,068</b>
Land & Buildings	2,547,542	1,904,224
Furniture & Equipment	663,602	210,968
NCUA Share Insurance	779,436	784,269
Other Assets	475,810	1,247,661
<b>TOTAL ASSETS</b>	<b>73,492,897</b>	<b>68,236,625</b>
<b>LIABILITIES &amp; EQUITY</b>		
Accounts Payable	533,056	502,931
Total Shares	64,776,108	59,907,110
Undivided Earnings	7,004,397	6,647,248
Regular Reserves	1,179,336	1,179,336
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>73,492,897</b>	<b>68,236,625</b>



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## MESSAGE FROM OUR CEO...

On behalf of the management and staff of Eastex Credit Union, welcome to the 62nd Annual Meeting.

“One member, one vote.” That’s the foundation of our unique cooperative business model, and it empowers every single member to have a voice in your financial institution. When you participate in the voting process, you’re contributing to Eastex Credit Unions growth year after year. Because of our cooperative structure, we’re able to return our profits to you in the form of competitive rates, new products and enhanced services.

It is my special privilege to provide a “State of Our Credit Union” address at this time.

Let me begin by saying that 2016 was one of the most significant years in recent memory for the nation, and for the credit union movement as well. The credit union movement weathered another round of banker attacks, not only regarding our tax exemption, but field of membership rules. Bankers went so far as asking a federal court to nullify the regulations, which are based on the Federal Credit Union Act and give the National Credit Union Administration the authority to implement and modify such membership rules to mitigate regulatory burden.

Through our advocacy efforts, we will continue to push back when the bankers lobby tries to undermine our cooperative system. In fact, we will encourage Congress to do more to expand consumer access to credit unions.

With continued data breaches in the headlines, cybersecurity ranked high on our list of 2016 priority items, under the heading of advocacy. Some of the other items we watched with interest include financial regulatory improvement, capital access for small businesses, member business lending, overtime rules, the Truth in Lending Act and Real Estate Settlement Procedures, and payday alternative loans.

All of those issues demanded we allocate time and resources to advocating with our lawmakers on behalf of credit unions. The good news is that, in 2017 we have excellent opportunities to see credit union advocacy victories on the regulatory relief front. With CUNA, the Cornerstone League, and credit unions joining forces like never before, we intend to be engaged and help drive the Campaign for Common-Sense Regulation.

You know, whether you’re a member or not, credit unions benefit all consumers. The reason is competition. Our very presence in the financial services industry helps to drive down the cost of financial services for everyone. To compete effectively, other financial institutions are forced to offer quality products and services at a reasonable cost.

As our credit union membership grows, so do our assets, which is one of the primary indicators of how well our members are receiving the products and services we offer. Our current assets are 73,492,897. Membership at Eastex Credit Union stands at 9,766.

I’m happy to report that as loan demand has increased 3.3% from 2016 to 2017, delinquencies remain low at .43% percent. This is a reflection of two things: the competitive rates we’re able to offer and your strong commitment to honoring your financial obligations with us.

I’m very pleased to announce that again this year Eastex

Credit Union is a well-capitalized financial institution, with a strong net worth ratio of 11.14 percent. To put that in perspective, a net worth position above 7 percent is considered well capitalized by our regulators.

Just as you are committed to your financial institution, we are committed to you. The following few high points from 2016 demonstrate our dedication to providing products and services that benefit you and your families:

- New drive thru facility in Buna with an Interactive Teller Machine (ITM) and a 24 hour ATM
- New office in Kountze with an Interactive Teller Machine (ITM) and a 24 hour ATM
- Improved the online banking platform and the mobile banking platform

Community involvement is just one of the things that make credit unions different from other financial institutions. Our commitment to our communities can be seen all over Hardin, Jasper and Newton counties through sponsorships, educational classes to name a few.

Our team of professionals report to work every day with the intention of helping our members meet their financial goals. Without their energy, optimism, commitment and wholehearted belief in our cause it would not have been possible to reach our goals. Their passion is inspiring, and I thank them for their loyal service.

Our volunteer board of directors share an enormous amount of time, knowledge, and expertise in guiding this organization. They have a strong desire to be a well-skilled and educated governing body. In 2016, our board of directors completed a combined total of 144 training hours.

As we move into 2017, my commitment to you today is that Eastex Credit Union will continue to:

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

We are sincerely grateful that you are part of our credit union family. I’m highly optimistic about our future. On behalf of the entire staff, we look forward to a successful 2017.

Sincerely,

*Loretta Chatagnier*

Loretta Chatagnier  
President/CEO



## 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 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. Eastex Credit Union remains in good standing with the Texas Credit Union Department.

American Share Insurance conducted its annual examination of the credit union. The credit union was found to be financially sound. The minor exceptions noted were corrected.

*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	(2019)
Troyce Taylor	Treasurer	(2017)
JE Martindale	Secretary	(2018)
Shannon Adams	Director	(2019)
Francis McDaniels	Director	(2017)
Marlene Lacy	Director	(2019)

## 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	Collections

Megan McDonald	Accounting/BSA Officer
Melissa Jenkins	e-Services

Michelle Spears	Loan Officer
Brenda Davenport	Loan Officer
Polly Collier	Loan Officer
Erin Toney	Loan Officer
Elisha McDaniel	MSR/Loan Processor

Sherry Summers	Member Service Rep
Kristen LaRue	Member Service Rep

Tonya Munson	Member Service Rep
Kerri Richard	Member Service Rep
Kelli Slaydon	Member Service Rep
Scotti Wheeler	Member Service Rep
MiKayla Ambrose	Member Service Rep
Alysha Cowart	Member Service Rep

Jessica Lee	Member Service Rep
Kassandra Hentrich	Member Service Rep
Penny Foxworth	Member Service Rep
Victoria Lightfoot	Member Service Rep
Kaylee Davis	Member Service Rep
Brooke Willis	Member Service Rep