



2017

ANNUAL REPORT

COMMITMENT • CONVENIENCE • COMMUNITY

MESSAGE FROM OUR CEO

On behalf of the management and staff of Eastex Credit Union, welcome to the 63rd Annual Meeting. For the successes we can claim today, we have many people to thank, starting with our committed volunteer directors for their responsible stewardship of our principles, philosophy, and mission; our executive management team for their insightful strategic planning and organization; our dedicated employees for embracing our values and our goals and delivering best-in-class service; and our loyal and financially astute members who appreciate the many ways this credit union is a partner in their financial wealth.

The foundation of our unique cooperative business model, “One member, one vote,” empowers every single member to have a voice in their financial institution. When you participate in your credit union’s voting process, you’re contributing to its future growth and potential, year after year. As a result, we’re able to return our profits to you in the form of competitive rates, new products, enhanced services, and additional points of service to help you strive toward your financial objectives.

This year found a lot of people in our membership and on our staff facing hardships as a result of Hurricane Harvey. Some people lost their cars, their belongings, their homes. Many are still recovering and we’re proud as a credit union to offer solid financial support to our members when they need it most.

Another significant item worth mentioning is the Equifax breach that affected 143 million Americans. We assure you that your financial institution suffered no data breaches, and you can rest assured your data remains safe.

The credit union industry as a whole had a big year going up against giant banks regarding our tax exemption and also our field of membership rules. They consistently fail to understand that what makes credit unions different is the not-for-profit cooperative structure enshrined in the Credit Union Act of 1934, seven cooperative principles. Just like banks, we accept deposits, make loans, and provide a wide array of other financial services. Profits made by credit unions are returned back to members in the form of reduced fees, higher savings rates, and lower loan rates. And unlike banks, we have all of you, our member-owners, not stockholders.

As you will recall, credit unions did not cause the recession the country experienced in 2008, yet we are still subject to the same financial regulations as banks. We support credit union advocates that work to encourage Congress to expand

consumer access to credit unions, and we will stay engaged in the regulatory reform process to ensure nothing gets in the way of our ability to provide you with the trusted service you’ve come to expect from us.

We are committed to you, just as you are to Eastex Credit Union. We have launched a few new products and services that benefit you and your families:

- New Visa Platinum Credit Card with Rewards
- Improved the E application for our Website
- iPay – One click person to person payments

And as always, we’ve been out and about in the community a lot this past year. Some of our events included:

- Mad City Money
- Breast Cancer Walk
- Scholarships
- Teacher Extra Credit Award for improving classrooms

We have an excellent team of volunteers and professionals who report to work every day with the intention of helping our members meet their financial goals. Our many accomplishments would not have been possible without their energy, optimism, commitment, and wholehearted belief in our principles and philosophies as a cooperative, not-for-profit entity. I thank them for their service.

As we move into 2018, my commitment to you today is that Eastex Credit Union will continue to grow responsibly while listening and responding to your needs, we will evaluate new products and services that can benefit the membership, and we will continue to operate in a conservative but growth-focused manner. We look forward to a great year ahead.

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., performed 3 internal audits and 1 supervisory audit in 2017. The internal audits performed reviewed general ledger reconciliations; recently granted consumer loans; file maintenance reports; employee, official and family member account; loan exception reports; individual retirement account procedures; corporate credit card review; safety deposit box procedures; cash counts at the Kirbyville and Silsbee locations; EDP system restrictions in relation to employee's ability to process transactions on their own accounts and those of family members; collections, repossessions, recoveries and charged off loans; and a cursory website review. The third internal audit performed covered the Bank Secrecy Act (BSA), The Office of Foreign Assets and Control (OFAC) and ACH. Minor exceptions were noted during each internal audit and management made the appropriate corrections.

The Texas Credit Union Department and American Share Insurance conducted its annual examination of the credit union. The credit union is financially and operationally sound. Minor exceptions were notated, and management made the appropriate corrections.

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)
JE Martindale	Secretary	(2018)
Diane Etue	Vice Chairperson	(2019)
Marlene Lacy	Director	(2019)
Shannon Adams	Director	(2019)
Troyce Taylor	Treasurer	(2020)
Francis McDaniels	Director	(2020)

STAFF

Loretta Chatagnier	President/CEO
Christine Larsen	VP of Lending
Mona Duce	VP Silsbee Branch
Cheryl Loftin	VP Kirbyville Branch
Connie Hawthorne	VP of Operations
Renee Will	VP of Member Service
Denise Stark	AVP Member Service Kirbyville
Jessica Lee	AVP Member Service Silsbee
Megan McDonald	AVP Call Center/Accounting /BSA Officer
Michelle Spears	AVP Kountze Branch/ Loan Officer
Alysha Coward	Financial Solutions
Elisha McDaniel	Financial Solutions
Melissa Jenkins	e-services
Brenda Davenport	Loan Officer
Polly Collier	Loan Officer
Penny Foxworth	Loan Processor
Scotti Wheeler	Loan Processor
Erin Williams	Member Service Rep
Mikayla Ambrose	Member Service Rep
Amanda Chapman	Member Service Rep
Danielle Guzman	Member Service Rep
KK Hentrich	Member Service Rep
Cassie Jackson	Member Service Rep
Laurie King	Member Service Rep
Kristen LaRue	Member Service Rep
Sherry Summers	Member Service Rep
Gwen Thompson	Member Service Rep
Mikyla Westbrooks	Member Service Rep
Pamela Yawn	Member Service Rep
Hannah Strickland	Scanner

ANNUAL MEETING MINUTES

The 62nd Annual Meeting for Eastex Credit Union was called to order at 7:00 pm on April 4, 2017 in the Evadale ISD Auditorium by James Parsley, Chairman of the Board of Directors.

JE Martindale, Secretary, declared a quorum for the meeting. 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 2016 Annual Report. Shannon Adams motioned to approve the 2016 minutes. The motion was second by JE Martindale and approved by all members present.

James Parsley thanked all the members for their trust and confidence in the Board. He introduced the Board members with their tenure on the board along with a brief history of each member. He began with Troyce Taylor, the senior member who has served on the board for over 50 years, Diane Etue, JE Martindale, Francis McDaniel, Shannon Adams and Marlene Lacy. He reminded all that ECU has a volunteer board and their sole interests are the members' interests. James gave a brief summary of the 2016 highlights. ECU experienced strong asset growth considering the challenging economic environment. He was very proud of how ECU's management and staff overcame these challenges to grow and prosper in tough times. ECU opened two new locations, Buna and Kountze, with ATM's and initiated new security measures through audits and the new chip card technology. He has strong confidence that management and staff will continue to provide Eastex CU's members the latest technology and services for their savings, retirements, and loans and continue to be a good impact on the communities.

James Parsley presented the treasurer's report since Troyce Taylor was unable to attend the meeting. Eastex CU had grown in assets by \$5 million since 12/31/2015 and as of today, had grown another \$5 million since 12/31/2016. Eastex CU is in a very strong financial position.

Loretta Chatagnier, CEO, then addressed the audience. After welcoming all she thanked them for their continued support of ECU. She explained the construction project at the Evadale location will house the call center and interactive teller, a board room and storage and a future lending center. The 2017 strategic business plan addresses safety and soundness, security and improved services to the members. She proudly introduced her staff and thanked them for their loyalty and dedication to Eastex CU. She then thanked the Go-Texans for providing the meal, the Evadale ISD for the use of the auditorium and cafeteria and the businesses who donated door prizes. Loretta urged all present to shop locally when possible.

James then called for any unfinished business or new business to be addressed. Nothing was presented so he introduced Gary Fairchild, Chairman of the Nominating Committee.

Gary Fairchild thanked Eastex CU for their continued support of the schools and students. He explained the importance of the volunteer board positions. He announced the two board members up for re-election along with a brief summary of their involvement with the community, Troyce Taylor and Francis McDaniel. Gary 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 incumbents winners by acclamation. The motion was made by Billy Lamb, second by Shannon Adams and approved by all in attendance.

With the business completed, James asked for a motion to close the business meeting so door prizes could be awarded. The motion was made by Christine Larsen, second by Diane Etue and the business meeting closed. James asked if anyone wanted to purchase any more tickets for the raffle. Connie Hawthorne announced the money raised by candy sales at each branch prior to today was \$728.99 and with tonight's raffle tickets sold, ECU raised \$1,312.99 for the Southeast Texas Food Bank. The floor was then turned over to JE Martindale, Michelle Spears and Lone Star Saver Anna Gore to draw for the cash door prizes and the donated gifts.

It was a fun filled ending to the 62nd annual meeting.

STATEMENT OF FINANCIAL CONDITION

	2017	2016
ASSETS		
Catalyst Corporate FCU	4,289,533	3,191,414
Investments	20,809,340	18,390,340
Total Loans	52,785,564	47,671,534
Allowance for Ln Loss	(323,197)	(226,781)
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NET LOANS	52,462,367	47,444,753
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Land & Buildings	2,485,711	2,547,542
Furniture & Equipment	672,296	663,602
NCUA Share Insurance	842,572	779,436
Other Assets	1,055,565	475,810
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TOTAL ASSETS	82,617,384	73,492,897
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LIABILITIES & EQUITY		
Accounts Payable	728,415	533,056
Total Shares	73,335,443	64,776,108
Undivided Earnings	7,374,190	7,004,397
Regular Reserves	1,179,336	1,179,336
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TOTAL LIABILITIES & EQUITY	82,617,384	73,492,897

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Silsbee Evadale Buna Kirbyville Kountze

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AMERICAN SHARE INSURANCE
By members' choice, this institution is not federally insured.
Members' accounts are not insured or guaranteed by any
government or government-sponsored agency.

