



2020

ANNUAL REPORT

Commitment

Convenience

Community

MESSAGE FROM OUR CEO

Good evening. I am Loretta Chatagnier, the chief executive officer of Eastex Credit Union, and I would like to welcome you to our annual meeting.

You know, you are one of the most important people in the credit union industry: a member-owner. Your initial deposit was your share in Eastex Credit Union, and it empowered your voice in your financial institution. Credit unions operate on a “one member, one vote” principle, so when you participate in the voting process, you are contributing to the growth and potential of your credit union.

Every person in America and every financial institution has had to face the challenges of the COVID-19 pandemic. Eastex Credit Union is no different. Your health and safety, and the health and safety of our staff, are important to us, so in 2020 we enacted certain protocols to minimize exposure, especially for our high-risk staff and members, while ensuring you have access to your money and our full array of services whenever you need them.

Eastex Credit Union has a variety of online capabilities. We hope the technical advancements we have made help you feel confident about the security of your money and your ease of access to it. We enhanced our drive-thru transactions to include almost anything you need.

As your financial first responder, your credit union went to great lengths to help members and our community through the most challenging year in modern times. Because that is what we are here for: your financial well-being.

Unfortunately, the pandemic is not over. Virologists and medical experts warn that Americans will continue to deal with new infections and deaths through the summer before we have reached sufficient herd immunity. But it will take all of us doing our part. We are optimistic.

From a business perspective, your credit union continues its steady trajectory forward and upward, with our focus finely tuned to the things that really matter to our members. As such, we were able to bring our “people helping people” philosophy to life in ways that helped not only our members, but our communities.

Because of our cooperative business model, we can return profits to our members in the form of competitive rates, new products, enhanced services, and additional points of service to make it easier for you to reach your financial objectives. Our highest and best purpose is serving you.

As we navigate the challenges of 2021, we promise that Eastex Credit Union will continue to grow responsibly while listening and responding to your needs. As our member-owners, you are integral to our credit union family, and we are sincerely grateful that you have chosen Eastex Credit Union as your financial partner. We wish you a healthy and prosperous 2021.

Thank you.

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 internal and annual audits. 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 include any additional procedures deemed necessary.

Credit Union Resources, Inc. performed 4 internal audits and 1 supervisory audit in 2020. The 1st internal audit performed reviewed file maintenance reports, corporate credit cards, sample of member loans, loan exception reports, employee, official and family member accounts, and IRA procedures.

The 2nd internal audit performed was a Bank Secrecy Act, Customer Identification Program Compliance review, Office of Foreign Assets Control Compliance review, and the annual ACH Audit.

The 3rd internal audit reviewed payroll reconciliation, negative shares and overdraft accounts procedures, real estate loans, home equity loans, collections, repossessions, recoveries and charge off.

The 4th internal audit reviewed safe deposit box procedures, credit card review, new loan verifications, FACT Act review, and a cursory website review. Minor exceptions were noted and corrected by management and staff.

The annual supervisory audit was performed by Credit Union Resources. An audit of loans, allowance for loan losses, accounts receivable, cash, investments, prepaid and deferred expenses, fixed assets, other assets, accounts payable, accrued liabilities, shares, reserves and undivided earnings, expenses and general compliance regulations were reviewed. No exceptions were noted.

The Texas Credit Union Department and American Share Insurance conducted its annual examination of the Credit Union. Eastex Credit Union is financially and operationally sound. Minor exceptions were noted during the exit interview with the Board of Directors and management made the appropriate corrections.

Thank you.

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	(2021)
Marlene Lacy	Secretary	(2022)
Diane Etue	Vice Chairperson	(2022)
Shannon Adams	Director	(2022)
Rusty Minyard	Director	(2023)
Troyce Taylor	Treasurer	(2023)
Francis McDaniels	Director	(2023)

STAFF

Loretta Chatagnier	President/CEO
Connie Hawthorne	VP of Operations
Brenda Davenport	VP of Lending/Mortgage
Mona Duce	VP Silsbee Branch
Cheryl Loftin	VP Kirbyville Branch
Renee Will-Cain	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 Loan/Mortgage Officer
Erin Williams	AVP Member Service Evadale
Alysha Smith	Financial Solutions
Melissa Jenkins	e-Services/BSA Officer/ ACH Services
Penny Foxworth	Loan Officer
Kristen LaRue	Loan Processor
Samantha Eubanks	Loan Processor
KK Hentrich	Member Service Rep
Geraldine Boyett	Member Service Rep
Shannon Daffron	Member Service Rep
Laurie King	Member Service Rep
Becky Byrum	Member Service Rep
Pamela Yawn	Member Service Rep
Baylee McGallion	Member Service Rep
Hannah Cryer	Member Service Rep
Kelby Geisendorff	Member Service Rep
Kelsey Solly	Member Service Rep
Kristy Giles	Member Service Rep
Amy Nugent	Member Service Rep
Shaniqua Oliphant	Member Service Rep
Rebekah Binkley	Member Service Rep
Niki Bowman	Member Service Rep

ANNUAL MEETING MINUTES

The 64th Annual Meeting for Eastex Credit Union was called to order at 7:00pm by Francis McDaniel, Director, inside the Evadale ISD Auditorium on April 23, 2019. JE Martindale, Board Secretary declared a quorum present for the meeting. Director Shannon Adams opened the meeting with an invocation.

Francis McDaniel asked all members present to review the minutes on the last page of the 2018 Annual report. Shannon Adams made the motion to accept the minutes as printed. The motion was seconded by Christine Larsen and approved by all present.

Francis McDaniel, Director, welcomed all present and applauded them for their interest in being member-owners. He recognized all the current board members who he works closely with, James Parsley, Chairman; Diane Etue, Vice Chairperson; JE Martindale, Secretary; Troyce Taylor, Treasurer; Marlene Lacy, Director and Shannon Adams, Director, for their leadership, dedication and passion for Eastex Credit Union (ECU). The strength of the Board's commitment is key to ECU's long-term sustainability and prosperity. Francis stated the Board is united in providing a competent, qualified and trustworthy management team to run the daily operations of the credit union. The annual report showed how well ECU performed during fiscal year 2017-2018. Francis highlighted membership at 10,473; assets at \$83,675,164; loan demand increased by 3% while delinquencies remain low at .21% and a net worth of 11.04%. Francis closed by expressing confidence in the leadership of the CEO, Loretta Chatagnier, the guidance of an esteemed Board of Directors, the commitment of a dedicated staff and the support and loyalty of ECU's member owners. Francis stated Eastex Credit Union is well positioned to face any challenges and seize any opportunities presented in 2019.

Loretta Chatagnier, CEO, then addressed the audience. Loretta thanked ECU's dedicated staff, the Go-Texans for providing the meal, the Evadale ISD for the use of the auditorium and cafeteria, the local businesses that donated the door prizes and Gary Fairchild and Rusty Minyard for serving on the nominating committee.

Francis McDaniel called for any unfinished business to be addressed. Nothing was presented so he introduced Rusty Minyard of the nominating committee to present this year's board nominees.

Rusty Minyard thanked ECU for the continued support of the schools and students. He explained the importance of being a credit union director and announced three positions up for re-election. The three incumbents were Diane Etue, Marlene Lacy and Shannon Adams. After a brief summary on each director, Rusty opened the floor up for nominations. There being no further nominations, the incumbents won by acclamation.

With all the business completed, Francis McDaniel asked for a motion to adjourn the business meeting so door prizes and raffle prizes could be awarded. The motion was made by Christine Larsen, seconded by Troyce Taylor, approved by all and the business meeting closed. Kristen LaRue asked if anyone else wanted to purchase raffle tickets. After all sales were made, Lone Star Savers Westin Eubanks and Wyatt Eubanks helped JE Martindale, Michelle Spears and Kristen LaRue draw for the cash prizes and raffle gifts. The fun filled evening raised \$619 for the Southeast Texas Food Bank.

STATEMENT OF FINANCIAL CONDITION

	2020	2019
ASSETS		
Catalyst Corporate FCU	11,872,169	7,914,158
Investments	32,649,340	21,542,340
Total Loans	53,601,671	53,245,884
Allowance for Loan Loss	-270,296	-199,947
Land & Buildings	2,846,660	2,905,353
Furniture & Equipment	743,956	729,159
ASI Share Insurance	998,316	960,626
Other Assets	707,221	720,470
TOTAL ASSETS	103,149,037	87,818,043
LIABILITIES & EQUITY		
Accounts Payable	929,357	959,823
Total Shares	91,129,788	76,731,013
Undivided Earnings	9,910,556	8,947,871
Regular Reserves	1,179,336	1,179,336
TOTAL LIABILITIES & EQUITY	103,149,037	87,818,043
INCOME		
Interest on Loans	2,849,019	2,889,626
Income from Investments	465,072	489,668
Other Operating Income	1,896,018	1,792,971
Total Interest Income	5,210,109	5,172,265
EXPENSE		
Employee Compensation	1,517,870	1,569,226
Travel & Conference	60,000	69,571
Office Occupancy	282,778	292,775
Office Operations	1,141,932	1,304,875
Education & Promotion	131,617	156,998
Loan Servicing	190,768	143,631
Professional & Outside Services	112,856	156,708
Provision for Loan Losses	193,508	-44,865
Interest on Borrowed Money	204	515
Operating Fees	34,411	29,199
Miscellaneous Operating Expense	156,331	154,046
Total Operating Expense	3,822,275	3,832,679
Dividend & Interest Expense	425,150	449,222
Net Income	962,684	890,364



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 government or government-sponsored agency.

