

ANNUAL MEETING MINUTES

The 67th Annual Meeting for Eastex Credit Union was called to order at 5:35pm on May 10, 2022, by James Parsley, Chairman of the Board of Directors in the Eastex Credit Union's Administration Building with members attending via a Zoom meeting. Francis McDaniel, Director, declared a quorum for the meeting. Board member Shannon Adams then opened the meeting with an invocation.

Diane Etue presented the minutes from the 2021 Annual Meeting. Shannon Adams made that motion to approve the minutes as presented. The motion was second by Diane Etue and approved by all members present.

James Parsley presented the Chairman/CEO Report. He first started by thanking everyone for attending and discussed the one member, one vote philosophy of the credit union. He then discussed even with a second year of hardships in the economy, Eastex still saw an 8.4% growth and 2.7% increase in its membership. It still held a strong net worth, and opening the mortgage department has added to the loan portfolio. He recognized each of the Board members and expressed his confidence in not only the leadership team at Eastex, but its employees as well. He thanked the members for their loyalty, and noted Eastex is very well positioned to take care of anything that arises in the year to come.

Diane Etue presented the Treasurer's Report. Eastex had four internal audits and one Supervisory Committee audit performed by Credit Union Resources in 2021. It covered all areas including maintenance reports, samples of member loans and new accounts, corporate credit cards, Bank Secrecy Act, cash counts, and ATM operations to name a few. These audits had very few exceptions that were noted and corrected by staff, but overall ECU is doing an exceptional job. The Texas Credit Union Department and American Share Insurance performed their annual examinations, showing that ECU is financially and operationally sound.

James Parsley then called for any unfinished or new business to be addressed. Nothing was presented so he introduced Karen Parsley, Rita Wilkins, and Dell Adams of the Nominating Committee.

Karen Parsley presented the three Board members up for re-election, Marlene Lacy, Diane Etue, and Shannon Adams. She then opened the floor up for nominations. There being no further nominations, the incumbents won by acclamation.

With all the business completed, James Parsley asked for a motion to adjourn the business meeting. The motion was made by Francis McDaniel, second by Diane Etue and the business meeting closed.



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YOUR SAVINGS INSURED TO \$250,000 PER ACCOUNT
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.



STATEMENT OF FINANCIAL CONDITION

	2022	2021
ASSETS		
Catalyst Corporate FCU	3,436,611	6,303,592
Investments	38,920,296	42,541,940
Total Loans	67,091,732	57,880,536
Allowance for Loan Loss	-270,020	-209,506
Land & Buildings	2,691,906	2,770,834
Furniture & Equipment	591,106	666,983
ASI Share Insurance	1,291,174	1,185,613
Other Assets	792,119	695,042
TOTAL ASSETS	114,544,925	103,149,037
LIABILITIES & EQUITY		
Accounts Payable	1,625,694	674,722
Total Shares	100,726,757	99,284,551
Undivided Earnings	11,013,139	10,696,424
Regular Reserves	1,179,336	1,179,336
TOTAL LIABILITIES & EQUITY	114,544,925	111,835,033
INCOME		
Interest on Loans	2,904,165	2,683,961
Income from Investments	387,698	326,459
Other Operating Income	2,261,598	2,231,673
Total Interest Income	5,553,461	5,242,094
EXPENSE		
Employee Compensation	1,991,309	1,752,618
Travel & Conference	60,583	62,917
Office Occupancy	307,651	318,150
Office Operations	1,408,595	1,239,783
Education & Promotion	176,860	153,222
Loan Servicing	202,345	218,938
Professional & Outside Services	205,511	173,329
Provision for Loan Losses	175,213	6,912
Interest on Borrowed Money	30,555	0
Operating Fees	57,930	32,042
Miscellaneous Operating Expense	176,126	163,773
Total Operating Expense	4,792,679	4,121,684
Gain/Loss	16,725	0
Dividend & Interest Expense	427,343	334,541
Net Income	316,714	785,869

EASTEX
CREDIT UNION

2022 ANNUAL REPORT

MESSAGE FROM OUR CEO

Hello, my name is Loretta Chatagnier, CEO, welcome to the 67th annual meeting of Eastex Credit Union.

As you know, the credit union industry is unique in its structure. Our members are also our owners, and we are accountable to them - to you! As a member-owner, you make the decisions and participate with your vote. Thank you for taking time out of your busy schedule to be here and take an active role in your credit union!

Since the start of the pandemic, members have recognized and valued the credit union difference, and have appreciated the ways their credit unions have helped them through these past several years with fewer disruptions. As the financial landscape continues to shift in a post-Covid world, Eastex Credit Union is working hard to shift with it and provide the best value and experience possible for our members. The pandemic caused the financial industry to rethink many of its standard business practices, working to come up with innovative and more efficient processes moving forward.

- We are working to:
- Develop more online banking tools.
 - Expand account options and offer new products.
 - Streamline and simplify our processes wherever possible.
 - Reduce and eliminate fees.
 - Have robust cybersecurity measures in place.
 - Support advocacy and lobbying efforts on behalf of the credit union community.
 - Continue our priority of outreach and involvement in our local communities.

- In addition to nationwide trends in the financial landscape and economy, there have been localized effects felt here in Texas from issues such as:
- A polarized political landscape.
 - Concerns about health care accessibility and costs.
 - Continuing concerns over our power grid and infrastructure.
 - Rising food, gas, and energy prices.
 - A still competitive but cooling housing market.
 - Climbing mortgage interest rates.

Eastex Credit Union is aware that these issues present unique challenges for our members, and we’re dedicated to continuing to listen to your suggestions and feedback and exploring the best ways to support you as you navigate these circumstances. We have been proactive in preparing for the possibility of another winter storm or extreme weather

- event, to ensure our members can still access their funds.
- The overall picture for credit unions in Texas is encouraging. According to the Credit Union National Association’s 2022 mid-year report:
- Texas currently has 424 credit unions headquartered in the state, with membership of 10,181,016, representing 6.9% market share of deposits in the state, a growing, but still small, sector of the state’s financial sector.
 - Our average loan interest rates are significantly lower, offering substantial savings to our members, often by several percentage points. For example, the average used auto loan rate was 3.28%, compared to a bank’s average 5.54% rate.

Since credit unions are not-for-profit financial cooperatives and, unlike banks, have no shareholders demanding a market return on their investment, we are able to pass profits on to our member-depositors in the form of lower loan interest rates, higher yields on savings, and fewer/lower fees.

- In Texas, this translated into member benefits of:
- \$102.5 million higher yield on savings
 - \$138.7 million saved on fees.
 - \$1,066.5 million saved on loan rates.
 - \$510 million savings passed on to non-members.

This adds up to an impressive total of \$1,308 million in member benefits! And of course, none of this would be possible without the participation and input of members like you!

Meeting the challenges presented by our current economy, political landscape, infrastructure, and environment head on, and working to continue to embrace digital technologies and transform into a modern and flexible business that serves our members and our community is a top priority for Eastex Credit Union. We are your credit union, here to serve you, and we couldn’t do it without your input and involvement! As our member-owners, you are integral to our credit union family, and we are sincerely grateful that you’ve chosen Eastex Credit Union as your financial partner. We wish you a healthy and prosperous 2023.

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 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 2022. The 1st internal audit performed reviewed file maintenance reports, corporate credit cards, loan exception reports, new member loan verifications, and IRA procedures.

The 2nd internal audit performed a Bank Secrecy Act (BSA) and Customer Identification Program (CIP) and OFAC Compliance review. They also performed an ACH audit.

The 3rd internal performed a Fair and Accurate Credit Transaction (FACT) Act review, a cursory website review, and a member new credit card review. They performed a Secure and Fair Enforcement Act review, and an ACH Risk Assessment.

The 4th internal audit performed a new consumer loan review, collections, repossessions, recoveries, and charged-off loans were also reviewed. They reviewed negative share accounts and the overdraft privilege program. They also reviewed real estate loans.

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.

Minor exceptions were noted in each audit and corrected by management and staff.

The Texas Credit Union Department and American Share Insurance did not conduct an annual review in 2022.

Sincerely,

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	(2024)
Marlene Lacy	Secretary	(2025)
Diane Etue	Vice Chairperson	(2025)
Shannon Adams	Director	(2025)
Rusty Minyard	Director	(2023)
Marvin Mott	Director	(2023)
Troyce Taylor	Treasurer	(2023)
STAFF		
Loretta Chatagnier	President/CEO	
Connie Hawthorne	Chief Operations Officer	
Mona Duce	Chief Lending	
Renee Will-Cain	Chief Member Service Officer	
Michelle Spears	Chief Mortgage Officer	
Megan McDonald	Consumer/Mortgage Loan Officer	
Luke Murray	CIO/CSO	
Denise Stark	Branch Manager, Kirbyville	
Melissa Jenkins	Branch Manager, Silsbee/BSA Officer	
Laurie King	Branch Manager, Call Center	
Dianna Chapman	Branch Manager, Spurger	
Sheri Hammons	Branch Manager, Kountze	
Jessica Lee	Assistant Branch Manager Member Service, Silsbee	
Amber Lancaster	Assistant Branch Manager Member Service, Evadale	
Amy Nugent	Assistant Branch Manager Member Service, Kirbyville	
Kristen LaRue	Accounting/e-Services	
Alysha Smith	Financial Solutions	
Becky Byrum	Financial Solutions	
Rebekah Binkley	Loan Officer	
Erin Keen	Loan Officer	
Shannon Daffron	Loan Processor	
KK Hentrich	Member Service Rep – Call Center	
Geraldine Boyett	Member Service Rep – Call Center	
Tracie Jackson	Member Service Rep – Call Center	
Amy Nugent	Member Service Rep – Call Center	
Kristy Giles	Member Service Rep	
Mikayla Ambrose	Member Service Rep	
Shannon Hargroder	Member Service Rep	
Renee Mathis	Member Service Rep	
Beth Parker	Member Service Rep	
Kayt Franz	Member Service Rep	
Lorraine Herring	Member Service Rep	
Beverley Lee	Member Service Rep	
Cheryl Loftin	Lending	
Gayle Luna	Title Clerk	
Christine Larsen	Auditing	

