EASTEX
CREDIT UNION



READY, SET, GROW!

2023 ANNUAL REPORT

MESSAGE FROM OUR CEO

Good evening. I'm Loretta Chatagnier, the chief executive officer of Eastex Credit Union. Welcome to our 69th annual meeting.

We all know that credit unions are different. That's why we're here today. As members, you are equal owners, and we are accountable to you. Every one of you, equally. You make the decisions and participate through your vote. So, thank you for taking time out of your busy schedule to be here and take an active role in your credit union.

Since the pandemic, members have recognized and valued their trusted credit unions even more. As the financial landscape continues to shift in a post-COVID world, Eastex CU works diligently to provide the best value and experience for our members. While we've seen many improvements to the economy, challenges remain and have caused the financial industry to develop more innovative and efficient processes.

For example, we've worked to:

- Develop more online banking tools.
- Expand account options and offer new products.
- Streamline and simplify our processes wherever possible.
- Reduce and eliminate fees.
- Develop financial literacy resources and tools.
- Keep 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 CU is aware that these issues present unique challenges for our members, and we're dedicated to listening 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 2023 3rd quarter report:

- Texas currently has 410 credit unions headquartered in the state, with a membership of 10,468,054—a growing but still small portion of the state's financial sector.
- Total assets of all credit unions in Texas are over $155 billion.
- Texas credit unions have 2,696 branches and 40,702 employees.
- Texas credit unions made 1.9 million loans for a total amount of more than $40 billion.

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

And of course, none of this would be possible without the participation and input of members like you!

It's a top priority of Eastex Credit Union to meet the challenges of our current economy, political landscape, infrastructure, and environment head-on while embracing digital technologies and transforming into a modern and flexible business that serves our members and our community. We couldn't have done 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 as your financial partner. We wish you and your family a healthy and prosperous 2024.

Sincerely,

Loretta Chatagnier

Loretta Chatagnier
President/CEO

TREASURER REPORT

The board of directors elected to retain Shore Road Tax & Accounting Firm to conduct our internal audits. The audits reviewed agreed upon procedures agreed to by Management and was performed solely to assist us in evaluating the Credit Union's compliance with applicable rules and regulations as well as the Credit Union's own established policies and procedures. The agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

Areas reviewed were – File maintenance, Safe Act, Fact Act, IRA's, Collections, Corporate Credit Cards, Loan Exceptions, Official, Employee, and Family Loans, ITM & ATM's, 1st Deed of Trust and Member Credit Cards, Current and Expected Credit Losses (CECL), Safe Deposit Boxes, General Ledger Balance Sheet Review, Loans, Call Report, Negative Shares, Employee Payroll Process Review, Branch Physical Security Review, Deceased Members, and Marketing and Advertising.

Shore Road Tax & Accounting Firm performed the audits in March, May, July, September, and December. There were several Notes and Observations, and Findings and Recommendations. The purpose of these internal audits was to find weaknesses within our processes. Overall, the Credit Union is performing at minimal risk.

The annual supervisory audit was performed by Moore Financial Services, Inc. The firm audited loans, allowance for loan losses, accounts receivable, cash, investments, prepaid and deferred expenses, fixed assets, accounts payable, accrued liabilities, shares, undivided earnings, expenses and general compliance and regulations. Minor exceptions were noted and corrected by management and staff.

The Texas Credit Union department and American Share Insurance conducted annual review with an effect date if December 31, 2023. The credit union is well capitalized and financially sound. Minor exceptions were noted and corrected by management and staff.

Sincerely,

Marlene Lacy

Marlene Lacy
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)
Ben Bruce	Director	(2024)
Marvin Mott	Director	(2024)
Marlene Lacy	Secretary/Treasurer	(2025)
Diane Etue	Vice Chairperson	(2025)
Shannon Adams	Director	(2025)
Rusty Minyard	Director	(2026)

STAFF

Loretta Chatagnier	President/CEO
Connie Hawthorne	Chief Operations Officer
Mona Duce	Chief Lending Officer
Renee Will-Cain	Chief Member Service Officer
Michelle Spears	Chief Mortgage Officer
Megan McDonald	Chief Mortgage Loan Officer
Luke Murray	CIO/CSO
Denise Stark	Branch Manager, Kirbyville
Melissa Riles	Branch Manager, Silsbee/BSA Officer
Laurie King	Branch Manager, Call Center/BSA Officer
Dianna Chapman	Branch Manager, Spurger
Lorraine Herring	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/BSA Officer
Alysha Smith	Financial Solutions
Anissa Read	Financial Solutions
Shannon Daffron	Loan Officer
Mallory Barnes	Loan Processor
Tiffany Henry	Loan Processor
Pam Buckner	Member Service Rep - Call Center
Geraldine Boyett	Member Service Rep - Call Center
Pamela Yawn	Member Service Rep - Call Center
Tracie Brown	Member Service Rep - Call Center
Becky Byrum	Member Service Rep - Call Center
Kristy Billingsley	Member Service Rep
Hannah Beasley	Member Service Rep
Cypress Collier	Member Service Rep
Shelby Duke	Member Service Rep
Joshia Garza	Member Service Rep
Renee Mathis	Member Service Rep
Shelby Mayer	Member Service Rep
Beth Parker	Member Service Rep
Chelsea Gordon	Member Service Rep
Amanda Wacasey	Member Service Rep
Gayle Luna	Title Clerk

ANNUAL MEETING MINUTES

The 68th Annual Meeting for Eastex Credit Union was called to order at 5:33pm on April 18, 2023 by James Parsley, Chairman of the Board of Directors in the Evadale ISD Auditorium. Marlene Lacy, Secretary, declared a quorum for the meeting. Board member Marvin Mott then opened the meeting with an invocation.

James Parsley presented the minutes from the 2022 Annual Meeting. Marlene Lacy made that motion to approve the minutes as presented. The motion was second by Troyce Taylor 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 that Eastex had loan growth of 16%, asset growth bringing Eastex to end the year with 114 million in total assets, and a very strong net worth keeping Eastex very well capitalized. A new branch was also opened in Spurger along with the addition of Tyler and Orange County to its field of membership. He ended his report by thanking the members for trusting Eastex with their financial needs and introduced each of the Board members.

Loretta Chatagnier presented the CEO Report. She discussed the uniqueness of the credit union industry and how Eastex and employees live the credit union philosophy of people helping people. She talked about the future plans of the credit union and its goals to develop more online banking tools, expanding product offerings, and continuing the credit union's priority of community outreach. She spoke of the member benefits not only at Eastex but across all the credit unions, and that we are here to serve them. She then thanked the members for choosing Eastex as it's financial partner and hopes everyone has a prosperous 2023.

Troyce Taylor presented the Treasurer's Report. Eastex had four internal audits and one Supervisory Committee audit performed by Credit Union Resources in 2022. 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 two Board members up for re-election, Rusty Minyard and Troyce Taylor, and the newest member up for election, Marvin Mott. She then opened the floor up for nominations. There being no further nominations, the incumbents won by acclimation.

With all the business completed, James Parsley asked for a motion to adjourn the business meeting. The motion was made by Connie Hawthorne, second by Marlene Lacy and the business meeting closed.

EASTEX CREDIT UNION

866.445.9622 | 409.276.2525

www.eastexcu.org

Silsbee Evadale Buna Kirbyville Kountze Spurger

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

	2023	2022
ASSETS		
Catalyst Corporate FCU	3,773,519	3,436,611
Investments	37,554,887	38,920,296
Total Loans	70,293,499	67,091,732
Allowance for Loan Loss	-574,197	-270,020
Land & Buildings	2,770,821	2,691,906
Furniture & Equipment	752,837	591,106
ASI Share Insurance	1,310,028	1,291,174
Other Assets	713,182	792,119
TOTAL ASSETS	**116,594,574**	**114,544,925**
LIABILITIES & EQUITY		
Accounts Payable	884,468	1,625,694
Total Shares	103,333,653	100,726,757
Undivided Earnings	12,376,453	11,013,139
Regular Reserves	.00	1,179,336
TOTAL LIABILITIES & EQUITY	**116,594,574**	**114,544,925**
INCOME		
Interest on Loans	3,468,408	2,904,165
Income from Investments	448,996	387,698
Other Operating Income	2,169,201	2,261,598
Total Interest Income	**6,086,604**	**5,553,461**
EXPENSE		
Employee Compensation	2,008,076	1,991,309
Travel & Conference	29,447	60,583
Office Occupancy	295,035	307,651
Office Operations	1,402,960	1,408,595
Education & Promotion	228,540	176,860
Loan Servicing	231,904	202,345
Professional & Outside Services	223,892	205,511
Provision for Loan Losses	393,277	175,213
Interest on Borrowed Money	35,499	30,555
Operating Fees	43,785	57,930
Miscellaneous Operating Expense	182,888	176,126
Total Operating Expense	**5,075,303**	**4,792,679**
Gain/Loss	33,177	16,725
Dividend & Interest Expense	**696,019**	**427,343**
Net Income	**282,106**	**316,714**