



# *Annual Report* 2010

**Greenville**  
2611 Eastland  
Greenville, TX 75402

**Dallas**  
7508 Ferguson Rd.  
Dallas, TX 75228

**Terrell**  
140 9th Street  
Terrell, TX 75160

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## 2010 Annual Report

Lone Star Credit Union...more for your membership.

Through safe lending practices and sound financial decisions, our members can trust that their credit union will be around for many years to come. Our focus, now and always, is the improvement of your financial well-being. Thank you for allowing Lone Star Credit Union to serve you!

### Board of Directors

(Term Expiration Date)

Wayne Price, Chairman of the Board (2012)

Ed Reeve, Vice Chairman (2012)

Jerry Clancy, Treasurer (2012)

Marvin Bagwell, Director (2013)

Morris Brown, Secretary (2011)

Jerry Flowers, Director (2013)

Marki Gandy, Director (2011)

### Audit Committee

Morris Brown, Chairman

Marvin Bagwell, Committee Member

### Audit Committee Report

by Audit Committee Chairman, Morris Brown

The Audit Committee is responsible for ensuring the credit union's established policies and procedures are followed and that the credit union operates in compliance with state and federal guidelines. Lone Star Credit Union is a state-chartered credit union insured by the National Credit Union Administration (NCUA). The annual state required supervisory audit was conducted by the Texas Credit Union League using financial data as of June 30, 2010.

*More For Your Membership*

## Message from the President



Lone Star Credit Union's commitment to serving our membership has only grown stronger over the years and 2010 was no different. In fact, service is, more than ever, our top priority. We know that "service" means more than just a warm greeting. It means offering you the best selection of financial products that we can. That is why we launched several new products this year that we felt would help continue to round out our offering.

The LSCU Platinum VISA was rolled out in April. In a time of lingering economic hardship, it was exciting for us to offer our members 0% interest for 6 months and rates as low as 9.99% while increasing their purchasing power. With that came the Lone Star Premier Rewards Program that allows cardholders to earn rewards points for credit and debit card purchases and redeem them for merchandise, gift cards, and more.

We also launched our Carfax offering in May and our Zashpay product in September. Our Carfax offering allows member purchasing a used vehicle to save over \$20 for a Carfax report which can tell them if the vehicle they are purchasing is a salvage, lemon, manufacturers' buy-back, or any other problem that may exist. ZashPay allows members to send or receive money to and from friends, family, or anyone else with just their name and mobile phone number or e-mail address.

While we realize that providing new products and services is important, it is also our goal to play an integral role in each of our branches' communities. Hosting/sponsoring outreach events and taking part in community initiatives has, more than ever, been a priority.

In April, we participated in the Terrell Heritage Jubilee and the Kaufman County Relay for Life, raising funds for cancer research.

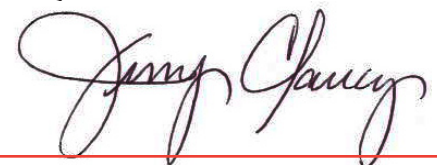
In June, Lone Star Credit Union partnered with the City of Dallas and other area banks and credit unions, as well as federal regulators, churches, employers and social service agencies, to conduct Bank On Dallas. Bank on Dallas is an initiative aimed at getting the "unbanked" and "under-banked" into financial institutions for their own safety and financial security.

Also in June, LSCU held its first ever block party at our Greenville Branch. We had music, food, games, and prizes for hundreds of members of our Greenville community.

And finally, we held two separate shred events in Terrell and Greenville as part of our commitment to help our members dispose of their confidential documents safely.

Lastly, as part of our ongoing commitment to you, we have added a position to our staff that we hope will help better service our membership. Our new Mortgage Specialist came aboard in October to expand our mortgage lending capabilities.

We hope that our advancements throughout 2010 will propel us into an even more successful 2011, so that we can continue to offer you more for your membership. Thank you for choosing LSCU as your financial institution. We strive to always bring you the best in products, services, and beyond.



## Statement of Income

<b>INCOME</b>	<b>2009</b>	<b>2010</b>
Interest on Loans	\$4,525,917	\$4,711,994
Investments	\$233,120	158,457
Non-Interest Income	\$1,638,747	\$1,040,152
<b>TOTAL INCOME</b>	<b>\$6,397,784</b>	<b>\$5,910,603</b>
<b>EXPENSE</b>		
Non-Interest Expense	\$4,193,847	\$3,953,866*
Total Interest Expense	\$1,444,081	\$1,150,069
Provision for Loan Loss	\$297,036	\$816,000
<b>TOTAL EXPENSE</b>	<b>\$5,934,964</b>	<b>\$5,919,935</b>
<b>NET INCOME (LOSS)</b>	<b>\$462,820</b>	<b>(\$9,331)</b>

\*Part of the Non-Interest Expense was a mandatory special assessment charge that included \$231,426 by regulators

## Statement of Financial Condition

<b>ASSETS</b>	<b>2009</b>	<b>2010</b>
Loans	\$69,551,116	\$73,491,445
Less Allowance for Loan Loss	(\$630,606)	(\$792,782)
Net Loans	\$68,920,509	\$72,698,663
Cash	\$1,299,021	\$1,225,454
Investments	\$17,108,270	\$17,293,513
Fixed Assets	\$3,179,606	\$3,296,963
Other Assets	\$1,757,831	\$1,760,277
<b>TOTAL ASSETS</b>	<b>\$92,265,237</b>	<b>\$96,274,870</b>
<b>LIABILITIES, SHARES &amp; EQUITY</b>		
Total Liabilities	\$1,583,214	\$874,867
Shares	\$84,432,936	\$89,160,247
Equity	\$6,249,237	\$6,239,757
<b>TOTAL LIABILITIES, SHARES AND EQUITY</b>	<b>\$92,265,237</b>	<b>\$96,274,870</b>
<b>MEMBERSHIP</b>	<b>11,777</b>	<b>11,832</b>

### Bylaw Amendment

*The number of Board of Directors was reduced from eight (8) to seven(7).*