

# LONE STAR

CREDIT UNION



*Annual Report*  
**2009**

## 2009 Annual Report

Lone Star Credit Union's Board of Directors consists of people from our communities who volunteer their time to help us better serve our members. They are your neighbors, your co-workers, and they're members just like you. Every decision made is to serve the financial needs of our diverse membership; which today is almost 12,000 strong. The Board is elected by you to serve as a representative of the membership as a whole and to improve on the cooperative spirit of the credit union movement...a movement that is member-owned, member-focused, and member-driven.

### 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 (2010)

Morris Brown, Director (2011)

Jerry Flowers, Director (2010)

Marki Gandy, Director (2011)

Melba Smith, Director (2010)

### Audit Committee

Morris Brown, Chairman

Marvin Bagwell, Committee Member

*Our Sympathy: Lone Star Credit Union extends our deepest sympathy to the family and friends of long-time Board of Director and Board Secretary, Kathy Russell. Kathy was an active member of her church, a board member of the Terrell Chamber of Commerce, volunteer for the Dallas Historical Society and was involved in Relay for Life for many years. Kathy will be greatly missed.*

*More For Your Membership*

## *Message from the President*

We began 2009 with considerable uncertainty in our economy; declining property values, rising unemployment, low consumer confidence and failing financial institutions. While the financial markets have seen some gain, Lone Star Credit Union has experienced almost record growth in assets and deposits, as you can see from our financial statements.



Regardless of what is happening in our regional or national economy, your credit union has remained a safe harbor for your deposits and loans.

The Board and management of Lone Star Credit Union strive to provide you – our member-owners – with the utmost safety and convenience.

Lone Star Credit Union has a working partnership with Southwest Corporate Federal Credit Union, which incurred losses within their investments in mortgage-backed securities, and as a result, we, too, incurred losses within our Membership Capital Shares account at Southwest Corporate FCU in the amount of \$381,138 in 2009, and we are prepared for further losses in 2010. This trend mirrors the problems related to mortgages on a nationwide basis. However, as you can see from the income statement, we still generated \$462,820 in net income.

To enhance our commitment to convenience, LSCU joined the CU Service Network to offer shared branching. With shared branching, credit unions from all over the country share facilities to give members thousands of convenient locations to perform transactions just as if they were in their home credit union. LSCU also partnered with the Kaufman County Environmental Co-Op to offer its' members and the citizens of Terrell and the surrounding areas a secure method in which to dispose of their confidential information and electronic recycling through our 1st Annual Shred Event.

LSCU joined a Credit Union Member Enhancement program, Invest in America, that provides credit union members with discounts on products and services from U.S. based companies, such as GM, Chrysler and Sprint. Members can also take advantage of our partnership with CUNA Mutual Group which makes Medicare products available through their Medicare Suite program.

In an effort to expand our communication methods, the "Shooting Star" E-Newsletter was implemented. Our information packed e-newsletter is distributed quarterly to all members who we have an e-mail address for. If you are not getting your copy, provide your e-mail address to us today!

We are honored that you have chosen Lone Star Credit Union and you can rest assured that we will continue to strive to help you save more, earn more and get more from your membership. We look forward to showing you how membership matters today, tomorrow and for years to come.

A handwritten signature in black ink, appearing to read "Gary R. Perry". The signature is fluid and cursive.

## Statement of Income

<b>INCOME</b>	<b>2009</b>	<b>2008</b>
Interest on Loans	\$4,525,917	\$3,884,968
Investments	\$233,120	\$426,942
Non-Interest Income	\$1,638,747	\$1,618,490
<b>TOTAL INCOME</b>	<b>\$6,397,784</b>	<b>\$5,930,400</b>
<b>EXPENSE</b>		
Non-Interest Expense	\$4,193,847	\$3,642,905
Total Interest Expense	\$1,444,081	\$1,697,304
Provision for Loan Loss	\$297,036	\$590,000
<b>TOTAL EXPENSE</b>	<b>\$5,934,964</b>	<b>\$930,209</b>
<b>NET INCOME (LOSS)</b>	<b>\$462,820</b>	<b>\$190</b>

## Statement of Financial Condition

<b>ASSETS</b>	<b>2009</b>	<b>2008</b>
Loans	\$69,551,116	\$69,358,035
Less Allowance for Loan Loss	(\$630,606)	(\$909,254)
Net Loans	\$68,920,509	\$68,448,781
Cash	\$1,299,021	\$1,502,787
Investments	\$17,108,270	\$7,689,581
Fixed Assets	\$3,179,606	\$3,348,457
Other Assets	\$1,757,831	\$1,630,124
<b>TOTAL ASSETS</b>	<b>\$92,265,237</b>	<b>\$82,619,730</b>
<b>LIABILITIES, SHARES &amp; EQUITY</b>		
Total Liabilities	\$1,583,214	\$4,461,483
Shares	\$84,432,936	\$72,371,981
Equity	\$6,249,237	\$5,786,266
<b>TOTAL LIABILITIES, SHARES AND EQUITY</b>	<b>\$92,265,237</b>	<b>\$82,619,730</b>
<b>MEMBERSHIP</b>	<b>11,777</b>	<b>11,717</b>

*More For Your Membership*

## Products & Services

### Savings Programs

#### Savings

- \* Share (savings) Account
- \* Holiday Club Account
- \* Lone Star Ranger Account (age 12 & under)

#### Checking

- \* Bluebonnet Checking
- \* Lone Star Free Checking
- \* Teen Checking (ages 13-18)
- \* Texas Heritage Checking
- \* Texas Heritage Plus Checking (ages 55+)
- \* Money Market Checking

#### Certificates of Deposit

#### Individual Retirement Accounts

- \* IRA Regular Share
- \* Coverdell Education Savings Account
- \* Roth IRA/Roth Conversion IRA

### LOAN PROGRAMS

#### Auto Loans

- \* New & Used Vehicles
- \* Credit Life Protection
- \* Credit Disability Protection
- \* Mechanical Breakdown Protection
- \* Guaranteed Asset Protection (GAP)
- \* Pinnacle Motor Club, Inc.
- \* Auto Refinancing
- \* Car Buying Service

#### Home Loans

- \* Home Equity
- \* Mortgage

#### Other Loans

- \* Personal Loans
- \* Credit Builder
- \* Lines-of-Credit
- \* Recreational Vehicles, Boats & Motorcycles
- \* Farm Equipment
- \* Share & Certificate Secured
- \* Credit Cards

## Membership Discount Programs

#### Fraud Protection Plus

#### Medicare Suite

#### Voluntary Insurance

- \* CUNA Mutual Group
- \* Liberty Mutual

### Business Accounts

#### Business Savings

#### Business Certificate of Deposits

#### Business Checking

- \* Advantage Checking
- \* Executive Checking
- \* Executive Plus Money Market

#### Business Loans

- \* Credit Cards
- \* Secured Loans
- \* Unsecured Loans

#### Business Services

- \* Lone Star Debit Card
- \* LoneStar ACH
- \* Merchant Card Services

### AUTOMATED & CONVENIENCE SERVICES

#### LSCU Online Branch

#### E-Pay

#### Business E-Pay

#### E-Statements

#### QUE – automated account access by phone

#### Courtesy Pay

#### Overdraft Protection

#### Direct Deposit

#### Debit Card

#### Payroll Deduction

#### Check by Phone

#### Loan Payment Transfer

#### ATMs

#### Wire Transfers

#### Money Orders

#### Cashier Checks

#### Drive-Thrus

#### Notary Services

#### Shared Branching

#### Credit Life Protection

#### Credit Disability Protection

#### Shooting Star E-Newsletter

#### Invest in America

- \* GM & Chrysler Autos
- \* Sprint

# *Three Convenient Locations to Serve You*

## *Dallas*

*7508 Ferguson Road  
Dallas, TX 75228*

## *Greenville*

*2611 Eastland  
Greenville, TX 75402*

## *Terrell*

*140 9th St .  
Terrell, TX 75160*



*LoneStarCU.org*

*800.LUV.MYCU*