



2021 Annual REPORT



Statement of Income

INCOME	2021	2020
Interest on Loans	\$ 4,470,572	\$ 4,472,428
Investments	\$ 331,600	\$ 408,413
Non-Interest Income	\$ 2,899,412	\$ 2,646,431
TOTAL INCOME	\$ 7,701,584	\$ 7,527,272
EXPENSE		
Non-Interest Expense	\$ 5,838,612	\$ 5,613,702
Total Interest Expense	\$ 381,138	\$ 466,090
Provision for Loan Loss	\$ 85,908	\$ 130,637
TOTAL EXPENSE	\$ 6,305,658	\$ 6,210,429
Non-Operating Income	\$ (4,316)	\$ 11,840
NET INCOME (LOSS)	\$ 1,391,610	\$ 1,328,683

Statement of Financial Condition

ASSETS	2021	2020
Loans	\$ 105,509,536	\$ 103,137,479
Less Allowance for Loan Loss	\$ (448,567)	\$ (489,336)
Net Loans	\$ 105,060,969	\$ 102,648,143
Cash	\$ 1,140,329	\$ 1,442,247
Investments	\$ 41,217,303	\$ 28,837,903
Net Fixed Assets	\$ 7,517,463	\$ 3,154,724
Other Assets	\$ 5,180,808	\$ 3,919,657
TOTAL ASSETS	\$ 160,116,872	\$ 140,002,674
LIABILITIES, SHARES & EQUITY		
Total Liabilities	\$ 746,066	\$ (1,174,461)
Shares	\$ 147,059,499	\$ 129,963,986
Equity	\$ 12,311,307	\$ 11,213,149
TOTAL LIABILITIES, SHARES & EQUITY	\$ 160,116,872	\$ 140,002,674
MEMBERS	10,611	10,640



Dallas | Greenville | Terrell
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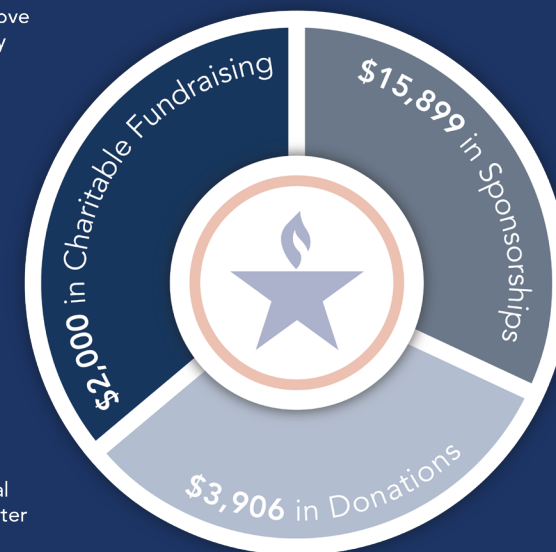
Community

Our communities are the heart and soul of the credit union. That's why the credit union motto is "people helping people." That's why we work so hard to give back to the people we serve and places we live. Without the support of our communities, we would not be able to fulfill our mission.

In 2021, Lone Star Credit Union championed a variety of causes, local events, and organizations. We donated \$3,906, provided \$15,899 in sponsorships, and LSCU employees personally donated over \$2,000 to support Owenwood Family and Neighbor Space, Operation Santa, Hunt County Shared Ministries (FISH) and various therapy centers in Hunt and Kaufman counties. We continued to be the proud sponsor of the monthly Greenville ISD Hero of Hope award and provided two college scholarships to students in Hunt County.

This past year, LSCU employees worked hard to give back to the community. They made and distributed over 150 goody bags for the homeless, donated children's books, wrote and sent holiday cards to service members, donated no-slip socks and blankets to local therapy centers, and donated toys for veteran families through Operation Santa. As always, LSCU employees gave generously in 2021, doing their best to brighten the lives of those in our communities.

- Champions Cove
- Children's Advocacy Center of Kaufman County
- Ferguson Road Initiative
- Greenville Chamber of Commerce
- Greenville ISD - Hero of Hope
- Greenville ISD Athletics
- Greenville Lions Club
- Greenville Rotary
- Hunt County Shared Ministries (FISH)
- Hunt Regional Healthcare Foundation
- Kaufman Chamber of Commerce
- North Texas Food Bank
- Owenwood Farm & Neighbor Space
- Silberstein Elementary School
- Terrell Chamber of Commerce
- Terrell ISD Adopt-A-Classroom
- Terrell Share Center
- United Way of Hunt County
- United Way of Kaufman County
- Volunteer Services Council of Terrell State Hospital
- Wilkinson Center





Leadership

The Board of Directors are made up of Members from our local communities who volunteer their time. Directors are elected as representatives to guide LSCU in its mission, to establish governance policies and to monitor the performance of Lone Star Credit Union.

Board of Directors (Term Expiration Year)

Wayne Price, Chairman of the Board (2024)
Marki Holmes, Vice Chairman (2023)
Jack Smith, Secretary/Treasurer (2022)
Jerry Clancy, Director (2024)
Ryan Holloway, Director (2023)
Kim Marszalek, Director (2024)
Dr. Graham Sweeney, Director (2023)

Advisory Board

Jason White

Audit Committee

Dr. Graham Sweeney, Chairman
Kim Marszalek, Vice Chairman
Marki Holmes, Committee Member

Executive Management Team



Becky Reed
CEO



Leighann Carson
CAO



Brian Harper
CFO



Marcy Phillips
COO

Bylaw Amendments

None in 2021

AUDIT COMMITTEE REPORT

| from Audit Committee Chairman, Dr. Graham Sweeney

The Audit Committee, composed of a chairperson and two committee members, is a standing Committee of the Board of Directors. 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). An opinion audit was conducted by Doeren Mayhew using financial data as of June 30, 2021.

TREASURER'S REPORT

| from Board Treasurer, Jack Smith

The pandemic continued to present challenges in 2021 but Lone Star Credit Union continued to grow and gain financial strength. Among the highlights were:

- Total assets grew 14.4% to \$160.0 million
- Loans outstanding to Members grew 2.3% to \$105.5 million
- Net Income increased 4.7% from 2020 to \$1.39 million

Lone Star Credit Union ended 2021 serving 10,611 Members with over \$160 million in assets. The credit union earned \$7.7 million in total revenue during 2021. Our largest revenue source is interest earned on loans to Members. Our revenue was used to pay dividends on Member accounts and operating expenses incurred in providing products and services. Our 2021 expenses grew slightly by 1.5% compared to 2020. LSCU is well-positioned to generate future growth. This will allow us to continue to provide high quality and affordable financial services to all Members. LSCU values your trust and we look forward to helping you feel financially prepared for the future.

NEW PRODUCTS & SERVICES



LONE STAR
INVESTMENT
SOLUTIONS



SUMMER
LOAN



ENHANCED
DIGITAL BANKING



ACH
ORIGINATION

Message From The CEO

Last year was truly an unprecedented one for Lone Star Credit Union: in the span of 12 months, we launched a new digital banking platform, launched Lone Star Investment Solutions, completed the renovation on our Dallas Branch and back office space, purchased land in Kaufman for a fourth branch, and hosted a Fall Festival that built inroads to our Far East Dallas community.

In 2020, LSCU contracted with Bankjoy for a more comprehensive online banking solution. After months of work by our internal Digital Banking Committee, we launched a new online and mobile digital banking platform in May 2021. Today, we have over 6,600 digital banking users.

LSCU is constantly looking for ways to enhance our products and services. In 2021, we introduced Lone Star Investment Solutions, a wealth management service for Members. Successes in 2021 included assets under management reaching \$1 million, over \$764,000 invested from other financial institutions or investment/brokerage firms, and employees referring more than 60 Members.

The Ferguson Road building renovation was another enormous project that was completed in 2021. Contracting with DBSI, Inc., the building was taken down to the studs and rebuilt for a post-pandemic workforce. Offices are egalitarian and available on a first come, first serve basis. The branch has been re-imagined for the future with a NEXT self-service machine, video screens in the drive-thru lanes, and fully digital screens that allow for multiple promotional messages.

After the Dallas Branch was renovated, the Credit Union celebrated with a Fall Festival. Each department created a booth for a kid-friendly carnival game, a face painter and balloon artist husband and wife duo were hired, bounce houses rented, a donut food truck stopped by, and visitors could tour the newly remodeled branch. The event was a welcome addition to fall festivities in our Far East Dallas neighborhood.

Looking forward, we are excited to bring you a new branch location in Kaufman, Texas. Land was purchased in 2021 with plans to break ground in 2022 and open in Spring 2023. The new branch will host the same combination of friendly faces and self service technology offered at Ferguson Road.

Though we were not without challenges in 2021, Lone Star Credit Union had an unprecedented year of growth, progress, and employee development.

Becky Reed | CEO