

2009



*Annual Report*



## *Board of Directors*

**Linda Kunze – exp. 4/13**  
Chair

**Wanda Russell – exp. 4/11**  
Director

**Charles Ramirez – exp. 4/11**  
Vice Chair

**Calvin Smith – exp. 4/11**  
Director

**Don Rawe – exp. 4/12**  
Treasurer

**David Williamson – exp. 4/12**  
Director

**Judith Bekisz – exp. 4/12**  
Secretary

**Gerald Alfred**  
Advisory Director



## *Credit Union Staff*

**Minnie Busby**  
**Angelia Carter**  
**Donna Fullen**  
**Mike Funk**  
**Julie Garris**  
**Hilary Gengo**  
**Cindy Johnson**  
**Dawn Kaegael**  
**Jennifer Kahan**

**Mary Larson**  
**Claudia Lopez**  
**Simona Marmalichi**  
**Chandra McPhearson**  
**Asa Mercadel**  
**Tammy Musso-Dyer**  
**Kiley Priddy**  
**Kim Purinton**  
**Minnie Sierra**



# *Agenda*

*Call to Order*

**Linda Kunze, Board Chair**

*Invocation*

**Judith Bekisz**

*Determination of Quorum*

**Judith Bekisz, Board Secretary**

*Reading of 2008 Annual Meeting Minutes*

**Judith Bekisz, Board Secretary**

*Comments from the Chair*

**Linda Kunze, Board Chair**

*Comments from the President*

**Mike Funk, President**

*New Business*

**Linda Kunze, Board Chair**

*Unfinished Business*

**Linda Kunze, Board Chair**

*Report of Nominating Committee*

**Judith Bekisz, Board Secretary**

*Door Prizes*

**Calvin Smith, Director**

*Adjournment*



## *Comments from the Chair*

LibertyOne Credit Union operates with the philosophy “People Helping People.” We are different than banks whose primary goal is making a profit that is given to top management in the form of high pay and bonuses. You join a credit union by depositing money into a savings or “share” account. Those funds are collectively “shared” with other members of the credit union in the form of loans. That’s how people help people. Any profit our credit union makes is given back to the members in the form of low interest rates on loans, high interest rates (checking accounts, CD’s, IRA’s , etc.) and free or low cost services or products (FREE ATM’s, FREE online banking and bill pay, etc.). Doesn’t it feel good to be helping others at the same time you’re saving money?

LibertyOne offers a wide variety of products and services at a very competitive rate. We currently provide Free Checking, Free Online Banking, Free Online Bill Payment, Free Worldwide ATMs, no minimum balance and no monthly service charge on checking accounts and Overdraft Protection. We are constantly looking for ways to improve our loan process so you can get a loan approved easier and faster. Our “Five Star” program is another way we allow our members to earn more money on deposits and save more money on loans by bringing their financial needs (checking, savings, car loans, mortgage loans, CD’s, IRA’s, credit card, etc.) to one financial institution (LibertyOne Credit Union). If you are not familiar with the five-star program, just talk to any staff member to learn about this free service.

Under the leadership of Mike Funk, President, and Mary Larson, Vice President, LibertyOne’s focus is to provide high quality service. Our highly competent, enthusiastic and dedicated staff strives to assist each member with one-on-one service. We realize the financial services industry is very competitive. Our goal is to provide you with the best rates and products as well as great service so that you won’t have a need to go elsewhere.

The LibertyOne Credit Union Board and staff strive to wisely use your money for operational expenses at the same time provide you with competitive rates on loans, savings, CD’s, IRA’s and other products. In these uncertain economic times, many banks and credits unions are closing their doors. With our financial stability, LibertyOne Credit Union will continue to provide for your financial needs.

It has truly been a privilege to serve as the Chairman of the Board this past year. Thank you for your membership and part in “People Helping People.”

Linda Kunze  
*Board Chair*

# Financial Highlights

(Years ended December 31)	2009	2008
<b>INCOME</b>		
Interest from Loans	\$2,918,924.97	\$2,764,666.01
Income from Investments	639,096.54	895,908.65
Other Operating Income	<u>690,777.05</u>	<u>738,584.29</u>
<b>Total Income</b>	<b><u>4,248,798.56</u></b>	<b><u>4,399,158.95</u></b>
<b>EXPENSE</b>		
Employee Compensation	\$ 832,047.14	\$ 779,245.34
Employee Benefits	227,939.58	211,376.25
Travel & Conference Expense	43,819.90	60,379.82
Office Operations Expense	622,822.73	601,774.30
Education & Promo Expenses	82,243.95	92,530.38
Loan Servicing Expense	58,262.53	40,093.82
Professional and Outside Services	120,687.67	116,913.44
Provision for Loan Losses	263,079.03	318,602.12
Operating Fees	11,175.52	11,293.11
Miscellaneous Expenses	<u>(33,895.52)</u>	<u>56,027.20</u>
<b>Total Operating Expense</b>	<b><u>\$2,228,182.53</u></b>	<b><u>\$2,288,235.78</u></b>
Non-Operating Gains or Losses	\$ 80,317.59	\$ 0.00
Dividend on Deposits	1,630,897.00	1,765,849.25
<b>NET INCOME</b>	<b><u>\$ 470,036.62</u></b>	<b><u>\$ 345,073.92</u></b>

## Distribution of Earnings

Interest Paid to Members	\$1,630,897	\$0.38	Interest Paid to Members	38%	Net Income	11%
Expenses	2,147,864	0.51	Expenses	51%		
Net Income	<u>470,037</u>	<u>0.11</u>				
	<b><u>\$4,248,798</u></b>	<b><u>\$1.00</u></b>				



## *Comments from the President*

What a year! There are still troubles in the economy but a lot of people made back a good chunk in their 401k accounts. The credit union grew by over 20% and we had a profitable year. All of this while interest rates are as low as they've ever been and companies, including banks and credit unions are failing at a record pace.

We opened a new branch in Arlington in September that gives our members somewhere that is centrally located that is full-service and can be accessed easily without paying for parking or having to go through metal detectors. Our Bedford branch closed with the opening of Arlington, so we now have offices in Dallas, Farmers Branch and Arlington.

We have 7 employees in Arlington and our administrative staff is based there. There is a two-lane drive-through as well as a drive-through ATM that is available 24 hours a day. Cindy Johnson is our Branch Supervisor in Arlington, so stop in and see her sometime as she's available to help you with all your financial services needs. You may have family members that didn't join previously because we weren't convenient to them; hopefully, this office will give some of your family members the chance to enjoy the benefits of membership at LibertyOne.

There are 28 corporate credit unions that are part of the credit union system and Southwest Corporate Federal Credit Union is LibertyOne's corporate credit union. They are basically our "bank". Because they are part of the credit union system, each credit union is required to keep a percentage of assets in a membership account, much like the \$25 membership share each of our members is required to maintain.

When the housing market crashed, many of the investments Southwest Corporate had purchased to help their cash flow were now not worth hardly anything. Every corporate credit union across the country had this issue and it caused a couple to fail. As we are all part of the same system, each credit union including LibertyOne, had to help them out. A bail out of sorts. This has put a strain on our financial statements, but because we have been very conservative over the years and put a lot of money in reserves, we are still doing very well. We finished the year with 12.16% of our assets in reserves and our regulators only require 7% to be considered "well capitalized". So, we are very well capitalized and profitable.

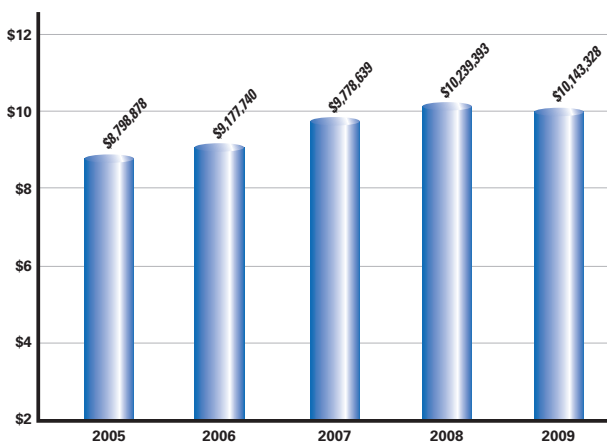
2010 promises to be a challenging year, but I think we are all up to the challenge and because we are a credit union and use the people-helping-people philosophy, we will face these challenges together!

If there is anything I can do for you at any time, please call me at 214-413-5588, extension 101 or email me at [mfunk@libertyonecu.com](mailto:mfunk@libertyonecu.com).

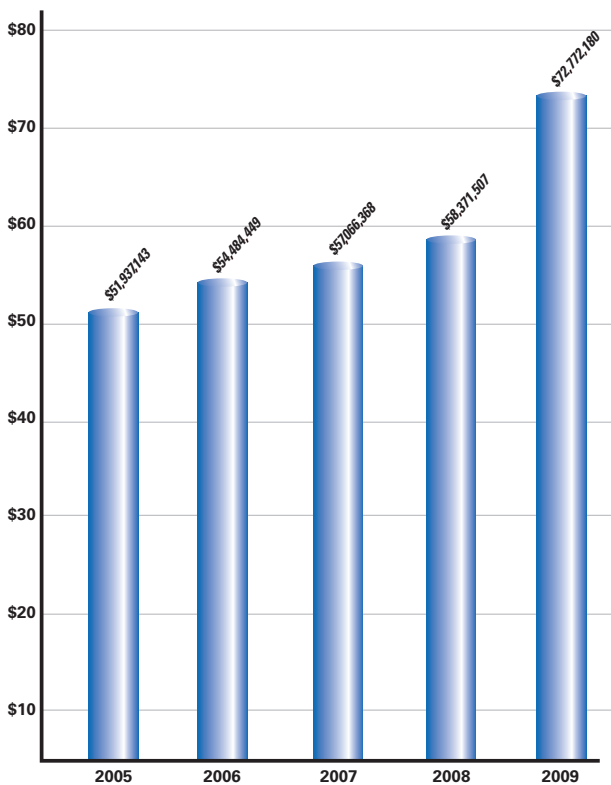
Respectfully,

Mike Funk  
*President*

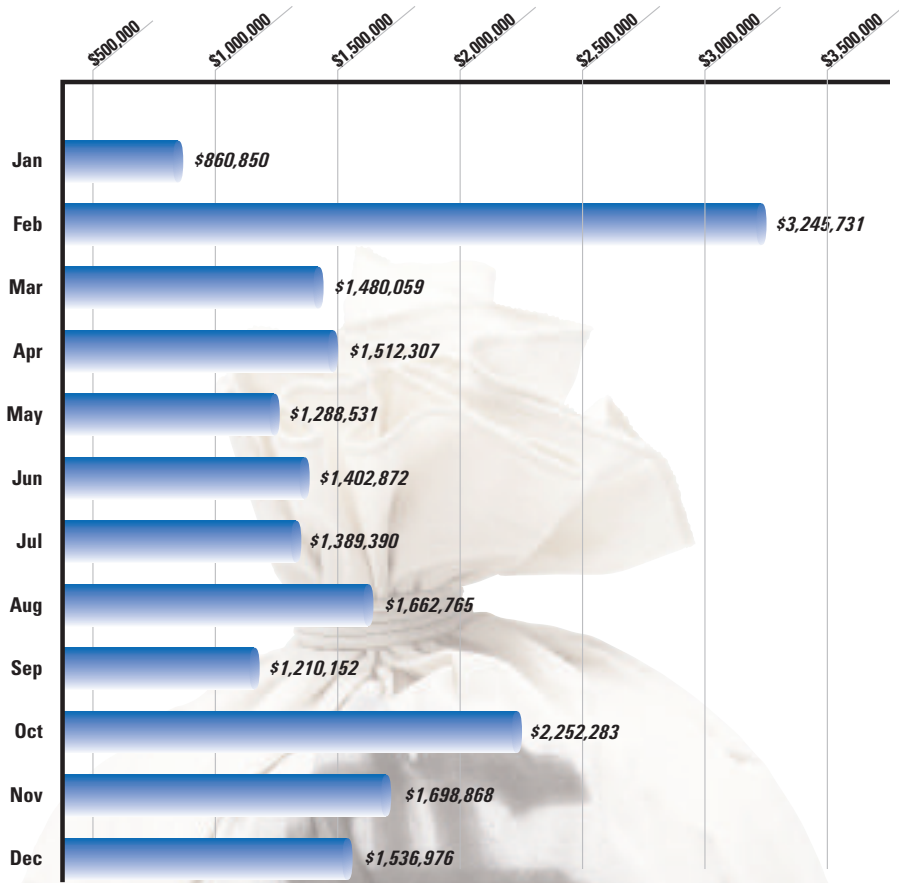
## Total Reserves (in millions)



## Total Deposits (in millions)



# 2009 New Loans



# Balance Sheet - Assets

## PERSONAL LOANS

New Car	800	\$13,017,290.19
Used Car	1,300	13,701,946.32
Boats, Motorcycles, RV	141	1,885,778.01
Signature	2,136	4,345,674.80
Credit Cards	1,237	2,395,986.64
First Mortgage	114	13,540,141.09
Home Equity	112	2,961,719.74
Other Loans	<u>136</u>	<u>993,000.61</u>
<b>Total Personal Loans</b>	<b><u>5,976</u></b>	<b><u>\$52,841,537.40</u></b>
Allowance for Loan Losses		<u>(355,130.99)</u>
<b>Net Personal Loans</b>		<b><u>\$52,486,406.41</u></b>

## CASH

**Total Cash on Hand** \$ 601,659.29

## INVESTMENTS

SWC Membership	\$ 408,640.92
SWC CMF	3,119,162.40
Banks and S&Ls	9,818,706.70
NCUSIF	618,167.48
U.S. Government & Agencies	15,420,155.16
Unrealized Gain/Loss	53,612.21
Other Investments	<u>0.00</u>
<b>Total Investments</b>	<b><u>\$29,438,444.87</u></b>

## FIXED ASSETS

Furniture & Fixtures	\$91,777.81
Leasehold Improvements	42,417.73
Computer Equipment	<u>54,343.58</u>
<b>Total Fixed Assets</b>	<b><u>\$ 188,539.12</u></b>

## OTHER ASSETS

**Total Other Assets** \$ 642,294.94

## TOTAL ASSETS

\$83,357,344.63



# *Balance Sheet – Liabilities and Equity*

## **ACCOUNTS PAYABLE**

Accounts Payable	\$ 329,963.12
Notes Payable	0.00
Taxes Payable	<u>2,000.00</u>
<b>Total Accounts Payable</b>	<b><u>\$ 331,963.12</u></b>

## **ACCRUED INTEREST PAYABLE**

IRA Certificates	\$ 11,386.57
Regular Certificates	<u>51,324.36</u>
<b>Total Accrued Interest</b>	<b><u>\$ 62,710.93</u></b>

## **OTHER LIABILITIES**

Accrued Expenses	\$ 144,131.64
Outstanding Checks	258,821.81
Other Liabilities	<u>-659.45</u>
<b>Total Other Liabilities</b>	<b><u>\$ 402,294.00</u></b>

## **MEMBERSHIP EQUITY**

Share Savings	\$28,067,935.32
Christmas Club	36,201.71
Free Checking	1,517,226.56
Prime Checking	3,336,329.40
IRA Savings	300,928.90
IRA Certificates	6,232,416.12
Regular Certificates	<u>33,281,141.91</u>
<b>Total Membership Equity</b>	<b><u>\$72,772,179.92</u></b>

## **RESERVES**

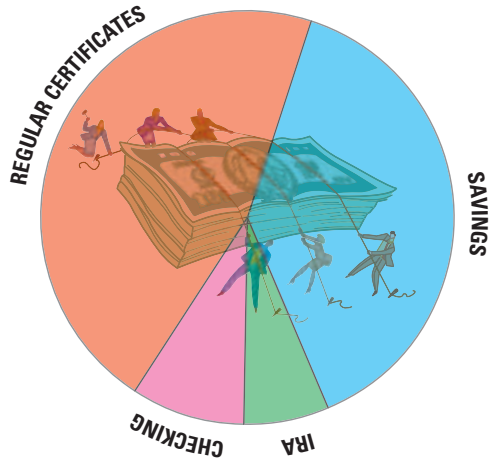
Regular Reserves	\$ 1,536,891.07
Undivided Earnings	7,727,656.76
Investment Allowance	53,612.21
YTD Net Income	<u>470,036.62</u>
<b>Total Reserves</b>	<b><u>\$ 9,788,196.66</u></b>

## **TOTAL LIABILITIES AND EQUITY**

**\$83,357,344.63**

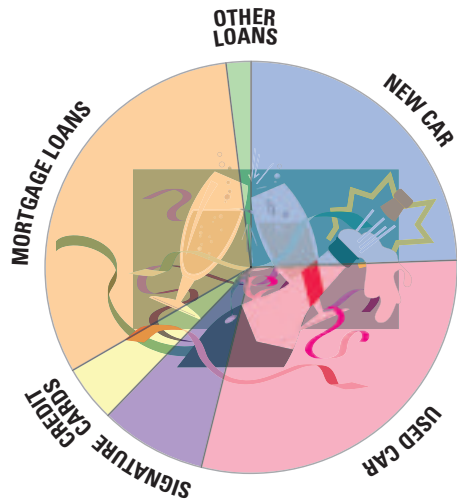
# Total Membership Equity

<b>Savings</b>	<b>38.62%</b>
<b>Checking</b>	<b>6.67%</b>
<b>IRA</b>	<b>8.98%</b>
<b>Regular Certificates</b>	<b>45.73%</b>



# Total Personal Loans

<b>New Car</b>	<b>24.63%</b>
<b>Used Car</b>	<b>29.50%</b>
<b>Signature</b>	<b>8.22%</b>
<b>Credit Cards</b>	<b>4.53%</b>
<b>Mortgage Loans</b>	<b>31.23%</b>
<b>Other Loans</b>	<b>1.89%</b>





## *Mission Statement*

*"LibertyOne Credit Union seeks to be our members primary financial institution and will adhere to the highest ethical standards while maintaining a sound financial foundation."*

### **Dallas Service Center**

**1100 Commerce Street, #615  
Dallas, TX 75242**

### **Phone**

**214-413-5588  
800-672-1320**

### **Farmers Branch Service Center**

**4050 Alpha Road, #120  
Farmers Branch, TX 75244**

### **Fax**

**214-413-5593**

### **Home Loans**

**800-366-6041**

### **Arlington Service Center**

**2221 E. Lamar Blvd, #110  
Arlington, TX 76006**

### **MasterCard Customer Service**

**800-299-9842  
[www.eZCardinfo.com](http://www.eZCardinfo.com)**

### **24 Hour Telephone Teller**

**214-413-5588 option 1  
800-672-1320 option 1**

### **Email**

**[libertyone@libertyonecu.com](mailto:libertyone@libertyonecu.com)**

**[www.libertyonecu.com](http://www.libertyonecu.com)**