

MAKING A DIFFERENCE-SPONSORSHIP & SUPPORT 2010

Lancaster Chamber of Commerce

Lancaster Senior Center

Lancaster Outreach Foundation

Lancaster Historical Society

City of Lancaster-Trash Off Event

PIA Association

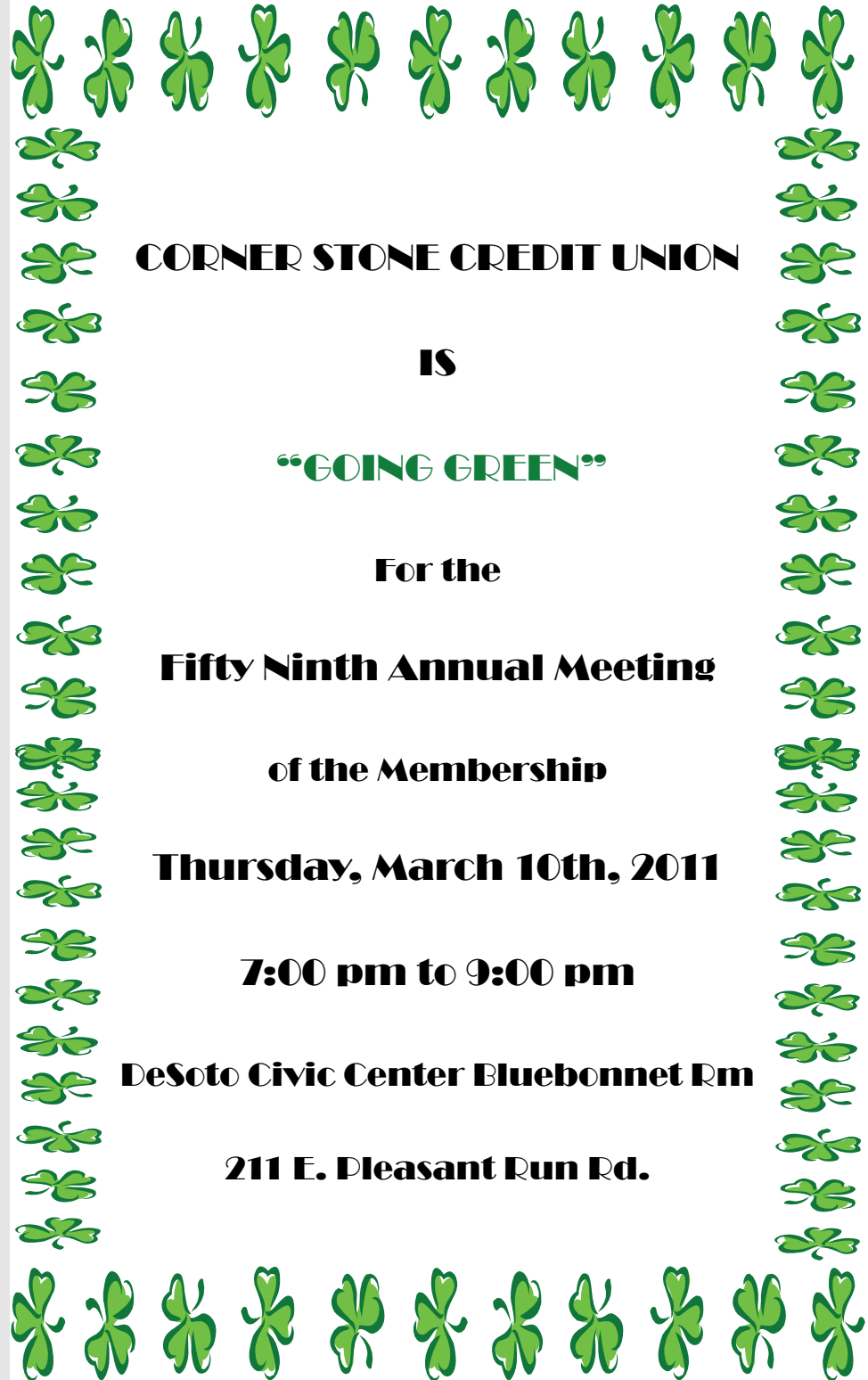
Lancaster Independent School District

Texas Credit Union Foundation

Children's Miracle Network

Dallas Chamber of Commerce

Frozen Food Express Employee Appreciation



CORNER STONE CREDIT UNION

IS

“GOING GREEN”

For the

Fifty Ninth Annual Meeting

of the Membership

Thursday, March 10th, 2011

7:00 pm to 9:00 pm

DeSoto Civic Center Bluebonnet Rm

211 E. Pleasant Run Rd.

Agenda

- Ascertain Quorum
- Introduction of Board of Directors
- Acceptance of last year's minutes
- Report of Chairman
- Report of CEO
- Introduction of Employees
- Election of Directors
- Prize Drawings
- Announcement of New Officials
- Adjournment

Board of Directors

	Term Expires		Term Expires
Randy Powledge, Chairman	2012	John Hafley	2013
Albert Adams, Vice Chairman	2013	David Parsons	2012
Charles Gurley, Treasurer	2011	J.T. Thetford	2011
Richard Womack, Secretary	2013		

Report from Board Chairman

Welcome to your Corner Stone Credit Union's 59th Annual Meeting!!! My name is Randy Powledge and I am honored to serve as your Chairman of Corner Stone Credit Union. It is my privilege to join with you in recognizing our credit union's achievements and the successful year we have enjoyed in serving our membership and community. I would like to express my sincere gratitude to our CEO, Stacey McDonald, and her entire staff for their commitment to the health and prosperity of our credit union.

With several of our SEG companies experiencing layoffs and/or downsizing due to economic conditions, without the commitment and hard work by the staff this could have been a very difficult year for the credit union. However, 2010 has proven to be a year that we can still look to as having been successful with many rewarding accomplishments; and provides a sturdy foundation on which we can position ourselves moving forward into this coming year.

Corner Stone Credit Union remains financially strong and stable. The Board of Directors and Senior Management look forward to working together to provide you the members the best service possible in meeting your financial needs. We have a plan for the future that should insure continued financial strength and growth for your credit union. Each and every one of us as members play an important role in the success of our credit union and I look forward to working with all of you in the coming year to insure Corner Stone Credit Union meets the objectives we have set forth for the future. As members, the best way you can take part in contributing to that success is to make your credit union your first source for all your financial needs; encourage other family members to join and take advantage of the credit union benefits; and also invest in your children, grandchildren, etc...by setting them up with a credit union relationship that will be there for them for years to come .

Thank you for letting me serve as the Chairman of our credit union and we appreciate you participating in this years annual meeting.

Randy Powledge

PRIZE DONATIONS BY:

Owner/Operators:

Kenneth Pearson

Wayne Lowe

SEGS/Businesses:

AFLAC— Yvonne Martinez

BrassCraft Western

Chubby's—John Touris

D & J Construction

Enterprise Auto Sales— Eric Leonard

FFE Transportation— Russell Stubbs

FFE Association—Michael Garland

Womack & Assoc—Richard Womack

GROCO —George Grogan

Lovin' Oven—Suzanne Maxwell

Miz Raus—Suzi Rawlins Weaver

PIA MidAmerica Association—Joe Palanco

Resource Insurance Services— Don Brooks

Sassy Spinster—Susan Filgo

Sportacular Players—Lorenza Davis

State Farm Insurance

Summit Energy

Texas Intrastate—Randy Powledge

Texas Trim—Marsha McRedmond

Tigert Holdings

W&B—John Chisolm

Williamson Printing

Printing of Annual Report was donated by Geneise Waltmon, owner of My Invitations Lady, LLC.

2010 ELECTION OF OFFICIALS

1010-2011 Nominating Committee: David Parsons, John Hafley, & Randy Powledge

All nominees must be a member in good standing with Corner Stone Credit Union and be 18 years or older.

We have two board positions up for 3-yr terms.

Nominees for 3-yr term are:

J.T. Thetford (Incumbent)

Charles Gurley (Incumbent)

BIOGRAPHIES OF BOARD NOMINEES FOR 2011

J.T. THETFORD (Incumbent) 3 yr term

- Twenty-four years of experience in the commercial printing industry with Jarvis Press (Dallas) as Vice President of Finance; Consolidated Graphics (Houston) as Vice President of Mergers & Acquisitions; and Cockrell Printing (Fort worth) as Chief Financial Officer
- Served the last three years as a Director on the Board of Directors of Corner Stone-Credit Union and Director on the Board of Directors of PIA Credit Union
- Co-founder and Director on the Board of Directors of Hand-To-Hand, Inc. a non-profit, 501©3 organization, designed to serve and assist the needy
- Graduated from Eastfield College (DCCCD) with an Associates of Science degree in Mid-Management
- Graduated with a Bachelor of Business Administration in Accounting from the University of Texas in Arlington
- My wife and I have had the fortune to provide guidance to numerous couples having financial opportunities

During the Vietnam era, I spent 4 years with Uncle Sam in the U.S. Air Force

CHARLES GURLEY (Incumbent) 3 yr term

Currently, Charles serves as Vice President, Business Relationship Mgr. /Lender for Wells Fargo Bank. He is experienced in “small-cap to lower middle-market” C&I and commercial real estate lending. He has also worked for Sterling Bank and Prosperity Bank, both in the Dallas/Ft. Worth area. He obtained his bachelors degree in Business Administration/ Finance from Austin College and his master’s degree in Business Administration/ Management from Amberton University . He participates in various professional organizations such as The Risk Management Association as associate and civic organizations such as the March of Dimes as a volunteer & team captain. Along with spending time with his wife & son, he enjoys reading and traveling abroad. I have served the last three years as the Treasurer of the Board of Directors for Corner Stone Credit Union.

Report from CEO

I am proud to join Randy Powledge, our distinguished Chairman of the Board, in welcoming all of you to this year’s 59th annual meeting. . Your presence tells me you obviously care about the future of this institution. Whether it’s in your personal life or professional life, the key to success is having a clear vision and focused direction, or to put it more simply, know where you are going. I can assure you that Corner Stone Credit Union knows where it is going.

Without question, 2010 presented us with some unique challenges. An unstable economy put fiscal stress on governments and businesses across the nation. Fortunately, the credit union movement was not impacted as negatively as some other industries.

In fact, when other financial institutions struggled to maintain positive capital adequacy – the benchmark being 7 percent, more than 94% of Texas credit unions closed with a net worth greater than 7%, and actually the overall net worth of Texas credit unions is 9.7 percent, well above the industry standard while your credit union closed the year with a net worth of 9.3

What does this mean to you? It means your credit union is operating in a safe and sound manner and when other institutions have pulled back on making loans, your credit union continued to make good solid loans to you, our members. It also means when other financial institutions were assessing more fees or compromising on service, Corner Stone not only paid dividends, but we also maintained our high level of quality service without increasing our fee structure.

I, as well as our staff and board of directors, take very seriously the trust you have put in us to lead this institution, and I assure you that we are guiding Corner Stone Credit Union with integrity and a heartfelt commitment to you – our member/owner.

Stacey McDonald



Office Staff

Stacey McDonald, CEO
Connie Lindsey, CFO
Richard Lindsey, Loan Manager
Jennifer Barnhill, Branch Manager
Sherry Biggs, Member Service Supervisor
April Wilson, Sr. Branch Member Service Specialist
Sanjay Patel, Accounting Assistant
Donna Curts, Sr. Collection Officer
Patricia Garcia, Member Service Specialist II
Araceli Torres, Sr. Member Service Specialist
Ann Marie, Lending Assistant & Collections
Victor Aguilar, Branch Member Service Specialist II
Alayna Jones, Part-Time Administrative Assistant

COMPARATIVE FINANCIAL STATEMENTS

<u>ASSETS</u>	<u>2009</u>	<u>2010</u>
MEMBERS LOANS	\$ 11,262,068	\$10,944,085
LOAN LOSS ALLOWANCE	\$ (318,286)	\$ (277,139)
CASH ON HAND/INVESTED	\$ 4,664,091	\$ 4,872,103
BUILDING/FIXED ASSETS	\$ 517,761	\$ 451,163
OTHER ASSETS	<u>\$ 134,502</u>	<u>\$ 117,860</u>
TOTAL ASSETS	\$ 16,260,136	\$16,108,072
<u>LIABILITIES</u>		
ACCOUNTS PAYABLE	\$ 148,992	\$ 221,279
SHARES	\$6,742,546	\$ 7,230,082
SHARE DRAFT	\$3,973,505	\$ 3,293,394
SHARE CERTIFICATES	\$ 1,340,274	\$ 1,266,189
IRA'S/IRA CERTIFICATES	\$ 2,497,387	\$ 2,600,355
RESERVES	\$ 922,902	\$ 922,902
UNDIVIDED EARNINGS	<u>\$ 634,530</u>	<u>\$ 573,871</u>
TOTAL LIABILITIES	\$16,260,136	\$16,108,072
Membership	4,616	4,316
Loans Made	828	721
Dividends Paid	\$ 132,793	\$ 95,393
<u>INCOME</u>		
GROSS LOAN INTEREST	\$ 930,296	\$ 924,566
GROSS INVESTMENT	\$ 98,840	\$ 74,964
FEES/OTHER INCOME	<u>\$ 396,483</u>	<u>\$ 459,470</u>
TOTAL INCOME	\$1,425,619	\$1,459,000
<u>EXPENSES</u>		
PROVISION FOR LOAN LOSS	\$ 332,100	\$ 203,600
OPERATING EXPENSES	\$ 1,289,581	\$1,127,815
DIVIDENDS PAID	\$ 132,793	\$ 95,394
INT ON BORROWED FUNDS	\$ 000	\$ 1
NCUSIF ASSESSMENTS	\$ (20,826)	\$ 92,849
NET INCOME GAIN/LOSS	\$ (314,730)	\$ (60,659)

2010 LOAN REPORT

Corner Stone Credit Union's loan committee consists of three individuals whose sole purpose is to appoint the loan officers and enforce the loan policies established by the Board of Directors.

The Loan Committee for 2010 consisted of: The Board of Directors Officers/ the majority of the Board members:

CSCU made **721** loans in the amount of **\$4,965,225.38**

Total loans charged off: **\$261,048.00**
\$ 34,649 due to Bankruptcy
\$ 56,602 credit card

Total recovery: **\$ 28,901**
\$ 1,838 credit card

Net Charge offs 2010: **\$232,147.00**
\$ 54,764 credit card

For 2010 there were 2 Chapter 7 Bankruptcy filed and 4 Chapter 13 Bankruptcy .

Total Share Drafts charged off: **\$17,042.09**

Total Share Draft recovery: \$ 3,166.36

Net Share Draft Charge Offs: **\$13,975.73**