

# 2025 *Annual* REPORT





## MESSAGE FROM THE CEO

In 2025, Lone Star Credit Union continued to build on a strong foundation of steady growth, operational excellence, and meaningful community impact. Our commitment to serving Members with integrity and purpose remains at the center of every goal we achieve.

This year, the credit union grew 3.9% to 11,802 Members, reflecting the trust our communities place in us. Total assets increased 5.8% to \$189,240,364, demonstrating continued financial strength and responsible stewardship. We were also granted a field of membership expansion into Collin and Ellis counties, positioning LSCU to serve even more individuals and families while extending our cooperative values into new communities.

We began the remodel of our Terrell branch, with completion anticipated in mid-2026. The new design mirrors the modern, conversational layouts of our Dallas and Kaufman branches, creating a more welcoming and service-oriented environment. This updated space will foster deeper conversations, strengthen Member relationships, and enhance the overall experience for those we serve.

Operationally, 2025 was a year of innovation and investment in our digital infrastructure. We successfully rolled out a new loan origination system and a new account opening platform, improving efficiency and streamlining the Member experience from application to approval. We also partnered with Member First Mortgage, expanding our mortgage offerings and providing Members with additional expertise and competitive home financing options.

Our Lone Star Investment Solutions program continued to grow as Members sought personalized guidance to build long-term wealth. Through consistent outreach and relationship-based advice, Financial Advisor Tim Mangus has become a trusted partner to many of our Members.

Beyond financial performance, our impact across the communities we serve remained a defining achievement. LSCU's outreach spanned eight counties, contributing more than 1,000 volunteer hours, awarding two scholarships to high school seniors, and providing sponsorships and donations to schools, local businesses, and charitable organizations. Serving our communities is not simply an initiative; it's a responsibility we proudly embrace.

We also continued to prioritize professional growth and employee engagement. Nine employees graduated from “The Member Advantage” service program, and five employees earned their Certified Credit Union Financial Counselor (CCUFC) designation, bringing our total number of certified counselors to 29. These accomplishments reflect our ongoing investment in education and our dedication to equipping our team to better serve Members’ financial well-being.

As we look ahead to 2026, LSCU will concentrate on digital banking improvements, Member education webinars, and continued marketing of a 30-year fixed rate mortgage promotion. We remain focused on sustainable growth, enhanced Member experiences, and expanding our impact throughout the communities we call home. Thank you for your continued trust in Lone Star Credit Union. The cooperative spirit that defines us ensures that our success is shared, and we are honored to serve you today and in years to come.



The Board of Directors is 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 (2027)

Ryan Holloway, Vice Chairman (2026)

Kim Marszalek, Secretary/Treasurer (2027)

Shelley Brookins, Director (2028)

Jerry Clancy, Director (2027)

Jack Smith, Director (2028)

Dr. Graham Sweeney, Director (2026)

## **ADVISORY BOARD**

Jason White

## **AUDIT COMMITTEE**

Dr. Graham Sweeney, Chairman

Kim Marszalek, Vice Chairperson

Shelley Brookins, Committee Member

## **EXECUTIVE MANAGEMENT TEAM**

Marcy Phillips, CEO

Rebecca Alanis, COO (Position added February 2025)

Leighann Carson, CAO

Brian Harper, CFO

Chrissy McGaha, CLO (Position added November 2025)

## 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). A supervisory audit was conducted by Waypoint using financial data as of June 30, 2025.

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## TREASURER'S REPORT

from Board Treasurer, Kim Marszalek

In 2025, the credit union remained financially responsible as it met its Members' needs. The regulatory capital at year end was a healthy 8.6%. Income was sufficient to pay share interest, general overhead expense, and adequately fund loan loss reserves. Net income for the calendar year was \$416,062.

Lone Star Credit Union is well-positioned to fund future growth and continue providing high-quality, affordable financial services to its Members. We value your trust and look forward to helping you feel financially empowered now, and in the future.

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## NEW PRODUCTS AND SERVICES



Online Account Opening



Fraud Sense

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## BYLAW AMENDMENTS

On January 30, 2025, the Texas Credit Union Commissioner approved the amendment to expand Lone Star Credit Union's field of membership to persons who work, reside, worship, or attend school, and businesses located within the boundaries of Collin County and Ellis County.



# Community

## Sponsorships:

- Bee Happy Day Program, Kaufman
- Children's Advocacy Center of Kaufman County
- City of Kaufman
- Ferguson Road Initiative, Dallas
- Fraternal Order of the Eagles, Dallas
- Greenville Audie Murphy Cottom Museum
- Greenville Chamber of Commerce
- Greenville ISD – Hero of Hope
- Greenville ISD
- Hunt Regional Healthcare Foundation
- Kaufman Chamber of Commerce
- Kaufman Christian School
- Kaufman FFA
- Kaufman ISD
- Royse City Chamber of Commerce Fun Fest
- Royse City Chamber of Commerce Small Business Summit
- Silberstein Elementary School, Dallas
- Terrell ISD
- Terrell State Hospital
- Texas Health Kaufman
- The Center in Kaufman

## Donations: Financial & Goods

- Bayles Elementary, Dallas
- Bee Happy Day Program, Kaufman
- Cosmos Montessori, Dallas
- Ennis ISD
- Friends of the Kaufman Library
- Greenville ISD
- JW Long Elementary, Terrell
- Kaufman ISD
- Kaufman Police Department
- Senior Connect, Kaufman
- Silberstein Elementary School, Dallas
- Terrell Chamber of Commerce
- Terrell ISD
- Terrell Police Department



**1,049 Community Service Hours**



**Awarded 19 Good Grants Totaling \$2,055**



**Awarded Two \$1,000 Scholarships**



## STATEMENT OF OPERATIONS

### Statement of Income

| INCOME                   | 2025                | 2024                |
|--------------------------|---------------------|---------------------|
| Interest on Loans        | \$8,004,135         | \$7,288,258         |
| Investments              | \$1,431,459         | \$1,006,742         |
| Non-Interest Income      | \$2,937,027         | \$2,765,039         |
| <b>TOTAL INCOME</b>      | <b>\$12,372,621</b> | <b>\$11,060,039</b> |
| EXPENSE                  |                     |                     |
| Non-Interest Expense     | \$8,173,908         | \$7,649,021         |
| Total Interest Expense   | \$2,818,059         | \$2,250,176         |
| Provision for Loan Loss  | \$964,592           | \$954,589           |
| <b>TOTAL EXPENSE</b>     | <b>\$11,956,559</b> | <b>\$10,853,786</b> |
| Non-Operating Income     | \$0                 | \$577,646           |
| <b>NET INCOME (LOSS)</b> | <b>\$416,062</b>    | <b>\$783,899</b>    |

### Statement of Financial Condition

| ASSETS  | 2025                 | 2024                 |
|---|----------------------|----------------------|
| Loans   | \$126,225,287        | \$124,765,003        |
| Less Allowance for Loan Loss                  | \$ (1,134,731)       | \$ (1,077,675)       |
| Net Loans                                     | \$125,090,556        | \$123,687,328        |
| Cash  | \$884,859            | \$2,021,797          |
| Investments                                   | \$43,354,912         | \$32,600,744         |
| Net Fixed Assets                              | \$10,573,930         | \$10,893,002         |
| Other Assets                                  | \$9,336,107          | \$9,084,122          |
| <b>TOTAL ASSETS</b>                           | <b>\$189,240,364</b> | <b>\$178,286,993</b> |
| LIABILITIES, SHARES & EQUITY                  |                      |                      |
| Total Liabilities                             | \$2,301,944          | \$2,551,152          |
| Shares  | \$171,133,035        | \$161,145,532        |
| Equity  | \$15,805,385         | \$14,590,309         |
| <b>TOTAL LIABILITIES, SHARES &amp; EQUITY</b> | <b>\$189,240,364</b> | <b>\$178,286,993</b> |
| MEMBERS                                       | <b>11,802</b>        | <b>11,345</b>        |