



**2010 ANNUAL MEETING
of the Credit Union's Membership**

Dalchau Service Center

Austin, TX

April 27, 2010





LCRA CREDIT UNION

ANNUAL MEETING


April 27, 2010

AGENDA

Pledge of Allegiance:

*I pledge allegiance to the Flag
of the United States of America,
and to the Republic for which it stands:
one Nation under God, indivisible,
With Liberty and Justice for all.*

- I. Call to Order by Presiding Officer and Introduction**
- II. Reading and Approval of the Minutes for April 28, 2009 Annual Meeting**
- III. Introduction of Board Members**
- IV. Reports of Officials**
- V. Questions from the Membership**
- VI. Old Business**
- VII. New Business**
 - a. Service Award for Fran Theiss**
- VIII. Nominating Committee Report**
- IX. Adjournment**



LCRA
CREDIT UNION
LCRA CREDIT UNION
ANNUAL MEETING MINUTES
April 28, 2009

Pledge of Allegiance

I. Call to Order by Presiding Officer, Fred Lamoreaux

The 2009 Annual Meeting of the LCRA Credit Union membership was called to order at 9:30 a.m. on April 28, 2009 at the FPP Admin Building Conference Room by Board Chair, Fred Lamoreaux.

Mr. Lamoreaux asked Bonnie Gray, Sr. Financial Services Rep. if there is a quorum present. Mrs. Gray informed everyone present that there are 75 members in attendance. Mr. Lamoreaux declared that a quorum is present.

II. Reading and Approval of the Minutes for April 17, 2007 Annual Meeting

Mr. Lamoreaux stated that the Minutes of the April 30, 2008 Annual Meeting were published in the 2009 Annual Report.

A motion was made by Diane McCauley and seconded by Todd Oehlke to dispense with the reading of the minutes and to approve them as published since no corrections are necessary. Motion carried.

III. Introduction of Officials

Mr. Lamoreaux introduced each member present of the Board of Directors, Supervisory Committee, and Staff of the Credit Union. *The names of officials are published in the Annual Report.*

IV. Reports of Officials

A motion was made by Jennifer Thompson and seconded by Russell Lueders to dispense with the reading of the Reports from Officials as they are published in the 2009 Annual Report (see attached 2009 Annual Report). Motion carried.

V. Questions from the Membership

a. Jennifer Thompson asked when an ATM would be installed at FPP since there are a lot of shift workers.

VI. Old Business

None

VII. New Business

a. Volunteer Service Award for John Gosdin

Mr. Lamoreaux presented the certificate to Mr. Gosdin. John Gosdin challenged members to volunteer for the LCRA Credit Union Board and Committees.

Mr. Lamoreaux gave his Chairman's Speech and acknowledged the support of the members at FPP, and reminded them to invite their family members to join the credit union.



VIII. Nominating Committee Report

Mr. Lamoreaux submitted the names of the nominees chosen by the Nominating Committee for the three (3) positions on the Board of Directors.

- o Gerald Pargac (2 year term)
- o Daron Goertz (2year term)
- o Ben Hayes (2 year term)

Fred Lamoreaux then asked for nominations from the floor. A motion was made by Ken Taylor and seconded by Victor Anders to cease the nominations from the floor, and to accept these names by acclamation. Motion carried.

IX. Adjournment

A motion to adjourn was made by Jimmy Powell and seconded by Ken Taylor to adjourn at 9:43 am. Motion carried.

Door prizes (6 at \$50 and 2 at \$100) were awarded at the conclusion of the meeting.

Attested By: _____

Fred Lamoreaux, Chair

Betty Mueller, Recording Secretary

A Message from Our Chairman, Fred Lamoreaux

Like you, I am truly looking forward to the promise of 2010 and what this year will bring. We've seen the fallout from the recent economic upheaval and we've watched our friends and neighbors struggle. Things have been difficult but we've also witnessed small signs of potential growth and the tremendous value of hope.

Credit unions have been part of that hope. As millions of consumers have become disenchanted with their banks, many have turned to credit unions. Membership growth in our credit union is on the rise, and so is membership growth across the state.

Texas stands as the world's 11th-largest economy and statistically overall continues to perform better than many of the other regions. It has been a year of economic uncertainty yet more consumers are asserting their support of the credit union movement as membership growth statewide increased 3.1 percent through 2009.

The fact that you are here today shows me that you have a vested interest in the future of this credit union. It demonstrates to me that you recognize the important role your credit union plays in your financial future. I implore upon you to share your experience with your family, friends, colleagues and neighbors. Let them know that your credit union stands ready and welcoming!

As all of you know, at this institution you are not a faceless number. You are all owners of LCRA Credit Union. Your account balance doesn't dictate the level of your power. Every account holder drives the decisions and the operations and I, along with my fellow board members serve at your pleasure.



Unlike banks, the credit union is a powerful enterprise because we put people before profit. Our driving principle has always been “people helping people” and we work very hard to see our members succeed.

We appreciate and honor your hopes and dreams and we want you and your families to see your money work for you. At LCRA Credit Union, we offer a wide array of services including:

- savings,
- checking
- loans,
- CDs
- Retirement accounts
- Youth accounts
- Expansion in our Field of Membership to include a 10 mile radius around both Austin branches.
- Mortgages through a 3rd party provider.

We do our best to be your primary financial service provider, and want to ensure your financial success.

Your Board of Directors is comprised of volunteers who want you and our local community to succeed. We are a non-profit entity so any profits earned are always returned back to you, the member, in the form of lower interest rates, savings dividends, or other additional services such as Mortgages, Debit Cards, Credit Cards, Online Bill Pay, and E-statements.

LCRA Credit Union’s Board of Directors has worked tirelessly over the past year because we understand the importance of our commitment to you and your families and we will not let you down.

We know you work very hard for your salary and savings and we work vigorously to help you achieve your short and long-term financial goals.

We have the diligence. We have the determination. We have the hope. The Employees of the LCRA Credit Union appreciate your continued loyalty and support, and I thank you for your attention and your participation in your credit union’s annual meeting, as we celebrate our 70th anniversary.

The Nominating Committee of the LCRA Credit Union submits the following members as nominees to serve on the Credit Union’s Board of Directors:

Gary Antosh (Two year term)

Gary Antosh is a lifelong resident of Fayette County and La Grange, Texas. Prior to and after graduating from La Grange High School in 1975, Mr. Antosh went to work for a residential/commercial HVAC and electrical contractor. In 1979, he was employed by LCRA in the electrical department at the Fayette Power Project (FPP), being later promoted to a Lead Electrician position. In 1999, Gary transferred from FPP to the LCRA Fuel & Energy Risk Management group in



Austin as a budget analyst. In 2002, he became a certified Project Management Professional/Consultant and practiced this profession as an independent in the residential marketplace. Mr. Antosh retired from LCRA in October 2007.

During his employment at FPP, Mr. Antosh attended Blinn Junior College, Austin Community College, and graduated St. Edward's University in Austin in 1998 with a Bachelor's degree in Business Management. Mr. Antosh was elected to the LCRA Credit Union Board of Directors in September 2006 as an Advisory Board Member and as a Board Member in August 2007. He is Vice President of the St.'s Peter & Paul Catholic Church Advisory Board in Plum, Texas and is very active in all church ministries and benefit activities of the church. Gary is a member of the La Grange Knight's of Columbus Council # 2574 and supports many of their yearly fund-raising activities. He has been a volunteer referee for the La Grange Optimist Club Little Dribblers Program and also supports Texas A&M University and the Texas A&M Tri-County Aggie Mom's Club. Gary and his wife Shirley have a son attending Texas A&M University as a civil engineer as well as a daughter attending as a chemical engineer.

Mark Johnson (Two year term)

Mark joined Bluebonnet Electric Cooperative in March of 1994 and is currently a Governmental Affairs / Economic Development representative for the cooperative. He served as the Project Manager for the Facilities Improvement Five Year Plan prior to moving into his current position. This included construction of the Headquarters facility located in Bastrop in March of 2008. Mark received his Bachelor's Degree from Texas A&M University in May of 1978 and was a member of the Corps of Cadets during his tenure at A&M. He has served on the LCRA Credit Union Board since August of 1999 and currently serves as Secretary.

Fred Lamoreaux (Two Year Term)

Fred Lamoreaux has been employed with LCRA for the past thirty four years and is currently the Superintendent of Transmission Services Materials Management. He is responsible for the management of the Austin Store, San Angelo Stores, Electrical Outlet, Maintenance Stores, Sales Tax Exempt Stores, Steel Stores, Protective Equipment Testing Stores and Transmission Services Corporation Stores along with the Protective Equipment Testing Laboratory and Steel Fabrication Shop.

Fred has been in a supervisory role since 1985 serving as Supervisor of Bastrop Steel Stores, Supervisor of Heavy Equipment and Superintendent of Materials Management. Fred has served on the United Charities Committee, Activity Committee and has been actively involved in many other initiatives through his career at LCRA.

Fred has been a member of the LCRA Credit Union since 1976 and has been on the Board of Directors since 1999.

David E. Smith (One Year Term)

David Smith has been employed with LCRA for the past twenty nine years, is a certified project manager and is currently the Supervisor of Construction Support in Water Services. He is responsible



for the construction management and inspection of the water and wastewater utilities as well as a project manager assigned capital construction projects for water services.

David has been in a supervisory role since 2000. David has served on the United Charities Committee, past president of the GOC activities committee, attended the LCRA Leadership Development curriculum, is past president of the Hays Chapter of Fellowship of Christian Sportsmen, is a past board member of the Hays youth Baseball Association, is an active member of Hays Hills Baptist Church, is actively engaged in the Hays Hills Outdoors Ministry, and a past owner of a small home building company.

David has been a member of the LCRA credit union since 1981, served a 2-year term on the Advisory Committee, and has been an active Board member for the past 9 months.

Rita Summy (Two Year Term)

Rita Summy is currently the Payroll Supervisor for Pedernales Electric Cooperative, Inc. (PEC). She started her employment with PEC on October 1, 1983 doing the general ledger in the Accounting department. A year later she started doing the payroll for 289 employees. In 2002, she was promoted to Payroll Supervisor and currently oversees the payroll functions that include supervising two employees, reports to federal and state tax authorities, assist timekeepers, data entry for processing, and processing the payroll checks for all of the employees at PEC. Currently PEC has 903 employees.

Prior to working at PEC, Rita lived in Austin and worked for an accounting firm for 7 years. After moving back to her hometown of Johnson City, she briefly worked for an architect company in Horseshoe Bay until she was hired by PEC where she knew she originally wanted to be.

Rita keeps active in her community through her children and various organizations and holds current officer positions. Rita has been a member of LCRA Credit Union since 1994.

Respectfully submitted,
Ken Taylor, Chair

Committee Members: Tony Skeen (LCRA); Cherylann Campbell (LCRA); Theresa Owens (PEC); Byron Wren (BEC); Ken Taylor, Committee Chair (LCRA).

REPORTS

Supervisory Committee Report

The Supervisory Committee represents and serves the members of the LCRA Credit Union by ensuring that account integrity is maintained, confirming that loan policies and procedures are followed in accordance with State and Federal regulations, and serving as Grievance Committee should a problem arise between the credit union and a member.

In addition to performing periodic reviews of accounts and procedures, the Committee oversees the annual audit and reviews of the credit union's books and records by an independent auditor and may



make recommendations to the Board of Directors based on any finding of these reviews. For the period ending June 30, 2009 the Committee contracted for the services of Financial & Technology Resources, a division of Credit Union Resources, Inc. to conduct the annual audit, which once again revealed no major discrepancies or irregularities in the accounts or practices of our credit union. Any recommendations made by the internal auditor have been reviewed and staff has made appropriate changes. Our credit union continues to be operated in a professional manner by a dedicated staff, and they deserve continued recognition of a job well done.

Respectfully submitted,

Debbie Pawlik
Supervisory Committee Chair

Treasurer's Report

LCRA Credit Union has completed another successful year. We maintained our financial strength and ended the year with a net worth to total assets ratio of 14.46%, which exceeds the national peer group of same asset size. Assets increased by \$219,269.16 to \$19,745,818.51, while loan demand increased by \$355,560.79 to \$9,335,462.13

Your credit union Board of Directors will endeavor to meet the challenges of maintaining a strong financial institution for you, our members, while providing the personal service you deserve.

Respectfully submitted,

Ben Hayes
Treasurer

LCRA Credit Union

Run: 01/12/2010

As of: 12/31/2009

Monthly Balance Sheet

Page: 1 of 1

LOANS & CASH	
Unsecured Credit Card Loans	1,937,881.22
All Other Unsecured Loans	861,906.11
New Vehicle Loans	2,451,698.80
Used Vehicle Loans	2,018,891.03
Real Estate Loans	137,091.24
Share Secured Loans	338,301.22
All Other Loans	969,306.20
Courtesy Pay Advance	4,033.14
Indirect Loans-New Vehicle	433,791.50
Indirect Loans-Used Vehicle	182,561.67
Total Loans	9,335,462.13
Allowance For Loan Loss	(99,197.61)
Net Loans Outstanding	9,236,264.52
Accounts Receivable	1,398.57
Non-Interest Earning Cash	282,684.96
SWFCU CMF&Cash Ltr&Performance Tier	1,091,302.38
Total Cash & Cash Equivalents	1,373,987.34
INVESTMENTS	
Deposit In Commercial Banks, S&L's, Savi	8,679,000.00
Membership Captial At SWFCU	118,459.76
All Other Investments	99,000.00
Total Investments	8,896,459.76
Net Investments	8,896,459.76
OTHER ASSETS	
Prepaid & Deferred Expenses	12,001.36
Furniture, Fixtures & Equipment	242,565.64
Accumulated F.F. & E. Depreciation	(190,284.43)
Furniture, Fixtures & Equip (Net)	52,281.21
Accrued Income	23,558.97
NCUSIF	149,866.78
TOTAL ASSETS	19,745,818.51
LIABILITIES AND EQUITY	
Accounts Payable	4,246.96
Unapplied Data Processing Exceptions	(9,484.49)
All Other Liabilities	6,992.33
TOTAL LIABILITIES	1,754.80
Membership/Regular Shares	10,428,756.35
Checking	2,920,188.82
Term Certificates	3,192,449.91
IRA Shares	224,548.46
IRA Term Certificates	79,995.52
Christmas Club Accounts	39,006.88
Courtesy Pay Advance	4,033.14
TOTAL SHARES	16,888,979.08
Regular Reserve	629,377.29
Undivided Earnings	2,277,097.58
Net Income (from Balance Sheet)	(51,390.24)
TOTAL EQUITY	19,744,063.71
TOTAL LIABILITIES AND EQUITY	19,745,818.51

LCRA Credit Union

Run: 01/12/2010

Income Statement

As of: 12/31/2009

Month-to-Date

Quarter-to-Date

Year-to-Date

Page 1 of 2

	Month-to-Date	Quarter-to-Date	Year-to-Date
INTEREST INCOME			
Income from Unsecured Credit Card L	15,540.60	46,653.16	186,790.90
Income from All Other Unsecured Loa	8,911.80	26,636.33	107,699.55
Income from New Vehicle Loans	12,922.42	40,505.71	168,222.21
Income from Used Vehicle Loans	11,864.93	35,310.09	140,781.40
Income from Real Estate Loans	218.10	376.40	376.40
Income from Share Secured Loans	1,374.09	4,048.27	17,245.57
Income from All Other Loans	5,306.24	15,760.37	58,598.12
Income from Indirect Loans-New Vehi	1,472.37	2,630.25	2,630.25
Income from Indirect Loans-Used Veh	682.34	1,133.09	1,133.09
Total Loan Income	58,292.89	173,053.67	683,477.49
Net Loan Income	58,292.89	173,053.67	683,477.49
Income from SWCFCU CMF&Cash Ltr&Per	52.97	125.14	529.03
Income from Deposit In Commercial B	15,994.41	55,616.10	316,192.96
Income from Membership Captial At S	12.57	42.31	228.97
Income from All Other Investments			619.77
Income from SWCFCU CD			(1.09)
Total Investment Income	16,059.95	55,783.55	317,569.64
Total Interest Income	74,352.84	228,837.22	1,001,047.13
INTEREST EXPENSE			
Dividends - Membership/Regular Shar	2,171.29	6,470.27	25,555.48
Dividends - Checking	304.70	881.93	3,446.25
Dividends - Term Certificates	3,538.93	10,853.47	61,067.98
Dividends - IRA Shares	191.18	567.85	3,311.64
Dividends - IRA Term Certificates	95.95	290.35	1,495.89
Dividends - Christmas Club Accounts	16.50	29.84	239.56
Interest On Borrowed Money	20.26	53.98	432.08
Total Interest Expense	6,338.81	19,147.69	95,548.88
Net Interest Income	68,014.03	209,689.53	905,498.25
Provision For Loan Loss Expense	6,168.52	(4,504.99)	72,880.83
Net Interest Income after Provision	61,845.51	214,194.52	832,617.42
OPERATING EXPENSES			
Salaries	36,638.87	105,862.76	448,655.18
Pension	1,289.62	3,804.05	13,481.53
Employee Benefits	5,959.85	23,582.70	109,313.85
Travel & Conference	(2,269.45)	(1,085.79)	4,172.76
Association Dues	930.00	2,790.00	11,536.60
Office Occupancy	100.00	315.45	1,232.78
Office Operations	6,615.39	21,355.27	89,233.13
Educational	(1,043.50)	(101.00)	10,926.38
Advertising & Marketing	(599.59)	(599.59)	22,210.41
Loan Servicing	1,085.72	3,690.10	13,482.32
Outside/Professional Services	15,559.51	39,284.45	156,140.51
Member Insurance	(903.95)	(903.95)	127,504.13
Examination Fees	1,455.00	2,425.00	5,486.09
Cash Over/Short	0.25	38.60	197.19
Annual Meeting			600.00
MasterCard Exp.	3,594.62	7,106.13	34,959.03
ATM, Shared Ser. Ctr., PowerOnLine,	9,346.86	34,961.03	120,826.54
Misc. Operating Exp.	1,442.88	2,411.38	9,189.85
Depreciation Expense-Building & Lea	182.01	546.03	1,961.74
Depreciation Expense-Furniture, Fix	1,715.95	5,203.64	21,764.92
Total Operating Expenses	81,100.04	250,686.26	1,202,874.94
OTHER OPERATING INCOME			
Fees & Charges	22,482.86	60,794.67	228,466.02
Other Income	152.34	1,112.56	107,957.23
Total Other Operating Income	22,635.20	61,907.23	336,423.25
Other Non-Operating (Gain) / Loss		76,805.73	76,805.73
Total Non-Operating Income		76,805.73	76,805.73

LCRA Credit Union

Income Statement

Run: 01/12/2010

As of: 12/31/2009

Month-to-Date

Quarter-to-Date

Year-to-Date

Page 2 of 2

Net Income

3,380.67

(51,390.24)

(110,640.00)



Board of Directors	Term Expiration
Fred Lamoreaux, Chairman	April, 2010
Gerald Pargac, Vice Chair	April, 2011
Mark Johnson, Secretary	April, 2010
Ben Hayes, Treasurer	April, 2011
Gary Antosh	April, 2010
David Smith	April, 2010
Rita Summy	April, 2010

Advisory Board Member	Term Expiration
Jimmy Powell	April, 2011

Supervisory Committee	Term Expiration
Debbie Pawlik, Chair	April, 2011
Beth Alley	April, 2011
Kent Dawson	April, 2011
Elizabeth Duron	April, 2011
Jennifer Prihoda	April, 2011
Sandra Valdez	April, 2011



Credit Union Senior Management

<i>Fran Theiss, President</i>	<i>Retired January 2010</i>
Betty Mueller, President	March 1, 2010
Tim Lane, Executive Vice President	March 1, 2010

Credit Union Staff

Jasmine Evans, Member Services Representative
Bonnie Gray, Sr. Financial Services Representative
Melinda Martinez, Member Services Representative
Tai-Shrae Parish, Administrative Assistant
Sue Simpson, Loan Officer II
Brian Thibodeaux, Financial Services Representative