

Financial Condition

Assets	2008	2007
Consumer.....	336,094,167.00	291,751,395.00
Credit Cards.....	9,759,815.00	8,368,235.00
Real Estate.....	79,229,641.00	62,032,027.00
Subtotal.....	425,083,623.00	362,151,657.00
Allowance For Loan Loss.....	(1,006,454.00)	(688,528.00)
Total Loans.....	424,077,170.00	361,463,129.00
Accounts Receivable.....	91,977.00	411,992.00
Cash & Investments.....	18,512,546.00	26,857,536.00
Fixed Assets.....	16,557,567.00	11,474,703.00
Accrued Income.....	1,427,217.00	1,207,738.00
Prepaid & Deferred Expenses.....	318,094.00	200,887.00
Total Assets.....	460,984,571.00	401,615,985.00

Liabilities And Equity	2008	2007
Share Accounts.....	103,667,178.00	93,824,345.00
Checking Accounts.....	59,256,083.00	54,730,499.00
Certificates Of Deposit.....	160,081,720.00	142,956,929.00
IRA's.....	34,285,215.00	31,116,924.00
Money Market Accounts.....	20,688,238.00	14,851,361.00
Other Member Deposit Accounts.....	8,411,397.00	7,431,762.00
Member Deposit Total.....	386,389,831.00	344,911,820.00
Accounts Payable.....	1,842,938.00	1,032,252.00
Other Liabilities.....	930,308.00	1,125,156.00
Accrued Expenses.....	1,286,117.00	1,119,185.00
Dividends Payable.....	872,678.00	954,546.00
Reserve Fund & Retained Earnings.....	56,662,669.00	50,473,026.00
Notes Payable.....	13,000,000.00	2,000,000.00
Deferred Rent Income.....	0.00	0.00
Total Liabilities And Equity.....	460,984,571.00	401,615,985.00

Income & Expense

Income	2008	2007
Loans.....	24,480,314.00	22,081,806.00
Investments.....	(30,865.00)	1,086,309.00
Other Income.....	7,702,420.00	7,196,349.00
Total Income.....	32,151,869.00	30,364,464.00

Expenses	2008	2007
Total Operating Expenses.....	15,409,681.00	13,800,635.00
Share Dividends.....	1,065,266.00	1,019,785.00
Certificates Of Deposit.....	7,442,945.00	8,046,444.00
IRA's.....	30,604.00	27,246.00
Checking Account Interest.....	61,881.00	34,936.00
Money Market Accounts.....	342,454.00	343,251.00
Total Dividends And Interest Expenses.....	8,943,150.00	9,471,662.00
Total Expenses.....	24,352,831.00	23,272,297.00
Provision For Loan Losses.....	1,294,183.00	650,378.00
Net Surplus/(Deficit).....	6,504,855.00	6,441,789.00

DATCU now has EIGHT locations to serve you!

Visit us online at
www.DATCU.org
or toll-free at
866-387-8585

Denton Main:
225 W. Mulberry Street
Denton, Texas 76201
Telephone: 940-387-8585
Fax: 940-442-5520

Aubrey:
919 Highway 377 South
Aubrey, Texas 76227
Phone: 940-365-0737
Fax: 940-365-0280

Denton North:
906 West University Drive
Denton, Texas 76201
Telephone: 940-387-8585
Fax: 940-442-6207

Lewisville:
1001 Edmonds Lane
Lewisville, Texas 75067
Phone: 972-906-8200
Fax: 972-906-8201

Denton South:
3210 Teasley Lane
Denton, Texas 76210
Telephone: 940-387-8585
Fax: 940-898-8640

Flower Mound:
2201 Long Prairie Road
Flower Mound, Texas 75022
Phone: 972-874-9903
Fax: 972-874-9504

Decatur:
600 West Ford Street
Decatur, Texas 76234
Phone: 940-626-4331
Fax: 940-626-4340

The Colony:
4190 Main Street
The Colony, Texas 75056
Phone: 972-370-4200
Fax: 972-370-4500

DATCU
CREDIT UNION

You can and you should.



2008 Annual Report
Still Growing Strong



DATCU
CREDIT UNION

You can and you should.

73rd Annual Meeting

March 24, 2009, 5:30 p.m.

DATCU Administration Building, 215 West Hickory

- I. Welcome
- II. Invocation
- III. Introduction of Board Members & Executive Staff
- IV. Verification of Quorum
- V. Reading of the 72nd Annual Meeting Minutes
- VI. Chair's Report
- VII. President's Speech
- VIII. Auditor's Report
- IX. Unfinished Business (72nd Annual Meeting)
- X. New Business (Other than Election of Directors)
- XI. Election of Directors
- XII. Adjournment

DATCU 2008 Board of Directors

Robert Seay, Chair (2009)*
Certified Public Accountant
Hankins, Eastup, Deaton, Tonn,
and Seay

Russell Kerbow, Vice Chair (2012)*
Chief of Police
City of Lewisville

Eva Poole, Treasurer (2010)*
Director of Libraries
City of Denton

Bob Crouch, Secretary (2010)*
Realtor/Owner
Crouch Realty Co., Inc.

Dr. Derrell W. Bulls (2010)*
Retired Chair, School of
Management
Texas Woman's University

Ricky Grunden (2011)*
President
Grunden Financial Advisory, Inc.

Bill Moss (2012)*
Retired Assistant Superintendent
of Administration
Denton State School

Fred Pole (2010)*
Retired VP & Vice Chancellor
of Administration
University of North Texas

Dr. Jerry Roy (2009)*
Superintendent
Lewisville Independent School District

Robert Tuggle (2011)*
Associate VP of Finance
and Administration
Texas Woman's University

James Wells (2011)*
County Auditor
Denton County

*Term expiration date.

Chairman & President's Report

You don't have to be told that 2008 was a very tumultuous year for our country, financial institutions in particular. We're very pleased to tell you that DATCU Credit Union was well insulated from these problems by our conservative lending practices and prudent financial management.

We continue to grow and add new members every month. The Aubrey branch was opened and has enjoyed a warm reception from that community. We were approved to extend our field of membership into Coppell, but have put that on the back-burner with the current economic crisis around us. We do anticipate beginning construction of the new Flower Mound office, which will take us out of the shopping center and into a branch with drive thru lanes available.

As in the past, we've received many awards and recognitions, but perhaps the biggest was being named the "2nd Best Place to Work in Texas" by the Society of Human Resource Management (SHRM), the Texas Association of Business (TAB), and *Texas Monthly* magazine.

Our goal remains to give our members the best service and interest rates on loans and deposits. We've continued to receive the highest marks from our member satisfaction surveys.

2009 will present a challenge for us with the recession and the uncertainty that the financial marketplace holds right now. We're starting to see layoffs and foreclosures rising in Denton County and our surrounding counties, but we're confident we can help our members get through these difficult times.

We appreciate your confidence in DATCU and you can rest assured that you belong to one of the strongest financial institutions in the country.

Respectfully submitted,

Robert Seay
Board Chairman

Dale E. Kimble
President/CEO

Auditor's Report

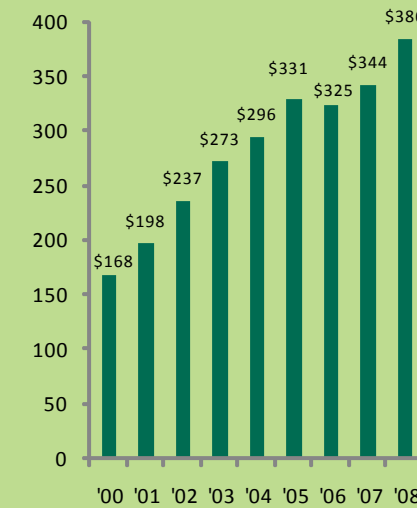
We have audited the accompanying consolidated statements of financial condition of DATCU and its subsidiary as of June 30, 2008 and 2007 and the related consolidated statements of income, changes in members' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Credit Union's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

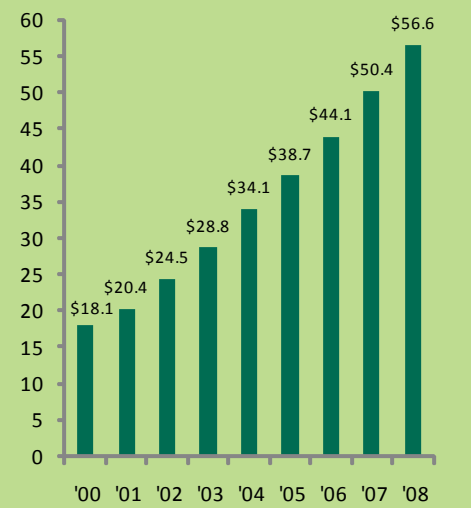
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DATCU and its subsidiary as of June 30, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Respectfully submitted,
Spillar, Mitcham, Eaton and Bicknell, L.L.P.
Auditors

Member Deposits
(in millions)



Reserves & Undivided
Earnings (in millions)



Earnings Distribution

