

2019 ANNUAL REPORT



Taking Dreams Higher Together



Our Mission

To positively impact the lives of our members, team members, and community through meaningful connections and progressive financial solutions.



Chairman's Report

I am proud to report that FreeStar Financial ended 2019 with strength and momentum after a decade of transformative change.

With your loyalty and commitment, the Credit Union grew in total assets to over \$226 million. **We remain a stable and secure, member-owned financial institution.**

Maintaining this continuous position of strength enables us to withstand the changing economic environment. We're here for members who are experiencing financial hardship due to the coronavirus pandemic. **Our number one mission is to help improve your financial well-being.**

Through annual strategic planning, your board of directors, supervisory committee, and executive team created a guide toward reaching goals that will lead us into the next decade. We are committed to delivering responsible growth while continuing to meet your diverse financial needs.

Our team strives to deepen the member relationships at our existing locations. We also built two new branches to reach more members in the ten counties we serve in southeast Michigan. In November 2019, **the new Shelby Township branch** opened, and members can visit a sixth full-service location in **St. Clair Shores this Fall.**

We are expanding the field of membership throughout the entire state of Michigan. The many remote technologies available to current members allow us to reach additional underserved areas with the same digital access. Our goal is to help more people and build healthier communities. **Your engagement and referrals contribute to this growth and success.**

Thank you for naming FreeStar Financial as Macomb Daily's "Best of the Best" credit union for the 8th year in a row! You also voted us Best in Mortgage Lending for the first time in 2019. In addition, the Member Survey satisfaction rating rose again this year, up to 97.6%. **The team members who serve you appreciate your recognition, trust and confidence.**

There will always be change, but your loyalty remains consistent. So is our commitment to you. From everyone here at FreeStar Financial Credit Union, we appreciate you making us part of your community.

We are here for you, and are ready to lead you into a brighter financial future.

Raymond White Jr.
Board Chairman

Consolidated Financials

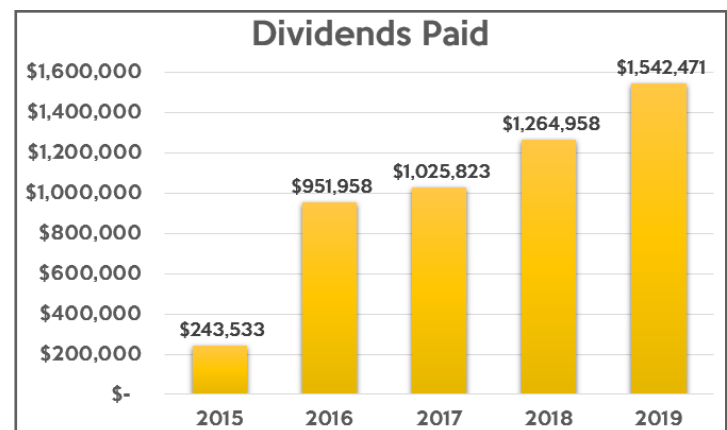
	Dec. 31, 2019	Dec. 31, 2018
Assets		
Loans	177,163,259	180,246,562
Allowance for Loan Loss	(1,833,333)	(1,735,968)
Cash	2,370,623	1,826,081
Cash on Deposit	11,588,021	11,034,147
Investments	21,532,163	12,686,726
Land & Building	7,583,109	3,891,573
Other Assets	8,270,808	7,980,767
Total Assets	\$226,674,650	\$215,929,888

Liabilities & Equity		
Shares	55,703,257	51,989,297
Money Management	40,022,231	43,101,197
Share Drafts	27,113,892	26,347,512
Certificates	69,753,465	63,141,080
Other Liabilities	10,521,960	8,624,211
Total Equity	23,559,845	22,726,591
Total Liabilities & Equity	\$226,674,650	\$215,929,888

Income		
Loan Interest	8,830,248	8,626,010
Investment Interest	637,222	443,742
Other Income	3,942,550	3,545,683
Total Income	\$13,410,020	\$12,615,435

Expenses		
Operating Expense	10,938,438	9,850,993
Dividends Paid	1,542,471	1,264,958
Interest on Borrowings	160,213	105,823
Total Expense	\$12,641,122	\$11,221,774

Net Income	\$768,898	\$1,393,661
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President/CEO's Report

As your President and CEO, it's my privilege to provide you with a state of our credit union address celebrating 2019 accomplishments. We're committed to providing financial services and innovative technologies that offer you value, convenience, and security at competitive rates.

During 2019, we welcomed over 2,000 new members to the Credit Union, which resulted in increases in both shares and loans. FreeStar Financial continues to offer dividend and certificate rates that are higher than the national average. **Over \$1.5 million in dividends and interest was paid to our members.** This was an overall increase of 22% when compared to the previous year.

Significant investments in technology were made for all types of banking access: website, mobile, ATM, and in-person transactions. **These new products and technology developments included enhanced online banking, the mobile banking application, and interactive teller machines (ITMs).** In addition, members can now immediately receive and activate instant-issue debit cards.

We also added 15 financial calculators to the website to help you better plan and save money for your future. These tools empower you to have more control over your finances and reach your goals. **It's easy to see how safe and simple it is to do business with FreeStar Financial.**

The Credit Union proudly donated \$10,000 to local charities in 2019 to kick off the opening of our Shelby Township branch. Our team members volunteered 240 hours of their time and made financial contributions along with YOU, our members. **Together, we made a difference.**

You helped send care packages to soldiers overseas by donating just over \$2,000 to Operation Care Package of Michigan and gave almost \$900 to Rainbow Connection, which makes wishes come true for Michigan children with life-threatening medical conditions. FreeStar Financial members supported other essential charities, including Friends of Foster Care and the Capuchin Soup Kitchen.

You also made contributions benefitting the community through state and federal political fundraising. Your purchase of plush animals and Grand Raffle tickets from the teller lines totaled \$11,600 last year. Those funds are used to help enact reform bills to strengthen the financial needs of our community.

The year 2020 brought challenges related to the impact from COVID-19. We supported you by offering skip-a-payment opportunities. **Over 1,100 members with \$13.6 million in loan assets participated in the Skip-A-Payment option.** These members were able to skip 2,600 payments totaling over \$650,000 in deferred payments. We also provided loan modifications and **over one million dollars** in small business Paycheck Protection Program loans.

We will continue to fulfill the credit union philosophy of People Helping People. Our success is made possible by you, and our continued growth will be helped by those who tell friends, family, and co-workers about the FreeStar Financial Difference and our incredible value and service.

It is our pleasure to serve you, and we are here to help Take Your Dreams Higher.

Drema D. Isaac
President and CEO

BY THE NUMBERS

20,072
MEMBERS

\$1,542,471
Dividends Paid

97.6%
Member Satisfaction

\$50 Million
New Loans

\$8,830,248
Loan Revenue

\$768,898
Net Income

Board of Directors



Raymond White Jr.
Chairman



Edward Cotter Jr.
Vice Chairman



Jeffrey Bruss
Secretary



Clifford Brown
Treasurer



James Ellis
Director



Charles Larsen
Director



Catherine Patyi
Director



Supervisory Committee



James Tenney
Chairman



Karen Chaves



James Safian



Henry Sommerstorfer

Executive Team

Drema Isaac
President/CEO

Eric Heinrich
Chief Financial Officer

Jennifer Martines
Executive Vice President

Anne Lester
Vice President of Branch Operations

Tim Strenk
Vice President of Information Technology



FreeStar Financial Credit Union

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www.freestarfinancial.com
586-466-7800

Branch Locations

Chesterfield
Clinton Township
Selfridge

Shelby Township
St. Clair Shores
Sterling Heights