

2015 Annual Report



Mad City Money



Pets for Vets



The Brand Team



Navy Family Readiness Day



Drema, Brig. Gen. Slocum and Raymond White Jr.

Chairman's Report



Credit unions, whether you are a member or not, benefit all consumers. How? Because of our presence in the financial services industry, we have helped to drive down the cost for financial services. Competition forces companies to offer quality products and services, at a reasonable cost.

You can take comfort in knowing that unlike for-profit financial institutions, your Board of Directors serve on a volunteer basis and we do not profit from our service. We are looking out for your best interest. That is the credit union difference.

It is our responsibility to ensure that we have a capable, competent, qualified and trustworthy management team, which I am confident that we do. Because we, too, are members of this credit union, we have a stake in its future.

In addition to establishing policies and ensuring that the credit union adheres to pertinent laws, regulations and sound business practices, we are also charged with making sure new products and services are developed as needed.

Let me take this time to share with you the products and services that were initiated in 2015:

Over the last few years, we have focused on services that provide convenience for our membership. We want a robust, responsive

design website that can provide the capability to do anything online that can be accomplished at a branch. Our new Remote Deposit Capture service allows you to make a deposit via your cell phone. We also added new technology that allows new members to open an account online. The Rate Relief Mortgage and the Streamline Mortgage Programs allow current members the ability to refinance their FreeStar Financial mortgage even though they do not have equity in their home due to decreased home values caused by the recession. Our new phone system encourages members to access the Magic Touch system which is an interactive voice response (IVR) system which allows 24 hours a day/seven days per week access to members who need to obtain account data and request services.

Our military heritage has taken our members all over the country, we actually have members in 49 states. With our advancements in technologies, we can now serve members all over the country. This is one of the main reasons we chose to expand our field of membership. The state approved the bylaw change to expand our field of membership to 10 counties in Southeast Michigan which include: Genesee, Lapeer, Saint Clair, Livingston, Oakland, Macomb, Washtenaw, Wayne, Lenawee and Monroe, and military throughout the state.

I look forward to serving you in the coming year and appreciate your continuous commitment to our credit union and the credit union movement.

~Raymond White Jr.

President/CEO's Report



It is my privilege as your President and CEO to provide a state of our credit union address at the 59th annual meeting of FreeStar Financial Credit Union. I am pleased to report that we had another outstanding year in 2015. Our performance continues to be well-balanced across the important indicators that measure our credit union's success. Our credit union finished 2015 with total assets of \$180 million,

an increase of \$5.1 million or 3% for the year. We are pleased to report that, yet again, our members continue to make FreeStar Financial their lender of choice. In fact, we finished the year with record loan balances, coming in at \$65.8 million in new loan originations. Even though we experienced strong loan growth, our loan delinquency ratios remain low and sit below the industry average. Membership growth was 6.7%, ending the year with a total of 17,671 members. In summary, our financial activity translated into a net income of \$1.3 million, supporting a return on assets of 0.77%.

As 2016 begins, we remain a healthy, motivated and growing financial institution. Just like everything we've achieved over the course of our first 59 years has prepared us for today, everything we do today has an effect on the future.

In fact, in 2016 FreeStar Financial is committed to the following goals to best serve our members and to increase the value of participating in our credit union:

- Provide superior service in every interaction with members and/or potential members through process improvement and superior service standards.
- Deepen financial relationships with our membership to provide a greater financial value to them.
- Develop leadership capabilities and actively promote teamwork among co-workers to meet member needs.
- Maintain financial strength and stability.

The support of you, our members, has meant everything to us over the past 59 years. We will continue to reward your loyalty by providing you with safe, quality products that provide value and convenience so you can tend to all your financial needs. From everyone here at FreeStar Financial, we thank you for making us part of your community. Whether you've recently become a member or have been with FreeStar Financial Credit Union all 59 years, whether you're the first in your family to join us or part of a long legacy of members, we're honored to serve you.

~Drema D. Isaac

Consolidated Financials

	December 2015	December 2014
Assets		
Loans	136,472,138	112,107,321
Allowance for Loan Loss	(1,048,443)	(1,292,586)
Cash	1,708,984	1,650,951
Alloya Credit Union	623,873	4,824,585
Investments	33,913,453	48,599,196
Land & Building	4,191,330	4,341,474
Furniture & Fixtures	599,037	577,103
Other Assets	4,499,984	4,780,690
Total Assets	\$180,960,356	\$175,588,733
Liabilities and Equity		
Accounts Payable	1,622,604	1,309,034
Shares & Deposits	47,070,198	43,771,521
Money Management	44,425,256	46,095,309
Share Drafts	23,221,278	19,513,392
Certificates	45,902,967	47,520,075
Reserves	2,992,291	2,992,291
Contingency Reserves	3,107,109	3,107,109
Undivided Earnings	12,618,653	11,280,002
Total Liabilities & Equity	\$180,960,356	\$175,588,733
Income		
Loan Interest	6,017,928	4,890,743
Investments	550,490	710,230
Other	2,801,740	2,633,708
Total Income	\$9,370,158	\$8,234,681
Expense		
Operating Expense	7,159,111	5,984,697
Dividends Paid	243,533	236,068
Certificate Interest Paid	594,093	614,492
Total Expenses	\$7,996,737	\$6,835,257
Net Income	\$1,373,421	\$1,399,424

Board of Directors



Raymond White Jr.
Chairperson



Edward Cotter
Vice Chairperson



Christina Nuttall
Secretary



Clifford Brown
Treasurer



James Ellis
Director



Jeffrey Bruss
Director



Thomas Churchwell
Director

Branch Locations and Hours

Chesterfield

47011 Sugarbush
(Off of 21 Mile Road, East of I-94)

Lobby and Drive Thru:

Mon., Tues., Thurs.	9 a.m. - 5 p.m.
Wed.	10 a.m. - 5 p.m.
Fri.	9 a.m. - 6 p.m.
Sat.	9 a.m. - 1 p.m.

Sterling Heights

34642 Van Dyke
(South of 15 Mile Road)

Lobby and Drive Thru:

Mon., Tues., Thurs.	9 a.m. - 5 p.m.
Wed.	10 a.m. - 5 p.m.
Fri.	9 a.m. - 6 p.m.
Sat.	9 a.m. - 1 p.m.

Clinton Township

37570 S. Gratiot
(North of 16 Mile Road)

Lobby:

Mon., Tues., Thurs.	9 a.m. - 5 p.m.
Wed.	10 a.m. - 5 p.m.
Fri.	9 a.m. - 6 p.m.
Sat.	9 a.m. - 1 p.m.

Drive Thru:

Mon., Tues., Thurs.	9 a.m. - 6 p.m.
Wed.	10 a.m. - 6 p.m.
Fri.	9 a.m. - 7 p.m.
Sat.	9 a.m. - 1 p.m.

Selfridge

Building 715
(Base Access Required)

Lobby:

Mon.	CLOSED
Tues., Thurs., Fri.	9 a.m. - 5 p.m.
Wed.	10 a.m. - 5 p.m.
Sat.	CLOSED

Closed for lunch from 1-2 p.m. daily



www.FreeStarFinancial.com



Take Your Dreams Higher.