

# 2020 ANNUAL REPORT



***Taking Dreams Higher Together***



Take Your Dreams Higher.

## **Our Mission:**

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



## Chairman's Report

The year 2020 brought unprecedented changes to our lives and the way we conduct business. For the first time in the Credit Union's history, our lobbies closed for part of the year due to the coronavirus pandemic. Several team members began working from home, and those who remain on-site follow strict safety guidelines from the CDC, MIOSHA, and Health Department.

Despite the uncertainties created by COVID-19, FreeStar Financial moved forward with confidence and optimism, knowing that our electronic technologies were already in place. We appreciate the resilience and flexibility you showed in adapting to these electronic capabilities to access services and perform transactions. Military members deployed worldwide have used these same technologies for years to remotely access their financial accounts.

I am proud to report that FreeStar Financial ended 2020 on a positive note despite the economic downturn. The Credit Union grew total assets to almost \$260 million and remained a stable and secure, member-owned financial institution. Maintaining this position of strength enabled us to help members this year when they experienced financial hardship.

There were significant accomplishments. We celebrated the grand opening of our sixth branch in St. Clair Shores and the one-year anniversary of our Shelby Township location. Many of you came out to be part of those week-long events. Our team members enjoyed sharing those milestones with you.

This past year, we were also proud to expand our field of membership. The Credit Union can now serve members anywhere throughout Michigan with our online and mobile technologies. We couldn't do this without you.

Thank you for your membership and loyalty to FreeStar Financial Credit Union. We appreciate you making us a part of your community, and are here to lead you into a healthy and brighter financial future.

**Raymond White Jr.**  
Board Chairman

## Consolidated Financials

Dec. 31, 2020      Dec. 31, 2019

### Assets

Loans	171,415,895	177,163,259
Allowance for Loan Loss	(1,876,915)	(1,833,333)
Cash	2,453,745	2,370,623
Cash on Deposit	15,573,993	11,588,021
Investments	53,773,641	21,532,163
Land & Building	11,005,668	7,583,109
Other Assets	8,421,730	8,270,808
<b>Total Assets</b>	<b>\$260,767,757</b>	<b>\$226,674,650</b>

### Liabilities & Equity

Shares	77,037,122	55,703,257
Money Management	49,507,698	40,022,231
Share Drafts	36,308,473	27,113,892
Certificates	62,277,926	69,753,465
Other Liabilities	10,479,927	10,521,960
Total Equity	25,156,611	23,559,845
<b>Total Liabilities &amp; Equity</b>	<b>\$260,767,757</b>	<b>\$226,674,650</b>

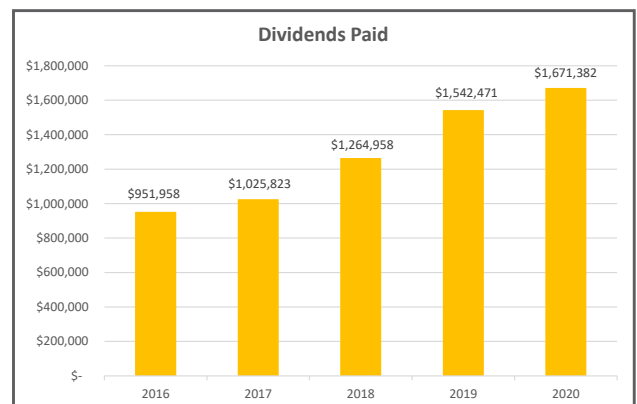
### Income

Loan Interest	8,678,866	8,830,248
Investment Interest	652,347	637,222
Other Income	3,603,628	3,942,550
<b>Total Income</b>	<b>\$12,934,840</b>	<b>\$13,410,020</b>

### Expenses

Operating Expense	8,885,091	9,239,765
Provision for Loan Loss	1,174,000	1,698,673
Dividends Paid	1,671,382	1,542,471
Interest on Borrowings	173,350	160,213
<b>Total Expense</b>	<b>\$11,903,823</b>	<b>\$12,641,122</b>

**Net Income**      **\$1,031,018**      **\$768,898**





## President/CEO's Report

As your President and CEO, it is my great honor and privilege to report another consecutive year of strong financial performance and growth in loans, assets, and dividends paid. Our success is the result of your trust and contributions. Thank you for your loyalty and involvement in our Credit Union.

Together, we successfully navigated the challenges of a changing environment. The safety and well-being of our team members and the membership we serve are always our highest priority. Another primary objective is to positively impact the lives of our members and build healthier communities.

During these extraordinary times, the Credit Union assisted several members with loan modifications and relief measures. One way we supported the membership was by offering skip-a-payment opportunities. Over 1,100 members with \$13.6 million in loan assets participated in the Skip-A-Payment option. Those members were able to skip 2,600 payments totaling over \$650,000 in deferred payments. Over one million dollars in loans were also given to small business members through the Paycheck Protection Program.

Most transactions this past year were completed without members coming into the branches, as they have done traditionally. Scheduling member appointments and remotely transacting business are the new future and will continue.

FreeStar Financial will continue to provide you with enhanced technologies and financial services that offer value, convenience, and security at competitive rates. Recent developments include:

- ATMs with Teller Assist at the Shelby Township and St. Clair Shores drive-thru's
- Enhanced online banking with additional features for ease of use
- eStatements accessible from your smartphone using our free mobile application

Thank you for seeing the value in making FreeStar Financial your financial institution of choice. Our team appreciates receiving your 96% Member Satisfaction rating. It is our pleasure to serve you, deepen our relationships, and learn how to meet your needs best.

In 2020, our team continued to fulfill the credit union philosophy of People Helping People. Last October, during Make a Difference Month, our team members volunteered almost 180 hours of their time to support the community. They also made financial contributions along with YOU, our members. This year, our goal is to raise \$10,000 to support our designated charity, Maggie's Wigs 4 Kids. Together, we make a difference.

From everyone here at FreeStar Financial Credit Union, thank you for making us your preferred financial institution. We are committed to helping your financial dreams become a reality.

**Drema D. Isaac**  
President and CEO



### BY THE NUMBERS

 **19,954**  
MEMBERS

**\$1,671,382**  
DIVIDENDS PAID

**96%**  
MEMBER SATISFACTION

**\$59 Million**  
NEW LOANS

**\$8,678,866**  
LOAN REVENUE

**\$1,031,018**  
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*



# Executive Team



**Drema D. 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*



**Bill Robinson**  
*Vice President of Lending*



## FreeStar Financial Credit Union

P.O. Box 2800, Mt. Clemens, MI 48046  
[www.freestarfincial.com](http://www.freestarfincial.com)  
586-466-7800

## Branch Locations

- ▶ Chesterfield
- ▶ Clinton Township
- ▶ Selfridge
- ▶ Shelby Township
- ▶ Sterling Heights
- ▶ St. Clair Shores