

FreeStar
Financial



67TH ANNUAL MEETING

2023

ANNUAL REPORT

Our Mission

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

Our Commitment

All elected and appointed officials, management, and employees occupy a position of trust with the Credit Union, its members, and the community it serves. By acceptance of their respective positions, they have assumed fiduciary and legal responsibilities which they cannot delegate and which require them to conduct Credit Union affairs with loyalty to it and to do so without incurring any conflict of interest, either real or implied. Therefore, they have a duty to:

- Ensure the activities of the organization are conducted in a manner that fosters the favorable image and reputation of the Credit Union, elected officials, and leadership.
- Provide safe and sound financial stewardship of assets.
- Provide members with high-quality financial services at competitive prices.
- Provide opportunities for members to improve their economic and social condition.
- Comply with all applicable laws and regulations, including Article VI of the Bylaws.
- Set policy, strategic direction, and articulate the mission.
- Fairly and impartially administer Credit Union affairs without discrimination in favor of or against any particular member.

Meeting Agenda

Call to Order	1
Roll Call	2
Minutes Approval	3
Nominating Committee Report	4
Board of Directors' Report	5
Audit Committee Report	6
Treasurer's Report	7
Executive Report	8
President's Report	9
Old Business	10
New Business	11
Adjournment	12

Chairman's Report

FreeStar Financial is deeply committed to fostering unity and community. Both our mission statement and founding principles incorporate a philosophy of unity. Our strategic planning further encompasses unity, emphasizing the positive impact and mutual benefits of meaningful connections.

Our daily operations foster unity through membership, communication, and inclusive practices. It extends outward through community engagement, advocacy, and support for our military heritage.

FreeStar Financial unifies its membership through shared ownership. Credit unions are member-owned financial cooperatives. Each member's share account represents their ownership in the Credit Union. Shared ownership means every member is part of our mission and has a stake in our success.

Unity also comes from promoting an inclusive and open field of membership. We welcome anyone in Michigan to become a member. We are also united through democratic governance. This ensures that each member has an equal opportunity to vote and elect the board of directors.

Open and transparent communication with members is welcome and encouraged. The annual survey and other platforms for member feedback are utilized to provide your input and collaboration. The board of directors and leadership use your feedback to improve the member experience.

Helping underserved individuals and businesses in our community is another priority. The Credit Union contributes to economic empowerment and equality by offering affordable products and services. Our financial institution follows established board policies and ethical practices to ensure access, integrity, and fairness.

FreeStar Financial unites with advocacy organizations like America's Credit Unions to represent a unified voice for the credit union movement. Your executive leadership team and our Board of Directors are members of the Michigan Credit Union League and the Metro East Chapter of Credit Unions. This participation further strengthens the work to champion your interests.

Our commitment to unity extends beyond the walls of our Credit Union. FreeStar Financial has been a vital contributor to the well-being of our membership and broader community. Active involvement and community engagement are another way that we build relationships.

This collaboration with residents and community leaders demonstrates our commitment to benefit others. The Credit Union contributes to community development by hosting and sponsoring community events, outreach programs, and our award-winning financial literacy education. The Credit Union further uplifts the community with its annual scholarship program, volunteer hours at local organizations, fundraising support, and charitable contributions.

Finally, the Credit Union proudly supports our active military members and veterans. Ongoing advocacy for the Selfridge Air National Guard Base, where FreeStar Financial was founded, reflects a continued commitment to our military heritage.

FreeStar Financial will continue to promote unity by actively engaging in the financial well-being of our members and the community. This commitment aligns with the cooperative principles of credit unions and reinforces FreeStar Financial's role as a responsible and community-oriented financial institution.

R. W. White SR



Consolidated Financials

	Dec. 31, 2023	Dec. 31, 2022
ASSETS		
Loans	211,838,333	205,069,716
Allowance for Loan Loss	(1,355,726)	(1,143,059)
Cash	2,532,410	2,869,360
Cash on Deposit	12,612,333	3,081,475
Investments	75,424,173	77,772,251
Land & Building	11,275,152	11,454,169
Other Assets	8,889,746	8,693,752
Total Assets	\$321,216,421	\$307,797,664
LIABILITIES & EQUITY		
Shares	91,836,205	101,810,076
Money Management	48,241,601	62,635,732
Share Drafts	49,181,306	45,615,941
Certificates	95,467,859	59,747,958
Other Liabilities	11,617,343	15,765,678
Total Equity	24,872,107	22,222,279
Total Liabilities & Equity	\$321,216,421	\$307,797,664
INCOME		
Loan Interest	10,483,100	8,690,272
Investment Interest	2,157,966	1,352,390
Other Income	4,553,565	4,114,877
Total Income	\$17,194,631	\$14,157,539
EXPENSES		
Operating Expense	11,734,156	11,723,829
Provision for Loan Loss	971,144	61,266
Dividends Paid	3,143,807	1,113,293
Interest on Borrowings	272,606	144,663
Total Expense	\$16,121,713	\$13,043,051
Net Income	\$1,072,918	\$1,114,488

President's Report

Thank you for being a vital part of FreeStar Financial Credit Union. I am pleased to present the 2023 Annual Report, reflecting another year of shared success, growth, and community impact. You became involved and benefited in several ways, and I appreciate your contributions.

Strong leadership, board governance, and sound financial management are also critical to success. We maintained a healthy capital position, effective risk management, and prudent lending practices to ensure the Credit Union's long-term stability and sustainability.

Our amazing community of 21,676 members led to a \$13.4 million growth in total assets from 2022. Thank you for choosing FreeStar Financial for our competitive rates, low fees, diverse financial products, and personalized services. Your continued loyalty and participation allowed the Credit Union to assist members with \$61.5 million in loans. Dividends paid to members exceeded \$3.1 million, primarily due to the excellent rates on our Certificates of Deposit.

We introduced several product and service enhancements. This included a debit card management tool, the early posting of qualifying direct deposits, a Hero's Reward Program designed exclusively for military and veteran members, and new features in our Member Access Center to improve your member experience.

Team members remained active in the local community and hosted, sponsored, and participated in several events during the year. Many of you joined us or followed our posts and photos on social media as we reached communities throughout Macomb County. We also advanced our financial education programs, and the #Adulting team led nine events at our local high schools.

FreeStar Financial participated in Michigan's Credit Union Kind Day. A total of 64 credit unions and credit union partners joined, with 2,400 volunteers impacting 26,200 people. Our collective efforts generated almost \$100,000 in goods and donations to communities across Michigan.

One of the most exciting events was supporting our 2023 charity, 'Vets Returning Home'. Your involvement and donations helped to raise \$13,000 to support their mission to end veteran homelessness. In addition, the Credit Union applied for and was awarded a \$9,000 grant from the Michigan Credit Union Foundation for the Veterans Thrift Store clothing donation bins, and we contributed \$1,000 to round the donation up to \$10,000.

To further our commitment to the people we serve, the Credit Union established the FreeStar Financial Foundation. This is a 501(c)3 nonprofit corporation allowing tax-deductible contributions. In the coming year, we'll host events to support our three pillars of giving: military organizations, community charities, and our annual \$4,000 scholarship program for graduating high school seniors.



Finally, we celebrated Board Chairman Raymond White Jr.'s 30th year of dedicated volunteer service to our credit union and community. He was the recipient of two distinguished awards. The Macomb County Board of Commissioners honored him as a Volunteer of the Year, and the Michigan Credit Union League named him its first-ever Board Member of the Year.

Thank you all for making some of our favorite moments from 2023 possible. Your membership is integral to the cooperative spirit that defines us, and we are excited about the opportunities ahead as we work together to achieve financial well-being and unity.

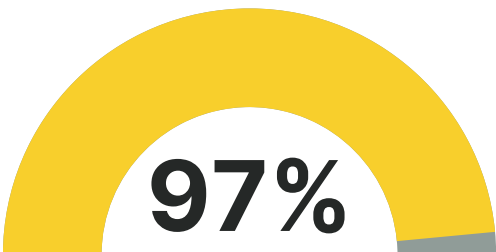
Dorena D. Isaac

2023 By The Numbers

FreeStar Financial expanded our loan offerings and dividends, demonstrating our commitment to member value. Our focus remains on enhancing financial health and benefits for our members.



21,676 Members



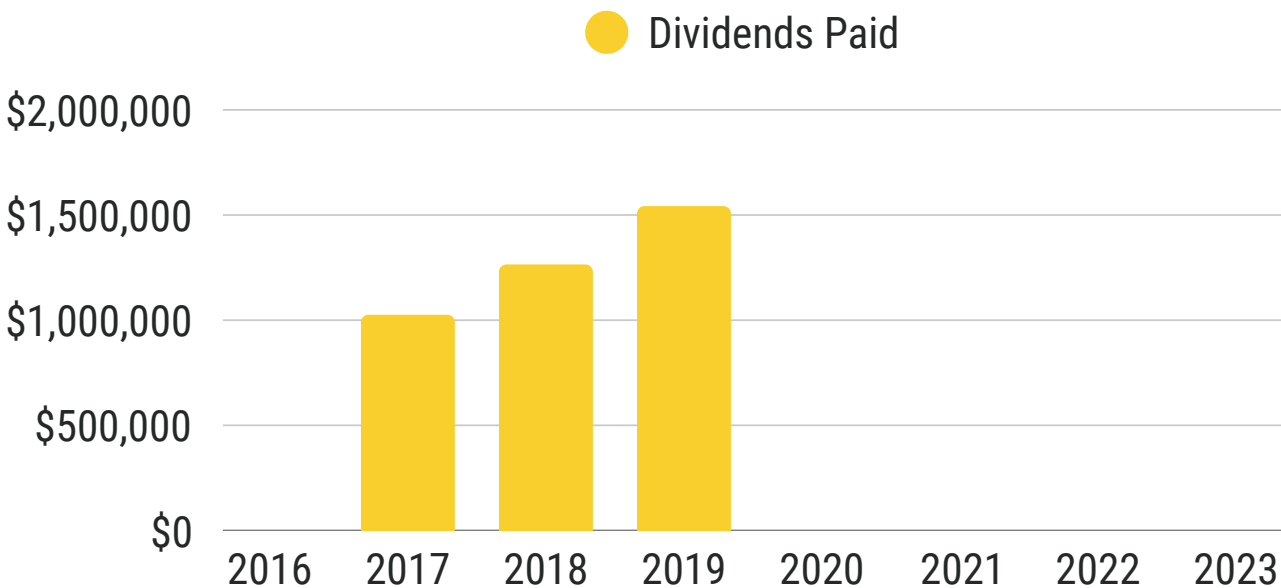
Member Satisfaction



**\$61,511,025
New Loans**



**\$10,483,100
Loan Revenue**



2022 Meeting Minutes

Our 66th Annual Meeting was held on April 20, 2023, at Zuccaro's in Chesterfield Township.

There were 47 members, 20 team members, and 8 volunteers in attendance.

The reading and approval of the minutes from the 66th Annual Meeting on April 21, 2022, proceeded smoothly with all members in agreement.

Nominating Committee Chairperson, Catherine Patyi, gave the nominating committee report and announced two Board of Director nominees, Raymond White Jr. and Ashley Ciamillo. Both individuals were elected by acclamation to remain as Board of Director members, each for a three-year term. The membership made and seconded a motion to approve the nominations.



Subsequent reports were given by the Board Chairman, Audit Committee, Treasurer, and Chief Financial Officer. President/CEO Drema Isaac delivered a detailed President's Report and addressed questions from the members.

The session ended with no outstanding old or new business, followed by closing statements from the President/CEO and the Board Chairman. The meeting adjourned at 3:48 p.m., wrapping up a successful gathering focused on enhancing our members' financial well-being.

Board of Directors

The dedication and expertise of FreeStar Financial's Board of Directors underscore the core values and mission of our credit union. Each member of our Board volunteers their time and talents, bringing diverse backgrounds and a shared commitment to service. These committed volunteers bring a wealth of diverse experiences from various sectors including finance, military service, legal, estate planning, and business consulting. Their collective wisdom ensures our credit union remains focused on delivering exceptional value and service to members. By offering their time and talents, they play a crucial role in fostering a community-focused approach to financial wellness, highlighting our commitment to financial empowerment for all members. Together, they steer FreeStar Financial towards innovative, member-focused financial solutions, embodying our principle of "people helping people."



Raymond White Jr.

Chairperson



Charles Larsen

Vice Chairperson



Kristi Le

Treasurer



Jeffrey Bruss

Secretary



Catherine Patyi

Director



Ashley Ciamillo

Director



Marc Alexander

Director

Executive Team

Our Executive Team guides the daily operations and strategic planning at FreeStar Financial. This group of experts works hard to ensure we offer the best financial services and support to our members. They focus on making sure our Credit Union runs smoothly, plans for the future, and stays true to our mission of helping members achieve their financial goals. Their leadership makes sure that we continue to serve our members effectively, offering innovative and personalized financial solutions.



Drema D. Isaac

President/CEO



Jennifer Martines

Chief Growth
Officer



Tim Strenk

Chief Information
Officer



Anne Lester

Vice President of
Branch Operations



Victoria McIntosh

Vice President of
Community Affairs



Abigail Ward

Chief Financial
Officer

In The Community

Our community involvement has grown with programs like our first Night at the Races event and the establishment of the FreeStar Financial Foundation. We support local causes through volunteerism, community events, and charitable giving, fostering a culture of generosity.



225 Volunteer Hours

Given During Positive
Impact Month



**Nine Financial
Education Events**

Held at High Schools



**35 Community
Events Attended**



\$28,153

Raised in support of Vets
Returning Home



\$19,000+

Raised with Metro East
Chapter of Credit Unions



2023

FreeStar Financial
Foundation Established

1st Annual Night at the Races Event

Our inaugural Night at the Races event was a shining example of what we can accomplish together. We raised over \$10,600 for 'Vets Returning Home', providing crucial support for Veterans in need. It was a powerful testament to our collective commitment to making a meaningful difference in the lives of those who have served our country.



Our Branches



Clinton Township
37570 S. Gratiot Ave.
Clinton Township, MI 48036



Sterling Heights
34642 Van Dyke Ave.
Sterling Heights, MI 48312



Selfridge
Building 715 (on Base)
Selfridge ANGB, MI 48045



St. Clair Shores
22522 E. 9 Mile Rd.
St. Clair Shores, MI 48080



Chesterfield
47011 Sugarbush Road
Chesterfield, MI 48047



Shelby Township
56350 Van Dyke Ave.
Shelby Township, MI 48316



Richmond
10636 Gratiot Ave.
Casco Township, MI 48064

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In the Community

At the core of our mission is giving back to our members and the community. Our seven branches generously provided children's gifts to various local organizations. Being a member of the Metro East Chapter of Credit Unions, we collaborate with other credit unions to raise funds for a more substantial influence. Through our joint initiatives this year, the Chapter was able to allocate \$19,000 to two Macomb County charities.

During Positive Impact Day, the majority of our team demonstrated active involvement by volunteering at local soup kitchens, special needs centers, and residences for seniors and veterans, contributing substantial hours to these noble causes. Their ardent engagement vividly embodies our mission of people helping people.

In 2023, team members hosted or attended 35 community events across Macomb County. Through this participation, team members met hundreds of attendees and shared the Credit Union Difference. We are passionate about advancing the credit union movement.

Vets Returning Home

FreeStar Financial hosted a successful charity event called Night at the Races, raising \$10,000 for Vets Returning Home charity, which supports combat veteran homelessness. Thanks to a grant from the Michigan Credit Union Foundation and our donation, an additional \$10,000 was donated to the Veterans Thrift Store.

