

PROGRAM

Invocation and Welcome

*Special Speaker – Matt Pogor
of the Society of St. Vincent de Paul*

Call to Order

Ascertain a Quorum

Reading of the Minutes

Chairman's Comments

President's Report

Audit Report

Unfinished Business

New Business

Nominating Committee Report

Announcements

Adjournment

Bingo & Door Prizes

Statement of Financial Condition

ASSETS	12/31/2018	12/31/2017
Loans to Members	\$ 11,910,689	\$ 12,232,785
Cash	336,699	280,448
Investments	12,521,251	12,625,404
Land and Building	907,387	920,242
Fixed Assets	0	796
Other Assets	326,456	292,585
Allowance for Loan Loss	(175,438)	(122,496)
Total Assets	\$ 25,827,044	\$ 26,229,764

LIABILITIES AND MEMBER'S EQUITY

Accounts Payable	\$ 141,623	\$ 35,520
All Other Liabilities	28,596	31,395
Total Liabilities	\$ 170,219	\$ 66,915
Member Deposits	\$ 22,524,820	\$ 23,217,139
Reserve Funds	271,601	271,601
Undivided Earnings	2,860,404	2,674,109
Other Reserves(Mkt Adj)	0	0
Total Member's Equity	\$ 25,656,825	\$ 26,162,849
Total Liabilities and Member's Equity	\$ 25,827,044	\$ 26,229,764



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Statement of Income and Expense

INCOME	12/31/2018	12/31/2017
Interest on Loans	\$ 488,218	\$ 499,788
Interest on Credit Cards	86,330	87,119
Income from Investments	226,559	153,523
Other Operating Income	181,800	187,846
Total Income	\$ 982,907	\$ 928,276

EXPENSES

Employee Wage & Benefits	\$ 279,988	\$ 275,752
Travel and Conference	4,574	7,782
Office Occupancy	67,226	61,499
Office Operations Expense	107,629	118,085
Provision for Loan Loss	34,473	193,536
Annual Operating Fees	6,799	5,755
Loan Servicing Expense	4,345	6,015
Association Dues	10,831	10,808
Professional Services	104,090	99,916
Member Benefits	3,640	3,891
Misc. Operating Expense	10,240	4,351
Advertising	32,393	37,750
Credit Card Expense	46,282	48,954
NCUA Stabilization/ Member Insurance Exp.	0	0
Total Expenses	\$ 712,510	\$ 874,094
Net Operating Income	\$ 270,397	\$ 54,182

Non-Operating Gains/Losses	\$ 2,021	\$ 457
Adjusted Net Income	\$ 272,418	\$ 54,639

DISTRIBUTION OF NET INCOME

Dividends on Shares	\$ 86,124	\$ 64,811
To Reserves and Undivided Earnings	\$ 186,294	\$ -10,172

Minutes of the FedStar Credit Union Annual Meeting of April 12, 2018

Invocation by Credit Union Member Charlie Ray

Call to Order

Chairwoman Buck called the Annual Meeting to order at 7:05 p.m.

The meeting was held at The Brazos Center in Bryan, Texas.

Ascertain a Quorum

President Mary Beth Borroni certified a quorum of at least 25 credit union members.

Reading of the Minutes of the last Annual Meeting A motion was made by Ted Peabody, Jr. and seconded by Beth Leopold to dispense with the reading of the minutes from the last annual meeting. The motion was approved unanimously.

Chairwoman's Comments

Chairwoman Buick introduced our board members, all of whom were present. They were Patricia A. Buck, Chairwoman, Nancy Granovsky, Secretary, Jubal Hancock, Assistant Secretary, Juan M. Garcia, Fred Bingaman, Vice Chairman, Ron Weiman, Treasurer, Ted Peabody, Jr., Assistant Treasurer.

Chairwoman Buck welcomed all to the 57th Annual meeting and briefly discussed the year in review. She reviewed the mission statement of the credit union.

FedStar seeks to offer products and services that are desired and available; use technology, be a resource point for members, offer tools for budgeting, borrowing, buying, retiring and saving as members navigate life cycle challenges. She expressed hope for a bright future and new ways to meet member needs, expand membership, and continue our community outreach. She indicated we are well-positioned to meet any challenges in 2018.

The Chairwoman introduced President Mary Beth Borroni who presented the President's Report and welcomed all in attendance.

Audit Report

The credit Union received a good report by the Supervisory Auditors with no exceptional items.

President's Report

President Borroni shared the good news that FedStar has more than 2200 members. Locally, in Texas and nationally, credit unions are perceived as more welcoming than other financial institutions. FedStar has taken a "life cycle approach" to the products and services that are offered. As a community-chartered entity, FedStar has given back to the community and charitable events. FedStar has co-sponsored a very successful Shred Day with the Better Business Bureau and Embassy Records and Storage. FedStar has supported the local summer collegiate league baseball team, the Brazos Valley Bombers for many years.

President Borroni also reported on the challenges and lessons of a changing financial marketplace, indicating that the four "bad news" challenges FedStar faces are 1) obtaining a solid return on investment; 2) better, faster, smarter technology; 3) adjusting quickly and effectively in changing times; and 4) regulatory and compliance pressures. She characterized the most difficult aspects during the year have been extra-ordinary losses due to bad loans; determining how pricing should evolve; the need to provide quality loan products to quality borrowers. She reminded the group that if we are successful, members will use FedStar as their primary financial institution thus benefitting both the member and the credit union. She reminded the members that they are the "owners" of FedStar Credit Union.

President Borroni presented the results of the Supervisory Audit and Annual Review. Overall, the credit union was found to be in "good condition" with no material exceptions. There has been a decrease in loan delinquency to 0.65%, down from 1.2% in 2016. She introduced all employees present:

Office Manager Penny Kornegay, MSRs Morgan Leopold, Leigh Schwartz, Michael Schultz and Debbie Dunlap, Loan Officer Raen Price

Treasurer's Report

Treasurer Ron Weiman presented the Treasurer's Report and emphasized that FedStar still maintained a 5-star rating, which has not changed in over 20 years. Following a question from the audience regarding loans, President Borroni indicated that we had priced some loans too low and explained the impact of bankruptcy on the credit union (\$44,000).

Unfinished Business and New Business

Chairwoman Buck proceeded on the Agenda.

She asked if there was any old or unfinished business brought before the membership. She asked if there was any new business to be brought before the membership.

Old Business, which there was none

New Business, which there was none

Nominating Committee Report

Acceptance of Directors by Acclamation

Chairwoman Patricia A. Buck introduced Nominating Chairman Juan M. Garcia, Jr. He introduced Committee members present. The committee consisted of Harry Andersson, Nancy Granovsky and Dan Kropp. He read the Nominating Committee's report. The committee proposed the following Nominations:

Position 6 Linda Jeffress Nominee Three Year term expiring 2021

Position 7 Bill McGuire Nominee Three Year term expiring 2021

There were no other nominations presented by the committee or by petition during the period from January 1, through March 15, 2018. The Chairwoman of the Board of Directors announced that the nominees to the Board of Directors have been elected by acclamation.

Recognition of Service

Chairwoman Buck then introduced board member Ted Peabody who acknowledged the service of outgoing board member Juan M. Garcia. Former Director Jim Mallett recognized the outgoing board member Nancy Granovsky who served for 25 years on the Board of Directors. Nancy Granovsky shared comments about her years of service.

News and Announcements

Morgan Leopold provided News and Announcements. She discussed:

Youth Savings Month – Drawings and Swag Bags

RDC changes in endorsement requirements

FedStar Night at the Bombers – June 1, 2018 at Nutribolt Stadium

Lending Officer Raen Price discussed new products and services of the credit union.

Adjournment

Chairwoman Buck entertained a motion to adjourn and Sigal Rosier moved that the meeting be adjourned, and Nancy Granovsky seconded the motion. Motion carried.

The meeting adjourned at 8:00p.m. Members proceeded to play BINGO and visit.

The following were winners of the BINGO games:

Game 1 – Charlie Ray (\$60)

Game 2 – Paula Davis (\$60)

Game 3 – Petra Rodriguez (\$60)

Game 4 – Tom Little (\$60)

Winners of \$25.00 gift card drawings were Marilyn Milton, Alice Carney, Belinda Garcia, Marius Mes, Jack Worthington, Sterling Johnson, Carlos Rodriguez, Pablo Rodriguez, \$100.00 Gift Card Sharon Newland, and Darliss Peabody, Grand Prize.



58th Annual Membership Meeting

Thursday, April 11, 2019

2018 – 2019 Board of Directors

Patricia A. Buck	Term expires 2019
Fred Bingaman	Term expires 2020
Jubal Hancock	Term expires 2020
Linda Jeffress	Term expires 2021
Ted Peabody, Jr.	Term expires 2019
Bill McGuire	Term expires 2021
Ron Weiman	Term expires 2019

Officers and Staff

Mary Beth Borroni, President/CEO
Penny Kornegay, Office Manager
Raen Price, Lending Officer
Morgan Leopold, MSR
Leigh Schwartz, MSR
Michael Schultz, MSR
Bryce Batchelor, MSR
Debbie Dunlap, Audit

