



STAR of TEXAS

2022 ANNUAL REPORT



114 EAST HUNTLAND DRIVE, AUSTIN, TX 78752



1-800-258-3228



STAROFTEXASCU.ORG



70th Annual Meeting



ORDER OF BUSINESS April 28th, 2022

- 01 Call to Order
- 02 Declaration of Quorum
- 03 Appoint Recording Secretary
- 04 Approval of Minutes from 69th Annual Meeting
- 05 Chairman Report
- 06 Treasurer Report
- 07 Audit & Exam Report
- 08 CEO Report
- 09 Unfinished Business
- 10 New Business
- 11 Nominating Committee Report
- 12 Election of Directors
- 13 Prize Drawings
- 14 Adjournment



Chairman's Report

Welcome to the 2022 Annual Meeting of the Star of Texas Credit Union. I am truly humbled by the level of trust you have in myself and fellow board members. I can assure you; it isn't taken for granted. I would like to thank you for taking a proactive interest in your credit union's "one member, one vote" structure and philosophy.

I would also like to thank the board of directors for their dedicated service, commitment, and passion for serving our members and community. They have contributed greatly to the success of Star of Texas.

As you will see in the Annual Report, Star of Texas Credit Union performed well in fiscal year 2021 despite the many challenges we faced. We continue to be a well-capitalized financial institution, with a strong net worth ratio over 10 percent. To put that in perspective, a net worth position above 7 percent is considered well-capitalized by our regulators. Your participation in Star of Texas means we are in a strong financial position to continue meeting your lending needs, offer a wealth of savings tools, continue developing our online services and add new financial products and services that enhance your life, improve our delivery channels, and expand our outreach.

As a financial cooperative, we recognize that we most effectively serve you and strengthen the credit union movement when we are actively engaging in the vast network of service groups and organizations that support our credit union. For instance, our membership in the Cornerstone Credit Union League, our regional credit union association, allows us to benefit from the advocacy, education, tools, and resources that are designed to support our endeavors and, by extension, you—our members.

I am also pleased to report that our partnership with the organization "Inclusiv" remains strong and Star of Texas is proud to be a designated "Juntos Avanzamos" credit union that is committed to serving and empowering Hispanic consumers in designated low and moderate-income communities of Austin.

As a result of our partnership, in late 2021 we were awarded \$1.8 million in federal grant funds through the U.S. Department of the Treasury's Community Development Financial Institutions Fund (or CDFI) dedicated to help our members in the form of credit, capital, and provide other important financial services to disadvantaged and low-income communities within our field of membership.

Leadership Changes

2021 was also a year of transition in the leadership of the credit union. We are delighted to welcome our new CEO, Mr. David Van Buskirk. Dave has been in the credit union industry for over 12 years and comes to us from the Houston area. He began with Star of Texas back in late August. We have every confidence in his abilities to lead us into the future.

Bylaws Changes

Other notable changes in leadership include the resignation of (2) board directors in late 2021. As a result, the Board passed and filed a Certification of Resolution of Standard Amendment to Credit Union Bylaws, Chapter 5, Section § 5.01 with the State Department on December 16, 2021 to allow us to operate with a reduced (5) individual members, rather than (7). The Resolution was approved by the State Commissioner and filed on December 31, 2021.

Just as there were challenges in 2021, there will undoubtedly be challenges in 2022. I am confident that by focusing on making our members' lives better and working together, the Star of Texas team is well poised to address any challenges we might face.

I take great pride in that fact that I participate in a local and trusted financial cooperative and I hope you do as well!

Julie Galarraga, Chairman (2022)

Together Making It Possible

69th Annual Membership Meeting Minutes

The 69th Annual Membership Meeting was held on Wednesday, June 30, 2021 via Zoom. Mrs. Julie Galarraga, Chairman of the Board of Star of Texas Credit Union, called the meeting to order at 6:12pm.

Mrs. Galarraga appointed Ms. Diana Garcia to act as Recording Secretary after noting quorum was reached.

Mrs. Galarraga presented the 68th Annual Membership Meeting minutes. A motion was made by Mr. Noe Martinez and seconded by Ms. Odalis Toral to dispense of the reading of the minutes. Using the voting feature in Zoom the membership approved minutes from the 68th Annual Membership Meeting.

Mrs. Julie Galarraga presented her chairman report which included accomplishments in 2020, challenges during COVID and new items to look forward to in 2021.

Mrs. Galarraga then introduced Mrs. Youssef Lahlou, the Treasurer of the board of directors, who presented the 2020 Annual Financial Report.

There being no old business we moved into new business, where Mrs. Julie Galarraga, serving as chairperson of the nominating committee, presented the 3 nominees running for 3 open positions on the board. The candidates that were presented each gave a speech discussing why they wanted to be elected. Following their speeches, the membership used Zoom to vote for 1 person so serve in each of the 3 seats. The candidates that were running were: Enrique Loza, Anthony Chapa and Patricia Barrera. The vote determined that the following 3 members would serve for one three-year term each: Enrique Loza and Anthony Chapa.

Mrs. Galarraga thanks everyone for running and congratulate the newly elected board members. The meeting concluded with 1 drawing, worth a \$50 cash prizes deposited into their credit union account. It was noted that winners must be present to claim their prize.

There being no further business the meeting was adjourned at 6:50 pm.

Diana Garcia
Recording Secretary

Nominating Committee Report

The bylaws of the credit union call for a nominating committee to be appointed by the board of directors each year for the purpose of interviewing and reviewing candidates for election to the board of directors. The process includes careful screening of all candidate qualifications. Based on the review process, which considers both qualifications and willingness to serve, any applicants are considered for available positions on the board of directors.

This year we received no new applications for nominees to fill (2) proposed board positions that went vacant in 2021.

2022 CANDIDATES FOR RENEWAL:

Julie Galarraga, Chairman
Youssef Lahou, Treasurer

Both Youssef and Julie have agreed to serve another 3-year term with Star of Texas and we are sincerely grateful for their service and commitment to this credit union.

I wish to thank my fellow members of the nominating committee who contributed their time and talents in fulfilling the committee's responsibility of offering qualified nominees to fill board positions. Other members of the nominating committee were Frances Laurel and Ruby Segura.

Robert Coronado
Chair, Nominating Committee



STAR OF TEXAS CREDIT UNION FINANCIAL CONDITION REPORT

	12/31/2020	12/31/2021
INCOME		
Loans	\$ 1,781,357	\$ 2,316,574
Investments	\$ 82,940	\$ 24,131
Fee & Other Misc. Income	\$ 746,982	\$ 558,465
TOTAL INCOME	\$ 2,611,279	\$ 2,899,170
EXPENSES		
Compensations & Benefits	\$ 638,763	\$ 794,540
Travel and Conference	\$ 46,201	\$ 659
Office Occupancy	\$ 91,662	\$ 105,460
Office Operations	\$ 235,235	\$ 222,927
Educational & Promotional	\$ 111,656	\$ 23,452
	\$ -	\$ -
Loan Servicing	\$ 81,788	\$ 85,484
Professional and Outside Services	\$ 425,278	\$ 446,692
Operating Fees	\$ 8,631	\$ 8,467
Interest on Borrowed Money	\$ 7	\$ -
Provision for Loan Losses	\$ 36,036	\$ 118,527
Other Expenses	\$ 7,380	\$ 14,944
Dividends	\$ 205,306	\$ 294,059
Gain (Loss) on Sale of Assets	\$ -	\$ -
Non-Operating Expenses	\$ -	\$ 2,294
TOTAL EXPENSES	\$ 1,887,943	\$ 2,117,504
NET INCOME	\$ 723,336	\$ 781,666
ASSETS		
Loans (Less Allow for Losses)	\$ 37,387,839	\$ 38,398,540
Loan- Repo Assets	\$ -	\$ 32,164
Cash	\$ 5,156,956	\$ 5,916,661
Investments	\$ 8,053,720	\$ 14,991,119
Catalyst Corp. Perpetual Cont. Capital	\$ 44,505	\$ 44,505
NCUSIF Deposit	\$ 280,314	\$ 416,041
Fixed Assets	\$ 595,007	\$ 625,601
Other Assets	\$ 345,904	\$ 289,068
TOTAL ASSETS	\$ 51,864,245	\$ 60,713,701
LIABILITIES & EQUITY		
Accounts Payable	\$ 389,987	\$ 652,392
Dividends Payable	\$ -	\$ -
Other Liabilities	\$ 321,005	\$ 2,137,306
MEMBER EQUITY		
Shares	\$ 14,591,268	\$ 18,026,715
Money Market	\$ 7,999,205	\$ 9,298,874
Checking	\$ 9,798,892	\$ 11,040,713
Certificates	\$ 12,265,091	\$ 12,318,140
IRAs	\$ 1,038,288	\$ 995,586
Other Deposits	\$ -	\$ 1,800
RESERVES & UNDIVIDED EARNINGS		
Regular Reserves	\$ 722,993	\$ 722,993
Contingency Reserve	\$ 496,596	\$ 496,596
Undivided Earnings	\$ 4,240,920	\$ 5,022,586
TOTAL LIABILITIES & EQUITY	\$ 51,864,245	\$ 60,713,701



17% Total Asset Growth



13% Deposit Growth



3% Loan Growth

Treasurer's Report

The Financial Condition Report you have before you indicates that Star of Texas continues to be a secure and liquid organization with total assets over \$60 million dollars.

2021 was an interesting year mixed with repeated challenges related to the pandemic and new challenges related to management changes. In light of this, it is important to note some important financial accomplishments.

Items of interest in this year's report include annualized growth in loans exceeding \$1M or 3% over 2020. Deposits continued to grow by a substantial 13% in 2021 as many members received stimulus money and loan proceeds related to COVID. As a result, Star of Texas remains well-capitalized and closed the year with total deposits to Undivided Earnings of \$781,666.

In summary, the financial condition of your credit union continues to be positive and strong. With many challenges and opportunities that lie ahead, your Board of Directors will continue striving to meet your needs and expectations in a financially responsible manner in 2022 and beyond.

Youssef Lahlou
Treasurer

Exam & Supervisory Audit Report

As the member's representative, the Board of Directors in accordance with the Texas Finance Code, had the Annual State Remedial Examination performed in December 2021 for the period ending September 30, 2021. It was determined the Credit Union is operating in a safe and sound manner.

In addition to this, a comprehensive annual audit was performed by Cornerstone Resources in March 2022 effective for the 12-month period ending December 31, 2021. The work was performed in accordance with requirements set forth in Section § 715.7(c) of the NCUA Rules and Regulations and included any additional procedures deemed necessary. The next scheduled audit is set for the period ending December 31, 2022.

Julie Galarraga Chairman



BOARD OF DIRECTORS

TERM EXP

Julie Galarraga
Chairman

2022

Anthony Chapa
Vice Chairman

2024

Manuel Rodriguez
Secretary

2023

Youssef Lahou
Treasurer

2022

Gonzalo Angel-Candia
Director

2023

MANAGEMENT TEAM

David Van Buskirk
President/CEO

Sherry Han
Chief Financial Officer

Juanita Sanchez,
Chief Operations Officer

Juan Guerra, Jr.
Chief Lending Officer

Meet Our New President & CEO

David Van Buskirk

A native Texan, originally from Houston, Dave started working in credit unions back in 2006 as a Teller. Since then, he has worked in various roles including Lending, Compliance, and Operations. Dave has a unique passion and connection to the small credit union market. Prior to joining Star of Texas in August 2021, Dave served as EVP and Chief Operations Officer of Brazosport Teachers Federal Credit Union from 2015 to 2021.

Small credit unions play a vital role in the financial health and well-being of the community. Not only do they face unique challenges to other financial institutions, but more importantly, they provide an important service and special connection to the community that larger institutions cannot fill.

Dave is deeply committed to the credit union movement, serving our members, and the community. Throughout his career, he has served on the Board of Directors and Advisory Committees for the local school districts, as well as volunteering with other non-profit organizations such as BBBS of America, YMCA, and serving in various leadership roles at his local church.

Dave graduated from the Southwest Credit Union Management School in Ft. Worth, Texas (2018); Credit Union Development (DE) Program in Madison, WI (2019), and University of Houston where he studied Business Finance & Management (2012).

When Dave is not in the office or working in the community, you can find him enjoying the great outdoors with his wife and three children.



Stop by the credit union to meet and say hi to Dave!





FOLLOW US!

STAR of TEXAS

MISSION STATEMENT

Finding solutions to increase our members' quality of life

Together Making It Possible

Together Making It Possible is more than a motto; it is the core value that guides us as we serve our members. Originally chartered in 1952 to serve Texas Workforce Commission employees and family members thereof, we still provide financial services and solutions for TWC and also anyone who lives, works, worships, or attends school within Travis County, including relatives of any current member.



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