

STAR of TEXAS CREDIT UNION

2023

ANNUAL REPORT



staroftexascu.org

1-800-258-3228

114 East Huntland Drive, Austin, TX 78752

71ST ANNUAL Meeting

ORDER OF BUSINESS

April 27th, 2023

- 01 Call to Order
- 02 Declaration of Quorum
- 03 Appoint Recording Secretary
- 04 Approval of Minutes from 70TH Annual Meeting
- 05 Chairwoman's 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

Highlights



**25% Loan
Growth**



**427 New
Loans Totaling
17.7M**



**2.5% - New
Membership
Growth**



**\$2.4M in CDFI Grant
Funds Received/
Realized**

**STAR of
TEXAS**
CREDIT UNION

CHAIRWOMAN'S REPORT

Welcome to the 71st 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 is not 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 2022 despite the challenges we faced. We continue to be a well-capitalized financial institution, with a strong net worth ratio of over 15 percent. To put that in perspective, a net worth position above 7 percent is considered well-capitalized by our regulators.

Your participation and membership with Star of Texas keeps us 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 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 engaged in the network of service groups and organizations that support our credit union. Our ongoing 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 strategic partnership with the credit union organization "Inclusiv" remains strong and Star of Texas is proud to be a designated CDFI ("Community Development Financial Institution") that is committed to serving and empowering Hispanic consumers in designated low and moderate-income communities of Austin.

Safety & Soundness

There is still quite a stir in the economy at large as news of the Silicon Valley Bank and Signature Bank failures has rocked the financial services and tech worlds, spurring larger questions about the safety and soundness of the banking industry.

We would like to assure you that U.S. Credit union members have never lost a single penny of insured savings at a federally insured credit union, including Star of Texas. We are your community institution—a financial cooperative, owned by our members, and not shareholders who may or may not be depositors.

Furthermore, we are proud to say that no credit union has ever received any "bailout" money from the U.S. government. Your deposits at Star of Texas are protected by the National Credit Union Share Insurance Fund and insured up to at least \$250,000 per individual depositor, the same as any other federally insured financial institution.

There are many exciting things in store for 2023 as we seek to further grow the credit union and better serve our members. Just as there were challenges in 2022, there will undoubtedly be challenges in 2023. I am confident that by focusing on working together to improve our members' lives, the Star of Texas team is well poised to address any challenges we might face. I take great pride in the fact that I participate in a local and trusted financial cooperative and I hope you do as well!

Julie Galarrage, Chairwoman (2022)





70th Annual Meeting Minutes



The 70th Virtual Annual Membership meeting was held on Thursday, April 28, 2022 Via ZOOM meeting. The meeting was called to order by Julie Galarraga, Chairman of the board at 6:03 pm. Board of Directors present were Julie Galarraga, Youssef Lahlou, Gonzalo Angel-Candia, and Manuel Rodriguez. Attending via Zoom was Mr. Anthony Chapa. 55 members were present, which constituted a quorum. Ms. Julie Galarraga appointed Ms. Sherry Han to act as Recording Secretary. Mr. Manuel Rodriguez presented the 69th Annual Membership Meeting minutes. A motion was made by Carmelita Cabello and seconded by Cat Gregory to dispense of the reading and approve the minutes for the 69th Annual Membership Meeting. The motion carried. Ms. Julie Galarraga presented her chairman report which included accomplishments and challenges in 2021, and new items to look forward to in 2022.

Julie Galarraga introduced Youssef Lahlou, the Treasurer of the board of directors, who presented the 2021 Annual Financial Report. The overall records and operations of the Credit Union continues to be positive and strong. Eric Holen made a motion to accept the financial reports as presented. Jose Pantaleon seconded. The motion carried.

Julie Galarraga announced that the Annual State remedial Examination was performed in December 2021 for the period ending September 30, 2021 and it was determined the Credit Union is operating in a safe and sound manner. In addition to this, annual 2021 Supervisory committee Audit was performed by Cornerstone Resources in March 2022 effective for the period ending December 31, 2021. The next scheduled audit is set for the period ending December 31, 2022.

Chairman Julie Galarraga introduced CEO David Van Buskirk. David Van Buskirk introduced himself and the Credit Union staff and thanked the members for attending the meeting. Chairman Julie Galarraga asked for old business. There was none. Chairman Julie Galarraga asked for new business. There was none.

Robert Coronado, serving as chairperson of the nominating committee together with Ruby Segura and Frances Laurel presented the nominees for election: Youssef Lahlou and Julie Galarraga. Robert Coronado asked if there were any nominations from the floor. There was none. A motion was made by Eric Holen and seconded by Irene Castillo Alonzo to elect the board nominees: Youssef Lahlou and Julie Galarraga. The motion was unanimously approved. Mr. Juan Guerra conducted the drawing of 10 cash prizes and congratulated the winners. The 50 winners included, Zane Voigt, Brenda Ishee, Henry Kennedy, James Anderson, Irene Castillo Alonzo, Brooke Dixson, Delores Jameson, Jose Pantaleon. The \$100 winners were Kimberly Voigt and Leslie Gasper.

David Van Buskirk announced and congratulated the elected Board Members: Youssef Lahlou and Julie Galarraga. Chairman Julie Galarraga thanked the member for attending the 70th Annual Meeting. There being no further business the meeting was adjourned at 6:38 pm. A motion was made by Griselda Spencer and Seconded by Irene Castillo Alonzo.

Respectfully submitted,

Sherry Han, 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) board positions that are up for renewal.

2023 CANDIDATES FOR RENEWAL:

Manuel Rodriguez, Secretary
Gonzalo Angel-Candia, Director

Both Mr. Rodriguez and Mr. Candia 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. Members of the nominating committee include prior Star of Texas President/CEO, Frances Laurel, and member, Ruby Segura.

Robert Coronado
Chair, Nominating Committee

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 just under \$60 million dollars.

2022 was an interesting year mixed with economic challenges related to rising rates and inflation. We remained well-insulated by strong labor and housing markets in the Austin area, which incited strong loan demand and reduced liquidity. Despite the challenges, we managed to keep lending out to our members at high volume.

Items of interest in this year's report include exceptional annualized growth in loans exceeding \$7 million, which is 25% over 2021. Deposits decreased by \$2.5 million as members re-balanced investments and debt. All things considered, Star of Texas remains well-capitalized and closed the year with net income of \$3.2 million dollars which included \$2.4 million in grant funds.

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 2023 and beyond.

Youssef Lahlou
Treasurer

**STAR of
TEXAS** 
CREDIT UNION

Exam & Supervisory Audit Report

As the member’s representative, the Board of Directors in accordance with the Texas Finance Code, had the Annual State Examination performed in January 2023 for the period ending September 30, 2022. It was determined the Credit Union is operating in “a safe and sound manner.”

In addition to this, a comprehensive annual audit is scheduled to be performed by Cornerstone Resources in May 2022 effective for the 12-month period ending December 31, 2022. The work will be 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 will be set for the period ending December 31, 2023.

Julie Galarraga
Chairwoman



Together Making It Possible In the Community: Proud to serve at Caritas of Austin 2022!

BOARD OF DIRECTORS	TERM EXP	MANAGEMENT TEAM
Julie Galarraga Chairwoman	2025	David Van Buskirk President/CEO
Anthony Chapa Vice Chairman	2024	Sherry Han Chief Financial Officer
Manuel Rodriguez Secretary	2023	Juanita Sanchez Chief Operations Officer
Youssef Lahlou Treasurer	2022	Juan Guerra, Jr. Chief Lending Officer
Gonzalo Angel-Candia Director	2023	

CREDIT UNION STAFF

Patricia Henao – Assistant Manager
Noe Martinez – Assistant Loan Manager
Daisy Flores – Member Service Representative
Jaime Chinchilla – Loan Officer
Isela Gutierrez – Consumer Loan Underwriter

Emmanuel Rodriguez-Leos – Mortgage Loan Processor
Elitania Jaimes – Teller II
Merly Dominguez – Teller I
Brian Cortez – Part-time Teller I
Odalís Toral – Accounting Clerk

FINANCIAL CONDITION REPORT



	December 31, 2021	December 31, 2022
INCOME		
Loans	\$ 2,316,574	\$ 2,515,082
Investments	24,131	75,043
Fee & Other Misc. Income	558,465	2,979,372
TOTAL INCOME	\$ 2,899,170	\$ 5,569,497
EXPENSES		
Compensations & Benefits	794,540	952,051
Travel and Conference	659	6,400
Office Occupancy	105,460	131,940
Office Operations	222,927	250,928
Educational & Promotional	23,452	54,075
Donations	-	5,500
Loan Servicing	85,484	104,344
Professional and Outside Services	446,692	360,892
Operating Fees	8,467	9,841
Interest on Borrowed Money	-	-
Provision for Loan Losses	118,527	205,077
Other Expenses	14,944	15,012
Dividends	294,059	276,309
Gain (Loss) on Sale of Assets	-	-
Non-Operating Expenses	2,294	-
TOTAL EXPENSES	\$ 2,117,504	\$ 2,372,369
NET INCOME	\$ 781,666	\$ 3,197,128
ASSETS		
Loans (Less Allow for Losses)	38,398,540	47,104,619
Loan- Repo Assets	32,164	22,814
Cash	5,916,661	3,611,619
Investments	14,991,119	7,742,163
Catalyst Corp. Perpetual Cont. Cap	44,505	44,505
NCUSIF Deposit	416,041	437,209
Fixed Assets	625,601	645,606
Other Assets	289,068	243,841
TOTAL ASSETS	\$ 60,713,701	\$ 59,852,376
LIABILITIES & EQUITY		
Accounts Payable	652,392	155,697
Dividends Payable	-	4,137
Other Liabilities	2,137,306	150,012
MEMBER EQUITY		
Shares	18,026,715	17,129,875
Money Market	9,298,874	7,995,678
Checking	11,040,713	10,565,297
Certificates	12,318,140	12,632,882
IRAs	995,586	533,875
Other Deposits	1,800	1,620
NON-MEMBER DEPOSITS		
Non-Member Certificates	-	1,244,000
RESERVES & UNDIVIDED EARNINGS		
Regular Reserves	722,993	722,993
Contingency Reserve	496,596	496,596
Undivided Earnings	5,022,586	8,219,714
TOTAL LIABILITIES & EQUITY	\$ 60,713,701	\$ 59,852,376

PREPARED AND PRESENTED BY

SHERRY HAN
CHIEF FINANCIAL OFFICER | STAR OF TEXAS CREDIT UNION

STAR of TEXAS CREDIT UNION

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.

IN THE COMMUNITY HIGHLIGHTS

In 2022, we logged over 80 collective hours of volunteer work in our community with Caritas of Austin and Salvation Army. Check us out on Facebook! <https://www.facebook.com/StarofTexasCU>



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