



ANNUAL MEETING 2020



BROOKS



COOK



DULUTH—NP



NASHWAUK

North Star Credit Union provides high quality financial services and education for our communities.



WELCOME MEMBERS!

RICH CRETTOL, CEO

It is a huge understatement to say that 2020 did not turn out to be the year we thought it would. Last fall when we finalized our 2020 plans, no one thought to include “Handle all aspects of global pandemic.” We *did* have a pandemic policy already in place, but had no idea we would need to implement it. When COVID began to affect us in March, it was quickly determined that we would need to focus on safely managing our response, and all other projects were put on hold.

At that time, it looked like this was going to be a very bad year. Business had slowed considerably. But after a couple of discouraging months things started to turn around. Fast forward to the present, and I am very happy to say that with the diligent efforts of our staff, the “Financial First Responders,” we are managing the pandemic very well and still meeting the community’s needs. We have seen many new members as well as existing members taking advantage of our new electronic services. Depositing checks remotely with a mobile device is an especially popular one. Our online banking and new app are also highly utilized. Deposit services have increased significantly in addition to the demand for our mortgage products.

This year has really been a roller coaster. I am proud of how we have responded and want to express gratitude for each and every employee, as well as each and every one of you, our members.

Thank you for your continued support of North Star Credit Union and North Star Insurance Agency.

Rich

Our Vision:

Helping to build thriving communities
across northern Minnesota

WHO WE ARE...

Our Staff

Board of Directors

Vicki Schelde—Chair
William Conner—Vice Chair
Pete Niska –Secretary
Lara Whiteside— Director
Jon Korpi—Director
Marge Rinne—Director
Rich Crettol -CEO/Treasurer

Supervisory Committee

Bob Champa –Chair
Marla Kahn -Member
Jody Refsdal –Member

Nashwauk Advisory Committee

Elizabeth Bogdanovich
Jean Pride
Ted Squillace
Joe Dasovich

Brooks Advisory Committee


Pam Paradis
Butch Berberich
Tony Gerardy
Michele Longtin

Asset/Liability Committee (ALCO)


Bob Champa
William Conner
Margaret Rinne

**“Helping to build thriving
communities
across Northern Minnesota”**


Leadership Team




Rich Crettol—Chief Executive Officer



Jennifer Stedt – Chief Operating Officer




Jennifer Judas – VP of Accounting




Stephanie Burckhardt – VP of Mortgage Lending


Administrative Staff




Theresa Redmond—Accounting Clerk



Julia DeVries – Human Resource Specialist




Jody Feist – Administrative Assistant




Melissa Cox—Marketing Specialist


Nashwauk Branch Staff



Cindy Stevens – Branch Manager



Jodie Silcox—Mortgage Loan Officer—Nashwauk




Holly Hanson – MSR




Victoria Nichols – MSR

Northern Pacific Branch




Carolyn Tessier – Branch Manager




Lynn LaFlair – Loan Officer

Brooks Branch



Joyce Morinville – Branch Manager



Joanne Bradley – MSR

Cook Branch



Christie Kainwo – Branch Manager



Marie Reyerson—Assistant Branch Manager



Lizzie Petti – Consumer Loan Officer



Lori Astleford – Mortgage Loan Officer



Alicia Dahl – Business Loan Officer



Lindsey Wendt – Loan Processor



Kim Martinson— Loan Processor



Jay Linn – MSR



Susan Stone – Member Communications Specialist



Cindy Lizama – MSR



Mandie Williams—MSR

Cole Thiel—Senior Intern

FINANCES



Statement of Financial Position

December 2019

ASSETS

Cash on Hand and Deposit	\$ 3,889,222
Total Investments	1,119,461
Total Loans Receivable	52,753,965
Allowance for Loan Losses	(230,341)
Fixed Assets (Building, Improvements, Equipment)	1,460,890
National Credit Union Insurance Fund Deposit	458,591
Accrued Income and Other Assets	552,194
Total Assets	<u>\$ 60,003,982</u>

LIABILITIES AND EQUITY

Member Share/Deposit Accounts	53,294,799
Credit Union Capital	6,254,875
Accounts Payable	315,428
Other Liabilities	138,880
Total Liabilities And Equity	<u>\$ 60,003,982</u>

STATISTICS

Number of Members at Month End	5,675
Capital / Total Assets Ratio	10.42%
Return on Assets Ratio	1.01%

Statement of Operations

December 2019

INCOME

	December 2019	Year to Date
Interest Received on Loan Accounts	\$ 252,646	2,790,424
Interest Received on Investments	4,274	49,274
Operating and Other Income	41,758	537,441
Total Income	<u>\$ 298,677</u>	<u>\$ 3,377,139</u>

EXPENSE

Employee Expense	\$ 121,957	\$ 1,570,252
Operations, Occupancy and Other	59,378	895,903
Provisions for Loan Losses	(35,289)	(2,289)
Dividends Paid to Members	31,180	307,801
Total Expense	<u>\$ 177,226</u>	<u>\$ 2,771,667</u>

Addition to Credit Union Capital	<u>\$ 121,451</u>	<u>\$ 605,473</u>
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As of March 19, 2020

<u>Loan Rates*</u>		<u>%</u>
New Auto	As Low As	2.74%
Used Auto	As Low As	3.24%
New Recreational Vehicles	As Low As	3.49%
Used Recreational Vehicles	As Low As	3.99%
Signature Loans	As Low As	10.65%
Real Estate/Home Equity	As Low As	2.99%

All loan rates vary based on credit score and term of loan. * Annual Percentage Rate

<u>Share Rates **</u>		<u>%</u>
Kid's Club Account (0-12 Yrs.)	Earns	.50%
Future Freedom Account (13-18 Yrs.)	Earns	.50%
Regular Share Account	Earns	.20%
Preferred Share Account	Earns Up To	.40%
Money Market Share Account	Earns Up To	.40%
Share Certificates	Earns Up To	1.00%
IRA Certificates	Earns Up To	1.25%

**Annual Percentage Yield

REPORT OF THE NOMINATING COMMITTEE

NORTH STAR CREDIT UNION

COOK, MN

September 16, 2020

BY RESOLUTION OF THE BOARD, DIRECTOR ELECTIONS WILL BE CONDUCTED ANNUALLY BY MAIL. MEMBERS MAY BE CONSIDERED FOR DIRECTOR POSITIONS BY FILLING OUT THE ONLINE APPLICATION OR PETITION AVAILABLE ON OUR WEBSITE.

THE NOMINATING COMMITTEE SUBMITTED TO THE BOARD OF DIRECTORS

THE FOLLOWING CANDIDATES FOR ELECTION:

FOR ONE THREE YEAR TERM TO EXPIRE 2023: INCUMBENT CORK CONNER

FOR ONE THREE YEAR TERM TO EXPIRE 2023: INCUMBENT LARA WHITESIDE

BEING THAT THERE ARE NO OTHER CANDIDATES, THE BOARD HAS DECLARED THE ELECTION TO BE UNCONTESTED,

THEREFORE, THE CANDIDATES ARE DULY ELECTED.

THIS BEING AN UNCONTESTED ELECTION WE NEED TO QUALIFY THESE CANDIDATES WITH A VOTE OF THE MEMBERSHIP.

THIS CONCLUDES THE REPORT OF THE NOMINATING COMMITTEE



SUPERVISORY COMMITTEE

September 2020

The Supervisory Committee consists of three members; Jody Refsdal, Marla Kahn, and Bob Champa. As a general rule, we meet twice monthly, on the Tuesday before and the Thursday after the monthly board meeting. A member of the committee attends each monthly board meeting to report new trends, and to offer thoughts on policies or procedures to be reviewed.

Our duties are to oversee the operations of the credit union and:

1. To ensure that the financial statements accurately and fairly present the financial condition of North Star Credit Union,
2. To ensure that management practices and procedures safeguard members' assets,
3. To ensure that internal controls are established and effectively maintained, and
4. To ensure that plans, policies, and procedures established by the board of directors are properly administered.

We review board meeting minutes, bookkeeping procedures, and do surprise cash counts, along with the NCUA requirements of 12 CFR § 715.3 - General responsibilities of the Supervisory Committee. The

Supervisory Committee contracts with a CPA firm to perform the annual audit which assures the NSCU is in sound financial condition.

Our credit union is continually monitored and operates according to all State and Federal rules and regulations.

Respectfully Submitted,

Marla, Bob, & Jody



CELEBRATE SUCCESS!

NSCU has accomplished many goals over the past year. We hope you join us in celebrating the great things we have to offer our community.

History

The North Star Credit Union opened its doors in 1939 as Northern Farmer's Co-op Credit Union. It was sponsored by the Northern Farmer's Co-op Society. The Credit Union originally was based out of the Co-op Store, which unfortunately burned down in October 1994. After operating out of the BIC building for some time, the Credit Union relocated in January 1996 to Main Street, where it currently stands. With the permanent relocation the Credit Union extended its field of membership to Lake Country Power Members. To accommodate its growing membership, the Credit Union expanded its building in 2011, creating a larger space, and a more private atmosphere for its members. In 2013 the Credit Union was able to broaden its field of membership once again; this time allowing students, family, volunteers, and staff of school district 2142 to become members. Additionally, in 2013 they proudly created a Student Focus Group called "The B.O.S.S" (Bunch of Students Saving). With help from the B.O.S.S, in February of 2014 the Credit Union successfully opened its first Student Branch in the North Woods Campus called "The Money Cave". In October 2017 NSCU proudly completed its first merger with Nashwauk Federal Credit Union, and went on to grow through merger in January 2018 with Northern Pacific Duluth Federal Credit Union, and again in the fall of 2018 with the merger of Brooks Community Federal Credit Union. To allow us to better serve the members of our new communities, the Minnesota Department of Commerce granted NSCU expanded field of membership to the counties of St. Louis, Itasca, Carlton, and Red Lake. North Star Credit Union continues to grow, and has promising future plans for its members.

NSCU Core Values

Financial Stability Financial Education High Quality Service
Meeting the needs of our members Team work between management and staff



COMMUNITY FOCUS

COMMUNITY INVOLVEMENT IS
IMPORTANT TO NORTH STAR CREDIT
UNION

Event Highlights

In 2020, some of the events that we typically participate in were canceled due to the pandemic. We hope to continue our involvement moving forward as being a part of the community is important to us! Here are some of the events we like to be involved in our local communities.

- Annual Meeting
- Timber Days Parade
- Community Night Out
Blast to Brooks
- Spirit Valley Days
- Family Fun Night
- Career Fair at North Woods/helped with interviews and financial education
- Orr Community Dinner
- Virginia Home Show Booth
Duluth Recreation Show
- Scholarships for North Woods, South Ridge, Nashwauk-Keewatin, Greenway, NP Duluth, and our Interns
- Student Loan Education--South Ridge and North Woods
- Monday Money Matters—Nashwauk
- Education booth at Nashwauk Parent Teacher Night
- Member Appreciation Week
- Lunch and Learns-South Ridge, North Woods, Nashwauk-Keewatin, and Greenaway Schools
- International Credit Union Day
- South Ridge Student Branch, Tuesdays
- North Woods Student Branch, Thursdays
- Spartan Pride Time Financial Education Wednesdays—Credit Score & Credit Cards, Interviews & Customer Service (All students in the high school).
- Grade promotions at North Woods, South Ridge, Nashwauk, and Greenway schools
- Empty Bowl at North Woods School



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The 80th annual meeting was called to order by board chair Lara Whiteside at 6:20pm.

Roll call and declaration of a quorum was made. (15 members represent a quorum).

Members present: 92 Guests: 7

The Proof of Notice of the meeting is in the Annual Report posted on our website. All the other reports, Supervisory Committee, Financial Statements, Rates, and Minutes from Last Year's Meeting are also in the Annual Report. The Annual Report is available on our website, from the credit union, or we have a few copies here if you would like to take one on your way home tonight.

"I, Rich Crettol, CEO of the North Star Credit Union, hereby certify that I caused to be sent to the membership a notice of this annual meeting with the March 31, 2019 statements. I had notice of this meeting published in the local newspapers prior to the meeting. Notice was also posted inside the credit union branches, on the sign out front of our Cook building, and in the 2019 Annual Report on our website."

A motion to skip the reading of the minutes and approve them was made by: John Boutto
second by: Lisa Muggli

Motion passed. 92/0

A moment of silence was observed for members that died the last year. Recognize the loss of Shirley Martinson.

Introduction of the board members and supervisory committee.

The Nominating Committee Report was given by board member Lara Whiteside.

For the Board of Directors:

One three-year term to expire 2022:

Incumbent, Pete Niska

One three-year to expire 2022:

John Korpi, to fill the seat vacated by Jeff Ross

Being that there are no other candidates, the board has declared the election to be uncontested, and therefore the candidates are duly elected.

CEO Report by Rich Crettol CEO.

Introduction of staff by Jennifer Stedt.

FINANCIAL EDUCATION

The credit union has been recognized statewide and nationally for its leadership within the credit union movement on behalf of financial literacy for all ages

HIGHLIGHTS OF THE EDUCATION PROGRAM 2019-2020 SCHOOL YEAR!

Student-led Credit Union Branches

South Ridge Jungle
Tuesdays 8:00am - 12:30pm

North Woods Money Cave

Elementary Education Presentations

Wants and Needs

Countries and their Currencies

Music Money Game

Youth Coloring Contest



Lunch & Learn program

North Woods, South Ridge, Nashwauk-Keewatin, and Greenway High Schools

Topics

- Renting an apartment
- Job search and interviews
- Car buying
- Student loans
- Taxes
- Insurance
- Saving and retirement
- Credit score
- Credit cards
- Customer service
- Types of loans
- Compound interest



SPARTAN PRIDE TIME

Wednesdays with
Nashwauk-Keewatin students 7-12 grade

CREDIT SCORE

CREDIT CARDS

INTERVIEWS

CUSTOMER SERVICE

SAVING MONEY

RETIREMENT

