

ANNUAL REPORT

NORTH STAR CREDIT UNION

For the Annual Meeting on September 30, 2021

MISSION

North Star Credit Union provides high-quality financial services and education to meet the needs of our communities.



HOMETOWN VALUES

We are small enough to know you and large enough to serve you. North Star Credit Union cares about community and takes pride in our hometown values. Our staff live, work, and play in the areas that we serve.

It means a lot to us to have branches in Cook, Nashwauk, Brooks, and West Duluth where we can connect with community and serve our members.

WORLDWIDE ACCESS

With mobile and online banking, members are able to access their account wherever they travel. Remote check deposit allows members to deposit funds by taking a photo. We provide high-quality service and the technology that enables you to bank from anywhere. With a click of a button, you are able to access your account.

LIFELONG RELATIONSHIPS

We have been a part of the community since 1939 and have been creating and building relationships ever since. We provide local decision making and underwriting which helps our members with receiving loans for their next purchase and education programs to promote financial well-being for our members.

Cook
218-666-5940

Nashwauk
218-885-1600

Brooks
218-698-4220

West Duluth
218-722-2720

WHO WE ARE

Our Staff

Board of Directors

Vicki Schelde - Chair
William Conner - Vice Chair
Lara Whiteside - Director
Jon Korpi - Secretary
Margie Rinne - Director
Rich Crettol - CEO/Treasurer

Supervisory Committee

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

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 Connor
Margaret Rinne



Leadership Team

Rich Crettol - Chief Executive Officer
Jennifer Stedt - Executive VP
Jennifer Judas - VP of Accounting
Stephanie Burckhardt - VP of Mortgage Lending
Christie Kainwo - Regional Branch Manager

Administrative Staff

Julia DeVries - Resource Manager
Theresa Redmond - Accountant
Danielle Johnson - Accounting Clerk
Jody Feist - Administrative Assistant
Melissa Cox - Marketing Specialist

Nashwauk Branch Staff

Cindy Stevens - Branch Manager
Holly Hanson - MSR
Victoria Nichols - MSR

Northern Pacific-Duluth Branch

Lynn LaFlair - Loan Officer
Courtney Brewer - MSR/Jr. Underwriter

Brooks Branch

Joyce Morinville - Branch Manager
Joanne Bradley - MSR

Cook Branch

Marie Reyerson - Assistant Branch Manager
Lizzie Pretti - Consumer Loan Officer
Lori Astleford - Mortgage Loan Officer
Alicia Dahl - Business Loan Officer
Lindsey Wendt - Loan Processor
Brenna Simpson - PT Loan Clerk
Kim Martinson - Business Account Assistant
Jay Linn - MSR II
Cindy Lizama - MSR
Mandie Williams - MSR II
Ashley Gnerer - MSR

WELCOME MEMBERS



Our Vision

**OUR VISION IS TO HELP
BUILD THRIVING
COMMUNITIES ACROSS
NORTHERN MINNESOTA**

When you take a look at who we are you will realize that we care about our community. We want you to learn more about us by being a part of our credit union. North Star Credit Union believes in providing quality service and carrying forward our mission to our community. North Star is small enough to know you and large enough to serve you. We offer a variety of banking options for our customers. We are proud to providing financial services to our members. As our motto says, we pride ourselves on "Building Community One Member at a Time." We love this region as much as you do and want to make it a good place to be!

Core Values

**TEAM WORK
INTEGRITY
EXCELLENCE
ACCOUNTABILITY**



**NORTH STAR
CREDIT UNION**
NORTHSTARCREDITUNION.ORG



STRONGER CREDIT UNIONS MAKE STRONGER COMMUNITIES

Insight From Our Company CEO: *Rich Crettol*



Overall, more than 1.8 million Minnesotans are members of the state's credit unions. As not-for-profit financial cooperatives, credit unions, on average, offer higher savings rates, lower loan rates and have lower and fewer fees, compared with other financial institutions. In 2021 Minnesota's population is estimated to be 5.7 million. This means 32% of all Minnesotans belong to a credit union. Not bad.

In 2016, we had a study done to determine what percent of residents living within 10 miles of Cook were members of North Star Credit Union. To our amazement, and that of the consultants, the answer was 82%! This was a clear

reflection of how important we are to the community and how important the community is to us! Our credit union began in 1939 and has been serving the needs of our community ever since. As our motto says: "Building Community One Member at A Time"

Over the past 5 years we reached out to Nashwauk, Brooks and Duluth, to grow and become part of those communities. And grow we have! We are now more than twice the size we were 5 years ago. I'd like to say thank you to those communities for welcoming us and continuing to support us.

This year has also been about growth. I am inspired by the support of our communities and the dedication of our staff. When we established our 2021 growth goals back in October, we set them aggressively. I'm proud to say that we have met our growth goal for the year as of June 30th!

Recently we learned we are the State of MN winner of the Dora Maxwell Social Responsibility Community Service Award for the CU asset size of \$50 - \$250 million. With restrictions in place due to Covid-19, we wanted to find a creative way to help people and still make an impact as part of Credit Union Forward Day, which is a way to give back and highlight the credit union spirit. Each staff member chose a cause near and dear to their heart. The credit union donated \$100 in their name to each cause. Then, each nonprofit was entered for a chance to receive up to \$1,000 based on likes/shares on social media.

We gave \$3,200 to 17 different nonprofits that each have a mission devoted to a specific cause with an overall theme of helping people, community, and giving back. I am very proud of our success and want to express my sincere gratitude to each 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.

OUR
DEDICATED
LEADERSHIP
TEAM

As our motto says:
"Building Community
One Member at a
Time"

~ Rich Crettol, CEO



MINUTES



Date: 9/16/2020

S M T W T F S

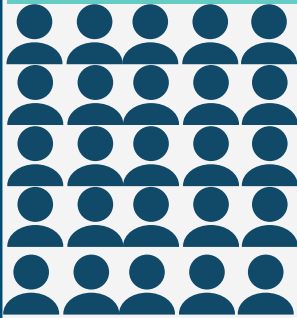
ANNUAL MEETING OF THE MEMBERSHIP

6:08 P.M.

LOCATION

COOKS COUNTRY CONNECTION

MEMBERS PRESENT



GUESTS PRESENT

The 81st annual meeting was called to order by board chair Vicki Schelde at 6:08pm.

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

ACTION & AGENDA ITEMS

Vicki Schelde, the board chair of the North Star Credit Union, certified that the Proof of Notice of the meeting, as well as the reports of the Supervisory Committee, Financial Statements, Rates, and Minutes from Last Year's Meeting are in the Annual Report which is available on our website, from the credit union, or there were copies at the meeting for anyone who would like to take one on with them.

A motion to skip the reading of the minutes and approve them was made by: Jody Feist
Second by: Lori Astleford
Motion passed. 20/0

Introduction of the board members, and supervisory committee by Jennifer Stedt.

CEO Report was read by Jennifer Stedt. Rich Crettol CEO joined the meeting by phone due to having to quarantine at home.

Introduction of staff by Jennifer Stedt.

NOMINATING COMMITTEE REPORT

Given by board member Pete Niska

For the Board of Directors:

- One three-year term to expire 2023:
Incumbent, Cork Conner
- One three-year to expire 2023: *Incumbent, Lara Whiteside*

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

A motion was made by Jennifer Stedt to qualify these candidates with a vote of the membership and was second by Stephanie Burckhardt.

Motion passes 20/0

REMAINING AGENDA ITEMS

Unfinished Business : None

New Business : None

Meeting Adjourned 6:15 p.m.

FINANCES

2020 AT A GLANCE



TOTAL ASSETS (AS OF Q4 2020) \$70,565,945

CREDIT UNION STATISTICS

5,846

Number of Members at Month End

9.91%

Capitol Total Assets Ratio

0.90%

Returns on Assets Ratio

OPERATIONS

Four Branch Locations: Cook, Nashwauk, Brooks, Duluth

Administrative Branch Location: Cook, Minnesota





Statement of Financial Position

December 2020

ASSETS

Cash on Hand and Deposit	\$ 5,457,205
Total Investments	2,258,701
Total Loans Receivable	60,777,911
Allowance for Loan Losses	(218,549)
Fixed Assets (Building, Improvements, Equipment)	1,353,955
National Credit Union Insurance Fund Deposit	569,551
Accrued Income and Other Assets	367,172
Total Assets	<u>\$ 70,565,945</u>

LIABILITIES AND EQUITY

Member Share/Deposit Accounts	63,087,304
Credit Union Capital	6,878,573
Accounts Payable	389,176
Other Liabilities	210,892
Total Liabilities And Equity	<u>\$ 70,565,945</u>

STATISTICS

Number of Members at Month End	5,846
Capital / Total Assets Ratio	9.91%
Return on Assets Ratio	0.90%

Statement of Operations

December 2020

INCOME

	December 2020	Year to Date
Interest Received on Loan Accounts	\$ 250,064	2,935,771
Interest Received on Investments	505	31,310
Operating and Other Income	79,776	747,607
Total Income	<u>\$ 330,344</u>	<u>\$ 3,714,688</u>

EXPENSE

Employee Expense	\$ 163,170	\$ 1,854,986
Operations, Occupancy and Other	102,393	907,643
Provisions for Loan Losses	-	15,291
Dividends Paid to Members	19,940	312,311
Total Expense	<u>\$ 285,502</u>	<u>\$ 3,090,230</u>

Addition to Credit Union Capital	<u>\$ 44,842</u>	<u>\$ 624,458</u>
----------------------------------	------------------	-------------------

SUPERVISORY COMMITTEE

Submitted by Marla, Bob & Jody

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.



**OUR CREDIT UNION IS CONTINUALLY MONITORED AND OPERATES
ACCORDING TO ALL STATE AND FEDERAL RULES AND REGULATIONS.**

NOMINATING COMMITTEE

By resolution of the Board on July 21, 2021, 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 the North Star Credit Union website.

Nominating Committee submitted to the Board of Directors the following candidates:

For one three-year term to expire 2024:

- *Vicki Schelde incumbent*

For one three-year term to expire 2024:

- *Margaret Rinne incumbent*

Appointment to fill the vacant term of Peter Niska that will expire in 2022, with subsequent three-year terms:

- *Kristan Zigan*



Being that there are no other candidates, the board has declared the election to be uncontested, and therefore to save the credit union the cost of mailing ballots, the candidates are duly elected.

That concludes the report of the Nominating Committee

Directors set the credit union's objectives and long term goals. As a credit union board member you have the ability to be a voice for the North Star Credit Union members and help us build a strong financial future.

Credit Union Volunteers

- Believe in the credit union philosophy
- Attend meetings and participate in credit union functions.
- Have a willingness to learn.
- Act in the best interest of your fellow credit union members

Rewarding Experience

Volunteering to serve on your credit union's Board of Directors can be an extremely rewarding experience. Not only will you gain valuable knowledge, but you will also be representing your fellow credit union members and be in a position to help them realize their financial goals and dreams.

RATES



Loan Rates* %

- 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*

Share Rates ** %

- Kid's Club Account (0-12 Yrs.) Earns .50%
- Future Freedom Account (13-18 Yrs.) Earns .50%
- Regular Share Account Earns .15%
- Preferred Share Account Earns Up To .30%
- Money Market Share Account Earns Up To .30%
- Share Certificates Earns Up To 1.00%
- IRA Certificates Earns Up To 1.20%

***Annual Percentage Yield*

*North Star Credit Union
provides local underwriting
and fast decision-making on
mortgage, home
improvement, refinancing,
construction, and other loans*

HISTORY

CELEBRATING OUR MEMBERS

A LOOK BACK AT OUR BEGINNINGS



HUMBLE BEGINNINGS

North Star Credit Union opened in 1939 as Northern Farmer's Co-op Credit Union, sponsored by the Northern Farmer's Co-op Society. The Credit Union was based out of the Co-op Store in Cook until it burned down in October 1994. After operating out of the BIC building for some time, the Credit Union was able to relocate in January 1996 to Main Street, where it currently stands. That was the beginning of our story of who we are. Once relocated, North Star extended its field of membership to Lake Country Power members.

To accommodate our growing membership, we expanded our building in 2012. In 2013, we broadened our field of membership once again; this time allowing students, family, volunteers, and staff of school district 2142 to join. In 2014, we created a student focus Group called "The B.O.S.S" (Bunch of Students Saving) at the North Woods School. With their help, we successfully opened its a student branch in the North Woods Campus called "The Money Cave". On June 1, 2015, Cook Area Credit Union changed its name to North Star Credit Union. Our new name is representative of our vision: to build thriving communities across Northern Minnesota. We are proud of our history and growth in the Cook community, and we are confident we can help other communities thrive. We understand our success goes hand in hand with the success of our communities. That is why we continually work to bring our members additional products and services, invest in our communities through sponsorships, scholarships, and events, and encourage financial education for members of all ages. Education has now become a core part of who we are.

Since 2017 we have welcomed three additional branches through merger, now proudly serving members in Nashwauk, Duluth, and Brooks communities, as well as our hometown of Cook. The mergers offered more opportunities for our members and surrounding communities to benefit from the cooperative spirit. We are still your hometown bank, now with more products and services, and growing to serve our membership for future generations.

COMMUNITY INVOLVEMENT



- 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
- Warm Clothing Drive

- 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

MEMBERS

CONTESTS, PROMOTIONS, AND MEMBER APPRECIATION



NORTH STAR CREDIT UNION CELEBRATES COMMUNITY & OUR MEMBERS



We featured a variety of contests including our \$500 giveaway for posting a photo with a North Star Credit Union umbrella. We also featured a drawing contest where elementary students created ads on the importance of saving. We love showing appreciation for our members with having giveaways for our members - just for being members.



ADS CREATED BY
<- STUDENTS ->



OUR MEMBERS WINNING MONEY

Throughout the year we found ways to engage our members and the community through contests, promotions and giveaways. With our Wizard promotion, we gave away money to those who found our wizards and posted a photo.



CONTESTS



Members can win by saving money each month! We had winners ranging from \$25 up to \$1,000. Our WINcentive savings account is a great way to save money and win money!

WINNINGS



Our Cash Cube has been featured at community events. Participants have a chance to win money! What a fun way to have community involvement and for our members to win!

GIVEAWAYS

North Star Credit Union is federally insured by NCUA

OUR LOCATIONS

Cook
24 S. River Street

Nashwauk
401 E. Platt Avenue

Duluth
5721 Grand Avenue

Brooks
200 Main Street