

## ANNUAL REPORT

# NORTH STAR CREDIT UNION

For the Annual Meeting on September 22, 2022

## 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, Virginia, 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

**Virginia**  
218-748-3270

# WHO WE ARE

## Our Staff

### Board of Directors

Vicki Schelde - Director  
Lara Whiteside - Director  
Jon Korpi - Vice Chair  
Kristin Zigan- Director  
Margaret Rinne - Secretary  
Cork Conner - Chair  
Rich Crettol - CEO/Treasurer

### Supervisory Committee

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

### 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  
Alicia Dahl - VP of Business Services  
Julia DeVries - Resource Manager

### Administrative Staff

Danielle Johnson - Accounting Clerk  
Melissa (Missy) Holmes - 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 II/Jr. Underwriter

### Brooks Branch

Joyce Morinville - Branch Manager  
Joanne Bradley - MSR

### Cook Branch

Elizabeth (Lizzie) Pretti - Consumer Loan Officer II  
Lori Astleford - Mortgage Loan Officer  
Lindsey Wendt - Loan Processor II  
Brenna Simpson - Loan Clerk  
Kim Martinson - Business Account Assistant  
Marie Reyerson - Assistant Branch Manager  
Hana Wiseman - MSR II  
Lucinda (Cindy) Lizama - MSR  
Cherie Seopa - MSR II

### Virginia Branch

Mandie Williams - Consumer Loan Officer/MSR II  
Angela Conway - MSR II

# 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 provide 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](http://NORTHSTARCREDITUNION.ORG)





# GROWING FOR OUR FUTURE

Insight From Our Company CEO: *Rich Crettol*



I am happy to report that your credit union continues to grow and succeed. During the past year we have faced many challenges, and throughout them all, we continue to find ways to thrive. We also continue to follow our strategic plan for growth, this year adding a new branch location in Virginia. At the beginning of August, we held the Grand Opening of the new North Star Credit Union branch located in the front of the Super One Foods grocery store on Hwy 53. This new branch is highly visible in the middle of the commercial district in Virginia. It is a convenient location for many of our existing members and for attracting new members to our credit union family. After being open for only a short time, we are already seeing good growth at this new location.

Another part of our plan is to add a full-service branch in Mountain Iron. Earlier this spring we purchased the former Perkins building on Hwy 53. Construction will take place during the winter and spring, with completion expected by next summer.

In addition to our focus on growth and success, community involvement is also a priority. In the past year we gave out six scholarships to local high school graduates, spent \$4,500 to support local businesses and help feed local families during CU Forward day on 10/14/21, volunteered to help with the United Way Buddy Backpack program, raised funds for Virgie Hegg Hospice Partners, participated in Toys for Tots, and re-opened our branch called The Money Cave, in the North Woods School. These are just a few examples of the many activities we participated in, or hosted, to help support our communities.

Our WINcentive accounts were a big hit this past year, with our members winning three \$1,000 prizes and two \$500 prizes. Anyone who opens a WINcentive account and deposits \$25 has a chance to win prizes. We continue to look into new ways to serve you, our members, in more convenient ways by increasing our investment in technology. Advancements are happening at a fast pace in our industry and we are working to stay on top of it all. We recently launched our new website in order to make your online interactions quicker and easier, we hope you like it.

There is always a lot going on here at NSCU. In addition to the day-to-day commitment to serve our members, we are building a company for the future. One that will be around for the next generation of members, and the next. The past year was a great year for us, and we continue to thrive thanks to your support.

## OUR DEDICATED LEADERSHIP TEAM



*Rich*



*Jennifer S*



*Stephanie*



*Jennifer J*



*Christie*



*Julia*



*Alicia*



# MINUTES



Date: 9/30/2021

S M T **W** T F S

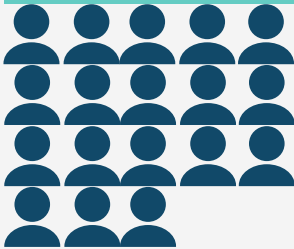
ANNUAL MEETING OF THE MEMBERSHIP

6:03 P.M.

## LOCATION

COOK COMMUNITY CENTER

### MEMBERS PRESENT



### GUESTS PRESENT

The 82nd annual meeting  
was called to order  
by board chair  
Vicki Schelde at 6:08pm.

Roll call and declaration of a  
quorum was made. (18 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 if anyone would like to take one on with them.

A motion to skip the reading of the minutes and approve them

Made by: Lori Astleford  
Second by: Julia DeVries  
Motion passed.

Introduction of the board members, and supervisory committee by Jennifer Stedt.  
CEO Report was read by Rich Crettol.  
Introduction of staff by Jennifer Stedt.

## NOMINATING COMMITTEE REPORT

*Given by board member Lara Whiteside*

### For the Board of Directors:

- One three-year term to expire 2024:  
*Incumbent, Vicki Schelde*
- One three-year to expire 2023:  
*Incumbent, Margaret Rinne*  
*The appointment of Kristin Zigan to fill the vacant term of Peter Niska will expire in 2022, with subsequent three year terms.*

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

A motion was made by Christie Kainwo to qualify these candidates with a vote of the membership and was second by Alicia Dahl.

**Motion passes**

## REMAINING AGENDA ITEMS

Unfinished Business : None

New Business : None

Meeting Adjourned 6:14 p.m.

# FINANCES

## 2021 AT A GLANCE



TOTAL ASSETS (AS OF Q4 2021) ..... \$85,038,182

## CREDIT UNION STATISTICS

5,923

Number of Members at Month End

9.36%

Capital / Total Assets Ratio

1.27%

Returns on Assets Ratio

## OPERATIONS

Four Branch Locations: Cook, Nashwauk, Brooks, and Duluth

Administrative Branch Location: Cook, Minnesota



## Statement of Financial Position

December 2021

### ASSETS

Cash on Hand and Deposit	\$ 6,453,892
Total Investments	3,693,181
Total Loans Receivable	72,686,453
Allowance for Loan Losses	(229,778)
Fixed Assets (Building, Improvements, Equipment)	1,406,271
National Credit Union Insurance Fund Deposit	677,131
Accrued Income and Other Assets	351,033
Total Assets	<u>\$ 85,038,182</u>

### LIABILITIES AND EQUITY

Member Share/Deposit Accounts	76,092,411
Credit Union Capital	7,957,756
Accounts Payable	801,054
Other Liabilities	186,961
Total Liabilities And Equity	<u>\$ 85,038,182</u>

### STATISTICS

Number of Members at Month End	5,923
Capital / Total Assets Ratio	9.36%
Return on Assets Ratio	1.27%

## Statement of Operations

December 2021

### INCOME

	December 2021	Year to Date
Interest Received on Loan Accounts	\$ 283,282	3,193,168
Interest Received on Investments	1,136	12,533
Operating and Other Income	74,638	999,662
Total Income	<u>\$ 359,056</u>	<u>\$ 4,205,362</u>

### EXPENSE

Employee Expense	\$ 152,148	\$ 1,882,607
Operations, Occupancy and Other	93,486	1,017,013
Provisions for Loan Losses	1,928	13,918
Dividends Paid to Members	14,893	211,122
Total Expense	<u>\$ 262,455</u>	<u>\$ 3,124,660</u>

Addition to Credit Union Capital	<u>\$ 96,601</u>	<u>\$ 1,080,703</u>
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# 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 2025:**

- *Jon Korpi*

**For one three-year term to expire 2025:**

- *Kristy 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

NORTHSTARCREDITUNION.ORG

**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 2.49%
- Used Recreational Vehicles As Low As 2.99%
- Signature Loans As Low As 7.65%
- Real Estate/Home Equity As Low As 4.49%

*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.

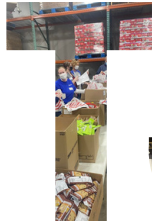
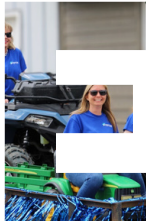
We are proud of our history and growth in the Cook community, and we are confident we can help other communities thrive. We understand our success goes hand in hand with the success of our communities. That is why we continually work to bring our members additional products and services, invest in our 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.

In the past five years we have welcomed three branches through merger, and another branch in Virginia. We are now proudly serving Brooks, Duluth, Nashwauk, and Virginia, as well as our hometown of Cook. We also plan to expand into Mountain Iron in 2023. The mergers and growth 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
- Land of the Loon
- Blast to Brooks
- Spirit Valley Days
- Family Fun Night
- Iron Range Home Sport & Travel Show
- Arrowhead Home and Builders Show
- Scholarships
- Member Appreciation Week
- National Youth Credit Union Awareness Month

- Hibbing Area Chamber of Commerce Annual Dinner
- Grade Promotions at North Woods School
- Virginia Branch Opening & Ribbon Cutting
- 45th Annual Lakes and Pines Chapter Golf Tournament and Steak Fry
- Brooks Open House for Business Department
- CU Forward Day
- Love My Credit Union Day
- United Way Buddy Backpacks
- Nashwauk Home Show





# MEMBERS

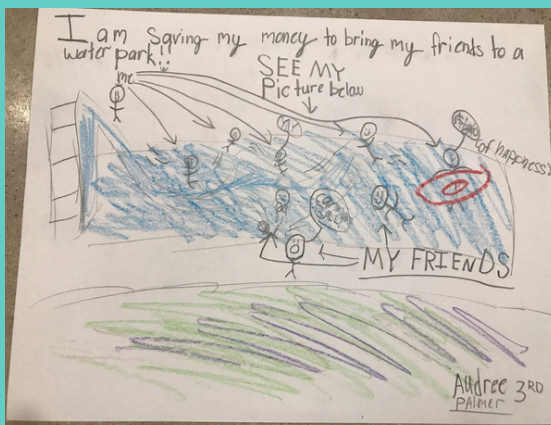
## CONTESTS, PROMOTIONS, RECOGNITION AND MEMBER APPRECIATION



## NORTH STAR CREDIT UNION CELEBRATES COMMUNITY & OUR MEMBERS



We offer new promotions, contests, and giveaways as a way to engage our members and highlight our products and services. Being involved in the community is important to our staff. We also appreciate being recognized for our efforts in marketing and for our community support. We are thankful to be a part of the region.



<-DRAWINGS BY  
AREA YOUTH ->





## OUR MEMBERS WINNING MONEY

Throughout the year we engage our members and the community through open houses, volunteering, promoting local, as well as contests and giveaways. We enjoy meeting with our members at all of our branch locations.



### CONTESTS



Members can win by saving money each month! We had winners ranging from \$25 up to \$1,000. We had three \$1,000 winners and two \$500 winners. 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	Nashwauk	Duluth	Brooks	Virginia
24 S. River Street	401 E. Platt Avenue	5721 Grand Avenue	200 Main Street	1111 17th St. S