

## ANNUAL REPORT

# NORTH STAR CREDIT UNION

For the Annual Meeting on September 21, 2023

## 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. We care about community and take pride in our hometown values. It means a lot to us to have branches in Cook, Nashwauk, Brooks, Virginia, West Duluth, and soon to open in Mountain Iron 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.

Brooks  
218-698-4220

Cook  
218-666-5940

Duluth  
218-722-2720

Mountain Iron  
218-550-2940

Nashwauk  
218-885-1600

Virginia  
218-748-3270

# WHO WE ARE

## Our Stars

### Board of Directors

Vicki Schelde - Director  
Lara Whiteside - Secretary  
Jon Korpi - Chair  
Margaret Rinne - Vice Chair  
Cork Conner - Chair  
Jennifer Stedt - Treasurer

### Supervisory Committee

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

### Asset/Liability Committee (ALCO)

Bob Champa  
William Connor  
Margaret Rinne



### Leadership Team

Jennifer Stedt - Chief Executive Officer  
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

Cheri Carter - Accountant  
Rachel Indihar - Executive Assistant  
Melissa Cox - Marketing Specialist

### Nashwauk Branch

Cindy Stevens - Branch Manager  
Lori Chilstrom - Accounting Clerk  
Holly Hanson - Sr. MSR  
Rebecca (Becky) Unzeitig - MSR

### Northern Pacific-Duluth Branch

Lynn LaFlair - Loan Officer  
Courtney Brewer - MSR II/Jr. Underwriter  
Lori Astleford - Mortgage Loan Officer

### Brooks Branch

Joyce Morinville - Branch Manager  
Joanne Bradley - MSR

### Cook Branch

Lindsey Wendt - Mortgage Loan Officer  
Elizabeth (Lizzie) Pretti - Consumer Loan Officer II  
Drew Braun - Consumer Loan Officer  
Jessica Johnson - Loan Processor  
Brenna Simpson - Loan Clerk  
Kim Martinson - Business Services/Credit Analyst  
Lucinda (Cindy) Lizama - MSR  
Cherie Seopa - MSR II  
Melissa (Missy) Holmes - MSR Float  
Mandie Williams - MSR Supervisor

### Virginia Branch

Logan Brookshire - MSR II  
Jae Wuori - Sr. MSR/Back Office Clerk



# WELCOME MEMBERS



## Our Vision

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

North Star Credit Union cares about community. Our employees live and work in the communities we serve. Our kids go to area schools and attend sporting events and activities. We volunteer and support local businesses. It means a lot to us to be a part of community and promote our region. A lot of our members started out as kids and now have kids and grandkids of their own who are members. We are proud to serve our neighbors. Our core values are a part of who we are and how we serve.

## Core Values

**TEAM WORK  
INTEGRITY  
EXCELLENCE  
ACCOUNTABILITY**



**NORTH STAR  
CREDIT UNION**

[NORTHSTARCREDITUNION.ORG](http://NORTHSTARCREDITUNION.ORG)



# THE CREDIT UNION DIFFERENCE

Insight From Our Company CEO: *Jennifer Stedt*

I want to thank you, our members and the community, for the support you have shown the credit union throughout the years. We have been serving our members since 1939 and now have branches in Brooks, Cook, Duluth, Nashwauk, and Virginia. Our newest branch in Mountain Iron will be opening very soon.



We celebrated one year in May at our Virginia branch location, in Super One Foods. We relocated our Duluth branch to a new site, with more parking, overnight deposit, and a drive-thru. Our Nashwauk branch received updates, and now features two drive-thru lanes and an updated look with beautiful landscaping.

At NSCU we care about getting to know our members well enough to serve their needs. We are still small enough to know you, and large enough to serve you. We offer mobile and online banking, same day debit card issue and replacement, remote check deposit, local and fast decision making on loans, no fees business checking, and all the same deposit and loan services we have always had.

Credit unions are not-for-profit organizations that exist to serve our members, who are the owners. Credit unions return profits to their members in the form of lower fees and better rates. We were recognized this year for our efforts in providing this credit union philosophy to our members by receiving the prestigious Louise Herring Philosophy-in-Action Member Service Award, for applying the credit union philosophy in action.

NSCU realized the ongoing effects and impacts of the economic situation due to the pandemic and the looming recession, and we responded to not only our members needs of today, but strived to provide education to help members prepare for their financial future. We were able to implement a new and used vehicle promotional rate for the summer, increase our certificate of deposit rates, and continue our unsecured debt rate promotion.

This year we also welcomed our mascot Star the Yeti to the community. Star spent seven hours and 55 minutes reading to 933 students in seven different locations including area schools and libraries. Star soon became one of the NSCU Stars attending parades and community activities, alongside our other Stars, our staff.

I would like to take this opportunity to give a special thank you to Cork Conner for his 18 years of service as a Board of Director and Marla Kahn for her 20 years of service as a Supervisory Committee Member for NSCU. Cork has been instrumental in the strategic planning and growth initiatives to North Star, we are indebted to his service as a Board volunteer. Marla has provided auditing oversight by volunteering on the Supervisory Committee, or as they have self-proclaimed "the watch dogs" of the credit union, to ensure safety and soundness.

Our employees, leadership team, and volunteers make all the difference by guiding and supporting the credit union through its growth to better serve the membership needs. We wouldn't be who we are or where we are without our staff, community, and members.

Thank you to you all for supporting your credit union!

# MEET OUR LEADERSHIP TEAM



**CEO**



**JENNIFER**

**VP OF  
ACCOUNTING**



**JEN**

**VP OF  
MORTGAGE  
LENDING**



**STEPHANIE**

**VP OF  
BUSINESS  
BANKING**



**ALICIA**

**REGIONAL  
BRANCH  
MANAGER**



**CHRISTIE**

**RESOURCE  
MANAGER**



**JULIA**

# REACH FOR THE STARS



 NEWS

## \$3,750 Awarded in Scholarships to Area Students

North Star Credit Union awarded \$3,750 in scholarships for the 2022-2023 school year at area schools.



 NEWS

## North Star Credit Union Gives Back

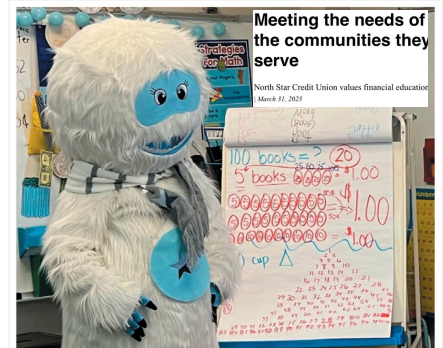
North Star Credit Union volunteers as part of CU Forward Day.



 PROMOTION

## NSCU CEO Named

North Star Credit Union names Jennifer Stedt as Chief Executive Officer (CEO).



Star the Yeti, the credit union's new mascot, is a huge hit with young students. Submitted photo.



Financial education is a core value for North Star Credit Union (NSCU), which has five branch locations across the region.

That's why being able to be in the classroom teaching financial education and connecting with students is so important to staff.

"It is meaningful when we are invited into the schools and are able to provide financial education and participate in impactful ways that make a difference in the lives of children," said Christie Kainwo, regional branch manager for NSCU.

NSCU offers financial education for students and adults, and recently provided a session with the Academic Journey students at North Woods School in Cook with its partner Lutheran Social Services (LSS) Financial Counseling. The focus of this session was on credit scores, credit cards and credit reports.

# MINUTES



Date: 9/22/2022

S M T W T F S

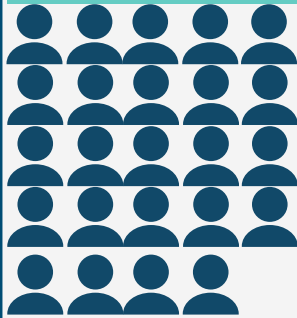
ANNUAL MEETING OF THE MEMBERSHIP

6:00 P.M.

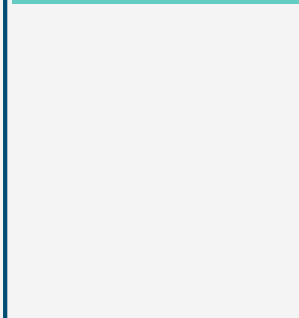
## LOCATION

COOK COMMUNITY CENTER

### MEMBERS PRESENT



### GUESTS PRESENT



The 83rd annual meeting was called to order by board chair Cork Conner at 6:00 pm.

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

## ACTION & AGENDA ITEMS

Cork Conner, 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 was some 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: Julia DeVries  
Second by: Alicia Dahl  
Motion passed 24/0

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 Vicki Schelde*

### For the Board of Directors:

- One three-year term to expire 2025:  
*Incumbent, Jon Korpi*
- One three-year to expire 2025:  
*Incumbent, Kristin Zigan*

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 Jennifer Judas

**Motion passes 24/0**

## REMAINING AGENDA ITEMS

Unfinished Business : None

New Business : None

Meeting Adjourned 6:11 p.m.

# FINANCES

## 2022 AT A GLANCE



TOTAL ASSETS (AS OF Q4 2021) ..... \$91,432,971

## CREDIT UNION STATISTICS

6,221

Number of Members at Month End

9.43%

Capital / Total Assets Ratio

.072%

Returns on Assets Ratio

## OPERATIONS

Five Branch Locations: Cook, Nashwauk, Virginia, Brooks, and Duluth

Administrative Branch Location: Cook, Minnesota





## Statement of Financial Position

December 2022

### ASSETS

Cash on Hand and Deposit	\$ 2,177,915
Total Investments	2,551,196
Total Loans Receivable	83,054,381
Allowance for Loan Losses	(306,035)
Fixed Assets (Building, Improvements, Equipment)	2,791,831
National Credit Union Insurance Fund Deposit	773,528
Accrued Income and Other Assets	390,155
Total Assets	\$ 91,432,971

### LIABILITIES AND EQUITY

Member Share/Deposit Accounts	80,824,896
Credit Union Capital	8,618,861
Accounts Payable	756,856
Other Liabilities	1,232,358
Total Liabilities And Equity	\$ 91,432,971

### STATISTICS

Number of Members at Month End	6,221
Capital / Total Assets Ratio	9.43%
Return on Assets Ratio	0.72%

## Statement of Operations

December 2022

	December 2022	Year to Date
<b>INCOME</b>		
Interest Received on Loan Accounts	\$ 319,027	3,514,218
Interest Received on Investments	6,029	57,953
Operating and Other Income	(74,392)	663,197
Total Income	\$ 250,664	\$ 4,235,369
<b>EXPENSE</b>		
Employee Expense	\$ 192,624	\$ 2,034,499
Operations, Occupancy and Other	166,112	1,212,741
Provisions for Loan Losses	-	95,749
Dividends Paid to Members	26,030	231,275
Total Expense	\$ 384,765	\$ 3,574,263
Addition to Credit Union Capital	\$ (134,101)	\$ 661,106

# SUPERVISORY COMMITTEE

*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.

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 candidate(s):**

### **For one three-year term to expire 2026:**

- Incumbent, Lara Whiteside



NSCU open positions:  
Two Board of Directors and one  
Supervisory Committee  
member.

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 5.74%
- Used Auto As Low As 6.24%
- New Recreational Vehicles As Low As 6.49%
- Used Recreational Vehicles As Low As 6.99%
- Signature Loans As Low As 10.65%
- Real Estate/Home Equity As Low As 7.99%

*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 .10%
- Preferred Share Account Earns Up To 1.00%
- Money Market Share Account Earns Up To 1.00%
- Share Certificates Earns Up To 5.00%
- IRA Certificates Earns Up To 5.20%

*\*\*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 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 name is representative of our vision: to build thriving communities across Northern Minnesota.

We are proud of our history and growth in the region and we work hard to help our 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 is 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. Our newest branch in Mountain Iron is slated to open in October. 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
- Merritt Days
- Nashwauk Home Show
- Golf fundraisers

- Hibbing Chamber Annual Dinner
- Grade Promotions at North Woods School
- Virginia One Year Celebration
- 46th Annual Lakes and Pines Chapter Golf Tournament Fundraiser
- Duluth Relocation Celebration
- Love My Credit Union Day
- United Way Buddy Backpacks
- Financial Education
- Star Reading in Schools & Libraries
- NE MN Habitat for Humanity
- Laurentian Chamber Annual Dinner
- CU Forward Day
- Virgie Hegg 5k Fundraiser
- Supporting Local



# 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. We offer financial education in the schools and six free financial education sessions to our members annually. We had so many fun promotions this past year and have loved celebrating you - our members. Star our new mascot created many wonderful memories in the community and connected with people of all ages.



All you need  
is love.  
a good  
credit union

NORTH STAR  
CREDIT UNION my Credit  
Union! **Your Money  
Further**

# 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. 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

Brooks  
200 Main Street

Cook  
24 S. River Street

Duluth  
4918 Grand Avenue

Mt. Iron  
8586 Rock Ridge Dr.

Nashauk  
401 E. Platt Avenue

Virginia by  
1111 17th St. S