



# ANNUAL REPORT

2022

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Federally Insured  
By NCUA

# President's Report

Looking back at 2022, as our credit union was emerging from the pandemic of the prior year and a half, we were then met by inflation, the likes of which we had not seen in over 40 years. In early March of 2022, the Federal Reserve embarked on the challenge of trying to tame inflation by raising the prime rate for the first time since the pandemic crisis had started in March of 2020. By the time the Federal Reserve was done raising rates in December 2022, it had increased rates seven times totaling an increase of 4.50% which left the prime lending rate at year end hovering at 7.50%. However, just like in the years prior, our credit union once again powered through and navigated these tumultuous economic times in fine fashion.

The staffing issues that had plagued us and the other businesses in the markets we serve had begun to stabilize over the course of the year. Over this time our Team Members stepped up to serve our 17,908 members in every way they could.

December saw the retirement of Tim Fulton, our EVP, after more than 27 years of service. Tim played a key role in the growth of TruStar over the years, and his contributions to our credit union will be missed. However, the only thing constant in business is change and adapting to it. With that mantra, a new group of leaders has risen from the ranks and is ready to take our credit union to the next level.

In reviewing the financial performance of our credit union for the year, we find that net income for the year posted at \$2,406,805 which is a very respectable mark given the unique times that played out in the economy and our local markets. Membership grew by 542 accounts for the year which reflects a 3% increase. In reviewing our balance sheet for 2022, we find that assets grew \$1,234,719 to a total of \$343,068,241 at year end. Our equity position grew \$2,298,649 to close the year at \$45,652,310. This equity position reflects a capital ratio which comes in at a healthy 13.30%.

Our loan departments delivered an outstanding performance for the year in serving our membership as net loan growth totaled \$23,141,024 or 12.2% for the year. This incredible loan growth pushed total loan balances to \$212,713,919 at year end. Share growth retreated slightly for the year in dropping \$1,163,185 as some pandemic related deposits started to drain off. However, total shares still reported in at \$293,488,697.

Overall, I am pleased with the financial performance delivered by our Team Members in 2022 and look forward to continued success in 2023. Across our six-branch footprint, we remain committed to enriching the lives of our members and the communities in which they live and work. To this end, we are challenging our team to continue to enhance and improve the delivery of financial products and services to our members. Our Team Members take great pride in meeting and exceeding the needs of our membership, and look forward to what the future holds for our credit union.

In closing, I would like to acknowledge the hard work and dedication of our Board of Directors as well as our Supervisory Committee. Our success to date would not be possible without their contribution to our cause. Most of all, I want to thank the loyal membership base we have across the communities we serve, as without you, our members, we would not be here. To this end, please know that we will continue to strive to make your credit union the best that it can be!

Sincerely,  
Kipp Raboin



**Kipp Raboin**

*President/Chief Executive Officer*





# Supervisory Report

The Supervisory Committee is comprised of volunteers who regularly audit all facets of the credit union including financial management, administrative, and operational practices. They rely on unbiased third parties, including Doeren Mayhew and the National Credit Union Administration (NCUA), in addition to our Internal Auditor to evaluate these areas and keep your financial safety and security at the forefront of what TruStar does.

During 2022, the committee engaged in a number of audits and assessments and is pleased to announce these yielded no significant deficiencies. Rest assured knowing your credit union is committed to operating with sound financial, operational, and security practices.



# Balance Sheet

## COMPARATIVE STATEMENTS OF INCOME AND EXPENSE (UNAUDITED) FOR THE YEARS ENDED DECEMBER 31, 2021 and 2022

### FINANCIALS

#### TruStar Federal Credit Union

Post Closing Statements of Financial Condition (unaudited)  
At December 31, 2021 and 2022

Federally Insured by NCUA

	<u>2021</u>		<u>2022</u>	
<b>ASSETS</b>				
LOANS TO MEMBERS	189,572,895	***	212,713,919	***
ALLOWANCE FOR LOAN LOSS	(2,959,098)		(3,012,369)	
RECEIVABLES	32,677		37,501	
CASH ON HAND AND WITH THE FEDERAL RESERVE BANK	95,518,643		74,673,275	
INVESTMENTS	42,722,617		41,015,045	
PREPAID EXPENSES & DEFERRED CHARGES	293,861		297,437	
FIXED ASSETS	10,963,029		11,131,218	
ACCRUED INCOME	611,182		820,640	
CAPITAL INVESTMENTS	379,528		411,928	
OTHER ASSETS	4,698,188		4,979,647	
<b>TOTAL ASSETS</b>	<b>341,833,522</b>		<b>343,068,241</b>	
<b>LIABILITIES AND EQUITY</b>				
ACCOUNTS PAYABLE	2,604,773		3,279,031	
SHORT-TERM NOTES PAYABLE	-		-	
DIVIDENDS PAYABLE	31,000		30,370	
ACCRUED EXPENSES	79,757		78,426	
OTHER LIABILITIES	1,112,449		539,407	
<b>TOTAL LIABILITIES</b>	<b>3,827,979</b>		<b>3,927,234</b>	
<b>MEMBER EQUITY</b>				
REGULAR SHARES	110,801,196		116,778,147	
SHARE DRAFTS	50,837,757		54,769,958	
OTHER SHARES	11,211,694		10,817,255	
I.R.A.'s	12,759,062		12,195,505	
SHARE CERTIFICATES	34,471,570		27,914,654	
MONEY MARKET SHARES/DRAFTS	46,992,691		41,176,964	
COMMERCIAL CHECKING	27,577,912		29,836,214	
<b>TOTAL MEMBER EQUITY</b>	<b>294,651,882</b>		<b>293,488,697</b>	
<b>RESERVES AND UNDIVIDED EARNINGS</b>				
REGULAR & LEGAL RESERVES	2,171,247		-	
UNDIVIDED EARNINGS	41,182,414		45,760,465	
OTHER COMPREHENSIVE INCOME	-		(108,155)	
<b>TOTAL CAPITAL</b>	<b>43,353,661</b>		<b>45,652,310</b>	
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>341,833,522</b>		<b>343,068,241</b>	
<b>TOTAL MEMBERSHIP</b>	<b>17405</b>		<b>17908</b>	

\*\*\* \$ 19,557,628 in member mortgages have been pledged as collateral on short & long-term notes at 12/31/22.

# Income Statement

## POST CLOSING STATEMENTS OF FINANCIAL CONDITION (UNAUDITED) AT DECEMBER 31, 2021 and 2022

### FINANCIALS

#### TruStar Federal Credit Union

Comparative Statements of Income and Expense (unaudited)  
For the Years Ended December 31, 2021 and 2022

Federally Insured by NCUA

INCOME	2021	2022
INCOME FROM LOANS	9,408,861	9,843,562
INCOME FROM INVESTMENTS	318,382	1,652,854
OTHER INCOME	5,711,621	4,636,218
<b>TOTAL INCOME</b>	<b>15,438,864</b>	<b>16,132,634</b>
<b>COST OF FUNDS</b>		
DIVIDENDS ON ACCOUNTS	488,625	713,089
COST OF BORROWINGS	14,466	251
<b>TOTAL COST OF FUNDS</b>	<b>503,091</b>	<b>713,340</b>
<b>EXPENSES</b>		
SALARIES AND BENEFITS	7,526,792	7,719,716
TRAVEL AND CONFERENCES	62,915	138,417
ASSOCIATION DUES	15,285	23,282
OFFICE OCCUPANCY	898,346	967,122
OFFICE OPERATIONS	2,261,468	2,271,221
EDUCATIONAL AND PROMOTIONAL	168,311	204,992
LOAN SERVICING	79,904	88,437
PROFESSIONAL AND OUTSIDE SERVICES	363,203	648,259
PROVISION FOR LOAN LOSS	103,360	110,000
MISCELLANEOUS EXPENSES	742,371	794,465
<b>TOTAL OPERATING EXPENSES</b>	<b>12,221,955</b>	<b>12,965,911</b>
<b>OPERATING INCOME</b>	<b>2,713,818</b>	<b>2,453,383</b>
<b>NON-OPERATING INCOME (EXPENSE)</b>		
GAIN (LOSS) ON INVESTMENTS	214	-
UNREALIZED GAIN (LOSS) ON AFS INVESTMENTS	(24,198)	(66,063)
GAIN (LOSS) ON DISPOSITION OF ASSETS	(12,462)	19,485
<b>TOTAL NON-OPERATING INCOME</b>	<b>(36,446)</b>	<b>(46,578)</b>
<b>NET INCOME</b>	<b>2,677,372</b>	<b>2,406,805</b>



# Senior Management



## Kipp Raboin

### *President & Chief Executive Officer*

Kipp has over 35 years of experience working in the banking and credit union industry, with his last 17 years at TruStar Federal Credit Union. He earned his Bachelor of Arts in Business Administration in 1987 from Augsburg College in Minneapolis MN. His experience, and extensive list of education, certifications, and training has guided him to become the leader he is today. As the Chief Executive Officer, Kipp is dedicated to providing TruStar with strategic direction, vision, leadership and management across all six locations. He is an honest leader with a depth of experience in lending to small businesses, non-profits, and large corporations. Kipp currently serves locally on the Rainy Lake Medical Center Foundation board and has been a member of many community organizations in Northern Minnesota over the years.



## Kim Wimmer

### *Executive Vice President & General Counsel*

Kim has been with TruStar for 8 years. She started as the General Counsel, handling general legal matters for the credit union, along with working in various departments including: Human Resources, Collections, and Training Departments. Kim became the EVP/General Counsel in May of 2021. Currently she works directly with the President/CEO to assist in overseeing all areas of the credit union. Kim is an active community member and volunteers for many different entities. Her calm, positive outlook is an asset to the senior management team and she is a go-to for advice, big or small, she is always willing to help. Kim is a graduate of Littlefork-Big Falls High School. She received her degree in Accounting from Gustavus Adolphus College, along with a minor in Communication Studies, and a Juris Doctorate from the University of Minnesota Law School. Kim is a NAFCU Certified Compliance Officer, and has attended beneficial courses specific to credit unions such as The School of Applied Strategic Management and the CEO Institute. She is currently on the Littlefork-Big Falls School Board, the Friends Against Abuse Board, and a team member on the Borderland Treatment Court.



## Gina Rasmussen

### *Chief Operations Officer*

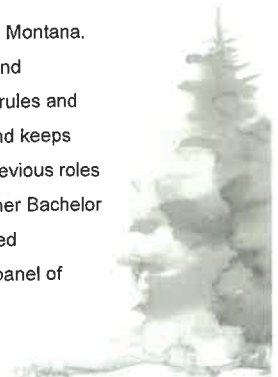
Gina loves to work! Her family comes first, but she has always been career-oriented and works hard to achieve her professional goals. Her strengths in planning, organizing, and process design have provided her with many opportunities to become a leader for TruStar. As the Chief Operations Officer, Gina leads the deposit operations and marketing efforts across TruStar's six locations and 17,000 plus members. As a member of the senior management team, she provides strategic insights for product offerings, member service, budgets, and the future direction. Gina is a NAFCU Certified Bank Secrecy Officer. She has spent her entire 25 year career at TruStar working in the operations area of the business, and it is something she is very passionate about.



## Stephanie Mathews

### *Senior Vice President of Compliance and Audit*

Steph is excited to be back "home" with TruStar after spending two years at a \$2 billion credit union in Montana. She has spent her entire professional career working with credit unions and brings 25 years of audit and compliance experience to TruStar. Her role is to make sure the credit union is in compliance with the rules and regulations of the credit union industry. Steph assists with questions, monitors regulatory changes, and keeps management and the board apprised of new and upcoming regulatory requirements. Some of her previous roles include, Internal Auditor, Risk Officer, and VP of Loan Operations & Risk Management. She earned her Bachelor of Accountancy, at the University of North Dakota and is a Certified Public Accountant, NAFCU Certified Compliance Officer, and NAFCU Certified Bank Secrecy Officer. Steph was recently invited to join a panel of speakers leading discussion on compliance topics at NAFCU's Regulatory Compliance Conference.



# Senior Management



## Ross Hamers

### *Chief Financial Officer*

Ross resides in International Falls with his wife and three young children. They lead active lifestyles and enjoy spending their time outdoors embracing all four seasons. He has worked at TruStar for 11 years in the Accounting Department, and during this time he has been involved with many large projects or enhancements for the credit union. Ross began his career as an Accounting Officer, he has held many titles during his advancement within the department, including, Accounting Manager, AVP of Accounting, and VP of Accounting. His knowledge and years of experience in accounting will benefit the senior management team. Ross is focused on process improvement through the use of technology. He strives to provide the best financial reporting and forecasting for the credit union in the future to make the best decisions to serve our members. Ross received his Bachelor of Science in Accounting and Minor in Mathematics from Bemidji State University.



## Aleisha Taylor

### *Senior Vice President of Business Services*

Aleisha was born and raised in International Falls. She has worked for TruStar for 19 years in a number of different positions including teller, member service, loan clerk and the service center. Aleisha helped establish the commercial department and has been working within that department ever since. She has assisted developing, and oversees the Analytics Department. This department was recently established to assist senior management in leading change and innovation by providing strategic insights into existing activities, forecasting future trends, and recommending efficiency improvements. With Aleisha's extensive experience in the commercial department she is able to assist in all areas as needed, member service, loan processing, credit analyst, and lending. Aleisha is also part of the IT Steering Committee.



## Krystina Meyers

### *Senior Vice President of Human Resources*

Krystina grew up in International Falls and after graduating from Bemidji State University with a Bachelor's Degree in Business Administration, she lived for a short while in Stockholm, Sweden. Upon returning home she continued her career handling the financials and payroll for her dad and uncle in their family owned business K&K Meyers Inc. and later for Kantor Electric before accepting the opportunity at TruStar. Her position in Human Resources and knowledge within the field has prepared her to bring insight that will help in making decisions as TruStar grows into the future. She is a great listener, problem solver, and a team player. She brings a voice to senior management that is not department specific, nor location specific. Krystina has climbed the ladder in the Human Resources department for the last 10 years. She started as an Assistant, then was promoted to Specialist, AVP, VP, and to her current role as Senior Vice President (SVP) of Human Resources. Some of Krystina's responsibilities include recruitment and staffing, employee relations, benefit and salary administration, employee orientation, and regulatory personnel compliance. She is also a member of the Society of Human Resources Management (SHRM).



# Board of Directors



## Mike Lemieux

### *Board Chair*

Previously served on the Supervisory Committee. Member of TruStar since 1994.

Mike grew up in Int'l Falls. He is active in community efforts with providing time and support for the Int'l Falls community initiatives. For the past 29 years Mike has been an account manager that supports a Global Fortune 500 Company in which he oversees the company account. He is responsible for 49 million in annual sales with multiple products and skus in the medical, automotive, and health care divisions, along with consumer business. A vast knowledge of the TruStar inner workings comes from his time served on the Supervisory Committee and the Board of Directors. Mike and the Board team are very proactive and supportive of one another, and the history of collaborating on projects has helped excel TruStar from Peer. Mike was previously a 10 year board member for Koochiching County Planning and Zoning Commission. He is currently Chair of the Board of Adjustment Committee for Koochiching County Environmental Services.



## Barb Johnson

### *Vice Chair*

Previously served on the Supervisory Committee. Member of TruStar since 1979.

Barb grew up in Int'l Falls and is a graduate of Falls High School. She received her Bachelor of Arts degree in Business Administration from Bemidji State University. She has been a board member since 2001, and a supervisory committee member prior to that. Barb worked in the Int'l Falls paper mill for 34 years, mostly in the Human Resources department, which makes her a great asset to the board, bringing this knowledge and experience. Barb is partially retired, and currently works for the local school district in the business office. To highlight her understanding of the technical and operational aspects of the HR department, Barb has a PHR certification in Human Resources.



## Tom Clarity

### *Board Secretary*

Current Board of Directors member of TruInsure.

Previously served on the Supervisory Committee. Member of TruStar since 1987.

Tom is a lifelong resident of International Falls. He is married with six children, and two grandchildren. He has a strong understanding of business financial information, as well as banking processes. The leadership skills honed over the years of experience on boards and as a manager in a large manufacturing facility make him a great resource for TruStar. Tom's career as an accountant in a large manufacturing facility has had him wearing a number of hats for 35 years, he has spent the last 25 years as the Financial Manager. He is a prior leadership team member and financial officer of the Evangelical Covenant Church. Tom has a BS in Accounting and Minor in Data Processing. He also holds CPA and CMA certifications.



## Alton Shannon

### *Director*

Member of TruStar since 2003.

Al is a Falls High School alumnus and a lifelong area resident. His previous board experience on two state contractors' associations, a bank board, plus experience in management of three businesses gives him a seasoned perspective on several issues of importance to TruStar. He has a solid knowledge of business and the ability to think strategically. Al has been privileged to have worked in the mechanical contracting field in northern Minnesota for about fifty years. During that period, he has enjoyed working with a lot of good people and learned about the needs, goals, and desires of our community. Participation on the TruStar board is a continuation of that process and Al is hopeful he can contribute in some measure to its success. Al has spent many years on other boards, including five terms on the board of SMARCA (Sheet Metal Air-conditioning and Roofing Contractors' Association of MN, ND, and SD), two terms president of the association, and two terms on the board of MPHCC (MN Plumbing and Heating Contractors' Association), and fourteen years as a board member of 1st National Bank/Wells Fargo Bank of International Falls.



# Board of Directors



## Bill Corrin

### *Director*

Member of TruStar since 1982.

Bill has served on the TruStar Board of Directors since 2013. He was born and raised in International Falls. Bill retired in 2019 after owning Corrin's Plumbing, Heating, and Air Conditioning, Inc., for 34 years. He raised his family the same way he grew up, in a family owned business that had been around for 110 years. He knows firsthand the struggles and successes small businesses face in Minnesota and has seen many changes in the community over the last 50 years, both in business and banking. Bill's business experience and dedication to quality service is a strength for the board. He is proud to be part of TruStar Federal Credit Union and proud of all the positive progress it has made here and in the communities we serve.



## Kristen Wold

### *Director*

Previously served on the Supervisory Committee. Member of TruStar since 1995.

Kristen has been an International Falls resident for 27 years and raised her two daughters here. She enjoys spending time with her family, being outdoors, and volunteering. Kristen has management experience and is an experienced Accountant, which makes her a great resource for the board's financial decisions. She is currently employed as the General Manager of the MD&W Railway. She is responsible for the daily operations of the railroad in Int'l Falls, managing 1,700 boxcars, serving various locations, and ensuring safety compliance, and reporting. In her previous role she was responsible for the financial reporting, capital projects, compliance reporting, inventory, and budgets. Kristen has served on a number of boards within the community. She is active in volunteer efforts throughout the community.



## Dave Stewart

### *Director*

Member of TruStar since 2017.

Dave resides on Rainy Lake in Int'l Falls and is married with one daughter. He is an active member in the Int'l Falls community and a recently retired business owner. He ran his family business for over 35 years and sold it in February 2020. As a third generation owner, he learned the skills of running a local business and the attributes of giving back to the community. As a newer member of our board, his business experience and knowledge have been welcomed resources to our strong and devoted board. Dave earned his Bachelor of Science degree in Business Administration from Western Michigan University in 1984. His previous board experience includes: Wells Fargo Community Board Member from 1996-2000, and Bremer Bank Community Board Member from 2010-2015.



# Supervisory Committee



## Stacy Grover

### *Supervisory Committee Chair*

Member of TruStar since 2009

Stacy was born and raised in Int'l Falls and her husband was born and raised in Park Rapids, MN. They have two children, one in grade school, and one that will be graduating college in May 2023. They spend their time with their two dogs at the summer cabins, fishing, and boating, and at the family hunting shack in Park Rapids in the fall. Stacy is a great asset to the Supervisory Committee as she brings years of experience working in a public entity in the areas of accounting, audits, government financial compliance, and internal control compliance. This exposure has provided her with a base fiscal compliance understanding while working with the internal auditor and credit union. Stacy has 18 years of experience as Business Manager in public school with major responsibility for both state and federal fiscal compliance, accounting, internal controls, payroll and budgeting. She was previously a committee member for 4 years on the Department of Education's Financial Management, Accounting, and Reporting Advisory Committee. She is also a current member of the Department of Education's GASB Finance Committee. Stacy has her Bachelor of Science degree in Financial and Computer Informational Systems from Bemidji State University.



## Melissa Marcotte

### *Supervisory Committee Member*

Member of TruStar since 2003

Melissa was born and raised in Int'l Falls and has been back for 20 years. She is married with two children and both will be graduating from college in May 2023. As a family, they enjoy the outdoors together on Rainy Lake and Lake of the Woods. She has over 17 years of experience in healthcare finance with responsibility for financial statement preparation and analysis, strategic planning and annual budgeting, IRS tax filings and compliance, and Medicare Cost Reports. Her experience with financial statements, accounting procedures, operational audits, and internal control assessments help her to better understand the operations of the credit union. Melissa has served on both the Council and Endowment Committee for First Lutheran Church, as well as doing the treasury work for the Rec Hockey Association. She received her Bachelor's degree in Accounting from Bemidji State University, a Masters Certificate in Health Informatics from St. Scholastica, and she is also a Certified Healthcare Finance Professional through HFMA, and holds an inactive CPA certificate.



## David Skwarok

### *Supervisory Committee Member*

Member of TruStar since 1980.

Dave is retired and an active member of the community, including his role as Vice President of the Polar Polers Ski Club. He was solicited to become a part of the Supervisory Committee based on a large part of his vocational service as an Information Technology Director. His contributions grew out of a more direct knowledge of computers, networks, and cyber related audits. Dave taught computer programming and applications for the International Falls School District and Rainy River Community College for 15 years, followed by IT Director/Network Administrator for 18 years. His decades of experience supporting computers, users, and networking bring a working perspective, and strength to our cyber security audits and technology discussions.





*It's not just in our name. It's the confidence our members have in knowing we are here to help them navigate their financial journey together.*





*Your membership is appreciated.  
TruStar Federal Credit Union will continue to  
focus on enriching the lives of our members and the  
communities in which they live and work.  
It's at the center of everything we do!*

