

20
23



Annual Meeting



TruNorthern
FEDERAL CREDIT UNION

Meeting Agenda

August 29th, 2023

- **CALL TO ORDER**
(CURT LYON, BOARD PRESIDENT)
- **REPORT FROM THE BOARD OF DIRECTORS**
(CURT LYON, BOARD PRESIDENT)
- **REPORT FROM THE SUPERVISORY COMMITTEE**
(KURT TRAUTMANN, COMMITTEE CHAIR)
- **REPORT FROM THE NOMINATING COMMITTEE**
(JANE BOYEA, BOARD VICE PRESIDENT)
- **ELECTION OF DIRECTORS**
- **BUSINESS FROM THE MEMBERSHIP**
- **ADJOURNMENT**

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Report from the Board

Good evening and Welcome to the 51st Annual Meeting for TruNorthern Federal Credit Union.

I am proud to say that our Credit Union, the Community Hometown Credit Union that all of us are a part of continues to be owned and governed by its more than 5,300 Members. We've grown from a simple "Lending Desk" that we all walk by to more than a million dollars in closed loans every month.

Our Credit Union Board is comprised of Board Member Francis Johnson, Board Member Carol Rhodes, Board Member Dick LaVigne, Board Secretary Michael Lamitie, Board Treasurer Wendell Denny, Board Vice President Jane Boyea, and myself, as the Board President. We are volunteers who meet at least monthly and work to maintain regulatory compliance, policy development, exercise sound financial practices, and collaborate with Senior Management to ensure a smooth operation and adherence to our strategic plan.

The Board of Directors continuously keeps this in mind when making key decisions for the Credit Union in areas such as strategic planning, Credit Union policy, Products, Services, and Interest Rates to name a few. I would like to extend a sincere thank you to our Board of Directors.

The Supervisory Committee Members are comprised of 5 Members, Paul Koehler, Andrew McKee, Roger Miller, Suzanne Hughes, and our Committee Chair Kurt Trautmann... Each Member is appointed by the Board of Directors for three-year terms... The Committee meets monthly to oversee and verify credit union records, monitor financial controls, address complaints, work with internal auditing staff, external auditing firms, NCUA and Management. On behalf of the Board of Directors I would like to extend our appreciation for the time and work all of you put forth to ensure the strength and direction of our ever-growing Hometown Credit Union.

Alright, so has everyone received a copy of the Annual Meeting Packet along with our Annual Financial Report? As you can see by our financials found in the packets, our credit union had another successful and record setting year in 2022.

Despite the turbulent year brought on by post pandemic inflation, market volatility, and repeated Fed interest rate hikes we were able to provide better rates on deposit and loans and better service than other local financial institutions... I'd like to take a moment to highlight some of our notable successes from 2022.

Products that meet the needs of our membership are always a focus of the Board and Management as we look to be more diversified in the marketplace. In 2022, we added some of the most sought-after products in banking, Commercial Lending! Our suite of commercial lending products accounted for nearly 500K in new loans in the first six months! Offering Commercial lending to our members will be very beneficial for years to come.

Various CD specials were offered throughout 2022 that brought in and/or impacted over \$2 Million Dollars of our Members savings.

Various Loan specials accounted for more than \$4.7 Million Dollars in interest savings loans, to our members.

A key decision was made in 2022... The decision to move forward with the Credit Unions next phase of future growth and expand out footprint by opening a second location in Brushton...

Another notable for 2022 is that we expanded our staff by nearly 20% and the decision was made to expand our employee benefit package to include vision and dental insurance with several taking advantage of that new perk.

Report from the Board

The Credit Union has stepped it up yet again in 2022 with sponsorships and donations... Surpassing amounts of any year prior... with just over \$42,000 in donations to local nonprofit organizations. 31% of which went to support education, 21% towards veterans, and another 11% towards youth enrichment to name a few.

As you look at our financials, you'll find some impressive figures... Some of the highlights include the following:

- Our Net worth stood at a steady 12.98%, well above our peer average of 11.62%.
- Our Return on Assets stood at a notable .88%, well above our peer average of .63%.
- We had loan growth of 11.36%, Share growth of 2.04%, and Net Worth growth of 7.26%

All of which are leading indicators not only of our current financial health... But a testament to our team's commitment, conservative budgeting, and extensive planning. Something we can all be proud of!

Before I wrap up my portion of today's meeting, I would like to take a moment and give recognition to a valued board member who is a huge part of the TruNorthern governing body. Fran Johnson has made the decision to step down from his seat on the board and I want to thank him personally and professionally for selflessly giving his time and expertise. Fran brought years of experience from his career in banking. He has always been committed to this credit union and has always acted in the best interest of its members. In a time when it is difficult to get knowledgeable, dedicated volunteers, we were so fortunate to have Fran as part of our team. I have the utmost respect for Fran Johnson, I have learned from him, and I am proud to call him a colleague and a friend. Wishing you nothing but happiness going forward Fran and on behalf of the TruNorthern board, employees, management and all the members...thank you.

On behalf of the Board of Directors, I would like to recognize all our employees. The Credit Union is fortunate and thankful to have such a diverse, and experienced group of professionals. The Board of Directors would like to thank all of you for your dedication and hard work, each and every day. Without you, we would not be the Hometown Credit Union our community and Members have come to know and appreciate.



Board President
Curt Lyon

Report from the Supervisory Committee

The Supervisory Committee is a group of volunteer members who act as “watchdogs” of the credit union. The role of the Committee is to conduct oversight of the Credit Union on behalf of the membership. Our job is to ask the tough questions and follow up on findings with management to ensure that remediation takes place.

Specific duties of the Supervisory Committee include:

- To ensure that the Board of Directors is safeguarding assets, and that management complies with the Board’s policies and plans;
- To review internal controls, including verification of cash handling, vault, and ATMs;
- To arrange quarterly and annual audits of operations and regulatory compliance, performed by an independent auditor;
- To conduct a verification of member accounts every 2 years;
- To review examination and audit findings and follow up to ensure that management takes the necessary corrective action. The action taken must be adequate to correct the findings;
- To meet with the federal examiner as the Committee or the examiner may request;
- To research member complaints;
- To report to members at the annual meetings as stipulated in Article V of the standard by-laws.

As noted above, the Committee contracts for the services of an external auditor, Frank Pidgeon and Associates, to perform quarterly reviews and an annual audit, in accordance with Federal NCUA Supervisory Committee regulations.

In addition to these audits, the National Credit Union Administration (NCUA) also conducts an examination of our Credit Union annually. The Supervisory Committee reviews these audits as well, and oversees any corrective actions.

The Supervisory Committee has worked diligently over the past year to fulfill these duties on behalf of all the members of the Credit Union, and we welcome your comments and feedback. Members may also bring any concerns about any aspect of the credit union’s operations to the Supervisory Committee. To facilitate this communication, the Committee maintains a post office box, Box 152, Malone, NY 12953, as well as a dedicated e-mail address, SC@trunorthernfcu.org.



The Committee would also like to express our gratitude to Arlene Howard, who served on the Committee for almost 20 years. Arlene retired from the Committee in January, and passed away in June. We will miss her insight, wisdom, and dedication.



Committee Chair

— **Kurt Trautmann**

Board of Directors

CURT LYON
JANE BOYEA
WENDELL DENNY
MICHAEL LAMITIE
CAROL RHODES
FRANCIS JOHNSTON
DICK LAVIGNE

PRESIDENT
VICE PRESIDENT
TREASURER
SECRETARY
BOARD MEMBER
BOARD MEMBER
BOARD MEMBER

20
23



Vision

It is the vision of TruNorthern Federal Credit Union to strive to be the most admired, collaborative, insightful, and preferred financial institution in the markets we serve.

Supervisory Committee

KURT TRAUTMANN
SUZANNE HUGHES
ROGER MILLER
ANDREW MCKEE
PAUL KOEHLER

CHAIR
MEMBER
MEMBER
MEMBER
MEMBER

Staff

DARIN CHILDS
AMY GONYO
LYNN GADWAY
LISA MALLETTE
CHANTAL DAVENPORT
CHARLENE BOMBARD
ALYSSA BUSH
KATIE SECORE
GERI VANIER
BREANNA DESHANE
JAYNE TRACY
KEIRSTEN DABIEW
JULIE SPINNER
SHERRI FLEURY
TRACI MANEELY
AMIYA BARNEY-AIKEN
BUFFY COOK
CARRIE PHILIPS
KIERSTEN LECLERC
MADISON ST. MARY
NICHOLAS LAROCQUE
TAYLOR OAKES
THOMAS JIGUERE

CHIEF EXECUTIVE OFFICER
VICE PRESIDENT OF OPERATIONS
ACCOUNTING SUPERVISOR
ACCOUNTING SPECIALIST
LENDING MANAGER
SENIOR LOAN OFFICER
LOAN OFFICER
LOAN OFFICER
LOAN CLERK
SOLUTIONS SPECIALIST
MARKETING SUPERVISOR
MARKETING SPECIALIST
MALONE BRANCH MANAGER
BRUSHTON BRANCH MANAGER
MEMBER SERVICE SPECIALIST
MEMBER SERVICE REPRESENTATIVE
MEMBER SERVICE REPRESENTATIVE
MEMBER SERVICE REPRESENTATIVE
MEMBER SERVICE REPRESENTATIVE
MEMBER SERVICE REPRESENTATIVE
MEMBER SERVICE REPRESENTATIVE
CUSTODIAN

TruValues

Excellence

In our leadership, work, and service

Passion

Having pride, enthusiasm and dedication in all we do

Innovation

Creating new and better solutions

Collaborative

We are better together

Our History

On July 12, 1972, seven educators created a “collaborative effort of the five area schools served by the North Franklin BOCES to provide a savings plan for all employees.” This effort became North Franklin Teachers’ Federal Credit Union with the vision of ‘Not for profit, not for charity, but for service.’ Initially, one needed to be a school employee or family member of a school employee to become a member.

In 1976, we were awarded the Thirst Honor Award from the National Credit Union Association (NCUA) for our success in stimulating savings among small savers.

We expanded our Charter in 1983 to allow a more diverse Membership and became North Franklin Federal Credit Union. That same year we established our first stand-alone office on Washington Street in Malone, NY and hired our first paid employee as the Manager/Treasurer of the Credit Union.

Two years later, we hired our first Teller as we reached one million in assets. Our Membership grew to 1,000 in 1986 and we hired our second teller to better assist our growing Membership. In 1988, we temporarily moved across the street to the Post Office to construct a larger space for our growing Membership.

In 1989, we hired our first Loan Officer to provide superior service to our members. The next year we moved into our completed office to 8 Washington Street in Malone. With our Membership continuing to grow, we purchased the adjacent property on Main Street to construct a larger home base.

In 2000, we finished construction on the larger building. Twenty years later, we broke ground to expand our building and became one of the leading credit unions of our asset size. In conjunction with this feat, we expanded our charter to allow more North Country residents to join our financial family.

In 2021, we became TruNorthern to reflect our dedication to the northernmost counties in New York. Two years later, we opened a second branch in Brushton, NY, to support the original mission of the credit union movement of serving underserved communities.

From our beginning in 1972, we have been driven to provide financial services at the best economic rates and in the most convenient manner for our members. It has been our mission to deliver quality service by providing support through a variety of products and services while remaining fiscally responsible and supportive of our local, hometown communities.

TruNorthern Federal Credit Union serves 5,200+ members with assets over \$85 million and is open to those who live, work, worship, or attend school in St. Lawrence, Franklin, Clinton, and Essex counties in Northern New York State.

Membership

We are member - owned and operated. This means that:

- We measure our success through member satisfaction, not profits.
- Profits are returned to members through better rates and fewer fees.
- We are deeply invested in the communities we serve.
- We are transparent about our finances, posting them every month in the lobby.
- We ended 2021 with 5,211 members. We ended 2022 with having 5,202 members.



People Helping People

Throughout 2022, TruNorthern interacted with a variety of amazing, local organizations to best support our community. The result of this effort was \$42,239.00 being given to different local nonprofit organizations.

TruNorthern celebrates all we can do to help our communities grow. It's our promise to invest in the communities that have supported us for the last fifty-one years. As a credit union, giving back is what we do.

TruNorthern returned to its scholarly roots by donating \$14,850.00 to local educational outlets. This includes donating 50 backpacks stuffed with school supplies to Salmon River, Malone Central, Brushton, and Chateaugay schools.

To ensure that we are supporting our community in the most benevolent way possible, we have also been supportive of causes benefitting veteran services, community services, youth enrichment, food stability, and to our furry friends.

TruNorthern is committed to our members and the communities within our charter. It has been, and will continue to be, a pleasure to support various organizations as well as the people in our community!

31%
of the funds
went to support
education.

21%
of the funds went to
support **Veteran
services.**

16%
of the funds went to
support **Community
Services.**

12%
of the funds went to
support **local SPCAs.**

11%
of the funds went to
support **youth
enrichment.**

9%
of the funds went to
support **local food
pantries.**

31%

Supporting Education

In 2022, thirty-one percent of donations made by TruNorthern Federal Credit Union were used to profit local education programs and scholarship funds.

TruNorthern supports local education with the Anne Anderson Memorial Scholarship, a scholarship created in honor of its founder, a retired Brushton-Moira schoolteacher. The program gives ten graduating seniors who hold membership with the credit union \$1000.00 in scholarship money each year.

Contributions were additionally made to the Brooke Lyon Memorial Scholarship fund in her memory. The scholarship fund awards two graduating seniors, one from Brushton-Moira CSD and the other from Malone BOCES Health Occupations Program, with college scholarships.

21%

Veteran Services

Twenty-one percent of donations made in 2022 went towards supporting local veteran services. TruNorthern makes yearly contributions to organizations that provide services for mental health support and advocacy for veterans living in our communities. One such organization is Americans Supporting Armed Services. This nonprofit is based out of Potsdam, NY, and provides multiple layers of support for veterans in all stages of decline. One of the main support pillars that ASAS focuses on is providing support, advocacy, and coordinating treatment for veterans that have suffered from burn pit exposure. When soldiers are stationed overseas, military burn pits are a common practice used to dispose waste materials on bases, which cause hazardous smoke to fill the air, thus affecting the health of the servicemen and women who are subjected to these fumes. North Country Honor Flight is a 501(c)(3) that celebrates American veterans by inviting them to share in a day of honor at our nation's memorials. Our local hub, North Country Honor Flight, is based out of Clinton County and serves veterans in northern New York and Vermont. North Country Honor Flight sends veterans to Washington DC with a dedicated guardian so they can experience the memorials that were raised in dedication to their service overseas. NCHF sends a motorcycle brigade to escort veterans from their homes to Plattsburgh, where they will stay the night in a hotel charge-free so they can be ready for their flight the next morning. This experience is often quoted to be "the best day of (that veteran's) life."

TruNorthern is proud to be a supporter of this nonprofit, as it enriches the lives of our servicemen and women and provides an unforgettable experience for their service.



Day of Giving

Giving Tuesday falls on the Tuesday after Thanksgiving in the United States and is a global generosity movement that unleashes the power of people and organizations to transform their communities and the world. The idea behind Giving Tuesday is to encourage people to do good - and your hometown credit union participated in #GivingTuesday on November 29th to give back to our local communities. Keeping rising gas prices in mind, TruNorthern gave out fifty \$25 gas cards at random to community members. In TruNorthern spirit, staff, and volunteers alike distributed donations all throughout Franklin County - stretching from Lake Placid to Fort Covington!

Santa at TNFCU

Ho! Ho! Ho! Not every child (or dog) can see Santa during the holiday season, so your hometown credit union flew him down from the North Pole on the last day of school to allow young families to tell Santa what they would like for being good that year. Families were able to have their photos taken with Santa. Each child and parent walked away with a piece of swag and a holiday activity bag to entertain the littles during their holiday break. Our friends from B.99 were on-site advertising that Santa was at TruNorthern and also was having a massive prize wheel giveaway at the event.

Community Appreciation Day

We celebrated our fiftieth birthday in 2022 and wanted to invite the entire community to celebrate with us! We hosted our second Community Appreciation Day on Tuesday, July 26th, and treated eventgoers to free ice cream from Bokie's Drive In and barbeque from Lightning Lardy's BBQ. There were games, a silent auction, and local vendors at the event, as well as a bounce house for the littles!

TruNorthern staff and volunteers had a blast interacting with members of the community. Wild Country.FM was on-site providing live broadcasts. In total, TruNorthern provided free lunch and dessert for 300 of our community members.



New Products

With our ever-growing membership, TruNorthern has evolved to best meet our membership's borrowing needs. As a result, we provided seven specials in 2022 to meet both lending and savings requests of our members.

Specials started in April with our Recreational Refinancing Loan Special, where we were able to save members 1% annual percentage rate* of interest on their loan by switching their recreational loan over to their hometown credit union. This special proved to be our most popular of the year and resulted in \$2,732,062.26 in funding for our members.

Kicking off the summer season, TruNorthern brought back our annual Summer Auto Loan Special to ensure our membership has reliable transportation to navigate the north country backroads in all seasons. With this returning special, your hometown credit union funded \$1,845,170.31 for our membership.

When the leaves started turning and families started gearing up to go back to school, we were able to support local families by providing a Back-to-School Loan Special to ensure students had ample school supplies.

In September, TruNorthern noticed that the federal government was raising interest rates... so we offered three certificates of deposit specials (CD's) to provide an opportunity for our membership to score a great return on their investment. TruNorthern offered three separate CD specials from September to December in 2022, starting with a 21-month deposit special with a 2.5% APR* (this special ran from September 1st to October 31st). Upon receiving feedback from our members on the 21-month CD special, we tweaked the rates and terms and provided two new specials.

Santa comes but once a year... but TruNorthern members know that we provide our annual Holiday Loan Special to ensure everyone has a happy holiday season. TruNorthern's lending portfolio grew to \$147,622.07 from November 1st to December 31st... resulting in plenty of north country families experiencing a festive holiday season.

Lending Special	Dollar Amount Closed	Time Run
Commercial Loan Special	\$431,774.00	N/A
Refi Loan Special	\$2,732,062.26	April 1 - May 31
Summer Auto Loan Special	\$1,845,170.31	June 1 - July 31
Back to School Special	\$2,500.00	August 1 - August 31
Holiday Loan Special	\$147,622.07	November 1 - December 31

Assets

CASH AND DEPOSITS

CASH ON HAND	595,731
CASH ON DEPOSIT	
CASH ON DEPOSIT IN CORPORATE CREDIT UNIONS	2,148,298
CASH ON DEPOSIT IN A FEDERAL RESERVE BANK	0
CASH ON DEPOSIT IN OTHER FINANCIAL INSTITUTIONS	323,806
TOTAL CASH ON DEPOSIT	2,472,104
TIME AND OTHER DEPOSITS	492,551
TOTAL CASH AND DEPOSITS	3,560,386

INVESTMENT SECURITIES

EQUITY SECURITIES	0
TRADING DEBT SECURITIES	0
AVAILABLE-FOR-SALE DEBT SECURITIES	33,336,804
HELD-TO-MATURITY DEBT SECURITIES	0
ALLOWANCE FOR CREDIT LOSSES ON INVESTMENT SECURITIES	0

TOTAL INVESTMENT SECURITIES

33,336,804

OTHER INVESTMENTS

NONPERPETUAL CONTRIBUTED CAPITAL	0
PERPETUAL CONTRIBUTED CAPITAL	62,663
ALL OTHER INVESTMENTS	153,000

TOTAL OTHER INVESTMENTS

215,663

LOANS HELD FOR SALE

0

LOANS AND LEASES

CONSUMER LOANS (NON-RESIDENTIAL, NON-COMMERCIAL)	29,894,893
1 TO 4 FAMILY RESIDENTIAL PROPERTY LOANS/LINES OF CREDIT	10,385,415
ALL OTHER (NON-COMMERCIAL) REAL ESTATE LOANS/LINES OF CREDIT	0
COMMERCIAL LOANS/LINES OF CREDIT REAL ESTATE SECURED	0
COMMERCIAL LOANS/LINES OF CREDIT NOT REAL ESTATE SECURED	411,829

TOTAL LOANS AND LEASES

40,692,137

(ALLOWANCE FOR LOAN & LEASE LOSSES OR ALLOWANCE FOR CREDIT LOSSES ON LOAN & LEASES)

-88,146

OTHER ASSETS

FORECLOSED AND REPOSSESSED ASSETS	0
LAND AND BUILDING	3,955,931
OTHER FIXED ASSETS	322,813
NCUA SHARE INSURANCE CAPITALIZATION DEPOSIT	734,014
ALL OTHER ASSETS	334,216

TOTAL OTHER ASSETS

5,346,974

TOTAL ASSETS

83,063,818

Liabilities, Shares, & Equity

LIABILITIES

ACCOUNTS PAYABLE, ACCRUED INTEREST ON BORROWINGS, & OTHER LIABILITIES	871,524
ACCRUED DIVIDENDS AND INTEREST PAYABLE	0
OTHER BORROWINGS	2,500,000
ALLOWANCE FOR CREDIT LOSSES ON OFF-BALANCE SHEET CREDIT EXPOSURES	0

SHARES AND DEPOSITS

SHARE DRAFTS	16,904,495
REGULAR SHARES	46,420,352
MONEY MARKET SHARES	96,235
SHARE CERTIFICATES	7,450,301
IRA/KEOGH ACCOUNTS	3,526,531
ALL OTHER SHARES	0
NON-MEMBER DEPOSITS	0

TOTAL SHARES AND DEPOSITS 74,397,914

TOTAL LIABILITIES 77,769,438

EQUITY

UNDIVIDED EARNINGS	10,783,508
ACCUMULATED UNREALIZED GAINS (LOSSES) ON AVAILABLE FOR SALE DEBT SECURITIES	-5,489,128

EQUITY TOTAL 5,294,380

TOTAL LIABILITIES, SHARES, & EQUITY 83,063,818

TOTAL NET WORTH 10,783,508

Income Statement

INTEREST INCOME YEAR-TO-DATE

INTEREST ON LOANS	2,038,083
LESS INTEREST REFUND	0
INCOME FROM INVESTMENTS	754,025

TOTAL INTEREST INCOME

2,792,108

INTEREST EXPENSE YEAR-TO-DATE

DIVIDENDS	123,624
INTEREST ON DEPOSITS	0
INTEREST ON BORROWED MONEY	13,132

TOTAL INTEREST EXPENSE

136,756

NET INTEREST INCOME

PROVISION FOR LOAN & LEASE LOSSES OR TOTAL CREDIT LOSS EXPENSE	36,824
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NON INTEREST INCOME YEAR-TO-DATE

FEE INCOME	229,568
OTHER INCOME	488,598
OTHER NON-INTEREST INCOME	900

TOTAL NON-INTEREST INCOME

719,066

NON INTEREST EXPENSE INCOME YEAR-TO-DATE

EMPLOYEE COMPENSATION & BENEFITS	1,205,412
TRAVEL, CONFERENCE EXPENSE	37,870
OFFICE OCCUPANCY	231,008
OFFICE OPERATION EXPENSE	376,231
EDUCATIONAL AND PROMOTION	89,690
LOAN SERVICING EXPENSE	153,451
PROFESSIONAL, OUTSIDE SERVICE	469,979
MEMBER INSURANCE	0
OPERATING FEES	13,816
MISCELLANEOUS NON-INTEREST EXPENSE	30,703

TOTAL NON-INTEREST EXPENSE

2,608,160

NET INCOME (LOSS)

729,434