



TRUSTONE<sup>™</sup>  
FINANCIAL

# 2016

ANNUAL REPORT





## A MESSAGE FROM THE CHAIRMAN

*"As the Chairman of TruStone Financial's Board of Directors, I am pleased to report that your credit union continues to be successful, financially strong and totally committed to serving you, its members."*

Success is measured in many ways. Last year, we welcomed 10,687 new members and increased assets by \$116,000,000 over the previous year, to an unprecedented \$1.16 billion. TruStone Financial continually strives to improve its business practices and add value through operational efficiencies and by offering products and services you desire. Since 1939, TruStone Financial has made business decisions with your best interest in mind to ensure your finances are safe and secure, and to help you meet your financial goals.

Less obvious in our success, but equally important, is our mission to provide financial education and support to help members enhance their lives and financial well-being. The credit union gives nearly \$100,000 every year to charities, organizations, classrooms and neighborhood groups. We believe in improving people's lives and this can be found through our work in the community, classrooms, at festivals and local home shows, to name just a few. Your Neighborhood Credit Union has been our motto and our commitment; we invest in the neighborhoods and communities we call home.

We'd like to welcome the members of First Credit Union, Southshore Credit Union and Kenosha Postal Employees Credit Union who joined us during 2016. TruStone Financial is honored that these three credit unions chose to merge with us, and their members are now eligible to take advantage of all the products we offer. And of course TruStone Financial's Oak Creek branch is a direct result of these mergers and offers an expanded branch opportunity for our Wisconsin members.

Speaking of branches, you most likely have noticed that we broadened our branch network during the year to a total of 13 locations. Keep an eye out for our newest branch to open this spring in Oakdale, Minnesota. Stop in when you are in the neighborhood and invite your friends, family members and coworkers who live or work nearby to consider TruStone Financial as their credit union, too.

As the complexity and size of our organization grows, so too does the number of employees who support it. TruStone Financial ended 2016 with 306 employees, all dedicated to providing you with a positive member experience. For the third year in a row, TruStone Financial was awarded Best Credit Union to Work For by CUJournal. This industry recognition, an honor given to just 40 credit unions across the United States, acknowledges our commitment to our employees and their desire to work here.

As a member and owner, you deserve our thanks for your continued support of the credit union. We value your trust and strive to earn it every day. On behalf of your Board of Directors, TruStone Financial management and staff, I want to extend my sincerest thanks for your business and your continued confidence in us.

**TOM ALAGNA, CPA, MBA**  
CHAIRMAN



# LETTER FROM THE CEO

*"From all of us here at TruStone Financial, thank you for another remarkable year."*

By the end of 2016, your neighborhood credit union surpassed \$1.16 billion in assets and 102,000 members. And while TruStone Financial maintains its status as one of the largest credit unions in the Midwest, our personalized service, neighborly demeanor and commitment to members is as strong as ever. I am honored to serve as your Chief Executive Officer. I am proud of TruStone Financial's impact on each member, the local community and the credit union movement.

While it seems that the financial industry gets more complex every year, it still comes down to taking deposits and making loans. In 2016, we took in more than \$3 billion in deposits and opened more than 6,800 checking accounts. You trusted us with your pay check, your children's savings account and your retirement funds. We put that money to work for you originating nearly 13,000 loans totaling \$590 million. Each of these loans has a story behind it, from the young couple purchasing their first home to the parents buying a car to send a young adult off to college, to the member who needs to consolidate debt to get back on track to financial freedom.

TruStone Financial prides itself on offering loans to our members that have competitive interest rates. But, we also realize that our members want convenient service and enhanced technology. To stay up-to-date with digital

trends, we developed MobilePAY, an on-the-go way to pay with your TruStone Financial credit or debit card directly from your device or smartphone. Along with this innovative application, the credit union completed several enhancements to the TruStone Financial credit card program to ensure the member experience is rewarding, simple and secure.

But we also understand that while one member may define convenience as state-of-the-art mobile banking, another member may define it as a branch which is close to home or work. This past year, the credit union opened two new Minnesota locations in Rogers and Northeast Minneapolis. We also invested in the exterior of our Roseville location to keep it in line with our current branch brand. TruStone Financial also merged with three Wisconsin based credit unions – First Credit Union (Oak Creek), Southshore Credit Union (Cudahy) and Kenosha Postal Employees Credit Union (Kenosha). Already in 2017, we've added a new branch on the east side of the Twin Cities located in Oakdale, Minnesota.

I am proud of the accomplishments which we enjoyed throughout the last year. I believe that we are well positioned for the future and look forward to another prosperous year for your neighborhood credit union.

A handwritten signature in blue ink, appearing to read 'Tim Bosiacki'. The signature is fluid and cursive, with a large loop at the end.

**TIM BOSIACKI**  
CHIEF EXECUTIVE OFFICER

**NORTHEAST MINNEAPOLIS**  
527 CENTRAL AVENUE NE

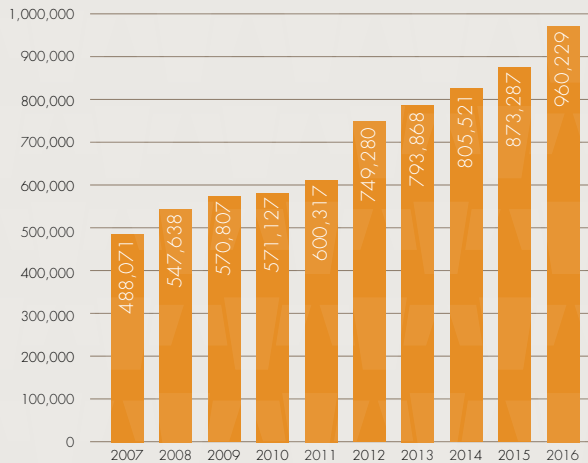


# BALANCE SHEET

AS OF DECEMBER 31, 2016 AND 2015

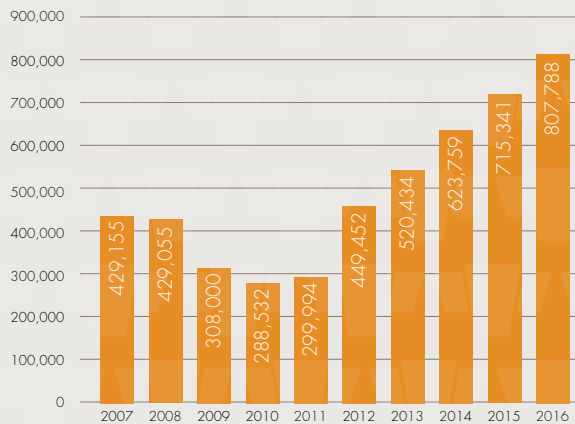
## SHARES

(\$ in thousands)



## LOANS

(\$ in thousands)



(\$ in thousands)

2016

2015

## ASSETS

Loans, Net	807,788	715,341
Investments	261,915	251,080
Cash and Cash Equivalents	14,802	11,255
Property & Equipment, net	30,209	29,215
Other Assets	49,238	41,024
<b>Total Assets</b>	<b>1,163,952</b>	<b>1,047,915</b>

## LIABILITIES & MEMBERS' EQUITY

Member Shares & Deposits	960,229	873,287
Borrowed Funds	70,439	60,469
Other Liabilities	17,561	12,564
<b>Total Liabilities</b>	<b>1,048,229</b>	<b>946,320</b>
<b>Members' Equity</b>	<b>115,723</b>	<b>101,595</b>
<b>Total Liabilities &amp; Members' Equity</b>	<b>1,163,952</b>	<b>1,047,915</b>

# INCOME STATEMENT

AS OF DECEMBER 31, 2016 AND 2015

(\$ in thousands)

2016

2015

## INTEREST INCOME

Loans	35,403	30,825
Investments	5,067	5,454
Total Interest Income	40,470	36,279
Dividend/Interest Expense	4,087	3,727
Net Interest Income	36,383	32,552
Provision for Loan Losses	1,702	1,606
Net Interest Income After Provision for Loan Losses	34,681	30,946

## NON-INTEREST INCOME

Service Fees	5,604	5,152
Other Non-Interest Income	16,104	15,100
Gain/Loss on Investments	37	643
Total Non-Interest Income	21,745	20,895

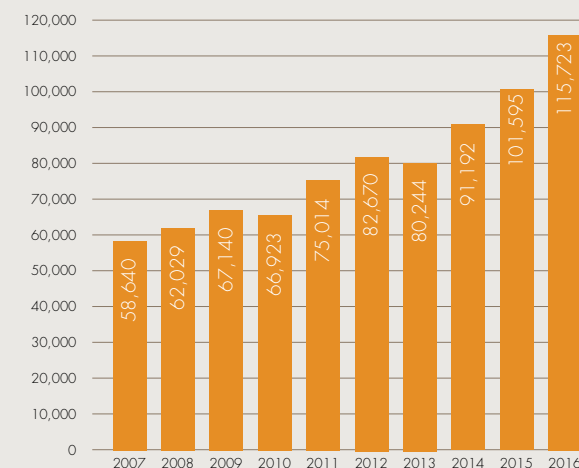
## NON-INTEREST EXPENSE

Compensation & Benefits	23,201	20,798
Occupancy & Office Operations	10,718	9,825
Other	9,776	8,824
Total Non-Interest Expenses	43,695	39,447

Net Income	12,731	12,394
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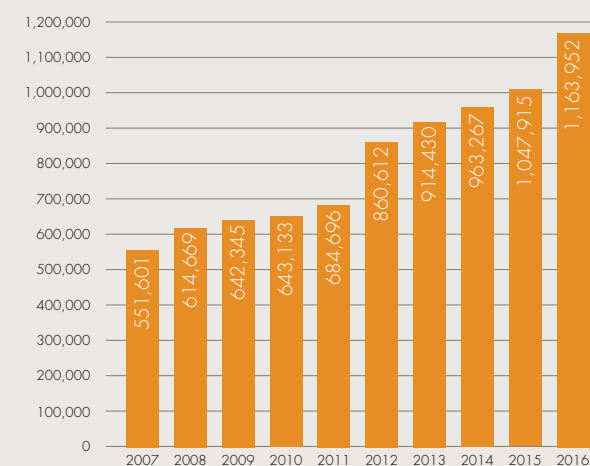
## MEMBERS' EQUITY

(\$ in thousands)



## TOTAL ASSETS

(\$ in thousands)



## ROGERS

14115 JAMES ROAD



## ROSEVILLE

2150 LEXINGTON AVENUE N



At TruStone Financial, we don't just believe in the credit union philosophy of people helping people – it's who we are and what we do. From local parades to school donations, you'll see our staff rolling up their sleeves and stepping outside the credit union doors to support the neighborhoods and communities we call home.



# LOCATIONS

## BOONE AVENUE

605 Boone Avenue North  
Golden Valley, MN 55427

## BURNSVILLE

14300 Nicollet Court, Suite 100  
Burnsville, MN 55306

## GREEN BAY ROAD

6715 Green Bay Road  
Kenosha, WI 53142

## HIGHLAND

757 Cleveland Avenue South  
St. Paul, MN 55116

## LYN-LAKE

2817 Lyndale Avenue South  
Minneapolis, MN 55408

## MAPLE GROVE

7851 Elm Creek Boulevard  
Maple Grove, MN 55369

## MILWAUKEE-CUDAHY

5570 South Packard Avenue  
Cudahy, WI 53110

## NORTHEAST MINNEAPOLIS

527 Central Avenue Northeast, Suite 2  
Minneapolis, MN 55413

## NORTHSIDE

2707 30th Avenue  
Kenosha, WI 53144

## OAK CREEK

2121 East Rawson Avenue  
Oak Creek, WI 53154

## OAKDALE

7860 32nd Avenue North  
Oakdale, MN 55128

## PLYMOUTH CORPORATE CENTER

14601 27th Avenue North, Suite 104  
Plymouth, MN 55447

## ROGERS

14115 James Road, Suite 300  
Rogers, MN 55374

## ROSEVILLE

2150 Lexington Avenue North  
Roseville, MN 55113

## ST. CLOUD

620 Roosevelt Road  
St. Cloud, MN 56301

# LEADERSHIP

## BOARD OF DIRECTORS

Tom Alagna, Board Chair  
Samuel Stern, Vice Chair  
Doug Nesbit, Secretary  
Stephen Bohlig  
Roger Cersine  
Darrick Metz  
Fred Sulzbach

## SUPERVISORY COMMITTEE

John Christenson, Chair  
Brian Lee, Secretary  
Stephen Hunziker

## EXECUTIVE VICE PRESIDENTS

Tim Bosiacki, CEO  
Hans Iverson, COO  
Steve Steen, CBO  
Dan Zaczkowski, CFO  
Nathan Grunzke, Director of Mortgage  
Operations  
Phil Young, General Counsel

## SENIOR VICE PRESIDENTS

Katie Grindeland  
Gary Maki  
Jeffrey L. Rothmeyer  
Jeff Smrcka  
John Verplank

## VICE PRESIDENTS

Sheloa Fieldseth  
Gina Leyda  
Lisamarie Meyer  
Kacie Osten  
Frank Planton  
Kelly Smith  
Kim Williams  
Lisa Zimbeck





*Your* Neighborhood  
Credit Union