



MINNESOTA

Apple Valley
14690 Galaxie Avenue
Apple Valley, MN 55124

Golden Valley
6500 Olson Memorial Highway
Golden Valley, MN 55427

Highland (St. Paul)
757 Cleveland Avenue South
St. Paul, MN 55116

Lyn-Lake (Minneapolis)
2817 Lyndale Avenue South
Minneapolis, MN 55408

Maple Grove
7851 Elm Creek Boulevard
Maple Grove, MN 55369

Northeast Minneapolis
(At the Ukrainian Center)
301 Main Street Northeast
Minneapolis, MN 55413

Roseville
2150 Lexington Avenue North
Roseville, MN 55113

St. Cloud
620 Roosevelt Road
St. Cloud, MN 56301

Mortgage Lending Services
14601 27th Avenue North, Suite 103
Plymouth, MN 55447

763-544-1517 / 800-862-1998
TruStoneFinancial.org

WISCONSIN

Green Bay Road
6715 Green Bay Road
Kenosha, WI 53142

Northside
2707 30th Avenue
Kenosha, WI 53144

Uptown
6218 26th Avenue
Kenosha, WI 53143

Indian Trail High School & Academy
6800 60th Street
Kenosha, WI 53144

262-697-3700
Wisconsin.TruStoneFinancial.org

Milwaukee-Cudahy
5570 South Packard Avenue
Cudahy, WI 53110

414-481-6220
Wisconsin.TruStoneFinancial.org

Facebook: [TruStoneFinancialFCU](https://www.facebook.com/TruStoneFinancialFCU)
Twitter: [@TruStoneFCU](https://twitter.com/TruStoneFCU)

Federally insured by NCUA

2012 ANNUAL REPORT

A photograph of a modern TruStone Financial building at dusk. The building has a large, illuminated sign that reads 'TRUSTONE FINANCIAL' in white, three-dimensional letters. The facade is made of light-colored stone or concrete panels. Large glass windows on the ground floor show the interior, which is warmly lit with yellow light. Inside, there are yellow armchairs, a red reception desk, and a tall orange pillar. The sky is a clear, deep blue.

*Your
Neighborhood
Credit Union*



CHAIRMAN'S LETTER



TruStone Financial Federal Credit Union's board of directors is comprised of member-elected, unpaid volunteers. While each board member brings a unique business background, our common bond is our commitment to the credit union philosophy. It is our job as the board of directors to provide overall leadership and governance of the credit union to ensure TruStone Financial executes the best service possible to our members as we guide the organization by the principles of safety and soundness.

I am pleased to report that TruStone Financial is among the largest, most successful and financially sound credit unions in Minnesota. In 2012, we were able to grow our assets by \$176 million and increase our membership by nearly 20,000. We owe this success to you, our members. On behalf of the management and employees, we would like to thank you for choosing to do business with TruStone Financial. We know you have many options for financial services and we appreciate your loyalty.

In 2013, we will continue to develop state-of-the-art products and services that benefit our members through our experience, capabilities and initiatives. We will also look to provide services to our community partners and determine where we can make the most impact and help the most people.

As we work through our 74th year, I'd like to thank my fellow board members, the supervisory committee and the more than 200 employees who serve you. We are fortunate to have some of the best employees in our industry here at TruStone Financial.

Stephen Bohlig
Chairman of the Board



Northside branch, Kenosha, Wisconsin



Uptown branch, Kenosha, Wisconsin



TOTAL MEMBERSHIP

EXCEEDS
78,000
FAMILIES

CAPITAL TO ASSET
RATIO OF
9.61%

MEMBERSHIP GREW BY
32%

CHIEF EXECUTIVE OFFICER’S LETTER



In order for any company to reach beyond merely surviving to thriving, it must be able to grow while remaining relevant to its foundation. In 2012, TruStone Financial was able to achieve significant progress not only through our numbers, but also with our presence. This annual report closes out the 2012 year and showcases our significant accomplishments. I am pleased to report to you, our members, that your credit union continues to grow while remaining financially strong and is still mindful of our number one goal: taking care of our members.

COMMUNITY INVOLVEMENT

You may have seen much more of TruStone Financial in 2012 than you ever saw before. I am proud to tell you that TruStone Financial played a role in more than 60 community events either in person or through sponsorships. We participated in local parades, family fun run/walk events and neighborhood fests as well as a variety of charitable sponsorships. In addition, representatives from our branches spent hundreds of hours visiting the schools in their neighborhoods. We continue to provide financial literacy classes, meet with teachers and school staff to promote the credit union, and participate in many school functions, such as carnivals, career days and fundraisers.

EXPANSION

In 2012, the credit union had the opportunity to bring our products and services to the people of eastern Wisconsin through purchasing the assets of AM Community Credit Union. This acquisition provided TruStone Financial with four additional branch locations, including our first student branch. I’m very proud of our student branch, which is located inside the Indian Trail High School & Academy. TruStone employs student workers in order to promote financial literacy and a community environment amongst the students and staff. The more than 16,000 members in Kenosha are already starting to feel right at home with TruStone Financial.

In 2012, TruStone Financial expanded into Wisconsin. Four branches were acquired, including our first student branch, located at the Indian Trail High School & Academy in Kenosha, Wisconsin. Students and faculty can stop at their on-site credit union branch during their lunch hour.

Green Bay Road branch, Kenosha, Wisconsin

MEMBERSHIP GROWTH

The feedback we get from our members tells us we’re on the right path. We regularly receive high marks on our customer service surveys and our existing members are referring their friends and families to TruStone Financial – which is the highest compliment of all! We saw an increase in membership of more than 32 percent for the year. But, new members aren’t our only priority. We’re working hard to reach out to our existing members to find additional products and services that will help them in their everyday banking lives and thus deepen the relationship they have with TruStone Financial.

MOVING FORWARD

I am pleased with the progress we’ve made during my three years at TruStone Financial, and I am looking forward to the continued success that we have come to expect. We will work diligently to bring you the high quality products and services you expect from your credit union.

Thank you for your membership and for the privilege of being your financial institution.

Tim Bosiacki
Chief Executive Officer



Student branch, located at Indian Trail High School & Academy





BENCHMARKS AND NUMBERS

ACHIEVED NET INCOME OF
\$6,202,241

TOTAL ASSETS INCREASED
25%
TO A RECORD
\$860.6 MILLION

THE SUM TOTAL IS STABILITY.
Money isn't everything. But, when you're a member of a credit union, it's pretty important to know that the people you trust with your hard-earned money are stable and secure. As these numbers show, TruStone Financial Federal Credit Union is as solid as they come. By any measure, calculation or evaluation, TruStone Financial and our strong, steady performance is a model for others in the banking world to follow.

Numbers that look as good as our branches.

Balance Sheet

As of December 31, 2012 and 2011

	(\$ in thousands)	
	2012	2011
Assets		
Loans to Members, net	449,452	299,994
Investments	334,241	340,349
Cash and Cash Equivalents	12,849	5,783
Property and Equipment, net	27,305	24,109
Other Assets	36,765	14,461
Total Assets	860,612	684,696
Liabilities & Member Equity		
Member Deposits	749,280	600,317
Borrowed Funds	18,000	3,000
Other Liabilities	10,662	6,365
Total Liabilities	777,942	609,682
Member Equity	82,670	75,014
Total Liabilities & Member Equity	860,612	684,696

TOTAL ASSET GROWTH



It adds up to exceptional news for our members.

Income Statement

As of December 31, 2012, and 2011

	(\$ in thousands)	
	2012	2011
Interest Income		
Loans	19,679	16,638
Investments	8,143	9,167
Total Interest Income	27,822	25,805
Dividend / Interest Expense	5,298	7,189
Net Interest Income	22,524	18,616
Provision for Loan Losses	1,420	668
Net Interest Income After Provision for Loan Losses	21,104	17,948
Non-Interest Income		
Miscellaneous Income	12,052	8,183
Gain / Loss on Investments	1,102	39
Non-Interest Expense		
Compensation and Benefits	14,233	11,983
Occupancy	1,921	1,683
Office Operations	5,256	4,407
NCUA Stabilization	699	1,459
Other	5,947	4,041
Total Expenses	28,056	23,573
Net Income	6,202	2,597





Partners in the community.

Presentation of more than \$1,800 donated to the Sheridan Arts Magnet School at the grand opening of the Northeast Minneapolis branch.



The Northeast Minneapolis community was invited to the branch to celebrate the grand opening with a picnic lunch, games and activities.

TruStone Financial offers free shredding events at several locations. These events are free to community residents and members.



Nicole Jensen, first grade teacher at Delano Elementary School, won \$500 in the Best in Class Contest on Facebook.

TruStone Financial donated \$1,000 to help the Renville County Food Shelf re-open after they lost their building to arson.



The St. Cloud staff and local students participated in the Winter Nights & Lights Parade.



BENCHMARKS AND NUMBERS

OPENED A FULL-SERVICE
BRANCH IN
**NORTHEAST
MINNEAPOLIS.**

EXPANDED INTO
**EASTERN
WISCONSIN**
GAINING 3 FULL-SERVICE
BRANCHES AND ONE
STUDENT BRANCH.

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Based on the positive response from our members, TruStone Financial continues to improve the look and functionality of our branch locations, ultimately providing a better credit union experience.

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TruStone Financial and its employees donated more than \$2,600 to Second Harvest Heartland. This donation provided more than 9,360 meals to hungry families, children and seniors in Minnesota and western Wisconsin.



TruStone Financial branches in Kenosha, Wisconsin hosted the first annual Fall Festival. The community was invited to stop by and pick up a free pumpkin and refreshments.

