




TRUSTONE[®]
FINANCIAL

Your Neighborhood Credit Union

2014
Annual Report

**YOUR
MEMBERSHIP
COUNTS**

OUR MEMBERS DESERVE THE CREDIT

More than seven decades ago, our members – you – planted a seed that has helped TruStone Financial flourish into one of Minnesota and Wisconsin's most prominent credit unions. With 75 years under our belt, we know that without the dedication and trust of our members, we might still be keeping our finances in the original tackle box of old. From a living room in 1939 to 11 locations, nearly 90,000 members and ongoing growth, you deserve the credit. 

A LETTER FROM THE CHAIRMAN



TruStone Financial is proud to announce another successful year to you, our members. From our humble beginnings in 1939, we have

grown to nearly 90,000 members with 11 branches in two states. Whether it's financing for a new home, business or commercial loan needs or simply a place to keep your money safe while earning the best dividend possible, our growth can be attributed to members' evolving needs. Our commitment to you is the same as it was 75 years ago: to meet your banking requirements with the highest level of service, the greatest degree of accuracy and responsiveness you expect.

Our growth is a testament to the stewardship of your Board and TruStone Financial staff during both prosperous and challenging times, including the longest economic downturn since the Great Depression. Thankfully, you have met these challenges with resilience, all while

TruStone Financial provided steady financial assistance. We are honored to be your trusted financial partner and will continue to strive to provide the financial services and products that help you achieve success through every stage of your life.

A few years ago, we began including a tagline with our name that you may have noticed at our branch locations: "Your Neighborhood Credit Union" – a designation that stemmed from our interactions with members. You continually expressed your appreciation of the credit union's member-first approach and are proud to call us your local, neighborhood financial institution.

You may have also noticed that many of our branches have been updated recently to better serve you. These improvements represent a commitment by your Board and management to ensure you receive the best banking experience possible. We understand that not only is it necessary to keep pace with the changing financial products and services

landscape, but also to provide first class facilities and resources for all of our members.

In addition to physical renovations, our Online and Mobile Banking as well as website capabilities have been improved. Being innovative and exploring new and creative ways to meet and exceed your expectations will continue to ensure TruStone Financial remains one of the most successful credit unions in the nation.

On behalf of your Board of Directors, TruStone Financial leadership and staff, I want to thank you for your continued trust and confidence.

You have our pledge to remain focused in our belief that the true measure of success is, and always will be, how well we meet the financial needs of you, our members. We look forward to meeting and exceeding that challenge in the days and years to come.

A handwritten signature in orange ink that reads "Thomas J. Alagna". The signature is fluid and cursive.

Tom Alagna, CPA, MBA // Board Chair



In 2014, we
accepted more
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A LETTER FROM THE CEO

2014 was a great year for TruStone Financial as we celebrated our 75-year anniversary as a credit union, a milestone few credit unions around the country have reached. We heard from many members, both new and long-standing, who helped us celebrate this anniversary by sharing their fond memories of the credit union. I am proud to lead an organization which has positively impacted so many lives and am pleased to tell you that TruStone Financial is well-positioned for the future.

The credit union's financial position is strong. In 2014, we accepted more deposits, generated more loans and opened more new memberships than ever before. We know that many members belong to TruStone Financial because of our excellent deposit and loan rates, but we also know our members have many banking options available to them. Thank you for putting your trust in us and helping the credit union grow.

TruStone Financial constantly evaluates its ability to serve our members through our

branch locations. The credit union broke ground on a new location on Boone Avenue in Golden Valley last September. This state-of-the-art branch will open shortly after our annual meeting and will be followed by another new location near County Road 42 and Interstate 35 in Burnsville.

While TruStone Financial recognizes the continued importance of brick and mortar branches, we also know that the demand for electronic banking is rapidly increasing.

In October, we introduced Mobile Deposit, an award-winning solution that gives credit union members the ability to deposit a check from anywhere simply by snapping a photo with their mobile device.

In 2014, our website had nearly two million visits. We know how important it is to have a well-branded, fully-functional website that accommodates the many electronic devices and platforms our members use for their transactions, so we launched a new and improved TruStoneFinancial.org in December.

TruStone Financial also introduced an EMV-chip enabled Visa® Signature Credit Card which provides encrypted credit card transactions. Soon, all TruStone Financial credit and debit cards will have EMV technology.

I'm especially pleased to tell you that all of this hard work does not go unrecognized. In 2014, TruStone Financial was awarded a best practice by Credit Union Journal and numerous mortgage origination awards. Credit Union Journal also recognized us as a Best Credit Union to Work For, an honor given to only 40 credit unions nationwide.

2014 was a year of celebration for TruStone Financial. We could not have done it without the support of our staff, management, our Board of Directors and you – our members. It really is a team effort. Here's to our next 75 years!



Tim Bosiacki // Chief Executive Officer

INCOME STATEMENT

AS OF DECEMBER 31, 2014 AND 2013 (\$ IN THOUSANDS)

	2014	2013
INTEREST INCOME		
Loans	\$ 27,503	\$ 24,661
Investments	7,261	7,340
Total Interest Income	34,764	32,001
Dividend/Interest Expense	3,558	4,487
NET INTEREST INCOME	\$31,206	\$27,514
Provision for Loan Losses	1,824	1,418
NET INTEREST INCOME		
AFTER PROVISION FOR LOAN LOSSES	29,382	26,096
NON – INTEREST INCOME		
Miscellaneous Income	14,116	12,947
Gain/Loss on Investments	1,607	1,742
NON – INTEREST EXPENSE		
Compensation and Benefits	19,218	16,869
Occupancy	2,424	2,247
Office Operations	7,352	7,335
NCUA Stabilization	0	626
Other	8,011	7,377
Total Expenses	\$37,005	\$34,454
NET INCOME	\$ 8,100	\$ 6,331



In 2014,
TruStone Financial
was able to grow
our assets by 5.3%
and surpass
\$1 billion in assets
in early 2015.

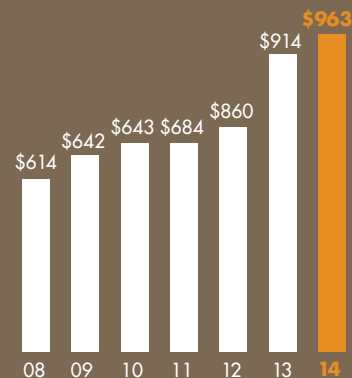
BALANCE SHEET

AS OF DECEMBER 31, 2014 AND 2013 (\$ IN THOUSANDS)

	2014	2013
ASSETS		
Loans to members, net	\$ 623,759	\$ 520,434
Investments	266,756	318,164
Cash and Cash Equivalents	11,442	11,636
Property and Equipment, net	27,638	28,201
Other Assets	33,672	35,995
TOTAL ASSETS	\$963,267	\$914,430
LIABILITIES & MEMBERS' EQUITY		
Member Shares and Deposits	805,521	793,868
Borrowed Funds	56,800	30,500
Other Liabilities	9,754	9,818
Total Liabilities	872,075	834,186
Members' Equity	91,192	80,244
TOTAL LIABILITIES & MEMBERS' EQUITY	\$963,267	\$914,430

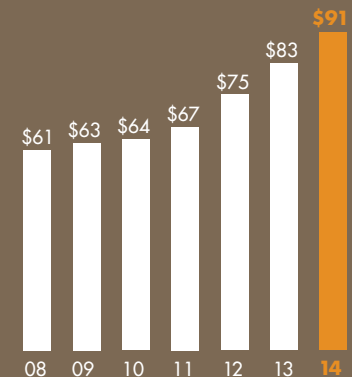
TOTAL ASSETS

(\$ IN MILLIONS)



NET WORTH

(\$ IN MILLIONS)



COMMUNITY INVOLVEMENT

YOUR COMMUNITY, OUR COMMUNITY.

As your neighborhood credit union, we pride ourselves in staying involved in the communities we serve. From partnerships with local schools to home shows and community festivals, we strive to be present and support our members in more than just their finances.

Marching with your other local organizations and businesses, TruStone Financial took to the streets at parades around Minnesota and Wisconsin.



Community donations provided the credit union an opportunity to give back.



TruStone Financial
is a proud sponsor
of organizations
throughout
Minnesota and
Wisconsin.



A local hockey team sported TruStone Financial hats at the Super Spectacular Hockey Tournament at the National Sports Center in Blaine, Minnesota.

Providing family time like never before, our Northeast Minneapolis branch packed up some trinkets and popcorn and attended regular "Picnic in the Park" events. These events provided a perfect occasion to share our core values with families in our neighborhood.



LOCATIONS

APPLE VALLEY

14690 Galaxie Avenue
Apple Valley, MN 55124

GOLDEN VALLEY

6500 Olson Memorial Highway
Golden Valley, MN 55427

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

301 Main Street Northeast
Minneapolis, MN 55413

NORTHSIDE

2707 30th Avenue
Kenosha, WI 53144

ROSEVILLE

2150 Lexington Avenue North
Roseville, MN 55113

ST. CLOUD

620 Roosevelt Road
St. Cloud, MN 56301

LEADERSHIP

BOARD OF DIRECTORS

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

SUPERVISORY COMMITTEE

John Christenson
Stephen Hunziker
Brian Lee

ASSOCIATE DIRECTOR

Holly Stocker

TRUSTONE FINANCIAL SENIOR MANAGEMENT

Tim Bosiacki
CEO

Hans Iverson
COO

Steve Steen
CBO

Dan Zaczkowski
CFO

Nathan Grunzke
Director of Mortgage Operations

Gary Maki
Director of Human Resources

Phil Young
General Counsel

VICE PRESIDENTS

Katie Grindeland
Matt Krauter
Gina Leyda
Lisamarie Meyer
Jeff Rothmeyer
Kelly Smith
Jeff Smrcka
John Verplank
Lisa Zimbeck

Your Neighborhood Credit Union



OPENING FALL 2015

BOONE AVENUE

605 Boone Avenue North
Golden Valley, MN 55427

BURNSVILLE

14300 Nicollet Court
Burnsville, MN 55306



Your Neighborhood Credit Union

TruStoneFinancial.org

Federally insured by NCUA. Equal Housing Lender.