

2024 ANNUAL REPORT



TRUE NORTH

FEDERAL CREDIT UNION

Federally Insured by NCUA

©Photo by Bryce Anderson
[2025 Calendar Photo Contest Winner]

These volunteers are elected to serve as your voice.

Our thanks to these Volunteers, whose
dedication and leadership are fundamental
to the success of our cooperative!

BOARD OF DIRECTORS

Christine Moleski, *Chair*

David Teal, *Vice-Chair*

Mark Troupin, *Secretary*

Valerie Mertz, *Treasurer*

Alec Mesdag

Justin McKoy

Heidi Hansen

Board of Directors

Mailing Address:

P.O. Box 34157, Juneau, AK 99803

SUPERVISORY COMMITTEE

Elizabeth “Buffy” Pederson,

Supervisory Committee Chair

Josephine Stern,

Supervisory Committee Secretary

Chris Letterman

Amber LeBlanc

Timothy Lewis

Supervisory Committee

Mailing Address:

P.O. Box 34141, Juneau, AK 99803

LEADERSHIP CREW



LAUREN MACVAY

PRESIDENT / CEO



PATTY RAY

CHIEF OPERATIONS
OFFICER



MICHELLE DENTON

CHIEF FINANCIAL
OFFICER



BROOKE JOHNSON

SENIOR VICE PRESIDENT
OF OPERATIONS



NICCHIA LEAMER

SENIOR VICE PRESIDENT
OF LENDING



TODD SCHUR

VICE PRESIDENT OF
MARKETING AND
COMMUNITY IMPACT

Teressa Saaiman

Assistant Vice President of Operations

Aaron Mar

IS Manager

Melinda Wheeler

Human Resources and
Administrative Manager

Stephen Beedle

Loan Services Manager

Amy Tonsgard

Mortgage Lending Manager

Jordan Lewis

Consumer Loan Manager

Angela Graham

Member Contact Center Manager

Rex Tetzlaff

Collections Manager

Jessica Naumcheff

Risk and Compliance Manager

Chris Oeser

Anchorage Branch Manager

Jack Raster

Juneau Branch Manager

Sara Boyer

Training Director

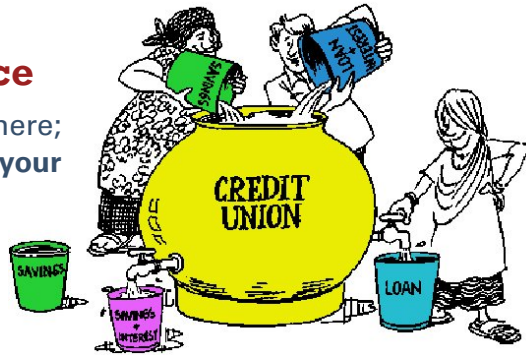
PRESIDENT'S REPORT

At True North, we believe money should work for you—not for shareholders or someone else's profits. That's what makes us different. As a not-for-profit, member-owned credit union, we exist to help you build your financial future, support your goals, and strengthen our Alaskan communities. This past year has been about growing smarter, staying connected, and staying true to what makes credit unions special: *people helping people*.

Ownership is the Credit Union Difference

You're not just a customer here; you're an owner. That means **your voice matters**, and your success drives everything we do. This year, thanks to the trust you placed in us, we welcomed over 1,300 new members, grew our total assets by over 6%, and increased member equity by over 9%. We promised to prioritize people over profits by lowering loan rates, keeping fees low, and offering highly competitive savings rates. Whether you were opening your first checking account, financing your next big purchase, or just getting serious about saving, we were here to help. We grew member loans and deposits by 7%, a healthy, stable growth rate.

Sometimes, our journey doesn't take us where we expect, which has undoubtedly been the case for members impacted by natural disasters like flooding or other disruptions. **We stood ready** with emergency loans, skip payments, and other programs to help bridge members



through times of crisis. Our commitment is to be there when you need us the most.

Meet you where you are

As much as we love to see our members in our branches, we know that life doesn't happen from 9:00 to 5:00, so neither should your finances. That's why we've continued to invest in digital tools that make it easier to bank on your terms, from mobile apps and contactless payments to secure online applications. **We aim to meet you where you are, but we also know that real connection matters.** Therefore, the True Crew is always there to answer your questions, offer advice, and guide you through big financial decisions.



Doing Good with Your Dollars

When you bank with True North, your money stays in the community. It helps fund local Alaskan businesses, support local nonprofits, and provide scholarships for our students. This year, **we gave back over \$34,000 through donations and hundreds of volunteer hours and helped four young Alaskans meet their education goals.** That's the credit union difference - financial services serving people and creating real impact. We are committed to making a difference in the communities we serve.



Looking ahead

As we move into next year, we focus on helping you do more with your money. We're planning new financial education resources, including supporting members of the True Crew to become

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BOARD CHAIR'S REPORT

For over 75 years, generations of Alaskans have trusted True North as a financial and community partner. 2024 was a year of healthy balance sheet growth, with shares and deposits growing by approximately 7%. These are not just numbers, but reflect the fact that members continue to see True North as a trusted partner on their financial journey. True to its nature as a not-for-profit financial cooperative, True North thrives when it's able to live its mission; when it can put the skill sets of the staff to work not just providing financial services, but taking those skills and passions and using them to benefit community.

As a Board, it is our duty to ensure that True North remains financially stable while looking forward to the needs of members and communities. Our strong financial year and continued healthy capital position, detailed in the Treasurer's report, reflect our stability. And whether it be loan programs tailored to meet unique local needs, relief programs to support members in times of crisis, or sharing expertise with local non-profits so they can develop new avenues of financial growth, the team at True North continues to show that this is a Credit Union where mission matters. 2024 was another year where the Credit Union showed that our Strategic Plan, which includes growth, internal investment and community impact, is making a difference.

Looking ahead, 2025 promises some financial headwinds which the Credit

Union is well positioned to weather. The Credit Union will continue to expand services and embrace new technologies to meet its members financial services needs, and will continue to strengthen community relationships and develop new avenues for impact.

It has been my honor to serve on the Board of this mission driven organization for over ten years, and serve as the Chair for the last five years. I have been able to watch True North grow and expand its ability to help Alaskans and fulfill its mission and new ways every year, and I am excited for our future.

On behalf of the Board of Directors, I extend my thanks to the members, community partners, and True Crew for their contributions to our continued and future success. Together we will build a strong future for the Credit Union and our communities.

Sincerely,

Christine Moleski, Board Chair

SCHOLARSHIP PROGRAM

In 2019, True North proudly launched its first set of scholarships for deserving high school seniors in Alaska. Since then, we have invested \$65,000 to support the educational journeys of young Alaskans. Many have continued their education within the University of Alaska system, while others have ventured to Texas, Virginia, and North Carolina to pursue their dreams. True North celebrates these remarkable individuals for their commitment to growth and self-improvement through knowledge.

In 2024, we recognized the achievements of four outstanding students from across the state, including winners from Eagle River, Juneau, and Fairbanks. Congratulations to all!

Josephine G., Eagle River
Olivia M., Juneau

Sophia M., Juneau
Aysha P., Fairbanks

**Thank you,
David Teal, for
your 39 years of
dedicated service
with the True North
Board of Directors!**



SUPERVISORY COMMITTEE'S REPORT

The Supervisory Committee is composed of committed volunteers with diverse backgrounds and skill sets. We are members of the Credit Union, appointed by the elected Board of Directors, with responsibilities focused on protecting the interests of True North's member owners. The Committee's primary tasks include:

- Review and respond to member complaints.
- Arrange the annual Financial Statement audit.
- Monitor the activities of the Board, Management and Staff by reviewing the National Credit Union Administration (NCUA) exams and other compliance related audits and tests, along with managements responses to them.
- Audit compliance with select Policies and Procedures and confirm the integrity of Internal Controls.

Through these activities, the Supervisory Committee assists in ensuring the financial safety and soundness of the Credit Union. The Committee also retained the independent auditing firm CliftonLarsonAllen, LLP to perform the annual Financial Statement Audit for year-ended December 31, 2024, and verification of member accounts.

The Committee ensures the Credit Union meets their regulatory requirements. The National Credit Union Administration (NCUA) performed a thorough review covering 2023 into 2024, and the next review is anticipated later this year. The results were good and TNFCU has responded to any recommended updates. True North also secured audits by external third parties for compliance with Bank Secrecy Act and SAFE Act regulations.

During the past year, the committee has also audited numerous functions with the Credit Union, including

but not limited to: analyzing operating expense accounts; reviewing branch cash management and security controls; performing surprise cash drawer and vault counts at branches, reviewing management and volunteer (Board of Directors and Supervisory Committee members) account controls and loans, and analyzing audit and internal control coverage performed by the external financial statement auditors. Our findings reflect that True North is in compliance with the requirements set forth by policy and procedure, and we make recommendations for improvements as needed.

Sincerely,

Buffy Pederson, Chair
Josephine Stern, Secretary
Chris Letterman
Amber LeBlanc
Timothy Lewis

PRESIDENT'S REPORT *CONTINUED FROM PAGE 3*

Certified Financial Counselors. Our goal is that our team can help you make the best financial decisions for you and your family – no judgment, just support. We are investing in improved eBanking experiences and more ways to move your money quickly and securely. We will also continue to strengthen the community by making our education resources, such as our Financial Wellness Center, available to all, regardless of membership. **One of the things I love most about True North is that the staff are genuinely motivated by the mission**, which means we will continue to keep our focus on the members and

ways we can positively impact our communities.

Thank You

Thank you for your membership! Your trust and your continued commitment to the power of community are the foundations of our success, and together, we can build healthy financial futures and Alaskan communities. **Let's keep growing together!**

Sincerely,

Lauren MacVay, President / CEO



MISSION

True North is a member owned and locally managed credit union that provides quality financial solutions for its Alaskan members. True North is dedicated to improving the economic wellbeing of the members, employees and communities it serves.

TREASURER'S REPORT



I am pleased to report to the membership that True North Federal Credit Union continues to be a sound and secure financial institution. 2024 was a strong financial year characterized by solid growth and resilience. Member equity grew by 9.1% and we closed the year with a net worth Ratio of 9.4%, comfortably well capitalized in the eyes of our regulator. We ended the year at a new high of \$234.6 Million in assets and earnings were healthy at \$1.7 Million, resulting in a ROA of .74% for the year.

Like all financial institutions, True North faced some headwinds in 2024 that included increases in delinquencies and loan losses and a changing interest rate environment. The Fed dropped rates 100 points in the last 4 months of the year, and the credit union was able to maintain highly competitive rates in a dynamic market. We could see signs of stress in our members as they faced rising costs and depletion of much of the cushion built up over the pandemic years. While loan losses have been higher than target, they are not unexpected and the loan portfolios remain healthy overall.

2024 Financial Highlights:

- Assets grew \$14 Million, or 6.4%
- Loans to members grew \$11.6 Million or 7%.
- Member deposits grew \$13.7 Million or 7%
- Dividends to members increased 108%!
- The Credit Union granted 1,778 loans totaling \$64.8 million
- Transfers to Allowance for Credit Loss was on par with the prior year

The coming year brings with it many questions. We are already seeing heightened deposit growth, softening loan demand, and significant uncertainty in the rate environment. However, True North is well positioned to thrive and provide valuable financial services and support to its communities in 2025 and beyond.

Sincerely,

Valerie Mertz, Treasurer

COMPARATIVE INCOME STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2024 & 2023

Income	2024	2023
Interest on Loans	10,687,376	8,259,872
Interest on Investments	1,877,717	2,199,244
Fees and Other Incomes	2,724,341	2,511,636
Total Income	\$15,289,435	\$12,970,752
Expenses		
Dividends on Member Deposits	2,723,913	1,388,709
Provisions for Loan Loss	1,020,000	1,051,000
Operating Expenses	10,069,463	9,137,427
Total Expenses	\$13,813,376	\$11,577,136
Income Before Extraordinary Items	\$1,476,059	\$1,393,617
Extraordinary Items Income/(Expense)	183,318	27,776
Net Income	\$1,659,377	\$1,421,392

GROWTH METRICS (IN MILLIONS)

Year	Assets	Loans	Deposits
2015	138.7	113.8	126.9
2016	138.2	110.5	124.8
2017	142.9	124.8	129.3
2018	152.9	132.6	136.1
2019	159.6	132.1	142.9
2020	192.2	130.5	177.2
2021	205.7	125.0	186.8
2022	211.3	132.3	191.0
2023	220.6	162.5	186.3
2024	234.6	174.2	200.0

COMPARATIVE BALANCE SHEETS

FOR THE YEARS ENDED
DECEMBER 31, 2024 & 2023

Assets	2024	2023
Loans to Members	175,870,205	164,258,150
Less: Reserve for Loan Loss	(1,711,925)	(1,791,613)
Net Loans	\$174,158,280	\$162,466,538
Cash & Cash Equivalents	1,936,291	1,593,423
Investments/Fed Funds	47,454,192	46,721,378
Accrued Interest Receivable	760,202	754,200
Property & Equipment, net	3,620,484	3,854,593
NCUA Share Insurance Deposit	1,804,652	1,740,278
Prepaid Expenses & Other Assets	4,914,992	3,465,681
Total Assets	\$234,649,094	\$220,596,091
Liabilities & Members' Equity		
Shares	54,971,776	58,575,761
Share Money Market	39,081,175	38,707,737
Share Certificates	48,680,777	35,057,381
IRA's	2,150,224	2,163,768
IRA Certificates	2,540,528	2,248,924
Share Drafts	52,570,277	49,557,405
Accrued Dividends	879,548	637,506
Other Liabilities	12,662,949	14,300,098
Total Liabilities	\$231,537,254	\$201,248,579
Member Equity		
Unrealized Gain/(Loss) on Securities	(943,105)	(1,048,056)
Regular Reserves	4,163,163	4,163,163
Undivided Earnings	17,891,783	16,232,405
Total Members' Equity	\$21,111,841	\$19,347,512
Total Liabilities & Members' Equity	\$234,649,095	\$220,596,092

ANNUAL MEETING AGENDA

TRUE NORTH FEDERAL CREDIT UNION

MAY 28, 2024

360 EGAN DRIVE
JUNEAU, ALASKA

Call to Order

Ascertainment of Quorum

Introduction of Volunteers

Approval of Minutes

Supervisory Committee Report

CEO/Board Report

Unfinished Business

New Business

Adjournment

76TH ANNUAL MEETING MINUTES • MAY 15, 2024

The 76th Annual Meeting of True North Federal Credit Union was called to order at 5:33pm by Christine Moleski, Chair of the Board of Directors. The meeting was held both virtually and in person, hosted at the KTOO Broadcasting Studio located in Juneau, AK.

Christine asked Melinda Wheeler to confirm that a quorum was present, which Melinda confirmed.

Christine asked that the volunteers present introduce themselves, which they did.

Christine stated the meeting would be conducted under Robert's Rules of Order and asked David Teal to serve as Parliamentarian. She also established that in the zoom environment, members could comment or ask questions by entering their questions in the chat function and Melinda would present their comments or questions to the panel.

The membership considered approval of the minutes from the May 17, 2023 Annual Meeting. David motioned to waive the reading of the minutes asking for unanimous consent. Hearing no objection, the reading was waived. Christine stated that if there were no objection, she would adopt a motion to approve the minutes of May 17, 2023. No objection was made, and the minutes were approved.

Buffy Pedersen was unable to attend this evening, so please refer to her written report in the Annual Report.

Lauren provided some highlights from 2023.

2023 was financially another strong year ending with nearly \$221M in assets. The ROA was healthy at .68% and net worth was 9.25%, up from last year. This shows that the CU is well capitalized according to the regulator and above the Board's strategic target of 9%. Overall, the CU closed the year in very solid shape.

These results were achieved in a rather interesting environment. The Fed raised rates 5.25% in 18 months. Loan and dividend rates have been kept highly competitive and frequently at the head of the pack in some products.

The balance sheet during pandemic years had significant deposit growth with lower spending & increased saving. However, 2023 saw this normalize with inflation and a return of social spending and increased travel. There was a drop in shares during this time. On the other side of the balance sheet, there was strong loan growth in 2023 assisted by the launch of the indirect auto loan program. The loan portfolio grew over 20% and Lauren is

proud that we continued to lend at a time when others were dropping back.

Lauren pointed out that value to the members goes beyond our balance sheet and the bottom line. There were loans to residents along the Mendenhall River who were faced with unexpected costs due to the flood. The Alaska Heat Smart Heat pump program increased by 150% in 2023. The Financial Education resources launched in 2022 have proven to be a great starting place for partnerships. More about that will be coming in the next year. Membership Matters, a True North blog was launched with insights on a variety of topics such as budgeting and emergency preparedness. Nearly a third of the members have enrolled in the Credit Score program through online banking and 50% have seen an improvement in their score over the past 12 months. And the CU gave \$17,500 in scholarships to kids from 5 cities around the State of Alaska.

Lauren highlighted that 2024 will be her 20th year as CEO of this cooperative and expressed her honor in serving in that capacity. She appreciates that the credit union has in its very DNA the dedication to people helping people. She thanks the member owners for their support of the credit union over these many years and looks forward to what is to come.

Christine asked if there was any Unfinished Business. There was none.

David Teal reported from the Nominating Committee that there were 2 seats to be filled, Karen Morgan and Justin McKoy's. In February 2024 the Nominating Committee finalized their recommended slate of candidates, putting forth the incumbents as their recommended slate of candidates. No nominations by petition were received. As such, per the Bylaws, no vote will be held and Karen and Justin are elected by acclamation.

Christine asked if there was any other new business. There was none.

There being no further business before the membership, Christine asked for a motion to adjourn the meeting. 5:43pm.

Respectfully submitted,
Mark Troupin, Secretary

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