

2025 ANNUAL REPORT



TRUE NORTH
FEDERAL CREDIT UNION



©Photo by Antje Carlson

[2026 Calendar Photo Contest Winner]

Federally Insured by NCUA

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*
Alec Mesdag, *Vice-Chair*
Mark Troupin, *Secretary*
Valerie Mertz, *Treasurer*
Justin McKoy
Heidi Hansen
Juliana Leggitt

Board of Directors
Mailing Address:
2777 Postal Way, 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

Teresa Saaiman
Assistant Vice President of Operations

Alexander Abreu
Assistant Vice President of Lending

Aaron Mar
IS Manager
Stephen Beedle
Loan Services Manager

Amy Tongsard
Mortgage Lending Manager

Jordan Lewis
Consumer Loan Manager

Kevin Latting
Member Contact Center Manager

Rex Tetzlaff
Collections Manager

Jessica Naumcheff
Risk and Compliance Manager

Chris Oeser
Anchorage Branch Manager

Jack Raster
Juneau Branch Manager

Rachel Houston
Retail Branch Manager

Sara Boyer
Training Director

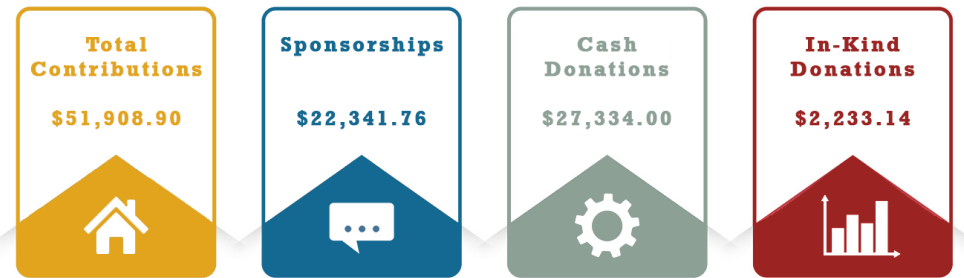
PRESIDENT'S REPORT

As we look back on 2025, there's a lot to feel good about. True North stayed financially strong while continuing to invest in the tools, technology, and people that help us better serve our members across Alaska.

We know that banking today needs to be easy, fast, and secure. That's why one of our biggest priorities in 2025 was improving the digital experience for our members. We launched a new online banking platform that gives members more control over their accounts than ever before, along with new features that make managing money simpler and more convenient. Online Banking now includes a Be Cyber Savvy resource, featuring articles and alerts on current cyber scams and tips on how to protect yourself. We also added Zelle®, making it easier to send and receive money quickly with friends, family, and people you trust.

As technology continues to evolve, we're focused on making thoughtful investments that improve convenience and strengthen the member experience — while making sure real people are still here when members need support, guidance, or a conversation.

We also continued our commitment to financial education in 2025. As the financial environment becomes more complex and everyday costs continue to rise, we've seen more members take advantage of the credit union's educational resources, tools, and guidance. Whether it's learning how to void a check, budgeting support, first-time borrowing, or planning for the future, we believe financial education plays an important role in helping members build confidence



and make informed decisions. We also have members of the True Crew, certified in Financial Counseling, at each branch, ready to provide guidance when needed. We're encouraged by the growing engagement and remain committed to offering practical resources that meet members where they are.

Being a credit union also means staying connected to the communities we serve. Throughout 2025, our team continued to give back through volunteer time, sponsorships, donations, and partnerships with organizations making a difference across Alaska. Supporting our communities isn't separate from our mission—it's part of who we are.

Looking ahead, we're excited about what's next. In 2026, we plan to open a new branch in Juneau's Fred Meyer, expanding access for members in Southeast Alaska. We'll also continue making strategic

investments in technology and services to make banking more convenient while maintaining the personal connection that sets a credit union apart. Additionally, we will launch a set of Life Event Resources, a new addition to our Be Prepared Series. From birth of a child to losing a family member, this information will support you with



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BOARD CHAIR'S REPORT

For more than 30 years, I have been proud to call this credit union my financial home, and for the past 12 years, it has been my privilege to serve on your Board of Directors, including the honor of serving as Board Chair. As I step away from this role, I do so with appreciation for the trust our members have placed in me and with confidence in True North's successful future.

Throughout my years of membership and board service, I have seen True North grow alongside Alaska itself. We have served generations of families, supported local businesses, and stood beside our communities through periods of growth, uncertainty, and transformation. Alaska has always required resilience, dedication, and a strong sense of community and those same qualities have defined this credit union.

The financial services industry today looks very different than it did when I first became a member. Technology has transformed how people bank. Economic cycles have tested institutions across the country. Member expectations continue to evolve rapidly. Yet through every season of change, this credit union has remained focused on the same core purpose: improving the economic well-

being of the members, employees and communities it serves.

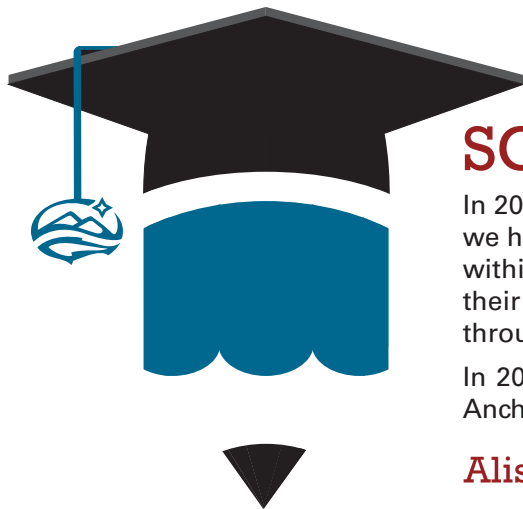
What has impressed me most over the years is not simply our ability to adapt, but our commitment to doing so thoughtfully and strategically. We have invested in new technologies while preserving personal service. We have grown stronger financially while remaining grounded in our mission and committed to Alaska. We have embraced innovation without losing sight of the relationships that make a credit union different.

Today, I believe this organization is exceptionally well positioned for the future. We are led by a talented management team, guided by a dedicated Board and Supervisory Committee, and supported by employees who care deeply about the members and communities they serve. Most importantly, we continue to operate from a position of financial strength and cooperative values that will remain relevant no matter how the industry changes.

Thank you for allowing me to be part of this remarkable journey. Serving this membership has been a great honor. I look forward to watching this credit union continue to grow, evolve, and serve Alaskans for generations to come.

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 2025, we recognized the achievements of four outstanding students from across the state, including winners from Anchorage, Juneau, and Sitka. Congratulations to all!

Alison T., Juneau

Jackson H., Sitka

Savanna M., Anchorage

William G., Anchorage

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 and ensure all corrective action is implemented timely.
- 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, 2025, and verification of member accounts.

The Committee ensures the Credit Union meets their regulatory requirements. The National Credit Union Administration (NCUA) recently performed a thorough review covering 2024 and 2025. We are awaiting the final report from that exam but aware of no findings. 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: reviewing IT requirements, reviewing the indirect loan program, 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.

The Supervisory Committee appreciates the cooperation and professionalism of the Board of Directors, management, staff, and external auditors throughout the year. Based on the work performed and reports received, the Committee believes that True North Credit Union continues to operate in a safe and sound manner and remains dedicated to serving its members with integrity, accountability, and financial stewardship. We thank our members for their continued trust and confidence in True North Credit Union.

Sincerely,

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

PRESIDENT'S REPORT *CONTINUED FROM PAGE 3*

clear guidance and practical tools.

We also recognize that many Alaskans are feeling financial pressure right now. Higher prices for fuel, groceries, housing, and everyday essentials continue to impact Alaskans across the state. During times like these, having a trusted financial partner matters. Your credit union remains financially strong and committed to

helping members navigate challenges, reach goals, and build financial confidence for the future.

Thank you for being part of our credit union – your membership matters. We're proud to serve you and excited about where we're headed together.

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. 2025 was a strong financial year characterized by core deposit growth, balanced margins, and enhanced resilience. Member equity grew by 8.8% and we closed the year well capitalized with a net worth Ratio of 9.91%. We ended the year at a new high of \$237.5 Million in assets and earnings were healthy at \$1.4 Million, resulting in a ROA of .63% for the year.

In 2025, the Federal Reserve dropped rates another 75 basis on the heels of the 100 basis points in 2024. Despite this volatility, the Credit Union was able to keep its Net Interest Margin healthy while maintaining competitive dividend and loan rates. Transfers to the Allowance for Credit Loss increased significantly over the course of the year, as delinquency and loss particularly in our new Indirect auto portfolio increased. This is a new portfolio and as such the increase was not unexpected and is within competitive norms. Additionally, we saw stress in the "toy" portfolios, with particular losses in Motorhomes. There was a decline in consumer loan originations as well, which the Credit Union offset with increased investment activity.

2025 Financial Highlights:

- Assets grew \$2.8 Million, or 1.2%. However, in early 2025 the Credit Union paid back \$10 Million in debt to the Federal Home Loan Bank of Des Moines, which reduced assets. Equalizing for that factor, assets grew by \$12.8 Million or 5.5%
- Loans to members was flat, growing by less than 1%
- Member deposits grew \$11.1 Million or 5.6%
- Dividends to members was flat despite a declining rate environment
- The Credit Union granted 1,615 loans totaling \$61.8 million
- Transfers to Allowance for Credit Loss increased by \$355,000 or 35%
- Delinquency overall has decreased, with increases in the consumer and credit card portfolios offset by decreases in Real Estate and Member Business Loan portfolios.

Thus far in 2026, we are seeing deposit growth soften as costs increase and loan originations are beginning to grow as we head into spring. There are numerous uncertainties in our economic environment, including inflation, the price of oil and the interest rates. However, with our capital position and healthy liquidity, True North is positioned well to continue to meet the needs of our members and communities in the coming year.

Sincerely,

Valerie Mertz, Treasurer

COMPARATIVE INCOME STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2025 & 2024

Income	2025	2024
Interest on Loans	11,340,109	10,687,376
Interest on Investments	2,099,283	1,877,717
Fees and Other Incomes	2,794,921	2,724,341
Total Income	\$16,234,313	\$15,289,435
Expenses		
Dividends on Member Deposits	2,714,809	2,723,913
Provisions for Loan Loss	1,375,000	1,020,000
Operating Expenses	10,823,596	10,069,463
Total Expenses	\$14,913,404	\$13,813,376
Income Before Extraordinary Items	\$1,320,909	\$1,476,059
Extraordinary Items Income/(Expense)	162,498	183,318
Net Income	\$1,483,407	\$1,659,377

GROWTH METRICS (IN MILLIONS)

Year	Assets	Loans	Deposits
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
2025	237.5	174.1	211.1

COMPARATIVE BALANCE SHEETS

FOR THE YEARS ENDED
DECEMBER 31, 2025 & 2024

Assets	2025	2024
Loans to Members	176,141,379	175,870,205
Less: Reserve for Loan Loss	(1,993,763)	(1,711,925)
Net Loans	\$174,147,617	\$174,158,280
Cash & Cash Equivalents	1,715,093	1,936,291
Investments/Fed Funds	48,774,556	47,454,192
Accrued Interest Receivable	781,843	760,202
Property & Equipment, net	3,454,572	3,620,484
NCUA Share Insurance Deposit	1,939,799	1,804,652
Prepaid Expenses & Other Assets	6,645,520	4,914,992
Total Assets	\$237,459,000	\$234,649,094
Liabilities & Members' Equity		
Shares	62,198,616	54,971,776
Share Money Market	37,709,678	39,081,175
Share Certificates	48,684,563	48,680,777
IRA's	2,171,197	2,150,224
IRA Certificates	2,301,411	2,540,528
Share Drafts	58,078,004	52,570,277
Accrued Dividends	919,550	879,548
Other Liabilities	2,432,951	12,662,949
Total Liabilities	\$214,495,970	\$231,537,254
Member Equity		
Unrealized Gain/(Loss) on Securities	(575,322)	(943,105)
Regular Reserves	4,163,163	4,163,163
Undivided Earnings	19,375,190	17,891,783
Total Members' Equity	\$22,963,031	\$21,111,841
Total Liabilities & Members' Equity	\$237,459,001	\$234,649,095

ANNUAL MEETING AGENDA

TRUE NORTH FEDERAL CREDIT UNION

MAY 20, 2026

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

77TH ANNUAL MEETING MINUTES • MAY 28, 2025

The 77th Annual Meeting of True North Federal Credit Union was called to order at 5:05pm 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 Mark Troupin 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 15, 2024 Annual Meeting. Mark moved 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 15, 2024. No objection was made, and the minutes were approved.

Buffy Pedersen was in attendance and shared that the Supervisory Committee functions as internal auditors for the Credit Union and reports to the Board, separate from the Management. She added that they review the annual NCUA examinations for follow up findings and handle member complaints should that be needed. The Committee's full report is in the Annual Report.

President and CEO Lauren MacVay was unable to attend due to illness. Michelle Denton, Chief Financial Officer, provided some highlights from 2024 on behalf of management.

Michelle reported that assets ended at \$234 Million, which is another high for True North. The Credit Union has grown almost \$100 Million in assets in the last 10 years. Earnings for 2025 were \$1.7 Million, which represents a return on assets of .74%. The net worth ratio ended at 9.4%, which is up from 2023 and reflects a well capitalized credit union.

2024 was not without challenges having higher loan loss and delinquencies, a challenging interest rate market as rates began to fall. But in the end, the deposit and loan portfolio ended strong. Both loans and shares grew 7% in

2024 and there is consistent growth this year so far.

Michelle stressed that True North is part of the community and exists to help its members. She reviewed programs in place to support members experiencing disruption and highlighted examples of community support.

2025 marks Michelle's 5th year as CFO for True North and over 40 years in the credit union industry. She is proud to be part of the True Crew and looks forward to continuing to serve our members and communities.

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

Alec Mesdag reported from the Nominating Committee that there were three Board seats up for reelection, David Teal, Val Mertz and Heidi Hansen as she was a mid-term appointment to replace Karen Morgan who had to step down mid-term. In February 2025, the Nominating Committee finalized their recommended slate of candidates, putting forth incumbents Valerie Mertz and Heidi Hansen in addition to Julianna Leggitt as their recommended slate of candidates. No nominations by petition were received. As such, per the Bylaws, no vote will be held and all three candidates are elected by acclamation.

It was noted that Mark Troupin was on the slate of candidates for 2024 but omitted from the verbal report at the meeting.

Michelle provided a gift to David Teal in recognition for his 39 years of service as a Director on the Board. She shared words of gratitude for all David's contributions on behalf of Lauren MacVay.

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. 5:51pm

Respectfully submitted,
Mark Troupin, Secretary

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