



2013
ANNUAL
REPORT

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MISSION

True North Federal Credit Union 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 well-being of the members, employees, and communities it serves.

VISION

True North Federal Credit Union will be the Alaskan credit union of choice that dynamically improves the communities it serves, while offering cutting edge technology, above and beyond service, and a commitment to doing the right thing.

VALUES

Welcoming
Responsive to Member Needs
Trustworthy
Community Oriented
Dedicated to Member Service Excellence

Welcome Annual Meeting

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TRUE NORTH FEDERAL CREDIT UNION

Annual Meeting

MARCH 12, 2014

MENDENHALL BRANCH
2777 POSTAL WAY
JUNEAU, ALASKA

Agenda

- **Call to Order**
- **Ascertainment of Quorum**
- **Introduction of Volunteers**
- **Approval of Minutes from March 21, 2013 Annual Meeting**
- **CEO Report**
- **Unfinished Business**
- **New Business**
 - Nomination Committee Report*
 - Elections*
- **Recognition and Awards**
- **Adjournment**

TRUE NORTH FEDERAL CREDIT UNION

Annual Meeting Minutes

MARCH 21, 2013

The 65th Annual Meeting of True North Federal Credit Union was called to order at 5:30 p.m. in the lobby of the Mendenhall Valley Branch/ Administration offices by Gretchen Keiser, Vice Chair of the Board of Directors.

Gretchen asked Kathryn Beers how many members were in attendance, and Kathryn reported 32. Gretchen declared a quorum had been reached.

Gretchen stated the meeting would be conducted under Robert's Rules of Order and appointed David Teal as Parliamentarian.

Lauren MacVay delivered the President's Report. She reported that 2012 had been a strong year with 8% share growth, 6% loan growth, and 11.5% increase in Net Worth. As this year marks the Credit Union's 65th anniversary, she highlighted the growth and new services at the Credit Union since she began working for the Credit Union in 1995. Lauren then highlighted what was coming in 2013, including relocation of the Juneau branch from the Court Plaza Building to the Foodland IGA, a remodel of the Anchorage branch, and the launch of mobile banking

services. She emphasized that the Credit Union leadership will also continue to focus on maintaining the financial strength of the organization through difficult economic times, and enhancing financial education efforts for staff, members and communities. Lauren thanked the staff for their dedication and hard work, and volunteers for their dedication in serving the members of True North. Lauren introduced Rory Darling of the Supervisory Committee and the Board members.

The membership considered approval of the minutes from the March 15, 2012 annual meeting. Gretchen stated that if there was no objection, she would approve entertain a motion to approve the Minutes of March 15, 2012. Bill Peters moved that reading of the minutes be waived and asked for unanimous consent that the minutes be approved. Gretchen stated that if there was no objection, she would approve a motion to approve the Minutes of March 15, 2012. No objection was made and the reading of the minutes was waived and minutes were approved.

There was no unfinished business.
The only item of new business

was election of Board officers. Creighton Laurent reported for the Nominating Committee that two Board seats were up for election this year, those of David Teal and Brad Piece, but only David was seeking reelection. Creighton reported that the Nominating Committee recommended David Teal and Steve Byers for election to the Board of Directors.

Gretchen asked if the candidates nominated would like to make a statement in support of their candidacy to the membership. David Teal and Steve Byers made statements in support of their candidacy.

Gretchen asked if there were any nominations from the floor. No nominations were made. Jim Andersen moved to accept the slate of candidates proposed by the Nominating Committee, and the motion was seconded. Gretchen asked for objections, and hearing none, the motion electing the slate of candidates passed.

Lauren MacVay then recognized Gail O'Dell, Rachell Lumbab, Bill Peters, Angela Pena and Amanda

Continued on page 6

ASTRI

service *resilience*
attitude *teamwork* *initiative*

WINNERS

LEADERSHIP ASTRI
AARON MAR

TRUE SERVICE AWARD
JOY JOHNSON

On an annual basis staff members have the ability to achieve an **ASTRI** Award for demonstrating the traits that best position True North to fulfill its Corporate Mission, Vision and Values. Those traits are **A**ttitude, **S**ervice, **T**eamwork, **R**esilience, and **I**nitiative. True North awards both an **Employee ASTRI** and a **Leadership ASTRI**. Additionally, we award one employee with the **True Service Award** for consistently exemplifying one of our Corporate Values ... the dedication to Member Service Excellence. Nominations for these awards come from the staff and are reviewed by management to determine the awardees. This year we are pleased to honor the following True Crew members:

EMPLOYEE ASTRI
KATHRYN BEERS



Annual Meeting Minutes

Continued from page 5

Tyson for 5 years of service, Alicia Chilton for 10 years of service. She then recognized Shannon Town for 25 years of service to the Credit Union. Finally, Lauren reported that Marlene Huerta will be retiring at the end of June after 23 years and 7 days of service to the Credit Unions and its members.

Lauren MacVay then recognized Brad Pierce for 25 years of volunteer service to the Credit Union, both as a Loan Audit and Board member.

Gretchen asked for questions from the floor. There

being none, she asked Kathryn to begin drawings for Door Prizes.

There being no further business before the membership, Lauren took a moment to direct attendees to help themselves to food, and thanked all the staff for their hard work. Gretchen adjourned the meeting with no objection from the membership. The meeting adjourned at 5:50 p.m.

Respectfully submitted,

Mark Troupin, Secretary

Management Team



LAUREN MACVAY
CEO/PRESIDENT



JEFF VOGT
CHIEF FINANCIAL OFFICER



PATTY RAY
VP OF OPERATIONS



BILL PETERS
VP OF CORPORATE
DEVELOPMENT



TINAMARIE KILE
AVP OF BRANCH
OPERATIONS



JAMEY YOUNG
BUSINESS LENDING
MANAGER



SHERI VIDIC
MORTGAGE LENDING
MANAGER



ANDREA BENNETT
COMPLIANCE MANAGER



DREW BAIRD
CONTROLLER



CRYSTAL HEGEL
ACCOUNTS SERVICES
MANAGER



AARON MAR
IS MANAGER



Branch Managers



SARA BOYER
ANCHORAGE



CINDY CEVASCO
FAIRBANKS



WILLIAM BOOTHE
JUNEAU



It all started 65 years ago...

Chartered in 1948, True North Federal Credit Union was the first non-profit full-service cooperative financial institution owned and directed by its members in Alaska. We are chartered, regulated and insured by the National Credit Union Administration, an agency of the federal government.

In Alaska, business is conducted from thousands of miles apart. We work closely with our branches and members to close this distance. With branch locations in Juneau, Anchorage, and Fairbanks, plus a wide variety of technological services, access to your accounts is easy whether you live in the big city or in one of our remote communities.

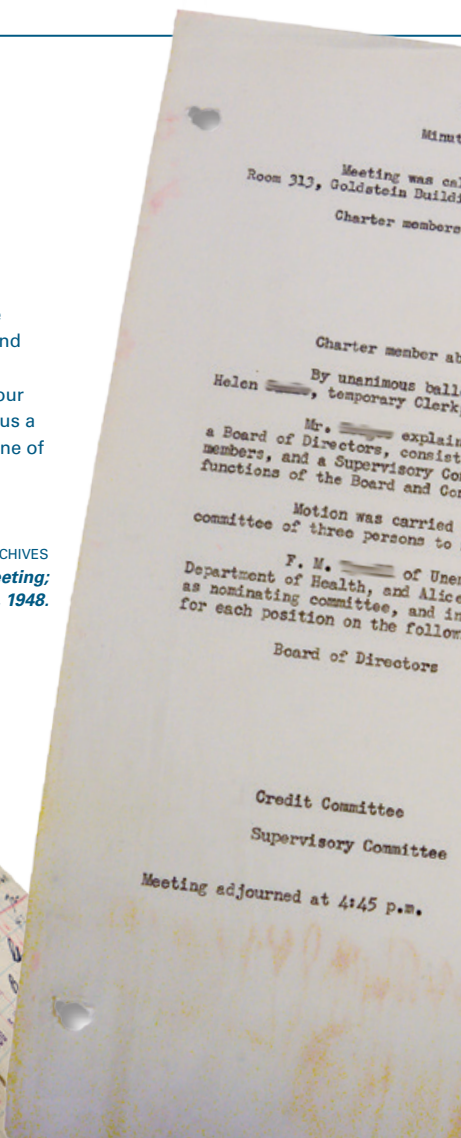


TRUE NORTH ARCHIVES
Account ledger from 1954



TRUE NORTH ARCHIVES
Account ledger from 1948

TRUE NORTH ARCHIVES
*First Charter meeting;
November 24, 1948.*



1948

1948: Juneau Territorial Employee FCU is chartered.

1958

1959: Name changes to Juneau State Employees FCU with statehood.

1961: \$101,000 in Assets, 485 Members.

1967: Credit union monthly expenses are \$1,399.63.

1967: Credit union office rent increases from \$203 to \$250 per month.

1968

1975: Work on the Alaskan Oil Pipeline begins.

1978: Anchorage Branch opens.

Credit union merges with Northern State Employees FCU.

Name changes to Alaska State Employees FCU.

1978



Looking ahead...



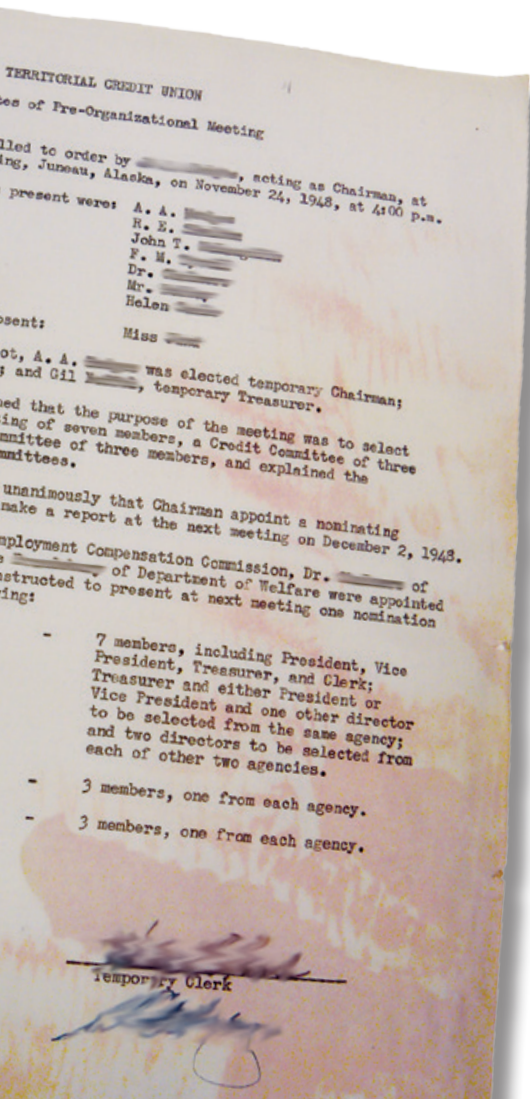
T rue North remains a uniquely Alaskan financial institution, and our mission as a member owned and locally managed credit union is to provide quality financial solutions for our Alaskan members, remain dedicated to improving the economic well-being of our members, employees and the communities we serve. We envision True North to become the Alaskan credit union of choice that dynamically improves the communities it serves, while offering cutting edge technology, above and beyond service, and a commitment to doing the right thing.

This past fall we brought you a new branch in the Foodland IGA which allowed for improved access with parking, extended branch hours, and a depository ATM available 24 hours a day. We will soon be remodeling our Anchorage Branch in order to provide improved service for our Anchorage members. As we continue to grow, and expand our service offerings, we look forward to your feedback and encourage you to reach out to us through our new member feedback platforms monthly in the branch at your point of service, via E-Statements, or through our new "Tell the CEO" feedback stations in each of our branches.

True North is your credit union ... guiding Alaskans on their financial journey. We appreciate your membership!



New Foodland IGA Branch, Oct. 15, 2013.



1988

1982: Permanent Fund Dividends begins.
1983: Valley Branch opens in Juneau.
1984: ASEFCU merges with Skagway FCU.
1989: ASEFCU places ATM in State Office Building in Juneau.

1998

1993: Five Star Loan Promotion drives ASEFCU loan volumes up.
1998: 50th Golden Anniversary is celebrated.

2008

2008: Moved in to the new Fairbanks location.
Launched Mortgage Lending Department.
2010: Launched Business Lending Department.

2013

As of December 31, 2013 we have \$124,670,798 in assets and are serving 10,883 members.



BOARD OF DIRECTORS

Annual Report

On behalf of the Board of Directors of True North Federal Credit Union, I am pleased to present our annual report to you. We have a proud history of serving Alaskans. Sixty-five years ago, Juneau Territorial Employees Federal Credit Union was chartered. In 1959, the year Alaska became a state, the name was changed to Juneau State Employees FCU. It then became Alaska State Employees FCU in 1978 after merger with Northern State Employees FCU and finally we changed our name in 2003 to True North Federal Credit Union. While the names may have changed, True North has been dedicated to meeting the financial needs of its members and supporting the communities it serves, and that continues to be our mission today.

In 2013, we were thrilled to bring a critical new technology to the membership. We launched Mobile Banking in spring 2013, the first of many investments in technology to come. We also made investments in technology behind the scenes, with communications hardware that has improved speeds and up time.

In addition, last fall we relocated our downtown Juneau branch from the Court Plaza Building to Foodland IGA. This move presented us a unique opportunity to continue to serve our core State Employee membership in Juneau, while providing improved access for members in the downtown corridor. The branch relocation also included our first check and cash deposit taking ATM. We'd like to offer our sincere thanks to the Juneau membership for their continued support during the transition, and

for their warm response to the change.

In 2013, staff rolled out new member feedback forums, which we encourage you to utilize. There are monthly in branch surveys, online survey opportunities, and new "Tell the CEO" boxes in the branches. These avenues were put in place because we take seriously the fact that you are our member owners, and we want to ensure that you can easily communicate with management.

2013 was a year of strong loan growth for True North. Our consumer, mortgage and business loans grew by 9.8%. True North lenders closed 1,763 loans for \$50,791,676, helping Alaskans with both their personal and business needs. Member deposits grew by 4.5%, and the Credit Union's Net Worth grew by almost 4%. The interest rate environment in 2013 continued to put pressure on our interest income as loan rates and investment rates remain extremely low. True North has managed to maintain its interest income through this healthy growth in the loan portfolio.

True North leadership spent a considerable amount of time in 2013 navigating the massive amount of regulatory change that is going into effect in 2014. Most of this change is in the area of mortgage lending, and staff has been striving to ensure that True North members continue to have the products that they need, while still complying with the regulations handed down by the CFPB and our regulator, the NCUA.

In addition to serving the needs of our membership, True North continues to invest

in communities. Among others, True North raised and provided funds for Relay for Life, Big Brothers Big Sisters of Alaska, United Way and we recently sponsored a high school student to attend Business Week at the University of Alaska, Fairbanks.

True North's dedication to providing excellent member service was again recognized in 2013 by the readers of the Juneau Empire. The readership voted True North 2nd place in the category of Best Bank/Credit Union and our Mortgage Loan Originator, Brenda Heimbuch, placed 3rd in the Best Mortgage Loan Officer category. We expect 2014 to be another busy year for True North. We are remodeling our Anchorage branch, giving it a much needed facelift and creating additional work space for the staff. Our branches will soon be offering Prepaid Reloadable and Gift cards to meet your needs, and mobile check capture will soon be available on our mobile banking app. In addition, we will be working on the launch of a new home banking platform which the membership will see in late 2014 or early 2015. Also, we will be introducing AHFC mortgage programs, in addition to our current in house, conventional, FHA, and VA offerings.

True North is a locally managed credit union that provides quality financial solutions for its Alaskan members. As elected volunteers, we guide the direction of the credit union to meet the needs of the membership. We encourage you as a member-owner to forward your comments or concerns to us. Your input is important for True North's continued success.

Board of Directors



**GRETCHEN
KEISER**
VICE-CHAIR

**MARK
TROUPIN**
SECRETARY

**KIM
GARNERO**
CHAIR

**JIM
ANDERSEN**

**DAVID
TEAL**
TREASURER

**CREIGHTON
LAURENT**

**STEVE
BYERS**

Supervisory Committee

Laura Bruce, Chair
Kelly Brown

Rory Darling
Charlene Morrison

Jeff Brink

SUPERVISORY *Report*

The Supervisory Committee, appointed by the Board of Directors, monitors the activities of the Board, management and staff by reviewing the National Credit Union Administration (NCUA) exams, arranging for independent audits, and overseeing internal controls. Through these activities, the Supervisory Committee assists in ensuring the financial safety and soundness of the Credit Union.

In the fall of 2012, True North retained CliftonLarsonAllen, LLP (an independent auditing firm) to perform an annual Financial Statement Audit and verification of member accounts. In the Spring of 2013, CliftonLarsonAllen audited True North as of December 31, 2012 for the calendar year 2012. The result was an unqualified opinion, with no material weaknesses in financial reporting found. This indicates to True North's members that the financial statements presented by management are a true and correct statement of our financial position.

True North's Supervisory Committee is composed of committed volunteers with diverse backgrounds and skill sets. In addition to securing the annual audit, we prepare and implement our own audit plan designed to verify that Management is implementing Board approved policies. It is a pleasure to serve on the committee and represent the members' interests in True North Federal Credit Union.

Laura Bruce, Chair
Jeff Brink
Rory Darling
Charlene Morrison

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TRUE NORTH
FEDERAL CREDIT UNION

*Comparative
Income
Statements*

FOR THE YEARS ENDED
DECEMBER 31, 2013 & 2012



Income	2013	2012
Interest on Loans	4,758,878	4,880,510
Interest on Investments	345,648	331,810
Fees and Other Incomes	2,475,714	2,647,363
Total Income	\$7,580,240	\$7,859,683
Expenses		
Dividends on Members' Deposits	305,253	331,291
Provisions for Loan Loss	386,000	378,000
Operating Expenses	6,281,563	6,095,727
Total Expenses	\$6,792,816	\$6,805,018
Income Before Extraordinary Items	\$607,423	\$1,054,665
Extraordinary Items Income/(Expense)	(97,564)	(172,582)
Net Income	\$509,859	\$882,083

TRUE NORTH FEDERAL CREDIT UNION

Comparative Balance Sheets

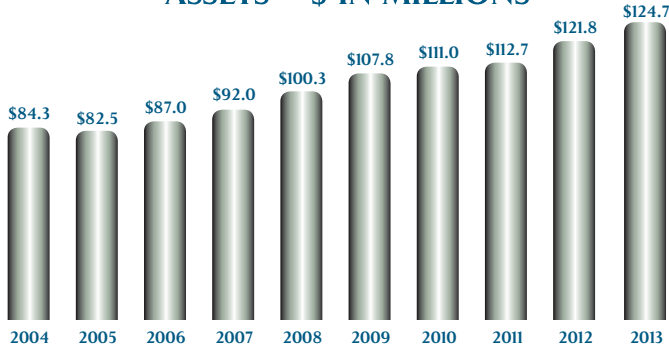
DECEMBER 31, 2013 AND 2012

Income	2013	2012
Loans to Members	93,616,298	84,679,657
Less: Reserve for Loan Loss	(476,708)	(500,452)
Net Loans	\$93,139,591	\$84,179,205
Cash and Cash Equivalents	1,205,907	1,150,727
Investments/Fed Funds	22,527,665	28,837,357
Accrued Interest Receivable	275,361	269,135
Property and Equipment, net	5,391,512	5,391,573
NCUA Share Insurance Deposit	1,112,483	1,059,316
Prepaid Expenses and Other Assets	1,018,280	896,437
Total Assets	\$124,670,798	\$121,783,750
Liabilities and Members' Equity		
Shares	32,763,332	29,865,311
Share Money Market	35,097,908	34,909,787
Share Certificates	14,712,038	15,396,934
IRA's	2,374,841	2,595,281
IRA Certificates	3,892,767	3,674,505
Share Drafts	25,321,985	25,009,582
Accrued Dividends	97,148	99,212
Other Liabilities	1,148,448	1,380,901
Total Liabilities	\$115,408,468	\$112,931,513
Members' Equity		
Unrealized Gain/(Loss) on Securities	215,657	324,912
Regular Reserves	4,163,163	4,038,163
Undivided Earnings	4,883,511	4,489,162
Total Members' Equity	\$9,262,330	\$8,852,237
Total Liabilities and Members' Equity	\$124,670,798	\$121,783,750

TRUE NORTH FEDERAL CREDIT UNION

Growth Statistics

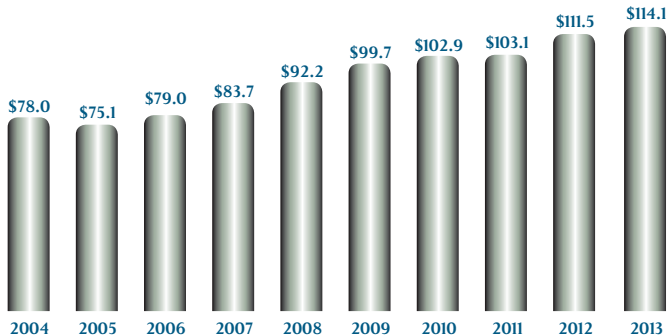
ASSETS – \$ IN MILLIONS



LOANS – \$ IN MILLIONS



DEPOSITS – \$ IN MILLIONS



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EXPAND
MY BUSINESS,
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- Business Lines of Credit
- Business Real Estate Loans

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