



TRUE NORTH
FEDERAL CREDIT UNION



TRUE NORTH
FEDERAL CREDIT UNION

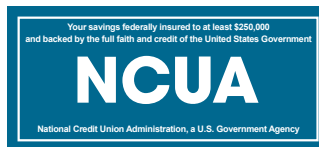
Contact Us

Juneau Administrative Office

2777 Postal Way
P.O. Box 34157
Juneau, AK 99803
907-523-4778
Fax 907-586-8078
admin@truenorthfcu.org

Express Teller

Audio Response
1-800-4-TELLER
(outside of local areas)
523-4744 Juneau
771-4744 Anchorage
328-4744 Fairbanks
24/7 Loans Toll-free:
1-866-564-22590
www.truenorthfcu.org



Federally Insured by NCUA

Annual Report 2011

Federally Insured by NCUA



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

CORPORATE

Lauren MacVay
CEO/PRESIDENT

Jeff Vogt
CHIEF FINANCIAL OFFICER

Bill Peters
VP OF CORPORATE DEVELOPMENT

Patty Ray
VP OF OPERATIONS

TinaMarie Kile
AVP BRANCH OPERATIONS

Jamey Young
BUSINESS LENDING MANAGER

David Olsen
MORTGAGE MANAGER

Marlene Huerta
COMPLIANCE MANAGER

Tracy Gottschlich
CONTROLLER

Crystal Hegel
ACCOUNT SERVICES MANAGER

Aaron Mar
IS MANAGER

BRANCHES

Sarah Boyer
ANCHORAGE BRANCH MANAGER

Cindy Cevasco
FAIRBANKS BRANCH MANAGER

Wello Raidmae
JUNEAU AREA BRANCH
MANAGER

BOARD OF DIRECTORS

Jim Andersen **Creighton Laurent**
CHAIR VICE CHAIR

Brad Pierce **Kim Garner**
SECRETARY TREASURER

Mark Troupin

David Teal

Gretchen Keiser

SUPERVISORY COMMITTEE

Laura Bruce

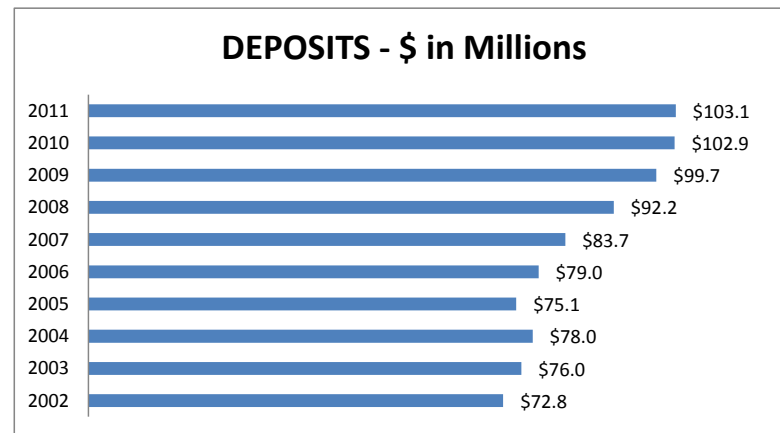
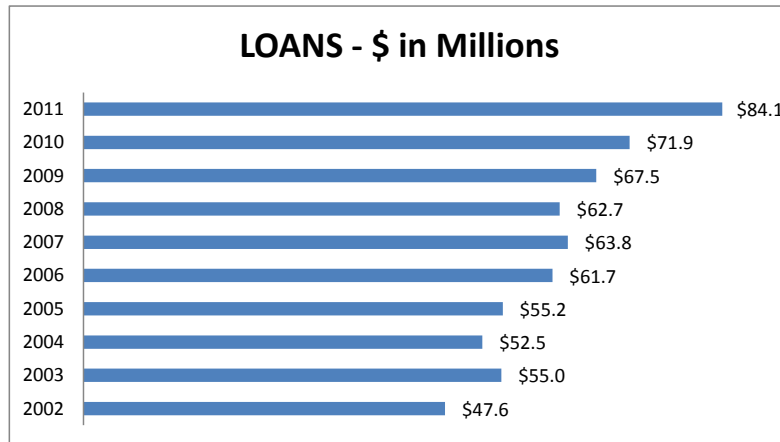
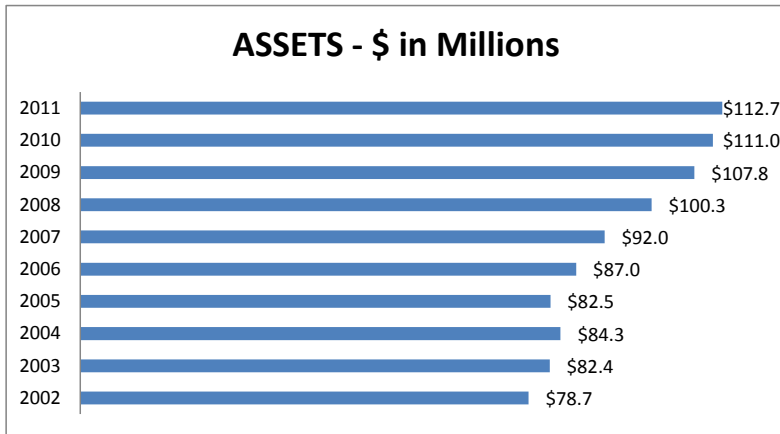
Jeff Brink

Charlene Morrison

Kelly Brown

Rory Darling

GROWTH STATISTICS FOR TRUE NORTH



**TRUE NORTH
FEDERAL CREDIT UNION**

**64th ANNUAL MEETING
MARCH 15, 2012 - 5:30 P.M.**

**True North Administrative Offices
2777 Postal Way
Juneau, Alaska**

AGENDA

- Call to Order
- Ascertainment of Quorum (15 members)
- Introduction of Volunteers
- Approval of Minutes from March 16, 2011 Annual Meeting
- Official Reports:
 - Board of Directors Report
 - Supervisory Committee Report
- Unfinished Business
- New Business
 - Nomination Committee Report
 - Elections
- Recognition and Awards
- Adjournment



TRUE NORTH FEDERAL CREDIT UNION
63rd ANNUAL MEETING
MINUTES
MARCH 16, 2011

The 63rd 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 Jim Andersen, Chair of the Board of Directors.

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

Lauren MacVay delivered a President's Report. She talked about the events of 2010, and the level of regulatory and legislative activity on the Federal level, which had significant impact on True North. She also highlighted considerable accomplishments despite the regulatory upheaval, including solid consumer loan growth, a very successful year for the First Mortgage department, and the introduction of Business Lending at True North.

The membership considered approval of the minutes from the March 17, 2010 annual meeting. Jim requested correction to reflect that Creighton Laurent led the 2010 meeting. Kim moved to accept the minutes as amended with a suspend reading, and asked for unanimous consent. There being no objection, the motion carried.

There was no unfinished business.

The only item of new business was election of Board officers. Creighton reported for the Nominating Committee that two existing Board members, Jim Andersen and Kim Garner, were up for reelection, and wished to keep their seats. The slate of candidates being presented was therefore composed of those two Board members. Jim asked if there were any nominations from the floor. Hearing none, Jim closed nominations from the floor. Jim stated that he would accept a motion to accept the slate of officers as presented by the Nominating Committee. Gretchen so moved. There being no objection, the motion carried.

Lauren MacVay then recognized Tracy Gottschlich for 5 years of service to True North, as well Patty Ray and TinaMarie Kile for 10 years.

Jim asked for questions from the floor. There being none, he asked Nate 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. Jim adjourned the meeting with no objection from the membership. The meeting adjourned at 5:50 p.m.

Respectfully submitted,

 Jim Andersen Chair

 Brad Pierce, Secretary

True North Federal Credit Union
Comparative Balance Sheets
December 31, 2011 and 2010

Assets	<u>2011</u>	<u>2010</u>
Loans to Members	\$ 84,067,179	\$ 72,452,654
Less: Reserve for Loan Loss	(458,446)	(472,840)
Net Loans	<u>83,608,733</u>	<u>71,979,814</u>
Cash and Cash Equivalents	884,430	1,882,813
Investments	19,334,986	28,089,662
Accrued Interest Receivable	259,507	301,359
Property and Equipment, net	5,504,451	5,712,847
NCUA Share Insurance Deposit	983,139	987,594
Prepaid Expenses and Other Assets	2,148,189	2,078,559
Total Assets	<u>\$ 112,723,435</u>	<u>\$ 111,032,648</u>
Liabilities and Members' Equity		
Shares	\$ 26,446,322	\$ 24,977,590
Share Money Market	22,100,490	30,591,220
Share Certificates	32,519,476	18,977,845
IRA's	2,783,907	2,815,342
IRA Certificates	3,942,788	4,727,449
Share Drafts	15,314,078	20,816,956
Accrued Dividends	107,229	236,635
Other Liabilities	1,570,855	1,089,417
Total Liabilities	<u>104,785,144</u>	<u>104,232,454</u>
Members' Equity		
Unrealized Gain/(Loss) on Securities	293,049	(36,590)
Regular Reserves	3,563,163	3,118,163
Undivided Earnings	4,082,079	3,718,621
Total Members' Equity	<u>7,938,291</u>	<u>6,800,194</u>
Total Liabilities and Members' Equity	<u>\$ 112,723,435</u>	<u>\$ 111,032,648</u>

**True North Federal Credit Union
Comparative Income Statements
For the Years Ended December 31, 2011 and 2010**

Income	2011	2010
Interest on Loans	\$ 4,750,903	\$ 4,499,969
Interest on Investments	402,806	548,043
Fees and Other Incomes	2,688,254	2,359,285
Total Income	7,841,963	7,407,297
Expenses		
Dividends on Members' Deposits	\$ 417,857	\$ 726,229
Provisions for Loan Loss	397,000	372,500
Operating Expenses	6,023,808	5,740,101
Total Expenses	6,838,665	6,838,830
Income Before Extraordinary Items	1,003,298	568,467
Extraordinary Items Income/(Expense)	(194,840)	(100,201)
 Net Income	 \$ 808,458	 \$ 468,266



PRESIDENT'S REPORT

2011 was an important year for True North. Our focus was on continuing to serve our membership and our communities, while navigating the Credit Union through economic and regulatory change. I'm happy to report we had a successful year on all fronts.

Despite very low interest rates, continued pressures on our margins, and further corporate stabilization assessments to the industry at large, we had a strong year financially. We increased net worth by over 11%. Lending to our members continues to be our best investment and our loan portfolio grew by over 10%. Shares grew slightly as members began to spend money again, after more conservative spending for several years in the heart of the recession.

In 2011, we upgraded our core computer system, providing faster response times and improved Disaster Recovery capabilities. We also set the stage for enhancing member facing technology, starting with a new Bill Pay Product in early 2012 which will offer new services and enhanced security protections.

Another accomplishment last year was the introduction of a new Call Center at True North! Located in our Anchorage office, the Call Center has increased efficiency and improved service to those members calling the Credit Union. It has also allowed branch staff more time to better serve our members in the branches.

True North also received several awards and recognitions in 2011, including a Family Friendly Employer Award, and recognition for Best Teller Service, Best Loan Officer, and Best Mortgage Department. It was wonderful see our members recognize the dedication to service that is so important to True North staff! True North continues to support the communities it serves, as an organization and as individuals. True North staff members, both collectively and individually, served on the boards of or participated in events for 20 non-profit groups or associations in Alaska last year.

2011 was a year with many accomplishments. I'm very proud of the staff for their accomplishments and their commitment to serving their members, communities and each other. 2012 is a year of much promise, and I look forward to what we will accomplish together.



**Lauren MacVay
CEO/President**

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. Since its inception in 1948, the True North has focused on providing competitively priced loans and deposit services to the membership. It is the mission of the Board and staff to improve the economic well-being of the members, employees and communities the Credit Union serves.

In 2011, True North's mortgage program saw solid growth, meeting its production targets and helping Alaskans with over \$30 million in mortgage loans. Our business lending program, new to True North, closed over \$3 million in loans to Alaskan small businesses. Finally, our consumer lenders disbursed \$25.3 million in loans to our members, helping them meet their needs, whether it was for a car to drive to work or a home equity loan to repair their house.

As we look ahead, we see tremendous promise for both Alaska and True North. Of course, the road ahead won't be without challenges, and we believe True North is well poised to not just face those challenges, but to grow from them. Our focus for 2012 will include continued growth in our loan programs, enhancement of our technology platforms, and both branch and membership development.

We would like to thank our members for their continued loyalty and patronage, as well as the staff for their dedication to True North's Values and their very hard work.

True North is Local, Stable and Ready to serve! 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.

Jim Anderson, Chair
Creighton Laurent
Kim Garnero
Brad Pierce
Gretchen Keiser
David Teal
Mark Troupin

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 2011, True North made some changes to its audit program. The audit moved from a March 31st audit schedule to a regular calendar year end. Therefore, the first period they audited was from April 1st, 2010 through December 31, 2010. This spring, they will audit January 1st through December 31st, 2011. Further, we retained a new independent audit firm, LarsonAllen, LLP. LarsonAllen performed a Financial Statement Audit and performed membership account verifications. The result was an unqualified opinion.

True North's Supervisory Committee is composed of committed volunteers with diverse backgrounds and skill sets, and they meet monthly with members of True North's management team. 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
Kelly Brown
Rory Darling
Charlene Morrison

2011 Award Winners!

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 Values, Mission and Vision. Those traits are Attitude, Service, Teamwork, Resilience, and Initiative. True North awards both an Employee ASTRI and a Leadership ASTRI. Additionally, we award one employee with the True Service Award for the employee who consistently exemplifies 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:



ASTRI Award - Alicia Chilton

Alicia joined True North in 2003 as a Teller in Juneau. Over the years, Alicia has held a number of positions including: Member Service Representative, Branch Manager and her current position of Administrative Assistant/Trainer in our Admin Department. Appropriately stated, Alicia is the glue that keeps us together as she may be planning travel, arranging holiday décor, spending time fixing equipment or handling training initiatives in her role as the Trainer for Branch Staff. Alicia's hard work is much appreciated and she is deserving of the ASTRI Award for 2011!



True Service Award - Jayme Chatfield

Jayme works in our Anchorage Branch Office. Hired in 2007, Jayme has worked a variety of roles at True North. One of her most recent endeavors was assisting True North with the creation of our Call Center. Jayme prides herself on providing excellent service to the membership. Always willing to help, she is quick to respond to both member and staff questions. Jayme is a great asset to the members and True North!



Leadership ASTRI Award - Wello Raidmae

Wello joined True North in February of 2011 as the Juneau Area Branch Manager. Wello has done a fantastic job of both adapting to True North's culture and bringing to True North a fresh perspective. In his role, Wello ensures his team responds to member needs efficiently as well as provides the membership with excellent service. Under his leadership, branch staffing has stabilized, lending activities have increased and member service is at an all time high!

