



THIS IS OUR STORY.

2013 Annual Report

75 YEARS AGO SOMETHING SPECIAL WAS STARTED.

Take a glimpse at our past and where we've come from. From the beginning to the present and well into the future, we'll continue to be your neighborhood credit union.

Our story is pretty special, and it's you, our members, who have helped narrate it.

A LOOK BACK

1939

Eight Minneapolis teachers gathered at Carl Nelson's home to sign a Certificate of Organization to create the Minneapolis Federation of Teachers Credit Union.

1941

Automobile loans were offered with a maximum loan amount of \$700.

1959

725 members totaling \$434,008 in assets.

1976

The credit union became one of the first in Minnesota to offer Share Draft Checking.

1979

12,556 members totaling \$33,911,354 in assets. The charter expanded to include teachers in all of Minnesota.

2004

The charter expanded to include Minneapolis and St. Paul underserved communities.

2009

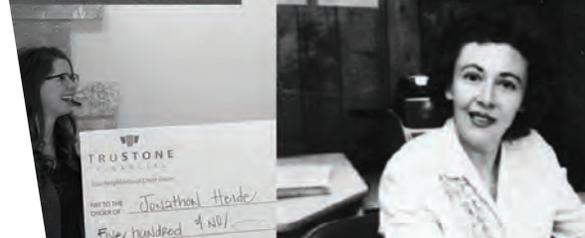
57,351 members totaling \$621,601,208 in assets. The credit union name changed to TruStone Financial.

2012

TruStone Financial acquired the assets of A M Community Credit Union and gained four branches in eastern Wisconsin.

2013

TruStone Financial merged with Ladish Community Credit Union of Cudahy, Wisconsin.





TRUSTONE
FINANCIAL

TIM BOSIACKI
Chief Executive Officer

STEPHEN BOHLIG
Chairman of the Board

THE PAST, PRESENT & FUTURE.

Our story started 75 years ago and is still going strong today. For you, our members, we will continue to help build your personal financial story in the decades to come.

75 YEARS OF COMMITMENT





**BOARD
OF DIRECTORS**



TRUSTCO
FINANCIAL



(L-R) Doug Nesbit, Roger Cersine, Darrick Metz, Stephen Bohlig, Tom Alagna, Fred Sulzbach, Samuel Stern

A LETTER FROM THE CHAIRMAN

As elected chairman of the volunteer board of directors at TruStone Financial, I am proud to report another solid year of growth and financial soundness at the credit union. We continue to be among the largest credit unions in Minnesota; growing assets by 6.25% and welcoming more than 6,400 new members in 2013.

TruStone Financial has long understood the meaning of financial security and prudent spending. Therefore while other financial institutions may still be recovering from the economic collapse, our credit union prospered in 2013. With the economy stabilizing, we have helped members find ways to make their financial lives more prosperous by refinancing or seeking funds for consumer loans in record numbers. In particular, our employees originated more than \$130 million worth of real estate loans and assisted thousands of families make the dreams of home ownership and financial security a reality. This increase has directly benefitted the local economy and lives of our neighbors.

The board of director's role in governing the credit union to make fiscally responsible choices and to minimize risk has continued to bode well for the organization. Our net worth ratio increased by .26% and now stands at 9.06%.

In addition, the credit union is committed to continually improving product offerings and simplifying processes to keep our organization competitive. By doing this, we are able to provide our members with the best financial resources available and increase our operating efficiencies at the same time. I'd like to tell you about a few of the key items accomplished in 2013 that won't be found on a balance sheet:

- Merged with Ladish Community Credit Union in Cudahy, Wisconsin and remodeled the branch to fit the TruStone Financial brand. Because of this, our field of membership has now expanded to those who live or work in Milwaukee County.
- Improved the function, flow and appearance of our Roseville branch by doing a full-scale renovation.
- Launched an online account application and loan origination system for those who prefer the electronic services experience.
- Established a Little Free Library at our Lyn-Lake (Minneapolis) location.
- Volunteered hundreds of hours in classrooms and communities, teaching financial literacy and giving back to the neighborhoods our branches reside in.
- Began an auto leasing and car buying service. Your credit union will help negotiate a favorable lease to get you in the car you desire.
- Made instant issue debit cards available at all Minnesota branch locations, eliminating wait time for a debit card to arrive in the mail.
- Installed free coin counting machines for members at all credit union locations. I enjoy seeing a wide-eyed child make the coin machine come to life with their latest deposit.
- Added aircraft financing to our suite of business loan products.

As our 75th year is upon us, I am proud that from such humble beginnings, we have been able to grow something more than 85,000 members are proud to own.

On behalf of the board of directors at TruStone Financial, thank you for your membership and continued support of your neighborhood credit union.



Stephen Bohlig // Chairman of the Board



**TRUSTONE
FINANCIAL
MANAGEMENT**



TRUSTONE
FINANCIAL



(F) Tim Bosiaci, Chief Executive Officer (L-R) Dan Zaczkowski, Chief Financial Officer, Gary Maki, Director of Human Resources, Hans Iverson, Chief Operating Officer, Nathan Grunzke, Director of Mortgage Operations, Steve Steen, Chief Business Officer, Phil Young, General Counsel, Bob Thompson, Director of Information Technology

A LETTER FROM THE CEO

Being at the center of our members' lives doesn't mean being the biggest or flashiest; since 1939 modest means, steady growth and hard work helped propel our organization to the near billion dollar institution it is today. Focusing on education, community and fellowship, TruStone Financial Federal Credit Union closed out the 2013 year with significant advancement in not only our membership and asset size, but also numerous community partnerships to add to our storied history.

Last year I spoke of our growth strategy through expansion, community involvement and investment into our branch network. I am pleased to report we carried this approach through 2013. We remain a healthy, viable and resilient credit union that continues to diversify product offerings and advance technologies in the communities we serve.

Firmly rooted in the belief that we are your neighborhood credit union, we maintain focus on conversations rather than transactions. Understanding it's more about moments in time rather than the paperwork behind it.

By working together, we are striving to build something bigger than ourselves; a cooperative financial institution that benefits all.

Here are some of the highlights of our 2013 year in your neighborhood:

IN YOUR COMMUNITIES TruStone Financial is deeply grounded in the community and 2013 was no exception. Playing a role in more than 75 community events, you may have seen us at local parades, family-friendly activities and neighborhood fests. You may even have spotted us in the classroom helping teach financial literacy to children and young adults. Our involvement in the everyday lives of our neighbors is a key factor to the relationships TruStone Financial creates.

EXPANDED FOOTPRINT In 2013 TruStone Financial expanded into the Milwaukee market by merging with Ladish Community Credit Union in Cudahy, Wisconsin. The transition provided 2,900 members with new services and products never before available to them. This development reiterates our vision to support and educate members in matters of finance by simplifying the banking process with unique servicing and additional technologies. With the combining of credit unions, TruStone Financial was able to add an additional branch to our growing network located at 5570 South Packard Avenue in Cudahy, Wisconsin.

MONETARY CHARITABLE DONATIONS BY EMPLOYEES Living the people helping people philosophy is an important part of the internal culture at TruStone Financial. In 2013 our employees showed their community devotion and pride by raising more than \$16,000 in individual donations to various charitable organizations including TreeHouse, Oklahoma Tornado Relief, Beyond the Yellow Ribbon, Education Minnesota, Second Harvest Heartland and more.

MOVING FORWARD 2014 will mark my fourth year at TruStone Financial. As I close the books on another year, I want to thank the powerful team behind me. The 250 employees, board of directors and supervisory committee help make TruStone Financial a great place to work. Most importantly a heartfelt thanks to our member-owners: Without you, none of this would be possible. Your support continues to solidify this organization as one of the most revered financial institutions in the Midwest.

Despite our record growth in new members, loans and deposits, TruStone Financial has not lost sight of what the credit union's early leaders set out to do. They were drawn to the ideal of making a difference and I share that vision. I am honored to be leading this organization into a historic 75th year.



Tim Boskiacki // Chief Executive Officer

DARRICK METZ

TruStone Member
& Board Member



WHAT'S MY TRUSTONE STORY?

I am very proud to be a part of TruStone Financial, as both a volunteer on the board of directors and a member, while we strive to improve the lives of others.

My grandparents started our family down the path of being credit union members at an early age. My grandmother was a teacher and my grandfather had just returned from serving in World War II. Growing up, it was easy to see that my grandparents cared about where their money was—and how it was spent.

This intrinsic importance in community was passed down to my parents, a trait for which I am forever grateful. When my mother drove me to my first “real” job interview for a dishwashing position, our second stop was at the credit union to become more financially independent.

The community focus of my family values hasn't ended with me. Last year, my eldest daughter and I opened her first savings account. At age eight, she is a fourth-generation member of an institution that has served my entire family. With TruStone Financial at the core of my origin story, I know it's important to pass the value of community and financial literacy on to my children for future generations.



TruStone
MEMBERS

A family spanning
four generations

**75 YEARS
OF MEMBERSHIP**

1939

16 MEMBERS TOTALING
\$307 IN ASSETS

1949

118 MEMBERS
TOTALING \$17,392
IN ASSETS

EXPANDED INTO EASTERN
WISCONSIN

2009

CHANGED NAME TO
TRUSTONE FINANCIAL



CARLY GULNER (L)
KIM WILLIAMS (R)

TruStone Employees

WHAT'S OUR TRUSTONE STORY?

I never thought when I first started at TruStone I would be here for 11 years. Time flies by so quickly when you work for a company you believe in so deeply.

– Kim Williams



TruStone
EMPLOYEES
20+ years

Carly and Kim have worked at TruStone Financial for a combined 20 years. With Carly situated at our Lyn-Lake branch and Kim working at the credit union's corporate location, they get a unique perspective, insight and full scope of operations from each other.

Once Kim was hired, she immediately had her family – including Carly – become members. After hearing Kim speak highly of the credit union for so long, Carly joined the forces of TruStone Financial. From the very beginning, Carly was able to integrate her personal experience with members and the community into her everyday work.

Being a part of an institution that cares is important to the sisters and it makes them proud to be a part of their neighborhood credit union.

1939

IT ALL STARTED AT
CARL NELSON'S HOME
WITH A CERTIFICATE
OF ORGANIZATION

1982

MERGED WITH MINNESOTA
FEDERATION OF TEACHERS
CREDIT UNION

**75 YEARS
OF EMPLOYEES**

1941
\$700 LOAN LIMIT

TOTAL
BRANCH
LOCATIONS

12



TruStone Financial
GRAND OPENING
Cudahy, Wisconsin



WHAT'S OUR TRUSTONE STORY?

Our commitment and appreciation to the community and its members has always been of utmost importance to us. We strive to give back more than what they give us.

In October 2013 the newest addition to the TruStone Financial family, the Milwaukee-Cudahy branch, held a grand opening celebration.

Community members were invited to stop by the newly renovated branch and take part in family-friendly activities during the day. Attendees were able to decorate T-shirts, get custom glitter body art, grab a free lunch and even have a chance to win 60 seconds in a money booth.

To help make an even greater impact in the community, the credit union donated \$1,000 to the Cudahy Police Department to assist in the search for a new K-9 police dog and committed to establishing a Little Free Library at the branch in 2014.

We know that being your neighborhood credit union is more than just a transaction and a smile; it's the impact we make on people's lives by creating moments to remember.



**75 YEARS
OF COMMUNITY**

2001
INTRODUCTION OF
MONEYWISE
YOUTH SAVINGS
ACCOUNTS

2013
TRUSTONE EMPLOYEES GAVE
\$16,761
IN CHARITABLE DONATIONS

2005
STARTED HOSTING
ON-SITE SHRED EVENTS



INCOME STATEMENT

AS OF DECEMBER 31, 2013 AND 2012 (\$ IN THOUSANDS)

	2013	2012
INTEREST INCOME		
Loans	\$ 24,661	\$ 19,679
Investments	7,340	8,143
Total Interest Income	32,001	27,822
Dividend/Interest Expense	4,487	5,298
NET INTEREST INCOME	\$27,514	\$22,524
Provision for Loan Losses	1,419	1,420
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	26,096	21,104
NON - INTEREST INCOME		
Miscellaneous Income	12,947	12,052
Gain/Loss on Investments	1,742	1,102
NON - INTEREST EXPENSE		
Compensation and Benefits	16,869	14,233
Occupancy	2,247	1,921
Office Operations	7,335	5,256
NCUA Stabilization	626	699
Other	7,376	5,947
Total Expenses	\$34,454	\$28,056
NET INCOME	\$ 6,331	\$ 6,202

75 YEARS OF CONSISTENT GROWTH

BALANCE SHEET

AS OF DECEMBER 31, 2013 AND 2012 (\$ IN THOUSANDS)

	2013	2012
ASSETS		
Loans to members, net	\$ 520,434	\$ 449,452
Investments	318,164	334,241
Cash and Cash Equivalents	11,636	12,849
Property and Equipment, net	28,201	27,305
Other Assets	35,995	36,765
TOTAL ASSETS	\$914,430	\$860,612
LIABILITIES & MEMBERS' EQUITY		
Member Deposits	793,868	749,280
Borrowed Funds	30,500	18,000
Other Liabilities	9,818	10,662
Total Liabilities	834,186	777,942
Members' Equity	80,244	82,670
TOTAL LIABILITIES & MEMBERS' EQUITY	\$914,430	\$860,612

TOTAL ASSETS

(\$ IN MILLIONS)



NET WORTH

(\$ IN MILLIONS)



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
St. Paul, MN 55116

INDIAN TRAIL HIGH SCHOOL

6800 60th Street
Kenosha, WI 53144

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 53142

ROSEVILLE

2150 Lexington Avenue North
Roseville, MN 55113

ST. CLOUD

620 Roosevelt Road
St. Cloud, MN 56301

LEADERSHIP

BOARD OF DIRECTORS

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

SUPERVISORY COMMITTEE

John Christenson
Brian Lee

TRUSTONE FINANCIAL 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
Bob Thompson
Director of Information Technology
Phil Young
General Counsel

VICE PRESIDENTS

Katie Grindeland
Matt Krauter
Lorri Kulberg
Gina Leyda
Christine Maros
Jeff Rothmeyer
Kelly Smith
Jeff Smrcka
John Verplank
Cathy Worth
Lisa Zimbeck

Your Neighborhood
Credit Union



TRUSTONE[®]
FINANCIAL