

Star★Choice
Credit Union

Building Strong Financial Futures.

2019 Annual Report

Federally Insured by the NCUA



Report of the Board Chair

Our credit union was founded 89 years ago, yet today we remain focused on the same mission – serving our members. Once again, we have set ourselves apart from other financial institutions by providing exceptional member service and by focusing our efforts on the credit union philosophy of people helping people. This year, we were able to grow our savings and loans while controlling our spending and keeping our delinquency low. As we look forward, Star Choice is poised to continue to provide our members with the personalized service you have come to expect, and the financial tools needed to succeed in today's fast-paced world.

I want to remind you that your Star Choice Credit Union Board of Directors serves as elected representatives of our entire membership. Our purpose is to help guide the organization in its mission to improve the financial wellbeing of people. As our tagline states, we "Build Strong Financial Futures". It's our passion, it's what we're good at, and we've been doing it the right way since 1931.

2019 was an exciting year for your credit union. We introduced a new management team in April. The board prides itself on providing the credit union management team with clear directions, guidance and governance. Governance is extremely important based on the regulatory requirements, continuous technological changes and growing financial needs of our membership.

We are also passionate about giving back to our community. We do this by donating time, raising money, conducting donation drives, collecting school supplies and other needed essentials. We have partnered with the following community organizations that benefit from our community involvement.

- VEAP: to collect donation for a back to school drive and we volunteer our time once a month
- Pinky Swear: on various events
- Sponsor "National Night Out" in the immediate area of our Bloomington location
- Hillcrest Community School: doing a variety of things from participating in the back to school event to making various donations.
- Meals on Wheels: to deliver hot meals to senior citizens throughout Bloomington
- Our entire staff packed meals at Feed My Starving Children on a holiday the office was closed

As our membership at Star Choice continues to grow, I want to remind you that we can serve anyone who lives, works, worships, volunteers and/or attends school within Hennepin County, and those employed by a company within the information media, advertising or related services industry. Star Choice is positioned for great things in 2020. You can count on our commitment to put our members before profits and to provide you with the latest products, services, technology, and convenience to maintain our strong competitive edge. We are excited about what the future holds. We want to thank you for your business, the confidence, and the trust you put into us and your credit union. As always, I'd like to thank you for your membership at Star Choice.

Thank you,
Lynn Lettow
Board Chair, Star Choice Credit Union



\$64 Million
Total Assets



413
New Member
in 2019





Report of the President

Thank you for attending the 89th Annual Meeting of Star Choice Credit Union. We appreciate your interest in your credit union and we hope that you can take a few moments to meet the staff.

2019 was a memorable year! If I had to sum it up in one word, I would say it was the year of "Transition". Our entire Executive Staff is either new to Star Choice or in a new position. I took over as your President on April 1st (cue up the April Fools jokes!!). It has been an honor, privilege and joy to serve you in this manner.

Tammy Johnson-Kohl joined the team as your new Vice-President. She has had a long career in working in the Financial Services area most recently as a Regional Manager for Great Southern Bank. Tammy brings a depth of knowledge and new ways to look at serving our membership. She has an interest and dedication to new business development and outreach. Tammy's hard work, knowledge and dedication will be beneficial as Star Choice explores new ways to serve you and our service area better.

Patricia Deoraj came on board as our Controller/Accounting Manager at the end of 2018. Pat has extensive experience in credit union accounting most recently with Electrus Federal Credit Union. She has used her experience to streamline financial operations and also make some necessary reporting changes. Pat is not only knowledgeable and precise, but she has an infectious laugh that always brings joy and a lighter side to finance and accounting.

Through all the transitions; the real heroes have been our dedicated staff. They have been super through the changes and are always dedicated to serve you in the best way possible. Ryan Diaz, our Branch Manager has been instrumental in facilitating some of these changes and assisting with implementation.

I count it a privilege to be able to work with a staff that is dedicated, knowledgeable and focused on serving you, our members. We are looking forward with anticipation to 2020!

Thank you,
Scott Olson
President

Report of the Supervisory Committee

During 2019, the Supervisory Committee conducted two audits of Star Choice Credit Union as of the effective dates of June 30 and December 31. Included in these audits were balance sheet and income statement examinations, appropriate tests on bank statements, reconciliations, investments, loans, share and deposit accounts and all reserve accounts. Semi-annual reports were sent to the Minnesota Department of Commerce in compliance with the state law. The Supervisory Committee presented monthly reports at the meetings of the Board of Directors.

Additionally, the Supervisory Committee contracted the services of Clifton Larson Allen, LLP, an independent accounting firm of certified public accountants, to assist in the performance of a comprehensive audit in order to render an opinion on management's financial statements. This firm, at the direction of the Supervisory Committee, has performed a verification of all members' accounts as well as all other procedures required.

In the opinion of Clifton Larson Allen, LLP, the statement of financial condition for the audit period presents fairly, in all material respects, the financial position of Star Choice Credit Union as of June 30, 2019 in conformity with Generally Accepted Accounting Principles.

In addition to the above audits, the NCUA (National Credit Union Association) and Minnesota Department of Commerce were also in as part of our regular exam schedule. Star Choice Credit Union maintained its previous strong rating and any exceptions were corrected or are in the process of being corrected. We appreciate the time and diligence the staff took in providing reports and information to all those involved.

Cheri Zitzloff, Chair
Pam Skelly
Ricky Brink

Board of Directors

Chair
Lynn Lettow
Vice Chair
Lindsey Olsen

Brent Larson
Dan Ganley
Keith Huso
Mary St. Mary
Stuart Kohlstedt

Supervisory Committee

Cheri Zitzloff
Pamela Skelly
Ricky Brink

Star Choice Staff

President
Scott Olson
Vice President
Tammy Johnson

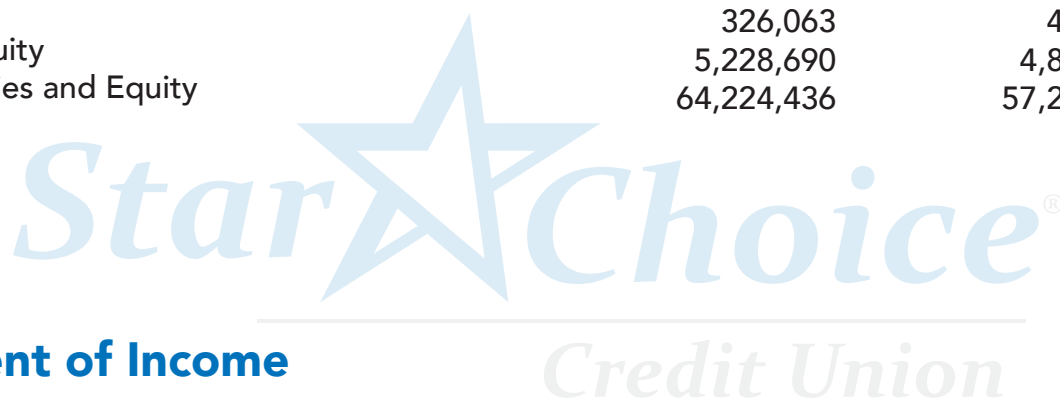
Pat Deoraj
Ryan Diaz
Stephanie Hllum
Joe Wabs
Sara Blom
Stephanie Patron
Matt Puczko
Tracy Bartholomew
Suzanne Gomes
Tracy Hegland
Andrew Stoebe
Oliva Jensen
Ginny Petersen
Nolan Rein

Financial Statements

Statement of Financial Condition

December 31, 2019 and 2018

	2019	2018
Loans	53,985,464	53,555,857
Allowance Investment	(231,912)	(221,526)
Cash and Investments	7,996,741	1,335,654
Other Assets	2,474,143	2,541,100
Total Assets	64,224,436	57,211,085
Member Deposit	58,365,248	51,402,976
Other Liabilities	304,435	579,419
Net Income	326,063	416,223
Member Equity	5,228,690	4,812,467
Total Liabilities and Equity	64,224,436	57,211,085



Statement of Income

December 31, 2019 and 2018

	2019	2018
Loan Interest Income	2,377,767	2,226,283
Non-Interest Income	757,595	717,444
Total Income	3,135,362	2,943,727
Operating Expense	2,442,515	2,310,254
Interest Expense	156,684	73,650
Allowance for Loan Loss	210,100	143,600
Total Expense	2,809,299	2,527,504
Net Income	326,063	416,223

