

I. WELCOME AND INTRODUCTIONS

CEO Jeff Kennedy welcomed everyone to the 83rd TwinStar Annual Meeting. As he did last year, Jeff shared TwinStar is continuing to take caution and care to protect our employees, members and guests during the pandemic by having the 2021 Annual Meeting be a virtual meeting. TwinStar will live stream the meeting on the credit union's website on Saturday, March 13, 2021.

II. CALL TO ORDER

Jeff introduced the credit union's Board Chair, Gayla Gjertsen, who called the 83rd Annual Meeting to order at 9:30 a.m. Tammy Teeter was appointed Recording Secretary, Jerrod Keller was appointed Parliamentarian, and Aaron Palmer was appointed Sergeant at Arms.

III. INTRODUCTIONS

Gayla welcomed the TwinStar members in attendance and stated the names of the Board and Supervisory Committee Members. She thanked them for their many hours of service. Gayla also recognized all employees in attendance and noted the Board's appreciation for their dedication and support of the credit union's mission and vision.

IV. 2020 ANNUAL MEETING MINUTES & CHAIR REPORTS

Gayla began the business portion of the meeting by establishing a quorum of 15 voting members was present. She noted the 2020 Annual Meeting minutes and an overview of the year's financials were contained in the Annual Report provided at the meeting and on our website.

Gayla called for a motion to approve the minutes. The motion was made, seconded and approved.

The 2020 Report also included reports from the CEO (Treasurer) and the Board and Supervisory Committee Chairs. Gayla asked for a motion to approve the reports. The motion was made, seconded and approved.

V. ELECTIONS

Gayla introduced the Nominating Committee Chair, Donna Feliciano, who introduced the Nominating Committee members: Dale Tosland, Jena Miller, Christy Raske, and Brock Williams. Donna announced the following slate of candidates running for election:

Board of Directors – 3 year term	Supervisory Committee – 3 year term
Ron Hastie	Kim Wyman
Kim Martin	
Rhodetta Seward	

Since the four open positions were uncontested, Donna called for a motion to accept the slate of candidates as presented. The motion was made, seconded and approved. Donna thanked and congratulated each newly elected official.

VI. NEW BUSINESS

Gayla called for any new business. No new business was presented.

VII. ADJOURNMENT

Gayla thanked those members in attendance and requested a motion to adjourn. The motion was made, seconded and approved. The business meeting was adjourned at 9:45 a.m.



Annual Report 2021



Statement of Financial Condition as of December 31, 2021

Assets	2021	2020	2019	2018	2017
Cash and Cash Equivalents	358,923,522	393,428,104	167,092,038	120,283,454	98,789,411
Member Loans (Net after Allowance for Loan Loss)	1,319,985,724	1,177,357,854	1,132,507,260	1,087,053,586	995,396,806
Investments	399,618,100	166,123,599	56,374,648	53,039,906	70,703,956
Fixed Assets	42,444,711	42,895,535	42,710,872	42,647,711	38,650,969
Other Assets	51,468,185	66,919,954	54,571,893	58,298,060	55,316,682
Total Assets	2,172,440,242	1,846,725,046	1,453,256,711	1,361,322,714	1,258,857,824

Member Shares

Member Shares	1,965,324,387	1,646,364,834	1,270,253,149	1,159,923,315	1,109,588,266
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Net Worth

Regular Reserve	8,492,258	8,492,258	8,492,258	8,492,258	8,492,258
Accumulated Unrealized Gain/ Loss on Investments	(6,216,860)	665,725	(79,790)	(1,050,251)	(861,021)
Undivided Earnings	184,314,284	165,508,656	157,187,622	133,336,323	116,625,727
Total Net Worth	186,589,682	174,666,639	160,288,690	140,778,330	124,256,964

Liabilities

Accounts Payable & Other Liabilities	20,526,029	25,693,314	22,714,552	60,620,902	25,012,467
Accrued Payable Interest or Dividends	144	259	320	167	128
Total Liabilities	20,526,173	25,693,573	22,714,872	60,621,069	25,012,595

Total Member Shares, Net Worth & Liabilities	2,172,440,242	1,846,725,046	1,453,256,711	1,361,322,714	1,258,857,824
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Note: Unaudited Financial Statement as prepared by TwinStar Credit Union. Reflects only TwinStar Credit Union.





CEO's Message Jeff Kennedy, CEO

Thank you for your membership with TwinStar Credit Union. The pandemic and related events proved to be as challenging as those we experienced in 2020. Throughout the year, the credit union and the communities we serve have withstood those challenges. We are extremely grateful for those in healthcare that have and continue to

care for those in need. I'm especially thankful for my leadership team and our dedicated employees as they continue to respond to the ever changing circumstances of the pandemic and keep a keen focus on serving members while caring for themselves, their families and their coworkers.

Late in 2021 we went through a transition with one of our core systems – online digital banking. Core conversions statistically are one of the most intensive and important processes a credit union can undergo. Technology improves and members' needs change and we continually work to keep pace to improve your banking experience. The online banking conversion was an immense process and, as in most transitions of this magnitude, included some delays and bumps in the road. We are thankful for and are extremely proud of our employees and their ability to work with our members through the transition. We also thank you, our members, for your patience and support. TwinStar Credit Union is committed to providing you even more advancements through our focus on product and services development and improvement and community involvement at all levels.

Our financial condition remained solid during 2021, a reflection of sound oversight by the board and good stewardship by the leadership team. TwinStar's 2021 Annual Report will be made available on our website, but listed below is a financial snapshot from 2021:

- **Total Assets reached almost \$2.2 billion**
- **We now serve over 115,000 households and 135,000 individual members**
- **Mortgage Production totaled \$200 million**
- **Consumer Loan Production was \$408 million**
- **Our Net Worth ended at 8.8%. Credit unions are considered "well capitalized" by our State and Federal regulators when their net worth is greater than 7%.**

As in past years, TwinStar received excellent reports from both State and Federal regulators.

With regard to our elected officials, the Board of Directors and Supervisory Committee members, I thank you wholeheartedly for your volunteer hours, governance, and commitment to our mission and vision.

And to our members, please know we remain a not for profit, financial cooperative that focuses solely on improving the financial lives of our members. That model remains resilient and viable today through your loyalty and patronage. There are thousands of financial service providers in today's marketplace, and we are grateful that you have chosen to be a member of TwinStar Credit Union.

Respectfully submitted,

Jeff Kennedy
CEO



2021 Board Report Ron Hastie, Chair

As we look back on 2021, we are grateful for the patience and support of our membership and commitment of our employees. 2021 mirrored the previous year as we all felt stress under the weight of a dual public health and economic crisis. But TwinStar Credit Union still flourished as our employees put our mission and vision and the interests of our members at the forefront. Our members strengthened their alliance with the credit union and exercised patience as we navigated through operational change and uncertainty on a regular basis.

We know the crises have not completely passed. We are aware our members have experienced these watersheds with us and while some businesses have flourished; others have struggled greatly. Some families have managed fine; some have had financial difficulties. As we continue on, it is our mission to invest in people and empower success. We are committed to our membership and everyone in the communities we serve.

TwinStar is dedicated to strategies that strengthen our financial position and protect assets so we can continue to provide the products and services members value most. TwinStar has evolved over the years, yet our philosophy remains rooted in strengthening our communities, growing households and providing competitive rates on loans and deposit accounts, and personalized service from people who truly care about your financial well-being.

The credit union financially continued to grow in 2021, despite the continued challenges. This is evidenced by the charts and financial reports contained in the Annual Report. We ended the year approaching 2.2 billion dollars in assets.

Financial Asset Growth

1938	\$1,473
1950	\$36,774
1960	\$467,129
1970	\$2,378,773
1980	\$20,545,115
1990	\$113,963,792
2000	\$354,800,950
2005	\$522,695,677
2010	\$714,483,952
2015	\$1,049,433,179
2020	\$1,846,725,046
2021	\$2,172,440,242

Thanks to All

I would like to thank my fellow Board Directors, the Supervisory Committee and Management for their leadership and the employees for their dedication to hard work. And, lastly, to our TwinStar Credit Union membership, I greatly appreciate your continued loyalty and support.

Respectfully submitted,

Ron Hastie, Chair
Board of Directors



2021 Supervisory Committee Report Erik M. Kupka, Chair

TwinStar Credit Union's Supervisory Committee provides independent monitoring and review of the credit union's policies, procedures, processes and internal controls and Management on behalf of the membership. We play a vital role in protecting the assets of the credit union and its members.

The Committee's primary responsibilities include oversight of the independent external financial audit of the credit union's financial statements and records and member accounts verification. The CPA auditing firm, Moss Adams, LLP, was engaged to assist the Supervisory Committee in accomplishing these responsibilities.

A regulatory risk examination was conducted by the State of Washington Department of Financial Institutions – Division of Credit Unions. Based on the state's examination, the Committee meetings and the annual financial audit results, we believe TwinStar is performing appropriately to sustain a safe and secure future; and that it is well managed with a strong commitment to serving the membership.

On behalf of the entire Committee, we appreciated the opportunity to work with Management and to have served the members of the credit union in 2021. The Supervisory Committee will continue to perform oversight activities so that members remain confident their financial interests are well protected.

Respectfully submitted,

Erik M. Kupka, Chair
Supervisory Committee

