



2022 ANNUAL REPORT

JUNE 13, 2023

Tie Blanket Making

Our Care Committee made and donated blankets for Good Samaritan Society.



Necessities for Neighbors

Tangee purchases & distributes household items.



Shoveling the Walk

Rollie took to the streets to help neighbors dig out from the snow this winter.



Warmth for Winter

Patty made and donated piles of hats and scarves.



LSS Mentoring

Tiffany spends lunch with a mentee once a week.



As part of our 85th anniversary celebration, our staff committed to a cumulative **85 Acts of Service** this year. We are encouraging our team to reach out to neighbors who need help, like Rollie, who helped shovel some walks and stopped on his way home one evening when he spotted someone who needed help with packages. Or like Tangee, who's been purchasing and distributing needed items not covered by programs like SNAP. Our Care Committee continues to put together events like the tie blanket making party, and run supply fundraisers like the Giving Trees. Many of our staff participate in local mentoring programs like LSS Mentoring, meeting with a mentee on a regular basis. Part of the Credit Union Difference is the commitment to community we embrace in our Core Values that has kept us part of the lives of our members for these 85 years. We looking forward to sharing with you, our members, more about this initiative and our staff's efforts as we wind down the year.



STAFF LONGEVITY

20 Years

Cathy Dannen

10 Years

**Patty Kleinsasser
Adam Kleinsasser**

5 Years

**Trista Nachtigall
Sarah Velasquez
Nichole Juhnke
Aaron Wiersma**

3 Years

**Jennifer Koper
Craig Gessler
Tiffany Janssen
Abby Schwarz**

Thank you!

Your Bluestone FCU Team

Liz Albers
Guy Anderson
Nancy Ballieu
Damian Bartels
Scott Christie
Cathy Dannen
Tiffany Dossett
Debbie Drewes
Devin Figueora

Emily Fossum
Kyle Francis
Teena Frederick
Hailey Galpin
Craig Gessler
Tommy Hansen
Becky Hernandez Ortiz
Christina Hofmann
Tiffany Janssen

Alayna Johnson
Jeff Jorgensen
Nichole Juhnke
Adam Kleinsasser
Patty Kleinsasser
Tangee Kokege
Jennifer Koper
Logan Mednansky
Vanessa Milk

Chris Munce
Trista Nachtigall
Debra Nordquist
Brittany Petersen
Brenna Randolph
Ambyr Raymond
Brenna Robertson
Abby Schwarz
Daryl Skinner

Katie Smith
Melissa Stahl
Rollie Steck
Michael Van Driesen
Sarah Velasquez
D'Marcus Waterbury
Aaron Wiersma
Nicole Wiig

2022 ANNUAL MEETING MINUTES

The eighty-fourth Annual Membership Meeting of the Bluestone Federal Credit Union was held on June 28, 2022 in person at the Best Western Ramkota Inn in Sioux Falls, SD.

CALL TO ORDER:

Chairperson Buriak called the meeting to order at 6:47 PM. He thanked those who were attending in person again this year, and introduced the current members of the Board. He also noted the attendance of Mike Markstrom, a previous Board member.

MINUTES:

The minutes of the eighty-third Annual Membership Meeting were approved as printed on a motion by Rodney Paulson, seconded by James Satterly. Motion carried with no dissenting votes.

REPORTS:

Chairperson Buriak thanked everyone for being present at this meeting, the 1st official one under the new name of Bluestone FCU! He reviewed our Core Values and commented on how the Board had taken upon themselves to conduct some external influence studies and have had some deep dive conversations as highlighted in his report. He thanked the Board for their commitment to service and our members for their patronage.

President Jorgensen thanked all members for their time and attendance also. Jorgensen asked all the employees to stand and be recognized. From his report, he highlighted the ITM deployment schedule and encouraged members to come into the SW Branch lobby and try one of the machines!

Supervisory Committee Chairperson Dykstra stated the Committee had retained Eide Bailly to perform the necessary financial statement audit and the committee is once again happy to present an unqualified independent report.

On behalf of the Nominating Committee, Board member Swenson shared that there were two open positions. Both incumbents chose to seek re-election. The incumbent candidates presented to fill the two open positions are Joanne Bechtold and Dan Brendtro. As no other candidates were presented, she recommended the membership to accept these two candidates for full three-year terms by unanimous vote.

Chairperson Buriak asked for a motion to accept the three submitted reports and the Nominating Committee's recommendation. Motion made by Barb Thaler, seconded by Rita Branson. Motion carried with no dissenting votes.

UNFINISHED BUSINESS: There was none.

NEW BUSINESS: There was none.

GENERAL COMMENTS: There were no comments or questions from the membership in attendance.

AWARDS: President Jorgensen recognized the following staff members for their years of service:

3 years – Nichole Wiig, Ryan Odens

5 years – Ambyr Raymond, Emily Fossum, Nancy Ballieu

10 years – Brittany Petersen

20 years – Tiffany Dossett

He also commented that today, June 28th, is the actual date four (4) current employees started their careers with Bluestone: Hailey Galpin & Brenna Robertson in 2021 and Becky Hernandez & Brenna Randolph in 2016.

In conclusion, he also gave a special shout out to Cody Nelson, our Business Development Specialist, who is with us this evening, instead of with his wife as he probably should be, as it is his 10th wedding anniversary!

ADJOURNMENT:

With no further business, Chairperson Buriak adjourned the business meeting at 7:14 PM.

Signed,

Paul Buriak, Chairperson
Linda Hoeck, Secretary
Jeff Jorgensen, Recording Secretary

**BOARD OF
DIRECTORS**

Paul Buriak II, Chairperson
Jo Anne Bechtold, Vice Chairperson
Linda Hoeck, Secretary/Treasurer

Amy Bourne
Dan Brendtro
Pradeep Jayaraman
Jeremy Swenson



Bluestone by the Books

11,134
MEMBERS

\$103,358,001
LOANS

\$162,851,881
SHARES

\$184,975,786
ASSETS
(AS OF 12/31/2022)

Financial Statement - consolidated & audited

ASSETS	2022	2021
Cash & Cash Equivalents	\$ 16,352,727	\$ 15,169,253
Interest-bearing deposits with other financial institutions	\$ 27,952,531	\$ 38,776,297
Debt securities	\$ 25,371,231	\$ 30,866,032
Loans - Net	\$ 103,358,001	\$ 80,874,001
Loans held for sale	\$ 839,363	\$ 1,092,723
Premises & equipment, net	\$ 3,644,716	\$ 3,419,290
Mortgage Servicing Rights	\$ 3,328,843	\$ 3,784,322
Other Assets	\$ 4,128,374	\$ 3,638,408
Total Assets	\$ 184,975,786	\$ 177,620,326
LIABILITIES		
Members' shares and savings accounts	\$ 162,851,881	\$ 152,647,026
Warehouse line of credit	\$ 0	\$ 0
Other Liabilities	\$ 7,488,550	\$ 6,953,407
Total Liabilities	\$ 170,340,431	\$ 159,600,433
MEMBERS' EQUITY		
Regular reserve	\$ 0	\$ 1,159,632
Equity acquired in merger	\$ 569,620	\$ 569,620
Accumulated other comprehensive income	\$ (3,836,595)	\$ (352,312)
Undivided earnings	\$ 14,197,224	\$ 12,636,618
Total Bluestone FCU members' equity	\$ 10,930,249	\$ 14,013,558
Non-controlling interest	\$ 3,705,106	\$ 4,006,335
Total Equity	\$ 14,635,355	\$ 18,019,893
Total Liabilities & Member Equity	\$ 184,975,786	\$ 177,620,326

Income Statement - consolidated & audited

	2022	2021
Total Interest Income	\$ 4,721,349	\$ 4,001,268
Total Interest Expense	\$ (441,726)	\$ (311,518)
Net Interest Income	\$ 4,279,623	\$ 3,689,750
Provision for Loan Losses	\$ (116,500)	\$ (156,000)
Total Non-Interest Income	\$ 5,305,476	\$ 9,516,214
Total Non-Interest Expense	\$ (9,320,355)	\$ (10,698,679)
Net Non-Interest Expense	\$ (4,014,879)	\$ (1,182,465)
Net Income	\$ 148,244	\$ 2,351,285
Net Income Attributed to Noncontrolling Interest	\$ 252,730	\$ (659,550)
Net Income Attributed to Bluestone FCU Member Equity	\$ 400,974	\$ 1,691,735

SUPERVISORY COMMITTEE REPORT

We are pleased to present to you the 2022 Bluestone Federal Credit Union Financial Statements prepared by Eide Bailly, LLP. The auditors have issued a clean opinion on the statements of financial condition and related statements of income, member's equity and cash flows for the Credit Union as of and for the years then ended December 31, 2021 and 2022.

The Supervisory Committee has reviewed the report, financial statements and notes and is satisfied with its completeness. The Independent Auditor's Report gives us continued confidence that the Credit Union's operations are sound and that our business is conducted in proper manner.

The Supervisory Committee employed Bases Covered Auditing to review the Credit Unions compliance with the requirements of the Bank Secrecy Act (BSA) for the period of January 1, 2022 through December 31, 2022. We are satisfied that management complies with all aspects of the BSA.

SUPERVISORY COMMITTEE

Robin Dykstra, Chairperson
Tofan Ashraf
Bob Harrison

Mary Patterson
Brent Huyser

Robin Dykstra- Committee Chair

PRESIDENT'S REPORT

Why not start with the obvious? THANK YOU for your continuing support of our financial cooperative!

We can point to lots of numbers to prove why it was a good year, things like:

- **Membership up 1.81%**
- **Loans up 27.80%**
- **Deposits up 6.69%**
- **Assets up 4.14%**
- **Operating Expenses down 12.88%, and**
- **Dividends paid to members up 90.00%!**



Our focus and energy has never been more directed to you, our member-owners, and it appears to be working! Even though our lobby traffic has not (and probably never will) returned to pre-COVID levels, we appreciate the opportunities that we do get to look you in the eye and say thank you!

The deployment of our 4 (four) new ITMs has been wildly successful, to the extent that very few members use the night drop anymore! Why wait to have access to your deposit when you can put it directly into your account independently, nearly 24 hours a day?

Now in 2023, we are deep into celebrating our 85th year of existence. From that little beginning back in August of 1938 with 10 (ten) original members from the City of Sioux Falls, our 44 employees and 7 (seven) Board members now serve over 11,000 members across 43 counties in 4 (four) contiguous states! If only those original 10 (ten) members could see us now!

Thank you for a terrific 2022 and come join our 85th party going on in 2023!

Jeff Jorgensen
President

CHAIRPERSON'S REPORT

Welcome to the 85th Annual Meeting of our Credit Union.

This year your Credit Union was very productive, our earnings were good in a challenging year.

CU Mortgage Direct, LLC and Lake County Title, LLC have been affected by the Fed raising rates and the continued difficulty in the local and national real estate market, but there is a plan to get them back on track.

The Board and Management Team held another Planning Session just this Spring due to weather difficulties last Fall, where we discussed how to move forward investigating new locations to serve our owners through creative buildings and technology. We are prepared for the new interest rate environment so we can thrive instead of just survive.

As a Board, we are educating ourselves on financial topics that are going to affect not only our Credit Union, but our members as well; such as FedNow, Real Time Payments (RTP), Diversity Equity & Inclusion (DEI), and how that affects our Credit Union and our members.

As always, our Credit Union's Core Values are as follows:

Cooperative Culture - Our principles excel. We embrace a fun and welcoming atmosphere that encourages commitment, passion and creativity; aligned with the 7 cooperative principles.

Tradition of Stewardship - Our partnership excels. We are profitable, fiscally responsible and good stewards of our member's money as well as our assets.

Employee Success - Our people excel. We promote the ability to pursue growth, learning and improving on a continuing basis by encouraging an environment of curiosity.

Demonstrate Ownership - Because we do all of this, our members can excel. Everything we do starts and ends with the member.

Please do not hesitate to contact your Credit Union via our Member Service Center with a text, message, online chat or email.

Sincerely,
Paul Buriak
Bluestone FCU Board Chairperson

