



Your

77th ANNUAL
MEMBERSHIP MEETING

TUESDAY, APRIL 14, 2026 | 4:15 PM CST



AGENDA

- Welcome
- Thank you - Board of Directors and Supervisory Committee
- Thank you - Staff
- 76th Annual Meeting Minutes
- New or Old Business
- Election Results
- Adjourn Meeting
- Door Prize Drawings

MINUTES OF THE 76TH ANNUAL MEETING

Chair Paul Danielson called the annual meeting of the Toro Employees Federal Credit Union to order at 4:15 PM, April 29, 2025, at 8111 Lyndale Avenue South, Bloomington, Minnesota.

Members were notified of this annual meeting in the eNewsletters, on the credit union website and meeting notices were posted in the credit union at least 14 days in advance.

A roll call from the Board of Directors and the Supervisory Committee was completed.

A quorum was established. More than fifteen members were in attendance. (A minimum of fifteen members is required to establish a quorum).

A motion was made, seconded, and approved to waive the reading of the minutes from the annual meeting held April 23, 2024. Copies of these minutes are in the Annual Meeting Brochure.

1st motion Name: Mike Hass

2nd motion Name: Sam Hass

The reports of the Chair, CEO, Treasurer and Supervisory Committee are in the Annual Meeting Brochure. A motion was made, seconded, and approved to read the reports of the Officers into the record.

1st motion Name: Sam Hass

2nd motion Name: Milt Rache

The following members were nominated as candidates to assume three open positions on the Board of Directors as follows:

Director Candidates:

- Merrick Anderson
- John Mattson
- Jon Stodola

Nominating Committee Chair David Adams announced there were three candidates for three seats with a three-year term, so no election is needed. Motion to declare the candidates elected by acclamation.

1st motion Name: David Adams

2nd motion Name: Sue Danielson

No unfinished business was carried over from the previous meeting.

New business was asked for from the floor and none was offered.

Prizes were awarded to the members attending the meeting. The grand prizes: one Toro mower and one Toro snow thrower were awarded to Wendy Adams and Tom Haffley.

39 members attended in person and 28 members attended online.

A motion to adjourn the meeting was made and seconded. Chair Paul Danielson adjourned the meeting at 4:32 P.M.

1st motion name: David Yakes

2nd motion name: Tom Haffley

Grant Johnson, Reporting Secretary

David Yakes, Secretary

Paul Danielson, Chair



CHAIR REPORT

Thank you for being part of Toro Credit Union! Our goal is to provide great financial options while keeping things personal and relevant, as we support you every step of the way toward your financial goals.

The Toro Credit Union Board of Directors represents your interests as members, while doing all we can to remain fiscally sound and responsible. We work to do this all, with a goal of offering the best level of service and value.

It has been a year of change, with 3 rate cuts in 2025, slightly lowered inflation, tariff pressures, and a small softening in the labor market. Consumer spending has tapered a bit nationally, but many divisions within The Toro Company are seeing great growth and improvements to efficiency, as well as exciting new products that will take us to the next level.

As we close the books on 2025, we want to express our sincere appreciation to everyone who makes our credit union thrive. To our members, thank you for managing your financial journeys as best you can—your trust and engagement are the foundation of our success. To our dedicated staff, your hard work and commitment continue to drive our growth and strengthen our community. To my fellow Board Members and the Supervisory Committee, your guidance and oversight keep us on course. And, of course, to our sponsor, The Toro Company, thank you for your continued support and partnership. Together, we look forward to building an even brighter future.

You will hear shortly about the financial and operational performance of the credit union in 2025, but here are some high-level observations:

- Toro Credit Union remains financially sound. We have maintained a strong capital position and have an excellent team to bring us forward.

- We continue to deliver the best financial products we can to you, our members.
- We search out ways to improve our services and our attempts to reach members where they are. It is important to us to securely maintain your financial data and personal information, as well as provide extra layers of security for your accounts. Consequently, we will be introducing multi-factor authentication in the near future. This process may involve soliciting feedback from members or requiring additional verification steps during login.

Our credit union celebrated our 75th year of service to our members in 2024, which is a great accomplishment! As we move towards year 77, we are thankful for the continued member support of TTC employees and their families, as we partner together for the future. We have been very fortunate to continue to modernize operations, due to leadership from our CEO, Lindsay Hawlk, and we are excited for additional opportunities coming this year, as the financial landscape continues to change.

Thank you again for your support of Toro Credit Union!

Sincerely,

John Mattson, Interim Board Chair



CEO REPORT

I am pleased to report on the credit union's operational performance for 2025.

Throughout the year, the credit union experienced positive growth in both deposits and loans, reflecting continued trust from our members despite a challenging and competitive financial environment. While overall membership numbers were impacted by a review and cleanup of inactive accounts, underlying membership activity and engagement showed encouraging growth trends, positioning us well for the future.

We remain committed to giving back to our members and The Toro Company community by:

- Lowering members' loan rates when their credit scores improve during the life of the loan.
- Supporting through donations to the Toro Employee Club Holiday Party for children, United Way, the Toro Employee Scholarship Fund, and Toys for Tots.

In 2025, we continued to deliver strong financial value to our members through competitive rates on deposits and loans, along with a continued focus on keeping fees low. We regularly review our products, services, and pricing to ensure we are meeting the evolving needs of our members while remaining financially sound.

I would like to thank the Board of Directors and Supervisory Committee for their guidance and support during my first year, as well as the dedicated Toro Credit Union staff for their hard work and commitment to our members. Most importantly, thank you to our member-owners for your continued trust and support of Toro Credit Union.

It has been a rewarding first year, and I look forward to building on this momentum as we continue to serve our members and community.

Lindsay Hawlk, CEO/President

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is appointed by the Board of Directors to independently evaluate the soundness of Toro Credit Union's operations and to monitor with reasonable assurance that members' funds and interests are protected. In addition, our primary duty is to help ensure that the credit union's books, records, and practices comply with national and state regulations. Toro Credit Union's Supervisory Committee consists of Diane Noland, Katelyn Stangler, and Frank Zschoche.

To fulfill our financial and regulatory compliance responsibilities, we meet and interact with the credit union's Board of Directors and senior management staff. In addition, we hire external auditors to help us fulfill our audit responsibilities.

We worked with our external auditor Becky Frederick from the Minnesota Credit Union Network, to perform the annual procedure audit of the credit union for the 12 months ending March 31, 2025. Becky Frederick, issued the final report with no significant findings.

In addition, quarterly audits, BSA (Bank Secrecy Act), ACH, and SAFE testing were completed with the help of our compliance and audit consultant from the Minnesota Credit Union Services Corporation. The credit union passed with no significant compliance issues.

The Supervisory Committee performs additional internal control testing and general oversight. We keep the Board of Directors informed of any issues that come to our attention by maintaining a regular dialogue and attending monthly board meetings.

Please be assured that we will continue to represent your interests and ensure, as best we can, that our credit union continues to be a safe, viable, and well-managed financial institution.

Thank you,

Supervisory Committee
Frank Zschoche, Chair
Diane Noland
Katelyn Stangler

TREASURER REPORT

As we continue to find normality in our daily lives, increasing rates continue to pose challenges to all of us, including our credit union. Our credit union proactively and successfully adjusted its daily operations to meet economic changes and still meet all our credit union needs. I want to extend special thanks to our new CEO, Lindsay Hawlk, and her team for making this all possible.

With that, I am happy to report the credit union's financial results for 2025.

Income Statement

- In 2025 total revenue was up 11%. This was driven by interest on Investments.
- We increased dividend rates in 2025 due to the increase in market rates. As a result, dividends paid to members were up 14%.
- Provision for loan loss expense for the year was up \$113,281 over 2024 due to move past-due loans.
- Operating expenses were up \$103,114 over the prior year. Compensation & Benefits were higher in 2025 due to the retirement of our former CEO, Grant Johnson and the hiring of our new CEO, Lindsay Hawlk bringing the year over year expenses up 9% from the prior year.
- The net result was a 16% decrease in net income for 2025. Net income for 2024 was \$352K while 2025 was \$295K.

Balance Sheet

- Membership loans were flat in 2025 compared to 2024, but memberships deposits were up 5%, and an increase in investments of 27% due to deposit growth exceeding loan growth.
- The key performance indicator on the Balance Sheet is our capital ratio, simply our retained earnings divided by our total assets. At the end of 2024, our capital ratio was 13.6% and 13.8% at the end of 2025. Our ratio of 13.8% tells us that the credit union is on a very solid financial foundation and can weather unexpected financial storms. A credit union is considered "well-capitalized" with a 7% or higher ratio, so we are in great shape.
- As we look forward to the coming years, I am pleased to report that the credit union is well positioned for growth and to deliver outstanding value to you, our members.

Thank you,

Jeff Bieber, Treasurer

STATEMENT OF FINANCIAL CONDITION

December 31, 2025 and 2024 | Unaudited

	2025	2024
Assets		
Cash and cash equivalents	\$323,673	\$521,418
Investments	10,910,197	8,566,387
Loans to members	29,846,268	29,736,912
Allowance for loan losses	(330,671)	(267,827)
Accrued interest receivable	112,843	94,303
Property and equipment, net of accumulated depreciation	20,842	24,981
NCUSIF Deposit	322,315	309,738
Other Assets	63,562	90,668
Total Assets	\$41,269,029	\$39,076,580

Liabilities		
Borrowed funds	0	0
Accrued interest payable	0	60
Accrued expenses & other	56,112	49,421
Liabilities	190,338	153,262
Member's accounts	35,331,832	33,547,021
Total Liabilities	35,578,282	33,749,763

Equity		
Retained earnings	5,690,747	5,326,816
Total member's equity	5,690,747	5,326,816

Total Liabilities and Equity	\$41,269,029	\$39,076,580
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STATEMENT OF RETAINED EARNINGS

December 31, 2025 and 2024 | Unaudited

	Reserves	Undiv. Earnings	Total
Balance as of December 31, 2024	482,209	4,589,942	5,072,151
Net Income		352,590	352,590
Transfers, Net			
Accum./Unrealized gains/losses on		-97,926	-97,926
Available-for-sale securities			0

	Reserves	Undiv. Earnings	Total
Balance as of December 31, 2025	482,209	4,942,532	5,424,741
Net Income		295,125	295,125
Transfers, Net			
Accum./Unrealized gains/losses on		-29,119	-29,119
Available-for-sale securities			0

	Reserves	Undiv. Earnings	Total
Balance, December 31, 2025	\$482,209	\$5,208,538	5,690,747

INCOME & OPERATING EXPENSES

December 31, 2025 and 2024 | Unaudited

	2025	2024
Interest Income		
Interest on Loans	2,056,861	1,970,381
Interest on Investments	294,433	141,758
Total Interest Income	2,351,294	2,112,139
Interest and Dividend Expense		
Dividend on Savings	748,978	659,784
Interest on Borrowed Funds	44	251
Total Interest Expense	749,022	660,035
Net Interest Income	1,602,272	1,452,104
Provision of Loan Losses	205,609	92,328
Net Interest Income After- Provision of Loan Losses	1,396,663	1,359,776
Non-Interest Income		
Fees and Service Charges	194,369	184,619
Non-Interest Expense		
Compensation and Benefits	668,913	565,711
Office Operations and Occupancy	154,942	137,856
Marketing and Promotional	73,173	60,632
Loan Servicing Expense	70,688	71,579
Professional and Outside Services	296,608	319,765
Other Operating Expenses	31,583	37,251
Total Non-Interest Expense	1,295,908	1,192,794
Gain(Loss) on Sale of Assets	-	990
Net Income	\$295,125	\$352,591

ANALYSIS OF LOAN ACTIVITY

Number of Members	2,958	3,219
Number of Loans this Year	1,042	1,129
Amount of New Loans	\$11,162,391	\$9,683,405
Capital Ratio	13.86%	13.64%



Thank you

to the current Board of Directors and Supervisory Committee!

Board of Directors

John Mattson	Interim Chair/Secretary
Katie Crooke	Vice Chair
Jeff Bieber	Treasurer
Wes Bollingmo	Director
Jon Stodola	Director
Merrick Anderson	Director

Supervisory Committee

Frank Zschoche	Chair
Diane Noland	Member
Katelyn Stangler	Member

Thank you

to the amazing Toro Credit Union Staff!

Toro Credit Union Staff

Lindsay Hawlk, CEO/President
Celebrating **1 year** of service!

Mark Bailey, VP of Lending
Celebrating **23 years** of service!

Patrick Rutten, SR Loan Officer
Celebrating **23 years** of service!

Kristine Heuer, VP of Accounting
Celebrating **1 year** of service!

Denise Berkebile, SR MSR
Celebrating **7 years** of service!

Dee Lidstrom, MSR
Celebrating **1 year** of service!

Thank you

to the RLC Division for the Toro equipment door prizes!

Door Prize Donations

- 30 inch 60V eTimeMaster Lawn Mower
- 2 Leaf Blowers
- 2 String Trimmers



We treat you like you own the place, *because you do!*