

**FIFTY SEVENTH ANNUAL MEETING OF MEMBERS  
MARCH 12, 2020**

1. WELCOME AND CALL TO ORDER
  2. PROOF OF NOTICE OF THE MEETING TO BE INCORPORATED IN MINUTES BY THE SECRETARY
  3. ROLL CALL AND DECLARATION OF QUORUM PRESENT (15 is a quorum)
  4. READING OR CORRECTION AND APPROVAL OF THE MINUTES OF THE LAST ANNUAL MEETING (Page 2)
  5. REPORT OF THE DIRECTORS BY THE CHAIRPERSON. (Page 3&4)
  6. REPORT OF THE TREASURER. (Pages 5&6)
  7. REPORT OF THE SUPERVISORY COMMITTEE. (Page 7)
  8. SET COMPENSATION OF BOARD & COMMITTEE MEMBERS
  9. OLD BUSINESS: NONE
  10. NEW BUSINESS:
    - Election of Board Members – Two open positions each for a 3-year term
    - Election of Supervisory Committee Members – One open position for a 3-year term, One for a remaining 1-year term, None for a remaining 2-year term.
  11. ANY OTHER BUSINESS
  12. ADJOURN
- DOOR PRIZES

FIRST PACE CREDIT UNION  
MINUTES OF THE FIFTY SIXTH ANNUAL MEETING OF MEMBERS

Date: March 14, 2019

Place: Tinucci's Restaurant, Newport, MN

The meeting was called to order by Brian Ecker at 6:30 P.M.

The Proof of Notice of the meeting was read by Kevin Hoeschen and incorporated into the minutes.

This was declared a legal meeting with 44 members present, 15 required.

ROLL CALL: Board & Committee members present: Doug Krech, Kevin Hoeschen, Dan Gerten, Brian Ecker, Quinton Vorhies, Mike Popek, Office Staff: Jennifer Tiedman, Stephanie Schwartz, Josh Heimer-Syring

1. The minutes of the last annual meeting were presented with no corrections or additions
2. The Board of Directors Report was given by D. Krech
3. The Treasurer's Report was given by D. Gerten
5. The Supervisory Committee Report was given by M. Popek
6. Set compensation of Board & Committee members, presently at \$35/meeting. Motion made, seconded & approved to remain at the same rate.

OLD BUSINESS: None

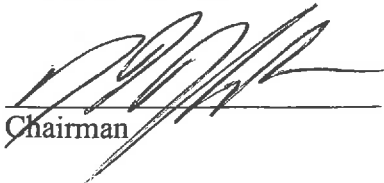
NEW BUSINESS:

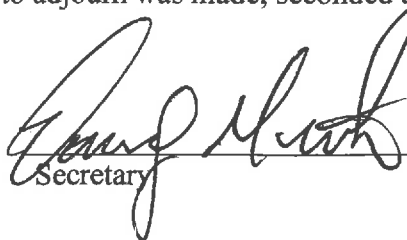
1. Elections were approved by unanimous ballot for Board of Directors and Supervisory Committee positions.

A: There were two positions open for the Board of Directors and two nominees on the ballot: Dan Gerten & Quinton Vorhies. The Chair asked for nominations from the floor three times, and no further nominations came forward. Motion made, seconded, approved- Dan Gerten and Quinton were each elected to a three year term.

B: There was one position open for the Supervisory Committee and one nominee was on the ballot: Ryan Harp. The Chair asked for nominations from the floor three times and no further nominations came forward. Motion made, seconded, approved-Ryan Harp was elected to a three year term.

There being no further business a motion to adjourn was made, seconded and approved. The meeting was adjourned at 6:45 P.M.

  
Chairman

  
Secretary

# **FIRST PACE Credit Union**

## **Annual Report of the Board of Directors For Year Ended December 31, 2019**

As your elected officials it is our duty to keep members best interests in mind when reviewing aspects of our operations, so that profits can be shared with you. Those profits are in the form of better rates with fewer and lower fees.

We have enhanced our services within your Online Banking site to include Bill Pay, A2A (Account to Account between financial institutions) and P2P (Person to Person). You can still set up your mobile information, view balances, transfer between your accounts and set up account alerts. We encourage you to download our TouchBanking App to manage your money easier, deposit a check to either savings or checking and perform all the online services.

Our website contains valuable information about us, our products and services with informational links that may help you financially. If you haven't already, sign up for our email News & Specials to get our latest promotions and announcements, to participate in our Annual Survey and a chance to win \$10.

Those who use FIRST PACE products and services recognize the value of membership whether it be saving for the future, actively using our free checking account, or taking out a low rate loan to enjoy life more. Attached is a listing of services we offer directly, or through our partners, and we hope you will consider FIRST PACE Credit Union as your first place for financial service.

As your trusted partner, making your financial life easier to manage is what FIRST PACE is all about - people helping people. Tell your co-workers and family about us, so they too can enjoy the benefits of membership. We want to hear from you so call or stop in the office and let Jennifer, Stephanie or Emily help you on the road to financial security.

Your elected Board of Directors:

*Kevin Hoeschen, Chairperson*

*Brian Ecker, Vice Chairperson*

*Deb Spiess, Secretary*

*Quinton Vorhies, Treasurer*

*Dan Gerten, Board Member*

## What Your Credit Union Offers

Locally owned and operated with personalized service

**Free Checking Account** (no minimum balance or required # of transactions)

**Free VISA Debit/ATM cards**

**Mobile banking** via APP or text, **including Check Deposit, Bill Pay, P2P & A2A**

Share Savings Account – for you and your family

Money Market Savings Account

Youth Savings & Loan Accounts

Club Accounts – for vacation, Christmas or budgeting

Term Share Certificates of Deposit

**Online Banking** (Virtual Branch) with **Bill Pay, Person to Person and Account to Account** (between financial institutions)

**Online statements** (EZ-Statements) with 18-month history

**Vehicle/motorcycle loans**

**Loans for recreational vehicles, boats and campers** – with flexible terms

**Home Equity Loans** (An Equal Housing Lender)

**Signature loans**

Share secured loans

Private Student Loans – SallieMae Smart Option Student Loan®

Payment Protection Insurance

Extended Warranties

GAP (Guaranteed Asset Protection)

VISA Credit Cards

**Auto Resource Center** – Find, Drive, and Save

Direct Deposit distributed any way you want it

Lifetime membership

Federal insurance on accounts to at least \$250,000

Free Notary service for members

VISA Gift Cards

VISA Reloadable cards

NADA vehicle pricing

CARFAX Report

A real person to answer the phone – no phone tree

Through our ownership of **The Servion Group** -

First Mortgages

Realty Services

Title

Investment services/Financial Advisors

Business Lending

Through our partner **CUNA Mutual Group** –

Auto & Homeowners Insurance

Term & Whole Life Insurance

AD&D Insurance

Our relationship with **First Class Mortgage**

# **FIRST PACE Credit Union**

## **Annual Report of the Treasurer For Year Ended December 31, 2019**

The year 2019 brought changes to our financial picture, shown on the next page, with some highlights below:

- FIRST PACE Credit Union had net income of \$47,727 and we maintain a strong Net Worth ratio of 20.89%, well above industry peers and regulatory requirements.
- Loan balances increased and we reached the \$7 Million mark for the first time. Our ratio of borrowers to members was 32.52% which means many more members have the opportunity to utilize our loan products.
- Total Share balances decreased and we continue to pay competitive dividends on Share Accounts, Money Market Accounts and Term Share Certificates (CD's).
- Expenses were monitored and kept reasonable, having a ratio of Operating Expenses to Gross income of 76.82%.

Our financial strength allows us to keep loan rates low while covering operating expenses and paying a competitive dividend on Share Accounts. Financials and ratios are monitored monthly and have consistently performed better than industry peers. And our earnings? They belong to our members and we put them right back to work in the form of better rates to lower fees.

Whether a vehicle, boat or mortgage, borrowers were able save by taking advantage of our fair lending rates, various loan promotions and Skip-A-Payment offers. Payment protection, GAP and Extended Warranties always add value for members and create additional income to the credit union.

Those who use FIRST PACE Credit Unions products and services keep the credit union financially strong, and we encourage you to tell your family and friends about us. All accounts at FIRST PACE Credit Union are insured to at least \$250,000.00 by the National Credit Union Administration.

Respectfully submitted: *Quinton Vorhies, Treasurer*

# FINANCIALS 2019

<b>ASSETS</b>	<b>TOTALS</b>	<b>LIABILITIES</b>	<b>TOTALS</b>
<i>Loans</i>	7,004,522.83	Member Deposits	6,856,474.75
<i>Allowance For Loan Loss</i>	-40,790.32	Other Liabilities	21,620.57
<i>Cash &amp; Investments</i>	1,604,435.26	Regular Reserves	226,490.89
<i>NCUA Capitalization</i>	70,143.59	Undivided Earnings	1,589,647.68
<i>All Other Assets</i>	55,922.53	Total Liabilities, Shares, & Equity	8,694,233.89
<i>Total Assets</i>	8,694,233.89		
		<b>INCOME</b>	
		<i>Loan Income</i>	323,843.09
		<i>Investment Income</i>	40,466.64
		<i>Other Income</i>	39,262.73
		<i>Total Income</i>	403,572.46
		<b>EXPENSES</b>	
		<i>Operating Expenses</i>	310,995.88
		<i>Provision For Loan Loss</i>	12,950.72
		<i>Dividend Expense</i>	31,898.79
		<i>Total Expenses</i>	355,845.39
		<b>NET INCOME</b>	
		<i>Total Net Income</i>	47,727.07

Got your eyes on a new car, truck, or motorcycle? FIRST PACE Credit Union shares your vision! Join hundreds of hard working FIRST PACE members just like you, taking advantage of our low rate and saving money by borrowing with us.

Finance your 2020 vehicle with FIRST PACE Credit Union and get a rate as low as 2.020% APR\*, up to 60 months repayment. Rates would be up to 1.22% less than your regular qualifying rate. This offer is good through April 15, 2020!



Whether you are ready to buy or just starting to think about buying, apply today and we will lock in your rate for 30 days.

Now is also a great time to review your auto insurance options. Through your membership with FIRST PACE Credit Union you have access to get a free quote through our partners at TruStage. TruStage has many customizable insurance packages that fit into any budget. Contact them today at [www.TruStage.com/auto](http://www.TruStage.com/auto) or 1-855-535-3447.

\*APR (Annual Percentage Rate). Certain restrictions apply. Rates vary based upon credit score and term; normal underwriting standards apply. For vehicle years 2020 or newer only.

# **FIRST PACE Credit Union**

## **Annual Report of the Supervisory Committee For Year Ended December 31, 2019**

The Supervisory Committee is comprised of three members. The Committee is responsible for the financial oversight of the credit union's activities, as well as examining the credit union operations to assure that all policies and procedures are followed.

During 2019 the committee completed several audits according to National Credit Union Administration guidelines. These audits include verifying the credit union's corporate statements, general ledger, cash, loans, investments, share accounts and the Allowance for Loan Loss account. We also completed the Semi-Annual Supervisory Committee Audit Reports for the Minnesota Department of Commerce.

It is the opinion of the Supervisory Committee that the financial report provided to you this evening accurately represents the condition of FIRST PACE Credit Union. Our practice of safety and soundness with a high Net Worth give no cause for supervisory concern.

Respectfully submitted: *Mike Poyek, Chairperson*  
*Doug Tanem*  
*Ryan Hary*

