

**FIFTY NINTH ANNUAL MEETING OF MEMBERS
MAY 12, 2022**

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)
 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,
 11. ANY OTHER BUSINESS
 12. ADJOURN
- DOOR PRIZES

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

Date: May 6, 2021

Place: Tinucci's Restaurant, Newport, MN

The meeting was called to order by Brian Ecker at 6:05 P.M.

The Proof of Notice of the meeting was read by Deb Spiess and incorporated into the minutes.

This was declared a legal meeting with 43 members present, 15 required.

ROLL CALL: Board & Committee members present: Deb Spiess, Dan Gerten, Brian Ecker, Quinton Vorhies, Mike Popek, Doug Tanem, Ken Angerman Office Staff: Jennifer Tiedman, Stephanie Schwartz, Emily Lagerstrom

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. Gerten
3. The Treasurer's Report was given by Q. Vorhies
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 increase the amount to \$50/meeting.

OLD BUSINESS: None

NEW BUSINESS:

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

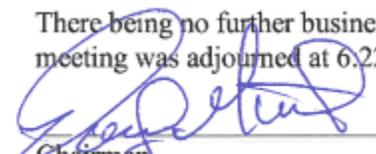
A: There was one position open for the Board of Directors and one nominee on the ballot: Ray Kobler. The Chair asked for nominations from the floor three times, and no further nominations came forward. Motion made, seconded, approved- Ray Kobler was elected to a three-year term.

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

2. Adoption of Standard Credit Union Bylaws for Minnesota State Chartered Credit Unions was adopted by Board of Directors and approved by the Minnesota Commerce Department in February 2021. This was done due to updated language.

3. Presentation of thank you & cards to Kevin Hoeschen for 20 years of volunteer service & Doug Tanem for 2 years of volunteer service.

There being no further business a motion to adjourn was made, seconded and approved. The meeting was adjourned at 6:22 P.M.



Chairman



Secretary

FIRST PACE Credit Union
Annual Report of the Board of Directors
For Year Ended December 31, 2021

Good evening and welcome to our 59th Annual Meeting. The Board of Directors, Supervisory Committee and staff, personally want to thank you for your continued support of the credit union. As your elected officials it is our duty to keep members best interests in mind when reviewing our operations, so that profits can be shared with you.

A few highlights of the past year:

- Two of our staff, Stephanie Schwartz and Emily Lagerstrom, obtained their Certified Credit Union Financial Counselor Designation. Both are available to help with any questions you may have and they worked together creating a Credit Corner of financial tips to be included in our newsletters, e-marketing and on our website. Please take time to congratulate them, review these financial tidbits and let us know what you think. New Credit Corner tips will be posted as they are created with previous tips remaining on our website.
- We had our 2nd Shred Event in September and doubled our collection from the previous year. We have scheduled our next Shred Event for Saturday, September 10, so mark your calendar, bring lots of items to shred and help increase our tally.
- In October we again participated in CU Forward Day, a day to give back. Through various activities we estimated we helped 300+ individuals within our community.

While visiting and travel are opening up, for security all members are encouraged to utilize our digital channels for statements, monitoring balances, activity alerts, paying bills or friends, depositing checks or external transfers to other financial institutions. By downloading and using our mobile TouchBanking App, managing your money has never been easier and safer.

Please talk with family about joining the credit union, if they are not already a member, so they too can enjoy all the benefits of membership. Our co-operative structure insures you will be treated fairly, because you're not just a member of the credit union, you're an owner too! Credit union profits/benefits are in the form of better rates with fewer and lower fees.

As many of you might not know, Jennifer has decided to retire this September after 32 years of service with the credit union. She started with the credit union in 1990 as the Loan Officer and became President in 2001. Once President she helped usher in many changes. Some of the bigger changes were expanding the credit unions hours back in 2005 and adding Share draft accounts(checking), Debit cards, ACH Transfers and withdrawals, carrying cash, and developing a Website and Online Services. Financial responsibility of the credit union has always been the most important duty as the president. In 2005 the credit union had total assets of 6,028,928, with her guidance she has helped the credit union grow its total assets to 10,600,000 while working through 2 recessions 2008 and 2020. She will be leaving the credit union in great financial shape. Please help me honor Jennifer with a round of applause.

As a board we are currently seeking alternatives to backfill her position which is proving to be difficult given the outstanding job she has done. We are currently reviewing resumes and merger opportunities. We are looking to announce our decision in June.

We hope you enjoy the evening, win a great prize, and think of FIRST PACE Credit Union first for all your financial needs.

Your elected Board of Directors:

Brian Ecker, Chairperson

Dan Gerten, Vice Chairperson

Deb Spiess, Secretary

Quinton Vorhies, Treasurer

Ray Kobler, Board Member

BENEFITS OF BEING A FIRST PACE CREDIT UNION MEMBER



- Member owned and locally operated with personalized service!
- Accounts Federally Insured to at least \$250,000
- Free Notary Service for members
- Paperless EZ-Statements



WAYS TO SAVE:

- **Share Account** – Savings for You and Your Family
- Club Accounts – for Vacation, Christmas, or Budgeting
- Money Market Account (minimum deposit \$10,000)
- **Youth Accounts** – Savings, Checking, and Loans
- Term Share Certificates of Deposit (Special Youth Rates!)
- **Online and Mobile Banking for no extra cost!**
- VISA Gift Cards – Reloadable and Virtual cards available!
- VISA Credit Cards



FREE CHECKING ACCOUNTS:

- VISA Debit Card and Free 1st box of checks
- [Access to Over 30,000 Surcharge-Free ATMs](#)
- Includes Bill Pay, PopMoney, & Account-to-Account



LOANS:

- **Vehicle / Motorcycle loans**
- Loans for **Recreational Vehicles, Boats, and Campers**
- **Home Equity Loans** (An Equal Housing Lender)
- **Signature loans & Share Secured loans**
- **Private Student Loans**
- Payment Protection, GAP, & Extended Warranties
- **Auto Resource Center** – Find, Drive, and Save
- NADA vehicle pricing & CARFAX Report



OTHER SERVICES:

- ★ Through our Ownership of **The Servion Group** –
Realty Services, First Mortgages, Title,
Investment Services/Financial Advisors, Business Lending
Military Discount-\$100 OFF Closing costs!
- ★ Insurance Through our Partner **CUNA Mutual Group** –
Auto & Homeowners, Term & Whole Life, AD&D



- ★ Our Relationship with **First Class Mortgage** – Mortgage Brokers

FIRST PACE Credit Union

Annual Report of the Treasurer For Year Ended December 31, 2021

The year 2020 brought challenges but we were able to end the year with positive income. Our year end financials are shown on the next page. Dollar amounts and ratios are reviewed monthly with some highlights below:

- When our former Corporate Credit Union was conserved by the NCUA we booked a loss of Capital. The NCUA continued to manage Corporates' investments and was able to return partial funds to member credit unions in 2021. This was booked as income for us.
- Loan balances continued to decrease as more people received stimulus payments, the uncertainty in the markets and supply chain issues. Investment rates continued to be low, which meant investing instead of loaning to members, resulting in decreased income. Our ratio of borrowers to members remained low at 28% which means many more members have the opportunity to utilize our loan products and save.
- Share Account balances increased due to less spending, stimulus payments and enhanced unemployment benefits, which meant paying more out to you, our members.
- Expenses were monitored and kept reasonable as external events continued to affect our bottom line.
- The pandemic continued to bring financial hardship to many of our members and we were happy to help them in various ways with payment skips and restructuring loans.

Our financial strength allows us to keep loan rates low while covering operating expenses and paying a competitive dividend on Share Accounts. We are ready to help our members with their loan needs, savings structure, investing or insurance options.

Our website will have our latest announcements, promotions and financial tidbits, all to keep you informed. If you have not already signed up for our e-marketing you are missing out on the latest announcements and another chance to win \$10. The link is available on our website or you can just ask us to sign you up, it's that simple.

Members who actively use FIRST PACE Credit Union keep us financially strong and we thank you for that! 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*

DECEMBER 31, 2021

ASSETS	TOTALS	LIABILITIES	TOTALS
Loans	5,930,873	Member Deposits	8,732,021
Allowance For Loan Loss	-44,011	Other Liabilities	21,111
Cash & Investments	4,642,100	Regular Reserves	226,491
All Other Assets	130,193	Undivided Earnings	1,679,532
Total Assets	10,659,155	Total Liabilities, Shares, & Equity	10,659,155
INCOME			
		Loan Income	299,804
		Investment Income	31,695
		Other Income	86,716
		Total Income	418,215
EXPENSES			
		Operating Expenses	334,138
		Provision For Loan Loss	7,081
		Dividend Expense	19,734
		Total Expenses	360,953
NET INCOME			
		Total Net Income	57,262
		Net Worth	17.88%

Accelerate To Your Future Vehicle

Don't let the Fed raising rates scare you, we did not raise our rates. Hurry and make your next big purchase before we are forced to raise rates! Apply now to get locked in.

Top Reasons to Finance Your Vehicle Loans with FIRST PACE Credit Union

- Our Rates are Still LOW!
- Direct Loans can save you hundreds in transfer fees
- Quick & Easy to [Apply Online NOW!](#)
- NO Payments for 60 DAYS!
- Less Time Spent at Dealer
- We Can Match or Beat Dealer!
- No Hidden Fees



REMEMBER:

A new vehicle isn't just to replace the old. You are protecting yourself and your family with more reliable and safer transportation!

Need tips on negotiating and buying your next vehicle? – VISIT OUR WEBSITE! Firstpacecu.com

Make sure to check out our current [Auto Talk Newsletter](#) -Your Quarterly Everything Automotive Newsletter AND Find your next vehicle with help from [Our Online Auto Buying Center](#)

Want to save \$\$\$ on Auto Insurance?

Call 1-866-784-2499 or [Get a free quote online from our partner at TruSTAGE.com](#)

FIRST PACE Credit Union

Annual Report of the Supervisory Committee For Year Ended December 31, 2021

The Supervisory 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 2021 the committee completed several audits according to the National Credit Union Administration and Minnesota Department of Commerce guidelines. These audits include verifying the credit union's corporate statements, general ledger, cash, loans, investments and share accounts. We also engage the services of a professional to assist with additional audit functions. We report all audit findings to the Board of Directors on a monthly basis.

As a state-chartered credit union, we are routinely audited by the Minnesota Commerce Department. Your Supervisory Committee, Board of Directors and management, meet with the state examiner at the end of the audit to discuss their findings and receive a copy of the financial examination report.

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 Poppek, Chairperson*

Mike Morton

Ken Angerman

NOTES: