

SIXTIETH ANNUAL MEETING OF MEMBERS
MAY 18, 2023

WELCOME AND CALL TO ORDER

PROOF OF NOTICE OF THE MEETING TO BE INCORPORATED IN MINUTES
BY THE SECRETARY

ROLL CALL AND DECLARATION OF QUORUM PRESENT (15 is a quorum)

READING OR CORRECTION AND APPROVAL OF THE MINUTES OF THE
LAST ANNUAL MEETING (Page 2)

REPORT OF THE DIRECTORS BY THE CHAIRPERSON. (Page 3)

REPORT OF THE TREASURER. (Pages 5-6)

REPORT OF THE SUPERVISORY COMMITTEE. (Page 7)

SET COMPENSATION OF BOARD & COMMITTEE MEMBERS

OLD BUSINESS: NONE

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

OTHER BUSINESS

ADJOURN

DOOR PRIZES AND DINNER

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

Date: May 12, 2022

Place: American Legion Post 98, St. Paul Park, MN

The meeting was called to order by J. Tiedman at 6:10 P.M.

The Proof of Notice of the meeting was read by Dan Gerten and incorporated into the minutes.

This was declared a legal meeting with 45 members present, 15 required.

ROLL CALL: Board & Committee members present: Dan Gerten, Quinton Vorhies, Ray Kobler, Mike Popek, Mike Morton; Office Staff: Jennifer Tiedman, Stephanie Schwartz, Emily Lagerstrom

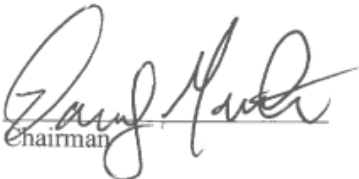
1. The minutes of the last annual meeting were presented with no corrections or additions
2. The Board of Directors Report was given by D. Gerten
3. The Treasurer's Report was given by Q. Vorhies
5. The Supervisory Committee Report was given by M. Popek
6. Set compensation of Board & Committee members, presently at \$50/meeting. Motion made, seconded & approved to keep the same compensation amount of \$50/meeting.

OLD BUSINESS: None

NEW BUSINESS:

1. Elections were approved by unanimous ballot for Board of Directors and Supervisory Committee positions.
 - A: There were two position open for the Board of Directors and two nominees on the ballot: Dan Gerten and Quinton Vorhies. The Chair asked for nominations from the floor three times, and no further nominations came forward. Motion made, seconded, approved- Dan Gerten & Quinton Vorhies were elected, each to a three-year term.
 - B: There was one position open for the Supervisory Committee for a three-year term and no nominee on the ballot. The Chair asked for nominations from the floor three times and no further nominations came forward. The position remains open until a candidate can be appointed.
2. Recognition of Jennifer's retirement after 32 years, highlights of accomplishments with replacement announcement in June.
3. Presentation of thank you & card to Ken Angerman for 1 year of volunteer service.

There being no further business a motion to adjourn was made, seconded and approved. The meeting was adjourned at 6:30 P.M.


Chairman


Secretary

FIRST PACE Credit Union
Annual Report of the Board of Directors
For Year Ended December 31, 2022

Good evening and welcome to our 60th 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:

- We had our 3rd Shred Event in September and more than doubled our collection from the previous year. Thank you to our staff and committee members who volunteered for our annual Shred Event. Our next annual Shred Event is scheduled for Saturday, September 9, 2023 from 9:00 a.m. to 12:00 p.m.
- In October we once again participated in CU Forward Day, a day to give back. Staff and committee members assembled laundry kits and purchased groceries. The laundry kits and groceries were donated to Neighbors, Incorporated in South Saint Paul to help those in need. Staff and committee members also performed yardwork for Living Well home in West Saint Paul. Through our efforts we estimated we helped 300+ individuals in our community.
- Our President, Jennifer Tiedman retired last September after 32 years of service with FIRST PACE Credit Union. Julia Havens was selected to fill her position. Julia came to us from Riverview Credit Union in South Saint Paul where she has been President & CEO since 1999. Julia brings many years of experience to FIRST PACE Credit Union. Julia plans to use her experience to continue to bring value to our members through finding ways to offer more products and services to make banking with FIRST PACE Credit Union easier and more convenient. If you haven't met Julia yet, please take a moment to introduce yourself.

While COVID is for the most part behind us, we encourage our members to continue to utilize our digital channels for managing their account statements, monitoring balances and transaction activity, account alerts, paying bills, depositing checks or transferring funds. By using our mobile Touch Banking App, managing your money has never been easier and safer.

Please talk with family about joining the credit union 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 are turned into member benefits by allowing us to offer better rates with fewer and lower fees.

As your board of directors, we look out for our members best interest and continue to look for ways to provide member value. It is our goal to be your preferred financial partner in life.

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:

Dan Gerten, Chairperson

Brian Ecker, Vice Chairperson

Ray Kobler, Secretary

Quinton Vorhies, Treasurer

Mike Popek, Board Member

We strive to enhance our member owner's lives through shared values,
offering financial solutions and building our future together.

SAVINGS FOR YOU AND YOUR FAMILY – Save With Us Today!

- Member owned and locally operated with personalized service for 60 years!
 - Accounts Federally Insured to at least \$250,000
- **Paperless EZ-Statements, Online and Mobile Banking for no extra cost!**
- VISA Credit Cards & VISA Gift Cards – Reloadable and Virtual cards available!

LOANS – We Offer Competitive Rates and Terms!

FREE CHECKING ACCOUNTS – Easy Access to Your Funds!

OTHER SERVICES



- ★ Partnership with **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, Accidental Death & Disability
- ★ Relationship with **First Class Mortgage** – Mortgage Brokers

★ **FIRST PACE Credit Union's \$600.00 Scholarship** ★

In tribute to FIRST PACE Credit's Union's 60th Anniversary we will be awarding a \$600 scholarship to any member or child of a member who is currently enrolled or will be enrolled in post-secondary education (college or trade school) Fall 2023.

To apply, the applicant must submit a reply in 100 words or less to the question:

Why is saving money for retirement important and how do you plan to save for it?

★ Due date is June 15, 2023. ★

Drop off finished essay at the office or email to emily@firstpacecu.com

FIRST PACE Credit Union

Annual Report of the Treasurer For Year Ended December 31, 2022

2022 continued to bring challenges with inflation and a volatile interest rate market. The 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 our capital we had on deposit. At the time, NCUA conserved the remaining investments of the corporates and managed the investments over the years in order to fully restore their value. Due to NCUA's efforts, they were successful in reclaiming the full value of the investments which in turn allowed NCUA to repay all credit unions affected all of their lost capital. We are happy to report that FIRST PACE Credit Union received a full refund of our lost capital in 2022.
- Due to the retirement of our long time President, Jennifer Tiedman in September 2022, there was extra expenses related to her retirement and the pay out of her accrued vacation and sick time.
- Market uncertainty and supply chain issues continued to be a factor in consumer confidence in 2022. Our loan portfolio continued to be flat with little growth. This along with a low interest rate market to invest our excess funds and an increase in expenses contributed to a decline in income for the year. As we look ahead, 2023 is on track to be a much better year.

Our financial strength allows us to keep loan rates low and pay a competitive dividend on our share accounts. We encourage our members to utilize our products and services. Our staff is always here ready to help our members with their financial needs.

Our website has the latest news and announcements, promotions, and financial tidbits to keep our members informed. If you have not signed up for our e-marketing you're missing out on the latest news, announcements, and a chance to win \$10. To sign up for our e-marketing, please visit our website or ask one of our staff to sign you up, it's that simple.

Members who actively use FIRST PACE Credit Union keep us financially strong. Without members like you, we would not be successful and for that, we thank you!

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, 2022

ASSETS	TOTALS	LIABILITIES	TOTALS
Loans	5,775,300	Member Deposits	9,093,748
Allowance For Loan Loss	-41,472	Other Liabilities	13,979
Cash & Investments	5,147,815	Regular Reserves	226,491
All Other Assets	121,012	Undivided Earnings	1,668,437
Total Assets	11,002,655	Total Liabilities, Shares, & Equity	11,002,655
		INCOME	
		Loan Income	290,462
		Investment Income	51,402
		Other Income	46,237
		Total Income	388,101
		EXPENSES	
		Operating Expenses	381,639
		Provision For Loan Loss	(2,585)
		Dividend Expense	19,468
		Total Expenses	398,522
		NET INCOME	
		Total Net Income	(10,421)
		Net Worth	17.22%

LIMITED TIME

CD Special!

6 Months 3.75% APR* Yield 3.80%
 12 Months 3.95% APR* Yield 4.00%

*APR = Annual Percentage Rate. Certain restrictions apply. Cannot combine with other offers. New money welcome.
 \$500 minimum.

FIRST PACE Credit Union

Annual Report of the Supervisory Committee For Year Ended December 31, 2022

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 2022 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 accounts, cash, loans, investments, and share accounts. We also engage the services of a third-party auditor to assist us with additional audit functions. All audit functions performed by the Supervisory Committee and any audit findings are reported 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 Popek, Chairperson
Mike Morton
Ben Dachel

NOTES: