

SIXTY THIRD ANNUAL MEETING OF MEMBERS

MAY 14, 2026

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 – One open position for a 3-year term
- Election of Supervisory Committee Members – One open position for a 3-year term

OTHER BUSINESS

ADJOURN

DINNER AND DOOR PRIZES

FIRST PACE CREDIT UNION
MINUTES OF THE SIXTY SECOND ANNUAL MEETING OF MEMBERS

Date: May 15, 2025

Place: TINUCCIS Restaurant Newport, MN

The meeting was called to order by Chairman, John Knetter at 6:00pm.

The Proof of Notice of the meeting was read by Ray Kobler and incorporated into the minutes.

This was declared a legal meeting with 42 members present, 15 required.

ROLL CALL: Board & Committee members present: John Knetter, Dan Gerten, Quinton Vorhies, Ray Kobler, Mike Morton, Ben Dachel, Jon Lerbs; Office Staff: Chris Lamminen, Stephanie Schwartz, Emily Luhmann (Brian Ecker – Excused)

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. Morton
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

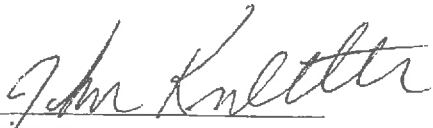
NEW BUSINESS:

1. Elections were approved by unanimous ballot.

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

B: There was one position open for the Supervisory Committee for a three-year term and one nominee on the ballot: Ben Dachel. The Chair asked for nominations from the floor three times, and no further nominations came forward. Motion made, seconded, approved – Ben Dachel 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 6:20pm.


Chairman


Secretary

FIRST PACE Credit Union
Annual Report of the Board of Directors
For Year Ended December 31, 2025

Good evening and welcome to our 63rd 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.

2025 resulted in a continued stabilization of finances and operations. The staff did have a change over at the Member Service Officer position as Emily has left and we welcome Brad Nelson as our new "Face and Voice" at the front desk! The ever-changing nature of our Industry products and services demands time, training and teaching, the goal is to make changes as seamless to members as possible. With only 3 staff members handling the multitude of duties and responsibilities of a complex business, we strive to be fast and efficient in assisting each Member with their financial goals and daily practices while building the relationships that define the Credit Union philosophy of "People helping People".

This year we had to replace and configure all of our outdated computers and servers. While every vendor/partner initiates changes we have to abide by, we will constantly investigate improvements and additions to our products and services.

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 e-services, 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:

John Knetter, Chairperson
Dan Gerten, Vice Chairperson
Ray Kobler, Secretary

Michael Vasquez Sr, Treasurer
Brian Ecker, Board Member

**Exclusively Serving USW Members
and Their Families Since 1963!**

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 over 60 years!
 - Accounts Federally Insured to at least \$250,000 (by NCUA)
- **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
- ★ Insurance Through our Partners **TruStage** – Auto & Homeowners, Term & Whole Life, Accidental Death & Disability. Also **AIL** American Income Life Insurance.
- ★ Relationship with **First Class Mortgage** – Mortgage Brokers



GET THE APP

FIRST PACE CU

Sign up for our News & Specials so you can be kept up to date on important announcements and promotions. Visit our website www.firstpacecu.com or call us & we'll be happy to enroll you!!

FIRST PACE Credit Union

Annual Report of the Treasurer For Year Ended December 31, 2025

2025 continued to bring challenges with the government, economy and interest rate market. The year-end financials are shown on the next page. Dollar amounts and ratios are reviewed monthly with some highlights below:

Annually, most of our vendors and services pass on price increases and the needs of new or upgraded systems and equipment will have an impact again in the coming year. Like all financial institutions, we were – and are, challenged with low cash liquidity resulting in the use of our investment income to sustain our strong level of loan needs, meaning less income and inventory related to our investment portfolio.

Main determining functions of a successful Credit Union is growth in membership activity and deposits, loan demand and liquidity. Our focus is to solidify the investment portfolio, stabilize the offsets of income to expenses while continuing to offer competitive rates, fees, products and services. The NCUA considers you strong and secure when your Net Worth/Capital is at 7% or higher, we are very well capitalized at 18.62%.

We encourage our members to utilize our products and services, and advocate membership growth to family and eligible co-workers. Our staff is always here ready to help our members with their financial needs. 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!

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.

All accounts at FIRST PACE Credit Union are insured to at least \$250,000.00 by the National Credit Union Administration.

Respectfully submitted: Michael Vasquez Sr, Treasurer

DECEMBER 31, 2025

ASSETS	TOTALS	LIABILITIES	TOTALS
Loans	5,714,437	Member Deposits	7,320,162
Allowance For Loan Loss	-34,747	Other Liabilities	658
Cash & Investments	3,174,848	Regular Reserves	226,491
All Other Assets	141,762	Undivided Earnings	1,448,989
Total Assets	8,996,300	Total Liabilities, Shares, & Equity	8,996,300
		INCOME	
		Loan Income	381,394
		Investment Income	67,909
		Other Income	31,478
		Total Income	480,781
		EXPENSES	
		Operating Expenses	483,691
		Provision For Loan Loss	25,246
		Dividend Expense	57,676
		Total Expenses	566,613
		NET INCOME	
		Total Net Income	-85,832
		Net Worth	18.62%



REQUIREMENTS

- Member **AND** New Member receive \$25 each when a New Membership Account is opened with **Direct Deposit** within 30 days.
- **BOTH** will receive an additional \$25 if a New **Checking Account** is opened and has debit card activity within 30 days.
 - USW Union Members and Credit Union Member's Families are eligible!

Member need not be present. Referral submits filled out form.

CHECK PAGE 8 for your first referral form. GET MORE REFERRAL FORMS AT www.firstpacecu.com

FIRST PACE Credit Union

Annual Report of the Supervisory Committee For Year Ended December 31, 2025

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 2025 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 Morton, Chairperson
Ben Dachel
Jon Lerbs

NOTES:

REFERRAL REWARDS

Member need not be present. Referral, please bring this form with you when ready to open the account and:

- ☐ \$10 minimum to open account (cash or check)
- ☐ Copy of valid ID with current address (Birth Certificate or Social Security card for minors)
- ☐ Copy of USW union proof (work badge or paystub)-NOT NEEDED FOR FAMILY OF CREDIT UNION MEMBERS

Member Name: _____

Referral Name: _____

Date: _____

New Services

☐ Direct Deposit

☐ Checking

30-day date: _____



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