

**FIFTY EIGHTH ANNUAL MEETING OF MEMBERS
MAY 6, 2021**

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 – One open position 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.
 - New Standard Credit Union Bylaws for Minnesota State Chartered Credit Unions was adopted and approved by the Minnesota Commerce Department in February 2021.
 11. ANY OTHER BUSINESS – Adoption of Standard Credit Union Bylaws
 12. ADJOURN
- DOOR PRIZES

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

Date: March 12, 2020

Place: Tinucci's Restaurant, Newport, MN

The meeting was called to order by Brian Ecker at 6:01 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 38 members present, 15 required.

ROLL CALL: Board & Committee members present: Kevin Hoeschen, Dan Gerten, Brian Ecker, Quinton Vorhies, Mike Popek, Doug Tanem 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 B. Ecker
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 remain at the same rate.

OLD BUSINESS: None

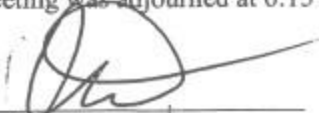
NEW BUSINESS:

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

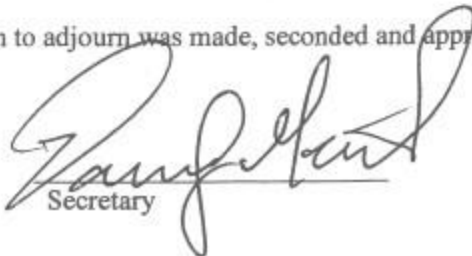
A: There were two positions open for the Board of Directors and two nominees on the ballot: Deb Spiess & Brian Ecker. The Chair asked for nominations from the floor three times, and no further nominations came forward. Motion made, seconded, approved- Deb Spiess & Brian Ecker were each elected to a three-year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

B: There was one position open for the Supervisory Committee for a three-year term and one nominee was on the ballot: Mike Popek. There was one position open for a remaining two-year term and none on the ballot. There was one position open for a remaining one-year term and one name on the ballot - Doug Tanem. The Chair asked for nominations from the floor three times and no further nominations came forward. Motion was made, seconded, approved-Mike Popek was elected to a three-year term and Doug Tanem for a remaining one-year term. The remaining two-year position is still open.

There being no further business a motion to adjourn was made, seconded and approved. The meeting was adjourned at 6:15 P.M.



Chairman



Secretary

FIRST PACE Credit Union

Annual Report of the Board of Directors For Year Ended December 31, 2020

Good evening and welcome to our 58th 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. Those profits are in the form of better rates with fewer and lower fees.

This past year was a challenge to serve our members while keeping our members, employees and volunteers safe. We made the decision to leave our doors open and comply with CDC Guidelines for safety, providing masks and sanitizer for employees and members visiting the office.

With travel and visiting curtailed, 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 TouchBanking App managing your money has never been easier.

If you have a family member who is looking for financial accounts, a loan or financial guidance, please talk with them about joining the credit union. 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!

As your trusted partner, making your financial life easier to manage is what FIRST PACE is all about - people helping people. We can't be successful without all of you! We hope you enjoy the evening, win a great prize, and think of FIRST PACE Credit Union for all your financial needs.

Your elected Board of Directors:

Kevin Hoeschen, Chairperson

Brian Ecker, Vice Chairperson

Deb Spiess, Secretary

Quinton Vorhies, Treasurer

Dan Gerten, Board Member

BENEFITS OF BEING A FPCU MEMBER

- Member owned and locally operated with personalized service since 1963!
 - Lifetime membership
 - Direct Deposit
 - Accounts Federally Insured to at least \$250,000
 - Free Notary Service for members
 - **Paperless** EZ-Statements (18-month history)

WAYS TO SAVE:

- **Share Savings Account** – For You and Your Family
- Club Accounts – for Vacation, Christmas, or Budgeting
- Money Market Savings Account (minimum deposit \$10,000)
- **Youth Savings, Checking, and Loan Accounts**
- Term Share Certificates of Deposit (6,12,24 Month CDs – 3,6 Month Youth CDs)
- **Online and Mobile Banking for no extra cost!**
- Mobile banking via text or APP, **includes Remote Deposit**
- VISA Gift Cards – Reloadable and Virtual gift cards available!
- VISA Credit Cards

CHECKING ACCOUNTS:

- **Free Checking** – includes free VISA Debit Card and 1st box of checks
- Online Banking with **Bill Pay, Person to Person, and Account to Account** (between banks)

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** for FIRST PACE CU by SallieMae®
- Payment Protection & Guaranteed Asset 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

★ 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, 2020

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:

- Loan balances decreased while people hunkered down, and Investment rates dropped substantially, decreasing our income. Our ratio of borrowers to members was only 30% which means 70% of our 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. The pandemic created additional expenditures to comply with CDC guidelines and to protect staff and membership. A laptop was purchased to help the Supervisory Committee perform their duties without compromising office safety.
- The pandemic also brought financial hardship to many of our members and we were happy to help them in various ways with payment skips and restructuring loans. We helped 28 members for a total of \$301,960 during 2020 and continue to be here for those experiencing financial distress.

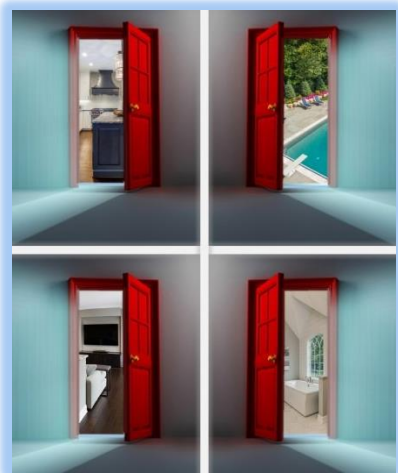
Our financial strength allows us to keep loan rates low while covering operating expenses and paying a competitive dividend on Share Accounts. We are ready to help our members with their loan needs, savings structure, investing or insurance options. Check our website for the latest information and if you haven't already, sign up for our News and Specials to keep abreast of the latest loan promotions, announcements and a chance to win \$10.

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, 2020

ASSETS	TOTALS	LIABILITIES	TOTALS
<i>Loans</i>	6,433,039	Member Deposits	7,682,667
<i>Allowance For Loan Loss</i>	-44,531	Other Liabilities	20,171
<i>Cash & Investments</i>	3,034,639	Regular Reserves	226,491
<i>NCUA Capitalization</i>	68,573	Undivided Earnings	1,622,270
<i>All Other Assets</i>	59,879	Total Liabilities, Shares, & Equity	9,551,599
<i>Total Assets</i>	9,551,599		
		INCOME	
		<i>Loan Income</i>	333,444
		<i>Investment Income</i>	27,862
		<i>Other Income</i>	40,895
		<i>Total Income</i>	402,201
		EXPENSES	
		<i>Operating Expenses</i>	330,826
		<i>Provision For Loan Loss</i>	6,771
		<i>Dividend Expense</i>	31,981
		<i>Total Expenses</i>	369,578
		NET INCOME	
		<i>Total Net Income</i>	32,623
		<i>Net Worth</i>	19.35%



Looking for a Remodel or Upgrade? Open Your Better Tomorrow! Home Equity Loans Starting at only 3.75% APR*

Benefits include fixed rate, no pre-payment penalties, low closing costs, as well as affordable terms and payments. In most cases the interest you pay is tax deductible (please consult your tax advisor for specifics). All these benefits make FIRST PACE Credit Union the place to save on your home equity loan!

Now is the time to finally get going and complete your home projects while rates are still low! CALL US TODAY!

FIRST PACE Credit Union can help with a First Mortgage also!

If you are interested in a first mortgage contact us with questions or help in applying through our partners The Servion Group myservion.com or First Class Mortgage mn.firstclasscorp.com.

**Check out our partner TruStage for a free quote on your property insurance!
Trustage.com or call 1-855-294-4390**

*APR (Annual Percentage Rate). Certain restrictions apply. Not valid on refinancing of current FIRST PACE Credit Union Loans. Rates vary based upon credit score and term; normal underwriting standards apply.

FIRST PACE Credit Union

Annual Report of the Supervisory Committee For Year Ended December 31, 2020

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 2020 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. Our most recent state audit was conducted in June for the period ending March 31, 2020. Your Supervisory Committee, Board of Directors and management, met with the state examiner via Zoom, at the end of the audit, and received 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*

Doug Tanem

Ken Angerman