

Heartland Credit Union
83rd Annual Meeting Minutes
April 20, 2022

Chairman Rex Carlson called the 83rd Annual Meeting to order at 5:00 pm at the Heartland Main office in Inver Grove Heights, MN. There were 27 members present via Zoom and in person, and Chairman Carlson declared a quorum.

Chairman Carlson presented the agenda to the members. A motion was made by Kent Zimmer to approve the agenda. Motion seconded by Dale Lieb. Motion carried.

In accordance with Article XII, Section 2 of the By-laws, proof of notice of the meeting was read by Nanci Lilja, secretary of the board.

A motion was made by Connye LaCombe to dispense with the reading of the Minutes of the 82nd Annual Meeting. Motion seconded by Nanci Lilja. Motion carried.

A motion to accept the minutes of the 82nd Annual Meeting was made by Connye LaCombe. Motion seconded by Nanci Lilja. Motion carried.

Board Member and Nominating Committee member Jeremy Hjelm presented the Nominating Committee report and acknowledged Gene Traxler as the other committee member. He reported that for the Board of Directors there were two three-year positions available. The following nominees were placed into nomination:

- Lisa Anderson
- Rex Carlson
- Nanci Lilja
- Eric Spandl
- Jacob Wallner
- Jedd Wennerberg

Chairman Carlson introduced the current members of the Board of Directors and Supervisory Committee. He also gave the Board Report, reviewing the success of the credit union with strong assets and positive audits. He also noted that the credit union's 2021 earnings hit their highest in Heartland history, exceeding \$2 million.

Chair and Management Reports

Chairman Carlson introduced President Kathy Harrington. Kathy reviewed 2021 Heartland accomplishments, including the opening of the Hugo branch on February 22, 2021 and the technology the new branch features. She also reviewed the addition of the Anoka and Chisago counties to the field of membership at the end of 2020 and reviewed the credit union's current Select Employee Groups (SEG).

Kathy reviewed Heartland's 2021 operational achievements, including continuing to foster a safe and healthy environment during the 2nd year of COVID. She thanked the entire Heartland staff for their work and dedication.

Kathy introduced Tim Hansen, Senior Vice President/CFO, who reviewed the financial highlights for 2021.

Tim noted that deposits grew \$18 million, which drove up asset growth, and that loan originations exceeded expectations. He also noted that the credit union had record earnings, which boosted the net worth ratio to 9.14%. On the income statement, the credit union produced over \$1 million in earnings through regular operations. In addition, one-time, unforecasted events provided an additional \$1 million in earnings. He explained that those events included pulling back allowance account funding that was made in 2020 to prepare for possible pandemic-related loan losses, a MasterCard incentive payment, and recovery of funds from the Members United Capital Account.

Chairman Carlson thanked Tim Hansen for his report and recognized Kathy Harrington and her entire management team for their outstanding performance.

Supervisory Committee Report

Carlson then introduced Connye LaCombe of the Supervisory Committee. LaCombe reported that the most recent audit of Heartland's financial statements was completed on September 30, 2021 by CliftonLarsonAllen. The audit firm gave Heartland a clean audit report on February 2, 2022.

A motion was made by David Seehusen to accept the reports presented by the Chairman, Management, and Supervisory Committee. Motion seconded by Nanci Lilja. Motion carried.

Chairman Carlson asked if there was any old business. There was none.

Under new business, Chairman Carlson addressed the adoption of the proposed bylaw changes from the Minnesota Commerce Department and Minnesota Credit Union Network, which were posted to the Heartland website since October 2021 for the membership to review.

Chairman Carlson requested a motion to adopt the new bylaws. A motion was made by Connye LaCombe to adopt the updated bylaws. Motion seconded by Dale Lieb. Motion carried.

Chairman Carlson asked for a motion to destroy the director election ballots after they were counted. Motion was made by Kent Zimmer to destroy the ballots after they were counted. Jeremy Hjelm seconded. Motion carried.

Chairman Carlson opened the floor for questions. There were no questions.

Chairman Carlson requested a motion to adjourn the meeting. A motion was made by Nanci Lilja to adjourn. Brett Black seconded. Motion carried.

Rex Carlson, Chairman

Nanci Lilja, Secretary