

Heartland Credit Union
86th Annual Meeting Minutes
March 19, 2025

Chairman Rex Carlson called the 86th Annual Meeting to order at 5:16 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 Noel Larson to approve the agenda. Motion seconded by Connye LaCombe. Motion carried.

In accordance with Article XII, Section 2 of the By-laws, proof of notice of the meeting was read by Eric Spandl, Heartland Board Member.

A motion was made to accept the minutes of the 85th Annual Meeting and dispense with the reading of them by Connye LaCombe. Motion seconded by Nathan Dormody. Motion carried.

Board Member and Nominating Committee member Dale Lieb presented the Nominating Committee report and acknowledged Eric Spandl 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 and nominated since the number of candidates equaled the number of nominations as identified by Heartland bylaws.

- Rex Carlson
- Jeff Schuetz

Motion to accept the candidates by acclamation and that we dispense with issuing ballots made by Greg Sippl. Motion seconded by Gary Haider. Motion carried.

Chairman Carlson introduced the current members of the Board of Directors and Supervisory Committee.

Chairman Carlson then gave the Board Report, reviewing the success of the credit union with strong assets and positive audits. The year ended with assets totaling \$177 million and a net worth of 9.39%. Rex reviewed the challenges of the economy, due to higher costs in housing and essential goods and how the credit union remained committed to offering competitive rates, financial guidance and services to support members. He also noted Heartland's 85th anniversary milestone that was celebrated throughout 2024.

Chair and Management Reports

Chairman Carlson introduced President, Kathy Harrington.

Kathy reviewed the priority of preserving the credit union's tax status.

She also noted accomplishments of 2024, including setting a community involvement record, hiring a business lender, partnering with TruLync Medicare advisors and enhancing contactless debit and credit cards. She also discussed the initiatives of 2025, including the enhancement of online and mobile banking and the New Prague Branch build.

Kathy introduced Justin Houle, CFO, who reviewed the financial highlights for 2024.

Justin noted that the credit union shrunk by design with the strategy to purchase participation loans, to bring in additional income. He how improving products and services, such as introducing tap cards affected the income. He also noted the large amount of delinquencies and the higher interest expense we incurred due to providing members high CD rates to stay competitive and serve our members. Expense also increased last year due to vendor cost increases etc.

Chairman Carlson thanked Justin and Kathy for their reports and recognized Kathy Harrington and the entire management team for their outstanding performance.

Supervisory Committee Report

Carlson introduced Greg Sippl, Chair of the Supervisory Committee. Sippl reported that in 2024, the credit union hired a CPA firm to assist with a financial statement opinion audit. He noted that the committee believes the members' interests in Heartland are being well-managed and that the credit union records are being maintained properly, honestly, and accurately.

A motion was made by Dale Lieb to accept the reports presented by the Chairman, Management, and Supervisory Committee. Motion seconded by Jon Smale. Motion carried.

Old Business

Chairman Carlson asked for old business. There was no old business.

New Business

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

Chairman Carlson opened the floor for questions.

James H. asked via chat about money being taken from his account when he provided the routing and account number and if there was a way to send a confirmation when that happens. Kathy addressed the question.

Chairman Carlson requested a motion to adjourn the meeting. A motion was made by Jeff Schuetz to adjourn. Noel Larson seconded. Motion carried.

Rex Carlson, Chairman

Nanci Lilja, Secretary