



First Community Credit Union
Headquarters

2020 FCCU ANNUAL REPORT

FC *First Community*
CU *Credit Union*

Life is better with community

82nd Annual Meeting

We welcome you to the 82nd Annual Meeting to connect with your fellow Credit Union members and meet the people, both Board and staff, who serve you.

Agenda

June 15, 2021 | 5:30 pm

Farmers Union Conference Center, Jamestown

Call to Order
Invocation
Report of Registration
Minutes of Previous Meetings
Overview of Annual Report
Financial Report
Report of the President
Old Business
New Business
Report of Nominating Committee
Adjourned
Drawing of Prizes
Meal Served



The Annual Meeting is governed by Robert's Rules of Order.

Annual Meeting Minutes

August 27, 2020

The 81st Annual Meeting of First Community Credit Union was held on Thursday, August 27, 2020 at the Farmers Union Conference Center.

Chair Owen Olson called the meeting to order at 5:30 p.m. Rev. Dayne Zachrison gave the invocation. Chair Olson introduced the head table. Director Sandy Franke introduced the Audit Committee. Steve Schmitz, CEO, reported who serves on the First Community Scholarships LLC Board.

The report of registration showed 30 members and 1 guest, constituting a quorum. A motion was carried to approve the minutes of the March 18, 2019 Annual Meeting as printed in the brochure.

Chair Olson provided the report of the Board of Directors. Sean Rinkenberger, CFO, reviewed the Statement of Financial Condition as of December 31, 2019. A motion was carried to approve the report as presented.

Steve Schmitz provided the report of the President. He addressed the recent completion of the new Crookston branch, the demolition and new construction of Fargo Northland branch to be completed in summer 2021. Ground breaking for a branch in Mandan will take place with completion to be late 2021. Assets have grown to \$936 million at the end of July. In closing he stated that he has no predictions for the coming year 2021 in deposit or loan rates. We have all been learning and operating within the Covid-19 environment which has brought changes to FCCU this year.

Chair Olson called for Old Business. Discussion was held on how the Agassiz/Citizens merger has affected our loan portfolio and how we are working through them with positive results. Chair Olson called for New Business. A member complimented the Jamestown Main staff on how courteous and helpful they all are. A motion was carried to approve the actions of management and the Board of Directors for the past year.

Sharman Zachrison, Chairperson of the Nominating Committee, introduced the other committee members (Sue Corwin and Jason McKenney) and the two candidates running for the Board: Incumbents Colin Wegenast and Sandy Franke. Chair Olson declared the vacancies be filled by acclamation.

A motion was carried to adjourn.

Letter from the President



Member-Owners,

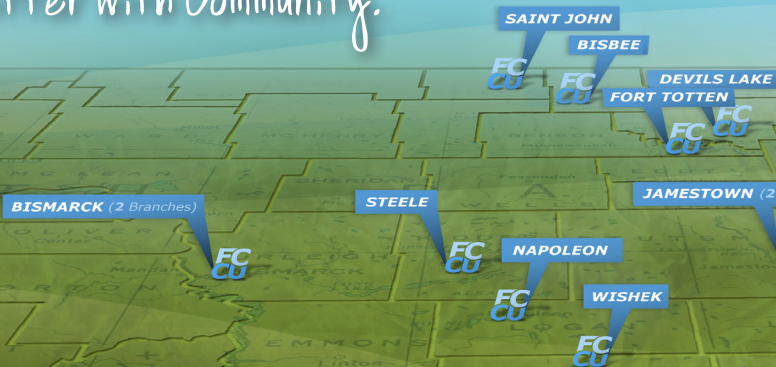
As we look back on 2020, there is no doubt it will go down as an unforgettable year in history, full of milestones and challenges for many. Through it all, FCCU remained financially strong.

When mid-March came, our whole world had to change, as we looked to reinvent the way we do business. Our senior executive team met daily to make sure we were communicating with staff and offering all services to our members, while still keeping everyone safe.

Another side effect of the pandemic was the historic low interest rates which put tremendous pressure on our spread, or the difference between loans and deposits. Despite this, FCCU had consistent growth throughout the year. We had an increase of over 100 million in deposits, up nearly 15%, and a record year for Residential Real Estate Lending which was more than double our previous year. Additionally, we saw the agriculture economy improve in 2020, with better weather conditions and pricing. The positive effects outweighed the negative and our Credit Union was able to have a strong year financially.

In September, we proudly celebrated the grand opening and ribbon cutting of our new Crookston facility. This nearly 4,000 square foot facility is located on Highway 2, near Walmart.

Life is Better with Community.



We also held a ground breaking for our new Fargo Northland branch, as we replace the 100-year-old facility we had, along with a ground breaking in October for our new Mandan facility.

Last year proved to be a year where our talented staff and employees shined, as FCCU was named Top 50 Best Places to Work in the region by Prairie Business Magazine, Top 10 Best Places to Work by the Bismarck-Mandan Young Professionals Network and Best Credit Union in the Red River Valley.

Reflecting on 2020, a heartfelt thank you goes to our members and employees for their patience, understanding and support, as we dealt with many unique disruptions. While we had to make difficult decisions and reinvent how we did business as a company, our members also had to learn and reinvent how they did business with FCCU.

Through it all, we remain in a position for growth and success, which has been a direct result of the hard work of our employees, the commitment of our Board of Directors and most importantly, the support and patronage of our 45,000 members.

We are very appreciative of our members support each and every year. We look forward to working and growing with you in the future. I thank each of you for your part and look forward to another successful and prosperous year in 2021.

Respectfully Submitted,
Steve Schmitz, President & CEO



Message from the Board of Directors

Welcome to the 82nd Annual Meeting of First Community Credit Union. The employees and volunteers of FCCU continue to work hard to make your Credit Union a place where members will always feel that their financial needs will be met.

The Annual Meeting for 2020 was postponed to August because of the coronavirus. Also, because of this pandemic, FCCU was very active in providing PPP loans for members and in doing necessary Covid-19 loan adjustments for members who needed that service.

Last year was another financially successful year for FCCU. We ended 2020 with total assets over \$940 million and a net income of \$9.41 million. Membership numbers increased by 723 leaving us with over 43,000 members.

A Grand Opening was held for the new building built in Crookston, MN. Construction began on new buildings both at the Northland branch in north Fargo and in Mandan, ND. The Grand Forks 42nd branch had only been a drive-up facility for some time and was closed on Dec. 31, 2020.

Our commitment to the communities in which we do business remains a strong ideal of our business. Two major donations were dedicated in 2020. A contribution of \$25,000 was donated to North Dakota Farmers Union Leadership Camp being built, serving children throughout the state. Also, a million dollar donation over the next seven years was promised to help remodel the football field and track facility at the University of Jamestown. In addition to these major projects, FCCU makes many other donations in all of the cities in which we do business.

Duties of the Board of Directors include: monthly meetings, special meetings, and visits to branches. Colin Wegenast and Sandy Franke were re-elected to the Board of Directors in 2020. Many employees and Directors are active in credit union trade associations and attend their meetings and conferences—many of these were done virtually in 2020.

We continue to be extremely proud of the scholarship program funded by FCCU. Each year many four-year, two-year, and single year scholarships are awarded. In 2020, 15 new scholarships were awarded with a total of \$36,000 being awarded. We would like your help in encouraging young people that you know to open accounts at FCCU and apply for our generous scholarship program.

The Board of Directors would like to take this opportunity to thank all of our dedicated employees for their continued hard work and effort in putting our members' needs first and foremost. And a thank you, to you, our members, for your continued trust and support. It is our sincere hope that you will continue to allow us to serve you and your family now and in the future.

Respectfully submitted,

FCCU Board of Directors

Owen Olson, Chair

Sandy Franke

Dayne Headland

Bonnie Nelson

Mark Watne

Colin Wegenast

Sharman Zachrison



2020 Year in Review

Ribbon Cutting Held in Crookston

A new branch has been highly anticipated in Crookston, since we merged with Agassiz Federal Credit Union in 2017. In early September we gathered with the local chamber to celebrate the ribbon cutting and grand opening of this new Crookston facility located on Highway 2 near Walmart. This nearly 4,000 square foot facility has allowed us to provide a more professional and visible location in the community, enabling us to grow and serve our members for years to come.



Ground Breaking for New Mandan and Northland Branches



In the fall, we held a ground breaking for our new Fargo Northland branch, as we replace the 100-year-old facility we had, next to NDSU. This beautiful new facility will be just over 3,000 square feet with several offices,

a large lobby, conference room, full drive-up and drive-up ATM.

In October we broke ground for we for our new Mandan location at the corner of Expressway and Memorial Highway. This new facility will be three stories high and constructed of structural steel. Our Mandan branch will also have tenant space and a community room. Completion is expected in late 2021 to early 2022. This new location will take place of our existing downtown location and expand First Community Credit Union across the Missouri River for the first time, while providing more exciting opportunities for FCCU in a new community.



New Internship Program

FCCU launched a dedicated internship program in 2020. In recent years, FCCU has had a handful of interns work at various branches, but it wasn't until 2020 that this became an ongoing program within the company. This program gives students the ability to collaborate with professionals through hands-on work experience, interact with multiple departments, volunteer in the community and gain valuable experience. As a result of this program, several interns have been hired on as full-time employees.

Covid Impact

The impact of Covid-19 on our branches, staff, members, businesses and our world was significant. During this time, FCCU staff worked hard to make sure members had access to their money and all services, while still keeping everyone safe. FCCU also gave out 1,195 Small Business Paycheck Protection Program (PPP) loans to business owners during this time.

Community Give Back

Due to the impact of COVID-19 on our businesses and communities, FCCU held numerous campaigns and projects to help give back during 2020. Through our national credit card vendor PSCU, members could receive rewards for using their credit card to shop local and have the opportunity to win \$50 gift cards. In addition to encouraging money being spent local, FCCU won \$4,000 from this give back campaign for charities. Staff was able to vote on which charities to support and the four that were selected to each receive \$1,000 were: to Jessy's Toy Box, Children's Miracle Network Hospitals, Salvation Army and St. Jude.



FCCU also held a shop local campaign through Facebook, where five lucky winners received \$100 to use at a small business in their community of their choice.

Community Impact

FCCU is proud to not just do business in our communities, but also support them by giving back. We donate money, sponsor various events and organizations, volunteer our time, attend events and the list goes on and on.

Our quarterly charity is a unique way we support important causes in the region. Since 2014, FCCU employees have chosen an organization each quarter to support by raising money and awareness. The funds are raised through Friday jeans money and other specific activities that relate to the cause. Here's a look back on the positive impact in 2020.

Project Ignite Light

This organization gives thousands of foster and abused children a piece of security and hope. They provide 200 'Bags of Hope' each month to reported abused children in Minnesota, North and South Dakota. In 2020 FCCU raised \$6,000 and collected 365 pajamas and 147 blankets for the cause. This is the fifth year in a row we've supported and over those years we have donated a total of 723 blankets, 1,822 pairs of pajamas and raised an impressive \$27,000.



American Foundation for Suicide Prevention (AFSP)

No one would have guessed when we planned for this quarterly charity, that we would be in a global pandemic during this time. However, it proved all the more reason for the need to put a focus on suicide prevention. Despite social distancing guidelines, FCCU was still able to help raise \$4,800 for AFSP to go towards research, education and prevention, advocacy and public policy both in North Dakota, Minnesota and nationwide.

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Perhaps most importantly, FCCU helped bring awareness about suicide and the statistics around it through our social media channels and also offered a webpage with resources whether it be for a job, food, daycare, suicide prevention and more for those in need of a helping hand.

Great Plains Food Bank (GPFB)

In 2020, food insecurity and the need for the fight against hunger was at an all time high. More than ever, our neighbors, family, members and food pantries needed support. With the help of our communities and members, FCCU was able to raise \$2,746 and more than 1,500 pounds of food for GPFB to go towards their childhood hunger programs. Many staff also hosted food drives in branches and virtually and volunteered at local food pantries.



Veterans

For the second year in a row, FCCU staff held fundraisers raising \$2,500 for North Dakota's Impact Foundation 'Support Our Veterans Fund.' In addition to the money raised, more than 325 letters were written by staff, members, students and people in our communities in a campaign called Operation Gratitude. They were sent to active and retired military as a token of appreciation to say thank you for their service. Of the funds raised, 100% will go directly to veterans to help with housing, transportation, health issues and other urgent needs, not covered by other organizations.



Awards & Recognition

FCCU was recognized nationally by the Credit Union National Association (CUNA) as a second-place recipient of the Dora Maxwell Social Responsibility award for community involvement. FCCU received recognition on this national scale for our work with the quarterly fundraising for the North Dakota Impact Fund and Veterans, in 2019. During this time, FCCU raised over \$10,000 for veterans, a record-breaking donation for FCCU, and another \$500 to Service Dogs for America. Additionally, FCCU received the first place Dora Maxwell award at the local level and the CU Social Good Award by the Dakota Credit Union Association (DakCU) for our community impact projects.



Chief Financial Officer, Sean Rinkenberger, was named to the Top 40 Under 40 List by Prairie Business Magazine. Those on this list are the top business professionals across the region, under the age of 40.



Other recognition in 2020 includes being selected as one of the Top 50 Best Places to Work in the region by Prairie Business, being named one of the Top 10 Best Places to Work by the Young Professionals of Bismarck and being named the Best Credit Union in the Red River Valley.

The FCCU Volunteer of the Year for 2020 was Nick Schauer, VP of the Jamestown Market. He dedicated more than 70 hours volunteering in 2020. Nick is currently on the Jamestown and Stutsman Development Corporation Board and the Jamestown Stutsman County Economic Development Corporation Board of Directors. He also volunteers for numerous FCCU sponsored events, serves on the board for the Jamestown Taz Youth Wrestling and is also a coach for this organization, which is his favorite volunteer activity.



FCCU BY THE NUMBERS



MEMBERS
44,837

Total members of FCCU

MORTGAGE



906 Home Loans
in 2020

\$192,584,532
in Home Loans

4,921

Facebook followers

FOLLOWERS



PPP BUSINESS LOANS



1,195

Small Business Paycheck
Protection Program (PPP) loans.

\$60,000

Distributed in college
scholarships by FCCU
education foundation

SCHOLARSHIPS



DONATIONS



\$250,000 +

Donated to local
community causes

8,333

Auto & Rec loans in 2020.

CONSUMER LOANS



Financial Overview

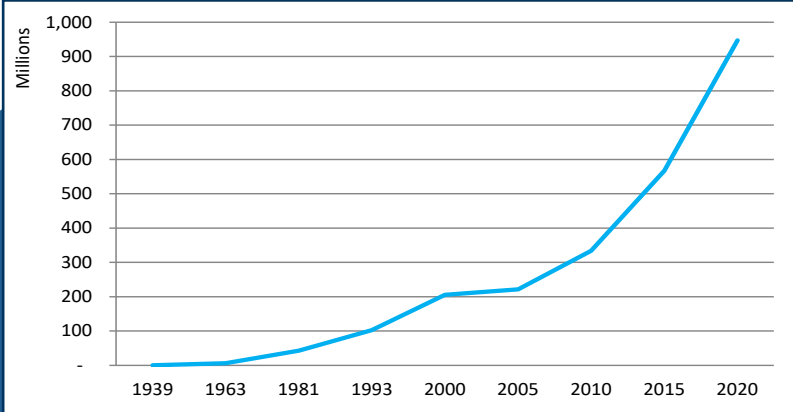
Statement of Financial Condition

ASSETS	Dec. 31, 2020	Dec. 31, 2019
Loans (Net of allowance)	\$ 661,516,028	\$ 661,521,470
Cash & Investments	225,495,984	133,582,835
Property and Equipment	31,418,054	30,182,930
Other Assets	28,307,379	24,736,273
Total Assets	\$946,737,445	\$850,023,508
LIABILITIES AND EQUITY		
Accounts Payable	\$5,958,095	\$6,812,499
Notes Payable	0	0
Total Liabilities	5,958,095	6,812,499
Member Shares and Deposits	811,550,642	726,614,532
Total Liabilities & Member Deposits	817,508,737	733,427,031
EQUITY		
Total Member Equity	129,228,708	116,596,477
Total Liabilities & Equity	\$946,737,445	\$850,023,508

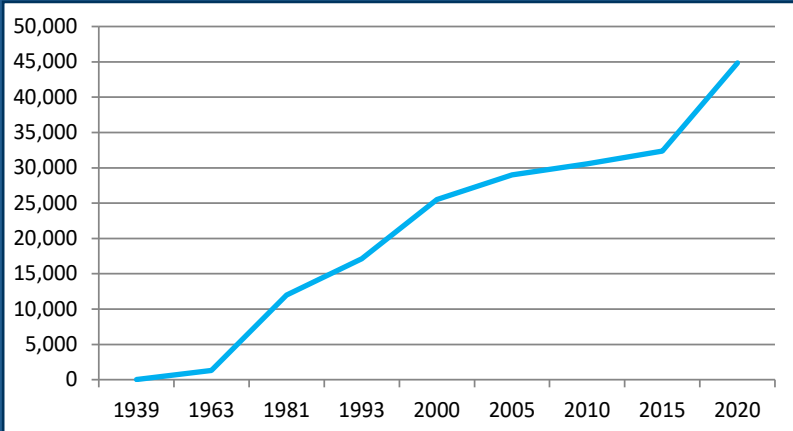
Statement of Income

INTEREST INCOME	2020	2019
Loans	\$32,890,182	\$35,615,337
Investments	2,521,843	2,410,867
Total Interest Income	35,412,025	38,026,204
Interest Expense	(4,749,095)	(5,843,677)
Provision for Loan Losses	(2,155,000)	(1,540,000)
Net Interest Income	28,507,930	30,642,527
Non-Interest Income	13,658,452	9,468,428
Total Income	\$42,166,382	\$40,110,955
EXPENSES		
Compensation and Benefits	\$19,740,306	\$18,820,863
Operations and Administrative	10,458,625	10,524,699
Occupancy	2,561,181	2,505,029
Total Expenses	32,760,112	31,850,591
Net Income	\$9,406,270	\$8,260,364

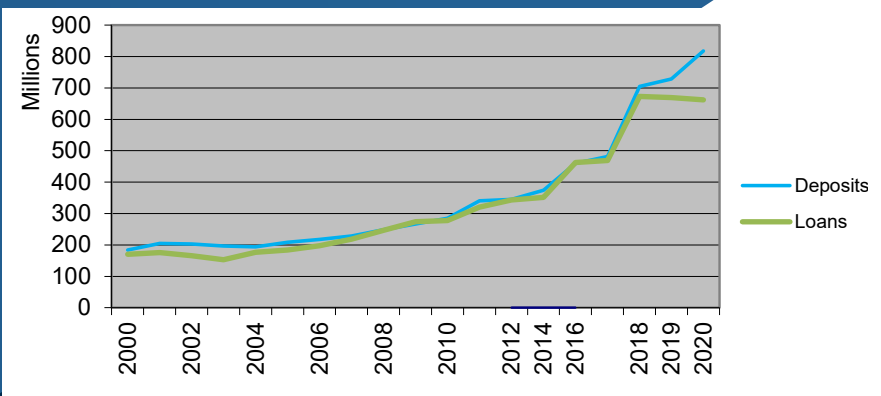
Assets



Membership



Deposits & Loans Since 2000



Management Team



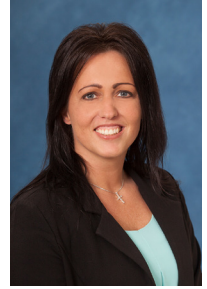
Steve Schmitz
President & CEO



Sean Rinkenberger
Chief Financial
Officer



James Vollrath
Chief Technology
Officer



Stephanie Finck
Chief Operations
Officer



Craig Grundstrom
Chief Development
Officer



Darin Finck
Chief Lending
Officer



Amie Aesoph
Chief Human
Resources Officer



Janna Bergstedt
Chief Marketing
Officer



Steve Davis
Senior VP,
Mortgage



Kelly Heyer
VP of Consumer
Lending



Mary Radenz
VP of Mortgage
Lending



Clayton Lilleby
VP of Retail Sales



Fred Wolff
VP of Risk &
Compliance



Jerry Janz
Regional Senior Credit
Officer, VP



Mike Heidt
Regional Senior Credit
Officer, VP



Zachary Dosch
Bismarck Market
Manager, VP



Nate Medhus
 Fargo Market
Manager, VP



Jeff Caillier
Grand Forks Market
Manager, VP



Nick Schauer
Jamestown Market
Manager, VP



Kevin Davidson
Lake Region Market
Manager, VP



Alysa Barth
Southeast Market
Manager, VP

Board & Supervisory



Board of Directors

Owen Olson, Chair
Dayne Headland, Vice Chair
Bonnie Nelson, Secretary
Colin Wegenast
Mark Watne
Sharman Zachrison
Sandy Franke

Audit Committee

Sandy Franke, Chair
Scot Nething
Rodney Buck

In Memory of Debra Backer

This past year, we unexpectedly lost a coworker, friend and longtime FCCU employee, Deb Backer. Her legacy will live on as we remember the way she's impacted our Credit Union and our lives.

Deb dedicated her entire working career to First Community Credit Union, starting when she was just 20 years old in 1978 and working here continuously for more than 42 years.



"Over the years, there is no name in Jamestown more synonymous with FCCU than Deb Backer and her relationship with "her" members is almost indescribable," said Steve Schmitz, President/CEO. "These members trusted Deb unconditionally to give them financial advice."

As the daughter to one of the first members of our Credit Union more than 80 years ago, Deb was a very proud and loyal employee. Her dad taught her at a very young age, that credit unions always helped people, and she should work at FCCU so she could also help people. Beginning as an ag loan processor and later transitioning to a consumer lender, she loved to grow and achieve goals, both for FCCU and herself personally.

In 2017, the Jamestown branch needed a record setting month to reach their goal for consumer loan growth for the year. Deb said, "Boss, we will do this!" and proceeded to come through with over \$1 million in new consumer loans for the month of October. To date, she is the only FCCU consumer loan officer to ever reach this milestone, and she has done it three times! If you had a goal that you wanted to make, you simple had to get Deb convinced because when she set her mind to something, she was absolutely driven to achieve it.

Deb was a mother, wife, sister, daughter and a friend to anyone she'd meet. Our thoughts and prayers are with Deb's family, friends, loved ones and those who worked with her daily.

Deb was truly one of a kind. She loved people and touched the lives of many. We lost a legendary member of our family and she will be truly missed by us all.



Life is better with community