

Your successful financial journey is our passion.

## **SUPERVISORY** Report

The Supervisory Committee is made up of volunteer members of MPECU who play a vital role to help ensure the financial safety and security of our institution. To accomplish this, committee members along with an independent auditor, Tahtinen and Associates, conduct monthly reviews of the credit union's operations. The Supervisory Committee completes specified monthly tasks and meets periodically during the year to review relevant information for its role.

In 2019 the committee retained the services of RSM US LLP, an independent auditing firm, to conduct our annual financial audit. Using prescribed auditing standards, the RSM auditors determined that the credit union's financial statements were presented fairly and conformed to established accounting principles.

Based on the results of the 2019 audits performed, we conclude that MPECU has adequate financial controls and is financially sound.

We on the Supervisory Committee appreciate the opportunity to be of service and thank you for your continued support of our credit union.



## BOARD/CU Report

Welcome to the 87th meeting of Minnesota Power Employees Credit Union! 2019 remained a very active year. As ever, we continued our tradition of profitability and beat our budget. We also had four successful audits—from RSM Accounting, the Minnesota Department of Commerce, the National Credit Union Administration (NCUA), and an Information Technology and Security audit. We're pleased to report that MPECU remains fiscally strong and secure!

2019 also saw the development of a new, mobile responsive website, the personal online financial management tool Money Star, and our Drive 4 Less lease-like program. We continued to see membership growth and adoption of our online services. As we head into 2020, you'll see a new credit card program complete with better rewards and management tools for payments and security within MPECU's online banking and mobile app.

Most importantly in 2019, we went through a comprehensive strategic planning session. As a part of that exercise, we revised our Mission and Vision Statements and reaffirmed our values to position us well into the future.



Financial partner of choice providing meaningful financial services supported by innovative technology and a diverse slate of employee and volunteer members.



Thank you for being a part of our financial cooperative. Your participation makes our Credit Union remain strong!

Respectfully Submitted,

Wing Chan
Chair-Board of Directors

Debora Almirall President/CEO





# **STATEMENT OF** Financial Condition

Minnesota Power Employees Credit Union Balance Sheet December 31, 2019 and 2018

	2019	2018
Assets		
Cash and Cash Equivalents	\$ 6,657,214	\$ 4,876,798
Securities and Investments	17,546,388	20,161,212
Loans, net	64,714,614	65,997,348
Accrued Interest Receivable	185,412	208,403
Furniture, Equipment and Leasehold Impr, net	759,398	923,870
National Credit Union Share Insurance Fund Deposit	764,514	763,554
Other Assets	6,805,818	6,490,221
Total Assets	\$ 97,433,358	\$ 99,421,406
<b>Liabilities and Members' Equity</b>		
Members' Share Accounts and Certificates	77,753,790	76,955,166
Dividends and Interest Payable	77,280	74,381
Federal Home Loan Bank Advances	2,494,375	6,095,524
Accrued Expenses and Other Liabilities	237,506	269,230
Total liabilities	80,562,951	83,394,301
Reserves	1.850.786	1,850,786
	, ,	14,287,357
<u> </u>	, ,	(370,470)
Net Income	. , ,	259,432
Total Members' Equity	16,870,407	16,027,105
Total Liabilities and members' Equity	\$ 97,433,358	\$ 99,421,406
Total Members' Equity		14,287,3 (370,4' 259,4 16,027,1





### STATEMENT OF Income

Minnesota Power Employees Credit Union Income Statement For Periods Ending,

	December 31, 2019 (Year-to-Date)		December 31, 2018 (Year-to-Date)	
Interest Income				
Loans Receivable	\$	3,029,868	\$	2,879,573
Investments and Interest Bearing Deposits		542,684		485,517
Total Interest Income		3,572,552		3,365,090
Interest and Dividend Expense		376,611		332,044
Net Interest Income		3,195,941		3,033,046
Provision for Loan Losses		108,492		131,782
Net Interest Income After Provision		3,087,449		2,901,264
Non-Interest Income				
Service Charges and Fees		117,642		117,974
Other		744,176		748,550
Gain/(Loss) on Assets / Investments		20,762		-
Total Non-Interest Income		882,580		866,524
Non-Interest Expense				
Compensation and Benefits		1,551,673		1,626,358
Occupancy		397,410		408,366
Office Operations		368,641		406,539
Education and Promotion		163,294		200,015
Loan Servicing		245,002		231,315
Professional and Outside		517,613		460,737
Other		188,189		175,026
Total Non-Interest Expense		3,431,822		3,508,356
Net Income	\$	538,207	\$	259,432



#### **BOARD OF DIRECTORS** Candidates:

#### Bob Bastianelli- 3 year term

- MPECU Board of Directors 2014-present
- MPECU Credit Committee 2010-2014
- MPECU Supervisory Committee 2009

#### Wing Chan- 3 year term

- Employee of ALLETE/Minnesota Power since 2009
- MPECU Board of Directors 2014-present
- MPECU Supervisory Committee 2013

#### Beth Fredrickson- 3 year term

- MPECU Board of Directors 2014-present
- MPECU Board of Directors 2000-2008
- MPECU Supervisory Committee 1997-2000

#### **SUPERVISORY COMMITTEE** Candidates:

#### Tom Meyer- 3 year term

- District Director Voyageurs Area Council-Boy Scouts of America
- Employee of Voyageurs Area Council-Boy Scouts of America since 2010
- MPECU Supervisory Committee 2015-present

#### **BOARD MEMBERS:**

Bob Bastianelli Jeremy Caine Wing Chan Beth Fredrickson Mike French Eric Skadsberg Doug Welnetz

#### **CREDIT COMMITTEE:**

Micheline Bayiha Ali Comnick Nathan Schmidt Steve Sharkey

#### **SUPERVISORY COMMITTEE:**

Ryan Bauer Marilyn Carter Tom Meyer Marcia Podratz

# MPECU RETIREMENT & FINANCIAL SERVICES:

Ed Grondahl

#### **MPECU STAFF:**

Deb Almirall Mary Agostino Carolyn Burke Peter Cieluch Andres Gonzalez Teresa Harber Jean Kuyk Annie Lepper Heidi Mengelkoch Sarah Muller Jane Naeyaert Laura Ostby Cory Ouellette Lauren Packingham Cheryl Pillsbury Jennifer Saari Erin Sengthao Riley Snow Nathan TePoel Tess Thorstad Cindy Zoldak





#### **Main Office**

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#### maurices Branch

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