

2020

Annual Report



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Driven by Midwestern Values



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MESSAGE

from the President/CEO

Hindsight is 2020

To put it simply, this was a tough year. Everyone lost something. The global pandemic has taken lives, stolen people's livelihoods, and altered so much in countless ways. But credit unions know tough times. Many credit unions, including SPIRE, were born during the difficult economic times of the Great Depression. It is with this in mind that I immediately developed the four C's as a guide for our leaders and myself during 2020.

Care—our Core Value is we care. Our interactions with our members are not transactional—we are built on relationships. To care is how we behave and act because it is who we are as a company. SPIRE cares—whether it is loan modifications for commercial businesses or an encouraging word from a thirty-year employee in Woodbury when you visit the branch.

Calm—this has been an unsettling time for everybody. Every now and then, we all just need to take a deep breath and focus on the positive side of things. SPIRE wants to be that helpful presence to make things a little less complicated. We want to take the hassle out of finances and make the money part of your life easier.

Courageous—in the face of economic uncertainty, many companies cut back their charitable giving. With so many in need, SPIRE decided to act boldly and Give Big—an initiative in which 187 charities and non-profits received donations. Rather than doing the “safe” thing and wait for the storm to pass, SPIRE felt the need to help when the need was so great.



Consistency—at SPIRE, we continue to promote an inclusive, diverse, and empathetic culture. The SPIRE-created Diversity, Equity and Inclusion Council (DEI) now has a renewed purpose to help SPIRE listen and learn.

I am optimistic about the future. In December, SPIRE opened a new branch in Blaine, a community we have been a part of for over thirty years. This summer, SPIRE will be opening a fantastic new branch in St Cloud. During the pandemic, we launched a new Digital Banking platform to allow members to do so much more remotely. It is all part of our commitment to offer both “brick and click.” When you need to talk to a person, either on the phone or face-to-face, we’ll be there. (And when you don’t, we’re still just a mouse click away.)

2020 will go down in history for many reasons. Let’s look forward together to a new year with great anticipation and excitement. Your credit union and Archie (our 1952 Ford truck/unofficial mascot) will be ready to start a new chapter as we strive to improve financial lives every day.

Sincerely,



President/CEO
SPIRE Credit Union



MESSAGE

from the Board Chair

A Year Like No Other



I don't think anyone was prepared for what 2020 brought us. There were challenges and obstacles that in past years would have seemed inconceivable. Incredibly it was also a year in which SPIRE would finish with a new record for net income, exceeding \$11.5 million, despite having to alter just about every facet of the business in response to the global pandemic.

Like all businesses, SPIRE had to make some quick changes as the pandemic swiftly circled the globe. Beginning the week of March 16, 2020, a collaborative effort among SPIRE leadership at all levels was launched to rapidly respond as the threat of the virus forced SPIRE to move almost all its non-branch personnel (115 people) to work from home. Just two days later our branch lobbies were closed with drive-thru only services offered for three months. During this time, a huge effort was made to provide as many services as possible via our drive-thrus. Additionally, we rolled out a way to open new accounts virtually on April 3, 2020. In the first eleven weeks (through June 22, 2020), we opened 585 accounts online. By the end of 2020, SPIRE opened a total of 1,840 online accounts, bringing with them over \$5 million in new deposits.

Speaking of deposits, the growth in deposits last year was unprecedented for all financial institutions as people hunkered down and started to build up their savings. Our original budget forecasted SPIRE's deposit growth at 6%, but the annual growth ended up being 25%, as SPIRE ended the year with \$1.554 billion in assets.

Loan originations exploded starting in March 2020. Year-over-year loan originations were up 15% in March, 42% in April, and 39% in May. SPIRE continued to set monthly loan origination records throughout 2020, and ended the year with an all-time annual record of \$649 million, far surpassing the previous record of \$470 million.

Starting in May, our business services team worked day and night to process Paycheck Protection Program (PPP) loans. PPP is a Small Business Administration (SBA) loan program for companies that aims to help them keep their employees on their payroll during the pandemic. SPIRE originated 362 PPP loans for \$5.5 million in 2020.

Another bright spot for SPIRE in 2020 was our President and CEO, Dan Stoltz, named a Most Admired CEO by the Minneapolis/St Paul Business Journal. Congratulations Dan, you certainly deserve it and we are proud of you!

As we enter 2021, we need to be aware of the challenges that still lie ahead and adapt and adjust accordingly. Unfortunately, it looks like the effects of the pandemic will carry deep into this year and bring with it continued economic uncertainty. Fortunately, SPIRE has a seasoned leadership team that uses a strategic, intentional, and disciplined methodology that will successfully lead us into the future as we continue the quest of being not the biggest...but the **BEST FINANCIAL SERVICES PROVIDER IN MINNESOTA!**

On behalf of SPIRE's Board of Directors, it is an absolute privilege to serve you. We truly appreciate your membership in SPIRE and the confidence you have placed in us.



SPIRE Board Chair



CONSOLIDATED

Balance Sheet

AS OF JUNE 30

2020

2019

2018

2017

2016

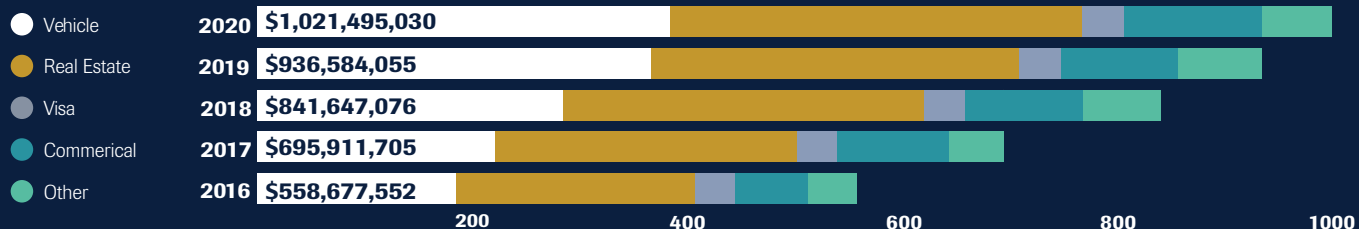
ASSETS

Loans to Members	\$1,021,495,030	\$936,584,055	\$841,647,076	\$695,911,705	\$558,677,552
Allowance for Loan Losses	(5,280,285)	(3,773,158)	(3,453,261)	(2,965,593)	(2,495,071)
Investments	286,796,207	104,850,864	130,736,017	187,697,656	211,991,551
Land, Building and Equipment	45,184,523	41,596,112	37,853,335	37,706,245	36,154,037
NCUSIF Deposit	10,885,871	9,458,050	8,603,807	7,894,400	7,310,759
Other Assets	56,426,086	32,233,107	32,136,037	30,869,345	32,981,545
Total Assets	\$1,415,507,432	\$1,120,949,030	\$1,047,523,011	\$957,113,758	\$844,620,373

LIABILITIES

Deposits	\$1,286,670,804	\$1,008,946,358	\$948,392,197	\$849,835,844	\$764,111,466
Borrowed Funds	0	0	0	20,000,000	0
Other Liabilities	10,721,763	11,707,951	9,422,616	6,588,488	4,828,030
Total Liabilities	1,297,392,567	1,020,654,309	957,814,813	876,424,332	768,939,496
Members' Equity	118,114,865	100,294,721	89,708,198	80,689,426	75,680,877
Total Liabilities & Equity	\$1,415,507,432	\$1,120,949,030	\$1,047,523,011	\$957,113,758	\$844,620,373

LOANS

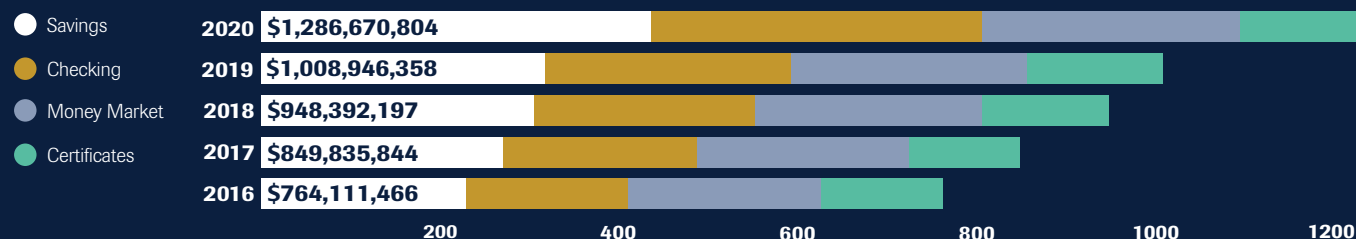


CONSOLIDATED

Statement of Operations

AS OF JUNE 30	2020	2019	2018	2017	2016
Interest Income	\$38,668,650	\$34,137,944	\$29,380,301	\$24,244,096	\$21,607,970
Interest Expense	(4,176,395)	(3,215,128)	(2,167,593)	(1,606,176)	(1,717,629)
Net Interest Income	34,492,255	30,922,816	27,212,708	22,637,920	19,890,341
Provision for Loan Losses	(2,742,200)	(1,510,760)	(1,644,159)	(1,180,634)	(670,824)
Net Interest Income After Provision for Loan Losses	31,750,055	29,412,056	25,568,549	21,457,286	19,219,517
Fees and Other Income	23,637,156	20,878,642	17,818,314	16,620,171	14,171,415
OPERATING EXPENSES					
Compensation and Benefits	(24,015,276)	(19,664,880)	(17,796,112)	(15,525,200)	(13,731,688)
Other Operating Expenses	(24,916,903)	(20,897,985)	(19,469,486)	(17,957,868)	(15,918,701)
Total Operating Expenses	(\$48,932,179)	(\$40,562,865)	(\$37,265,598)	(\$33,483,068)	(\$29,650,389)
Total Net Income	\$6,455,032	\$9,727,833	\$6,121,265	\$4,594,389	\$3,740,543

DEPOSITS



SPIRE

Gave Big in 2020

COVID-19 RELIEF

Amidst the global pandemic, Dan Stoltz made a bold decision for SPIRE. “I heard from many business people who were facing tough times, said Stoltz, “they have been forced to suspend operations and in turn, non-profits serving our communities are suffering as giving has sharply declined at a time when it was needed most. Our core value is **We Care** and our core action is to **Give Back**. We want our communities to know we are here for them.”

In April, each of SPIRE's 20 branches, administrative departments, senior management team, Board of Directors, and supervisory committee were asked to decide which businesses and organizations should receive donations as part of the SPIRE Gives Big initiative. Every one of SPIRE's 300 employees helped select 187 organizations that were important to them and their local community to receive the \$250,000.

“SPIRE was founded during the Great Depression,” remarked Stoltz, “Those were tough times, and we are in tough times now.”



\$250,000

donated to **187 organizations** to provide help during the COVID-19 crisis



2020 HIGHLIGHTS



2,153
toys were collected and distributed in local communities



Dan spoke on **Twin Cities Live** about financial literacy **6 times**



\$100,000
matched in digital donations to the Salvation Army




\$40,000
Member Donation + SPIRE Match = **\$47,765.10!**

From December 11 – 31, SPIRE partnered with NetGiver, a credit union exclusive mobile app that allows members to donate to their favorite charities for free, to run the “Give Freely” campaign. SPIRE set a goal to raise and match \$20,000 in donations during the campaign. This goal was not only met, but surpassed, reaching a total \$23,883 in total donations. Because of the generosity shown by members and SPIRE’s commitment to giving back, SPIRE raised its match to \$23,883 to ensure that every donation is fully matched. This campaign and SPIRE’s partnership with NetGiver topped off a huge year of giving. During 2020, a total of **\$219,065** was raised from **718** donors benefitting **351** nonprofit organizations.



PINKT  **BER**

During the month of October, SPIRE staff wore pink masks to raise awareness of Breast Cancer. \$1,500 was raised for the American Cancer Society of Minnesota.

770 WINTER ITEMS AND **\$1,700**
collected for **Coats for Kids**, distributed in local communities



1400 lbs of food & \$300 in donations
collected at the 2020 Annual Meeting

58,853 lbs of paper
was collected from **2** shred events at **7** branch locations



SPIRE is proud to provide meals for frontline workers monthly at Regions Hospital.

“Thank you, Dan, for SPIRE’s compassion and generosity!”

Keevan Kosidowski, VP, Regions Hospital Foundation

CORE
PURPOSE
IMPROVE
LIVES

CORE
VALUE
We Care

CORE
VISION
MINNESOTA'S
BEST

CORE
ACTION
Give Back

SPIRE Leaders

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