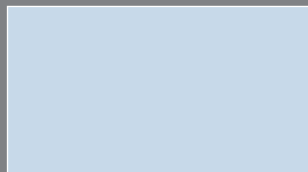




Annual Report 2010



Chair's Report

Despite the difficult economy and amidst a variety of challenges for credit unions, the Minnesota Credit Union Foundation had a very positive 2010. As the charitable arm of the Minnesota credit union movement, the Foundation continually works to extend the credit union philosophy of "people helping people" beyond our individual fields of membership and into the greater community.

Over the past year, our Foundation has built on the successes of our existing programs, most notably the Small Credit Union Grant Program. This program provided educational funding to 35 credit union professionals, thus helping to strengthen the future of the credit union movement.

In addition, the generosity of our donors (listed on pages 2-3) allowed the Minnesota Credit Union Foundation to fund financial education programs, support the state's local non-profit children's hospital, and provide earthquake disaster relief in Haiti.

As we progress into 2011 and beyond, the Foundation is excited to chart a new course with a

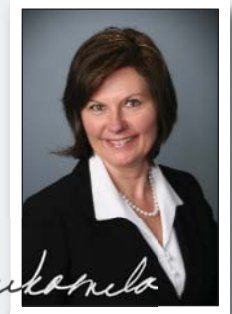
refined focus on financial literacy. In partnership with the University of Minnesota Extension, we will be working to develop a series of online webinars to increase teachers' knowledge and competency in financial topics. These trainings will help equip educators to teach personal finance courses and improve the financial management skills of young adults.

With this shift in focus comes a shift in leadership as well. After six years of serving as Minnesota Credit Union Foundation Chair, I passed the torch in October to a new Chair, Pat Brekken, who has the energy and enthusiasm to continue to build on our past successes.

I thank you for your generosity over the years and look forward to your continued support in the years to come.

**Kristi
Mukomela**

Chair
(2004-2010)



Kristi Mukomela



Foundation Contributors 2010

Contributions made to the Foundation general fund include honorarium and memorial donations; dividends received from the Community Investment Fund (CIF); and cash donations made at the various levels listed below. General fund contributions work to further the mission of the Foundation and help fulfill grant requests and various Foundation initiatives.

Hero (\$5,000 +)

SPIRE FCU *

Guardian (\$1,000-\$2,499)

Affinity Plus FCU *

Mayo EFCU

Mid-Minnesota FCU *

Minnesota Item Processing Corp.

North Memorial FCU *

Novation CU *

Postal CU

SouthPoint FCU

Benefactor (\$500-\$999)

Bluestone FCU *

CUNA Mutual Group

First Alliance CU

Richfield/Bloomington CU *

Patron (\$250-\$499)

Chuck Albrecht

Hiawatha Chapter of CUs

NSP-St. Paul ECU *

Northwoods CU

St. John's CU *

United Educators CU *

Dean Wickstrom

Friend (\$100-\$249)

Steve Ahlness

Employees First CU *

HBI ECU *

Northern Communities CU

Pipefitters/Steamfitters CU *

Soo Select CU *

Toro EFCU *

* denotes Community Investment Fund contributor

Contribution Programs

Credit Union Builder

In 2008, the Foundation created the Credit Union Builder Award to allow credit unions and organizations to make contributions in honor of or in memory of a significant individual who has been instrumental in their success. Contributions are typically made at a special time of significance, upon retirement, or upon the individual's passing to

acknowledge their importance to their credit union and the greater credit union community.

For contributions of more than \$1,000, the name of the recipient and donor are permanently displayed at the Minnesota Credit Union Network office in St. Paul as a tribute to those who have dedicated time and energy to building the credit union movement.

*In 2010, **Pat DeHaan** of United Educators Credit Union was honored with a CU Builder Award from Minnesota Item Processing Corporation for her years of service and dedication to the MnIPC Board of Directors.*

Community Investment Fund

Credit unions can contribute to the Minnesota Credit Union Foundation by investing in the National Credit Union Foundation's (NCUF's) Community Investment Fund (CIF) at either their corporate credit union or through the NCB, a cooperative community bank.

Participating credit unions receive a portion of the CIF return

and the remainder is divided between the NCUF and the Minnesota Credit Union Foundation. In 2010, a total of 15 Minnesota credit unions invested in the CIF. Contributors are noted (*) on the previous page.

All funds in the CIF program are guaranteed by the NCUSIF or the FDIC, regardless of amount or date of deposit.



Minnesota Credit Union Foundation, Inc
Balance Sheet

As of December 31, 2010

ASSETS

Funds on Deposit

General Foundation	56,330.52
Credit Unions for Kids	0.00
Family Involvement Council	34,083.77
Total	<u>90,414.29</u>

Other Current Assets

Accounts Receivable	25.00
Other Receivables	4,302.15
Prepaid Expenses	250.00
Total	<u>4,577.15</u>

Total Current Assets 94,991.44

Total Other Assets 0.00

TOTAL ASSETS 94,991.44

LIABILITIES

Total Current Liabilities 0.00

Equity

Retained Earnings	102,403.39
Net Income	-7,411.95
Total	<u>94,991.44</u>

TOTAL LIABILITIES & EQUITY 94,991.44

Minnesota Credit Union Foundation, Inc
Income Statement

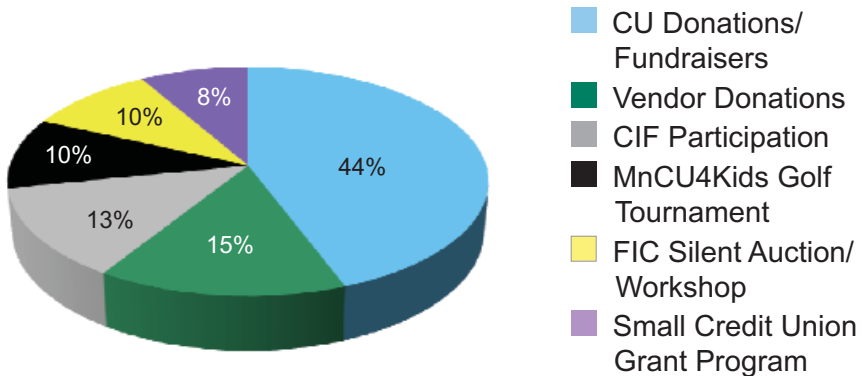
As of December 31, 2010

	<u>MnCU4Kids</u>	<u>FIC</u>	<u>GENERAL</u>	<u>TOTAL</u>
INCOME				
Foundation Contributions				
CIF Dividends	0.00	0.00	17,008.63	17,008.63
Credit Union Contributions	0.00	0.00	4,834.07	4,834.07
Other Income	<u>0.00</u>	<u>0.00</u>	<u>2,175.00</u>	<u>2,175.00</u>
TOTAL	0.00	0.00	24,017.70	24,017.70
Family Involvement Council				
FIC Auction Purchases	0.00	6,462.00	0.00	6,462.00
FIC Auction Contributions	0.00	4,675.00	0.00	4,675.00
FIC Workshop Income	<u>0.00</u>	<u>1,832.00</u>	<u>0.00</u>	<u>1,832.00</u>
TOTAL	0.00	12,969.00	0.00	12,969.00
Credit Unions for Kids				
MnCU4Kids Contributions	<u>95,256.76</u>	<u>0.00</u>	<u>0.00</u>	<u>95,256.76</u>
TOTAL	95,256.76	0.00	0.00	95,256.76
Interest Income	0.00	225.12	0.01	
TOTAL INCOME	<u>95,256.76</u>	<u>13,194.12</u>	<u>24,017.71</u>	<u>132,243.46</u>
EXPENSE				
Program Services				
Gillette Children's Hospital	87,083.76	0.00	0.00	87,083.76
FIC Scholarship Awards	0.00	9,500.00	0.00	9,500.00
Aid to Member Credit Unions	0.00	0.00	6,731.83	6,731.83
Small Credit Union Conference	0.00	0.00	12,000.00	12,000.00
Other Foundations	<u>0.00</u>	<u>0.00</u>	<u>9,500.00</u>	<u>9,500.00</u>
TOTAL	87,083.76	9,500.00	28,231.83	124,815.59
Fundraising Expense	8,173.00	1,135.03	0.00	9,308.03
Administrative Expense	0.00	-690.65	6,447.57	5,756.92
TOTAL EXPENSE	<u>95,256.76</u>	<u>9,944.38</u>	<u>34,679.40</u>	<u>139,880.54</u>
NET INCOME	<u>0.00</u>	<u>3,249.74</u>	<u>-10,661.69</u>	<u>-7,411.95</u>

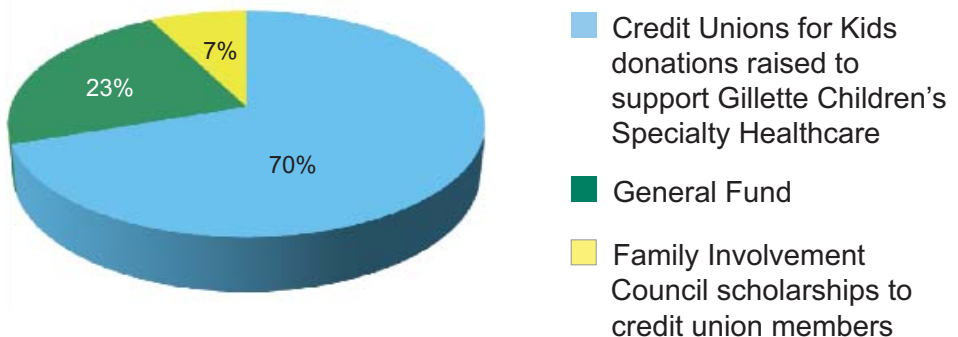


The following illustrations show the complete efforts of the Minnesota Credit Union Foundation, including its committees. Graphics depict the sources and uses of all MnCUF funds, as well as those dollars given directly to the Foundation's general fund.

MnCUF Sources of Funds



MnCUF Uses of Funds



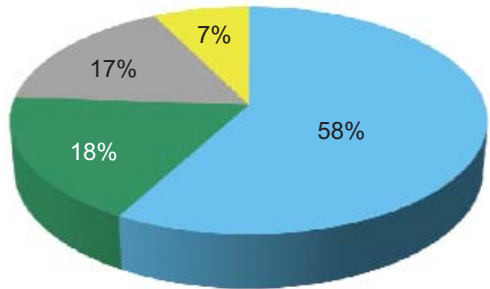
MaCUF General Fund

Credit union donations – either as direct cash contributions or through the Community Investment Fund – made up a large part of the Minnesota Credit Union Foundation’s total contributions in 2010.

Grant disbursements comprise the bulk of the Foundation’s 2010 expenditures, including education grants to small credit unions. Donations to other foundations include grants to the Cooperative Network’s foundation for its Youth Leadership Conference, the Washington Credit Union Foundation for the Biz Kid\$ public television program, and the National Credit Union Foundation’s Haiti Earthquake Disaster Relief Fund.

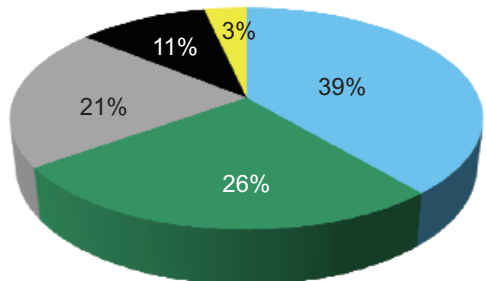
Sources

- CIF Participants
- Small Credit Union Grant Program
- CU Donations/ Fundraisers
- Other Donations



Uses

- Grants to Credit Unions
- Small Credit Union Conf.
- Other Foundations
- Administrative Costs
- Marketing & Web Site





Foundation Initiatives 2010

The Minnesota Credit Union Foundation is an organization dedicated to providing the resources for credit unions and communities to prosper and thrive. The Foundation considers grant requests with an eye toward its goal of “empowering people to achieve.”

To this end, MnCUF funded numerous initiatives in 2010, as illustrated on the previous pages. The following descriptions detail some of the major activities that were possible thanks, in part, to Foundation funding.

Educational Grants to Credit Unions

In accordance with MnCUF’s mission to promote the development of Minnesota credit unions, the Foundation provided 27 grants for credit union professionals and volunteers to attend educational sessions in 2010. Events ranged from 90-minute webinars to two-week schools, both in Minnesota and throughout the country. Several grants were made through the Small Credit Union Grant Program, which was established in 2007. Due to its popularity, the Foundation Board unanimously decided to allocate additional funds to the program after the original funding source had been exhausted.

Haiti Earthquake Disaster Relief

In January 2010, Minnesota credit unions joined forces with the National Credit Union Foundation and the World Council of Credit Unions to raise funds for CUAid, the credit union movement’s focal point for disaster relief which pledges assistance for any major disaster that impacts credit unions. In total, U.S. credit unions and their members raised \$453,390 to provide earthquake disaster relief in Haiti for credit union employees and members who suffered catastrophic loss. Among other items, CUAid funds provided critical supplies of food and water to those impacted by the disaster.

MnCUN Small Credit Union Conference

The Minnesota Credit Union Network's Small Credit Union Conference – held Oct. 15-16, 2010, in Bloomington, Minn. – is an annual event for managers and volunteers of credit unions with less than \$25 million in assets. Attendees from Minnesota, North and South Dakota, and Iowa regularly attend this conference. The Small Credit Union Conference provided attendees networking opportunities with peers and a variety of general educational sessions and breakout workshops throughout the two-day event.

Cooperative Network's Youth Leadership Conference

The Cooperative Network – Minnesota and Wisconsin's co-op trade association – offered its Youth Leadership Conference as an opportunity for young people to develop an understanding and appreciation of the purpose, operation, and scope of cooperative business. Held every April in Roseville, Minn., attendees formed a real, working cooperative during the conference, and students learned about leadership and the

value of cooperation. This conference provided an opportunity for students to develop new friendships and meet youth leaders from all over the state.

Biz Kid\$

MnCUF is proud to support financial literacy by providing a grant to Biz Kid\$, a PBS television series funded in part by the National Credit Union Foundation and the Washington Credit Union League. Launched in January 2008, the series uses young actors and quirky sketches to teach youth how to make and manage their money. A full curriculum accompanies every episode and is available for free online for use by teachers and credit union professionals in their local classrooms and after-school programs.

When its last new episode was completed in April 2010, BizKid\$ was airing on 80 percent of public television stations across the country. Biz Kid\$ is underwritten by America's Credit Unions – a coalition of more than 130 credit unions, leagues, foundations, affiliates and service providers.



Credit Unions for Kids

Minnesota Credit Unions for Kids (MnCU4Kids) raised more than \$168,000 in 2010 for Gillette Children's Specialty Healthcare, Minnesota's Children's Miracle Network-designated hospital. The volunteer MnCU4Kids committee coordinated a variety of large- and small-scale fundraisers to engage credit unions and members from all corners of Minnesota. Individual credit unions also hosted their own fundraisers, ranging from cook-outs to candy bar sales



Former MnCU4Kids Chairman and three-time Volunteer of the Year award winner Steve Oien of Minnco Credit Union poses with CMN Champion Child Gracie Wrightkeeper at the 15th annual golf tournament in June.

to casual days. The committee extends its thanks to CO-OP Financial Services' Miracle Match program, which provided \$44,000 of the 2010 fundraising total.

The MnCU4Kids committee held five statewide fundraisers during 2010.

- **Chain of Hearts** – The 2010 Chain of Hearts fundraiser held Jan. 6-Feb. 26 had nearly 26 credit unions taking part, raising more than \$30,000.
- **“Minnesota Hold‘Em” Poker Tournament** – The committee held a “Minnesota Hold‘Em” poker tournament during the MnCUN Annual Meeting on April 23. This event raised \$9,500 for Gillette through event sponsors and table sponsors.
- **Golf Tournament** – The 15th annual CUs for Kids golf tournament on June 23 welcomed more than 75 golfers, raising more than \$13,000.
- **Bowl-O-Rama** – This third annual event was held Oct. 27 at the Stars & Strikes



Entertainment Center in Wyoming, Minn. Nearly 70 people participated in this fundraiser, which raised \$4,300 for Gillette.

- **Big Buck Contest** – In 2010, the third annual statewide Big Buck Contest raised \$1,700 for CUs for Kids through a friendly hunting competition.

Newsletter & Web Site

In an ongoing effort to provide Minnesota credit unions with information and fundraising resources, the MnCU4Kids committee continues to maintain its online web presence at www.mncu4kids.org. In addition, the committee's *Connections* quarterly newsletter provides a goal update, information on upcoming fundraisers, and news from Gillette.

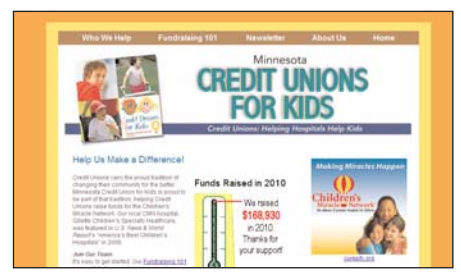
CUNA hires CUs for Kids liaison

On the national front, the American Association of Credit

Union Leagues (AACUL), a division of CUNA, established a Credit Unions for Kids Liaison position in 2010. Felicity Guerin works with state leagues by sharing fundraising best practices and serving as a resource for fundraising guidance and support.

About Credit Unions for Kids

Credit Unions for Kids is a collaboration of credit unions, chapters, leagues and companies fundraising for Children's Miracle Network-affiliate hospitals. Money raised through MnCU4Kids supports Gillette Children's Specialty Healthcare, helping kids with disabilities and chronic conditions. Gillette is based in St. Paul, with clinics located around the state.





Family Involvement Council

The Minnesota Family Involvement Council (FIC) had many achievements in 2010, driven by the committee's strategic plan and dedicated volunteers. As always, this dynamic group of credit union professionals accomplished impressive goals throughout the year, some of which are highlighted below.



- Began collaborating with like-minded organizations to serve as resources for credit unions.

- Conducted a workshop to help credit unions improve their club offerings.

Scholarship Program & Silent Auction

Most Minnesota credit unions know the FIC for its annual scholarship program and silent auction, which are the committee's largest initiatives. The auction is held in the spring of the year at the Minnesota Credit Union Network Annual Meeting and 100 percent of the proceeds are used to fund the following year's scholarship program. In 2010, the FIC raised more than \$11,000 through the generous contributions of credit unions, vendors and corporations.

Also in 2010, the FIC received more than 700 scholarship applications from which 20 credit union members were selected to receive \$500 or \$1,000 awards.

- Delivered its annual scholarship program to credit union members around the state.
- Raised more than \$11,000 at its silent auction to benefit the scholarship program.



FIC members – pictured in their distinctive yellow shirts – worked as a team to raise \$11,000+ at the the 2010 silent auction.

*FIC hosts credit union
workshop*

The FIC held its first educational session on Aug. 19, guiding credit union professionals on how to infuse energy into lifestage programs, clubs and overall financial literacy strategies. The session discussed the need for financial education and helped credit unions explore ways to fill the knowledge gap on this subject.

Led by nationally-recognized speaker Nathan Dungan, the workshop focused on the importance of facilitating money conversations among credit union members of all generations. Dungan is the founder and president of Share Save Spend, an organization dedicated to helping families link their money decisions to their values. Throughout the day, he emphasized to credit unions the vital role they play in engaging, educating and equipping families to have discussions about money, and the importance of involving the whole family.

The workshop also included a panel discussion of credit union marketers who discussed techniques for marrying financial literacy tactics with a credit union's overall strategic plan and vision.



Share Save Spend founder Nathan Dungan discussed family education strategies with credit unions at the FIC workshop in August.

MN CUs reach 6,700 students

Minnesota credit unions provided financial education to more than 6,700 students during the 2009-2010 school year, according to statistics compiled by the National Youth Involvement Board (NYIB). Credit union representatives taught on saving, budgeting, credit and more. In total the NYIB reported that CUs nationwide conducted presentations for more than 413,000 students.

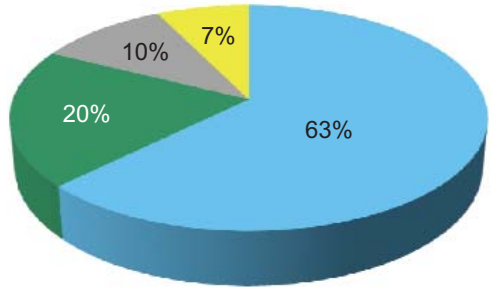
*Family Involvement Council
Web Site*

For information and resources about the FIC, be sure to visit them online at www.mnfic.org.



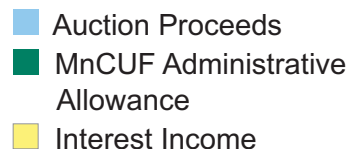
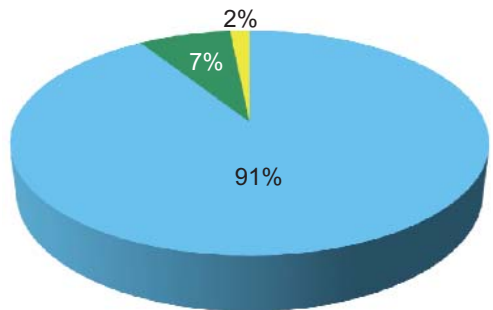
CUs for Kids: Sources of Funds

In 2010, MnCU4Kids raised funds through the combined efforts of Minnesota credit unions, credit union members, vendors and other organizations. Funds raised go directly to Gillette Children's Specialty Healthcare.



Family Involvement Council: Sources of Funds

FIC raises funds through its annual silent auction. This includes cash and item donations from credit unions and vendors, as well as purchases made at the auction. All funds raised are used to provide college scholarships to credit union members across the state. FIC expenses are covered through volunteer time, expenses reimbursement from individual CUs, and by an expense account funded by the MnCUF General Fund.



Committee Members

Credit Unions for Kids

Katie Grindeland, Co-Chair, Star Choice Credit Union
Jeff Schwalen, Co-Chair, Hiway Federal Credit Union
Steve Ahlness, Greater Minnesota Credit Union
Todd Barduson, SPIRE Federal Credit Union
Roxi Jensen, Embarrass Vermillion Federal Credit Union
Marty Kelly, US Federal Credit Union
Steve Oien, Minnco Credit Union
Darlene Thiasen, Accentra Credit Union
Kristina Wright, Minnesota Credit Union Network
Rachel Anderson, Minnesota Credit Union Network
Darlis Clausen, Gillette Children's Specialty Healthcare
Becky Holst, Children's Miracle Network
Becky Rust, Gillette Children's Specialty Healthcare

Family Involvement Council

LeAnn Achtenberg, Chair, Northcountry Co-op Federal Credit Union
Bridget Moeller, Vice Chair, Greater Minnesota Credit Union
Andrea Molnau, Secretary, United Educators Credit Union
Lynn Meisner, Treasurer, City-County Federal Credit Union
Kat Asmus-Smithe, Soo Line Credit Union
Shannon Garrity, Postal Credit Union
Gregory Hird, First Alliance Credit Union
Angela Mattson, St. John's Credit Union
Kathlynn McConnell, Members Cooperative Credit Union
Angie Pidde, SouthPoint Federal Credit Union
Bill Wagner, Hiway Federal Credit Union
Kristina Wright, Minnesota Credit Union Network
Rachel Anderson, Minnesota Credit Union Network

Board of Directors 2010

The Minnesota Credit Union Foundation Board consists of seven directors, all of whom are credit union professionals. Each director is elected to a three-year term by the membership of the Foundation, which is comprised of the Minnesota Credit Union Network Board of Directors. The Foundation Board meets on regularly to guide the organization's progress and strategic objectives.

In addition to directing the Foundation's core activities, the Board also oversees the Family Involvement Council and Credit Unions for Kids committees.

For the first time in six years, the leadership of the Minnesota Credit Union Foundation Board of Directors changed hands in October 2010. Chair Pat Brekken and Vice Chair Dave Larson now serve as its new leaders, following in the footsteps of the previous table officers who skillfully and passionately guided the board in recent years.



Kristi Mukomela
Chair
Novation CU



Lynn Kothe
Vice Chair
North Memorial FCU



Dave Larson
Affinity Plus FCU



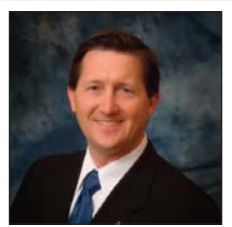
Judy Root
Secretary/Treasurer
Bluestone FCU



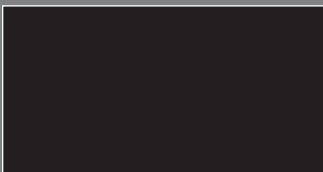
Pat Brekken
Richfield/Bloomington CU



Mary Hansen
Mayo EFCU



Chuck Albrecht
Mid-Minnesota FCU



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