

# 2019 ANNUAL REPORT

## LOOKING BACK

2019 was another great year for NW Preferred. Our national membership charter is continuing to help us grow and expand well beyond the Pacific NW. Net loan growth in 2019 exceeded \$5.4 million, bringing our total loan portfolio to \$119.2 million. Deposit growth exceeded \$11.0 million, bringing total deposits to \$121.9 million.

In 2019 we continued efforts to improve our use of technology with the introduction of a new more robust, online banking program. We also expanded our outreach to insurance professionals across the country with increased participation at industry tradeshows and conferences, as well as the formation of a special Advisory Committee to help us develop better, more responsive programs for agents.

Your Board of Directors and I look forward to another great year and thank you for continuing to give us the opportunity to serve you.

**Jim Burgett**, Chairman of the Board

## LOOKING FORWARD

We started 2020 with excitement and optimism for the year ahead. The first quarter started strong, with positive loan and share growth. By the end of the 1st quarter, we found ourselves dealing with the beginning of the COVID-19 crisis.

As I write this, everyone is trying to determine what the next, best steps should be. At your Credit Union, we are determined to approach the challenges presented by the pandemic with prudence and caution. We are doing what we can to support the immediate needs of our members, while maintaining the long-term viability of NW Preferred. Fortunately, due to our efforts over the past several years to build and maintain a strong, healthy balance sheet, we are well equipped to handle the challenges presented by the current crisis.

As always, thanks for your continued support of NW Preferred. Stay healthy. Stay safe.

**Steve Canfield**, President/CEO

## FINANCIAL STATEMENT *Period Ending December 31, 2019*

The Supervisory Committee's objectives are to ensure that the Credit Union:

- Maintains accurate financial records
- Has implemented a program of internal controls
- Preserves financial assets

Throughout the year, the Committee audits different areas of the Credit Union's operation to ensure these objectives are met. The Committee also investigates and responds to member inquiries.

Annually, we engage an independent CPA firm to conduct a financial audit of the Credit Union. The Credit Union is also examined annually by the National Credit Union Administration (NCUA), an agency of the federal government. The NCUA makes an assessment of our financial strength, and determines whether or not the Credit Union has been operating in compliance with the law. We are very pleased to report that no material weaknesses were found in our operation!

Based on reports submitted, it is the Committee's belief that the financial statements of December 31, 2019, fairly and accurately reflect the financial condition and results of operations of NW Preferred Federal Credit Union.

**Jack Fiske**, Chairman



## YEARS @ A GLANCE

YEAR	LOANS	SHARES	ASSETS
2014	89,456,026	113,859,653	124,199,435
2015	93,044,608	114,685,535	125,656,541
2016	93,986,175	114,039,257	126,089,231
2017	97,662,869	110,921,598	123,887,491
2018	113,786,158	110,932,115	128,964,786
2019	119,199,854	121,929,112	140,130,611
1 Yr. Change	4.76%	9.91%	8.66%
5 Yr. Change	33.2%	7.1%	12.8%

FINANCIALS	2018	2019
<b>ASSETS</b>		
Loans to Members	113,786,158	119,199,854
Allowance for Loan Loss	(969,396)	(888,478)
Net Loans	112,816,762	118,311,376
Cash	854,900	854,046
Investments	9,720,201	15,588,287
Property & Equipment (Net)	2,896,327	2,886,175
All Other Assets	2,676,596	2,490,727
<b>Total Assets</b>	<b>128,964,786</b>	<b>140,130,611</b>
<b>LIABILITIES &amp; EQUITY</b>		
Notes Payable	0	0
Accounts Payable	489,194	527,434
All Other Liabilities	3,363,648	2,223,851
<b>Total Liabilities</b>	<b>3,852,842</b>	<b>2,751,285</b>
Shares	110,932,115	121,929,112
Regular Reserve	1,937,284	1,937,284
Undivided Earnings	12,242,545	13,512,930
<b>Total Liabilities &amp; Equity</b>	<b>128,964,786</b>	<b>140,130,611</b>
<b>INCOME</b>		
Interest on Loans	5,916,840	6,808,990
Income From Investments	273,638	265,570
Other Income	1,060,834	822,857
<b>Total Income</b>	<b>7,251,312</b>	<b>7,897,417</b>
<b>EXPENSES</b>		
Salaries & Benefits	2,540,002	2,667,635
Operations	2,529,265	2,540,398
PLL	(202,000)	395,000
Dividends	503,525	1,033,844
Other	(3,364)	(9,845)
<b>Total Expenses</b>	<b>5,367,428</b>	<b>6,627,032</b>
<b>NET INCOME (LOSS)</b>	<b>1,883,884</b>	<b>1,270,385</b>

## MONEY DISTRIBUTION

