

# 2020 ANNUAL REPORT

## LOOKING BACK

2020 will be remembered as one of the most challenging periods in our credit union's history. We experienced devastating wildfires which burned through our communities. We dealt with the global COVID-19 pandemic and the economic recession that followed. I'm pleased to report, NW Preferred stood tall while responding to these multiple crises. In 2020 we:

- Developed and deployed a Covid Action Plan to keep our staff and members safe.
- Offered free Skip-A-Payments to members who needed relief during the Covid crisis.
- Contributed \$5,000 to the Santiam Canyon Wildfire Relief Fund.
- Waived all early CD withdrawal penalties to members affected by wildfires.
- Donated hundreds of insulated cooler bags, used to bring supplies, to families displaced by the fires.

While 2020 was a tough year, I've never been more proud of our credit union. The Board of Directors and I look forward to the year to come and thank you for continuing to give us the opportunity to serve you.

**Jim Burgett**, Chairman of the Board

## LOOKING FORWARD

While the credit union faced numerous challenges this last year, I remain optimistic for 2021. Earlier this year, we partnered with the Co-Op Network to answer member calls during busy times and off hours, including the weekend. Members can now speak to a live representative 24/7 regarding their accounts. It's been very well received.

In April, we completely overhauled our entire Visa credit card program. All cardholders benefited from a much easier to use interface, located within our online banking, enhanced security controls and most importantly, a free premium rewards program. It's proven to be a big win for our membership.

Speaking of wins, we've made substantial changes to our agency lending portfolio:

- Launched a new Farmers product – our Preferred Agency Staffing Loan. It allows qualified Farmers Agents, to borrow money, to hire up to three full time producers. This loan is an easy way for Farmers agents to obtain funding to meet their year-end staffing goals.
- Dramatically increased the lending cap on our Allstate TPP loan. Allstate agents can now borrow up to \$2 Million Dollars (or 75% of TPP) with this program. The increased limit will allow more Allstate agents to access to capital needed to properly grow their businesses.

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

**Steve Canfield**, President/CEO

## FINANCIAL STATEMENT *Period Ending December 31, 2020*

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, 2020, fairly and accurately reflect the financial condition and results of operations of NW Preferred Federal Credit Union.

**Bo Lindemann**, Chairman

## YEARS @ A GLANCE

YEAR	LOANS	SHARES	ASSETS
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
2020	118,176,561	150,629,387	170,436,183
1 Yr. Change	-0.86%	23.54%	21.63%
5 Yr. Change	27.0%	31.3%	35.6%

FINANCIALS	2019	2020
<b>ASSETS</b>		
Loans to Members	119,199,854	118,176,561
Allowance for Loan Loss	(888,478)	(1,185,265)
Net Loans	118,311,376	116,991,296
Cash	854,046	921,734
Investments	15,588,287	47,001,308
Property & Equipment (Net)	2,886,175	2,603,088
All Other Assets	2,490,727	2,918,757
<b>Total Assets</b>	<b>140,130,611</b>	<b>170,436,183</b>
<b>LIABILITIES &amp; EQUITY</b>		
Notes Payable	0	0
Accounts Payable	527,434	754,290
All Other Liabilities	2,223,851	2,436,306
<b>Total Liabilities</b>	<b>2,751,285</b>	<b>3,190,596</b>
Shares	121,929,112	150,629,387
Regular Reserve	1,937,284	1,937,284
Undivided Earnings	13,512,930	14,678,916
<b>Total Liabilities &amp; Equity</b>	<b>140,130,611</b>	<b>170,436,183</b>
<b>INCOME</b>		
Interest on Loans	6,808,990	6,783,582
Income From Investments	265,570	147,471
Other Income	822,857	1,078,135
<b>Total Income</b>	<b>7,897,417</b>	<b>8,009,188</b>
<b>EXPENSES</b>		
Salaries & Benefits	2,667,635	2,804,517
Operations	2,540,398	2,277,356
PLL	395,000	667,500
Dividends	1,033,844	1,090,239
Other	(9,845)	3,602
<b>Total Expenses</b>	<b>6,627,032</b>	<b>6,843,214</b>
<b>NET INCOME (LOSS)</b>	<b>1,270,385</b>	<b>1,165,974</b>

## MONEY DISTRIBUTION

