

2024 Annual Report

OUR #1 PRIORITY IS YOU!



NW PRIORITY
CREDIT UNION





Board Report

by Marie Mullins

The Board, Management, Supervisory Committee and staff at NW Priority Credit Union would like to take this opportunity to thank all our members for your continued support and use of the credit union's products and services during 2024.

We look forward to providing excellent, personalized service and new financial products to you during 2025. Your loyalty and support over the years has allowed us to grow and prosper. Our staff is dedicated to creating positive experiences for you and your families. We feel 2025 will be a more financially secure environment for you and the Credit Union.

We take pride in ensuring the best security for your personal and financial information and continue to upgrade our operating systems in order to protect your data. We continue to be a financially sound organization for you, our member/owners. Staff continue to develop their skills and understanding of our financial environment to better serve you.

The cooperative nature of the credit union philosophy relies on volunteer member/owners to participate as Board or Supervisory members in support of our Management team. Our organization relies on their work experience and skills working with Management in providing goals and direction for continued growth.

We encourage our younger members to explore volunteering in any capacity they feel comfortable in with helping plan the future of our next generation's financial needs. Volunteering to represent the other member/owners is very satisfying and provides an opportunity to know more about the credit union's operation. Your input will help NWPCU grow and remain a strong financial organization for many years to come.

Information is always available at all Credit Union branches and on the website. Any Board or Supervisory member would be willing to answer any questions you may have.

The Board works with Management reviewing and setting policies; ensuring we have an adequate number of skilled and experienced staff; setting operational budgets for the organization; meeting all State and Federal compliance issues and regulations; and conducting annual planning sessions to promote financial growth and added technologies to serve our members.

The Supervisory Committee is responsible for monitoring all aspects of the Credit Union's adherence to our internal policies and procedures and to ensure adequate controls are in place to meet all regulatory requirements. These volunteers are dedicated to performing their duties on behalf of all our member/owners.

In 2028, we will celebrate 100 years of operation. We were established by nine postal workers who recognized a financial need among their coworkers. They believed in the credit union philosophy of "People helping People" and envisioned a better financial future for all that participated. Their faith in and support of their fellow co-workers have made our organization what it is today. We have been there for our members; their children; grandchildren; great grandchildren and all other family members.

As we begin 2025, we look forward to serving you and your families as your primary financial provider. Thank you for your support and have a prosperous 2025.

Marie A. Mullins | Board Chair



CEO | President's Report

by Julie Garren

NW Priority Credit Union is 97 years old this year.

There is a lot of history in those years.

From a meager beginning of nine postal workers with a goal, to obtaining the 2nd Credit Union charter in the state of Oregon in 1928.

One year later, Portland Postal Credit Union had over \$10,000.00 in deposits and 239 members.

Today NW Priority CU has 12,659 members and \$250 Million in assets.

We've continued to grow, thanks to you, your family and your co-workers. Our members supported and relied on their Credit Union through some hard times during those 97 years. The Depression, recessions, inflation and an ever-changing technology.

Credit Unions were established as an alternative to traditional banks to provide low-cost credit, especially for those of modest means. They are member owned and not-for-profit which means no stock holders to pay.

The Board of Directors and the Supervisory Committee are volunteers. They dedicate their time for NW Priority CU and its members.

I'd like to thank the volunteers, the employees and

the members for being part of our history and our future.

This year we continued our support for the NALC "Fill the Satchel" fundraiser for the MDA.

NWPCU is proud to have participated in this event for 13 years. 2024 total was \$7506.06. Over the thirteen years, NW Priority CU members have donated a grand total of \$97,048.36!

Also in 2024, 23 new bicycles were donated to DHS Foster Care.

The Auto Solutions event continues a holiday tradition with NWPCU matching every bicycle donated when a member purchases a vehicle with Auto Solutions. Many members who weren't shopping for vehicles, gave cash donations or brought bikes in to the Credit Union

We'd like to thank our members for their amazing generosity for these fundraisers.

So here's to 2025.

We're looking forward to being here for you, continuing the tradition and history of 97 years serving our membership.



Supervisory Committee Report

by Fred Carter

Dear NW Priority Credit Union Members:

As Chairperson of the Supervisory Committee, I would like to say it was a pleasure to serve you, the members, for the year 2024.

The five member Supervisory Committee is appointed by the Board of Directors for a three year term and is comprised entirely of volunteers from the membership.

Members of the Committee are:

Fred Carter: CPA Chairperson

Frankie Aubrey: Vice Chairperson

Jana Bailey: Secretary

Alva Houston

Bruce McCollum

One of the most important functions of the Supervisory Committee is to arrange and oversee an annual audit of the Credit Union's financial condition and internal accounting procedures. Richards & Associates, CPA's has been retained to perform the 2024 financial statement audit. The Committee will meet with them soon to review the audit and auditor's report to make sure NW Priority Credit Union is in compliance with the requirements and regulations of the Federal Credit Union Act. When the audit is completed, any member can review the auditor's report at the Credit Union's Main Office.

We inspect the Credit Union's records for accuracy, its assets for security, and its procedures for the proper handling and use of funds.

We determine whether all Credit Union

departments are carrying out the policies and procedures for which they are responsible.

It is very important that the Supervisory Committee function be independent of management and the Board of Directors when conducting these procedures.

In order to ensure that we had the tools to perform our duties and responsibilities, Committee members took self study (OnCourse Training) courses, had various training at our monthly meeting and attended training held at Board meetings.

During the year:

1. We verified that no loans were made that exceeded any regulatory limitations.
2. We met with members of the management team, and other employees to discuss their duties, risks, and challenges.
3. Reviewed weekly bank reconciliations.
4. Performed surprise cash counts at all offices.
5. Reviewed new, delinquent and closed accounts.
6. Reviewed loans made to Board and Supervisory Committee members, management, employees and their families to make sure they followed proper procedures.
7. Reviewed employee time sheets to ensure they took at least one week of continuous vacation during the year.

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8. Reviewed the corporate VISA statements and travel expense accounts for proper documentation.
9. Tracked the attendance of Board and Supervisory Committee members to ensure that they attended the required amount of meetings.
10. Verified that the Board, Supervisory Committee, management and the staff received the required annual BSA training update during 2024.
11. Reviewed our credit union's security procedures to make sure they were adequate.
12. Reviewed quarterly 5300 reports submitted to NCUA.
13. We attended the annual planning session; and we were involved with various working committees of the Board as non-voting members.

We extend our gratitude to the Board, management and staff for their ongoing commitment to improving internal controls and strengthening our credit union, allowing us to prosper and maintain stability for the membership.

Thank you and God bless us all.

Fred Carter,
Chairperson of the Supervisory Committee



Legislative Report

by Marc Orange

Committee Members:

Chairman: Marc Orange
CEO: Julie Garren
Board Chair: Marie Mullins
COO: Mark Gonzalez

Credit Union Advocacy: NWPCU Legislative Committee partners with State and National advocacy groups to delivering a common theme to our elected officials: **Common Sense Regulations, "Credit Unions make a difference."**

Nationally, the legislative committee partners with the America's Credit Union advocacy group to ensure representatives in Washington, DC are aware of our concerns and the impact CU's play within our communities. NWPCU also partners with GoWest Credit Union Association to deliver our message to Oregon House & Senate representatives as a means to further CU Legislation that ensures CU sustainability.

At the start of 2025, 400 GoWest advocates gathered in Washington DC for the annual Government Affairs Conference (GAC). This was the first opportunity for the advocates to engage in face-to-face meetings with the 119th Congress. In meetings with 47 of the region's elected officials or key staffers, advocates shared credit union impact data and remarkable member service stories and advocated for credit union priorities.

Advocates actively engaged with policymakers delivering impactful messaging. Together, advocates represented over 36,000 credit union staff members across the GoWest region and the 18.4 million members you serve.

Messaging focused on support for key legislation to modernize the Federal Credit Union Act, encouraging "right-sized" regulation for community financial institutions, and continued support for credit union's non-profit tax status. Advocates delivered clear and concise data on the credit union difference from the recently released Economic and Community Impact Reports completed by Oxford Economics, supporting the impact credit unions are making in the lives of their members and each community they serve.

Oregon Credit Union Economic Impact Data, Oxford Economics:

- Oregon CU's serve 2.3 million members
- Over 14,800 Jobs Supported in the Economy
- \$1.9 Billion Total Impact for Oregon Economy
- \$229 Million in direct financial benefits to Members
- 6500 Direct Credit Union Jobs
- Credit Unions are a cornerstone of financial well-being for more than 140 million people

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A Place to Call Home:

- \$9.5 Billion Home Loans
- \$5.5 Million Downpayment Assistance
- \$719 Million Loans to First-Time Homebuyers
- \$772 Million Refinanced Home Loans

2025 Advocacy Agenda:

- Preserving the Credit Union Tax Status; CU's making a difference in the lives of 140 million Americans.
- Not-For-Profit Cooperative Structure
- Enhancing and protecting credit union powers so consumers and small businesses can more easily access the credit union services.

- Reducing regulatory burden so that credit union members have access to more efficient and affordable financial services.
- SB781: Oppose Banks Attack on Credit Unions – Oregon Bankers Association introduced SB781, a bill that states that if a credit union acquires assets of a banking institution, receipts from the business portfolio acquired from the bank remain subject to the corporate excise tax and corporate activity tax.

**Marc Orange,
Legislative Committee Chairman**



Condensed Independent Auditor's Report

by Michael Richards

**Board of Directors and Supervisory Committee
NW Priority Credit Union
Portland, Oregon**

We have audited the accompanying financial statements of NW Priority Credit Union, which comprise the statements of financial condition as of December 31, 2024 and 2023, and the related statements of income, comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements (not presented herein); and in our report dated March 28, 2025, we expressed an unqualified opinion on those financial statements.

Opinion

In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

**Michael E. Richards | CPA
RICHARDS & ASSOCIATES
Certified Public Accountants
Yorba Linda, California**

April 8, 2025

2024 Financial Statement

DECEMBER 31, 2024 & 2023

Consolidated Statement of Financial Condition

ASSETS	2024	2023
Cash and cash equivalents	\$ 26,926,114	\$ 18,240,200
Investments debt securities – held-to-maturity	\$ 159,081,726	\$ 173,138,570
Investments in equity securities	\$ 2,419,638	\$ 2,530,693
Loans to members, net of allowance for credit losses – loans	\$ 56,817,408	\$ 59,870,732
Premises and equipment	\$ 1,880,589	\$ 1,943,179
Accrued interest receivable	\$ 944,055	\$ 690,016
Share insurance deposit	\$ 2,052,465	\$ 2,245,503
Deferred compensation asset	\$ 780,050	\$ 873,559
Operating lease right-of-use assets	\$ 331,217	\$ 454,394
Prepaid expenses and other assets	\$ 572,609	\$ 690,888
TOTAL ASSETS	\$ 251,805,871	\$ 260,677,734
LIABILITIES & EQUITY		
Liabilities:		
Members' share and savings accounts	\$ 209,020,616	\$ 217,590,685
Operating lease liabilities	\$ 351,689	\$ 474,291
Accounts payable and other liabilities	\$ 1,634,777	\$ 2,320,573
TOTAL LIABILITIES	\$ 211,007,082	\$ 220,385,549
Commitments and contingent liabilities		
Members' equity, substantially restricted		
Unappropriated (undivided earnings)	\$ 39,300,431	\$ 38,793,827
Equity acquired through merger	\$ 273,568	\$ 273,568
	\$ 39,573,999	\$ 39,067,395
Accumulated other comprehensive income	\$ 1,224,790	\$ 1,224,790
TOTAL MEMBERS' EQUITY	\$ 40,798,789	\$ 40,292,185
TOTAL LIABILITIES & MEMBERS' EQUITY	\$ 251,805,871	\$ 260,677,734
INTEREST INCOME		
	2024	2023
Loans	\$ 3,304,276	\$ 3,164,614
Investments	\$ 3,838,491	\$ 2,175,093
TOTAL INTEREST INCOME	\$ 7,142,767	\$ 5,339,707
INTEREST EXPENSE		
Members' share and savings accounts	\$ 1,138,238	\$ 690,789
Borrowed funds	–	\$ 1,850
TOTAL INTEREST EXPENSE	\$ 1,138,238	\$ 692,639
NET INTEREST INCOME	\$ 6,004,529	\$ 4,647,068
PROVISION FOR CREDIT LOSSES – UNFUNDED COMMITMENTS		
	\$ 69,989	\$ 99
Net Interest Income after provision for credit losses	\$ 5,934,540	\$ 4,646,969
NON-INTEREST INCOME		
Service charges and other income	\$ 1,143,222	\$ 1,345,074
Grant revenue	–	\$ 769,404
Loss of disposal of premises and equipment	(45)	–
Other non-operating income	\$ 49,699	\$ 54,763
TOTAL NON-INTEREST INCOME	\$ 1,192,876	\$ 2,169,241
NON-INTEREST EXPENSE		
General and administrative expenses		
Compensation and benefits	\$ 3,673,052	\$ 3,512,137
Outsourced services	\$ 1,203,128	\$ 1,095,745
Office operations	\$ 946,033	\$ 877,595
Office occupancy	\$ 401,548	\$ 392,495
Other expenses	\$ 347,352	\$ 377,398
Other non-operating expense	\$ 49,699	\$ 54,763
TOTAL NON-INTEREST EXPENSES	\$ 6,620,812	\$ 6,310,133
NET INCOME	\$ 506,604	\$ 506,077



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503-760-5304 | nwprioritycu.org

