



Providence
FEDERAL CREDIT UNION

2018 Annual Report

Putting Members First

A Message from our Chair & President



Mary Savage, Chair

“Success is where preparation and opportunity meet.” – Bobby Unser

As we notice society and technology advancing rapidly, our commitment remains as strong as it ever was. Our members needs drive our strategy. We can help members to make their best choices to build and strengthen their financial foundations – which is at the core of what we do every day. We haven’t lost sight of our values and mission, we want to help our members adapt to changes which then allows more opportunities to excel in their life goals.



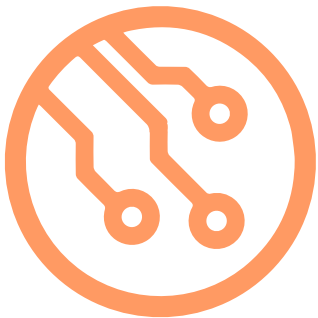
Shirley Cate, President & CEO

In October of 2018, the Board of Directors and the Leadership team at Providence Federal Credit Union held our annual strategic planning session. We reviewed what we’ve done well, what we could have done better and what are we going to do in the years to come. Our members have been our focus since the beginning and our success comes from our member’s belief in their credit union. Members deposit their money with us; they come to us for a loan; they need help balancing their checkbook; lost their debit card and need a new one; and so much more. So, we asked ourselves how do we give back? What can we do to say thank you for your faith in PFCU and you’re unwavering confidence in us? Member Giveback. We are creating a member giveback program that will allow the credit union to help when necessary, skip a loan payment, higher dividend rates, lower loan rates, minimal fees and much more. We want to say thank you to our members by giving back. Look for more on the ‘Putting Members First’ initiative in 2019.

Our discussions landed on technology, and how it is now one of the top strategic items – we need to unlock the power of technology to better serve our members. Our credit union is committed to investing long-term in technology that improves your credit union experiences – whether you are visiting one of our service centers or using our mobile banking. This coming year, we are introducing new products and services that put member focused solutions which will help you achieve your financial goals. Below are just a few of those focused solutions to simply enhance your banking experience...

- Interactive Teller Machines (ITM) – ITMs will be installed over the next 2 – 5 years. ITMs provide more personalized financial service through interactive video conferencing with real-life tellers to complete transactions.
- Apple Pay, Google Pay and Samsung Pay.
- Instant issue debit cards – Yes, we are bringing them back.
- Our mobile banking app will be much more efficient with enhancements planned in the near future.
- Additional ATM networks with locations (some with deposit capabilities) throughout not only the Northwest, but across the US.
- Interactive Financial Wellness website.
- Video Banking via a Mobile app – VidMe.
- Online Appointment scheduling.
- and much more...

As we reviewed our performance in 2018, we are aware of how far we have come and how we have evolved since our initial charter 56 years ago. What hasn’t changed is our commitment to our member’s financial well-being.



Technology

7,436

Total **Online**
Banking Users (2018)

2,579

Total **Mobile**
Banking Users (2018)

1,076

Total Mobile
Deposits (2018)

9,908

Total
eStatements (2018)

Statement of Income

INCOME	2018	2017
Loan income	\$4,165,341	\$3,545,616
Investment Income	\$794,617	\$652,344
Fee Income	\$1,728,795	\$1,633,639
TOTAL INCOME	\$6,688,753	\$5,831,599
EXPENSES		
Operating Expenses	\$2,853,402	\$2,597,323
Compensation / Benefits	\$2,185,605	\$1,983,577
TOTAL OPERATING EXPENSES	\$5,039,007	\$4,580,900
Interest Expense	\$563,677	\$159,286
Provision for Loan Loss	\$181,165	\$225,350
Total Expenses	\$5,783,849	\$4,965,536
TOTAL NET INCOME	\$904,904	\$866,064

Statement of Financial Condition

ASSETS	2018	2017
Loans	\$90,954,730	\$87,180,687
(Less Allowance for Loan Loss)	(\$213,000)	(\$237,000)
Net Loans	\$90,741,730	\$86,943,687
Cash	\$1,040,436	\$397,361
Investments	\$44,454,574	\$48,408,314
Other Assets	\$1,332,401	\$784,501
TOTAL ASSETS	\$137,569,140	\$136,533,862
Liabilities w/o Suspense	\$207,728	\$148,868
Shares	\$119,885,945	\$119,626,443
Reserves	\$1,988,775	\$1,988,775
Undivided Earnings	\$15,486,692	\$14,769,776
Net Worth	\$17,475,467	\$16,758,551
Total Liabilities and Equity	\$120,093,673	\$119,775,331
TOTAL LIABILITIES	\$137,569,140	\$136,533,862

Supervisory Committee Update

The Supervisory Committee represents the membership’s interests by ensuring:

- Assets are properly safeguarded;
- Policies and procedures are in place;
- Internal controls are effective;
- Applicable laws and regulations are followed; and
- The Credit Union’s financial condition is fairly presented in accordance with generally accepted accounting principles.

The Supervisory Committee engaged the certified public accountant, Stephanie S. Willis, PC to conduct the annual independent audit of the statements of financial condition, related statements of income, changes in members’ equity, and cash flows for the period ending June 30, 2018. Based upon the audit conducted, the Supervisory Committee is pleased to report that the financials presented are a fair and accurate assessment of Providence Federal Credit Union’s financial position as of June 30, 2018.

Not only is the Credit Union financially sound, but it operates within a strong internal control environment that also ensures compliance with applicable laws and regulations. Our focus will always be to provide our members a safe and sound financial environment.

- Bill Borquist, Chair
- Rebecca Martinson
- Bert Sperry
- Henry Vera
- Leilani Wilson

PFCU is always dependable in every way. I have had an account since 1989. I feel I can count on them always. Thanks. AAA+++”- James B.

Putting Our Communities First

At Providence Federal Credit Union, we strive to exceed the expectations of our staff, our members and our Providence St. Joseph Health community, which supports and employs our members.

During 2018, Providence Federal Credit Union increased its Charitable Donations to Providence St. Joseph's Health community by over \$16,000.00 more than in 2017, donating a total of \$81,878.51 in Charitable Donations. The credit union exceeded its annual contribution commitment to The Helping Hands Fund delivering an additional \$15,000. In total, Providence FCU matched dollar-for-dollar individual donations up to \$50,000 and, with the additional contribution, provided \$65,000 toward the Helping Hands total of more than \$150,000 raised. The Helping Hands Fund gives emergency financial support to Providence St. Joseph Health employees in Oregon and their families who need temporary help paying bills, escaping an abusive relationship, or facing another financial hardship.

Providence FCU employees volunteered just over 471 hours. Throughout the year, 15 volunteer events were organized including opportunities with the Providence Helping Hand Fund, Camp Erin, The Portland Montessori School, Providence Festival of Trees and much more.

As a credit union founded to serve the health care community, Providence FCU remains dedicated to providing support to members when and where it's needed most. We can't wait to see how we serve our membership at Providence St. Joseph Health in 2019!



Member Giveback

CUAid Hurricane Harvey (fundraising)	\$2,509.16
Catholic Charities 2018 Celebration of Hope	\$1,000.00
Camp Erin Supply Donations	\$1,301.81
Providence Festival of Trees Sponsor	\$5,000.00
Schoolhouse Supplies	\$250.00
Doernbecher Children's Hospital (Parent Packs)	\$100.00
Providence Milwaukie Hospital Foundation (Partners in Health)	\$1,000.00
CU4Kids (Auction Basket at MAXX)(Donation during Dinner)	\$225.00
Doernbecher Children's Hospital (Hops for Hope)	\$250.00
Embrace Oregon (Gift Card Donations)	\$500.00
Providence Festival of Trees Santa Photo	\$4,572.54
Providence Helping Hand Fund	\$65,000.00
Providence Portland Medical Center (Helping Hand Fund/Matching New Members)	\$170.00
Total	\$81,878.51

(471+)
Volunteer Hours

(\$81,000+)
in Charitable Donations

None of Us Can Do It Alone



Shirley Cate
Chief Executive Officer



Brett Wooden
Chief Operations Officer

OUR TEAM

Adam Alcala	Consumer Loan Underwriter
Alberta Moranchel	Member Service Representative
Amanda Willis	Consumer Loan Underwriter
Amy Amundson	Member Service Representative II
Andrew Cecka	Business Development Officer
Andrea Herbst	Member Service Representative II
Angela Allen	Member Service Representative
Brett Wooden	Chief Operations Officer
Bill Kearney	SR. Project Manager
Bryan Jordan	AVP of Lending
Cathy Lawpaugh	Member Service Representative
Chelsea Reyes	Interactive Video Teller
Chris Nguyen	Information Systems Support Specialist
Cystal Arnell	Member Service Representative II
Cystal Thai	Electronic Service & Payments Administrator
Frank Porter	Consumer Loan Processor
Johnatan Merrison	Member Service Representative II
Kathy Johnson	Member Service Representative
Kelly Hottenroth	Member Solutions Officer
Leo Lee	AVP of IT
Linda Carlson	Financial Advisor Assistant
Mark Chipperfield	Member Service Representative II
Mark Gonzalez	Assistant Operations Manager
Matt Hessler	Information Systems Coordinator
Miranda Floyd	Member Service Representative
Sharon Hughes	Business Development Officer
Sharon Popp	AVP of Operations
Shari Stoecker	Marketing Coordinator
Shirley Cate	President & CEO
Shelley Woodruff	Online Member Service Representatives
Tiffany Pillars	AVP of Accounting
Tiffany Nelson	Member Service Representative II

BOARD OF DIRECTORS

Mary Savage	Chair
Tammy Pierce	Vice Chair
Gina McGraw	Secretary
Ruth Johanson	Director
Sarah Lott	Director
Kevin Matheny	Director
Mike Schwab	Director

SUPERVISORY COMMITTEE

Bill Borquist	Chair
Rebecca Martinson	Member
Bert Sperry	Member
Henry Vera	Member
Leilani Wilson	Member



Providence
FEDERAL CREDIT UNION

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