

2021 Annual Report

STRONGER TOGETHER



Providence
FEDERAL CREDIT UNION



2021

State of the Union

CHAIR & CEO REPORT

Throughout 2021, despite the continued uncertainty of the pandemic, we have been truly impressed by the vision and commitment of our Board of Directors and our employees. They have embraced the need for change and supported Providence Federal Credit Union (PFCU) as we strive for long-term growth and sustainability.

Our goal in 2021 was to continue to remain relevant, improve the banking experience, and enhance core processes for our members.

We built some key foundational components to enhance our member's experience, making it easier than ever to access all our services, from joining and applying for a loan to globally-accepted Visa debit cards. In 2021, we also took our first steps toward a new organizational structure, which will bring the right people into the right roles, all focused on delivering the best service to our members. We are already seeing exciting results from this change!

Even though we operate within a very digital world, PFCU has always viewed these tools as a way to facilitate good conversations. Whether it's our Interactive Teller Machine (ITM) functionality, or advancements in how to pay, apply, and get help, we consistently look for ways to give our members seamless access to the tools they need to manage their money. And in 2021, our membership continued to embrace new ways of doing business through technology, including 16,000 interactions with our Chatbot. This increased popularity of digital tools led to the decision to

permanently close POP II branch located in Portland, OR. This difficult action was necessary to ensure that we could continue to modernize our services, keep up with changing member behaviors and industry trends, and ensure our long-term sustainability.

Our Board of Directors showed continued resilience, despite the challenges posed by COVID-19, in setting the direction for the organization and providing strategic oversight. But during the year we sadly lost Gina McGraw, a beloved member of our board of directors for nearly 20 years.



GINA MCGRAW

Her 30 years of experience in the medical field and her concerns for helping others made her an invaluable member of the PFCU family. We will miss Gina dearly, as will her two daughters, Molly and Marsha. In Gina's memory, we humbly donated to her beloved charity, Portland Providence Foundation.

We're delighted to report that we exceeded our loan growth targets in 2021, resulting in a net profit for PFCU. Looking ahead, we will continue to build on our successes, while improving our processes and creating a better member and staff experience. Although 2022 will certainly be another busy year with much to accomplish, we are confident that with the support of our Board, employees, and members we will successfully navigate through the changing environment. Thank you to all our members for their loyalty and the opportunity to continue to serve their financial needs.

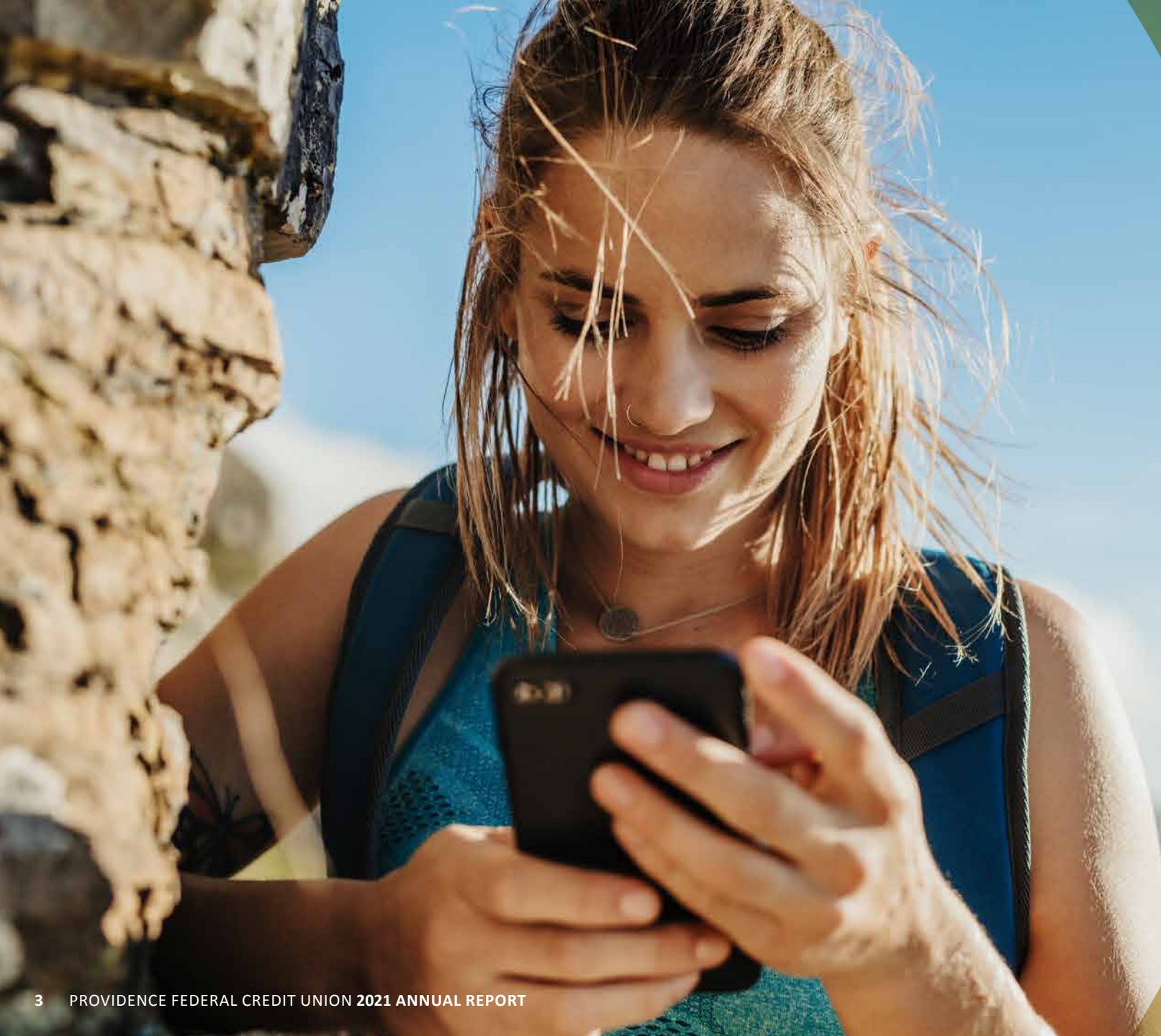
Mary Savage, Board Chair
Shirley Cate, President/CEO



MARY SAVAGE
BOARD CHAIR



SHIRLEY CATE
PRESIDENT CEO



"I feel safe using PFCU's website and mobile app for my banking needs.

I especially like the features such as quickly checking my balances, mobile deposit, and transferring funds between my accounts."

G. PHILP, PFCU MEMBER

Financial Statements

AS OF DECEMBER 31, 2021

Statement of Income

INCOME	2021	2020
Loan Income	\$3,948,716	\$4,219,160
Investment Income	\$552,517	\$697,613
Fee Income	\$2,183,714	\$1,959,186
TOTAL INCOME	\$6,684,947	\$6,875,959
EXPENSES		
Operating Expenses	\$3,480,847	\$3,306,975
Compensation / Benefits	\$2,539,033	\$2,423,285
TOTAL OPERATING EXPENSES	\$6,019,880	\$5,730,260
Interest Expense	\$249,319	\$441,631
Provision for Loan Loss	\$-102,913	\$230,821
Total Expenses	\$6,166,286	\$6,402,712
TOTAL NET INCOME	\$518,661	\$473,248

Statement of Financial Condition

ASSETS	2021	2020
Loans	\$89,080,638	\$89,450,603
(Less Allowance for Loan Loss)	\$-136,000	\$-345,318
Net Loans	\$88,944,638	\$89,105,285
Cash	\$2,373,325	\$2,319,415
Investments	\$82,998,106	\$71,074,353
Other Assets	\$2,010,616	\$2,201,056
TOTAL ASSETS	\$176,326,685	\$164,700,109
Liabilities w/o Suspense	\$258,880	\$580,470
Shares	\$157,211,138	\$144,964,667
Retained Earnings	\$18,856,667	\$19,154,973
Equity	\$157,470,018	\$145,545,136
TOTAL LIABILITIES & EQUITY	\$176,326,685	\$164,700,109

2021

Supervisory Committee Report

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 Hauser Jones & Sas 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

March 31, 2021. 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 March 31, 2021. 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.

We believe this positive position is a direct result of the Board of Directors' guidance and management's leadership. We extend our gratitude to the volunteers and staff for their ongoing commitment to improving internal controls and strengthening the Credit Union, allowing us to prosper and maintain stability for the membership.

Bill Borquist, Chair
Rebecca Martinson, Member
Bert Sperry, Member

2021

Communities, Charities, and Diversity

Providence Federal Credit Union is committed to making a difference in our communities and within our company. We play a visible and proactive role in creating positive change for a better shared future.

OUR FOUNDATION

Just as our healthcare members dedicate their lives to caring for those in need, we try to show that same dedication in giving back to our Providence St. Joseph Health community.

We've been supporting vulnerable Providence employees for the last seven years to help provide relief where it is most needed. Last year, we again donated over \$50,000 to the Helping Hand Fund. This program specifically supports the needs of Providence St. Joseph Health caregivers, providing confidential support to healthcare workers who need temporary help paying rent or utilities, covering medical bills, or meeting other basic needs.

We've donated over half a million dollars over the years, but we've also been volunteering and supporting PSJH's events and our community, including Camp Erin, Kells Green Rain, Oregon Food Bank, and Safeway Providence Festival of Trees in Portland. Community involvement is important to us. And now that we are slowly getting back out in the community, our Community Impact Committee has started planning for 2022 to help bring positive, measurable change to our community and to our environment.

DIVERSITY

We are dedicated to using our voice, position, and investments to champion diversity, equality, and inclusion. Over 30 employees work for our Credit Union, a workforce as distinct and inclusive as the members we serve. The more perspectives we have, the better decisions we make, and the more financial rewards we can provide to our members.

Working Together For Financial Wellness

Francine called The Helping Hand Fund when she started falling behind on her rent and utilities.

Along with receiving assistance from The Helping Hand Fund, Francine attended a Financial Wellness Basics course, and reported that the knowledge and tools she gained on budgeting would allow her to remove the fear of falling behind again.

Joann applied online for The Providence Helping Hand fund for assistance with her mortgage.

Joann met with a financial counselor who gave her some tips on how to request financial aid through her medical provider, helped her develop a monthly budget, gave her advice on how to lower monthly bills, and assisted in covering her late mortgage payment as well as her household utility bills.



EXECUTIVE LEADERS



Shirley Cate
President/CEO



Bill Kearney
VP of Administration



Leo Lee
AVP of Technology



Kasey Rockwell
AVP of Operations



Annie Spencer
AVP of Finance



Carolyn Mah
AVP of Marketing



Aaron Wiggins
AVP of Lending

OUR TEAM

Adam Alcala Loan Underwriter
 Alberta Moranchel Member Services
 Amber Flores Member Services
 Andrew Cecka Internal Auditor/Compliance
 Angela Allen Member Services
 Chris Nguyen Information Systems Analyst
 Crystal Thai Electronic Service & Payments
 Administrator
 Diana Fackrell Member Services
 Dolores Gomez Member Services
 Jannet Figueroa Accounting Specialist
 Katie Johnson Business Development
 Kathy Johnson Member Services

Kelly Hottenroth Senior Collection Officer
 Linda Carlson Financial Advisor Assistant
 Maria Ceapa Assistant Operations Manager
 Nora Griffin Electronic Service & Payments
 Administrator
 Paul Ethier Loan Processor
 Rebecca Foord Loan Processor
 Semhar Keflemariam Member Services
 Sharon Hughes Business Development
 Sharon Popp Director of Operations
 Shelley Woodruff Member Services
 Tiffanie LaMotte Member Services

BOARD OF DIRECTORS

Mary Savage Chair
 Tammy Pierce Vice Chair
 Sarah Lott Secretary
 Henry Vera Director
 Kevin Matheny Director
 Joann Phister Director
 Robert Berry Director

SUPERVISORY COMMITTEE

Bill Borquist Chair
 Rebecca Martinson Member
 Bert Sperry Member



MEMBER CARE
CALL CENTER SERVICE HOURS
MON-FRI, 7:30AM-4:00PM

503.215.6090
888.849.5189



providencecu.org

