Pacific Northwest
IRONWORKERS
FEDERAL CREDIT UNION

Bridging Our Members' Financial Needs Since 1960

Annual Report
2012

Letter from the CEO

It has been another year of outstanding growth, commitment and service to our members! We are so proud that the Pacific Northwest Ironworkers Federal Credit Union has continued to remain strong and focus on outstanding service, competitive prices and convenience during these continued, tough economic times. As a not-for-profit financial cooperative, the credit union serves you, our members. Because our goal is not to make a profit for shareholders, we are able return our earnings to you through lower loan rates, higher interest on deposits and lower fees for your financial services.

We are happy to report in 2012 the demand for loans remained strong - even in this economy which continues to struggle. With a 15% growth in number of loans granted and a 31% increase in the dollar amount of loans in 2012, compared to 2011, this means unlike many other credit unions, we have continued to be able to financially assist our members when they need it the most.

New account opening have also been on the rise, with 83 new checking accounts opened in 2012, a 12% increase over 2011. It is because of our incredible members who continue to spread the word about the advantages of joining THEIR credit union that we're growing. More members means more opportunity for YOUR credit union to help you financially!

The development and introduction of our mobile banking app was also exciting for members and staff this year. With members spread across the Pacific Northwest, we heard the call for added convenience, and we answered by creating a new mobile banking app which allows you to transfer funds, check account balances and pay bills from your mobile device. Coming soon, the app will have a "remote capture" feature which allows you to make deposits into your account just by taking a photo of your check with your phone's camera - alleviating the need to find an ATM or physical branch when it's time to make a deposit. We hope this added feature will further increase our reach to Ironworkers who may not be near one of our locations in Spokane, Seattle or Portland.

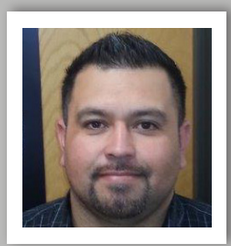
Every year, it's important to recognize our accomplishments these would not be possible without the incredible commitment and effort of our dedicated credit union staff, volunteers, board of directors, and committees. I'm so proud of how everyone works together to help our members achieve their financial and personal goals.

Many thanks go to our staff in Portland, Jamie Koster; in Seattle, Corina Ruiz-Buren and Kim Martin; and in Spokane, Tina Hoffmann. We also appreciate the service of our dedicated volunteer board of directors, Dan Brenner, Robert Camarillo, Roy Hopwood, Gil Carreon, Mark Lautenschlager, Ethan LeGrand, and Miles McCarvel, and our volunteer supervisory committee, Gil Carreon, Steve Mahoney and James Pauley. A special thanks to Dan Brenner, our Board Chairman, for his 17 years of service on the Board of Directors and the Credit Committee. Many credit unions find it difficult to find volunteers willing to serve - we are incredibly lucky to have such dedicated volunteers willing to serve their fellow members!

I am confident and enthusiastic about the success 2013 holds. We look forward to reaching out to new members in Montana, Idaho and Alaska with our new mobile banking opportunities as well as continuing to provide outstanding service to our current members. "Together we are stronger" is not just a catch phrase - it's how YOUR credit union creates a financial institution which will be strong for many years to come!

Kindest regards, **Teri Robinson,** *CEO*

Nominating Committee Report



The Chairman of the Board of Directors appoints a Nominating Committee 120 days prior to the annual meeting. The Nominating Committee must then nominate at least one person for every open position on the Board of Directors.

Members may also make nominations by petition. If there is only one nominee for each open position, the Credit Union does not send mail ballots to the members, allow floor nominations or conduct voting. Instead, the Chairman simply announces at the annual meeting the nominees have been elected by acclamation or consent.

This year we had two position to fill. The Nominating Committee nominated Dan Brenner and Roy Hopwood. Each accepted the nomination and will serve on the Board of Directors for three years.

Robert Camarillo, *Chairman*

Chairman's Report

With another year behind us, I'm again proud to say that Pacific Northwest Ironworkers FCU has endured, and even thrived, with the incredible support of our Ironworkers family. It's been exciting to see our credit union grow with the help of our members, many of whom have been with us through the decades. We can't thank you enough for trusting us with your hard-earned money.

Even though the economy continued to struggle in 2012, we've worked hard to remain a viable financial institution. The increase in new accounts and loans, our continued reduction in operating expenses, and the increase of net worth by more than 7% over 2011 is testament to the dedication and hard work of the credit union staff, volunteers and members.

But even as the credit union grows, we recognize this economy continues to create hardships. That's why it's Pacific Northwest Ironworkers FCU's goal to continue to look for new innovative ways to help our members through their financial difficulties. We will be here for our members, ready to help - no matter what the situation is.

If you have a co-worker or relative in financial distress, let them know THEIR credit union can help. We'll look at the situation, help them with a budget, and suggest ways to ease their debt burden without going bankrupt. Though difficult economic times persist, YOUR credit union can make a positive impact in the lives of Ironworkers!

Great thanks to the Board of Directors and staff for their diligence and for going beyond the call of duty through these challenging years, and many thanks to the membership for their continued support and for borrowing, saving and spreading the word about OUR credit union!

Dan Brenner, *Chairman*

Treasurer's Report

With commitment and service to our members, we granted 1,804 totaling $5,183,246. As of December 2012 we ended the year with $8,353.942 in outstanding loans and $9,343,263 in outstanding savings accounts. We have 4,661 members throughout our three branches in Portland, Seattle and Spokane. Many of our Union Brothers and Sisters continue to be affected by un-employment and the state of the economy; which resulted in net loan losses of $113,177 for 2012. Our net loss for 2012 was (-$5,892.25), excluding the NCUA stabilization expense the credit union would have had a gain for 2012 of $2,652.

The Board of Directors and credit union staff look forward to the opportunity to provide even more value to our membership. We are committed to making a positive difference in our members' lives. As a member-owner, you are the reason for our success. By taking advantage of all the Pacific Northwest Ironworkers FCU has to offer and by referring your family and co-workers, you play an important role in maintaining the strength and stability of your credit union.

Roy Hopwood, *Treasurer*

STATEMENT OF INCOME

	2011	2012
TOTAL INCOME:	$845,710	$905,438
Less Cost of Funds	$33,522	$33,441
GROSS MARGIN	$812,188	$871,997
Allowance For Loan Loss	$59,091	$156,959
Operating Expenses	$688,278	$712,386
NCUSIF Special Assessment	$19,855	$8,544
TOTAL NET INCOME:	**$44,964**	**$(5,892)**

SOURCES OF INCOME

	2011	2012
Loan Interest Income	$634,610	$643,649
Investment Income	$2,286	$3,135
Other Income	$208,814	$258,654
TOTAL:	**$845,710**	**$905,438**

DISTRIBUTION OF INCOME	2011	2012
Dividends	$33,465	$26,051
Compensation	$191,931	$196,426
Employee Benefits	$152,917	$147,516
Operating Expenses	$343,430	$225,652
Reserves/Allow Loan Loss	$59,091	$156,959
NCUSIF Special Assessment	$19,855	$(5,892)
Retained Earnings	$44,964	$44,964
TOTAL:	**$845,653**	**$755,256**

BALANCE SHEET

ASSETS:	2011	2012
Loans	$7,468,424	$8,353,943
Allowance for Loan Loss	$(109,698)	$(126,908)
Cash & Investments	$1,774,589	$1,710,813
Furniture & Equipment	$48,383	$34,544
Other Assets	$88,279	$101,051
TOTAL ASSETS:	**$9,269,977**	**$10,073,443**

LIABILITIES & EQUITY:		
Current Liabilities	$2,349	$10,803
Reserves	$439,106	$716,273
Undivided Earnings	$57,769	$24,710
Member Deposits	$8,770,753	$9,343,263
TOTAL LIABILITIES & EQUITY :	**$9,269,977**	**$10,073,443**

2012 Official Credit Union Family

Board of Directors

DAN BRENNER, CHAIRMAN
ROBERT CAMARILLO, VICE CHAIRMAN
ROY HOPWOOD, TREASURER
GILBERT CARREON, SECRETARY
MARK LAUTENSCHLAGER
ETHAN LEGRAND
MILES MCCARVEL

Supervisory Committee

GILBERT CARREON, CHAIRPERSON
STEVE MAHONEY
JAMES PAULEY

Credit Union Team Members

Portland Branch
TERI ROBINSON
JAMIE KOSTER

Seattle Branch
CORINA RUIZ-BUREN
KIM MARTIN

Spokane Branch
TINA HOFFMANN

Credit Union Partners

BRAD BILLIET, CREDIT UNION INTERNAL AUDITING
CARPE VIAM MARKETING
GREG COOKE, PRINTING ARTS

Supervisory Committee Report

The Supervisory Committee acts as a "watchdog" on behalf of all Credit Union members, making sure all regulations, procedures, and policies are properly followed as defined by the National Credit Union Administration (NCUA). The committee is appointed by the Board of Directors and is comprised entirely of volunteers from the membership.

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. Daren B. Tanner, Certified Public Accountant and Business Consultant, of Portland, Oregon, was retained to conduct the 2012 audit.

Brad Billiet, Internal Auditor and Consultant, of Fairview, Oregon, continues to conduct our quarterly internal audits. The committee has carefully reviewed the auditors' reports and found Pacific NW Ironworkers Federal Credit Union to be in compliance with the requirements and regulations of the Federal Credit Union Act, with no serious exceptions or adverse findings. Any member can view a complete copy of the report at the Credit Union's Main Office in Portland.

It continues to be the opinion of the Supervisory Committee the policies established by the Board of Directors contribute to sound management practices, and Credit Union staff and management are operating effectively, efficiently, and in a manner consistent with safeguarding the membership's interests.

The Supervisory Committee acknowledges and thanks all members and others who have devoted time and effort to the welfare of the Credit Union. Any member with concerns about the Credit Union is encouraged to contact anyone on the Supervisory Committee.

Gil Carreon, *Chairperson*
Steve Mahoney
James Pauley

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Proudly Serving Ironworker members and their families in Affiliated Local Unions 14, 29, 86, 506, 516 and 751

Pacific Northwest IRONWORKERS FEDERAL CREDIT UNION

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Portland, OR 97220
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Fax: (503) 774-7619

SEATTLE BRANCH
M - F 7:30 am - 4:00 pm
4550 S 134TH Place, Suite 103
Tukwila, WA 98168
Phone: (206) 835-0150
Fax: (206) 835-0207

SPOKANE BRANCH
M - F 9:30 am - 4:00 pm
16610 E Euclid
Spokane, WA 99216
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Fax: (509) 326-1128

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