

**I.B.E.W. Federal
76 Credit
Union**

2020 Annual Report

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Board of Directors

Dave Wellman, Chairman

Mike Church, Vice Chairman

Dean Pitsch, Treasurer

Kelly Dornan, Secretary

Ray Lince, Membership

Tim O'Donnell, Director

Dan Miller, Director

Supervisory Committee

Tony Lewis, Chairman

Gary Younghans, Secretary

Keith Parker, Member

Leroy Swanberg, Member

Staff

Sheila Zink, CEO

Terri Hamilton, Assistant Manager

Frosty Carter, Senior Loan Officer

2020 Chairman's Report

IBEW 76 FCU members and staff, I sincerely hope that all of you are well and staying safe! As you know, 2020 was a difficult year with the COVID-19 pandemic. The Credit Union along with most businesses, saw a decline in growth. We are hopeful that 2021 will bring change and soon be back to a new normal.

I can report to you that 2020 was a slow and at times, difficult year for the Credit Union. Most of the goals set by the Board were not achieved. We finished the year, as usual, in a strong financial position, however a large portion was attributed to a refund from the 2010 Corporate bail outs.

I would now like to turn to 2020, a year most of us would never have anticipated. This has brought significant changes to our lives, our work, our social connection, and our financial situations. Credit Unions were established with the thought that their focus is on you, our credit union members, that together we can find ways to meet your changing needs as life progresses.

This is such a time, as communicated by IBEW 76 FCU, that we have numerous ways to work with you, our members, to help. Take the time to review our website at ibew76fcu.org or call to ask questions and/or review your accounts. Let us continue to work together.

Remember, but online banking and remote deposit are available 24/7 and strongly encouraged. As a member, you have access to all your accounts without needing to visit the office. Access is available from the comfort of your home or anywhere with secure internet access. We encourage you to stay connected to your accounts with the IBEW 76 Federal Credit Union Mobile App using a tablet, smart phone, or computer. You can check balances, transfer funds, make payments, deposit checks, and have control of your credit and debit cards. If you do not have our Mobile App, it is easy to download from your app store.

Please stay safe and well.

Dave Wellman
Board Chairman

2020 CEO's Report

The Credit Union Difference can be seen every day at IBEW 76 FCU. We make a difference in the lives of our members and the communities in which they live and work. It is our mission to support their dreams through financial services that put their best interest first. We provide safe, affordable services to our community, one member at a time.

We had many successes in 2020! We ended the year with a Net Worth of 13.98%. Having a well-capitalized credit union poises us to be in a good position for any challenges we may be faced with in the coming year. We lent a total of \$3,192,931 to meet the needs of our members in the forms of lines of credit, personal loans, auto loans and home equity loans. Our loan to share ratio is 46.62%, which means we have sufficient money to fund future needs of our members.

Our staff works hard to match our members with those products needed to make life easier in today's hectic world. Our convenience products: home banking, a mobile app which allows mobile check deposit, and bill pay allow members to bank wherever they are with a smart phone, tablet, or laptop.

We welcomed 63 new members last year to IBEW 76 FCU. We implemented an onboarding program to our new members which welcomes them to the credit union, sets up their online banking and educates them on products available to them all before they leave the office.

We have also partnered with a first mortgage company, Guild Mortgage, for those members that are looking to purchase a home. They will tailor mortgage programs to meet member needs.

As we go through these unprecedented times, I would like our members to know, we are here to help. Credit Unions are financial first responders. Thank you for trusting us with your financial journey.

Respectfully submitted,

Sheila Zink
CEO

2020 Loan and Marketing Report

IBEW 76 FCU Loan Growth:

Despite interest rates slowly rising in 2020, the current economic landscape still warrants lending money to help members succeed financially over investing to yield the best returns. This strategy means loan growth remained a top priority in 2020. Your credit union ended the year with a total loan portfolio of \$10.3 million, which is a decrease of 17.09% over the previous year. We helped our member-owners to close 93 unique loans totaling \$3,192,931 giving them the additional financial support needed to obtain new cars, home equities, apprentice loans, and more. The current credit union loan portfolio shifted slightly to reflect a higher penetration of loans secured by auto loans, home equities, recreational vehicles, and credit cards.

Below is a snapshot of the current credit union loan portfolio mix compared to the year prior:

Loan Type	2020 Loan Totals	% of Total Loan Portfolio	2019 Loan Totals	% of Total Loan Portfolio
Credit Card	\$689,776.17	6.67%	\$817,709.19	6.76%
Unsecured Personal Loans	\$233,259.13	2.26%	\$300,344.82	2.48%
Apprentice Loans	\$6,741.80	0.07%	\$8,557.44	0.07%
Auto Loans	\$3,260,116.86	31.54%	\$3,181,073.90	26.29%
Home & Home Equity Loans	\$4,481,549.82	43.36%	\$5,782,551.48	47.78%
Other Loans	\$1,663,609.66	16.10%	\$2,011,286.01	16.62%
Total	\$10,335,053.44	100.00%	\$12,101,522.84	100.00%

The delinquency ratio remained at 5.13% for 2020. We continue to work with members overdue for payments. This remains a priority as we work diligently to ensure the safety, soundness, and regulatory compliance of your credit union.

2020 & 2019 Financials:

December 31, 2020		December 31, 2019	
INTEREST INCOME		INTEREST INCOME	
Loans	\$525,982.02	Loans	\$556,191.48
Investments	\$182,235.51	Investments	\$226,115.58
Total Interest Income	\$708,217.53	Total Interest Income	\$782,307.06
NON-INTEREST INCOME		NON-INTEREST INCOME	
Fees & Charges	\$32,529.06	Fees & Charges	\$36,320.28
Miscellaneous Income	\$143,843.24	Miscellaneous Income	\$64,033.81
Total Non-Interest Income	\$176,372.30	Total Non-Interest Income	\$100,354.09
PROVISION FOR LOAN LOSSES	\$5,147.28	PROVISION FOR LOAN LOSSES	\$(49,245.79)
GROSS INCOME	\$889,737.11	GROSS INCOME	\$833,415.36
MEMBER DIVIDENDS	\$54,208.85	MEMBER DIVIDENDS	\$46,563.26
EXPENSE		EXPENSE	
Employee Compensation & Benefits	\$355,930.54	Employee Compensation & Benefits	\$357,845.63
Travel & Conference	\$2,946.54	Travel & Conference	\$16,887.52
Office Occupancy and Operations	\$69,864.98	Office Occupancy and Operations	\$87,304.78
Educational & Promotional	\$12,161.60	Educational & Promotional	\$20,345.17
Loan Servicing	\$83,028.84	Loan Servicing	\$79,065.26
Professional & Outside Services	\$129,751.09	Professional & Outside Services	\$104,021.77
NCUA Operating Fee	\$6,513.34	NCUA Operating Fee	\$6,340.95
Misc. Operating Expenses	\$10,268.38	Misc. Operating Expenses	\$18,207.57
Total Non-Interest Expense	\$670,465.31	Total Non-Interest Expense	\$690,018.65
NET INCOME (LOSS)	\$165,062.95	NET INCOME (LOSS)	\$96,833.45
ASSETS		ASSETS	
Cash and Cash Equivalents	\$1,576,095.45	Cash and Cash Equivalents	\$1,031,893.02
Deposits in Financial Institutions	\$45,403.00	Deposits in Financial Institutions	\$1,574,078.67
Investments	\$13,619,000.00	Investments	\$8,891,000.00
Loans	\$10,335,053.44	Loans	\$12,101,522.84

Collateral in Process of Liquidation		Collateral in Process of Liquidation	
Accrued Interest	\$26,670.97	Accrued Interest	\$58,824.85
Prepaid & Fixed Assets	\$83,231.53	Prepaid & Fixed Assets	\$107,245.17
NCUSIF Deposit	\$200,939.00	NCUSIF Deposit	\$199,912.98
Allowance for Loan Loss	\$(38,937.00)	Allowance for Loan Loss	\$(58,006.00)
Total Assets	\$25,847,456.39	Total Assets	\$23,906,471.53
LIABILITIES		LIABILITIES	
Members' Shares	\$22,168,970.70	Members' Shares	\$20,373,199.86
Accrued Expenses and Other Liabilities	\$63,065.83	Accrued Expenses and Other Liabilities	\$82,914.76
Total Liabilities	\$22,232,036.53	Total Liabilities	\$20,456,114.62
MEMBERS' EQUITY		MEMBERS' EQUITY	
Regular Reserves	\$349,296.54	Regular Reserves	\$349,296.54
Undivided Earnings	\$3,266,123.32	Undivided Earnings	\$3,101,060.37
Total Members' Equity	\$3,615,419.86	Total Members' Equity	\$3,450,356.91

2020 Supervisory Committee Report

The IBEW 76 FCU Supervisory Committee is composed of a chairperson and three committee members, which is a standing Committee of the Board. The role of this independent group of member-volunteers, provides an oversight function on behalf of the membership. This includes periodic internal audit functions of the credit union operation, reports to the Credit Union Board meetings, and the hiring of a CPA firm to conduct an Independent Accountant's Report on Applying Agreed Upon Procedures to assist the CU Supervisory Committee in performing the annual Supervisory Committee Audit.

To that end, the Supervisory Chair contracted with Moss Adams LLP, a regional CPA firm, to perform the procedures agreed to by the management and Supervisory Committee. Results of the audit indicate that the financial statements present fairly the results of the operations and financial position for the period, and no material weaknesses in internal control were reported.

As representatives of the credit union membership, the Supervisory Committee is always available to assist individual members by answering questions and resolving problems they may have with the credit union. Please feel free to contact the Supervisory Committee at IBEW 76 Federal Credit Union, PO Box 111447, Tacoma, WA 98411.

Respectfully submitted,

Tony Lewis, Chairman

IBEW 76 FCU Supervisory Committee

Committee Members: Gary Younghans, Keith Parker, and Leroy Swanberg

2019 Annual Meeting Minutes

IBEW 76 Federal Credit Union 2019 Annual Meeting Minutes March 23, 2019

Chairman Dave Wellman called the Annual Meeting to order at 2:45 p.m.

There were 32 in attendance, 28 voting members and 4 non-members in attendance, constituting a quorum.

Approval of Minutes: Motion made by Ray Lince, seconded by Mike Church, to accept the 2018 minutes as distributed. Motion carried & accepted.

Board Reports: President Dave Wellman acknowledged the Board, SC & Staff

- Welcomed the members and guests to the annual meeting.
- Thanked Officers, Staff, and the Supervisory Committee members for their diligent work over the past year.
- Distributed the 2018 financial report.
- Reported we are changing our business model to “member helping member” philosophy.

Supervisory Report: Chairman Tony thanked the staff for a job well done for the year and their cooperation during meetings, SC audit & NCUA exam.

CEO Report: Sheila acknowledged the staff.

- Changing the CU from an “investment firm” to a CU lending CU while still offering multiple deposit options by adding cd’s and money markets.
- Loan Growth
- Added 2 new groups of Unions members, Teamsters Local 313 & 117.

Old Business: None

New Business: None

Elections of Officers: Terms are expiring for Dave Wellman, Dean Pitsch, Dan Miller & Tim O’Donnell. Each has agreed to run for positions on the board. After three calls for any additional nominations President Dave Wellman declared nominations closed. Motion made by Mike Church, seconded by Tony Lewis, to cast a “White Ballot” for the candidates. Motion carried & accepted.

Good of the Order:

The Meeting was adjourned 3:15 p.m.

Respectfully Submitted,

Kelly Dornan, Secretary

2020 Election Results

There were 3 Board Members slated for election:

Mike Church

Kelly Dornan

Ray Lince

Nominations and applications were open until June 26, 2020. With none coming in, the incumbent directors were seated for a new two-year term.