



REPORT OF INDEPENDENT AUDITORS  
AND FINANCIAL STATEMENTS

**POINT WEST CREDIT UNION**

December 31, 2020 and 2019

## **Report of Independent Auditors**

To the Board of Directors and Audit Committee  
Point West Credit Union

### **Report on Financial Statements**

We have audited the accompanying financial statements of Point West Credit Union, which comprise the statements of financial condition as of December 31, 2020 and 2019, 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.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Point West Credit Union as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Moss Adams LLP*

Portland, Oregon

April 23, 2021

**Point West Credit Union**  
**Statements of Financial Condition**

	December 31,	
	2020	2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 38,370,253	\$ 16,219,071
Interest-bearing deposits	3,786,000	2,719,839
Investment securities available-for-sale, at fair value	423,416	571,023
Restricted equity securities	668,801	345,829
Loans receivable, net	57,209,262	68,758,484
Accrued interest receivable	151,586	188,660
National Credit Union Share Insurance Fund (NCUSIF) deposit	865,279	824,136
Property and equipment, net	2,555,652	2,738,261
Insurance premiums receivable	628,181	608,791
Foreclosed and repossessed assets	77,201	25,265
Other assets	312,980	192,460
Total assets	\$ 105,048,611	\$ 93,191,819
<b>LIABILITIES</b>		
Members' share and savings accounts	\$ 94,551,564	\$ 83,096,034
Borrowed funds	600,000	800,000
Accrued expenses and other liabilities	917,457	1,017,886
Total liabilities	96,069,021	84,913,920
<b>COMMITMENTS AND CONTINGENCIES (Notes 7 &amp; 8)</b>		
<b>MEMBERS' EQUITY</b>		
Regular reserves	5,104,555	5,104,555
Undivided earnings	3,872,264	3,156,405
Accumulated other comprehensive income	2,771	16,939
Total members' equity	8,979,590	8,277,899
Total liabilities and members' equity	\$ 105,048,611	\$ 93,191,819

## Point West Credit Union

### Statements of Income

	Years Ended December 31,	
	2020	2019
<b>INTEREST INCOME</b>		
Interest on loans receivable	\$ 3,303,047	\$ 3,947,854
Interest on investments and interest-bearing deposits	138,988	298,908
Total interest income	<u>3,442,035</u>	<u>4,246,762</u>
<b>INTEREST EXPENSE</b>		
Members' share and savings accounts	303,108	351,820
Borrowed funds	41,209	46,807
Total interest expense	<u>344,317</u>	<u>398,627</u>
<b>NET INTEREST INCOME</b>	3,097,718	3,848,135
<b>PROVISION FOR LOAN LOSSES</b>	<u>78,320</u>	<u>294,115</u>
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<u>3,019,398</u>	<u>3,554,020</u>
<b>NON-INTEREST INCOME</b>		
Service charges and fees	891,666	990,570
National Credit Union Share Insurance Fund distribution	424,600	44,437
Gain on insurance premiums receivable	19,390	14,768
Other non-interest income	176,799	82,242
Total non-interest income	<u>1,512,455</u>	<u>1,132,017</u>
<b>NON-INTEREST EXPENSE</b>		
Compensation and benefits	1,764,312	1,796,241
Office operations	854,188	879,865
Professional services	499,353	444,958
Office occupancy	324,505	348,021
Promotional	138,401	88,721
Loan servicing expenses	101,305	104,812
Other non-interest expense	133,930	225,236
Total non-interest expense	<u>3,815,994</u>	<u>3,887,854</u>
<b>NET INCOME</b>	<u>\$ 715,859</u>	<u>\$ 798,183</u>