



Report of Independent Auditors
and Financial Statements

Point West Credit Union

December 31, 2022 and 2021

Report of Independent Auditors

The Board of Directors and Supervisory Committee
Point West Credit Union

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Point West Credit Union which comprise the statements of financial condition as of December 31, 2022 and 2021, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Point West Credit Union as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Point West Credit Union and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2022, Point West Credit Union adopted new accounting guidance, Accounting Standards Codification Topic 842 *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Point West Credit Union's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Point West Credit Union's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Point West Credit Union's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Portland, OR

May 4, 2023

Point West Credit Union
Statements of Financial Condition
Years Ended December 31, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 6,424,525	\$ 43,720,798
Interest-bearing deposits	17,748,000	7,948,000
Investment securities available-for-sale, at fair value	254,085	346,558
Restricted equity securities	690,002	682,901
Loans receivable, net	78,065,372	54,456,719
Accrued interest receivable	251,520	143,775
National Credit Union Share Insurance Fund (NCUSIF) deposit	964,657	957,021
Property and equipment, net	2,285,908	2,381,049
Insurance premiums receivable	671,488	659,089
Foreclosed and repossessed assets	6,813	28,102
Other assets	568,869	293,209
Total assets	\$ 107,931,239	\$ 111,617,221
LIABILITIES		
Members' share and savings accounts	\$ 94,050,663	\$ 98,820,489
Borrowed funds	2,700,000	1,400,000
Deferred grant revenue	-	1,400,000
Accrued expenses and other liabilities	752,754	591,389
Total liabilities	97,503,417	102,211,878
COMMITMENTS AND CONTINGENCIES (Notes 7 & 8)		
MEMBERS' EQUITY		
Regular reserves	-	5,104,555
Undivided earnings	10,433,955	4,299,913
Accumulated other comprehensive (loss) income	(6,133)	875
Total members' equity	10,427,822	9,405,343
Total liabilities and members' equity	\$ 107,931,239	\$ 111,617,221

See accompanying notes.

Point West Credit Union
Statements of Income
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
INTEREST INCOME		
Interest on loans receivable	\$ 2,916,551	\$ 2,709,965
Interest on investments and interest-bearing deposits	489,990	110,280
Total interest income	<u>3,406,541</u>	<u>2,820,245</u>
INTEREST EXPENSE		
Members' share and savings accounts	197,218	246,766
Borrowed funds	58,795	55,260
Total interest expense	<u>256,013</u>	<u>302,026</u>
NET INTEREST INCOME	3,150,528	2,518,219
PROVISION FOR LOAN LOSSES	<u>-</u>	<u>-</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>3,150,528</u>	<u>2,518,219</u>
NON-INTEREST INCOME		
Grant income	1,400,000	426,000
Service charges and fees	854,601	833,185
National Credit Union Share Insurance Fund distribution	56,380	575,400
Gain on insurance premiums receivable	12,399	30,908
Other non-interest income	76,268	177,957
Total non-interest income	<u>2,399,648</u>	<u>2,043,450</u>
NON-INTEREST EXPENSE		
Compensation and benefits	2,099,914	1,894,484
Office operations	917,726	854,501
Professional services	513,173	514,440
Office occupancy	306,294	336,122
Promotional	233,660	135,316
Loan servicing expenses	208,082	164,143
Other non-interest expense	241,840	235,014
Total non-interest expense	<u>4,520,689</u>	<u>4,134,020</u>
NET INCOME	<u>\$ 1,029,487</u>	<u>\$ 427,649</u>

See accompanying notes.