

2022 ANNUAL REPORT

LOOKING BACK

In 2022 we enjoyed some of the strongest earnings in NW Preferred's history. Net loan growth exceeded \$13 million, bringing our total loan portfolio to over \$133.7 million. We used our earnings to invest in the most important part of the business – our membership! In 2022 we:

- Launched a “live chat” feature on our website. Members can send messages to actual employees during regular business hours.
- Implemented text messaging capability on our main phone lines. Members can now send and receive secure messages by texting us on their phones at 866.236.6968 – allowing for more ease and flexibility when interacting with the credit union.
- Partnered with Zelle® to include their service within our mobile app. It's a great way to send/receive money from friends and family, even if they don't bank with NW Preferred.

As I said last year, our future is very promising and your Board of Directors and I thank you for giving us the opportunity to serve you.

Jim Burgett, Chairman of the Board

LOOKING FORWARD

We entered 2023 with significant momentum, thanks in part to our excellent financial performance last year. Our strong earnings mean members can continue to expect high rates on their deposit dollars throughout 2023.

Fortunately, due to our efforts over the past several years to build and maintain a strong and healthy balance sheet, we are well equipped to handle any economic challenges in our path. Your credit union is financially solid and I remain enthusiastic for the opportunities to come.

As always, thanks for your continued support of NW Preferred!

Steve Canfield, President/CEO

FINANCIAL STATEMENT *Period Ending December 31, 2022*

The Supervisory Committee's objectives are to ensure that the Credit Union:

- Maintains accurate financial records
- Has implemented a program of internal controls
- Preserves financial assets

Throughout the year, the Committee audits different areas of the Credit Union's operation to ensure these objectives are met. The Committee also investigates and responds to member inquiries.

Annually, we engage an independent CPA firm to conduct a financial audit of the Credit Union. The Credit Union is also examined annually by the National Credit Union Administration (NCUA), an agency of the federal government. The NCUA makes an assessment of our financial strength, and determines whether or not the Credit Union has been operating in compliance with the law. We are very pleased to report that no material weaknesses were found in our operation!

Based on reports submitted, it is the Committee's belief that the financial statements of December 31, 2022, fairly and accurately reflect the financial condition and results of operations of NW Preferred Federal Credit Union.

Bo Lindemann, Chairman



YEARS @ A GLANCE

YEAR	LOANS	SHARES	ASSETS
2017	97,662,869	110,921,598	123,887,491
2018	113,786,158	110,932,115	128,964,786
2019	119,199,854	121,929,112	140,130,611
2020	118,176,561	150,629,387	170,436,183
2021	120,479,829	165,746,547	185,842,942
2022	133,703,656	159,480,197	182,605,861
1 Yr. Change	10.98%	-3.78%	-1.74%
5 Yr. Change	36.90%	43.80%	47.40%

FINANCIALS	2021	2022
ASSETS		
Loans to Members	120,479,829	133,703,656
Allowance for Loan Loss	(862,793)	(859,326)
Net Loans	119,617,036	132,844,330
Cash	1,043,112	1,427,592
Investments	59,872,980	42,868,256
Property & Equipment (Net)	2,392,865	2,465,431
All Other Assets	2,916,949	3,000,252
Total Assets	185,842,942	182,605,861
LIABILITIES & EQUITY		
Notes Payable	0	0
Accounts Payable	828,936	1,005,749
All Other Liabilities	672,600	1,010,522
Total Liabilities	1,501,536	2,016,271
Shares	165,746,547	159,480,197
Regular Reserve	1,937,284	1,937,284
Undivided Earnings	16,657,575	19,172,109
Total Liabilities & Equity	185,842,942	182,605,861
INCOME		
Interest on Loans	6,427,819	6,826,367
Income From Investments	132,797	925,686
Other Income	1,367,826	1,169,252
Total Income	7,928,442	8,921,305
EXPENSES		
Salaries & Benefits	2,642,396	2,917,706
Operations	2,385,520	2,338,796
PLL	110,000	330,000
Dividends	804,827	826,955
Other	7,040	(5,872)
Total Expenses	5,949,783	6,407,585
NET INCOME (LOSS)	1,978,659	2,513,720

MONEY DISTRIBUTION

