

Statement of Financial Condition

Service Commitment

ASSETS	12/31/20	12/31/19
Cash	76,376,506	28,370,165
Investments	39,411,354	24,898,773
Consumer Loans	64,539,632	66,749,282
Real Estate Loans	74,297,416	86,981,403
Member Business Loans	59,905,834	54,705,035
Allowance for Loan Loss	(1,523,852)	(940,604)
Buildings & Land	4,301,466	4,431,854
Furniture & Equipment	1,308,465	668,292
NCUA Insurance Deposit	2,507,764	2,150,614
Other Assets	1,202,691	1,096,980
Prepaid Expenses	301,340	243,832
TOTAL ASSETS	\$322,628,616	\$269,355,626
LIABILITIES		
Shares & Share Drafts	245,713,520	195,737,489
Certificates	37,910,360	36,640,167
Other Liabilities	5,530,648	5,585,056
TOTAL LIABILITIES	\$289,154,528	\$237,962,712
CAPITAL		
Regular Reserves	219,274	219,274
Undivided Earnings	33,254,814	31,173,640
TOTAL CAPITAL	\$33,474,088	\$31,392,914
TOTAL LIABILITIES & CAPITAL	\$322,628,616	\$269,355,626

TOTAL CAPITAL		TOTAL MEMBERS	
2020	\$33,474,088	2020	18,597
2019	\$31,392,914	2019	19,262
2018	\$27,119,302	2018	18,436
2017	\$24,373,444	2017	17,487
2016	\$21,344,710	2016	16,191
2015	\$19,684,132	2015	16,405
2014	\$15,421,892	2014	13,761
2013	\$13,698,433	2013	13,446

We offer our members a unique blend of warm and personal service and innovative products and services. We want to be your primary financial institution, so we always look for ways to say YES! to our members requests.

MEMBER CONTACT CENTER 800-696-8830

PHONE BANKING

Whatcom County: 360-733-3000

Skagit County: 360-395-4000

Toll Free: 877-304-4728

LOCATIONS

Bellingham - Dupont*

1100 Dupont St.
Bellingham, WA 98225

Bellingham - Northwest

3250 Northwest Ave.

Ferndale

5657 Riverside Dr.

*Please send all mail to Bellingham-Dupont Branch.

Mount Vernon

1410 Riverside Dr.

Sedro-Woolley

108 N. Township

Virtual Branch

northcoastcu.com

SURCHARGE FREE ATM LOCATIONS

Bellingham-Dupont ■ 1100 Dupont Street

Bellingham-Northwest ■ 3250 Northwest Avenue

Ferndale ■ 5657 Riverside Drive

Sedro-Woolley ■ 108 N. Township Street

Mount Vernon ■ 1410 Riverside Drive

Whatcom County Courthouse ■ 311 Grand Avenue, Bellingham

Many 7-Eleven and Costco Stores Nationwide

Any CO-OP Network ATM Nationwide and in 10 countries

co-opnetwork.org: 30k surcharge-free ATM locations nationwide



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Rolling with the Changes



Annual Report 2020



President's Report



Marilyn Brink

2020 was definitely a year that required us to **Roll with the Changes**. The spread of the Covid-19 virus required us to adjust quickly. Our priority, as always, was to offer our members the support they needed to survive the rapidly changing economic environment. We all learned to rely on remote and limited in-branch services to meet our members needs while maintaining a safe environment.

The call for Racial Justice became loud and clear this year inspiring us to open our hearts and minds to others. Knowledge and compassion leads to understanding and coming together in our communities.

In 2020, assets grew 19.8% to \$322,628,616. We funded a total of \$68,743,857 loans of which \$16,744,320 were Real Estate Loans. \$28,001,348 in Consumer and \$23,998,189 Member Business Loans (MBLs). Market conditions encouraged our members to increase their saving which led to a 22% increase in member deposits for a total of \$283,623,879 by years end. We received exceptional results on all 5 of our regulatory audits this year.

Internally we experienced big waves of change as well. We launched a new core system in October. This important technical upgrade was the culmination of two years of preparation. The new core improves our security, prepares us for future growth and enhances our members experience – online and in person. This upgrade also included new Online Banking and Bill Pay systems.

The limitations on activities led to the cancellation of our Take a Bite for Skagit and Operation Warm Fundraising events. Without their signature fundraising events the non-profits in our communities are struggling to maintain their services. Our Community Development Officer, Thomas Boucher, spent many hours working with these organizations to develop and execute plans to see them through.

North Coast Cares Fund donations continued this year, with each employee directing a \$250 donation to a local non profit in Whatcom, Skagit, San Juan or Island counties. This year 43 organizations received North Coast Cares Fund donations.

Traditionally organizations create plans for the coming 3 to 5 years. If 2020 has taught us anything, it is that we must also focus on being flexible and nimble so we can adjust quickly to our changing environment. I am so proud of our staff and our members for their willingness to make the changes necessary to keep everyone safe. Clearly 2021 will require that we continue to adjust so we can help our members as we all continue to **Roll with the Changes**.

SENIOR MANAGEMENT

Marilyn Brink, President/Chief Executive Officer

Cliff Frydenberg, Senior Vice President/Chief Lending Officer

Supervisory Committee Report



Kailin James

Your Supervisory Committee meets monthly to review the financial condition of your Credit Union. At least one of your Supervisory Committee members attends the monthly Board of Directors meeting and then reports back to our Supervisory Committee.

We create an aggressive Annual Audit Plan, so that each month we audit different areas of North Coast Credit Union. This provides a valuable set of “checks and balances,” which ensures that the Credit Union is operating efficiently and in a controlled manner.

As a committee, one of our main responsibilities is to hire an outside auditor to perform the annual required audit of the credit union. Last year significant statutory changes affected the requirements of our annual agreed upon procedures audit (AUP Audit), specifically the National Credit Union Administration (NCUA) enhanced procedures of Appendix A, part 715. We contracted with Clifton Larson Allen Accounting who performed the AUP audit. This year, we will also be hiring an internal auditor who will further monitor the credit union’s internal control systems.

Recently, we met with the State Department of Financial Institutions (DFI) examiners. They audit the operations of the credit union on a regular basis. These audits help ensure that the credit union remains in compliance with the constant changes in policies and statutory regulations. This year we were very satisfied with the results of the DFI exam.

Management continues to take the necessary steps to enact recommendations for improvement and other changes as suggested by external auditors and federal and state regulators. We are pleased with the professional working relationship we have with management and staff. We wish to thank them for their helpful cooperation in providing us with the access to data needed to perform our duties.

SUPERVISORY COMMITTEE MEMBERS

Kailin James, Chair

David Rudy

Sheryl Cartwright

Doug Scholten

Marta Huff

Send questions or comments to:

NCCU Supervisory Committee; P.O. Box 582; Bellingham, WA 98227

Board of Directors Report



Derek Barnes

2020 was a challenging year for all of us. Here at North Coast we saw some tremendous teamwork, resilience and focus.

In addition to managing through changes brought on by the virus, locally we saw one of our largest employers, Alcoa, lay off over 700 employees. With so much “unknown” about the disruption in our daily lives and economy, we knew our priority was to find ways that we could help. We immediately began offering members options so that we could provide the most effective support based on each member’s needs.

Keeping our employees and their families safe was imperative. How could we provide the best service to our members once we realized we had to close our doors to in-person meetings?

Well, we did it!! And we are still doing it! Our CEO, Marilyn Brink and her team rallied together to make sure modifications were made and security was developed for our new way of communicating inside our branches and from remote workstations for employees working from home. As a board we did our work remotely as well, including regular meetings, conferences, and our Annual Meeting.

In 2020, The Department of Financial Institutions Exams focus was on asset liability management, member business lending, credit risk management, internal control, regulatory compliance, strategic planning and budgeting. We had exceptional results in all areas. AWESOME! In other words, in a time with so much disruption and uncertainty our credit union remained focused and flexible to meet the challenges head on.

Our assets continued to grow, our Net Worth ratio remained stable even though our growth was significantly lower than years past, and Covid-19 was clearly the main contributor to this change. 2020 may not have been our most prosperous year, but out of this adversity, we successfully found ways to meet the needs of our members and community. A big thanks goes out to all of you, our members, who have been helping by using online banking and other remote tools; it is keeping everyone safe and healthy.

We will continue to keep our heads up and our eyes on the ball for 2021. Thank you for allowing me to represent you, our members.

BOARD OF DIRECTORS

Derek Barnes, Chair

Gerzon Marin

Phil Serka, Vice Chair

Rick Sucee

Jair Furnas, Secretary

David Trott

Kim Clift

Randall Watts

Todd Lagestee