

Statement of Income & Expense

For the 12-month period ending December 31, 2017

Income	
Interest on Loans	3,256,136
Interest from Investments	3,235,934
Total Interest Income	<u>\$6,492,070</u>
Less: Dividend Expense	2,099,102
Net Interest Income	<u>\$4,392,968</u>
Other Operating Income	965,981
Income from Operations	<u>\$5,358,949</u>
Expenses	
Employee Salaries & Benefits	2,098,495
Education & Conference	30,341
Office Occupancy	288,830
Office Operations	727,202
Educational & Promotional	37,153
Loan Servicing	168,397
Professional Services & Associations	197,098
Operating Fees	63,970
Provision Expense	29,000
Miscellaneous Operating Expense	12,896
Total Operating Expenses	<u>\$3,653,382</u>
Non-Operating Income	252,516
Net Income	<u>\$1,958,083</u>

Statement of Financial Condition

For the 12-month period ending December 31, 2017

Assets	
Loans	79,763,157
Allowance for Loan Losses	(188,376)
Net Loans	<u>\$79,574,781</u>
Cash & Cash Equivalents	12,794,369
Investments	189,968,511
Land & Building	2,850,328
Furniture & Equipment	79,209
NCUA Insurance Capitalization	2,387,170
Other Assets	6,933,066
Total Assets	<u>\$294,587,434</u>
Liabilities & Equity	
Accounts Payable & Other Liabilities	889,476
Accrued Dividends & Interest	365,680
Total Liabilities	<u>\$1,255,156</u>
Savings	130,991,189
Checking	22,845,669
Certificate Accounts	73,306,718
IRAs	29,948,029
Total Deposits	<u>\$257,091,605</u>
Total Equity	36,240,673
Total Liabilities & Equity	<u>\$294,587,434</u>

Board of Directors

Tom Elledge	Chair
John Graham	Vice Chair
Dona McDougal	Secretary/Treasurer
Paige Booth	Director
Grant Larsen	Director
Natalie Lloyd-Dennis	Director
Bruce Ritchie	Director

Supervisory Committee

Jean Rogers	Committee Chair
Mark Beatty	Member
Helen Meadows	Member

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Printed March 2018



2017 ANNUAL REPORT



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Report from the Chair of the Board

As member financial needs evolve, we continue to challenge our thinking of what service means, and look for new ways to connect with members.

The increased consumer demand for digital technology can be seen throughout the entire financial industry. And while personal service remains the cornerstone of who we are as an organization, we are working to continue to leverage both personal service and technology.

Our focus on personal service and account access has helped the credit union grow and remain strong. We added over \$10 million in assets in 2017. We also returned a bonus amount of \$446,000 to our members, in the form of a 20 percent bonus dividend on interest, as well as refunding 10 percent of the interest members paid on auto and Visa loans.

Later this year, Cascade will be unveiling a new, state-of-the-art website. In addition, we will be adding the ability to apply for loans, and research autos, on

both our website and mobile application. Our members will also soon be able to apply for Cascade auto loans at the dealership. We are additionally working on our infrastructure, implementing a new electronic imaging system for files and records.

Additional focus is being given to lending programs. In 2017, we introduced our no-fee Rapid Mortgage program. Later this spring, we plan to roll out a Rewards Visa card, as well as a full suite of mortgage products including FHA, VA, USDA, and 30-year fixed.

As we continue to look for areas of growth, we will be focusing our efforts on the fastest growing generational market segment—Millennials (ages 18-35). As this group grows older, their need for loans and accounts will continue to grow with them. This offers us an opportunity to connect with them and remain their primary financial institution into the future. We are analyzing offering private student loans later in the year. It is our goal that products like Visa Rewards and student loans, and an enhanced mobile application and

website, will continue to attract young people to the credit union.

As we continue into 2018, we will maintain our support for our members and communities. Our steady focus on innovation and growth will allow us to continue to serve our members—letting them make the most of their money and their membership.

Finally, we would like to again recognize Dale Kerslake's 35 years of leadership of Cascade Federal Credit Union. In recognition of his dedication, the credit union has named its conference room after Dale.

Tom Elledge
Chair, Board of Directors

Report from the Supervisory Committee

The Supervisory Committee is responsible for monitoring the financial safety and soundness of Cascade Federal Credit Union, and compliance with various financial and regulatory requirements. The Committee also meets regularly to, among other things, review internal audit reports, compliance and risk management reports, and examinations reports issued by regulatory agencies.

In fulfilling our responsibilities, the Committee engaged the independent audit firm of Hauser Jones & Sas, which

directly reports to the Committee, to conduct the annual audit of the credit union as of September 30, 2017.

The National Credit Union Administration also conducted an examination for the period ending September 30, 2017. Their findings reflect a high rating for strong performance and safe and sound practices and operations.

The Committee is pleased with the reports from the internal audits, external audits, and regulatory compliance. We wish

to thank the members, Board of Directors, and staff for their cooperation in helping us carry out our duties and responsibilities, and will continue to work with management to ensure an effective audit program.

Jean Rogers,
Chair, Supervisory Committee