



**OLYMPIA**  
**CREDIT UNION**

*Embracing the Human Difference*

We've got the  
**SCOOP!**

Annual Report

2023



# Board Chair Report

Your Olympia Credit Union had a good year during 2023 but suffered a major loss due to a large fraud case that severely cut into our net income for the year. Even with this huge loss, we still generated total income of almost \$126,000 in 2023. Total assets decreased marginally to \$52.4 but that marginal decrease was achieved by design in order to help maintain more desirable operating ratios. Demand for loans continued in 2023. This increase in demand occurred because many more OCU members took out new loans, and direct lending loan applications from car dealers increased in number too. Our Capital Ratio remains stable at 8.16% up slightly from 7.8% in 2022.

Membership as of December 31, 2023 stood at 3,800 members, up 70 members from 2022. Although our membership total remains relatively stable, we now find that we have more added and deleted members each month because of continued interest in the direct lending program. This program allows selected car dealers to take loan applications from buyers and then forward these applications to OCU. Once the loans are approved by OCU, these buyers become members of OCU, but we are finding that most close their accounts after their loans are paid off. The program benefits OCU because we gain considerable interest income during the year from these direct loans even though those buyers close their accounts later on.

Our investments in outside CDs decreased materially and our balance in these investments has dropped to \$9.7 million, down from \$15 million at the end of the prior year. This large drop in CDs occurred primarily because members began taking out new loans during 2023. The net result of these changes was a reduction in the number of very low interest-bearing CDs and the addition of higher interest-bearing loans. Our members benefit from this change by earning higher interest on savings accounts while also obtaining loans at very reasonable rates. Overall, OCU maintains excellent liquidity.

We continue to invest in new systems that we need in order to maintain our services to members. As we update and replace our current operating systems, your online screens will look and feel different from the old online system. Many of our updated systems, however, are being installed so that our staff can assist members much better than before. For instance, our process for setting up a new account required a lot of manual effort by staff. When our new system is in place, a lot of the manual work will be automated and will save lots of time and effort.

Our major news at the end of 2023 was that Tammy Doles-Roberts, our Chief Executive Officer for the past 14 years announced her retirement as of December 31, 2024. Tammy's expertise and determination is the primary reason that OCU weathered the major recession of 2008. We will miss her dearly. Your Board is now in the process of identifying candidates for our CEO position and our plan is to select a new CEO by March of 2024. This will give Tammy and our new CEO the opportunity to smoothly transfer our operations to the new CEO by January 1, 2025.

During 2022, your Board included Larry Lufkin, Chair; Steve Vessey, Vice Chair; Kathy Boos, Secretary; Shana Oliver; Shirley Legg; and Jodi Peterson. We continue to search for a 7th board member. Contact Tammy at OCU if you are interested in serving on the Board or if you want to recommend a member for the position. Your directors will be introduced at the Annual Meeting.

Thanks to all of our dedicated volunteers who do a lot of behind-the-scenes work to make your Credit Union function smoothly. I also thank Tammy Doles-Roberts, our CEO for her tireless services in managing our staff and daily operations.

Respectfully submitted  
Larry Lufkin, Chair

# Supervisory Report

We have had another busy and successful year here at Olympia Credit Union. Currently, the credit union has been working on projects that were outlined by DFI after the exam on financials as of September 30th, 2022. The Supervisory Committee continues to work with Daren B. Tanner, CPA to conduct audits. We appreciate the time he and his crew took to help support our credit union and we are looking forward to working with them in the future. The last financial audit was as of September 30th, 2023. This was a busy time for all the employees, and I really appreciate everyone's hard work.

It is important that these audits take place to ensure that the credit union is working properly and following regulations. During these audits there were minor areas of improvement and action was taken on site to correct them.

Currently the committee consists of five members: Ric Ordos, Sandy Jenkins, Jodi Petersen, Mary Orazem, and Charles Richardson. We are excited to have a team of five members who are all dedicated to their volunteer roles with the credit union. As the year continues, we will be performing loan reviews, teller audits, reviewing bank reconciliation reports, paid- ahead loans, closed accounts, reviewing no mail accounts, IT risk assessment, and other various tasks.

Our committee is looking forward to working with the credit union and ensuring another year of success. We want to thank management, staff, and the Board of Directors for all their support and work. We look forward to the year 2024 as we continue to work as a team.

Thank you,

Sandy Jenkins, Chair

# President's Report

Your credit union team was very busy in 2023 as we rolled out our new digital banking platform on March 28th. The new digital banking included our very first mobile phone app for Apple and Android users! We implemented remote deposit capture, along with a money management program, credit score monitoring with tools on how to improve your score, and bill payer. There is still much more to come in 2024; such as Quicken/QuickBooks connection, card management where you can block or unblock your cards, Zelle P2P, and purchase rewards! Stay tuned for updates on these future service enhancements; providing even more convenience at your fingertips.

We ended the year at \$52.4 Million in assets; a net worth ratio of 8.30%; net earnings of \$125,878 for a return on average assets at 0.24%. Our deposits declined by \$1.4M, as members reinvested in the stock market and made big ticket purchases. Our loans grew 2.36% with the majority of that growth in automobiles.

Our loan delinquencies and charge offs increased from the prior year but remain below pre-Covid numbers. Our staff continues to work with members and their individual circumstances, that sometimes creates challenges for them in making their payments. As always, we are here to help our members find solutions that put them in a better financial position.

We had a net increase of 70 members. We now proudly serve 3800 members and strive to see that number grow! Tell your family, friends, and co-workers about Olympia Credit Union. We are inclusive for all people in our community, and strongly believe in the credit union philosophy of "people helping people"!

We truly appreciate our members as we wouldn't be here without you!

Wishing you and your family much happiness and success in 2024!

Tammy Doles-Roberts  
CEO

# Loan Committee Report

2023 was a strong loan growth year. Before higher interest rates took hold in the marketplace in 4th quarter, we were able to increase our loan portfolio significantly. We had a net increase in member loans of \$4,354,400. In the past several years, we've purchased pools of loans from other credit unions (Loan Participations) to reinvest our member deposits for a higher yield. Otherwise, those funds are invested into guaranteed funds at a very minimal yield. In 2023 we did not purchase any new loan participations, therefore, the pay down was significant with a decrease of \$3,404,864. This made our net increase for the year in loans \$949,532 ending 2023 with \$38,950,928 in total loans. Our lending team processed over 1,472 loan applications.

Our delinquent loans to total loans ended at .86% for a total of \$75,253 in net charged off loans in 2023 compared to a ratio of .54% and \$30,501 in 2022. We have a well-funded reserve to handle these losses and expect to keep this reserve well-funded into 2024. We are currently experiencing higher loan interest rates, with unpredictability throughout 2024. We are also experiencing COVID financial repercussions from 2020-2021. We work very diligently with our members to work out the best solutions.

For the 7th year, OCU continues to work with CUDL (a Dealer Indirect Lending network). This is a simplified process of financing your vehicle purchased through your credit union right at the dealership. This service continues to contribute greatly to our loan growth and provides a convenience to our membership. Currently we have established a preferred relationship with 8 dealers. CUDL loans on the books increased by \$5,864,294 in 2023.

We continue to offer a 10-year and 15-year fixed rate first mortgage program. We also offer a Home Equity Line of Credit, and an Equity in a 2nd short term second mortgage loan with competitive rates. We do not sell our loans to another service provider. We hold all loans and servicing here to support our local community.

We are continuing to work on convenience and automation. In 2024 we plan to go live with an automated loan processing and approval system. The goal is less work for employees and convenience to our members.

Thank you to all our membership for a successful year! We know consumers have many choices; and love that our members choose to support their credit union and keep their money local.

Wishing you much success in 2024!

Respectfully Submitted  
Your Loan Committee

# Statement of Financial Condition 2022

## Assets

Net Loans	\$37,877,922
Cash	\$360,673
Investments	\$14,678,713
Other Assets	\$885,965
Total Assets	\$53,803,003

## Liabilities and Equity

Shares and Deposits	\$49,405,652
Other Liabilities	\$123,052
Regular Reserves	\$653,799
Undivided Earnings	\$3,620,500
Total Liabilities and Equity	\$53,803,003

## Income and Expense

Interest Income	\$1,477,858
Interest Expense	\$2,190
Provision for Loan Loss	\$17,865
Other Operating Income	\$769,492
Operating Expense	\$1,937,107
Gain/Loss on Liquidation of Collateral	\$11,568
Other Non-Operating Income/Expense	\$105
Net Earnings	\$290,293

## Distribution of Net Earnings

Paid to Members	\$42,366
Increase to Undivided Earnings	\$247,927
Net Earnings	\$290,293
Total Members	3731
Total Loans	2031

# Statement of Financial Condition 2023

## Assets

Net Loans	\$37,707,328
Cash	\$2,593,884
Investments	\$10,202,678
Other Assets	\$969,450
Total Assets	\$52,473,340

## Liabilities and Equity

Shares and Deposits	\$47,997,564
Other Liabilities	\$123,387
Regular Reserves	\$653,799
Undivided Earnings	\$3,698,590
Total Liabilities and Equity	\$52,473,340

## Income and Expense

Interest Income	\$2,062,542
Interest Expense	\$344
Provision for Credit Loss	\$182,862
Other Operating Income	\$645,217
Operating Expense	\$2,245,584
Gain/Loss on Liquidation of Collateral	\$2,550
Other Non-Operating Expense	\$0
Net Earnings	\$281,519

## Distribution of Net Earnings

Paid to Members	\$155,641
Increase to Undivided Earnings	\$125,878
Net Earnings	\$281,519
Total Members	3800
Total Loans	2148



**OLYMPIA**  
**CREDIT UNION**

*Embracing the Human Difference*