

**74th Annual Report**

## Making *our* strength *your* strength during challenging times

**WHILE MANY FINANCIAL INSTITUTIONS** breathed a sigh of relief when 2009 passed into history, your credit union took a different view. For us, last year's economic challenges underscored our very reason for being: Putting members first by helping you hang on to more of your hard-earned money. That's exactly what you'd expect from a credit union that was founded during the Great Depression.

We introduced services so families could regain their financial footing when job losses, market downturns, and uncertainty came their way (more about that in a minute). Our not-for-profit business model and conservative, time-tested investment philosophy meant that we were able to continue lending, add new members, and expand free services when our competitors had no choice but to pull back. You might say we "opted out" of the recession! ((1012))

Our regulatory net worth (the key indicator for financial strength among credit unions) remains **nearly double** the 7% benchmark that regulators consider well-capitalized. That strength – created largely through members' own responsible financial habits – allowed us to launch these help-when-you-need-it programs:

- ▶ **Skip-a-Payment.** When money is tight, qualified members can defer monthly payments on select loans without jeopardizing their credit rating. ((49232))
- ▶ **Retirement Central.** We've subscribed on your behalf to this suite of online retirement planning tools that can help you launch a sound savings plan, adapt to life changes, or recover from a setback. ((121690))
- ▶ **Renewed emphasis on financial education.** We've increased our efforts to steer members to BALANCE, our trusted partner for financial planning and counseling. We continue to pay all fees for members to use BALANCE services online and by phone.

These new programs haven't come at the expense of our other popular money-savers. We've maintained our exclusive **7.71% APY\*** dividends on savings and checking balances up to \$750 (when members choose automated deposits and e-Statements). And we still charge NO monthly service fee on checking accounts or loan set-up fees.

In 2009, deposits at your credit union grew by **\$81.8 million**, an increase of nearly **15%** compared with the previous year. In addition, more school employees *and their families* joined the credit union than at any time in our history. ((341578))

The year ahead shows promise of renewed economic vitality across the nation. And you can feel confident knowing your credit union will be right there with you, ready to help you realize your financial goals. We wish you a happy and prosperous 2010.

Sincerely,



Sandra Kurack  
President

\* APY= Annual Percentage Yield.

Some restrictions apply to the services mentioned above. Please call us or visit [www.secuwa.org](http://www.secuwa.org) for details.

### Financial Statement (unaudited) as of Dec. 31, 2009

Loans to members . . . . .	\$ 384,305,719
Long-term investments . . . . .	258,728,623
Cash and short-term investments . . . . .	70,469,850
Accrued earnings . . . . .	2,508,400
Other assets . . . . .	10,329,141
<b>TOTAL ASSETS . . . . .</b>	<b>\$ 726,341,733</b>
Savings . . . . .	\$ 462,658,524
Checking . . . . .	127,163,665
IRAs . . . . .	44,000,961
Total deposits . . . . .	633,823,150
Other liabilities . . . . .	6,874,836
Members' equity . . . . .	85,643,747
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY \$</b>	<b>726,341,733</b>

### Operating Statement for 2009

Interest from loans . . . . .	\$ 23,807,958
Interest from investments . . . . .	5,463,124
Miscellaneous . . . . .	9,050,689
<b>TOTAL INCOME . . . . .</b>	<b>\$ 38,321,771</b>

#### DISTRIBUTION OF INCOME

Total operating expense* . . . . .	\$ 30,282,978
Dividends to members . . . . .	7,549,283
Increase to members' equity . . . . .	489,509

#### STATISTICAL INFORMATION

Number of members . . . . .	78,171
Number of savings accounts . . . . .	86,787
Number of ADDvantage members . . . . .	35,952
Number of IRAs . . . . .	3,542
Number of borrowers . . . . .	54,905
Number of new loans in 2009 . . . . .	7,946
Amount of new loans in 2009 . . . . .	\$ 239,764,247
74-year total of loans . . . . .	\$4,466,569,381
Total loan losses in 74 years . . . . .	\$ 12,021,110
Members' equity . . . . .	\$ 85,643,747

#### \* DETAILS OF OPERATING EXPENSE

Salaries \$10,365,392; Provision for losses \$4,565,413\*\*; Data processing \$2,608,294; Visa expense \$1,361,484; ATM expense \$1,060,496; Loan expense \$770,525; Equipment \$745,512; Building expense \$557,735; Postage \$438,811; Printing and stationery \$375,166; Advertising \$330,981; Checking service fees \$304,209; Administrative expense \$215,554; Office expense \$201,193; Telephone \$172,859; Insurance \$78,211; Contributions \$49,655; Miscellaneous \$6,081,488.

\*\* Net bad debt \$4,565,413 (includes adjustment for allowance for loan losses).

TOTAL OPERATING EXPENSE: \$30,282,978

All expenses are approved by the board of directors and examined by the state.

INFO

**NOTICE OF ANNUAL MEETING:** The 74th annual meeting of members will be held at **10 a.m.** on **Feb. 11, 2010**, at PEMCO Financial Center, 325 Eastlake Ave. East, Seattle, Wash., in the second-floor conference rooms.

INFO

**A FRIENDLY REMINDER:** The Regular Benefit Fund annual assessment of \$9 per Benefit Fund member and Major Benefit Fund annual assessment of \$15 per Benefit Fund member will take place **March 1, 2010**.

Board of Directors	
Borje O. Saxberg <i>Chairman</i>	Richard S. White <i>Vice Chairman</i>
Sandra M. Kurack <i>Secretary-Treasurer</i>	
Brian L. Benzel	Linda S. Cowan
Shirley Liu-Hodgson	Roger A. Reimer
Richard A. Rutkowski	Carl E. Tingelstad
Mary H. Johnson <i>Director Emeritus</i>	

Advisory Committee		
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Dr. Michael Henniger <i>Bellingham</i>	Jason Thompson <i>Pullman</i>	Dale McLaughlin <i>Spokane</i>
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Dr. Rick Jones <i>Poulsbo</i>	Michael Green <i>Woodland</i>	Dr. Nancy Stowell <i>Spokane</i>
Dr. Jean Lane <i>Richland</i>	Dr. Mary Alice Heuschel <i>Renton</i>	

Supervisory Committee	
Carl E. Tingelstad, <i>Chairman</i>	
Peggy Filer	Steve M. Pouley

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