



2021
Annual
Report

true to
our roots

 **first community**
credit union



Our Vision

We are the financial partner
of choice in our communities.

Our Mission

We build lasting partnerships
through personalized
financial solutions.

Our Values

Honesty, Integrity, and Trust

Member Financial Success
and Satisfaction

Community Leadership
and Education

Employee Fulfillment





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Cover: Freshly tilled farmland in Hermiston

Left: Ranches and vineyards cover the rolling hills of Newberg

president's message

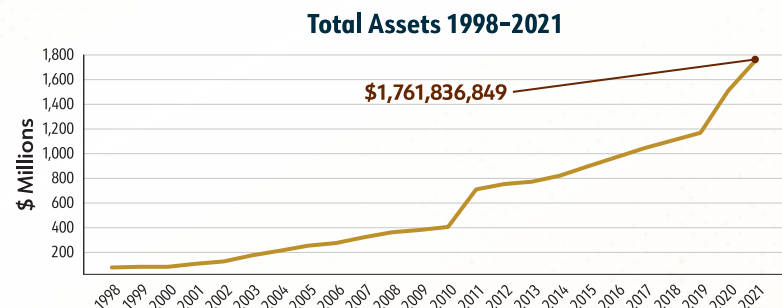


David S. Elmer
President and CEO

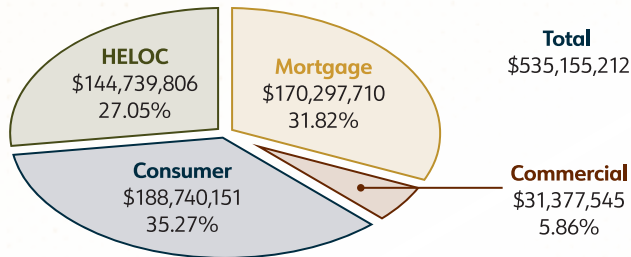
**“The credit union
has a legacy of
growth and financial
strength—and the
results of 2021 added
to that legacy.”**

The economic conditions of 2021 and the prior year have often been described as unprecedented. The description is fitting, with no comparisons in history to the actions taken around the world to prop up the global economy during the COVID-19 pandemic. I am pleased to report that through it all, First Community Credit Union remains financially strong and ready to meet the needs of its membership for years to come.

Some small businesses and individuals struggled under the challenges imposed by the pandemic. Fortunately, First Community was prepared to help. When the shutdown forced successful small businesses to temporarily close, we acted quickly to accommodate their needs in ways that helped them return to profitability without long-term hardship. Individual member needs were likewise met when our team supported members through the evolving landscape of illness, school closures, and employment changes. Those unprecedented times were an opportunity for First Community to demonstrate that *member financial success and satisfaction* is a core value that we live by.



2021 New Loan Originations



The credit union has a legacy of growth and financial strength—and the results of 2021 added to that legacy. Total assets grew by nearly 17% to an all-time high of \$1.76 billion. The year ended with record loan originations of more than \$535 million. Loan quality remained among the best in the nation, with net charge-offs ending the year at 0.036% of loans.

First Community remains committed to rural Oregon. Nearly 80% of our members' deposits are associated with branches in communities with populations of less than 26,000. We maintain our corporate offices in a town of less than 4,000 people. First Community's small-town focus creates jobs with excellent pay and benefits in many of Oregon's outlying areas. No other financial institution has a similar commitment to rural Oregon.

First Community's legacy of growth and success is made possible by the talented and dedicated employees who serve our members day after day. Our team comprises more than 350 women and men from varied backgrounds with the necessary skills and knowledge to help the credit union thrive. On behalf of the First Community team, I wish to offer our gratitude to our members for their continued support and confirm our commitment to your satisfaction and financial success.

Respectfully,

David S. Elmer
President and Chief Executive Officer
First Community Credit Union

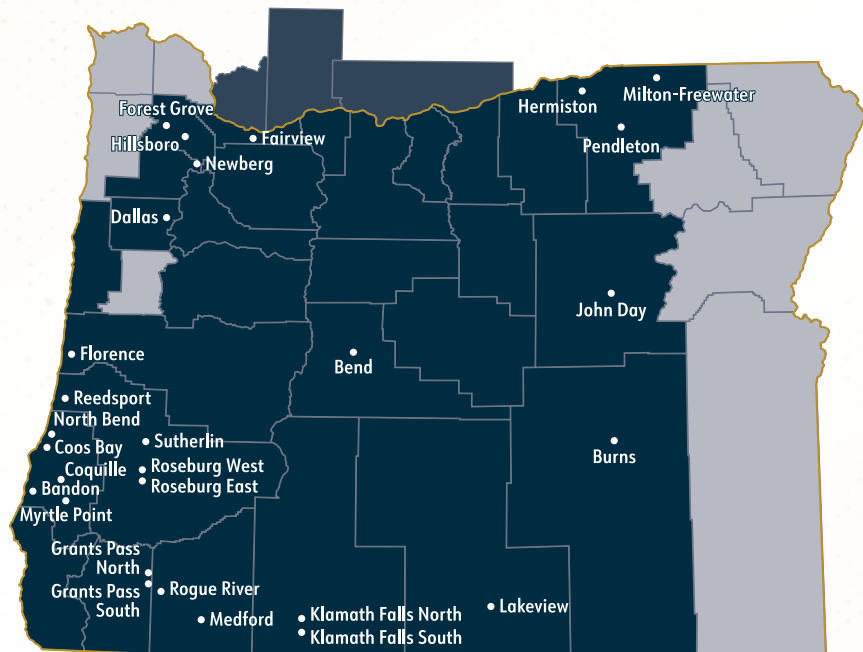




who we are

We are First Community Credit Union, and we have been happily serving Oregonians since 1957. First Community is among the strongest credit unions in the nation—but we have never lost sight of our roots and what makes us who we are: the small, tight-knit communities that we call home.

First Community is not some large nationwide institution based in a far-off city. We are your neighbors. Your morning commutes are our morning commutes, and our kids play where your kids play. We share your pride and connection to this beautiful state, and we are committed to helping you achieve your goals. When you thrive, we thrive.



board of directors

At the center of any successful financial institution is a strong governance model. Board members are elected by credit union members and govern the affairs of the credit union to protect the interests of its members.

The First Community Credit Union Board of Directors sets the vision and the strategy for the credit union's future. The directors' individual views and diverse backgrounds help represent member interests from their geographic regions and various walks of life. Collectively, they provide a unified direction to guide First Community on a path of success and financial strength.



Shaun Hoback
Chairperson
Grants Pass



Robin McAlpin
Vice Chairperson
Canby



Linda Furman Grile
Secretary
Coos Bay



Brian Menefee
Treasurer
Roseburg



June Chadbourne
Midland



Elizabeth Davis
Roseburg



Dennis Erickson
Cornelius



Daniel Gibson
Portland



Steve Mohrland
Pendleton



Gerald Prickett
Myrtle Point



Mary Ellen Robbins
Troutdale



Frank Sproul
Salem



Hall Thomas
Myrtle Point



our members

Personal Banking

For a credit union, membership means ownership. When our members succeed financially, so do we. And as a not-for-profit institution, we are entirely focused on this one principle: *Your success is our success*. This focus drives us to operate on the lowest possible profit margins and to design products and services that cost you less.

Our promise to you is to always put people before profits while ensuring that First Community Credit Union remains financially strong for years to come.

\$170 million

in mortgage loans
granted in 2021

7,464

new accounts
opened in 2021

\$243,630

average new
mortgage loan

87,232

total
members*

*As of December 31, 2021

Personal Banking Member Benefits

- Low fees
 - First Community Credit Union charges less than half as much in fees as other credit unions in the same asset class.
- Low interest rates
 - First Community offers significantly lower loan rates than other credit unions in the same asset class.
- Mortgage loans
- Home equity lines of credit
 - Local loan servicing, always
 - Competitive rates, low fees, and flexible terms
- New- and used-vehicle loans
 - Preapproved vehicle financing
 - Up to 100% financing on new and used vehicles
 - Financing for RVs, boats, ATVs, motorcycles, and travel trailers
- Debit and credit cards
- Free checking and savings accounts
- Diverse insurance options through an in-house, non-commission agency

62,791

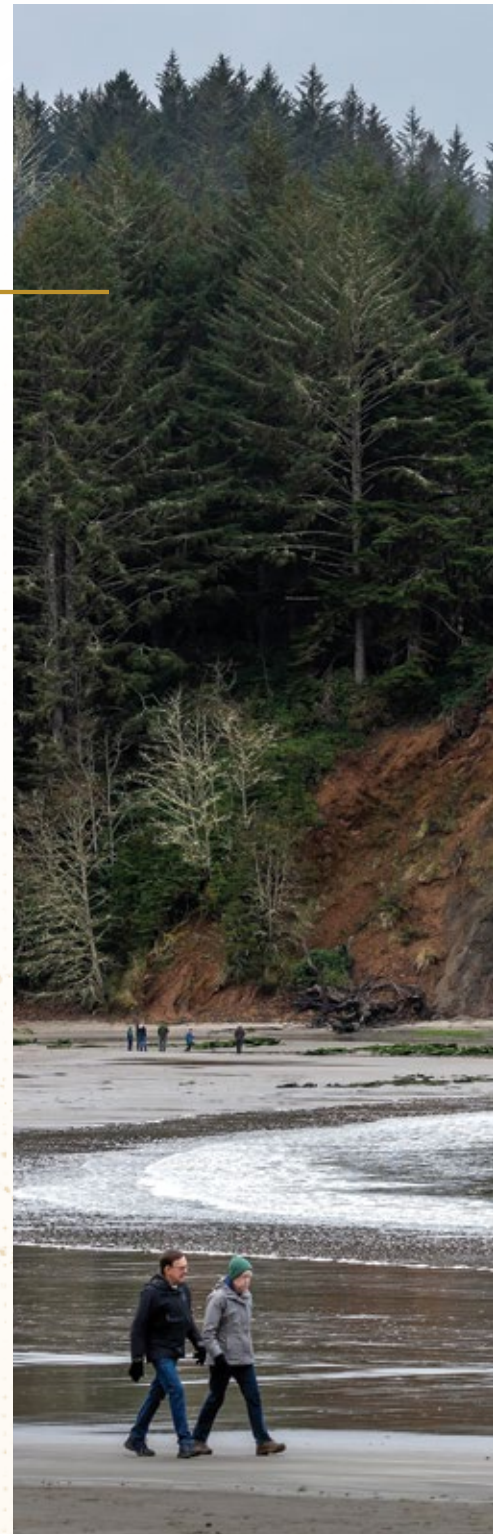
total checking
accounts*

\$8,000

average account
balance*

39,555

online banking
users*



Coquille expansion

1957

open for business
in Coquille

12

founding charter
members

\$60

initial
deposits

2006

current Coquille
branch built

As First Community Credit Union continues to grow, so too do our capabilities to serve our members. Most recently, this has taken the form of an expansion of our corporate headquarters and branch in Coquille.

The current Coquille location was built in 2006 and included a branch, a corporate office, room for nine different departments, and rental space. As First Community continued to expand services for our members, however, our need for more complex technologies expanded, as well. In 2019 a substantial addition to the original Coquille building began, and 17,000 square feet were added to house a state-of-the-art data center and a large workspace for programmers, mortgage and commercial lending staff, human resources staff, and operational staff who support the entire credit union.

For First Community, investing in Coquille is a callback to our roots. We opened our first branch in Coquille after 12 charter members with \$60 in deposits founded the credit union in 1957. From the beginning we have been committed to helping communities thrive. Our members are our neighbors, and always have been, and we're proud to invest in the future of Coquille.

Construction on the Coquille branch addition is still under way; when complete it will house 16 different departments, as well as space for more than 100 employees who support all First Community members and branches.





2019

expansion
begins

17,000

square feet
added

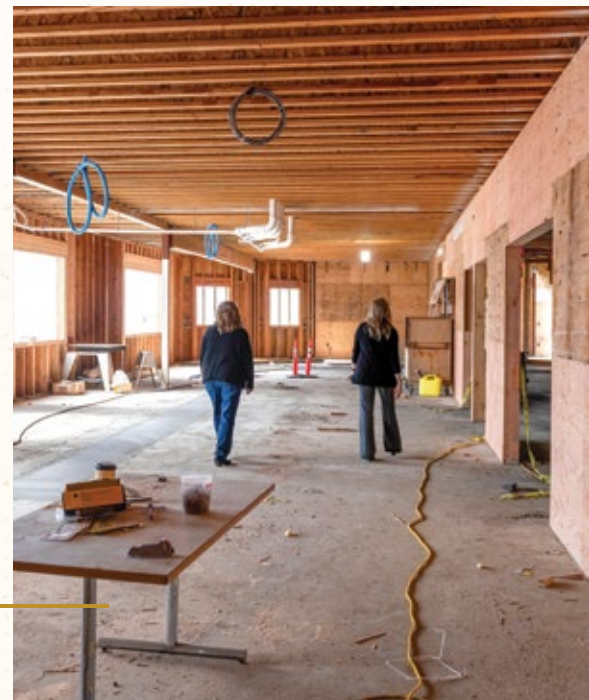
16

different
departments

100+

credit union
employees

“The city of Coquille is part of our history and legacy. Many long-term employees work here to support our large branch network throughout Oregon. Expanding here is a tribute to the community, our membership, and our team. We are grateful for the support we have received in Coquille and acknowledge that it has contributed to our growth and success for more than 60 years.” –David Elmer





our members

Business Banking

First Community Credit Union is proud to partner with and work alongside business owners and corporations large and small, helping them achieve their financial goals. We offer a variety of business services and solutions to our members, including payroll services and lower-than-average loan rates, and are a qualified public depository for government entities in the state of Oregon.

A Diverse Membership

Industries in which First Community members work:

- Agriculture/farming
- Arts and entertainment
- Aviation
- Fishing and shipping vessels
- Food and beverage
- Healthcare
- Hospitality
- Landscaping
- Livestock
- Real estate
- Retail
- Timber
- Trucking
- Wood manufacturing



Loan Types Available for Business Banking Accounts

- Agriculture and land
- Business chattel
- Business operating line of credit
- Business revolving line of credit
- Commercial construction and development
- Commercial real estate
- Letters of credit
- USDA guaranteed

Business Banking Member Benefits

- Merchant services
 - Increase revenue and cash flow for your business with electronic payments
 - Process standard credit and debit cards and maintain direct links with electronic funds transfer networks nationwide
- Business loans
 - No prepayment penalties
- Business credit cards
- Business checking and business money market savings accounts
 - Earn a higher monthly interest rate and still easily access your funds
- Remote deposit capture
- Payroll origination
- Vendor pay
- Collect pay



**"People are in it for an experience.
They're not just looking for a loan or an
account. Giving it that personal touch
and ensuring that our members enjoy
the experience is what I strive for."**

—Esther Frank



Esther is proud to be an active member of the vibrant community of Newberg.

Esther Frank

Vice President of Commercial Lending • Newberg

Esther Frank is a self-described “people person.” As the vice president of commercial lending, Esther loves the fact that her job allows her to get to know our members.

“I’m someone who is extremely curious, and I’m empowered in my position to ask questions and to get to know our members better,” she says. “My job allows me to enter into someone’s story and to really design an outcome in a way that’s more than just a loan decision.”

In her 17 years at First Community Credit Union, Esther has held the positions of consumer loan officer, home equity lender, new accounts clerk, branch supervisor, and branch manager. She values each of these roles for having allowed her to be an advocate for First Community members and the greater community, but she’s developed a particular passion for working with small business owners.

“I’ve loved the opportunity I’ve had to counsel young entrepreneurs,” says Esther. “When you’re talking with someone about their business, that’s their blood, sweat, and tears. You want to create a space where someone can talk about their struggles but can also celebrate their victories.”

Esther says that she has felt motivated and encouraged to grow in her job from her first day in 2005. “I think what makes First Community different is that we really promote a sense of empowerment. You can go as far in your career as you want to. From the moment I started with First Community, it was apparent that they were willing to teach me along the way. We promote performers, and we recognize the achievements of people who want to grow.”

Being an advocate for members of her community is a natural by-product of Esther’s interests. As an active member of the Rotary Club in Newberg as well as the Community Wellness Collective, a local mental health support organization, Esther is passionate about helping the citizens of Newberg thrive.

“Someone called me a ‘salesperson’ once, and it struck me as funny. It wasn’t untrue, but I don’t really see myself that way,” says Esther. “I see myself as an advocate and a solution finder. I feel so fortunate that in these different areas of my life I’ve been able to speak into others’ lives in a way that is truly meaningful.”



our employees

First Community Credit Union has always been about people. We are proud to hire and invest in the most talented individuals in the communities we serve. We are committed to offering our employees rewarding careers, meaningful benefits, and plentiful opportunities for advancement.

350

total
employees

81

new employees
in 2021

26

Oregon
communities served

0

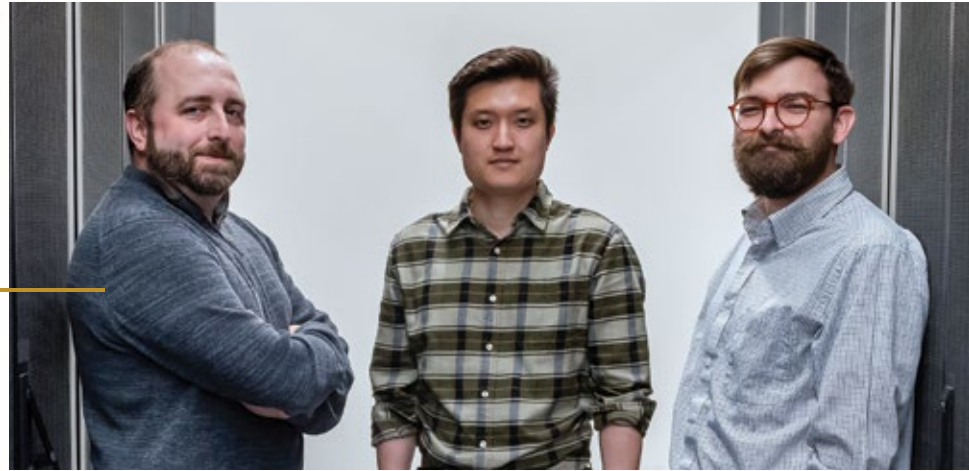
layoffs
—ever

Top: Hermiston Branch Manager Trish Witham reviews deposit records with Teller Rebecca Salverda.

Bottom: Senior Financial Service Representative Julie Toney helps customers in Coos Bay.

Key Employee Benefits

- Competitive wages
- Annual bonus and incentive plan
- 100% employer-paid medical and dental insurance
- Generous personal, vacation, and sick days
- Wellness and fitness reimbursement
- Tuition reimbursement
- Paid volunteer leave
- “Jeans every day” policy



Top: Senior Vice President of eBanking and Development Kevin Isley, Junior Front-End Web Developer Duy Bui, and Coquille Website Development Manager Ryne Hamman help keep online services running smoothly.

Bottom: North Bend Financial Service Representative Alicia Henry and her mother, Coquille Facilities Custodian Tera Martinez, enjoy their workplace connection.

Trish Witham

Assistant Vice President and Branch Manager • Hermiston

As a mother, grandmother, and active member of her community, Trish Witham lives a life centered on family, which is one reason why she appreciates her position at First Community Credit Union.

"We're a family—all the way from the top down," Trish says. "The atmosphere around here is that the door is always open, and that's how it is from the branch managers to the CEO."

Born and raised in Washington before moving to Hermiston in 2004, Trish has been with First Community for 18 years, having started her career as a teller. Since then she has worked as a financial services representative, a branch supervisor, and most recently the assistant vice president and manager of the Hermiston branch.

The fact that First Community encourages a culture of community service is something that Trish believes distinguishes it from large banks: "A credit union is pretty different from a large bank because of the fact that we're very family oriented. First Community goes above and beyond to get to know their members. Our members come through our door, and we already know that they're going to put a certain amount of money in their checking account and take a certain amount out."

Trish says that part of what makes First Community trusted in a tight-knit community like Hermiston is the fact that we have so many long-tenured staff. Members trust First Community employees because they're a familiar face.

"Our members know that if they come in and ask questions, they're going to get a solid answer and that we have their best interests at heart," she says.

For Trish humility and a willingness to grow have been essential pillars of her journey in leadership at First Community and have led to a rewarding career.

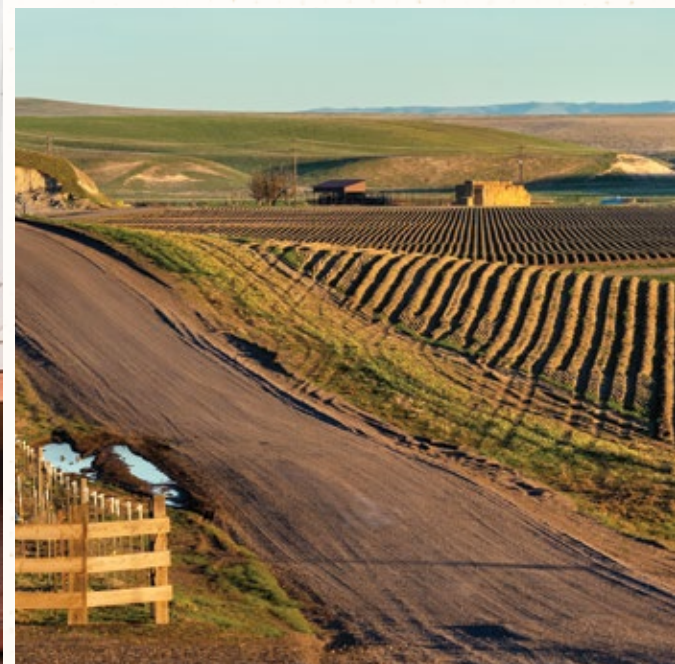
"So much of what I do at the credit union and as a manager is listening," she says. "Good leaders truly listen. Sometimes people just want to be validated. They don't necessarily want you to come up with an instant answer; they want to work together to come up with a solution. I think one of the main things I've learned is to let people be part of the solution."

"I didn't realize before I worked here that so much of being part of a credit union is educating people about their finances. It's fun to watch the community grow."

—Trish Witham



Trish pays a visit to a local favorite, Wildcat Baristas & Brew.





community involvement

At First Community Credit Union, we aspire to always put people before profits. We are deeply rooted in the communities we serve, and we seek to support not only our individual members but also the businesses and organizations they own and frequent. In 2021 we were proud to donate more than \$360,000 to local causes. Here are three highlights of our community involvement in 2021.

Funland

First Community is proud to have been a key sponsor of the rebuild of Funland Playground in Hermiston. Destroyed twice by two separate fires, Funland is a pillar of the Hermiston community, who in 2020 banded together to rebuild it bigger and better than ever. The new Funland had its grand reopening on July 4, 2021, and is one of the largest, most engaging, and most inclusive destination playgrounds in the Pacific Northwest.

Funland offers many features specifically designed for children with ability challenges and is constructed with the most durable and vandal-resistant materials. Its three thematic zones are Wild West, Adventure, and Farmland.



Top: Kids celebrate the grand reopening of Funland.

Bottom: Farmland features Hermiston's famous watermelon.



- 22 scholarships of \$3,000 each were awarded to graduating high school seniors or returning college students

Donations of \$10,000 or More

- A Family Place Relief Nursery of Yamhill County · Newberg
- Funland Playground · Hermiston
- Hearts with a Mission Fun Run · Josephine and Jackson Counties
- Lake County Round-Up · Lakeview
- Mingus Park Pool · Coos Bay
- PlayEast Youth Recreation · Fairview
- Rogue Valley Boys and Girls Club
- 4-H/FFA Youth Auctions · Coos, Klamath, Josephine, Lake, Grant, Harney, and Umatilla Counties

Donations under \$10,000

- American Legion Post · Flag Service
- Asante Foundation
- Bandon Chamber of Commerce
- Bandon Cranberry Festival
- Bandon Project Graduation 2019
- Bandon Rotary
- Bandon Youth Basketball
- Bay Area Chamber of Commerce
- Bay Area Kiwanis
- Bend Chamber
- Bend Mountain View High School Dance Team
- Bend Mountain View Baseball
- Bend Rotary Clubs · The Great Drake Park Duck Race
- Blue Mountain Community College Cruisin' for Scholarship
- Boy Scouts of America
- Buckaroo Baseball Club
- Burns Corbett Field Renovation Committee
- Burns Hi-Desert Swim Team
- Burns Kiwanis
- Burns Music Festival
- Cascade Christian Baseball
- Charleston Fishing Families
- Charleston Salmon Run
- Chehalem Valley Chamber of Commerce
- Christmas in Coquille
- City of Fairview
- City of Pendleton
- Colonel Wright Elementary School Robotics Club
- Coos Bay Coast League All Stars
- Coos Bay/North Bend Rotary · Gift of Literacy Project
- Coos County Fair and Rodeo
- Coos County Friends of Public Health
- Coos County Sheriff
- Coos County Youth Sports
- Coos Watershed Association
- Coquille Booster Club
- Coquille Chamber of Commerce
- Coquille Christian Community Church · School Supply Giveaway
- Coquille Community Swimming Pool
- Coquille DevilCats Mat Club
- Coquille Elementary School
- Coquille Fire and Rescue
- Coquille High School
- Coquille Les Schwab Toy Drive
- Coquille Rotary
- Coquille Valley Elks Lodge
- Coquille Watershed Association
- Cottage Grove Rotary
- Creswell Chamber of Commerce
- Creswell Clubhouse
- Creswell High School
- Creswell Senior Grad Night Party
- Dallas Chamber of Commerce
- Dallas Old Guard Riders
- Dennis Bennett Golf Tournament
- Department of Community Corrections · Hillsboro
- Deschutes County 4-H
- Domestic Violence Services · Pendleton
- Douglas High School Athletics
- Eugene Rotary Charitable Trust
- Florence Chamber of Commerce
- Florence Kiwanis
- Florence Rotary
- Forest Grove Chamber of Commerce
- Forest Grove Lions Club
- Founders Scholarship
- Gardiner-Reedsport Lions
- Gaston Jerseys
- Glendale High School Baseball
- Glide Booster Club
- Grant County 4-H Youth Livestock Auction
- Grant County Fair
- Grants Pass Active Club
- Grants Pass Fast Pitch
- Grants Pass High School Athletic Booster Club
- Grants Pass High School Band

A Family Place

First Community is proud to partner with local organizations like A Family Place in Newberg. A Family Place supports at-risk families by offering free professional home visits, parent education, and a specialized preschool for children up to age five.



Donations under \$10,000 *continued*

- Grants Pass High School Cheer
- Grants Pass High School Equestrian
- Grants Pass High School PE
- Grants Pass Kiwanis
- Grants Pass Manzanita Elementary
- Grants Pass Rotary
- Grants Pass South Middle School PTSA
- Gresham Senior All Night Party
- Habitat for Humanity
- Harney County Chamber of Commerce
- Harney County Fair
- Harney County Fair Team Branding
- Harney County Ranch Rodeo
- Harney County Senior and Community Services
- Harney Hospital Foundation
- Harney Partners for Kids and Families
- Hermiston ASA Softball
- Hermiston Chamber of Commerce
- Hermiston Education Foundation
- Hidden Valley Booster Club Golf Tournament
- Hi-Desert Swim Team · Burns
- Hillsboro Chamber of Commerce
- Hillsboro Rotary
- Hillsboro Tuesday Night Market
- Illinois Valley 4-H and FFA
- Illinois Valley Chamber of Commerce
- Illinois Valley High School
- Illinois Valley Lions
- Illinois Valley Little League
- Intermountain Education Service District
- Intermountain High School Rodeo Team
- Irrigon Elementary School · Hermiston
- Irish Days Wee Leprechaun
- Jackson County Sportsmen's and Outdoor Recreation Show
- Josephine County Chamber of Commerce
- Josephine County Fair
- Josephine County Food Bank
- Josephine County Library
- Josephine County Young Farmers
- Kids' HOPE Center
- Klamath Basin Potato Festival
- Klamath County Chamber of Commerce
- Klamath County Livestock Stockyard
- Klamath Falls Rotary
- Lane County Boys and Girls Club
- Last Resort Players
- Linfield College
- Lions Labor Day Softball Tournament
- Local Food Banks
- Main Street Cowboys
- Marshfield High School Athletics
- Marshfield High School Booster Club
- Marshfield High School Seniors
- McCaslin Rodeo
- Medford Chamber of Commerce
- Medford South's Golf Tournament
- Medford Water Polo Club
- Milton-Freewater American Legion
- Milton-Freewater Library
- Miss Douglas County Scholarship Program
- Miss Lane County Scholarship Program
- Miss Rogue River Scholarship Program
- MLA K-8 Public Charter School
- Multisensory Learning Academy · Fairview
- Myrtle Point Chamber of Commerce
- Myrtle Point Football
- Myrtle Point Junior High Cross Country
- Myrtle Point Mat Club
- Myrtle Point Rotary
- Myrtle Point Senior Center
- Myrtle Point Youth Sports
- Myrtle Point Youth Sports Banner Sponsorship
- Newberg Cystic Fibrosis Market
- Newberg Library Reading Contest
- Newberg Rotary
- North Bend High School
- North Bend Public Library
- North Valley High School
- Northwest Credit Union Association
- Oakland Community Theater
- Oakland High School
- Oakland Quilt Show

Mingus Park Pool

For more than 18 years, Mingus Park Pool has provided free swim lessons in conjunction with the Coos Bay School District as part of the spring end-of-school celebration. But due to COVID-19 and many schools being online, the lessons had to be canceled. The \$20,000 donation from First Community was to provide free swim lessons during the summer months to the community.



- Oakland Youth Baseball
- Old Guard Riders Easter Basket Run
- Operation Backpack
- Oregon Coast Community Action
- Oregon Coast Historical Railway
- Oregon Police Canine Association
- Oregon Wild Softball
- Pathways to STEM · Klamath Falls
- Pendleton Buckaroo Booster Club
- Pendleton Center for the Arts
- Pendleton Chamber of Commerce
- Pendleton Friends of the Library
- Pendleton Helix Booster Club
- Pendleton High School
- Pendleton Roundup Association
- Pendleton United Way of the Blue Mountains Golf Tournament
- Pilot Rock Baseball
- Pilot Rock Senior Parents
- Polk County Relay for Life
- PRA Junior Fan Club · Roseburg
- Redwood Safety Association
- Reedsport Booster Club
- Reedsport Chainsaw Carving
- Reedsport Chamber of Commerce
- Reedsport Memorial Day Parade
- Reedsport/Winchester Bay Chamber of Commerce

- Rhody Run · Florence
- RHS Athletic Booster Club
- Rogue River Chamber of Commerce
- Rogue River Chieftain Booster Club
- Rogue River Rooster Crow
- Rogue River School District
- Rogue Valley Boys and Girls Club
- Rogue Valley Rough Stock Rodeo
- Roseburg Annual Benefit Car Show
- Roseburg Chamber of Commerce
- Roseburg High School Girls Basketball
- Roseburg Public Schools
- Roseburg Rat Rod Round-Up
- Roseburg Rotary
- Rotary Club of Newberg
- Rotary First Crush Sponsor
- Rotary Porchfest
- Sawdust Theatre
- Share the Warmth · Lake County
- Shrine Club
- Siuslaw High School
- Sleep in Heavenly Peace
- South Coast Cruisers
- South Coast Holiday Basketball Tournament
- Southern Douglas County Babe Ruth League
- Southern Oregon Corvette Association
- Southwestern Oregon Community College · Men's Basketball

- Spelling Bee · North Bend
- Sutherlin Blackberry Festival
- Sutherlin Chamber of Commerce
- Sutherlin High School Wrestling
- Sutherlin Lions Club
- Sutherlin Stampede Rodeo Association
- The Create Center
- The Dalles Chamber of Commerce
- The Dalles Little League
- Thin Blue Line
- UCC Women's Basketball
- Umatilla and Morrow Domestic Violence Services
- Umatilla County 4-H
- Umatilla County Fair
- Umpqua United Soccer Club
- Umpqua Valley Christian Schools
- Veterans of Foreign Wars
- Visitation Catholic School
- Wapato Showdown
- Washington County 4-H
- West Columbia Gorge Chamber of Commerce
- Weston-McEwen High School
- Wild Rogue Pro Rodeo Court
- Wreaths Across America

supervisory committee

The Supervisory Committee oversees and relies on the work of qualified internal and external auditors to independently evaluate and monitor First Community's operations. The committee ensures that management implements sound internal controls and maintains practices and procedures that adhere to generally accepted accounting principles. In so doing, these are their primary responsibilities:

- Protecting credit union members' funds and interests
- Safeguarding credit union assets
- Fully complying with regulations, policies, and procedures
- Maintaining reliable and accurate financial records



Hall Thomas
Chairperson
Myrtle Point



Joseph Deutz
Pilot Rock



Julie Hargraves
Roseburg



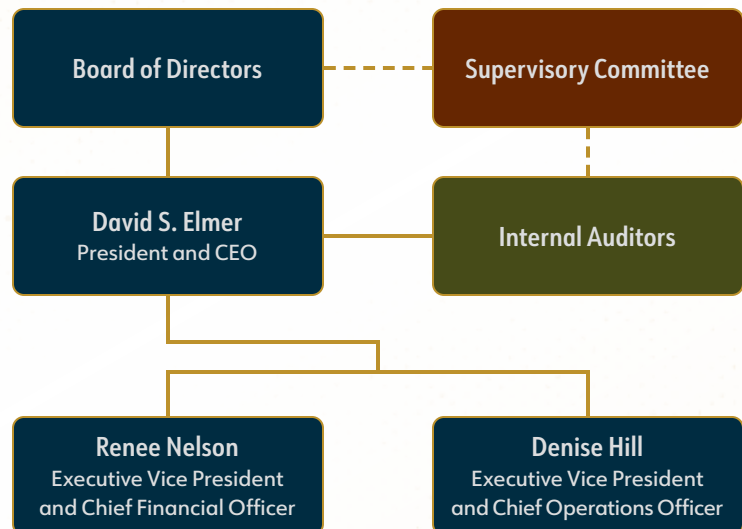
Greg Holden
Pendleton



Carl Olson Jr.
Grants Pass



Chris Pendleton
Grants Pass



supervisory committee report

The Supervisory Committee is organized in accordance with the Oregon Credit Union Act and the bylaws of First Community Credit Union. The committee fulfills an essential role in ensuring the safety and soundness of the credit union with the help of internal and external auditors. The committee is formed from the membership and appointed by the Board of Directors.

The committee meets regularly with the Board of Directors, participates in annual planning activities, and communicates directly with internal and external auditors. Each quarter the committee holds its meetings and receives reports from the credit union's full-time internal auditors and risk management team. Annually, the committee engages with a qualified public accounting firm to ensure that a comprehensive and independent external audit is performed. The work of the internal and external auditors provides the committee with important information to enable them to carry out their required oversight.

Summary of the 2021 Financial Audit

The committee contracted with Moss Adams LLP to conduct an audit of the credit union's consolidated financial statements for the fiscal year ended September 30, 2021. In conducting their work, Moss Adams auditors considered the credit union's internal controls to identify the most appropriate audit procedures. Audit activities included the review of qualitative aspects of accounting practices as well as sensitive estimates made by credit union management. Member loan and share account confirmations as of September 30, 2021, were also included as part of the audit.

continued on page 26



continued from page 25

Moss Adams identified no material weaknesses in credit union management's practices and issued its opinion that the consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. The letter summarizing its report is shown at right.

The committee is pleased to notify the membership that First Community Credit Union is being managed in accordance with generally accepted accounting principles and looks forward to continued cooperation with the Board of Directors and credit union management in the coming year.

Respectfully,



Hall Thomas
Chair
Supervisory Committee

independent auditor's report

*To the Board of Directors and Supervisory
Committee · First Community Credit Union
and Subsidiary*

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of First Community Credit Union and Subsidiary, which comprise the consolidated statements of financial condition as of September 30, 2021 and 2020, and the related consolidated statements of income and comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of First Community Credit Union and Subsidiary as of September 30, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Moss Adams LLP
Portland, Oregon
February 15, 2022



2021 financial statements



consolidated statement of financial condition

	September 30, 2021	September 30, 2020
Assets		
Cash and cash equivalents	\$ 369,324,662	\$ 295,917,204
Investments	411,751,740	267,023,507
Loans receivable, net	850,014,725	803,183,103
Accrued interest receivable	2,340,040	2,445,949
National Credit Union Share Insurance Fund	12,802,885	9,940,603
Property and equipment, net	57,696,412	55,300,605
Goodwill and other intangibles	15,481,323	15,654,549
Other assets	8,372,456	11,673,944
Total assets	<u>\$ 1,727,784,243</u>	<u>\$ 1,461,139,464</u>
Liabilities		
Members' shares	\$ 1,570,750,801	\$ 1,314,353,029
Accrued expenses and other liabilities	5,849,423	5,986,233
Total liabilities	1,576,600,224	1,320,339,262
Members' Equity		
Undivided earnings	120,955,474	110,217,831
Equity acquired in merger	22,900,000	22,900,000
Regular reserves	7,561,911	7,561,911
Accumulated comprehensive income	-233,366	120,460
Total members' equity	151,184,019	140,800,202
Total liabilities and members' equity	<u>\$ 1,727,784,243</u>	<u>\$ 1,461,139,464</u>

consolidated statement of income

	<i>September 30, 2021</i>	<i>September 30, 2020</i>
Interest Income		
Loans receivable	\$ 28,560,018	\$ 31,160,200
Investments	3,799,811	5,002,913
Total interest income	32,359,829	36,163,113
Interest Expense		
Dividends on members' shares	961,850	1,784,081
Net Interest Income	31,397,979	34,379,032
Provision for Loan Losses	(41,057)	849,230
Net Interest After Provision for Loan Losses	31,439,036	33,529,802
Noninterest Income		
Service charges and fees	13,252,244	11,779,995
Mortgage and servicing	5,409,807	3,746,335
Total noninterest income	18,662,051	15,526,330
Noninterest Expense		
Compensation and benefits	25,571,312	22,806,098
General and administrative	13,792,132	13,250,383
Total noninterest expense	39,363,444	36,056,481
Net Income	\$ 10,737,643	\$ 12,999,651

consolidated statement of cash flows

	September 30, 2021	September 30, 2020
Cash Flows from Operating Activities		
Net income	\$ 10,737,643	\$ 12,999,651
Reconciliation Adjustments		
Depreciation and amortization	1,824,920	1,347,364
Activities from loans held for sale	9,509,923	(931,206)
Changes in other assets and liabilities	(1,821,071)	(1,542,271)
Other activities	(4,677,683)	(2,286,141)
Net cash from operating activities	15,573,732	9,587,397
Cash Flows from Investing Activities		
Property and equipment acquisitions	(4,476,333)	(16,462,445)
Net increase investment purchases	(145,018,060)	(49,104,460)
Net increase in loans receivables	(47,043,892)	(18,735,956)
Other activities	(2,025,761)	(64,869)
Cash acquired in branch acquisition	-	80,997,514
Net cash used by investing activities	(198,564,046)	(3,370,216)
Cash Flows from Financing Activities		
Net increase in members' shares	\$ 256,397,772	\$ 184,968,325
Net Change in Cash and Cash Equivalents	\$ 73,407,458	\$ 191,185,506
Cash and Cash Equivalents, Beginning of Year	\$ 295,917,204	\$ 104,731,698
Cash and Cash Equivalents, End of Year	\$ 369,324,662	\$ 295,917,204
Supplement Disclosure of Cash Flow		
Dividends paid on members' shares	\$ 961,850	\$ 1,784,081
Supplemental Disclosure of Noncash Investing/Financing		
Unrealized gain on available-for-sale securities	\$ (353,826)	\$ 44,500
Assets acquired in acquisition at fair value	\$ -	\$ 94,228,969
Liabilities assumed in acquisition at fair value	\$ -	\$ 99,937,969

members' equity

First Community Credit Union is subject to various regulatory capital requirements administered by the National Credit Union Association (NCUA). Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by the regulators that, if undertaken, could have a direct material effect on First Community's consolidated financial statements.

As of September 30, 2021, the NCUA categorized First Community Credit Union as "well capitalized" under the regulatory framework for prompt corrective action.

First Community's actual capital amounts and ratios in accordance with regulatory requirements are presented in the following table.

	<i>September 30, 2021</i>		<i>September 30, 2020</i>	
	Amount	Ratio Requirement	Amount	Ratio Requirement
Amount needed to be classified as "adequately capitalized"	\$ 97,734,619	6.00%	\$ 77,027,521	6.00%
Amount needed to be classified as "well capitalized"	\$ 114,023,723	7.00%	\$ 89,865,441	7.00%
Regulatory net worth (prompt corrective action)	\$ 155,341,135	11.26%	\$ 144,603,492	11.26%

In accordance with NCUA regulations, First Community has used its trailing four-quarter average assets to calculate the capital ratio requirement for the years ended September 30, 2021, and September 30, 2020.

loans receivable, net

First Community Credit Union has several classes of consumer loans that carry distinct credit risks. Loan delinquency is a common credit quality indicator that First Community monitors and uses when evaluating the adequacy of the allowance for loan losses for the consumer portfolio segment.

The following table presents the outstanding balances from each class within the consumer portfolio by delinquency status as of September 30, 2021, and September 30, 2020.

	<i>Days Past Due</i>				
	Current or 0-29	30-59	60-89	90+ Nonaccrual	Total
September 20, 2021					
Consumer real estate secured	\$ 385,770,346	\$ 87,722	\$ 328,186	\$ 110,876	\$ 386,297,130
Vehicle loans	233,814,534	215,078	20,315	90,645	234,140,572
Other consumer loans	87,157,657	229,135	16,857	2,639	87,406,288
Total consumer	<u>\$ 706,742,537</u>	<u>\$ 531,935</u>	<u>\$ 365,358</u>	<u>\$ 204,160</u>	<u>\$ 707,843,990</u>
September 30, 2020					
Consumer real estate secured	\$ 340,992,930	\$ 59,945	\$ 393,496	\$ 152,543	\$ 341,598,914
Vehicle loans	224,688,415	216,023	62,187	20,288	224,986,913
Other consumer loans	81,043,606	103,295	23,011	1,571	81,171,483
Total consumer	<u>\$ 646,724,951</u>	<u>\$ 379,263</u>	<u>\$ 478,694</u>	<u>\$ 174,402</u>	<u>\$ 647,757,310</u>

There were no consumer loans over 90 days past due and accruing interest as of September 30, 2021, and September 30, 2020.

branch directory

Bandon

75 12th St. SE
541.347.3521
Walk-up ATM

Bend

62080 NE Dean Swift Rd.
Suite 180
541.382.7280
Drive-up ATM

Burns

524 W Monroe St.
541.573.3533
Walk-up ATM

Coos Bay

150 E Johnson Ave.
541.267.5115
Walk-up ATM

Coquille

200 N Adams St.
541.396.2145
Drive-up ATM

Dallas

372 E Ellendale Ave.
503.831.3331
Drive-up ATM

Fairview

1531 NE Park Ln.
503.492.8976
Walk-up ATM

Florence

2077 Highway 101
541.902.9599
Drive-up ATM

Forest Grove

3924 Pacific Ave.
503.992.1768
Drive-up ATM

Grants Pass North

108 NE Savage St.
541.479.2601
Walk-up ATM

Grants Pass South

1551 Harbeck Rd.
541.479.2601
Drive-up ATM

Hermiston

925 SE 4th St.
541.567.8077
Drive-up ATM

Hillsboro

434 SE Washington St.
503.648.8642
Walk-up ATM

John Day

150 W Main St.
541.575.5950
Walk-up ATM

Klamath Falls North

3737 Shasta Way
541.884.8387
Drive-up ATM

Klamath Falls South

3808 Brooke Dr.
541.880.5380
Drive-up ATM

Lakeview

1 South E St
541.947.6701
Walk-up ATM

Medford

1380 Biddle Rd.
541.282.7700
Walk-up ATM

Milton-Freewater

151 S Columbia St.
541.938.2929
Drive-up ATM

Myrtle Point

710 8th St.
541.572.2301
Drive-up ATM

Newberg

115 N Howard St.
503.538.4620
Drive-up ATM

North Bend

2002 Inland Dr.
541.756.5415
Drive-up ATM
Walk-up ATM inside

Pendleton

705 SW Emigrant Ave.
541.276.4876
Drive-up ATM

Reedsport

1330 Highway 101 S.
541.271.2145
Drive-up ATM

Rogue River

595 E Main St.
541.582.0561
Drive-up ATM

Roseburg East

1771 NE Stephens St.
541.673.6613
Drive-up ATM

Roseburg West

1960 W Harvard Ave.
541.957.9099
Drive-up ATM

Sutherlin

624 E Central Ave.
541.459.5444
Drive-up ATM





 **first community**
credit union

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