



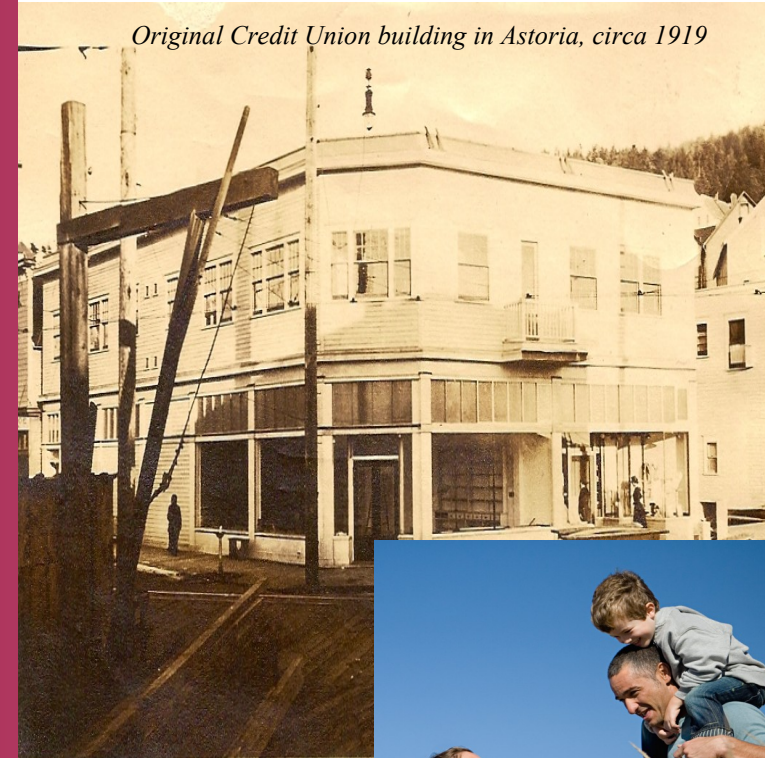
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waunafcu.org**

Astoria	Clatskanie
St Helens	Scappoose
Vernonia	Warrenton



**Wauna Federal
Credit Union**
Own the Difference



Original Credit Union building in Astoria, circa 1919

***Celebrating our
History...***



...and our Future.

44th Annual Report



**Wauna Federal
Credit Union**
Own the Difference

Claude E. Weaver



Claude Weaver

Our Board of Directors are responsible for making decisions for the good of the membership. On their behalf, as Chairman, I would like to thank all of you for giving us that responsibility to ensure the Credit Union is operating in a safe and sound manner.

The Credit Union is staying on the cutting edge of all the new technologies that are available. I feel the decisions being made for 2011 will set goals high enough to keep the Credit Union running at high standards for the best interest of our members.

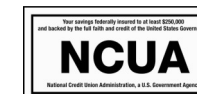
We are volunteers and have established high marks for our CEO and his team to carry out, and we are pleased to report that our CEO has done a very good job and that is why we have been doing so well even though the economy for the last two years has been bad.

I have been on the Board of Directors since 1999, six of those years as Chairman; I am very proud of the rest of the board for their input and teamwork to improve the things we can for our members. I have been honored to serve on the Board of Directors and I appreciate all of the support I have received from these dedicated individuals during the last 12 years. I feel we have accomplished a lot during the past three years.



Highlights & Milestones from 2010

- Opened our first in-store facility, the new Astoria Safeway Branch, to provide greater convenience to members as they shop
- Opened our new Scappoose Branch, the first registered LEED-certified (Leadership for Energy and Environmental Design) building in Columbia County
- Introduced a new weatherization loan program to assist members' plans to improve their energy-efficiency goals
- Introduced a new Insurance Services program that provides members with price comparisons for auto, home, health, and life insurance
- Supported our communities with monetary and in-kind donations to organizations and activities designed to improve our communities
- Awarded \$6,000 in scholarships to members pursuing higher education to help contribute more to their communities



Report of the Chair of the Supervisory Committee



Clayton Patrick

The Supervisory Committee, comprised of volunteer officials appointed by the Board of Directors, is responsible for the examination of the records and accounts of the Credit Union. This includes overseeing the verification of members' accounts, a project that was completed March 2010.

The primary duties of the Supervisory Committee are to ensure adequate internal controls are in place at the Credit Union and to oversee the annual audit performed by the Certified Public Accountant. The auditing firm of Larson Allen was retained for this service, completing the third year of a three-year contract for these services. After a thorough review which, included a formal *Request For Proposal* process, the Supervisory Committee has again selected Larson Allen to perform the auditing services for another three years.

In another move to further strengthen the internal controls at the Credit Union, the Supervisory Committee approved the hiring of a full-time Internal Auditor effective October 2010. The Internal Auditor reports directly to the Committee for audit-related issues and reports to the CEO for Administrative issues. This allows for independence between the Credit Union, the CEO, and the Supervisory Committee.

The Supervisory Committee and the Internal Auditor review the Credit Union to determine the risk assessment of each department and their individual components. This allows for an annual audit program to be designed and implemented, which addresses the areas of greatest risk to the Credit Union.

The Supervisory Committee recognizes its volunteers, the Credit Union staff, the Internal Auditor, and the membership that have provided their time and assistance during 2010.



We are pleased to report our Credit Union continues to build substantial value for our members in spite of a struggling economy. We continue to be a popular choice for local residents seeking value for their finances, evidenced by 2,245 new members last year. Total Assets rose by more than \$8 million, and while most credit unions in our peer group saw a decline in lending, our loan portfolio grew by 5.7%, or nearly \$6 million. Total Deposits increased by more than \$4 million or 3.6%, a positive sign our members may be rebounding from the economic challenges.

Our growth occurred in spite of several factors, including government regulation, which contributed to a loss in 2010. Yet, our reserves remain in the well-capitalized category and the Credit Union received high marks from the examiners. While the banking industry relied on taxpayers' support for its larger institutions, the nation's credit unions, as part of our cooperative nature, supported themselves. We were prepared for the changes and we feel confident our new strategies will continue to keep us strong.

There is little doubt the struggling economy has impacted just about every person and business in our area. We have seen it in terms of increased loan write-offs due to bankruptcies or other factors, as some of our members make difficult decisions to make ends meet. Still, we are optimistic better days are ahead for our members and the communities we serve. We remain committed to our primary objectives to serve our members with strong loan and deposit rates, plus a growing list of financial services.

As I look back to 2010, perhaps what I am most proud of is how our staff took ownership and contributed to strategies that helped to improve efficiencies. Simultaneously, they helped to open two new branches, launch several new products and services, and still received a member satisfaction rating above 90%. And I know each and every one of them is ready to perform at the highest levels during 2011.

Finally, it's my pleasure to say "Thank You" to our volunteer Board of Directors and Supervisory Committee members. Each of them committed themselves to offering extra time and expertise to help position the Credit Union for a successful future during a period of economic uncertainty for our region. Together, we feel confident that Wauna Federal Credit Union will continue to make a positive difference in the lives of our members and in the communities we serve.

Report of the CEO/President



Robert Blumberg

Statement of Financial Condition
(Unaudited)

	2010	2009
Assets		
Cash & Cash Equivalents	\$ 1,917,943	\$ 1,709,283
Investments	17,687,226	17,531,270
Loans to Members (net of allowance for loan losses)	113,421,388	107,635,671
Accrued Income Receivable	480,070	491,605
Property & Equipment	2,815,275	1,785,154
National Credit Union Share Insurance Fund Deposit	1,221,762	1,146,420
Other Assets	1,628,219	611,806
Total Assets	139,171,883	130,911,209
Liabilities and Equity		
Members' Shares	121,414,869	117,174,911
Borrowed Funds	7,525,000	3,000,000
Accrued Expenses and Other Liabilities	407,570	313,347
Total Liabilities	129,347,439	120,488,258
Regular Reserves	1,763,438	1,763,438
Undivided Earnings	7,834,121	8,267,508
Unrealized Gains on Investments	226,885	392,005
Total Equity	9,824,444	10,422,951
Total Liabilities & Equity	139,171,883	130,911,209

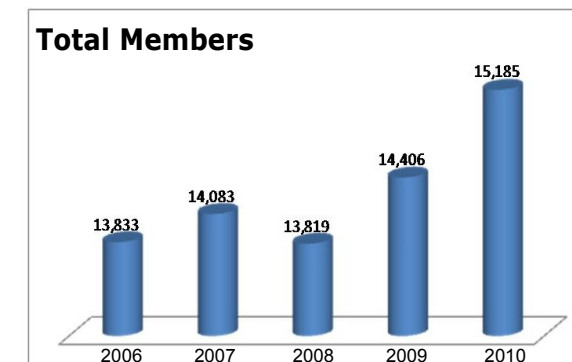
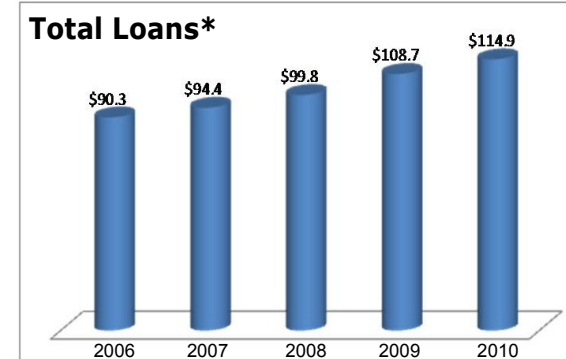
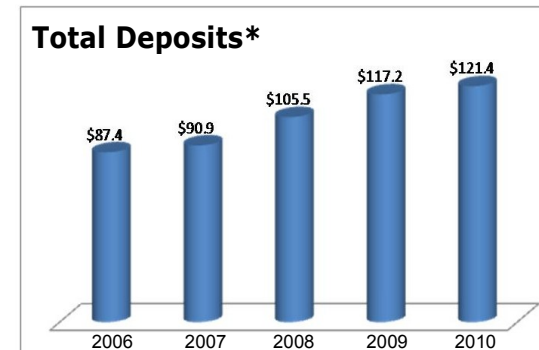
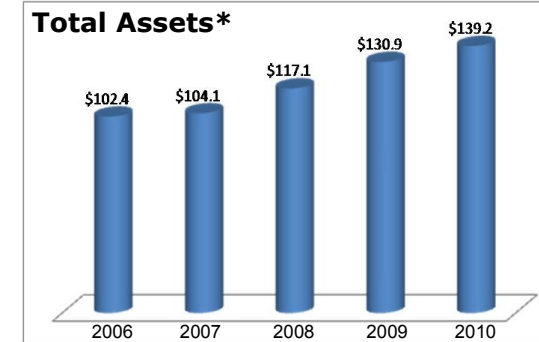
Statement of Income

Interest Income		
Interest on Loans to Members	7,456,914	7,118,015
Interest on Investments & Cash Equivalents	521,707	701,921
Interest Expense		
Dividends on Members' Shares	1,350,220	2,045,406
Interest on Borrowed Funds	9,747	9,077
Net Interest Income	6,618,654	5,765,453
Provision for Loan Losses	1,987,500	1,384,500
Net Interest Income after Provision for Loan Losses	4,631,154	4,380,953
Non-Interest Income	2,848,450	2,789,283
General & Administrative Expenses		
Salaries & Benefits	3,871,717	3,425,880
Occupancy, Equipment & Operations	1,691,989	1,609,642
Other Operating Expenses	1,499,249	1,372,099
(Gain)/Loss on Sales of Assets	13,379	(11,769)
Income before NCUA Share Insurance Fund and Corporate Credit Union Costs	403,270	774,384
Member Capital Loss at Corporate CUS	(526,660)	(612,045)
NCUA Stabilization Fund Assessment	(158,254)	-
NCUA Share Insurance Fund Assessment	(151,743)	(171,963)
Net Loss	(433,387)	(9,624)



5-Year Growth Chart

* Expressed in Millions



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