



Wauna
Credit Union

Individuals Welcome

53rd Annual Report

A blurred photograph of three children standing outdoors on a paved surface. The child on the left is wearing a yellow shirt and dark pants. The child in the middle is wearing a red shirt and blue pants, carrying a backpack. The child on the right is wearing a light blue shirt and dark pants. In the background, there is a light-colored building with windows and some greenery.

**OUR MISSION IS TO PROVIDE
OPPORTUNITITES FOR OUR
MEMBERS TO BUILD
THEIR FINANCIAL
WELL-BEING**



STATEMENT OF FINANCIAL CONDITION

ASSETS	2019*	2018
CASH AND CASH EQUIVALENTS	6,367,598	3,639,353
INVESTMENTS	20,615,279	17,854,553
LOAN TO MEMBERS, NET OF THE ALLOWANCE FOR LOAN LOSSES	205,259,441	197,191,614
ACCRUED INCOME RECEIVABLE	730,322	701,802
PROPERTY & EQUIPMENT	13,672,435	11,253,255
NATIONAL CREDIT UNION SHARE INSURANCE FUND DEPOSIT	2,182,288	2,039,638
OTHER ASSETS	8,555,589	8,326,718
TOTAL ASSETS	257,382,952	241,006,933
LIABILITIES & EQUITY		
MEMBERS' SHARES	232,099,395	215,924,416
BORROWED FUNDS	24,590	2,365,000
ACCRUED EXPENSES AND OTHER LIABILITIES	1,709,183	1,178,480
TOTAL LIABILITIES	233,833,168	219,467,896
REGULAR RESERVES	1,763,438	1,763,438
UNDIVIDED EARNINGS	21,708,610	19,924,120
UNREALIZED GAINS ON INVESTMENTS	77,736	(148,521)
TOTAL EQUITY	23,549,784	21,539,037
TOTAL LIABILITIES & EQUITY	257,382,952	241,006,933

*2019 unaudited Statement of Financial Condition. Audited financial statements are available upon request.

BOARD OF DIRECTORS CHAIR REPORT

Your nine-member, volunteer Board of Directors works closely with Credit Union leadership to develop and assess the strategies that make this organization as strong as it is today. Together, we are devoted to tackling the innovative goals that serve our growth, while providing the latest, first-class products and services you've come to know and love. The security of your accounts, commitment to your needs, and building of your financial well-being are our top priorities.

Throughout 2019, Wauna Credit Union's business activities and acts of goodwill in the communities we share have been many. We've opened the doors to a new and innovative location in Forest Grove, which will become the model for future builds. These futuristic branches are designed to better serve our membership with advanced convenience and streamlined service.

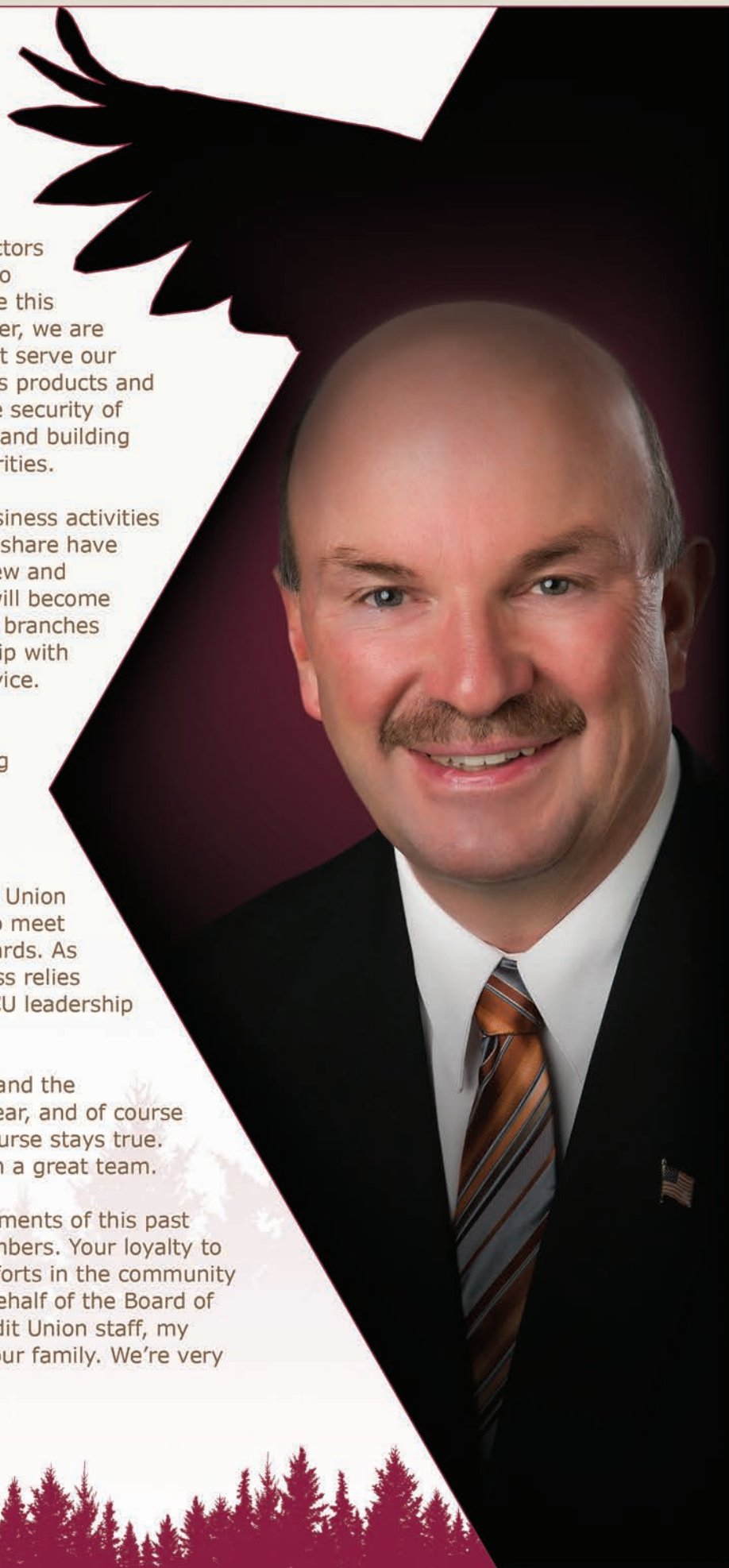
We have additionally focused on evolving technologically by introducing forward-thinking offerings like video banking and cutting-edge loan products and services so that we may better serve you, our member.

I am pleased to also report that your Credit Union maintains growth in assets and continues to meet exceptional operational and fiduciary standards. As Board Chair, I know that our ongoing success relies heavily on the initiative and drive of the WCU leadership team and our amazing staff.

I'd like to thank my fellow Board members and the Supervisory Committee for another great year, and of course our leadership and staff, who ensure our course stays true. I'm humbled and honored to work with such a great team.

And last but certainly not least, the achievements of this past year would not be possible without our members. Your loyalty to the Credit Union and commitment to our efforts in the community and beyond are tantamount to family. On behalf of the Board of Directors, Supervisory Committee, and Credit Union staff, my sincerest thanks to you for being a part of our family. We're very excited for what 2020 will bring.

George Dunkel



STATEMENT OF INCOME

INTEREST INCOME	2019*	2018
INTEREST ON LOANS TO MEMBERS	11,106,557	10,558,636
INTEREST ON INVESTMENT & CASH EQUIVALENTS	611,848	459,084
INTEREST EXPENSE		
DIVIDENDS ON MEMBERS' SHARES	925,658	646,751
INTEREST ON BORROWED FUNDS	4,019	136,319
NET INTEREST INCOME	10,788,728	10,234,650
PROVISION FOR LOAN LOSSES	1,143,000	735,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	9,645,728	9,499,650
NON-INTEREST INCOME	5,945,400	5,218,465
GENERAL & ADMINISTRATIVE EXPENSES		
SALARIES & BENEFITS	8,123,633	7,663,296
OCCUPANCY, EQUIPMENT & OPERATIONS	3,073,223	2,638,474
OTHER OPERATING EXPENSES	2,538,933	2,375,405
(GAIN)/LOSS ON SALE OF ASSETS	70,849	95,227
	13,806,638	12,772,402
NET INCOME	1,784,490	1,945,713

*2019 unaudited Statement of Income. Audited financial statements are available upon request.

CEO & PRESIDENT REPORT

As the CEO and President Wauna Credit Union, I manage the daily operations of the Credit Union. Just as importantly, I report to the member-elected, volunteer Board of Directors.

I am happy to affirm that 2019 has been a year of considerable progress. Total loans grew by 4.16% to \$206 million; total assets increased by 6.79% to \$257 million; total membership is at 27,037; and our Capital Ratio is up 12 basis points at 9.11%.

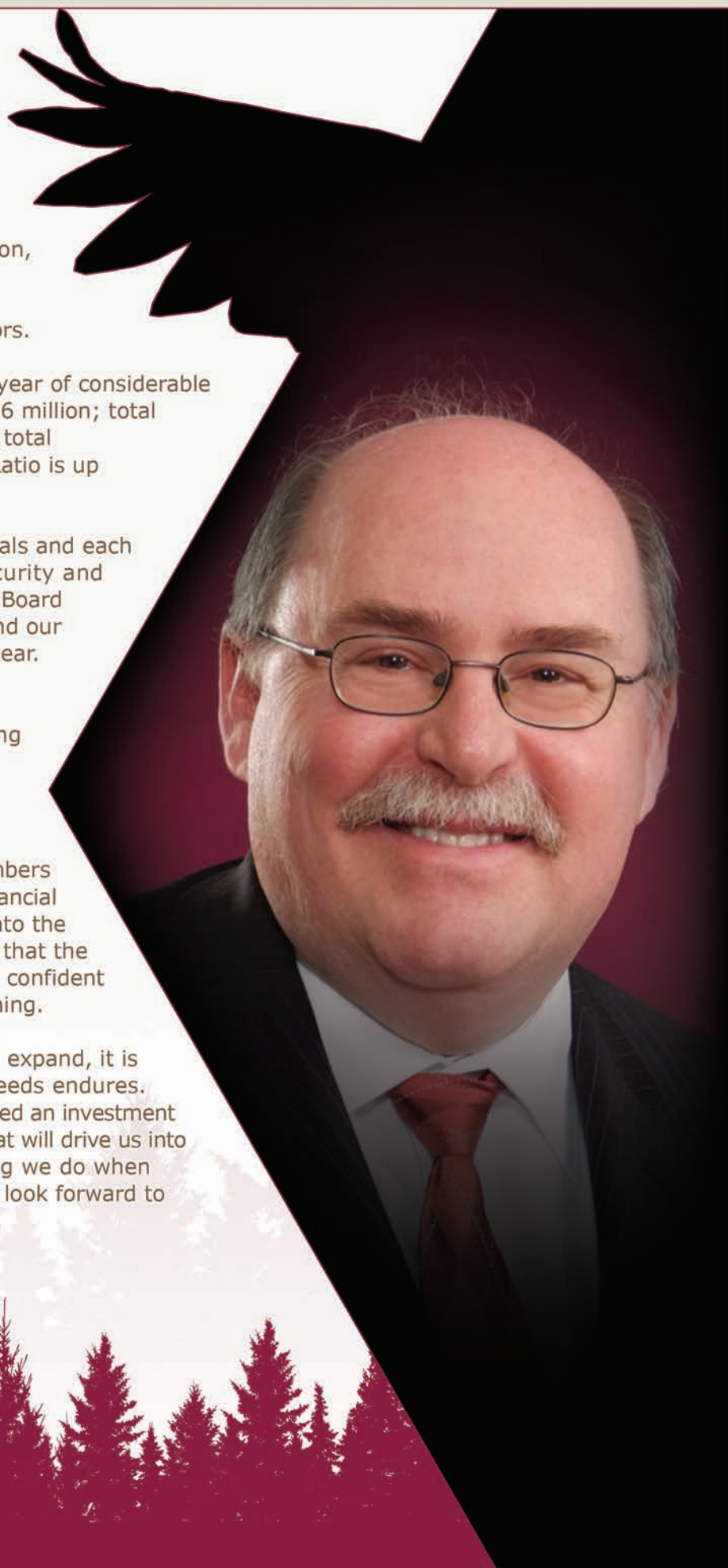
The WCU team is comprised of 121 individuals and each one of us is dedicated to your account security and healthy financial future. I am grateful to our Board of Directors, our Supervisory Committee, and our staff for helping make 2019 another great year.

Together, we've remained true to the WCU mission, vision, and core values by enhancing the products and services available to our member-owners and by supporting the positive development of the Credit Union.

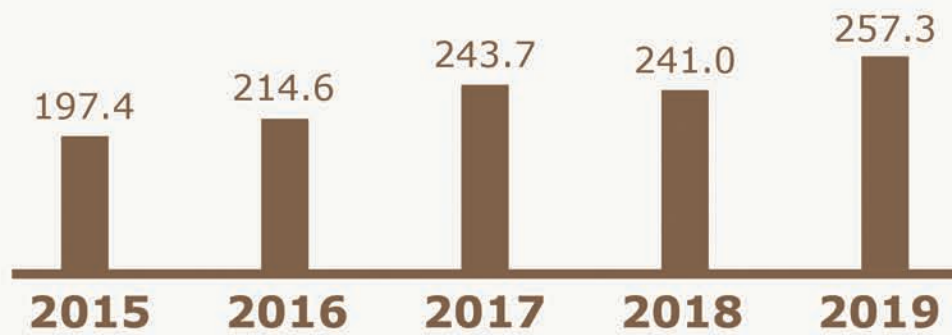
It's important to acknowledge that our members have numerous options when it comes to financial services, and it's important we build WCU into the institution they choose first – this is a point that the Board and myself think of often – and I feel confident when I say that we pride ourselves on listening.

As the Credit Union continues to evolve and expand, it is vital that our dedication to meeting your needs endures. That is why the Board of Directors has approved an investment in a new computer system called Keystone that will drive us into the future. Keystone is central to everything we do when performing transactions for our members. I look forward to many more years of success on your behalf.

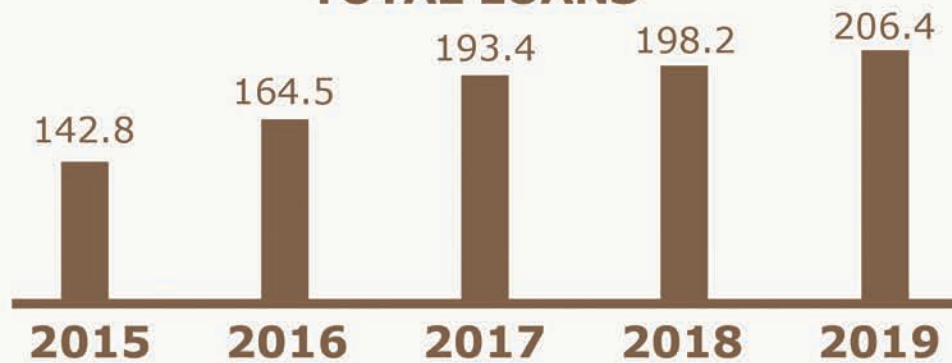
Robert Blumberg



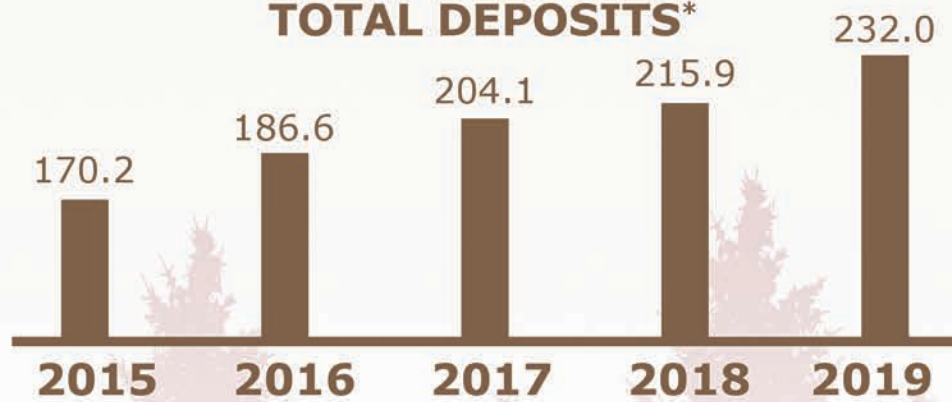
TOTAL ASSETS*



TOTAL LOANS*



TOTAL DEPOSITS*



TOTAL MEMBERS



*Expressed in millions of dollars

SUPERVISORY COMMITTEE CHAIR REPORT

Presently, your volunteer Supervisory Committee consists of Wauna Credit Union members Mike Avent, Robin Clarke, Daniel Hugget, and myself. The Committee works closely with the Board of Directors and Credit Union Leadership to ensure your assets are appropriately protected.

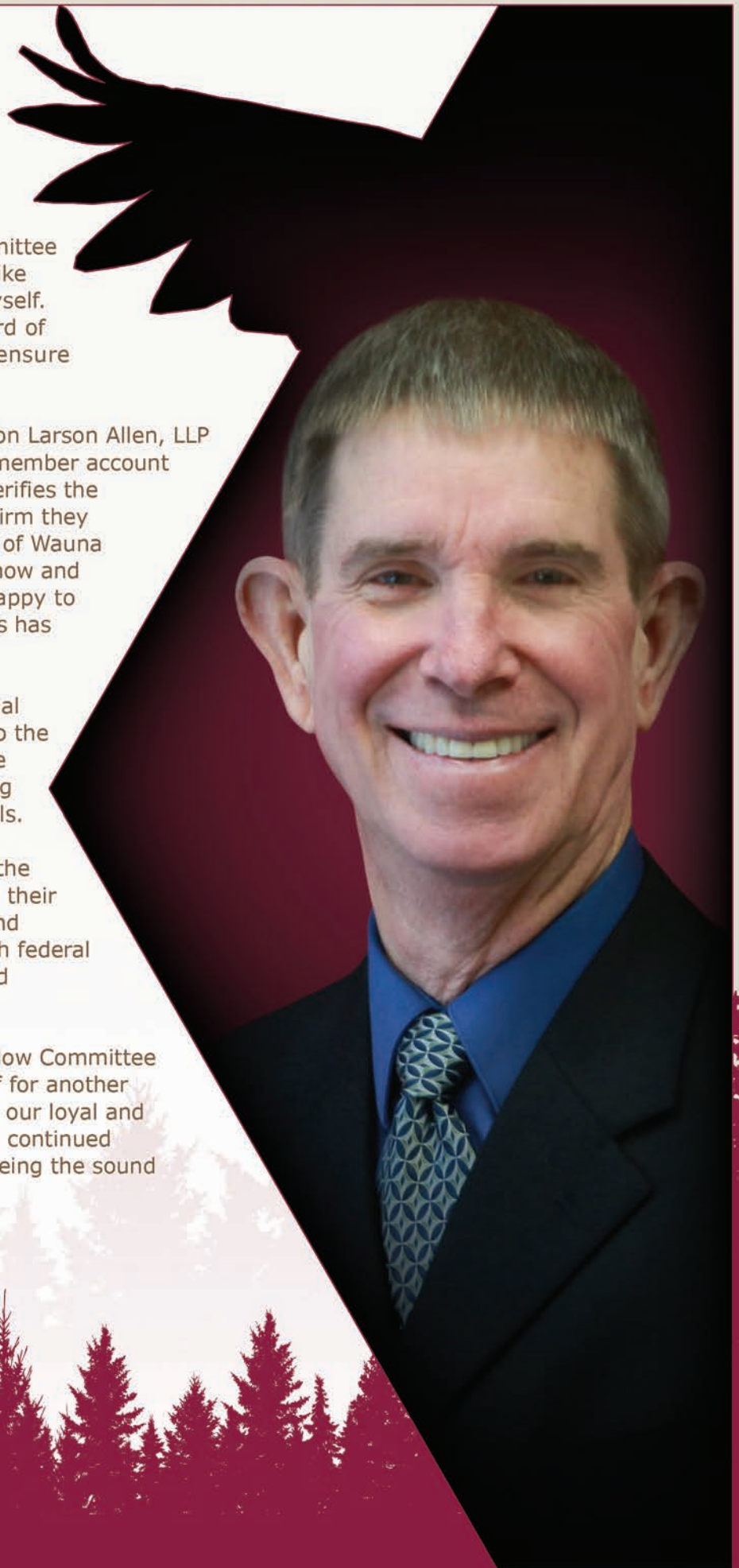
As auditors, we employ the services of Clifton Larson Allen, LLP to complete our annual financial audit and member account verification. Clifton Larson Allen, LLP also verifies the accuracy of our financial statements to confirm they reflect the financial condition and operation of Wauna Credit Union. The 2019 audit is proceeding now and will be completed mid-March, 2020. I am happy to report that a clean opinion from the auditors has been received for 2019.

Our team works with an independent Internal Auditor, Sarah Jones, who reports directly to the Supervisory Committee and to the CEO. The Internal Auditor is responsible for monitoring and safeguarding the proper internal controls.

The Supervisory Committee also facilitates the NCUA (National Credit Union Association) in their annual examination. The NCUA evaluates and reviews the Credit Union for compliance with federal law and regulation, as well as the safety and soundness of the Credit Union.

Thank you to the Board of Directors, my fellow Committee members, and the Wauna Credit Union staff for another productive year and a special 'thank you' to our loyal and supportive membership. We look forward to continued commitment to our members and to overseeing the sound financial management of the Credit Union.

Mike Hoag





**OUR VISION IS TO BE THE
FINANCIAL INSTITUTION THAT
MEMBERS CHOOSE FIRST, USE
THE MOST, AND GROW WITH
THROUGHOUT THEIR LIVES**



Wauna
Credit Union

The Wauna Way

Experience one of the most dynamic and cutting-edge financial institutions in the Pacific Northwest. When you're ready to make important financial decisions, we are here for YOU.

Robert Blumberg

Robert Blumberg

CEO and President



Wauna
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24/7 Lending
waunafcu.org
800-773-3236

