

A MESSAGE FROM THE PRESIDENT

The COVID-19 pandemic brought us one of the most challenging years in our lifetimes. The health and economic uncertainties created by the pandemic continue to demand our attention. Its impact is global, but locally, everyone has been affected in some way. Throughout 2020, WCLA Credit Union's focus was for the safety and welfare of its staff, the membership, and their families and crew.

I especially want to acknowledge the extraordinary efforts of the credit union staff in maintaining the continuity of service for our members while also working to keep a safe office environment amidst exceedingly uncertain conditions. Thanks to their efforts, no member experienced a delay of service stemming from a credit union operational disruption.

Early in the year, the credit union obtained SBA Lender status in order to provide our membership with access to the Paycheck Protection Program. Through this program, the credit union originated PPP loans to 108 companies, totaling \$17.5MM, and helping to keep their 948 employees on payroll. Both the credit union's credit and administrative staff processed an astonishing volume of work in a very short time and with a high degree of accuracy. I cannot be more proud of their accomplishments.

In early summer, lumber markets were disrupted and many loggers faced mill closures or production quotas. The credit union assisted these members with payment adjustments of interest-only 'skip pays' while their equipment was idle.

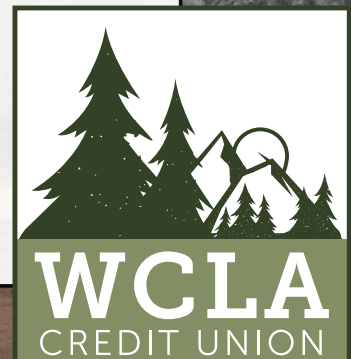
Through all the uncertainty, the credit union's financial condition remains strong. By year-end, the credit union's net worth had grown to more than \$13MM and 14.4% of total assets, annual earnings were +\$2MM and the repayment performance of our borrowing members kept our average delinquency rate for the year less than 1%. See the comparison of 2019 – 2020 financial stats elsewhere in this report for our other operating results.

Thanks to the credit union staff and all our director and committee volunteers for their unflagging dedication throughout these extraordinary times.

A certainty for 2021 will be the continued uncertainty of the course of the worldwide pandemic and the resulting disruptions in the economy. But you may also count on WCLA Credit Union to continue its focus of providing valuable financial services to its logging membership.

Your success is our goal.

THANK YOU,
BRIAN BAHS
PRESIDENT / CEO



SUPERVISORY COMMITTEE REPORT

The COVID-19 Pandemic brought some changes for the Supervisory Committee in 2020 as all our work was conducted remotely. Still, as a group, we were able to continue our established routine at scheduled times and were able to perform our responsibilities. During the past year, we oversaw cash counts of the credit union's teller drawers and cash vault. We audited bills paid including the corporate credit card statements. We monitored delinquent account reports and the timely follow-up for those accounts along with the completeness of the Allowance for Loan Loss account. We reviewed bank reconciliations, accounts payable, dormant accounts, and employee account activity. We also performed a quarterly verification of closed accounts. The committee found the credit union to be operating in a manner that protects the members' privacy while following established government regulations.

We are also responsible for ensuring that the credit union is following prudent accounting practices and operating in a safe and sound manner. One way we do this is to hire an outside auditor, who is an expert in this arena, to review these practices. For 2020, we hired Hauser Jones & Sas, LLC, (HJ&S) to audit the operations of the credit union. The firm has many years of experience providing accounting and auditing services to credit unions. After the 2020 review, the auditors of HJ&S found the credit union to be following proper accounting practices, as well as finding the books and records of the credit union to be in proper balance.

Finally, the committee participated in the annual examination of the credit union as conducted by the State of Washington Department of Financial Institutions, Division of Credit Unions. This examination covers adherence to current laws and regulations as established by the department, as well as their determination that the credit union is operating in a safe and sound manner. In Spring 2020, the credit union was visited by both state and federal examiners as part of their annual examination. The examiners were satisfied with the safety and soundness of the credit union's operations.

The Supervisory Committee will continue to be the watchdog of the credit union for the board of directors and the credit union membership.

I wish to thank my fellow committee members Kathy Thomsen, Carmen Smith, Marcy Peterson, and Robert Thomsen for their commitment and service this past year. I enjoy working with these individuals and respect the work they accomplished. Volunteer work is always appreciated.

Finally, thank you to the membership for using this credit union and recognizing it as a valuable partner in your financial transactions.

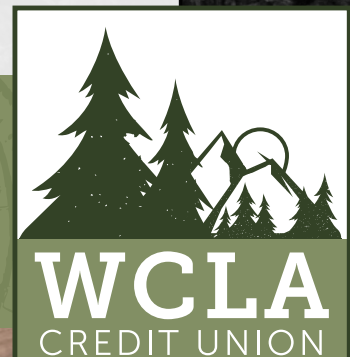
JULIE HODGES

COMMITTEE CHAIRPERSON

WCLA CREDIT UNION SUPERVISORY COMMITTEE

SUPERVISORY COMMITTEE MEMBERS:

Carmen Smith, Olympia, R. L. Smith Logging, Inc.
Kathryn Thomsen, Olympia, Thomsen Timber, LLC
Julie Hodges, Kelso, Hadaller Logging, Inc.
Marci Peterson, Aberdeen, Peterson Logging, Inc.
Robert Thomsen, Olympia, Thomsen Timber, LLC



A MESSAGE FROM THE CHAIRMAN

Welcome to the 2021 Annual Meeting of the WCLA Credit Union.

The year 2020 was a year like no other in the credit union's history. While COVID-19 did not impact logging companies as severely as some industries, no one was left unaffected. Both the credit union and our logger members were required to show exceptional creativity in adapting to the changing situation.

But adapt we did. The credit union was able to maintain office operations and continuity of member services throughout the year thanks to our dedicated staff. An especially big THANK YOU to the credit union's front-line staff for keeping the phones working, keeping the work processes flowing, and keeping our lobby activity safe.

The advent of the Paycheck Protection Program brought a great deal of uncertainty and increased loan activity for the credit union. The credit union did an outstanding job of communicating program information to the membership, processing applications, and getting the funds disbursed to our logging companies. The terrific teamwork of the credit union staff allowed it to process an historical six months of loan activity within a short four-week time span. Again, a big THANK YOU to the credit union staff.

On behalf of your credit union's board of directors, I am pleased to report that your credit union's financial position is strong and continues to grow stronger. After the work disruptions in the first half of the year, the membership's borrowing activity resumed its historical pace with the credit union's commercial loan portfolio, growing 16% by the end of 2020.

The membership's continued and increasing use of the credit union for their financing needs is a vote of confidence in the quality and value of the service you receive. Thank you. Your continued patronage will provide benefits for your own business and add to the growing strength of the credit union. Together, we become stronger.

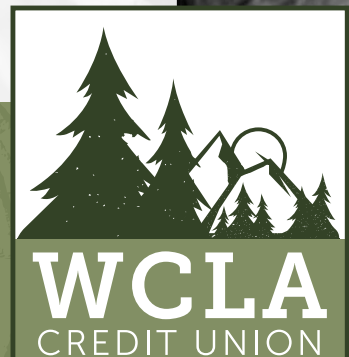
I wish to especially thank my fellow board members and supervisory volunteers for their time and diligence in working to make the credit union successful. Their efforts on your behalf are what determine the credit union's future. The credit union staff is also to be thanked for their efforts throughout the year. They have served the membership well and have put our vision for the credit union into action. We will continue to work hard month after month to justify your trust.

While we see some brightening of economic activity, the impacts of COVID-19 will continue to bring challenges for our families, our crew, and our companies. As you adjust and manage your business to the changing circumstance, the credit union can help with most of your financial needs. Whether it is checking, savings, credit cards, or equipment financing, your credit union is on your side.

**THANK YOU,
DAN RICHART
CHAIRMAN**

BOARD MEMBERS:

Adam Lee, Castle Rock, Adam's Timber Service, LLC
Dan Kipp, Arnboj, Modern Machinery-Territory Manager
Dan Richart, Chewelah, Richart Company, Inc. – Retired
Greg Horsley, Castle Rock, Horsley Timber and Construction, Inc.
Justin Seekins, Washougal, TJ's Mechanical Cutting, LLC.
Roger Smith, Olympia, R. L. Smith Logging, Inc.

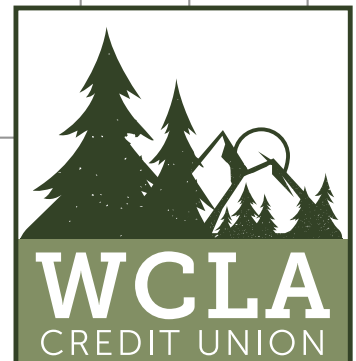
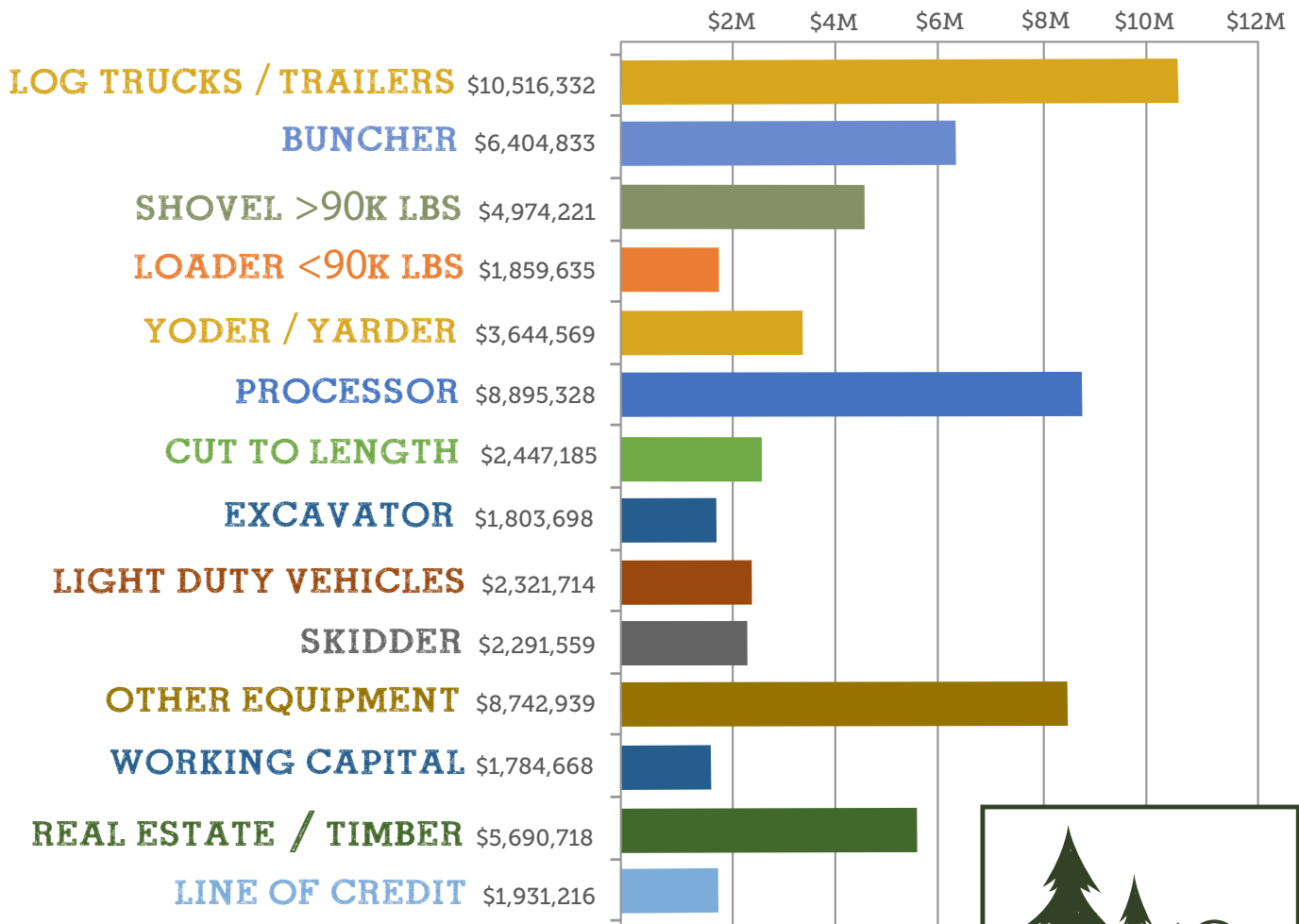


STATEMENT OF FINANCIAL CONDITION

	Year 2019	Year 2020
GROSS LOANS	66,540,691	77,649,927
Allowance for Loan Loss	(431,688)	(459,279)
Net Loans	66,109,003	76,756,387
Cash + Investments	12,715,708	13,176,469
Total Other Assets	208,641	297,148
Total Assets	79,186,677	90,424,491
Misc. Liabilities	6,468,854	12,628,399
Share Deposits	61,934,866	64,722,799
Total Liabilities	68,403,720	77,351,198
Total Equity	10,782,957	13,073,294
Liabilities & Equity	79,186,677	90,424,491
INCOME AND EXPENSE		
	Year 2019	Year 2020
Total Income from Assets	3,953,084	4,642,048
Less Interest Expense	(1,226,293)	(1,185,337)
Less Provision for Loan Loss	(63,000)	(41,000)
Gross Spread	2,663,790	3,415,712
Less Operating Expenses	(1,198,163)	(1,270,172)
Plus Fee & Other Income	132,495	144,809
Net Income (ROA)	1,598,123	2,290,348
YEAR TO DATE RATIOS		
	Year 2019	Year 2020
Operating Expense Ratio	1.51%	1.50%
Gross Spread Ratio	3.36%	4.03%
Return on Assets (ROA)	2.01%	2.70%
Net Worth Ratio	13.62%	14.46%
Loan to Share Ratio	108%	120%
Loans to Total Assets	87.35%	83.89%

COMMERCIAL LOAN PORTFOLIO

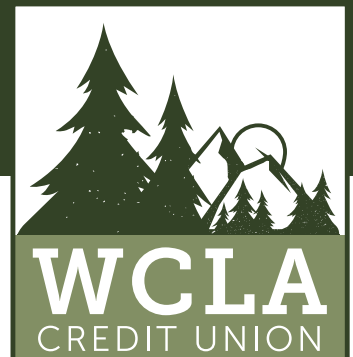
AS OF 12-31-20





**YOUR CREDIT UNION.
YOUR DEPOSITS.**

TOGETHER WE FINANCE
THE TIMBER INDUSTRY



Federally insured by NCUA