



2022

ANNUAL REPORT

800-422-0074 | [LOGGERSCU.COM](https://loggerscu.com)

A MESSAGE FROM THE PRESIDENT & CEO

The Year in Review

2022 was a good year for the credit union. The patronage and loyalty of your membership, and efforts of WCLA Credit Union staff combined to result in a strong year of loan growth, earnings, and overall successful performance. The credit union added staff and focused on improving its Information Technology infrastructure and Information Security protocols. Long tenured employees continued in their dedication to delivering high quality member service, and new employees quickly became vital contributors to our highly performing organization.

COVID did present some challenges this year, but nothing the credit union couldn't handle. Remote working capability proved useful for staff during those times, and virtual meetings for volunteers also proved useful in gathering everyone together to meet the challenges presented by their day-to-day working obligations. Your credit union staff and volunteers remain committed to this organization and serving its membership.

Member Business Lending Activity | Loan demand at the credit union remains the purpose driven reason for growth and performance. Business loans on the balance sheet grew from \$65 Million in 2021 to \$80 Million in 2022, and portfolio performance of these loans remained strong. Only 0.15% of the \$87 Million in total loans were delinquent as of 12/31/22. This is a testament to our borrowing membership's performance and strength of the credit union's underwriting expertise.

Deposit Growth | Member deposits increased by almost \$10 Million in 2022. Many members took advantage of the credit union's CD promos offered throughout the year. WCLA CU remains dedicated to paying you exceptionally competitive rates for your deposits and putting those deposits to work in your industry.

Looking Ahead

The credit union is in a very good position to continue its delivery of timber industry specific financial service, while growing meaningfully and prudently in this mission. As is the case in almost all organizations, the credit union's ability to fulfill its promise to you, the membership, lies with its people. The credit union is actively searching for additional personnel to deliver best in class credit to you, the membership. If you or someone you know might be interested in working in our lending department, please reach out to us.

Thank you for another great year of being your credit union. Your success is our goal.

BRIAN BAHS

CEO

CHARLES THOMPSON

PRESIDENT

SUPERVISORY COMMITTEE REPORT

The COVID pandemic protocols have been revisited and in 2022 we resumed in person Supervisory Committee meetings. We also have the ability to accommodate Supervisory Committee members that are unable to make meetings through the use of Teams.

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 Account and Employee Account Activity. We also performed a quarterly verification of closed accounts. We 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 expert in credit union audits to review these practices. For 2022, we hired Hauser Jones & Sas, LLC 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 2022 review, the auditors 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, we 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 Winter 2022, the credit union was visited by both state and federal examiners as part of their periodic examination routine. 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.

Over the past year The Supervisory Committee has undergone some personnel changes. This includes the retirement of Julie Hodges after 9 years of going above and beyond her duties on the committee. She was an amazing committee member. While we are sad to see Julie go, we are excited to announce that we have added three new members to the Supervisory Committee. Susan Vessey, Veronica Bains, and Shane Meese are all bringing unique skillsets, experiences and fresh perspectives to the group. We are looking forward to the year to come.

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

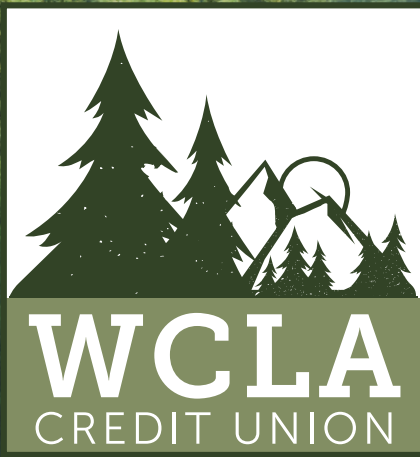
KATHY THOMSEN

ACTING CHAIRPERSON

WCLA CREDIT UNION SUPERVISORY COMMITTEE

SUPERVISORY COMMITTEE MEMBERS

Carmen Smith, R. L. Smith Logging, Inc.
Kathryn Thomsen, Thomsen Timber, LLC
Robert Thomsen, Thomsen Timber, LLC
Susan Vessey, Vessey & Sons, Inc.
Shane Meese, BECU
Veronica Bains, BECU



YOUR CREDIT UNION.
YOUR DEPOSITS.

TOGETHER WE FINANCE THE TIMBER INDUSTRY.

A MESSAGE FROM THE BOARD CHAIRMAN

On behalf of WCLA Credit Union's Board of Directors, I am pleased to report that your credit union's financial position strengthened even more in 2022. The credit union ended the year with total assets exceeding \$103 Million, and total loans to our members of over \$87 Million. Your deposits directly fund this loan activity and infuse our industry with needed financial partnership.

Your continued and increasing use of the credit union for financing and depository 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 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. As Kathy mentioned in the Supervisory Committee message, their committee added a few great volunteers this year, and we are looking to do the same at the Board level. If you are interested in volunteering your time and expertise to this worthwhile organization, supporting the timber industry, please contact Brian or Charles at the credit union. Our meeting schedule is accommodating, and most of our meetings are now held virtually for ease of attendance.

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. The credit union welcomed five new staff members in the past year and a half, while also retaining the tenured employees who have built the institution into what it is today. Our hard-working staff of ten employees operate one of the highest performing credit unions in the country.

Finally, during this past year an important evolution in the credit union's story occurred with the hiring of Charles Thompson to succeed Brian Bahs as CEO upon Brian's retirement. Charles brings great experience to the role and has assumed the responsibilities and title of President. 2023 is Brian's twentieth year of service to this membership as CEO of WCLA Credit Union. His vision and tireless efforts over this time have built a credit union unlike any other, that regularly outperforms credit unions many times its size, and truly exemplifies the mission of the credit union movement.

Thank you,

DAN RICHART
CHAIRMAN

BOARD MEMBERS

Dan Kipp, Modern Machinery
Dan Richart, Richart Company, Inc.
Greg Horsley, Horsley Timber and Construction, Inc.
Roger Smith, R. L. Smith Logging, Inc.
Edward Gould, Gould-Sunrise Logging, Inc.

STATEMENT OF FINANCIAL CONDITION

	Year 2021	Year 2022	YoY Change
GROSS LOANS	73,500,089	87,688,246	14,188,157
Allowance for Loan Loss	(693,649)	(536,473)	157,176
Collateral in Process of Liquidation	-	370,000	370,000
Net Loans (less origination fees)	72,342,746	87,012,790	14,670,044
Cash + Investments	19,090,233	16,194,584	(2,895,649)
Total Other Assets	394,226	453,566	59,340
Total Assets	91,827,207	103,660,940	11,833,733
Borrowings & Misc. Liabilities	3,759,104	3,981,769	222,665
Share Deposits	72,673,861	82,142,923	9,469,062
Total Liabilities	76,432,965	86,124,692	9,691,727
Total Equity	15,394,242	17,536,248	2,142,006
Liabilities & Equity	91,827,207	103,660,940	11,833,733

INCOME AND EXPENSE

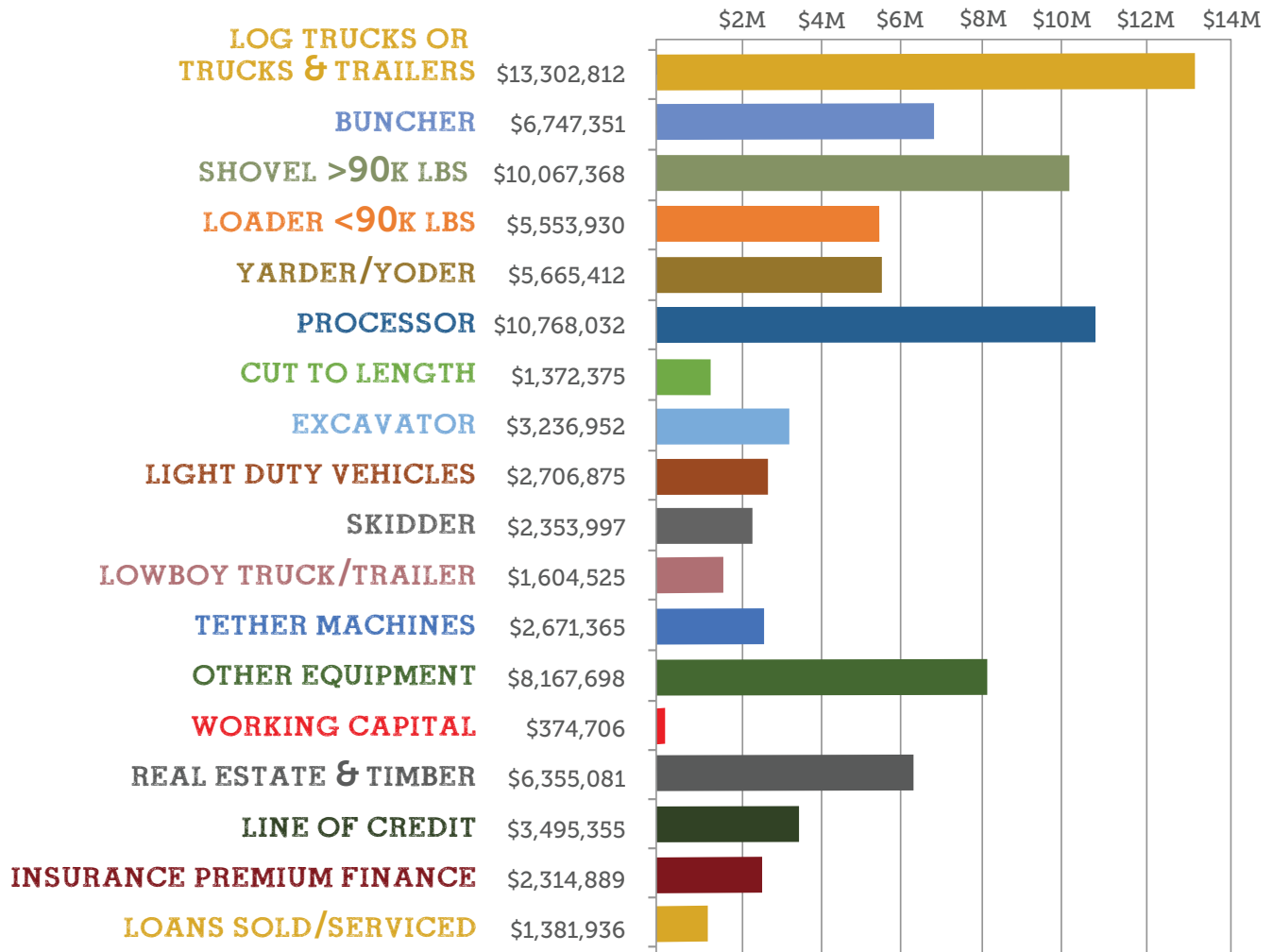
	Year 2021	Year 2022	
Total Income from Assets	4,596,023	4,649,961	53,938
Less Interest Expense	(793,552)	(797,009)	(3,457)
Less Provision for Loan Loss	(245,000)	(8,000)	237,000
Gross Spread	3,557,471	3,844,951	287,480
Less Operating Expenses	(1,429,341)	(1,858,713)	(429,372)
Plus Fee & Other Income	192,818	155,767	(37,051)
Net Income (ROA)	2,320,948	2,142,006	(178,942)

YEAR TO DATE RATIOS

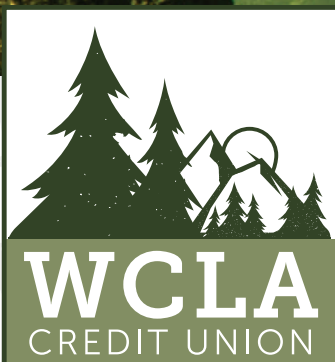
	Year 2021	Year 2022	
Operating Expense Ratio	1.60%	1.89%	0.29%
Gross Spread Ratio	3.97%	3.91%	-0.06%
Return on Assets (ROA)	2.59%	2.18%	-0.41%
Net Worth Ratio	16.76%	16.92%	0.16%
Loan to Share Ratio	98.15%	106.75%	8.60%
Loans to Total Assets	79.56%	84.59%	5.03%

COMMERCIAL LOAN PORTFOLIO

AS OF 12/31/22



OUR MISSION IS TO
SERVE THE LOGGING
COMMUNITY.



Federally insured by NCUA