

94th Annual Meeting

WEA Credit Union

May 22, 2025



**WEA Credit Union
94th Annual Meeting
May 22, 2025
6:00 PM**

- | | |
|-----------------------------------|--------------------------|
| 1. Meeting called to order | Russell Allen, Chairman |
| 2. Report of Quorum | Kathryn Nauta, Secretary |
| 3. Introduction of Directors | |
| 4. Minutes of 2023 Annual Meeting | Kathryn Nauta, Secretary |
| 5. Reports | |
| a. Chairman's Report | Russell Allen |
| b. President's Report | Cassandra Thom |
| c. Treasurer's Report | Leigh Barker |
| d. Audit Report | Audit ThreeSixty |
| e. Loan Officers Report | Cassandra Thom |
| f. Election Results | Nominating Committee |
| 6. Old Business | |
| 7. New Business | |
| 8. Adjournment | |

**WEA Credit Union
93rd Annual Meeting
Minutes**

**May 22, 2024
6:00 PM**

1. The duly held 93rd meeting was called to order by Chairman Russell Allen at 6:00 pm.
2. Secretary Kathy Nauta announced that 16 Report of Quorum 16 members eligible to vote were present.
3. Chairman Allen introduced the directors from the past year:
 - Russ Allen – Chairman
 - Ross Hampton – Vice Chairman
 - Leigh Barker – Treasurer
 - Kathryn Nauta – Secretary
 - Ryan Madden – Director
 - Terry Craney – Director
 - Jill Hein – Director
4. Minutes of 2023 Annual Meeting were distributed electronically and in the meeting packet. Motion to accept the minutes by Mark Schrimpf, second by Dale Besler, carried.
5. The following reports were distributed electronically:
 - a. Chairman’s Report
 - b. President’s Report
 - c. Treasurer’s Report
 - d. Audit Report
 - e. Loan Officers ReportMotion to approve reports a through e by Fred Tiemann, seconded by Dale Besler, carried.
- f. Election Results – Ryan Madden and Leigh Barker ran unopposed and were elected by acclamation. Motion to approve the election by Fred Tiemann, second by Mark Schrimpf, carried.
6. Old Business – No old business
7. New Business – No new business
8. Adjournment – Motion to adjourn the meeting at 6:14 pm by Nancy Schrimpf, second by Devon Miller, carried.

A word of caution: this paper was finished on May 10. Shortly after there was talk that an agreement regarding tariffs could be completed with China and other countries. If an agreement can be reached, the narrative that follows may not be relevant.

On April 2 President Trump increased tariffs on imports from nearly all countries. Shortly after this there were reciprocal increases on U.S. products imported into these countries. Since then, uncertainty or confusion are the words we hear again and again to describe our current economic environment. The President maintains that high tariffs will lead us to a golden age of prosperity, and that after a brief transition American companies will manufacture most products that we need.

Conversely, nearly all economists, including Fed Chair Jerome Powell, have a more sobering view. They remind us that the U.S. economy contracted 0.3% in the first quarter of 2025, the first negative reading since 2022. In addition, they predict a further decline in consumer confidence and warn of a possible recession or stagflation.

So how might high inflation or worse affect the WEA Credit Union? If you read about the lives of Americans who live in poverty or who are classified as the working poor, you will conclude that this does not describe the membership of the WEA Credit Union. Our members tend to be older with a greater net worth. This is important because high inflation or a recession will have a greater negative effect on those of more modest means and the credit unions and banks that serve this population.

What can we expect from the WEA Credit Union if the current economic environment worsens? Increased interest rates on loans are likely. There also is a high probability that there will be fewer loans issued along with higher operating costs and a likely increase in delinquency.

What could be the effect on the interest rates paid to members with money in savings or certificates of deposit? Some increases will be needed to keep current members and their savings from going elsewhere. In fact, there may be no option if competing banks and credit unions in the Madison area increase their rates.

Higher rates would benefit members with savings but could have a negative effect on the WEA Credit Union itself. It is a reasonable policy to offer higher rates of return on savings only when it is possible to grant loans or make other investments at a higher rate of return. This suggests that interest rates will have to rise, but not too much. Having cash on hand that is not being invested is not a successful long-term strategy.

The WEA Credit Union started during the Great Depression in 1931, and we can be confident that it will be able to address the current economic challenges. As stated at the beginning of this paper, uncertainty and confusion exist and it is possible that the dire warnings of economists may not come to pass. That would be the best outcome.

2024 President's Report *Cassandra Thom, President*

WEA Credit Union concluded 2024 with strong financial performance and continued dedication to member service. We ended the year with total assets of \$38.3 million, deposits of \$33.6 million, and loans totaling \$22.1 million. Our net capital ratio stood at a healthy 11.59%, well above the 7% threshold that defines a well-capitalized credit union. This ratio reflects the strength and stability of our financial position, representing the portion of assets backed by capital.

Loan portfolio performance remained solid, with delinquency maintained at a low 0.80% of total loans and no foreclosed properties as of year-end. In 2024, our lending team processed 1,495 loans totaling over \$9.5 million, including online advances, and opened 225 new member accounts.

To strengthen our cybersecurity posture, we partnered with a managed IT service provider in 2024. The protection of member information is a top priority, and we believe this partnership enhances our ability to safeguard your data.

We also initiated several enhancements to our debit card program, which will continue into early 2025:

- **Contactless Debit Cards** were implemented in February 2025, allowing members to complete transactions by simply holding their card over the terminal—no swiping or inserting required.
- **Mobile Wallet** launched in April 2025, enabling members to add their debit card to their mobile device for convenient, contactless payments.
- **Instant Issue Debit Cards** will go live in May 2025, allowing us to print and issue debit cards instantly at our office, eliminating the wait for cards to arrive by mail.

In response to growing member needs, we added a part-time Member Service Representative position in 2024. This additional in-office support has significantly improved our response to phone inquiries and in-person transactions.

As your credit union president, I am continually seeking opportunities to enhance our services. In 2024, I identified debit card services and overall member experience as key areas for improvement, and I am proud of the progress we've made in both.

I would like to express my sincere gratitude to our dedicated staff, volunteer board of directors, and committee members. Your guidance, hard work, and commitment are essential to our continued success. Thank you for another exceptional year of service.

Statement of Income & Expense December 31, 2024 and 2023

Income	<u>2024</u>	<u>2023</u>
Loan Income	1,166,415	894,359
Investment Income	549,439	460,115
Fee Income	39,947	39,341
Other Income	102,166	108,171
Total Income	<u>1,857,966</u>	<u>1,501,986</u>
Expense		
Salaries & Benefits	437,366	416,308
Office Operations	191,245	192,790
Rent	32,237	32,211
Loan Servicing Fees	96,069	96,825
Professional Fees	158,701	132,238
Education & Promotion	90,117	77,964
Chapter & League Dues	34,832	30,081
Provision for Loan Loss	66,662	14,884
Interest on Borrowed Money	0	16
Member Insurance & Misc	1,805	1,797
Non-Operating Expense	-39	379
Total Expense	<u>1,108,994</u>	<u>995,493</u>
Income	748,972	506,493
(Gain)/Loss on Sale of Assets	0	0
Distribution of Net Income		
Member Dividends	401,718	211,487
Regular Reserve Transfer		
Undivided Earnings Transfer	347,254	295,009
Total Distribution	<u>748,972</u>	<u>506,496</u>

Statement of Financial Condition

2024 and 2023

Assets	<u>12/31/2024</u>	<u>12/31/2023</u>
Loans	22,144,651	19,873,906
Allowance For Loan Loss	(110,480)	(100,732)
Cash	144,571	602,428
Investments	15,459,743	16,990,262
Prepaid Expenses	194,567	163,197
Furniture & Equipment	17,288	21,504
Accrued Income	129,289	106,015
Other Assets	334,036	340,883
	38,313,666	37,997,464
Liabilities & Equity		
Notes Payable	0	0
Accounts Payable	236,282	222,661
Total Liabilities	236,282	222,661
Share Accounts	9,039,149	8,676,852
Checking Accounts	15,606,792	17,498,341
Share Certificates	7,568,463	6,188,963
IRA Accounts	1,421,674	1,316,597
	33,636,079	33,680,753
Total Member Deposits		
	33,636,079	33,680,753
Regular Reserve	600,000	600,000
Undivided Earnings	3,841,306	3,494,053
Unrealized Gain on Investments	(1)	(3)
Total Reserves	4,441,305	4,094,050
	38,313,666	37,997,464
Total Liabilities & Equity		
	38,313,666	37,997,464

July 12, 2024

WEA Credit Union
Madison, Wisconsin

Dear Credit Union Members,

I completed an agreed-upon procedures supervisory committee audit engagement for WEA Credit Union as of May 31, 2024.

The guidelines for the procedures used for this engagement are set forth by the Office of Credit Unions and NCUA. The engagement included procedures such as the following:

- Verification and reconciliation of cash accounts
- Verification and reconciliation of all investments
- Reading a sample of loan files to determine if loans are properly documented
- Reconciliation of loan subsidiary ledgers to the general ledger
- Reconciliation of deposit account subsidiary ledgers to the general ledger

The results of this agreed upon procedures engagement, including my comments and recommendations, are included in a report provided to the Board of Directors which is on file at the Credit Union.

I appreciate the opportunity to provide this service to your credit union.

Sincerely,

Peter Rasmussen, CIA, CFSA, CAMS

Peter Rasmussen

*Certified Internal Auditor
Certified Financial Services Auditor
Certified Anti-Money Laundering Specialist*

WEA Credit Union
Loan Officers Report
December 31, 2024

	Approved		Advances		Total		Denied	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
January	31	\$644,146.65	95	\$75,644.11	126	\$752,790.76	2	\$73,500.00
February	26	\$435,784.09	84	\$33,291.30	110	\$469,075.39	4	\$85,228.34
March	34	\$1,241,547.98	65	\$69,488.37	99	\$1,311,036.35	2	\$55,000.00
April	31	\$575,348.44	82	\$121,667.93	113	\$697,016.37	5	\$148,500.00
May	30	\$508,945.50	61	\$96,250.03	91	\$605,195.53	1	\$2,500.00
June	30	\$604,212.96	102	\$138,304.49	132	\$742,517.45	3	\$15,500.00
July	25	\$438,230.60	100	\$136,476.92	125	\$574,707.52	0	\$0.00
August	38	\$785,488.05	127	\$164,259.80	165	\$949,747.85	3	\$28,918.00
September	21	\$584,864.64	110	\$195,257.27	131	\$780,121.91	0	\$0.00
October	24	\$491,593.15	127	\$239,932.91	151	\$731,526.06	8	\$104,660.00
November	39	\$912,037.43	85	\$59,690.76	124	\$968,998.19	6	\$86,000.00
December	39	\$912,994.06	89	\$96,538.35	128	\$1,009,532.41	2	\$39,000.00
YTD	368	\$8,135,193.55	1127	\$1,426,802.24	1495	\$9,592,265.79	36	\$638,806.34

	Approved	App Amount	Advances	Adv Amount	Total	Total Amount	Denied	Denied Amount
2023 YTD	330	6,518,021	1003	781,113	1333	7,299,434	23	507,896
2022 YTD	287	7,837,658	1012	720,574	1300	8,558,262	23	211,144
2021 YTD	295	8,548,241	919	543,596	1214	9,091,810	35	567,795

