

92nd Annual Meeting

WEA Credit Union

May 24, 2023



**WEA Credit Union
92nd Annual Meeting
May 24, 2023
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 2021 Annual Meeting | Kathryn Nauta, Secretary |
| 5. Reports | |
| a. Chairman's Report | Russell Allen |
| b. President's Report | Cassandra Thom |
| c. Treasurer's Report | Douglas Fritsch |
| 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
91st Annual Meeting Minutes
May 25, 2022

1. The duly held 91st Meeting called to order by Chairman Russell Allen at 6:02 PM.
2. Secretary Nauta announced that 16 members eligible to vote were now present.
3. Chairman Allen introduced the directors from the past year:
 - Russ Allen – Chairman
 - Ross Hampton – Vice Chairman
 - Doug Fritsch – Treasurer
 - Kathryn Nauta – Secretary
 - Joanne Fitzgerald – Director
 - Ross Hampton – Director
 - Mike Stoll – Director
4. Minutes for the 2021 Annual Meeting were distributed electronically. Motion to accept minutes by Joanne Fitzgerald, seconded 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 – Motion to accept the audit report by Doug Fritsch, seconded by Russ Allen, carried.
 - e. Loan Officers Report
 - f. Election Results – Russell Allen and Kathryn Nauta were elected. Motion to approve the election results and destroy the ballots after 30 days by Mark Schrimpf, seconded by Ross Hampton, carried.
6. Old Business – There was no old business to discuss.
7. New Business
 - a. Arbitration Agreement Clause. Motion to approve the arbitration agreement clause by Joanne Fitzgerald, seconded by Dale Besler.
8. Adjournment - Motion to adjourn by Les Wilkins, second by Doug Fritsch, carried.

Chairman's Report Russell Allen

The past few years represented a difficult environment for the WEA Credit Union. We began with Covid and then moved on to numerous other challenges, including high levels of inflation, fears of a recession, worker shortages, supply chain problems, increasing interest rates on loans, rising costs for homes and rents, and low returns on savings, followed by greater returns. The list goes on and on.

It was within this environment that Mark Schrimpf announced in mid-summer of 2022 that he would be retiring in early 2023. After more than twenty years as President of the WEA Credit Union we were faced with the task of hiring a replacement.

As you can imagine this is both time-consuming and difficult. We began by creating a detailed timeline with the numerous steps that had to be completed by specific dates throughout 2022. Much of the credit for this work goes to a subcommittee of the board, consisting of Ross Hampton, Kathy Nauta, and Joanne Fitzgerald (who had to leave the board in late 2022 because of the requirements of a new job). Mark Schrimpf also was involved throughout the process of finding a new president.

Our efforts were successful, and the board unanimously selected Cassie Thom as the new credit union president. She joined the credit union on October 11, 2022.

From October 11 until early February, 2023 Mark remained with the credit union (under the title of CEO), while Cassie Thom served as President. I cannot stress enough how this allowed for a smooth and positive transition in leadership.

The board thanks Mark for his more than twenty years of service and also expresses its appreciation for working with Cassie to help her to adjust to her new position as President.

The board is confident that Cassie Thom will do an outstanding job. Not only does she possess the knowledge, experience, and temperament to be successful, she also had a good teacher in Mark.

2022 President's Report

Cassandra Thom, President

WEA Credit Union ended 2022 with assets of \$37.4 million, deposits of \$33.5 million, and loans of \$19.4 million. The credit union ended the year well capitalized, with a net capital ratio of 10.26%. Net capital is a ratio that helps measure the credit union's strength. It is the percentage of assets that are backed by capital. Over 7% capital is considered well capitalized.

The credit union delinquency was well controlled, ending the year at .17% of total loans. The credit union was holding no foreclosed properties at year end. During 2022, loan staff made 1,300 loans for more than \$8.5 million, including advances on Line of Credit loans.

During 2022, the credit union opened 180 new member accounts. Increased utilization of online and mobile apps gave our membership easy access to the products and services they demanded. In the later months of the year, we started to see increased interest income. Despite seeing the improved interest income, we continue to do what we can to keep our expenses as low as we can, thereby keeping us in a stable position when we start to see interest income decrease again.

In 2022 the credit union partnered with Savvy Money to offer an online credit monitoring tool for our membership. This tool allows members to view their credit report, view spending snapshots, learn tips on how to improve their credit scores, and much more.

The credit union is always looking to add new services or improve current services. We want to help our members improve and understand their financial position. When you come into the credit union you may see many new faces but you can expect to receive the same personal service, you'd expect from WEA Credit Union. All new hires have years of experience in the credit union industry. They work hard every day to make the changes seamless to the membership, by learning what they can about WEA and the membership.

In conclusion, I would like to thank our staff, the volunteer board of directors and committee members for another great year of service. Without your guidance, help, and commitment the credit union could not operate.

Statement of Financial Condition December 31, 2022 and 2021

Assets	2022	2021
Loans	19,499,468	18,355,481
Allowance For Loan Loss	(101,219)	(90,752)
Cash	363,970	71,389
Investments	17,033,309	17,582,383
Prepaid Expenses	225,635	177,560
Furniture & Equipment	26,152	38,026
Accrued Income	75,618	44,958
Other Assets	327,483	297,924
Total Assets	37,450,416	36,476,969
Liabilities & Equity		
Notes Payable	0	0
Accounts Payable	71,089	65,846
Total Liabilities	71,089	65,846
Share Accounts	9,872,549	9,496,562
Checking Accounts	18,676,417	19,202,572
Share Certificates	3,524,460	2,457,734
IRA Accounts	1,462,071	1,534,320
Total Member Deposits	33,535,497	32,691,188
Regular Reserve	600,000	600,000
Undivided Earnings	3,243,832	3,119,936
Unrealized Gain on Investments	(3)	(1)
Total Reserves	3,843,829	3,719,935
Total Liabilities & Equity	37,450,416	36,476,969

Statement of Income & Expense December 31, 2022 and 2021

Income	2022	2021
Loan Income	748,378	712,019
Investment Income	227,939	156,838
Fee Income	40,891	36,846
Other Income	103,113	101,219
Total Income	1,120,321	1,006,922

Expense		
Salaries & Benefits	379,838	411,126
Office Operations	184,376	161,287
Rent	33,053	32,757
Loan Servicing Fees	100,740	100,812
Professional Fees	124,752	115,642
Education & Promotion	71,630	71,195
Chapter & League Dues	22,041	22,063
Provision for Loan Loss	12,877	21,750
Interest on Borrowed Money		
Member Insurance & Misc	2,579	2,700
Non-Operating Expense	(50)	(10)
Total Expense	931,836	939,322

Income	188,485	67,600
(Gain)/Loss on Sale of Assets	(2,500)	4,375
Distribution of Net Income		
Member Dividends	67,138	61,039
Regular Reserve Transfer		
Undivided Earnings Transfer	123,897	2,186
Total Distribution	191,035	63,225



June 24, 2022

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, 2022.

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

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WEA Credit Union
Loan Officers Report
December 31, 2022

	Approved		Advances		Total		Denied	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
January	24	\$646,678.19	87	\$51,612.32	111	\$698,290.51	2	\$21,500.00
February	27	\$1,097,116.16	51	\$18,433.91	78	\$1,115,550.07	0	\$0.00
March	32	\$675,950.31	99	\$81,312.46	131	\$757,262.77	4	\$53,000.00
April	25	\$792,285.78	75	\$47,682.33	100	\$839,968.11	2	\$5,000.00
May	27	\$869,669.79	92	\$73,618.73	119	\$943,288.52	1	\$20,000.00
June	25	\$544,455.39	93	\$46,966.13	118	\$591,421.52	1	\$2,000.00
July	22	\$570,854.98	70	\$33,928.63	92	\$604,783.51	1	\$5,000.00
August	19	\$594,297.90	91	\$83,907.76	110	\$678,205.66	1	\$500.00
September	19	\$530,982.16	92	\$130,860.20	111	\$661,842.36	4	\$24,947.89
October	20	\$259,051.96	85	\$64,059.15	105	\$323,111.11	3	\$46,396.36
November	29	\$708,995.55	92	\$40,952.95	121	\$749,948.50	2	\$29,800.00
December	18	\$547,349.63	86	\$47,239.52	104	\$594,589.15	2	\$3,000.00
YTD	287	\$7,837,687.80	1013	\$720,574.09	1300	\$8,558,261.79	23	\$211,144.25

	Approved	App Amount	Advances	Adv Amount	Total	Total Amount	Denied	Denied Amount
2021 YTD	295	8,548,241	919	543,596	1214	9,091,810	35	567,795
2020 YTD	309	8,239,203	1011	675,597	1320	8,914,530	46	646,303
2019 YTD	336	6,476,724	1231	854,128	1567	7,320,852	42	582,767

