

**EMPOWERING COMMUNITIES  
IMPROVING LIVES**



**YEARS**

**WECU**

*2026 Annual Meeting Report*

# A HISTORY OF IMPACT AND GROWTH

**1936**



Bellingham Teachers Credit Union (BTCU) founded by small group of educators who pooled money together in a shoebox.

**1936**



Membership opened to the faculty and staff of the Washington State Normal School (Now WWU).

**1972**



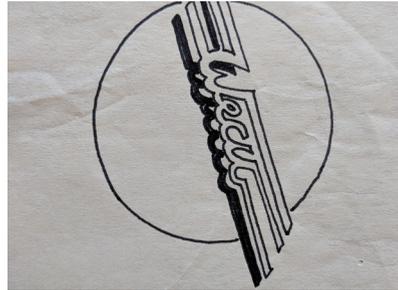
Faculty and staff of Whatcom County Community College welcomed to join BTCU.

**1975**



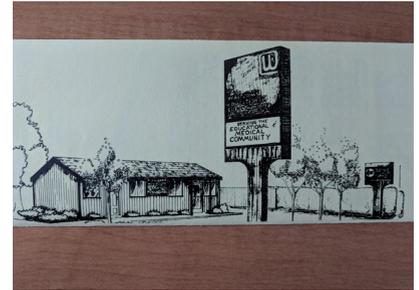
BTCU becomes Whatcom Educational Credit Union (WECU).

**1980**



WECU merges with Medical and Hospital Credit Union which served the employees of St. Joseph Hospital.

**2002**



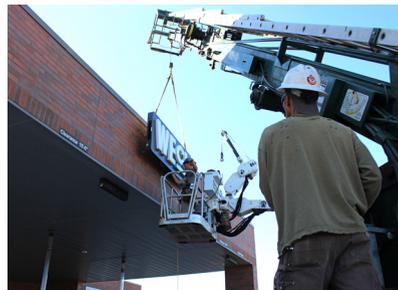
WECU's Field of Membership expanded to include all persons who live in Washington State.

**2014**



Jennifer Kutcher succeeded Wayne Langei as WECU's President & CEO.

**2018**



WECU launches a new brand, website, core system, and online banking platform.

**2023**



WECU expands to Skagit County with a branch in Mount Vernon and Sedro-Woolley.

**I**t began quietly, as meaningful things often do—not with marble columns or brass plaques, but with a shoebox tucked into a closet. A handful of teachers gathered after long days in the classroom, carrying a shared belief that trust could be currency and cooperation a kind of shelter. In a time of uncertainty, they chose to believe in one another, turning small contributions into collective strength and everyday needs into shared responsibility.

Over the decades, that simple idea learned how to travel. It moved from classrooms to storefronts, from ledgers to servers, from one small circle to many thousands. It weathered change and challenge, growth and hard decisions. Buildings opened and closed. Technology reshaped the work. Membership widened. And through it all, the purpose held steady—not growth for its own sake, but progress in service of people.

Today, WECU stands far from that first closet—and not far from its heart. We operate at greater scale, in a faster world, yet the measure of our work remains personal. It's found in moments of support, in stability during uncertainty, in the quiet confidence of knowing you're not navigating life's financial turns alone. Ninety years on, the shoebox still matters—not as an artifact, but as a reminder that everything we've built begins with people helping people.



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Dear WECU Members,

As we look ahead to 2026 and the celebration of WECU's 90th anniversary, we are grateful for the opportunity to pause—reflecting on where we've been, recognizing where we are today, and recommitting to where we are going next.

Our story began in 1936, during the Great Depression, when a small group of Bellingham teachers came together with a shared belief that cooperation could create stability and opportunity. With little more than trust and a shoebox to hold their first deposits, they formed a credit union rooted in people helping people. That founding purpose—to serve members, not profit—has guided WECU for nine decades and continues to define us today.

The past ten years represent a particularly transformative chapter in that journey. Guided by a long-term strategic vision, WECU invested deeply in technology, modernized our brand to reflect the power of "WE," and reimagined how we listen to and serve members. These intentional choices strengthened our financial foundation, expanded access to products and services, and ensured we could remain able to meet your evolving banking needs in a rapidly changing financial landscape—without losing our cooperative heart.

That foundation was evident over the past year, as we served members during moments that mattered most. When uncertainty struck—from federal government shutdowns to local flooding—our mission became action. We offered skip-a-pays, loan extensions, hardship options, and furlough-loan programs to help members navigate delayed paychecks and unexpected financial strain. These weren't just programs; they were real relief for members facing real challenges.

Today, WECU proudly serves more than 172,000 members and remains financially strong with

more than \$3 billion in assets. In the past year alone, members earned over \$50 million in interest on savings accounts and certificates—a tangible return of value to the people who own this cooperative. We continued to invest in digital tools and everyday banking services to ensure simple, secure access to finances—wherever life happens.

Our impact extends well beyond banking. Together with our members, WECU donated more than \$540,000 to local nonprofits, raised \$55,788 for local food banks, and supported education through grants, scholarships, and 98 financial education classes. 188 employees volunteered across more than 21 community events, reinforcing that our strength comes from being deeply connected to the communities we serve.

As we look forward, our next five-year strategic plan centers on growth and impact. Growth allows us to remain stable, meet your evolving financial needs, and continue to be technologically strong. Impact ensures that growth is never for growth's sake—but rooted in improving lives, expanding opportunity, and strengthening communities.

As we celebrate 90 years of service, we do so with gratitude for your trust and confidence. Together, we are building a future grounded in cooperation, compassion, and shared success. The best of WECU's story is still ahead. Together we will continue to make a meaningful difference.

With gratitude,



**JENNIFER KUTCHER**  
President/CEO



**GABRIEL MAST**  
Board Chair



WECU Team at the Whatcom Home Show.



WECU President & CEO, Jennifer Kutcher with Education First grant recipients.



WECU volunteers at April Brews Day supporting the Max Higbee Center.



WECU teams participating at Ferndale trick or treat event.



WECU leading a Bite of Reality financial event for Shuksan Middle School students. WECU put on three Bite of Reality events in 2025.

## Charitable Giving

**\$541,000**

*donated to local nonprofits*

**\$55,788**

*raised for local food banks*

## Team WECU

**188** *WECU volunteers*

**21** *Nonprofit events supported*

## Financial Education

**98** *Lessons provided*

**2,230** *Youth and adult students benefited*

### COMMUNITY PARTNERSHIPS INCLUDED:

Western Washington University

Raspberry Festival

NW Washington Fair

Skagit Valley College Foundation

United Way of Whatcom and Skagit Counties

Bellingham Bells

Stoney Ridge Farm Fall Festival

Ferndale Summer of Fun

Bellingham Technical College

Whatcom Community College

Downtown Mount Vernon Association

Skagit County Fair

Whatcom and Skagit County School Districts

Max Higbee Center

The Supervisory Committee's primary goals are to ensure that WECU's financial reporting objectives have been met and that practices and procedures safeguard our members' assets.

To meet these goals, the Supervisory Committee is responsible for:

- Keeping fully informed as to the financial condition of WECU and the decisions of WECU's Board;
- Performing or arranging for a complete annual audit of WECU and a verification of its members' accounts; and providing any related findings and recommendations to the Board;
- Providing an annual report to members at each annual membership meeting;
- Performing or arranging for additional audits as deemed necessary and providing any related findings and recommendations to management or

the board as deemed appropriate;

- Monitoring the implementation of management responses to material adverse findings in audits and regulatory examinations; and
- Implementing a process for the Supervisory Committee to receive and respond to whistleblower complaints.

In addition to the annual audit of the credit union's financial statements and a membership verification audit performed by an independent audit firm, a safety and soundness examination was conducted jointly by the Washington State Department of Financial Institutions (DFI) and the National Credit Union Administration (NCUA) during the year.

As evaluated in the most recent regulatory examination, WECU exhibits satisfactory

### 2025 SUPERVISORY COMMITTEE



**JENNIFER WRIGHT**

**SUPERVISORY  
COMMITTEE, CHAIR**

Serving since 2017



**KURT WILLIS**

**SUPERVISORY  
COMMITTEE**

Serving since 2013



**SHONDA SHIPMAN**

**SUPERVISORY  
COMMITTEE**

Serving since 2014



**TRACY DABBS**

**ASSOCIATE  
SUPERVISORY COMMITTEE**

Serving since 2025

performance and risk management practices, which provide for safe and sound operations.

As stated in the most recent opinion audit report, WECU's financial statements present fairly, in all material respects, the financial position of the Credit Union and the results of its operations and its cash flows, in conformity with generally accepted accounting principles.

The most recent opinion audit and the regulatory exam results support WECU's management's ability to properly and accurately identify, measure, monitor, report, and control the inherent risks of the credit union.

Additionally, the following successful audits were conducted by WECU's Internal Audit team or independent third-party audit service providers over the past year:

- Information Technology General Controls Audit
- Information Security Comprehensive Penetration Testing
- Web Application Penetration Testing – Online Banking
- Bank Secrecy Act Independent Testing & Audit
- Automated Clearing House (ACH) Audit
- Member Business Loan (MBL) Audit
- Secure and Fair Enforcement for Mortgage Licensing (SAFE) Act Audit
- Board of Directors, Supervisory Committee, & President/CEO Loan Audit
- Small Business Development (SBA) Program Review
- Retirement Plan Audit
- Corporate Credit Card Audit
- Financial Center Cash Control Audit
- Wire Transfer Control Audit

In addition to the findings and recommendations from the regulatory examinations and the opinion audit, the results of the audits conducted by the Internal Audit team and/or third-party audit service providers were reviewed by the Supervisory Committee during the year, along with management responses and plans for improvement.

The Internal Audit team monitors and follows up on all internal and external audit engagement findings and recommendations and provides subsequent updates to the Supervisory Committee, as appropriate.

Each month the Supervisory Committee meets independently in addition to attending monthly Board meetings. Members of the Committee also participate in annual strategic planning retreats and educational training programs.

Respectfully submitted,  
Jennifer Wright, Chair  
Shonda Shipman  
Kurt Willis  
Tracy Dabbs

## 2025 BOARD OF DIRECTORS



**GABRIEL MAST**

**BOARD CHAIR**  
Serving since 2018



**KURT WILLIS**

**BOARD VICE CHAIR**  
Serving since 2013



**CAROL LAGER**

**BOARD SECRETARY**  
Serving since 2006



**MARGO HAMMOND**

**BOARD MEMBER**  
Serving since 2017



**STEPHANIE MORRELL**

**BOARD MEMBER**  
Serving since 2022



**JOHN STERNLICHT**

**BOARD MEMBER**  
Serving since 2023



**KRISTI LEWIS TYRAN**

**BOARD MEMBER**  
Serving since 2006



**DALE ZENDER**

**BOARD MEMBER**  
Serving since 2010



**RACHEL VASAK**

**INTERIM BOARD MEMBER**  
Serving since 2025

*Our Nominating Committee begins its work early each year. Members are notified of the upcoming annual election in the winter newsletter. Election information is posted on WECU's website. Information includes eligibility requirements and how a member may apply to become a candidate.*

When an incumbent indicates an interest in being re-elected, the Nominating Committee engages in a vetting process. Each incumbent candidate's performance is monitored throughout the year. Board and Supervisory Committee members also participate in an annual self and peer review process. The Board as a whole is also evaluated annually. The Nominating Committee uses these tools and observations to determine the incumbent's eligibility and capability.

The Nominating Committee seeks to provide at least one qualified candidate for each position, the result of which will be determined by a membership vote at each year's Annual Meeting. After the 2025 process of review, interview, and evaluation of incumbents and other candidates, the Nominating Committee is pleased to present four qualified candidates at the February 2026 Annual Meeting.

Per WECU's Bylaws, and the "Modern Rules of Order" under which the Annual Meeting is conducted, nominations from the floor are not allowed. Because there is only one candidate for each position, there will be a call for a motion by acclamation for the following candidates:

**Carol Lager**, Director

**Rachel Vasak**, Director

**Kurt Willis**, Director

**Shonda Shipman**, Supervisory Committee



## CAROL LAGER

### BOARD OF DIRECTORS

Carol served on WECU's Supervisory Committee from 2006 until early 2014, when she was appointed to WECU's Board of Directors. Throughout her years of service, Carol has served in various positions, most recently as the chair of the WECU Governance Committee.

Carol taught business and computer classes at Nooksack, Sehome, and Bellingham Technical College for over 25 years. She was the Dean of Health, Sciences, and General Education for 5 years at BTC and ended her career serving as the Vice President of Instruction for 3 years.



## RACHEL VASAK

### BOARD OF DIRECTORS

Rachel holds a Bachelor's Degree in Geology and a Master's Degree in Public Administration with a focus on nonprofit leadership. Rachel is the current Executive Director at Whatcom Land Trust and prior to that was the Executive Director at the Nooksack Salmon Enhancement Association.

Rachel strongly believes in the importance of giving back and lifelong learning through volunteering with other nonprofits and board service. She volunteers to teach avalanche safety at Mount Baker Ski area and most recent board service includes the Washington State Regional Fisheries Coalition and Sustainable Connections.

Rachel lives on a small farm with her husband and son. Her personal interests include watching her son play baseball, gardening, raising sheep, exploring water and mountains, and traveling adventures.



## KURT WILLIS

### BOARD OF DIRECTORS

Kurt retired after serving 35 years at Western Washington University (WWU), most of it as Associate Director of Housing, responsible for the finance and technology matters of the university's housing and dining system, overseeing financial planning, budgeting, capital financing, audits, multiple contracts, campus ID program, and technology. Prior to that, he served in other student housing positions at WWU, the University of Washington, and the University of California, Davis.



## SHONDA SHIPMAN

### SUPERVISORY COMMITTEE

Shonda was elected to the Supervisory Committee in 2014 and has served as the Supervisory Committee Chair for three terms. She has also served on the Nominating Committee.

Shonda serves our community as the Finance Director for Whatcom Transportation Authority. Prior work experience includes Whatcom County Public Works and Western Washington University. Shonda has also worked in public accounting and holds her CPA license.

Shonda resides in Bellingham with her family and has been a WECU member for over 30 years.

BALANCE SHEET *in millions*

<b>ASSETS</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Cash and Cash Equivalents</b>	<b>312</b>	<b>178</b>	<b>348</b>
<b>Total Investments</b>	<b>204</b>	<b>219</b>	<b>231</b>
Total Outstanding Loans	2,143	2,461	2,652
Less: Allowance for Loan & Lease Losses	(14)	(17)	(28)
<b>Net Loans Outstanding</b>	<b>2,129</b>	<b>2,444</b>	<b>2,624</b>
Land & Building	62	59	57
Other Fixed Assets	4	3	3
NCUA Share Insurance Capitalization Deposit	20	20	22
All Other Assets	35	34	47
<b>Total Other Assets</b>	<b>121</b>	<b>116</b>	<b>129</b>
<b>Total Assets</b>	<b>\$2,766</b>	<b>\$2,957</b>	<b>\$3,332</b>
<b>LIABILITIES</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Accounts Payable & Other Liabilities	33	36	58
Borrowings	172	206	176
<b>Total Liabilities</b>	<b>205</b>	<b>242</b>	<b>234</b>
<b>DEPOSITS</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Business	234	240	268
Checking	451	441	480
Savings	1,062	1,131	1,231
Certificates & IRA's	478	553	753
<b>Total Deposits</b>	<b>2,225</b>	<b>2,365</b>	<b>2,732</b>
<b>EQUITY</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Undivided Earnings & Regular Reserves	316	337	353
Net Income Year-to-Date	20	13	13
<b>Total Equity</b>	<b>336</b>	<b>350</b>	<b>366</b>
<b>Total Liabilities, Deposits, and Equity</b>	<b>\$2,766</b>	<b>\$2,957</b>	<b>\$3,332</b>

INCOME STATEMENT *in thousands*

INTEREST INCOME	2023	2024	2025
Interest on Loans	86,849	108,764	135,778
Income from Investments	25,372	25,596	15,909
<b>Total Interest Income</b>	<b>\$112,221</b>	<b>\$134,360</b>	<b>\$151,687</b>
INTEREST EXPENSE	2023	2024	2025
Dividends on Deposits	24,581	42,146	51,029
Interest on Borrowed Money	12,313	13,266	9,348
<b>Total Interest Expense</b>	<b>36,894</b>	<b>55,412</b>	<b>60,376</b>
Provision for Loan & Lease Losses (PLLL)	5,338	17,917	20,087
<b>Net Interest Income After PLLL</b>	<b>69,989</b>	<b>61,031</b>	<b>71,224</b>
NON-INTEREST INCOME	2023	2024	2025
Fee Income	10,103	10,850	12,302
Other Operating Income	18,863	21,633	23,715
Gain (Loss) on Disposition of Fixed Assets	(3)	2,603	-
Other Non-Operating Income (Expense)	141	161	(74)
<b>Total Non-Interest Income</b>	<b>29,104</b>	<b>35,247</b>	<b>35,943</b>
NON-INTEREST EXPENSE	2023	2024	2025
Employee Compensation and Benefits	43,406	44,367	47,645
Travel & Conference Expense	514	260	465
Office Occupancy	3,766	4,309	4,003
Office Operations Expense	14,925	15,168	16,956
Educational and Promotional Expenses	2,860	3,278	3,375
Loan Servicing Expense	11,308	12,605	17,585
Professional and Outside Services	3,229	3,516	4,288
Operating Fees	157	138	194
Miscellaneous	146	433	378
<b>Total Non-Interest Expense</b>	<b>80,312</b>	<b>84,074</b>	<b>94,888</b>
Market Adjustment Gain (Loss)	1,091	551	877
<b>NET INCOME (LOSS)</b>	<b>\$19,873</b>	<b>\$12,755</b>	<b>\$13,156</b>

\*Annual meeting financial statements are unaudited

