



# ANNUAL REPORT

## 2023

**“Germania Credit Union’s vision is to serve its members’ needs through an evolving innovative member experience; develop existing relationships while growing within its field of membership; and achieving sustainability through smart growth.”**

## **GERMANIA CREDIT UNION**

Germania Credit Union (GCU) was organized in 1986 as a savings and lending institution to benefit the employees, insurance writers, local chapter officials and members of Germania Farm Mutual and its subsidiaries throughout the state.

Germania Credit Union offers a share savings account which earns interest, referred to as dividends, and is paid quarterly. GCU also offers certificates of deposit (CD) at competitive rates, money market accounts and share draft (checking) accounts with no minimum balance and no monthly service charge. Share draft accounts also offer the availability of a Visa Debit Card as well as free Electronic Services including online and mobile banking, ACH transfers and remote deposit capture. The minimum deposit to open a CD is \$500.00 and the minimum required to open a share draft account is \$100.00. All members are insured up to \$250,000 by the National Credit Union Administration, an agency of the federal government.

Germania Credit Union offers loans at very competitive rates. Types of loans include Personal Loans, Shared Secured Loans, Automobile, Boat, Recreational Vehicle, Computer and Farm Equipment Loans. In addition to consumer loans the credit union offers Mortgage Loans. The credit union is partnered with Rocket Pro-TPO to allow members Fannie and Freddie insured loan options with terms up to 30 years for both home purchases and refinances. GCU also offer various loan specials through the year, such as vacation, back-to-school, Christmas, Skip-a-Pay and various others.

Germania Credit Union ended 2023 with 2,729 members. Assets were more than \$19.9 million and loans of \$17.7 million. The credit union's continued growth depends greatly on your participation. You and your family are encouraged to join the Credit Union. To do so, please contact Wendy Frazier, Chelsea Lozano, or Scot Mertz. We are looking forward to 2024 and appreciate your support.

**GERMANIA CREDIT UNION**  
**2023**

**BOARD OF DIRECTORS**

Michelle Sayre -Chairman  
Liz Broesche -Vice Chairman  
Hayden Mierl -Treasurer  
Thresia Schlabach -Secretary  
John Trostle

Wendy Rubach  
Jeff Smestuen  
Cheyanne Lehrmann  
Traci Bagley

**CREDIT COMMITTEE**

Hayden Mierl -Chairman  
Lisa Eben-Secretary  
Jack Headlee  
Felicia Boykin  
Liz Broesche  
Shelly Orsak  
Amy Espinoza

**MARKETING COMMITTEE**

Krista Sander -Chairman  
Kim Kaliszewski  
Christine Devine  
Cheyanne Lehrmann  
Christine Marinis  
Lindsey Fricke

**AUDIT COMMITTEE**

Jennifer Gillespie -Chairman  
Traci Bagley  
Darla Hamff  
John Trostle  
Jordan Crabtree  
Olivia Davis  
Cheyanne Lehrmann  
MaryNell Frey  
Virginia Kapchinski

**ALCO COMMITTEE**

Hayden Mierl -Chairman  
Scot Mertz -Secretary  
Liz Broesche  
Michelle Sayre  
Wendy Frazier

**Credit Union Staff**

Wendy Frazier – President  
Scot Mertz – Accounting Manager  
Chelsea Lozano – Financial Service Rep

**GERMANIA CREDIT UNION**  
**38<sup>th</sup> Annual Meeting**

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**Germania Credit Union**  
**Thirty-Seventh Annual Meeting Minutes**  
**March 7, 2023**

The thirty-seventh annual membership meeting of the Germania Credit Union was held March 7, 2023 in the Germania Board Room at noon. The annual meeting was held in-person for the first year since 2020. A total of 36 members attended and voted at the annual meeting, constituting a quorum.

The annual report was provided to all members who attended. The report included the thirty-sixth annual meeting minutes, a report of the chairman of the board, a report of the president, a statement of financial condition, a report of the audit committee, a report of the credit committee, a report of the marketing committee, a report of the asset liability management committee, and a report of the nominating committee.

Michelle Sayre, Chairman of the Board, opened the meeting with the report of the chairman of the board. Michelle recognized Nick, Wendy, Janet, Keiland, and Chelsea for all of their hard work and dedication over the last year making the Germania Credit Union the fastest growing credit union in our peer group in 2022.

Nick Tonelli, President, gave the report of the president. He detailed the financial highlights of the credit union over the last year and the enhancements that had been made including: a new mortgage partner, debit card conversion, new physical branch location, modernization of the Asset Liability Management policy, updated the disaster recovery plan, the ability to sell loan participations, and new annual training plan. Nick thanked Germania, the sponsor of the Germania Credit Union. Nick thanked the many volunteers for their service on the Audit, Credit, Marketing, and Asset Liability committees. Nick also thanked the nine-member board of directors for their time and service. Lastly, Nick thanked the members for their participation in the success of the credit union.

The report of the Nominating Committee was provided by Michelle Sayre. The Nominating Committee consisted of Jennifer Gillespie, Rose Stein, and Chairman Michelle Sayre. Thesia Schlabach, Traci Bagley, and Chris Malone were nominated to fill the three full-term vacancies on the Board. All agreed to serve the Board for the term 2023 to 2026. The results of the voting were:

- Chris Malone was elected as director with 36 votes for and 0 votes against.
- Traci Bagley was elected as director with 36 votes for and 0 votes against.
- Thesia Schlabach was elected as director with 36 votes for and 0 votes against.

The meeting was adjourned by Nick and a luncheon was held for the members.

Winners of the drawing prizes for a \$25 Gift Card:

Lillian Krolczyk

Mary Hightower

Jenna Orsak

Julie Petty

Hunter Schlabach

Kim Kaliszewski

Adella Converse

Shelley Scheffer

Winners of the membership drive \$50 Gift Card:

Hector Bermea

Donna Pellerin

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Hayden Mierl". The signature is written in a cursive style with a large, stylized initial "H" and "M".

Hayden Mierl

## REPORT OF THE CHAIRMAN OF THE BOARD

Welcome everyone and thank you for engaging in our annual meeting. I appreciate your participation and involvement with Germania Credit Union.

The Credit Union team underwent a lot of changes during 2023. Nick Tonelli left for another opportunity and Wendy Frazier was promoted to President. Janet Mantey retired at the end of the year and Scot Mertz joined the team.

The board appreciates everyone mentioned above along with Chelsea Lozano for all their hard work and dedication over this last year. The devotion they have to our customers is the reason we have maintained our success throughout this last year in an ever-changing market.

I want to say thank you to our membership, as you play such an integral role in the success of Germania Credit Union.

I also want to say thank you to the Board of Directors, Credit, Audit, Marketing and ALCO Committees for the time you put in volunteering to support the credit union. Germania Credit Unions' sponsor, Germania Farm Mutual, allows for these employees to spend time away from their daily jobs to support the needs of the credit union. The ongoing support is greatly appreciated.

We will continue to be vigilant as the market continues to change and ensure that all decisions support the credit union moving forward into the future.

Respectfully submitted,

*Michelle Sayre*

Michelle Sayre  
Chairman of the Board

## REPORT OF THE PRESIDENT

As we look back on 2023, I am pleased to report that it was a successful year for Germania Credit Union. At year end, the assets of our credit union were over \$19.9 million, deposits from members exceeded \$17.2 million, member loans were over \$17.7 million, and our membership stood at 2,729. When you look at the financial report you will see that GCU posted net income of \$154,607. This led the credit union to improve its capital position.

In 2023 the credit union continued to improve products and services focused on increasing member service and positioning the credit union to be its members primary financial institution.

- **Annual/Ongoing Compliance Training (Complete)** The credit union enhanced an annual/ongoing Compliance Training to stay abreast of the newest changes in Regulations. This enhanced plan allows the credit union staff to be properly trained and ready to serve members with expertise while remaining in compliance.

Germania Credit Union would like to thank our sponsor, Germania. They provide the time for many of our volunteers to meet and support our daily operations in countless ways. It is an honor to have the word Germania in our name, but with that comes an obligation to operate the credit union and serve our members with the same excellence Germania operates with and provides their policyholders.

It is important to let you know of the many volunteers who work for the credit union on your behalf, and to thank them for their service. The credit union has four standing committees that I would like to recognize and thank for their service:

- **Audit Committee:** monthly loan audit/report and currency controls review and audit/report
- **Credit Committee:** review and grant loans within the credit unions general lending policy
- **Marketing Committee:** promote credit union and plan annual meeting/annual Credit Union Day
- **Asset Liability Committee:** review assets, liabilities, liquidity, rates, ratios, investment activity, lending activity and capitalization

You will find a list of these volunteers at the front of this Annual Report. They work hard to support credit union operations with no personal reward. We appreciate every moment they are willing and able to give. They each come with a wealth of knowledge and a true passion for the success of Germania Credit Union.

In addition to the volunteers on these committees, our nine-member board of directors who give of their time freely. They meet at least monthly and give up their lunch hour to do so. As members we should be proud and grateful for this group of volunteers who have an intense desire to see the credit union succeed in its mission to serve us, the members. Each one of

them brings their own expertise and experience to the board and they all share an unwavering commitment to the credit union philosophy. The board has been extremely helpful and supportive through our leadership change in 2023. I am thankful for the time and knowledge they share with the entire GCU staff.

I also want to thank each of you for your participation in making Germania Credit Union a success. Each one of you is an owner of the credit union and your combined strength is that of the credit union. Organic growth is key to the credit union's success. I encourage each of you to be an ambassador of the credit union. It is my promise that we will serve each new member with passion and purpose to help them achieve financial success.

Sincerely,

*Wendy Frazier*

Wendy Frazier  
President

## Germania Credit Union

### Statements of Financial Condition

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,928,216	1,229,930
Loans receivable, net of allowance for credit losses	17,685,421	18,610,597
Accrued interest receivable	49,147	48,255
Equipment, net of accumulated depreciation of \$51,418 and \$35,198	56,124	68,828
Prepaid expenses and other assets	24,637	16,101
NCUSIF deposit	<u>168,666</u>	<u>170,040</u>
Total assets	<u>\$ 19,912,211</u>	<u>20,143,751</u>
<u>Liabilities and Members' Equity</u>		
Members' share and savings accounts	\$ 17,218,758	16,616,581
Non-member deposits	248,000	992,000
Note payable	200,000	200,000
Accrued expenses and other liabilities	<u>35,433</u>	<u>279,757</u>
Total liabilities	<u>17,702,191</u>	<u>18,088,338</u>
Members' equity:		
Statutory reserve	203,380	203,380
Undivided earnings	<u>2,006,640</u>	<u>1,852,033</u>
Total members' equity	<u>2,210,020</u>	<u>2,055,413</u>
Total liabilities and members' equity	<u>\$ 19,912,211</u>	<u>20,143,751</u>

## Germania Credit Union

### Statements of Income

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Interest income:		
Loans receivable	\$ 875,593	715,801
Invested cash and cash equivalents	<u>37,729</u>	<u>19,164</u>
Total interest income	<u>913,322</u>	<u>734,965</u>
Interest expense:		
Members' share and savings accounts	250,226	100,532
Non-member deposits	6,578	19,380
Other borrowing	<u>16,188</u>	<u>349</u>
Total interest expense	<u>272,992</u>	<u>120,261</u>
Net interest income	640,330	614,704
Provision for credit losses	<u>1,344</u>	<u>(12,099)</u>
Net interest income after provision for credit losses	<u>641,674</u>	<u>602,605</u>
Non-interest income:		
Contributions from sponsor	29,999	38,859
Fees and charges	<u>85,661</u>	<u>125,495</u>
Total non-interest income	<u>115,660</u>	<u>164,354</u>
Non-interest expense:		
Compensation and benefits	370,499	416,859
Occupancy	29,000	22,020
Stationery and supplies	16,721	20,321
Correspondent bank service charges	17,537	15,361
Legal and professional	23,024	12,463
Maintenance	30,391	25,160
Depreciation	16,220	14,236
Insurance and assessments	19,098	18,163
Other	<u>80,237</u>	<u>68,008</u>
Total non-interest expense	<u>602,727</u>	<u>612,591</u>
Net income	<u>\$ 154,607</u>	<u>154,368</u>

## REPORT OF THE AUDIT COMMITTEE

The 2023 GCU Audit Committee consisted of Traci Bagley, Olivia Davis, Darla Hamff, Virginia Kapchinski, MaryNell Frey, Jordan Crabtree, Jennifer Gillespie, Cheyanne Lehrmann and John Trostle.

The Board of Directors charges the Audit Committee with the responsibility to review and report on the state of the financial assets of your credit union. The Audit Committee conducts sample reviews of made, declined or miscellaneous loan files. The loan file reviews were conducted and reported to the GCU board and the few exceptions noted were corrected. In addition, four surprise audits of each teller's and stamp drawers and the safe are conducted and reported to the board. The audit committee assists the firm of Jaynes, Reitmeier, Boyd & Therrell, P.C. of Waco by compiling and mailing of members' December statements.

The Committee randomly selected fifty December 2023 statements to tie back to the GCU general ledger without exception. Additionally, the Committee compiled and mailed all statements without exception.

The 2023 GCU Audit Committee is pleased to have served an important role for the members of GCU and remain ready to continue our role for the members in the future.

I would like to thank each of the Audit Committee members for their dedication, eagerness, and thoroughness in performing their functions and their willingness to volunteer their time and talents to GCU and its members. I would also like to thank the GCU staff for their cooperation.

Respectfully submitted,



Jennifer Gillespie  
Audit Committee Chair

## REPORT OF THE CREDIT COMMITTEE

The 2023 Germania Credit Union Credit Committee consisted of Hayden Mierl (Chairman), Lisa Eben (Secretary), Shelly Orsak, Liz Broesche, Jack Headlee, Felicia Boykin, and Amy Espinoza.

The Board of Directors charges the Credit Committee with the responsibility of approving or disapproving designated loan applications from members. The loan policies established by the Board of Directors serve as guidelines for the Credit Committee in the loan review.

Actions of the 2023 Credit Committee were as follows:

	Number of Loans	% of Total Loans	Loan Reviewed Dollars	Loan Approval Dollars
Loans Approved	35	90%	\$994,368.70	\$994,368.70
Loans Denied	0	0%	\$0.00	
<u>Counteroffers</u>	<u>4</u>	<u>10%</u>	<u>\$102,500.00</u>	<u>\$98,500.00</u>
Total Loans Reviewed	39	100%	\$1,096,868.70	\$1,092,868.70

The Credit Committee members would like to thank the Credit Union Staff: Wendy Frazier, Janet Mantey, Chelsea Lozano, and Scot Mertz for their experience and commitment throughout the year. We commend the staff for their constant dedication to the GCU members.

Thanks to the Board of Directors for their ongoing support and trust they put in the Credit Committee members.

Thank you to the Credit Committee members for volunteering their time to Germania Credit Union and the GCU members.

Respectfully submitted,



Hayden Mierl, Chairman  
Credit Committee

## REPORT OF THE MARKETING COMMITTEE

The Marketing Committee members for 2023 consisted of Cheyanne Lehrmann, Christina Marinis, Christine Devine, Kim Kaliszewski, Lindsey Fricke, and Krista Sander (Chairperson).

The purpose of the Marketing Committee is to assist the staff in increasing membership, loans, member services and make planned events operate effectively. In the year 2023, the membership was 2,729.

The 37<sup>th</sup> Annual Meeting of Germania Credit Union was held in-person and virtually via zoom on March 7, 2023. A lunch of chicken spaghetti and/or beef spaghetti with salad, bread and cookies was served to members who attended in-person. At the meeting, members were given the opportunity to vote for the GCU Board of Directors using a Qualtrics link online or by scanning a QR code available at the meeting. The GCU Annual Report was posted online on the public website (Menu, Disclosures, Documents Available to Members) and additionally, copies of the report were physically available for members who attended the meeting in-person. Members who attended the meeting were eligible to enter a drawing and eight random winners received a \$25 Visa gift card.

In conjunction with the 2023 GCU Annual Meeting, a member drive was held. According to the GCU, four new members were gained during the drive and two of those members received a \$25 Visa gift card after entering a drawing for new members.

International Credit Union Day was celebrated on October 19, 2023, with popcorn served in the GCU lobby throughout the day.

Respectfully submitted,

*Krista Sander*

Krista Sander

Marketing Committee Chairperson

## REPORT OF THE ASSET LIABILITY MANAGEMENT COMMITTEE

The Asset Liability Management Committee (ALCO) met each month during 2023. The 2023 ALCO members were Wendy Frazier, GCU President; Michelle Sayre, GCU Board Chairman; Liz Broesche, GCU Board Vice Chairman; Hayden Mierl, GCU Board Treasurer; and Scot Mertz, GCU Accounting Manager. Regular agenda items for these monthly meetings included:

- Review and analysis of financial and regulatory ratios of GCU's financial reports
- Review and analysis of loan and share change activity
- Review and analysis of investment activity
- Set member CD and money market rates
- Recommend loan and regular share dividend rates to the GCU Board

The ALCO, GCU Board, and GCU employees take our responsibility to protect member's assets very seriously and appreciate the opportunity to serve the membership. Thank you for your continued belief in the credit union concept as well as Germania Credit Union.

Respectfully submitted,



Hayden Mierl, Chairman  
Asset Liability Management Committee

## **REPORT OF THE NOMINATING COMMITTEE**

The 2023-2024 Nominating Committee, as appointed by the Board of Directors, consists of Jennifer Gillespie, Rose Stein, and Chairman Michelle Sayre. The Committee nominates Jeff Smestuen, Liz Broesche, and Kaci Eilert to fill the three full-term vacancies on the Board. Each candidate has been contacted and each candidate has expressed their willingness to serve.

### **Jeff Smestuen**

Jeff began his career with Germania Insurance in September of 2007. He is currently the Director of Enterprise Security and has held other roles including PC/LAN Support Engineer, Information Technology Purchasing Manager, and Director of Technical Services.

Jeff is an alumni of Texas A&M University. He served in the United States Marine Corps and is a Desert Storm Veteran. He currently serves as a Blue & Gold Information Officer for the United States Naval Academy – Annapolis, Maryland. Jeff also is very active with The Wounded Warrior Project, Combat Veterans Outdoors, Marines Helping Marines, and the Marine Corps Toys for Tots program. He also currently serves in his 2nd year as National President of the Confederation of Leathernecks Marine Corps Veterans Club that is dedicated to assisting and promoting benefits and aid programs to Marines Corps veterans.

### **Liz Broesche**

Liz Broesche is a Casualty Unit Manager with Germania Insurance. She manages a team of Casualty Claims Representatives handling all aspects of claim customer experience, investigation, and insurance compliance. Liz is an Accredited Customer Service Representative, holds an Associate in Arts degree in General Business from Blinn College and a Bachelor of Business Administration Degree in Management from Texas A&M University.

Liz has nearly 30 years of experience in the insurance industry, 19 of those years with Germania. Liz is a member of St. John's UCC where she also teaches 3rd and 4th grades in Sunday school, St. John's Christian Education Team, Burton PTO, Burton VFD Ladies Auxiliary, and the Germania Credit Union Credit Committee. She has served on the Germania Credit Union Board of Directors for six years and is seeking re-election.

### **Kaci Eilert**

Kaci Eilert began her employment with Germania Insurance in October 2016 in the Underwriting department. She is currently the Customer Experience Manager where she manages a team of Customer Service Specialists who handle the incoming calls to Germania.

Kaci holds an Associate of Arts degree from Blinn College. She and her family reside in Brenham, Texas. Kaci is excited for the opportunity to serve on the board for Germania Credit Union.

Respectfully submitted,

*Michelle Sayre*

Michelle Sayre, Chairman  
Nominating Committee



*Helping members achieve financial success by financing their dreams and helping them save for the future.*

