

**WEA INVESTMENT SERVICES, INC.**

**FINANCIAL REPORT**

December 31, 2021



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ANNUAL REPORTS  
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PART III

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Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/2021 AND ENDING 12/31/2021  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: WEA Investment Services, Inc.

TYPE OF REGISTRANT (check all applicable boxes):

☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant  
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

660 John Nolen Drive

(No. and Street)

Madison

WI

53713

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Rhonda Scheel

(608) 709-4574

rscheel@weabenefits.com

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Ryan & Juraska LLP, CPAs

(Name – if individual, state last, first, and middle name)

141 W. Jackson Boulevard

Chicago

IL

60604

(Address)

(City)

(State)

(Zip Code)

March 24, 2009

3407

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

FOR OFFICIAL USE ONLY

\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

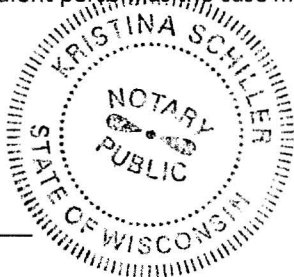
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## OATH OR AFFIRMATION

I, Rhonda Scheel, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of WEA Investment Services, Inc., as of December 31, 2021, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

*Kristina Schiller*

Notary Public



Signature: *Rhonda M. Scheel*

Title: President & Treasurer

### This filing\*\* contains (check all applicable boxes):

- ☒ (a) Statement of financial condition.
- ☐ (b) Notes to consolidated statement of financial condition.
- ☒ (c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income (as defined in § 210.1-02 of Regulation S-X).
- ☒ (d) Statement of cash flows.
- ☒ (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☒ (g) Notes to consolidated financial statements.
- ☒ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☒ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☒ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☒ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☒ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: \_\_\_\_\_

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

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**RYAN & JURASKA LLP**  
Certified Public Accountants

141 West Jackson Boulevard  
Chicago, Illinois 60604

Tel: 312.922.0062  
Fax: 312.922.0672

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Audit Committee, Board of Directors, and Stockholder of  
WEA Investment Services, Inc.

### **Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of WEA Investment Services, Inc. (the Company) as of December 31, 2021, the related statements of income, changes in stockholder's equity, and cash flows for the year then ended, and the related notes and supplemental schedules (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of WEA Investment Services, Inc. as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

These financial statements are the responsibility of WEA Investment Services, Inc.'s management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to WEA Investment Services, Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as WEA Investment Services, Inc.'s auditor since 2017.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### **Auditor's Report on Supplemental Information**

The Supplemental Schedules (the supplemental information) have been subjected to audit procedures performed in conjunction with the audit of WEA Investment Services, Inc.'s financial statements. The supplemental information is the responsibility of WEA Investment Services, Inc.'s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the Supplemental Schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

*Ryan & Juraska LLP*

Chicago, Illinois  
February 22, 2022



# **WEA INVESTMENT SERVICES, INC.**

## **STATEMENT OF FINANCIAL CONDITION**

December 31, 2021

### **ASSETS**

Cash and cash equivalents	\$	86,388
Receivables from affiliate		26,057
Income taxes recoverable		73
Other assets		<u>13,827</u>
Total assets	\$	<u>126,345</u>

### **LIABILITIES AND STOCKHOLDER'S EQUITY**

#### Liabilities:

Payable to affiliates	\$	23,986
Total liabilities		<u>23,986</u>

#### Stockholder's equity:

Common stock, \$1 par value, authorized 10,000 shares, issued and outstanding 1,000 shares		1,000
Additional paid-in capital		49,000
Retained earnings		<u>52,359</u>
Total stockholder's equity		<u>102,359</u>

Total liabilities and stockholder's equity	\$	<u>126,345</u>
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See Notes to Financial Statements.

## **WEA INVESTMENT SERVICES, INC.**

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### **STATEMENT OF INCOME**

Year Ended December 31, 2021

#### **INCOME**

Service fees earned	\$	154,000
Interest income		111
		<u>154,111</u>

#### **OPERATING EXPENSES**

Regulatory fees and expenses	16,441
Professional service fees	46,800
Audit fees	14,850
Allocated expenses from affiliates	61,634
Technology, data, and communication costs	12,160
Other expenses	2,390
	<u>154,275</u>

Net income/(loss) before income taxes (164)

Income tax expense (benefit) (9)

Net income/(loss) \$ (155)

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See Notes to Financial Statements.

## WEA INVESTMENT SERVICES, INC.

### STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

Year Ended December 31, 2021

	Common Stock		Additional	Retained	Total
	Shares	Amount	Paid-In	Earnings	Stockholder's
			Capital		Equity
Balances at December 31, 2020	1,000	\$ 1,000	\$ 49,000	\$ 52,514	\$ 102,514
Net income/(loss)	-	-	-	(155)	(155)
Balances at December 31, 2021	<u>1,000</u>	<u>\$ 1,000</u>	<u>\$ 49,000</u>	<u>\$ 52,359</u>	<u>\$ 102,359</u>

See Notes to Financial Statements.



## WEA INVESTMENT SERVICES, INC.

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### STATEMENT OF CASH FLOWS

Year Ended December 31, 2021

Cash flows from operating activities:

Net income/(loss)	\$ (155)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	
(Increase) decrease in operating assets:	
Receivable from affiliate	(5,380)
Income taxes recoverable	(73)
Other assets	(7,122)
Increase (decrease) in operating liabilities:	
Income taxes payable	(137)
Payable to affiliates	617
Net cash provided by (used in) operating activities	<u>(12,250)</u>
Net change in cash and cash equivalents	(12,250)
Cash and cash equivalents at beginning of the period	<u>98,638</u>
Cash and cash equivalents at end of the period	<u><u>\$ 86,388</u></u>
Cash Paid for Income Tax	<u>\$ 210</u>

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See Notes to Financial Statements.

## WEA INVESTMENT SERVICES, INC.

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### NOTES TO FINANCIAL STATEMENTS

#### Note 1 ~ Nature of Business

**Nature of Business.** WEA Investment Services, Inc. (the Company), a wholly-owned subsidiary of the WEA Member Benefit Trust, was organized for the purpose of facilitating mutual fund trading on behalf of its related entities. The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company does not carry customer accounts and is exempt from the provisions of SEC Rule 15c3-3 based on its limited business per section (k)(1).

**Subsequent Events.** Subsequent events were evaluated through February 22, 2022, which is the date the financial statements were available to be issued. There were no material subsequent events.

#### Note 2 ~ Summary of Significant Accounting Policies

**Cash and Cash Equivalents.** For purposes of reporting cash flows, cash and cash equivalents consist of cash in a checking account and certificates of deposit. Cash and cash equivalents are carried at cost, which approximates market value.

**Service Fees.** The Company recognized revenue in accordance with the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 606, *Revenue from Contracts with Customers*. Service fees are received from affiliated entities for brokerage services provided. The performance obligation is satisfied over time as services are provided. Revenue is estimated monthly based on an amount expected to be earned and is finalized annually based on the actual cost of services provided.

**Accounting Estimates.** The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Income Taxes.** The Company files federal and Wisconsin income tax returns. The Company does not have any significant deferred income taxes on temporary differences between the financial statement basis and the tax basis of the Company's assets and liabilities based upon enacted tax rates and has not identified any significant uncertain tax positions.

**Financial Instruments – Credit Losses.** ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, requires an entity to consider historical experience, current conditions, and reasonable supportable forecasts in developing its estimated credit losses expected to occur over the remaining life of assets measured, either collectively or individually. Management determined ASU 2016-13 did not have a material impact on the Company's Financial Statements.

## WEA INVESTMENT SERVICES, INC.

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### NOTES TO FINANCIAL STATEMENTS

#### Note 3 ~ Related Party Transactions

The WEA Member Benefit Trust (the parent organization) and the WEA Tax Sheltered Annuity Trust were created by the Wisconsin Education Association. Members of the Board of Trustees of the WEA Member Benefit Trust are identical to those of the WEA Tax Sheltered Annuity Trust. In addition, the WEA Member Benefit Trust has formed three other wholly owned subsidiaries, WEA Property & Casualty Insurance Company, a stock property and casualty insurance company, WEA Financial Advisors, Inc., a registered investment advisor, and WEA Member Benefit Agency, LLC, a single member LLC. WEA Member Benefits Foundation, Inc. was formed in 2019 as a 501(c)(3) public charity to support public education, public educators, and the communities they serve. The organizations are all under common control within a holding company system.

To minimize costs and facilitate the record keeping and administrative functions of the organizations, agreements have been executed to utilize the existing facilities and personnel of the WEA Property & Casualty Insurance Company, WEA Tax Sheltered Annuity Trust, and WEA Member Benefit Trust to the extent necessary to maintain proper and complete records and administration of the organizations. The total costs of shared operations are prorated based on cost studies performed on an annual basis. These studies analyze the relative activities of personnel of the organizations to determine proportionate allocations of joint expenses that should be made.

Total service fee revenue from related parties was \$154,000 for the year ended December 31, 2021.

Total expenses allocated to the Company from the entities above for the year ended December 31, 2021, were \$61,634.

Amounts due from (to) affiliates at December 31, 2021:

WEA Tax Sheltered Annuity Trust	\$ 26,057
WEA Member Benefit Trust	(9,938)
WEA Property & Casualty Insurance Company	<u>(14,048)</u>
	<u>\$ 2,071</u>

#### Note 4 ~ Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2021, the Company had net capital of \$62,402, which was \$57,402 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.38 to 1. There were no material differences between the computation of net capital as presented in the audited financial statements as of December 31, 2021, and the Company's corresponding, unaudited, most recently filed Part IIA - Financial and Operational Combined Uniform Single Report.



## **WEA INVESTMENT SERVICES, INC.**

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### **NOTES TO FINANCIAL STATEMENTS**

#### **Note 5 ~ Liabilities Subordinated to General Creditors**

There were no liabilities subordinated to general creditors as of December 31, 2021, and there were no changes during the year then ended.

#### **Note 6 ~ Income Taxes**

The Company files federal and Wisconsin income tax returns. The major differences between the financial statement and taxable income are non-deductible meals and entertainment. Federal and state income tax expenses were \$(9) for the year ended December 31, 2021. Tax years 2018 through 2020 remain subject to federal and state examination.

**WEA INVESTMENT SERVICES, INC.**

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**SUPPLEMENTAL SCHEDULES**

**WEA INVESTMENT SERVICES, INC.**

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**COMPUTATION OF AGGREGATE INDEBTEDNESS AND  
NET CAPITAL UNDER RULE 15c3-1**

December 31, 2021

**AGGREGATE INDEBTEDNESS**

Payable to affiliates	<u>23,986</u>
Total aggregate indebtedness	<u>\$ 23,986</u>
Minimum required net capital	<u>\$ 5,000</u>

**NET CAPITAL**

Stockholder's equity	<u>\$ 102,359</u>
Deductions:	
Receivables from affiliates	26,057
Other assets	<u>13,900</u>
	<u>39,957</u>
Net capital	62,402
Minimum required net capital	<u>5,000</u>
Capital in excess of minimum requirement	<u>\$ 57,402</u>
Ratio of aggregate indebtedness to net capital	<u>0.38 to 1</u>

*No material differences between the above computation and the Company's corresponding unaudited Form FOCUS part IIA as of December 31, 2021.*



**WEA INVESTMENT SERVICES, INC.**

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**COMPUTATION FOR DETERMINATION OF THE RESERVE REQUIREMENTS  
UNDER EXHIBIT A OF RULE 15c3-3**

December 31, 2021

The Company is exempt from Rule 15c3-3 based on its limited business per section (k)(1).

**INFORMATION RELATING TO THE POSSESSION OR CONTROL  
REQUIREMENTS UNDER RULE 15c3-3**

December 31, 2021

The Company is exempt from Rule 15c3-3 based on its limited business per section (k)(1).

**INFORMATION RELATING TO THE SECURITIES INVESTOR PROTECTION CORPORATION (SIPC)  
REQUIREMENTS UNDER SECTION 78ccc(a)(2)(A)(ii)**

December 31, 2021

Under Section 78ccc(a)(2)(A)(ii), the Company is excluded from membership in the SIPC.



**RYAN & JURASKA LLP**

Certified Public Accountants

141 West Jackson Boulevard  
Chicago, Illinois 60604

Tel: 312.922.0062

Fax: 312.922.0672

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Audit Committee, Board of Directors, and Stockholder of  
WEA Investment Services, Inc.

We have reviewed management's statements, included in the accompanying WEA Investment Services, Inc. Exemption Report, in which (1) WEA Investment Services, Inc. (the Company) claimed an exemption from 17 C.F.R. §240.15c3-3 under the following provisions of 17 C.F.R. §240.15c3-3(k)(1) (2) the Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k) throughout the most recent fiscal year ended December 31, 2021 without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(1) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Ryan & Juraska LLP*

Chicago, Illinois  
February 22, 2022

## WEA INVESTMENT SERVICES, INC.

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### EXEMPTION REPORT

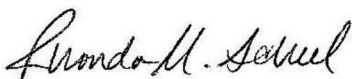
WEA Investment Services, Inc. (the Company) is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company claimed an exemption from 17 C.F.R. §240.15c3-3 under the following provisions of 17 C.F.R. §240.15c3-3(k)(1).
- (2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k) throughout the most recent fiscal year ended December 31, 2021, without exception.

### WEA Investment Services, Inc.

I, Rhonda M. Scheel, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

By:



Rhonda M. Scheel  
President & Treasurer

February 22, 2022