

WEA INVESTMENT SERVICES, INC.

FINANCIAL REPORT

December 31, 2023



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

OMB APPROVAL
OMB Number: 3235-0123
Expires: Nov. 30, 2026
Estimated average burden hours per response: 12
SEC FILE NUMBER
8-65926

ANNUAL REPORTS
FORM X-17A-5
PART III

FACING PAGE

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

FILING FOR THE PERIOD BEGINNING 01/01/23 AND ENDING 12/31/23
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.

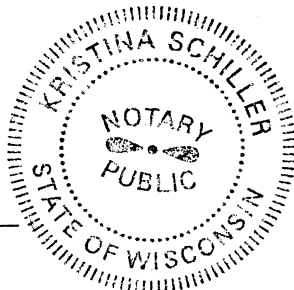
Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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 12/31, 2023, 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.

TABLE OF CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1
FINANCIAL STATEMENTS	
Statement of financial condition	2
Statement of income	3
Statement of changes in stockholder's equity	4
Statement of cash flows	5
Notes to financial statements	6
SUPPLEMENTAL SCHEDULES	
Computation of aggregate indebtedness and net capital under Rule 15c3-1	10
Computation for determination of the reserve requirements under Exhibit A of Rule 15c3-3	11
Information relating to the possession or control requirements under Rule 15c3-3	11
Information relating to the Securities Investor Protection Corporation requirements under Section 78ccc(a)(2)(A)(ii)	11
EXEMPTION REPORT	
Report of Independent Registered Public Accounting Firm	12
WEA Investment Services, Inc., Exemption Report	13



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, 2023, the related statements of income, changes in stockholder's equity, and cash flows for the year then ended, and the related notes (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, 2023, 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 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

We have served as WEA Investment Services, Inc.'s auditor since 2017.
Chicago, Illinois
February 16, 2024

WEA INVESTMENT SERVICES, INC.

STATEMENT OF FINANCIAL CONDITION

December 31, 2023

ASSETS

Cash and cash equivalents	\$	77,422
Receivables from affiliate		25,287
Other assets		13,596
		<hr/>
Total assets	\$	116,305
		<hr/>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities:

Payable to affiliates	\$	13,547
Income taxes payable		129
Total liabilities		13,676
		<hr/>

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		52,629
Total stockholder's equity		102,629
		<hr/>

Total liabilities and stockholder's equity	\$	116,305
		<hr/>

See Notes to Financial Statements.

WEA INVESTMENT SERVICES, INC.

STATEMENT OF INCOME

Year Ended December 31, 2023

INCOME

Service fees earned	\$	176,600
Interest income		1,557
		<u>178,157</u>

OPERATING EXPENSES

Regulatory fees and expenses	21,727
Professional service fees	46,800
Audit fees	16,500
Allocated expenses from affiliates	71,593
Technology, data, and communication costs	17,234
Other expenses	3,359
	<u>177,213</u>

Net income before income taxes	944
--------------------------------	-----

Income tax expense	<u>113</u>
--------------------	------------

Net income	<u><u>\$ 831</u></u>
------------	----------------------

See Notes to Financial Statements.

WEA INVESTMENT SERVICES, INC.

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

Year Ended December 31, 2023

	Common Stock		Additional	Retained	Total
	Shares	Amount	Paid-In	Earnings	Stockholder's
			Capital		Equity
Balances at December 31, 2022	1,000	\$ 1,000	\$ 49,000	\$ 51,798	\$ 101,798
Net income	-	-	-	831	831
Balances at December 31, 2023	<u>1,000</u>	<u>\$ 1,000</u>	<u>\$ 49,000</u>	<u>\$ 52,629</u>	<u>\$ 102,629</u>

See Notes to Financial Statements.

WEA INVESTMENT SERVICES, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2023

Cash flows from operating activities:	
Net income	\$ 831
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	
(Increase) decrease in operating assets:	
Receivable from affiliates	(10,678)
Income taxes recoverable	28
Other assets	(67)
Increase (decrease) in operating liabilities:	
Income taxes payable	129
Payable to affiliates	(13,707)
Net cash provided by (used in) operating activities	(23,464)
Net change in cash and cash equivalents	(23,464)
Cash and cash equivalents at beginning of the period	100,886
Cash and cash equivalents at end of the period	\$ 77,422
Cash Paid for Income Tax	\$ -

See Notes to Financial Statements.

WEA INVESTMENT SERVICES, INC.

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 16, 2024, 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. 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.

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 \$176,600 for the year ended December 31, 2023.

Total expenses allocated to the Company from the entities above for the year ended December 31, 2023, were \$71,593, including employee salaries and related expenses of \$11,522 for accounting services and \$60,071 for compliance services.

Amounts due from (to) affiliates at December 31, 2023:

WEA Tax Sheltered Annuity Trust	\$ 25,287
WEA Member Benefit Trust	(6,440)
WEA Property & Casualty Insurance Company	<u>(7,107)</u>
	<u>\$ 11,740</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, 2023, the Company had net capital of \$63,746, which was \$58,746 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.21 to 1. There were no material differences between the computation of net capital as presented in the audited financial statements as of December 31, 2023,

and the Company's corresponding, unaudited, most recently filed Part IIA - Financial and Operational Combined Uniform Single Report.

WEA INVESTMENT SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

Note 5 ~ Liabilities Subordinated to General Creditors

There were no liabilities subordinated to general creditors as of December 31, 2023, 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 \$113 for the year ended December 31, 2023. Tax years 2020 through 2022 remain subject to federal and state examination.

WEA INVESTMENT SERVICES, INC.

SUPPLEMENTAL SCHEDULES

WEA INVESTMENT SERVICES, INC.

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

December 31, 2023

AGGREGATE INDEBTEDNESS

Income Taxes Payable	129
Payable to affiliates	<u>13,547</u>
Total aggregate indebtedness	<u>\$ 13,676</u>
Minimum required net capital	<u>\$ 5,000</u>

NET CAPITAL

Stockholder's equity	<u>\$ 102,629</u>
Deductions:	
Receivables from affiliates	25,287
Other assets	<u>13,596</u>
	<u>38,883</u>
Net capital	63,746
Minimum required net capital	<u>5,000</u>
Capital in excess of minimum requirement	<u>\$ 58,746</u>
Ratio of aggregate indebtedness to net capital	<u>0.21 to 1</u>

No material differences between the above computation and the Company's corresponding unaudited Form FOCUS part IIA as of December 31, 2023.

WEA INVESTMENT SERVICES, INC.

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

December 31, 2023

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, 2023

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, 2023

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, 2023 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 16, 2024

WEA INVESTMENT SERVICES, INC.


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, 2023, 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 16, 2024