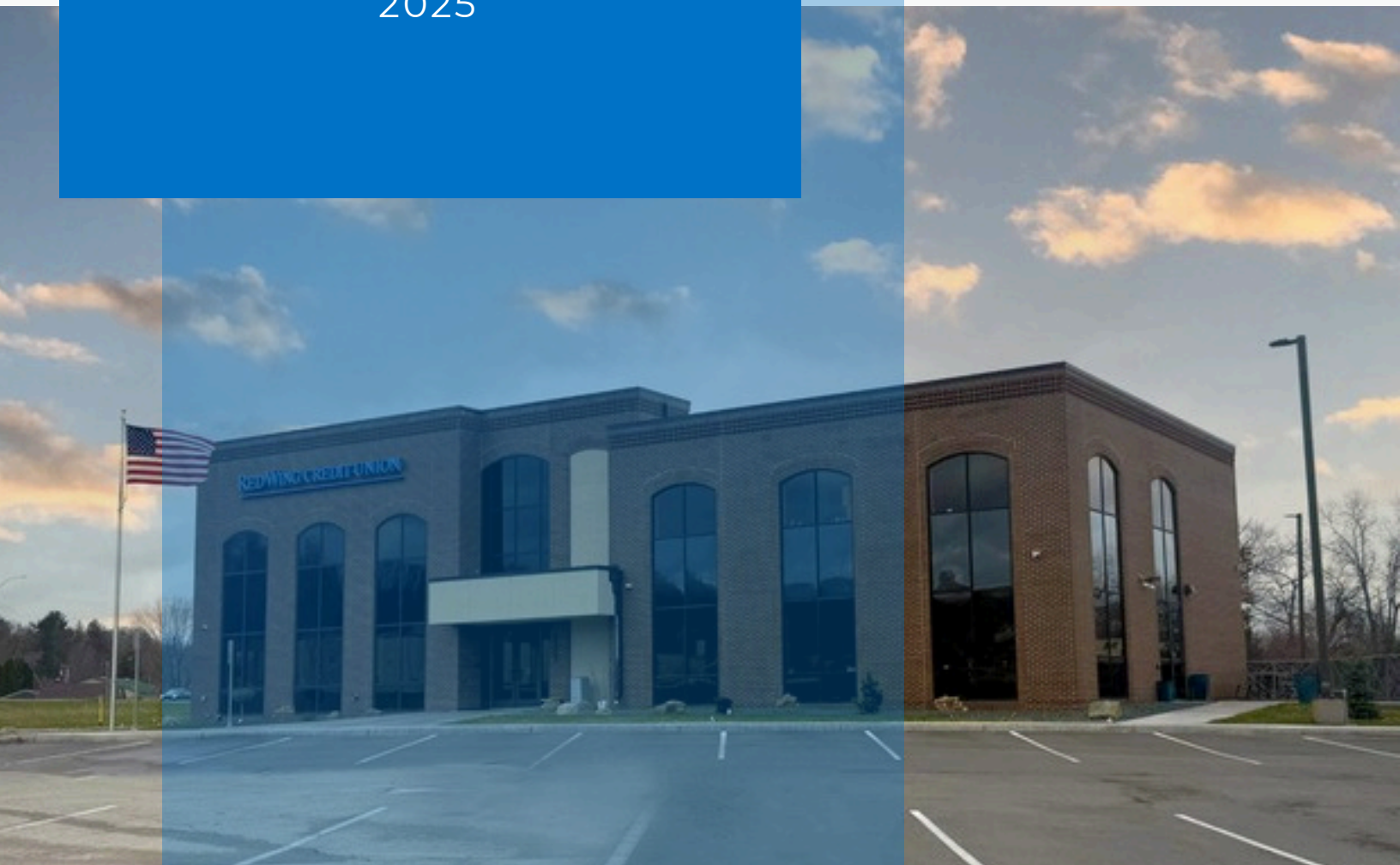
RED WING
CREDIT UNION

ANNUAL REPORT

2025



AGENDA

BUSINESS MEETING

Call to Order
Minutes of the 70th Annual Meeting
Board of Directors Report
Supervisory Committee Report
Management Report
Director Compensation
Election of Officers
Adjourn

INFORMATION SESSIONS

TruLync Medicare Advisors
Fraud Q & A
Trivia and Prizes

Download our
MOBILE BANKING APP:

RED WING CREDIT UNION Digital Banking

651-388-7133
www.redwingcu.com
3303 North Service Drive
Red Wing, MN 55066

A NOTE FROM OUR

PRESIDENT

In 2025, much of our effort was centered on two major projects intended to build the foundation for the next five years of our journey. Our members and the Red Wing community continue to look to us to meet their financial needs, resulting in continued growth for Red Wing Credit Union.

Our building was expanded during the year, adding an additional 4,500 square feet of space. This new space was needed to accommodate a growing team and includes retail, support, training, and storage areas. The space was designed to meet current and future growth projections within a financially sound budget. We are proud of the improved building, which significantly enhances our visibility in the community.

The second project—a significant upgrade to our digital banking experience—while less visible to the community, is equally important to our future growth. The upgrade to our digital banking platform provides members with enhanced security and features that our legacy systems lacked. Currently, 5,400 digital banking users access their accounts approximately 160,000 times per month. We will continue to build on our new platform, with additional features planned for the months and years ahead.

While much of our 2025 efforts were focused on completing these projects, we remain mindful of what they represent. The new building is simply a tool that will enable us to continue delivering the service you have come to expect. Our enhanced digital banking experience allows us to deliver banking services where and when they are needed.

I am grateful for our dedicated staff, who have remained flexible and committed during the disruption caused by construction. Our members have expressed continued support for our expansion, and we appreciate their patience and understanding. We are, first and foremost, a people business. Without you, we would not exist, and without our dedicated and caring staff, we could not deliver on our mission to improve your financial well-being.

Our financial performance remains strong, as demonstrated by the reports that follow. Our financial strength and trusted staff position us to be a partner in times of prosperity and a safe harbor in times of uncertainty. You can be assured that our management team is well equipped to overcome any obstacle that comes our way.

Thank you for your continued support of Red Wing Credit Union.

THE YEAR IN

PICTURES

The team at RWCU had an exciting year, serving our members and giving back to the community. Some of the activities highlighted below include: sponsoring & working at a Red Wing Aces Game, volunteering at various organizations around town for CU Forward Day, celebrating at the Red Wing Chamber Awards Night, hosting a table at Potters Ridge Senior Fair, and watching the construction progress throughout the year!

RED WING
CREDIT UNION
PROFESSIONAL SERVICES
BUSINESS OF THE YEAR
2025

RED WING
CREDIT UNION
PROFESSIONAL SERVICES
BUSINESS OF THE YEAR
2025
RED WING
AREA CHAMBER
ANNUAL AWARDS

BEST
CAMP
EVER

LENDING REPORT

TRACI SONJU | VP OF LENDING

This year our lending program continued to support members' financial goals while maintaining overall strong portfolio quality. 2025 was another interesting year as the US economy is still in an adjusting phase. The federal reserve implemented three quarter-percentage-point rate cuts throughout the year. These reductions helped improve borrowing conditions, however interest rates remain slightly elevated and borrowing and loan growth continue to be stagnant.

Total loan portfolio grew modestly by 3.19% in 2025, reflecting steady demand despite a challenging economic environment. Growth was concentrated on real estate and commercial lending, demonstrating continued investment and expansion within our local business community. At the same time, consumer lending declined, which is consistent with broader trends as individuals remain more cautious about taking on personal debts. Overall, this mix reflects disciplined growth and a strong commercial foundation as we move into the next year.

Despite economic challenges, delinquency and charge-off levels remain within policy limits and well below peer benchmarks.

Our 2026 focus will continue to be on responsible loan growth while maintaining sound underwriting, competitive rates, and personalized service to help members borrow with confidence.

CFO REPORT

STACEY STEIN | CHIEF FINANCIAL OFFICER

Red Wing Credit Union remains focused on protecting our financial strength while delivering value to our members. Our primary objectives include optimizing investment earnings, maintaining sound financial performance in a changing interest rate environment, and ensuring long-term sustainability. These priorities guide our approach as we balance growth, risk management, and service to our members.

Credit union investment earning optimization and interest rate management were key areas of focus in 2025. Management actively monitored financial performance across multiple interest rate scenarios, using scenario analysis and stress testing to assess potential impacts on earnings, net worth, and liquidity. This disciplined approach supported informed balance sheet decisions, pricing, and lending initiatives while maintaining appropriate levels of risk.

Expense control and operational efficiency remain ongoing priorities. Management continues to closely monitor operating expenses by identifying efficiency opportunities. By maintaining strong cost discipline while investing thoughtfully in systems, technology, and people, your credit union is well positioned to continue serving members and supporting their financial well-being in the years ahead.

FINANCIAL REPORT

COMPARATIVE BALANCE SHEET (unaudited)

ASSETS	2025	2024
Consumer Loans	$44,288,210	$45,650,562
Mortgage Loans	$54,372,475	$50,271,958
Commercial Loans	$7,968,724	$7,349,994
Allowance for Loan Loss	$(375,500)	$(305,381)
Receivables	$(129,432)	$(159,856)
Cash + Equivalents	$16,464,902	$19,217,460
Investments	$70,089,543	$58,274,743
Prepaids	$132,920	$93,698
Fixed Assets	$5,305,145	$2,753,785
Other Assets	$6,905,685	$6,462,565
TOTAL ASSETS	**$205,022,672**	**$189,609,527**
LIABILITY		
Total Deposits	$182,415,719	$171,634,706
Total Payables	$552,559	$196,863
EQUITY		
Regular Reserves	$1,477,813	$1,477,813
Undivided Earnings	$23,287,349	$21,064,690
Market Value Reserves	$(2,710,768)	$(4,764,546)
TOTAL LIABILITY + EQUITY	**$205,022,672**	**$189,609,527**

COMPARATIVE STATEMENT OF OPERATIONS (unaudited)

INCOME		
Loan Income	$6,260,360	$5,642,076
Investment Income	$3,230,463	$2,488,429
Other Income	$1,361,009	$1,368,588
TOTAL INCOME	**$10,851,832**	**$9,499,093**
EXPENSES		
Compensation & Training	$2,621,135	$2,286,444
Occupancy	$282,490	$219,296
Operating	$2,331,785	$2,094,181
Dividend Expense	$3,101,926	$2,778,626
Provision for Loan Loss	$167,117	$50,381
Non-Operating	$124,719	-
TOTAL EXPENSES	**$8,629,172**	**$7,428,928**
NET INCOME	**$2,222,660**	**$2,070,165**

BOARD OF DIRECTORS REPORT

DARYL MARK | BOARD CHAIR

The primary purpose of the board of directors is to provide leadership, oversight, accountability, and control of the credit union, ensuring its operations are conducted in a sound, legal, and ethical manner while representing the interests of the membership.

This past year, the Board of Directors met monthly, both in person and virtually, to guide the management team in fulfilling our mission statement: “To improve the financial lives of the members we serve”.

In 2025, we continued our trend of financial success, seeing growth in net income of 7.7% and assets of 8.13%. Red Wing Credit Union’s capital ratio of 12.08% ensures that we have the capacity to navigate potential market disruptions. After making significant investments in facilities and systems in recent years, we believe the staff is well equipped to continue to drive member value.

The interest rate environment started to shift in late 2025 with a total of 0.75% reductions in the fed funds rate. While the overall environment continues to still reward our savers, the shift will begin to favor borrowers in the months ahead. Dividends paid to you, our member owners, increased by $323,000 in 2025. Income from our investment portfolio grew by over $742,000 while interest received on our loans grew by $618,000.

Last month, Red Wing Credit Union was once again recognized by the Red Wing Chamber of Commerce at their annual recognition event. Red Wing community members voted for the credit union as business of the year in the “Professional Services” category. This is the 10th consecutive year that the credit union received this community recognition.

On behalf of your Board of Directors, I can confidently report that your credit union remains financially sound and is well-positioned to continue providing award-winning service for years to come.

SUPERVISORY COMMITTEE REPORT

ADAM JOHNSON | COMMITTEE CHAIR

The Supervisory Committee of Red Wing Credit Union is responsible for maintaining oversight of the credit union's management and financial records to ensure that the credit union's financial condition is fairly presented.

To meet these responsibilities, the Supervisory Committee engaged CliftonLarsonAllen, LLP, to perform an independent financial statement audit for the year ending March 31, 2025. The results of the audit indicate that the financial statements present fairly the results of the operations and financial position for the period.

The Supervisory Committee also oversees the Internal Audit function. The internal audit is an independent appraisal activity established by the Board of Directors to conduct reviews of operations and procedures and to report findings and recommendations to management and to the Board of Directors via the Supervisory Committee. The internal audit is conducted monthly and reviewed by the Supervisory Committee at their monthly meetings.

Based on the results of the above-referenced activities, the Supervisory Committee believes all audits, verifications, and examinations present an accurate reflection of the financial results and status of the credit union as a well-managed and financially sound institution.

On behalf of the entire Committee, we appreciate the opportunity to serve you, the members, and look forward to a secure and successful year ahead.

LYNN HOLM

HONORING 27 YEARS OF DEDICATED SERVICE

Lynn Holm began her career with RWCU in January 1999 as a Teller Supervisor. By August 2001, she was promoted to Operations Manager, and in 2015, began her current role as VP of Operations. Lynn has been a valuable part of our organization, and her upcoming retirement is quickly approaching. Lynn's dedication, hard work, and presence will leave a lasting legacy here.

Congratulations, Lynn - we wish you the most enjoyable retirement!

DARYL MARK

2025 OUTSTANDING DIRECTOR OF THE YEAR

In April, Daryl Mark was recognized as the Outstanding Director of the Year by the Minnesota Credit Union Network. This award is given to a credit union board member who best represents the credit union spirit through dedication to, and belief in, the credit union movement. Daryl has served on our Board of Directors for 32 years and has served as Board Chair for 30 years.

Congratulations, Daryl - we appreciate your commitment and are thankful for the guidance you provide!

SHIRLEY PERKINS

HONORING 50 YEARS OF SERVICE

In April, Shirley Perkins was recognized for 50 years of service to our Board of Directors. Shirley began serving in 1973 as a member of our Supervisory Committee and then joined the Board of Directors in 1993. She served as Board Secretary throughout her tenure.

Thank you, Shirley - your dedication has set a remarkable example for us all!

OUR TEAM

PRESIDENT & CEO
Aaron DeJong

ACCOUNTING
Stacey Stein, CFO
Heidi Aslakson
Linda Dietz

ADMINISTRATION
Dawn Bitzan
Dixon Irwin
Kaitlyn McMahon
Nikki Wurst

INVESTMENT SERVICES
Rich Douglas

COMMERCIAL SERVICES
Sydney Boutelle

LENDING
Traci Sonju, VP
Bekah Sandstrom
Kayla Rehder
Leah Dietz
Patti Killian

MEMBER SERVICES
Ashley O'Connor
Emily Bahl
Jennifer Vogel
Lori Anderson

OPERATIONS
Lynn Holm, VP
Jarrett Enevold
Chelsey Gernentz
Heidi Ecklund
Jennifer Larson
Kaley Apenhorst
Samantha Biermaier
Sandy Place
Avery Grobe*
Brooke Strusz*
Ella Bettich*
Isabel Schafer*
Makayla Zimdars*
Maria Sherman*
McKenna Girdeen*
Kristi Mullen*
Rebecca Swenning*

Part Time

BOARD OF DIRECTORS
Daryl Mark
David Hull
Larissa Scott
Paul Irwin
Stacy Bystrom
Tammy Wadley
Tony Seyffer

SUPERVISORY COMMITTEE
Adam Johnson
Melanie Ahrens
Tom Ahern