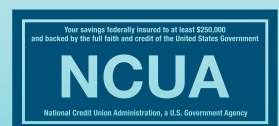


Several teal gear icons of different sizes are scattered around the central text box. One is on the left, one is above the "2021", one is to the right of the "Annual Report", and one is below the "ENRICHING LIVES" bar.

2021

Annual Report

ENRICHING LIVES



Message from our Board Chair



"We are confident that Widget Financial is in excellent place financially, with this exceptional, past, and future leadership."



As I reflect on this past year, I continue to be very proud of our board leadership and all the dedicated employees of the credit union. We work on behalf of each member-owner to ensure that we meet your financial needs and expectations every day.

We have been fortunate over the past 26 years to have Gail Cook our President and CEO, leading this Credit Union. Gail has recently announced her retirement.

When Gail first started at the credit union we only had one branch location, 11 employees, and \$31 million in assets. It was a much different place serving only those that

worked at GE. Your board of directors hired Gail because they knew she had what it took to lead this credit union, now serving Erie and the surrounding communities.

With her "do it right the first time" attitude Gail has helped the Credit Union build seven additional locations, grow assets to over \$425 million, and employ more than 110 hardworking individuals. Under her guidance the Credit Union was able to merge with 14 like-minded Credit Unions whose leaders also witnessed Gail's vision and entrusted her with caring for their membership and continuing their legacy.

Many of the technologies we have come to consider part of our everyday lives did not exist when Gail started leading the Erie General Electric Employees Federal Credit Union. Under Gail's leadership our Credit Union was quick to adopt technologies over her career. Products like online banking, mobile banking, mobile check deposit, in-house debit and credit programs, instant issue, electronic membership, and loan applications, and so much more.

As the needs of the credit union members continued to evolve, Gail ensured we were prepared to adapt to the changing landscape. With this guidance we added products like HD Checking, getcash card for families, our Investment Center, Lockdown Accounts, Mortgages and more.

When the Credit Union began to grow and consist of much more than our General Electric roots, Gail led the team that would eventually create the name and brand of Widget Financial. She ensured we paid tribute to our history, while providing ourselves with the opportunity for future growth, brand differentiation, and name recognition.

When a group of conspirators from a massive nationwide, \$61 million dollar identity theft ring opened accounts at the credit union and laundered false tax returns, Gail and her team conducted internal

investigations that resulted in FBI recognition. It was the largest white-collar crime case prosecuted in the U.S. District court in Erie with 24 defendants being prosecuted.

In addition to the work, she has done for the credit union, Gail has remained incredibly community focused, she has served on boards like the United Way, Charities for Children, the Chair of the American Heart Association walk, and more.

With an incredible career like this, it is understandable why when Gail came to the board of directors and announced her retirement, we were sad to see her leave. Without her vision and leadership, Widget Financial would not be where it is today.

The board of directors acts to serve faithfully as we watch over the credit union. As member-owners ourselves, our number one priority was to find a new CEO to lead this credit union into the future. As we began looking both internally and externally, there was one successor we were confident would be able to further the mission of Widget Financial.

We are proud to announce that Matthew Margosian, Widget Financial's Chief Information Officer has been promoted to the role of President and CEO.

Matthew exemplifies every aspect of Widget Financial's core values. He lives the credit union mission each day and encourages a culture of serving our members. Matthew has been an influential part of every major credit union project over the past 19 years, and his experience makes him the ideal individual to lead this institution.

On behalf of the board of directors, we would like to thank Gail for her 26 years of service to the Credit Union.

As we look toward the future, we are excited about the future business plan items Matthew and his team are working on. We are confident that Widget Financial is in excellent place financially, with this exceptional, past, and future leadership.

Thank you.

Marko Jovanovich

Loan Report



"Whatever life stage you are in, we hope you will continue to think of Widget Financial for all of your borrowing needs."



In 2021 we grew total loans by over \$6 million dollars and originated loans totaling \$88.9 million dollars. While our indirect new auto loans originated through our dealer network decreased, we were able to help members refinance their auto loans, growing our direct auto loans.

Mortgage loans originated in 2021 were nearly \$15 million, which was the best year since our record year of 2012. Despite increasing rates and fewer refinance opportunities, we expect the purchase market to remain strong in 2022.

We introduced our Flex Home Equity Line of Credit in the summer of 2021. This product has all the great features of a line of credit but with the option to lock in balances at a fixed rate, a great feature in a rising interest market.

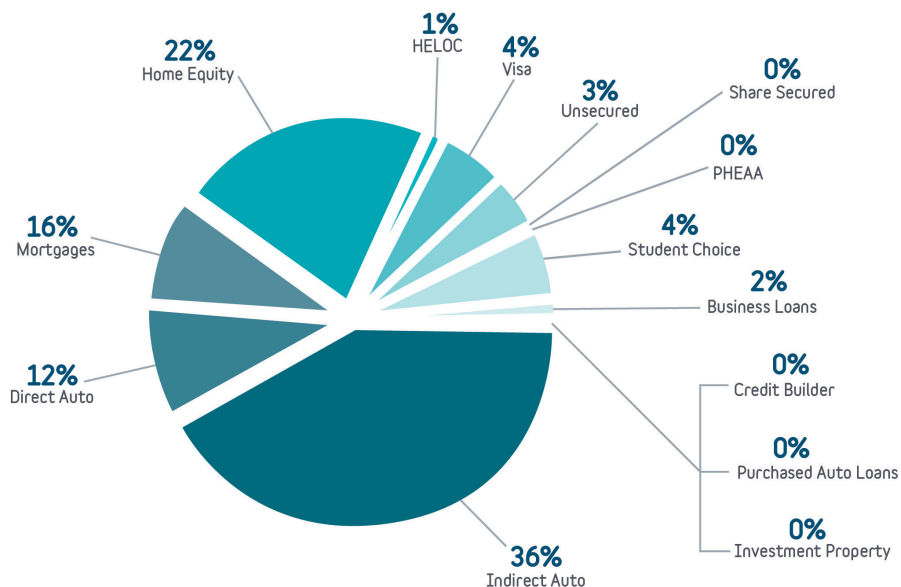
We expect interest rates to continue to rise in 2022 but we will remain competitive in our market. Whatever life stage you are in, we hope you will continue to think of Widget Financial for all of your borrowing needs.
Warm Regards,

Elizabeth Butler
Chief Lending Officer

In August of 2021, we began using a new loan origination system for real estate loans which allows for easier electronic signing, document uploads, and a stronger compliance program. Recently we went live with a new loan origination system for consumer loans. This new software allows members to begin applications from within online or mobile banking, saving time in completing basic fields. It also provides easier document uploads and several efficiencies for members and lending staff.

Our loan portfolio mix at the end of 2021

12-31-2021



THANK YOU FOR
26
YEARS



Treasurer's Report



"Year after year, we have consistently remained a strong and secure financial institution."



This past year, Widget Financial continued to thrive, even amidst the ongoing pandemic, and once again demonstrated sound and successful financial performance. Year after year, we have consistently remained a strong and secure financial institution for you to deposit and borrow funds, while undertaking new initiatives and providing innovative products for you, our members.

During 2021, Widget's membership footprint grew to over 44,100 individual members. Even in the current low interest rate environment, Widget gave back over \$1.6M to its members, in the form of dividends on their share accounts. In conjunction with the member growth, the number of checking accounts increased by over 1,500. As a result, checking accounts comprised over 61% of Widget's total number of member accounts at the end of 2021. This is a significant metric because checking accounts are a key indicator of future growth for the credit union. Consumers who choose us for their checking needs are also more likely to choose us as their primary financial institution. Loans grew by over \$6M in 2021, reaching over \$223M in loan balances, while maintaining excellent credit quality. Widget continues to focus on new lending strategies targeted at increasing future loan growth.

With all this talk about growth, I have saved the most exciting news for last. During 2021, Widget reached a significant milestone, surpassing \$400M in assets! The credit union's assets grew by more than \$40M in 2021, ending the year at over \$417M. The importance of this milestone is that as Widget grows, we experience economies of scale in income and expenses that result in an increasingly profitable bottom line for the credit union.

Widget's management and Board of Directors remains committed to ensuring your credit union remains fiscally healthy and sound. We thank

you for your loyal membership and ongoing trust and confidence. Widget is a respected financial entity in our community, and we encourage you to support your credit union by promoting the benefits of membership to your family and friends.

Thank you for your time and I am happy to say that we are already on our way to another successful year in 2022!

Best Wishes,

Greg Fitzgerald, Treasurer

Financial Report

STATEMENT OF FINANCIAL CONDITION	2021	2020	\$ Change	% Change
ASSETS				
Loans to Members	223,281,599	217,220,419	6,061,180	2.79%
Less: Allowance for Loan Losses	(821,676)	(1,073,112)	251,436	23.43%
Cash & Cash Equivalents	37,798,240	31,351,782	6,446,459	20.56%
Investments	125,776,468	99,289,517	26,486,951	26.68%
Property & Equipment (Net of Depreciation)	11,879,804	12,118,968	(239,164)	-1.97%
NCUA Share Insurance Fund	3,643,534	3,184,107	459,426	14.43%
Other Assets	15,652,949	14,649,383	1,003,566	6.85%
TOTAL ASSETS	\$417,210,918	\$376,741,064	\$40,469,853	10.74%

LIABILITIES				
Accounts Payable	652,859	583,214	69,644	11.94%
Other Liabilities	2,335,491	2,207,705	127,786	5.79%
TOTAL LIABILITIES	\$2,988,349	\$2,790,919	\$197,430	7.07%

SHARES				
Savings	175,137,805	152,669,591	22,468,214	14.72%
Checking	117,150,008	102,949,666	14,200,342	13.79%
Money Market	26,849,376	22,278,501	4,570,875	20.52%
Individual Retirement Accounts	20,330,069	20,202,241	127,828	0.63%
Certificates	38,310,971	40,663,166	(2,352,195)	-5.78%
TOTAL SHARES	\$377,778,228	\$338,763,165	\$39,015,063	11.52%

EQUITY				
Reserves	4,418,516	4,418,516	0	0.00%
Undivided Earnings	32,815,366	30,115,231	2,700,135	8.97%
Unrealized Gains/Losses	(789,542)	653,233	(1,442,776)	220.87%
TOTAL EQUITY	\$36,444,340	\$35,186,981	\$1,257,359	3.57%
TOTAL LIABILITIES, SHARE & EQUITY	\$417,210,918	\$376,741,064	\$40,469,853	10.74%

STATEMENT OF INCOME	2021	2020	\$ Change	% Change
OPERATING INCOME				
Interest on Loans	8,773,808	8,705,571	68,236	0.78%
Income from Investments	1,347,847	1,629,610	(281,763)	-17.29%
Other Income	7,326,917	6,030,602	1,296,315	21.50%
TOTAL OPERATING INCOME	\$17,448,572	\$16,365,783	\$1,082,788	6.62%

OPERATING EXPENSES				
Compensation & Benefits	7,350,176	6,654,382	695,794	10.46%
Office Operations	2,601,025	2,400,760	200,265	8.34%
Marketing	370,260	376,994	(6,734)	-1.79%
Loan Servicing	591,595	524,802	66,792	12.73%
Professional & Outside Services	1,942,210	1,692,514	249,696	14.75%
Provision for Loan Losses	125,537	505,801	(380,264)	-75.18%
Other Expenses	226,325	215,769	10,556	4.89%
TOTAL OPERATING EXPENSES	\$13,207,129	\$12,371,023	\$836,106	6.76%

Member Dividends	1,601,336	1,990,980	(389,645)	-19.57%
Non-Operating Income	60,028	67,962	(7,934)	-11.67%
NET GAIN	\$2,700,135	\$2,071,742	\$628,393	30.33%

Supervisory Committee Report



"Widget Financial continues to operate in full compliance with all known federal financial rules and regulations."



The Supervisory Committee plays an essential role in maintaining the financial security of our credit union by ensuring that each members' funds and interests are protected in every way possible. The Supervisory Committee works in conjunction with the National Credit Union Administration (NCUA) and outside auditors to make certain that all aspects of our members' financial transactions are handled with the utmost sense of fiscal responsibility.

The Committee's duties and responsibilities include:



Reviewing the minutes and actions of the Board of Directors on a monthly basis.



Presenting written findings and recommendations to the Board of Directors.



Ensuring complete regulatory compliance with all state and federal financial regulations.



Assuring that a complete and thorough audit of the credit union's operations and records is conducted at least once per calendar year.



Verifying that adequate controls are in place to safeguard the assets of the credit union and its members.



Overseeing committees and management to assure credit union affairs are within compliance boundaries.

Having verified the results of all audits, reports and independent recommendations, the Supervisory Committee is pleased to report that Widget Financial continues to operate in full compliance with all known financial rules and regulations.

This credit union is one that is financially strong and very well managed.

Karlynn Bernhard
Supervisory Committee Chair

Board of Directors

Officers

Marko Jovanovich – Board Chair
Carl Palotas, Jr. – 1st Chair
Greg Fitzgerald – Treasurer
Ellen Schauerma – Secretary

Board-at-Large

Paul Antolik
Karlynn Bernhard
Larry Brown
Paul Letkiewicz
Vera Newell

Supervisory Committee

Karlynn Bernhard – Chair
Pat Federici
Kathy Koster
Christopher Elliott

Executive Management

Gail J. Cook, President and Chief Executive Officer
Matthew T. Margosian, EVP & Chief Information Officer
Therese Bihler, Chief Financial Officer
Elizabeth Butler, Chief Lending Officer
Darrell Combs, Chief Operations Officer

Board Elections

The leadership of our credit union's volunteer Board of Directors plays an integral role in making the credit union successful. Petitions were entered to the nominating committee prior to the Annual Meeting, and the following members are running as incumbents and will be reelected to the Board of Directors: Paul Letkiewicz, Ellen Schauerma, Vera Newell.