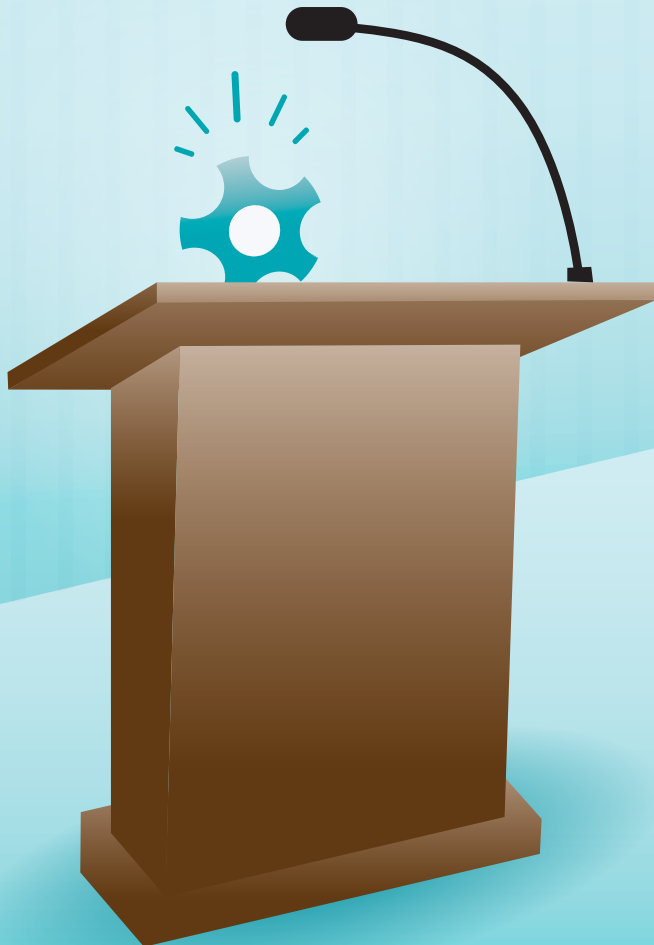


2020

Annual Report

ENRICHING LIVES



Your savings federally insured to at least \$250,000
and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency

Message from our Board Chair



"I want to thank each of you for putting your financial trust in the credit union, particularly during this uncertain time."



For many years, I have had the pleasure of serving on the board of directors for this credit union and more recently as the Chairman of the Board.

As we navigated the challenge of last year, the only clear certainty was the pandemic affected every member of the Widget community in some way. Widget's members and staff faced significant and unique challenges. At the onset, we identified three goals that became apparent to us for those we serve and employ.

1. Keep staff and members protected and safe.
2. Make it as easy as possible for member interaction and provide superior member service.
3. Build and continue to grow Widget for the future.

When the pandemic first started, there were many uncertainties, many difficult decisions to be made, and little time to waste. We quickly implemented our Business Continuity Plan. Of all the scenarios we planned for, none of us ever thought a pandemic was likely. As the board of directors, we knew one thing for certain; our Credit Union team of executives, managers, and frontline staff would be able to face every obstacle they encountered. We knew that our Credit Union would emerge with a renewed sense of purpose.

Throughout the entire pandemic, our team found ways to put our members first. Our employees went above and beyond to provide amazing service for our community. Staff assisted with over 700 COVID loan extensions, a free Summer skip a pay program was offered, and some of the loan fees were suspended. With the tax filing date extended through July, our team accepted drop-off tax returns and provided curbside service for signing tax and loan documents when the lobbies were closed.

This was all taking place while the staff concentrated on increased sanitation efforts, restructured lobby traffic with an emphasis on social distancing, and spaced timely appointments to comply with recommended state and CDC safety guidelines.

As stimulus payments were released, our frontline staff handled the phones, drive-thru lanes, Online & Mobile Banking platforms,

and more to ensure our members had convenient access to their funds.

Our back-office staff found it necessary to adapt as well during the pandemic. Many worked from home for the first time and learned a whole new technological skillset filled with virtual meetings, new communication software, electronic filing, new project planning software, and more. Many of these staff had to do so while navigating homeschooling their children or dealing with anxiety associated with the pandemic.

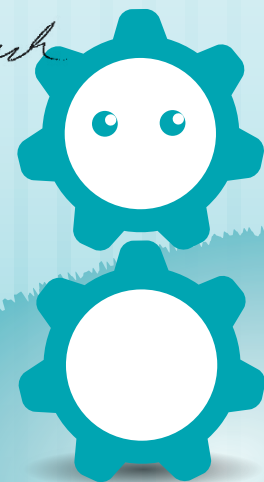
Our team found ways to meet our member's needs and exceed their expectations with stress at an all-time high. I am so proud to announce that 2020 has turned out to be one of the best years for growth we have had in a long time. Widget Financial has outperformed our peers in loan growth, deposit growth, and membership growth. We opened more accounts with our doors closed than if they were open, all through phone and online channels.

As you may have gathered, the Board of Directors is very grateful for all the unselfish effort given in 2020, and I remain humbled to serve you as Board Chairman. I want to thank each of you for putting your financial trust in the credit union, particularly during this uncertain time.

Together we have lived through a difficult time, and Widget Financial has risen to meet the challenge and has emerged stronger than ever. As I reflect, I have never been more proud to be a part of the Widget Financial community.

Thank you.

Marko Jovanovich



Loan Report



"Retaining a lending staff that is second to none in our industry is always our goal."



Making loans easy has been our goal for years. So, we found ourselves in a good position this year to continue lending despite the challenges of the pandemic. Our Document Accelerator program was already in place allowing documents to be signed and uploaded securely. In addition, at the beginning of the pandemic we implemented an Express Application to apply for COVID-19 relief on all loan types.

In 2020 we grew total loans by over \$15 million dollars and originated loans totaling \$91.5 million dollars. Interest rates continue to be at near historical lows, and we expect 2021 to continue to have strong demand for real estate loans.

We expanded our mortgage program offerings and focusing on providing more opportunities to low- and moderate-income members with FHA and PHFA products.

Our Skip-a-Pay program was improved in 2020 making it easier to apply online and processing the requests faster.

We are always looking for ways to improve for you. In 2021 we will be implementing new software which will improve the online application experience and make it easier to upload documents and expedite the loan process.

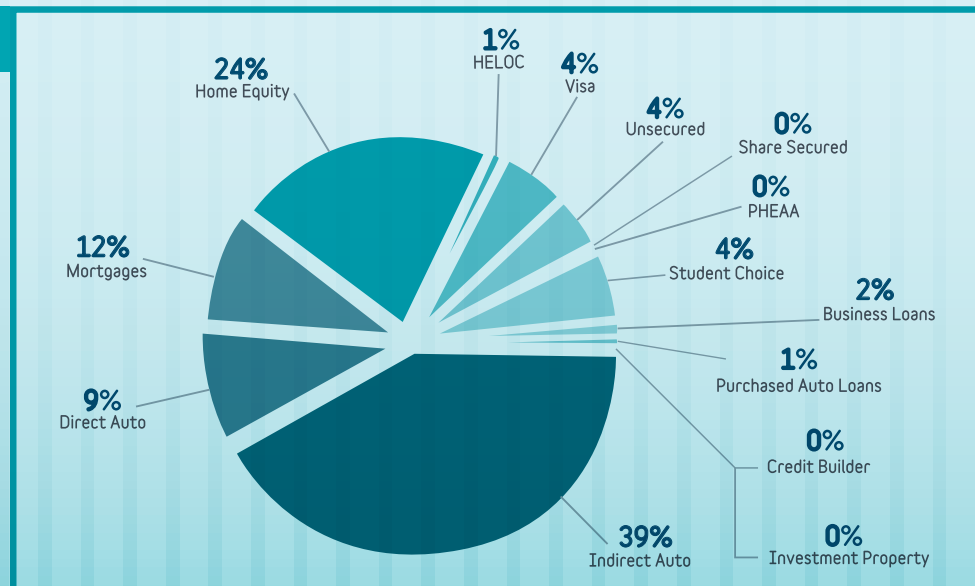
We hope you will continue to take advantage of our loan promotions and services and will think of Widget Financial whenever you have a need to borrow.

Warm Regards,

Elizabeth Butler
Chief Lending Officer

Our loan portfolio mix at the end of 2020

12-31-2020





Training Day



Turkey Giveaway



A.N.N.A Shelter



Millfair Grand Opening

ing Lives!



Wear Red Day



United Way



Iroquois Elementary School



Heart Walk

Treasurer's Report



"Your Board of Directors remains committed to ensuring that Widget Financial remains fiscally healthy and sound."



Widget Financial continued to thrive in 2020

while undertaking new initiatives to support our long-standing commitment to member service. Widget also provided competitive and innovative products to our members, at the same time maintaining a strong financial position.

Assets grew by \$62M to \$377M and shares grew by \$59M to \$339M. Essentially all of the deposit growth was in regular shares and checking accounts. Much of this growth can be attributed to members receiving several economic stimulus checks.

Membership grew by 1,245 to 43,379 individual members. This equates to almost 3.00%, more than tripling peer membership growth. Widget Financial gave back \$2.0M to those members in the form of dividends.

Another favorable trend is checking account growth which increased by 1,264, reaching over 59% penetration.

Checking accounts are a key indicator of future growth since consumers who choose us for their checking needs are more likely to also choose us as their primary financial institution.

Loan growth was solid in 2020, reaching almost 7.5%, almost doubling peer loan growth. Widget's roll-out of business loans and other lending initiatives is targeted at increasing future loan growth.

Your Board of Directors remains committed to ensuring that Widget Financial remains financially 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.

Best Wishes,

Greg Fitzgerald, Treasurer

Financial Report

STATEMENT OF FINANCIAL CONDITION	2020	2019	\$ Change	% Change
ASSETS				
Loans to Members	217,220,419	202,154,974	15,065,445	7.45%
Less: Allowance for Loan Losses	(1,073,112)	(1,200,075)	126,963	10.58%
Cash & Cash Equivalents	31,351,782	20,182,483	11,169,298	55.34%
Investments	99,289,517	65,830,217	33,459,300	50.83%
Property & Equipment (Net of Depreciation)	12,118,968	10,886,871	1,232,097	11.32%
NCUA Share Insurance Fund	3,184,107	2,758,774	425,333	15.42%
Other Assets	14,649,383	14,190,781	458,602	3.32%
TOTAL ASSETS	\$376,741,064	\$314,804,025	\$61,937,039	19.67%
LIABILITIES				
Accounts Payable	583,214	319,808	263,406	82.36%
Other Liabilities	2,207,705	2,232,605	(24,901)	-1.12%
TOTAL LIABILITIES	\$2,790,919	\$2,552,414	\$238,505	9.34%
SHARES				
Savings	152,669,591	123,206,616	29,462,975	23.91%
Checking	102,949,666	75,597,549	27,352,118	36.18%
Money Market	22,278,501	18,297,822	3,980,679	21.75%
Individual Retirement Accounts	20,202,241	19,838,954	363,2	1.83%
Certificates	40,663,166	42,850,116	(2,186,950)	-5.10%
TOTAL SHARES	\$338,763,165	\$279,791,057	\$58,972,108	21.08%
EQUITY				
Reserves	4,418,516	4,418,516	0	0.00%
Undivided Earnings	30,115,231	28,043,489	2,071,742	7.39%
Unrealized Gains/Losses	653,233	(1,451)	654,684	45120.46%
TOTAL EQUITY	\$35,186,981	\$32,460,555	\$2,726,426	8.40%
TOTAL LIABILITIES, SHARE & EQUITY	\$376,741,064	\$314,804,025	\$61,937,039	19.67%
STATEMENT OF INCOME				
2020				
2019				
\$ Change				
% Change				
OPERATING INCOME				
Interest on Loans	8,705,571	8,749,357	(43,786)	-0.50%
Income from Investments	1,629,610	2,020,125	(390,514)	-19.33%
Other Income	6,030,602	6,257,429	(226,827)	-3.62%
TOTAL OPERATING INCOME	\$16,365,783	\$17,026,911	(\$661,127)	-3.88%
OPERATING EXPENSES				
Compensation & Benefits	6,654,382	6,420,930	233,452	3.64%
Office Operations	2,400,760	2,181,990	218,770	10.03%
Marketing	376,994	527,622	(150,628)	-28.55%
Loan Servicing	524,802	512,730	12,072	2.35%
Professional & Outside Services	1,692,514	1,511,290	181,224	11.99%
Provision for Loan Losses	505,801	1,132,668	(626,867)	-55.34%
Other Expenses	215,769	256,456	(40,686)	-15.86%
TOTAL OPERATING EXPENSES	\$12,371,023	\$12,543,687	(\$172,663)	-1.38%
Member Dividends	1,990,980	2,170,094	(179,113)	-8.25%
Non-Operating Income	67,962	53,070	14,892	28.06%
NET GAIN	\$2,071,742	\$2,336,200	(\$294,458)	-12.44%

Message from our CEO



"We took the difficulty of this global pandemic and turned it into an opportunity to create better member service solutions."



As we all reflect on 2020, we can easily state it has been filled with unique challenges and anxiety at an all-time high. Now we believe it is important to focus on the lessons we have learned from this past year, and our phenomenal growth that has occurred as a result.

Albert Einstein once said, "in the middle of every difficulty lies opportunity". We took the difficulty of this global pandemic and turned it into an opportunity to create better member service solutions.

Last year at this time, we were helping our members through the

drive thru and an expanded call center when our doors remained closed due to CDC restrictions. In order to help our members, in mid-summer, as we slowly began reopening our lobbies, we took the opportunity to develop our Online Appointment Scheduling System. Through this system, members and non-members could schedule an appointment to meet with our staff, at a time most convenient for them. What started as a need during the pandemic, has grown into a preferred solution for our members. Since the creation of the appointment system, we have scheduled over 10,560 appointments. This averages to 32 appointments per day.

We were also excited to launch the roll-out of our new corporate website during the pandemic. With more members and non-members choosing our digital services over our physical locations, the need for an improved website was even more apparent. With individuals accessing our website primarily from their mobile devices, we took the opportunity to ensure our new website was optimized for mobile phones and tablets.

As we learned more about COVID 19 and how to interact with the community safely and responsibly, we held a Ribbon Cutting and a week-long Grand Opening parking lot party for our newest branch on West 26th Street and Millfair Road. While the celebration was scaled back from the celebrations we have done for other locations, it still provided an excellent opportunity to introduce our branch to West County residents .

With the impact COVID 19 had on funding and outreach efforts for local non-profits, we wanted to continue to support those organizations making an impact. I was honored to be asked to chair the American Heart and Stroke Associations Erie Heart Walk, however I realized early in the pandemic that a walk was not going to be realistic. We took the opportunity to pivot our approach and transform the Heart Walk from a one-day event into a month-long celebration of "Living a Healthier Life".

In addition to raising over \$25,000 Widget Financial was prominently featured as the premiere sponsor to all local businesses that aided in fundraising. More importantly, we were able to highlight the impact heart disease and stroke has had on our staff and their families. The American Heart and Stroke association is providing an incredible service to our community, and we were proud to be a part of their efforts.

As we optimistically look forward to a return to normal, we have many exciting things planned. Our management team has been working diligently to implement additional products and services to better serve our members. We plan to launch a new Home Equity Line of Credit product with increased flexibility and lower monthly payments that will allow our members to use the equity in their home more easily.

Amid profound change, we teamed together to make a difference over the last year in ways we could not have imagined but will have lasting affects for years to come. I am both grateful and overwhelmed by the phenomenal growth we experienced in 2020 with loans, deposits, and more importantly new members. A heartfelt thank you for choosing Widget Financial as your Credit Union of choice and allowing us take care of all your financial needs.

Thank you,


Gail Cook









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 Schauerman - 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: Greg Fitzgerald, Karlynn Bernhard Marko Jovanovich and Larry Brown.