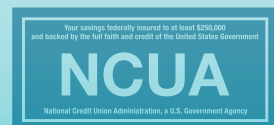


2022

Annual Report

ENRICHING LIVES



Message from our CEO



Thank you for being a member of Widget Financial! I want to express my sincere gratitude for choosing to be a part of our not-for-profit cooperative, where personalized service and delivering financial returns to our members remain our top priorities.

“At Widget Financial, we are committed to staying financially strong and meeting our members’ needs through changing economic situations.”

As we reflect on the journey of 2022, we can all agree that the easing of COVID restrictions was a significant relief for our communities, allowing for a return to a more normal way of life. However, as we navigated through the pandemic, our economy faced another hurdle - inflation.

The increased cost of everyday items such as groceries, gas, and utilities placed a significant strain on our members and communities alike.

Despite the challenges, we had a successful year fulfilling our members’ financial needs, from auto loans and mortgages to business loans. However, as the Federal Reserve continues to raise rates to combat inflationary pressures, the cost of these services has increased. Although new deposits were strong in the first quarter of 2022, the rise in the price of goods caused the dollars on deposit to shrink, which is a natural reaction to economic conditions.

At Widget Financial, we are committed to staying financially strong and meeting our members’ needs through changing economic situations. We have plans in place to ensure that we continue to provide excellent service while navigating these uncertain times.

2022 also proved to be one of growth for Widget Financial. As part of our recent merger, we welcomed Lake Erie Community Federal Credit Union members to the Widget Financial family, officially integrating these members into our credit union. We are grateful for the trust that the LECFCU Manager and Board of Director placed in Widget Financial, and we promise to continue to treat your members as our own. With this merger we opened our eighth branch location, extending our footprint even farther west. We are excited to expand our services in the Girard community and look forward to serving even more members.

At Widget Financial, giving back to the communities we serve is a core value that we uphold. Over the past year, we have remained true to our commitment by participating in several

charitable events and sponsorships. Our belief is that supporting local organizations and initiatives is crucial in building strong and vibrant communities. One of our most significant partnerships was with the United Way Community School Initiative at Iroquois Elementary School, where our employees had the opportunity to participate in events, donate school supplies, and more. The Community School model aims to provide resources that address specific barriers preventing students from achieving success. Additionally, our internal wellness committee raised funds, awareness, and participated in events sponsored by the American Heart Association, Alzheimer’s Association, and other charitable organizations. We are especially proud of our support for the Charities for Children Bowling Tournament, which raises funds for 13 charities dedicated to supporting youth. We are grateful for the opportunity to give back to our communities and look forward to continuing our support for local organizations and initiatives in the years to come.

As we look forward to 2023, Widget Financial is committed to making every aspect of dealing with the Credit Union frictionless. We will continue to invest in new technologies and infrastructure to enhance our members’ experience, making it easier to access your accounts, apply for loans, and manage your finances.

Thank you for entrusting us with your financial needs, and we look forward to a prosperous future together.

Thank you.

Matt Margosian
President and Chief Executive Officer

Loan Report



"We understand that your time is precious and strive to make the lending process as convenient and flexible as possible"



In 2022, the total loan portfolio expanded by more than \$13 million. Over the year, we originated loans exceeding \$82 million, which comprised:

- \$57 million in auto loans, with \$45 million opened right at the auto dealership.
- Over \$9 million in mortgage loans.
- Almost \$8 million in home equity loans.
- Nearly \$5 million in personal loans.

Additionally, we facilitated over \$26 million in Visa credit card purchases and cash advances. Despite the increasing interest rate environment, our Visa Platinum credit card maintains a consistent low fixed rate, no annual fees, and local servicing.

and sending documents from your mobile device, we've got you covered. If you're not a fan of phone calls, we can communicate via text, with your permission. Moreover, if you prefer applying online while still working with your preferred loan officer, they can provide a custom link for you. At Widget Financial, we are Geared to Enrich Your Life! Remember to consider us first when you need help financing your goals!

Warm Regards,

Elizabeth Butler

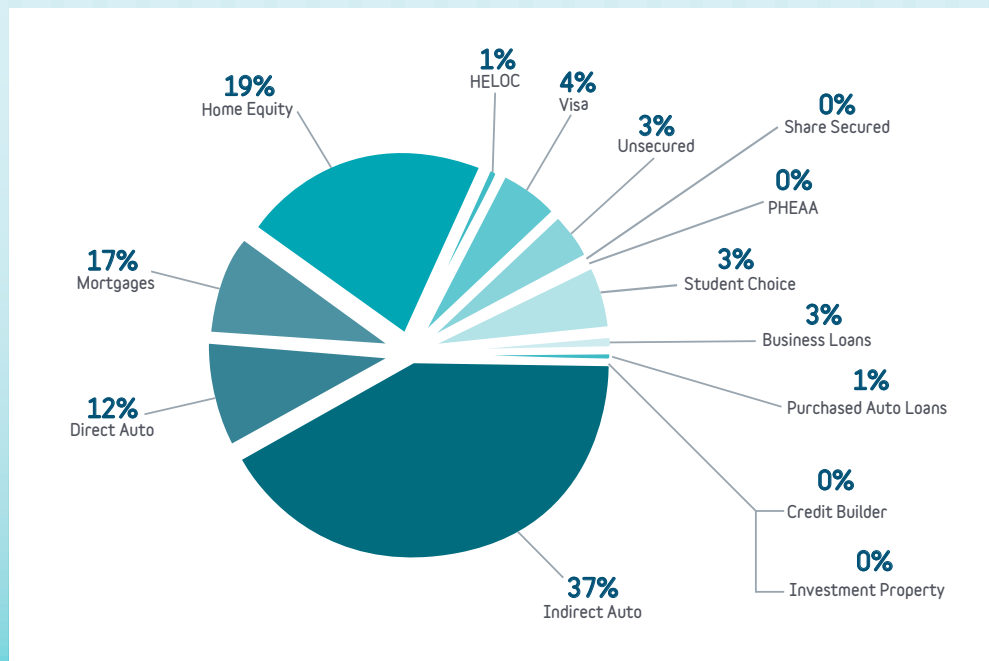
Elizabeth Butler
Chief Lending Officer

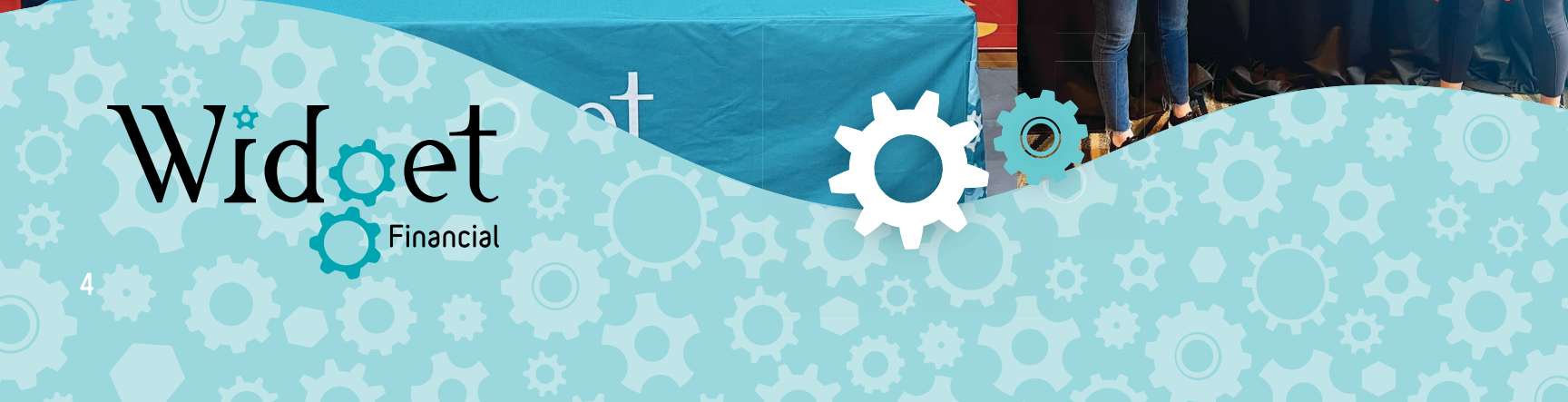
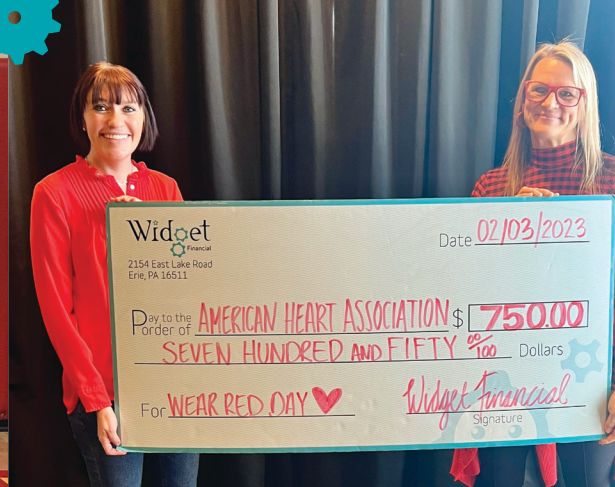
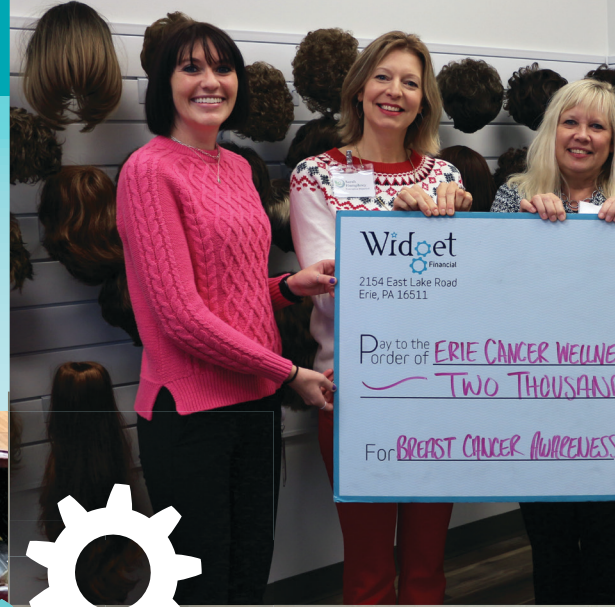
Our Flex Home Equity Line of Credit remains an excellent choice in a rising rate climate. It offers interest-only payments during the draw period and enables members to lock in current fixed rates on their balances. In 2022, we opened 71 new Flex HELOCs with credit lines amounting to nearly \$3 million.

We understand that your time is precious and strive to make the lending process as convenient and flexible as possible. Whether you prefer a face-to-face consultation at a branch or submitting an online application

Our loan portfolio mix at the end of 2022

12-31-2022







Treasurer's Report



"During 2022, Widget's membership footprint grew to over 45,858 individual members."



This past year, Widget Financial continued to thrive, 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.

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 we look forward to another successful year in 2023!

Best Wishes,

Greg Fitzgerald, Treasurer

During 2022, Widget's membership footprint grew to over 45,858 individual members. Even in the current low-interest-rate environment, Widget gave back over \$1.5M to its members in the form of dividends on their share accounts.

In conjunction with the member growth, the number of checking accounts increased to 25,537, representing a penetration rate of 61.64%. 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 \$13M in 2022, reaching over \$236M in loan balances, while maintaining excellent credit quality. Widget Financial continues to focus on new lending strategies targeted at increasing future loan growth.

The credit union's assets grew by more than \$8M in 2022, ending the year at over \$425M. 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 Financial's management and Board of Directors remain committed to ensuring your credit union remains fiscally healthy and sound. We thank you for your loyal membership and ongoing trust and confidence. Widget Financial


Financial Report

STATEMENT OF FINANCIAL CONDITION	2022	2021	\$ Change	% Change
ASSETS				
Loans to Members	236,422,505	223,281,599	13,140,906	5.89%
Less: Allowance for Loan Losses	(938,870)	(821,676)	(117,194)	-14.26%
Cash & Cash Equivalents	24,551,515	37,798,240	(13,246,725)	-35.05%
Investments	134,002,854	125,776,468	8,226,386	6.54%
Property & Equipment (Net of Depreciation)	11,407,199	11,879,804	(472,604)	-3.98%
NCUA Share Insurance Fund	3,861,260	3,643,534	217,727	5.98%
Other Assets	15,652,949	15,652,949	667,489	4.26%
TOTAL ASSETS	\$425,626,902	\$417,210,918	\$8,415,985	2.02%
LIABILITIES				
Accounts Payable	1,568,176	652,859	915,318	140.20%
Other Liabilities	2,193,101	2,335,491	(142,390)	-6.10%
TOTAL LIABILITIES	\$3,761,277	\$2,988,349	\$772,928	25.86%
SHARES				
Savings	183,723,913	175,137,805	8,586,108	4.90%
Checking	116,933,599	117,150,008	(216,410)	-0.18%
Money Market	26,558,538	26,849,376	(290,838)	-1.08%
Individual Retirement Accounts	18,247,575	20,330,069	(2,082,493)	-10.24%
Certificates	44,447,153	38,310,971	6,136,182	16.02%
TOTAL SHARES	\$389,910,778	\$377,778,228	\$12,132,550	3.21%
EQUITY				
Reserves	4,623,862	4,418,516	205,345	4.65%
Undivided Earnings	35,576,430	32,815,366	2,761,064	8.41%
Unrealized Gains/Losses	(8,245,445)	(789,542)	(7,455,903)	-944.33%
TOTAL EQUITY	\$31,954,847	\$36,444,340	(\$4,489,493)	-12.32%
TOTAL LIABILITIES, SHARE & EQUITY	\$425,626,902	\$417,210,918	\$8,415,985	2.02%
STATEMENT OF INCOME				
OPERATING INCOME				
Interest on Loans	8,980,532	8,773,808	206,725	2.36%
Income from Investments	2,053,167	1,347,847	705,320	52.33%
Other Income	7,922,449	7,326,917	595,532	8.13%
TOTAL OPERATING INCOME	\$18,956,149	\$17,448,572	\$1,507,577	8.64%
OPERATING EXPENSES				
Compensation & Benefits	7,579,432	7,350,176	229,256	3.12%
Office Operations	2,863,296	2,601,025	262,271	10.08%
Marketing	440,114	370,260	69,853	18.87%
Loan Servicing	706,923	591,595	115,329	19.49%
Professional & Outside Services	2,200,747	1,942,210	258,537	13.31%
Provision for Loan Losses	678,111	125,537	552,574	440.17%
Other Expenses	263,152	226,325	36,827	16.27%
TOTAL OPERATING EXPENSES	\$14,731,775	\$13,207,129	\$1,524,646	11.54%
Member Dividends	1,580,014	1,601,336	(21,322)	-1.33%
Non-Operating Income	116,704	60,028	56,676	94.42%
NET GAIN	\$2,761,064	\$2,700,135	\$60,929	2.26%







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

Matthew Margosian, President and Chief Executive Officer
Therese Bihler, Chief Financial Officer
Elizabeth Butler, Chief Lending Officer
Steve Dill, SVP of Operations & Processing
Chris Monaghan, SVP of Human Resources
Andrea Thompson, SVP of Member Experience
Sue Mcknight, VP Information Systems
Mike Williams, VP of Marketing

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 Antolik and Carl Palotas, Jr.

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