

Three teal gear icons of different sizes are positioned to the left of the main title box.

2024

Annual Report

ENRICHING LIVES

Two teal gear icons of different sizes are positioned to the right of the main title box.

Message from our CEO



"Your trust and partnership are the foundation of every decision we make, guiding us in our continuous efforts to exceed your expectations."



First and foremost, thank you for your continued loyalty, trust, and unwavering support. Your membership and commitment inspire us to improve and grow our Credit Union every day.

Reflecting on the past year, we've successfully navigated evolving economic conditions by strategically growing our loan portfolio. We've expanded our relationships in auto, real estate, and business lending, ensuring we continue providing you with valuable financial opportunities. Our lending team has diligently worked alongside trusted local partners and dealerships, offering competitive rates and personalized

services that align perfectly with your diverse financial needs. These carefully crafted strategies have allowed us to not only meet but position ourselves to exceed our targeted loan growth goals, reaffirming our commitment to serving your financial needs effectively and responsibly.

Looking ahead to the remainder of 2025, we are thrilled to announce significant updates specifically designed to enhance your member experience. One of our major initiatives includes the comprehensive renovation of our Main Office and 38th Street branches. Both locations will undergo substantial upgrades designed to modernize facilities, streamline processes, and improve overall member service. This transformation will notably include enhancements to our drive-thru services, making your banking interactions quicker and more convenient than ever before.

We are particularly excited about the upcoming introduction of Interactive Teller Machines (ITMs), which will replace our traditional ATMs. These state-of-the-art machines will significantly enhance your banking experience by providing faster, more efficient, and highly personalized service. With ITMs, you will have real-time access to friendly, knowledgeable representatives who can assist with transactions previously limited to in-branch visits, seamlessly bridging convenience with personal connection.

Additionally, we have carefully selected a new Digital Banking platform that will significantly upgrade your online and mobile banking experience. The forthcoming digital enhancements promise greater convenience, advanced security features, and increased flexibility, enabling you to manage your finances effortlessly from anywhere, at any time. This new platform will offer intuitive navigation, streamlined services, and enhanced personal financial management tools that empower you with

greater control over your accounts.

Internally, we remain committed to cultivating a skilled, inclusive, and dedicated workforce. Our expanded recruitment initiatives and inclusivity programs, which include multilingual support and comprehensive onboarding resources, are thoughtfully designed to ensure our team members have the tools and support needed to deliver the exceptional service you deserve. By fostering a workplace culture built upon inclusivity, professional development, and continuous improvement, we strengthen our ability to effectively serve a vibrant and diverse membership.

Each of these initiatives represents important investments by our Credit Union, but none is more significant than the investment we make in you, our members. Your trust and partnership are the foundation of every decision we make, guiding us in our continuous efforts to exceed your expectations. We deeply value your feedback, participation, and active involvement, all of which significantly contribute to the ongoing success and vitality of our Credit Union.

As we move forward together, we look ahead with genuine enthusiasm and optimism. We are confident that the future holds exciting possibilities for our Credit Union to continue growing stronger and serving you better.

Thank you once again for your membership, your ongoing support, and for being an essential part of our vibrant community. Here's to another remarkable year ahead!

Matthew Margosian
President & CEO

Loan Report



"During 2024, 1767 new members joined our cooperative by financing a vehicle at a local dealership."



We had great loan growth during 2024. Overall loans grew 4.41%, over \$10.5 million. We ended the year with nearly \$250 million in our loan portfolio. We funded nearly \$88 million in loans throughout the year, \$14.4 million more than the prior year.

During 2024, 1767 new members joined our cooperative by financing a vehicle at a local dealership. We always encourage our membership to "insist on us" when buying a car at a dealership. But if you purchased a vehicle and it was financed somewhere else, please check out our rates to see if we can save you some money by bringing your loan to your credit union.

We are working on improvements to our "5 Star Loan Review" to help you find other ways to save money on your loans and credit cards. This year we will implement a program that uses a soft pull credit check to allow you to see your credit score, what programs you may qualify for, and how much you can save.

If you are in the market for a home this year, please reach out to our mortgage team for a free prequalification and some guidance through the home buying process. We work with First Front Door to offer grants for first-time homebuyers toward downpayment and closing

costs and offer Pennsylvania Housing Finance Agency (PHFA) loan programs. Avoid the cash back and temporary low-rate gimmicks and consider Widget's Visa Platinum credit card. Our program continues to have the same low fixed rate, no annual fee, and is serviced locally.

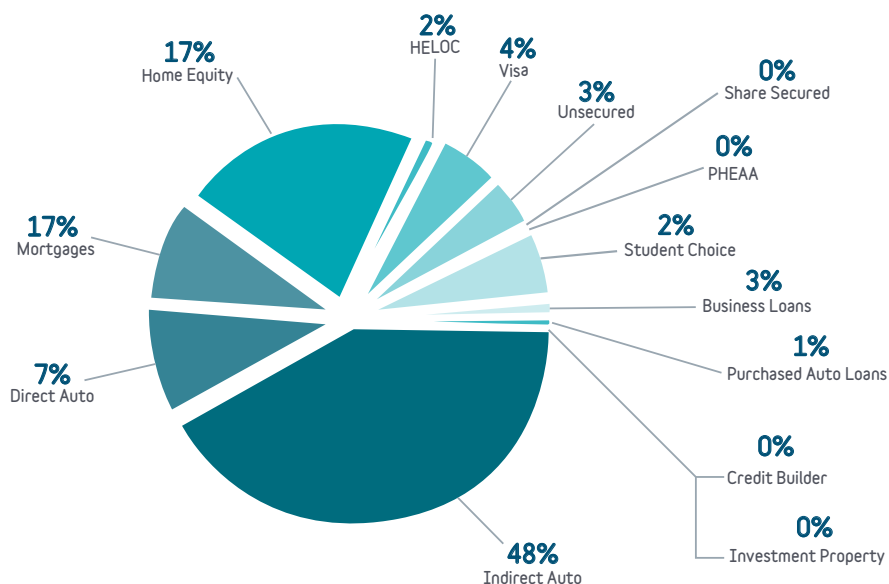
We look forward to helping you achieve your goals and save money in the coming year.

Warm Regards,

Elizabeth Butler
Chief Lending Officer

Our loan portfolio mix at the end of 2024

12-31-2024





Treasurer's Report



"Widget Financial gave back over \$5.1 million to its members in the form of dividends on their share accounts."



This past year, Widget Financial continued to thrive and once again demonstrated sound and successful financial performance. Year after year, we consistently remain 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.

In 2024, Widget Financial continued to expand our membership footprint to

almost 48,000 individual members, allowing the credit union to live its mission of serving more members, more effectively. During 2024, the Credit Union gave back over \$5.1 million to its members in the form of dividends on their share accounts, reinforcing our role as a trusted partner in your financial well-being.

Assets grew by \$12.1 million, ending 2024 at over \$439 million. Asset growth allows for lower operating costs per dollar, which can translate into better savings and loan rates. As assets increase, Widget Financial is able to invest more in the community and offer enhanced services to its members, while improving overall financial performance.

Loans to members increased by \$10.6 million to approximately \$249.7 million in 2024, a testament to our ongoing commitment to support your financial goals while maintaining outstanding credit quality. This growth directly results from our strategic focus on innovative lending strategies aimed at supporting future loan growth.

Our financial standing remained strong through 2024, demonstrating the fiscal resilience of your Credit Union in an ever-changing economic environment. Our cash and cash equivalents increased to approximately \$35.4 million, up \$5.9 million from the year prior, reflecting prudent monetary management and a robust liquidity position.

Strategic adjustments in our investment portfolio ensure our foundation remains secure while positioning us to capitalize on opportunities for growth. The strength of our total assets continues to allow us

to leverage economies of scale, contributing to a solid and increasingly profitable bottom line for the credit union. By balancing member benefits, investments in the future, and a focus on community impact, we can ensure Widget's long-term financial sustainability. We deeply appreciate your loyal membership and the trust you place in us.

Widget Financial is a respected entity in our community, and we encourage you to share the benefits of membership with your family and friends. Thank you for your time, and we eagerly anticipate another financially successful year ahead in 2025!

Greg Fitzgerald, Board Treasurer

Financial Report

STATEMENT OF FINANCIAL CONDITION	2024	2023	\$ Change	% Change
ASSETS				
Loans to Members	249,674,591	239,109,474	10,565,117	4.42%
Less: Allowance for Loan Losses	(1,443,959)	(1,324,543)	(119,416)	-9.02%
Cash & Cash Equivalents	35,437,524	29,489,531	5,947,993	20.17%
Investments	121,570,373	127,862,880	(6,292,507)	-4.92%
Property & Equipment (Net of Depreciation)	11,163,996	10,923,910	240,086	2.20%
NCUA Share Insurance Fund	3,813,068	3,831,895	(18,827)	-0.49%
Other Assets	19,160,632	17,370,898	1,789,734	10.30%
TOTAL ASSETS	\$439,376,226	\$427,264,046	\$12,112,180	2.83%
LIABILITIES				
Accounts Payable	489,052	2,243,508	(1,754,456)	-78.20%
Other Liabilities	1,136,884	1,060,486	76,398	7.20%
TOTAL LIABILITIES	\$1,625,936	\$3,303,994	(\$1,678,058)	-50.79%
SHARES				
Savings	162,583,885	161,009,786	1,574,099	0.98%
Checking	116,112,990	110,801,067	5,311,923	4.79%
Money Market	18,796,293	21,283,452	(2,487,159)	-11.69%
Individual Retirement Accounts	20,539,642	19,946,301	593,342	2.97%
Certificates	75,753,305	73,148,418	2,604,887	3.56%
TOTAL SHARES	\$393,786,115	\$386,189,024	\$7,597,091	1.97%
EQUITY				
Reserves	216,389	4,623,862	(4,407,473)	-95.32%
Undivided Earnings	45,760,748	38,157,393	7,603,355	19.93%
Unrealized Gains/Losses	(2,012,963)	(5,010,226)	2,997,264	59.82%
TOTAL EQUITY	\$43,964,174	\$37,771,028	\$6,193,146	16.40%
TOTAL LIABILITIES, SHARE & EQUITY	\$439,376,226	\$427,264,046	\$12,112,180	2.83%
STATEMENT OF INCOME				
OPERATING INCOME	2024	2023	\$ Change	% Change
Interest on Loans	12,525,359	11,014,490	1,510,869	13.72%
Income from Investments	4,177,305	2,970,923	1,206,382	40.61%
Other Income	8,295,262	8,092,525	202,737	2.51%
TOTAL OPERATING INCOME	\$24,997,925	\$22,077,938	\$2,919,987	13.23%
OPERATING EXPENSES				
Compensation & Benefits	8,639,391	8,117,561	521,830	6.43%
Office Operations	2,895,767	2,738,593	157,174	5.74%
Marketing	606,347	515,500	90,847	17.62%
Loan Servicing	665,450	743,532	(78,082)	-10.50%
Professional & Outside Services	2,670,531	2,617,640	52,891	2.02%
Provision for Loan Losses	944,814	1,082,719	(137,905)	-12.74%
Other Expenses	263,406	223,865	39,541	17.66%
TOTAL OPERATING EXPENSES	\$16,685,705	\$16,039,409	\$646,296	4.03%
Member Dividends	5,180,424	3,328,286	1,852,138	55.65%
Non-Operating Income	64,086	88,004	(23,918)	-27.18%
NET GAIN	\$3,195,882	\$2,798,246	\$397,636	14.21%

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

Andrea Thompson, SVP of Retail Operations

Chris Monaghan, SVP of Human Resources

Steve Dill, SVP of Operations & Processing

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 Schauerman, Vera Newell.