

Making the Right Moves!



2018 ANNUAL REPORT 69th Membership Meeting

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IN MEMORIAM

The Board of Directors and Staff of WEPCO Federal Credit Union would like to dedicate the 69th Annual Report to Susan Marple:



Susan Marple, MSR/Loan Officer
1958-2018

Susan started her career at WEPCO on May 17, 1993 as a full-time teller in our Oakland office. For 25 years, she filled the office with her energetic personality and contagious smile. She was a dedicated employee and, more importantly, a precious friend. In December 2018, Susan went home to be with the Lord.

She will be greatly missed not only by her co-workers, but the members who loved her dearly.

AT A GLANCE

2018 Highlights

WEPCO's Mission, Vision and Values support making the right moves when it comes to financial decisions, our members and our staff.



To start the year off, WEPCO participated in the first ever Day of Civility on Thursday, April 12, 2018! It was a part of an overall initiative to bring Choose Civility to Allegany County.

Decking the LaVale office in green, we gave out wrist bands and candy bars with messages about civility.

Thank you to all our members for visiting and helping to spread the message of civility!

WEPCO continued to make the right moves by supporting our community! We donated nearly \$25,700 to various local programs, including:

- Relay for Life
- Our local animal shelters
- Cumberland Tri-State Autism Walk



We thank you all for your donations and helping to make our community a better place!

After a comprehensive three-year study of the deposit and loan activity at the Bloomington office, WEPCO made the move on Monday, November 5, 2018 to make Bloomington an administration building and offer drive-up service only Monday – Friday. The decision fulfills our Mission to use our members' funds wisely, make sound decisions, and run our operations efficiently.



Our 28th Annual WEPCO Federal Credit Union Scholarship Award was awarded to Nikki Cannon! Nikki, the daughter of Chris and Shannon Cannon of Fort Ashby, WV, is a 2018 graduate of Frankfort High School. She attended West Virginia University in the fall, majoring in Music Performance and Pre-Medicine.

Making a move to retirement were two individuals who contributed so much to WEPCO and its members. We thank them for all their years of service:

Kathy Poole
 Served as a Director
 for 12 Years



Mary Sisler
 Valued Employee Loved
 by Members and Co-
 workers for 25 Years



Other events that took place in 2018:

Member Appreciation Day

April 24



Sheila Strothers, Grand Prize Winner

Kids Day

July 17



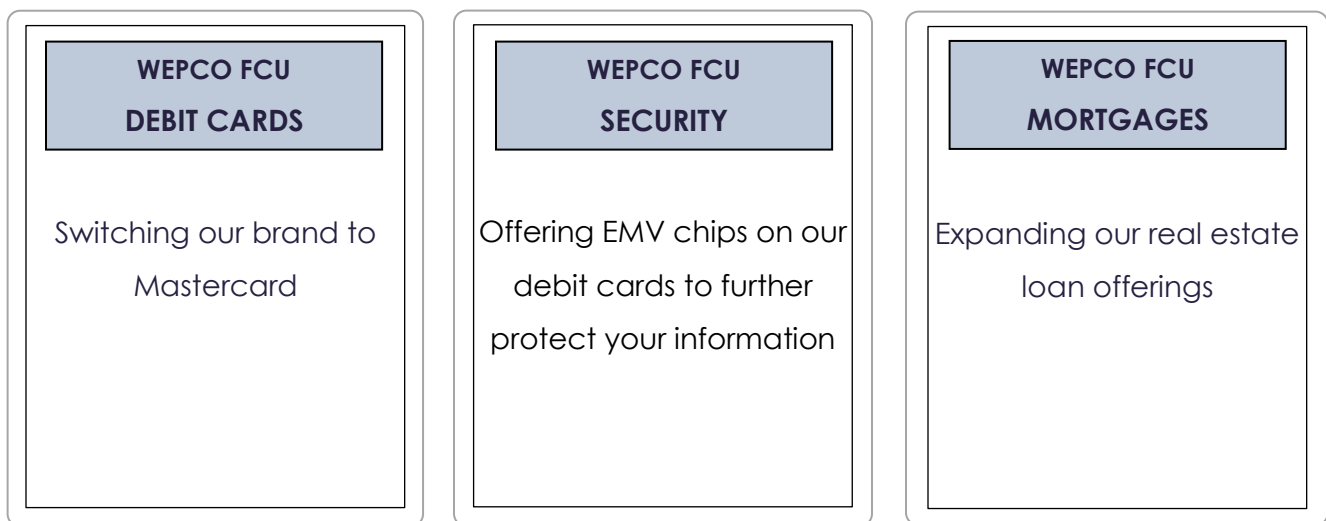
Nathan Aldridge, Essay Winner
Ryan Aldridge, Drawing Winner

OUR NEXT TURN

2019 Upcoming

In 2019, WEPCO will be making the move to add an online membership application for the convenience of those seeking to join the WEPCO family. It will also include an enhanced loan application.

Other changes planned for 2019 include:



We will be holding our 29th Annual Scholarship Contest, our Member Appreciation Day on Wednesday, April 24th, and our Kids Day on Tuesday, July 16th. Make sure to mark the dates and celebrate with us!

We always strive to provide you the exemplary service necessary to be your financial institution of choice. That is why WEPCO humbly thanks you all for your continued support! Join us in celebrating the year before us!

Everything We Do, We Do For You!

TREASURER'S REPORT

STATEMENTS OF FINANCIAL CONDITION

ASSETS	Dec. 31, 2018	Dec. 31, 2017
Net Loans Outstanding	\$ 177,502,517	\$ 166,636,918
Cash on Hand	\$ 9,430,729	\$ 6,148,509
Federal Agency Securities	\$ 6,166,322	\$ 11,608,198
Fed Discount Window Investment	\$ 1,000,000	\$ 1,000,000
Mid-Atlantic Corporate FCU	\$ 8,176,477	\$ 5,253,669
Alloya Corporate FCU	\$ 4,209,026	\$ 4,158,283
Mid-Atlantic Corporate FCU Capital Shares/CD	\$ 250,000	\$ 250,000
Corporate One FCU	\$ 8,244,202	\$ 5,294,146
Dain Rauscher Certificate of Deposit	\$ 248,000	\$ 746,000
FTN Certificate of Deposit	\$ 0	\$ 1,489,083
M & T Money Market	\$ 0	\$ 3,029,285
Land & Building (Net)	\$ 4,806,906	\$ 4,892,555
Other Fixed Assets (Net)	\$ 235,124	\$ 390,311
Accrued Loan Interest	\$ 459,586	\$ 401,874
Accrued Investment Income	\$ 18,829	\$ 32,957
Accounts Receivable	\$ 57,462	\$ 31,684
Prepaid & Deferred Expenses	\$ 341,116	\$ 368,578
Assets Acquired in Liquidation of Loans	\$ 105,355	\$ 372,495
NCUSIF Deposit	\$ 1,968,701	\$ 1,925,102
TOTAL ASSETS	<u>\$ 223,220,332</u>	<u>\$ 214,029,645</u>
LIABILITIES		
Accounts Payable	\$ 413,907	\$ 530,634
Clearing Accounts	\$ 644	\$ (3,978)
Dividends Payable	\$ 254,610	\$ 172,191
Other Liabilities	\$ 213,392	\$ 1,256,641
EQUITY		
Member's Accounts	\$ 198,007,745	\$ 191,098,092
Regular Reserves	\$ 3,545,824	\$ 3,545,824
Undivided Earnings	\$ 20,664,426	\$ 18,734,091
Unrealized Gain/Loss	\$ (189,249)	\$ (177,083)
Unfunded Managers Pension	\$ (151,338)	\$ (1,153,171)
Net Income	\$ 460,371	\$ 26,324
TOTAL LIABILITIES & EQUITY	<u>\$ 223,220,332</u>	<u>\$ 214,029,645</u>



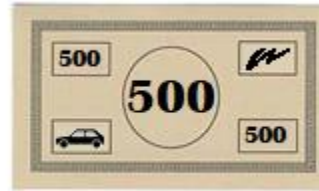
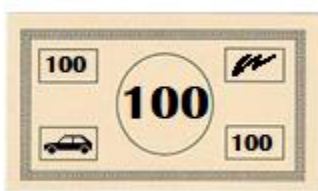
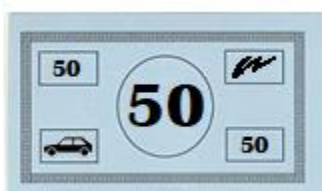
TREASURER'S REPORT (CONTINUED)

STATEMENT OF INCOME

	Dec. 31, 2018	Dec. 31, 2017
INCOME		
Loan Interest Income	\$ 8,184,415	\$ 7,587,446
Investment Income	\$ 534,856	\$ 417,921
Non-Operating Gain/Loss	\$ (248,295)	\$ (25,905)
Other Income	\$ 3,159,304	\$ 2,331,105
TOTAL INCOME	\$ 11,630,280	\$ 10,310,567
EXPENSES		
Operating Expenses	\$ 7,828,963	\$ 8,207,210
Executive Compensation	\$ 292,041	\$ 286,044
Dividend Expense	\$ 1,144,894	\$ 844,817
TOTAL EXPENSES	\$ 9,265,898	\$ 9,338,071
NET INCOME	\$ 2,364,382	\$ 972,496

PAST 10 YEARS GROWTH

	ASSETS	MEMBERS	SHARES	LOANS
2008	\$ 125,094,918	21,202	\$ 108,108,485	\$ 79,152,624
2009	\$ 154,920,564	23,076	\$ 137,531,866	\$ 101,335,598
2010	\$ 178,819,361	24,187	\$ 161,923,164	\$ 117,077,385
2011	\$ 193,628,431	24,778	\$ 175,852,779	\$ 112,507,888
2012	\$ 201,360,187	25,166	\$ 182,616,313	\$ 105,248,922
2013	\$ 197,623,158	25,538	\$ 178,685,053	\$ 109,066,283
2014	\$ 196,843,813	28,182	\$ 176,362,007	\$ 121,938,973
2015	\$ 202,421,390	28,134	\$ 181,448,892	\$ 136,854,297
2016	\$ 205,977,799	29,418	\$ 184,178,192	\$ 149,380,912
2017	\$ 214,029,645	30,822	\$ 191,098,092	\$ 168,199,221
2018	\$ 223,220,332	31,807	\$ 198,007,745	\$ 179,172,902



PRESIDENT'S REPORT

It is my pleasure to report that your credit union had another amazing year in 2018! The Board of Directors, Management and Staff worked together to continue our commitment to bring you more value through our exemplary service, products and services.

The efforts to enhance our electronic service delivery channels proved to be successful in the second half of 2018. Members have more options to manage their finances at their convenience, and they have spoken! Members adopted our mobile app by more than 8%, our bill payer by more than 45%, and our remote deposit capture by more than 25%. We will continue to find new ways to expand our electronic services.

WEPCO Federal Credit Union continued strong loan growth in 2018. Our portfolio increased to over \$179 million, a 6% increase over 2017. Plus, WEPCO provides many benefits to protect members and their loan balances. Our Debt Shield protected members from unforeseen circumstances, such as disability, involuntary unemployment, or death, by



covering their loan payments. We then expanded our Debt Shield products to protect our members against accidental dismemberment, terminal illness, family medical leave, hospitalization, and death of a non-protected dependent. As a result, in 2018, members protected more than 44% of their loan dollars with Debt Shield.

Finally, WEPCO earned high marks during the NCUA exam in late 2018. The report stated that management continued to mitigate risks while maintaining financial stability and instilling safety and soundness.

I want to thank you for your dedicated loyalty and support to the success of WEPCO! As we look forward to 2019, WEPCO management will continue to make the right moves to provide you with the best possible products and services for a safe and sound future.

"Everything we do, we do for you!"

Becky McKenzie

President

CHAIRMAN'S REPORT

Looking back at 2018, I believe our economy is finally picking up steam, the economy is growing at a faster pace than previous years, and consumer confidence has increased. Even with the Federal Reserve raising interest rates, Americans continued driving the economy, confident about their financial situation. So was WEPCO! Your credit union continued to grow, ending 2018 with earnings above expectations and assets of over \$220 million.

This past year, you grew WEPCO by investing in more savings and share certificates. Plus, more of you adopted and used our mobile app and other electronic services. Management team works diligently in developing new products for you!

Towards the end, your credit union received a very positive review from the NCUA examiners during their last audit.

In closing, I am very proud of our management staff, Board of Directors and great team of employees for making WEPCO the finest financial institution in our area. Most of all, I thank you so much for choosing WEPCO as *your* financial institution!

Thank You and God Bless,

Mark Alexander

Chairman of the Board



SECRETARY'S REPORT

WEPCO Federal Credit Union held its 68th Annual Membership Meeting, Friday, March 2, 2018, 6:00 PM at the Bloomington Fire Hall in Bloomington, Maryland. This year's theme is "Seasons of Change."



The evening began with Mark Alexander, Board Chairman, welcoming members to the Annual Meeting Social! Donald Harvey, Director, gave the invocation. Light refreshments were available to everyone present. Employees, Directors, and members spent time socializing with one another.

Mark Alexander then came forward and introduced the management staff present: Becky McKenzie, President; Michelle McElwain, Senior Vice President; Bobby Alkire, Chief Financial Officer; Terry Apple,

Compliance Officer; Tonya Smiley, Human Resource Officer; Marcie Lyons, Bloomington Branch Manager; Heather Fleming, Collection Manager; and Brandy Roderick, LaVale Branch Manager. Staff present was Sue Fazenbaker, Oakland Mortgage Specialist. Guest present was Jeff Conner of Fike, Conner and Associates. He also introduced the Board of Directors: Mark Alexander, Diana Dayton, Donald Harvey, Cheryl Smith, Kathy Poole, and Mark Bittinger; He asked for a moment of silence to remember those we lost in 2017: T. Edward Smith, former Supervisory Committee member; Debi Langan, Director; and John Pattison, Charter member.

Mark then conducted the business meeting. He asked Jeff Conner to come forward. Jeff stated, "WEPCO has a great, young management staff, \$214 million in assets, and loans continuing to grow. 2017 was a good year with earnings of \$972,000. WEPCO is going to have a fun year ahead with interest rates anticipated to rise." Motions to accept the 2017 Annual Report as written were given by Bob Wiltison and Jane Glotfelty. Tom Clayton and Bob Wiltison made the motion to close the meeting.

Mark then asked Tonya Smiley to come forward and present service awards:

- Tonya Smiley for 20 years
- Heather Fleming for 10 years

Those not in attendance that received service awards in 2018 are:

25 Years of Service
David Wildesen, Loan Officer
Lori Taylor, Loan Officer
Mary Sisler, MSR
Susan Marple, MSR

15 Years of Service
Keely Shoemaker, MSR

Brenda Beckman, MSR
Crissy Fazenbaker, MSR
Michelle Morris, MSR
Patricia Falkner, MSR
Kaitlyn Everett, MSR
Melissa Brady, MSR

5 Years of Service
Bobbie Jo Schroyer, MSR
Brittany Stullenbarger, MSR
Heather Halbritter, MSR
Jessica Ronnenberg, MSR

Tonya asked for Diane Dayton and Jennifer Gift to help with the door prizes. Jennifer pulled all the door prize tickets, including the grand prize.

The meeting ended at 7:05 PM with Donald Harvey giving the benediction.

Door Prizes winners were: Grand Prize \$250 VISA Gift Card won by Addy Mallery; \$100 gift card won by Judy Thomas; and \$25 gift cards won by Brian Smith, Joe Deremer, Paul Gift and Betty Pritt.

Respectfully Submitted,

Diana Dayton

Secretary

