

# A Better Tomorrow Starts Today



## 2020 ANNUAL REPORT 71<sup>st</sup> Annual Membership Meeting

800-292-8139

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## AT A GLANCE



### **We are celebrating 71 years of service this year!**

The WEPCO Board and Management would like to first thank you for your continued loyalty and trust in us. During the pandemic, we made decisions necessary to continue providing the exemplary member service you expect, and you adapted to these changes with us. By all of us working together, WEPCO stayed strong through the adversities in 2020. As a result, we are collectively heading towards a better tomorrow.

**“Every day is a chance given to better your yesterday  
and brighten your tomorrow” ~ Beverley Malcolm**

### **Kasasa Products**

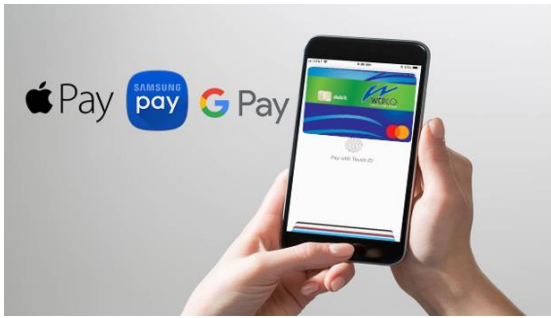


WEPCO launched two new and exciting rewards checking products on March 1, 2020 – Kasasa Cash and Kasasa Cash Back. Earn higher dividends or cash back on your debit card purchases, when you access PAL Plus, and sign-up for eStatements. If you already have a share draft, you can easily convert over to a Kasasa account. Plus, add a Kasasa Saver to any of our Kasasa Rewards Checking products, and you can earn a higher return on your dividends. Sign-up for Kasasa today, and start earning rewards tomorrow!

We added some new protections for you! WEPCO offers Kasasa Care, which includes several services such as Identity Protection, Asset Protection, Term Life Insurance, Vision Insurance, and more. Sign-up for these services today, and protect yourself for tomorrow!



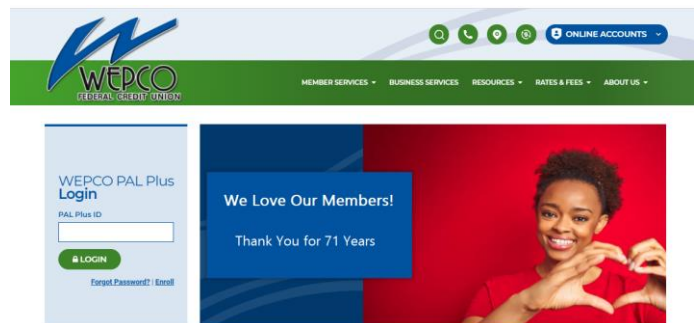
## Digital Wallet



WEPCO provided you a contactless option to pay for your purchases with your Mastercard debit card. Add your card to Apple Pay, Google Pay or Samsung Pay for a safe and secure way to shop at participating retailers. Put your card in a digital wallet today, and pay for those purchases tomorrow!

## New Website

A new look to our website was introduced in 2020! It is more user friendly, modern looking, and accessible on your mobile phone. These new features today will make your visits to our website better tomorrow!



## Celebrating You

While we were unable to hold the annual **Member Appreciation Day** in 2020, we want you to know that we appreciate you every day.

Our annual **Kids Day** was celebrated virtually for the first time ever! We held an online photo contest and scavenger hunt on Tuesday, July 21, 2020.

<p><b>MOST LIKES</b> Grand Prize \$100 Winner Aria Knotts</p>  <p><b>GRAND PRIZE</b></p>	<p><b>1st Prize \$50 Winner</b> Addison Tichnell</p> 	<p><b>Age Group \$25 Winners</b></p> <p>Age 0-3: Aria Knotts Age 4-6: Bryson Ashby Age 7-9: Bethanie Corbin Age 10-12: Nevaeh Tasker Age 13-15: Adriona Johnson Age 16-17: Nicole Savage</p>	<p><b>Scavenger Hunt \$20 Winner</b> Liam and Elaina Evans</p> 
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## Scholarship Award

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The 30th Annual WEPCO Federal Credit Union Scholarship Winner was **Natosha Shaw**! Natosha is the daughter of Kellie Shaw and Dale Fairgrieve and Craig and Brenda Shaw. She is a graduate of Westmar High School, and will continue her education at Frostburg State University, majoring in Social Work. Her career goal is to be a social worker in the criminal justice field.

## Here for You

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We helped you out during the pandemic by offering a relief loan product, extended skip-a-pays, forbearance, and granting more fee waivers. These measures provided you the peace of mind towards a better tomorrow!

## Essential Employees

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In April, we showed appreciation to our employees for working during the pandemic. They have been here for you, serving your financial needs every day! They are our heroes!



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# Everything We Do, We Do for You!

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## Retirements

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Thank you, Sue and Jill, for giving over 30 years of service to WEPCO and its members!



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**PASSION. COMMITMENT. TEAMWORK. LEADERSHIP.**

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## COMMUNITY OUTREACH

Part of our Mission is to **actively support the communities in which we serve**. We do more than just offering financial products or services; we give back through various volunteer and outreach efforts!



- ♥ Donated \$14,000
- ♥ Paid for Lunch for Kids due to COVID and school closings
- ♥ Provided Lunch to UPS and FedEx Essential Workers
- ♥ Supported:
  - Union Rescue Mission
  - Wear Red for Women Day
  - Prayers for Chase Nesselrodt





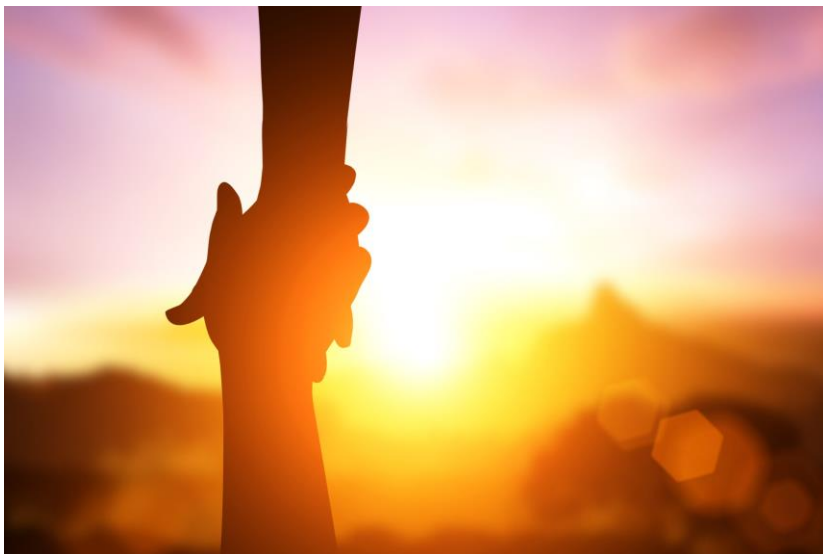
## LOOKING FORWARD IN 2021

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- **Enable Deposit Service on ATMs.** In the spring of 2021, we will be introducing Deposit Automation ATM's in both our Oakland and Keyser branches. You will be able to deposit cash and checks conveniently at these ATMs.
- **New Mortgage Products.** You will have more options to finance your next home.
- **Online Account Opening.** Add new shares online at your convenience.
- **Mobile App Enhancements**
  - Block or unblock your debit card at your discretion;
  - Access to our online financial management tool, Money Manager;
  - Digitally interact with a credit union representative during business hours; and
  - Open new loan and deposit accounts
- **Self-service Loan Payments.** Make your loan payments online with a debit card or other account.

We will be holding our Member Appreciation Day on Friday, April 23, our Kids Day on Tuesday, July 20, and we will be offering our Annual WEPCO Federal Credit Union Scholarship.

We are always committed to our Mission of providing you exemplary service, offering you safe and cost-effective products, growing your credit union profitably, and actively supporting your communities, all leading to a better tomorrow!



# TREASURER'S REPORT

## STATEMENTS OF FINANCIAL CONDITION

<b>ASSETS</b>	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
Total Loans	\$ 176,330,690	\$ 185,568,670
Less Allowance for Loan Losses	\$ (1,620,251)	\$ (1,640,903)
Cash on Hand	\$ 15,952,320	\$ 9,472,469
Federal Agency Securities	\$ 3,295,212	\$ 4,686,364
Fed Discount Window Investment	\$ -	\$ 1,000,000
Mid-Atlantic Corporate FCU	\$ 14,615,474	\$ 12,091,454
Alloya Corporate FCU	\$ 4,278,134	\$ 4,268,639
Mid-Atlantic Corporate FCU Capital Shares/CD	\$ 50,250,000	\$ 250,000
Corporate One FCU	\$ 5,419,792	\$ 23,935,200
Dain Rauscher Certificate of Deposit	\$ -	\$ 248,000
Land & Building (Net)	\$ 4,561,545	\$ 4,708,240
Other Fixed Assets (Net)	\$ 299,009	\$ 176,086
Accrued Loan Interest	\$ 459,939	\$ 471,367
Accrued Investment Income	\$ 6,302	\$ 15,608
Accounts Receivable	\$ 179,888	\$ 29,354
Prepaid & Deferred Expenses	\$ 1,467,628	\$ 311,354
Assets Acquired in Liquidation of Loans	\$ 147,251	\$ 156,118
Loan Origination Costs	\$ 167,845	\$ 13,064
NCUSIF Deposit	\$ 2,345,760	\$ 1,973,549
<b>TOTAL ASSETS</b>	<b><u>\$ 278,156,536</u></b>	<b><u>\$ 247,734,634</u></b>
<b>LIABILITIES</b>		
Accounts Payable	\$ 307,739	\$ 486,747
Clearing Accounts	\$ (6,452)	\$ (45,325)
Dividends Payable	\$ 304,572	\$ 424,613
Other Liabilities	\$ 63,586	\$ 539,148
<b>EQUITY</b>		
Member's Accounts	\$ 248,299,349	\$ 219,522,303
Regular Reserves	\$ 3,545,824	\$ 3,545,824
Undivided Earnings	\$ 26,156,566	\$ 23,333,564
Unrealized Gain/Loss	\$ 100,763	\$ (25,599)
Unfunded Managers Pension	\$ (713,418)	\$ (471,389)
Net Income	\$ 98,006	\$ 424,747
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>\$ 278,156,536</u></b>	<b><u>\$ 247,734,634</u></b>



## TREASURER'S REPORT (CONTINUED)

### STATEMENT OF INCOME

INCOME	Dec. 31, 2020	Dec. 31, 2019
Loan Interest Income	\$ 8,877,233	\$ 8,184,415
Investment Income	\$ 268,186	\$ 534,856
Non-Operating Gain/Loss	\$ (22,894)	\$ (248,295)
Other Income	\$ 2,314,682	\$ 3,159,304
<b>TOTAL INCOME</b>	<b>\$ 11,437,207</b>	<b>\$ 11,630,280</b>
<b>EXPENSES</b>		
Operating Expenses	\$ 6,708,555	\$ 7,828,963
Executive Compensation	\$ 315,952	\$ 292,041
Dividend Expense	\$ 1,916,437	\$ 1,144,894
<b>TOTAL EXPENSES</b>	<b>\$ 8,940,944</b>	<b>\$ 9,265,898</b>
<b>NET INCOME</b>	<b>\$ 2,496,262</b>	<b>\$ 2,364,382</b>

## PAST 10 YEARS GROWTH

	ASSETS	MEMBERS	SHARES	LOANS
<b>2010</b>	\$ 178,819,361	24,187	\$ 161,923,164	\$ 117,077,385
<b>2011</b>	\$ 193,628,431	24,778	\$ 175,852,779	\$ 112,507,888
<b>2012</b>	\$ 201,360,187	25,166	\$ 182,616,313	\$ 105,248,922
<b>2013</b>	\$ 197,623,158	25,538	\$ 178,685,053	\$ 109,066,283
<b>2014</b>	\$ 196,843,813	28,182	\$ 176,362,007	\$ 121,938,973
<b>2015</b>	\$ 202,421,390	28,134	\$ 181,448,892	\$ 136,854,297
<b>2016</b>	\$ 205,977,799	29,418	\$ 184,178,192	\$ 149,380,912
<b>2017</b>	\$ 214,029,645	30,822	\$ 191,098,092	\$ 168,199,221
<b>2018</b>	\$ 223,220,332	31,807	\$ 198,007,745	\$ 179,172,902
<b>2019</b>	\$ 247,734,633	32,798	\$ 219,522,303	\$ 185,568,670
<b>2020</b>	\$ 278,156,536	32,764	\$ 248,299,349	\$ 176,330,690

## PRESIDENT'S REPORT

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What a year 2020 was! Although the threat of the pandemic had us navigating through our daily lives in a new way, the WEPCO Board and Management Team stayed focused on our Mission. Our success is measured not by what we did in 2020, but the decisions made in prior years that prepared us for 2020. Because we stayed true to our Mission, I am proud to report that your credit union ended 2020 financially strong!

I believe that the most important promise we make in our Mission is to provide you with exemplary service. In 2020, decisions were made that changed how you received this level of service. The lobbies closed early in the year and remained closed so that we could protect you and our employees from the potential spread of the virus. To give you more opportunities to conduct your transactions, we extended the hours of our drive-up operations. The daily dedication shown by our member service representatives ensured your deposit needs were met in a manner you have come to expect.

Your trust and loyalty to WEPCO was evident in our new loan production results. To comply with state orders to limit the number of people allowed in the buildings, loan officers did a great job making appointments for you. You borrowed more than \$60 million last year with the majority in new and used vehicles. In addition to our regular loan offerings, WEPCO offered a COVID-19 Relief loan to help those that were financially impacted by the pandemic. WEPCO lent more than \$400,000 to assist members in financial need.

Our employees are essential to the operations of the credit union. They were dedicated every day coming to work and providing you with exemplary member service.

Our Mission is to also provide you with safe, convenient and cost-effective products. In a time where the least amount of contact is better, WEPCO had several electronic services available for you to conduct your transactions safely from home. More than 1,650 new users signed up for our online platform, PAL Plus, and 1,641 new users accessed the WEPCO mobile app. The mobile app allowed members to check balances, make transfers, and make check deposits through remote deposit capture (RDC) anytime, anywhere. Members could make cash withdrawals with their Mastercard debit card at our branch ATMs 24 hours a day, seven days a week. WEPCO added the Digital Wallet, which provided you a contactless solution to make purchases with your

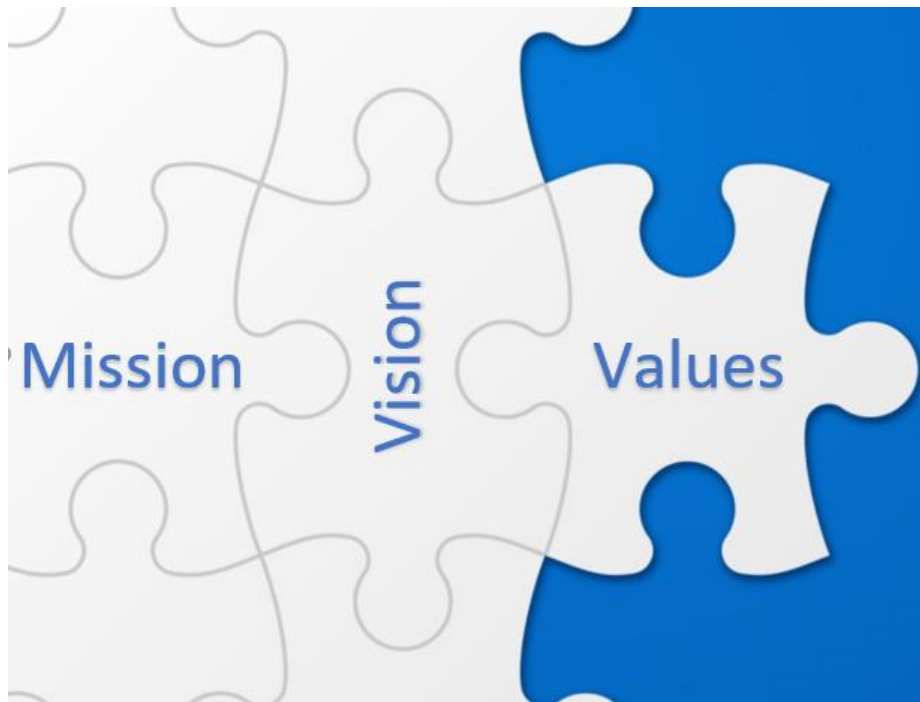
Mastercard at participating retailers. These offerings helped you in accessing and managing your finances in a safe, convenient manner.

Finally, we focused on our communities in 2020. We recognized that with school closures, there may be a need for children to have access to lunch, so we partnered with the Westernport Subway and Keyser Fox's Pizza Den to feed more than 250 school age children. As essential employees ourselves, we wanted to show our appreciation for the men and women at UPS and FedEx, so we provided them with a breakfast. These were just a couple ways that we accomplished our Mission to support our communities.

No one could have predicted a year like 2020, but when we stayed focused on our Mission, good things happen. I want to especially thank you for your trust in us. As we look forward to 2021, the WEPCO Board and Management Team will continue to make decisions that fulfill our Mission. "Everything we do, we do for you!"

*Becky McKenzie*

President





## CHAIRMAN'S REPORT

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With our Annual Meeting format, you can see the world has changed so much, so fast last year. A new virus originating in Wuhan, China spread to every corner of the world, including the far reaches of Western Maryland. We had to adapt to a new normal while still taking care of our basic necessities. The Management Team, led by President Becky McKenzie, changed your credit union's operations to work within the new normal and provide you convenient access to your money.

Your credit union provided an essential service to the community, so it was vital that President McKenzie and her Management Team made decisions that accounted for the safety of employees, their families, and the membership. By incorporating social distancing, extending hours, and maintaining essential cleaning supplies, I am very proud of how the credit union took the actions necessary to continue being there for you.

Because we provided an essential service, our employees were essential to you and the operations of the credit union. They continued coming into work every day to keep the credit union running.

We promoted our electronic services so that you can access and manage your funds safely at your convenience. To reward you for using these services, we launched our brand new Kasasa rewards checking accounts, and you can earn higher dividends or cash back when you pay with your WEPCO debit card, access online banking, and sign-up for electronic statements.

Most importantly, you adapted with us, and I appreciate your understanding as we worked together to maintain your safety while providing you exemplary member service. The credit union finished the year profitably, and the Management Team and Employees are ready to continue servicing your financial needs as we all move towards a better tomorrow!

*Walter May*

Chairman of the Board

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## A Better Tomorrow Starts with the Actions We Take Today

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## SECRETARY'S REPORT

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The evening began with Mark Alexander, Board Chairman, welcoming members to the Annual Meeting Social! Kenneth Caplinger, Supervisory Committee Member, gave the invocation. Light refreshments were available to everyone present. Employees, Directors, and members spent time socializing.

Mark 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, Deposit Operations Specialist; Kristie Hamilton, Loan Operations Manager; Heather Fleming, Collection Manager; Brandy Roderick, LaVale Branch Manager and Rachel Ford, Oakland Branch Manager. Staff present was Ariel Shugars, Keyser MSR; Jessica Ronnenburg, LaVale MSR; and Leesa Moreland, Oakland MSR. Guests present were Jeff Conner of Fike, Conner and Associates and retiree, Sue Fazenbaker. Finally, he introduced the Board of Directors: Mark Alexander, Walt May, Diana Dayton, Cheryl Smith, and Mark Bittinger; He asked for a moment of silence to remember Donald Harvey, former Director, who passed away in 2019.

Mark then conducted the business meeting. He asked Jeff Conner to come forward. Jeff stated, "WEPCO is growing and once again had a great year despite the closing of the Luke Mill. The credit union ended with \$240 million in assets and a \$2.6 million net income at the end of 2019. A credit union is considered strong at a net worth of 7%, and WEPCO is at 11%." He added that WEPCO has a strong loan portfolio and offers competitive services to its members. He closed by stating that WEPCO's management team is young, enthusiastic and the key to "keeping the engine running well into the future." Motions to accept the 2019 Annual Report as written were given by Kenneth Caplinger and Walt May. Kenneth Caplinger and Diane Dayton made the motion to close the meeting.

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

- 20 Years of Service: Amber DiUbaldo, Indirect Loan Specialist, Kathy Bradley, Mortgage Specialist, Kristie Hamilton, Loan Operations Manager and Marcie Lyons, Deposit Operations Specialist.
- 15 Years of Service: Ashley DiUbaldo, Keyser Branch Manager and Connie Bray, MSR.
- 10 Years of Service: Ariel Shugars, MSR

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

- *Grand Prize \$250 VISA Gift Card:* Joe Deremer
- *\$100 Gift Card:* Judy Thomas
- *\$50 Gift Card:* Josh Shugars and Joe Clayton
- *\$25 Gift Cards:* Jennifer Gift and Robert Kirkwood

The meeting ended at 7:45 PM with Kenneth Caplinger giving the benediction.

*Diana Dayton*

Secretary



**Thank You for Attending Our  
71st Virtual Annual Meeting!**