

Going
Strong



2022

ANNUAL REPORT

Friday, March 3, 2023

www.wepcofcu.com

Cumberland Staff



WELCOME TO THE WEPCO FAMILY!

As of January 1, 2023, Potomac Federal Credit Union merged with WEPCO Federal Credit Union.

"We are excited for the opportunity to grow WEPCO through the merger with Potomac. WEPCO and Potomac share the same values when it comes to meeting our members' needs. We are looking forward to welcoming the employees and members of Potomac to our WEPCO family."

Becky McKenzie, President

AT A GLANCE U

In the summer of 2022, WEPCO was approached by Potomac Federal Credit Union's board to propose merging our credit unions. We swiftly went to work researching and gathering information to confirm that accepting this proposal would satisfy our Mission, which is striving to maintain financial stability and grow your credit union in a prudent manner that would benefit all we serve.

This merger had the potential to do both. In September, we obtained approval from NCUA, our federal regulator, to proceed with the merger, pending the vote of Potomac's membership. A majority vote of Potomac's members approved the merger in November, and the merger was official on January 1, 2023.

In keeping with our Mission to provide you cost-effective products and services, we enhanced our online banking platform, PAL Plus, and our WEPCO Mobile App to bring you more value for these services. In the fall, the look and feel of PAL Plus was re-designed to match the appearance of our WEPCO Mobile App. We updated the WEPCO Mobile App with several new features for your convenience:

- eStatement Viewing
- Message Support Staff
- View Remote Deposited Check Items
- Near Instant Remote Deposit Checks



HERE FOR YOU

Everything We Do, We Do For You!

MEMBER APPRECIATION DAY

We celebrated our 13th Annual Member Appreciation Day on Friday, April 22, 2022. We showed our appreciation by awarding 33 monetary prizes totaling \$1,000!





EMPLOYEE APPRECIATION

Friday, March 4, 2022 was National Employee Appreciation Day. We honored our staff on social media and gifted them a WEPCO Folding Chair.



KIDS DAY 2022

Our annual Kids Day was celebrated on Tuesday, July 19, 2022! We held a photo contest, and any child conducting a transaction on Kids Day was entered into a drawing!



Brandy Haines Fisher recommends **WEPCO Federal Credit Union**.
7h · 🌐

WEPCO has always met my needs from loans to checking to accounts for my kids. The mobile app makes everything really easy too if I don't want to go in. My favorite branches are Bloomington and LaVale!
[#ilovemycreditunion](#)

CREDIT UNION APPRECIATION

On Friday, July 29, 2022, WEPCO participated in the credit union movement *I Love My Credit Union*. Members expressed their appreciation for WEPCO on Facebook:



Margie Jackson Beckner
I have been a WEPCO credit union member since I was a teenager:) Kudos — particularly to the staff at LaVale WEPCO branch! Friendly and efficient service

Kevin Artice
Simply the best credit union for personal business and they always have supported local businesses.

SPIRIT WEEK

During the week of July 18, we celebrated several themes, including Disney, beach, and decade days!



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 over \$18,500 to our local communities

♥ Chose Evergreen Heritage Center to receive \$12,500 from our credit card partner, Élan, on our behalf



♥ Alyson Smith Donation Drive



♥ 32nd Annual Scholarship Award to Makayla Miller

♥ Trunk or Treat at Rocky Gap

♥ Stuff the Bus in Oakland



♥ Sponsored various youth sports and organizations



♥ Participated in Evergreen's Spring Festival, Walking through History, and Autumn Festival

♥ Western Maryland Scenic Railroad's Polar Express



LOOKING FORWARD IN 2023

Our members are always the top priority when planning out the new year! We strive to offer the products and services that our members need and want.

We are preparing the final steps to complete the merger with Potomac Federal Credit Union. Later this year, we will perform the data merge to move the member accounts from Potomac to our core system, Symitar. Once this final step is completed, you will have full access to the two Cumberland branches and their ATMs.

In 2023, there will be new products or services to give you more convenient options to control your finances:

- Access to our Cumberland locations at Paca St. and Oldtown Rd.
- New Features for our Online Banking and Mobile App:
 - Block or unblock your debit card at your discretion
 - Open new deposit accounts or apply for loans
- Digitally sign your deposit and loan documents

We will be celebrating the following annual events:

- Employee Appreciation Day on Friday, March 3
- Member Appreciation Day on Monday, April 24
- Spirit Week on the week of July 17
- Kids Day on Tuesday, July 18
- I Love My Credit Union Day on Friday, July 28
- International Credit Union Day on Thursday, October 19

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!

Back in 1993, two amazing employees began their careers at WEPCO: **David Wildesen and Lori Taylor**. David and Lori are very valuable assets to the credit union! They are hardworking, dependable employees with a passion and dedication to the credit union and you, our members.

We would like to congratulate them both on reaching this milestone anniversary!



Congrats!
**DAVID
WILDESEN**



Thank you for being a part of our
WEPCO Family for thirty years!



Congrats!
**LORI
TAYLOR**



MESSAGE FROM THE CHAIRMAN U

2022 was a very strong year for WEPCO because of excellent loan production and cost savings. Our growth is the result of careful planning and the hard work of the WEPCO team. Everything we do is planned: starting with the early stages of a new idea, through its implementation, and the follow up of measuring its success. As a result, WEPCO has the best management team in the area! NCUA commended the team last year during its examination and gave their best ratings for WEPCO.

Our team continues to plan for the future and looks for new opportunities for our members. As many of you already know, we merged with Potomac Federal Credit Union. This process actually started over two years ago when Potomac was seeking a merging partner to take care of their members. The team examined all aspects of the merger process, developed a plan, and made a presentation to the board and management of Potomac. The discussions really picked up this past fall, and your WEPCO management team and board decided that merging was beneficial to each credit union's membership.

Both boards and management teams agreed to the merger with WEPCO being the continuing credit union. This is a win for you because later this year, we will be able to serve you through two locations in Cumberland. Best of all, the employees that are currently working at these locations will be there ready to service you! When you visit any of the Cumberland locations, you will be greeted with the same friendly member service that you would expect.

In 2022, we had an amazing year! The WEPCO management team and employees worked together for you, our members. Thank you for your continued support!

Walt May
Board Chairman

"We had an amazing year due to the hard work of our WEPCO management team and employees working together for you!"

MESSAGE FROM THE PRESIDENT U

I am proud to report that 2022 was a financially strong and successful year for your credit union! The board of directors, management and staff were committed to working together towards our Mission to grow your credit union in a prudent manner, while maintaining the exemplary service you expect.

One of the most exciting things to happen in 2022 was your credit union earning a CAMELS 1 Rating from the NCUA examination. The CAMELS Rating System is based upon the evaluation of five critical elements of a credit union's operations: Capital Adequacy, Asset Quality, Management, Earnings, Liquidity and Sensitivity. Your credit union's management team worked diligently to ensure and maintain safe and sound operations through its decision-making processes.

To improve the efficiency of performing member transactions, the data center was moved from the Bloomington Branch to the LaVale Branch in July. This move increased the communication speed between all branches to allow employees to access your account information faster, making the transactions more efficient. You may have also noticed a quicker response to your online and mobile app transaction requests due to the faster communications to the data center. This project took 6 months of planning by the project team and was completed successfully in just one weekend.

The lending department had an outstanding year! Member loyalty was strong as we broke new monthly loan production records, exceeding the budget for 2022 by more than 11%. A new loan product, "First Time Car Buyer," was introduced in May. This loan provided young borrowers an opportunity to finance a car for the first time at a lower rate, creating a more affordable payment and helping them build a financial future. Ninety-nine members chose to finance their first vehicle with WEPCO in 2022, totaling more than \$2 million.

The board of directors approved an opportunity to grow your credit union by way of a merger with Potomac Federal Credit Union of Cumberland, Maryland. The board of directors, along with the executive team, did their due diligence and were in complete agreement to merge. In addition to increasing your credit union's assets, the merger, when completed later in 2023, will offer you the availability of two additional branches and several ATMs to access your accounts.

The strength and success of the past year provides a lot of momentum as we move forward into 2023. Thank you for your loyalty and confidence in us. "Everything we do, we do for you!"

Becky McKenzie
President

The word "STRENGTH" is rendered in large, bold, three-dimensional blue capital letters. The letters are positioned on a dark, reflective surface, creating a subtle reflection beneath them. The lighting is dramatic, with the front of the letters being brightly lit and the background being dark, emphasizing the word's form and texture.

SECRETARY'S REPORT U

The evening began with Walt May, Board Chairman, welcoming members to the Annual Meeting Social. Diane May gave the invocation. Light refreshments were available to everyone present. Employees, Directors, and members spent time socializing.

Walt then came forward and introduced the management staff present. He then conducted the business meeting. Motions were made to accept the 2021 Annual Report as written. Tonya Smiley, HR Officer, then came forward to explain the Bylaws on the board of director voting. Sue Fazenbaker and Jonathon Dayton were asked to count the ballots with Terry Apple as witness.

Jeff Conner of Fike, Conner and Assistant came forward. He stated that, "WEPCO is a solid credit union with a good net worth of 10.58%. They have grown \$9 million in the last three years while lowering operating expenses, which proves that they have good management and board of directors. No member should have to look anywhere else because of the services WEPCO offers."

Tonya came forward and presented the service awards:

30 Years of Service: Becky McKenzie, President

15 Years of Service: Bobby Alkire, CFO, and Terry Apple, Compliance Officer

10 Years of Service: Brandy Roderick, LaVale Branch Manager, and Jennifer Ravenscroft, IT Manager

Walt announced that the ballots were counted and both he and Mark Bittinger were re-elected to the board for another term.

Door Prizes winners were:

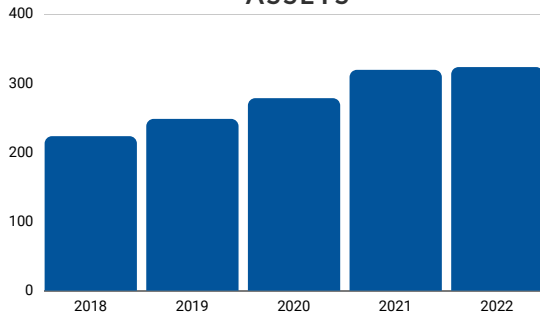
- Grand Prize \$250 VISA Gift Card won by Reba Deremer
- \$100 gift card won by Diane May
- \$50 gift cards won by Gloria Shillingburg and Judy Thomas
- \$25 gift cards won by Addy Dayton and Joe Deremer



*Working Together
Equals
Success Together!*

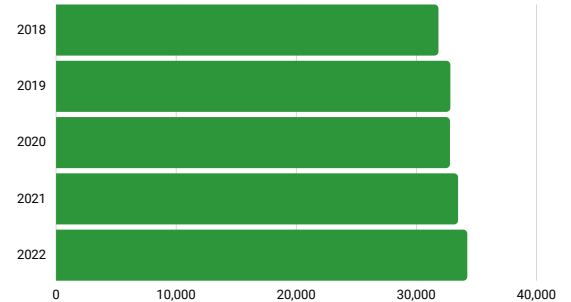
GROWTH IN THE PAST FIVE YEARS U

ASSETS



Our assets have grown over the last five years from \$223,220,332 to \$322,841,572.

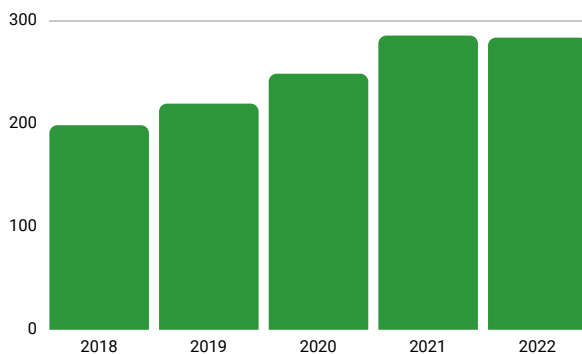
MEMBERSHIP



Our membership has grown over the last five years from 31,807 to 34,207 members.

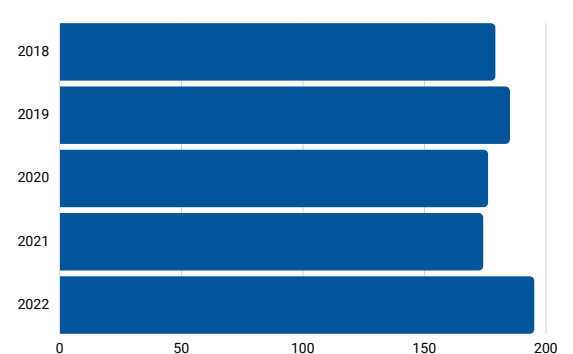


SHARES



Our shares have grown over the last five years from \$198,007,745 to \$283,222,750.

LOANS



Our loans have grown over the last five years from \$179,172,902 to \$195,156,078.

TREASURER'S REPORT U

STATEMENT OF FINANCIAL CONDITION

	Dec. 31, 2022	Dec. 31, 2021
ASSETS		
Total Loans	\$ 195,029,908	\$ 173,549,779
Less Allowance for Loan Losses	(873,830)	(954,853)
Cash on Hand	13,473,879	35,000,506
Federal Agency Securities	878,566	2,010,753
Federal Reserve Discount Window	5,000,000	5,000,000
VIZO Corporate	88,866,024	640,613
VIZO Flex Account	-	75,000,000
VIZO Corporate	-	8,843,944
VIZO Corporate Capital Shares	250,000	250,000
Alloya Corporate FCU	4,338,107	4,279,582
Corporate One FCU	98	161
Corporate One Fed Funds Plus	5,497,832	5,421,728
Land & Building (Net)	4,367,878	4,424,481
Other Fixed Assets (Net)	441,300	372,367
Accrued Loan Interest	493,010	439,499
Accrued Investment Income	4,436	5,651
Accounts Receivable	71,022	14,277
Prepaid & Deferred Expenses	1,788,219	1,445,347
Assets Acquired in Liquidation of Loans	98,648	111,521
Loan Origination Costs	344,943	269,003
NCUSIF Deposit	2,771,531	2,634,300
TOTAL ASSETS	\$ 322,841,572	\$ 318,758,659
LIABILITIES		
Accounts Payable	\$ 899,292	\$ 264,097
Clearing Accounts	46,731	(8,158)
Dividends Payable	303,852	277,335
Other Liabilities	38,606	71,130
EQUITY		
Member's Accounts	\$ 283,222,750	\$ 285,089,581
Regular Reserves	3,545,824	3,545,824
Undivided Earnings	30,192,682	30,192,682
Unrealized Gain/Loss	-	-
Unfunded Managers Pension	(283,792)	(713,418)
On "Available for Sale" Investments	(418,467)	39,585
Net Income	5,294,094	-
TOTAL LIABILITIES & EQUITY	\$ 322,841,572	\$ 318,758,659

STATEMENT OF INCOME

	Dec. 31, 2022	Dec. 31, 2021
INCOME		
Loan Interest Income	\$ 8,926,237	\$ 8,701,850
Investment Income	2,137,885	-
Non-Operating Gain/Loss	318,133	(24,707)
Other Income	3,111,444	3,009,346
TOTAL INCOME	\$ 14,493,699	\$ 11,686,489
EXPENSES		
Operating Expenses	\$ 7,603,948	\$ 6,085,806
Executive Compensation	334,196	320,770
Dividend Expense	1,351,013	1,341,803
TOTAL EXPENSES	\$ 9,289,157	\$ 7,748,379
NET INCOME	\$ 5,294,094	\$ 3,938,110





Our Products and Services

WEPCO Federal Credit Union
Serving Allegany & Garrett Counties in Maryland;
Mineral, Preston & Tucker Counties in West Virginia

SHARE PRODUCTS

Share Savings Accounts
Early Saver's Accounts
w/Dollar Dog Savings Club
Business Accounts
Special Savings Accounts
Kasasa® Saver
Share Draft Accounts
Kasasa® Cash Checking
Kasasa® Cash Back Checking
Share Certificates
Money Market Accounts
Christmas Clubs
IRA Accounts
Special Purpose Accounts

LOAN PRODUCTS

Vehicle Loans
Personal Loans
Home Mortgage Loans
Home Equity Loans
Home Equity Line of Credit
Motorcycle Loans
Boat Loans
4-Wheeler Loans
Recreational Vehicle Loans
Share Pledge Loans
Historic Vehicle Loans
WEPCO Line of Credit
WEPCO Credit Cards
Business Loans
Loan Add on Products:
Debt Shield
GAP Insurance
Mechanical Repair Coverage

SERVICES

WEPCO Mastercard Debit Card
Digital Wallets
Five ATMs
PAL Plus Online Account Access
eStatements
Money Manager
FI to FI Transfers
WEPCO Mobile App
Bill Payer
Check Deposit
PAL Telephone Account Access
Wire Transfers
Gift Cards
Money Orders
Payroll Deduction
Direct Deposit
Safe Deposit Boxes (Keyser &
LaVale only)
Lobby Coin Counters
CarFax - Used Car History
Discount Amusement Park Tickets
U.S. Postage Stamps
Smart Option Student Loan®
TruStage



Federally Insured by NCUA

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