

PEPCO FEDERAL CREDIT UNION 2021 Annual Report

Annual Meeting Notice

The Annual Meeting of the Pepco Federal Credit Union will be held in a virtual format on July 20, 2022 at 11:00 a.m. in accordance with the NCUA Guidelines of March 2020. Additional information and sign on instructions will be sent out by email and posted on our website in July.

LETTER TO OUR MEMBERS

Dear Fellow Credit Union Members,

It has been said that change is often accompanied by opportunity. PFCU has undergone numerous changes throughout the years. And with them, our Credit Union's consistent sound financial condition has provided us the opportunities for increased services to our membership. As we implement these changes and provide additional services, it is our hope that our members will avail themselves the benefits of belonging to our Credit Union.

The loyalty of you, our members, and the loyalty and dedication of our PFCU Staff has contributed immensely to our successes.

We have met the challenges of the past and will continue to meet any upcoming challenges with the same enthusiasm.

It has been a privilege to serve as your chairman, in 2021.

Brandon Bowles, Chairman of the Board of Directors & Kenneth E. Filipovich, President / CEO

BOARD OF DIRECTORS

Brandon Bowles
Chairman

Janet Randolph
Director

Patti Johnson
Director

Brian Buck
Treasurer

Donna Perry
Secretary

Stephen L. Sunderhau
Vice Chairman

FINANCIAL COMMITTEE

Brian Buck
Janet Randolph
Patti Johnson
Donna Perry

SUPERVISORY COMMITTEE

Brandon Bowles
Omar Abdallah
Renee Spence

CREDIT COMMITTEE

Michelle Robinson
Marc Robinson
Lawrence Wooten

CREDIT UNION STAFF

Kenneth E. Filipovich
President, CEO

Anthony Bailey
Vice President

Sergout Workue
Branch Office Supervisor

Samara Nealious
Benning Branch Office Supervisor

Sherri Grandy
Operations Officer

COMPARATIVE STATEMENTS OF FINANCIAL CONDITION December 31, 2020 & 2021

| ASSETS | 2020 | 2021 |
|---|----------------------|----------------------|
| Loans to Members (less allowance account) | \$ 6,893,834 | \$ 6,591,576 |
| Cash and Cash Equivalents | 1,722,229 | 554,083 |
| Investments | 30,127,565 | 31,310,862 |
| Furniture & Equipment (less depreciation) | 82,399 | 26,302 |
| Other Assets | 347,423 | 133,254 |
| Total | \$ 39,173,450 | \$ 38,616,077 |

LIABILITIES AND MEMBERS EQUITY

| | | |
|--------------------|----------------------|----------------------|
| Shares on Deposit | \$ 35,728,586 | \$ 35,380,633 |
| Reserves | 336,998 | 336,998 |
| Undivided Earnings | 2,964,717 | 2,824,823 |
| Other Liabilities | 143,149 | 73,623 |
| Total | \$ 39,173,450 | \$ 38,616,077 |

STATEMENT OF INCOME

| | | |
|----------------------------|---------------------|---------------------|
| Interest and Fees on Loans | \$ 753,002 | \$ 690,526 |
| Investment Income | 321,112 | 183,158 |
| Other Income | 346,732 | 323,869 |
| Gross Income | \$ 1,420,846 | \$ 1,197,553 |

INTEREST EXPENSE

| | | |
|-------------------------------|-------------------|------------------|
| Interest Paid to Members | \$ 146,296 | \$ 73,153 |
| Interest on Notes Payable | Ø | Ø |
| Total Interest Expense | \$ 146,296 | \$ 73,153 |

OPERATING EXPENSE

| | | |
|----------------------------------|---------------------|---------------------|
| Employee Compensation | \$ 707,840 | \$ 722,701 |
| Provision for Loan Losses | 182,182 | 26,171 |
| Professional & Outside Services | 53,094 | 37,802 |
| General & Administrative Expense | 463,847 | 394,728 |
| Total Operating Expense | \$ 1,406,963 | \$ 1,181,402 |

| | | |
|---|---------------------|--------------------|
| NET OPERATING INCOME (LOSS) | (\$ 132,413) | (\$ 57,002) |
| NET OPERATING GAIN (LOSS) | Ø | Ø |
| RECLASSIFICATION ADJUSTMENT FOR (LOSS) | Ø | Ø |
| NET INCOME (LOSS) | (\$ 132,413) | (\$ 57,002) |