

2022 ANNUAL REPORT



**Making Members Feel
at Home Since 1954**



**KATAHDIN
FEDERAL
CREDIT UNION**

A financial institution with a clear vision



IN MEMORY OF HERBIE CLARK

Katahdin FCU is remembering Herbert (Herbie) Clark, a longtime Board Member who passed away on December 22, 2022. Herbie was deeply committed to the credit union movement, serving on the Board of Directors for over 25 years. He was a past Chairman of the Board and was a member of the Maine Credit Union League's Governmental Affairs Committee for several years. Herbie's accomplishments went way beyond the board table. He dedicated his life to serving others.

He was a devoted public servant and will be remembered as a Vietnam War Veteran, State Representative, and Town Councilor among other distinctions. He served on numerous local boards including the Millinocket Regional Hospital and the Maine Avenue Manor. He was an active member of the Knights of Columbus, American Legion Post #80, AARP Millinocket Chapter, VFW, DAV and BPOE Lodge #1514.

Herbie's love of community and service to others is evident in all of the ways he served. Through his volunteerism, he touched many lives and he will be missed by all of us at the credit union, as well as the people of the Katahdin Region. His dedication to the community and devotion to the credit union industry exemplifies the very philosophy of which we are so proud—People Helping People.

PRESIDENT/CEO'S REPORT

At KFCU, we hope to make members feel at home with every visit or interaction. Making our members feel comfortable and financially secure is as important to us as it is to our members. We are so proud and grateful that our members have chosen to put their trust in our credit union.

Our members have embraced transacting business from home (and virtually anywhere). The utilization of electronic services has exceeded our expectations. We launched our new home banking/mobile banking platform in the first quarter of 2022 and it has been well received. The mobile lending platform is due to be released in 2023. As of March 2023, we have 3081 members using our online/mobile banking, and this number continues to grow. We will continue to work diligently to provide services with enhanced benefits and functionality.

As a certified CDFI credit union (Community Development Financial Institution), we are eligible to apply for awards through a variety of competitive programs administered by the CDFI Fund. These awards enable CDFIs to finance a wide range of activities. We also enrolled in the Equity Builder and HOW program through the FHLB, which provides home buying assistance to our members who meet certain guidelines.

In 2022, we were able to actively raise money for the Maine Credit Union League's Ending Hunger Campaign. Through the Social Responsibility Committee and staff's efforts, we were able to raise \$17,000 for the program. The Golf Tournament, held in September, was our most successful event ever! Funds raised through this campaign do come back to the local communities. We are aware that a number of families face food insecurity and this is just another way KFCU can help in that regard. We remain committed to the communities we serve and hope to continue our efforts in this cause.

KFCU had another successful year financially. We maintained a healthy capital ratio of 14.08%, well above the 7% threshold regulatory agencies define as "well capitalized." We experienced loan growth of 12.97% and a return on assets of .96%. Our assets remained stable at \$94.6 million and our net income for the year was \$908,784.

I would like to recognize the hard work and dedication of Theresa Coffin, a 30-year board member. Her dedication and loyalty to the credit union movement is certainly admirable. She not only served on the Board of Directors, but also served as Supervisory Chairman for many years. She was the recipient of the 2018 Maine Credit Union League's Alexander Ferguson Award for Outstanding Credit Union Volunteer. Theresa's expertise will be missed, but we hope that she enjoys her well-deserved retirement!

We would like to thank all of our dedicated members for their continued business in 2022. We value your loyalty and look forward to serving you for many years to come. Thank you for your membership!

Sincerely,

Tina Jamo
President/CEO

CHAIRMAN'S REPORT

Katahdin Federal Credit Union encountered many challenges in 2022, including the disruption of the ongoing pandemic. Our employees moved forward serving our members without interruption, often taking advantage of our electronic offerings. The Board of Directors remains confident in the ability of Katahdin Federal Credit Union to adapt as each new challenge presents itself. Both management and staff have demonstrated time and time again, that our members will always be the greatest strength of our credit union.

We do have a Board member reaching a special milestone in her career. The Board of Directors would like to Congratulate Theresa Coffin for her 30 years as Director and also as Chairman on our Supervisory Committee. We wish Theresa a great retirement and thank her for a job well done!

Sincerely,

Rodney W. Daigle, Sr.
Chairman of the Board

SUPERVISORY COMMITTEE'S REPORT

The Supervisory Committee has the responsibility to ensure that our Credit Union is operated in compliance with all applicable rules and regulations and in accordance with sound and prudent business practices.

In fulfilling our responsibilities, the committee has personally performed numerous tests and has reviewed Credit Union records on a monthly basis. The committee has also engaged the certified public accounting firm of Wipfli LLP to perform a comprehensive annual audit for fiscal year 2022. In addition, the examiners from the National Credit Union Administration, our Federal Regulatory Agency, also conduct an examination of the Credit Union.

Based upon these audits and reviews, it is our opinion that our Credit Union remains well capitalized and continues to meet the needs of our members.

Respectfully Submitted,

Theresa M. Coffin
Chairman

CREDIT UNION AFFILIATE

SINGLE SOURCE FINANCIAL CENTRE

For over twenty-eight years, Single Source Financial Centre has been providing investment services and planning alternatives to members of Katahdin Federal Credit Union through Raymond James Financial Services, Inc.

Through our strategic association, members can take advantage of a personalized financial plan designed specifically by a trusted Raymond James advisor.

PRODUCTS INCLUDE:

- IRAs: Traditional and Roth
- Annuities: Variable and Fixed
- Treasuries
- Mutual Funds
- Stocks and Bonds
- Life Insurance
- Long-term Care Insurance
- Investment Counseling
- Retirement Planning
- Tax Planning



STAFF

Thomas Duff
*Raymond James Financial Advisor
and Registered Representative*

Peggy Armstrong
Administrative Assistant

LOCATION

1000 Central Street
Millinocket, ME 04462

207.723.5264
toll free: 888.925.5264

Securities offered through Raymond James Financial Services, Inc. Member FINRA/SIPC, Securities are:

- Not deposits
- Not insured by NCUA or any other governmental agency
- Not guaranteed by Katahdin Federal Credit Union
- Subject to risk, may lose value

Investment Advisory Services are offered through Raymond James Financial Services Advisors, Inc. Single Source Financial Centre and KFCU are not registered broker/dealers and are independent of Raymond James Financial Service.

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CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31

	2022	2021
INTEREST INCOME		
Interest on Loans	\$3,105,219	\$2,975,895
Investment Securities and Other Interest-Bearing Deposits	392,380	246,626
Total Interest Income	3,497,599	3,222,521
INTEREST EXPENSE		
Members' Shares and Savings Accounts	254,139	272,822
Total Interest Expense	254,139	272,822
Net Interest Income	3,243,460	2,949,699
Provision (Benefit) for Loan Losses	29,228	31,277
Net Interest Income After Provision for Loan Losses	3,214,232	2,918,422
NON-INTEREST INCOME		
Servicing Fees	573,705	579,624
Other Income	233,949	220,826
Commissions and Fees	779,857	750,471
Total Non-Interest Income	1,587,511	1,550,921
NON-INTEREST EXPENSE		
Payroll	1,536,441	1,469,716
Office Operating Expense	421,668	402,279
Employee Benefits and Payroll Taxes	381,169	486,866
Professional and Outside Services	492,580	472,378
Loan Servicing	362,822	369,157
Depreciation and Amortization	153,532	155,060
Educational and Promotional	97,320	98,061
Occupancy	143,094	158,619
Members and Other Insurance	15,314	15,291
Loss on Sale of Property & Equipment	218	—
Loss on Sale of Collateral Held in Process of Liquidation	8,260	10,055
Travel and Conference	28,837	11,229
Other	103,820	83,494
Supervision and Exam	15,182	17,508
Total Non-Interest Expense	3,760,257	3,749,713
Net Income	1,041,486	719,630
Net Income Attributable to the Noncontrolling Interest	132,702	140,494
Net Income Attributable to Katahdin Federal Credit Union and Subsidiaries	\$908,784	\$579,136

CONSOLIDATED BALANCE SHEETS

YEARS ENDED DECEMBER 31

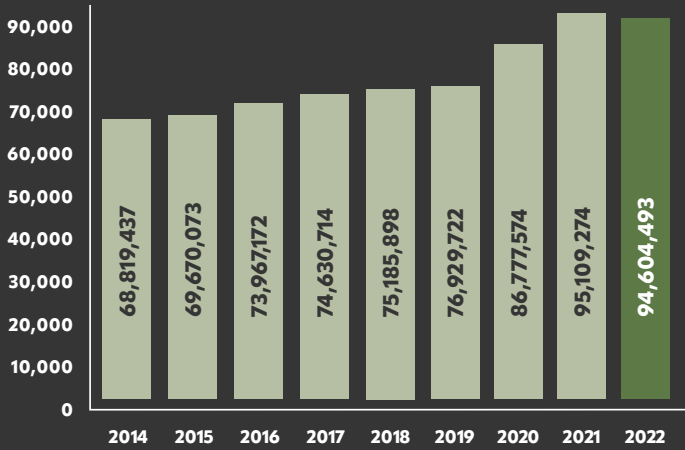
	2022	2021
ASSETS		
Cash and Cash Equivalents	\$4,329,270	\$20,313,839
Other Interest-Bearing Deposits	14,631,000	6,896,000
Investment Securities Available for Sale	10,001,996	9,521,055
Other Investments	394,076	386,033
Loans to Members, Net of Allowance for Loan Losses	63,320,871	56,048,356
Accrued Interest Receivable	189,805	135,330
Property and Equipment, Net	388,761	449,730
Intangible Assets, Net	209,758	261,710
Collateral Held in Process of Liquidation	—	32,500
NCUSIF Deposit	824,032	777,258
Other Assets	314,924	297,984
Total Assets	\$94,604,493	\$95,119,795
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' Shares and Savings Accounts	81,969,506	82,486,491
Accrued Expenses and Other Liabilities	172,450	234,537
Total Liabilities	82,141,956	82,721,028
Members' Equity		
Regular Reserves	1,963,607	1,963,607
Undivided Earnings	11,220,074	10,311,290
Accumulated Other Comprehensive Income (Loss)	-854,788	-97,072
Total Katahdin Federal Credit Union and Subsidiaries Members' Equity	12,328,893	12,177,825
Noncontrolling Interest	133,644	220,942
Total Members' Equity	12,462,537	12,398,767
Total Liabilities and Members' Equity	\$94,604,493	\$95,119,795

RESULTS 2022

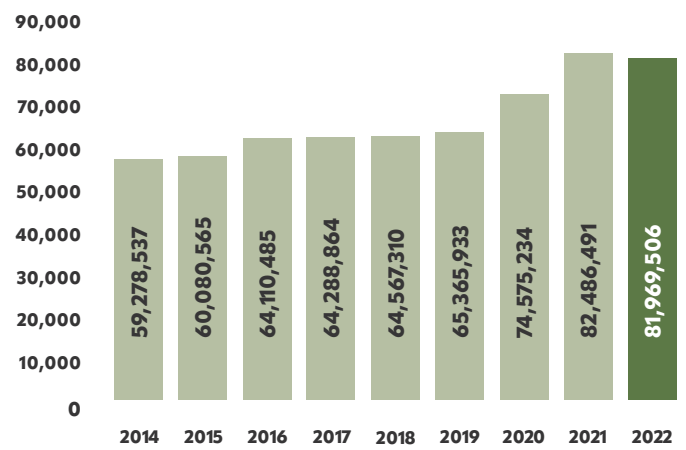


FINANCIAL GRAPHS

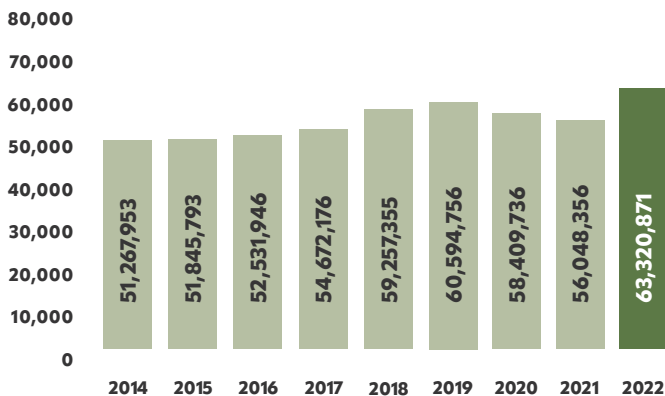
ASSETS



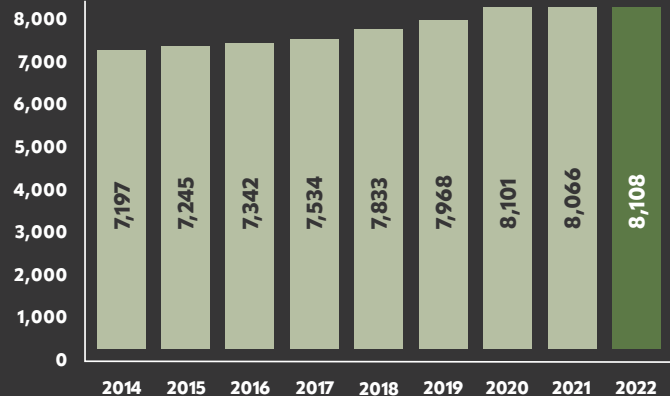
SHARES



NET LOANS



MEMBERS



COMMUNITY GIVING 2022!

Supporting our Communities through
collaboration, funding and support

- Raised Funds for Local Food Pantries through Coin Machine Donations
- Sponsored and participated in the Katahdin Festival of Trees
- Sponsored the Molunkus Christmas parade
- Donated to the Anah Shriners
- KFCU and Brookfield US Foundation collaborated on "Providing Warmth for the Katahdin region"
- KFCU sponsored the virtual Millinocket Memorial Library summer reading program
- Sponsored the Mount Katahdin Basketball Camp
- Sponsored Maine Credit Unions' Campaign for Ending Hunger Golf Tournaments
- Sponsored The County Open Golf Tournament to benefit local charities
- Supported Youth Athletics—Little League, Little Giant Football. Little Pro
- Sponsored Performing Art Boosters
- Supported Chamber of Commerce initiatives
- Recognized High School Seniors
- Sponsored the Swish Out Childhood Cancer Challenge
- Supported Student Activities
- Offered Virtual Financial Fitness Fairs
- Supported the Summit Project
- Donated to the Island Falls Historical Society
- Sponsored summer lunch program through Full Plates Full Potential
- Sponsored Boreal Theater musical event



RAISED

\$17,000

**FOR THE MAINE CREDIT UNIONS'
CAMPAIGN FOR ENDING HUNGER**



**PRESENTED HIGH SCHOOL
SCHOLARSHIPS TOTALING**

\$11,500



HOURS, LOCATIONS AND SERVICES

LOBBY

9:00 AM – 5:00 PM
(Unless otherwise posted)

DRIVE-UP WINDOW

Open Daily 8:00 AM – 5:00 PM

ATM

ATM at both locations available
24 hours a day, 7 days a week

Night Depository

LOCATIONS

1000 Central Street
Millinocket, ME 04462
p: 207.723.9718 f: 207.723.8426

1068 Crystal Road
Island Falls, ME 04747
p: 207.463.3661 f: 207.463.3763

Toll Free 800.451.9145
support@katahdinfcu.org
www.katahdinfcu.org

SERVICES

- Savings Accounts
- Checking Accounts
- Club Accounts
- IRA Accounts—Traditional, Roth, Coverdell Education Savings Account
- Share Certificates
- IRA Certificates-Traditional, Roth, Coverdell Education Savings Account
- Health Savings Account
- Money Trek Youth Savings Program
- Real Estate Loans
- Auto and RV Loans
- Home Equity Loans and HELOC
- Streamlinesm—Line of Credit/Overdraft Protection
- Signature Loans
- Share and Certificate Secured Loans
- Business Loans
- VISA[®] Cards/Classic and Gold
- Apple Pay[®]
- Money Connectionsm Audio Response
- Home Banking and Bill Payer
- Mobile Connection
- Remote Deposit Capture
- Co-Op Shared Branching
- CU24sm VISA[®] Debit Cards
- VISA[®] Gift Cards
- Direct Deposit
- Payroll Deduction
- Money Orders
- Notary Services
- Wire Transfers
- Safe Deposit Boxes
- Debt Protection Programs
- GAP (Guaranteed Auto Protection Program)
- Route 66 Extended Warranty Program



**“I’ve learned that people will forget
what you said, people will forget
what you did, but people will never
forget how you make them feel.”**

-Maya Angelou

**1000 Central Street · Millinocket, ME 04462
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207.463.3661**

WWW.KATAHDINFCU.ORG

Federally Insured by NCUA