



KATAHDIN
FEDERAL
CREDIT UNION

A financial institution with a clear vision

2021 ANNUAL REPORT

**Providing Comfort and
Security Since 1954**

CHAIRMAN'S REPORT

This has been a very trying year across the world. On behalf of the Board, I would like to offer our sincere sympathy to all members who have lost a loved one or suffered hardships due to the pandemic.

We entered the pandemic in a very strong financial position and that allowed us to not only weather the storm, but to post strong financial gains as well.

I would like to take this opportunity to acknowledge the Management Team and staff for the job they have done in the past two years under unprecedented circumstances. Thank you!

On behalf of the Board of Directors and the Executive Management Team, we will continue to make decisions to help strengthen and grow our Credit Union , thanks to you, our members, for your continued loyalty and commitment to Katahdin Federal Credit Union.

Sincerely,

Rodney W. Daigle, Sr.
Chairman of the Board

BOARD OF DIRECTORS

Rodney W. Daigle, Sr., *Chairman*

Bernadette Friel, *Vice Chairman*

Gary Dumas, *Treasurer*

Dorothy Howard, *Secretary*

Herbert Clark

Theresa Coffin

Joseph Clark

Hal Cote

Harold (Chip) Lamson

SUPERVISORY COMMITTEE

Theresa Coffin, *Chairman*

Joyce Phelan

Brenda Bernardini

PRESIDENT/CEO'S REPORT

At KFCU, we pride ourselves on being able to provide comfort and security for our members—and have been doing so since 1954. Financial security has always been important to us—but it really resonates during these uncertain times. Even though we may have changed the way we transact business—from the traditional in-person service to electronic services, our values have not changed. We still practice the philosophy of “people helping people,” wherever our members may be.

Even though we have opened our doors to business as usual...it has been anything but. We have seen the usage of electronic services increase substantially. As the usage of digital services increases, so does the demand for enhanced services. We have been working diligently to provide services with improved features and functionality. Just recently, we launched our new home banking/mobile platform and will continue to update these services. Shared branching and remote deposit capture have also increased in popularity over the past year.

In 2021, we were able to resume fundraising for the Maine Credit Union League's Ending Hunger program. Through the Social Responsibility Committee and staff's efforts, we were able to raise over \$14,000 for the Maine Credit Union League's Ending Hunger Campaign. The Golf Tournament, held in September, was our most successful event ever! Funds raised through this campaign do come back to the local area. We are aware that a number of local families face food insecurity and this is just another way KFCU can provide comfort and security. We remain committed to the communities we serve and hope to continue our efforts in this area.

Financially, KFCU experienced asset growth in 2021. We maintained a healthy capital ratio of 12.9%, well above the 7% threshold regulatory agencies define as “well capitalized.” Assets increased to over \$95 million, shares increased by 10.61%, however loans decreased by 4%. Even though we experienced a loan volume decrease, as well as a low interest rate environment—we are pleased to report income of \$574,000. Our return on assets was .61%.

We would like to thank all of our loyal members for their continued business in 2021. 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

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 2021. 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
Chairperson

Committee Members
Joyce Phelan
Brenda Bernardini

**“Whenever you stand,
stand tall and strong.”**

–Unknown

CREDIT UNION AFFILIATES

SINGLE SOURCE FINANCIAL CENTRE

For over twenty-six 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 · 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 Katahdin Gateway Insurance LLC and KFCU are not registered broker/dealers and are independent of Raymond James Financial Services.

KATAHDIN GATEWAY INSURANCE LLC

Katahdin Gateway Insurance LLC offers affordable property and casualty insurance products to members of KFCU at its convenient locations in Millinocket, East Millinocket, Lincoln and Milo. Our insurance professionals are committed to providing complete insurance coverage suited to your needs at a competitive price.

PRODUCTS AND SERVICES

Personal Lines include:

- Auto
- Home
- Motorcycle
- Boat
- Snowmobile
- Personal Umbrellas
- Camps
- Rental Properties
- Recreational Vehicles

Commercial Lines include:

- Business/Liability Property Packages
- Workers Compensation
- Business Auto/Truckers
- Equipment Coverage
- Professional Liability
- Directors and Officers
- Commercial Umbrellas

STAFF

Kim French
Agency Manager

Katie Brown
Assistant Manager

Denyce Tibbitts
Agent, East Millinocket

Kristy Allen
Agent, Millinocket

Rachel Dicker
Agent, Lincoln

Alex Kearns
Processor, Lincoln

Kim Miller
Agent/Processor, All Offices

LOCATIONS

1000 Central Street
Millinocket, ME 04462
207.723.9941

112 Main Street
Suite 3
East Millinocket, ME 04430
207.746.3687

30 Goding Avenue
Lincoln, ME 04457
207.794.3022

55 Park Street
Milo, ME 04463
207.943.5955
By appointment only

Consolidated Statements of Income

Years Ended December 31

	2021	2020
INTEREST INCOME		
Interest on Loans	\$2,975,895	\$3,185,912
Interest on Investment Securities and other Interest-Bearing Deposits	246,626	156,434
Total Interest Income	3,222,521	3,342,346
INTEREST EXPENSE		
Members' Shares and Savings Accounts	272,822	321,584
Interest on Borrowed Funds	—	—
Total Interest Expense	272,822	321,584
Net Interest Income	2,949,699	3,020,762
Provision (Benefit) for Loan Losses	31,277	(49,164)
Net Interest Income After Provision for Loan Losses	2,918,422	3,069,926
NON-INTEREST INCOME		
Servicing Fees	579,624	478,028
Other Income	220,826	196,304
Commissions and Fees	739,950	715,828
Gain on Sale of Property and Equipment	—	—
Total Non-Interest Income	1,540,400	1,390,160
NON-INTEREST EXPENSE		
Payroll	1,469,716	1,441,456
Office Operating Expense	402,279	383,080
Employee Benefits and Payroll Taxes	486,866	521,443
Professional and Outside Services	472,378	471,165
Loan Servicing	369,157	352,213
Depreciation and Amortization	155,060	171,568
Educational and Promotional	98,061	101,767
Occupancy	158,619	157,380
Members and Other Insurance	15,291	15,028
Loss on Sale of Other Real Estate Owned	—	—
Loss on Sale of Collateral Held in Process of Liquidation	10,055	13,427
Travel and Conference	11,229	6,804
Other	83,494	93,272
Supervision and Exam	17,508	20,811
Total Non-Interest Expense	3,749,713	3,749,414
Net Income	709,109	710,672
Net Income Attributable to the Noncontrolling Interest	135,233	121,989
Net Income Attributable to Katahdin Federal Credit Union and Subsidiaries	\$573,876	\$588,683

Consolidated Balance Sheets

Years Ended December 31

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$20,313,839	\$11,186,853
Other Interest-Bearing Deposits	6,896,000	4,416,000
Investment Securities Available for Sale	9,521,055	10,345,860
Other Investments	386,033	370,265
Loans to Members, Net of Allowance for Loan Losses	56,048,356	58,409,736
Accrued Interest Receivable	135,330	149,692
Property and Equipment, Net	449,730	541,693
Intangible Assets, Net	261,710	313,661
Collateral Held in Process of Liquidation	32,500	—
NCUSIF Deposit	777,258	695,949
Other Assets	287,463	347,865
Total Assets	<u>\$95,109,274</u>	<u>\$86,777,574</u>
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' Shares and Savings Accounts	82,486,491	74,575,234
Accrued Expenses and Other Liabilities	234,537	245,836
Notes Payable	—	—
Total Liabilities	<u>82,721,028</u>	<u>74,821,070</u>
Members' Equity		
Regular Reserves	1,963,607	1,963,607
Undivided Earnings	10,306,030	9,732,154
Accumulated Other Comprehensive Income (Loss)	-97,072	35,295
Total Katahdin Federal Credit Union and Subsidiaries Members' Equity	<u>12,172,565</u>	<u>11,731,056</u>
Noncontrolling Interest	215,681	225,448
Total Members' Equity	<u>12,388,246</u>	<u>11,956,504</u>
Total Liabilities and Members' Equity	<u>\$95,109,274</u>	<u>\$86,777,574</u>

RESULTS 2021

498
 AUTO AND
 RV LOANS

54
 FIRST AND
 SECOND
 MORTGAGES

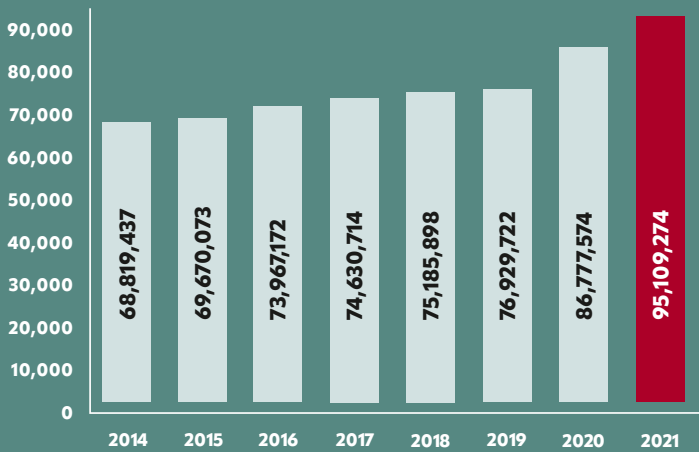
29
 NEW
 HELOCS

20
 PPP
 LOANS

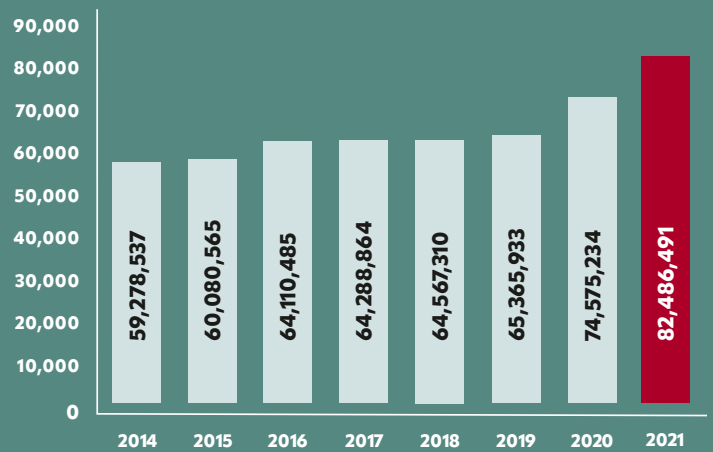
37,820
 VISA SCORE CARD
 CASH BACK REBATES

FINANCIAL GRAPHS

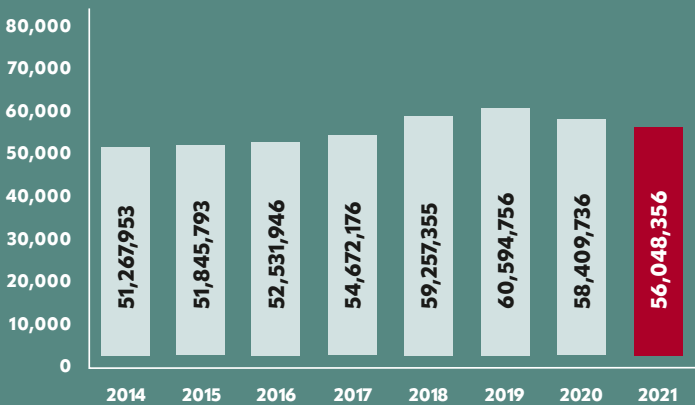
ASSETS



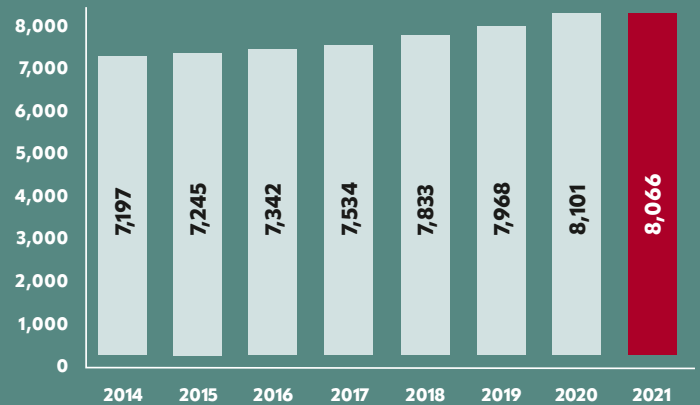
SHARES



NET LOANS



MEMBERS



STAFF DIRECTORY

MANAGEMENT

Tina Jamo · *President/Chief Executive Officer*
Lynda Pasioka · *Chief Financial Officer*
Lisa Martin · *Chief Operations Officer*

QUALITY ASSURANCE

Nancy L. Pineau · *Quality Assurance Specialist*

COLLECTIONS

Betty J. Averill · *Collector/Credit Analyst*

ADMINISTRATION

Molly Jamieson · *Human Resources*

ACCOUNTING

Cathy A. McNally · *Accountant*
Gay Dickinson · *Accountant*

FINANCIAL SERVICES

Debbie Girsal · *Lead Lender*
Jean Cyr · *Financial Service Representative*
Julie Achorn · *Financial Service Representative*
Lori Violette · *Financial Service Representative*
Ethan Michaud · *Payment Services Specialist*
Kristen Smith · *Senior Teller*
Debora Murphy · *Receptionist*
Jennifer Cullen · *Teller*
Sara Long · *Teller*
Judith Michaud · *Teller*
Allison Bostock · *Teller*
Carolyn Darneille · *Teller*

IT

Theresa Lane · *Senior Network and Electronic Banking Specialist*
Cathy McGowan · *Electronic Banking Specialist/Accounting*

ISLAND FALLS OFFICE

Rachel Hale · *Branch Manager*
Kim McDonald · *Senior Teller*
Mandi Noyes · *Teller*
Stacy Curry · *Teller*

SINGLE SOURCE FINANCIAL CENTRE

Peggy Armstrong · *Administrative Assistant*

MAINTENANCE

Leo Levasseur

GIVING 2021!

Supporting our Communities through
collaboration, funding and support



RAISED OVER

\$14,000

FOR THE MAINE CREDIT UNIONS'
CAMPAIGN FOR ENDING HUNGER



PRESENTED HIGH SCHOOL
SCHOLARSHIPS TOTALING

\$11,500

- Donated to Breaking the Cycle
- Raised Funds for Local Food Pantries through Coin Machine Donations
- Sponsored and participated in the Katahdin Festival of Trees
- Sponsored the Molunkus Christmas parade
- KFCU and Brookfield US Foundation collaborated on "Providing Warmth for the Katahdin region"
- KFCU sponsored the virtual Millinocket Memorial Library summer reading program
- Sponsored Friends of the Library auction
- Donated to the East Millinocket Recreation Department Senior Christmas Boxes
- 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
- Participated in Special Olympic Fundraisers
- Supported Youth Athletics –Little League, Jr. Pro
- Sponsored Performing Art Boosters
- Supported Chamber of Commerce initiatives
- Recognized High School Seniors
- Donated to the Katahdin Council of Boy Scouts
- Sponsored the Swish Out Childhood Cancer Challenge
- Supported Student Activities
- Offered Virtual Financial Fitness Fairs
- Sponsored Island Falls Summerfest Fireworks

HOURS, LOCATIONS AND SERVICES

LOBBY

9:00 AM – 5:00 PM

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

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

LOCATIONS

1000 Central Street · Millinocket, ME 04462
207.723.9718 · 207.723.8426 fax

1068 Crystal Road · Island Falls, ME 04747
207.463.3661 · 207.463.3763 fax

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

- 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



**“Stand tall like a tree but
know when to bow. Wind will
blow hard but never forget the
roots that helped you grow.”**

-Himani Kukreti



**KATAHDIN
FEDERAL
CREDIT UNION**

A financial institution with a clear vision

**1000 Central Street
Millinocket, ME 04462
207.723.9718 · 800.451.9145**

**1068 Crystal Road
Island Falls, ME 04747
207.463.3661**

WWW.KATAHDINFCU.ORG

Federally Insured by NCUA