

**KFCU Sponsors Summer 2019 Reading Program "Universe of Stories"**



**PARADE OF LIGHTS**

# Annual Report 2019

# BETTER TOGETHER

**KFCU on a mission to end hunger**



Area food pantries are benefiting from the fundraising efforts of Katahdin Federal Credit Union's mission to help end hunger in the Katahdin region. From left to right are Lori Violette, Theresa Lane, Betty Averill (Social Responsibility Committee of KFCU), Bill Wayne with Tri-Town Baptist, Hershel Hafford of I Care Ministries, Nancy Grant and Bryant Davis with Eastern Area Agency on Aging, Sandra Chesley with Chester Baptist Food Pantry, and Rod Daigle, Chairman of KFCU Board. (Photo contributed by Tina Jamo.)

By Benjamin Barr, Jr. MILLINOCKET—The Katahdin Federal Credit Union (KFCU) has been involved in fundraising programs with the eliminating food pantries and other organizations that are combating end hunger issues. Funds were...

**Katahdin FCU Awards \$13,140 from Maine Credit Unions Campaign for Ending Hunger to local food pantries**

**Katahdin FCU Donates \$15,000 to Millinocket Memorial Library**



**MEMBER APPRECIATION BBQ**



**DONATION TO AGAPE FOOD PANTRY**

**KFCU Staff Speaks at AARP Meeting**



**SUMMER FEST**

**Katahdin FCU Awards \$10,000 in Scholarships to Local Students**

**Katahdin coat and mitten drive**

For nine years, Brookfield Renewable and Katahdin Community Credit Union have been partnering to cosponsor a winter outerwear drive for children in the nearby communities of Medway, Millinocket and East Millinocket. Each year, Katahdin Community Credit Union organizes a children's hat and mitten drive, while Brookfield Renewable purchases coats. Since its inception nine years ago, hundreds of coats and hats and mittens have been distributed for students in grades K-12.

Brookfield Renewable is an owner and operator of solar, wind and hydropower facilities and proudly provides clean, reliable and renewable energy for the people of Maine. Locally, Brookfield Renewable has 20 employees based out of the Millinocket regional office and...



**KFCU Sponsors Community Shred Event**



**GOLF TOURNAMENT RAISES \$8,000 FOR ENDING HUNGER**

# The Chairman's Report

On behalf of the Board of Directors, Supervisory Committee and the entire staff, we welcome you and thank you for attending the 2020 Annual Meeting.

Again, this year, I am proud to report that we have maintained our strong financial position, while continuing to offer competitive interest rates and maintaining a strong commitment of service to our members. Our credit union staff and leadership continually provides the highest level of services to all members, and has done a tremendous job in working to grow our credit union through our expansion of remote services.

In closing, I would like to personally thank the Board of Directors and Supervisory Committee for their hard work and dedication. Also, I would like to acknowledge you, our members, for your continued support of our credit union. Without your loyalty and dedication, the credit union would not exist.

I hope you enjoy the evening.

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

## Associate Director

George Pelletier

## Supervisory Committee

Theresa Coffin, Chairman

Brenda Hews

Joyce Phelan

# The President's Report

**We are better together!** No truer words have been spoken. The board and staff of KFCU strive to help members through good times and bad. Our mission is to enrich our members' financial well-being and to promote overall success. We are continuously looking for ways to support our members and the communities in which they live. There is a good reason why the credit unions' philosophy is "People Helping People."

Since 1954, it has been our goal of prioritizing and serving the needs of our members. We have a fully committed team of professionals and a strong financial position to accomplish our mission. KFCU continues to offer the Home Equity Builder Program through the FHLB to provide home buying assistance to members. In addition to this program, we provided financing for a vast variety of purposes including mortgages, home equities, automobiles and recreational vehicles. Along with financing, we make every effort to provide relevant and timely guidance to our members when and where they need it most.

During the past several years we have focused on enhancing our electronic services. We understand that members require convenience, flexibility and access to their accounts beyond normal business hours and outside of our branch areas. We continue to expand on those services and hope to have a mobile lending solution in the near future.

Financially, KFCU experienced strong growth in 2019. We maintained a healthy capital ratio of 14.44%. Our assets increased to \$76,929,722, loans grew over 2.26%, while shares increased modestly. We are pleased to report income of approximately \$826 thousand and a return on assets of 1.07%. Our 12-month membership growth was 1.72%. This level of income in combination with our steady asset level has allowed us to maintain our sound capital position, which in turn helps us do more for our communities.

We support our communities within our field of membership by sponsoring events, charitable giving and our employee initiatives, especially our commitment to the Maine Credit Union League's Ending Hunger Campaign. This staff led initiative raised over \$19,000 for our Ending Hunger Campaign in 2019. This year-long fundraising effort included dinners, bake sales, raffles, May basket sales, golf tournament, and donations. This just demonstrates what hard work, determination and dedication can do for you— not to mention members and employees working together to end hunger! What is especially rewarding with this campaign is that all funds raised here, stay here to benefit our local communities!

We want to thank you all for being loyal members. Our success can only be achieved through your dedication and support. We look forward to serving you for many years to come. **We are better together!**

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 to perform a comprehensive annual audit for fiscal year 2019. In addition, the examiners from the National Credit Union Administration, our Federal Regulatory Agency, also conduct an annual 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.

Theresa M. Coffin  
*Chairperson*



**EDUCATING MEMBERS ON ELDER ABUSE**

# Credit Union Affiliates

## Single Source Financial Centre

For over twenty-five 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.

Single Source Financial Centre, Katahdin Gateway Insurance LLC and KFCU 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

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

#### Commercial Lines

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

### Office Manager

Kim French

### 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 Balance Sheets

Years Ended December 31

	2019	2018
<b>Assets</b>		
Cash and Due from Banks	\$7,561,203	\$1,447,688
Other Interest-Bearing Deposits	3,127,000	1,935,000
Investment Securities Available for Sale	2,555,552	9,244,185
Other Investments	760,688	1,003,572
Loans to Members, Net of Allowance for Loan Losses	60,594,756	59,257,355
Accrued Interest Receivable	161,500	168,992
Property and Equipment, Net	565,690	609,266
Intangible Assets, Net	365,613	417,565
Collateral Held in Process of Liquidation	36,200	27,000
Other Real Estate Owned	—	14,000
NCUSIF Deposit	639,179	654,047
Other Assets	562,341	407,228
<b>Total Assets</b>	<b><u>\$76,929,722</u></b>	<b><u>\$75,185,898</u></b>
<b>Liabilities and Members' Equity</b>		
<b>Liabilities</b>		
Members' Shares and Savings Accounts	\$65,365,933	\$64,567,310
Accrued Expenses and Other Liabilities	226,349	212,000
Notes Payable	—	165,132
<b>Total Liabilities</b>	<b><u>65,592,282</u></b>	<b><u>64,944,442</u></b>
<b>Members' Equity</b>		
Regular Reserves	1,963,607	1,963,607
Undivided Earnings	9,143,471	8,226,923
Accumulated Other Comprehensive Income		
Unrealized Loss on Available for Sales Securities and Post Retirement Plan Obligations	(23,097)	(123,256)
<b>Total Katahdin Federal Credit Union and Subsidiaries Members' Equity</b>	<b><u>11,083,981</u></b>	<b><u>10,067,274</u></b>
Noncontrolling Interest	253,459	174,182
<b>Total Members' Equity</b>	<b><u>11,337,440</u></b>	<b><u>10,241,456</u></b>
<b>Total Liabilities and Members' Equity</b>	<b><u>\$76,929,722</u></b>	<b><u>\$75,185,898</u></b>

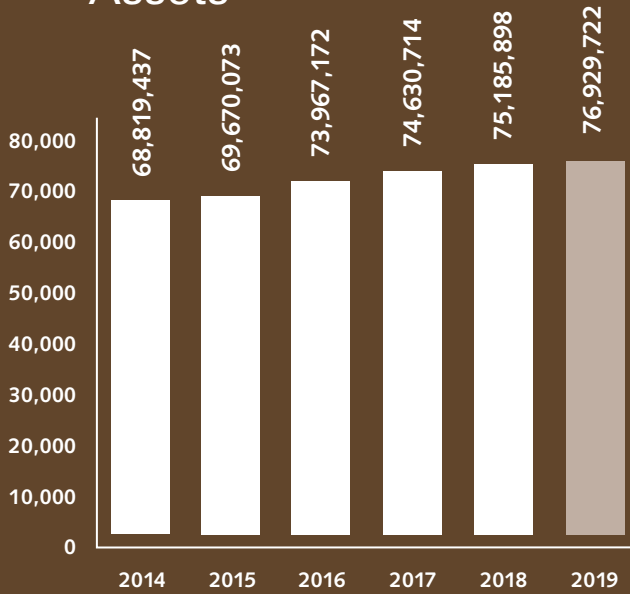
# Consolidated Statements of Income

Years Ended December 31

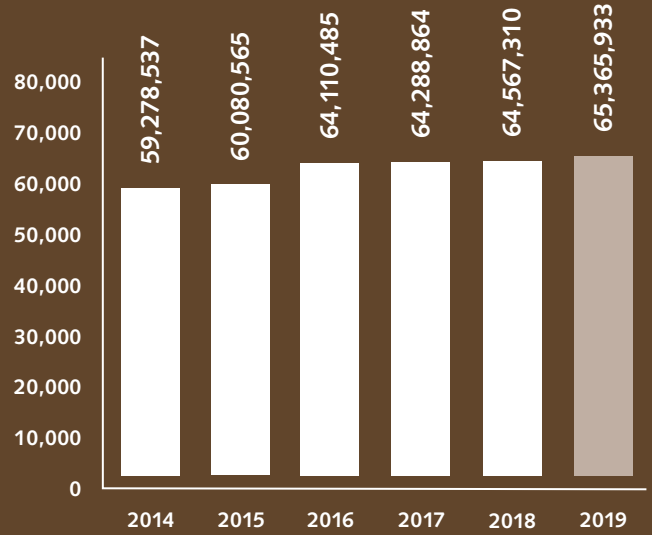
	2019	2018
<b>Interest Income</b>		
Interest on Loans	\$3,304,282	\$3,050,408
Interest on Investment Securities and other Interest-Bearing Deposits	255,447	254,532
<b>Total Interest Income</b>	<b>3,559,729</b>	<b>3,304,940</b>
<b>Interest Expense</b>		
Members' Shares and Savings Accounts	284,512	225,811
Interest on Borrowed Funds	3,169	22,272
<b>Total Interest Expense</b>	<b>287,681</b>	<b>248,083</b>
<b>Net Interest Income</b>	<b>3,272,048</b>	<b>3,056,857</b>
<b>Provision for Loan Losses</b>	<b>95,994</b>	<b>209,802</b>
<b>Net Interest Income After Provision for Loan Losses</b>	<b>3,176,054</b>	<b>2,847,055</b>
<b>Non-Interest Income</b>		
Servicing Fees	504,801	475,729
Other Income	225,558	278,833
Commissions and Fees	757,289	731,801
Gain on Sale of Property and Equipment	—	4,263
<b>Total Non-Interest Income</b>	<b>1,487,648</b>	<b>1,490,626</b>
<b>Non-Interest Expense</b>		
Payroll	1,407,772	1,361,180
Office Operating Expense	376,639	362,599
Employee Benefits and Payroll Taxes	432,480	414,433
Professional and Outside Services	485,652	468,822
Loan Servicing	348,066	346,303
Depreciation and Amortization	173,288	176,224
Educational and Promotional	123,489	112,758
Occupancy	143,875	142,427
Members and Other Insurance	12,430	12,329
Loss on Sale of Other Real Estate Owned	15,425	7,726
Loss on Sale of Collateral Held in Process of Liquidation	15,288	18,384
Travel and Conference	47,379	47,036
Other	97,574	100,498
Supervision and Exam	20,198	19,722
<b>Total Non-Interest Expense</b>	<b>3,699,555</b>	<b>3,590,441</b>
<b>Net Income</b>	<b>964,147</b>	<b>747,240</b>
<b>Net Income Attributable to the Noncontrolling Interest</b>	<b>138,438</b>	<b>127,907</b>
<b>Net Income Attributable to Katahdin Federal Credit Union and Subsidiaries</b>	<b>\$825,709</b>	<b>\$619,333</b>

# Financial Graphs

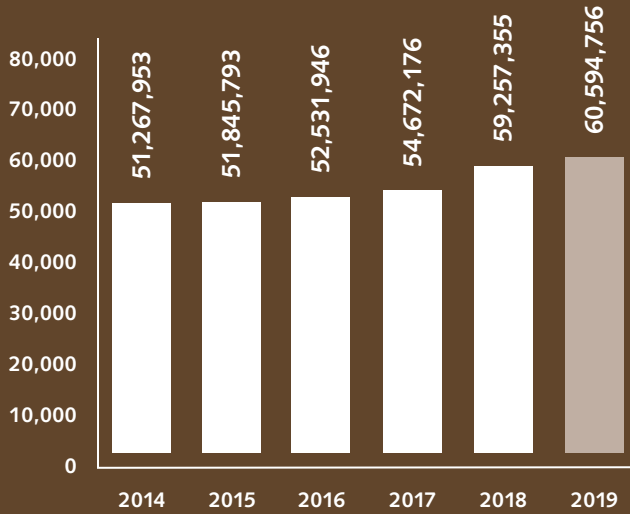
## Assets



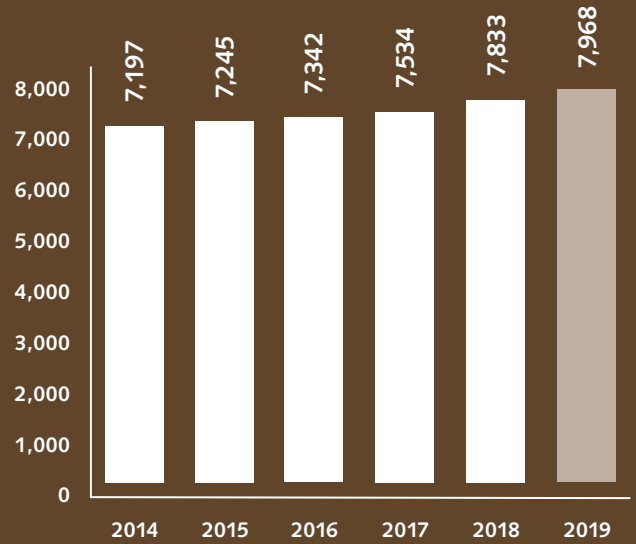
## Shares



## Loans



## Members



## Results 2019

745

Auto and RV Loans

36

First and Second Mortgages

33

New HELOCs

\$35,547

Visa ScoreCard Cash Back Rebates



# Staff Directory

## Management

Tina Jamo · *President/CEO*  
Alaina Daisey · *Chief Financial Officer*

## Quality Assurance

Nancy L. Pineau · *Quality Assurance Specialist*

## Collections

Betty J. Averill · *Collector/Credit Analyst*

## Administration

Molly Jamieson · *HR/Marketing Assistant*

## Accounting

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

## IT

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

## Financial Services

Lisa Martin · *Financial Services Manager*  
Jean Cyr · *Financial Service Representative*  
Debbie Girsa · *Financial Service Representative*  
Julie Achorn · *Financial Service Representative*  
Lori Violette · *Financial Service Representative*

## Teller Services

Michelle Jamo · *Teller Services Manager*  
Lea Ann Jandreau · *Senior Teller*  
Ethan Michaud · *Teller II*  
Debora Murphy · *Receptionist*  
Bruce Fleming · *Teller*  
Jennifer Cullen · *Teller*  
Sara Long · *Teller*  
Kristen Smith · *Teller*

## 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  
Carlton Bernier

**FIRST ANNUAL FESTIVAL OF TREES**



# Better Together!

## Funding

- Donated \$15,000 to the Millinocket Memorial Library for the Capital Campaign (*Announced in 2018 and presented in 2019*)
- Donated \$1,000 to Stearns High School Baseball and Softball Teams
- High School Scholarships totaling \$10,000
- Raised over \$19,000 for the Maine Credit Unions Campaign for Ending Hunger (Golf Tournament, raffle, auctions, dinners, bake sales, popcorn sales, festival booths, etc.)
- Raised funds for local food pantries through coin machine donations

## Collaboration

- KFCU and Stearns High School Junior Class sponsored a Valentine's Day Bake Sale
- KFCU and Brookfield US Foundation collaborated on "Providing Warmth for the Katahdin Region"
- KFCU and Hillcrest Golf Club sponsored an Ending Hunger Golf Tournament

## Financial Education

- AARP Presentation
- Resource for teachers

## Sponsorships

- MRH Golf Tournament
- Mount Katahdin Basketball Camp
- Maine Credit Unions Campaign for Ending Hunger Golf Tournaments
- Millinocket Memorial Library Summer Reading Program
- Trails End Festival and Fourth of July Celebration
- Christmas in Katahdin Community Party
- Island Falls Summerfest
- Millinocket Memorial Library Auction
- County Open
- Youth Athletic Sponsorships: Little League, Youth Basketball, Little Giant Football
- Performing Arts Boosters
- Millinocket Historical Society
- Project Graduation: Chem-Free Events for Area High Schools
- Katahdin Council of Boy Scouts
- Anah Temple Shriners
- Dirigo Boy's/Girl's State
- Special Olympics
- Summit Project
- Katahdin Festival of Trees
- Supporter of Student Activities, etc.
- And much, much more!

COMMUNITY  
CHRISTMAS PARTY



# 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

## Locations

1000 Central Street · Millinocket, ME 04462

207.723.9718 · 207.723.8426 fax

Toll Free 800.451.9145

support@katahdinfcu.org

1068 Crystal Road · Island Falls, ME 04747

207.463.3661 · 207.463.3763 fax

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
- MoneyTrek Youth Savings Program
- Real Estate Loans
- Auto and RV Loans
- Home Equity Loans and HELOC
- Streamline<sup>SM</sup> Line of Credit/Overdraft Protection
- Signature Loans
- Share and Certificate Secured Loans
- Business Loans
- Visa<sup>®</sup> Cards: Classic and Gold
- Apple Pay<sup>®</sup>
- Money Connection<sup>SM</sup> Audio Response
- Home Banking and Bill Payer
- Mobile Connection
- Remote Deposit Capture
- CO-OP<sup>SM</sup> Shared Branching
- CU24<sup>SM</sup> Visa<sup>®</sup> Debit Cards
- Visa<sup>®</sup> 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



Our community is...

BETTER TOGETHER



**KATAHDIN  
FEDERAL  
CREDIT UNION**  
*A financial institution with a clear vision*

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[www.katahdinfcu.org](http://www.katahdinfcu.org)  
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