

From the President

It's hard to believe another year has passed and we are now in 2011. This past year we saw members facing challenges---challenges many have never seen before. If you are facing tough times yourself, remember KFCU is here for you. If you are having difficulty keeping your finances in order, come see us before making any hasty decisions. We may be able to assist you. Our financial service representatives can review your options with you on an individual basis in the utmost confidential manner. Filing for bankruptcy should be the last resort and is usually not the best answer to financial problems. During these

challenging economic times, KFCU is proud to be your strong and trusted financial partner. Our staff is ready to continue providing excellent service---service that you have come to expect and deserve. Thank you for your membership and we look forward to serving you in the coming year.

If you have any questions or concerns, please do not hesitate to contact me.

Don Casko
President/CEO

Katahdin Federal Credit Union 2011 Elections

On May 25, 2010, Katahdin's Board of Directors amended the Credit Union's By-laws to adopt a Standard Federal By-law provision permitting elections to proceed via nominations from the Credit Union's Nominating Committee and nominations by petition of the members.

At the Credit Union's 2011 Annual Meeting and thereafter, elections will not customarily be conducted by ballot and there will be no nominations from the floor, if the number of committee nominees equal the number of positions to be filled.

The Nominating Committee has nominated the following candidates to serve three year terms commencing immediately following the 2011 Annual Meeting which will be held on May 13, 2011. The following is a brief statement of the qualifications and experience for each member.

Herbie Clark, a director of the KFCU Board since 1996, currently serves as Vice Chair. Herbie is active in Millinocket civic, religious and veteran's affairs including the Donald V. Henry Post #80 American Legion, D.A.V Chapter #2 Bangor, Millinocket Elks Lodge #1521, Millinocket Fin and Feather Club, Knights of Columbus Council #680, Northern Timber Cruisers Snowmobile Club, Katahdin Area Chamber of Commerce, Millinocket AARP and Millinocket Historical Society. He is the President of the Board of Directors of the Maine Avenue Manor, and Trustee of the Millinocket Regional Hospital. He also will have completed 12 terms in the Maine Legislature, serving on numerous committees.

Theresa Coffin, a director since 1992, has served as the Supervisory Committee Chair since 1995. Theresa retired from the accounting department at Great Northern Paper Co. after 30 years of service. She was nominated by RSVP to receive the Maine Volunteer Connection and Maine Commission for Community Service Governor's Service Award for over 500 hours of service in 2004. She currently is an active volunteer for the Katahdin Support Group, the local Chapter of AARP and for Christ the Divine Mercy Parish.

Bruce D. McLean, graduate of Stearns High School and UMaine's Mechanical Engineering Technology program, was commissioned as an officer in the U.S. Air Force in 1991. Bruce spent a majority of his 9 year military career as an instructor and launch control officer of the world's most powerful ICBM force. He served 3 years as an Assistant Professor of Aerospace Studies and Commandant of Cadets at the Rochester Institute of Technology Air Force ROTC program in Rochester NY. Bruce received his Master of Science degree in Management Information Systems while in the service. Currently, he is the franchise owner of the Millinocket Subway and is an Adjunct Faculty member of Eastern Maine Community College. Bruce, an active community member, serves on many local organizations and is a past Town Councilor.

Nominees for these three positions may also be made by a petition of the membership, signed by 1% of the members up to maximum of 500 members.

The closing date for receiving nominations shall be February 28, 2011. Each nominee by petition must submit a statement of qualifications and biographical data with his or her petition. To be effective, the petition must be accompanied by a signed certificate from the nominee or nominees stating they are agreeable to the nomination and will serve if elected. Nominations by petition must be filed with the Secretary of the Credit Union at least 40 days before the Annual Meeting. The Secretary will ensure that all candidates nominated by petition along with those of the Nominating Committee are posted in each Credit Union office at least 35 days prior to the Annual Meeting.

If sufficient nominations are made by the nominating committee or by petition to provide at least as many nominees as positions to be filled, nominations may not be made at the Annual Meeting. If there are more nominees than positions to be filled, the membership will be provided ballots at the Annual Meeting at which time elections shall be conducted.

Consolidating Accounts Can Be Advantageous

Through the years, it's not uncommon for astute investors to assemble quite a diverse package of investments as they take advantage of good ideas offered by various brokerages, mutual fund firms, banks, insurance companies or other institutions. The result is a continuing stream of monthly, quarterly or annual reports, often related to a single investment. As time passes, it may become more and more difficult to step back to assess how these assets are allocated and whether your financial goals are being met.

Many clients have found that consolidating accounts at this office brings them advantages they hadn't considered.

Assembling your financial picture in one comprehensive statement is an advantage, of course, but not simply because it saves trees and confusion. A complete view of your accounts gives me the opportunity to make the most precise assessment of your financial progress and permits me to suggest adjustments, if needed, to the style and/or allocation of your portfolio – to give you the best chance of reaching your financial goals and realizing your dreams.

If you decide to consolidate – or if you have questions about how the process would work, or want to explore what other advantages

bringing your accounts together could hold for you – please don't hesitate to call me. I'm always eager to be of service to you.

If you'd like to meet with Thomas Duff, Financial Advisor, for Single Source Financial Centre, please call Single Source Financial Centre, and we'll schedule you an appointment. Local: 723-5264 or Toll Free: 888-925-5264. There is no fee for initial consultations.

Single Source



Financial Centre

Thomas W. Duff

Financial Advisor

Single Source Financial Centre

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4 Things You May Not Know About IRAs (but should)

Although individual retirement accounts have been around for almost 35 years, a surprising number of the folks they're aimed at are fuzzy about these tax-sheltered ways to save. In fact, a 2008 survey by AARP Financial found that half of all Americans between the ages of 18 and 49 weren't clear on how IRAs worked. Since these are the very years when savers have the most to gain from long-term compounding, we want to debunk four myths about IRAs:

1 You don't have to wait until April 15. An IRA for the 2010 tax year can be opened and funded through April 15, 2011. But you don't have to wait; you can start now. In fact, many savers set up automatic deductions every month so they can stash away as much as the rules allow.

2 You can open an IRA even if you can't contribute the maximum. For 2010 and 2011, you can contribute as much as \$5,000 in any combination of IRAs, or \$6,000 if you're 50 or older. But if you wish, you can put in a smaller amount.

3 With Traditional IRAs, you pay taxes later. With Roth IRAs, you pay taxes now. Why pay now? Because everything your Roth IRA earns in the future will be tax-free. On the other hand, you might choose to postpone taxes with a deductible Traditional IRA if you think you might be in a lower bracket after retiring.

4 You can open an IRA with almost any financial company, including ours. Ask us about opening a Traditional or Roth IRA savings account or share certificate. Often, our rates beat most banks'.

Interested? Get in touch with us. We'll be glad to help you learn more about the ins and outs of IRAs and see if you qualify. Just one more thing to know: before making decisions that could affect your tax situation, be sure to consult a tax advisor.

Post-holiday Shopping: 10 Ways to Guard Your Card

There's nothing quite like the hustle-bustle of holiday shopping, unless it's the hustle-bustle of holiday returns and post-holiday sales. If you're jostling to check out of a crowded store or shopping for bargains at an unknown website, it could give someone a chance to hijack your debit or credit card data. Here's a mini-refresher course on protecting your account information:

- Don't carry any cards you don't need.
- Don't leave cards in your car. Many credit and debit cards are stolen from unattended vehicles in parking lots.
- Don't sign a blank receipt. If spaces have been left blank, draw a line through them before signing.
- Don't keep your account number or PIN near your card.
- Don't give out your account number over the phone unless it's to someone you trust – and you've initiated the call.
- Do save receipts to compare with your monthly statements.
- Do call the card issuer immediately if you don't receive your statement on time. An identity thief may have taken over your account.
- Do look for a lock icon in the browser status bar when banking or buying online. This indicates that the site encrypts your financial data before transmitting it.
- Do notify your card issuer if you plan a larger than usual purchase or will be traveling to unusual places, so fraud programs don't red-flag these purchases.
- Do keep a separate record of your cards, account numbers, and contact information so you can quickly report loss or fraud.

Source: *The Federal Reserve Bank of Philadelphia*

Membership: it's timeless! You are never too old or young to join the credit union.

Insurance Corner

Happy New Year from the staff at Katahdin Gateway Insurance LLC! As 2011 gets underway, do yourself a favor and take a few moments to ask yourself the following questions:

1. Have you upgraded your home's plumbing, heating, roof or electrical systems?
2. Have you added additional living space, perhaps increasing the value in your home?
3. Have you purchased or acquired expensive assets such as jewelry, artwork, etc.?
4. When was the last time you evaluated the cost replacement value of your home?
5. Have you evaluated all of your insurance needs lately?
6. When was the last time you spoke to a "live agent" about your insurance coverage?

Now may be the time to re-evaluate all of your insurance needs and current coverage levels. Let your insurance agent know when you make changes to your home, as it can affect pricing. Also, with the increased cost of building materials, it may be time to ask your insurance agent to complete an updated replacement cost estimator on your home. You may be surprised at what it would cost to replace the home versus the current market value. Please keep in mind that you want your home to be insured to replacement cost value to be sure you have adequate protection if you have a claim. We have a number of different insurance companies we represent and can tailor a competitive program to suit your current insurance needs. Please give us a call if you are interested in reviewing your insurance program, whether you are already our client or insured with another agency. We would be glad to provide you with a free insurance review at your convenience.



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Halloween Art Contest Winners

Congratulations to this year's Halloween Coloring Contest Winners: Sophie Pelletier, Renee Pelletier, Alexys Sherwood, Makayla Anderson, Rayah Stanley, Kaitlyn Daisey, Virginia Stevens, Jordyn Bishop, Laura Lyons, Makayla Hartsgrrove, Darian Fox Goodness, and Emily Knowles. Congratulations to this talented group of artists!

21 Items to Keep in Your Safe Deposit Box

If you've decided to get your home finances better organized this year, one of the tasks on your "to do" list should be checking the contents of your safe deposit box. Is it full of easily replaceable things that don't need to be there? Alternatively, have you left out items that would be difficult or impossible to replace?

If you don't have a safe deposit box, see us about renting one. We recommend that these 21 essentials be stashed away for safekeeping:

Family matters

- Your and your spouse's wills. Keep other copies where they can be found by the personal representative who will execute the will, since he or she may not be immediately able to access the box.
- A copy of your passport identification page. Give another copy to a responsible friend or family member, who can fax it if your passport is stolen while you're traveling.
- Birth certificates of all family members.
- Your marriage certificate.
- Separation/divorce papers.
- Social Security cards.
- Health information (vaccinations, hospitalizations). You may want to keep another copy at home for quick reference.
- Educational records.
- Any professional licenses.
- Military records.

Property documentation

- The deed for your home and any other property you own.
- Auto, RV, and boat titles.
- A video inventory of your home.
- Receipts for big-ticket items.
- Your homeowner's insurance policy.
- Home improvement receipts.
- Valuable items: coins, jewelry, etc.

Financial papers

- A list of your credit cards (with account numbers) and phone numbers to call if the cards are lost.
- Copies of your most recent retirement/investment account statements.
- Original documents for any investments held in your name: stock certificates, bonds, Treasury securities, U.S. savings bonds.
- Employment contract, if any.

It's a good idea to keep a separate list of your safe deposit box contents, since you may forget what you've stowed in it. Also, make sure someone you trust has the authority to open your box if something happens to you.

Scholarships for Students

High school seniors can apply for KFCU scholarships at the guidance office of the following schools: Stearns, Schenck, Katahdin, Southern Aroostook, and Penquis Valley High Schools, and Mattanawcook Academy.

Services

Savings

Share Accounts
Club Accounts
Share Drafts
Share Certificates
IRA Accounts
Roth IRA Accounts
Coverdell Education Savings Acct.
IRA Certificates
Roth IRA Certificates
Money TrekSM Youth
Savings Program

Loans

New & Used Auto & RV Loans
Cottage Loans (including on leased land)
Land Loans
Computer Loans
Real Estate
Home Equity Loans and Lines of Credit
Share Secured-Certificate Secured Streamline (Line of Credit)
Unsecured Loans
Visa[®] Classic[®] Cards
Visa[®] Gold Cards

Other Services

CU24SM Visa[®] Check Card
Direct Deposit/Payroll Deduction
Money Orders
Wire Transfers
Night Deposit
Safe Deposit Boxes
24-Hour ATM
Notary Services
CUSO-Single Source Financial Centre
CUSO-Katahdin Gateway Insurance LLC
Visa Prepaid Gift Cards
Katahdin Connection
Home Banking Solution

Locations

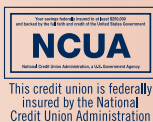
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Hours

8:00 am - 5:00 pm Drive Up
9:00 am - 5:00 pm Lobby



Ending Hunger Walk

The Maine Credit Unions' Campaign for Ending Hunger once again partnered with Cross Roads Ministries to cover the state of Maine on foot to raise awareness about the problem of hunger in Maine.

Brenda Davis, Executive Director of Cross Roads Ministries and Food Pantry, completed her month-long journey to a record-setting 72 communities by receiving a special conclusion contribution from the Maine Credit Unions' Campaign for Ending Hunger. This year's Tour visited the most communities, and covered the most miles in its history, encompassing a record of more than 1,500 miles, with approximately 700 of that on foot. The Tour visited every Maine County for the fifth consecutive year. At each of the 79 credit union branches Davis visited, she accepted a contribution from the Campaign as a way to support her cause.

This year, the Maine Credit Unions' Campaign for Ending Hunger also made a \$105 donation to a food pantry in each of the 72 communities that Davis visited. In all, the Maine Credit Unions' Campaign for Ending Hunger contributed nearly \$30,000 to help end hunger through the Tour, part of the larger initiative by credit unions to end hunger in Maine which has, to date, raised and distributed more than \$3.5 million.



Kim Baker, Thomasina Auger, Brenda Davis, Betty Averill and Molly Jamieson

Christmas in Katahdin



Brinn George at Community Christmas Party

Children laughing, spirits high, the sound of holiday music filling the air---there is no better way to kick off the holiday season than with the Christmas in Katahdin Community Party. Christmas in Katahdin is all about community---reaching far beyond our local area. This year's Community Christmas Party brought in over 450 registered children. It is estimated that approximately 800 people attended this widely popular event. KFCU joined other businesses and organizations in sponsoring the party. Our employees joined in the fun by helping children bead candy cane ornaments for their own Christmas trees.

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Lisa Martin and Theresa Lane helping at the craft table

Win \$50

What is the last day you can deposit to an IRA to be credited for tax year 2010? If you know the answer, please fill out this coupon and submit your entry by February 15, 2011. A winner will be drawn at random.

Congratulations to **Helen Currie**, the winner from last quarter. The question was "What is CUHQ?" The answer is "A website designed specifically for young people by young people about pertinent financial issues."

Name: _____

Address: _____

Telephone #: _____ Answer: _____

Share the benefits of membership with eligible family members!