

The Sky
is the Limit



• • 2024 ANNUAL REPORT • •



KATAHDIN
FEDERAL
CREDIT UNION

A financial institution with a clear vision



IN MEMORY OF GARY DUMAS

Katahdin Federal Credit Union is remembering Gary (Cooper) Dumas who passed away after a brief illness. Cooper was a devoted Board member of Katahdin Federal Credit Union, having served for over 22 years. He served as Treasurer for many of these years and was a valued member of the Asset Liability Committee.

Cooper proudly served in the United States Army in the 101st Airborne Division. He worked for GNP for over 39 years. He will be remembered as an avid sky diver, pilot and fisherman. He served many years as President of the Campground Association, was a life-long member of the BPOE Lodge 1521, and volunteered as a tax aide for AARP. His love of community and helping others was evident in the way he lived his life. He will be greatly missed by all who knew him.

PRESIDENT/CEO'S REPORT

This past year, we had the good fortune to witness one of nature's wonders in April, with the total eclipse of the sun. This event was like no other, breathtaking and a once in a lifetime experience. In the fall, we also saw the Northern Lights in all of their colorful splendor. As we looked to the sky, some of us may have come to the realization that the universe has no boundaries. At KFCU, we want our members to always reach for the sky to realize his/ her own potential. Anything is possible with the right planning and resources. We believe the sky is the limit with endless opportunities available when choosing KFCU as your financial partner.

In March of 2024, Katahdin Federal Credit Union reached a milestone — our 70th Anniversary! KFCU was originally chartered in March of 1954 as a single employer credit union for Great Northern Paper Company. Now Katahdin Federal Credit Union is a community-based institution, serving Penobscot and Piscataquis Counties and parts of southern Aroostook County. A lot has changed since the beginning, but some things remain the same — the people helping people philosophy.

As a community advocate, we support the areas we serve in more ways than one. We continue our fight against food insecurity through our commitment to the Maine Credit Union's Ending Hunger Campaign. This year our staff's Social Responsibility Committee raised over \$23,000 for the cause. Our Golf Tournament was a resounding success, as were other fundraisers held throughout the year. We are aware that a number of families face food insecurity and this is just another way we can help. Funds raised through this campaign remain in the communities we serve.

Financially, 2024 was a productive year for KFCU. We maintained a healthy capital ratio of 15.89%, well above the 7% threshold regulatory agencies define as "well capitalized." We experienced loan growth of 4.05% and a return on assets of 1.28%. Our assets remained stable at \$100,458 million and our net income for the year was \$1.28 million.

We owe our success to you! We are fortunate to have the most dedicated directors, committed staff and loyal members. Thank you all for your support throughout the years. We value each and every one of you and look forward to serving you for many years to come!

Sincerely,



President/CEO

CHAIRMAN'S REPORT

On behalf of the Board of Directors, Supervisory Committee and the entire staff, we thank you, our members, for your business and your continued support. With the everchanging political landscape and the rapid technological changes taking place all around us, your Board of Directors and Management Team understand the coming year may present challenges for our members. We want to assure you that we will remain diligent by staying active and informed. We will always keep our members' best interests as a top priority. We will also continue to search for new products and enhance existing services to better serve our members' needs.

My sincere thanks to the entire Board of Directors, Supervisory Committee, Management and Staff for all of their dedication and hard work, and to you, our members for your continued loyalty.

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 2024. 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,

Chairperson

CREDIT UNION AFFILIATE

SINGLE SOURCE FINANCIAL CENTRE

For over thirty 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 KFCU are not registered broker/dealers and are independent of Raymond James Financial Services.

**Single Source Financial Centre and KFCU are
independent of Raymond James Financial Services.**

CONSOLIDATED BALANCE SHEETS

as of December 31

ASSETS

	2024	2023
Cash and Cash Equivalents	\$4,492,745	\$3,309,639
Other Interest-Bearing Deposits	9,424,000	9,920,000
Investment Securities Available for Sale*	6,226,702	9,720,036
Other Investments	5,346,995	390,836
Loans to Members, Net of Allowance for Credit Losses **	73,417,024	70,557,059
Accrued Interest Receivable	254,723	245,370
Property and Equipment, Net	321,383	317,742
NCUSIF Deposit	795,277	793,395
Other Assets	180,019	206,503
Total Assets	\$100,458,868	\$95,460,580

LIABILITIES AND MEMBERS' EQUITY

Liabilities		
Members' Share and Savings Accounts	84,180,271	80,590,287
Accrued Expenses and Other Liabilities	313,740	478,803
Total Liabilities	84,494,011	81,069,090
Members' Equity		
Undivided Earnings	16,167,487	14,885,324
Accumulated Other Comprehensive Loss	-202,630	-493,834
Total Katahdin Federal Credit Union and Subsidiaries Members' Equity	15,964,857	14,391,490
Total Members' Equity	15,964,857	14,391,490
Total Liabilities and Members' Equity	\$100,458,868	\$95,460,580

*Amortized cost of \$6,429,332 at December 31, 2024 and \$10,213,870 at December 31, 2023

**Net of Allowance for Credit Losses of \$345,055 at December 31, 2024 and \$307,956 at December 31, 2023

Our current year financials were presented on a non-comparative basis, and FY 23 figures were audited separately in the prior year.

CONSOLIDATED STATEMENTS OF INCOME

as of December 31

INTEREST INCOME

	2024	2023
Interest on Loans	\$4,712,796	\$4,012,347
Interest on Investment Securities/ Other Interest-Bearing Deposits	602,615	541,823
Total Interest Income	5,315,411	4,554,170

INTEREST EXPENSE

Members' Shares and Savings Accounts	922,006	505,483
Total Interest Expense	922,006	505,483
Net Interest Income	4,393,405	4,048,687
Provision for Credit Losses	277,608	89,044
Net Interest Income After Provision for Credit Losses	4,115,797	3,959,643

NON-INTEREST INCOME

Servicing Fees	616,851	608,668
Other Income	254,224	149,002
Commissions and Fees	—	120,279
Gain on Sale of Katahdin Gateway Insurance, LLC	—	985,312
Total Non-Interest Income	871,075	1,863,261

NON-INTEREST EXPENSE

Payroll	1,349,448	1,317,093
Employee Benefits and Payroll Taxes	387,855	374,377
Office Operating Expense	433,576	439,251
Professional and Outside Services	556,092	521,907
Loan Servicing	498,258	441,880
Depreciation and Amortization	79,276	105,339
Educational and Promotional	88,526	88,696
Occupancy	170,090	165,361
Loss on Sale of Collateral Held in Process of Liquidation	45,748	7,011
Travel and Conference	29,490	35,615
Supervision and Exam	18,352	15,887
Other	47,998	89,619
Total Non-Interest Expense	3,704,709	3,602,036
Net Income	1,282,163	2,220,868
Less Net Income Attributable to the Noncontrolling Interest	—	457,537
Net Income Attributable to Katahdin Federal Credit Union and Subsidiary	\$1,282,163	\$1,763,331

FINANCIAL GRAPHS

ASSETS



SHARES



619
AUTO AND
RV LOANS



23
FIRST AND
SECOND
MORTGAGES

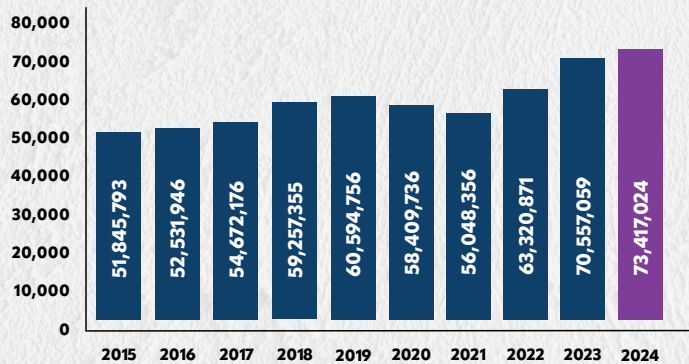


35
NEW
HELOCS

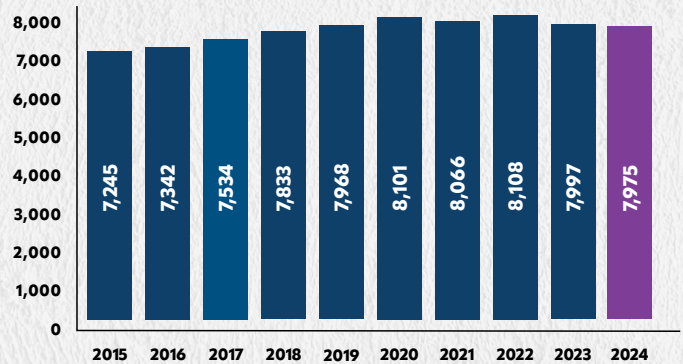


39,644
VISA SCORE CARD
CASH BACK REBATES

NET LOANS



MEMBERS



2024 COMMUNITY GIVING

Supporting our communities through collaboration, funding and support.



\$9,000

PRESENTED IN HIGH SCHOOL SCHOLARSHIPS

- Katahdin Area Support Group donation in Honor of Gary Dumas
- Raised Funds for Local Food Pantries through Coin Machine Donations
- Participated in Stearns High School Career Fair
- Sponsored Financial Fitness Fair
- Donated to the Schenck Boys Soccer Team Jackets
- Sponsored the Battle for the Cure Baseball Tournament
- Contributed to Granite Street School Field Trip to see "Lost in Maine" Movie
- Sponsored the Molunkus Christmas Parade and Rubber Duck Race
- Sponsored the Schenck High School Festival of Trees
- Sponsored Katahdin Elementary School Festival of Trees
- KFCU and Brookfield US Foundation collaborated on "Providing Warmth for the Katahdin Region"
- KFCU sponsored the 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



\$23,200+

RAISED FOR MAINE CREDIT UNIONS' CAMPAIGN FOR ENDING HUNGER

- Sponsored Millinocket Elks Charities Golf Tournament
- Supported Youth Athletics — Little League, Little Giant Football, Little Pro
- Supported Student Activities including Region III Skills Competition, Project Graduation Parties
- Sponsored Unified Performing Arts
- Supported Chamber of Commerce Initiatives
- Sponsored the Swish Out Childhood Cancer Challenge
- Supported the Summit Project
- Sponsored Boreal Theater
- Sponsored Town of East Millinocket Summerfest
- Sponsored the Springfield Fair
- Participated in the Commercial Lending Fair
- Sponsored a Community Shred Event
- Participated in the Granite Street School Field Day
- Participated and sponsored the MML End of Summer Event
- Sponsored the IAM Flower Project
- Sponsored the SUFU Creative Options
- Sponsored the Millinocket Back to School Supply Giveaway
- Sponsored the Historical Society's Great Millinocket History Game
- Sponsored CU Insurance Solution's Golf Tournament for Special Olympics

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

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
- Mobile Lending
- 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 (Debt Protection Program)
- GAP (Guaranteed Auto Protection Program)
- Route 66 Extended Warranty Program

LOCATIONS

1000 Central Street

Millinocket, ME 04462

207.723.9718 · fax: 207.723.8426

1068 Crystal Road

Island Falls, ME 04747

207.463.3661 · fax: 207.463.3763

Toll Free 800.451.9145

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*"Some see the sky and
say, 'Enough.' We see
it and say, 'More.'"*

- UNKNOWN



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