

MOVING FORWARD TOGETHER



ANNUAL REPORT 2021



Maine Highlands
FEDERAL CREDIT UNION
Personal Service. Shared Value.

Our Mission Statement

Maine Highlands Federal Credit Union

is a proactive, member-owned
cooperative whose purpose is to
provide personal service and shared
value, while maintaining its financial
stability and integrity.



Federally Insured by NCUA

Annual Report of Supervisory Committee

Maine Highlands Federal Credit Union has utilized the services of the accounting firm of Albin, Randall & Bennett to perform an opinion audit. Their audit is conducted in accordance with generally accepted auditing standards; and it is their responsibility to express an opinion on the financial statements based on this audit. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Through this intense scrutiny, it was found that the financial statements of Maine Highlands FCU “...present fairly, in all material respects, the financial position of Maine Highlands Federal Credit Union as of September 30, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.”

On an eighteen-month basis, Maine Highlands FCU is also examined by the National Credit Union Administration (NCUA). The mission of NCUA is to “ensure the safety and soundness of credit unions by providing appropriate regulation and supervision while effectively managing the agency’s resources and Share Insurance Fund.” The Board of Directors, Supervisory Committee, and management review this examination carefully and take all necessary steps to make sure that your credit union is in compliance with all state and federal regulations.

The Supervisory Committee, in conjunction with Albin, Randall & Bennett, also does a 100% verification of members’ accounts on a yearly basis; and verifies all closed accounts on a quarterly basis.

With these checks and balances in place, the Supervisory Committee feels confident that Maine Highlands FCU is taking all the appropriate steps to improve and strengthen its operations.

Respectfully Submitted,

A handwritten signature in black ink that reads "Tammy Lovejoy". The signature is fluid and cursive, with the first name "Tammy" and last name "Lovejoy" clearly distinguishable.

Tammy Lovejoy

Supervisory Committee Chairperson

Annual Report of the Board of Directors

Maine Highlands Federal Credit Union again was faced with many challenges in 2021, but there were many bright spots as well. While the pandemic raged on, employees pressed forward, serving members without interruption, even if things may have looked a little different at times. Thankfully, the lobbies have remained open since April 2021, offering all of the services our members depend on.

Throughout the pandemic, the importance of technology and remote services became even more apparent. Members were encouraged to use these tools more than ever, and as a result MHFCU again saw growth in nearly every remote product category. Debit cards grew by six percent (6%), internet banking by seven percent (7%), mobile banking by fifteen percent (15%), bill pay by three percent (3%), and the use of remote deposit capture for checks grew twenty-six percent (26%) from the end of 2020 until the end of 2021. Additionally, the ability to make loan payments via debit card was implemented in 2021 and has been well-received and utilized.

Between the adoption of these technologies and lingering COVID concerns, a decline in our lobby foot traffic has been noted. Many members have realized that there are more ways to access their money, and it does not always require a trip to the Credit Union. While we remain open for all who need to visit our offices in person, our employees are also ready and willing to assist with these remote products so members can use all available options.

Membership growth for 2021 was also positive with a four percent (4%) increase. All of this is only achieved by our helpful employees working together to get the Credit Union's products and services into our members' hands. Teamwork is alive and well at Maine Highlands FCU.

There was no slowing down for Maine Highlands FCU in other areas either. Asset growth came in at almost twelve percent (12%) and deposit growth at over twelve percent (12%). Loan growth ended the year relatively flat, which can at least partially be attributed to the low inventory of both homes and vehicles. Members refinancing mortgages to different products also impacted this when rates were still very low last year.

For the second year in a row, the annual meeting for 2021 was held remotely via conference call. The Board of Directors recognizes that this was again a big letdown for everyone. To many, the annual meeting is much more than just the business meeting of the Credit Union. It is also a social event that brings old friends together. We are all hopeful to safely bring back in-person events again very soon.

Although 2021 did not end as optimistically as we may have hoped, with the pandemic still a part of our daily lives, the Board of Directors remains confident in the ability of Maine Highlands FCU to adapt as each new challenge presents itself. Both management and staff have demonstrated time and time again that their dedication to the members far exceeds the chaos of the world around them.

In closing, it has been my pleasure to serve with a group of individuals who volunteer their time each month to ensure the financial integrity of Maine Highlands Federal Credit Union. Their dedication to this Credit Union does not go unnoticed. And to the employees who have risen to meet every challenge in 2021— thank you! Your service to the members will always be the greatest strength of the Credit Union.

Respectfully Submitted,



Linda Dulac

Chairperson, Board of Directors

Annual Report of the President

As 2021 began, Maine Highlands Federal Credit Union (MHFCU) was still operating with lobbies closed. This is not how management had hoped to start the new year, but COVID had other plans for us. All thoughts of returning to “normal” were quashed by the continuing pandemic. All areas of our everyday work life were, and still are, affected.

With stimulus money flowing into the Credit Union, the deposit side of the balance sheet continued to grow. While at the same time, low mortgage rates were fueling loan refinances to lower fixed rate products in the secondary market, along with new mortgage loans from borrowers moving to the area. Consumer loan demand also remained steady. Even with the lobbies closed, MHFCU loan officers were kept very busy by the member loan demand.

As spring neared and the weather grew warmer, the decision was made to reopen the lobbies on April 5. In order to protect employees, masks were required to be worn by any members coming into our lobbies as well as by our employees. While this was not a popular decision for some, members continued to show their kindness to the Credit Union’s frontline workers who were here every day to take care of their financial needs. A decision was also made to hold the Credit Union’s annual meeting virtually again. It was not possible to find a large enough venue to accommodate the two hundred plus members who normally attend this meeting and maintain the physical distancing requirements as well.

Maine Highlands FCU was (and still is) dealing with supply chain issues, just like every other business in the country. Technology is dependent on the chip industry. It has always been taken for granted until the supply became limited. Chip technology supports our financial services from debit and credit cards, to computers, to ATMs, to cash advance terminals, to printers and the list goes on and on. The installation of new ATMs at MHFCU offices to replace the obsolete terminals has already been pushed back twice because of supply chain issues. Management now expects that the first two replacements will happen in the spring of 2022.

And then along came Omicron. While Maine Highlands FCU employees were mostly spared from the first wave of the Delta variant, we were not so lucky when Omicron reached the area. Management’s goal was to keep lobbies open, with this not always being possible. But a different approach was taken this time around. While still choosing not to mix employees from office to office unless absolutely necessary, we found that there were days that a lobby still needed to be closed because of staff shortages. Drive ups have remained available to members on these days. And the benefit of cross training employees was never more apparent when one whole department was out with COVID. Other employees were able to step in and get the job done.

For Maine Highlands FCU, 2021 was not all about COVID though. There were many positive accomplishments throughout the year. The Credit Union went from \$155,978,367 in asset size at the end of 2020 to \$174,552,561 at the end of 2021. The Credit Union also ended the year with net income of \$1,382,676. This was a 55% increase over 2020.

The National Credit Union Administration (NCUA) also announced that some funds would be returned to credit unions who were tasked with paying for the failure of a few corporate credit union giants who had invested heavily in toxic mortgage backed securities in the 2008-2009 crash. Maine Highlands FCU’s total price tag charged by NCUA was \$731,224. By the end of 2021, MHFCU had received back \$91,316 with more expected in 2022. While this amount comes nowhere close to what Maine Highlands was charged, any amount that gets returned is a bonus to the bottom line.

While it is still difficult for the Credit Union to host community events because of COVID, our “Caring for Community” philanthropy is still generating support for many local non-profit organizations. Through the generosity of our members, \$21,601 was raised for Maine Credit Unions’ Campaign for Ending Hunger. This is a 19% increase over what was raised in 2020. These funds will be returned to LOCAL food organizations within the Credit Union’s field of membership. In addition to this, Credit Union employees supported several local non-profits through weekly payroll deductions totaling over \$2,666.

But the biggest accomplishment for 2021 has to be bestowed upon the employees of Maine Highlands Federal Credit Union. Throughout this pandemic, they have continued to come to work each day ready to serve our members. This group of individuals is often overlooked when it comes to “frontline workers.” Management realizes that it is their dedication and commitment that drives the success of this credit union.

And last, but certainly not least, are the members of the Board of Directors and Supervisory Committee who unselfishly volunteer their time. Their guidance continues to assure that Maine Highlands Federal Credit Union remains a viable financial leader in the area.

Respectfully Submitted,



Rhonda Taylor, CCUE
President/CEO

Comparative Balance Sheet

As of December 31, 2021

ASSETS	2021	2020
Loans	\$ 108,584,428.50	\$ 107,925,111.53
Allowance for Loan Losses	\$ (181,801.07)	\$ (176,907.98)
Cash	\$ 41,320,503.37	\$ 30,243,312.01
Investments	\$ 14,991,203.27	\$ 7,770,314.67
Land and Buildings	\$ 5,759,535.17	\$ 5,931,776.81
Furniture and Fixtures	\$ 1,223,594.26	\$ 1,455,600.43
NCUSIF Deposit	\$ 1,455,302.05	\$ 1,241,627.35
Other Assets	\$ 1,399,795.66	\$ 1,587,531.76
Total Assets	\$ 174,552,561.21	\$ 155,978,366.58
LIABILITIES		
Accounts Payable	\$ 778,157.60	\$ 966,484.73
Borrowings	\$ —	\$ —
Other Liabilities	\$ 577,683.89	\$ 811,043.68
Total Liabilities	\$ 1,355,841.49	\$ 1,777,528.41
EQUITY		
Shares	\$ 67,882,533.70	\$ 55,982,834.11
Share Drafts	\$ 27,646,554.64	\$ 24,423,754.92
Certificates and Money Markets	\$ 41,730,955.60	\$ 41,417,689.76
IRAs	\$ 12,277,995.99	\$ 11,584,446.34
Clubs	\$ 9,048,058.64	\$ 7,515,324.39
Health Savings Accounts	\$ 178,495.11	\$ 133,850.94
Regular Reserve	\$ 4,944,975.46	\$ 4,944,975.46
Undivided Earnings	\$ 9,518,542.58	8,135,867.05
Dormant Accounts	\$ —	\$ —
Accum. Unrealized Loss/Gain	\$ (31,392.00)	\$ 62,095.20
Total Equity	\$ 173,196,719.72	\$ 154,200,838.17
Total Liabilities & Equity	\$ 174,552,561.21	\$ 155,978,366.58
STATISTICAL INFORMATION		
Number of Members	13,542	13,075
Potential Members	219,476*	223,686*
Number of Loans Made	6,560	6,643
Amount Loaned for Year	\$ 39,604,682.98	\$ 38,412,614.90

*State of Maine County Pop. Info

Statement of Income and Expenses

As of December 31, 2021

INCOME	2021	2020
Interest/Loans	\$ 5,968,604.86	\$ 6,144,114.71
Investment Income	\$ 510,597.01	\$ 212,372.03
Gain (Loss) on Sale of Loans	\$ —	\$ —
Other Income	\$ 1,946,719.54	\$ 1,652,297.33
Non Operating Income	\$ —	\$ —
Total Income	\$ 8,425,921.41	\$ 8,008,784.07
EXPENSES		
Compensation	\$ 2,531,229.10	\$ 2,578,997.40
Benefits	\$ 635,796.89	\$ 597,744.54
Occupancy	\$ 431,704.25	\$ 438,178.30
Operations	\$ 2,216,043.09	\$ 2,091,938.50
Educational and Promotional	\$ 100,020.57	\$ 229,242.67
Loan Servicing	\$ 413,905.42	\$ 417,551.27
Professional Services	\$ 80,927.86	\$ 76,526.71
Provision Loan Loss	\$ 72,481.57	\$ 43,432.51
Member Insurances	\$ 11,159.13	\$ 18,641.34
Cash (Short) Over	\$ (500.68)	\$ (335.32)
Event Expense	\$ 6,524.78	\$ 7,691.00
Interest on Borrowed Money	\$ 0.97	\$ 54,093.89
NCUSIF Impairment	\$ —	\$ —
Total Operating Expenses	\$ 6,499,292.95	\$ 6,553,702.81
(Gain) Loss on Disp. Of Assets	\$ —	\$ (15,000.00)
(Gain) Loss on Investment	\$ —	\$ —
DIVIDENDS		
Shares	\$ 44,357.27	\$ 50,704.32
Health Savings Accounts	\$ 117.46	\$ 129.90
Clubs	\$ 6,002.91	\$ 6,436.66
IRAs	\$ 90,971.82	\$ 134,605.80
Certificates and Money Markets	\$ 402,503.47	\$ 667,683.21
Total Dividends	\$ 543,952.93	\$ 859,559.89
NET INCOME	\$ 1,382,675.53	\$ 610,521.37
Change to Undivided Earnings	\$ 1,382,675.53	\$ 610,521.37

Ending Hunger Fundraising in 2021

The Credit Union held a variety of fundraisers in 2021 to raise awareness and funds to combat hunger in our community. One hundred percent of the funds raised for Maine Credit Unions' Campaign for Ending Hunger stayed local. Thank you to all who participated and donated to make this possible.

Yard Sale

A yard sale was held to benefit Maine Credit Unions' Campaign for Ending Hunger. Thank you to the employees who made this event possible and to all the generous members who attended and helped us raise over \$1,000!



Car Wash

Rowell's Car Wash in Dover-Foxcroft donated 50 cents from every car wash in June, raising over \$800!

Golf Tournament

A golf tournament was held at Foxcroft Golf Course. Participants enjoyed a 50/50 raffle, putting contest, and lunch. A great time was had by all!



Raffles and Fundraisers

Two raffles were also held in 2021. Thanks to our membership, the raffles raised over \$1,000. And, after various employee fundraising efforts, another \$3,000 was collected!

Cooperation Works

Maine credit unions contributed \$930,367.80 to end hunger in 2021 and supported 242 organizations across Maine, including local food pantries, meal sites, and schools.

The Campaign is the signature social responsibility campaign for Maine's credit unions. 100% of all funds raised by the Campaign stay in the state.

The initiative is the largest, non-hunger organization-based, philanthropic fundraising effort to end hunger in Maine.

The Maine Credit Unions' Campaign for Ending Hunger is a 501(c)(3), which means all contributions are tax-deductible!



Area Food Organizations Receiving Donations from our 2021 Fundraising Efforts

- Abner Wade Lodge Santa Project
- Canaan Community Food Cupboard
- Canaan Elementary School Food Cupboard
- Corinna Food Pantry
- Dexter Age Friendly's Community Café
- Dexter Community Food Closet
- Dover-Foxcroft Area Food Cupboard
- Dover-Foxcroft Congregational Church Community Dinner Project
- Dover-Foxcroft Kiwanis Charities Backpack Program
- Dyer's Hope House
- Eastern Area Agency on Aging Meals on Wheels
- Harmony Cares
- Heart of Maine Resource Center
- Kiwanis Club of Dexter Family Food Program
- Kiwanis Club of Moosehead Lake Backpack Program
- Our Lady of the Snows Parish Community Dinner Project
- Palmyra Baptist Worship Ctr. Soup Kitchen/Food Pantry
- Partnership Food Pantry of Greenville
- Partnership Food Pantry of Guilford
- Piscataquis Regional Food Center
- Sedomocha Middle School Backpack Program
- Stutzmans Farm Senior Farm Share Program
- Tri-Town Food Cupboard
- UU Church of Sangerville & Dover-Foxcroft Food Cupboard
- Widows & Orphans Food Cupboard
- Wyman Farms Senior Farm Share Program

55th Annual Meeting Minutes

55th Annual Meeting of Maine Highlands Federal Credit Union

5:30 pm via Zoom · June 21, 2021

- Linda Dulac called the meeting to order and asked the moderator to explain the process of how to make motions, oppositions, and voice any questions by using the Chat box. He also stated the meeting would be recorded and that there was a quorum.
- Linda, Tammy Lovejoy, LuAnn Tibbetts, and Rhonda Taylor each conducted the meeting from separate PCs in the Dexter office, while other board members attended via a projector in the training room. Linda introduced the following: LuAnn Tibbetts, Gilbert Reynolds, Nicholas Clukey, Nolan Lovell, Tammy Lovejoy, Supervisory Committee Chairperson, Rita Graf, Supervisory Committee Member, and Rhonda Taylor, President. Absent board members: Brittany Gould and Traci Grant.

• MINUTES OF PREVIOUS MEETING

Brian Ronco and seconded by Tammy Creswell to dispense with the reading of the previous minutes. No opposition.

- ELECTIONS: Tammy Lovejoy presented the following names for nomination to the Board of Directors of MHFCU:
 - Tracy Grant for a term of one year
 - Brittany Gould for a term of three years

No further nominations from the floor. A motion was made by Brian Ronco to cease nominations and seconded by Tammy Creswell. There was no opposition, so the secretary cast one vote for each director.

• REPORTS PRESENTED AS FOLLOWS:

- Supervisory Committee Chair – Tammy Lovejoy
- Board of Directors – Linda Dulac
- President – Rhonda Taylor

A motion was made by Brian Ronco and seconded by Tammy Creswell to accept the reports as presented. No opposition.

- OLD BUSINESS: no old business
- NEW BUSINESS: no new business
- A motion was made by Brian Ronco and seconded by Tammy Creswell to adjourn. Seeing no opposition, the meeting adjourned at 5:45 pm.
- After the meeting, names were drawn from all members in attendance for door prizes. Margaret Romano and Rita Page each won \$100.00.

Credit Union Leadership and Staff

BOARD OF DIRECTORS

Linda Dulac	Chairperson/Dexter
Nolan Lovell	Vice Chairperson/Guilford
LuAnn Tibbetts	Secretary/Dover-Foxcroft
Gilbert Reynolds	Director/Dexter
Traci Grant	Director/Canaan
Nicholas Clukey	Director/Brownville
Sam Murray	Director/Greenville

SUPERVISORY COMMITTEE

Tammy Lovejoy	Chairperson
Linda Dulac	Member
Jason Higgins	Member

SENIOR MANAGEMENT

Rhonda Taylor	President/CEO
Maria Wooten	Executive Vice President
Shelley Blockler	Senior Vice President
Betty-Jo Beaudoin-Pomerleau	Chief Financial Officer
Diane Parola	Vice President of Marketing
David Bridges	Vice President of Information Technology
Tammy Creswell	Vice President of Mortgage Lending
Ramona Flint	Vice President/Branch Manager
Samuel Dwyer	Vice President/Branch Manager

DEXTER OFFICE

LENDING

Wendy Baird	Card Services Manager
Lacey Goodwin	Card Services Clerk
Angela Bowman	Card Services Clerk
Anna-Maria	Collections Officer II
Karen Vasily	Collections Clerk
Candice Qualey	Mortgage Loan Officer I
Stephanie Chabot	Senior Loan Officer
Karly Lacasce	Loan Officer II
Jarrod Black	Loan Officer I
John Phillips	Loan Clerk

ACCOUNTING

Brian Ronco	Financial Officer
Jane McNaughton	Accounting Specialist
Makayla Smith	Accounting Specialist

OPERATIONS

Catherine Bemis	Operation Specialist II
Rachel Hutchins	Operation Specialist I
Monique Plummer	Teller II
Kassandra Gray	Teller I
Tricia Irish	Teller I
Nicole Pizz	Teller I
MacKenzie Harmon	Marketing Specialist
Kenneth Gosselein	Info. Technology Assistant
Lyssa Rucker	Telephone Representative
Kent Hartley	Facilities Manager I

GUILFORD OFFICE

Debbie Cross	Branch Manager
Rachael Maheu	Loan Officer II
Lisa Provost	Teller II
Kimberly Wyman	Teller I
Justice Mower	Teller I
Jolene Gray	Custodian

DOVER-FOXCROFT OFFICE

Tammie Allen	Loan Officer I
Danielle Mailloux	Member Relationship Specialist
Melissa Cookson	Member Relationship Specialist
Kaitlin Gibbs	Teller I
Kimberly Bard	Teller I
James Bell	Custodian

GREENVILLE OFFICE

Tina Roberts	Operation Specialist I
Mallarie McNinch	Teller II

BROWNVILLE OFFICE

Michael Brown	Loan Officer II
Darcie Burch	Operation Specialist II/ Project Coordinator
Erica Bouley	Teller I

CANAAN OFFICE

Melissa Smith	Branch Manager I
Mary Mason	Operation Specialist I
Marci Thomas	Teller I



Maine Highlands

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