

2016

Annual Report

Serving Our Communities

FORT KENT • MADAWASKA • ST. FRANCIS • ST. AGATHA • ASHLAND

President's Message

Dear Fellow Members,

I am very pleased to inform you of some of our accomplishments as part of Acadia Federal Credit Union's annual membership report for 2016.

This past year was once again one filled with change and challenges. Financially, we had another successful year which allows us to seek out opportunities for new services and products as well as explore new avenues for growth. We do continue to struggle with membership growth as the demographics of our field of membership continue to shift and shrink. We are also concerned with what we consider a strong concentration in one industry that contributes to a large portion of our success. The forestry industry plays a key role in the economic engine of northern Aroostook County. While it is not going away anytime soon, it is an industry that is in transition. After discussing these issues at length with the Board of Directors, it was decided that we needed to diversify our operations which led to the decision to move into the Bangor market.

I am pleased to report that we have found a partner in that area which will make our entry into that market a success. The Directors of Eastern Maine Medical Center Federal Credit Union have agreed to work with Acadia FCU to seek merger approval from the federal regulators and their membership. Once completed, this merger will help achieve the goals of both credit unions as they become one to provide members with long term stability and continued growth of the credit union. The staff at both credit unions are working very hard to ensure a smooth transition as we come together as one. The expected completion date of the merger is November 1, 2017.

Financially, we had another successful year as you will see later on in this report. Our deposits grew 9.9% with loans growing by 3.8%. Our total assets as of December 31 exceeded \$152 million, an increase of 9.5% over the prior year. Our growth can be attributed to the loyalty of our members, our dedicated staff who serve them and the leadership at all levels of our credit union. Congratulations to everyone involved in making this happen!

In closing, I would like to express my sincere thanks to our members for their business. The trust you place in us is much appreciated and it is a privilege for us to serve you, our member and owner. I also want to thank the volunteer Board of Directors for their dedication to the credit union and helping to ensure its continued success. And finally, I would like to say thanks to each and every one of our staff members who make the credit union operate so smoothly. Acadia FCU looks forward to serving you for all your financial needs in 2017! Thank you.

Sincerely,



David Desjardins
President / CEO
ddesjardins@acadiafcu.org



Employee Milestones

Each year, our employees celebrate anniversaries of their time of service with us. This year, we are pleased to congratulate the following individuals:



Charles Pelletier
5 years
Fort Kent



Esther Cote
10 years
Madawaska



Gail Beaupre
15 years
Madawaska



Karen Daigle
20 years
Fort Kent



Erica Albert
20 years
Fort Kent



Elaine Jandreau
30 years
Fort Kent

Board of Directors



Don Guimond
Chairman



Peter Sirois
Vice Chairman



Keith Labrie
Secretary



Nelson Jandreau
Treasurer



Percy Thibeault
Director



Jeff Albert
Director



Ryan Pelletier
Director



Corrinna Thibodeau
Director



Kathy Roy
Director



Peter Saucier
Director



Scott Haley
Director



Elaine Guimond
Director



Mark Chamberland
Director



Bern Michaud
Supervisory
Committee



Rachel Marquis
Supervisory
Committee



Patty Pelletier
Supervisory
Committee



We Value Relationships

Credit unions across the country are committed to their communities. We offer financial services to underserved populations, we engage youth in financial education, and we return profits to our members. We serve our communities to strengthen our connection with members and improve the quality of life for those in need of our services. Acadia FCU staffers value the relationships we have built with those we share our communities with. We maintain and grow these relationships in-person by sharing our financial knowledge with area youth, participating in and volunteering at local events, and also by engaging our friends and followers on social media. All of our relationships with YOU — our members — matter to us and is what brings meaning to what we do every day.

COMMUNITY INVOLVEMENT, FINANCIAL LITERACY



In conjunction with our annual meeting and member appreciation picnic, Acadia hosted our first-ever 'Family Fun Day' event in 2016. We were fortunate to spend an awesome, fun-filled day with roughly 350 of our members.



Led by Real Deschaine of the Madawaska Valley ATVenture Club, Acadia and other area credit union staffers participated in an ATV ride / poker run for the Aroostook Chapter of Maine Credit Unions. This event is a fundraiser for the chapter's three charities: Ending Hunger Campaign, Special Olympics, and CULAC (Credit Union Legislative Action Council).



Each year, Acadia FCU takes part in a financial literacy event for high school juniors from 15 schools in Aroostook County. "Financial Fitness - A Money Management Experience" is a real-life budgeting exercise. Students are given a career and monthly income, then they visit various expense booths with a goal of having enough money to pay all bills.



Acadia's annual Dollars & Sen\$e Fair uses fun games and activities to help teach 6th graders how to budget their money. Roughly 165 students took part in this fun, educational program in 2016.

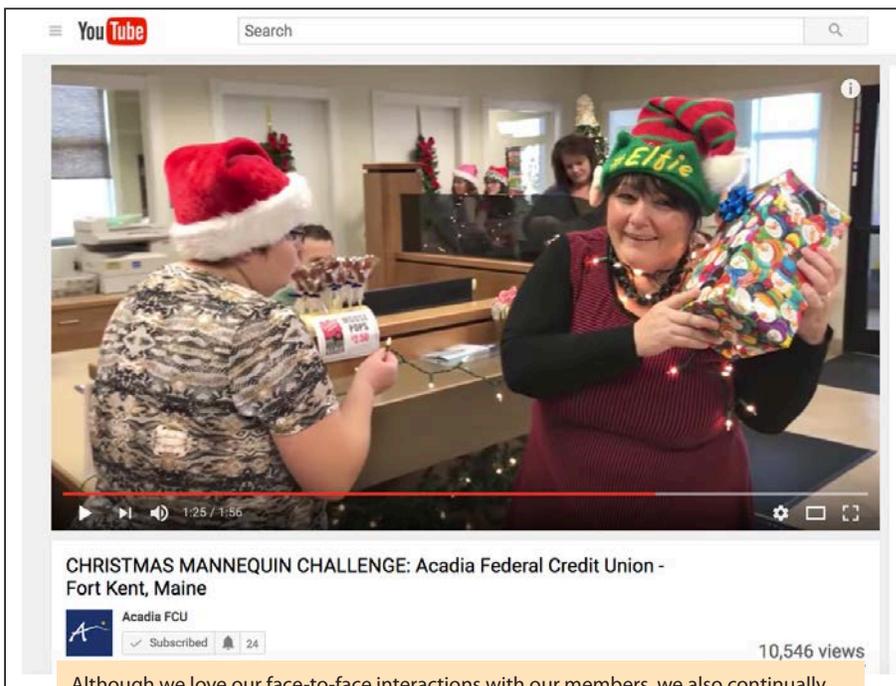


Acadia employees and family members donned their flannel shirts and fall hats as they took part in Fort Kent's Scarecrow Festival Parade.

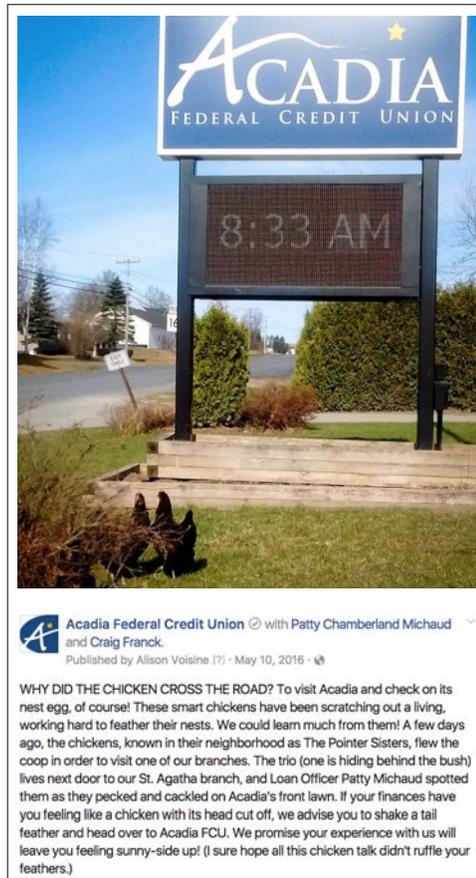


Despite a rainy morning, a huge crew of Acadia staffers and family members showed up to march in the annual Acadian Festival parade in Madawaska.

SOCIAL MEDIA: BUILDING RELATIONSHIPS IN THE DIGITAL AGE



Although we love our face-to-face interactions with our members, we also continually cultivate relationships in online communities, whether via Facebook, YouTube, or more recently, Instagram. Acadia's YouTube channel features some lighthearted videos, including our Christmas 'Mannequin Challenge,' which received over 10,000 views.



Acadia's Facebook following grows every week. Although we do take care of some business on our page, most of our posts feature staff, members, or pets. We want our members to get a peek into what goes on at our branches and how much we love doing what we do each day, while getting to know us a little better.

IMPACT ON THE COMMUNITY

As part of our mission to invest in our local communities, Acadia FCU is proud to have supported many local organizations and events throughout 2016. The following is a sampling of the impact we have had:

- | | | |
|--------------------------------------|---------------------------------------|--|
| ACADIAN FESTIVAL | FOUR SEASONS TRAIL ASSOCIATION | PAWS ANIMAL WELFARE SOCIETY |
| ANGEL SNOW-FEST | GREATER GRAND ISLE HISTORICAL SOCIETY | PORTAGE LAKE ASSOCIATION |
| AREA FOOD PANTRIES | HEATHER AND LIAM CONNECTION | PROJECT GRADUATION |
| AROOSTOOK COUNTY KNIGHTS OF COLUMBUS | HOOK A KID ON GOLF PROGRAM | SCHOLARSHIPS TO GRADUATING SENIORS |
| AROOSTOOK PARTNERSHIP FOR PROGRESS | LONG LAKE ICE FISHING DERBY | SPECIAL OLYMPICS MAINE |
| AROOSTOOK TEEN LEADERSHIP CAMP | MADAWASKA FRENCH CLUB | ST. FRANCIS SNO-ANGELS |
| ASHLAND LOGGING MUSEUM | MADAWASKA SNOWMOBILE CLUB | TAKE STEPS FOR CROHN'S & COLITIS |
| CAN-AM SLED DOG SPONSORSHIP | MAINE YOUTH LEADERSHIP | TRICORP FCU / GOLF TOURNEY FOR ENDING HUNGER |
| FINANCIAL FITNESS FAIR | MMHS BAND BOOSTERS | TOUR DE LA VALLEE |
| FKCHS ATHLETIC BOOSTER CLUB | MUSKIE DERBY | UMFK FOUNDATION DINNER |
| FORT KENT ELEMENTARY SCHOOL PTO | NMMC ANNUAL DINNER & SILENT AUCTION | VARIOUS YOUTH SPORTS PROGRAMS |

Financial Report

We continued to grow during the year with assets increasing to \$152,009,990, or a 9.5% increase over the prior year. We had a net growth in our loan portfolio of 3.79%, bringing our net loans outstanding to \$118.47 million dollars. Member shares grew by 9.93% to over \$129.5 million. We ended the year with a net gain to our undivided earnings of \$1,329,182. Our financial ratios continue to be strong with our YTD Return on Assets at .93% and our Capital Ratio at 14.48%. As you can see, our record of financial performance is something that you, as a member of Acadia FCU, should be proud of! Please remember that your credit union is a safe and sound place to conduct all your financial business and your deposits are insured to at least \$250,000 by the National Credit Union Share Insurance Fund.

Statement of Financial Condition

Assets	2015	2016
Member Loans (net)	\$114,136,263	\$118,470,414
Cash	\$3,111,664	\$3,316,341
Investments	\$14,610,334	\$23,209,543
Fixed Assets	\$2,006,966	\$1,823,137
Other Assets	\$4,951,779	\$5,190,555
Total Assets	\$138,817,006	\$152,009,990
Liabilities & Equity		
Liabilities	\$336,414	\$492,241
Member Shares	\$117,805,065	\$129,513,040
Total Equity	\$20,675,527	\$22,004,709
Total Liability & Equity	\$138,817,006	\$152,009,990

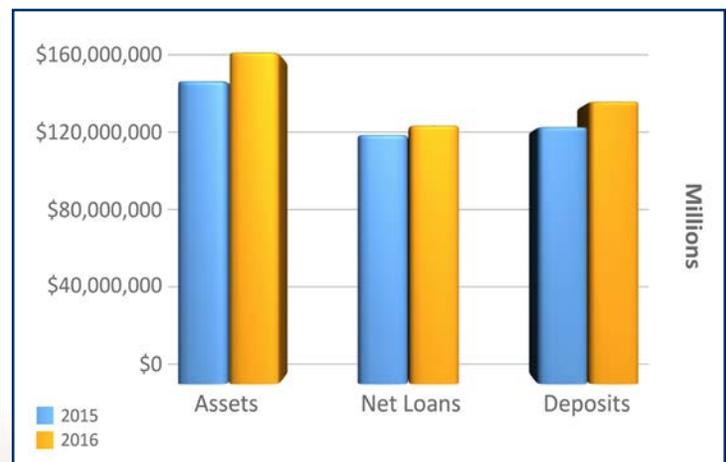
2-Year Comparison (as shown on graph)

	2015	2016
Assets	\$138,817,006	\$152,009,990
Net Loans	\$114,136,263	\$118,470,414
Deposits	\$117,805,065	\$129,513,040

Statement of Income

Income	2015	2016
Interest on Loans	\$5,207,996	\$5,541,249
Income From Investment	\$242,613	\$240,375
Other Operating Income	\$872,330	\$1,002,821
Total Gross Income	\$6,322,939	\$6,784,445
Operating Expenses		
Compensation & Benefits	\$2,256,974	\$2,391,484
Operations	\$767,909	\$814,990
Loan Servicing	\$361,129	\$297,714
Professional Services	\$700,638	\$745,736
Provision For Loan Losses	\$364,695	\$216,382
Other Expenses	\$93,457	\$115,750
Total Operating Expenses	\$4,544,802	\$4,582,056
Non Operating Gain (Loss)	(\$32,583)	(\$24,133)
Dividends	-\$786,166	-\$849,074
Net Income After Dividends	\$959,388	\$1,329,182

2-Year Comparison



ACADIA EMPLOYEES OUT AND ABOUT

In 2016, we gave all staff members a 'Selfie Stick' and asked them to help us with a new social media campaign. Our goal was to give our members a peek into the lives of our staff at play as a way to get to know them better.





Family Fun Day 2016

acadiafcu.org

