



2017

Annual Report

Serving Our Communities

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

President's Message

Dear Fellow Members,

It is my pleasure to report to you on the operational highlights of the past year as part of Acadia Federal Credit Union's annual membership report for 2017.

As many of you are aware by now, we officially completed a merger with Eastern Maine Medical Center Federal Credit Union on November 1, 2017. This merger brought three additional branches, 4,800 members, over \$48 million in assets and 14 additional employees to the existing Acadia FCU family. We were also successful in expanding our existing field of membership from only Aroostook County to also include Penobscot and Piscataquis Counties. What this means is that we can now serve anyone who lives, works, worships, or attends school in any of these three counties. We are hopeful to add additional counties to our field of membership in the future, depending on regulatory constraints.

This merger allows us to diversify our operations and seek out new opportunities for growth. The staff did an amazing job of bringing the two institutions together on the official merger date while continuing to fine tune the operational aspects of the combined credit union. I would also like to extend an official welcome to the four volunteers from the former EMMC FCU who joined the Acadia volunteers on November 1. Three of the volunteers joined the Board of Directors and one joined the Supervisory Committee.

Late 2017 also brought about a completely new and redesigned website. The site design is easier to navigate and the homepage features a real time search bar that enables users to find answers fast. The redesign also resulted in simple menus with slick icons to enhance the user experience. If you haven't already experienced it, you can view our new website at www.acadiafcu.org.

Hunger and food insecurity is a huge problem in a rural state such as Maine. As part of a bigger overall statewide credit union initiative, I'm pleased to report that the staff and members raised a record amount of money in 2017 to help in the fight to end hunger in our local communities. As a result of our ongoing fundraising efforts, Acadia FCU will be distributing nearly \$30,000 to local hunger organizations in our service areas! Wow—way to go!

On the financial side, we had another successful year. Our assets as of December 31, 2017 were in excess of \$203 million and member deposits totaled almost \$174 million. We ended the year with a net income of \$1,143,723 after the merger expenses. Acadia FCU continues to be financially strong and is well-positioned to weather economic downturns. The credit union now has roughly 15,000 members. More financial details are available later in this report.

In closing, I once again express my sincere thanks to our members for their business, trust and loyalty. We could not accomplish the things we do without your support! Thanks also goes out to our volunteer Board of Directors for the insight and expertise they bring to our organization. Lastly, I would be remiss if I didn't thank our dedicated staff who go out of their way to ensure smooth, efficient credit union operations while delivering excellent member service. The merger in 2017 made for a challenging year for staff, but everyone rose to the occasion and we are stronger because it! We look forward to serving you in 2018. Thank you!

Sincerely,



David Desjardins
President / CEO
d-desjardins@acadiafcu.org



Employee Milestones

Each year, our employees celebrate anniversaries of their time of service with us.

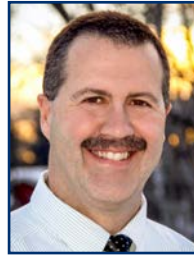
This year, we are pleased to congratulate the following individuals:



Alexandra Desjardins
5 years
St. Agatha



Angela Cyr
5 years
Fort Kent



Brian Stoliker
10 years
Fort Kent



Mary Ann Boucher
30 years
Fort Kent

Retired in 2017

Board of Directors



Don Guimond
Chairman
Fort Kent



Peter Sirois
Vice Chairman
Fort Kent



Keith Labrie
Secretary
St. Agatha



Nelson Jandreau
Treasurer
Madawaska



Jeff Albert
Director
St. David



Mark Chamberland
Director
St. Agatha



Addy Dubois
Director
Newburgh



Elaine Guimond
Director
Fort Kent



Scott Haley
Director
Fort Kent



Mary McCarthy
Director
Bangor



Ryan Pelletier
Director
St. Agatha



Peter Saucier
Director
Fort Kent



Chris Shaw
Director
Hampden



Percy Thibeault
Director
Frenchville



Corrinna Thibodeau
Director
Fort Kent

Supervisory Committee



Ina St. Jean
Fort Kent



Chris Ogonowsky
Bangor



Patty Pelletier
Allagash

Expanding our Reach



Acadia FCU staff member Erica Albert stands beside former CEO of EMMC FCU, Jim Pelletier, and former EMMC FCU / current Acadia FCU staff members Kim Baker, Sue York, and Kelly Babcock; and Acadia FCU Vice President, Luis Sanclemente, at the 849 Stillwater Ave. branch on merger day, Nov. 1, 2017.

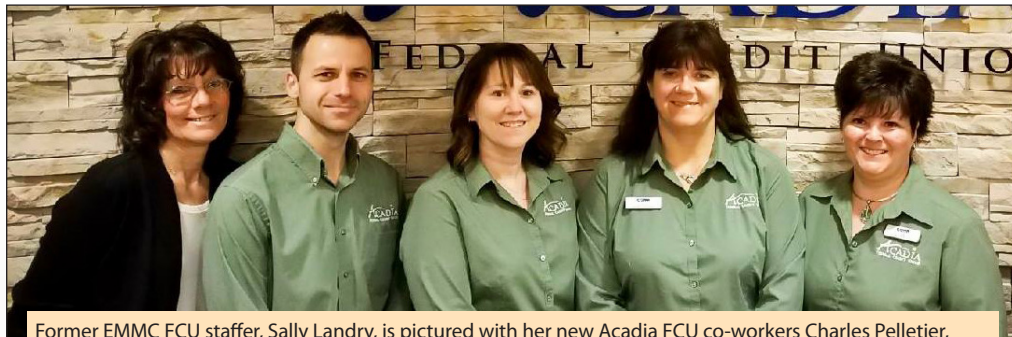
- Photo courtesy of Josh O'Donnell / Bangor Daily News

SERVING GREATER BANGOR

November 1 marked the successful completion of the merger between Eastern Maine Medical Center FCU and Acadia FCU. Since that date, the combined financial institution has been operating as Acadia FCU, under the leadership of President/CEO David Desjardins, Vice President Luis Sanclemente, and a combined board of directors.

Acadia has introduced a wide range of new products and services to the greater Bangor-area, including instant issue debit cards, commercial loans, variable rate mortgages, mobile banking with remote deposits, plus benefits such as lower and fewer fees and higher interest rates on savings.

Stay tuned for updates regarding more locations and new facilities!



Former EMMC FCU staffer, Sally Landry, is pictured with her new Acadia FCU co-workers Charles Pelletier, Erica Albert, Sheila Ouellette, and Lisa Michaud, at the EMMC branch at 417 State St., Ste. 140, on merger day.

“Staff morale has gone up by far. I’m proud to work for Acadia and excited we’re growing!”

KELLY BABCOCK, MEMBER SERVICE REP at ACADIA’S STILLWATER BRANCH



Since Acadia’s merger with EMMC FCU in the Bangor/Brewer area, we have been working diligently to streamline our services and get the Bangor-area branch procedures in-line with the rest of the institution, since credit unions do not all use the same back-end software. Part of this transition includes continued training, so we have enjoyed having different Bangor-area staff members, including Stillwater head teller Billie Doody, come up north and work with us. We have been learning a lot from each other, as we all have great experiences to share and draw from. Northern staff was happy to take Billie (in glasses, back row) out to Lakeview Restaurant, as part of another wonderful opportunity to learn, grow, and bond with our co-workers.

“Members frequently tell us how user-friendly they find our mobile and online technology, with some members using them for the first time.”

ROBIN CASE, TELLER at ACADIA’S EMMC BRANCH



Acadia staff at the Stillwater branch in Bangor participated in 'Ugly Christmas Sweater Day' and also made good use of their photo booth props, as part of an institution-wide effort to raise funds for the Maine Credit Unions' Campaign for Ending Hunger.

“We can now compete head-to-head with much larger institutions, yet provide superior personal service.”

JIM PELLETIER, DIRECTOR OF BUSINESS DEVELOPMENT
at ACADIA'S STILLWATER BRANCH



Acadia FCU staff members from our Bangor branches attended the annual Winter Beach Ball in Bangor. Hosted by the Eastern Maine Medical Center Auxiliary, this event was a fundraiser for EMMC's Neonatal Intensive Care Unit. Acadia FCU was a proud sponsor of this event and our staff had a wonderful time!



The Bangor / EMMC staff took part in 'National Wear Red Day / Go Red for Women' to help raise awareness about heart disease being the number one killer of women. We're thrilled to have our new Bangor staff participating in meaningful causes along with us.

“The merger has had a huge, positive impact on employees and members.”

EMILY PEDERSEN, TELLER at ACADIA'S EMMC BRANCH

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 2017. The following is a sampling of the impact we have had:

- | | | |
|--|-------------------------------------|--|
| ACADIAN FESTIVAL | FINANCIAL FITNESS FAIR | PAWS ANIMAL WELFARE SOCIETY |
| ALLAGASH FIRE & RESCUE | FKCHS ATHLETIC BOOSTER CLUB | PORTAGE LAKE ASSOCIATION |
| AMERICAN LEGION / MAINE | FORT KENT ELEMENTARY SCHOOL PTO | PROJECT GRADUATION |
| ANGEL SNOW-FEST | FOUR SEASONS TRAIL ASSOCIATION | SCHOLARSHIPS TO GRADUATING SENIORS |
| AREA FOOD PANTRIES | LONG LAKE ICE FISHING DERBY | SPECIAL OLYMPICS MAINE |
| AROOSTOOK TEEN LEADERSHIP CAMP | MADAWASKA FOUR CORNERS PARK | ST. FRANCIS SNO-ANGELS |
| ASHLAND LOGGING MUSEUM | MADAWASKA SNOWMOBILE CLUB | TRICORP FCU / GOLF TOURNEY FOR ENDING HUNGER |
| CAN-AM & EAGLE LAKE SLED DOG SPONSORSHIP | MAINE YOUTH LEADERSHIP | TOUR DE LA VALLEE |
| CHILDREN'S MIRACLE NETWORK GOLF CLASSIC | MUSKIE DERBY | TOYS FOR TOTS |
| EAGLE LAKE FIRE & RESCUE | NEW VENTURES MAINE - ALL FOR WOMEN | UMFK FOUNDATION DINNER |
| EMHS FOUNDATION | NMMC ANNUAL DINNER & SILENT AUCTION | WREATHS ACROSS AMERICA |

Financial Report

We continue to grow with each passing year, and the 2017 merger between EMMC FCU and Acadia FCU brought significant growth to your credit union. Assets increased to \$203,442,213, and we experienced a net growth in our loan portfolio, bringing our net loans outstanding to nearly \$142 million. Member shares grew to \$173.88 million, and we ended the year with a net gain to our undivided earnings of \$1,143,723. Our financial ratios continue to be strong with our YTD Return on Assets at .73% and our Capital Ratio at 13.98%. 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 Income

	MERGED 2017	EMMC FCU 2016	ACADIA FCU 2017
Income			
Interest on Loans	\$6,664,562	\$1,012,940	\$5,541,249
Income From Investment	\$747,977	\$194,912	\$240,375
Other Operating Income	\$1,603,017	\$563,714	\$1,002,821
Total Gross Income	\$9,015,556	\$1,771,566	\$6,784,445
Operating Expenses			
Compensation & Benefits	\$3,402,279	\$726,374	\$2,391,484
Operations	\$1,022,581	\$171,398	\$814,990
Loan Servicing	\$316,020	\$61,987	\$297,714
Professional Services	\$1,314,762	\$447,406	\$745,736
Provision For Loan Losses	\$465,323	\$0	\$216,382
Other Expenses	\$274,085	\$28,391	\$115,750
Total Operating Expenses	\$6,795,050	\$1,435,556	\$4,582,056
Non-Operating Gain (Loss)	-\$39,712	\$0	-\$24,133
Dividends	\$1,037,071	\$101,840	\$849,074
Net Income After Dividends	\$1,143,723	\$234,170	\$1,329,182

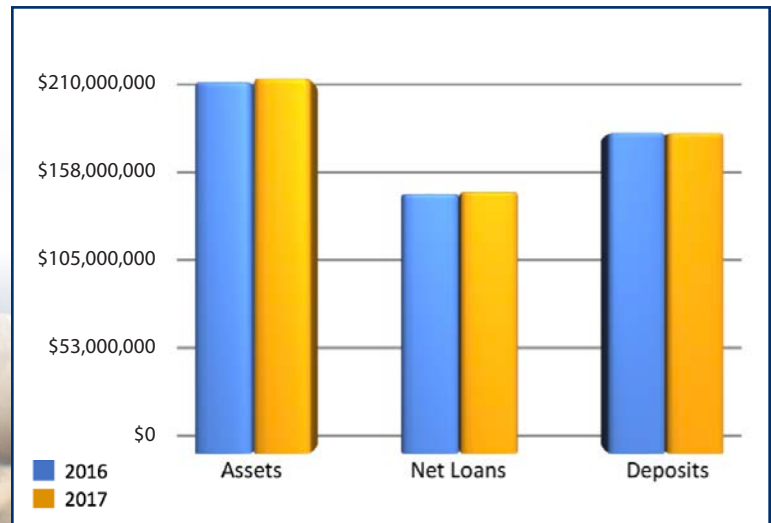
Statement of Financial Condition

	MERGED 2017	EMMC FCU 2016	ACADIA FCU 2016
Assets			
Member Loans (net)	\$141,862,316	\$22,386,164	\$118,470,414
Cash	\$4,136,516	\$1,192,784	\$3,316,341
Investments	\$48,490,781	\$23,775,549	\$23,209,543
Fixed Assets	\$2,342,426	\$321,036	\$1,823,137
Other Assets	\$6,610,174	\$1,850,177	\$5,190,555
Total Assets	\$203,442,213	\$49,525,710	\$152,009,990
Liabilities & Equity			
Liabilities	\$1,113,499	\$69,659	\$492,241
Member Shares	\$173,882,263	\$44,479,927	\$129,513,040
Total Equity	\$28,446,451	\$4,976,124	\$22,004,709
Total Liability & Equity	\$203,442,213	\$49,525,710	\$152,009,990

Two-year Comparison

Two-year Comparison (as shown on graph)

	Merged Institution 2017	Acadia & EMMC FCUs Combined 2016
Assets	\$203,442,213	\$201,535,700
Net Loans	\$141,862,316	\$140,856,578
Deposits	\$173,882,263	\$173,992,967



For Christmas in 2017, Acadia staff each received a beautiful blanket as a gift. In no time at all, staff pets took over use of the blankets, offering many opportunities for some adorable photos. Dozens of submitted photos were posted to Acadia's Facebook page, which turned out to be one of Acadia's most popular posts. We hope these furry and feathered faces will make you smile!





Family Fun Day 2017



Acadia's Family Fun Day is held in conjunction with our annual meeting and member appreciation picnic. We enjoy hosting well over 300 of our loyal members each year!

acadiafcu.org

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