

## Board of Directors

Robert Welch .....	Chairman
Ernest Khoury.....	Vice Chairman
Mary Lou Armes .....	Secretary
Debbie Laurie.....	Treasurer
Janet Capponi .....	Director
William Hogan .....	Director
Roberta Downey .....	Director and Supervisory Committee Chair
Aaron Ball .....	Supervisory Committee
D'arcy Main-Boyington .....	Supervisory Committee
John Chase .....	Supervisory Committee
Rod Hathaway .....	Supervisory Committee

## Staff

William Abbott-Branch Manager	Sydney Hoover-Member Service
Mischelle Adams-Member Service	Justin Hughes-Loan Processor
Carrie Bacon-Loan Processor	Brian Jones-Indirect Loan Officer
Raymond Bean-Senior Loan Officer	Carter Khoury-Member Service
Kelly Berard-Member Service	Samantha Lang-Branch Manager
Paul Berube-Branch Manager	Tracy Lanham-Asst. Branch Manager
Debra Bragdon-Member Service	Rachel Laprell-Information Systems Manager
Melissa Bragdon-Member Service	Lacey Lee-Member Service
Jessica Brooks-Member Service	Lucille Littlefield-Member Service
Jordan Campbell-Member Service	Travis Martin-AVP of Operations
Basil Closson-President/CEO	Tina Morrill-Director of Marketing
Vicki Coffin-Contact Center Rep.	Chris Nill-Loan Resolution Coordinator
Kristy Danielson-Accounting Assistant II	Ralph Patterson Jr-Senior Loan Officer
Kelly Dow-Chief Financial Officer	Hannah Plaisted-Member Service
Stacy Edgecomb-Human Resources Director	Emily Reed-Member Service
Thomas Fernandez-Loan Officer	Freshta Shah Zaman-Member Service
L. Cathleen Fichera-Asst. Branch Manager	Tracy Smith-Loan Resolution Assistant
Yvonne Fournier-Indirect Loan Officer	Barbara Stacey-Chief Operations Officer
Kayla Freeman-Asst. Branch Manager	Shawn Sutherland-Loan Officer
Kelly Gardner-Accounting Assistant II	Aimee Tibbetts-Member Service
Brian Gillespie-Member Service	Kate Turlo-Plastic Cards Coordinator
Justine Hackett-Contact Center Rep.	Samantha Whitney-Member Service
Rachel Higgins-Accounting Assistant I	Tori Willey-Loan Processor



## Office Hours and Locations

### Branch Locations

339 Hogan Road, Bangor  
10 Venture Way, Bangor  
6 Dirigo Drive, Brewer

### Lobby Hours

Monday - Thursday 9:00 A.M. to 4:00 P.M.  
Friday 8:00 A.M. to 5:00 P.M.  
Closed Saturday

### Drive-Thru Hours

Monday - Friday 8:00 A.M. to 5:00 P.M.  
Saturday 9:00 A.M. to 1:00 P.M.

### Mailing Addresses

PO Box 1161, Bangor, ME 04402-1161  
PO Box 362, Brewer, ME 04412-0362

### Phone and Fax Numbers

Phone: (207) 947-0374  
Toll Free: (800) 540-0374  
Fax Hogan Road: (207) 990-0759  
Fax Venture Way: (207) 262-3800  
Fax Dirigo Drive: (207) 989-0521

### iTalk Banking

(207) 385-2735  
Toll Free 1 (855) 835-5279

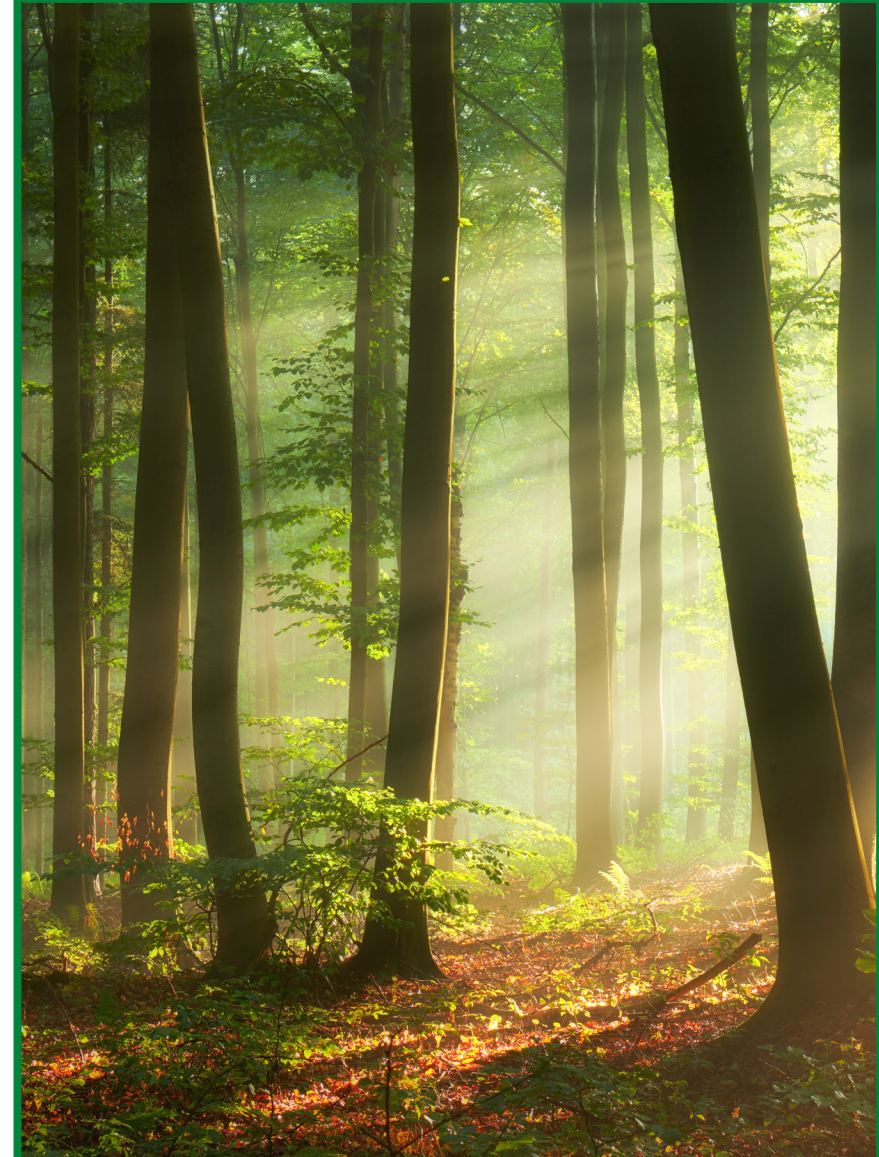
[www.bangorfederal.com](http://www.bangorfederal.com)



**Federally Insured by NCUA**

# Annual Report 2020

March 28, 2021



**Let Us Light Your Financial Path**



## Program

Pledge of Allegiance  
Introduction of Board and  
Supervisory Committee Members

Introduction of Staff

## Business Meeting

Minutes of Previous Meeting  
Chairman's Report  
President's Report  
Treasurer's Report  
Supervisory Committee Report  
Unfinished Business  
New Business  
Open Discussion and Questions  
Election of Officers  
Meeting Adjournment

### Statistical Information

	2020	2019
Number of Members	14,260	14,066
Potential Members	247,127	247,127
Amount of Loans Granted	\$29,499,160	\$36,940,155
Amount Since Organization	\$742,323,900	\$712,824,740

## Comparative Balance Sheet as of December 31, 2020

Assets	2020	2019
Loans to Members	\$124,002,438	\$124,161,582
Allowance for Loan Losses	(564,141)	(577,102)
Cash	1,810,333	1,920,053
Investments	65,607,393	35,763,154
Land and Building	3,602,221	3,704,427
Other Fixed Assets	737,663	780,260
Other Assets	1,316,465	1,116,270
<b>Total Assets</b>	<b>\$196,512,372</b>	<b>\$166,868,644</b>
Liabilities		
Accounts Payable	553	41,320
Other Liabilities	325,354	416,919
Notes Payable	-	-
<b>Total Liabilities</b>	<b>\$325,907</b>	<b>\$458,239</b>
Deposits		
Regular Savings	\$59,122,244	\$44,973,640
Checking	29,768,878	22,319,810
Clubs	4,589,885	3,858,431
Health Savings	542,550	481,522
Money Market	25,823,460	21,845,551
Certificates	54,741,515	52,673,167
IRA	4,808,283	4,643,735
<b>Total Deposits</b>	<b>\$179,396,816</b>	<b>\$150,795,856</b>
Equity		
Regular Reserves	1,396,326	\$1,396,326
Undivided Earnings	15,393,323	14,218,223
<b>Total Equity</b>	<b>\$16,790,139</b>	<b>\$15,614,549</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$196,512,372</b>	<b>\$166,868,644</b>

## Statement of Income and Expense as of December 31, 2020

Income	2020	2019
Income from Lending	\$5,946,236	\$5,853,359
Income from Investing	787,508	735,524
Other/Fee Income	\$2,143,416	2,432,631
<b>Total Operating Income</b>	<b>\$8,877,160</b>	<b>\$9,021,514</b>
Expenses		
Compensation	\$2,302,395	\$2,199,836
Employee Benefits	708,067	706,005
Travel and Conference	32,866	101,853
Association Dues	32,206	33,319
Office Occupancy	452,889	466,204
Office Operations	745,901	722,746
Advertising and Promotion	103,022	175,342
Loan Servicing	481,323	413,255
Professional Services	1,152,945	1,152,919
Provision for Loan Loss	132,110	490,277
NCUA Operating Fee	45,480	40,977
Cash Over/Short	1226	661
Interest on Borrowing Money	-	1,744
Annual Meeting	2,635	4,739
Other Miscellaneous Expense	160	232
<b>Total Operating Expenses</b>	<b>\$6,193,227</b>	<b>\$6,510,109</b>
Dividends		
Dividends to Regular Savings	70,307	54,080
Dividends to Checking	30,489	20,547
Dividends to Clubs	4,456	3,823
Dividends to Money Market	127,399	189,472
Dividends to Health Savings	530	445
Dividends to Certificates	1,253,931	915,311
Dividends to IRAs	21,721	33,697
<b>Total Dividend Expense</b>	<b>\$1,508,833</b>	<b>\$1,217,374</b>
<b>Net Income</b>	<b>\$1,175,100</b>	<b>\$1,294,031</b>



**ANNUAL MEETING MINUTES**  
**March 25, 2021**

For the continued safety of our Members, Employees and Communities we serve, Bangor Federal Credit Union had cancelled the in-person Annual Meeting of the members scheduled for March 28<sup>th</sup>. A smaller Annual Meeting was held in its place and closed to the public for the limited purpose of electing Directors on Thursday, March 25<sup>th</sup>, 2021.

**CALL TO ORDER**

The Annual Meeting was called to order by Chairman Bob Welch at 7:04 a.m. The meeting was held via Zoom with 17 members in attendance: 6 volunteers and 11 staff members. Chairman Welch determined a quorum had been established with those in attendance.

**DIRECTORS PRESENT:** Mary Lou Armes, Janet Capponi, Roberta Downey, Ernest Khoury, Debbie Laurie and Bob Welch.

**DIRECTORS ABSENT:** William Hogan

**SUPERVISORY COMMITTEE MEMBERS PRESENT:** None.

**ALSO, PRESENT:** Will Abbott, Paul Berube, Basil Closson, Kelly Dow, Stacy Edgecomb, Samantha Lang, Rachel Laprell, Travis Martin, Tina Morrill, Chris Nill and Barbara Stacey.

**MINUTES OF THE PREVIOUS MEETING**

The 2020 Annual Meeting minutes will be carried forward to the 2022 Annual Meeting.

**CHAIRMAN'S REPORT**

Board Chairman Bob Welch delivered the following written message:

My message last year noted that the Covid-19 pandemic had started to disrupt our "business as usual" Annual Meeting. Now, a year later, we are starting to see normal processes slowly returning our lives to a new "normal". Before we (hopefully) move forward in our return to better times, I wanted to stop for a minute and express my thanks to several people who were instrumental in keeping Bangor Federal going forward:

To the Members: Thank you for your continued trust in Bangor Federal as your financial institution of choice. The amount of gross assets that have been put into the Credit Union has skyrocketed us to almost \$200 million in assets. We will move forward together.

To the Staff: Thank you for servicing our members during these difficult times. Your excellent level of service never wavered, even during times when face to face transactions were impossible. Your hard work was noted several times by members and other staff. Please know that your safety is always a paramount concern of the Board and Management.

To the Leadership Team: You guided the Credit Union through uncharted times and we have emerged a strong, viable organization ready to move forward into the future. Your skill set during the long year to keep the Credit Union safe was amazing.





## ANNUAL MEETING MINUTES March 25, 2021

To my fellow Board Members and Volunteers with the Supervisory Committee: Some of you came onto the Board and/or Supervisory Committee over the last year when it would have been easier to just pass until better times. The talent, time and concern for Bangor Federal members have always been admirable, 2020 did nothing to diminish your level of caring.

My wish for 2021 is that we take the lessons we learned over the past year that improved our Credit Union and put them in our tool box. We will be stronger for the past year.

### **PRESIDENT'S REPORT**

Bangor Federal Credit Union's President/CEO Basil Closson delivered the following written message:

Hello and welcome to the 64<sup>th</sup> Annual Meeting of Bangor Federal Credit Union.

Our mission is to deliver the best financial experience to our members. This has been our vision since 1956 and I feel again we developed and implemented a series of strategies to achieve this in 2020.

The first quarter of 2020 continued to carry forward the momentum of 2019. Deposit and therefore asset growth continued strong with income more than sufficient to allow the solvency of Bangor Federal to grow at a positive rate. Then, the coronavirus pandemic struck and that changed the entire operational landscape.

On March 17<sup>th</sup>, we made the difficult decision to close our lobbies to member traffic, leaving the drive thru lanes open for business. There was no operating manual for the pandemic and sequence of events that followed.

Our lobbies remained closed until July 8<sup>th</sup>, at which time we re-opened for teller transactions only. We remained open until the fall when cases of the virus began to rise and we subsequently closed the lobbies again on November 23<sup>rd</sup>. It is very difficult to run a credit union with the lobbies closed, but when it comes to everyone's health and safety, the decision became easier to justify.

While the lobbies remained closed, we continued to find ways to help our members through this difficult time. In March, we began issuing loan extensions to help members as unemployment and financial uncertainty increased due the pandemic. Over the next 3 months, we approved 338 loan extensions equating to \$5,476,609, with 311 loans being consumer and 28 loans secured by real estate.

We also established a "Here to Help Loan" program, offering members to borrow up to \$2,000 for 24 months at a low rate of 2.99%. We also increased our overdraft program limit to again help members that needed that type of assistance.



## **ANNUAL MEETING MINUTES**

### **March 25, 2021**

In April, we began offering Payroll Protection Program (PPP) loans. In the first 3 months we submitted 17 First Draw PPP loans to the Small Business Administration (SBA) for a total of \$108,200. In October and November, we submitted all 17 loans to the SBA for forgiveness, of which all were forgiven for the full loan amount and interest.

From a financial perspective, in April, members received the 1<sup>st</sup> of 2 economic stimulus checks. The first wave totaled \$7,158,000 deposited into member's accounts. The 2<sup>nd</sup> stimulus wave came in early January 2021 and accounted for nearly half the April deposit.

In 2020, Bangor Federal grew by nearly \$30 million in assets (18% growth rate) of which nearly \$29 million was member deposits (19% growth rate). Loan demand was sufficient to maintain the level of the total portfolio throughout 2020. Due to excessive growth and declining loan and investment rates, Net Worth (Solvency) declined 82 basis points to 8.54%.

From a product and service perspective, our most significant project in 2020 was the preparation for a digital banking conversion. We are converting our Online in-home banking platform from a company that is scheduled to sunset and our mobile banking solution which lacks administrative support to one single solution that encompasses both home banking and mobile banking under one roof. This product was vetted extensively, and although change can be difficult and frustrating at best, was felt to be the best long-term solution for our members.

In closing, 2020 was a very challenging year for all as people continue to be impacted by this invisible enemy called COVID-19. We believe 2021 will be a better year for all, as vaccines begin to roll out and we can return to some sort of normalcy. So, from all of us at Bangor Federal, thank you for your continued support.

### **TREASURER'S REPORT**

Treasurer Debbie Laurie referred members to the Comparative Balance Sheet as of December 31<sup>st</sup>, 2020 included in the Annual Report 2020 that was provided electronically to those in attendance as well as posted on the website for the membership's review.

### **SUPERVISORY COMMITTEE REPORT**

Supervisory Committee Chairman Roberta Downey delivered the following written message:

Bangor Federal Credit Union, like every federally-chartered credit union, has a Supervisory Committee which acts as its members' "watchdog". The Committee's goal is to assure that Bangor Federal's financial reporting is accurate and that member's assets are safe.

Below is a report of activities in 2020:

- An independent financial audit was completed by Wipfli with no material findings.
- The National Credit Union Administration completed its audit. Bangor Federal was awarded the highest rating. According to the NCUA, highest rated credit unions are in



## **ANNUAL MEETING MINUTES**

### **March 25, 2021**

substantial compliance with laws and regulations. As a result, they exhibit sound performance and risk management practices relative to the credit union's size, complexity and risk profile, and give no cause for supervisory concern.

- The Committee reviewed and monitored internal compliance audits and activities; more than 30 procedures, services and programs.
- Mailed and reviewed monthly closed account letters and verification surveys; followed up on any comments or concerns.
- Participated in monthly Finance Committee meetings.

There were some activities that we did not perform as usual due to COVID-19 such as monthly teller cash counts. In that case, in-house management substituted weekly surprise cash counts. We also suspended monthly loan closing reviews, based on limited past findings, we felt that this presented no risk. We're planning to resume face to-face activities within the next few months.

The Supervisory Committee meet quarterly by telephone or Zoom to review progress on the above activities.

Thank you to Basil and Barbara for participation in the meetings as well as responding to our requests, to the Management Team and staff for being so accommodating. And special thanks to Stacy, for keeping us on track in the nicest possible way.

I want to recognize Aaron Ball, D'arcy Main-Boyington, John Chase, Rod Hathaway and Bill Hogan our member emeritus – who handle their responsibilities with common sense, thoroughness, dependability and cheerfulness.

### **UNFINISHED BUSINESS**

There was no unfinished business to discuss.

### **NEW BUSINESS**

There was no new business to discuss.

### **ELECTION OF OFFICERS**

This year's Nominating Committee was comprised of Mary Lou Armes, Janet Capponi and Roberta Downey. The three-year terms of William Hogan, Ernest Khoury, Debbie Laurie and Robert Welch were up for re-election. There were no nominees made by petition and nominations are not accepted from the floor. There was no requirement for paper ballots since there are four nominees to fill four positions. Nominating Committee Chair Roberta Downey placed the names of William Hogan, Ernest Khoury, Debbie Laurie and Robert Welch in nomination for terms of three-years. A motion was made and seconded to set aside a bylaw rule to vote by ballot and cast one ballot with the Secretary of the Board in support of the slate of candidates as presented. Motion carried. Unanimous.



ANNUAL MEETING MINUTES  
March 25, 2021

**MEETING ADJOURNMENT**

With no further business to discuss the Annual Meeting was adjourned at 7:07 a.m.