



2020 ANNUAL REPORT

MOVING FORWARD TOGETHER



MESSAGE FROM THE PRESIDENT

DEAR MEMBERS,

I would like to thank you, our members, staff, and volunteers for turning a challenging year into a success story at Dirigo Federal Credit Union. The Pandemic required that we change the way we have always done business and use the crises as an opportunity to become more flexible and inventive. We learned how to open accounts and close loans remotely, improved our digital banking capabilities, and served our members safely throughout the year while keeping our branches and lobbies open. The lessons learned in 2020 will continue to provide benefits to our members for years to come; faster, easier, more convenient options are priorities at your credit union.

Due to the COVID-19 outbreak, Dirigo took immediate action in March to address drastic changes in public safety and the economy to assist our members when they were experiencing great stress. Under the guidance of our Board of Directors we temporarily reduced and eliminated fees, offered emergency loans, provided loan extensions and mortgage modifications to ensure the stability of our members and our community. Dirigo remained committed to keeping our lobbies open to serve those members who needed in person service and we improved our already outstanding member service. Credit Union staff rose to the challenge this year and were supported by our members who were patient and gracious dealing with many changes.

Financially, your credit union remains strong with a capital ratio of 10% and assets of \$310,820,767 which is a tremendous increase of 19% for the year. Your credit union posted profit of \$1,327,963, a slight decline of 2.7% from 2019. Loans to our members grew at a brisk pace, 21% in mortgages with \$48 million closed this year. Consumer loans increased at an even more rapid pace with 2,403 loans in the amount of \$39 million representing a growth rate of 24%. All things considered, the results this year were exceptional and are a good example of how your credit union assisted our members during severe economic conditions.

Thank you again for choosing Dirigo Federal Credit Union to be your trusted financial provider. Please tell your friends and family about your experience at Dirigo and encourage them to join. We look forward to welcoming more members to the Dirigo family in 2021.

Best,
Mark Samson

» 2020 YEAR IN REVIEW «

STATEMENT OF FINANCIAL CONDITION

FOR THE YEARS ENDED DECEMBER 31,

ASSETS	2020	2019
Consumer Loans	\$ 79,042,883	\$ 63,543,387
Real Estate Loans	146,742,925	132,902,868
Less: Allowance for Loan Losses	(1,808,789)	(1,199,596)
NET LOANS	\$ 223,977,019	\$ 195,246,659
Cash and Cash Equivalents	43,006,108	9,766,689
Investments	24,369,000	36,665,648
Property and Equipment, net	8,266,616	8,557,365
Other Assets	11,202,024	10,381,052
TOTAL ASSETS	\$ 310,820,767	\$ 260,617,413
LIABILITIES AND MEMBERS' EQUITY		
Notes Payable	3,106,024	6,523,569
Accounts Payable and Other Liabilities	3,926,502	2,383,913
Shares	102,226,365	72,593,136
Share Drafts	48,590,970	34,709,561
Club Accounts	6,104,229	4,281,856
Money Market Accounts	41,826,659	34,554,252
IRA Shares	7,271,522	6,694,838
IRA Certificates	16,557,006	15,528,119
Share Certificates	49,946,736	53,036,206
Members' Equity	31,264,754	30,311,963
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 310,820,767	\$ 260,617,413

STATEMENT OF INCOME AND EXPENSES

AS OF DECEMBER 31,

INCOME	2020	2019
Interest on Consumer Loans	\$ 3,460,216	\$ 2,966,058
Interest on Real Estate Loans	5,699,603	5,625,033
Investment Income	789,851	1,223,633
Other Operating Income	3,443,869	3,233,127
TOTAL INCOME	\$ 13,393,539	\$ 13,047,851
EXPENSES		
People Costs (Wages and Benefits)	4,346,277	4,210,493
Travel and Conference	24,697	93,440
Office Occupancy including Depreciation	871,624	708,536
Office Operations	982,643	1,006,582
Loan Servicing	774,149	581,059
Educational and Promotional	231,455	313,229
Data Processing	523,422	467,288
Professional Services	340,660	330,750
Member Insurance	37,792	55,077
ATM and Debit Programs	1,078,498	994,203
Association Dues	31,543	31,432
Federal Operating Fee	71,005	65,025
TOTAL OPERATING EXPENSES	\$ 9,313,765	\$ 8,857,114
Interest Expenses	100,785	149,564
Provision for Loan Losses	797,121	516,722
(Gain) Loss from Sale of Assets	(46,989)	(57)
Dividends	1,900,894	2,160,259
NET INCOME	\$ 1,327,963	\$ 1,364,249

VIRTUAL ANNUAL MEETING AGENDA

APRIL 28, 2021 | 5:00 PM

> PROGRAM

Moment of Silence for Deceased Members	Supervisory Committee Report
Pledge of Allegiance	Unfinished Business
Roll Call of Officers	New Business
Reading of Previous Meetings Minutes	Nominating Committee Report
Chairman's Report	Election of Officers
President's Report	Meeting Adjournment

LEADING THE WAY

> SENIOR TEAM

Mark Samson, President/CEO
Kevin Joler, Executive Vice President/
CFO
Nicole Mailhot, Chief Business Officer
Chris Bouchard, Chief Operations
Officer

> SUPERVISORY COMMITTEE

Derek Fox, Chairperson
Arthur Gregory, Member
Nikki Withrow, Member
Paul Gaudette, Member

CONTACT DIRIGO FCU

> LOCATIONS

Lewiston
Auburn
Mechanic Falls
South Paris

> PHONE NUMBERS

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207.784.5435

> WEBSITE

dirigofcu.com

> BOARD OF DIRECTORS

Steve Mennealy, Chairperson
John Hawley, Assistant Chairperson
John Tuttle, Secretary/Treasurer
Richard Beaulieu, Director
Basil Chadbourne, Director
Theresa Thomas, Director
Michael Burke, Director

COMMUNITY SERVICE

Though 2020 came with some challenges due to many community events being canceled because of the pandemic, it did not stop us from supporting the communities we serve.

We made our largest Ending Hunger campaign contribution to date with a donation of \$34,543 that went directly to many local food pantries and hunger organizations.

We launched a unique project called "Seeds of Hope" where we donated bird feeders that were placed outside windows at local nursing homes to cheer up residents that had been stuck inside due to COVID-19 precautions.

A donation of \$7,000 was given to the Lewiston School Department in a partnership on the expansion of their homeless youth program into the elementary schools. The donation helped allow them to provide an array of services to elementary school families struggling with homelessness.



DIRIGO

FEDERAL CREDIT UNION

