

Annual Report 2019



Opportunity starts here

To our member-owners of Downeast Credit Union:

2019 has been another year of prosperity for our members, as we continued our efforts in providing opportunity for our members and the communities we serve.

We can't emphasize enough how important our vision and mission are. Alphonse Desjardins, the founder of the credit union movement in North America, made this following statement over 100 years ago:

"A credit union is not an ordinary financial concern, seeking to enrich its members at the expense of the general public. Neither is it a loan company, seeking to make a profit at the expense of the unfortunate... The credit union is nothing of the kind; it is the expression in the field of economics of a high social ideal."

Your credit union lives by this philosophy.

Each month, our 90 team members gather for two hours, discussing how to better serve our members. We share what we call 'WOW Moment' stories. If you regularly attend our Annual Meetings, you know how meaningful and heartfelt these stories can be. These inspirational stories lead our team as guiding principles of stellar service.

We believe all our members are equally important, and we know you do as well. There are those 'life happens' situations where our members might fall on hard times. This can happen to any of us. Your credit union will be here to serve members and our communities during these times. Community members who fall on hard times may experience difficulty paying their monthly obligations, creating additional stress. Many banks and financial institutions typically lend less to community members who have missed payments. When this happens, in many cases, these community members end up borrowing 'high-cost' money from predatory lenders. We work hard to help these members through the 'life happens' situations and open the door to new opportunities.

During 2019, your credit union lent \$84.6 million within its communities. Based upon past payment history, we rate our borrowers using a FICO rating system. In most cases, members who have a rating of 699 and less have experienced some level of financial difficulty in the past. The table to the right depicts our lending allocation for 2019.

We lent a record \$44.8 million to our members with FICO scores of 699 and less. During 2015, 2016, 2017 and 2018, we lent \$29.4 million, \$32.6 million, \$38.3 million, and \$43.5 million respectively to members who scored 699 and less.

All of our members are equally important to Downeast Credit Union.

We strive to ensure we are reaching out and serving all community members. If you know of a friend, a family member, or a loved one who could benefit from a 'better' banking alternative, please refer them to Downeast Credit Union – because we care, and we'll prove it.

In closing, DECU had a profitable year, we are well-capitalized, we served our members well, and we were selected as one of the Best Places to Work in Maine for the third consecutive year in a row. In addition, our members earned \$2.4 million in dividends and we supported nearly 50 community causes and charitable organizations throughout the year.

Thank you for being a DECU member and supporting your local credit union.

Mason R. Pottle
Chairman of the Board

Joseph A. Moses, MBA | CCUE | CUERME
President/CEO

Millions in Loans	FICO Score
\$9.3	800-900
\$11.8	750-799
\$18.5	700-749
\$15.0	660-699
\$16.7	620-659
\$9.2	580-619
\$3.9	300-579



Statement of Financial Condition - Unaudited

ASSETS	2019	2018	2017
Loans to Members, Net	\$ 175,043,354	\$ 172,027,511	\$ 150,649,879
Cash	7,848,113	10,111,639	8,031,474
Investments	774,643	962,343	734,843
Premises and Equipment	8,343,420	8,392,034	7,539,856
Other Assets	11,120,629	10,901,671	10,138,827
TOTAL ASSETS	\$ 203,130,159	\$ 202,395,197	\$ 177,094,879
LIABILITIES AND EQUITY			
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 1,067,433	\$ 1,615,104	\$ 1,636,558
Due to Other Financial Institutions	-	6,000,000	-
TOTAL LIABILITIES	1,067,433	7,615,104	1,636,558
EQUITY			
Member Accounts	\$ 185,008,862	\$ 178,838,216	161,144,691
Regular Reserve, Undivided Earnings	17,053,864	15,941,877	14,313,629
TOTAL EQUITY	\$ 202,062,726	\$ 194,780,093	\$ 175,458,320
TOTAL LIABILITIES AND EQUITY	\$ 203,130,159	\$ 202,395,197	\$ 177,094,878

Statement of Income - Unaudited

Interest on Loans	\$ 10,904,023	\$ 9,388,512	\$ 8,396,567
Interest on Investments	74,809	22,816	19,966
Fee Income and Other Income	5,209,464	5,248,310	4,817,945
TOTAL REVENUE	\$ 16,188,296	\$ 14,659,638	\$ 13,234,478
Salaries and Benefits	\$ 6,424,621	\$ 6,513,197	\$ 5,380,542
Office Operation	1,792,082	1,505,867	1,440,515
Office Occupancy	568,422	557,730	578,704
Education and Promotions	339,748	226,210	290,890
Travel & Conferences	236,491	252,798	295,131
Professional and Outside Services	434,779	368,669	330,570
Loan Servicing	1,254,755	1,011,269	1,029,170
Provision for Loan Losses	1,440,000	1,028,002	1,052,047
Other Operating Expenses	155,017	158,329	95,705
TOTAL EXPENSES	\$ 12,645,915	\$ 11,622,072	\$ 10,493,274
Net Income before Interest & Dividends	\$ 3,542,381	\$ 3,037,566	\$ 2,741,204
Total Interest & Dividend Expense	2,453,528	1,409,319	1,090,256
NET INCOME	\$ 1,088,853	\$ 1,628,247	\$ 1,650,948



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Causes Supported in 2019:

Alzheimer's Association | American Legion - Calais | American Legion - WT Wren | Anah Shriners of Bangor
Baileyville Octoberfest | Belfast Chamber of Commerce | Belfast Harbor Fest | Belfast Rotary | Belfast YMCA
Bikes for Books - Free Masons of Maine | Bowdoinham Community School | Calais Downtown Revitalization Committee
Calais Lioness | Calais Lions | Calais Middle High School | Children's Miracle Network | Down East Community Hospital
Eastern Elite Basketball | Eastport Labor of Love Food Pantry | Ending Hunger in Maine
Free the Z Turkey Drive | Good Shepherd Food Bank | Habitat for Humanity
Healthy Acadia | Lake St. George State Park | Machias Chamber of Commerce
Machias Wild Blueberry Festival | Maine Basketball Hall of Fame | Maine Special Olympics
MECUL Campaign for Ending Hunger | Old Town Recreation Department
Passamaquoddy Youth Conservation & Skill Based Learning Camps
Richmond Food Pantry | Salvation Army | Sarah's House | Topsham Fair
Topsham Parks & Recreation | Unity Barn Raisers | Unity Business Exchange
Unity Fire Department | Unity Rotary | Washington County Community College
Woodland American Legion | Woodland Elementary School
Woodland Jr-Sr High School | Woodland Recreation Department