

FRASER EMPLOYEES FEDERAL
CREDIT UNION



NorState
Federal Credit Union
Serving YOU Since 1941



2022 Annual Report

A message from our President/CEO

Dear Members,

We would like to start out by thanking a long-time, dedicated employee of NorState FCU for 34 years, Sue Whitehead. Sue officially retired on November 30, 2022, leaving a financially strong credit union as just one piece of her legacy here at NorState. Sue's leadership and love for this credit union will be missed by all of us. Thank you Sue for being such an important part of the NorState family and being a critical piece to our success. Your credit union had another very successful year financially coming out of the Pandemic era. We would define our success by mentioning these key areas:

- Dedicated staff and volunteers working hard and adapting successfully to the challenges and changes that working through COVID presented over the past 12-24 months.
- Continued to work diligently with our strategic partners to provide innovative products, services, and delivery channels in a user-friendly, omnichannel approach to ensure our products, services, and staff are available to our members regardless of how you prefer to interact with NorState.
- Your credit union was named one of Maine's "Best Places to Work" in 2022 in the category of companies with employees 50-100.
- Excellent results and comments from our most recent regulatory examination from our deposit insurer, NCUA (National Credit Union Association)
- NorState FCU was also made the list of Forbes Best in State Credit Unions in 2022, as well as other local recognition for our continued support for Ending Hunger and overall support for the communities we serve from a financial and staff volunteer perspective.

and Chairman of the Board

This is just a small list of what your credit union has accomplished in 2022. Through all of the economic headwinds, including record high inflation impacting ongoing operating costs, as well as the continued interest rate hikes from the Federal Reserve, your credit union remained financially successful in 2022. Unlike some of the recently failed banks, the Management team and Board of Directors continue to make prudent financial decisions to ensure your money is safe and secure with your credit union. Our decisions led to experiencing another year of profitability leading to a net worth of 13.71%, a 5.5% increase over 2021.

We want to thank all of the NorState staff for the time and effort they continue to give to our communities and members, our Board of Directors for their leadership ensuring your credit union is around for the long haul, the Supervisory Committee for ensuring your money is always safe and secure, and finally, you, our members for allowing us to serve your financial needs and help you with those financial challenges that we all encounter from time to time.

Thank you and have a safe and healthy 2023.

Respectfully,



Jeffrey Davenport
President & CEO



Leigh Smith
Chairman of the Board

2022 Annual Report

COMPARATIVE BALANCE SHEET

As of December 31, 2022

ASSETS	2021	2022
Loans	\$122,147,116.65	\$126,450,810.68
Participation Loan	0.00	0.00
Student Loans	134,764.75	94,591.94
VISA Loans	5,552,189.58	5,692,944.45
Mortgage Loans	44,306,045.56	50,151,658.08
Allowance for Loan Losses	(667,238.47)	(938,856.20)
Net Loans Outstanding	\$171,472,878.07	\$181,451,148.95
Cash	\$2,324,375.47	\$2,841,541.45
Federal Agency Securities	-	\$6,992,105.00
TRICORP	19,170,782.39	3,454,090.29
Jumbo CD Investment	36,162,366.22	34,185,725.74
MECUL Capital Stock	200,000.00	200,000.00
Other CU Shares	29,381.25	9,888.31
Federal Home Loan Bank	471,602.90	420,687.49
Invest in Equinox Aroostook - CUSO	90,723.86	123,275.74
Allowance for Loss on Investments	0.00	0.00
Net Investments	\$56,124,856.62	\$45,385,772.57
New Building (Net)	\$519,721.65	\$440,671.77
Land & Building - Mad Branch (Net)	103,589.96	98,189.96
Land & Building - E.L. Branch (Net)	101,204.48	92,074.76
Land & Building - Ash. Branch (Net)	117,428.70	112,851.30
Land & Building - VB Branch (Net)	105,724.82	90,958.22
Land & Building - FK Branch (Net)	207,452.06	201,025.22
Land & Building - PI Branch (Net)	1,282,995.99	1,277,110.33
Storage Shed - FK (Net)	440.00	200.00
Leasehold Improvements (Net)	1,077.88	762.52
Land Improvements (Net)	1,289.16	1022.52
Furniture & Equipment (Net)	395,506.14	361,156.80
All Other Assets	1,769,938.44	2,699,484.93
Deposits in NCUSIF	1,853,297.33	1,914,906.04
Pension Plan Asset	5,654,621.00	4,861,494.00
Split Dollar Life Insurance CSV	1,355,791.95	1,379,902.33
Total Other Assets	13,470,079.56	13,531,810.70
Total Assets	\$243,392,189.72	\$243,210,273.67
LIABILITIES		
Accounts Payable (Including CSD)	\$2,198,856.91	\$1,068,706.93
Notes Payable	5,500,000.00	4,000,000.00
All Other Liabilities	158,623.66	382,236.22
Total Liabilities	\$7,857,480.57	\$5,450,943.15
OWNERS' EQUITY		
Shares	\$67,285,558.94	\$68,219,212.15
Share Drafts	39,939,597.15	40,103,276.97
IRA Certificates	19,338,200.16	18,084,291.21
Share Certificates	44,807,927.02	50,775,765.53
Money Market Fund (Flex)	21,913,106.82	21,112,871.34
Non-Member Certificates	798,000.00	599,524.61
Regular Clubs	6,664,043.30	6,826,290.68
IRA Clubs	6,254,803.94	5,636,356.83
Escrow Payable	27,345.54	19,712.96
Unapplied Club	112,130.84	138,796.80

Total Deposits	\$207,140,713.71	\$211,516,099.08
Regular Reserves	\$3,718,650.07	\$3,718,650.07
Acc Gain/Loss AFS Securities	0.00	0.00
Undivided Earnings	27,877,181.48	29,625,508.13
Unrecognized Gn (Ls) in Pension Plan	(2,857,472.00)	(3,623,682.00)
Accum Unrealized Gn/Ls on AFS Invest.	(344,364.11)	(3,477,244.76)
Total Retained Earnings	28,393,995.44	26,243,231.44
Total Liabilities & Equity	\$243,392,189.72	\$243,210,273.67

COMPARATIVE INCOME STATEMENT

As of December 31, 2022

INCOME	2021	2022
Interest Income:		
Interest On Loans	\$9,324,041.80	\$9,410,737.72
Income From Investments	390,087.25	633,711.23
Income from Investment in CUSO	0.00	0.00
Total Interest Income	\$9,714,129.05	\$10,044,448.95
Interest Expense:		
Dividends	\$1,362,020.33	\$1,310,985.80
Interest On Borrowed Funds	110,004.02	72,359.25
Total Interest Expense	1,472,024.35	1,383,345.05
Net Interest Income	\$8,242,104.70	\$8,661,103.90
Provision Loan Loss	\$(332,143.88)	\$798,672.32
Provision for Investment Loss	0.00	0.00
Net Int. Inc. After Provision Loss	\$8,574,248.58	\$7,862,431.58
OPERATING EXPENSES:		
Salaries	\$3,815,520.37	\$4,092,054.55
Employee Benefits	1,060,769.60	907,855.14
Education & Conference Expenses	59,753.90	95,969.44
League Dues	27,542.00	25,622.19
Office Occupancy Expenses	441,871.98	497,204.00
Office Operations Expenses	951,135.32	993,975.98
Member Educational & Promotional	184,584.70	207,597.51
Loan Servicing Expenses	750,033.32	813,840.68
Professional & Outside Expenses	729,357.68	1,006,137.78
Operating Fee - NCUA	45,149.18	38,235.14
Cash Over & Short	4,438.53	3,281.61
Annual & Other Meetings	24,389.40	30,918.88
Unrealized Loss On Canadian \$	24,916.20	55,896.77
Loss On Canadian Exchange	0.00	0.00
Miscellaneous Expenses	42,413.53	62,846.96
Total Operating Expense	\$8,161,875.71	\$8,831,436.63
OTHER OPERATING INCOME:		
Recovery of Unrealized loss on Can \$	\$371.73	\$6,814.58
Income from Canadian Exchange	36,628.47	66,016.62
Misc. Operating Income	2,999,214.61	2,762,255.27
Total Other Operating Income	\$3,036,214.81	\$2,835,086.47
NON-OPERATING GAIN (LOSS):		
Gain (Loss) on Disposition-Assets	\$148,734.57	\$98,109.07
Oreo Expense / Income	44,443.62	19,645.70
Total Non-Operating Gain (Loss)	(193,178.19)	(177,754.77)
Net Income (Loss)	\$3,255,409.49	\$1,748,326.65

#team



norstate





NorState

Federal Credit Union

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