

# 2021 Annual Report

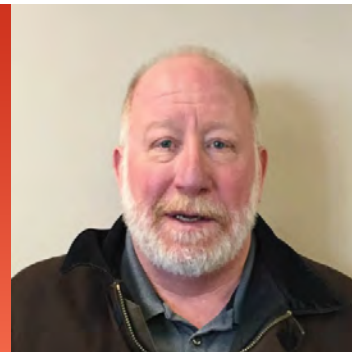
**OUR MISSION** To enhance the lives of our members by offering a full range of convenient and economic services while maintaining financial security.



# Chairman's Report

**Patrick R. Ida, CPA**

Board Chairman



At TFCU, our mission is to enhance the lives of our members by offering a full range of convenient and economical services while maintaining financial security. Our commitment to this mission is paramount and unwavering.

We continue to see positive results in our financial condition, having posted a net income of \$1,408,815 for 2021. Additionally, from December 2020 to December 2021, Assets increased \$18.81 MM or 14.08%, Shares increased \$17.41 MM or 14.45%, and Loans increased \$4.56M or 8.13%. We ended the year 2021 with a capital to assets ratio of 8.77%, well above the 7% level needed to be deemed well-capitalized by our regulator.

Your credit union is doing well and is financially strong. Our financial condition has improved significantly, and with additional initiatives beginning in 2021, continued improvement is expected in 2022 and beyond. With our charter expansion and rebranding now complete, we continue to be focused on serving existing members and reaching out to potential new members in our expanded field of membership. We are growing, and that growth will enable us to serve you even better and bring what we've all loved about TFCU to more members in the North Country both NY and VT.

I want to thank the board for their courage, resolve, and depth of understanding of the issues facing our credit union and our movement. I am proud of our directors for remembering at all times, who we serve, which is you, the members who elected us.

I would like to take this opportunity to recognize Richard McClintock for three years of service on our board, with much of that as the Chairman of our Supervisory Committee. Rick took his responsibilities seriously and was always fully prepared and engaged in carrying out his duties; the board joins me in wishing him well.

Doing the right thing for our members has always been a guiding principle; committed to our values it will continue to be so. Thank you, our members, for your continuing support.

Respectfully submitted,

Patrick R. Ida, CPA,  
Chairperson, Board of Directors, TFCU

# President's Report

**Shawn M. Hayes, CCUE, CUCE**

President & Chief Executive Officer  
Treasurer – Board of Directors



Much has been accomplished over these many months as we've continued to work diligently to remain fiscally responsible and generate the income necessary to maintain and build upon the capital that was so important in weathering the storm of the Great Recession and the subsequent new economy. As importantly, we have not forgotten what we believe is a hallmark of the credit union movement; that is our desire to provide the highest level of service possible to you, our loyal members.

2021 was a year filled with challenges, opportunities and successes as we continued our focus on our short- and long-term strategic plans. I have written a great deal over the past ten years about our financial condition and the many decisions and initiatives that the Board of Directors and the Leadership Team implemented to sustain our profitability and efficiency and lay the groundwork for continued growth and viability. We are seeing positive results.

Despite challenges brought by COVID-19, consumer confidence continued to improve in 2021 with our Loans increasing \$4.6MM or 8.13% from the previous year-end. 2021 saw Net Income of \$1,408,815, including \$523,786 representing a recovery of 80% of our membership capital share deposit with the former Member's United Corporate Credit Union written off during the Great Recession. We expect a full recovery this year. We ended 2021 with Assets of \$152,411,140 and net worth of 8.77%, well above the 7% needed to be considered well capitalized by our federal regulator. I am pleased to say our financial condition continues to improve and we are growing.

Members continue to embrace and are utilizing technology to access their accounts and conduct transactions. As of December 31, 2021:

- 6,472 Members have enrolled in Connected Banking
- 2,974 Members have enrolled in Bill Pay
- 2,649 Members have opted to receive their account statements electronically
- There were 951 new internet-based loan applications
- Members conducted 10,169 remote deposit transactions totaling \$4,624,498
- 1,049 Android and 805 Apple devices had our mobile app active
- We provided 1,515 opportunities for members to sign documents remotely
- 90 individuals electronically applied for membership using our new online Account Create functionality and 8 existing members opened new share types.
- Our members conducted 1,389 transactions totaling \$1,821,546 at other credit unions around the country using the shared branching network

We are thrilled with the way members continue to embrace technology for good reason. Investment in this technology is a competitive necessity. Technology will bring operational efficiencies to better serve existing members and pave the way for growth deeper into our new expanded field of membership providing access to and for new members.

We want to be able to serve members who can't get to or choose not to use a branch location but do have and use technology; technology that will enable them to become members, apply for and receive a loan, deposit checks and transact their other business from wherever they are. We are currently working on significant improvements to several pieces of this technology and expect to implement in the second quarter of this year.

We are committed to providing the products and services that you need in the way that you expect them. We want and need to grow in order to remain a competitive, relevant and financially viable credit union now and long into the future. Technology, our charter expansion and rebranding will help us do that. At the same time, we will not lose sight of the personal touch. Our staff remains committed to serving you face to face if your choice is to personally visit one of our branch locations.

Yes, looking back, 2021 was a successful and rewarding year. We continue to have healthy capital, are seeing improvement in our financial results and remain committed in our work with and for you.

Rest assured, our focus on our mission will not diminish. We are ever mindful of the services that we offer and will continue to provide new and additional services as appropriate. We will do so while continuing to look for ways to make our operations efficient and cost effective while not sacrificing service - a delicate balance in any economy.

I would like to take this opportunity to recognize Richard McClintock for three years of service on our board, with much of that as the Chairman of our Supervisory Committee. Rick took his responsibilities seriously and was always fully prepared and engaged in carrying out his duties; the board joins me in wishing him well.

TFCU has and will continue to thrive, and I am looking to the future with excitement and confidence. On behalf of the Board of Directors, leadership team and dedicated staff, thank you for your loyalty and commitment to TrailNorth Federal Credit Union. Members truly do make the difference. We will continue to work hard to balance our goal of maintaining financial security with our desire to continue to provide cost effective, competitive products and services, as efficiently as and with the best service possible.

Shawn M. Hayes, CCUE, CUCE  
President & Chief Executive Officer  
Treasurer – Board of Directors

# Supervisory Committee Report



The Supervisory Committee is currently comprised of three board-appointed volunteers who serve as a link between the Board, Leadership Team, and the Membership. Current members of the committee include William Barnhart, Karlene Gonyeau and Susan Nephew.

The committee's primary responsibility is to determine whether the plans and policies established by your board of directors are being properly administered and are sufficient to safeguard members' assets.

The supervisory audit, verification of member accounts, as well as other tests and reviews conducted directly by committee members all serve to carry out the committee's responsibilities.

For 2022, in addition to a variety of monthly, quarterly, semi-annual, and annual internal ongoing reviews conducted by the committee, your credit union was reviewed twice by an independent source.

The first was the annual Supervisory Committee audit. Wojeski & Company, an independent certified public accounting firm, was engaged to audit your credit union's financial statements while also reviewing procedures, policies, internal controls and management practices.

The second review was also conducted by Wojeski and Company and consisted of an audit of our compliance with the Bank Secrecy Act related to the detection and prevention of money laundering.

I am happy to report that your credit union received excellent ratings in both instances.

The last regulatory exam conducted by our regulator, the National Credit Union Administration (NCUA) occurred in 2021 as of December 2020, and we received excellent ratings as a result of that review as well. Your funds are safe here at TFCU, and we are committed to maintaining that level of safety and soundness.

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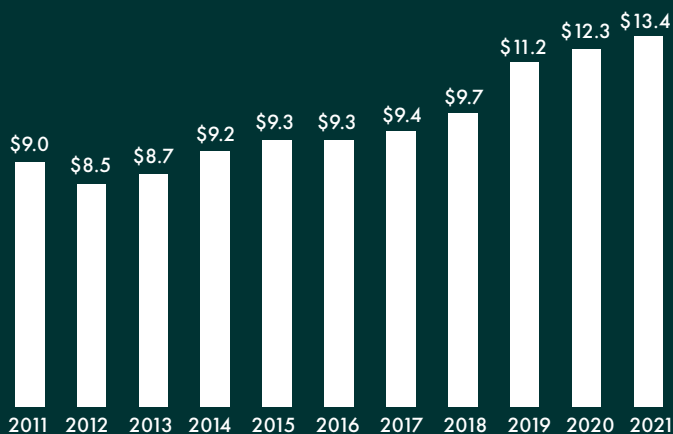
As a member, if you have any questions or suggestions concerning the credit union, please contact the committee at P.O. Box 308, Ticonderoga, NY 12883.

# Comparative Statement of Financial Condition

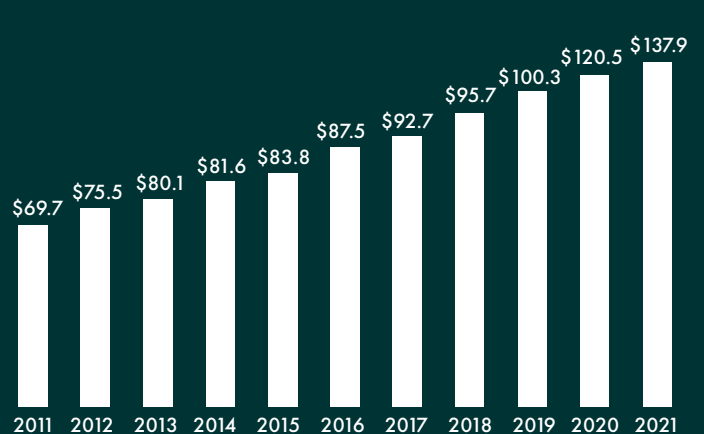
|  | Dec. 31, 2020        | Dec. 31, 2021        |
|--|----------------------|----------------------|
| <b>ASSETS</b>  |                      |                      |
| Loans to Members - Net                                   | \$55,688,009         | \$60,326,957         |
| Cash   | \$2,707,414          | \$2,850,287          |
| Investments  | \$67,591,748         | \$79,996,647         |
| Land & Buildings Net                                     | \$2,895,366          | \$4,159,577          |
| Other Fixed Assets Net                                   | \$261,388            | \$225,259            |
| All Other Assets   | \$4,453,044          | \$4,852,413          |
| <b>TOTAL ASSETS</b>                                      | <b>\$133,596,969</b> | <b>\$152,411,140</b> |
| <b>LIABILITIES AND MEMBER'S EQUITY</b>                   |                      |                      |
| <b>LIABILITIES</b>                                       |                      |                      |
| Shares   | \$120,491,902        | \$137,900,759        |
| Accounts Payable   | \$825,349            | \$1,152,847          |
| <b>TOTAL LIABILITIES</b>                                 | <b>\$121,317,252</b> | <b>\$139,053,606</b> |
| <b>MEMBERS EQUITY</b>                                    |                      |                      |
| Regular Reserve  | \$1,771,485          | \$1,771,485          |
| Other Reserves   | \$3,202,530          | \$3,202,530          |
| Undivided Earnings                                       | \$6,985,824          | \$8,394,639          |
| Accumulated Gain/(Loss) on Available for Sale Securities | \$319,879            | \$(11,121)           |
| <b>TOTAL EQUITY</b>                                      | <b>\$12,279,718</b>  | <b>\$13,357,534</b>  |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>                    | <b>\$133,596,969</b> | <b>\$152,411,140</b> |

|  | Dec. 31, 2020      | Dec. 31, 2021      |
|--|--------------------|--------------------|
| <b>EARNINGS &amp; DISTRIBUTION OF FUNDS</b>      |                    |                    |
| <b>OPERATING INCOME</b>                          |                    |                    |
| Interest on Loans                                | \$3,521,303        | \$3,622,265        |
| All Other Operating Income                       | \$2,557,400        | \$2,698,165        |
| <b>Total Operating Income</b>                    | <b>\$6,078,703</b> | <b>\$6,320,431</b> |
| <b>OPERATING EXPENSES</b>                        |                    |                    |
| Compensation & Benefits                          | \$2,362,905        | \$2,583,064        |
| Office Operations                                | \$715,316          | \$736,334          |
| Office Occupancy                                 | \$337,479          | \$362,946          |
| Association Dues                                 | \$22,762           | \$19,909           |
| Loan Servicing                                   | \$318,619          | \$443,062          |
| Member Education Advertising/Promotion           | \$79,573           | \$143,589          |
| Professional & Outside Services                  | \$1,086,407        | \$831,618          |
| Interest on Borrowed Money                       | \$0                | \$0                |
| Federal Examination Fee                          | \$30,702           | \$26,887           |
| Annual Meeting Expense                           | \$0                | \$831              |
| Travel & Conference                              | \$23,122           | \$11,171           |
| Miscellaneous Expenses                           | \$173,165          | \$77,559           |
| <b>TOTAL OPERATING EXPENSE</b>                   | <b>\$5,150,052</b> | <b>\$5,236,970</b> |
| Income / (Loss) From Operations Before Dividends | \$928,651          | \$1,083,460        |
| Membership Capital Share Deposit Refund (MUCFCU) | \$0                | \$523,786          |
| NCUSIF Premium Expense                           | \$0                | \$(67,500)         |
| <b>TOTAL NON-OPERATING INCOME / (EXPENSE)</b>    | <b>\$0</b>         | <b>\$456,286</b>   |
| Total Income Before Dividends                    | \$928,651          | \$1,539,747        |
| Less Dividends                                   | \$106,262          | \$128,472          |
| Provision for Loan and Share Losses              | \$67,146           | \$2,459            |
| <b>NET INCOME (LOSS)</b>                         | <b>\$755,242</b>   | <b>\$1,408,815</b> |

**CAPITAL**  
(\$MILLIONS)



**MEMBERS SHARES**  
(\$MILLIONS)



Note 1: The financial statements presented herein are unaudited.

Federally Insured by NCUA

# Our Membership

TrailNorth is chartered to serve our friends and neighbors who live, work, worship and attend school in, or businesses or legal entities located in ESSEX, WASHINGTON, WARREN, CLINTON AND FRANKLIN Counties in New York and ADDISON County in Vermont, as well as immediate family members of those eligible persons sharing a household and organizations of such persons.

Number of TrailNorth members residing in the following counties:

ESSEX



**8080**

WASHINGTON



**525**

WARREN



**485**

CLINTON



**189**

FRANKLIN



**28**

ADDISON



**56**

**715** Members now residing elsewhere in  
**41** States and **3** foreign countries.

From 1/1/2021 through 12/31/2021

**\$4,624,498**

Total dollar amount deposited  
through Mobile Capture.

**&**

**844**

New accounts  
opened.

As of 12/31/2021

**10,078**

Number of TrailNorth Members.

**2,649**

Accounts enrolled in e-statements.

**6,472**

Users enrolled in Online banking.

**2,092**

Number of loans granted.



# ENHANCING LIVES

**74**

Number of community organizations and schools we supported through monetary or in-kind donations.

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**16**

Number of schools (in the 2020/2021 school year) whose students benefited from financial education through our partnership with Banzai.

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**882**

Number of students (in the 2020/2021 school year) that benefited from financial education through our partnership with Banzai.

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**\$1,500**

Provided in TrailNorth student scholarships.

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**\$36,276**

Provided in monetary donations.

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49

Number of members we helped receive a mortgage in 2021, for total mortgage loans of

\$3,334,978



537

Number of new and used car loans granted in 2021 for a total of

\$13,609,172

# Staff

Shauna Alkinburgh - Head Teller

Karen Bennett - Director of Lending

Blake Bigelow - Teller

Kathie Coller - Loan Officer

Wendy Courtright - Chief Member Experience Officer

Katelyn Dailey - Member Solutions Specialist

Shannon Denton - Branch Manager

Theresa Dornan - Mortgage Loan Officer

Marcy Eichen - Compliance/Risk Management Officer

Samantha Ferguson - Card Service Representative

Brittany Forbes - Teller

Joann Fortier - Accounting Manager

Saydee Goodness - Teller

Shawn Hayes - President/CEO

Darrilyn Johnson - Teller

Erika Kuhl - Loan Officer

Amy Manfred - Executive & Human Resources Administrator

Ashley Maye - Accounting Technician

Pamela Nolan - Director of Office Operations, Facilities & Special Projects

Mary O'Hara - Teller

Kayla Patenaude - Receptionist

Lillian Perry - Teller

Cory Phinney - Chief Financial Officer

Anna Prew - Branch Manager

Jennifer Pribble - Marketing & Business Development Manager

Casey Rodriguez - Accounting Technician/Loan Clerk

Aleia Scoville - Teller II

Christopher Shaffer - Analytical Support & IT Manager

Sarah St.Onge - Member Contact Center Representative

Ariana Stevens - Teller

Gail Tomkins - Teller II

Jaime Waldron - Mortgage & Consumer Loan Officer

Brittany Yelle - Member Services Representative

## Board of Directors

Patrick R. Ida.....CHAIRMAN

Peter A. Reale.....2nd VICE CHAIRMAN, SECRETARY

Shawn M. Hayes.....TREASURER

Anne C. Dreimiller

John F. Lenhart

William J. Morse

Jodi J. Gibbs

Charles D. Giganto

## Supervisory Committee

Karlene I. Gonyeau

Susan M. Nephew

William W. Barnhart

## Legal Counsel

John C. Breitenbach, Jr.

Juliet C. Cook