

2023 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 economic 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 net income of \$718,063 for the year ending 2023. Additionally, from December 2022 to December 2023, Assets increased \$5.4MM or 3.44%, Shares increased \$3.7MM or 2.57% and Loans increased \$23.5MM or 33.08%. We ended the year 2023 with a capital to assets ratio of 9.23%, 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 begun in 2021, continued improvement is expected in 2024 and beyond. With our charter expansion and rebranding behind us, we continue to be focused on serving existing members and in 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.

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, COVID and post-Covid periods, 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.

2023 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 thirteen 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 continue to see positive results.

Consumer confidence continued to improve in 2023 with our Loans increasing \$23.5MM or 33.08% from the previous year-end. 2023 saw Net Income of \$718,063. We ended 2023 with Assets of \$161,349,665 and net worth of 9.23%, 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, 2023:

- 7,293 Members have enrolled in Connected Banking
- 3,015 Members have enrolled in Bill Pay
- 2,862 Members have opted to receive their account statements electronically
- There were 1,060 new internet-based loan applications
- Members conducted 10,306 remote deposit transactions totaling \$4,945,124
- 1,206 Android and 905 Apple devices had our mobile app active
- We provided 1,475 opportunities for members to sign documents remotely
- 132 individuals electronically applied for membership using our online Meridian Link functionality
- Our members conducted 1,484 transactions totaling \$2,345,773 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 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.

After many months of renovation, we're pleased to have completed work in the Ticonderoga branch building where we created new, larger office spaces of the large room vacated by operations staff with the opening of our administrative building. The new offices serve as Loan Offices with more room for members conducting loan transactions.

Yes, looking back, 2023 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.

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
President & Chief Executive Officer
Treasurer – Board of Directors

Supervisory Committee Report



David Wright



William Barnhart



Karlene Gonyeau

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 Chairman David Wright, William Barnhart and Karlene Gonyeau. 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 2023, 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 2022 as of June 30, 2022 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.

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.

David Wright
Supervisory Committee Chairman

Board of Directors

- Patrick R. Ida.....CHAIRMAN
- John F. Lenhart.....1st VICE CHAIRMAN
- William J. Morse.....2nd VICE CHAIRMAN, SECRETARY
- Shawn M. Hayes.....TREASURER
- Jodi J. Gibbs
- David H. Wright
- Kye S. Perry
- Elizabeth R. Rogers
- Kenneth Jake LaDeau

Associate Board Members

Carol Calabrese

Supervisory Committee

- David H. Wright
- William W. Barnhart
- Karlene I. Gonyeau

Legal Counsel

John C. Breitenbach, Jr.
Juliet C. Cook

Staff

Shauna Alkinburgh - Ticonderoga Branch Manager

Jamie Burnham - Receptionist

Kathie Coller - Loan Officer

John Cooke - Accounting Technician/Loan Clerk

Wendy Courtright - Chief Member Experience Officer

Shannon Denton - Elizabethtown Branch Manager

Theresa Dornan - Mortgage Loan Officer

Kallie Dorsett - Teller

Marcy Eichen - Director of Lending

Jasmine Eissler - Member Contact Center Representative

Samantha Ferguson - Card Service Representative

Joann Fortier - Accounting Manager

Shawn Hayes - President/CEO

Juleanna Holman - Teller

Darrilyn Johnson - Member Service Representative

Erika Kuhl - Loan Officer

Amy Manfred - Executive & Human Resources Administrator

Pateria Manning - Teller

Ashley Maye - Accounting Technician

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

Mary O'Hara - Teller

Kayla Patenaude - Member Contact Center Representative

Emily Patnode - Teller

Jennifer Pribble - Marketing & Business Development Manager

Saydee Ruby - Loan Clerk

Aleia Scoville - Member Service Representative

Christopher Shaffer - Analytical Support & IT Manager

Amanda Sheridan - Loan Officer

Cheyenne Sousie - Teller

Sarah St.Onge - Compliance/Risk Management Officer

Ariana Stevens - Teller

Joshua Sumner - Chief Financial Officer

Gail Tomkins - Member Service Representative

Alyssa Tucker - Teller

Jaime Waldron - Mortgage & Consumer Loan Officer

Brittany Werber - Teller

Brittany Yelle - Port Henry Branch Manager

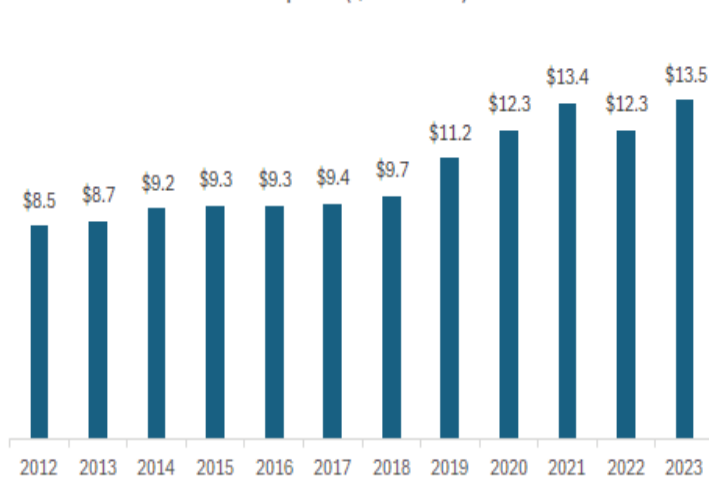
Comparative Statement of Financial Condition

	Dec. 31, 2022	Dec. 31, 2023
ASSETS		
Loans to Members - Net	\$70,576,628	\$93,181,969
Cash	\$3,086,404	\$3,272,285
Investments	\$70,991,468	\$51,713,157
Land & Buildings Net	\$6,201,946	\$6,443,619
Other Fixed Assets Net	\$364,326	\$516,057
All Other Assets	\$4,768,009	\$6,222,578
TOTAL ASSETS	\$155,988,782	\$161,349,665
LIABILITIES AND MEMBER'S EQUITY		
LIABILITIES		
Shares	\$142,551,370	\$146,209,957
Accounts Payable	\$1,088,958	\$1,684,242
TOTAL LIABILITIES	\$143,640,328	\$147,894,496
MEMBERS EQUITY		
Regular Reserve	\$1,771,485	\$1,771,485
Other Reserves	\$3,202,530	\$3,202,530
Undivided Earnings	\$9,560,602	\$9,913,035
Accumulated Gain/(Loss) on Available for Sale Securities	\$(2,186,164)	\$(1,431,892)
TOTAL EQUITY	\$12,348,454	\$13,455,169
TOTAL LIABILITIES & EQUITY	\$155,988,782	\$161,349,665

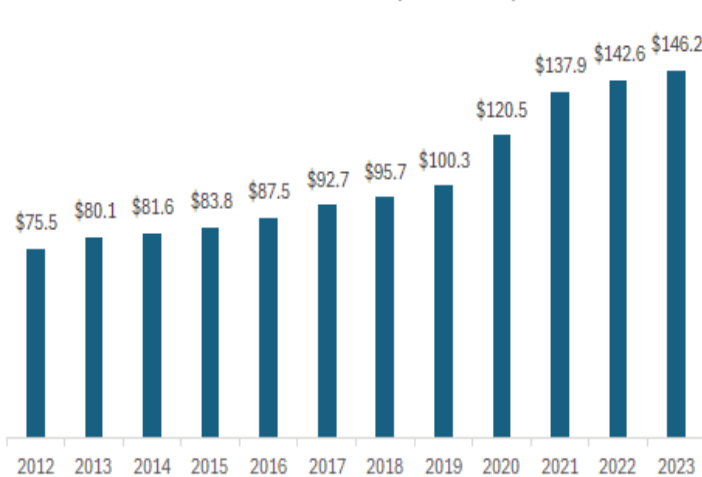
EARNINGS & DISTRIBUTION OF FUNDS

	Dec. 31, 2022	Dec. 31, 2023
OPERATING INCOME		
Interest on Loans	\$3,932,425	\$5,339,753
All Other Operating Income	\$3,261,705	\$2,098,837
Total Operating Income	\$7,194,131	\$7,438,590
OPERATING EXPENSES		
Compensation & Benefits	\$2,785,714	\$3,302,323
Office Operations	\$755,799	\$783,222
Office Occupancy	\$450,304	\$521,311
Association Dues	\$19,568	\$20,428
Loan Servicing	\$418,915	\$542,213
Member Education	\$137,634	\$147,685
Advertising/Promotion	\$999,282	\$1,078,644
Professional & Outside Services	\$104	\$10,063
Interest on Borrowed Money	\$24,193	\$25,487
Federal Examination Fee	\$ -	\$ (95)
Annual Meeting Expense	\$41,959	\$50,395
Travel & Conference	\$174,108	\$86,416
Miscellaneous Expenses	\$5,807,580	\$6,568,092
TOTAL OPERATING EXPENSE	\$ -	\$(69,105)
Gain (Loss) on Investments	\$129,314	\$108,732
Membership Capital Share Deposit Refund (MUCFCU	\$ 67,500	\$ -
NCUSIF Premium Expense	\$ 196,814	\$ 39,627
TOTAL NON-OPERATING INCOME / (EXPENSE)	\$1,583,364	\$1,910,498
Total Income Before Dividends	\$126,261	\$385,649
Less Dividends	\$291,440	\$806,786
Provision for Loan and Share Losses	\$1,165,663	\$718,063
NET INCOME (LOSS)	\$1,165,663	\$718,063

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



8412

WASHINGTON



619

WARREN



580

CLINTON



282

FRANKLIN



34

ADDISON



65

844 Members now residing elsewhere in
45 States and **4** foreign countries.

A background image showing three children jumping joyfully on a gravel path at sunset. The child in the center is a girl with long blonde hair, wearing a straw hat and purple pants. The child on the left is a boy with a backpack, wearing a striped shirt and shorts. The child on the right is a boy with a backpack, wearing a striped shirt and shorts. The background is a warm, golden sunset over a field.

From 1/1/2023 through 12/31/2023

\$4,945,124

Total dollar amount deposited
through Mobile Capture

1,140

New accounts
opened.

As of 12/31/2023

10,856

Number of TrailNorth Members

2,452

Accounts enrolled in e-statements.

7,293

Users enrolled in Online Banking

2,416

Number of loans granted

1247

Number of new
and used car loans
granted in 2023
for a total of

\$37,656,729



11

Number of members we
helped receive a mortgage in
2023, for total mortgage
loans of **\$440,000**

24

Number of members
we helped receive a HELOC
loan in 2023, for a total
amount of **\$2,184,004**

ENHANCING LIVES

61

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

18

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

1620

Number of students (in the 2021/2022 school year) that benefited from financial education through our partnership with Banzai.

\$1,500

Provided in TrailNorth student scholarships.

\$48,549

Provided in monetary donations.

