



Skowhegan Savings

2014
ANNUAL REPORT



Straight Talk. Fair Deals.

A MESSAGE FROM THE PRESIDENT

2014 marked Skowhegan Savings' 145th year of investing in businesses and individuals in our communities to make them a better place to live and work. Much has changed over the past 145 years, but our commitment to providing personalized service focused on the needs of our customers has not.



This past year we invested in the expansion of our customer service center in order to assure that calls to the bank are answered personally by someone with the knowledge to meet the needs of our customers. Our customer service staff are experts in our electronic service offerings which essentially allow our customers to bank anytime, anywhere. In 2014 we enhanced these services with the ability to make deposits via our mobile banking app on your phone and other mobile devices.

When Skowhegan Savings was founded in 1869, Abner Coburn had the foresight to form a mutual company owned by the communities it serves with the sole mission of making those communities a better place to live and work. Today, we honor this mission through over \$403 million of loans to individuals and businesses as well as the countless hours of community volunteer efforts by our employees and by the investments of The Skowhegan Savings Charitable Foundation. Throughout this report you'll see the results of these efforts and the people that make it all possible.

The financial strength of Skowhegan Savings is a key factor in allowing us to invest in our communities and focus on doing the right thing for our customers. Last year the bank grew to over \$535 million which helped generate nearly \$4.0 million in operating earnings and built our capital base to over \$70 million. In addition, we were able to invest in our Foundation to grow its assets to over \$800,000.

Skowhegan Savings could not make these investments if not for the trust and support of our communities, customers and great team of employees.

Thank you all for your continued confidence in Skowhegan Savings and belief in our mission.



2009•2010•2011•2012•2013•2014

JOHN C. WITHERSPOON, PRESIDENT AND CEO

Skowhegan Savings Charitable Foundation Strength in Community

Community is at the core of Skowhegan Savings. That's why we make it a practice each year to honor nonprofit organizations working to improve our communities. Last year, we were privileged to support the following initiatives, among others:

- Jobs for Maine Graduates** – continued funding of high school financial literacy and other ongoing programs throughout the State of Maine.
- Jackman Community Health Center** – to help fund a new safe, accessible Urgent Care entrance for the patients and the community.
- Main Street Skowhegan** – in support of the organization's ongoing economic development activity for the Town of Skowhegan.
- Somerset Economic Development Corporation** – in support of further economic development growth in Somerset County.
- Friends of Quarry Road** – to complete the core infrastructure of the Quarry Road Recreation Area in Waterville.
- Lake George** – continued support of capital improvements.
- Maine General** – ongoing capital support of the New Regional Hospital and Thayer Comprehensive Outpatient Center.
- Phillips Public Library** – to purchase new computer equipment for their community technology room.
- Pine Tree Society** – donation towards the Pine Tree Camp, serving over 650 Maine children and adults with physical and/or development disabilities each summer, improvements.
- Rangeley Public Library** – to upgrade computer technology for library and community use.
- Scholarship Program** – awarded to a high school senior entering post secondary education in a business related field in each of the following nine high schools: Cony, Dexter Regional, Forest Hills, Lawrence, Madison, Maine Central Institute, Mt Abram Regional, Mt Blue, Unit 78-Rangeley, Skowhegan and Upper Kennebec Valley.
- The Children's Discovery Museum** – to fund the museum's after school financial literacy program.

GROWTH AND FOCUS

In 2014 it became our focus to strategically align our Charitable Foundation with our core values of economic development and financial literacy with the current needs of our communities. In doing so, we held meetings with all of our Corporators to gain their perspective and feedback. Our Corporators, representing the regions of which we reside, gave strong insight as to where Skowhegan Savings' Charitable Foundation could focus efforts in 2015 to strengthen and enhance our neighborhoods through supporting non profits.



Investing in Our Communities



Employees Making a Difference

Skowhegan Savings takes great pride in supporting the communities of which we reside whether through the foundation, bank sponsored community events or employee donated time. Here's a look at some of the nonprofits that we had the pleasure and joy of working with this year:

Jobs for Maine Graduates

Skowhegan Savings and Jobs for Maine's Graduates (JMG) successfully hosted the 3rd Annual 'Dollars and Sense' financial literacy fair where high school students are given a job and salary then faced with life scenarios to develop a cost of living budget. Over 200 students from Skowhegan, Madison, Carrabec and Mt. Blue High Schools participated in the event.



"Volunteering at the Tech Spot has offered me a unique opportunity to support the youth volunteers by mentoring them to use their technology abilities to help others. It's a joy to watch them make an investment in our community and be able to stand back to see the difference they've made"

- Eva McLaughlin, Skowhegan Savings Information Processing Specialist & Tech Spot Volunteer Supervisor

Technically Speaking The Tech Spot is a technology help center in downtown Skowhegan available to the public for assistance on how to use computers, other devices and software programs. The unique collaborative is run by local students and volunteers with the main goal of allowing students to become the teachers in a multigenerational environment by giving them the opportunity to share their knowledge of technology with the community. Skowhegan Savings has not only supported the interesting initiative financially but with donations of equipment, furniture and employee volunteer hours as well.

Skowhegan Savings employees donated over 3,500 hours of service in 2014.

All Hands in for Hunger In a combination of bank sponsored events, food drives and employee donated time - Skowhegan Savings was able to assist over 11 food banks in 11 municipalities this year. Over 500 hours of employee service time was dedicated to the Skowhegan Food Cupboard alone this year.



"We serve about 200 families a month."

Jennifer Grenier, Skowhegan Savings Collections Representative and incoming President of the Skowhegan Food Cupboard

Jennifer Grenier, Collections Representative; David Cyr, Executive Vice President; Brent Duguay, Facilities

Remember making 'hand turkeys' for Thanksgiving in school? We do too and so while our Elm Street Skowhegan Branch was under construction last fall we decided to make the best of a plywood temporary wall for the greater good of the community. Almost 200 customer and employees took the time to add their own 'hand turkey' to the wall and for each one they added we donated a \$1 to the Skowhegan Food Cupboard.



School is out! Believing that learning doesn't end with the school year, employees donated dress down funds to 12 children's summer learning programs sponsored by local libraries, museums and other like organizations in 10 municipalities.

Coats for Kids In conjunction with Maine Banker's statewide Coats for Kids annual drive, Skowhegan Savings collected over 120 coats for local children in need last winter.

Furry Friends Employees rallied to support animal shelters in Corinna, Farmington, Skowhegan and Waterville with a summer cash donation drive.

Keeping ME Warm It has become an annual tradition to raise money for the Maine Community Action Association's Keep ME Warm drive. The Keep ME Warm program provides heat assistance to Mainer's throughout the state during the winter months. Our donation goes to those in need within Franklin, Somerset, Penobscot and Kennebec Counties.

And More Employees collectively spent over 300 hours helping to organize and participate in Relay for Life walks throughout Maine. Numerous employees hold seats on multiple economic development, municipal, school district, healthcare and charitable boards.



Bank Anytime, Anywhere



Whether you are an individual or a business, Skowhegan Savings offers a variety of electronic banking services that enable our customers to manage their money on their time.

Online Banking Features: Access your accounts 24/7.

- Check Balances
- View Transaction History
- Pay Bills
- Transfer Money
- Download Documents
- Get eStatements & Email Alerts

Mobile Banking Features: A branch in your hands.

- Deposit Checks
- Check Balances
- Pay Bills
- Transfer Money

Personalized Service For Business Financial Solutions

Many of our business customers utilizing our remote deposit, payroll (ACH) and wire services enjoy the advantage of the onsite training that Skowhegan Savings provides.



Debbie Nadeau, Electronic Service Representative, assisting Katie Grant of Newport School District with their remote deposit.

Available for download in both the iTunes and Google Play marketplaces for Apple and Android devices.

Online Loan Applications:

Customers interested in a mortgage loan with Skowhegan Savings can apply safely and securely with our online application available at SkowheganSavings.com.

SKOWHEGAN SAVINGS BANK AND SUBSIDIARY

CONSOLIDATED SUMMARY BALANCE SHEETS AS OF DECEMBER 31, 2014 AND 2013

ASSETS	2014	2013
Cash & Cash Equivalents	12,716,714	8,597,307
Investment Securities	86,860,061	72,213,102
Net Loans	402,689,755	386,568,757
Other Assets	32,586,497	29,518,259
TOTAL ASSETS	\$534,853,027	\$496,897,425
LIABILITIES AND CAPITAL		
LIABILITIES		
Customer Deposits	389,013,681	393,600,346
Other Liabilities	5,106,829	4,234,735
FHLB Borrowings	68,610,000	30,368,000
Total Liabilities	462,730,510	428,203,081
CAPITAL		
Retained Earnings	69,362,505	66,257,168
Accumulated Other Comprehensive Income	2,760,012	2,437,176
Total retained earnings	72,122,517	68,694,344
TOTAL LIABILITIES & CAPITAL	\$534,853,027	\$496,897,425

CONSOLIDATED SUMMARY STATEMENTS OF INCOME YEARS ENDED DECEMBER 31, 2014 AND 2013

INTEREST INCOME/EXPENSE	2014	2013
Interest and Dividend Income	20,054,683	19,180,699
Interest Expense	2,436,574	3,414,610
Net Interest Income	17,618,109	15,766,089
Provision for Loan Losses	655,500	998,996
Net Interest Income After Provision for Loan Losses	16,962,609	14,767,093
NON-INTEREST INCOME/EXPENSE		
Non-Interest Income	2,019,472	1,720,495
Non-Interest Expense	14,993,385	14,108,218
Income Before Income Taxes and Security Gains	3,988,696	2,379,370
Net Securities Gain (Loss)	347,641	1,000,348
Income Tax Expense	1,231,000	956,000
NET INCOME	\$3,105,337	\$2,423,718

BOARD OF DIRECTORS

ROGER GIFFORD, CHAIRMAN

RICHARD ANZELC WARREN SHAY
JAMES AUSTIN CLAIRE THERIAULT-PERKINS
HOWARD SEVEY JOHN WITHERSPOON

SENIOR MANAGEMENT

JOHN WITHERSPOON PRESIDENT & CEO
DAVID CYR EXECUTIVE VICE PRESIDENT
RICHARD ST. PIERRE SVP CHIEF FINANCIAL OFFICER
VICKI ALWARD SVP RETAIL BANKING
WILL HATT SVP SENIOR COMMERCIAL LENDER

OFFICERS

JAMES ALBERICO AVP, AUDIT & COMPLIANCE MANAGER
LYNN ANDREWS MORTGAGE UNDERWRITER
VICKI BOSWORTH DEPOSIT OPERATIONS MANAGER
NATHANIEL CANALES INDIRECT LOAN BUYER
BARBARA COTTA VP, RETAIL OPERATIONS
TRACY DEAN AVP, CUSTOMER EXPERIENCE MANAGER
JACK DUCHARME AVP, BRANCH MANAGER - MADISON & NORRIDGEWOCK
JESSICA EVERETT RETAIL SALES OFFICER
ALBERT FERLAND AVP, FACILITIES MANAGER
DAWN FIELD BRANCH MANAGER - RANGELEY
DONNA FORTIN VP, RETAIL DEPOSIT MANAGER
KIMBERLY FRIEND CREDIT OFFICER
CYNTHIA GILMORE BRANCH MANAGER - KINGFIELD & STRATTON
WILLIAM HALLIDAY AVP, LOAN SERVICING MANAGER
BRUCE HARRINGTON AVP, COMMERCIAL LOAN OFFICER
KAREN HART AVP, BRANCH MANAGER - SKOWHEGAN
RENEE HAWTHORNE BRANCH MANAGER - FAIRFIELD & PITTSFIELD
FELICIA HUFF NETWORK ADMINISTRATOR
NICHOLAS ISGRO CONTROLLER
JOHN KIMBALL VP, INDIRECT LOAN MANAGER
DEBBIE KNOX VP, COMMERCIAL LOAN OFFICER
MEGHAN LOUBIER BRANCH MANAGER - AUGUSTA
SHELLY LOWELL BRANCH MANAGER - FARMINGTON & PHILLIPS
BARRY MARTIN VP, DIRECTOR OF HUMAN RESOURCES
KURT MAYNARD VP, COMMERCIAL LOAN OFFICER
PAULA NELSON AVP, CREDIT & SPECIAL ASSETS MANAGER
ANGEL QUICK BRANCH MANAGER - DEXTER
TOBY SPENCER NETWORK ADMINISTRATOR
NANOOK TUEFFERD BRANCH MANAGER - BINGHAM & JACKMAN
FAWN WENTWORTH MARKETING OFFICER

CORPORATORS

CALVIN AMES GLENN LEVESQUE
VAN AMES ROBERT LUCE
RICHARD ANZELC, III C. CHARLES LUMBERT
RICHARD ANZELC, JR. SANDRA MACARTHUR
JAMES AUSTIN THOMAS MARTIN, JR.
DAVIDA BARTER TED MCCARTHY
JAMES BATEY GLENN NICHOLS
NANCY BESSEY CHARLES O'BRIEN
GLENN BLAZIC CHAD PARTRIDGE
PAUL BLOUIN CHRISTOPHER PERKINS
JASON BROCHU MICHAEL PHILLIPS, JR.
KEVIN BROWNE DOREEN POULIN
ROBERT BROWNE ROGER POULIN
LARRY CALDWELL ELTON POWERS
CHARLES CARPENTER, JR. LES PRIEST
AMEDEO CHRISTOPHER WILLIAM RANDALL
DAVID CYR REBECCA RICHARDSON
JEFF DAMON GAIL RIZZO
DONALD DAVIS PETER SCHULTZ
JOHN DILLER HOWARD SEVEY
GREGORY DORE ROBERT SHANK
TIMOTHY DOW WARREN SHAY
PAUL FORTIN DONALD SKILLINGS, II
GREGORY GIBERSON RHONDA STARK
GAIL GIBSON TRAFTON TEAGUE
JOHN GIBSON CLAIRE THERIAULT-PERKINS
ROGER GIFFORD KEVIN VIOLETTE
RAYMOND HASKELL GARY WALLACE
COREY HIGHT RHONDA WILES-ROSELL
JENNIFER HIGHT RICHARD WILLETT
SAMUEL HIGHT DANA WILLIAMS
VIRGINIA HOWARD DONNA WILLIAMS
KIMBERLY JORDAN CARLA WITHAM
LAWRENCE KOOB JOHN WITHERSPOON
MICHAEL LAMBKE, M.D.



**Skowhegan
Savings**

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SkowheganSavings.com

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