

# 2023

Annual Report

**NESC**  
CREDIT UNION

Federally insured by NCUA

# Message from the Chairperson & CEO

NESC Federal Credit Union (NESC) is proudly embarking on our 66th year of dedicated service to our valued membership across the Merrimack Valley and beyond!

In 2023, our first year navigating through the new “normal” of a world reshaped by the pandemic, we remained resilient and committed to your financial well-being. Though our assets dipped by 2.31% after the strong growth of 2020 and 2021, we continued with exceptional earnings and a well-capitalized foundation.

Financial highlights for the year demonstrate impressive earnings growth of 37.02%, steady loan growth of 3.40%, and exceptionally low loan delinquency rates and losses, well below the peer average.

We continued our emphasis on evolving the member experience and maintaining operational effectiveness:

- October saw the Grand-Reopening of our modernized Methuen Branch. The new design provides a welcoming atmosphere with a personal, “private banking” setting for members to do business with us.
- Lobby televisions throughout aim to engage our members with a mix of fun, news, weather, and Credit Union happenings and promotions.
- Automated cash handling and balancing technology improves accuracy and efficiency.
- Full-service ATMS at both our Lawrence and Methuen branch offices expands ways to better serve our members.

Our commitment to community giving remains strong, highlighted by our support across various areas:

- Our Annual Scholarship program awarded four \$2,000 college scholarships to members embarking on their college journey.
- We supported a variety of community organizations focused on youth welfare, including, St. Ann's Home, YWCA & YMCA, Leonard Middle School, Methuen High Scholarship foundation, and Foster Kids of the Merrimack Valley.
- Embraced local history through support of the Bread and Roses Community and restoration of both the Lawrence 911 Mural and Lawrence Vietnam Memorial.
- We proudly sponsored our team member, Kerry Gonzalez, as she ran in the 2023 Boston marathon in support of Lazarus House Ministries in Lawrence. Kerry's dedication and resilience represents the Credit Union spirit! Well done, Kerry!

As we turn the page on 2023, we want to thank our employees, Board of Directors, and our members for your continued support of the Credit Union and its ongoing success! It is an honor and privilege to be part of such a wonderful Credit Union community.

**Elaine Sullivan**  
Board Chair

**Johnathan Hildreth**  
Chief Executive Officer

# Treasurer's Report

At NESC Federal Credit Union, we are pleased to report a consistent trend of growth in loans and earnings. While we experienced financial gains as an institution and observed growth in lending, there was a slight decrease in deposits and overall assets.

In 2023, our total assets amounted to \$112.4 million, representing an anticipated decrease of 2.31% from 2022. This decline follows the substantial 34% growth observed in 2020 and 2021, attributed to the pandemic financial stimulus package, as we move towards a return to normalcy. We seized new lending opportunities, leading to an increase in our loan portfolio from \$85.5 million to \$88.5 million in 2022. However, on the core deposit side of our balance sheet, we observed a reduction compared to the previous year, as members opted for higher rate certificates of deposit, reallocating their funds accordingly.

In 2023, we achieved our highest level of profitability in recent history, with a net income of \$695,312. This represents a significant increase of 37.02% compared to the \$507,465 earned by the credit union in 2022.

In 2023, our loan delinquency rate concluded the year at 0.35%, significantly lower than the peer average of 0.63%. Additionally, our annualized loan charge-off ratio stood at 0.09%, which was also below the most recent peer group average of 0.22%.

The financial success we achieved in 2023 reflects another year of prosperity for all members of NESC Federal Credit Union.

Respectfully submitted: Johnathan Hildreth, Chief Executive Officer



***Methuen Branch Renovation Ribbon Cutting (left to right)***

David Solomon – Board Director, David Yager - SVP, Laurie Joaquin – Branch Manager, Elaine Sullivan – Board President, Johnathan Hildreth – CEO, Brenda Wilson – Director, Steve Murphy – AVP, Mark Conway – Board VP

**BOARD OF DIRECTORS**

Elaine Sullivan, President  
Mark Conway, Vice President  
Brenda Wilson, Treasurer/Secretary  
David Solomon  
Ronald Martin  
Jim Pickul  
Johnathan Hildreth, CEO

**SUPERVISORY COMMITTEE**

Mark Conway  
Stephen Conway  
Robin Mitchell

**NOMINATING COMMITTEE**

Marlene Linehan  
Drena DeCoito  
Shaker Asmar

# 2023 Financials

## CONSOLIDATED BALANCE SHEET

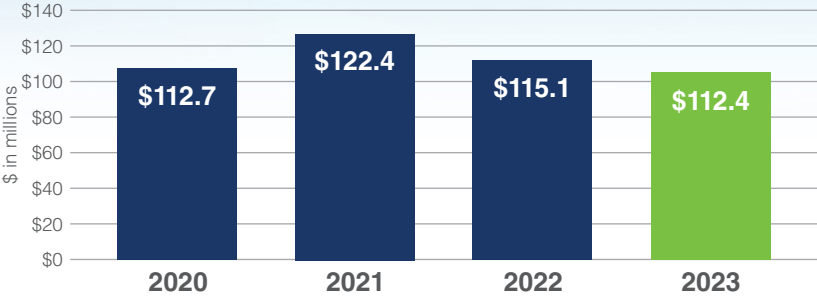
	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash	\$ 2,038,489	\$ 1,671,219
Investments	17,143,529	23,826,684
Loans to members, net	88,438,721	85,531,063
All other assets	4,820,117	4,073,563
<b>Total Assets</b>	<b><u>\$112,440,856</u></b>	<b><u>\$115,102,529</u></b>
<b>LIABILITIES AND CAPITAL</b>		
Shares and savings	\$ 100,548,425	\$ 103,685,493
All other liabilities	823,816	1,043,734
Loans payable	-	-
Regular Reserves	2,082,957	2,082,957
Undivided earnings	8,985,658	8,290,345
<b>Total Liabilities &amp; Capital</b>	<b><u>\$112,440,856</u></b>	<b><u>\$115,102,529</u></b>

## CONSOLIDATED STATEMENT OF INCOME

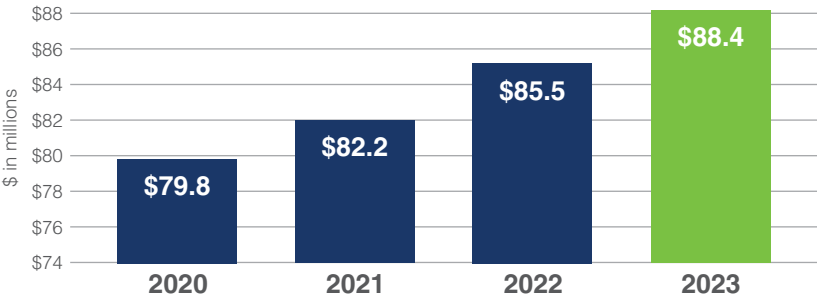
	<u>2023</u>	<u>2022</u>
Interest income	\$ 4,186,360	\$ 3,857,849
Interest expense	681,068	232,873
Provision expense	97,852	71,958
<b>Net Interest Income</b>	<b><u>4,769,576</u></b>	<b><u>3,553,018</u></b>
Non-Interest income	1,213,798	1,218,539
Non-Interest expense	5,288,062	4,264,092
<b>Net Income</b>	<b><u>\$ 695,312</u></b>	<b><u>\$ 507,465</u></b>

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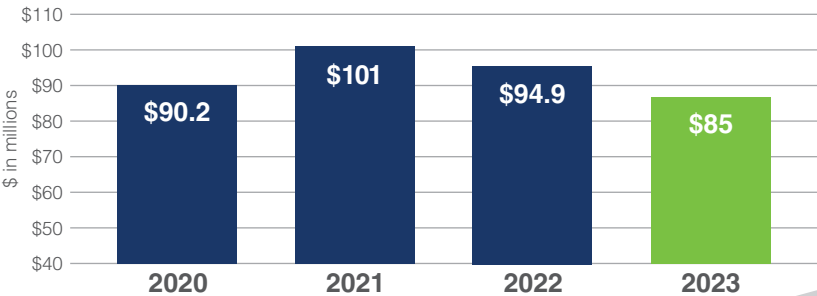
## TOTAL ASSETS



## NET LOANS TO MEMBERS



## CORE MEMBER DEPOSITS



## **BRANCH LOCATIONS**

### **Methuen Branch**

244 Pleasant Street  
Methuen, MA 01844

### **Lawrence Branch**

14 Amesbury Street  
Lawrence, MA 01840

### **Andover IRS Branch**

310 Lowell Street  
Andover, MA 01810

**[www.nescfcu.org](http://www.nescfcu.org)**  
**978-688-8800**

**NESC**  
CREDIT UNION