

The background of the cover features a series of overlapping, curved bands in various shades of blue and green, creating a sense of movement and depth. The top half is dominated by dark blue, which transitions into lighter blues and then into various shades of green towards the bottom.

# Annual Report **2021**

**NESC**  
CREDIT UNION

Federally insured by NCUA

# Message from the Chairperson & CEO

NESC Federal Credit Union (NESC) is entering its 64th year serving our growing membership within the local Merrimack Valley and beyond.

In 2021, we had our second unique year due to the pandemic. The credit union's assets grew by close to 9% and we continued to see strong earnings which allowed NESC to remain well capitalized.

While our financials will be detailed in the treasurer's report, we would like to point out that deposits increased by over \$9.2 million and loans increased by \$2.4 million. In addition to the growth, our loan delinquency and losses were well below our credit union peer group.

At the Credit Union, we continue to strive to improve our products for members, while at the same time increasing efficiencies for our staff to better serve you. In 2021, here are just a few of the things we did to help our staff and membership:

- We updated Online Banking and Mobile App to include free instant transfer using Zelle. This increased our ability to provide our membership with a way to transfer funds instantly 24 hours a day and 7 days a week.
- We also introduced features to help communicate with members via online chat using the mobile app and online banking.
- We purchased the building which houses the Methuen branch and corporate offices solidifying our roots in the community.

At the community level, we strive to give back to our members in a multitude of ways:

- We granted four \$1,000 college scholarships in 2021 and plan to continue our commitment this year.
- We sponsored various community events that range from the St Anne's Giving Tree to the Methuen Festival of Trees to the Michael B. Christensen Memorial Golf Tournament.

As we turn the page on 2021, we want to thank both the staff and all the volunteers that represent you, especially our Board of Directors for their hard work and dedication to the credit union.

In closing, the Board of Directors and the staff at NESU thank you, our membership, for your continued support of the Credit Union. It's an honor for all of us to be a part of the team that is here to serve you.

**Elaine Sullivan**  
Chairperson

**Johnathan Hildreth**  
CEO

# Treasurer's Report

We continue a strong trend of growth and stability at NESC Federal Credit Union. We made significant financial gains as an institution and saw substantial growth in the areas of total assets, loans, and core deposits.

Total assets for 2021 were \$122.4 million, an increase of 8.60% from 2020 due to strong deposit growth within NESC. We saw an increase in lending opportunities and saw the portfolio grow from a balance of \$79.8 million to \$82.2 million in 2020. On the core deposit side of the balance sheet, we saw strong growth of \$10.8 million to \$101 million in the past year, an increase of 11.8% over the previous year.

On the income statement, we had another solid year with net income of \$466,656 in 2021. This was on par with the \$464,352 that the credit union earned in 2020.

In 2021, our loan delinquency rate ended the year at 0.03% well below our peer's average of 0.49%. Also, the annualized loan charge off ratio was 0.04% was also below the most recent peer group average of 0.06%.

These 2021 figures mark another year of financial success that benefits all members of NESC Federal Credit Union.

# 2021 Financials

## CONSOLIDATED BALANCE SHEET

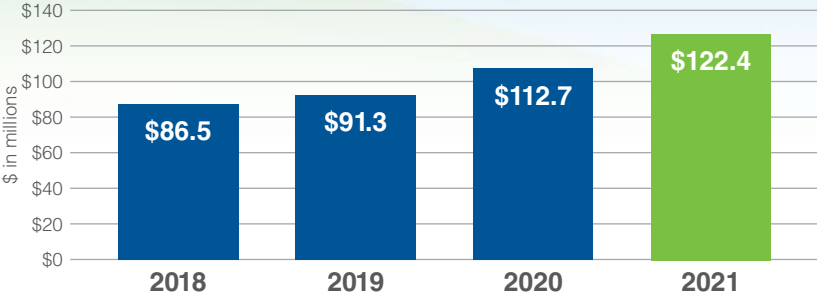
	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash	\$ 1,181,310	\$ 1,674,914
Investments	35,110,549	29,425,935
Loans to members, net	82,175,562	79,782,898
All other assets	3,899,347	1,794,925
<b>Total Assets</b>	<b><u>\$122,366,768</u></b>	<b><u>\$112,678,672</u></b>
<b>LIABILITIES AND CAPITAL</b>		
Shares and savings	\$ 109,813,422	\$100,607,311
All other liabilities	687,509	672,181
Loans payable	2,000,000	2,000,000
Regular Reserves	2,082,957	2,082,957
Undivided earnings	7,782,880	7,316,223
<b>Total Liabilities &amp; Capital</b>	<b><u>\$122,366,768</u></b>	<b><u>\$112,678,672</u></b>

## CONSOLIDATED STATEMENT OF INCOME

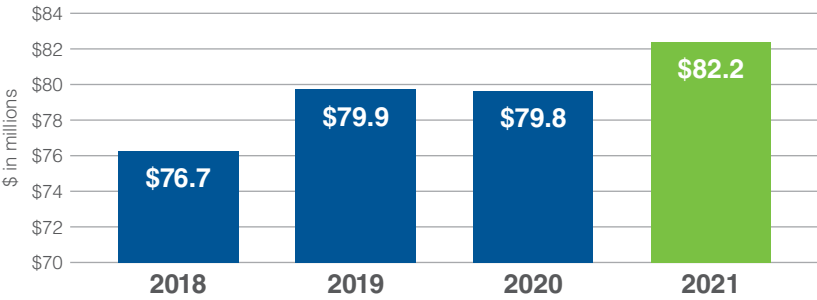
	<u>2021</u>	<u>2020</u>
Interest income	\$ 3,331,032	\$ 3,575,157
Interest expense	263,148	397,889
Provision expense	43,051	79,672
<b>Net Interest Income</b>	<b><u>3,024,833</u></b>	<b><u>3,097,596</u></b>
Non-Interest income	1,319,133	945,649
Non-Interest expense	3,877,310	3,578,893
<b>Net Income</b>	<b><u>\$ 466,656</u></b>	<b><u>\$ 464,352</u></b>

# 2021 Financials

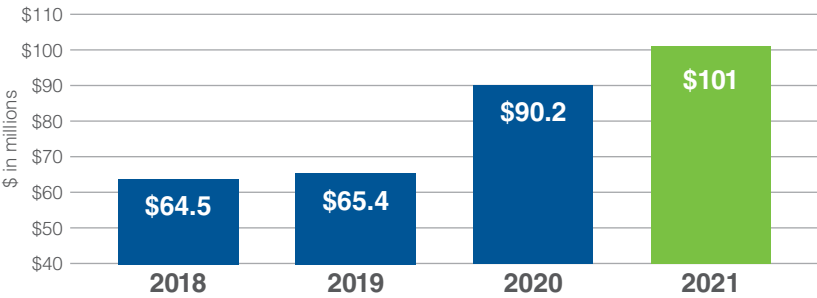
## TOTAL ASSETS



## NET LOANS TO MEMBERS



## CORE MEMBER DEPOSITS



## **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  
Robin Mitchell

## **NOMINATING COMMITTEE**

Marlene Linehan  
Drena DeCoito  
Shaker Asmar

## **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

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CREDIT UNION