

The background of the cover features abstract, flowing shapes in various shades of blue and green, creating a sense of movement and depth. The text is centered and rendered in a clean, white, sans-serif font.

# Annual Report 2019

**NESC**  
CREDIT UNION

Federally insured by NCUA

# Message from the CEO

NESC Federal Credit Union's (NESC) is entering its 62nd year serving our growing membership within the local Merrimack Valley and beyond into dozens of other states.

In 2019, we had an outstanding year and we were able to grow the organization, while maintaining a strong capital base.

While our financials will be detailed in the treasurer's reports, we would like to point out that loans increased by over \$3.2 million and deposits increased by over \$2.9 million. In addition to the growth, we maintained loan delinquency and losses well below our 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 2019, here are just a few of the things we did to help our membership:

- We rolled out the new "NESC" mobile application and online banking solution. These included new features like access to your credit score for free, online deposit account opening and instant balances updates on the mobile application.
- As we work to promote a more attractive office environment, we performed various upgrades to our facilities such as digital signage, new landscaping, new lighting and a refurbishment of our employee breakroom.

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

- We granted six \$1,000 college scholarships in 2019 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.
- We supported employee and member-sponsored events like the Lawrence Vietnam Memorial Road Race and the Foster Kids of the Merrimack Valley.

As we turn the page on 2019, 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 NESB 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**  
Chairman

**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 2019 were \$91.3 million, an increase of 5.61% from 2018 due to both strong loan and deposit growth within NESC. We continued our trend of loan growth again in 2018, growing over \$3.2 million to \$79.9 million in the past year, an increase of 4.22% over the previous year. On the core deposit side of the balance sheet we saw strong growth of around \$900,000 to \$65.4 million in the past year, an increase of 1.39% over the previous year.

On the income statement, we had a solid year with net income of \$468,540 in 2019. This was a 20.61% increase from 2018 due primarily to higher net-interest income.

In 2019, our loan delinquency rate ended the year at 0.40% well below our peers' average of 0.82%. Also, the annualized loan charge off ratio was 0.17% which was below the most recent peer group average of 0.27%.

This type of growth doesn't happen by accident, but instead by the careful and continued efforts of our executive team and knowledgeable staff. Most importantly, it happens through support from you, our loyal members.

These 2019 figures mark another year of financial success that benefits all members of NESC Federal Credit Union.

# Community News



Every Christmas, NESC staff and members purchase gifts for the children of St. Ann's Home & School. In 2019, NESC had its largest donation to date.

During Member Appreciation, NESC purchased lunch for Lawrence's fire and police departments.



Once again, NESC employees volunteered as road marshals for the Hike for Hope which took place in Andover.

# 2019 Financials

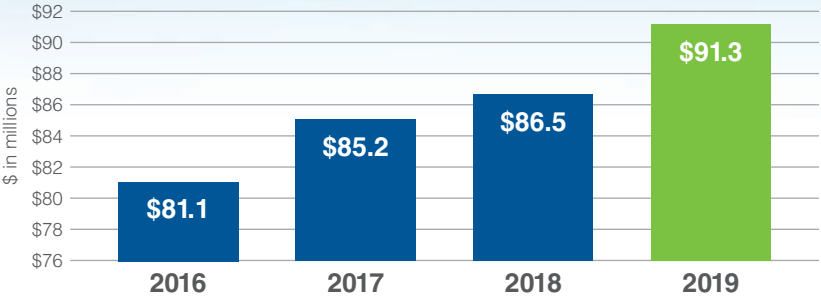
## CONSOLIDATED BALANCE SHEET

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash	\$ 1,298,428	\$ 1,351,255
Investments	8,382,767	6,595,833
Loans to members, net	79,902,916	76,665,697
All other assets	1,746,165	1,866,462
<b>Total assets</b>	<b><u>\$ 91,330,276</u></b>	<b><u>\$ 86,479,247</u></b>
<b>LIABILITIES AND CAPITAL</b>		
Shares and savings	\$ 79,842,300	\$ 76,929,200
All other liabilities	553,148	1,083,759
Loans payable	2,000,000	—
Regular reserves	2,082,957	2,082,957
Undivided earnings	6,851,871	6,383,331
<b>Total liabilities and capital</b>	<b><u>\$ 91,330,276</u></b>	<b><u>\$ 86,479,247</u></b>

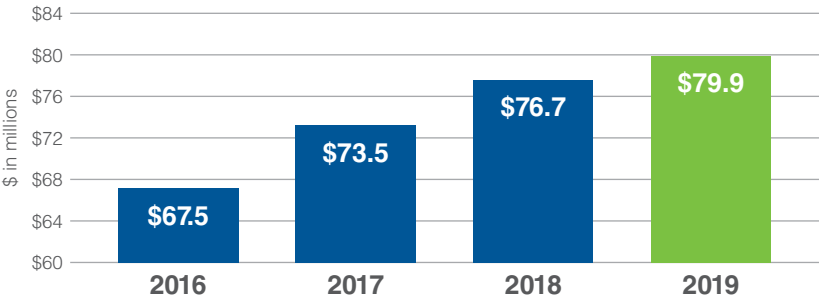
## CONSOLIDATED STATEMENT OF INCOME

	<u>2019</u>	<u>2018</u>
Interest income	\$ 3,787,562	\$ 3,527,727
Interest expense	359,746	236,014
Provision expense	153,785	193,635
<b>Net interest income</b>	<b><u>3,274,031</u></b>	<b><u>3,098,078</u></b>
Non-interest income	1,049,298	1,014,514
Non-interest expense	3,854,789	3,724,112
<b>Net income</b>	<b><u>\$ 468,540</u></b>	<b><u>\$ 388,480</u></b>

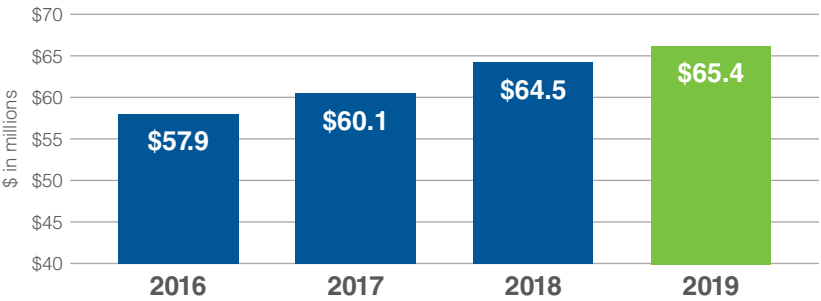
## TOTAL ASSETS



## 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  
Kenneth Stackhouse  
Johnathan Hildreth, CEO

## **SUPERVISORY COMMITTEE**

Mark Conway  
Jim Pickul  
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