

The background of the cover features a dark blue gradient with several large, flowing, wavy lines in lighter shades of blue and a vibrant green, creating a sense of movement and modernity.

# 2022

Annual Report

**NESC**  
CREDIT UNION

Federally insured by NCUA

# Message from the Chairperson & CEO

NESC Federal Credit Union (NESC) is entering its 65th year serving our membership within the local Merrimack Valley and beyond.

In 2022, we hopefully had our final unique year due to the pandemic. The credit union's assets contracted by around 6% following explosive growth over the prior 2 years. We continued to show strong earnings and continue to be well capitalized.

While our financials will be detailed in the treasurer's reports, we would like to point out that earnings increased by 8.74% and we grew our loan portfolio by 4.08%. In addition to the loan growth, we maintained low 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 2022, here are just a few of the things we did to help our staff and membership as we move into the new normal on the tail end of the Covid-19 pandemic:

- We contracted to have our Methuen Branch modernized in 2023 and look forward to a Grand Reopening in late summer/early fall. This update will help staff to better service our membership with increased automated cash handling efficiencies.
- We updated our Andover Branch office in the IRS with a new full service ATM to better service our members.

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 2022 and plan to continue our commitment this year.
- We sponsored various community events in 2022 and are also sponsoring our staff member, Kerry (Morse) Gonzalez, to run in the 2023 Boston Marathon to support Lazarus House Ministries.

As we turn the page on 2022, 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 NESC 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 loans and earnings growth at NESC Federal Credit Union.

We made financial gains as an institution and saw growth in lending offset by a small reduction in deposits and overall assets.

Total assets for 2022 were \$115.1 million, an expected decrease of 5.94% from 2021 as we return towards normality after growing by 34% during the 2020 and 2021 due to the pandemic financial stimulus package. We saw an increase in lending opportunities and saw the portfolio grow from a balance of \$82.2 million to \$85.5 million in 2022. On the core deposit side of the balance sheet we saw a slight reduction from to \$94.9 million in the past year. This reduction was due in large part to the strategic decision to exit the IRA business at the end of 2022.

On the income statement, we had another solid year with net income of \$507,465 in 2022. This was an increase of 8.74% from the \$466,656 that the credit union earned in 2021.

In 2022, our loan delinquency rate ended the year at 0.06% well below our peer's average of 0.51. Also, the annualized loan charge off ratio was 0.04% was also below the most recent peer group average of 0.19%.

These 2022 figures mark another year of financial success that benefits all members of NESC Federal Credit Union.



***Board of Directors (left to right)***

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

**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

# 2022 Financials

## CONSOLIDATED BALANCE SHEET

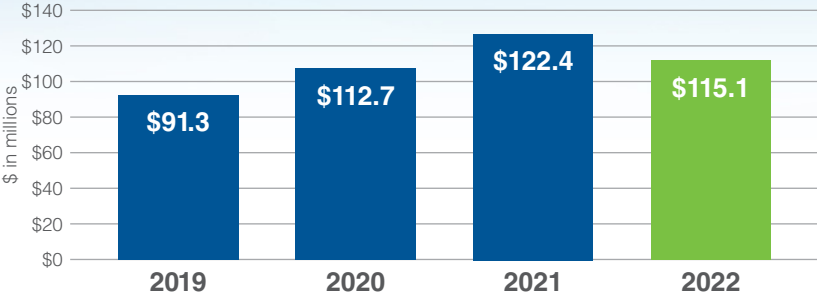
	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash	\$ 1,671,219	\$ 1,181,310
Investments	23,826,684	35,110,549
Loans to members, net	85,531,063	82,175,562
All other assets	4,073,563	3,899,347
<b>Total Assets</b>	<b><u>\$115,102,529</u></b>	<b><u>\$122,366,768</u></b>
<b>LIABILITIES AND CAPITAL</b>		
Shares and savings	\$ 103,685,493	\$ 109,813,422
All other liabilities	1,043,734	687,509
Loans payable	-	2,000,000
Regular Reserves	2,082,957	2,082,957
Undivided earnings	8,290,345	7,782,880
<b>Total Liabilities &amp; Capital</b>	<b><u>\$115,102,529</u></b>	<b><u>\$122,366,768</u></b>

## CONSOLIDATED STATEMENT OF INCOME

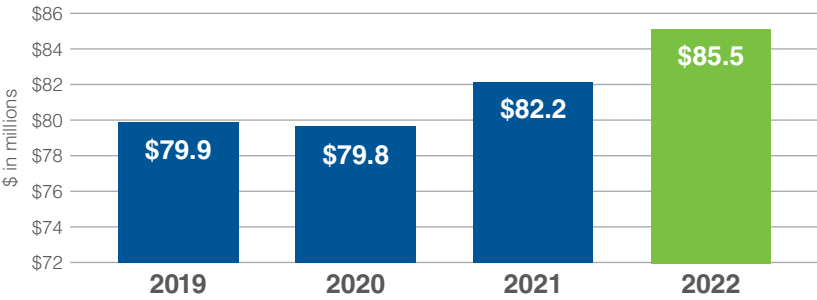
	<u>2022</u>	<u>2021</u>
Interest income	\$ 3,857,849	\$ 3,331,032
Interest expense	232,873	263,148
Provision expense	71,958	43,051
<b>Net Interest Income</b>	<b><u>3,553,018</u></b>	<b><u>3,024,833</u></b>
Non-Interest income	1,218,539	1,319,133
Non-Interest expense	4,264,092	3,877,310
<b>Net Income</b>	<b><u>\$ 507,465</u></b>	<b><u>\$ 466,656</u></b>

# 2022 Financials

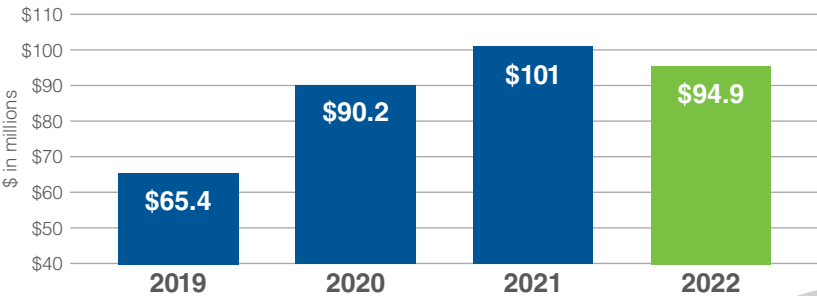
## TOTAL ASSETS



## 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