

The background of the cover features abstract, overlapping 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 2018

NESC
CREDIT UNION

Federally insured by NCUA

Message from the CEO

NESC Federal Credit Union (NESC) is entering its 61th year serving our growing membership within the local Merrimack Valley and beyond.

In 2018, 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 \$3.1 million and core deposits increased by over \$4.3 million. In addition to the growth, we also saw a decrease in loan delinquency and are 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 2018, here are just a few of the things we did to help our membership:

- We finished the update of our credit card processing system to allow us to offer new products and services, like Apple Pay, Samsung Pay and Google Pay.
- As we work to promote a green office environment, we updated our offices in Lawrence and Methuen with new energy efficient equipment and lighting.

At the community level:

- We granted three \$1,000 college scholarships in 2018 and plan to meet or exceed that 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 Greater Lawrence Community Action Council.

As we turn the page on 2018, 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
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 2018 were \$86.5 million, an increase of 1.43% from 2017 due to both strong loan and deposit growth within NESC. We continued our trend of loan growth again in 2017, growing over \$3.1 million to \$76.7 million in the past year, an increase of 4.26% over the previous year. On the core deposit side of the balance sheet we saw strong growth of over \$4.4 million to \$64.5 million in the past year, an increase of 7.25% over the previous year.

On the income statement, we had a solid year with net income of \$388,480 in 2018. This was a 10.61% increase from 2017 due primarily to higher net-interest income.

In 2018, our loan delinquency rate ended the year at 0.13% well below our peer's average of 0.91%. Also, the annualized loan charge off ratio was 0.23% was also below the most recent peer group average of 0.30%.

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 2018 figures mark another year of financial success that benefits all members of NESC Federal Credit Union.

Community News



NESC donated a tree to the Festival of Trees which won 3rd place for Most Traditional.

NESC employees volunteered as road marshals for the Hike for Hope to benefit Lazarus House



During our 60th anniversary celebrations, NESC had special Friday events. Featured here is Cinco de Mayo day.



2018 Financials

CONSOLIDATED BALANCE SHEET

	2018	2017
Cash	\$ 1,351,255	\$ 1,607,534
Investments	\$ 6,595,833	\$ 8,197,036
Loans to members, net	\$ 76,665,697	\$ 73,530,035
All other assets	\$ 1,866,462	\$ 1,903,866
Total Assets	\$ 86,479,247	\$ 85,238,471
Shares and savings	\$ 76,929,200	\$ 74,066,863
All other liabilities	\$ 1,083,759	\$ 1,093,800
Loans payable	\$ -	\$ 2,000,000
Regular Reserves	\$ 2,082,957	\$ 2,082,957
Undivided earnings	\$ 6,383,331	\$ 5,994,851
Total Liabilities & Capital	\$ 86,479,247	\$ 85,238,471

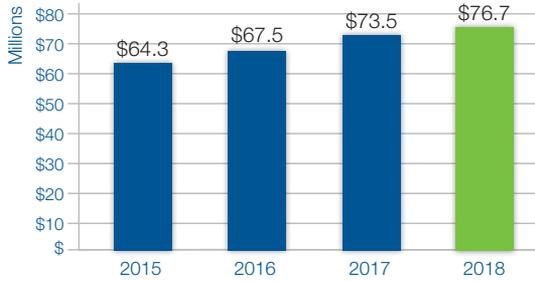
CONSOLIDATED STATEMENT OF INCOME

Interest income	\$ 3,527,727	\$ 3,374,949
Interest expense	\$ 236,014	\$ 224,878
Provision expense	\$ 193,635	\$ 123,506
Net Interest Income	\$ 3,098,078	\$ 3,026,565
Non-Interest income	\$ 1,014,514	\$ 917,825
Non-Interest expense	\$ 3,724,112	\$ 3,593,197
Net Income	\$ 388,480	\$ 351,193

Total Assets



Net Loans to Members



Core Member Deposits



Board of Directors

Elaine Sullivan - President
Brenda Wilson – Treasurer/Secretary
David Solomon
Mark Conway
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 Office

310 Lowell Street
Andover MA 01810

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