



Credit Union

Your Community Credit Union

Providing the **best** in banking in
Monroe and Pike Counties, PA.



2023 ANNUAL REPORT

NE PA Credit Union

337 Clay Avenue, Stroudsburg, PA 18360

Hours of Operation:

MON-FRI: 8:30AM – 5:00PM

SAT: 9:00AM – 12:00PM

24/7 CALL CENTER: 570-421-5585

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NE PA COMMUNITY FEDERAL CREDIT UNION
OFFICIAL MINUTES OF THE SIXTY-THIRD ANNUAL MEETING
April 25, 2023

The Sixty-Third Annual Meeting was called to order by Chair Todd W. Weitzmann at the credit union main office, 337 Clay Avenue, Stroudsburg, PA on Tuesday, April 25, 2023 at 6:00 PM. This was a combined meeting with both in-person and virtual participants.

Chair Weitzmann asked the Secretary if there was a quorum for the meeting. Secretary William H. Weitzmann affirmed that there were 22 members present and that a quorum did exist.

The minutes of the Sixty-Second Annual Meeting were included with the materials each member received for the meeting. A motion to approve the minutes, as submitted, was made by Todd Weitzmann and seconded by Lisa Kirschner. The motion carried unanimously.

Chair Weitzmann then passed the gavel to Vice-Chair, Lisa Kirschner, who accepted the chair of the meeting. She requested that the report of the Chair of the Board be made. Highlights of Chair Weitzmann's report follow:

1. The credit union maintains a relentless focus on service with technology.
2. All members are treated with equal respect and accuracy.
3. The credit union strives to improve the financial service of our members.
4. Thanks to the leadership team of the credit union for their service.
5. Core values are imbedded into the organization from top to bottom.

Following the report, Vice-Chair Kirschner relinquished the chairpersonship of the meeting to Chair Weitzmann, and Chair Weitzmann asked President/CEO Mark T. Filbert to present the President/CEO's report. President/CEO Mark Filbert reported as follows:

1. The credit union exists for the sole purpose of service to our members.
2. 2022 was a time of financial opportunity for our members.
3. The credit union has adequate liquidity.
4. Net loan growth was \$6.6 million a 10.80% increase.
5. The credit union continues to offer non-variable rate credit cards.
6. The credit union's total gross income increased \$1.1 M but total net income was down.
7. The credit union will introduce an improved online new account/new loan platform.
8. The credit union introduced a new financial planning tool for members to track their finances.
9. It is our goal to assist our members in all their financial lives.

The report of Jodie Haggerty, Chair of the Supervisory Committee, is included with the Annual Meeting Report.

OFFICIAL MINUTES OF THE SIXTY-THIRD ANNUAL MEETING CONT'D

Old Business

There was no old business.

New Business

There was no new business.

Election of Board Members

Chair Weitzmann presented the report of the Nominating Committee which contained the names of the nominees for the Board of Directors.

The Nominating Committee's report contained the names of the nominees for the Board of Directors:

Board of Directors
Denise Rogers - 3-year term
Louis Vento, Sr - 3-year term
Todd Weitzmann - 3-year term
William Weitzmann - 3-year term

The nominees were declared elected by acclamations by the Chair of the Board.

The meeting was adjourned at 6:20 PM. The motion was seconded by Donald S. Carr.

Respectfully submitted,

William H. Weitzmann
Secretary

Mark T. Filbert
President/CEO

REPORT FROM OUR BOARD CHAIR AND PRESIDENT/CEO

The Federal Reserve increased the federal funds rates an aggregate of 75 basis points or 0.75% in 2023. Following the final 25 basis point increase on July 27, 2023, the Fed announced a rate-change pause to allow sufficient time for the previous interest rate increases to have their intended effect of tamping down the inflationary pressures that had been exhibited in the economy. Through the subsequent post-meeting press conferences, Fed Chair Jerome Powell repeatedly confirmed that the Federal Reserve Board would make future rate-change decisions based upon the prevailing economic data. These “data dependent” evaluations would be used to determine the timing of future interest-rate decreases once there was confidence that inflation has returned to the Fed’s 2.00% target.

Throughout 2023, as lower-yielding credit union investment matured the credit union benefited from the existing higher market rates through the investment of excess liquidity with overnight investment accounts held with both the Federal Reserve Bank of Philadelphia and Vizo Financial Corporate Federal Credit Union, ultimately generating higher levels of interest income on these investments. Furthermore, the elevated market rates have enabled the credit union to earn higher rates of returns on its lending products, including fixed-rate first mortgages and variable-rate home equity lines of credit. The income from both investment and loan interest income have assisted the credit union in offsetting the increased total operating expenses that have resulted from the inflationary pressures throughout the economy.

Even with the higher market rates, the credit union has remained competitive in the community with the pricing associated with the various loan products that it offers. In comparison to other local lenders, the credit union has consistently maintained lower rates on its fixed-rate mortgage loan products, vehicle loans, and its non-variable rate credit cards,

including a Visa Platinum card at 8.99% and a Visa Classic card at 11.50%. The rates on these cards compare favorably with many competing credit cards that on average now exceed 22.00% APR.

On the deposit side, the credit union has been able to appeal to interest-rate conscious members by maintaining its competitive offering of above-market rates on longer-term share certificates, as well as competitive rates on the Top Account (money market account). The credit union continues to perform better in the industry as it relates to the fees that it charges for services. In 2023 the credit union’s fee income to asset ratio was 0.54% versus the industry average of its peers at 0.64%. This ratio is evidence that the credit union relies less on fee income as opposed to credit unions of a similar size.

Credit union members continue to take advantage of the full portfolio of electronic services including Integrated Teller Machines (ITMs), video call technology, and the entire suite of home banking options. There is consistent growth in member usage throughout all the service delivery channels, demonstrating the members’ ability to utilize the service option that best fits their financial needs. Members’ ability to open accounts or apply for loans online were improved in 2023 with the introduction of an enhanced online application platform. Once fully implemented, members will have the ability to directly fund initial deposits in to share accounts, and potentially receive immediate approval and funding on selected loan products. Furthermore, with the introduction of SavvyMoney, members now have access to powerful new free tools to track their credit activity, receive credit related offers, and improve their overall credit standing through easy-to-use educational tools.

As a community-based credit union, we endeavor to help other community partners in their efforts to improve the lives of residents of the credit union’s service area.

REPORT FROM OUR BOARD CHAIR AND PRESIDENT/CEO, CONT'D

Listed below are the organizations the credit union supported financially in 2023:

- American Cancer Society
- Americorp RSVP of Monroe County
- Boy Scouts of America – Minsi Trails Council
- Bushkill/Smithfields Lions Club
- East Stroudsburg High School Purple Pantry
- East Stroudsburg University Foundation
- Faith International Church
- Filene Institute
- Greater Pike Community Foundation
- Halo's Heart
- Kiwanis Club of the Stroudsburgs
- Monroe County Cruisers Car Club
- Monroe County Meals on Wheels
- NE PA Community FCU Foundation
- Paws for a Cause
- Pocono Arts Council
- Pocono Self-Defense School
- Quiet Valley Living Historical Farm
- Robert W. Kinsley Memorial Golf Tournament (ShopRite Partners in Caring)
- Safe Monroe (formerly Women's Resources of Monroe County)
- Salvation Army
- Snowmen of Stroudsburg
- Saint Matthew's Church
- Stroudsburg High School Theater
- Stroudsburg Mini-Thon (Penn State Health Children's Hospital)
- Stroud Township Volunteer Fire Department
- Stroudsburg Wesleyan Church Cold Shelter
- Violet Stands for the Children Home
- West-End Little League

We are grateful to provide financial assistance to aid these outstanding community organizations.



On July 20, 2023, the NE PA Community FCU Foundation granted individual financial awards of \$1,500.00 to five students, all residents within the credit union's service area, to support them in their ongoing academic endeavors. Their names and pictures are featured later in the Annual Meeting Report.

A summarized version of the credit union's year-end income statement and balance sheet are included with the Annual Report. The total credit union assets declined \$7.5 million from the previous year. This reduction was anticipated as American consumers, in general, have continued to spend down savings accumulated during the pandemic. Although total income increased in 2023, so too did total expenses and dividends paid, leading to a lower year-end net income.

The Board of Directors and management team are grateful for the ongoing efforts of the credit union staff during the past year and want to take this opportunity to say "Thank You." Through their daily commitment to the credit union each team member helps to ensure that we live up to our core values of Service, Value, Professionalism, Equality, and Education for the betterment of our members and community at large.

Sincerely,

Todd W. Weitzmann, Esq.

Board Chair

Mark T. Filbert

President/CEO

FINANCIAL INFORMATION—2023

Income Statement:			2023	2022
Interest on Loans			3,693,160.11	2,999,012.51
Income from Investment			1,560,629.25	1,127,735.86
Fees and Charges			927,270.37	880,312.64
Other Income			1,334,489.73	1,846,243.53
Total Income			7,515,549.46	6,853,304.54
Total Expenses			(5,645,113.07)	(5,630,603.72)
Dividends Paid			(1,461,473.21)	(566,744.86)
Non-operating Gains/Losses			-	18,942.52
Net Income			408,963.18	674,898.48
Balance Sheet:				
			2023	2022
Assets				
Loans			71,325,567.07	67,927,186.48
Investments			87,283,627.21	98,776,389.30
NCUSIF Deposit			1,551,602.56	1,619,090.01
Miscellaneous Assets			7,077,240.70	6,446,397.30
Total Assets			167,238,037.54	174,769,063.09
Liabilities, Shares, Equity				
Liabilities			671,493.89	669,590.84
Shares			152,500,264.70	160,442,156.48
Equity			14,066,278.95	13,657,315.77
Total Liabilities, Shares, Equity			167,238,037.54	174,769,063.09

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee retained the independent accounting firm Davis Accounting and Consulting, LLC to conduct the annual Supervisory Committee Audit, as well as quarterly agreed upon procedure reviews. The results of these reports were reviewed by the Supervisory Committee, and shared with the credit union Board of Directors and management team. The Supervisory Committee can report that all findings from these reviews were immaterial or minor in nature.

Jodie Haggerty, Committee Chairperson
 Jennifer DeLillo, Committee Member
 Lisa Kirschner, Committee Member
 Renee Law, Committee Member

NE PA COMMUNITY FCU FOUNDATION

We are proud to announce that our Foundation awarded five \$1,500 Education Financial Awards in 2023.



pictured left to right are:

- Destiny Monroe
- Emily Barlotta
- Michael Patterson
- Sakura Helm
- Julia Healey-Hardy

NE PA Community FCU Foundation pledges “to promote and support the educational goals of students from the NE PA Community Federal Credit Union service area through financial assistance for their post-secondary education.” The Foundation will make available financial aid to in-school students, as well as graduated students repaying educational loans. Each year the Foundation will give away at least three (3) Educational Awards for at least \$1,500.00 each. Both members and non-members of the Credit Union are eligible to apply. For more information, visit nepafcu.org.

NE PA Community Federal Credit Union 2024 Board of Directors Nominees

The Board of Directors' term is for three years.

- Amy Berman (Incumbent)
- Constantine Christofides (Incumbent)
- Charles Green (Incumbent)
- Lisa Kirschner (Incumbent)