



Annual Report 2023

You belong here

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OUR PURPOSE

To be a catalyst for positive change in the community.

OUR “PROPELLER”

The propeller is a metaphor for continually moving forward. For us, it's about being there to help direct you as a member while you navigate your ever-changing course. It signifies our ability and commitment to be ready for you whenever you need us.

OUR CORE VALUES

Genuine

We will be a reliable and honest partner.

Empathetic

We will listen to understand and compassionately support your needs.

Earnest

We are determined to ensure every interaction is aligned with credit union values of equality, equity and helping one another.

Trustworthy

We will create an actively engaged culture built on a foundation of high trust.

Resourceful

We will offer useful and practical solutions for your most challenging situations.

A MESSAGE FROM THE BOARD CHAIR AND THE HEAD OF PEOPLE'S



As a credit union, we believe we have a responsibility that goes beyond generating profits. We have the power to make a meaningful impact on society, which is why, in 2023, a cross-functional team came together to develop People's Credit Union's Purpose. We aimed to establish a solid foundation for our existence that aligns with our Core Values. I'm thrilled to share with you our Credit Union's Purpose, "To be a catalyst for positive change in the community."

Our Purpose is not limited to offering financial products or services. Instead, it represents a commitment to use our resources, expertise, and influence to bring about a positive change in the community. As members, you are an integral part of this endeavor. You are not just our members but part of our community, and we are excited to embark on this journey together.

There are several critical next steps that we need to take to define our approach to being a catalyst for positive change:

1. We will be increasing our commitment to our community with an enhanced employee volunteer service program, and we will be talking to our community partners about our Purpose with the goal of leveraging our community impact.
2. In 2024, we will have our first "Day of Purpose," a day where we, the entire People's Team, will unite our efforts for a collective positive impact on our community. This is a day that symbolizes our shared responsibility and commitment to our Purpose.
3. We will ask for our members' support by joining our community initiatives to amplify our impact as a catalyst for positive change.
4. We will continue to evaluate our products and services with the goal of better serving our members in ways that align with our Purpose.
5. We will ask our vendors and partners to join us in actualizing our Purpose by sharing its meaning and evaluating their impact on the community, with the goal of creating joint accountabilities.

As we move forward, we are excited about the opportunities that lie ahead to create positive change and leave a lasting impact on the community. We are dedicated to continuously seeking ways to innovate, collaborate, and lead by example.

In closing, we want to express our sincere gratitude for your continued support and belief in our Credit Union. Together, we can make a difference and build a brighter future for the community.

A handwritten signature in black ink that reads "Christopher S. Ottiano".

Christopher S. Ottiano, MD
Chair, Board of Directors

A handwritten signature in black ink that reads "Sean G. Daly".

Sean Daly
Head of People's Credit Union

TREASURER'S REPORT

I am pleased to present the following report on the financial condition of People's Credit Union as of December 31, 2023, along with the accompanying balance sheets and statements of income.

The Credit Union ended 2023 with total assets of \$717.6 million, representing an increase of 4.3% from 2022. The investment portfolio totaled \$80.7 million, representing a decrease of 2.8%. Loans outstanding to members totaled \$571.0 million, net of reserves of \$2.3 million. This represents an **increase** of 5.6%.

Member deposits totaled \$556.0 million, which represents an increase of 1.1%. Utilization of wholesale funding increased 26.1% to \$84.0 million.

For the fiscal year 2023, the Credit Union realized net income of \$1.5 million versus \$4.8 million in 2022. This represents a decrease of 69.4%.

Members' equity increased 6.8% to \$65.2 million. The Credit Union's regulatory capital ratio remains "well-capitalized" at 10.8%.



Respectfully submitted,

A handwritten signature in black ink that reads "Thomas W. Vignali". The signature is written in a cursive, flowing style.

Thomas W. Vignali, CPA
Treasurer

BALANCE SHEETS unaudited

(in thousands)

	December 31,		
	2023	2022	% change
Assets			
Cash and cash equivalents	\$22,384	\$23,877	-6.3%
Investments	80,732	83,021	-2.8%
Loans, net of allowance for credit losses	571,021	540,564	5.6%
Premises and equipment, net	16,735	15,456	8.3%
Other assets	26,707	24,935	7.1%
Total assets	\$717,579	\$687,853	4.3%
Liabilities			
Member Deposits	\$556,010	\$549,944	1.1%
Wholesale Funding	84,000	66,600	26.1%
Mortgagors' escrow accounts	1,854	1,954	-5.1%
Other liabilities	10,497	8,262	27.1%
Total liabilities	\$652,361	\$626,760	4.1%
Members' equity			
Retained earnings	\$77,571	\$75,506	2.7%
Accumulated other comprehensive (loss) income	(12,353)	(14,413)	-14.3%
Total members' equity	65,218	61,093	6.8%
Total liabilities & members' equity	\$717,579	\$687,853	4.3%

The above consolidated financial statements have been derived from the Credit Union's audited financial statements as of December 31, 2023. The audit was performed by BerryDunn who issued an unmodified opinion on such financial statements. The financial statements, including all footnote disclosures, are available upon request.

STATEMENTS OF INCOME unaudited

(in thousands)

	December 31,		
	2023	2022	% change
Interest and dividend income			
Loans	\$22,206	\$18,182	22.1%
Investments	1,873	1,548	21.0%
Other interest-earning assets	221	147	50.3%
Total interest and dividend income	\$24,300	\$19,877	22.3%
Interest expense			
Interest on deposits	\$4,787	\$619	673.3%
Interest on Wholesale Funds	3,288	733	348.6%
Total interest expense	8,075	1,352	497.3%
Net interest income	\$16,225	\$18,525	-12.4%
Provision for credit losses	(227)	445	-162.2%
Net interest income after provision for loan loss	\$16,502	\$18,080	-8.7%
Non-interest income			
Member service fees	\$4,668	\$4,671	-0.1%
Loan servicing fees and related income	408	506	-19.4%
Gain on sales of loans, net	0	0	n/a
Miscellaneous income	887	1,062	-16.5%
Total non-interest income	\$5,963	\$6,239	-4.4%
Non-interest expenses			
Compensation and employee benefits	\$10,290	\$9,978	3.1%
Occupancy and equipment	4,845	4,023	20.4%
Marketing and Advertising	823	807	2.0%
Loan Operations	504	535	-5.8%
Retail Operations	2,469	2,328	6.1%
Professional Services	855	784	9.1%
Other expenses	1,223	1,112	10.0%
Total non-interest expenses	21,009	19,567	7.4%
Net income	\$1,456	\$4,752	-69.4%

The above consolidated financial statements have been derived from the Credit Union's audited financial statements as of December 31, 2023. The audit was performed by BerryDunn who issued an unmodified opinion on such financial statements. The financial statements, including all footnote disclosures, are available upon request.

SUPERVISORY COMMITTEE REPORT

People's Credit Union's Supervisory Committee is responsible for making sure that members' assets are protected by, *inter alia*, ensuring the Credit Union is engaged in safe and sound practices and that its financial statements are accurately presented.

During the year, the Committee engaged several audit firms to review PCU's internal controls and compliance with all applicable laws, regulations, and policies. Those firms include Wipfli LLP, Cobblestone Management, LLC, Healy & Healy, and GraVoc Associates, Inc. Additionally, the Committee engaged BerryDunn to conduct an external audit of the Credit Union's financial statements.

It is the opinion of the Committee, based in part on the results of the internal and external audits noted above, that the members' assets are adequately protected, the Credit Union is engaged in safe and sound practices, and the financial statements are being accurately presented.

On behalf of the Committee, I would like to thank the Board of Directors, Management, and the Credit Union staff for their diligence and support throughout the year.

Respectfully submitted,



David J. Fox, Esq.
Chairman



Committee Members:
David J. Fox, Esq.
Michelle S. Freitas, CPA
J. Kevin Hyman

CREDIT COMMITTEE REPORT

The Credit Committee reviews current Credit Union loan policies to ensure the safety and soundness of the Credit Union and is responsible for ensuring prudent loan policies are followed. Keeping the credit union philosophy in mind, the following loans were issued by People’s Credit Union in 2023.

	Number of loans	Amount
Residential mortgages	52	\$25,620,100
Home equity loans	181	\$16,095,500
Automobile loans	2285	\$59,783,926
Savings secured loans	49	\$328,199
Personal loans	127	\$928,291
Mobile home loans	60	\$4,937,511
Business loans and lines	34	\$18,268,110
TOTAL	2,788	\$125,961,637

Respectfully submitted,
Credit Committee

Amplifying Our Impact.

At People's Credit Union, we believe everyone shares the responsibility to help make our community a better place. In 2023, we looked inward. We enhanced our community support program and better defined our community impact strategy. We asked important questions. “What can we do to help our employees, members, neighbors, and community thrive? Are our partnerships helping to create a healthier, more resilient, collaborative, and inclusive community? What other voices still need to be heard?”

Our Core Values and our Purpose “to be a catalyst for positive change in the community,” serve as the bedrock of our culture and allow us to amplify our impact with our time, talent, and treasure. People's Credit Union is proud to have supported over thirty-five nonprofit organizations with donations and sponsorships, and our employees collectively volunteered over 1,000 service hours to support our community. We expanded our capacity to provide financial wellness programming and workshops to numerous schools, social services organizations, and job readiness programs which brought education, resources, and opportunities to those in need—all while making a positive difference in the lives of others.

“I want to thank you for your support of those in the community who are striving to improve their lives and progress to the point of being able to give back.”

**– Kathy McGrath
Planting a Seed for Success (PASS)**



 **Wellness Wednesday**
Financial Literacy with the URI Women's Volleyball team!



Helping Our Members **Succeed.**

“I have been going to People’s since 1999. It has felt like family since day one. Everyone has always been friendly, professional, and a joy to do business with.”

– Gail S., Member Since 1999

“I am always pleased and happy at People’s. When I was going through a hard time financially, I was supported and made to feel like I was going to be okay. I am thankful for the help.”

– Joseph C., Member Since 2015

“I’m so grateful to People’s Credit Union for their unwavering support of programming at Innovate Newport. The Innovation Crawl, the Founders Dinner Program, and the Student Entrepreneurship Summit are initiatives that have helped foster the entrepreneurial ecosystem in the region. People’s Credit Union has been instrumental in pursuing that goal. Their commitment to fostering innovation and building a vibrant entrepreneurial ecosystem is truly commendable.”

– Mollie Frazer Williams, Director of Innovation & Entrepreneurship
Greater Newport Chamber of Commerce, Innovate Newport

LEADERSHIP

BOARD OF DIRECTORS

Christopher S. Ottiano, MD *Chair*
Alyson Adkins, CPA *Vice Chair*
Thomas W. Vignali, CPA *Treasurer*
Toni Lyn McGowan *Secretary*
William L. Douglas, Jr.
Terri Marcucci Fitch
Louann Lawrence, CPA
Edward T. Lopes, Jr.
Frank Newsome
John Trifero

SUPERVISORY COMMITTEE

David J. Fox, Esq. *Chair/Secretary*
Michelle Freitas, CPA *Vice Chair*
J. Kevin Hyman

Board of Directors and Supervisory Committee as of December 2023

EXECUTIVE OFFICERS AND SENIOR LEADERSHIP

Sean Daly *Head of People's Credit Union*
Margaret McGill *Head of Finance & Risk*
William DeWitt *Head of Member Delivery & Marketing*
Timothy Jermain *Head of Lending*
Kerry Parent *Head of Human Resources & Talent*
Christopher Eden *Head of Information Security & Technology*
Jane McDurman *Head of Retail Administration*

HEADS OF

John Banks *Mortgage Operations*
Lisa Camara *Consumer Lending*
Erin Connor *North Kingstown Market Development*
Tiffany Costa *Digital Delivery & Deposit Services*
Fatima Estrela *Bristol Market Development*
Nicole Forte *Member Service Center Operations*
Rosemary Hernandez *Loan Servicing*
Jessica Holden *Marketing Communications*
Bethany Horan *Strategic Applications*
Courtney Hunter *Community Development*
Erine Lewis *Risk*
Lori Marshall *Portsmouth Market Development*
Deborah Maxwell *Middletown Market Development*
Symphony Pena *Wakefield Market Development*
Izilda Reis *Human Resources Operations*
Cynthia Ricci *Finance*
Heather Sweeney *Newport Market Development*
Benjamin Tallman *Facilities & Security*
Andrew Thompson *Financial Recovery*

Management Team as of December 2023

MEMBER AFFILIATIONS

Alloya Corporate Federal Credit Union

Cooperative Credit Union Association

Credit Union Executive Society

Credit Union National Association

East Bay Chamber of Commerce

East Greenwich Chamber of Commerce

Federal Home Loan Bank of Boston

*Greater Newport County Chamber
of Commerce*

*Kent Washington County Board
of Realtors*

New England Financial Marketing Association

Newport County Board of Realtors

North Kingstown Chamber of Commerce

Portsmouth Business Association

Rhode Island Mortgage Bankers Association

*Southern Rhode Island Chamber
of Commerce*

TruStage Financial Group, Inc.

BRANCH LOCATIONS

50 Gooding Avenue, Bristol

858 West Main Road, Middletown

43 Memorial Boulevard, Newport

7490 Post Road, North Kingstown

2537 East Main Road, Portsmouth

150 Old Tower Hill Road, Wakefield



BRISTOL

50 Gooding Avenue
401.253.6500

MIDDLETOWN

858 West Main Road
401.846.8935

NEWPORT

43 Memorial Boulevard
401.846.1965

NORTH KINGSTOWN

7490 Post Road
401.885.9660

PORTSMOUTH

2537 East Main Road
401.683.3166

WAKEFIELD

150 Old Tower Hill Road
401.789.5551

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