

# 2023

*Annual Report*





**ANTHONY PINI**  
CHAIRMAN OF THE BOARD

## FROM THE *Chairman*

It brings me great joy to share that Central One Federal Credit Union had another exceptional year in 2023. At Central One, we measure our success against two crucial standards: the satisfaction of our members and the stability of our finances. I am excited to announce that we surpassed expectations for both objectives last year. Our aim is to continue to exceed these expectations year after year.

We are dedicated to ensuring that your experience with Central One is seamless and welcoming at every touchpoint. Whether you are visiting one of our branches or engaging with a Member Service Representative online or over the phone, our knowledgeable team is here to assist you every step of the way. The dedicated individuals

comprising the Central One team are committed to guiding our members with empathy and financial expertise, regardless of where they are on their financial journey.

As the financial landscape undergoes rapid changes, we remain committed to investing in our staff and the latest technology to uphold our position as one of the region's strongest and well-managed credit unions. As we expand and adapt, we continue to stay abreast of regulatory complexities, compliance requirements, and technological advancements in our industry so that we can continue providing the best products and services to our members.

I would like to extend my heartfelt gratitude to my fellow board and committee members for their support, cooperation, and guidance over the past year. I also want to express appreciation to the entire credit union staff and leadership for their unwavering dedication and commitment to member satisfaction. Lastly, and most importantly, I extend my deepest thanks to you, our members, who continue to trust Central One to fulfill their financial needs.

*Anthony C. Pini*

**Anthony C. Pini**  
Chairman of the Board



The Ribbon Cutting Ceremony at Central One's new Milford Branch, June 2023.



**DEVON LYON**  
PRESIDENT / CEO

## FROM THE *President*

Dear Members,

As we reflect on the past year, we are filled with gratitude for your continued trust and support. Together, we achieved remarkable milestones and growth that truly exemplify the strength of our community.

I am pleased to report that Central One's membership grew by 3.5%, with more than 3,000 new members joining us. Your confidence in us has led to an expansion, exemplified by the opening of our newest branch in Milford, MA. This addition not only enhances accessibility for our existing members, but also extends our commitment to providing quality financial services to more individuals and families in the region. In addition, we continue to enhance our technology and self-service options. In 2023, we introduced an enhanced loan payment solution to allow our members the flexibility of paying their Central One loans from their external accounts. This new feature is available on our website and digital banking as well as through our Member Support Center.

In line with our core values of community and collaboration, we are proud to have engaged in various philanthropic initiatives throughout the year. Our philanthropic funds were allocated to address the needs of our community, with a focus on improving family well-being, addressing food insecurity, supporting veterans, fostering youth development, and promoting diversity, equality, and inclusion. We organized our first annual Build A Bed event, where employees volunteered to build beds for local children in need. Additionally, we took part in Operation Playhouse, giving our employees the opportunity to construct and decorate a personalized playhouse for a local military family. Our employees volunteered over 440 hours to our various philanthropic endeavors, and as we look ahead to 2024, our goal is to continue to increase those volunteer hours.

We pride ourselves on being a for-impact organization, and over the last twelve months, we have kept that commitment to you - our members - and the communities we serve. Together, we will continue to grow, evolve, and thrive as we navigate the ever-changing landscape of the financial industry. With offerings like our award-winning Credit Union Service Organizations (Oak Tree Insurance Agency and Central One Retirement and Investment Center), we are dedicated to providing you with the tools and support needed to achieve your financial goals.

Thank you for your membership, we are honored to be your trusted financial partner. Together, we will continue to make a difference and look forward to the opportunities that lie ahead.

A handwritten signature in black ink, appearing to read 'Devon Lyon', written over a light blue horizontal line.

**Devon Lyon**  
President/CEO

# OUR Mission

At the heart of our mission lies an unwavering commitment to enriching our communities. In 2023, we remained true to our mission and found new ways to get involved in causes that matter to our communities. We rolled up our sleeves to help prepare fields and plant crops that would benefit people who are battling food insecurity, teamed up to form run and walk teams to raise awareness and funds for worthy causes such as cancer research and veterans welfare, supported local businesses that make a difference to those in our communities, organized food drives, and more. Time and time again, our employees stepped up and showed what it means to be part of the Central One team. With a spirit of compassion and purpose, we collectively strived to uplift our communities and help them flourish, and we will continue doing so in 2024 and beyond.



# 2023 Awards

- Voted one of the top 3 credit unions in Worcester Telegram’s Best of Central Mass Contest and Best of Metrowest
- Feefo Platinum Trusted Service Award
- Awarded Top Credit Union Lender in Massachusetts by the Warren Group:
  - Ranked #4 for Volume of Non-Purchase Residential Loans
  - Ranked #10 Tied Credit Union for Number of Commercial Purchase Loans
  - Ranked #10 Tied Credit Union for Number of Multi-Family Purchase Loans



# 2023 *by the* NUMBERS

## FINANCIAL *Education*

**Everfi**  
web-based learning

- 899 users
- Top 3 topics: Financial Basics, Preventing Elder Fraud, Financing Your Future

**Zogo**  
app-based learning

- 5,239 users
- 20,822 modules completed

## GROWTH *Highlights*



**Assets**

**+5.4%**



**Loans**

**+7.5%**



**Vehicle Loans**

**+16.4%**



**Business Loans**

**+17.2%**

## *Our award-winning* CREDIT UNION SERVICE ORGANIZATIONS



### **Oak Tree Insurance Agency**

- Voted #1 in Worcester Telegram's Best of Central Mass Contest in the Insurance Agency category for the second year in a row
- 92.6% Retention Rate
- Increased Book of Business by 21.6%

### **Central One Retirement & Investment Center**

- Voted #1 in Worcester Telegram's Best of Central Mass Contest in the Financial Planning Services category
- Assets Under Management: \$223 Million
- Members served increased by 8.7%
- New deposits invested on behalf of members: \$10.8 Million

# CONSOLIDATED BALANCE SHEETS

Years ended December 31, 2023 and 2022 (In Thousands)

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 18,484	\$ 18,687
Investment securities, held to maturity, at cost	82,162	94,308
Investment securities, available for sale	5,527	6,294
Other investments, at cost	24,264	18,370
Deferred compensation plan assets	5,350	4,884
Loans to members, net of allowance for credit losses of \$2,862 and \$1,554 in 2023 and 2022, respectively	615,043	572,398
Premises and equipment, net	22,969	22,547
Accrued interest receivable	2,819	1,954
Prepaid expenses and other assets	13,959	10,808
Stock of the Central Liquidity Facility	1,875	1,701
National Credit Union Share Insurance Fund deposit	6,172	6,081
	<u>\$ 798,624</u>	<u>\$ 758,032</u>
Liabilities and Members' Equity		
Members' share accounts	\$ 654,738	\$ 643,197
Non-member deposits	7,695	10,770
Short term borrowings	13,035	9,100
Accrued and other liabilities	2,380	1,870
Long term borrowings	52,000	29,709
	<u>729,848</u>	<u>694,646</u>
Total liabilities		
Members' equity		
Other reserves	-	4,982
Undivided earnings	72,011	62,768
Accumulated other comprehensive loss	(3,235)	(4,364)
	<u>68,776</u>	<u>63,386</u>
Total members' equity		
	<u>\$ 798,624</u>	<u>\$ 758,032</u>

# CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Years ended December 31, 2023 and 2022 (In Thousands)

	Other Reserves	Undivided Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2021	\$ 4,982	\$ 58,122	\$ (3,030)	\$ 60,074
Comprehensive income (loss)	<u>-</u>	<u>4,646</u>	<u>(1,334)</u>	<u>3,312</u>
Balance, December 31, 2022	4,982	62,768	(4,364)	63,386
Cumulative effect accounting adjustment for adoption of ASU 2016-13	-	(970)	-	(970)
Comprehensive income	-	5,231	1,129	6,360
Reserve transfer	<u>(4,982)</u>	<u>4,982</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2023	<u>\$ -</u>	<u>\$ 72,011</u>	<u>\$ (3,235)</u>	<u>\$ 68,776</u>

# CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

Years ended December 31, 2023 and 2022 (In Thousands)

	2023	2022
Interest income		
Loans	\$ 27,475	\$ 19,936
Investment securities	2,345	1,554
Interest-bearing deposits	1,047	469
Total interest income	30,867	21,959
Dividend and interest expense		
Members' share accounts	7,941	2,463
Borrowings	2,238	674
Total dividend and interest expense	10,179	3,137
Net interest income	20,688	18,822
Provision for credit losses	677	305
Net interest income after provision for credit losses	20,011	18,517
Non-interest income		
Customer service fees and commissions	2,486	2,521
Credit and debit card income	2,420	2,339
Loan and servicing fees	613	767
Unrealized gain (loss) on deferred compensation plan assets	466	(618)
Other income	229	159
Total non-interest income	6,214	5,168
Non-interest expenses		
Compensation and employee benefits	12,552	11,409
Occupancy costs	1,544	1,368
Operating expenses	6,898	6,262
Total non-interest expenses	20,994	19,039
Net income	5,231	4,646
Other comprehensive income (loss)		
Net adjustments pertaining to defined benefit and other post employment benefit plans	1,101	(1,159)
Net unrealized gains (losses) on investment securities, available for sale	28	(175)
Comprehensive income	\$ 6,360	\$ 3,312

Notes to Consolidated Financial Statements: (as of December 31, 2023 and December 31, 2022)  
The accounting firm Bollus Lynch LLP conducted the audit of our consolidated financial statements.  
The complete disclosure and footnotes are available at the Credit Union upon request.



**(800) 527-1017 | [centralfcu.com](http://centralfcu.com)**

Auburn | Milford | Northborough | Shrewsbury | Westborough | Worcester