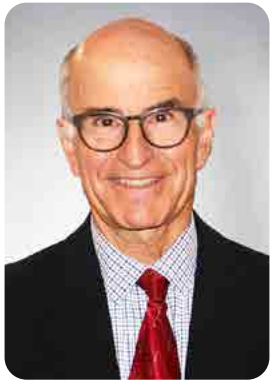


# 2022

## Annual Report

Celebrating 70 years 1952-2022





# FROM THE *Chairman*

The year 2022 was another excellent year of growth for Central One Federal Credit Union. As we maintain solid and steady growth, one thing remains the same: member experience is at the forefront of everything we do. From our array of deposit and investment offerings to our mortgage and loan products, our comprehensive suite of products and unmatched member service are rooted in our commitment to helping our members.

**ANTHONY PINI**  
CHAIRMAN OF THE BOARD

In addition to the credit union's significant financial and membership growth throughout 2022, we also secured a physical presence within the heart of Worcester when we opened our newest branch within Saint Vincent Hospital. After relocating the branch from its original location on the fifth floor of the hospital to the first floor, we're happy to now provide easier access to hospital employees and members of the public.

This year was also one of transition. Our President / CEO since 1994, David L'Ecuyer, retired. David left behind a legacy to be proud of; a top-quality staff, leading Central One to become one of the region's largest credit unions, and, most importantly, a culture that focused on member service. We all wish David the best of luck in his well-deserved retirement.

Last August, Devon Lyon was appointed the third CEO in Central One's 70-year history. Devon holds a Juris Doctorate from Albany Law School of Union University and a Bachelor's Degree in Political Science from Binghamton University. He comes to us with an impressive financial background and credit union experience. We are fortunate and honored to have him take the helm and lead our team toward continued success.

With technological advancement, regulatory complexity, and compliance as well as membership needs, the financial world continues to evolve rapidly. Devon's experience is well-suited to lead us through these changing times. To keep pace with the fast-moving industry, we will continue investing in technology, facilities, and staff to continue to be one of the region's strongest and best-run credit unions.

I want to thank my fellow Board and Committee members for their support, cooperation, and direction in 2022. I would also like to thank the entire Central One team for their dedication and tireless commitment to member satisfaction. Lastly, and most importantly, I would like to thank our members who continue to entrust Central One with their financial needs.

*Anthony C. Pini*

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



The Ribbon Cutting Ceremony at Central One's new Worcester Branch, September 2022.



**DEVON LYON**  
PRESIDENT / CEO

# FROM THE *President*

Dear Valued Members,

I am honored to address you as the third CEO in Central One Federal Credit Union's proud history. As we embark on this annual message, I want to express my gratitude for your trust in me and your continued confidence in our entire team. Together, we will continue to build on the foundation of financial excellence that has made Central One a beacon of community-driven success.

First and foremost, I want to recognize the incredible achievements of our credit union over the past year. We provided funding for over 80 commercial loans, which helps strengthen the communities we live and work in. We provided over \$170,000,000 in consumer loan funding, helping finance our members' dreams along their unique financial journeys. We welcomed over 2,000 new members to the Central One family. Overall loan growth was 8%, and total asset growth was 3.8%. These numbers indicate that Central One is financially sound, well-managed, and helping the communities we serve.

Beyond our tremendous growth, Central One continued to live the credit union mission of People Helping People. In 2022 Central One's employees volunteered at numerous community and industry events. Additionally, Central One donated over \$125,000 to various charities that helped fill critical needs in the community.

Looking ahead, I am excited to share our vision for the future. Under my leadership, we will remain committed to our core values. We will continue to prioritize our members' financial health and success, offering innovative solutions tailored to your individual needs. Central One has stood shoulder to shoulder with our communities and members, providing support, guidance, and stability during uncertain times. Together, we have proven that our credit union is not just a place to conduct financial transactions but a true partner in your journey toward financial well-being. These mission-critical values will not change but will continue to be expanded in the years to come.

Furthermore, we understand that financial education is crucial for achieving long-term prosperity. Therefore, we will expand our educational initiatives, providing resources and workshops that empower our members to make informed decisions and achieve their financial goals through every phase of their financial lives. In addition, our commitment to financial literacy will extend beyond our branches, reaching out to local schools and community organizations.

As your new CEO, I am deeply committed to fostering a culture of collaboration and growth within our credit union. The collective strength of our dedicated team and the unwavering support of our members will propel us toward even greater success. In addition, we will foster an environment that encourages innovation, embraces diversity, and nurtures talent, ensuring we attract the best and brightest professionals to serve you.

In closing, I want to express my sincere appreciation for your continued trust and loyalty. Together, we will chart a course that elevates our credit union to new heights, empowering our members and strengthening the communities we serve. I look forward to embarking on this exciting journey as we build a future filled with prosperity and opportunities with all of you.

A stylized, handwritten signature in black ink, appearing to read 'Devon Lyon'.

**Devon Lyon**  
President / CEO

# OUR Mission

Central One Federal Credit Union strives to be its members' primary financial institution by providing access to a comprehensive set of financial products and services at an industry-leading level of service quality.

## PEOPLE *Helping* PEOPLE



# 2022 Awards

- Voted one of the top 3 in the following categories:
  - Best Credit Union in Best of Central Mass and Best of MetroWest
  - Best Financial Planning Services in Best of Central Mass
- Feefo Platinum Trusted Service Award
- Top Credit Union Lender in Massachusetts by the Warren Group
- Ranked #146 in the U.S.. for Second Mortgages as reported by the American Credit Union Mortgage Association



# 2022 *by the* NUMBERS

## FINANCIAL *Education*

### Everfi

- 629 users
- Top 3 topics: Owning a home, Financial Wellness During Uncertain Times, and Financial Foundations

### Zogo

- 4,841 users
- 94% of users agree that Zogo has improved their personal financial literacy

## GROWTH *Highlights*



### Assets

**+3.8%**



### Loans

**+8.0%**



### Home Equity Loans

**+17.7%**

## CUSO\* *Information*

### Oak Tree Insurance Agency

- Named "Best of Central Mass" in the Insurance Agency category
- 92.3% Retention Rate
- Increased Book of Business by 15.47%



### Central One Retirement & Investment Center

- New deposits invested: \$11,078,130
- Total number of accounts: 3,199
- 97% Retention Rate

# CONSOLIDATED BALANCE SHEETS

Years ended December 31, 2022 and 2021 (In Thousands)

Assets	2022	2021
Cash and cash equivalents	\$ 18,687	\$ 73,239
Investment securities, held to maturity, at cost	94,308	67,168
Investment securities, available for sale	6,294	5,271
Other investments, at cost	18,370	13,112
Deferred compensation plan assets	4,884	5,502
Loans to members, net of allowance of \$1,554 and \$1,452 in 2022 and 2021, respectively	572,398	530,334
Premises and equipment, net	22,547	20,770
Accrued interest receivable	1,954	1,553
Foreclosed real estate	—	176
Prepaid expenses and other assets	10,808	9,911
Stock of the Central Liquidity Facility	1,701	1,423
National Credit Union Share Insurance Fund deposit	6,081	5,911
	\$ 758,032	\$ 734,194
Liabilities and Members' Equity		
Members' share accounts	\$ 643,197	\$ 644,244
Non-member deposits	10,770	8,037
Short term borrowings	9,100	—
Accrued and other liabilities	1,870	2,640
Long term borrowings	29,709	19,199
	694,646	674,120
Members' equity		
Regular reserve	4,982	4,982
Undivided earnings	62,768	58,122
Accumulated other comprehensive loss	(4,364)	(3,030)
	63,386	60,074
	\$ 758,032	\$ 734,194

# CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Years ended December 31, 2022 and 2021 (In Thousands)

	Regular Reserve	Undivided Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2020	\$ 4,982	\$ 52,478	\$ (5,258)	\$ 52,202
Equity acquired in business combination	—	1,091	—	1,091
Comprehensive income (loss)	—	4,553	2,228	6,781
Balance, December 31, 2021	4,982	58,122	(3,030)	60,074
Comprehensive income (loss)	—	4,646	(1,334)	3,312
Balance, December 31, 2022	\$ 4,982	\$ 62,768	\$ (4,364)	\$ 63,386

# CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

Years ended December 31, 2022 and 2021 (In Thousands)

	2022	2021
Interest income		
Loans	\$ 19,936	\$ 19,059
Investment securities	1,554	651
Interest-bearing deposits	469	145
Total interest income	21,959	19,855
Dividend and interest expense		
Members' share accounts	2,463	2,820
Borrowings	674	476
Total dividend and interest expense	3,137	3,296
Net interest income	18,822	16,559
Provision for possible loan losses	305	30
Net interest income after provision for possible loan losses	18,517	16,529
Non-interest income		
Customer service fees and commissions	2,521	2,356
Credit and debit card income	2,339	2,118
Loan and servicing fees	767	1,691
Unrealized gain on deferred compensation plan assets	618	385
Realized gain on sale of foreclosed real estate	—	172
Other income	159	135
Total non-interest income	5,168	6,857
Non-interest expenses		
Compensation and employee benefits	11,409	11,647
Occupancy costs	1,368	1,146
Operating expenses	6,262	6,040
Total non-interest expenses	19,039	18,833
Net income	4,646	4,553
Other comprehensive income (loss)		
Net adjustments pertaining to defined benefit and other post employment benefit plans	(1,159)	2,296
Net unrealized losses on investment securities, available for sale	(175)	(68)
Comprehensive income	\$ 3,312	\$ 6,781

Notes to Consolidated Financial Statements: (as of 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