

# Best Reward<sup>SM</sup>

FEDERAL CREDIT UNION

Where Membership is the Best Reward



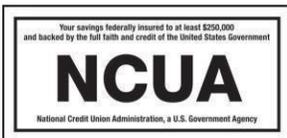
Brook Park Branch



Highland Heights Branch



Walton Hills Branch



## Best Reward Federal Credit Union's Vision

**To be our members' trusted financial institution. We believe that trust is built on the following 5 pillars:**

- **Safety and Soundness** – This is accomplished by maintaining a capital ratio that is at or above the designation of a well-capitalized credit union, maintaining a risk management culture to manage any unforeseen adverse events, and remaining in compliance with all laws, rules and regulations.
- **Transparency** – This is accomplished by presenting financial statements in a timely and accurate manner, presenting product disclosure that is clear and easy to read and understand, assessing and communicating any risks in a timely and accurate manner, and providing a clear delineation of roles and responsibilities.
- **Respect** – This is accomplished by treating all members with equal respect regardless of the depth of their relationship with the credit union and treating all employees with respect regardless of their title or pay grade.
- **Effective Solutions** – This is accomplished by offering solutions that are in the best interest of our members' financial health and making financial education and other resources available to help our members make prudent financial decisions.
- **Relationship Building** – This is accomplished by proactively developing member relationships and rewarding members who over time show trust and deepen their relationship with Best Reward.

## **Board of Directors**

Norman L. Alford, Chairman

Thomas Merritt, Jr., Vice Chairman

Louis L. Pastor, Treasurer

Thomas W. Zmrazek, Secretary

Frank Adamec, Director

Jack Federan, Director

Richard Kistemaker, Director

## **Supervisory Committee**

Michael Gammella, Chairman

Jack Federan, Secretary

Patrick Marko, Member

Stanley Dykes, Building Security  
Overseer

## **Management**

John J. Shirilla, President/CEO

Allen P. Schreiber, CPA, EVP/COO  
Membership Officer

Joe Albin, CFO

## The Annual Meeting of Best Reward FCU on March 19, 2026 at 4:00 PM - Meeting Agenda

- Call the Meeting to Order
- Annual Meeting Minutes 2025 Page 5-6
- Report of the Chairman Page 7
- Report of the Treasurer Page 8
  - Report of the Financial's 2025 Page 9
- Report of the Supervisory Committee Page 10
  - Report of the Independent Auditor Page 11
- Report of the Nominating Committee Page 12
- Report of the President/CEO Page 13
- Unfinished Business
- New Business
- Adjournment

**MINUTES OF THE MARCH 20, 2025 HYBRID ANNUAL MEETING OF  
BEST REWARD FEDERAL CREDIT UNION  
CONDUCTED AT THE HIGHLAND HEIGHTS BRANCH CONFERENCE ROOM**

John Shirilla greeted attendees and introduced Board Chairman Norman Alford.

Chairman Alford called the meeting to order at 4:00 PM and appointed CEO John Shirilla as facilitator for today's meeting.

CEO Shirilla noted that Jennifer Cole will act as Recording Secretary and Allen Schreiber will act as Parliamentarian. CEO Shirilla stated that the Moderator determined a quorum of at least 15 members. He stated that the minutes of the Best Reward Federal Credit Union Annual Meeting held on March 21, 2024 were included in the meeting packet and asked if any additions or corrections were needed. There were none.

CEO Shirilla asked members to provide their full name for proper recording by the Secretary.

**CEO Shirilla moved to adopt the minutes as presented; Allen Schreiber seconded, and the motion carried unanimously.**

CEO Shirilla introduced Norm Alford for the Chairman's Report.

Chairman Alford welcomed the members and presented his report as published in the Annual Report.

CEO Shirilla asked for the adoption of the Chairman's Report.

**Chairman Alford moved; Dean Seigneur seconded, and the motion carried unanimously.**

CEO Shirilla introduced Treasurer Louis Pastor.

Treasurer Pastor presented his report as published in the Annual Report.

CEO Shirilla asked for the adoption of the Treasurer's Report.

**Treasurer Pastor moved; Tom Zmrazek seconded, and the motion carried unanimously.**

CEO Shirilla introduced Supervisory Committee Chairman Mike Gammella.

Committee Chair Gammella presented his report as published in the Annual Report.

CEO Shirilla asked for the adoption of the Committee's Report.

**Committee Chair Gammella moved; Rebecca Rzeszut seconded, and the motion carried unanimously.**

CEO Shirilla introduced Nominating Committee Chair Louis Pastor.

Committee Chair Pastor presented his report as published in the Annual Report.

**Committee Chair Pastor moved that the nominees Norman Alford, Thomas Merritt, Richard Kistemaker, and Jack Federan be elected by acclamation; Donna Kendrick seconded, and the motion carried unanimously.**

CEO Shirilla presented his report as published in the Annual Report. John emphasized the importance of watching for fraudulent text messages, email messages, or phone calls and encouraged members to enroll in services that help protect their accounts, cards, and other personal identifying information.

**CEO Shirilla moved for acceptance of his report, Donna Kendrick seconded and the motion carried unanimously.**

CEO Shirilla indicated that there was not any unfinished business or new business for the membership to act on at this meeting.

CEO Shirilla opened the floor for general member questions. There were none.

There being no questions, CEO Shirilla called for a motion to adjourn at 4:26 p.m.

**Judith Chorba, Donna Kendrick seconded to adjourn the meeting, and the motion carried unanimously.**

There being no objection, the meeting was adjourned.

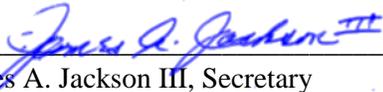
CEO Shirilla had Mr. Rzeszut spin for door prize drawings open to any member attending in person or virtually. Twenty \$20.00 door prizes were awarded to members to be deposited to the member's share account. The drawing concluded at 4:33 p.m.



\_\_\_\_\_  
Norman Alford, Chairman



\_\_\_\_\_  
Jennifer Cole, Recording Secretary



\_\_\_\_\_  
James A. Jackson III, Secretary

## Report of the Chairman

Welcome and thank you for attending today's meeting. For your convenience, we are conducting a hybrid meeting where you can join remotely or in-person (here) at our Highland Heights Branch. We appreciate your membership with Best Reward Federal Credit Union.

As consumers become more familiar and confident with online and mobile technology, Best Reward understands that these services need to be provided in order to fulfill those financial needs. Members may still need to visit branch offices, but they may not need to visit them as often.

Today, members of Best Reward can transact remotely, safely, and securely – from their computer, tablet, or smart phone with our FREE Phone 24 Automated System, FREE Best Reward Online, and FREE Mobile Banking App. We encourage EVERY member to download our FREE Mobile Banking App. Within the app, you can enroll for account alerts, view your account activity, and manage your Debit Card – such as turning it on and off, establishing transaction controls for dollar amount limits, merchant categories, geographic locations, and more; allowing you to protect yourself with on-the-go, real-time control. Plus, our Mobile Banking App offers Mobile Deposit, Bill Pay, and e-Sign.

As advancements in technology continue to increase, so does our concern for Cybersecurity. Throughout the year, the Best Reward team sends emails to you regarding local and national – text, call, and email frauds and scams. It's imperative that members not only monitor their account activity, but that they receive these regular and timely updates in their inbox. You can join our email list right from the Homepage of our website. It's going to take all of us to protect the systems that we rely on and we all have to work together to combat the fraudulent activity that has become so prevalent in our nation today. If you do not have our FREE Mobile Banking App or receive our emails, please contact a branch or visit us online to enroll in these services.

In addition, I would like to mention that effective December 1, 2025 Plumbers 55 Federal Credit Union (FCU) merged with Best Reward FCU bringing over 1,000 additional new members; along with their assets and net worth. Plumbers 55 FCU was based in Brooklyn Heights serving members of the Plumbers Local 55 Union in Cleveland. The size of this credit union made it difficult for them to provide the financial services that members expect; therefore, merging with Best Reward FCU was overwhelmingly approved by their members. The Plumbers 55 merger has been successful with many of those members taking advantage of the loan and deposit products that Best Reward offers. This merger has provided real value to both the Best Reward and Plumbers 55 memberships.

Lastly, on behalf of the entire Board of Directors, I'd like to express my sincerest appreciation to our members who place not only their money, but also their confidence and trust in Best Reward Federal Credit Union. We look forward to serving you and your families in the years ahead.

**Norman L. Alford**  
**Chairman of the Board**

## Report of the Treasurer

In 2025, the U.S. credit union system demonstrated strong financial resilience and growth according to the National Credit Union Administration (NCUA). Your credit union likewise remains in a strong financial position. Members can continue to look to this credit union as a safe place to deposit their funds.

We constantly review and modify strategies to identify and protect against cyber-security threats. In addition, we provide information to our members about the most prevalent financial scams. We continued to deploy our Return on Equity (ROE) Strategy, as it has provided economic benefit adding to our undivided earnings. Furthermore, our balance sheet and interest rate risk management proved to be effective and responsive to the economy and rate changes throughout 2025.

At year-end 2025, assets totaled \$164,750,027, an increase from last year, shares totaled \$118,449,155, an increase from last year and net loans totaled \$28,792,041, a decrease from last year.

- Reserves, undivided earnings, and equity acquired in mergers remain strong and increased more than \$1 million from last year totaling \$24,814,181 at year-end.
- Net operating expenses as a percentage of average assets ended the year at 2.59%.
- Average loan balance ended the year at \$10,025, up from last year.
- Average share balance (per member) ended the year at \$9,517, down slightly from last year.
- Total members at year-end numbered 12,447 up from last year.

Best Reward Federal Credit Union is federally insured. Federally insured credit unions offer a safe place for you to save your money, with deposits insured up to at least \$250,000 per individual depositor. The National Credit Union Administration (NCUA) is the independent agency that administers the National Credit Union Share Insurance Fund (NCUSIF). Like the FDIC's Deposit Insurance Fund, the NCUSIF is a federal insurance fund backed by the full faith and credit of the United States government.

Best Reward Federal Credit Union is committed to remaining safe and sound, as that is a critical element in gaining the trust of our members. We appreciate your continued confidence and look forward to serving you and your families in 2026 and beyond.

**Louis L. Pastor**  
**Treasurer of the Board**

# Report of the Financials 2025

## Comparative Financial Statement

<b>Assets:</b>	<b>12/31/2025</b>	<b>12/31/2024</b>
Loans to Members	\$28,792,041	\$31,933,103
Cash & Equivalents	\$1,476,312	\$1,118,654
Investments	\$128,219,498	\$117,858,985
Other Assets	\$4,688,057	\$4,514,352
Fixed Assets	<u>\$1,574,118</u>	<u>\$1,638,914</u>
<b>Total Assets</b>	<b>\$164,750,027</b>	<b>\$157,064,009</b>
<b>Liabilities &amp; Equity:</b>		
Liabilities	\$3,486,159	\$2,177,933
Notes Payable	\$25,000,000	\$25,000,000
Members' Shares	\$118,449,155	\$116,633,563
Unrealized Gain/Loss Investments	-\$6,999,467	-\$10,414,186
Equity Acquired in a Merger	\$2,581,837	\$2,047,457
Reserves and Undivided Earnings	<u>\$22,232,344</u>	<u>\$21,619,242</u>
<b>Total Liabilities and Equity</b>	<b>\$164,750,027</b>	<b>\$157,064,009</b>
<b>Income:</b>		
	<b>12/31/2025</b>	
Interest on Loans	\$2,046,395	
Income from Investments	\$4,117,754	
Other Operating Income	<u>\$694,310</u>	
<b>Total Operating Income</b>	<b>\$6,858,458</b>	
<b>Expenses:</b>		
Employee Compensation & Benefits	\$2,190,673	
Travel and Education	\$18,672	
Office Occupancy	\$304,928	
Office Operations	\$239,443	
Publicity and Promotions	\$95,007	
Loan Servicing	\$223,039	
Association Dues	\$3,192	
Professional and Outside Services	\$1,272,625	
Provision for Loan Loss	\$199,026	
Examination and Supervision	\$20,370	
Interest on Borrowed Money	\$1,008,783	
Miscellaneous Operating	<u>\$88,522</u>	
<b>Total Operating Expense</b>	<b>\$5,664,280</b>	
<b>Income Before Dividends</b>	<b>\$1,194,178</b>	
<b>Dividends on Shares</b>	<u><b>-\$581,077</b></u>	
<b>Net Income/Loss</b>	<b>\$613,102</b>	

Unaudited – Internally Prepared

## Report of the Supervisory Committee

Good Afternoon.

The Supervisory Committee is comprised of volunteers who are charged with ensuring that:

- The financial condition and operations of the credit union are accurately and fairly presented in the credit union's financial statements.
- The credit union's management practices and procedures are sufficient to safeguard members' assets.
- The members' share and loan accounts are verified against the records of the credit union. This was completed as of March 31, 2025 by our public accounting firm.

To assist in meeting the annual Supervisory Committee Audit requirements, the Committee engaged the services of the certified public accounting firm GBQ Partners, LLC. An audit of the Financial Statements of Best Reward Federal Credit Union was completed as of June 30, 2025 and the letter to the Board indicated that the financial statements present fairly the financial position of the credit union. A written report of this audit is included in your annual report.

The accounting firm also performed quarterly Interim Audit Procedures and Compliance and Independent Testing Engagements throughout the year on the internal processes of Best Reward Federal Credit Union.

As a Federal Credit Union, we are subject to examinations by our regulator and insurer, the National Credit Union Administration (NCUA). There were no items identified in the most recent exam that required the Board or Committee's immediate attention.

The Committee members regularly review the operations and any new policies set forth by the Board of Directors. Based on our reviews and the reviews conducted on our behalf by our public accounting firm, we also believe the financial statements presented to the membership present fairly the financial condition of Best Reward Federal Credit Union and that the credit union continues to operate in a safe and sound manner, working towards the best interest of all its members'.

We are pleased to report our findings and remain committed in our effort to assure the safety and soundness of the members' ownership in Best Reward Federal Credit Union.

**Michael Gammella**  
**Chairman, Supervisory Committee**

# Report of the Independent Auditor

**We have performed an audit of the financial statements of Best Reward Federal Credit Union as of June 30, 2025 and 2024, and issued our report thereon. Our report on these financial statements reads as follows:**

We have audited the financial statements of Best Reward Federal Credit Union, which comprise the statements of financial condition as of June 30, 2025 and 2024, and the related statements of income, comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Best Reward Federal Credit Union as of June 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Best Reward Federal Credit Union and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Best Reward Federal Credit Union's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Best Reward Federal Credit Union's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Best Reward Federal Credit Union's ability to continue as a going concern for a reasonable period of time.

**The audited financial statements and report of Independent Certified Public Accountants may be viewed at the main office - located at 21375 Alexander Rd., Walton Hills, OH 44146.**



## **Report of the Nominating Committee**

Good Afternoon. The terms of office of two Directors; Louis L. Pastor and Thomas W. Zmrazek expire at this 2026 Annual Meeting. Both Directors provided the Nominating Committee with written confirmation of their qualifications to serve and that they desired to be nominated for election.

In consideration of the qualifications and record of service of the candidates; the Committee determined to nominate them both. As required by the bylaws, the Nominating Committee filed its nomination with the Secretary of the Credit Union.

The Nominating Committee posted a Call for Nominations notice on the website and in the branch offices on October 10, 2025. The Secretary posted an Election of Directors notice on the website and in the branch offices on December 19, 2025 regarding the action of the Nominating Committee and the petition process.

No nominations other than those of the two incumbents were received, nor were any petitions received. Notice of the Annual Meeting date was posted on the website, in the branch offices, in the newsletter, in an email to members, and on the statement message.

The credit union's Election Policy stipulates "that an election will not be conducted by ballot and there will be no nominations from the floor when there is only one nominee for each position to be filled."

Mr. Chairman, the committee affirms to the membership that it has fulfilled its obligations required by the Bylaws and since there is only one nominee for each position to be filled, I move that Louis L. Pastor and Thomas W. Zmrazek be elected by acclamation.

**Franklyn Adamec**  
**Nominating Committee Chair**

**Committee Members**  
**Norman L. Alford**  
**Franklyn Adamec**  
**Richard Kistemaker**

## Report of the President/CEO

Good afternoon and welcome. Thank you for taking the time to participate in Best Reward's Annual Meeting today. While banks must make profits for their shareholders, credit unions serve their members (who are the shareholders). Because of this unique structure, credit unions exist solely to serve its members and to provide a safe, convenient place to save and borrow money. While credit unions are not-for-profit financial institutions, that doesn't mean we don't earn profits. It's what we do with those profits that is unique. Unlike publicly-held financial institutions, we return those profits to our member-owners in the form of reduced or no-fee services, competitive and reasonable rates, and providing a positive member experience.

This past year was a solid year financially for Best Reward FCU. The Treasurer mentioned in his report that assets, shares, members and net worth increased in 2025 although member loans declined. Net operating assets (as a percentage of average assets) remained low compared to credit union's in our peer group. We continue to maintain sound ratings from some of the Independent Rating services such as IDC and Bauer Financial.

As mentioned by our Chairman, we periodically share important consumer information. As your TRUSTED financial institution, we want to be proactive and help you protect yourself. To help you manage your accounts, we highly recommend that you register for Best Reward Online or download our FREE Mobile Banking App and enroll for Account Alerts and manage your Debit Card, so that you can notify us right away if something seems suspicious. Our staff is here to assist you, should you have any questions or concerns.

This year, we will continue to develop our technology and plan to make it even easier to transact with person-to-person payments. We will also be looking into expanding our lending programs to help even more members finance (or refinance from their higher payments or higher interest rates) that they may have obtained elsewhere. Lastly, we would like to expand our financial education. We currently offer a number of resources on our website including blog articles on a variety of topics such as saving, lending, and improving credit; featured videos, financial calculators, and more – to position you for financial success. But as cybersecurity continues to be a priority for Best Reward and new products and services are implemented; additional educational resources may help members prepare and adopt new practices that will increase their knowledge and enhance their financial experience. It is our priority to offer members the products, services, financial education, and access that they need.

While managing federal regulations regarding credit risk, liquidity risk, interest rate risk, and cybersecurity risk factors, Best Reward continues to maintain a strong balance sheet. Our strong capital position, dedicated staff, and Board of Directors' oversight has served the credit union well. The Board of Directors has in place multi-phased Succession Plans to ensure stability to allow for the orderly transition of staff due to retirements. While my retirement with Best Reward FCU is just around the corner, EVP/COO Allen Schreiber has been on staff since 2023 allowing for a smooth transition to the President/CEO position. You can be confident that a seamless transition of leadership will ensure viability and effective performance that will continue to execute the credit union's Mission and Vision in accordance with the Board of Directors' and Staff.

I am confident that whatever changes or challenges occur in the future, Best Reward FCU remains equipped with the knowledge, experience, and resources needed to respond appropriately and purposefully. As always, Best Reward FCU is committed to providing you the highest level of member service. On behalf of the Best Reward Team, we appreciate your continued membership and trust.

**John J. Shirilla**  
**President/CEO**