

**Mr. Duane Horning,
Board President**

Former CEO, Allen Memorial Hospital
and formerly with Lakewood Hospital

Mr. Richard M. Gore, Vice President

Assistant Director of Distance Learning Services,
WVIZ

Former Director, Division of Career
and Technical Education,
Cleveland Municipal School District

Mr. Robert J. Gale, Treasurer

President, Cleveland Chapter of the
Ohio Credit Union League
Former teacher, Holy Name High School

Mr. Tony H. Smith, Sr., Secretary

Vice President of Operations at
Ohio Aerospace Institute

Ms. Carol A. Creel

Director of Special Projects,
Cleveland Municipal School District

Mr. Fred Dolan

President, Heartland Communications

Mr. Anastasius Fourmas

Former Assistant Principal,
Whitney M. Young Junior High School,
Cleveland Municipal School District

Mr. Edward Kral

Former Director of Personnel,
Cleveland Municipal School District

Mr. Gerald Pace

Chief Financial Officer,
Cleveland Municipal School District

Mr. Patrick J. Polen

Information Engineer,
AK Steel Zanesville Operations

Mr. David Stewart

Chief Financial Officer,
St. Vincent Charity Hospital

Ms. Mary Lou V. Stricklin

President/Chief Executive Officer,
VNA Healthcare Partner of Ohio

Mr. Craig Strong

Director of Public Information/EEO,
Cuyahoga County Engineer's Office
Former Occupational Work Experience Teacher,
Cleveland Municipal School District

Your Credit Union continued to prosper in 2005 through a period of economic uncertainty. The Credit Union grew and worked to meet the financial needs of its membership. The membership continues to use the many services provided by the Credit Union to enhance their financial well-being.

The assets at year-end were \$107,952,470 with net loans to members of \$78,626,354. The loan portfolio grew by 4.4% during the year. This growth was primarily in the area of vehicle and 2nd mortgage loans. During 2005 the Credit Union saw its loan holdings in vehicle loans grow by 39%, and mortgage products grew by 24%, with the majority of this growth being in the fixed rate 2nd mortgage products. Loans to members represent 73% of all assets, and the Credit Union continues to maintain a well-diversified and financially sound mix of loan products. The loan portfolio breakdown was 31% in vehicle loans, 31% in mortgages, 29% in home equity loans and 8% in signature products. Approximately 92% of the loan portfolio was in collateralized loans.

Member deposits that are not immediately used to fund loan demand are placed in the investment portfolio, which totaled \$22.4 million at year-end 2005. The investment portfolio consists of Federal Funds sold, interest-bearing time deposits with financial institutions, securities available for sale and capital participation certificates. These invested funds represented 20% of all assets.

Member deposits increased to \$96.6 million by year-end 2005. The majority of the growth was in the Term Share Certificate products. Regular share savings continued to be the most utilized product and represented 46% of all deposit dollars.

The members' equity continues to remain strong with a capital ratio of 9.51%. The total members' equity showed an increase of \$573,437. This increase is attributed to the \$311,438 in equity acquired through the merger of Zanesville Armco Employees Credit Union, \$321,685 from operating income along with a \$59,686 unfavorable change in market value of certain investments.

The use of electronic services continues to be in great demand. The Credit Union will continue to work to expand the availability of these electronic services to better meet the growing expectation for convenience from the membership. The ATM/Debit cards, free Internet home banking service (e22ndstreet), "Toni" The Touch-Tone Teller and ACH/Direct Deposit services all continue to be used by the membership.

The Credit Union's 24-hour-a-day loan service center is another added convenience for the membership. This center can process loan applications via a telephone call to a Credit Union Member Service Representative at the time most convenient for members. The growth in the loan portfolio is partially attributed to the added convenience of obtaining Credit Union vehicle loans through any of the 245 dealerships throughout Ohio working with the Credit Union.

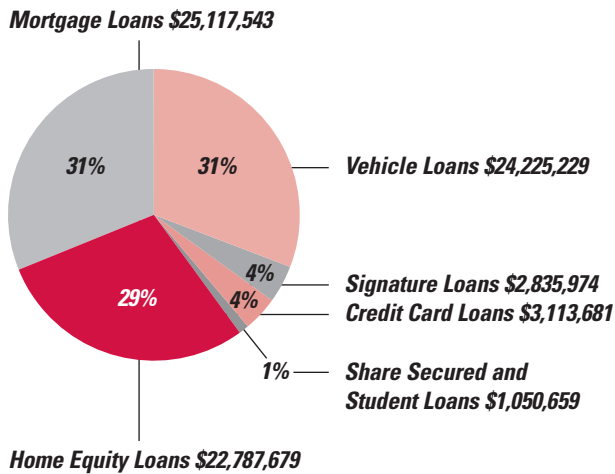
The Credit Union is proud of the diversified products and services that are available to the membership and the quality personal service provided. These quality services are designed to meet the primary financial needs of all members.

The continued support from the Credit Union membership has resulted in the success of the Credit Union. We hope that you will take advantage of the many services provided for your benefit. The Credit Union continues to work for the purpose of assisting and educating its membership in establishing and maintaining their financial well being.

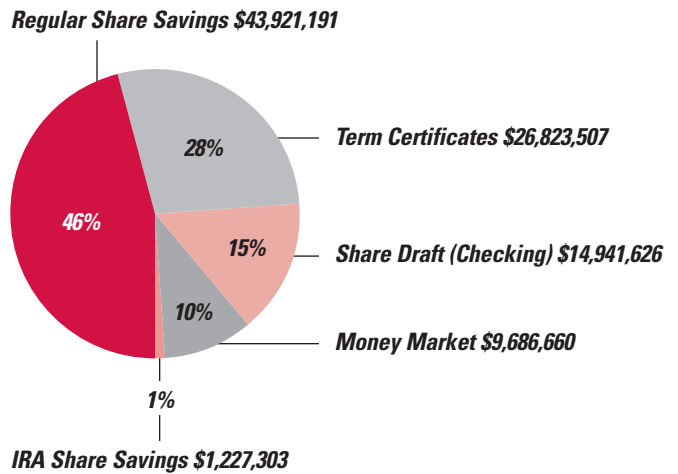
Respectfully submitted,

Robert J. Gale, Treasurer
Jerome R. Valco, Chief Executive Officer

LOAN PORTFOLIO



DEPOSIT PORTFOLIO



CREDIT COMMITTEE REPORT

Mr. Joseph Vargo, Chairperson

Volunteer Specialist for AARP
Former teacher with the Cleveland Municipal School District and Director of Negotiations for the Cleveland Teachers Union

Mrs. Winnifred Albert, Secretary

Former Assistant Principal of the Cleveland School of Arts, East Technical High School, Carl F. Shuler Jr. High School, Charles Eliot Jr. High School and A.B. Hart Jr. High School

Mrs. E. Ruth Wesby

Former teacher with the Cleveland Municipal School District

The Credit Committee meets weekly throughout the year to review credit applications and meet with members experiencing extraordinary financial problems. The Committee also reviews applications and approved loans to insure we are in compliance with lending regulations and the Credit Union's loan policy. The Credit Committee reviews all special lending products and makes appropriate recommendations to the Board of Directors. The Credit Committee also reviews all loan requests when special considerations are necessary to assist our members in resolving specific financial difficulties.

The Credit Union continues to maintain a well-balanced and financially sound mix within the loan portfolio. The portfolio contains 31% in vehicle loans, 31% in mortgages, 29% in home equity loans and 8% in signature products. Approximately 92% of the loan portfolio is in collateralized loans.

The loan loss reserves have been maintained at levels sufficient to meet any anticipated losses associated with the non-payment of loans. The Credit Union continues its aggressive posture in dealing with long-term delinquencies and removing those obligations from our portfolio.

The Credit Committee continues to work with management in the development of new credit products for the membership's growing financial needs.

Respectfully submitted,

Credit Committee
Joseph Vargo, Chairperson