



Catholic Federal

A Federally Chartered Credit Union

56th

Annual Meeting

Saturday, February 25, 2012

Doubletree Hotel

One Wenonah Park Place, Bay City, MI

Schedule of Events

5:00 PM BUSINESS MEETING

Chairman's Welcome
Memorial Prayer
Pledge of Allegiance
Mission Statement
Introduction of Officers
Chairman's Report
C.E.O. Report
Board Election
Treasurer's Report
Minutes of Last Meeting
Supervisory Committee Report
Volunteer of the Year
Msgr. Forbes Scholarship Fund Election & Report
Old Business
New Business
Prize Drawings

6:00 PM BUFFET DINNER

7:30 - 11:00 PM MUSIC & DANCING

Mission Statement

Catholic Federal exists to be the number one financial institution for all members, in an atmosphere that maintains the dignity of, and sensitivity to, all of our members.

Minutes of the 55th Annual Meeting

Saturday, February 26, 2011 • 5:00 PM | Horizons Conference Center • 6200 State Street, Saginaw, MI 48603

CHAIRMAN'S WELCOME

The meeting came to order with Catholic Federal Credit Union's Chairman of the Board, Robert J. Looby, welcoming all members, staff and guests to the 55th Annual Meeting.

PLEDGE OF ALLEGIANCE

Robert J. Looby

MISSION STATEMENT

Robert J. Looby led the attendees in the reading of the CFCU mission statement.

INTRODUCTION OF OFFICERS

Robert J. Looby introduced the Board members, Kathleen McGraw, Vice Chair; C. Patrick Kaltenbach, Secretary; Jerd A. Clayton, Treasurer; Donald L. Gallant, Catherine Ryan, and Darwin Shreve; Directors. He also introduced the Supervisory Committee members, Honorable Joseph DeFrancesco, Lee R. Schieb, Carl Jaenicke, Janet Lichon and José Salinas who was out of town.

CHAIRMAN'S REPORT

Robert J. Looby discussed changes that had taken place in 2010 within the organization. Deborah L. Frisch, Senior Vice President, passed away in October of 2010 after a brief illness. Looby noted that her death affected many lives, especially that of President & CEO, Robert R. Adams, who announced his retirement effective December 31, 2010. He highlighted the leadership role Adams played throughout his 44 year career at CFCU, mentioning that Adams strived to fulfill every member's request no matter the size, never overlooked the member's personal situation, and sustained the utmost respect for the entire body of the Credit Union. The attendees of the meeting stood in applause for Adams. Looby stated that the Board had never needed to search for a CEO to lead the credit union to further success and introduced Alan P. Watson as the Acting President and CEO of Catholic Federal Credit Union.

PRESIDENT & CEO'S REPORT

Watson introduced himself, welcomed and thanked all guests for attending. He introduced the management staff: Thomas Zirkle, who was recently appointed Chief Operating Officer; Bridget Looby, VP of Development and Community Relations; Bethany Dutcher, VP of Marketing; Marilyn Nevarez-Deisler (not in attendance), VP of Member Representative Operations; Amy Mikolaiczik, VP of Systems & Development; and Mindy Wolpert, Assistant VP of Loans and Member Services. Watson also introduced the TAT (Today And Tomorrow) Committee: Rosemary Borchers, Nathalie Dixon, Marge Harris, Joan Kish, Theresa May, Patrick McCartney, Frank Snyder, Kay Voelker, and Thomas Westhoff.

Watson presented the CEO Report and stated that he remains positive about the credit union's strength, especially in a challenging environment. He mentioned that June 2008 started the financial crisis with financial institutions across the country failing or being rescued. In the time since the beginning of the financial crisis, Total Assets are up \$63 million, Net Worth has increased \$2.5 million and Loans disbursed have totaled \$164 million. Watson gave a special dedication to Adams, who was asked to stand

for a second applause from those in attendance. Watson concluded that Adams will be remembered in all that has been accomplished at the credit union.

MINUTES OF THE 54TH ANNUAL MEETING

Robert J. Looby brought the attendees' attention to the 54th Annual Meeting Minutes inside their program. Stan Sobol made a motion from the floor to approve the minutes from the last annual meeting and Robert Frisch seconded the motion. The motion passed unanimously.

TREASURER'S REPORT

Clayton presented the 2010 Treasurer's Report. Total member deposits were up \$24 million, driving assets up 10%. The national average loan growth was 1.3%. Equity Reserves grew to over \$31 million giving CFCU a Net Worth ratio of 10.83%. Operating Net Income before Insurance Fund adjustments was improved over the prior year - \$2.1 million in 2010 vs. \$1.2 million, an increase of \$950,000. Clayton noted that improved Net Income was a result of the falling rate environment and management cost cutting efforts.

R. Frisch made a motion from the floor to accept the Treasurer's Report and Gallant seconded the motion. The motion passed.

SUPERVISORY COMMITTEE REPORT

Looby presented the Supervisory Committee Report. The report was accepted as presented.

VOLUNTEER OF THE YEAR

Watson presented the 2010 Volunteer of the Year award to Director, Darwin S. Shreve.

MONSIGNOR FORBES SCHOLARSHIP FUND COMMITTEE

Clayton acknowledged fellow trustees, Genevieve Mendoza and José Salinas for their commitment of time and expertise in reviewing all of the scholarship applications.

He also recognized CFCU's employees Tiffany DeGarmo and Lindsay Pittwood for their assistance in preparing the applications for review.

The Msgr. Forbes Scholarship Fund was formed in 1982 and was named for the late Msgr. Eugene A. Forbes, who believed that all children and young people should have the opportunity to receive a secondary education. The fund is sustained by private donations and a portion of the Board's annual budget. Trustees review the applicant's financial need, educational and occupational goals, GPA, as well as many other factors before the awards are made. In 2010, there were over 300 scholarships awarded to members and the Scholarship Fund exceeded \$1 million in awards. Clayton informed members of an online donation form which would become available in the spring. Clayton added that the deadline for the scholarship application is March 26, 2011 and members who have children and grandchildren are urged to apply.

Looby stated that C. Patrick Kaltenbach and Bridget Looby were nominated (by the Board) for election as trustees for a three year term on the Monsignor Forbes Scholarship Committee. Gallant made a motion to elect C. Patrick Kaltenbach and Bridget Looby as Trustees, and Shreve seconded it. The motion passed unanimously.

OLD BUSINESS

No old business came before the board.

NEW BUSINESS

No new business came before the board.

The 55th Catholic Federal Credit Union Annual Meeting adjourned at 5:30 p.m. after a motion by Gallant and second by Clayton. The motion passed unanimously.



Robert J. Looby, Chairman



C. Patrick Kaltenbach, Secretary

Growth in Reserves & Undivided Earnings

(in millions)

\$28,202	\$26,685	\$29,372	\$31,030	\$32,207
2007	2008	2009	2010	2011

Assets

(in millions)

\$211,377	\$227,958	\$260,926	\$286,500	\$297,935
2007	2008	2009	2010	2011

Loans

(in millions)

\$167,590	\$172,238	\$190,163	\$191,436	\$194,544
2007	2008	2009	2010	2011

REPORT FROM THE Supervisory Committee

The Supervisory Committee finished a busy and productive 2011. This volunteer committee meets monthly to complete a variety of audit and review functions.

The committee reviewed 3,500 approved loans totaling \$61,500,000, and 740 denied loans totaling \$6,230,000. The committee also carefully reviewed charged-off loans; accounting reports, teller cash count reports and loan delinquency reports.

A representative from the committee is in attendance at the monthly board meeting which periodically includes audit reviews, presented by Catholic Federal's external auditor, Rehmann. The auditor discusses their findings of operational procedures regarding CFCU services, such as checking and savings accounts, and loan applications. These audits continue to improve our operation results.

The members of the Supervisory Committee include: Lee R. Scheib, Joseph DeFrancesco, Janet Lichon, José Salinas and Kenneth Groya. The committee members also periodically attend educational seminars to help fulfill their duty of staying educated on the basic functions of the Supervisory Committee as it relates to the credit union.


Lee R. Scheib, Co-Chairman


Joseph G. DeFrancesco, Co-Chairman

Report from the Treasurer

FINANCIAL STATISTICS | For Years Ending December 31

ASSETS	2011	2010
Cash	\$11,689,881	\$19,821,834
Investments	79,106,763	63,243,617
Loans, Net of Allowance for Loan Losses	194,544,255	191,435,931
NCUSIF Deposit	2,621,410	2,428,308
Total Other Assets	9,972,324	9,570,472
TOTAL ASSETS	\$297,934,633	\$286,500,162

LIABILITIES	2011	2010
Accrued Dividends & Other Liabilities	\$960,510	\$1,043,636
Total Shares & Deposits	264,767,118	254,426,398
TOTAL LIABILITIES	\$265,727,628	\$255,470,034

EQUITY	2011	2010
Undivided Earnings & Other Reserves	\$26,786,856	\$25,609,979
Regular Reserves	5,420,149	5,420,149
TOTAL EQUITY	\$32,207,005	\$31,030,128
TOTAL LIABILITIES, SHARES & EQUITY	\$297,934,633	\$286,500,162

INTEREST INCOME	2011	2010
Interest on Loans	\$9,922,297	\$10,513,656
Income from Investments	1,404,856	1,394,688
TOTAL INTEREST INCOME	\$11,327,153	\$11,908,344

INTEREST EXPENSE	2011	2010
Dividends on Shares	\$2,092,323	\$2,835,336
Interest on Borrowed Money	0	0
TOTAL DIVIDEND/INTEREST EXPENSE	\$2,092,323	\$2,835,336

NET INTEREST INCOME	2011	2010
Provision for Loan Loss	999,798	946,771
NET INTEREST INCOME AFTER PROVISION	\$8,235,032	\$8,126,237
TOTAL NON-INTEREST INCOME	\$1,691,579	\$1,688,387

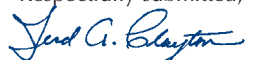
NON-INTEREST EXPENSE	2011	2010
Employee Compensation & Benefits	\$3,734,321	\$3,534,932
Office Occupancy Expense	798,714	759,130
Office Operations Expense	1,771,870	1,740,214
Educational & Promotional Expense	852,179	726,311
Miscellaneous Operating Expenses	1,021,725	930,194
TOTAL NON-INTEREST EXPENSES	\$8,178,809	\$7,690,781

NET INCOME BEFORE NCUSIF STABILIZATION EXPENSE	\$1,747,802	\$2,123,843
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NCUSIF STABILIZATION EXPENSE	\$655,352	\$620,917
NET INCOME	\$1,092,450	\$1,502,926

STATISTICS	2011	2010
Number of Members at Year End	26,448	26,487
Number of Borrowers	10,851	10,578
Dollars Loaned to Members During the Year	\$65,670,000	\$61,241,000
Dollars Loaned to Members Since Organization	\$1,205,031,000	\$1,139,361,000

Respectfully submitted,


Jerd A. Clayton, Treasurer

Board of Directors



Robert J. Looby
CHAIRMAN



Kathleen McGraw
VICE-CHAIR



C. Patrick Kaltenbach
SECRETARY



Jerd A. Clayton
TREASURER



Donald L. Gallant
DIRECTOR



Catherine B. Ryan
DIRECTOR



Darwin Shreve
DIRECTOR

Catholic Federal Credit Union Employees

MANAGEMENT



Alan Watson
PRESIDENT / C.E.O.



Thomas Zirkle
CHIEF OPERATING
OFFICER



Ann Rechsteiner
CHIEF FINANCIAL
OFFICER



Bridget Looby
VP DEVELOPMENT
& COMMUNITY
RELATIONS



Mindy Wolpert
VP LOANS /
MEMBER SERVICE



Bethany Dutcher
VP MARKETING



Marilyn
Nevarez-Deisler
VP MEMBER REP.
OPERATIONS



Amy Mikolaiczik
VP SYSTEMS &
DEVELOPMENT

BRANCH MANAGERS & SUPERVISORS

Victoria Hill
CASS AVE.
BRANCH MGR.

Kristy Fila
ESSEXVILLE
BRANCH MGR.

Justine Woodman
EUCLID AVE.
BRANCH MGR.

Yvonne Metiva
WILLIAMSON RD.
BRANCH MGR.

Leslie Fall
VASSAR
BRANCH MGR.

Tiffany Greening
COMPLIANCE / TRAINING
SUPERVISOR

Susan Hackenberg
CONTROLLER /
ACCOUNTING
SUPERVISOR

Gina Kellogg
HR COORDINATOR

Marcia Flores
INFORMATION SYSTEMS
MANAGER

Katie Knippel
LOANS / MEMBER
SERVICE SUPERVISOR

Wendy Gleason
LOAN SYSTEMS
COORDINATOR

Theresa Miller
MEMBER CONTACT
SUPERVISOR

Jeanne Lawrence
MEMBER SOLUTIONS
SUPERVISOR

Kelly Prast
MORTGAGE
SUPERVISOR

Enid Engel
MEMBER REP. SUPERVISOR

Regina Barajas
SALES & SERVICE TRAINER

STAFF

Kimberly Batcke
Meaghann Beck
Amy Benkert
Shannon Bogardus
Stefan Book
Karena Burns
Monica Corriveau
Sherry Crofoot
Kathy Cronk
Mary DeGroat
Lindsay Devos

Brad Doran
Jordan Early
Sarah Falkenberg
Kathi Fortier
Marsha Frank
Susan Hale
Stephanie Harns
Tristine Hileman
Karen Holden
Allison Jacot
Rachel Kennedy

Karen Knippel
Amy Koch
Laura Kosiara
Peggy LaDouce
Ann Lagalo
Jennifer Larson
Pam Lovay
Sandy McGuire
Misty McQuaid
Kiersten Miller
Penny Mitchell

Kristina Morse
Mitzi Murphy
Mary Myczkowiak
Jeff Nellet
Yvette Nevarez
Elena Neyman
Joan Nickel
Rachael Odenbach
Heather O'Farrell
Patti O'Neil
Elizabeth Orange

Alicia Petricevic
Lindsay Pittwood
Sandra Quinnan
Joan Sampson
Julie Schwind
Jodi Smith
Frana Sommer
Susan Sova
Pam Stark
Adam Stasinski
Delina Stiger

Rebecca Swanson
Julie Thornton
Lisa Ulicki
Nicole Wandzel
Lindsay Waryas
Byron Weber
Debbie Weisenberger
Virginia Whelton

COMMITTEE VOLUNTEERS

ASSET & LIABILITY
David Beyerlein
MSGR FORBES SCHOLARSHIP
Genevieve Mendoza
José Salinas

COMMUNITY RELATIONS
Marie Bieri
Ann Blazejewski
Janet Gallant
Joan Kruske
Dan McKune
Stanley Sobol

SUPERVISORY
Joseph DeFrancesco
Kenneth Groya
Janet Lichon
José Salinas
Lee R. Scheib

T.A.T.
Rosemary Borchers
Nathalie Dixon
Marge Harris
Joan Kish

T.A.T.
Carolyn Kujawa
Theresa May
Frank Snyder
Kay Voelker



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