Service Mission:

Improve the Financial Well Being of our Members

58th ANNUAL MEETING

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
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.

Saturday, March 1, 2014

Doubletree Hotel

One Wenonah Park Place, Bay City, MI

Catholic Federal

A Federally Chartered Credit Union

MINUTES OF THE 57TH ANNUAL MEETING

SATURDAY, FEBRUARY 23, 2013 | Horizons Conference Center • Saginaw, MI

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 57th Annual Meeting.

MEMORIAL PRAYER

Robert J. Looby

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, Jerd Clayton, Vice Chair; C. Patrick Kaltenbach, Secretary; David Beyerlein, Treasurer; Catherine Ryan, and Darwin Shreve, Directors. He also introduced the Supervisory Committee members: Honorable Joseph DeFrancesco, Lee R. Scheib, Janet Lichon, and José Salinas and Kenneth Groya, who were both unable to attend.

CHAIRMAN'S REPORT

Looby discussed changes that have taken place within Catholic Federal Credit Union during 2012. He stated that the credit union had another successful year and continues to offer loans at historically low rates. He highlighted the opening of the newest branch office on Washington Avenue in May 2012, and noted that there was a lot of media attention throughout the year. It was important to the Board of Directors to "Go Back to Our Roots" and represent the credit union membership near the location of the original Catholic Federal Credit Union, St. Mary's Cathedral. Looby also acknowledged the passing of Donald L. Gallant, who served on the Board for over 40 years as President, Vice President, Treasurer, and Secretary.

CEO'S REPORT

President and CEO, Alan P. Watson welcomed all members, guests, committee members and employees. He thanked the Horizons Conference Center staff for all the work they do for the Annual Meeting. He also thanked the Board of Directors and all committee members for their time, commitment and support during this past year. Watson recognized the various committees: Asset Liability Management, Monsignor Forbes Scholarship Trust Fund, Community Relations, Today and Tomorrow, and coming soon, the Community Connections Advisory Committee. Watson then introduced management staff: Thomas Zirkle, Chief Operating Officer; Ann Rechsteiner; Chief Financial Officer; Bridget Looby, VP of Development and Community Relations; Mindy Wolpert, VP of Lending; Bethany Dutcher, VP of Marketing; Marilyn Nevarez-Deisler, VP of Member Representative Operations; Amy Mikolaiczik, VP of Systems & Development; and Gina Kellogg, VP of Human Resources. He then thanked all Catholic Federal Credit Union staff for their contributions. Watson recognized and congratulated Bridget Looby for her achievement and recognition as a Great Woman of the Great Lakes Bay Region.

Watson stated that he remains positive about the credit union's strength and future growth. He mentioned that since the grand opening of the Washington Avenue branch, membership has increased 5% from the Williamson Road location. The credit union "Love Thy Neighbor" campaign received a great deal of attention. Watson stated that the credit union's progressive goals are to target membership growth, checking accounts, plastic cards, mortgages, and e-statements. These goals are reviewed each month with both the Board and the staff.

He also spoke of the Deborah L. Frisch Employee of the Year Award, which was established in memory of Deb's 36 years of service and given to one employee that has displayed outstanding work performance, service to the membership and dedication to the credit union goals. The recipient of the 2012 Deborah L. Frisch Employee of the Year Award was Ginny Whelton, Receptionist.

BOARD ELECTION

Watson stated that there was one director up for election this year. The Nominating Committee consisted of Robert Looby, Jerd Clayton, and Alan Watson and they have recommended for election of a three-year term, David Beyerlein. J. DeFrancesco made a motion from the floor to elect Beyerlein and Marvin Wallaert seconded the motion. The motion passed unanimously.

TREASURER'S REPORT

Beyerlein presented the 2012 Treasurer's Report. Catholic Federal Credit Union reached two important milestones in 2012: member deposits surpassed $300 million and loans went over $200 million. For the year, total loans were up $6.3 million, driving assets up 5% to $300 million. Equity Reserves grew to over $34 million giving CFCU a Net Worth ratio of 10.9%. Total Interest Income decreased about $500,000, which is a reflection of lower interest rates. Provision for Loan Loss is $320,000, down $690,000 from the previous year due to fewer write-offs. Finally, CFCU provided $262,000 this year to fund the NCUSIF insurance, which will help keep the insurance funds strong in the future. The Treasurer's Report was accepted as presented.

MINUTES OF THE 56TH ANNUAL MEETING

Looby brought the attendees' attention to the 56th Annual Meeting Minutes inside their program. Ryan Rechsteiner made a motion from the floor to approve the minutes from the last annual meeting and Bill Baranski seconded the motion. The motion passed.

SUPERVISORY COMMITTEE REPORT

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

MONSIGNOR FORBES SCHOLARSHIP TRUST FUND REPORT

Clayton informed the attendees that the Msgr. Forbes Scholarship Trust Fund was formed in 1982 and was named in the honor of the late Msgr. Eugene A. Forbes, who firmly believed that all young adults 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, grade point average, as well as many other criteria before the awards are made. The Scholarship fund exceeded $1.2 million in awards since its inception in 1982. Clayton acknowledged fellow trustees, Genevieve Mendoza and José Salinas, C. Patrick Kaltenbach and Bridget Looby for their commitment of time and expertise in reviewing all of the scholarship applications. He extended recognition to Jordan Early, Administrative Assistant, for her assistance in preparing the applications for review. Clayton also thanked Tiffany Greening for her 10 years of hard work and dedication to the Committee. Students who are attending secondary institutions and are members of Catholic Federal are eligible for the Monsignor Forbes Scholarship. The scholarship is based on need, grade point average and personal and career goals of the applicants. In 2012 there were 273 scholarships awarded totaling $120,000. The deadline for the scholarship application is March 2, 2013 and members who have children and grandchildren are urged to apply. Clayton thanked the Board for their contributions and support they have given to the scholarship over the years.

MONSIGNOR FORBES SCHOLARSHIP TRUST FUND ELECTION

Looby stated that José Salinas was up for re-election as a Trustee on the Monsignor Forbes Scholarship Trust Fund Committee. The re-election period is three years. Genevieve Mendoza made a motion from the floor to re-elect Salinas and Susan Kaltenbach 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 57th Catholic Federal Credit Union Annual Meeting adjourned at 5:30 p.m. after a motion by Beyerlein and a second by Clayton. The motion passed unanimously.

Robert J. Looby, Chairman

C. Patrick Kaltenbach, Secretary

REPORT FROM THE Supervisory Committee

The Supervisory Committee finished a busy and productive 2013. This volunteer committee meets monthly to complete a variety of audit and review functions.

The committee reviewed approximately 3,577 approved loans totaling $66,000,000, and 860 denied loans totaling $7,407,000. 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*

Treasurer's Report

FOR YEARS ENDING | December 31, 2013 & 2012

	2013	2012
ASSETS		
Cash	$14,219,216	$13,391,261
Investments	89,197,105	83,728,451
Loans, Net of Allowance for Loan Losses	204,529,760	200,846,478
NCUSIF Deposit	2,814,116	2,763,052
Total Other Assets	10,957,641	11,902,003
TOTAL ASSETS	**$321,717,838**	**$312,631,245**
LIABILITIES		
Accrued Dividends & Other Liabilities	$1,076,981	$889,788
Total Shares & Deposits	285,891,168	277,406,984
TOTAL LIABILITIES	**$286,968,149**	**$278,296,772**
EQUITY		
Undivided Earnings & Other Reserves	$29,329,540	$28,914,324
Regular Reserves	5,420,149	5,420,149
TOTAL EQUITY	**$34,749,689**	**$34,334,473**
TOTAL LIABILITIES, SHARES, AND EQUITY	**$321,717,838**	**$312,631,245**
INTEREST INCOME		
Interest on Loans	$8,849,606	$9,457,887
Income from Investments	1,362,387	1,413,823
TOTAL INTEREST INCOME	**$10,211,993**	**$10,871,710**
INTEREST EXPENSE		
Dividends on Shares	$1,093,161	$1,511,359
Interest on Borrowed Money	0	0
TOTAL DIVIDEND / INTEREST EXPENSE	**$1,093,161**	**$1,511,359**
NET INTEREST INCOME	$9,118,832	$9,360,351
Provision for Loan Loss	145,722	319,694
NET INTEREST INCOME AFTER PROVISION	**$8,973,110**	**$9,040,657**
TOTAL NON-INTEREST INCOME	**$2,198,037**	**$1,960,608**
NON-INTEREST EXPENSE		
Employee Compensation & Benefits	$4,393,356	$4,091,629
Office Occupancy Expense	788,060	772,490
Office Operations Expense	2,049,118	1,946,741
Educational & Promotional Expense	791,944	854,534
Miscellaneous Operating Expenses	1,384,022	1,254,183
TOTAL NON-INTEREST EXPENSES	**$9,406,500**	**$8,919,577**
NET INCOME BEFORE NCUSIF STABILIZATION EXPENSE	**$1,764,647**	**$2,081,688**
NCUSIF STABILIZATION EXPENSE	**225,129**	**262,490**
NET INCOME	**$1,539,518**	**$1,819,198**
STATISTICS		
Number of Members at Year End	27,117	26,854
Number of Borrowers	11,291	11,124
Dollars Loaned to Members During the Year	70,492,580	75,522,895
Dollars Loaned to Members Since Organization	1,327,094,872	1,256,602,292

Respectfully submitted,

David A. Beyerlein, *Treasurer*

BOARD OF DIRECTORS


Robert J. Looby
CHAIRMAN

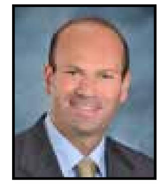

Jerd A. Clayton
VICE-CHAIR


C. Patrick Kaltenbach
SECRETARY


David A. Beyerlein
TREASURER

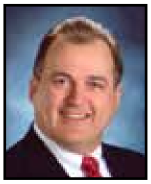

Catherine B. Ryan
DIRECTOR

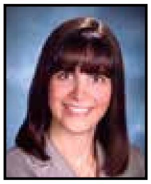

Darwin Shreve
DIRECTOR


Alan Watson
DIRECTOR & CREDIT UNION PRESIDENT/CEO

CATHOLIC FEDERAL CREDIT UNION EMPLOYEES

MANAGEMENT

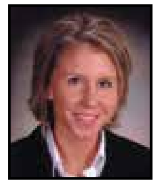

Thomas Zirkle
CHIEF OPERATING OFFICER

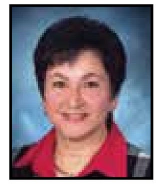

Ann Rechsteiner
CHIEF FINANCIAL OFFICER


Bridget Looby
VP DEVELOPMENT & COMMUNITY RELATIONS


Gina Kellogg
VP HUMAN RESOURCES


Mindy Wolpert
VP LOANS / MEMBER SERVICE


Bethany Dutcher
VP MARKETING


Marilyn Nevarez-Deisler
VP MEMBER REP. OPERATIONS


Tiffany Greening
VP RISK MANAGEMENT & COMPLIANCE


Amy Mikolaiczik
VP SYSTEMS & DEVELOPMENT

BRANCH MANAGERS & SUPERVISORS

Victoria Hill
CASS AVE. BRANCH MGR.

Laura Kosiara
ESSEXVILLE BRANCH MGR.

Kristy Fila
EUCLID AVE. BRANCH MGR.

Yvonne Metiva
WASHINGTON AVE. BRANCH MGR.

Leslie Fall
VASSAR BRANCH MGR.

Maryann Schaffer
CONTROLLER / ACCOUNTING SUPERVISOR

Theresa Miller
MEMBER CONTACT CENTER SUPERVISOR

Marcia Flores
INFORMATION SYSTEMS MANAGER

Katie Knippel
LOANS / MEMBER SERVICE SUPERVISOR

Wendy Gleason
LOAN SYSTEMS COORDINATOR

Jeanne Lawrence
MEMBER SOLUTIONS SUPERVISOR

Kelly Prast
MORTGAGE SUPERVISOR

Enid Engel
MEMBER REP. SUPERVISOR

Regina Barajas
SALES & SERVICE TRAINER

STAFF

Melissa Baker
Denise Bauer
Amy Benkert
Kay Bohn
Michelle Case
Marsha Caylor
Monica Corriveau
Sherry Crofoot
Mary DeGroat
Theresa DeLong
Allison DePesa

Brad Doran
Elinor Ehlert
Sarah Falkenberg
Kathi Fortier
Marsha Frank
Susan Hale
Amy Heitz
Karen Holden
Samantha Horstman
Meaghann Janze
Nadine Kapka
Rachel Kennedy

Karen Knippel
Mallory Kosiara
Peggy LaDouce
Ann Lagalo
Jennifer Larson
Stephany Lauer
Pam Lovay
Elizabeth McKenna
Misty McQuaid
Penny Mitchell
Kristina Morse
Mary Myczkowiak

Jeff Nellett
Yvette Nevarez
Elena Neyman
Joan Nickel
Rachael Odenbach
Heather O'Farrell
Patti O'Neil
Elizabeth Orange
Adam Pelc
Alicia Petricevic
Sandra Quinnan
Nicole Rivera

Jesse Robarge
Joan Sampson
Sara Schram
Julie Schwind
Cynthia Shann
Erin Shappee
Jodi Smith
Sharon Smith
Frana Sommer
Susan Sova
Pam Stark
Tara Story

Rebecca Swanson
Karena Thomas
Julie Thornton
Lisa Ulicki
Nicole Wandzel
Kimberly Watkins
Byron Weber
Delina Weise
Debbie Weisenberger
Virginia Whelton
Kathleen Wizner

COMMITTEE VOLUNTEERS

ASSET & LIABILITY
Debra Lutz
Matthew Starke

MSGR FORBES SCHOLARSHIP
Genevieve Mendoza
José Salinas

COMMUNITY RELATIONS
Ann Blazejewski
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
Mary Lou Feldotte
Marge Harris
Joan Kish

T.A.T.
Carolyn Kujawa
Theresa May
Kay Voelker
Willy Littlefield-Wolpert

Catholic Federal
A Federally Chartered Credit Union

NCUA
Federally Insured by NCUA
EQUAL HOUSING LENDER

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