

2017 ANNUAL MEETING

Saturday, March 4, 2017

Doubletree Hotel

1 Wenonah Park Place, Bay City, MI



STRONGER • FASTER • BETTER

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 - 10:30 PM MUSIC & DANCING

Mission Statement

Catholic Federal Credit Union exists to be the #1 financial institution for all members, in an atmosphere that maintains the dignity of, and sensitivity to all of our members.

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 60th 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, Director; Matthew Starke, Director; and Alan Watson, both director and President/CEO. He also introduced the Supervisory Committee member in attendance: Kenneth Groya, adding that Honorable Joseph DeFrancesco, Lee R. Scheib, Janet Lichon, and José Salinas were all unable to attend.

CHAIRMAN'S REPORT

Looby was excited to announce that this year we are celebrating our 60th annual meeting for Catholic Federal. He gave a special thanks to Bethany Dutcher for the creation of the program, featuring a picture of St. Mary's Cathedral, the Washington branch office, and staff. He noted how well the program symbolizes Catholic Federal and added that St. Mary's Cathedral is still our main representation today. He reminisced about memories from 60 years ago and how the credit union began and where we are today. He pointed out all of the amazing member testimonials on the credit union's website and urged members to read the stories. Looby referenced the great leaders the credit union has had in Msgr. Bolton and Robert R. Adams, and noted that their leadership was enhanced with the executive board, supervisory, management, and staff. Looby thanked all of the members in attendance.

CEO'S REPORT

President & CEO, Alan P. Watson welcomed all members, guests, committee members and employees. He also thanked the board of directors and all committee members for their time, commitment and support throughout 2015. Watson recognized the various committees: Asset Liability Management, Monsignor Forbes Scholarship Trustees, and the Today and Tomorrow (TAT) Committee. Watson then introduced management staff: Thomas Zirkle, Chief Operating Officer; Ann Rechsteiner; Chief Financial Officer; Bridget Staffileno, VP of Development and Community Relations; Mindy Wolpert, VP of Loans/Member services; Bethany Dutcher, VP of Marketing; Marilyn Nevarez-Deisler, VP of Member Representative Operations; Amy Mikolaiczik, VP of Systems & Development; Tiffany Watkins, VP of Risk Management & Compliance; and Gina Kellogg-Leinberger, VP of Human Resources. Additionally, Watson thanked all CFCU staff for their contributions.

Watson announced the 5th Annual Deborah L. Frisch Employee of the Year Award, which was established in memory of Deb's 36 years of service and awarded to one employee that has displayed outstanding work performance, service to the membership and dedication to the credit union goals. The recipient of the 2015 Deborah L. Frisch Employee of the Year Award was Ann Lagalo, Loan Supervisor.

Watson stated that there is plenty of good news to report. He advised the attendees that beginning in December 2015, field of membership qualifications were expanded to include Saginaw County's Underserved Area Census Tracts which include anyone who lives, works, worships, or attends school within a majority of the area. He added that the credit union was eagerly awaiting decisions from the National Credit Union

Administration (NCUA) that may allow continued expansion of the field of membership throughout additional counties. Watson introduced Financial Investment Advisor, Noah Ferrio with Catholic Federal Advisory Services, and showed excitement for his continuing growth with CFCU members. Watson also discussed major technological updates that had taken place in 2015, including enhancements to mobile banking, Mobile Deposit, and ApplePay. He stated that all regulatory exams and audits were completed successfully, and all member information has remained secure. Standards and measures of security are continuously being enhanced and tested.

Watson announced there would be an introduction of a Visa Rewards Credit Card coming 2nd quarter 2016. He also advised attendees that the internal core membership software would be transitioned in 2nd quarter 2017. Catholic Federal has officially signed on with Member Driven Technologies (MDT) Symitar platform and stressed that the hard work being put into the upgrade will provide members with exciting features and enhancements.

Watson briefly highlighted the numerous sponsorships and community involvement Catholic Federal has taken part in, including 800+ service hours by staff at events. Catholic Federal is also a founding member of Impact Saginaw, a partnership of area credit unions that sponsors multiple free events for children who may not otherwise have the opportunity to participate. Along with many other events, Watson specifically mentioned the youth events at Saginaw Valley State University, Diocesan events, the St. Mary's BEE Healthy Race & Expo, Go the Extra Mile for Covenant Kids Race, St. Patrick's Day Races in Bay City, Johnny Burke Foundation events, and many others. Watson offered his thanks to all members for their continued support in the community, and was excited for another 60 years of growth and success.

BOARD ELECTION

Looby stated that there were two directors up for re-election for a three year term, David Beyerlein and Alan Watson, and director, Matthew Starke was up for election for a one year term. Kenneth Groya made a motion from the floor to approve the nominations and Dorothy Malia seconded the motion. The motion passed unanimously.

TREASURER'S REPORT

Beyerlein presented the 2015 Treasurer's Report. He noted that the Board is always looking for three things: New Members, New Deposits, and New Loans. Total Deposits were up \$10 million compared to 2014. There were about \$50 million in loans granted in 2015 which is the same as it was in 2014. He stated that the credit union had approximately \$450,000 in write-offs in 2015, compared to \$560,000 in 2014. He noted that our write-off amounts are very impressive compared to peers, but that there is always room for improvement. He highlighted that Catholic Federal has approximately \$37 million in Equity

which is almost 11% of total assets – Catholic Federal is considered to be a sound financial institution by the NCUA. He discussed the challenges with Net Operating Income and cutting some expenses toward the end of 2015; Net Operating Income in 2014 was \$972,000 and in 2015 it was about \$960,000. Beyerlein stated that Raddon Financial Group, a company that rates credit unions, reports that Catholic Federal remains a great value to our membership with an annual give back of \$1.1 million, exceeding the credit union average for give back rates. He also recognized staff for their hard work during the 20 hour system outage in December 2015 and indicated two reasons why Catholic Federal stands out amongst other credit unions and financial institutions – time and dedication. He recognized staff for their volunteer hours and everything the credit union does to give back to our community. The Treasurer's Report was accepted as presented.

MINUTES OF THE 59TH ANNUAL MEETING

Looby brought the attendees' attention to the 59th Annual Meeting Minutes as shown inside their program. Joseph Maida made a motion from the floor to approve the minutes from the last annual meeting and Philip Ouillette seconded the motion. The motion passed unanimously.

SUPERVISORY COMMITTEE REPORT

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

MONSIGNOR FORBES SCHOLARSHIP TRUST FUND REPORT

Bridget Staffileno presented the Monsignor Forbes Scholarship Trust Fund Report. The Fund was established in 1982 and named to honor the late Msgr. Eugene A. Forbes, who firmly believed that all young adults should have the opportunity to receive a secondary education. Monsignor Forbes was extremely passionate and committed to this cause until his passing in 2003. Since its inception the trustees have reviewed and granted more than 3,300 scholarships totaling over \$1.5 million. There has been a steady increase in the number of applications through the years due to the struggling economy and rising costs of college tuition. In 2014, 281 scholarships were awarded totaling \$120,000.

OLD BUSINESS

No old business came before the board.

NEW BUSINESS

No new business came before the board.

The 60th Catholic Federal Credit Union Annual Meeting adjourned at 5:25 p.m. after a motion by Dennis Whitney from the floor and a second by Raquel Meacham. The motion passed unanimously.



Treasurer's Report

For Years Ending
December 31, 2016 & 2015

Assets

	2016	2015
Cash	\$19,536,303	\$23,310,458
Investments	98,454,323	94,021,209
Loans, Net of Allowance for Loan Losses	215,338,681	206,287,982
NCUSIF Deposit	3,017,051	2,896,705
Total Other Assets	10,493,012	10,441,804
TOTAL ASSETS.....	\$346,839,370	\$336,958,158

Liabilities

Accrued Dividends & Other Liabilities	\$1,642,075	\$1,153,173
Total Shares & Deposits	307,126,064	298,814,554
TOTAL LIABILITIES.....	\$308,768,139	\$299,967,727

Equity

Undivided Earnings & Other Reserves	\$32,651,082	\$31,570,282
Regular Reserves	5,420,149	5,420,149
TOTAL EQUITY.....	\$38,071,231	\$36,990,431
TOTAL LIABILITIES, SHARES, AND EQUITY.....	\$346,839,370	\$336,958,158

Interest Income

Interest on Loans	\$8,736,210	\$8,686,790
Income from Investments	1,510,748	1,412,761
TOTAL INTEREST INCOME.....	\$10,246,958	\$10,099,551

Interest Expense

Dividends on Shares	\$806,144	\$817,721
Interest on Borrowed Money	0	0
TOTAL DIVIDEND / INTEREST EXPENSE.....	\$806,144	\$817,721

Net Interest Income

Provision for Loan Loss	\$9,440,814	\$9,281,830
	482,964	448,542
NET INTEREST INCOME AFTER PROVISION.....	\$8,957,850	\$8,833,288
TOTAL NON-INTEREST INCOME.....	\$2,479,807	\$1,834,961

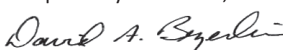
Non-Interest Expenses

Employee Compensation & Benefits	\$4,739,333	\$4,498,871
Office Occupancy Expense	821,069	862,023
Office Operations Expense	2,341,849	2,299,877
Educational & Promotional Expense	791,002	640,290
Miscellaneous Operating Expenses	1,732,296	1,406,731
TOTAL NON-INTEREST EXPENSES.....	\$10,425,549	\$9,707,792
NET INCOME.....	\$1,012,108	\$960,457

Statistics

Number of Members at Year End	25,999	26,943
Number of Borrowers	12,410	11,769
Dollars Loaned to Members During the Year	61,818,175	50,439,003
Dollars Loaned to Members Since Organization	1,499,614,538	1,437,796,363

Respectfully submitted,



David A. Beyerlein Treasurer

Report From The Supervisory Committee

The Supervisory Committee completed a busy and productive 2016. This volunteer committee meets monthly to complete a variety of audit and review functions. During these meetings the committee has the opportunity to meet with various management staff to review financials, loans, and compliance-related material.

During 2016 the committee reviewed approximately 3,500 approved loans totaling \$54 million, and 570 denied loans totaling \$5.7 million. The committee also carefully reviewed charged-off loans; accounting reports, teller cash count reports and loan delinquency reports.

The committee meets with the external auditor, Rehmann Robson LLC, on a quarterly basis. During these meetings the auditor discusses their findings of operational procedures regarding CFCU services, such as member accounts and loan applications. These audits continue to improve our operations results. Additionally, a committee member is in attendance at each monthly board meeting.

The members of the Supervisory Committee include, Kenneth Groya, Janet Lichon, James Peplinski, Martha Kinsman and Lee R. Scheib. The committee members also periodically attend educational seminars to help fulfill their fiduciary duty of maintaining knowledge of the basic functions of the Supervisory Committee as it relates to the credit union.



Kenneth Groya Chairman

Board of Directors



Robert J. Looby
CHAIRMAN



Jerd A. Clayton
VICE-CHAIR



C. Patrick Kaltenbach
SECRETARY



David A. Beyerlein
TREASURER



Catherine B. Ryan
DIRECTOR



Matthew Starke
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 Staffileno
VP COMMUNITY AFFAIRS



Gina Kellogg
VP HUMAN RESOURCES



Mindy Wolpert
VP LOANS / MEMBER SERVICE



Bethany Dutcher
VP MARKETING



Marilyn
Nevarez-Deisler
VP MEMBER REP. / OPERATIONS



Jesse Maldonado, Jr.
VP MORTGAGE LENDING



Tiffany Watkins
VP RISK MANAGEMENT
& COMPLIANCE



Amy Mikolaiczik
VP SYSTEMS &
DEVELOPMENT

BRANCH MANAGERS & SUPERVISORS

Victoria Hill
CASS AVE.
BRANCH MGR.

Laura Stein
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

Misty McQuaid
MEMBER
CONTACT CENTER
SUPERVISOR

Ann Lagalo
LOANS / MEMBER
SERVICE
SUPERVISOR

Jeanne Lawrence
MEMBER
SOLUTIONS
SUPERVISOR

Kelly Prast
MORTGAGE
SUPERVISOR

Alicia Petricevic
MEMBER REP.
SUPERVISOR

STAFF

Sandra Abney
Jewel Adams
Melissa Baker
JulieAnne Benard
Amy Benkert
Steven Bergey
Tiffany Blossley
Laurin Borys
Erica Brandi
Oona Brown

Linda Butzin
Marsha Caylor
Sherry Crofoot
Mollie Daly
Allison DePesa
Adam Douglas
Elinor Ehlert
Khrystyn Elledge
Enid Engel
Kyle Erskine

Jourie Evergreen
Melissa Felton
Marcia Flores
Marsha Frank
Susan Hale
Rachel Hart
Cheyanne Hill
Karen Holden
Meaghann Janze
Nadine Kapka

Larry Kennedy, Jr.
Karen Knippel
Mallory Kosiera
Rachael Krenz
Peggy LaDouce
Amanda Lagalo
Taylor Lewinski
Alexandria Lofaro
Pam Lovay
Kate Luttenberger

Jeffrey Maul
Maggie McGee
Penny Mitchell
Kristina Morse
Mary Myczkowiak
Jeff Nellet
Theresa Nelson
Yvette Nevarez
Heather O'Farrell
Patti O'Neil

Elizabeth Orange
Melissa Pashak
Courtney Pasnik
Sandra Quinnan
Janelle Reardon
Jesse Robarge
Marnie Rogers
Abby Rogner
Sara Schram
Rachel Schramke

Julie Schwind
Katrina Sharp
Jodi Smith
Frana Sommer
Kaleigh Spaetzel
Pam Stark
Rebecca Swanson
Karena Thomas
Julie Thornton
Lisa Ulicki

Courtney Walter
Kimberly Watkins
Byron Weber
Debbie Weisenberger
Virginia Whelton
Kathy Wizner
Jessica Zatkovic

COMMITTEE VOLUNTEERS

ASSET & LIABILITY
Debra Lutz

MSGR FORBES SCHOLARSHIP
José Salinas
Stanley Sobol

SUPERVISORY
Kenneth Groya
Martha Kinsman
Janet Lichon
James Peplinski
Lee R. Scheib

T.A.T.
Donald Belisle
Rosemary Borchers
Nathalie Dixon
Mary Lou Feldotte
Marge Harris

T.A.T.
Joan Kish
Carolyn Kujawa
Theresa May
Kay Voelker
John Whelton
Willy Littlefield-Wolpert



Federally insured by NCUA.



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