

# 60

YEARS

## 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.

Catholic **cf** Federal



**Catholic Federal**  
A Federally Chartered Credit Union

# 2016 ANNUAL MEETING

**Saturday, February 20, 2016**

Horizons Conference Center  
6200 State St., Saginaw, 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
- Msgr. Forbes Scholarship Fund Election & Report
- Old Business
- New Business
- Prize Drawings

### 6:00 PM BUFFET DINNER

7:30 - 11:00 PM MUSIC & DANCING



## 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 59th 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, C. Patrick Kaltenbach, Secretary; David Beyerlein, Treasurer; Catherine Ryan, Director; and Alan Watson, both director and President/CEO. Jerd Clayton, Vice Chair and Darwin Shreve, Director were both unable to attend. He also introduced the Supervisory Committee members in attendance: Janet Lichon and Ken Groya, adding that Honorable Joseph DeFrancesco, Lee R. Scheib, and José Salinas were all unable to attend.

## CHAIRMAN'S REPORT

Looby was excited to announce that next year we will be celebrating our 60th annual meeting for CFCU. Looby shared that CFCU has had a successful year in earnings and audits. He noted that we have good leaders with our executive board, supervisory, management, and staff. He questioned how smaller credit unions can exist with the increases in regulatory and compliance costs; many credit unions are merging into larger organizations. Looby thanked all of the members in attendance and stated that we have money to lend.

## 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 2014. Watson recognized the various committees: Asset Liability Management, Monsignor Forbes Scholarship Trustees, Community Relations, 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 DeGarmo, VP of Risk Management & Compliance; and Gina Kellogg, VP of Human Resources. Additionally, Watson thanked all CFCU staff for their contributions.

Watson announced the 4th 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 2014 Deborah L. Frisch Employee of the Year Award was Kristina Morse, Senior Information Systems Analyst.

Watson stated that there is plenty of good news to report. He shared the excitement of the NCUA approving the request to amend the field of membership to add St. Mary's of Michigan employees and families. He added that

the NCUA stopped making large assessments for corporate credit union stabilization costs, noting that it was reflected in the financials. 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 also noted that housing prices have begun to move which will help the credit union's lending program.

Watson discussed that the future will bring challenges for the industry and within our membership. He stressed the importance of creating value to our members. He referenced upcoming changes to the credit union such as mobile wallet, a new home banking, remote deposit capture, and EMV chips in new Visa cards.

Watson briefly highlighted the numerous sponsorships and community involvement CFCU has taken part in, which included 800+ service hours by staff at events. CFCU 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, and the Johnny Burke Foundation events. Watson offered his thanks to all members for their continued support in the community.

## BOARD ELECTION

Watson stated that there were three directors up for re-election for a three year term, Robert Looby, Patrick Kaltenbach, and Jerd Clayton. Catherine Looby made a motion from the floor to approve the nominations and Marilyn Nevarez-Deisler seconded the motion. The motion passed unanimously.

## TREASURER'S REPORT

Beyerlein presented the 2014 Treasurer's Report. Total Deposits were up \$4.2 million, an approximate 1.3% increase from this time in 2014. He noted that we are always looking for three things: new members, new deposits, and new loans. Beyerlein stated that CFCU has a very low percentage rate of loan losses compared to many of our peers. Loans were up about \$3 million compared to 2013. He highlighted that CFCU has about \$36 million in Equity which is about 11% of CFCU's assets. He discussed the challenges with Net Operating Income; in 2013 it was about \$1.5 million and 2014 was about \$970,000; competitive interest rates have provided a challenging environment for the credit union. Beyerlein stated that Raddon Financial Group, a company that rates credit unions, reports that

CFCU remains a great value to our membership with an annual give back of \$1.2 million, exceeding the credit union average for give back rates. The Treasurer's Report was accepted as presented.

## MINUTES OF THE 58TH ANNUAL MEETING

Looby brought the attendees' attention to the 58th Annual Meeting Minutes as shown inside their program. Marilyn Nevarez-Deisler made a motion from the floor to approve the minutes from the last annual meeting and Joseph Murawski 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 that 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.

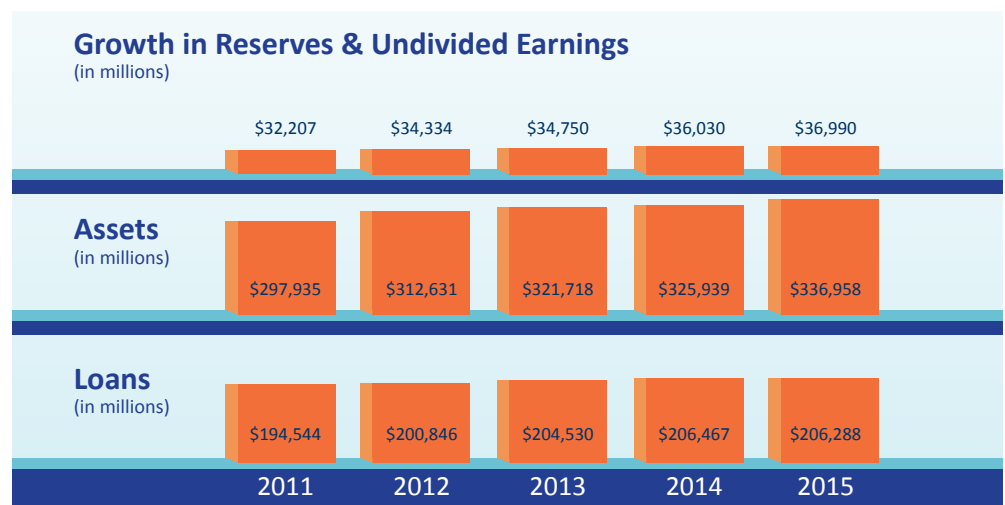
## OLD BUSINESS

No old business came before the board.

## NEW BUSINESS

No new business came before the board.

The 59th Catholic Federal Credit Union Annual Meeting adjourned at 5:23 p.m. after a motion by Joan Kruske from the floor and a second by Joseph Murawski. The motion passed unanimously.



# Treasurer's Report

For Years Ending  
December 31, 2015 & 2014

## Report From The Supervisory Committee

The Supervisory Committee finished a busy and productive 2015. 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 2015 the committee reviewed approximately 3,000 approved loans totaling \$36 million, and 700 denied loans totaling \$4.6 million. The committee also carefully reviewed charged-off loans; accounting reports, teller cash count reports and loan delinquency reports.

The committee also meets with the external auditor, Rehmann, on a quarterly basis. 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. Additionally, a committee member is in attendance at each monthly board meeting.

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

### Assets

	2015	2014
Cash	\$23,310,458	\$12,971,450
Investments	94,021,209	91,865,851
Loans, Net of Allowance for Loan Losses	206,287,982	206,467,213
NCUSIF Deposit	2,896,705	2,880,262
Other Assets	10,441,804	11,754,091
<b>TOTAL ASSETS.....</b>	<b>\$336,958,158</b>	<b>\$325,938,867</b>

### Liabilities

Accrued Dividends & Other Liabilities	\$1,153,173	\$1,250,951
Total Shares & Deposits	298,814,554	288,657,809
<b>TOTAL LIABILITIES.....</b>	<b>\$299,967,727</b>	<b>\$289,908,760</b>

### Equity

Undivided Earnings & Other Reserves	\$31,570,282	\$30,609,958
Regular Reserves	5,420,149	5,420,149
<b>TOTAL EQUITY.....</b>	<b>\$36,990,431</b>	<b>\$36,030,107</b>
<b>TOTAL LIABILITIES, SHARES, AND EQUITY.....</b>	<b>\$336,958,158</b>	<b>\$325,938,867</b>

### Interest Income

Interest on Loans	\$8,686,790	\$8,653,667
Income from Investments	1,412,761	1,503,478
<b>TOTAL INTEREST INCOME.....</b>	<b>\$10,099,551</b>	<b>\$10,157,145</b>

### Interest Expense

Dividends on Shares	\$817,721	\$918,416
Interest on Borrowed Money	0	0
<b>TOTAL DIVIDEND / INTEREST EXPENSE.....</b>	<b>\$817,721</b>	<b>\$918,416</b>

### Net Interest Income

Provision for Loan Loss	\$9,281,830	\$9,238,729
	448,542	559,261
<b>NET INTEREST INCOME AFTER PROVISION.....</b>	<b>\$8,833,288</b>	<b>\$8,679,468</b>
<b>TOTAL NON-INTEREST INCOME.....</b>	<b>\$1,834,961</b>	<b>\$2,097,472</b>

### Non-Interest Expenses

Employee Compensation & Benefits	\$4,498,871	\$4,559,539
Office Occupancy Expense	862,023	840,808
Office Operations Expense	2,299,877	2,215,184
Educational & Promotional Expense	640,290	811,743
Miscellaneous Operating Expenses	1,406,731	1,377,527
<b>TOTAL NON-INTEREST EXPENSES.....</b>	<b>\$9,707,792</b>	<b>\$9,804,801</b>
<b>NET INCOME.....</b>	<b>\$960,457</b>	<b>\$972,139</b>

### Statistics

Number of Members at Year End	26,943	27,111
Number of Borrowers	11,769	11,534
Dollars Loaned to Members During the Year	50,439,003	60,262,488
Dollars Loaned to Members Since Organization	1,437,796,363	1,387,357,360

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



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 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 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

Wendy Gleason  
LOAN SYSTEMS  
COORDINATOR

Jeanne Lawrence  
MEMBER SOLUTIONS  
SUPERVISOR

Kelly Prast  
MORTGAGE  
SUPERVISOR

Enid Engel  
MEMBER REP.  
SUPERVISOR

Adam Pelc  
MEMBER EXPERIENCE  
ADVOCATE

### STAFF

Melissa Baker  
JulieAnne Benard  
Amy Benkert  
Tiffany Blossey  
Oona Brown  
Andrew Butts  
Marsha Caylor  
Monica Corriveau  
Sherry Crofoot  
Allison DePesa  
Melissa Egeler  
Elinor Ehler

Melissa Felton  
Marcia Flores  
Marsha Frank  
Chelsea Grueber  
Susan Hale  
Rachel Hart  
Amy Heitz  
Karen Holden  
Meaghann Janze  
Nadine Kapka  
Rachel Kennedy  
Karen Knippel

Mallory Kosira  
Matthew Kowalski  
Rachael Krenz  
Moriah Krzyminski  
Peggy LaDouce  
Amanda Lagalo  
Megan Lee  
Taylor Lewinski  
Nicole Little  
Pam Lovay  
Kate Luttenberger  
Jeffrey Maul

Maggie McGee  
Penny Mitchell  
Kristina Morse  
Mary Myczkowiak  
Jeff Nellet  
Theresa Nelson  
Yvette Nevarez  
Elena Neyman  
Heather O'Farrell  
Patti O'Neil  
Elizabeth Orange  
Adam Pelc

Alicia Petricevic  
Katrina Pfahl  
Sandra Quinnan  
Jesse Robarge  
Abby Rogner  
Sara Schram  
Julie Schwind  
Jodi Smith  
Sharon Smith  
Frana Sommer  
Kaleigh Spaetzle  
Pam Stark

Delina Stiger  
Rebecca Swanson  
Karena Thomas  
Julie Thornton  
Lisa Ullicki  
Courtney Walter  
Kimberly Watkins  
Byron Weber  
Debbie Weisenberger  
Virginia Whelton  
Barbara Withrow  
Kathy Wizner

### COMMITTEE VOLUNTEERS

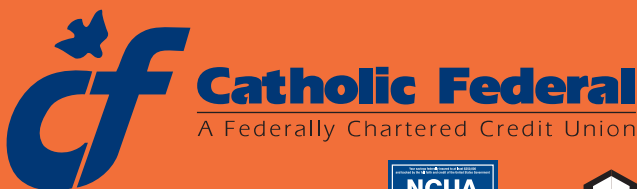
ASSET & LIABILITY  
Debra Lutz

MSGR FORBES SCHOLARSHIP  
José Salinas

SUPERVISORY  
Joseph DeFrancesco  
Kenneth Groya  
Janet Lichon  
José Salinas  
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



**Catholic Federal**  
A Federally Chartered Credit Union



Federally Insured by NCUA

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