

# Building a Better Catholic Community

## 57<sup>th</sup> Annual Meeting

Saturday, February 23, 2013

Horizons Conference Center  
6200 State Street, 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



### 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 56<sup>th</sup> Annual Meeting

SATURDAY, FEBRUARY 25, 2012 • 5:00 PM | Doubletree Hotel • Bay City, 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 56th Annual Meeting; the first to be held in Bay City.

## 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, Kathleen McGraw, Vice Chair; C. Patrick Kaltenbach, Secretary; Jerd A. Clayton, Treasurer; Donald L. Gallant, Catherine Ryan, and Darwin Shreve, Directors. Looby noted that Shreve was out of town and unable to attend. He also introduced the Supervisory Committee members: Honorable Joseph DeFrancesco, Lee R. Schieb, and José Salinas who were all unable to attend, in addition to Janet Lichon and Kenneth Groya.

## CHAIRMAN'S REPORT

Looby discussed changes that have taken place within Catholic Federal Credit Union during 2011. He stated that the credit union had another positive year with the majority of income coming from loans. Due to the economic environment, rates have been reduced which will provide significant savings to the members and generate income for the credit union. Looby thanked all members in attendance for their continued support of Catholic Federal.

## PRESIDENT & CEO'S REPORT

Alan P. Watson thanked the Board of Directors and all committee members for their time, commitment and support during this past year to Catholic Federal Credit Union. Watson recognized the committees of Catholic Federal Credit Union: Asset Liability Management, Monsignor Forbes Scholarship Trust Fund, Community Relations and Today and Tomorrow, thanking all volunteers for their contributions. 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 Loans; Bethany Dutcher, VP of Marketing; Marilyn Nevarez-Deisler, VP of Member Representative Operations; and Amy Mikolaiczik, VP of Systems & Development.

Watson stated that he remains positive about the Credit Union's strength and future growth. The South Washington Branch is on schedule with an expected opening date on or around June 1st. Mobile Banking is also coming very soon, in addition to member promotions and debit card rewards. He also spoke of the addition 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 credit union goals. The recipient of the 2011 Deborah L. Frisch Employee of the Year Award was Tiffany Greening, Compliance and Training Supervisor.

Watson acknowledged Robert J. Looby for his 30 years of service on the Board of Directors; 20 of those years as the Chairman of the Board. Catholic Federal had \$20 million

in assets in 1982 when Looby first joined the board and it has grown to over \$300 million in assets in large part to his commitment and dedication to the credit union. Watson presented Looby with a gift of appreciation for 30 years of outstanding service to Catholic Federal Credit Union.

## BOARD ELECTION

Watson stated that there were three directors up for re-election this year. The Nominating Committee consisted of Kathleen McGraw, Catherine Ryan, Donald Gallant, Dar Shreve and Alan Watson and they have recommended for re-election of a 3-year term: Robert J. Looby, C. Patrick Kaltenbach, and Jerd A. Clayton. Marilyn Nevarez-Deisler made a motion from the floor to re-elect Looby, Kaltenbach and Clayton and Amy Mikolaiczik seconded the motion. The motion passed unanimously.

## TREASURER'S REPORT

Clayton presented the 2011 Treasurer's Report. Total member deposits were up \$10 million, driving assets up 4%. \$3.1 million of member deposits were used to fund our loan growth while the remaining deposits were invested or held in cash reserves. Equity Reserves grew to over \$32 million giving CFCU a Net Worth ratio of 10.81%. Operating Net Income before Insurance Fund adjustments was over \$1.7 million; CFCU remains of great value to our members, per Raddon Financial Group our annual rate giveback is approximately \$1.2 million. Finally, CFCU provided \$655,000 this year to fund the insurance which this will keep the insurance funds strong in the future. Gallant made a motion to accept the Treasurer's Report and Kaltenbach seconded the motion. The motion passed unanimously.

## MINUTES OF THE 55TH ANNUAL MEETING

Looby brought the attendees' attention to the 55th Annual Meeting Minutes inside their program. McGraw made a motion from the floor to approve the minutes from the last annual meeting and Gallant seconded the motion. The motion passed.

## VOLUNTEER OF THE YEAR

Watson presented the Volunteer of the Year award to Theresa May, a member of our Today and Tomorrow Committee.

## SUPERVISORY COMMITTEE REPORT

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

## MONSIGNOR FORBES SCHOLARSHIP TRUST FUND REPORT

Clayton stated the Msgr. Forbes Scholarship Fund was formed in 1982 and was named for 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 criterions 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 also extended recognition to Lindsay Pittwood, Administrative Assistant, for her assistance in preparing the applications for review. 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 2011 there were 321 scholarships awarded totaling \$132,000. The deadline for the scholarship application is March 3, 2012 and members who have children and grandchildren are urged to apply.

## MONSIGNOR FORBES SCHOLARSHIP TRUST FUND ELECTION

Looby stated that Genevieve Mendoza was up for re-election as a Trustee on the Monsignor Forbes Scholarship Trust Fund Committee. The re-election period is three years. Gallant made a motion from the reelect Mendoza and Ryan seconded it. The motion passed unanimously.

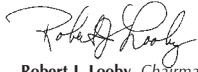
## OLD BUSINESS

No old business came before the board.

## NEW BUSINESS

No new business came before the board.

The 56th Catholic Federal Credit Union Annual Meeting adjourned at 5:25 p.m. after a motion by Gallant and a second by Clayton. The motion passed unanimously.

  
Robert J. Looby, Chairman

  
C. Patrick Kaltenbach, Secretary

## Growth in Reserves & Undivided Earnings

(in millions)



## Assets

(in millions)



## Loans

(in millions)



# REPORT FROM THE Supervisory Committee

The Supervisory Committee finished a busy and productive 2012. This volunteer committee meets monthly to complete a variety of audit and review functions.

The committee reviewed approximately 3,500 approved loans totaling \$71,285,000, and 540 denied loans totaling \$4,720,000. 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*  
Lee R. Scheib, Co-Chairman

*Joseph G. DeFrancesco*  
Joseph G. DeFrancesco, Co-Chairman



# Report from the Treasurer

FINANCIAL STATISTICS | For Years Ending December 31

ASSETS	2012	2011
Cash	\$13,391,261	\$11,689,881
Investments	83,728,451	79,106,763
Loans, Net of Allowance for Loan Losses	200,846,478	194,544,255
NCUSIF Deposit	2,763,052	2,621,410
Total Other Assets	11,902,003	9,972,324
<b>TOTAL ASSETS</b>	<b>\$312,631,245</b>	<b>\$297,934,633</b>

LIABILITIES	2012	2011
Accrued Dividends & Other Liabilities	\$889,788	\$960,510
Total Shares & Deposits	277,406,984	264,767,118
<b>TOTAL LIABILITIES</b>	<b>\$278,296,772</b>	<b>\$265,727,628</b>

EQUITY	2012	2011
Undivided Earnings & Other Reserves	\$28,914,324	\$26,786,856
Regular Reserves	5,420,149	5,420,149
<b>TOTAL EQUITY</b>	<b>\$34,334,473</b>	<b>\$32,207,005</b>
<b>TOTAL LIABILITIES, SHARES &amp; EQUITY</b>	<b>\$312,631,245</b>	<b>\$297,934,633</b>

INTEREST INCOME	2012	2011
Interest on Loans	\$9,457,887	\$9,922,297
Income from Investments	1,413,823	1,404,856
<b>TOTAL INTEREST INCOME</b>	<b>\$10,871,710</b>	<b>\$11,327,153</b>

INTEREST EXPENSE	2012	2011
Dividends on Shares	\$1,511,359	\$2,092,323
Interest on Borrowed Money	0	0
<b>TOTAL DIVIDEND/INTEREST EXPENSE</b>	<b>\$1,511,359</b>	<b>\$2,092,323</b>

NET INTEREST INCOME	2012	2011
Provision for Loan Loss	319,694	999,798
<b>NET INTEREST INCOME AFTER PROVISION</b>	<b>\$9,040,657</b>	<b>\$8,235,032</b>
<b>TOTAL NON-INTEREST INCOME</b>	<b>\$1,960,608</b>	<b>\$1,691,579</b>

NON-INTEREST EXPENSE	2012	2011
Employee Compensation & Benefits	\$4,091,629	\$3,734,321
Office Occupancy Expense	772,490	798,714
Office Operations Expense	1,946,741	1,771,870
Educational & Promotional Expense	854,534	852,179
Miscellaneous Operating Expenses	1,254,183	1,021,725
<b>TOTAL NON-INTEREST EXPENSES</b>	<b>\$8,919,577</b>	<b>\$8,178,809</b>

<b>NET INCOME BEFORE NCUSIF STABILIZATION EXPENSE</b>	<b>\$2,081,688</b>	<b>\$1,747,802</b>
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<b>NCUSIF STABILIZATION EXPENSE</b>	<b>\$262,490</b>	<b>\$655,352</b>
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<b>NET INCOME</b>	<b>\$1,819,198</b>	<b>\$1,092,450</b>
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STATISTICS	2012	2011
Number of Members at Year End	26,854	26,448
Number of Borrowers	11,124	10,851
Dollars Loaned to Members During the Year	\$75,522,895	\$65,670,000
Dollars Loaned to Members Since Organization	\$1,280,553,895	\$1,205,031,000

Respectfully submitted,

*David A. Beyerlein*  
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

## 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



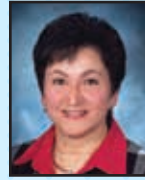
Gina Kellogg  
VP HUMAN  
RESOURCES



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  
WASHINGTON AVE.  
BRANCH MGR.

Leslie Fall  
VASSAR  
BRANCH MGR.

Tiffany Greening  
COMPLIANCE / TRAINING  
SUPERVISOR

Maryann Schaffer  
CONTROLLER /  
ACCOUNTING  
SUPERVISOR

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  
Christina Brandel  
Jamie Burgdorf  
Katlin Conley  
Monica Corriveau  
Sherry Crofoot  
Mary DeGroat  
Theresa DeLong  
Allison DePesa

Brad Doran  
Jordan Early  
Sarah Falkenberg  
Kathi Fortier  
Marsha Frank  
Susan Hale  
Karen Holden  
Samantha Horstman  
Allison Jacot  
Rachel Kennedy  
Karen Knippel  
Amy Koch

Laura Kosiana  
Peggy LaDouce  
Ann Lagalo  
Jennifer Larson  
Pam Lovay  
Sandy McGuire  
Misty McQuaid  
Kiersten Miller  
Penny Mitchell  
Kristina Morse  
Mitzi Murphy  
Mary Myczkowiak

Jeff Nellet  
Samantha Nelson  
Yvette Nevarez  
Elena Neyman  
Joan Nickel  
Rachael Odenbach  
Heather O'Farrell  
Patti O'Neil  
Elizabeth Orange  
Cari Ouellette  
Adam Pelc  
Alicia Petricevic

Sandra Quinnan  
Jesse Robarge  
Katie Romeo  
Joan Sampson  
Julie Schwind  
Jodi Smith  
Sharon Smith  
Frana Sommer  
Susan Sova  
Pam Stark  
Tara Story  
Rebecca Swanson

Karena Thomas  
Julie Thornton  
Lisa Ulicki  
Nicole Wandzel  
Byron Weber  
Delina Weise  
Debbie Weisenberger  
Virginia Whelton  
Barb Withrow  
Kathleen Wizner

## COMMITTEE VOLUNTEERS

ASSET & LIABILITY  
Susan Meyers  
Matthew Starke  
MSGR FORBES SCHOLARSHIP  
Genevieve Mendoza  
José Salinas

COMMUNITY RELATIONS  
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  
Kay Voelker



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