



Catholic United Financial CREDIT UNION

Your Financial Guardian Angel

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2014 Annual Report

14th Annual Meeting of Members

Order of Business

- | | |
|---|---|
| I. Call to Order and Opening Prayer.....President or Chair | VII. Report of the Supervisory Committee.....Committee Chair Dennis Olson |
| II. Notice of Annual Meeting.....Secretary Mike Ahles | VIII. Report of the President.....President Terri Maloney |
| III. Confirmation of Quorum.....Secretary Ahles | IX. New Business.....President Maloney |
| IV. Approval of Annual Meeting Minutes from 2014..... Chair Harald Borrmann | X. Open Forum.....President Maloney |
| V. Election.....Chair Borrmann | XI. Closing Prayer..... President or Chair |
| VI. Report of the Board.....Chair Borrmann | |

Annual Meeting Minutes of May 20, 2014

Chairman Harald Borrmann called the meeting to order at 10:08 am and opened the meeting with a prayer. Harald Borrmann made opening remarks and asked for the Notice of the Annual Meeting. Secretary Mary Harens confirmed that the date of May 20, 2014 conforms to the dates set in the bylaws in Section 1, Article III. Harald Borrmann reported 51 members signed in meets the 15 member requirement for a quorum. There was proper notice for the meeting sent to all members via their first quarter account statement mailing and via website.

The minutes of the 2013 Annual Meeting were published in the 2013 Annual Report. There was a motion to approve the minutes, it was seconded. Motion was passed.

Michael Ahles was elected to his first three year term.

Chairman of the Board, Harald Borrmann, gave the Board Report. Mr. Borrmann said the Credit Union is in great shape and the St. Cloud office has exceeded expectations. Mr. Borrmann

further stated the Credit Union had nice loan growth. The Credit Union would like to do more mergers if the right fit comes along.

Mr. Borrmann recognized and thanked departing Director Mary Harens.

Dennis Olson gave the Supervisory Committee Report to the members. In addition, he described what the Supervisory Committee does. He informed us that there are two other entities that assist in ensuring the soundness of the Credit Union: LarsonAllen and the State of Minnesota Examiners. Noted the Credit Union is excellently managed. Mr. Olson recognized and thanked two Supervisory Committee Members who were stepping down: Jean Torborg and Flip Spanier. Mr. Olson introduced new Supervisory Committee Member Dave Fadness.

Chairman Borrmann introduced President Terri Maloney.

Terri reviewed key 2013 Financial

Trends and Ratios. Terri also noted a few new products and services of the Credit Union in 2013: Sallie Mae Student Loan Program, Account to Account Transfers and Mobile Texting to name a few.

The floor was open to questions.

Meeting adjourned at 11:00am

Harald Borrmann closed the meeting with a prayer.

Present at the meeting:

- Chair Harald Borrmann
- Vice Chair James Wensel
- Secretary/Treasurer Michael Ahles
- Director Michael McGovern
- Director Gary Gall
- Director Eugene Lieser
- President Terri Maloney

Supervisory Committee Members:

- Chair Flip Spanier
- Member Dennis Olson
- Member Jean Torborg

Comparative Income / Expense Statement

| | 12/31/14 | 12/31/13 |
|--------------------------------|-------------------|------------------|
| Loan Income | | |
| Unsecured | \$42,445 | \$36,418 |
| New Vehicle | \$27,760 | \$33,827 |
| Used Vehicle | \$162,323 | \$193,978 |
| Real Estate | \$127,604 | \$149,961 |
| Other Loans | \$26,467 | \$29,977 |
| Total Loan Income | \$386,604 | \$444,161 |
| Investment Income | | |
| Cash and Investments | \$59,998 | \$61,110 |
| Total Investment Income | \$59,998 | \$61,110 |
| Total Interest Income | \$446,598 | \$505,271 |
| Dividend Expense | | |
| Shares | \$18,192 | \$20,563 |
| Checking | \$1,786 | \$2,688 |
| Certificates | \$31,804 | \$37,900 |
| Total Dividend Expense | \$51,793 | \$61,152 |
| Net Interest Income | \$394,805 | \$444,119 |
| Other Income | | |
| Personnel Subsidy | \$192,464 | \$181,552 |
| Origination Income | \$5,308 | \$7,467 |
| Fee Income | \$28,211 | \$26,632 |
| Other Income | \$63,757 | \$59,835 |
| Total Other Income | \$289,740 | \$275,485 |
| Loan Loss | \$30,796 | \$22,114 |
| Int. on Borrowed Funds | \$78 | \$33 |
| Operating Expenses | | |
| Comp and Benefits | \$385,004 | \$363,155 |
| Travel and Training | \$6,995 | \$9,457 |
| Occupancy | \$45,203 | \$56,813 |
| Operations | \$167,501 | \$158,017 |
| Marketing | \$6,234 | \$14,616 |
| Loan servicing | \$11,908 | \$12,761 |
| Professional Services | \$24,610 | \$18,963 |
| Surety Bond | \$14,059 | \$14,102 |
| Operating Fees | \$530 | \$549 |
| NCUSIF Stabilization Expense | \$0 | \$12,271 |
| Misc Expense | \$29,745 | \$16,974 |
| Total Operating Expense | \$691,788 | \$677,676 |
| Net Income | (\$38,116) | \$19,782 |

Comparative Balance Sheet

| Assets: | 12/31/14 | 12/31/13 |
|-----------------------------------|---------------------|---------------------|
| Loans | | |
| Unsecured | \$434,778 | \$441,674 |
| New Vehicle | \$934,404 | \$959,463 |
| Used Vehicle | \$4,288,338 | \$4,443,741 |
| Real Estate | \$2,125,217 | \$2,128,808 |
| Other Loans | \$413,120 | \$344,539 |
| Total Loans | \$8,195,857 | \$8,318,226 |
| Acquisition of CCU | (\$239,913) | (\$236,550) |
| Allowance for Loan Loss | (\$33,233) | (\$36,662) |
| Cash and Certificates | \$9,073,555 | \$9,834,851 |
| Fixed Assets | \$19,642 | \$35,998 |
| Other Assets | \$574,424 | \$600,847 |
| Total Assets | \$17,590,333 | \$18,516,710 |
| Liabilities and Equity: | | |
| Deposits | | |
| Shares | \$8,983,066 | \$9,431,297 |
| Draft | \$1,928,034 | \$1,898,625 |
| Certificates | \$4,304,785 | \$4,627,080 |
| Total Deposits | \$15,215,884 | \$15,957,003 |
| Other Liabilities | \$180,897 | \$328,040 |
| Regular Reserves | \$118,884 | \$118,884 |
| Undivided Earnings | \$885,300 | \$865,528 |
| Equity Acquired in Merger | \$1,227,484 | \$1,227,484 |
| Earnings YTD | (\$38,117) | \$19,772 |
| Total Liability and Equity | \$17,590,333 | \$18,516,710 |
| Net Worth Ratio | 12.47% | 12.05% |
| Members | 3,697 | 3,763 |

Our Mission

Build high-quality, lifetime relationships through providing exceptional products and services that enhance the financial lives of our Catholic communities.

Terri Maloney, *President*

Main Office Staff

Stephany Gisler
Brenda Schuhwerck

St. Cloud Office Staff

Chuck Dukowitz
Linda Kampa
Chad O'Brien



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