

1. Pledge of Allegiance
2. Call the Meeting to Order
3. Secretary Ascertain a Quorum is Present
4. Chairman Entertains a Motion to:
  - Change the Order of Business
  - Dispense with the Reading of the 2013 Annual Meeting Minutes
  - Approve the 2013 Annual Meeting Minutes
  - Destroy election ballots from 2012
5. Chairman's Introductions
6. President/CEO's Introductions
7. Nominating Committee Report
  - Nominees' Introduction
  - Collection of Ballots
8. Supervisory Committee Report
9. Chairman's Report
10. Treasurer's Report
11. Open Forum Questions
12. Raffle Rules and Prizes
  - 8 @ \$25
  - 4 @ \$50
  - 2 @ \$75
13. Election Results Announced
14. Final Raffle Prize
  - 1 @ \$100
15. Closing Remarks
16. Motion to Adjourn

**Board of Directors**

**Chairperson**  
Louis Ghosn  
**Vice Chairperson**  
William Ahonen  
**Secretary**  
Kristina Beletic  
**Treasurer**  
Tim Edmunds  
**Directors**  
Diane Bridges  
Richard French  
Roseann Lorenz  
Stephanie Miller  
Robert Spada  
Norm Musial, Emeritus  
**Recording Secretary**  
Pat Kamholz

**Supervisory Committee**

<b>Chairperson</b>	Thomas Saad	
<b>Secretary</b>	David Hull	
<b>Committee Members</b>	Colleen O'Brien	James Davis
<b>Senior Internal Auditor</b>	Beverly McMahon	

**Senior Leadership Team**

<b>CEO &amp; President</b>	Sharon Churchill
<b>COO &amp; EVP</b>	Ron Hongosh
<b>VP MIS</b>	Nick Nero

**Management Team**

<b>Director Human Resources</b>	Tina Brostek	
<b>Director Marketing</b>	David Turner	
<b>Director Member Services</b>	Laura Gorshe	
<b>Director Risk and Compliance</b>	Jackie Jackson	
<b>Director Financial Services</b>	Tim Csuti	
<b>Accounting Manager</b>	Bridget Painter	
<b>Branch Managers</b>	Jenel Black	Santina Dawson
	Cara Lange	Sharonda Moss
	Sue Sliman	Jerry Zemlicka
	Julie Dunn	
<b>Collections Manager</b>	Pete Romano	
<b>Lending Manager</b>	Deedra Miles-Yarborough	
<b>Member Service Center Manager</b>	Deedra Miles-Yarborough	
<b>Network Administrator</b>	Jim Coulter	

**Team Members**

Ricardo Ayala	Constance Bacha	Laura Baldwin
Jeanetta Bane	Kelly Belfi	Carrie Boli
Charlotte Bosak	Carl Burgess	Heather Connelly
Johnathan Davis	Sara Dingess	Jack Dobrowski
Carmen Dorsey	Denise Dvorak	Chrisilyn Falensky
Ronald George	Elizabeth Gill	Donna Gillis
Nancy Hetrick	Kim Hickman	Parthenia Jackson
Latasha Jones	Sandra Keys	Cheryl Keyser
Gerilyn Kiggins	Janet Kovalak	Laura Kozel
Jeff Lanzen	Matthew Lyzen	Slavka Mandic
Linda Martin	Sonya Mitchell	Harriet Monroe
Lindsay Mroz	James Nagy	Daniella Naslazi
Annette Oberst	Jeanette Ozimek	Jeffrey Pece
Kelly Pogue	LaTaasha Prince	Brandon Ptak
John Reid	Dominic Rocco	Wendy Ruffing
Rebecca Sinram	Todd Stewart	Susan Tancak
Christine Walters	Miranda Zimmerman	

**CU Center West, Inc.****Board of Trustees**

**Chairperson**  
William Ahonen  
**Vice Chairperson**  
Mack Thomas  
**Secretary**  
David Cattani  
**Treasurer**  
Tim Edmunds  
**Trustees**  
William Crell  
**Trustees Emeritus**  
Richard Danielson  
Charlotte Silver  
**Property Manager**  
Zack Hoty

**VISION**

Century Federal Credit Union (CFCU) is one of the largest credit unions in Northeast Ohio. Unlike others in the financial services industry who serve at the pleasure of their investors, we serve at the pleasure of our members. We are a financial cooperative because we are simply members working together as a community and sharing with other trusted members of our own choosing. Therefore, membership is exclusive and by-invitation through Select Employee Groups (SEGs). In turn, our members and employees choose us because we are good at what we do. We celebrate and recognize the diverse styles and needs of our employees, Select Employee Groups (SEGs) and member's.

CFCU is a service company. We provide and share solutions and results. As a financial cooperative, we are not-for-profit, allowing us to provide value and focus on items important to our membership and employees.

CFCU is more than just its employees and its members. It is strength in unity - it is a team. We engage and are high performers both independently and as a team. We are curious and hungry for knowledge. We embrace the future and all the changes it brings.

Century Federal Credit Union Values:

C = Celebrate Us  
E = Engage  
N = New Thinking  
T = Take Ownership  
U = Uncompromising Integrity  
R = Respect Me  
Y = You First



Together we're better!  
2013 North Olmsted Parade

**BRANCH LOCATIONS****Downtown**

AJC Federal Building  
1240 E. 9th Street  
Room 719  
Cleveland, OH 44199  
PH: 216.535.3290  
Fax: 216.535.3219  
M-F: 8AM - 3:30PM

**NASA**

21000 Brookpark Road  
Building 15  
Cleveland, OH 44135  
PH: 216.535.3400  
Fax: 216.535.3409  
M-F: 8AM - 3:30PM

**Sherwin-Williams**

101 Prospect Ave. NW  
Republic Building, #900  
Cleveland, OH 44115  
PH: 216.535.3700  
Fax: 216.535.3709  
M-F: 8:30AM - 4PM  
Closed: 1PM-1:30PM

**Wade Park VAMC**

10701 East Blvd.  
University Circle  
Cleveland, OH 44106  
PH: 216.535.3600  
Fax: 216.535.3609  
M-F: 8AM - 3:30PM

**Lyndhurst**

5465 Mayfield Road  
Lyndhurst, OH 44124  
PH: 216.535.3800  
Fax: 216.535.3809  
M, T, TH: 8:30AM - 4PM  
Wed: Closed  
F: 8:30PM - 6PM  
Sat: 8:30AM - 2PM

**North Olmsted**

28251 Lorain Road  
North Olmsted, OH 44070  
PH: 216.535.3100  
Fax: 216.535.3109  
M-TH: 8:30AM - 4PM  
F: 8:30AM - 6PM  
Sat: 8:30AM - 2PM

**Strongsville**

14244 Pearl Road  
Century Federal Plaza  
Strongsville, OH 44136  
PH: 216.535.3260  
Fax: 216.535.3269  
M: Closed  
T-F: 9:30AM - 6PM  
Sat: 9AM - 2PM

**Member Service Center**

216.535.3200  
800.615.2328 (outside local calling area)  
M-F: 7:30AM - 6PM  
Sat: 8AM - 2PM  
MemberService@CenFedCU.org

**Audio Response System**

216.535.3288  
800.626.7974 (outside local calling area)

**Get CFCU Connected**

**Century**  
Federal Credit Union

# 2013 Annual Report

*66 Years Strong*  
1948-2014

## MESSAGE FROM CHAIRMAN OF THE BOARD

Welcome to Century Federal Credit Union's 66<sup>th</sup> Annual Meeting!

Welcome to the 66<sup>th</sup> annual meeting! On behalf of Century Federal Credit Union's (CFCU) Board of Directors, I am pleased to present to you the annual report. In 2013, Century's assets grew by \$5,695,000 mainly from member's deposits. By year end, our total assets reached \$343,984,471 with a capital reserve of \$30,257,391, yielding a ratio of our capital reserve to total assets of 8.8% which is well above the 7.0% threshold for well capitalized credit unions as established by our regulators.



Louis Ghosn, Chairman of the Board

With the interest rate remaining low throughout 2013, CFCU experienced a large volume of loan refinancing from our in-house portfolio. The challenge with the reduced yield was to increase our loan volume and to minimize the impact on our interest income. And by year end, we managed to reach a modest net loan growth of \$1,260,387. Furthermore, our older higher yield investments were maturing, and they were re-invested at lower yields. The end result of the low interest environment was to reach a modest total net income of \$1,160,013, which was enough to maintain our capital ratio.

In 2013, CFCU was able to provide you with the long awaited Mobile-Banking module, as well as a new reward VISA card.



We also partnered with two auto-dealers: Brunswick Auto Mart and Motor Cars, providing you with special discounts and incentives. We also provided some discounts on some loans (HELOC and VISA) as well as some special higher yield Certificates of Deposits that members took advantage of. We also added a coin-counting machine and safety deposit boxes at our Strongsville facility. We also signed up Select Employee

Groups (SEGs) from businesses mainly around Strongsville, Lyndhurst and the VA Branches to be able to add to our membership. The loyalty program was also revamped in 2013, providing you with two tiers, depending on the level of engagement you have with CFCU. It is another way to say thank you for members with deeper relation with Century. We also partnered with Trinity Debt Management for members that are in need of financial counseling, providing

## TREASURER'S REPORT

them with the means to improve their credit score or consolidate their debts or even be able to design a realistic budget. In 2014, we are planning to provide you with a remote check deposit module as well as ACH origination. And hopefully in the summer, we will be relocating the VA branch to a new permanent location on the ground level of the main hospital building.



myChoice Rewards Visa Credit Card

In spite of the relatively modest net income in 2013, the credit union is financially strong and stable. Century Federal Credit Union's records and operations were examined by an independent auditing firm, as well as, the National Credit Union Administration. The independent auditor stated that the financial statements presented fairly, in all material respects, the financial position of CFCU as of December 31, 2013.

Best regards,

Louis J. Ghosn  
Chairman of the Board

## TREASURER'S REPORT

Due to low market interest rates and the volatility in mortgage interest rates, CFCU continued the large dividend rate reductions that were initiated about three years ago. Dividends paid to members during 2013 were \$1.5 million compared to \$1.68 million paid in 2012. The weighted average dividend rate declined to .49 percent for 2013 from 0.567percent during 2012.

During 2013, member borrowers reduced their borrowing activity at CFCU. CFCU issued \$55.2 million in new loans including \$1.28 million underwritten using My CU Mortgage's underwriting requirements. This compares to \$77.6 million in new loans issued during 2012. Most of the loan reduction can be attributed to reduced member mortgage refinancing. This is in line with the decline in mortgage loan applications at other lenders. Weighted average yields on loans declined from 4.57 percent for 2012 to 4.18 percent for 2013.

Members did take advantage of CFCU's mortgage loan modification program to reduce their mortgage interest rate. Mortgages with balances of \$2.9 million were modified. The weighted average yield on these mortgages prior to modification was 4.189 percent. After modification, the reduced interest rate for these mortgages was 2.870 percent.

During 2013, automobile lending was disappointing. Only, \$11.1 Million in new and used car loans were issued.

Because of reduced member borrowing, CFCU had to invest new deposits and loan repayments into investments. The return on investments was only 0.71 percent for 2013.

### Net Income

Net Income for 2013 was about \$1.16 million compared to about \$1.87 million in 2012. The primary negative factor contributing to the reduction of \$710 thousand in 2013 net income was a \$621 thousand reduction in interest income from loans and Investments.

### Causes of Lower Dividend Rates

The primary factors causing the large reductions in dividend rates have been:

1. Market interest rates have been very low in recent years. Thus, it would be unfair to charge member borrowers above market loan rates to pay the savers above market dividend rates.
2. NCUA, CFCU's regulatory agency, has basically required CFCU to maintain an 8.5 percent net worth to capital ratio. Thus, the rate of increase in deposits due to attractive dividend rates cannot increase at a greater rate than the increase in net worth.

### Allowance for Loan Losses

During 2013, CFCU's provision for loan losses was \$1,425,000. The allowance for loan losses at December 31, 2013 was \$2,613,700. During 2013, \$1.13 million in secured and unsecured loans were charged off net of recoveries. VISA, signature loans, and other unsecured lines of credit represented 43.8% [\$557,422] of the charge offs. Secured loan charge offs of \$653,300 consisted of A) mortgages \$614,700 and B) Automobile loans \$101,300.. Total recoveries of charged-off loans was \$146,768.

Respectfully submitted,

Tim Edmunds  
Treasurer



## 2013 Financial Statements for Century Federal Credit Union and Subsidiaries

### ASSETS

	2013	2012
Cash and Cash Equivalents	\$ 15,127,405	\$ 13,559,264
Deposits in Other Financial Institutions	10,245,839	9,455,838
Securities Available-for-sale	98,816,076	96,964,854
Other Investments	2,176,000	2,127,790
Loans, Net	211,153,117	209,892,730
Accrued Interest Receivable	705,175	697,763
Premises and Equipment, Net	1,855,396	1,991,302
National Credit Union Share Insurance Fund (NCUSIF) Deposit	3,070,475	2,937,680
Other assets	834,988	662,248

### Total Assets

### LIABILITIES AND MEMBERS' EQUITY

#### LIABILITIES

Members' Share and Savings Accounts	\$ 311,394,143	\$ 307,251,404
Accrued Expenses and Other Liabilities	2,332,937	1,234,886
Total Liabilities	313,727,080	308,486,290

#### Members' Equity

Regular Reserves	3,597,645	3,597,645
Undivided Earnings	26,835,599	25,675,586
Accumulated Other Comprehensive Income (Loss)	(175,853)	529,948
Total Members' Equity	30,257,391	29,803,179

### Total Liabilities and Members' Equity

### CONSOLIDATED INCOME STATEMENT

#### INTEREST INCOME

	2013	2012
Loans	\$ 8,910,349	\$ 9,362,345
Securities, Interest Bearing Deposits, and Cash Equivalents	873,898	1,043,219
Total Interest income	9,784,247	10,405,564

#### INTEREST EXPENSE

Members' Share and Savings Accounts	1,517,852	1,681,424
Net Interest Income	8,266,395	8,724,140

#### PROVISION FOR LOAN LOSSES

Net Interest Income After Provision for Loan Losses	1,425,029	1,302,000
	6,841,366	7,422,140

#### NON-INTEREST INCOME

Service Charges and Fees	1,219,794	1,304,122
Other Non-Interest Income	1,344,968	1,125,538
Total Non-Interest Income	2,564,762	2,429,660

#### NON-INTEREST EXPENSE

General and Administrative	3,697,137	3,799,050
Employee Compensation and Benefits	1,958,522	1,703,032
Office Occupancy and Operations	277,593	311,463
Share Insurance Premium	2,281,530	2,209,987
Other Operating Expenses	31,333	(41,375)
Net (Gain) Loss on Sale of Assets	8,246,115	7,982,157
Total Non-Interest Expense		

### NET INCOME

	\$ 1,160,013	\$ 1,869,643
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