

ANNUAL MEETING AGENDA

1.

Pledge of Allegiance
2.

Call the Meeting to Order
3.

Secretary Ascertains a Quorum is Present
4.

Chairman Entertains a Motion to:

• Change the Order of Business

• Dispense with the reading of the 2016 Annual Meeting minutes

• Approve the 2016 Annual Meeting minutes
5.

Chairman’s Introductions
6.

President/CEO’s Introductions
7.

Nominating Committee’s Report

• Introduction of Board Nominees
8.

Supervisory Committee’s Report

• Collection of Ballots
9.

Chairman’s Report
10.

Treasurer’s Report
11.

Open Forum Questions
12.

Raffle Rules & Drawings

• 8 - \$25

• 4 - \$50
12.

Election Results Announced
13.

Raffle Drawings

• 2 - \$75

• 1 - \$100
14.

Closing Remarks
15.

Motion to Adjourn

Board of Directors

Chairperson
Louis J. Ghosn
Vice Chairperson
William T. Ahonen
Secretary
Diane F. Bridges
Treasurer
Kristina A. Beletic
Directors
Peter Bonacuse
Timothy Edmunds
Richard French
Roseann K. Lorenz
Robert Spada
Recording Secretary
Pat Kamholz

Supervisory Committee

Chairperson
Secretary
Committee Members

Senior Internal Auditor

Senior Leadership Team

CEO & President
COO & EVP
Interim CFO & Director of Finance
CIO & Director of IT

Management Team

Director of Human Resources
Director of Marketing
Director of Member Services
Director of Risk and Compliance
Accounting Manager
Branch Managers

Collections Manager
Lending Manager
Member Service Center Manager
Operations Manager
Vendor/Project Manager

Team Members

Elisa Akins
Ricardo Ayala
Connie Bacha
Laura Baldwin
Kelly Belfi
Sean Burns
Melissa Butler-Boyd
Andrea Carter
Jim Coulter
Misty Cunningham
Keith Dela Rosa
Gwen Dillingham
Carmen Dorsey
Jasmine Flagg
Donna Gillis
Colleen Groeneveld
Nancy Hetrick

Grace Ito
Pat Jackson
Latasha Jones
Meghan Kagel
Cheryl Keyser
Jill Kiggins
Janet Kovalak
Laura Kozel
Jeff Lanzen
Rhonda Lezark
Isabel Louis
Sally Mandic
Linda Martin
Debra McBryer
Porsche Mercer
Harriet Monroe
Tara Namestnik

CU Center West, Inc. & CU Center South, LLC Board of Trustees

Chairperson
William T. Ahonen
Vice Chairperson
Mack Thomas
Secretary
David Cattani
Treasurer
Timothy Edmunds
Trustees
Robert Spada
Trustees Emeritus
William Crell
Richard Danielson
Charlotte Silver

Angel Arroyo
David Hull
Jimmy Davis
Timothy Edmunds
Stephanie Miller
Beverly McMahon

Sharon Churchill
Ronald Hongosh
Tim Csuti
Frank Chahulski

Penny Caver
Jennifer Lynch
Santina Dawson
Jacqueline Jackson
Tim Cochey
Brian Banville
Cara Lange
Sharonda Moss
Julie Dunn
Michael Smalley
Deedra Miles-Yarborough
Charlotte Bosak
Barb Balog

Daniela Naslazi
Jessika Nieves
Jeanette Ozimek
Ginny Pastor
Lenora Pollard
Mindy Powers
LaTaosha Prince
Christine Reeves
Jasmine Rivers
Sue Sliman
Emily Smith
Laura Sweeney
Sue Tancak
Breck Turner
Tara Vician
Marilyn Woods
David Zanglin

THE CENTURY FEDERAL DIFFERENCE

Century Federal Credit Union is one of the largest credit unions in Northeast Ohio. Unlike others in the financial services industry, who serve their investors, we serve 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, SEGs and members.

Century Federal 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 members and employees.

Century Federal 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



Century Federal Staff at the Downtown Cleveland Script Sign

BRANCH LOCATIONS

- Downtown**
AJC Federal Building
1240 E. 9th Street
Room 719
Cleveland, OH 44199
216-535-3290
M-F: 8:00am - 3:30pm

Independence
COMING SOON!

Lyndhurst
5465 Mayfield Road
Lyndhurst, OH 44124
216-535-3800
M, T, TH: 8:30am - 4:00pm
W: Closed
F: 8:30am - 6:00pm
SA: 8:30am - 2:00pm

NASA
21000 Brookpark Road
Building 15
Cleveland, OH 44135
216-535-3400
M-F: 8:00am - 3:30pm
- North Olmsted**
28251 Lorain Road
North Olmsted, OH 44070
216-535-3100
M-TH: 8:30am - 4:00pm
F: 8:30am - 6:00pm
SA: 8:30am - 2:00pm

Sherwin-Williams
101 Prospect Ave. NW
Republic Building, #900
Cleveland, OH 44115
216-535-3700
M-F: 8:30am - 4:00pm

Strongsville
14244 Pearl Road
Strongsville, OH 44136
216-535-3260
M: Closed
T-F: 9:30am - 6:00pm
SA: 9:00am - 2:00pm

Wade Park VAMC
10701 East Blvd., 1-E210
Cleveland, OH 44106
216-535-3600
M-F: 8:00am - 3:30pm

Member Service Center
216-535-3200 | 800-615-2328
M-F: 7:30am - 6:00pm | Sat: 8:00am - 2:00pm
MemberService@CenFedCU.org

24/7 Account Information
216-535-3288
www.CenFedCU.org

Stay Connected with Century Federal



2016 Annual Report



MESSAGE FROM CHAIRMAN OF THE BOARD

Welcome to the 69th annual meeting! On behalf of Century Federal Credit Union’s Board of Directors, I am pleased to present to you the annual report.

In 2016, Century Federal’s assets reached \$375,311,657 due to an increase in our assets by \$21,512,425—mainly from a mixture of member deposits and borrowed funds. The borrowed funds were deemed necessary for interest risk as the Federal Reserve Bank started increasing their rates. Our loan portfolio also increased by \$14,830,774. By year end, Century Federal was able to provide members with a bonus share dividend stemming from a decline in our required reserve for the allowance for loan losses. Century Federal’s capital grew to a total of \$34,231,597 with a corresponding ratio of the net worth to total asset of 9.26%, well above the 7.00% well-capitalized classification under our regulator guidelines.

Century Federal recently purchased a building on Rockside Road in Independence, and plans to open a new branch at this location by the end of 2017 to serve our members who work or reside along the I-77 corridor. Furthermore, you can look forward to a revamped website that you will be able to link from various mobile devices without any issues.

Century Federal’s records and operations were examined by the National Credit Union Administration as well as an independent auditing firm. The independent auditor stated that the financial statements were presented fairly, in all material respects, the financial position of Century Federal as of December 31, 2016.

Finally, on behalf of all the volunteers and employees, I would like to take this opportunity to thank you for entrusting your financial needs and services to Century Federal.

Best Regards,

Louis J. Ghosn
Chairman of the Board



TREASURER’S REPORT

As we start out a new year, I am pleased to summarize the financial results of Century Federal Credit Union for year-end 2016. Results for 2016 continued to remain strong and much progress was made in the overall performance of the credit union. Total assets at year-end totaled \$375M with total asset growth of 6.08% or \$21.6M from the prior year, while year-to-date net worth grew by 5.39% or \$1.7M. Through sound and careful management, the credit union maintained capital at \$34M with a capital ratio of 9.26%. This classifies Century Federal as a well-capitalized credit union and in sound position to protect members’ assets while delivering superior services. Net income for the year totaled \$1.89M, a \$639K or 51.33% increase from the prior year. Delinquencies, charge-off loans and the provision for loan losses declined during 2016 by \$1.1M, which mainly contributed to the increase in net income. Delinquencies and net charge-offs for the year were .59% and .30% of total loans, respectively.

Deposits for the year increased \$10.7M from the prior year, and we were particularly proud to close out the year offering a \$600K bonus dividend to our member-owners. This bonus combined with all other year-to-date dividends paid out for the year totaled \$1.8M, or a 49% increase from prior year. Interest rates remained steady for the year and our members took advantage of the continued low rates. Total loan activity reported at \$74M, with \$59M of loan prepayments and retirements. Loan-growth for the year totaled \$14.8M or 6.45%, which represented a record year for mortgage production of over \$37M in volume alone. Liquid cash on hand reported at an appropriate amount of \$12.6M or 3.4% of assets.

Annual operating expense remained relatively low at 71% of gross income and 2.5% of average assets. Non-interest expenses for the year totaled \$9.2M, a \$319K or 3.59% increase from prior year. There was a major focus this past year on cyber security and ensuring member transactions are safe by avoiding unauthorized use of financial information. The IT department worked hard this past year improving our infrastructure by updating Century Federal’s firewall and replacing outdated hardware.

Net membership growth declined by 188 accounts, many non-active accounts were purged. Century Federal currently has seven branches servicing 28K members and looks forward to the opening of the Independence Branch in 2017.

The year-end audit was contracted with CliftonLarsonAllen LLP, an independent auditing firm, to conduct the credit union’s annual audit. Results of the audit indicate that the financial statements present fairly the results of the

operations and financial position for the period, and no material weaknesses in internal control were reported. The comprehensive independent auditors report is available to members to review upon request at 216-535-3137.

We appreciate your trust and confidence this past year and we look forward to servicing all your financial needs in the upcoming year.

Respectfully submitted,

Kristina A. Beletic, CPA
Treasurer



Century Federal Staff Members Participating in Various Charity and Volunteering Opportunities

2016 Financial Statements for Century Federal Credit Union and Subsidiaries

	2016	2015
ASSETS		
Cash and Cash Equivalents	\$ 18,416,742	\$ 13,656,954
Deposits in Other Financial Institutions	6,176,534	7,571,000
Securities Available-for-sale	97,368,263	94,108,200
Other Investments	1,342,386	1,342,386
Loans, Net	244,741,431	229,910,657
Accrued Interest Receivable	818,873	761,105
Premises and Equipment, Net	2,021,162	2,036,466
National Credit Union Share Insurance Fund (NCUSIF) Deposit	3,081,618	3,038,570
Other assets	1,344,648	1,373,894
Total Assets	\$ 375,311,657	\$ 353,799,232

LIABILITIES AND MEMBERS’ EQUITY		
LIABILITIES		
Members' Share and Savings Accounts	\$ 322,901,394	\$ 312,213,606
Borrowed Funds	12,761,536	6,550,723
Accrued Expenses and Other Liabilities	5,417,130	2,553,075
Total Liabilities	341,080,060	321,317,404
Members' Equity		
Regular Reserves	\$ 3,597,645	\$ 3,597,645
Undivided Earnings	31,163,600	29,280,077
Accumulated Other Comprehensive Income (Gain/Loss)	(529,648)	(395,894)
Total Members' Equity	34,231,597	32,481,828
Total Liabilities and Members' Equity	\$ 375,311,657	\$ 353,799,232

	2016	2015
CONSOLIDATED INCOME STATEMENT		
INTEREST INCOME		
Loans	\$ 9,344,866	\$ 8,854,501
Securities, Interest Bearing Deposits and Cash Equivalents	1,198,523	1,039,245
Total Interest income	10,543,389	9,893,746
INTEREST EXPENSE		
Members’ Share and Savings Accounts	\$ 1,843,774	\$ 1,237,310
Borrowed Funds	182,993	125,000
Total Interest Expense	2,026,767	1,362,310
Net Interest Income	8,516,622	8,531,436

PROVISION FOR LOAN LOSSES	\$ 855	\$ 1,136,955
Net Interest Income After Provision for Loan Losses	8,515,767	7,394,481

NON-INTEREST INCOME		
Service Charges and Fees	\$ 972,679	\$ 928,921
Other Non-Interest Income	1,567,815	1,513,222
Net Gain/Loss on Sale of Investment Securities	4,717	297,628
Net Gain/Loss on Sale of Assets	24,009	(6,875)
Total Non-Interest Income	2,569,220	2,732,896

NON-INTEREST EXPENSE		
General and Administrative		
Employee Compensation and Benefits	\$ 4,420,974	\$ 4,356,242
Office Occupancy and Operations	1,967,351	1,907,414
Other Operating Expenses	2,813,139	2,619,096
Total Non-Interest Expense	9,201,464	8,882,752
NET INCOME	\$ 1,883,523	\$ 1,244,625