

Board of Directors

John Lester - Chairman
Shawn Davis - Vice-Chair
Owen Daniels - Treasurer
Lois Sattory - Secretary
Bruce Noffsinger - Director
James Lewis - Director
Gilbert Vanas - Director

Supervisory Committee

Gilbert Vanas - Chairman
William Abbott - Member
Nelvin Jager - Member
Jean Sibley - Member

Management

John Rupert - President/CEO
Charlene Rodgers - Accounting Manager
Kevin Hillman - Loan Manager
Leah Arends - Marketing Manager
Justin Bamford - Branch Manager
Rachel Moser - Cash Operations Manager

Staff

Deb Batchelder
Tyler Cebulla
Sherri Christiansen
Deb Gaunt
Becky Goedert
Kathy Hollenbeck
Dick Isley
Susan Jandt
Debra Lambert
Trena Moore
Melissa Moore
Velma Murphy
Wanda Plough
Melody Taylor
Mandy Vaughn
Robbie Wolverton



Annual Report

60th Annual Meeting
March 23, 2010

Holiday Inn Muskegon Harbor
Muskegon, Michigan

www.muskegoncoop.com

Welcome to
Muskegon Co-op
Federal Credit Union's
60th Annual Meeting
March 23, 2010

6:00 pm	Social Hour
6:30 pm	Invocation & Dinner
7:30 pm	Business Meeting
8:00 pm	Price is Right Game

President's Report

Welcome to the 60th Annual Meeting of the Members of Muskegon Co-op Federal Credit Union. As always, this is an opportunity for us to review the past year and look ahead to what the future might hold.

2009 was a year that saw *unprecedented* challenges in the economy. Low consumer confidence, declining home values, high unemployment and increasing loan delinquencies were all factors which created harsh conditions in the financial services industry. Muskegon Co-op was one of the few credit unions in the country in 2009 that sustained growth in membership, deposits and loans...while maintaining profitability. We did so by seeking to serve the needs of the membership.

Now it's time for us to look ahead with confidence to what 2010 has in store for us. Know that your Credit Union remains safe and strong with over \$4.2 million in capital, and is well positioned to weather a stagnant or slow economic recovery. We have had the honor and privilege of serving our members since 1949, and look forward to providing exceptional service, innovative products and high value well into the future.

Join us as we work together to build a better foundation for the future of your credit union.

John Rupert
President/CEO

Statement of Income & Expense

	INCOME	
	12/31/2008	12/31/2009
Interest on Loans	\$1,333,098	\$1,690,291
Investment Income	\$460,860	\$442,734
Other Operating Income	\$700,440	\$638,021
Total Income	\$2,494,398	\$2,771,046
	EXPENSES	
Salaries and Related Expense	\$935,123	\$998,373
Office Occupancy & Operations	\$287,982	\$255,634
Outside Services	\$241,341	\$220,864
Meetings and Conference	\$21,206	\$22,151
Advertising, Education & Promotion	\$48,828	\$48,319
Loan Servicing	\$100,112	\$134,543
Provision for Loan Loss	\$51,125	\$164,580
Association Dues & NCUA Fee	\$14,777	\$16,054
Misc Exp. & Negative Accounts	\$45,164	\$5,635
NCUSIF Assessment	\$176,071	-\$84,395
TOTAL OPERATING EXPENSES	\$1,921,729	\$1,781,758
Net Earnings Before Dividends	\$572,668	\$989,288
Interest on Borrowed Money	\$36	\$354
Dividends Paid to Members	\$467,545	\$464,112
TOTAL NET EARNINGS	\$105,087	\$524,822

2009 Treasurer's Report

Statement of Financial Condition As of December 31, 2009

ASSETS

	12/31/2008	12/31/2009
Loans	\$19,006,384	\$26,062,164
Allowance for Loan Loss	<u>-\$215,377</u>	<u>-\$203,626</u>
Net Loans Outstanding	\$18,791,007	\$25,858,538
Cash	\$1,099,278	\$961,707
Investments	\$9,861,230	\$11,602,599
Fixed Assets	\$524,732	\$499,311
Other Assets	\$160,383	\$217,453
Total Assets	<u>\$30,436,630</u>	<u>\$39,139,608</u>

LIABILITIES AND EQUITY

Cencorp Line of Credit	\$218,708	\$0
Accounts Payable	\$114,801	\$141,234
Cashier Checks Payable	0	\$402,611
Dividends Payable	\$5,504	\$2,529
Shared Branch Settlement	\$120,107	\$251,427
Shares, 7889 Members	\$25,742,989	\$33,920,661
Non-Member Deposits	\$547,000	\$199,000
Reserves	\$1,380,472	\$1,380,472
Undivided Earnings	\$2,302,959	\$2,827,781
Market Value Gains/Losses	\$4,090	\$13,893
Total Liabilities & Equity	<u>\$30,436,630</u>	<u>\$39,139,608</u>

Chairman's Report

Strength, vision, and growth are meaningful words describing Muskegon Co-op Federal Credit Union. Our credit union originated in 1949 thanks to the vision of a few, and it has grown to serve many. At year-end Muskegon Co-op served over 7,800 members, along with their families.

Muskegon Co-op ended the year with over \$39 million in assets, an increase of \$ 8.7 million, or 28 percent over the previous year. Financial strength accompanied the growth, as evidenced by a \$.45 million increase in capital, which represents 14.25% growth over the previous year, while maintaining a capital to asset ratio well over 10 percent.

Our Credit Union's strength comes from its members. Muskegon Co-op upgraded the drive up on Peck Street and we will be making improvements at the Laketon branch in 2010 as part of our commitment to increase member value and service.

Muskegon Co-op Federal Credit Union is a member owned credit union dedicated to providing an array of constant quality financial products and services that exceed members' expectations. Your Board's vision for the future is to continue to serve our members through outstanding member service and through high quality products and services offered at fair and reasonable rates.

Our mission is to serve our members well, because it is our members who are the ultimate source of our credit union's strength and growth.

Thanks to our volunteer Board of Directors and staff who work diligently to bring you the best products and services. They strive to keep Muskegon Co-op Federal Credit Union on the cutting edge of technology while not sacrificing your financial security.

John Lester
Chairman

Supervisory Committee Report

Our annual review was conducted by the Financial Standards Group auditing firm. The audit examined the financial condition, related statements of income, changes in member's equity, and cash flows. The audit concluded that the financial statements present fairly, in all material aspects, the financial position of Muskegon Co-op Federal Credit Union.

Additionally, the Supervisory Committee has conducted surprise cash counts on the office vaults and teller drawers on a quarterly basis with excellent results.

Gilbert Vanas
Supervisory Committee Chairman

Nominating Committee Report

The nominating committee is charged with the task of placing the names of individuals on the ballot for any open positions. The Bylaws of the Credit Union allow for members of the Board of Directors to hold terms for 3 years. This year, three of these terms have ended. The nominating committee has placed the following names on the ballot:

Owen Daniels, Shawn Davis and Lois Sattory.

The bylaws of the credit union allow for individuals to be added to the ballot by submitting a petition signed by one percent of the membership (a minimum of 20 and a maximum of 500 signatures). The election will not be held by ballot and there will be no nominations from the floor when there is only one nominee for each position to be filled. A notice of this petition process was mailed to all members of the credit union on January 6, 2010, with a deadline for submission of nominations by petition of February 12, 2010. The nominating committee received no nominations before this deadline.

Therefore, the Nominating Committee submits the names of the three persons listed above for the open positions on the Board of Directors

Nominating Committee: Jean Sibley, Chairman
R. Bruce Noffsinger
James Lewis

Minutes from the 59th Annual Meeting

Held April 21, 2009 at Holiday Inn Muskegon Harbor

Chairman Lester welcomed the members to the 59th Annual Meeting. An invocation was given and the Pledge of Allegiance said. Dinner was then served.

President/CEO John Rupert introduced the Board of Directors, the Supervisory Committee and their spouses.

Chairman Lester called business meeting to order at 7:25PM. Chairman Lester stated that the President's Report, Chairman's Report and Supervisory Committee Report were printed in the program.

President/CEO Rupert thanked the Annual Meeting Committee for doing a fine job. He also thanked Staff, Management Team, Board of Directors and Supervisory Committee for their hard work and time spent during the past year. Rupert stated that the Credit Union is strong and giving loans and taking deposits. Your Credit Union has good control on growth and is involved with Michigan Credit Union League and other credit unions in a cooperative advertising program on television and radio. Rupert also recognized staff members for their years of service: Deb Batchelder, 35 years; Velma Murphy, 25 years; Rachel Moser, 21 years; and Wanda Plough, 20 years. Member, Ed Subler, was recognized as being one of the original 50 members.

Secretary Lois Sattory stated that there were 79 people in attendance, declared a quorum was present and Roberts Rules of Order were adopted for the business meeting. Minutes from the 2008 Annual Meeting were printed in the program. A motion was moved, supported and carried to approve minutes as printed. The Financial Report from year-end 2008 was included in the printed program. A motion was moved, supported and carried to approve Financial report as printed.

Nominating Committee Chairman, Jean Sibley, stated the nominating committee's report is printed in the program. The candidates for two positions for three-year terms are James Lewis and Bruce Noffsinger. Since there were no challengers on the ballot a motion was moved, seconded and carried to cast a unanimous ballot in favor of Lewis and Noffsinger.

Old Business: A member asked about a plaque with names of founding members. Rupert stated that one had been ordered and should be ready within about a week.

New Business: None

Meeting adjourned at 7:38PM.

Door prizes were given out and a Fun Auction was enjoyed.

Submitted by: Lois Sattory, Secretary