

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
Amber Freeman
Deb Gaunt
Sandra Griffin
Dick Isley
Susan Jandt
Tracy Johnsen
Debra Metz
Trena Moore
Melissa Moore
Velma Murphy
Wanda Plough
Lacey Vanderlaan
Robbie Wolverton

MUSKEGON
CO-OP FEDERAL CREDIT UNION

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CO-OP FEDERAL CREDIT UNION

Annual Report

61st Annual Meeting
March 22, 2011

Holiday Inn Muskegon Harbor
Muskegon, Michigan

www.muskegoncoop.com

LAUGH
WITH US



CHICAGO
COMEDY CLUB



Welcome to
Muskegon Co-op
Federal Credit Union's
61st Annual Meeting
March 22, 2011

6:00 pm	Social Hour
6:30 pm	Invocation & Dinner
7:30 pm	Business Meeting
8:00 pm	Comedian, Tony K

President's Report

Welcome to the Muskegon Co-op Federal Credit Union Annual Meeting. This is an opportunity for us to review the past year and look ahead to what the future might hold.

2010 was a year that saw challenges in the economy, both locally and nationwide. Muskegon Co-op is one of the few financial institutions in the country that sustained growth in membership, deposits and loans. We did so by seeking to serve the needs of our membership. One way that we did this was by issuing \$1 million (or more) each month in new loans. These were loans that our members used for purchasing a vehicle, taking a vacation, or buying a new home.

Now it's time for us to look ahead with confidence to what 2011 has in store for us. Know that your Credit Union remains safe and strong with a capital ratio of 11.6%, 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 in 2011 and beyond.

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		
	12/31/2009	12/31/2010
Interest on Loans	\$1,690,291	\$2,201,548
Investment Income	\$442,734	\$308,853
Other Operating Income	\$638,021	\$626,296
Total Income	\$2,771,046	\$3,136,697
EXPENSES		
Salaries and Related Expense	\$998,373	\$1,033,913
Office Occupancy & Operations	\$255,634	\$268,506
Outside Services	\$220,864	\$259,760
Meetings and Conference	\$22,151	\$33,914
Advertising, Education & Promotion	\$48,319	\$54,199
Loan Servicing	\$134,543	\$183,395
Provision for Loan Loss	\$164,580	\$213,577
Association Dues & NCUA Fee	\$16,054	\$16,799
Misc Exp. & Negative Accounts	\$5,635	\$9,270
Disposition of Assets	\$0	\$22,586
NCUSIF Assessment	-\$84,395	\$112,777
TOTAL OPERATING EXPENSES	\$1,781,758	\$2,208,696
Net Earnings Before Dividends	\$989,288	\$928,001
Interest on Borrowed Money	\$354	\$44
Dividends Paid to Members	\$464,112	\$415,654
TOTAL NET EARNINGS	\$524,822	\$512,303

2010 Treasurer's Report

Statement of Financial Condition As of December 31, 2010

ASSETS

	12/31/2009	12/31/2010
Loans	\$26,062,164	\$30,973,589
Allowance for Loan Loss	<u>-\$203,626</u>	<u>-\$248,498</u>
Net Loans Outstanding	\$25,858,538	\$30,725,091
Cash	\$961,707	\$990,047
Investments	\$11,602,599	\$8,074,305
Fixed Assets	\$499,311	\$707,800
Other Assets	\$217,453	\$284,826
Total Assets	<u>\$39,139,608</u>	<u>\$40,782,069</u>

LIABILITIES AND EQUITY

Cencorp Line of Credit	\$0	\$0
Accounts Payable	\$141,234	\$136,692
Cashier Checks Payable	\$402,611	\$329,930
Dividends Payable	\$2,529	\$1,774
Shared Branch Settlement	\$251,427	\$11,958
Shares, 8319 Members	\$33,920,661	\$35,367,441
Non-Member Deposits	\$199,000	\$199,001
Reserves	\$1,380,472	\$1,380,472
Undivided Earnings	\$2,827,781	\$3,340,084
Market Value Gains/Losses	\$13,893	\$14,717
Total Liabilities & Equity	<u>\$39,139,608</u>	<u>\$40,782,069</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 8,300 members along with their families.

Muskegon Co-op ended the year with over \$40 million in assets, an increase of 4 percent over the previous year. Financial strength accompanied the growth, as evidenced by a 12% increase in capital.

Our Credit Union's strength comes from its members, and Muskegon Co-op started a major remodeling of 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

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 regular 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, two of these terms have ended. The nominating committee has placed the following names on the ballot:

John Lester and Gilbert Vanas.

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, 2011, with a deadline for submission of nominations by petition of February 18, 2011. The nominating committee received no valid nominations before this deadline.

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

Nominating Committee: Jean Sibley, Chairman
Bruce Noffsinger
James Lewis

Minutes from the 60th Annual Meeting

Held March 23, 2010 at Holiday Inn Muskegon Harbor

Chairman Lester welcomed the members to the 60th Annual Meeting. An invocation was given and the Pledge of Allegiance said. Dinner was then serviced.

Chairman Lester introduced the Board of Directors, the Supervisory Committee and their guest.

Chairman Lester called business meeting to order at 7:30PM. Chairman Lester stated that the President's Report, Chairman's Report and Supervisory Committee Report were printed in the program.

Secretary Lois Sattory stated that there were 98 people in attendance, declared a quorum was present and Roberts Rules of Order were adopted for the business meeting. Minutes from the 2009 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 2009 was included in the printed program. A motion was moved, supported and carried to approve Financial report as printed.

Nominating Committee Chairperson Jean Sibley stated the nominating committee's report is printed in the program. The candidates for three positions for three-year terms are Owen Daniels, Shawn Davis and Lois Sattory. Since there were no challengers on the ballot a motion was moved, seconded and carried to cast a unanimous ballot in favor of Daniels, Davis and Sattory.

Old Business: None.

New Business: None.

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

President/CEO Rupert made a special announcement of Melody Taylor's retirement. Flowers and a gift were presented to Melody.

Meeting adjourned at 7:45PM.

Door prizes were given out and Price is Right Game was enjoyed,

Submitted by: Lois Sattory, Secretary