



Board of Directors

- John Lester - Chairman
- Shawn Davis - Vice-Chair
- Owen Daniels - Treasurer
- Lois Sattory - Secretary
- R. Bruce Noffsinger - Director
- James Lewis - Director
- Jean Sibley - Director



Supervisory Committee

- R. Bruce Noffsinger - Supervisory Committee Chairman
- William Abbott - Member
- Nelvin Jager - Member
- Steve Wisneski - Member

Management

- John Rupert - President/CEO
- Charlene Rodgers - Chief Financial Officer
- Kevin Hillman - Loan Manager
- Leah Arends - Marketing Manager
- Justin Bamford - Branch Manager
- Rachel Moser - Cash Operations Manager
- Sandra Griffin - Human Resources Supervisor

Staff

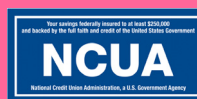
- Deb Batchelder
- Tracy Brandel
- Sherri Christiansen
- Brianna Clark
- Amber Crawford
- Amber Freeman
- Danyale Garrett
- Deb Gaunt
- Ana Geisler
- Dick Isley
- Susan Jandt
- Tracy Johnsen
- Debra Lambert
- Trena Moore
- Velma Murphy
- Wanda Plough
- Melanie Scott
- Lacey Vanderlaan
- Robbie Wolverton

Annual Report

63rd Annual Meeting
March 26, 2013

Holiday Inn Muskegon Harbor
Muskegon, Michigan

www.muskegoncoop.com



Savings are federally insured by the NCUA to at least \$250,000.



Welcome to
Muskegon Co-op
Federal Credit Union's
63rd Annual Meeting
March 26, 2013



6:00 pm	Social Hour
6:30 pm	Invocation & Dinner
7:30 pm	Business Meeting
8:00 pm	Name That Tune game

President's Report

Welcome to the Muskegon Co-op Federal Credit Union Annual Meeting. 2012 was the fourth year since the "Great Recession" that began in 2008. During this time, we have had big challenges in the economy, both locally and nationwide. An extended period of low interest rates and low loan demand has made it a difficult (but also interesting) time to lead a credit union.

In 2012, Muskegon Co-op once again had growth in membership, deposits and loans. We did so by serving the needs of our members.

Now it's time for us to look ahead to 2013. The Credit Union is well positioned to weather a slow economic recovery. We have money to lend and competitive rates for loans and deposits.

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 2013 and beyond.

John Rupert
President/CEO

Statement of Income and Expense

	<u>12/31/2012</u>	<u>12/31/2011</u>
<u>INCOME</u>		
Interest on Loans	\$ 2,182,051.64	\$ 2,210,182.43
Investment Income	194,126.24	255,505.92
Fee Income	516,954.57	469,398.37
Other Income	<u>249,455.04</u>	<u>205,902.57</u>
TOTAL INCOME	\$ <u>3,142,587.49</u>	\$ <u>3,140,989.29</u>
<u>EXPENSES</u>		
Compensation & Benefits	\$ 1,262,483.47	\$ 1,186,846.50
Operations	815,344.24	781,782.84
Occupancy	115,346.84	119,103.58
Provision for Loan Losses	137,733.14	103,447.72
NCUSIF Assessment	39,989.25	97,720.28
Dividends	312,302.29	359,231.86
Other	29,051.11	12,552.91
TOTAL EXPENSES	\$ <u>2,712,250.34</u>	\$ <u>2,660,685.69</u>
NET EARNINGS	\$ <u>430,337.15</u>	\$ <u>480,303.60</u>

MUSKEGON

CO-OP FEDERAL CREDIT UNION

Chairman's Report

2012 Treasurer's Report

	<u>12/31/2012</u>	<u>12/31/2011</u>
<u>ASSETS</u>		
Net Loans to Members	\$ 34,176,927.41	\$ 31,913,058.98
Cash & On-Demand Deposits	4,211,549.30	3,756,797.68
Time Deposits with other Finan. Instit.	8,311,000.00	6,984,999.62
Other Investments	427,247.47	704,352.26
NCUSIF Deposit	388,239.23	352,104.65
Fixed Assets	775,094.89	816,651.80
Other Assets	<u>233,581.51</u>	<u>193,947.42</u>
TOTAL ASSETS	\$ <u>48,523,639.81</u>	\$ <u>44,721,912.41</u>
<u>LIABILITIES & EQUITY</u>		
Accounts Payable & Accrued Expenses	\$ 452,248.54	\$ 435,979.70
Member Shares & Deposits	42,437,708.07	39,079,546.34
Reserves & Undivided Earnings	<u>5,633,683.20</u>	<u>5,206,386.37</u>
TOTAL LIABILITY & MEMBERS' EQUITY	\$ <u>48,523,639.81</u>	\$ <u>44,721,912.41</u>

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 8,500 members along with their families.

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. Many services are available 24/7 via our website and through electronic services.

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.

Our Credit Union's strength comes from its members; our member owners are to be credited for the growth and success of the credit union. We thank you for choosing to conduct your business at the credit union and we ask for your continued support.

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 random cash counts on the office vaults and teller drawers with excellent results.

R. Bruce Noffsinger, Supervisory Committee Chairman

Nominating Committee Report

The Bylaws of the Credit Union allow for members of the Board of Directors to hold terms of 3 years. This year, three of these terms expired. The nominating committee has placed the following names on the ballot:

Shawn Davis, Owen Daniels, 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 on January 5, 2013, with a deadline for submission of nominations of February 28, 2013. The nominating committee received no nominations before this deadline.

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

Nominating Committee: Bill Abbott, Chairman
James Lewis
Jean Sibley

Minutes from the 62nd Annual Meeting

Held March 27, 2012 at Holiday Inn Muskegon Harbor

Chairman Lester welcomed the members to the 62nd Annual Meeting. An invocation was given and the Pledge of Allegiance said. Dinner was then served.

President John Rupert stated that the President's Report was printed in the program. He pointed out some of the highlights of growth in the past year. Rupert then introduced the Board, Supervisory Committee and Staff.

Chairman Lester called the official membership meeting to order at 8:02PM. Chairman Lester stated that the Chairman's Report and Supervisory Committee Report were printed in the program.

Secretary Lois Sattory stated that there were 85 people in attendance, declared a quorum was present and Roberts Rules of Order were adopted for the business meeting. Minutes from the 2011 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 2011 was included in the printed program. A motion was moved, supported and carried to approve Financial report as printed.

Nominating Committee Chairperson William Abbott stated the nominating committee's report is printed in the program. The candidates for two positions for three-year terms are James Lewis and R. 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. Additionally, there was a vacancy on the Board of Directors that was filled by appointment since the last membership meeting. The committee placed the name of Jean Sibley to fill the unexpired term. Since there was no challenger on the ballot a motion was moved, seconded and carried to cast a unanimous ballot in favor of Sibley.

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

Meeting adjourned at 8:12PM.

Drawings for Door prizes and Entertainment took place.

Submitted by: Lois Sattory, Secretary