

### Board of Directors

John Lester - Chairman  
Owen Daniels - Treasurer  
Lois Sattory - Secretary  
R. Bruce Noffsinger - Director  
James Lewis - Director  
Jean Sibley - Director  
William Abbott - Director

### Supervisory Committee

R. Bruce Noffsinger - Supervisory Committee Chairman  
Erik Joslyn - 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  
Sandra Griffin - Human Resources Manager

### Staff

Nicholas Bogner  
Tracy Brandel  
Sherri Christiansen  
Amber Crawford  
Susan Freeman  
Danyale Garrett  
Deb Gaunt  
Ana Geisler  
Stephanie Gerdes  
Amber Hillman  
Dick Isley  
Tracy Johnsen  
Debra Lambert  
Trena Moore  
Rachel Moser  
Velma Murphy  
Wanda Plough  
Melanie Scott  
Misty Stapel  
Lacey Vanderlaan  
Robbie Wolverton



**MUSKEGON**  
CO-OP FEDERAL CREDIT UNION

# Annual Report

64<sup>th</sup> Annual Meeting  
March 25, 2014

Holiday Inn Muskegon Harbor  
Muskegon, Michigan

[www.muskegoncoop.com](http://www.muskegoncoop.com)



**MUSKEGON**  
CO-OP FEDERAL CREDIT UNION



*"A Day at the Beach"*



Welcome to  
Muskegon Co-op Federal Credit Union's  
64<sup>th</sup> Annual Meeting  
March 25, 2014



6:00 pm	Social Hour
6:30 pm	Invocation & Dinner
7:30 pm	Business Meeting
8:00 pm	Beach Fun

### President's Report

Welcome to the Annual Meeting of Muskegon Co-op Federal Credit Union. Since the "Great Recession" began in 2008, we have had many challenges. High unemployment and low real estate values have negatively impacted credit scores and home equity values. An extended period of low interest rates and low loan demand has made it a difficult (but also interesting) time to be a credit union.

In 2013, Muskegon Co-op once again had good, solid growth. The amount of members and member deposits increased. Member loans increased 9.4%. In all key measurement areas (capital requirements, delinquency, loan losses, net income, etc), we ranked very favorably compared to other Credit Unions. We did so by serving the needs of our members.

This was also a year when we completed several in-house I.T. projects. We upgraded to a server based system and eliminated workstations still using Windows XP. We also automated the origination processes on our car loan program.

Now it's time for us to look ahead. 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 2014 and beyond. The Credit Union is well positioned to weather a slow economic recovery. We have money to lend and competitive loan rates and deposit dividends.

John Rupert  
President/CEO

## Statement of Income and Expense

	12/31/2013	12/31/2012
<b><u>INCOME</u></b>		
Interest on Loans	\$ 2,123,739.96	\$ 2,182,051.64
Investment Income	149,867.11	194,126.24
Fee Income	551,633.63	516,954.57
Other Income	289,922.88	249,455.04
<b>TOTAL INCOME</b>	<b>\$ 3,115,163.58</b>	<b>\$ 3,142,587.49</b>
<b><u>EXPENSES</u></b>		
Compensation & Benefits	\$ 1,271,298.46	\$ 1,262,483.47
Operations	858,981.60	786,145.77
Occupancy	106,641.32	115,346.84
Provision for Loan Losses	139,789.00	137,733.14
NCUSIF Assessment	35,326.09	39,989.25
Dividends Paid to Members	265,103.40	312,302.29
Bonus Dividends and Loan Rebates	30,095.16	29,198.47
Other	46,086.12	29,051.11
<b>TOTAL EXPENSES</b>	<b>\$ 2,753,321.15</b>	<b>\$ 2,712,250.34</b>
<b>NET EARNINGS</b>	<b>\$ 361,842.43</b>	<b>\$ 430,337.15</b>

# MUSKEGON

## CO-OP FEDERAL CREDIT UNION

### 2013 Treasurer's Report

	<u>12/31/2013</u>	<u>12/31/2012</u>
<b><u>ASSETS</u></b>		
Net Loans to Members	\$ 37,413,544.30	\$ 34,176,927.41
Cash & On-Demand Deposits	2,939,820.13	4,211,549.30
Time Deposits with other Finan. Instit.	7,556,000.00	8,311,000.00
Other Investments	380,946.29	427,247.47
NCUSIF Deposit	441,576.16	388,239.23
Fixed Assets	715,295.14	775,094.89
Other Assets	<u>197,318.46</u>	<u>233,581.51</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>49,644,500.48</u></b>	<b>\$ <u>48,523,639.81</u></b>
<b><u>LIABILITIES &amp; EQUITY</u></b>		
Accounts Payable & Accrued Expenses	\$ 450,575.73	\$ 452,248.54
Member Shares & Deposits	43,199,851.01	42,437,708.07
Reserves & Undivided Earnings	<u>5,994,073.74</u>	<u>5,633,683.20</u>
<b>TOTAL LIABILITY &amp; MEMBERS' EQUITY</b>	<b>\$ <u>49,644,500.48</u></b>	<b>\$ <u>48,523,639.81</u></b>



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

### Chairman's Report

Our credit union remains financially strong due to solid lending practices and conservative investment practices. Through the dedicated service of leadership, management, and staff, your credit union continues to maintain the highest levels of service while managing costs and concentrating on long term value. I believe that our credit union will continue to thrive as our economy improves.

We will continue to serve our members through outstanding member service and through high quality products and services offered at fair and reasonable rates. Many of our services are available at any time through our website and other electronic services.

It is my honor as Board Chair, to once again congratulate and thank the leadership, management and staff of Muskegon Co-op Federal Credit Union for a job well done. I would also like to take this opportunity to thank you, the members, for your loyalty to Muskegon Co-op Federal Credit Union. Your loyalty and continued support are the reasons the credit union exists. You are the depositors. You are the borrowers. You are the owners of Muskegon Co-op Federal Credit Union! Thank you.

John B. Lester  
Chairman

## LOAN REFERRAL COUPON

If you refer a friend to us in April or May, and they get a loan, you and your friend each get \$50\*!

**\$50**  
For You

Current Member's Name

Account Number

**\$50**  
For Them

New Member's Name

Account Number

\*New members only. Minimum \$7500 loan. Expires May 30th. Additional coupons available at either Muskegon Co-op office or on website at muskegoncoop.com.

## **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 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 Jean Sibley.**

Additionally, there was a vacancy on the Board of Directors that was filled by appointment since the last membership meeting. This individual must now be affirmed by the members of the Credit Union:

### **William Abbott**

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. 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, 2014, with a deadline for submission of nominations by petition of February 21, 2014. 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: James Lewis  
Bruce Noffsinger

## **Minutes from the 63rd Annual Meeting**

Held March 26, 2013 at Holiday Inn Muskegon Harbor

Chairman Lester welcomed the members to the 63<sup>rd</sup> 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 and stated that the Credit Union is strong. Rupert then introduced the Board, Supervisory Committee and Staff. He also introduced a prominent member of our community, Reverend Samuel Greer, the Pastor of Queen Esther Missionary Baptist Church in Muskegon Heights and his wife Judy. Among many other duties, Reverend Greer is the Chairman of the Board for a faith-based non-profit group called "Giving Back to Society". Giving Back to Society (GBS) mission is to create programs and community outreach that will support youth education, volunteer development, employment assistance and life skills training. GBS will be headquartered in our former branch office in Muskegon Heights. Muskegon Co-op is excited to partner with this group to help build the community...one person at a time.

Chairman Lester called the official membership meeting to order at 7:40PM. Chairman Lester stated that the Chairman's Report and Supervisory Committee Report were printed in the program.

Secretary Lois Sattory stated that there were 78 people in attendance, declared a quorum was present and Roberts Rules of Order were adopted for the business meeting. Minutes from the 2012 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 2012 was included in the printed program. A motion was moved, supported and carried to approve the Financial report as printed.

Nominating Committee Chairperson William Abbott stated the nominating committee's report is printed in the program. The candidates for three positions for three-year terms are Shawn Davis, Owen Daniels 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 Davis, Daniels and Sattory.

Old Business: None.

New Business: None.

Meeting adjourned at 7:50PM.

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.

Drawings for Door prizes and Name That Tune Entertainment took place.

Submitted by: Lois Sattory, Secretary