



Board of Directors

John Lester - Chairman
James Lewis—Vice Chairman
Owen Daniels - Treasurer
Lois Sattory - Secretary
Erik Joslyn - Director
Jean Sibley - Director
William Abbott - Director

Supervisory Committee

Erik Joslyn - Supervisory Committee Chairman
Mel Black - Member
Cedric Jenkins - Member
Steve Wisneski - Member

Management

John Rupert - President/CEO
Kim Wilson - VP of Operations
Leah Arends - Marketing Manager
Kevin Hillman - Branch Manager
Barbara Blough - Accounting Manager

Staff

Lisa Abrahamson
Melissa Adams
Aiyana Bourdon
Sherri Christiansen
Danielle Cox
Amber Crawford
Maryssa Endres
Susan Freeman
Sarah Frymire
Deb Gaunt
Stephanie Gerdes
Heidi Hickman
Dick Isley
Debra Lambert
Rachel Moser
Velma Murphy
Kirsten Pimpleton
Wanda Plough
Melanie Scott
Jodie Slusser
Lacey Vanderlaan
Robbie Wolverton



Annual Report

66th Annual Meeting
March 15, 2016

Holiday Inn Muskegon Harbor
Muskegon, Michigan

www.muskegoncoop.com



Welcome to
Muskegon Co-op Federal Credit Union's
66th Annual Meeting
March 15, 2016

6:00 pm Social Hour
6:30 pm Invocation & Dinner
7:30 pm Business Meeting
8:00 pm Las Vegas Entertainment



4% Choice
Checking



You now have the choice to earn 4% interest on your checking account (on balances up to \$4000).

Simply meet the following requirements monthly:

- Enroll in E-statements
- Login to It's Me 247 online banking 5 (or more) times
- Receive 1 direct deposit into your Choice Checking
- 8 (or more) signature-based debit card transactions



MUSKEGON
CO-OP FEDERAL CREDIT UNION



Statement of Income and Expense

	<u>12/31/2015</u>	<u>12/31/2014</u>
<u>INCOME</u>		
Interest on Loans	\$ 2,224,224.91	\$ 2,158,155.14
Investment Income	112,409.91	113,238.17
Fee Income	678,967.11	601,351.83
Other Income	<u>376,581.07</u>	<u>339,229.49</u>
TOTAL INCOME	\$ <u>3,392,183.00</u>	\$ <u>3,211,974.63</u>
<u>EXPENSES</u>		
Compensation & Benefits	\$ 1,318,421.77	\$ 1,286,661.56
Operations	978,069.25	917,812.94
Occupancy	103,750.32	107,567.65
Provision for Loan Losses	157,698.35	169,393.52
NCUSIF Assessment	0.00	0.00
Other	26,536.90	7,181.03
Non-Operating Expense (Income)	<u>75.00</u>	<u>0.00</u>
SUBTOTAL EXPENSES	\$ <u>2,584,551.59</u>	\$ <u>2,488,616.70</u>
Dividends Paid to Members	263,583.72	257,494.59
Bonus Dividends and Loan Rebates	41,752.86	37,380.06
NET EARNINGS	\$ <u>502,294.83</u>	\$ <u>428,483.28</u>



President's Report

Welcome to the Muskegon Co-op Annual Member Meeting.

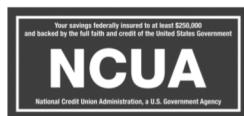
In 2015, Muskegon Co-op once again had good, solid growth. The number of members and member deposits increased. We disbursed 1,791 loans (\$18.8 million) and the overall loan portfolio increased 4%. In all key measurement areas (capital, delinquency, loan losses, net income, etc), we ranked very favorably compared to other Credit Unions. We did so by serving the needs of our members. We installed digital signature pads at each teller station. We also are making great strides toward reducing our overall use of paper.

Now it's time to look ahead. The Credit Union is well positioned to weather a slow economic recovery. We have money to lend and offer competitive loan rates and deposit dividends. In 2016, we will be upgrading our credit and debit cards to add EMV technology ("chip cards"). We also will be completing a remodel of our Peck Street office.

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 2016 and beyond.

2015 Treasurer's Report

	<u>12/31/2015</u>	<u>12/31/2014</u>
<u>ASSETS</u>		
Net Loans to Members	\$ 40,894,625.84	\$ 39,301,193.00
Cash & On-Demand Deposits	5,172,815.50	4,995,822.70
Time Deposits with other Finan. Instit.	5,939,572.50	5,506,000.00
Other Investments	324,358.63	335,648.74
NCUSIF Deposit	455,426.66	444,746.65
Fixed Assets	633,571.39	677,829.00
Other Assets	<u>232,708.43</u>	<u>205,431.43</u>
TOTAL ASSETS	\$ <u>53,653,078.95</u>	\$ <u>51,466,671.52</u>
<u>LIABILITIES & EQUITY</u>		
Accounts Payable & Accrued Expenses	\$ 480,020.75	\$ 789,084.28
Member Shares & Deposits	46,257,034.32	44,258,150.43
Reserves & Undivided Earnings	<u>6,916,023.88</u>	<u>6,419,436.81</u>
TOTAL LIABILITY & MEMBERS' EQUITY	\$ <u>53,653,078.95</u>	\$ <u>51,466,671.52</u>



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

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.

Erik Joslyn, 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:

Melvin Black, William Abbott, 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 sent to all members on January 6, 2016, with a deadline for submission of nominations of February 28, 2016. 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: Owen Daniels, Chairman
James Lewis
Erik Joslyn

Minutes from the 65th Annual Meeting

Held March 24, 2015 at Holiday Inn Muskegon Harbor

CEO/President Rupert welcomed the members to the 65th Annual Meeting. An invocation was given and the Pledge of Allegiance said. Dinner was then serviced.

President John Rupert stated that the President's Report, Chairman's Report and Supervisory Committee Report were printed in the program. He introduced and thanked our group of volunteers, The Board of Directors and Supervisory Committee for their dedication. He introduced the Staff and thanked them for all their hard work. Rupert also thanked the Annual Meeting Committee.

Rupert recognized Velma Murphy for her thirty years of service as a staff member.

The John Klimek Family came forward as the John Klimek Memorial plaque was read. He served over 40 years as a Board Member. The plaque will hang in the Laketon Office.

Vice Chairman Lewis called the official membership meeting to order at 7:27PM. Lewis stated that there were 65 people in attendance, declared a quorum was present and Roberts Rules of Order were adopted for the business meeting. Minutes from the 2014 Annual Meeting were printed in the program. A motion was moved, supported and carried to approve the minutes as printed. The Financial Report from year-end 2014 was included in the printed program. A motion was moved, supported and carried to approve the Financial Report as printed.

Nominating Committee Chairperson Owen Daniels stated the nominating committee's report was printed in the program. The candidates for two positions for three-year terms are James Lewis and Erik Joslyn. Since there were no challengers on the ballot, Daniels instructed the Secretary to cast a unanimous ballot for Lewis and Joslyn.

Old Business: None.

New Business: None.

Meeting adjourned at 7:35PM.

Drawings for Door prizes, Music by Tommy Foster and a game of Blast from the Past 70's & 80's was enjoyed.

Submitted by: Lois Sattory, Secretary