



Board of Directors

John Lester - Chairman
James Lewis - Vice Chairman
Lois Sattory - Secretary
William Abbott - Treasurer
Erik Joslyn - Director
Jean Sibley - Director
Mel Black - Director



Supervisory Committee

Erik Joslyn - Supervisory Committee Chairman
Ginger Smith - Member
Cedric Jenkins - Member
Steve Wisneski - Member

Management

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

Staff

Lisa Abrahamson
Melissa Adams
Sherri Christiansen
Danielle Cox
Amber Crawford
Susan Freeman
Sarah Frymire
Stephanie Gerdes
Wanda Goliday
Kim Kalinowski
Adrienne Lewis
Rachel Moser

Velma Murphy
Aiyana Newton
Ann Raymond
Melanie Scott
Jodie Slusser
Gina Sutton
Mike Tilford
Lacey Vanderlaan
Michelle Vanderstelt
Robbie Wolverton
Lauren Yadlosky



Annual Report

67th Annual Meeting
March 21, 2017

Holiday Inn Muskegon Harbor
Muskegon, Michigan

www.muskegoncoop.com



CO-OPOLY

Welcome to
Muskegon Co-op Federal Credit Union's
67th Annual Meeting
March 21, 2017

6:00 pm	Social Hour
6:30 pm	Invocation & Dinner
7:30 pm	Business Meeting
8:00 pm	Co-opoly

Message from the board chairman

2016 was a year that many Muskegon Co-op Federal Credit Union members invested in a new or used car and decided to finance the new purchase with the credit union and for that we are truly grateful. Thanks to others for other loans and credit card transactions through our credit union.

We have very competitive rates to meet the needs of our members from that first car for our young members, to the needs of young families as well as their parents. There are many options for your financial needs and we appreciate those of you who chose our credit union in 2016. For those of you who will be making decisions to get financing in 2017 we just ask that you check our rates before making a decision.

Thanks to our volunteer board of directors and supervisory committee. Your confidence, talent, and time you devote to the credit union are greatly appreciated.

John B. Lester,
Board Chairman

Statement of Income and Expense

	<u>12/31/2016</u>	<u>12/31/2015</u>
<u>INCOME</u>		
Interest on Loans	\$ 2,311,418.59	\$ 2,224,224.91
Investment Income	146,774.11	112,409.91
Fee Income	711,607.42	678,967.11
Other Income	<u>425,523.62</u>	<u>376,581.07</u>
TOTAL INCOME	\$ <u>3,595,323.74</u>	\$ <u>3,392,183.00</u>
<u>EXPENSES</u>		
Compensation & Benefits	\$ 1,402,131.73	\$ 1,318,421.77
Operations	1,011,886.17	978,069.25
Occupancy	113,995.14	103,750.32
Provision for Loan Losses	270,171.57	157,698.35
Other	9,185.56	26,536.90
Non-Operating Expense (Income)	<u>0.00</u>	<u>75.00</u>
SUBTOTAL EXPENSES	\$ <u>2,807,370.17</u>	\$ <u>2,584,551.59</u>
Dividends Paid to Members	272,899.72	263,583.72
Bonus Dividends and Loan Rebates	29,300.04	41,752.86
NET EARNINGS	\$ <u>485,753.81</u>	\$ <u>502,294.83</u>



President's Report

2016 Treasurer's Report

	<u>12/31/2016</u>	<u>12/31/2015</u>
<u>ASSETS</u>		
Net Loans to Members	\$ 43,632,415.08	\$ 40,894,625.84
Cash & On-Demand Deposits	4,598,436.15	5,172,815.50
Time Deposits with other Finan. Instit.	6,405,000.00	5,939,572.50
Other Investments	337,320.80	324,358.63
NCUSIF Deposit	465,737.51	455,426.66
Fixed Assets	650,958.14	633,571.39
Other Assets	<u>243,803.82</u>	<u>232,708.43</u>
TOTAL ASSETS	\$ <u>56,333,671.50</u>	\$ <u>53,653,078.95</u>
<u>LIABILITIES & EQUITY</u>		
Accounts Payable & Accrued Expenses	\$ 835,760.79	\$ 480,020.75
Member Shares & Deposits	48,080,037.29	46,257,034.32
Reserves & Undivided Earnings	<u>7,417,873.42</u>	<u>6,916,023.88</u>
TOTAL LIABILITY & MEMBERS' EQUITY	\$ <u>56,333,671.50</u>	\$ <u>53,653,078.95</u>

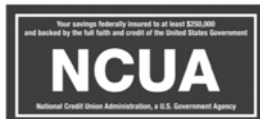
In 2016, Muskegon Co-op once again had good, solid growth. Some of our key numbers: We disbursed 1,646 new loans, for a total of \$19.8 million, and the overall loan portfolio increased 6.6%. In all key measurement areas (capital, delinquency, loan losses, net income), we ranked very favorably compared to other Credit Unions. We did so by serving the needs of our 9,968 members.

In 2016, we made the following investments: remodeled the Peck Street office to add more room to our loan and new accounts departments. We moved a majority of our paper files to electronic storage, eliminating dozens of file cabinets. We also converted our credit card portfolio to add EMV technology.

We understand the impact that numbers have on our members. Financial decisions made by your Board of Directors, with Management input, reflects that. This is a well-run Cooperative...Our financial strength allows us to weather economic changes.

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 2017 and beyond.

John Rupert
President/CEO



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

John Lester and Jean Sibley

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, 2017, with a deadline for submission of nominations of February 28, 2017. The nominating committee received no nominations before this deadline.

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

Nominating Committee: Bill Abbott, Chairman
Erik Joslyn
Lois Sattory

Minutes from the 66th Annual Meeting

Held March 15, 2016 at Holiday Inn Muskegon Harbor

CEO/President Rupert welcomed the members to the 66th 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 and Supervisory Committee's Report were printed in the program. He commented on some of the highlights of the past year. 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.

Chairman Lester called the official membership meeting to order at 7:15PM.

Lester stated that there were 63 people in attendance, declared a quorum was present and Roberts Rules of Order were adopted for the business meeting. Minutes from the 2015 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 2015 was included in the printed program. A motion was moved, supported and carried to approve Financial report as printed.

Nominating Committee Chairperson Owen Daniels stated the Nominating Committee's Report is printed in the program. The candidates for three positions for three-year terms are William Abbott, Melvin Black and Lois Sattory. Since there were no challengers on the ballot, Daniels instructed the Secretary to cast a unanimous ballot for Abbott, Black and Sattory.

Old Business: None.

New Business: None.

Meeting adjourned at 7:26PM.

Attendees enjoyed Drawings for Door prizes, Las Vegas Entertainment and a Magician Act.

Submitted by: Lois Sattory, Secretary