



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
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
Ashley Alexander
Cindy Beisel
Shelby Bittick
Sherri Christiansen
Susan Freeman
Sarah Frymire
Wanda Goliday
Jennifer Halmond
Kim Kalinowski

Bethany Minzey
Rachel Moser
Velma Murphy
Carolyn Parker
Ann Raymond
Taryn Smith
Gina Sutton
Mike Tilford
Lacey Vanderlaan
Michelle Vanderstelt
Robbie Wolverton



Annual Report

68th Annual Meeting March 27, 2018

Holiday Inn Muskegon Harbor
Muskegon, Michigan

www.muskegoncoop.com



Welcome to
Muskegon Co-op Federal Credit Union's
68th Annual Meeting
March 27, 2018

6:00 pm	Social Hour
6:30 pm	Invocation & Dinner
7:30 pm	Business Meeting
8:00 pm	Hawaiian Dancers

Message from the board chairman

Muskegon Co-op Federal Credit Union has been serving our community since 1949. Many positive changes have taken place since our humble beginning. Thanks to the support of our members.

The credit union is member owned and started providing basic services back in 1949, we now provide many financial products and services at very competitive rates.

The 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 all members for your furtherance of the credit union mission.

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 B. Lester,
Board Chairman

Statement of Income and Expense

	<u>12/31/2017</u>	<u>12/31/2016</u>
<u>INCOME</u>		
Interest on Loans	\$ 2,454,386.19	\$ 2,311,418.59
Investment Income	153,988.07	146,774.11
Fee Income	681,431.58	711,607.42
Other Income	<u>518,118.41</u>	<u>425,523.62</u>
TOTAL INCOME	\$ <u>3,807,924.25</u>	\$ <u>3,595,323.74</u>
<u>EXPENSES</u>		
Compensation & Benefits	\$ 1,454,099.68	\$ 1,402,131.73
Operations	1,193,441.16	1,011,886.17
Occupancy	111,385.91	113,995.14
Provision for Loan Losses	359,382.60	270,171.57
Other	7,331.92	9,185.56
Non-Operating Expense (Income)	<u>0.00</u>	<u>0.00</u>
SUBTOTAL EXPENSES	\$ <u>3,125,641.27</u>	\$ <u>2,807,370.17</u>
Dividends Paid to Members	297,071.76	272,899.72
Bonus Dividends and Loan Rebates	33,514.42	29,300.04
NET EARNINGS	\$ <u>351,696.80</u>	\$ <u>485,753.81</u>



President's Report

2017 was another good year for Muskegon Co-op. The Credit Union once again experienced solid growth. Some of our key numbers: We disbursed 1,795 new loans, for a total of \$24.19 million, and the overall loan portfolio increased 12%. In all key measurement areas (capital, delinquency, loan losses, net income), we ranked very favorably compared to other Credit Unions. We did so by doing our best to serve the needs of our 10,273 members.

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 2018 and beyond.

John Rupert
President/CEO

2017 Treasurer's Report

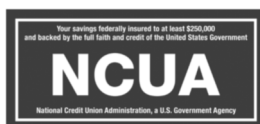
	<u>12/31/2017</u>	<u>12/31/2016</u>
<u>ASSETS</u>		
Net Loans to Members	\$ 48,921,351.72	\$ 43,632,415.08
Cash & On-Demand Deposits	4,846,599.51	4,598,436.15
Time Deposits with other Finan. Instit.	4,429,000.00	6,405,000.00
Other Investments	326,497.72	337,320.80
NCUSIF Deposit	512,388.56	465,737.51
Fixed Assets	597,278.18	650,958.14
Other Assets	<u>232,883.01</u>	<u>243,803.82</u>
TOTAL ASSETS	\$ <u>59,865,998.70</u>	\$ <u>56,333,671.50</u>
<u>LIABILITIES & EQUITY</u>		
Accounts Payable & Accrued Expenses	\$ 793,109.77	\$ 835,760.79
Member Shares & Deposits	51,312,161.90	48,080,037.29
Reserves & Undivided Earnings	<u>7,760,727.03</u>	<u>7,417,873.42</u>
TOTAL LIABILITY & MEMBERS' EQUITY	\$ <u>59,865,998.70</u>	\$ <u>56,333,671.50</u>

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



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

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:

Erik Joslyn and James Lewis

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 5, 2018, with a deadline for submission of nominations of February 28, 2018. 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:

William Abbott, Chairman
Jean Sibley
Lois Sattory

Minutes from the 67th Annual Meeting

Held March 21, 2017 at Holiday Inn Muskegon Harbor

CEO/President Rupert welcomed the members to the 67th Annual Meeting. An invocation was given and the Pledge of Allegiance said. Dinner was then served.

President John Rupert stated that a message from the Board Chairman, President's Report and Supervisory Committee's Report were printed in the program. He thanked the Annual Meeting Committee. Some of the highlights of the past year: Increases in deposits, assets, loans and members. The year finished with positive income and a strong capital ratio. Main Office remodeled. Switched to electronic filing system. Converted to EMV (Chip Card) for Credit Cards. He reminded members interest rates are low, which makes it a great time to borrow from Your Credit Union. Drive through hours were changed to opening at 9:30 weekdays and our Saturday drive through is only open at Laketon Branch. Another change was to our

service charge schedule. The first major overhaul of the fees and member rewards system in 6 or 7 years (and a lot can change in that amount of time.) We focused on balancing member service with the cost of each product. He stated that a major reason for our success is our employees. Three long-term employees retired in 2016: Wanda Plough, Deb Gaunt and Dick Isley. He asked all employees to stand, be recognized, and thank them for the excellent work in 2016. We also have a dedicated group of volunteers...our Board of Directors and Supervisory Committee. These people give their time in a variety of things...developing our strategic plan, attending meetings, approving policies and reviewing audit reports.

Chairman Lester called the official membership meeting to order at 7:24PM.

Lester stated that there were 57 people in attendance, declared a quorum was present and Roberts Rules of Order were adopted for the business meeting. Minutes from the 2016 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 2016 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 two positions for three-year terms are John Lester, and Jean Sibley. Since there were no challengers on the ballot, Abbott instructed the Secretary to cast a unanimous ballot for Lester and Sibley.

Old Business: None.

New Business: A member questioned why we charge an excessive withdrawal fee when other credit unions don't charge that fee. John Rupert explained that due to changes in how we do business and how members do their banking, we have made some changes to our fee schedule to cover our costs. He further clarified that there are other ways to withdraw money to avoid the fee, which are more cost effective for the credit union and the member. These alternative options include using an ATM or Debit card to make withdrawals or taking out more money at a time with fewer withdrawals. Members can also avoid the fee by maintaining a minimum aggregate balance of \$100.

Meeting adjourned at 7:36PM.

Attendees enjoyed playing the game of Co-opoly.

Submitted by: Lois Sattory, Secretary