



Annual Report

70th Annual Meeting
October 20, 2020

Muskegon Co-op FCU
Online Via Zoom

www.muskegoncoop.com

MUSKEGON
CO-OP FEDERAL CREDIT UNION

Welcome to
Muskegon Co-op Federal Credit Union's
70th Annual Meeting
October 20, 2020

5:15 Meeting starts online via zoom

Message from the board chairman

The Board of Directors is happy to report the Credit Union is strong, stable, and economically healthy. We feel the goals and strategies of the Credit Union are moving in the right direction. Please feel comfortable knowing the Board and staff of Muskegon Co-op are continually looking out for your best interests.

As a Board, we view the employees of the Credit Union to be some of the most talented, dedicated, competent, and service-oriented group of individuals compared to any other financial institution in the area. We thank them for their friendliness and willingness to help us with our monetary needs and financial goals.

2020 is expected to be a very good year for our credit union. In turn, we hope it will be a great year for you, as well.

John Lester
Chairman of the Board

President's Report

2019 was a good year for Muskegon Co-op. The Credit Union experienced solid growth. Some of our key numbers: We disbursed \$19.2 million in new consumer loans and \$2.9 million in new mortgage loans. The overall loan portfolio decreased, but in all other 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 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 2020 and beyond.

John Rupert
President/CEO

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 three years. This year, two of these terms expired. 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 be affirmed by the members of the Credit Union for a two year term:

Cedric Jenkins

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, 2020, with a deadline for submission of nominations on February 28, 2020. 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
 Lois Sattory

Minutes from the 69th Annual Meeting Century Club Ballroom, March 19, 2019

CEO/President Rupert welcomed the members to the 69th Annual Membership Meeting. An invocation was given and the Pledge of Allegiance said. Dinner was then served.

President Rupert stated that reports from the Board Chairman, President, and Supervisory Committee were printed in the program. He remarked that 2018 was another good year. The Credit Union grew in all areas: deposits, assets, loans, members. This is the biggest loan year ever. Over 26 million dollars in new loans.

Some of the exciting items accomplished in 2018: A new phone system and fiber optic high speed internet. Over the last three years, we have worked hard to go paperless. In 2018, we began Digital Loan documents, including E-signatures and paperless closings. We rolled out Secure Checking which includes a low-cost

Identity Theft protection and other bonus features. We launched our first smartphone APP. With this APP members can log in to their accounts, using either a thumbprint, facial recognition or a PIN. Once inside, you can check balances, transfer funds, or deposit a check by taking a picture of it through Remote Deposit Capture. He stated that a major reason for our success is our employees. He had them stand to be recognized and thanked them for the excellent work in 2018. Velma Murphy retired during the year. She held various positions with the Credit Union since 1984. She served our membership for 35 years. He thanked her and presented her with flowers. He thanked the Annual Meeting committee by name. He also stated we 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. He introduced them by name. He gave a few trivia facts from 1949. One being: A young couple were married. Sim & Albirda Ray are our special guest tonight, they just celebrated their 70th wedding anniversary in February. They are long time members of the Credit Union. They were presented with flowers. Also in 1949 Muskegon Co-Op Federal Credit Union received a brand-new Credit Union charter. 2019 is our Platinum anniversary.

A Credit Union is a not-for-profit financial institution that is owned by the members. We pool our deposits and make loans to each other. This is the essence of a community that works together and we can be proud of what we accomplish when we work together. We have a strong legacy from the past and an exciting vision for the future.

Chairman Lester called the official membership meeting to order at 7:29PM. Lester stated that there were 72 people in attendance, declared a quorum was present and Roberts Rules of Order were adopted for the business meeting. Minutes from the 2018 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 2018 was included in the printed program. A motion was moved, supported and carried to approve Financial report as printed.

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

Old Business: None.
New Business: None.
Meeting adjourned at 7:35PM.

Cash door prizes were distributed. Attendees enjoyed music from the Oat Bran Boys.

Submitted by: Lois Sattory, Secretary

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2019 Treasurer's Report

	<u>12/31/2019</u>	<u>12/31/2018</u>
<u>ASSETS</u>		
Net Loans to Members	\$ 51,426,438.65	\$ 53,955,322.44
Cash & On-Demand Deposits	6,376,536.53	4,243,725.41
Time Deposits with other Finan. Instit.	5,394,000.00	3,138,000.00
Other Investments	325,755.64	325,486.14
NCUSIF Deposit	550,958.02	538,157.78
Fixed Assets	594,126.17	570,168.34
Other Assets	<u>185,629.14</u>	<u>193,251.50</u>
TOTAL ASSETS	\$ <u>64,853,444.15</u>	\$ <u>62,964,111.61</u>
<u>LIABILITIES & EQUITY</u>		
Accounts Payable & Accrued Expenses	\$ 568,673.93	\$ 680,214.16
Member Shares & Deposits	55,307,386.22	54,045,631.91
Reserves & Undivided Earnings	<u>8,977,384.00</u>	<u>8,238,265.54</u>
TOTAL LIABILITY & MEMBERS' EQUITY	\$ <u>64,853,444.15</u>	\$ <u>62,964,111.61</u>



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

Statement of Income and Expense

	<u>12/31/2019</u>	<u>12/31/2018</u>
<u>INCOME</u>		
Interest on Loans	\$ 2,530,697.31	\$ 2,322,431.05
Investment Income	237,400.86	217,454.13
Fee Income	949,540.99	836,220.67
Other Income	<u>550,918.85</u>	<u>571,622.37</u>
TOTAL INCOME	\$ <u>4,268,558.01</u>	\$ <u>3,947,728.22</u>
<u>EXPENSES</u>		
Compensation & Benefits	\$ 1,485,716.07	\$ 1,547,594.11
Operations	1,167,670.63	1,022,177.52
Occupancy	115,310.17	110,260.33
Provision for Loan Losses	160,025.26	373,833.15
Other	11,562.24	7,480.43
Non-Operating Expense (Income)	<u>0.00</u>	<u>0.00</u>
SUBTOTAL EXPENSES	\$ <u>2,940,284.37</u>	\$ <u>3,061,345.54</u>
Dividends Paid to Members	552,090.94	373,856.64
Bonus Dividends and Loan Rebates	37,333.74	35,258.82
NET EARNINGS	\$ <u>738,848.96</u>	\$ <u>477,267.22</u>

Board of Directors

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

Supervisory Committee

Erik Joslyn - Supervisory Committee Chairman
Charles "Gregory" Scott - Member
Steve Wisneski - Member

Management

John Rupert - President/CEO
Kim Wilson - VP of Operations
Leah Arends - Marketing Manager
Barbara Blough - Accounting Manager
Emily Sullivan - Branch Manager
Gina Sutton - Loan Supervisor

Staff

Lisa Abrahamson	Morgan Grow
Melissa Adams	Kim Hillman
Cydney Aerts	Annabelle Kober
Cindy Beisel	Rachel Moser
Tyler Burch	Angela Murar
Meagan Caruthers-Zimmer	Carolyn Parker
Sherri Christiansen	Lisa Raymond
Susan Freeman	Taryn Smith
Sarah Frymire	Michelle Vanderstelt
Wanda Goliday	Robbie Wolverton

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