



Treasurer's Report

During 2003 the stock market began to rebound from two consecutive years of negative returns. However, 2003 may be most remembered for the year long historic low interest rates set by the Federal Reserve Board. We, as a Board of Directors, recognized the importance of the interest we pay our members. Especially for members whose savings and investments provide them a living income. Although our savings rates compared to prior years were very low, our savings rates were in fact very high in comparison to other federally insured deposits. Your Board of Directors choose to lower the credit unions retained earnings during 2003 in order to pay our members above market savings rates. As a financial cooperative, it is our member loans that pay the bulk of the savings interest to our members' deposits. Funds not lent to our members are invested in safe and conservative investments, and as interest rates were low, so were the yields on our investments. That being said, 2003 was our best lending year ever with more than \$52 million in new loans to our members, easily surpassing our previous high loan year of \$33 million. Yet these new loans were also at historically low rates - thereby saving our members substantial dollars in interest expense over the years.

In either a falling, stable or rising rate environment, your credit union is committed to return a "world class" measure of quality in service and in rates to our members. Sharing its costs and profits with its members in the form of interest rates paid and charged, is what makes the credit union a partnership and therefore special in the eyes of the tax law. Your Directors are unpaid volunteers who guide the credit union in the best interest of all its members, not for just select stock holders or those with stock options. Your credit union pays all taxes normally assessed to business' except federal and state income tax - because we a non-profit cooperative. Non-profit does not mean we do not make a profit: it means we share the profit with our members in the form of savings rates, loan rates, and services provided. What profit is not immediately returned to the member is placed in retained earnings as "Capital". Capital is the key component of financial strength, and permits your credit union to stay strong in lean years as well as robust years. I am proud to report your credit union is considered a highly capitalized financial institution. Our year end 2003 capital position stands at 15.52%.

Thank you for the opportunity to serve you as a Director and as your credit union Secretary and Treasurer. It is an honor to serve as an Omni Family volunteer. In conclusion, a special Thank You to my fellow Directors, Supervisory Committee Members, Management and Staff for the teamwork exhibited in 2003.

Sincerely,

Richard Tobias
Secretary and Treasurer



Statement of Financial Condition

AUDITED ASSETS	2002	2003
Loans to Members	\$66,174,581	\$84,172,664
Less Allowances for Loan Losses	\$570,000	\$375,000
Net Loans	\$65,604,581	\$83,797,664
Cash \$ Deposits with Financial Institutions	\$4,057,889	\$3,628,446
Other Receivables	\$309,087	\$336,345
Investments	\$56,276,361	\$39,479,187
Accrued Interest	\$958,271	\$741,835
Fixed Assets	\$3,296,159	\$7,096,591
NCUSIF Deposit	\$1,013,602	\$1,054,768
Other Assets	\$156,134	\$169,612
Total Assets	\$131,672,084	\$136,304,448
LIABILITIES, SAVINGS & EQUITY		
Shares of Members	\$110,237,302	\$114,256,416
Dividends Payable	\$3,577	\$2,496
Accounts Payable	\$280,229	\$134,068
Other Accrued Liabilities	\$706,467	\$756,831
Reserves	\$3,091,836	\$3,091,836
Undivided Earnings	\$17,352,673	\$18,062,801
Total Liabilities, Savings & Equity	\$131,672,084	\$136,304,448
OPERATING INCOME		
Interest on Loans	\$5,536,776	\$5,493,425
Income from Investments	\$2,340,807	\$1,676,862
Operating Income	\$1,195,963	\$1,361,772
Total Operating Income	\$9,073,546	\$8,532,059
EXPENSES		
Personnel Cost	\$2,505,903	\$2,722,730
Office Operating Costs	\$1,530,539	\$1,804,955
Outside Services	\$241,599	\$263,602
Membership Services	\$132,227	\$158,523
Provision for Loan Losses	\$358,182	\$185,110
Total Expenses	\$4,768,450	\$5,134,920
Total Income	\$9,073,546	\$8,532,059
Less Total Expenses	\$4,768,450	\$5,134,920
Less Dividends Paid to Members	\$3,042,501	\$2,263,219
Less Cost of Borrowed Funds	\$0	\$238
Gain (Loss) on Investments/Assets	\$60,151	\$76,134
Net Income	\$1,322,746	\$1,209,816



Your OMNI Family

- Board of Directors**
Ed Longman - Chairman
Bob Lambert - Vice Chair.
Dick Tobias - Sec. / Treas.
Dick Derks
Roger Davis
Bobby McCulley
Larry Payne
Dorothy Thomas
George Trusock
- Member Service Representatives**
Lee Buschke
Mark Cramer
David Eddy
Vicki Hanna
Anne Johnson
Patty Neff
Sheri Roberts
Bob Schroeder
Susan Swanger
Deena Watson
- Supervisory Committee**
Dave Sanford - Chairman
Sandra Jessup
Doris Salyers
Scott White
- President / CEO**
Robin Frucci
- Chief Financial Officer**
Alan DeMars
- Chief Operating Officer**
Dan Gatfield
- Avenue C / Collections Mgr.**
Karl Fugate
- Consumer Lending Manager**
Joann Duggan
- HR / Training Manager**
Brenda Smith
- IT Manager**
Paul Downey
- Marketing Manager**
Erin Webster
- Roosevelt Branch Manager**
Tammy Funk
- Accounting**
Beverlee Brown
Diana Buckley
Sharon Graham
Holly Hancock
Evelyn LaBerteaux
Nicole Voss
- Collections**
Shirley Ferguson
Kelly Hernandez
Shawn Newton
- Data Processing**
Jason Cain
Dan VanSyckle



OMNI Family Credit Union is a not-for-profit, member owned financial organization. Our goal is to provide the best possible financial services to our members at competitive rates, and to maintain the Credit Union's long-term financial stability.

2003 Annual Report



Chairman's Report

Our 52nd year was yet another great year. We completed construction of our new Main Office immediately adjacent to our original Capital Avenue Branch. Some of the many new features found at the Main Office are partitions between members at the teller windows, private offices for members to use while discussing their financial needs with one of our Member Service Representatives, an additional exterior walk-up ATM to complement the drive-up ATM, and for member safety, separate entrances for lobby traffic and drive-up service traffic. Directing members who want to use the drive-thru teller lanes and drive-up ATM to their own entrance, cuts down on the traffic members must be cautious of as they enter and exit the building. We were also able to deploy new technologies to enhance the level of member service delivered to our members at the new Main Office. The two way audio and video drive-thru stations, Internet Banking and Lobby kiosks for Internet Banking are all benefits of our efforts to improve technology. Being able to implement all of these changes for the better makes 2003 a year to remember.

As I look back upon the year and review our successes, what stands out the most is the greater member support of our Electronic Services. Being able to offer members 24/7 service through technology is something that your Board of Directors has invested in over the years. Over 2 million electronic transactions were conducted throughout 2003, and this number continues to grow each year.

Speaking on behalf of your Board of Directors, I encourage you to use all of the services provided by your Credit Union. As a financial cooperative it is our member loans that pay our member savers for their money. And, it is our members' savings that fund our loans. Our loan rates are among the lowest and our savings rates are among highest, because your Board of Directors is committed to maximizing the return to our members. Thus, it is important that our members utilize both our saving and loan products to keep the cooperative flow of money cycling.

Be assured, your Directors and Committee members are committed to providing financial services that our membership requests and supports – while maintaining the integrity, safety, and soundness of the credit union. Your Board of Directors monitor and rely upon your responses to our ongoing random surveys for feedback on how all of us at your credit union are serving you – the member. Based on member responses, it is my privilege to express for the members and volunteers a heartfelt thank you to our management and staff for their efforts in achieving excellent member service. In conclusion, I thank all the credit union volunteers for their unselfish commitment of time and expertise. Our volunteers are second to none. It is an honor to serve you, our membership.

Sincerely,
Edward Longman
Chairman of the Board



President's Report

A special "Thank You" goes out to all of our members for adapting to the construction and changes at our Capital Avenue Facility throughout most of 2003. Hopefully you have had a chance to experience the service-friendly features at our new Main Office. The private member services offices, privacy partitions between tellers, an open receptionist center, safe deposit boxes, a spacious teller lobby, and the timeless design of an open rotunda were all created to provide you with enhanced member service. This past year has been an exciting time of change and we appreciated your cooperation while we "Built to Serve You Better."

2003 was a year of record low interest rates for savers as well as borrowers. On the savings side, your Board of Directors consciously deemphasized the credit union's Net Income by paying our members interest on their savings that was well above market rates. The emphasis on sharing and pooling resources for the benefit of all our members is what differentiates your credit union (a financial cooperative) from its for profit, stockholder oriented competitors. On the loan service side, members responded at a record level to your credit union's "honest" low rates. You welcomed our diverse loan products by borrowing over \$52 million principally in the form of Auto, VISA, 1st Mortgage Refinancing, 2nd Mortgages and Home Equity Line of Credit Loans during 2003.

Processing member transactions is a key measure of member participation. In 2003, the number of transactions again exceeded last years and totaled 4.7 million. This number indicates that your credit union continues to grow even in a time of change. The commitment and dedication of members to OMNI Family is something for us all to take pride in.

Your unpaid volunteers, who serve as OMNI Family's Board of Directors and Supervisory Committee, have worked hard to ensure the longevity of the credit union. Collectively, they have completed 32 Volunteer Achievement Study courses in the fields of finance, management, and economics during 2003. This level of coursework completed by your credit union volunteers' places them collectively, as well as individually, among the most educated credit union volunteers in the nation. As OMNI Family grows, the complexity of the issues we must deal with grow as well. Thus, the management and staff find ourselves increasingly drawing upon our volunteer's time - time normally allotted to family and friends. It takes the combined efforts of volunteers, management, staff and membership support to successfully ensure OMNI Family Credit Union continues to grow, prosper and serve you, our Member Owners.

In closing, your credit union is committed to evolve cooperatively to serve its Member's needs, by providing and maintaining financial safety and soundness, with world class service.

Sincerely,
Robin Frucci
President



Supervisory Committee Report

The Supervisory Committee is appointed by the Board of Directors annually. The committee is responsible for overseeing the auditing of your credit union and reviewing internal controls for compliance as well for safety and soundness. To insure we meet or exceed our responsibilities we retained Cindrich, Mahalak & Co., P.C. to perform quarterly reviews as well as our annual Certified Audit. Additionally, your credit union is examined by the State of Michigan's Office of Financial and Insurance Services, Division of Financial Institutions. The Certified Audit and State Examination confirmed your credit union to be financially sound and in compliance with the laws, rules and regulations your credit union operates within.

Thank you for the honor of serving on your credit union's Supervisory Committee. I would like to extend special thanks for the dedication, assistance, cooperation and hours of service to my fellow committee members provided over the year.

Sincerely,
Dave Sanford
Supervisory Committee Chairman




Auditor's Report

April 27, 2004

Board of Directors and
Supervisory Committee
Omni Family Credit Union
Battle Creek, Michigan

At your request, we have completed the Comprehensive Annual Audit of Omni Family Credit Union for the year ended December 31, 2003.

Our examination of the Statements of Financial Condition, Income Statements, Changes in Members' Equity, and the Statements of Cash Flows was conducted in accord with auditing standards generally accepted in the United States of America. Our full report, which expresses an unqualified opinion on the Financial Statements, has been submitted to the Supervisory Committee.

Sincerely,

Cindrich, Mahalak & Co., P.C.

Sponsoring Employer Groups: A & B Building Maintenance & Supply· AC Foundry· Advanced Special Tools· Advantage Sintered Metals· Allen Pattern of Michigan· All-Tronics· Alpha Med Services· ALRO Steel Corp· AMCART· American Truck Service· AMT Freight· Archway Cookies· ASMO Manufacturing· Associated Medical· Auto-Lab Franchise Management· Bachman Hebble Funeral Service· Bailey Park Auto Service· Barker Manufacturing· Barry Idea Group· Battle Creek Area Association of Realtors· Battle Creek Country Club· Battle Creek Equipment· Battle Creek Enquirer· Battle Creek Health System· Battle Creek Honda· Battle Creek Inn· Battle Creek Neurosurgical Services· Battle Creek Professional Bureau· Battle Creek Southwest Rehab· Battle Creek Truck Service· Battle Creek Unlimited· Beckley Auto Restoration· Behavioral Health· Behnke· Big Brothers Big Sisters, A Community of Caring· Bo-Rics· Bosker Brick Company· Burdick Packing Co· Burnham Ins. Group· Burr Engineering & Development· Burton Printing· Calhoun County Med Care Facility· Calhoun Manufacturing· Canteen Services CCR & Co· Cello Foil· Central Michigan Press· Cereal City Air Freight· Christian R.B· Christman Screen Print· City of Battle Creek· City of Springfield· Cleaning With Care II· Coffman Printing· Cole Chrysler Dodge Jeep· Core Communications· Cortez Customhouse Brokerage· Cricket Publishing· Dare Products· Davis Oil· DEB Shops· DeMaagd Oldsmobile-Nissan-GMC· DENSO· Dowd & Company P.C· Drum Heating & Cooling· Duckworth Brothers· Duncan Aviation· Eimo Americas· Employment Services Group· Energy Additives· Ermisch Travel of Battle Creek· Evergreen Manor· Ewing Motor Home & Trailer Sales· Excel Industries of Battle Creek· Family & Children Services· Family Health Center· Farm Bureau Insurance· Fieldstone Center of BCHS· Firestone Tire & Service· First Wesleyan Church· Fisher, Spiegel, Kunkle & Gerber PC· Flex-N-Gate· Floral Lawn Memorial Gardens· G.H.S. Corporation· Gage Company· Galesburg Ford· Gary Field's Comedy Court· Geerts Quality Water, LLC· Geiser, Paul E. MD PC· Goodwill Industries· Hackett Construction· Haggin-Wimberly Ford· Harper Creek School System· Harper Run of Battle Creek· Heartland Health Center of BC· Heritage Chevrolet· Il Stanley· International Foundry Sales & Service· Istringhausen, Inc· Jim Hazel's Citgo & Auto Parts Store· Kanes-Electrical Company· K-Drive Greenhouse· Keyes-Davis Company· Kleen Machine· KOYO Corporation· Lakeland Asphalt· Lam-Fab· QC & Pet Products· Laurels of Bedford· Leatherman Remodeling· Leila Arboretum· Lifespan· Lotte USA· M-66 Auto Body· M-66 Bowl· MAR-CO Packaging· Marywood Golf Club & Banquet Ctr· Masteller Music· McCamly Plaza· McMillan Printing· Mediplex Rehab· Mednet Ketronic· Mercy Pavillion of BCHS· Michigan Woodwork & Specialties· MicroData Management Res· Migala Flooring Centers· Miller Foundation· Minges Creek Racquet Club· Minges Creek Storage Plaza· Mumford, Schubel, Norlander, Mcfarlane & Barnett Law Offices· Musashi Auto Parts· Norman Foods· North Ave. Children's Day Center· Oakbrook in the Woodlands Apt's· Ocine's Hairstylists· Optical Supply of Battle Creek· Orchard Park Food Market· Oursler, David CPA· Paradigm Sintered Metals· Patterson Broadcasting· Pension Benefit Designers· Peregrine, Battle Creek Operations· Peterson Company· Plante & Moran CPA· Print Mart· Professional Management Assoc· QC & Pet Products· Radio Communications Inc· Radiology Consultants PC· Ralston Foods· Regional Medical Laboratories· Scene Magazine· Select Specialty Hospital· Silverfoam· Some Place Else· Southern Michigan Vending· Southwest Rehab· Speeds Koffee Shop· Springview Tower Apts· Sugar & Spice Child Care Center· Summit Pointe· Sunset Carpet Cleaning & Dyeing· Surgery Center for Excellence· Systex Products Corporation· Tanner Printing Co· TCI Cablevision· Te-Khi Service Center· Tender Care Riverside· TRMI, Inc· Union Pump Co· United Parcel Service· United Way of Greater Battle Creek· Urology Association, PC· VA Medical Center· VanHorn Marketing, Inc· Walter's Electric· Washington Heights Ministries· WBCK/WBXX/WWKN/WRCC· Westbrook Hospital· Whitman Saddle Manufacturing· Wikoff Color Corporation· Woods Pools· Worgess Insurance Agency· WOTV/ Channel 41