



AGENTS

of change



2016 Annual
Report



MUTUAL
CREDIT UNION



Front (Left to Right): Donna Hardy, Deborah Cooper Banks, Tonya Acuff
Back (Left to Right): Jeb Tingle, Billy Bridges, Leonard Murrell, Joe Tom, Rick Vessell, Jerry Dean

Chairman's & President's Report

2016 was a remarkable year for Mutual Credit Union. The investments and actions that Mutual management and the Board of Directors have made over the last two years have begun delivering significant results that will only continue in 2017 and beyond. Even with the uncertainty in the financial markets and the wild presidential election, Mutual performed extremely well by delivering a return on assets of 0.65% while continuing to build for our future. Capital increased to 10.02%, well above the 7% threshold to be considered "well capitalized" by regulatory agencies. Ensuring Mutual remains safe and sound is of the utmost importance and provides necessary resources to continue to invest in you and our surrounding communities.

We understand that you expect reliable and secure means to transact business with Mutual. This year, Mutual made significant investments to deliver on these expectations. We are now offering both our Mutual Credit Union debit and credit cards with the new EMV chip and have reissued all existing cards to our members with the upgraded security protection. These smart payment cards serve as another layer of defense in the fight against fraud while enhancing your personal financial security.

Mutual began a partnership with Kasasa during the fourth quarter of 2016 to bring you a much-requested rewards checking account. We now offer two different checking accounts that offer higher dividends and rewards than Mutual has ever had. Mutual will continue to develop products and services that meet or exceed the needs of our membership.

Being a member-owned cooperative, your opinions and needs are the catalyst in deciding what changes need to be made within the organization. During 2016, Mutual began surveying members to determine how we may improve the service we deliver. These surveys have directly impacted how we do business, and we hope the feedback will continue. We also offered a variety of financial education resources to help you make more informed decisions and better utilize the products we currently offer. We recognize that it is imperative that Mutual address the needs of our membership and ensure we are responsive to those needs.

As we look to the upcoming year, know that on behalf of our Board of Directors, the management team and our extraordinary staff, it is an honor to have the privilege of serving you and helping make a difference in your lives in so many ways.

Joe Gain Tom, Sr.
Joe Gain Tom, Sr., Chairman
Board of Directors

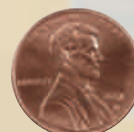
Michael Mathews
Michael Mathews
President



From Left to Right: Ty Wamsley,
Charles McKinnie, Ben Luckett

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Supervisory Committee's Report

The Supervisory Committee serves a vital role for Mutual Credit Union (Mutual) members in that it not only serves as the Internal Audit Committee, but also represents you, the Mutual member. The Committee's responsibilities also include monitoring the performance of elected officials, management and employees of Mutual.

The Supervisory Committee meets monthly to select a sample of all new accounts, new loans, and the closed accounts to obtain the members' response on how Mutual services were provided. Verification letters are sent out monthly and the members' responses received are provided to the Board of Directors and management. These responses help Mutual provide better services and products for the members.

The Supervisory Committee has retained the audit firm of Orth, Chakler, Murnane, and Company to perform independent quarterly audits, an annual verification of accounts, and a year-end opinion audit. The Supervisory Committee coordinates closely with management to develop an annual audit plan to make sure all phases of Mutual's operations are reviewed and audited. New regulations are imposed yearly, and the Committee ensures that Mutual adheres to all of these. While Mutual strives to adhere to all the regulations from the State Department of Banking and Consumer Finance along with the National Credit Union Association, some areas have to be addressed further, and those areas are quickly addressed by responses by management to the complete satisfaction of the examiners and auditors.

The Supervisory Committee, based on the audits and examinations made in 2016, is convinced that the affairs of Mutual are being handled properly and, in turn, provide the members with the best products and excellent service. If you have any comments or questions, you can address them in writing to the Supervisory Committee, P.O. Box 1522, Vicksburg, MS 39181.

Respectfully submitted,

Charles A. McKinnie

Charles A. McKinnie, Chairman
Ben Luckett
Ty V. Wamsley

STATEMENT OF CONDITION	2016	2015
<u>ASSETS</u>		
Cash	\$20,285,194	\$30,060,750
Accounts receivable	187,408	-
Investments	81,526,965	70,383,161
Loans to members, net of allowance for loan losses	81,352,942	79,999,735
Accrued interest receivable:		
Investments	202,411	201,853
Loans	347,852	337,199
Prepaid and other assets	4,002,731	435,168
Property and equipment, net	5,926,562	6,377,537
NCUSIF deposit	1,691,103	1,630,154
Total Assets	195,523,168	189,425,557

LIABILITIES

Members' shares and savings accounts	\$177,883,800	\$171,566,845
Dividends payable	44,703	43,364
Accounts payable	83,054	3,511
Other accrued liabilities	601,638	1,732,198
Total Liabilities	178,613,195	173,345,918

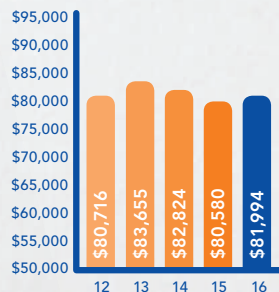
MEMBERS' EQUITY

Regular reserve	3,631,096	3,631,096
Equity acquired through merger	195,301	195,301
Undivided earnings	15,769,475	14,508,830
Unrealized loss on investments	(596,476)	-
Accumulated other comprehensive loss	(2,089,423)	(2,255,588)
Total Members' Equity	16,909,973	16,079,639

TOTAL LIABILITIES AND MEMBERS' EQUITY	\$195,523,168	\$189,425,557
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Total Assets
(In Millions)



Loans to Members
(In Millions)

STATEMENT OF INCOME	2016	2015
<u>INTEREST INCOME</u>		
Loans to members	\$4,572,079	\$4,374,310
Investments	1,158,392	1,065,700
Total Interest Income	\$5,730,471	\$5,440,010

INTEREST EXPENSE

Members' shares and savings accounts	522,565	533,505
Net Interest Income	5,207,906	4,906,505

PROVISION FOR LOAN LOSSES

	828,059	919,879
Net Interest Income After Provision for Loan Losses	4,379,847	3,986,626

NON-INTEREST INCOME

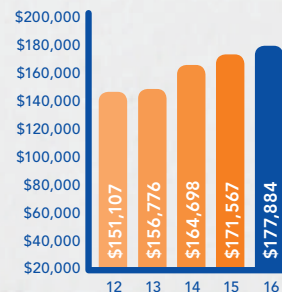
Fees, charges & other miscellaneous income	4,257,414	4,140,551
Net Income Before Non-Interest Expense	8,637,261	8,127,177

NON-INTEREST EXPENSE

Office operating costs	4,146,055	4,296,062
Compensation and employee benefits	3,197,495	3,442,813
Professional and outside services	203,200	255,455
Total Non-Interest Expense	7,546,750	7,994,330

NON-OPERATING INCOME

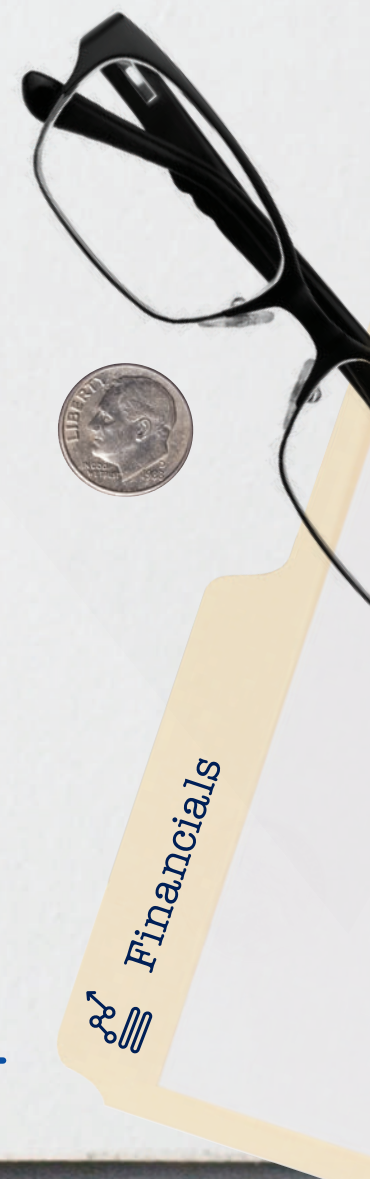
	170,133	0
NET INCOME	\$1,260,644	\$132,847



Deposits
(In Millions)



Net Worth
(In Millions)





Our Mutual Credit Union family has been closely affected by breast cancer, and many of our team members have successfully beaten it. In honor of our Mutual family and all of the strong men and women out there who have battled and are still battling breast cancer, we paid tribute with a Pink Out for Breast Cancer Awareness.

Community Giving

Together, we raised \$4,693.43. This is the highest amount that we have raised as a team and the highest over all teams. We also won first place in Best Spirit Stick, second place in best tent decorations. Warren, Christy, and Tracy won the frozen t-shirt contest.

We're investing in our future leaders to point them down a path of financial success.

By being part of The Yazoo Rotary Club, we're making an impact on our future leaders.

For International Credit Union Day, we spent time living the credit union way, "People Helping People" in our community. We visited local grocery stores and had so much fun picking up the bill for unsuspecting customers!

and Citizenship

One of our focuses is the nationally sponsored credit union charity, CUs for Kids, which benefits the Children's Miracle Network — and locally, the Batson Children's Hospital. In 2016, working together with our members, we were able to present to them our largest donation ever: \$3,174!

85th Annual Meeting of Mutual Credit Union | February 18, 2016

Directors Present: J. Tom, Chairman of the Board; D. Hardy, Vice-Chairman; J. Dean, Treasurer; J. Tingle, Secretary; L. Murrell; M. Woods; B. Bridges; R. Vessell

Directors Absent: D. Cooper Banks

Supervisory Committee Present: C. McKinnie, Chairman; L. Carruth; T. Wamsley

Others Present: M. Mathews, President; T. Cochran; K. Harthcock; L. Sanders; S. Hilderbrand; E. Davis; K. White; K. McCormick; C. Smith; C. Bontje; M. Pickering; T. Wells; S. Wilson; W. Pace; J. Rusche; J. Bailey; L. Brown; H. Heard; R. Redditt; H. Flowers; G. Scott; R. Hesser; C. Pecanty; C. Carson; M. Hearn; C. Hill; D. Acy; J. Hearn; C. Jobe; P. Meredith; N. Knight; T. McGrigg; H. Blok; T. Dart; Je. Hearn; T. Johnston; L. Newman; S. Newsome; D. Copes; L. Evans; R. Harris; K. Myles; C. Page; P. Knapp; J. Lowery; A. Bell; C. Brown; B. McAlpin; A. Skinner; E. Butler; B. McAdory; T. Clavelle; K. Dowe; R. Young; J. McMillin; S. Mandarino; S. Evans, Recording Secretary

1. The meeting was called to order at 6:30 p.m. with Mr. Joe Tom presiding. There were 370 members present.

2. Mr. Tom asked the audience to please stand for the flag ceremony conducted by Benjamin Lobred, Morgan Rojillio, Chandler Stanchfield and Nicholas Mickey of Boy Scout Troop 102.

3. The national anthem was performed by One Voice of Bovina Baptist Church.

4. The Invocation was given by Joel Dimmette of Lifting Lives Ministries.

5. Mr. Tom recognized the veterans in the audience.

6. Mr. Tom welcomed the members to the 85th Annual Meeting of Mutual Credit Union.

7. Without objection, Mr. Tom appointed Ms. Sandy Evans as Recording Secretary and Mr. Randy Sherard as Parliamentarian.

8. Mr. Tom reported that notices of this meeting were posted in the local newspaper and in Mutual Credit Union's newsletter, branches and website. He announced that a quorum was present and declared this an official meeting of Mutual Credit Union.

9. Mr. Tom called for the reading of minutes of the 84th Annual Meeting dated February 19, 2015. Ms. Karen Wood moved to dispense with the reading of the minutes. Mr. Robbie Cook seconded and the motion carried.

10. Mr. Tom introduced the volunteers and staff sitting on the stage.

11. Ms. Mary Anne Woods presented the report of the Nominating Committee. She presented the following names for nomination:

For a three-year term on the Board of Directors: Billy Bridges, Donna Hardy, and Jeb Tingle

For a two-year unexpired term of Lonnie Boykins: Jerry Dean

For a three-year term on the Supervisory Committee: Lindsay Carruth

For a two-year unexpired term of Jerry Dean: Ty Wamsley

Ms. Woods announced that the biographical data for each volunteer was on the ballot. Ms. Woods moved that the report of the Nominating Committee be received. Mr. Ken Pecanty seconded and the motion carried.

Ms. Woods called for nominations from the floor. Hearing none, a motion was made by Ms. Anita Lofton for these positions to be filled by acclamation.

Ms. Tanna Williams seconded and the motion carried.

12. Mr. Tom asked for a motion to receive the reports printed in the Annual Report. Mr. Walter Johnston moved to receive the reports as printed. Ms. Karen Wood seconded and the motion carried.

13. Mr. Tom, Chairman of the Board; Mr. Jerry Dean, Treasurer; Mr. Charlie McKinnie, Supervisory Committee Chairman; and Mr. Michael Mathews, President, made informal reports to the members.

14. Unfinished business: None

15. New business: None

16. Ms. Mary Anne Woods presided over the drawing for prizes. Ms. Jennifer Lynne McMillin and Ms. Susan Mandarino spoke to the membership. Ms. Alice Bell announced ticket numbers for the prize drawing.

17. Ms. Trudy James moved that with the awarding of the grand prize, the meeting would stand adjourned. Mr. Tracy Duncan seconded and the motion carried.

The meeting was adjourned at 7:40 p.m.

David Lofton
David Lofton, Chairman of the Board

Jeb Tingle
Jeb Tingle, Secretary

Sandy Evans
Sandy Evans, Recording Secretary

2016 PRIZE WINNERS

Early Bird Prizes: (\$25.00)

Otha Murphy
Theresa Powers
Jimmy Veazey
Lois Ellis

Prizes: (\$100.00)

April Agyepong
Brittany Weathers
Shamera James
Suzanne Artman
Ashley Oliphant
Billy Thompson
Elizabeth McDevitt



Youngest Member Present: Mason Thomas

Oldest Member Present: John Cesare

Grand Prize: (\$300.00) Carolyn Harrison

Nominees

BOARD OF DIRECTORS (Three-Year Term)

Tonya Acuff is a lifelong resident of Vicksburg, with eight months of experience as a Mutual Credit Union volunteer. Acuff has worked for the U.S. Army Corps of Engineers for 15 years, where she is currently a program manager who oversees the regional

regulatory program of the Mississippi Valley Division. This is a \$26 million dollar program encompassing six districts, whose territory stretches from the Gulf of Mexico to the Canadian border. To ensure all districts are providing consistent information to the public by applying the proper laws and regulations, Acuff must use her strong organizational, budgeting, program management, and interpersonal skills to coordinate with the districts, office headquarters, and internal building personnel. Acuff also serves on an internal building committee, the Mississippi River Commission (MRC) Benefit Association, which provides employee recreational services for staff in the MRC building. In her free time, Acuff enjoys spending time with her family and friends, fishing, and working outside in the yard.

Deborah Cooper Banks has three years of experience as a member of the Mutual Credit Union Board of Directors. Cooper Banks is a retired civil engineer with 33 years of experience in strategic planning, management, and execution. Her skills also include financial recordkeeping, facilitating, computer technology, project management, organizational planning, technical writing, time management, and conflict resolution. Cooper Banks is active in many community organizations, including VCAP (four years), United Way (four years), Vicksburg Soccer Organization (four years), Blacks in Government (BIG), Wesley United Methodist Church, VHS PTO, and WES Castle Club. She has also served as Treasurer, Financial Secretary, and Historian of Delta Sigma Theta Sorority; Vice President of VHS Soccer Boosters; Bidy Ball and Buddy Ball coach at the YMCA; Salvation Army bell ringer; Angel Tree volunteer; ERDC Partnership Council facilitator; and math tutor. Cooper Banks and her husband, Reverend Lamar Banks, have four children, seven grandchildren and two great-grandchildren.

Leonard Murrell has 17 years of experience as a member of the Mutual Credit Union Board of Directors. Before retiring as Chief of the Contracts and Administrative Section of Operations Division for the U.S. Army Corps of Engineers, Murrell was responsible for the management and administration of contracts for services, maintenance, construction, and supplies at flood control projects within Arkansas, Louisiana, and Mississippi. His skills include financial management, reliability, teamwork, problem solving, communication, creative thinking, and diplomacy. Murrell has also played active leadership roles in the community, serving as lieutenant governor of Kiwanis Division 15 (Louisiana, Mississippi, and West Tennessee District) and president of the Port City Kiwanis Club. He has also been a committee member for the United Way of West Central Mississippi and served on the board of directors for Vicksburg Chapter American Red Cross, State Service Counsel American Red Cross, and Calvary Baptist Church, where he was also lead volunteer for the Salvation Army meals program supported by the church. Murrell and his wife, Doris, have three daughters: Leandra, Chandria, and Alexis.

BOARD OF DIRECTORS (Two-Year Unexpired Term)

Rick Vessell is a lifelong resident of Vicksburg with one year of experience as a Mutual Credit Union volunteer. As chief financial officer (CFO) of Warren Yazoo Behavioral Health for the past 22 years, Vessell is responsible for all financial and technology-related aspects of the organization. He also serves on the management team and

reports quarterly financials to the board. Prior to his role at Warren Yazoo Behavioral Health, Vessell worked for four years as a teller while attending college and for six years as an auditor for certified public accounting (CPA) firms, where he worked extensively with banking and financial institution clients. As a CPA and CITP (Certified Information Technology Professional) with experience in auditing financial institutions, as well as a CFO with nonprofit management and communications skills, Vessell says he has the ability to "see the big picture" of the credit union. He is also a 25-year member, former president and board member of the Vicksburg Kiwanis Club; former president of MSU Alumni, Warren County; current board member and treasurer of Wisconsin Cove, Inc. and Cornerstone Apartments (housing providers for elderly and disabled individuals); and current band parent volunteer at Vicksburg Catholic Schools. Vessell and his wife of more than 22 years, Jill, have two wonderful children, Kori, 21, and Kaleb, 17.

SUPERVISORY COMMITTEE (Three-Year Term)

Charles A. McKinnie has been a member of Mutual Credit Union since 1980 and has 20 years of experience as a Mutual volunteer, beginning in 1996 as a Credit Committee Alternate. He was ultimately elected to the Credit Committee, serving as Credit Committee Chairman until June 2006. In 2009, Charles started serving on the Supervisory Committee and is currently the chairman. He has attended numerous Credit Union Training Conferences and is a graduate of the National Association of Credit Union & Supervisory Committee's (NACUSAC) University. Since his arrival in Vicksburg in 1980, Charles has worked for the Vicksburg District Corp of Engineers as a civil engineer and is a project manager at the U.S. Army Corps of Engineers. Charles has volunteered in many Vicksburg community organizations, serving as the Vicksburg Chamber of Commerce Board chairman for two years and on several United Way Committees, as well as the Haven House Board. He is also a member of the Vicksburg Kiwanis Club and the Red Carpet Bowl committee, and in 2016 he served as vice-chair of the River Region Hospital Board. Charles is married to Susan Kennedy McKinnie, who recently retired from teaching for the VWSD after 27 years, and has two sons and two granddaughters. Charles loves being in the outdoors and in his shop, where he enjoys woodworking and welding.

SUPERVISORY COMMITTEE (Two-Year Unexpired Term)

Ben Luckett, a lifelong resident of Vicksburg with four months of experience as a Mutual Credit Union volunteer, has been a Mutual Credit Union member for 20 years. Luckett is currently employed as the Warren County Tax Assessor and is a Mississippi Certified Appraiser through the Centers of Governmental Technologies at Mississippi State University. He also holds an IAAO Course Assessment Evaluator I and II Mississippi Assessment Evaluator designation. Actively committed to community works, Luckett is a member of Northside Baptist Church, where he serves as Chairman of Deacons and Sunday school teacher. He was also American Cancer Society Relay for Life Logistics Chair from 2008-2011. Luckett and his wife, Kristy, have a 3-year-old daughter, Gracie.

Annual Meeting Ballot (2/16/17)

BOARD OF DIRECTORS

Three-Year Term

Vote for Three (3)

(For the ballot to be counted, three candidates must be indicated.)

- ☐ Tonya Acuff
- ☐ Deborah Cooper Banks
- ☐ Leonard Murrell
- ☐ _____

BOARD OF DIRECTORS

UNOPPOSED

Two-Year Unexpired Term

Vote for One (1)

- ☐ Rick Vessell

SUPERVISORY COMMITTEE

Three-Year Term

Vote for One (1)

- ☐ Charles McKinnie

SUPERVISORY COMMITTEE

UNOPPOSED

Two-Year Unexpired Term

Vote for One (1)

- ☐ Ben Luckett





2016 Staff

Deborah Acy	Tracy Johnston
Edna Andrews	Paula Knapp
Jessica Bailey	Nicole Knight
Alice Bell	Jessica Lowery
Heather Blok	Susan Mandarin
CJ Bontje	Michael Mathews
Valarie Brewer	Leslie May
Cassandra Brown	Brandi McAdory
Lisa Brown	Brent McAlpin
Esther Butler	Jennifer Lynne McMillin
Christeena Carson	Peggy Meredith
Terisa Cochran	Sophia Moore
Dianne Copes	Rae Nelson
Tawana Dart	Leisa Newman
Elaine Davis	Stephanie Newsome
Karen Dowe	Ashley Opperman
Linda Evans	Warren Pace
Sandy Evans	Christy Pecanty
Mona Goff	Melody Pickering
LaToya Hall	Rachel Redditt
Kristy Hasty	Judy Rusche
Jessica Hearn	Lakeshia Sanders
Judy Hearn	Ashley Skinner
Melissa Hearn	Cassie Smith
Ryan Hesser	Tameika Washington
Charles Hill	Trae Wells
Sandy Hoxie	Karen White
Christie Jobe	Rosemary Young

MUTUAL CREDIT UNION

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Vicksburg, MS 39181

LOST/STOLEN VISA® CHECK CARD:

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1-877-457-3654

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Fax: 601-857-8766

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Yazoo City, MS 39194
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Fax: 662-746-4832

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