

2018 SENIOR STAFF



FROM LEFT TO RIGHT: Michael Mathews, President; Jennifer Lynne McMillin, Chief Financial Officer; Alice Bell, Vice President of Lending; Susan Mandarino, Vice President of Marketing; Rae Nelson, Vice President of Human Resources; Katie Ferrell, Compliance Officer

MUTUAL CREDIT UNION

MAILING ADDRESS:

P.O. Box 25
Vicksburg, MS 39181

TOLL-FREE NUMBER:

1-877-457-3654

HOURS OF OPERATION:

	Lobby:	Drive-Through:
Mon - Thurs:	9:00am-5:00pm	8:30am-5:00pm
Fri:	9:00am-6:00pm	8:30am-6:00pm
Sat - Sun:	CLOSED	CLOSED

SERVICES:

Kasasa® Rewards Checking and Savings Accounts
Personal Loans
Auto Loans
Credit Cards
Home Loans
Credit Counseling
24/7 Online Banking
Mobile App for Android™ and Apple®

LOCATIONS:

Vicksburg, MS

1604 Cherry Street
Vicksburg, MS 39180
Ph: 601-636-7523
Fax: 601-630-9035

2086 S. Frontage Road
Vicksburg, MS 39180
Ph: 601-638-0140
Fax: 601-634-1733

4210 Clay Street
Vicksburg, MS 39180
Ph: 601-638-4521
Fax: 601-638-6863

Raymond, MS

460 E. Main Street
Raymond, MS 39154
Ph: 601-857-3249
Fax: 601-857-8766

Yazoo City, MS

1505 Grand Avenue
Yazoo City, MS 39194
Ph: 662-746-8884
Fax: 662-746-4832

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Our Focus Is You

2018 Annual Report



A Letter from the **Chairman** AND **President**

Dear Members,

On behalf of the Board of Directors and President, thank you for choosing Mutual Credit Union; it's an honor to continue to serve you. Together, we have had a successful 2018 and enter 2019 with high expectations of continuing that success. Mutual's mission is to "be the most trusted provider of exceptional products and services for our members and the communities we serve." This philosophy can be seen in all that we do, including planning for the future of our great organization.

As we review performance in 2018, we realize that in addition to improving the lives of thousands of our members, we are setting the stage for Mutual to carry out our mission into the future. Mutual is laying the groundwork to impact our members and communities served for decades to come. All the innovations and improvements made in 2018 were guided by the credit union philosophy of "People Helping People." That philosophy will continue to guide us as we serve our members into the future.

We would like to extend heartfelt thanks to our loyal members, dedicated staff, and committed volunteer Board of Directors and Supervisory Committee for another great year for Mutual. This success would not be possible without the passion and talent of everyone on our team.



Jerry W. Dean, Chairman
Board of Directors



Michael Mathews
President



Supervisory **Committee's Report**

The Supervisory Committee serves a vital role for 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' responses 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.



Left to Right:
Charlie McKinnie, Chairman; Ben Lockett

The Supervisory Committee has retained the audit firm of Horne CPAs & Business Advisors to perform the 2018 Independent Quarterly Audits, an annual verification of accounts, an annual IT audit, and a year-end opinion audit. Horne CPAs also performed a Risk Assessment to assist the Supervisory Committee and Management in identifying and measuring Mutual Credit Union's relevant risks. The Risk Assessment also helped the Supervisory Committee and 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 Management's responses to the complete satisfaction of the examiners and auditors.

The Supervisory Committee, based on the audits and examinations made in 2018, is convinced that the affairs of Mutual are being handled properly and provides the members with 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.

Respectively submitted,



Charles A. McKinnie, Chairman
Ben Lockett



Front (Left to Right):

Donna Hardy,
Tonya Acuff

Middle (Left to Right):

Leonard Murrell,
Jerry Dean, Chairman;
Joe Tom

Back (Left to Right):

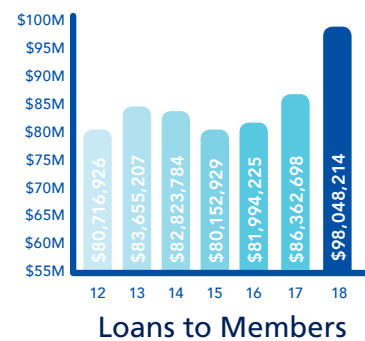
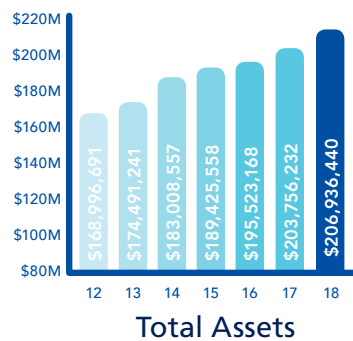
Billy Bridges,
Jeb Tingle,
Rick Vessell

Not Pictured:

Matt Hendrix

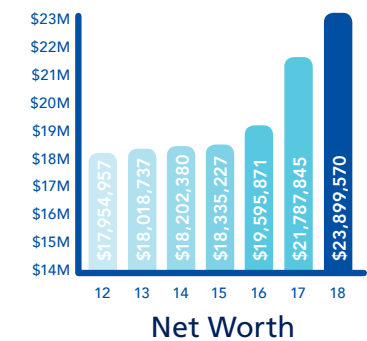
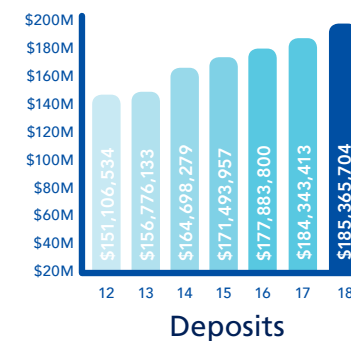
Statement of Condition

STATEMENT OF CONDITION	2018	2017
ASSETS		
Cash	\$13,870,088	\$15,008,470
Accounts receivable	217,925	158,468
Investments	81,510,031	90,803,082
Loans to members, net of allowance for loan losses	97,365,304	85,841,249
Accrued interest receivable:		
Investments	267,305	245,850
Loans	447,402	395,545
Prepaid and other assets	4,511,486	3,879,493
Property and equipment, net	6,938,106	5,664,513
NCUSIF deposit	1,808,794	1,759,564
Total Assets	\$206,936,441	\$203,756,234
LIABILITIES		
Members' shares and savings accounts	\$185,365,704	\$184,343,412
Dividends payable	45,549	46,142
Accounts payable	687,071	280,718
Other accrued liabilities	628,778	424,433
Total Liabilities	\$186,727,102	\$185,094,705
MEMBERS' EQUITY		
Regular reserve	\$3,631,096	\$3,631,096
Undivided earnings	20,268,474	18,156,749
Unrealized loss on investments	(1,212,339)	(794,762)
Accumulated other comprehensive loss	(2,477,892)	(2,331,554)
Total Members' Equity	\$20,209,339	\$18,661,529
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$206,936,441	\$203,756,234



Statement of Income

STATEMENT OF INCOME	2018	2017
INTEREST INCOME		
Loans to members	\$5,321,247	\$4,734,846
Investments	\$1,831,344	\$1,410,624
Total Interest Income	\$7,152,591	\$6,145,470
INTEREST EXPENSE		
Members' shares and savings accounts	\$627,228	\$568,866
Net Interest Income	\$6,525,363	\$5,576,604
PROVISION FOR LOAN LOSSES		
Net Interest Income After Provision for Loan Losses	\$906,163	\$503,825
NON-INTEREST INCOME		
Fees, charges, and other miscellaneous income	\$5,213,912	\$4,690,415
Net Income Before Non-Interest Expense	\$10,833,112	\$9,763,194
NON-INTEREST EXPENSE		
Compensation and employee benefits	\$3,466,210	\$3,064,433
Occupancy costs	\$688,558	\$737,292
Operating costs	\$4,485,430	\$3,738,177
Total Non-Interest Expense	\$8,640,198	\$7,539,902
NON-OPERATING INCOME (LOSS)	(\$81,188)	(\$31,319)
NET INCOME	\$2,111,726	\$2,191,973



Eighty-Seventh Annual Meeting

of Mutual Credit Union

FEBRUARY 15, 2018

DIRECTORS PRESENT: J. Tom, Chairman of the Board; D. Hardy, Vice-Chairman; L. Murrell, Treasurer; J. Dean, Secretary; B. Bridges; J. Tingle; T. Acuff; R. Vessell; M. Hendrix

SUPERVISORY COMMITTEE PRESENT: C. McKinnie, Chairman; T. Wamsley; B. Lockett

OTHERS PRESENT: M. Mathews, President; E. Andrews; J. Bailey; A. Bell; H. Blok; V. Brewer; C. Brown; L. Brown; E. Butler; L. Carroll; C. Carson; T. Cochran; D. Copes; S. Culbertson; E. Davis; K. Dowe; L. Evans; K. Ferrell; Je. Hearn; J. Hearn; M. Hearn; C. Hill; T. Johnston; L. Jones; P. Knapp; N. Knight; J. Lowery; S. Mandarino; B. McAdory; B. McAlpin; J. McMillin; P. Meredith; S. Moore; R. Nelson; L. Newman; S. Newsome; A. Opperman; W. Pace; C. Pecanty; M. Pickering; L. Poole; R. Redditt; A. Sampley; L. Sanders; L. Simmons; A. Spencer; S. Strange; L. Sweet; T. Washington; T. Well; B. Wilson; S. Evans, Recording Secretary

1. The meeting was called to order at 6:32 p.m. with Mr. Joe Tom presiding. There were 189 members present.
2. Rev. Leroy Dee from Whitehall Missionary Baptist Church, Pattison, MS, gave the invocation.
3. The Presentation of the Colors by Boy Scout Troop 102 was followed by the Pledge of Allegiance. Miss Mississippi, Ms. Anne Elizabeth Buys, performed the National Anthem.
4. Mr. Tom recognized the veterans, law enforcement officers, and firefighters in the audience.
5. Mr. Tom welcomed everyone to the Eighty-Seventh Annual Business Meeting of Mutual Credit Union.
6. Without objection, Mr. Tom appointed Ms. Sandy Evans as Recording Secretary and Mr. Randy Sherard as Parliamentarian.
7. Mr. Tom reported that notices of this meeting were posted in Mutual Credit Union's newsletter, at branches' and on the website. He announced that a quorum was present and declared this an official meeting of Mutual Credit Union.
8. Mr. Tom called for the reading of the minutes of the Eighty-Sixth Annual Meeting, dated February 16, 2017. Mr. Buddy Lofton moved to dispense with the reading of the minutes. Ms. Joyce Buchanan seconded, and the motion carried.

9. Mr. Tom introduced the volunteers and staff sitting on the stage. He thanked the staff of all of the branches for making Mutual Credit Union a great institution.
10. Mr. Leonard Murrell presented the report of the Nominating Committee. He presented the following names for nomination:
 - For a three-year term on the Board of Directors: Jerry Dean, Joe Tom and Rick Vessell
 - For a three-year term on the Supervisory Committee: Ty WamsleyMr. Murrell moved that the report of the Nominating Committee be received and that the candidates be elected by acclamation. Mr. Manuel Bland seconded, and the motion carried.
11. Mr. Tom called for a motion to receive the reports printed in the Annual Report. Ms. Carolyn Harrison moved to receive the reports as printed. Mr. Buddy Lofton seconded, and the motion carried.
12. Mr. Murrell, Treasurer; Mr. Charlie McKinnie, Supervisory Committee Chairman; and Mr. Michael Mathews, President, made informal comments to the members.
13. Unfinished Business: None.
14. New Business: None.
15. Mr. Jerry Dean presided over the drawing of the Grand Prize.
16. Mr. Gregory Harrison moved that with the awarding of the Grand Prize, the meeting would stand adjourned. Ms. Karen Wood seconded, and the motion carried.

The meeting was adjourned at 6:58 p.m.

Joe Tom, Chairman of the Board
Jerry Dean, Secretary
Sandy Evans, Recording Secretary