



Magnolia Federal Credit Union's 86th Annual Meeting Minutes

Tuesday, January 21, 2021

Virtual Presentation

ATTENDING

Board of Directors, CEO, Vice Presidents, staff, and members of the credit union.

CALL TO ORDER

The 86th Annual Meeting of Magnolia Federal Credit Union was called to order at 5:30 p.m. via virtual Zoom conference by Mary Barrett, Chairman of the Board of Directors. Supervisory Committee Member and Chaplain at the VA Medical Center David Allen gave the invocation. Ms. Barrett thanked our members and volunteers for joining us virtually during these unprecedented times. Ms. Barrett shared her regrets that we could not meet in person this year due to the pandemic.

READING OF THE MINUTES

Chairman Barrett invited a motion to review the minutes of the 85th Annual Meeting held on January 28, 2020. The minutes were provided for review on the Magnolia Federal Credit Union website during registration. The minutes were reviewed, and a motion was made by member Charles Mullins to accept the minutes as printed; the motion without objection.

BOARD OF DIRECTOR'S REPORT

Chairman Barrett delivered the Board of Director's Report. She stated that members of the Board of Directors and members of the Supervisory Committee are all members of Magnolia and volunteers. These volunteers give their time, attention, expertise, interest, and energy, all unpaid, to benefit Magnolia members. Chairman Barrett introduced the Board of Directors who served in 2020; Keith Buchanan, Vice-Chairman; Linda Watson, Secretary; Barrie Carpenter; Robert Stringer; Charles Mullins; and Grayland Fredericks. Keith Buchanan serves as the Director of Physician Relations at St. Dominic's Hospital. Linda Watson is retired from the VA regional office after a career in fiscal services as a Management Analyst. Barrie Carpenter works as a Public Affairs Specialist for the Social Security Administration, and she is a veteran of the United States Navy. Robert Stringer retired from the VA Medical Center as EEO Manager. He served on and was Chairman of the Supervisory Committee at Magnolia for 11 years before being elected to the Board of Directors in 2012. Charles Mullins has served in the financial management industry for 48 years as a Certified Public Accountant and Certified Internal Auditor. Grayland Fredericks retired from the VA Medical Center, where he worked as the Chief of Logistics, and he is a veteran of the United States Army. Chairman Barrett is an attorney and has retired from the VA Medical Center, where she worked as the Regional Counsel.



The Supervisory Committee members, just like the Board, are volunteers appointed by the Board to serve. They attend our monthly board meetings, meet regularly with our external auditors, and report the auditor's findings to the Board. The Supervisory Committee is responsible for oversight of the credit union. The Committee will present its report shortly.

Chairman Barrett shared that many things were difficult in 2020. For Magnolia, this meant closed lobbies, drive-throughs only, plexiglass barriers, masks, hand sanitizers, and increased online account access. Where loans were concerned, Magnolia provided relief to our members through loan modifications and loan extensions. From the view of the Magnolia Board of Directors, the management and employees did everything they could to make our members feel safe and confident knowing their financial activities were being handled in their best interest, which is the credit union's number one priority. We will continue in 2021 to make decisions and conduct business in the members' and the Credit Union's best interest. There are so many topics that we could touch on that occurred in 2020. Most of them are still with us. You know what they are, so we are not recounting them here.

This past year, we recognized some outstanding scholars with the Dave Bergstrom Educational Scholarship to assist with students' post education. Dave Bergstrom was a former CEO who had a strong dedication to education. Two \$1,000 scholarships were set up for seniors who plan to attend college after graduating. The \$2,000 Oliver King Scholarship for Veterans wanting to finish school or technical school was also set up and named after a longtime Magnolia employee and board member. Because there were no applicants for this scholarship in 2020, Magnolia opted to award three Dave Bergstrom scholarships instead. Jared Jerdine is a graduate of Clinton High School and plans to attend the University of Mississippi to study nursing. Alyssa Harcharik is a graduate of Brandon High School and plans to attend Hinds Community College to study radiology. And Chevalier Dorris Jr. is a graduate of Raymond High School and plans to attend Jackson State to study engineering. Each was awarded a scholarship this year. All are members of Magnolia. Please remember to view our credit union website and share our scholarship opportunities with members who could benefit from it.

Chairman Barrett thanked the Board, and, on behalf of the Board, thanked the Supervisory Committee, management, and all the staff. In addition, Barrett thanked all of our members for your patience, recognition of difficulties we all face, and concern for the welfare of each other. Having a "what can we do and keep on doing" mentality to make your experience with Magnolia beneficial to all members is our priority.

Chairman Barrett introduced CEO Michael Waylett.



PRESIDENT'S REPORT

Magnolia's CEO, Michael Waylett, recognized the management team and the entire staff. Mr. Waylett stated that 2020 presented unique challenges, and he was relieved and comforted knowing that we could continue serving all our members throughout the pandemic. He thanked the entire staff for making that possible.

Mr. Waylett discussed the 2020 financial highlights, starting with 1,787 new accounts opened, \$24,095,380 in new loans approved, \$527,999 in dividends paid to members, and a net worth ratio of 14.90%; Mr. Waylett discussed the Financial Performance representing the comparison from 2019 to 2020.

- Membership has lowered slightly to 19,376 members
- Asset size increased to \$150,000,856
- Loans decreased to \$67 million
- Loan-to-Share ratio decreased to 53%
- Delinquency ratio decreased to .78%
- Charge-off ratio decreased to 1.51%
- Return on average assets was at .64%
- Net income was \$888,942

Mr. Waylett stated that our net worth is at 14.90% this year, and by NCUA standards, any ratio above 7% is well capitalized.

Mr. Waylett shared the extensive list of donations and partnerships Magnolia contributed to during 2020. Total donations for the year were \$27,076. By supporting Magnolia through membership, members support the community since part of the income from the credit union is distributed back into the greater Jackson community. Mr. Waylett thanked everyone for their membership which helped Magnolia give back to the community.

Mr. Waylett also shared that Magnolia offered generous loan specials, loan modifications, and skip-a-payments to assist members navigating through the pandemic. In the spring of 2020, Magnolia processed a record number of loan modifications and skip-a-payments.

Mr. Waylett shared that we remain in good standing with our regulators and that despite 2020 challenges, Magnolia had a strong year financially. Mr. Waylett announced that Magnolia is now offering mortgage lending and refinancing. We will also soon re-enter the indirect vehicle lending program. Ideally, our members will work directly with us to facilitate vehicle loans, but indirect lending allows us to bring in new memberships and loans. For 2021, many loan promotions are planned, and recently we have improved the pricing of our ancillary loan products, such as GAP policies and warranties.

Lastly, he thanked the members for their loyalty and membership to Magnolia.



SUPERVISORY COMMITTEE REPORT

Chairman Barrett introduced Bob Metzger, Chairman of the Supervisory Committee. Mr. Metzger shared that the Supervisory Committee is responsible for the financial oversight of the credit union. Mr. Metzger introduced the other Supervisory Committee members, Barry McNair and David Allen. The Supervisory Committee engages an outside auditor who conducts thorough quarterly and yearly credit union records. The Supervisory Committee recommends actions to the Board and the staff, and they both do a wonderful job of seeing that the concerns are addressed. The Supervisory Committee also works closely with the NCUA to ensure that the credit union operates in a financially sound manner. Mr. Metzger stated that despite the tough year Magnolia has had, the credit union is so well managed and so well funded that we were able to have a very good year still, and he expects we have an even better year in 2021. Mr. Metzger stated that Magnolia is one of the best financially funded credit unions he knows of and that Magnolia is operating in a very sound manner. He also thanked all the credit union members and stated he is very proud of the credit union and its staff.

NOMINATING COMMITTEE REPORT

Chairman Barrett shared that two board members' terms are expiring this year. She introduced Robert Stringer, Chairman of the Nominating Committee. Mr. Stringer stated that the Nominating Committee is responsible for ensuring the Board has suitable candidates. This year, Mr. Stringer noted that the Nominating Committee consisted of Robert Stringer, Keith Buchanan, and Barrie Carpenter. The committee presented Grayland Fredericks and Charles Mullins for election to the Board for another three-year term. The bios of the nominated individuals are included in the program for members to review. Chairman Barrett thanked the Nominating Committee for their work. Since there were no nominations from the floor, Chairman Barrett announced the two candidates were elected by acclamation. She congratulated Charles Mullins and Grayland Fredericks.

UNFINISHED BUSINESS

There was no unfinished business discussed.

NEW BUSINESS

There was no new business to be discussed at this meeting.

RESULTS OF THE ELECTION

The election results are known at this time and stated in the Report of the Nominating Committee. Chairman Barrett congratulated Mr. Mullins and Mr. Fredericks on their re-election to the Board and thanked everyone for attending.

There being no further business, the meeting adjourned. Awarding of door prizes followed the meeting.