



Magnolia Federal Credit Union's 89th Annual Meeting Minutes

Tuesday, January 23, 2024

MS Ag Museum, Jackson, MS

ATTENDING

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

CALL TO ORDER

The 89th Annual Meeting of Magnolia Federal Credit Union was called to order at 6:15 p.m. by Mary Barrett, Chairman of the Board of Directors. Supervisory Committee member and Chaplain at the VA Medical Center, David Allen, gave the invocation and Kimble Funchess's jazz band performed the National Anthem. Chairman Barrett thanked our members and volunteers for joining us. She also thanked Godfrey's Restaurant for providing dinner.

READING OF THE MINUTES

Chairman Barrett invited a motion to dispense with the reading of the minutes of the 88th Annual Meeting held on January 22, 2023. The minutes were provided for review on the Magnolia Federal Credit Union website during registration. A motion was made to accept the minutes by member, Chris Barnett, as provided, and the motion was passed without objection.

BOARD OF DIRECTORS' REPORT

Chairman Barrett delivered the Board of Directors' Report. She recalled that last year, she noted that COVID-19 and the flu were still with us, and they both still are today. She shared that recently she read that experts are anticipating that an illness from the world of COVID-19, 20 times worse than COVID-19, is going to be our next pandemic, which is scary. She stated that today we face most of the same issues as in the past: inflation doubles and triples the cost of groceries, home prices are above normal, and the interest rates that go along with the mortgage as well. She discussed the increased prices of vehicles also. She noted how all the mentioned issues increase debt and strain our well-being. Locally, the poor weather has led to downed trees, broken pipes, and water problems. She shared her hope that these crises would end soon.

Chairman Barrett shared that the members of the Board of Directors are all members of Magnolia and unpaid volunteers. These volunteers freely donate their time, knowledge, and energy toward adopting policies and procedures and conducting continued oversight of those policies and procedures at work in the credit union. Chairman Barrett introduced the Board of Directors: Keith Buchanan, Vice Chairman of the Board, Linda Watson, Secretary, Robert Stringer, Charles Mullins, Grayland Fredericks, and Barry McNair.





Keith Buchanan served as the Director of Physician Relations at St. Dominic's Hospital. Linda Watson retired from the VA Regional Office after a career in fiscal services as a Management Analyst. 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 served in the financial management industry for 48 years as a Certified Public Accountant, Certified Internal Auditor, and credit union CEO. 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. Barry McNair is the Business Development Manager with Business Systems and Consultants. Mr. McNair served on Magnolia's Supervisory Committee for five years before his appointment to the Board. Chairman Barrett is an attorney and retired from the VA, where she worked as Regional Counsel.

Chairman Barrett reminded everyone that conducting financial business at Magnolia is easy and beneficial. It can be conducted in person, in the branch, online, and via mobile banking. She shared that many services and products are available such as credit cards, debit cards, and car loans. She reminded everyone that our goal is to help our members do the things they want to do for their families, for housing, and transportation. She mentioned every one of a couple of the good things we talked about last year. She also noted that Magnolia has competitive interest rates on our checking accounts and that you can see these competitive rates, loans, savings, and lots more on our website.

Next, she recognized the 2023 scholarship winners. The \$1,000 Dave Bergstrom Educational Scholarship was awarded to two graduating seniors this year. The seniors graduated last spring and they were awarded in June. The first was Abby Hervey from Brandon. Chairman Barrett shared that Abby graduated from Northwest Rankin High School. She plans to attend the University of Mississippi for a major in biology and a minor in chemistry, and then on to the University Medical Center to become a dermatologist. The second winner was Imahni Tillman who plans to attend Spelman College in Atlanta in health sciences for a biology degree. She wants to become an orthodontist. Chairman Barrett reminded everyone that you can read about the Bergstrom scholarship and find the application on our website. If you have a senior, if you are a senior, if you have a senior within your circle of your children's friends the application is simple. Then Chairman Barrett recognized the Oliver King Veteran Scholarship winner. Oliver King was a member of Magnolia, and he became a manager of the credit union and served on the Board. He was a U.S. Navy veteran. After he passed away, Magnolia wanted to recognize his commitment to the credit union by offering a \$2,000 scholarship to a veteran of the U.S. military services in his name. The application is on the website also. It is for a veteran who is going to a trade school, is in an apprenticeship program, or wants to go to a graduate or undergraduate university. The person who won it this year is Vicki Tucker. She's from Brandon. She has a master's degree from what used to be Mississippi University for Women. She was a U.S. Army Reserve member from 1986 to 1995. She was called to active duty so she's a local veteran. She plans to use her scholarship for a Doctor of Health Care Administration through the University of Virginia-Lynchburg. We thank her for her military service and congratulate her for winning the scholarship.

Chairman Barrett thanked the Board and on behalf of the Board, the Supervisory Committee, credit union leadership, and all staff for the time, energy, and effort they put forward. She thanked all of her fellow members for allowing us to handle their financial activities and trusting us to do so in a manner that would provide them with the best banking experience. Chairman Barret asked that all employees of





the Magnolia stand to be recognized and thanked them for their commitment. She also expressed specific gratitude to all the new members for being here and all the young members.

Chairman Barrett introduced CEO Michael Waylett.

PRESIDENT'S REPORT

Magnolia's CEO, Michael Waylett, also recognized the management team and the entire staff. Mr. Waylett stated that 2023 was a record year for Magnolia. He introduced our management team and thanked our staff for their invaluable hard work throughout the year. He also thanked the board for their volunteerism and many contributions to the credit union's success.

Mr. Waylett discussed the 2023 financial highlights, starting with 3,250 new accounts opened, \$42,897,394 in new loans approved, \$354,217 in dividends paid to members, and a net worth ratio of 20.73%; Mr. Waylett discussed the financial performance, with comparisons from 2022 to 2023.

- Membership has increased to 19,621
- Asset size decreased to \$154,078,102
- Total Loans increased to \$103 million
- Loan-to-Share ratio increased to 85%
- Delinquency ratio increased to 0.87%
- Charge-off ratio decreased to 1.26%
- Return on average assets increased to 2.67%
- Net income was \$4,223,424

Mr. Waylett stated that our net worth is at 20% 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 2023. Total donations for the year were \$10,100. He noted that 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 also shared that in 2023 Magnolia offered loan specials, with below-market loan rates, and generous CD specials. Mr. Waylett reminded everyone that we now offer two new checking accounts: Everything Teen Checking and PERKS Checking. He also shared that this year brought decreased wait times across the credit union and that we refined mortgage products to better meet members' needs. He also shared that volunteerism and presence in the community have greatly increased now that COVID-19 restrictions have ceased.

Mr. Waylett shared that we remain in great standing with our regulators and Magnolia had a very strong year financially. Many new loan and deposit promotions will be featured in 2024. He shared that a new loan origination system will be debuted soon and that he is looking forward to sharing a special auto loan rate for March Magness. He also shared that many plans are underway to increase community





involvement. He noted that among those is the creation of the Magnolia Federal Credit Union Community Development Corporation which will be a philanthropic endeavor.

Lastly, he thanked the members for their loyalty and membership to Magnolia and advised members to be on the lookout for a survey which will be sent out this week to solicit feedback about the annual meeting.

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: David Allen and Evelyn Harris. The Supervisory Committee engages an outside auditor who conducts a thorough quarterly and yearly audit of the 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, CEO, and CFO to ensure that the credit union operates in a financially sound manner. Mr. Metzger stated that the credit union has had one of the best years financially that he can recall, and he has been a member for a long time. Mr. Metzger stated that Magnolia is one of the most solid operations financially that he has ever seen. He is looking forward to a great 2024.

He thanked all the credit union members for attending the meeting 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. Chairman Barrett thanked the Nominating Committee for their assistance as she introduced Robert Stringer, Chairman of the Nominating Committee. The Nominating Committee Chairman presented Charles Mullins and Grayland Fredericks for election to the Board for another three-year term. The bios of the nominated individuals were reviewed from the printed agendas.

Mr. Stringer announced that since there were no other nominations, the two candidates were elected by acclamation. He congratulated the candidates on another three-year term.

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 Charles Mullins and Grayland 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.

