



**MARSHLAND**  
CREDIT UNION

# 70th Annual Meeting

April 19, 2023

## AGENDA

- |         |                              |
|---------|------------------------------|
| 5:30 pm | Welcome                      |
|         | Invocation                   |
|         | Pledge of Allegiance         |
|         | Introduction                 |
|         | Reading of Minutes           |
|         | Chairman's Report            |
|         | Treasurer's Report           |
|         | Audit Committee Report       |
|         | Scholarship Committee Report |
|         | CEO Comments                 |
|         | Old Business                 |
|         | New Business                 |
|         | Nominating Committee         |
| 6:30 pm | Adjournment                  |



## CHAIRMAN'S REPORT

In January of this year Marshland Credit Union celebrated its 70th anniversary. We are grateful to all the members and to Jay's Seafood and Chicken for making our celebration a big success. We look forward to serving this community for many more years.

Financially 2022 was another good year with loan growth of 18% and deposit growth of 5%. We ended the year with a net worth ratio 9.51%, well above the 7% benchmark of a well-capitalized credit union. Our membership continues to grow. It is our roughly 18,000 members and dedicated staff that drives the everyday success of your credit union.

On behalf of the Board of Directors, Management team and staff, we thank you for being part of Marshland Credit Union.

Respectfully,

Paul McKenzie, Sr. Chairman of the Board

## TREASURER'S REPORT

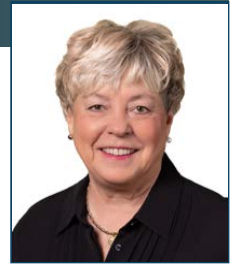
Marshland Credit Union continued to show a positive financial year during 2022. Assets increased by \$534 thousand, ending the year just over \$202.7 million. Loans increased more than \$18.5 million and now total \$122.2 million. Member shares (deposits) increased by \$8.6 million and now total \$185 million. Marshland's net worth ratio at year-end is 9.51%, well above the 7% requirement for well capitalized credit unions. Net income for 2022 was \$373,741.

Despite rising interest rates, delinquent loans-to-total loans decreased to .13% from .25% in 2021. Net charged-off loans-to-average loans decreased to .04% from .31% in 2021. Both are positive trends.

Looking at the positive performance of your credit union over the last year, Marshland Credit Union continues to grow despite uncertainty in the global economy and higher than normal inflation. We are actively managing the loan and deposit portfolio to hedge against continued rising rates and uncertainty in the local and global economy. We look forward to another successful year ahead in 2023. Thank you for allowing me to serve as your Treasurer.

Respectfully submitted,

Kathy Grace, Treasurer



## AUDIT REPORT

The Audit Committee is made up of three board members: Jim Anderson, Mary Jenrette, Kathy Grace as Chairperson, and Charlie Lovering as the credit union liaison. This committee continues to be responsible for ensuring that required financial reporting objectives are met and that practices and procedures are in place to safeguard members' assets. Several outside professionals are engaged to assist in this verification process. We also work closely with the board to monitor economic trends that affect our community.

Nearman, Maynard, & Vallez, CPA, PC performed an audit of Marshland Credit Union's financial statements ending June 30, 2022. In their opinion, the financial statements present fairly, in all material respects, the financial position of the credit union as of June 30, 2022, and June 30, 2021, and the results of operations and cash flows for the years then ended in accordance with generally accepted accounting principles in the United States.

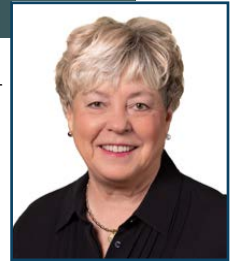
CU Audit and Compliance Group provided internal auditing services to test the internal controls of the credit union and to assure that board policies are followed in specific operational areas. Their report concluded that the management team has established an effective system of internal controls and operates in compliance with board policies.

CU Audit and Compliance Group provided a compliance review specialist to review policies and practices on a quarterly basis. Those reviews focused on meeting the requirements of applicable laws and regulations. The few exceptions noted were routinely addressed by management.

The Georgia Department of Banking and Finance is the regulator for the credit union and performed an examination as of June 30, 2022. They reported that the credit union's condition remains satisfactory. As a federally insured, state-chartered credit union Marshland Credit Union is also regulated by the National Credit Union Administration (NCUA).

Respectfully submitted,

Kathy Grace, Chairperson, Audit Committee



## SCHOLARSHIP REPORT

On behalf of the Board of Directors I am excited to share that we have awarded \$6,000 in scholarships to four graduating high school seniors. All of our applicants were outstanding students. The applications were reviewed by our Marshland Memorial Scholarship Committee who then selected the recipients based upon their academic achievement, community involvement, recommendations, and other eligibility requirements.

The recipients this year are as follows:

**Julianna Pittman from Brantley County High School;**  
**Klaire Murray from Wayne County High School;**  
**Ann Burdell from Glynn Academy;**  
**and Tanyah Battle from Brunswick High School.**

Please join me in congratulating our 2023 Marshland Credit Union Memorial Scholars!  
Delria Tate Baisden, Chairperson, Scholarship Committee



## CEO REPORT



Thank you to the membership, staff and our incredible board of directors for another successful year at Marshland Credit Union. Celebrating our 70th year in business was big milestone for us. It would not have been possible without the support of the members we serve. I have enjoyed hearing all the stories about how our credit union helped and continues to help our membership meet their financial needs. We are fortunate to have such a rich history with our local educators, healthcare system and all our members in the counties we serve. Thank you.

2022 was a busy and incredibly productive year for Marshland. I spoke last year about instant issue debit cards, the upgrades to our online banking platform and the offering of Zelle. We have in fact, completed all those initiatives thanks to the hard work and long hours of the staff. The staff at Marshland is committed to delivering the best products possible to our members. This year we are pleased to introduce you to our "NetBranch". We are bringing all our great products to our members via their mobile devices beginning June 30th. You will be able to open accounts, apply for a loan and speak to a live representative from the comfort of your home, office, poolside or the golf course. We are anywhere you have a mobile device. 2023 will be another year of change and opportunities for Marshland. That what we do...look for ways to better serve our members. On behalf of the entire Marshland family, thank you for this opportunity.

Respectfully submitted,  
Mary Jenrette, President & CEO

The 69th Annual Meeting of the Membership of Marshland Credit Union was held at virtually via WebEx. There were 45 members in attendance.

**Call to Order:** Chairman of the Board of Directors, Larry Rountree, called the Annual Meeting of Marshland Credit Union to order at 5:30p.m. after assuring that a quorum was present. Chairman Rountree gave the invocation. Everyone was asked to stand for the Pledge of Allegiance. Members and guests were welcomed. Then he introduced the other Board members and Committee members. Newest Board member, Shannon Webb was introduced.

**Reading of Minutes:** A motion was made and seconded to dispense with the reading of the minutes and approve them as submitted. The motion carried. Copies of these minutes were distributed with the Annual Report.

**The Annual Report follows these minutes in its entirety.**

**Chairman's Report:** In early 2021 we started our search for a new CEO to replace Jeff Holcombe who planned to retire at the end of the year. Our search committee Paul McKenzie and Mark Hamil reviewed the many applicants. After interviews, the field was narrowed and they presented Mary Jenrette as the final selection. Confirmed by the Board, Mary took over as CEO in July and we welcomed her to our team. We also bid farewell to Jeff and wished him "All the Best" in his retirement.

2021 also presented nagging COVID concerns. Our staff handled it in stride continuing to do business even when our lobbies were closed to "face to face" traffic.

Financially 2021 was a good year with a strong loan portfolio and maintaining a net worth ratio well above other well capitalized credit unions. We will continue to serve our members providing new programs and fresh ideas. Our Members are our strength and we will work hard with their help to continue our success.

On behalf of the Board of Directors, Management team and staff, we thank you for being part of Marshland Credit Union.

**Treasurer's Report:** CFO Millie Ray presented due to Jim Andersen's absence. Marshland Credit Union continued to show a positive financial year and improved performance during 2021. Assets increased by \$23 million, ending the year just over \$202 million. Loans increased more than \$4.5 million and now total \$103.6 million. Member shares (deposits) increased by \$29 million and now total \$176.5 million. Due to the influx of cash into our economy shares grew at a rate of four times loan growth resulting in a slight decrease of .61% in Marshland's net worth ratio. Leaving us with a net worth ratio of 9.35%, still well above the 7% for well capitalized credit unions. Net income for 2021 was \$1,053,921.

Due to the continued strength of the economy during the pandemic delinquent loans-to-total loans decreased to .25% from .33% in 2020. Net charged-off loans-to-average loans decreased to .31% from .51% in 2020. Both are positive trends. Looking at the positive performance of your credit union over the last year, Marshland Credit Union continues to grow despite uncertainty in the global economy and COVID Pandemic. We are actively managing the loan and investment portfolio to hedge against an expected higher than normal inflation rate in the local and national economy. We look forward to another successful year ahead in 2022. Thank you for allowing Mr. Andersen to serve as your Treasurer.

**Audit Committee Report:** Mark Hamil Presented the Audit Committee Report. The Audit Committee is made up of three board members: Jim Anderson, Kathy Stratton, Mark Hamil as Chairperson and Charlie Lovering as the credit union liaison. This committee continues to be responsible for ensuring that required financial reporting objectives are met and that practices and procedures are in place to safeguard members' assets. Several outside professionals are engaged to assist in this verification process. We also work closely with the board to monitor economic trends that affect our community. Nearman, Maynard, & Vallez, CPA, PC performed an audit of our financial statements ending June 30, 2021. In their opinion, the financial statements are in order and fairly present the financial position of the credit union. A copy of their report is available upon request.

CU Audit and Compliance Group provided internal auditing services to test the internal controls of the credit union and to assure that board policies are followed in specific operational areas. Their report concluded that the management team has established an effective system of internal controls and operates in compliance with board policies.

CU Audit and Compliance Group provided a compliance review specialist to review policies and practices on a quarterly basis. Those reviews focused on meeting the requirements of applicable laws and regulations. The few exceptions noted were routinely addressed by management.

The Georgia Department of Banking and Finance is the lead auditor and the National Credit Union Administration (NCUA) follows their audit. Marshland Credit Union continues to thrive as we work to assure economic growth for our members and community.

**CEO's Report:** CEO Mary Jenrette thanked Chairman Rountree and the board for the opportunity to serve as the President and CEO of Marshland. The senior management team was introduced, CFO Millie Ray, COO Charlie Lovering, CIO Ricky Cassidy, SVP Lending Chris McNeal and Executive Assistant Bobbie Blount. Although our management has changed, our commitment to our members remains the same. We are committed to listening to our members and their changing financial needs. We are offering debit cards within days, remote account opening and closing of loans, on-line enhancements coming this summer include Zelle and Plaid, on-line business banking with Quickbooks and Quicken, merchant services and remote capture. Video chat is right around the corner too. Please continue to share how we can serve you better. Please join us this Friday at each of our branch locations for Member Appreciation Day. Refreshments will be served. Thank you.

**Memorial Scholarships:** Four outstanding high school seniors were chosen by the Scholarship Committee to receive the \$1500 Memorial Scholarship. Scholarship winners announced by Jessica Ellis are: Adam Fisher, James Hutcheson, Maggi Sluder and Molly McClellan. Congratulations!

**Unfinished Business:** None, **New Business:** None, **Old Business:** None

**Election:** Chairman Rountree explained that the Nominating Committee reviews the letters and resumes received from members requesting consideration to serve as a Director. Their responsibility is to select qualified individuals to fill each of three expired board seats. The Committee nominated Jim Andersen and Kathy Stratton, to again serve on the Board of Directors for a term of three years. Having received no petitions from the membership, Jim Andersen and Kathy Stratton are elected by acclamation.

**Adjournment:** There being no further business, the meeting was adjourned at 5:47 p.m.

Respectfully submitted,

Larry Rountree, Chairman Paul McKenzie, Vice Chairman

The following financial statements present the financial situation of Marshland Credit Union as of December 31, 2022, and December 31, 2021, respectively, and the results of operations for the years then ended.

## Comparative Income Statement

<b>OPERATING INCOME</b>			<b>Increase</b>
<b>December 31</b>			<b>(Decrease)</b>
	<b>2022</b>	<b>2021</b>	<b>\$</b>
Interest on Loans	\$ 5,437,567	\$ 5,299,542	\$ 138,025
Investment Income	1,298,626	524,176	774,450
Earning Asset Income	\$ 6,736,193	\$ 5,823,718	\$ 912,475
Less: Dividend Expense	912,471	599,743	312,728
Interest on Borrowed Money	117,933	148,258	(30,325)
Net Interest Income	\$ 5,705,789	\$ 5,075,717	\$ 630,072
Other Income	3,491,241	3,359,477	131,764
<b>OPERATING INCOME</b>	<b>9,197,030</b>	<b>8,435,194</b>	<b>761,836</b>
<b>AFTER DIVIDENDS</b>	<b>9,197,030</b>	<b>8,435,194</b>	<b>761,836</b>
 <b>OPERATING EXPENSE</b>			
<b>December 31</b>			
	<b>2022</b>	<b>2021</b>	<b>\$</b>
Employee Compensation & Benefits	\$ 4,739,351	\$ 4,422,062	\$ 317,289
Occupancy & Equipment	460,206	439,105	21,101
Data Processing & Professional Services	268,648	218,588	50,060
Marketing & Promotion	132,434	95,755	36,679
Other Operating Expense	3,190,009	2,450,547	739,462
Total Operating Expense	\$ 8,790,648	\$ 7,626,057	\$ 1,164,591
Net Operating Income	\$ 406,382	\$ 809,137	\$ (402,755)
Less: Provision for Loan Losses	173,000	210,000	(37,000)
Net Operating Income After Loan Loss Provision	\$ 233,382	\$ 599,137	\$ (365,755)
Less: Loss on Disposal of Fixed Assets	1,207	44,341	(43,134)
Gain on Disposal of Fixed Assets	18,433	78,325	(59,893)
<b>CHANGE TO UNDIVIDED EARNINGS &amp; RESERVES</b>	<b>250,608</b>	<b>633,122</b>	<b>(322,621)</b>
<b>AS A RESULT OF OPERATIONS</b>	<b>250,608</b>	<b>633,122</b>	<b>(322,621)</b>
Less: Loss on Investments	-	-	-
Gain on Investments	-	181,157	(181,157)
Gain on Loans Sold	123,133	239,642	(116,509)
Less: NCUSIF Assessment	-	-	-
Other Non-Operating Income	-	-	-
<b>CHANGE TO UNDIVIDED EARNINGS &amp; RESERVES</b>	<b>123,133</b>	<b>239,642</b>	<b>(116,509)</b>
<b>INCLUDING NON-OPERATING ITEMS</b>	<b>373,741</b>	<b>1,053,921</b>	<b>(680,180)</b>

The following financial statements present the financial situation of Marshland Credit Union as of December 31, 2022, and December 31, 2021, respectively, and the results of operations for the years then ended.

## Comparative Balance Sheet

	<b>ASSETS</b>		<b>Increase (Decrease) \$</b>
	<b>December 31</b>		
	<b>2022</b>	<b>2021</b>	
<b>Cash</b>	\$ 4,563,021	\$ 3,555,711	\$ 1,007,310
<b>Investments</b>	66,057,253	84,886,651	(18,829,398)
<b>Loans, Net of Allowance for Loan Losses</b>	122,163,319	103,597,350	18,565,969
<b>Fixed Assets</b>	4,070,044	3,972,151	97,893
<b>Accrued Income</b>	535,287	416,845	118,442
<b>NCUA Share Insurance Fund</b>	1,824,302	1,596,683	227,619
<b>All Other Assets</b>	3,550,340	4,204,548	(654,208)
	<u>\$ 202,763,566</u>	<u>\$ 202,229,939</u>	<u>\$ 533,627</u>

	<b>LIABILITIES AND EQUITY</b>		<b>Increase (Decrease) \$</b>
	<b>December 31</b>		
	<b>2022</b>	<b>2021</b>	
<b>Accounts Payable</b>	\$ 3,189,842	\$ 1,346,131	\$ 1,843,711
<b>Dividends Payable</b>	141,985	98,927	43,058
<b>Notes Payable</b>	-	5,005,394	(5,005,394)
<b>Accrued Expenses &amp; Other Liabilities</b>	820,848	890,335	(69,487)
<b>Share Drafts</b>	47,700,919	43,917,602	3,783,317
<b>Shares</b>	84,281,000	81,517,988	2,763,012
<b>Money Maker Shares</b>	32,266,497	28,570,778	3,695,719
<b>Share/IRA Certificates</b>	20,852,378	22,509,079	(1,656,701)
<b>Regular Reserve</b>	2,819,440	2,819,440	-
<b>Undivided Earnings</b>	16,460,598	16,086,857	373,741
<b>Accum. Unrealized Loss</b>	(5,769,942)	(532,592)	(5,237,350)
	<u>\$ 202,763,566</u>	<u>\$ 202,229,939</u>	<u>\$ 533,627</u>