

Employees



Gary Bruemmer
Accountant



Jay Ernst
Sr. Loan Officer



Doug Goldammer
Loan Clerk



Amy Hendrix
Staff Assistant



Kim Johnson
Member Serv. Rep.



Ashley Luebbert
Loan Clerk



Deven McDonald
Office Manager



Susie Schnack
Asst. Loan Officer



Michelle Singer
Admin. Asst.



Ray Smith
Information Officer



Whitni Upton
Member Serv. Rep.



Lisa Wieberg
Loan Officer



Nevan Woehr
Member Serv. Rep.



Amy Wright
Loan Officer

President's Report

“Discovering the MECE Credit Union Difference” is something that I trust all of our owners can clearly see. Every company and institution does their very best to distinguish themselves with products and services they offer compared to their competitors in order to show value and relevance.



Randy Marks
Pres./Manager

At MECE Credit Union we strive to set our services apart from all other financial institutions in order to prove we are the “Bright Choice”.

I would like to provide a short list of some of our key differentiators so that you can “Discover the Difference” for 2016:

- Personalized member service- our goal is to have our member's greeted by a live, friendly voice when they contact us, rather than a recorded message.
- Minimal fees- MECE Credit Union members paid an average of \$67 less per member than peer institutions.
- Higher dividend rates- during 2016 we returned 3 times more in dividends to our owners than the average credit union.
- Lower loan rates- our average loan yield was approximately 1% less than our competitors.
- High asset quality- MECE Credit Union is comprised of a select group of employees and immediate family members from rural electric cooperatives which creates a strong bond saving our Credit Union over \$400,000 during 2016 compared to credit unions nationwide.
- Operational efficiency- using technology to bring convenience results in annual savings of over \$2 million.

These “Difference Makers” allowed us to invest in a new core processing solution and return a \$1 million bonus dividend to the owners during 2016. I realize that it is very important to build on these unique attributes to remain the “Bright Choice” for our members' financial needs in the future. I am very pleased with the 2016 financial performance of MECE Credit Union and I am excited to report that our future remains very bright thanks to the differences we are able to provide.

Randy Marks, President/Manager



Discover the
DIFFERENCE

2016
Annual Report

MECE Credit Union
Annual Meeting

April 13, 2017 — 11:30 a.m.

AMEC Conference Room
2722 East McCarty, Jefferson City, MO 65101



Phone: (573) 634-2595
e-mail: mececu@mececu.com
Web site: www.mececu.com

Chairman's Report

MECE Credit Union continues to provide financial services and products to rural electric cooperative employees and their immediate families. During 2016 MECE Credit Union acquired Central Electric Credit Union which had 403 members and \$1.7 million in assets, leading to a total growth of \$6.85 million in assets and 620 new members. Our loan portfolio grew \$8.1 million dollars, and the Credit Union produced \$698,000 in net earnings, while maintaining net worth of just over 10%. The biggest news of the year was a one time "bonus dividend" of \$1,000,000 that was paid to accounts on 9/30/2016 resulting in dividends of \$2.4 million being returned to the membership for 2016.

During 2016 MECE Credit Union underwent a core conversion process that will position the Credit Union to meet the needs of its members for many years to come. Upcoming implementations include integrating credit card transactions and payments to the MECE Credit Union website.

I would like to thank Credit Union Representatives, the Credit Union Staff, all the members and volunteers, for a record year and I look forward to the exciting year ahead.

Paula Peeper, Chairman

Board of Directors & Supervisory Committee

Paula Peeper, Chair.....Callaway
 Randy Carrender, Vice Chair...Central Elec Power
 Doug Kroese, Sec.-Treas.....Laclede
 Kent Brown..... N.W. Power
 Joan Donze Citizens
 Lindy LaChance Black River
 Cathy McKay.....Grundy
 Rhonda Robison Ralls
 Rod Romine..... White River
 Sean Friend.....Co-Mo
 Deb O'Brien.....Lewis County

Statement of Earnings from January 1, 2016 to December 31, 2016

2016

Income:	Loan Income	\$3,876,376.06
	Investment Income.....	1,105,444.28
	Other Income	871,907.69
	Total Income	\$5,853,728.03
	Net Income	\$698,738.36
Expenses:		
	<i>Operating Expense</i>	
	Salary & Benefits	\$1,453,517.13
	Loan Servicing.....	255,887.02
	Professional Services	55,973.46
	Data Processor	214,427.43
	Provision for Loan Loss	32,874.19
	Office Operations	168,084.12
	Office Occupancy	60,065.79
	Debit Card.....	323,059.91
	Education and Promotions	18,393.93
	Association Dues.....	28,478.49
	Conference & Travel	21,810.92
	Miscellaneous.....	142,514.36
	Total Operating Expense.....	\$2,775,086.75
	<i>Cost of Funds Expense</i>	
	Dividends, Certificates.....	\$719,208.62
	Dividends, Checking.....	22,519.79
	Dividends, Reg. Shares	1,332,982.88
	Dividends, Club Accounts.....	7,827.68
	Dividends, Health Savings Accounts.....	289,001.67
	Interest on Borrowed Money	8,362.28
	Total Cost of Funds.....	\$2,379,902.92
	Total Expense.....	\$5,154,989.67

Statement of Condition as of December 31, 2016

Assets	
Loans	\$100,259,421.28
Cash.....	636,976.88
Corporate Permanent Capital.....	785,800.00
Investments	57,012,161.14
NCUA	1,336,383.03
Fixed Assets	917,164.55
Other Assets	1,407,473.94
Total Assets.....	\$162,355,380.82
Liabilities	
Notes Payable.....	\$1,631,289.16
Dividends Payable.....	53,363.46
Other	1,282,889.77
Total Liabilities.....	\$2,967,542.39
Shares & Deposits	
Regular Shares	\$67,053,401.16
Club Accounts.....	852,530.81
Share Drafts	10,236,848.24
Health Savings Accounts	14,962,854.70
Share Certificates.....	20,588,457.96
IRA Certificates.....	29,590,513.40
Total Shares	\$143,284,606.27
Reserves & Undivided Earnings	
Statutory Reserves	\$3,174,216.98
Undivided Earnings	13,302,999.32
Unrealized Investment Loss.....	(373,984.14)
Total Liab., Shares & Equity..	\$162,355,380.82

Supervisory Committee Report

The Supervisory Committee serves the Board of Directors of the Credit Union in an audit capacity. The Supervisory Committee performed a controlled mailing of all Credit Union members' statements for the quarter ending September 30, 2016. All statements mailed (E-mail & U.S. Postal Service) contained an insert requesting the member to report any discrepancies directly to the Supervisory Committee. No unresolved discrepancies were reported to the Supervisory Committee.

Stephen Lang & Associates, LLC – Certified Public Accountants performed an audit as of December 31, 2015. An unqualified opinion was received on the audited financial statements and "no major areas of concern" were expressed by Stephen Lang & Associates, LLC – Certified Public Accountants. The audit report was reviewed and approved by the Missouri Electric Cooperatives Employees' Credit Union Board of Directors.

An examination of Missouri Electric Cooperatives Employees' Credit Union was conducted by NCUA and the State of Missouri Division of Credit Unions as of June 30, 2016 to verify compliance with all state requirements. The report was presented by the state examiner to the Board of Directors in December 2016.

The Supervisory Committee was given a Bank Secrecy Act Review of Procedures and a review of Automated Clearing House Compliance which was performed for the year 2016 and reported to the Board of Directors.

Board members, the MECECU president and senior staff attended MECECU's annual planning session which was held October 12-14, 2016 in Branson, MO. Goals and strategic objectives for the coming year were established.

The Supervisory Committee wishes to thank the Credit Union staff for their cooperation and help during the past year.

Sean Friend, Chairman; Doug Kroese; Deb O'Brien