

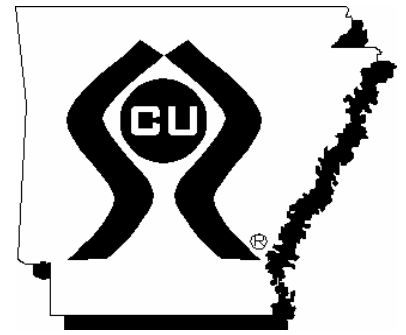
Cooperative Extension Service Federal Credit Union

2301 S. University Avenue

Little Rock, AR 72204

501-671-2037 or 501-671-2038

Fax 501-671-2306



71st Annual Report

President's Report

In 2016 we ended the year with over 5 million in assets. We accepted 45 new members and now have a total membership of 1303.

Competition from auto dealers and other financial institutions is continuing to limit our loan growth. Credit Card loans have increased slightly from last year.

We continue to fund a \$1,000 scholarship to be awarded annually to a graduating 4-H member for attendance at an institution of higher education in Arkansas.

We held our 16th Annual Silent Auction in October to raise money for Arkansas Children's Hospital.

We have received a 5 star rating from Bauer Financial for 47 consecutive quarters. This is the highest rating that a financial institution can receive.

We implemented on-line banking in 2016.

2016 was a good year.

Board of Director's Report

The Board of Directors met regularly each month to oversee the credit union's operations. To keep members informed about the credit union we published four quarterly newsletters. At the end of each quarter we analyzed the funds available to declare dividends. A dividend of .25% was declared for the four quarters of 2016.

Realizing that planning for the future is vital to the success of the credit union, we again developed a strategic plan for the year. The plan will be updated on an annual basis.

We implemented on-line banking for our members in 2016 and will continue to look at other marketing opportunities.

Board of Directors

BeVerly Sims, President

Joe Waldrum, Vice-President

Sherry Funderburg, Treasurer

Judy Riley, Secretary

Amy Heck, Board Member

Supervisory Committee

Wayne Miller, Chairman

Rebecca Bridges

Elizabeth Phelps

Credit Committee

Rosemary Rodibaugh, Chairman

JoAnn Fish

Lindsey Sexton

Treasurer's Report

BALANCE SHEET 12-31-16

Cash	\$1,068,773
Loans to Members	3,033,795
Allowance for Loan Loss-	(13,619)
Investments	1,100,000
Share Insurance Fund	38,955
Prepaid Items/Other	17,591
Office Equipment	2,364
Accruals	4,181
ARCUSO	9,047
<i>Total</i>	<i>\$5,261,087</i>

Member Share Deposits	\$3,961,979
Dividends Payable	108
Notes & Accounts Payable	679
Accruals	26,770
Regular Reserve	160,224
Undivided Earnings	1,111,327
<i>Total</i>	<i>\$5,261,087</i>

Vehicle loans comprise 56% of our loan portfolio.
401 credit card holders owe a total of \$1,079,053.
For regular loans, 160 borrowers owe an average of \$12,217 down from \$12,844 a year ago.

INCOME STATEMENT 12-31-16

Interest on Loans	\$93,970
Income from Investment	15,022
Income from Credit	117,745
Other Income	<u>7,334</u>
<i>Total</i>	<i>\$234,071</i>

Operating Expense

Personnel	\$125,386
Annual Bond and Ins.	7,244
Depreciation	1,832
CU League Dues	3,842
Office Operations	15,284
Audit Expense	942
Travel & Board Expense	3,749
Credit Card Expense	39,416
Legal Fees	450
Provisions for Loan	7,101
Other	<u>12,550</u>
<i>Total</i>	<i>\$217,296</i>

Net Income *\$16,275*

Less: Dividends 9,946

Net Retained Earnings \$6,329

Credit Committee

The Credit Committee met in 2016 to approve loans, review the delinquent reports and loan officer's reports. There were 88 loans approved totaling \$796,223.94. There were 7 loans denied.

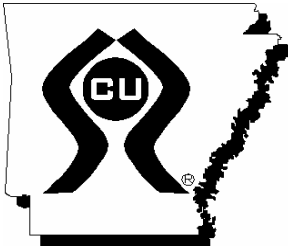
Supervisory Committee

The Supervisory Committee of the Cooperative Extension Service Federal Credit Union members are Beth Phelps, Becky Bridges and Wayne Miller. The supervisory committee works for you, the membership to ensure that the board of directors and officers are providing the services and support you desire and conducting business properly, honestly and accurately.

The Committee met twice in 2016 and individual members of the Committee worked as needed to review the practices and ensure the books were properly maintained. We also hired Credit Union Resources, Inc. to conduct an official audit of the credit union for 2016.

After our examination it is our opinion that your credit union is in sound financial condition and under excellent management. We commend Kim Wiedower and the board of directors for doing a good job on your behalf.

Respectively submitted,
Wayne Miller, Chairman



Mission Statement

Cooperative Extension Service Federal Credit Union is a member-owned financial institution, dedicated to providing its members with courteous, efficient and professional financial services while maintaining the highest ethical standards.



Find us on  <https://www.facebook.com/CESFCU/>

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