

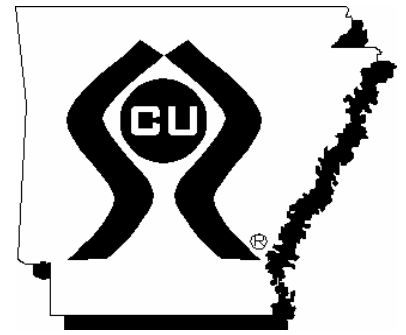
Cooperative Extension Service Federal Credit Union

2301 S. University Avenue

Little Rock, AR 72204

501-671-2037 or 501-671-2038

Fax 501-671-2306



72nd Annual Report

President's Report

In 2017 we ended the year with over 5 million in assets. We accepted 45 new members and now have a total membership of 957.

Competition from auto dealers and other financial institutions is continuing to limit our loan growth. Credit Card loans have decreased slightly from last year. At the end of 2017 43% of our membership had a Credit Union Visa Card.

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 17th Annual Silent Auction in September to raise money for Arkansas Children's Hospital.

We have received a 5 star rating from Bauer Financial for 52 consecutive quarters. This is the highest rating that a financial institution can receive.

We ended 2017 with positive income.

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 2017.

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 ran numerous loan specials during the year and held a membership drive the first part of the year.

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 12-31-17

| | |
|---------------------------|---------------------------|
| Cash | \$699,536 |
| Loans to Members | 3,116,107 |
| Allowance for Loan Losses | (5,139) |
| Investments | 1,400,535 |
| Share Insurance Fund | 39,620 |
| Prepaid Items/Other | 14,777 |
| Office Equipment | 876 |
| Accruals | 4,505 |
| ARCUSO | 9,047 |
| <i>Total</i> | <i>\$5,279,864</i> |

| | |
|--------------------------|---------------------------|
| Member Share Deposits | \$3,950,628 |
| Dividends Payable | 16 |
| Notes & Accounts Payable | 23,699 |
| Accruals | 30,878 |
| Regular Reserve | 160,224 |
| Undivided Earnings | 1,114,419 |
| <i>Total</i> | <i>\$5,279,864</i> |

Vehicle loans comprise 58% of our loan portfolio.
583 credit card holders owe a total of \$1,027,712.
For regular loans, 166 borrowers owe an average of \$12,581 up from \$12,217 a year ago.

INCOME STATEMENT 12-31-17

| | |
|------------------------|-------------------------|
| Interest on Loans | \$89,814 |
| Income from Investment | 22,300 |
| Income from Credit | 117,918 |
| Other Income | <u>11,003</u> |
| <i>Total</i> | <i>\$241,035</i> |

Operating Expense

| | |
|------------------------|-------------------------|
| Personnel | \$138,350 |
| Annual Bond and Ins. | 7,614 |
| Depreciation | 1,488 |
| CU League Dues | 3,958 |
| Office Operations | 14,301 |
| Audit Expense | 1,201 |
| Travel & Board Expense | 3,136 |
| Credit Card Expense | 39,224 |
| Legal Fees | -300 |
| Provisions for Loan | -2,825 |
| Other | <u>22,039</u> |
| <i>Total</i> | <i>\$228,186</i> |

Net Income ***\$12,849***

Less: Dividends 9,758

Net Retained Earnings ***\$3,091***

Credit Committee

The Credit Committee met in 2017 to approve loans, review the delinquent reports and loan officer's reports. There were 110 loans approved totaling \$1,131,226.00. There were 5 loans denied.

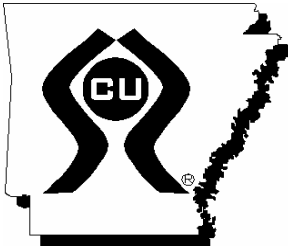
Supervisory Committee

The Supervisory Committee of the Cooperative Extension Service Federal Credit Union is made up of 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 2017 and individual members of the Committee worked as needed to review the practices and ensure the books were properly maintained. We also hired Sullivan & Company, P.A. Certified Public Accountants to conduct an official audit of the credit union for 2017.

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
CES-FCU Supervisory Committee



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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