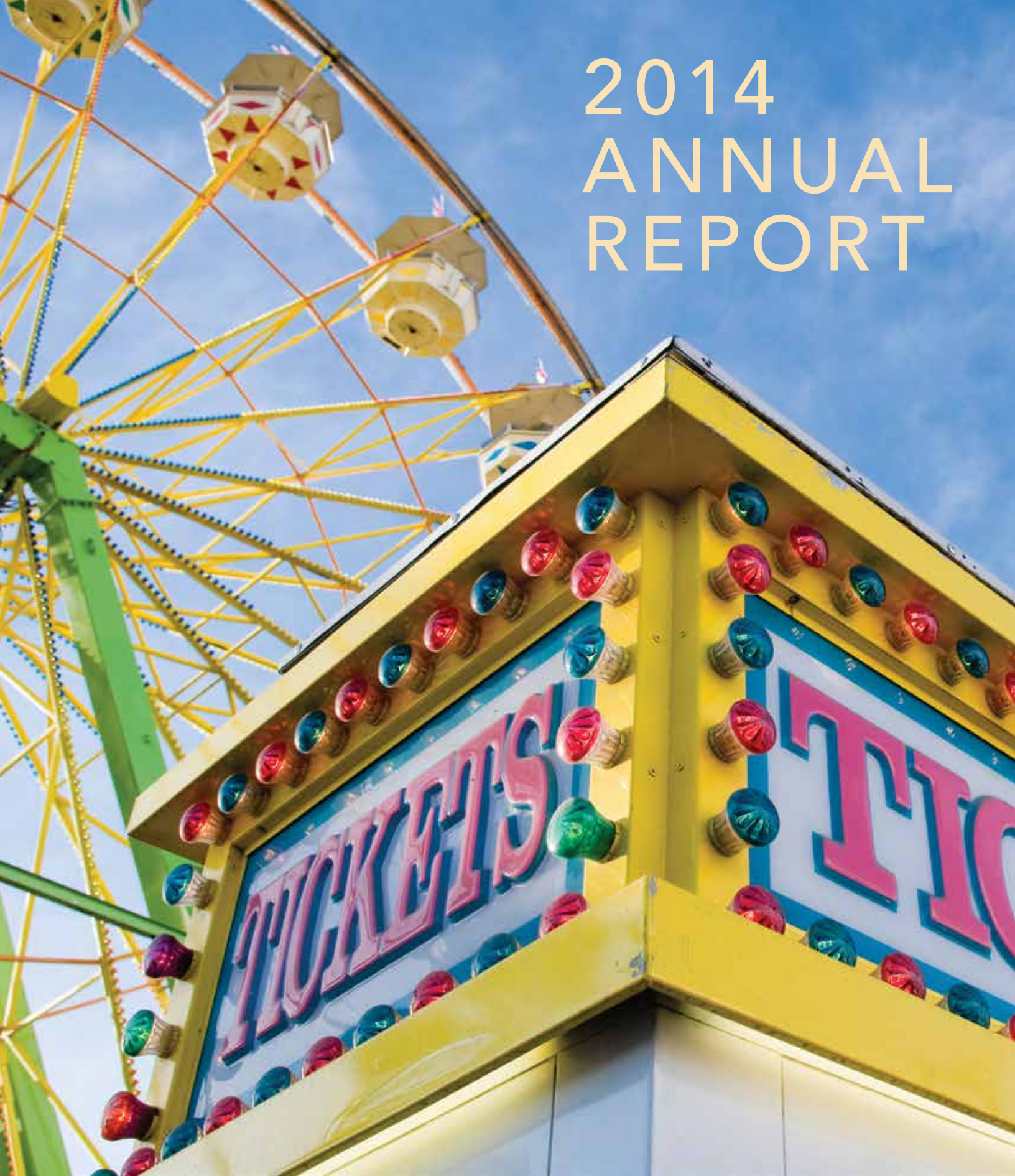


# 2014 ANNUAL REPORT



Federally Insured by NCUA



**Barksdale Federal  
Credit Union™**

*Your Financial Partner for Life™*



# BOARD OF DIRECTORS & PRESIDENT'S REPORT



**Virgil Barnette**  
*Chairman of the Board*



**Rod Taylor**  
*President/CEO*

Looking back at 2014 our net earnings were \$6,260,340. Our assets finished over 1.186 billion from 1.153 billion at the end of 2013, an increase of 2.81%. Membership for 2014 was over 114,000. The total number of dollars our members borrowed from the credit union over the year was in excess of 240 million.

BFCU was an award winning credit union during 2014. Barksdale Federal was voted Best Credit Union, by SB Magazine. Shreveport/Bossier Parish residents voted online at Locals Love Us for their favorite business and gave Barksdale Federal 1st Place for Banking and Personal Loans, as well as 3rd Place in Mortgages and Real-estate. In addition, at the Louisiana Credit Union League Annual Convention we received 1st Place honors for Financial Literacy and Best Newsletter!

In an effort to better serve you, we made moves toward expansion and center improvements in 2014. We purchased property for two new centers, one in Oakdale which opened January 26, 2015 and another on Ellerbe Road, projected to open in 2015. We also broke ground for the building of our new center in DeRidder. Our Market Street Center remodeling project was completed, and we added four new ATM's, one in Alexandria, one in Oakdale and two in Leesville.

During 2014 we focused on new products and services to make banking at home and on the go more cost effective and convenient than ever. A feature called Remote Deposit was developed to enhance Mobile Banking, allowing you to deposit checks from anywhere in the world using your smartphone. Barksdale Federal also implemented a new loan payment system called BFCU Easy Pay. In addition, we offered an introductory VISA® credit card rate for a full year on purchases and balance transfers to all new VISA® credit card holders.

We welcomed some new additions to the BFCU family including Ryan Jacobson, Dick Gregory and 43 Select Employee Groups. Ryan Jacobson is the first Associate Board Member to be added as a result of the Strategic Planning Board Succession Plan. Mr. Dick Gregory offers insurance and investment options to all of our membership through Inlink\*\* and is located at our Northgate Center. The addition of 43 SEGs, including Margaritaville and Benteler Steel, created 2,227 potential new members and brought our SEG total to 1,102!

Throughout 2014 we offered some amazing promotions! With auto loan rates as low as 2.89% APR\* there was substantial growth in Recreational Vehicle and Boat Loans. We booked \$75 million in loans during Motion Promotion. We also held an E-statement Promotion in which one lucky member won \$500! And finally we finished off the year with holiday signature loans – as low as 6.9% APR.

Barksdale Federal values the communities we are part of. In fact, giving back is the foundation in which this institution was built. As our mission has evolved over time, our bond with the communities in which we live, work and worship has too. We are proud of our role in the community and would like to share some highlights from 2014:

- Held Community Shred Days at Eastbank and Airline Centers.
- Participated in Operation A+ Stuff the Bus Project by collecting school supplies for underprivileged youth.
- Taught a financial re-entry program at Davis Wade Correctional Center.
- Donated blood to save lives in our community with Life Share Blood Center.
- Provided newspapers for our veterans hospitalized at Overton Brooks Hospital.
- Awarded \$6000 in scholarships to 4 deserving high school seniors.
- Donated a total of \$293,000 back to the community.

\*Annual Percentage Rate

\*\*All products are offered through Inlink, Inc and are not NCUA or federally insured, products offered are not obligations of the credit union, are not guaranteed by the credit union, and involve investment risk.



#### BOARD OF DIRECTORS

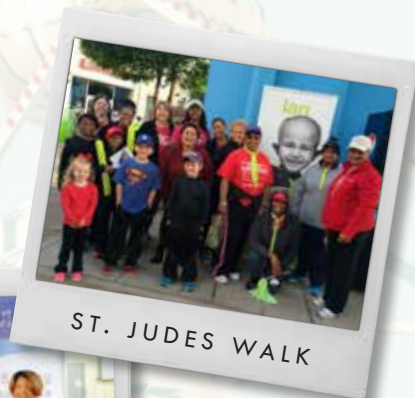
**Back Row:**

Arno Easterly  
Keith Fontenot  
Al Oar  
Bernie Hawk

**Front Row:**

Roy Walling  
Virgil Barnette  
Charlene Ringler

Not just  
Clowning  
around.



ST. JUDES WALK



LA HAYRIDE AND  
BLOCK PARTY



PAINT YOUR  
HEART OUT



ROCK THE SUMMER



BREAST CANCER  
AWARENESS WALK



BAFB APPRECIATION  
DAY PICNIC



ALZHEIMERS  
ASSOCIATION WALK



CENLA WALK



# SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is a group of volunteers appointed by the Board of Directors. We are charged with an integral role in maintaining the financial integrity and stability of the credit union. This responsibility becomes increasingly important as credit union services and finances become more complex. Uncertain economic conditions and accelerated federal regulatory changes have also compounded the need for ongoing monitoring of the credit union's safety and soundness. The Committee is further charged with the responsibility to ensure adherence to applicable regulations and management's policies and procedures, as governed by the Board of Directors. In addition, we oversee the audit department and external auditing agencies such as the CPA firm and IT security testing. The Committee strives to ensure that members are provided a great quality of service by always being available to members concerning any questions or concerns regarding their accounts.

The CPA firm of Mark Ford CPA, LLC performed the annual audit of the credit union's system of internal control and the accuracy and reliability of the financial records. The audit report of the 2014 financial records is included in this brochure. The results of the external financial audit concluded that the credit union's financial statements present fairly the financial position of the credit union and the results of its operations and cash flows. The services of Ingalls Information Security, LLC and TraceSecurity, Inc. were engaged throughout the year to provide reasonable assurances that the credit union meets security and risk management requirements regarding the data system and associated member information.

Based upon the results of the external audit performed by Mark Ford CPA, LLC, the examination performed by the National Credit Union Administration, the results of our external information security auditors, and the body of work performed by the Internal Audit department, it is the opinion of the Supervisory Committee that the financial condition of Barksdale Federal Credit Union continues to remain very strong. This strong financial position allowed the Board of Directors to once again declare a bonus dividend for savings accounts and approve a rebate to our members of a portion of the interest paid on their loans. These positive results are a direct reflection of the hard work performed by our employees and your support as members of this credit union.

It is also our responsibility to report that two director positions are expiring this year. The nominating committee submitted the following names of incumbent directors: Mr. Alvin C. Oar and Mr. Arno J. Easterly, Jr. Since there were no further nominations received by petition according to the by-laws of the credit union the nominated directors will serve a term of three years. On behalf of the Supervisory Committee, we thank you for your time and contributions to Barksdale Federal Credit Union.



**Steve J. Stakes**

*Chairman of the Supervisory Committee*

Committee Members: John Spillane, John Hays, and Jim Mole

# INDEPENDENT AUDITOR'S REPORT

## MARK FORD, CPA, LLC

9253 Wallace Lake Road  
Shreveport, Louisiana 71106  
(318) 688-7006 FAX (318) 688-7016  
e-mail: markfordcpa@gmail.com

To the Board of Directors of  
Barksdale Federal Credit Union

I have audited the accompanying financial statements of Barksdale Federal Credit Union (the Credit Union), which comprise the statements of financial condition as of December 31, 2014 and 2013, and the related statements of income, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

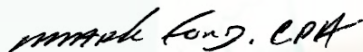
My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Barksdale Federal Credit Union as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



**Mark Ford, CPA, LLC**

Shreveport, Louisiana

February 26, 2015

# BARKSDALE FEDERAL CREDIT UNION

## STATEMENTS OF FINANCIAL CONDITION

### DECEMBER 31, 2014 AND 2013

*(in thousands)*

#### ASSETS

	<u>2014</u>	<u>2013</u>
Cash	\$ 165,447	\$ 107,886
Interest bearing deposits with financial institutions	54,153	52,663
Investments		
Held to maturity investments		
(fair value of \$313,098 in 2014 and \$357,610 in 2013)	315,433	363,597
Corporate credit union investments and other investments	3,952	3,640
Loans receivable, net of allowance for loan losses of \$6,317 in 2014 and \$5,169 in 2013	603,025	582,673
Other receivables	1,076	1,228
Accrued income	2,801	3,067
Prepaid and deferred expense	750	713
Property, plant and equipment net of accumulated depreciation totaling \$22,465 in 2014 and \$21,560 in 2013	27,522	26,727
NCUA Share insurance fund deposit	10,065	9,936
Other assets	<u>1,863</u>	<u>1,578</u>
 TOTAL ASSETS	 <u>\$1,186,087</u>	 <u>\$ 1,153,708</u>

#### LIABILITIES & MEMBERS' EQUITY

Liabilities:		
Members' share and savings accounts	\$ 1,063,641	\$ 1,037,079
Accounts payable	894	1,395
Dividends payable	17	17
All other liabilities	<u>4,209</u>	<u>4,151</u>
Total Liabilities	<u>1,068,761</u>	<u>1,042,642</u>
 Members' Equity:		
Regular reserves	46,891	44,016
Undivided earnings	<u>70,435</u>	<u>67,050</u>
Total Members' Equity	<u>117,326</u>	<u>111,066</u>
 TOTAL LIABILITIES AND MEMBERS' EQUITY	 <u>\$ 1,186,087</u>	 <u>\$ 1,153,708</u>

The Statements of Financial Condition and Statements of Income are shown for illustrative purposes only. The related footnotes to the financial statements, which are an integral part of these financial statements and should be considered as a whole, are available for review at Barksdale Federal Credit Union offices.

# BARKSDALE FEDERAL CREDIT UNION

## STATEMENTS OF INCOME FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

*(in thousands)*

	<u>2014</u>	<u>2013</u>
Interest Income		
Loans receivable	\$ 31,330	\$ 30,112
Interest bearing deposits with financial institutions	543	550
Held to maturity investments	4,261	4,495
Corporate credit union investments and other investments	<u>342</u>	<u>228</u>
Total Interest Income	<u>36,476</u>	<u>35,385</u>
Cost of Funds		
Dividends on members' share and savings accounts	<u>6,861</u>	<u>7,715</u>
Total Cost of Funds	<u>6,861</u>	<u>7,715</u>
Net Interest Income	29,615	27,670
Less provision for loan losses	<u>6,040</u>	<u>3,490</u>
Net interest income after provision for loan losses	<u>23,575</u>	<u>24,180</u>
Non-Interest Income		
Mortgage fees and charges	1,294	1,316
Other member fees and charges	19,557	18,028
Other miscellaneous income	<u>182</u>	<u>378</u>
Total Other Operating Income	<u>21,033</u>	<u>19,722</u>
Operating Expense		
Compensation	14,319	13,797
Employee benefits	4,027	3,692
Travel and conference expense	385	386
Association dues	144	130
Office occupancy expense	2,100	2,083
Office operations expense	8,416	8,020
Educational and promotional expense	1,281	1,491
Loan servicing expense	779	662
Professional and outside services	3,876	3,863
Federal examination fee	213	253
Depreciation	1,925	2,076
Members' insurance	118	284
NCUA corporate stabilization assessment	-	506
Miscellaneous operating expense	<u>779</u>	<u>841</u>
Total Operating Expenses	<u>38,362</u>	<u>38,084</u>
NET INCOME FROM OPERATIONS	6,246	5,818
Other Non-Operating Income (Loss)	<u>14</u>	<u>-</u>
NET INCOME	<u>\$ 6,260</u>	<u>\$ 5,818</u>

The Statements of Financial Condition and Statements of Income are shown for illustrative purposes only. The related footnotes to the financial statements, which are an integral part of these financial statements and should be considered as a whole, are available for review at Barksdale Federal Credit Union offices.



# Barksdale Federal Credit Union™

*Your Financial Partner for Life™*

## CENTER LOCATIONS

### ADMINISTRATIVE CENTER

2701 Village Lane  
Bossier City, LA 71112

### AIRLINE CENTER

2321 Airline Drive  
Bossier City, LA 71111

### ALEXANDRIA CENTER

3500 Jackson Street  
Alexandria, LA 71303

### BARKSDALE CENTER

700 Northgate Road  
Bossier City, LA 71112

### BLANCHARD CENTER

200 Main Street  
Blanchard, LA 71009

### COTTON VALLEY CENTER

106 Resident Street  
Cotton Valley, LA 71018

### DeRIDDER CENTER

1995 N. Pine Street  
DeRidder, LA 70634

### EASTBANK CENTER

1560 East 70th Street  
Shreveport, LA 71105

### FORT POLK CENTER

Bellrichard Avenue, Bldg. 825  
Fort Polk, LA 71459

### JONESBORO-HODGE CENTER

1026 South First Street  
Hodge, LA 71247

### LEESVILLE CENTER

604 South Sixth Street  
Leesville, LA 71446

### LINTON ROAD CENTER

115 W. Linton Blvd.  
Benton, LA 71006

### MANSFIELD ROAD CENTER

9134 Mansfield Road  
Shreveport, LA 71118

### MARKET STREET CENTER

519 Market Street  
Shreveport, LA 71101

### MORTGAGE CENTER

720 Northgate Road  
Bossier City, LA 71112

### OAKDALE CENTER

1700 East Whatley Road  
300 East 7th Avenue  
Oakdale, LA 71463

### PINES ROAD CENTER

6790 Pines Road  
Shreveport, LA 71129

### SOUTH BOSSIER CENTER

5490 Barksdale Blvd  
Bossier City, LA 71112

### STOCKWELL ROAD CENTER

551 Stockwell Road  
Bossier City, LA 71111

### INTERNET CENTER

[www.bfcu.org](http://www.bfcu.org)

#### Rod Taylor

President/CEO

#### Patrick Gullatt

Executive Vice President/COO

#### John Weaver

Senior Vice President/CFO

#### Dale Bickham

VP of Retail Operations, Northern Region

#### Margaret Carlisle

VP of Retail Operations, Southern Region

#### Cordieann Bright

VP of Mortgage Lending

#### Melissa Couch

VP of Business Development

#### Chas Dickson

VP of Risk Management

#### Jon Dipboye

VP of Information Services

#### Evelyne Epperson

VP of Consumer Lending

#### Deanna Geissler

VP of Business Services

#### Karen Hemperley

VP of Loss Prevention & Recovery

#### Teresa Poulsen

VP of Operations

#### Allison Prewett

VP of Marketing

#### Tanya Scripture

VP of Accounting

#### Murphy Shelton

VP of Internal Audit

#### Rose Suire

VP of Human Resources



1-800-647-2328 | 318-549-8240 | [WWW.BFCU.ORG](http://WWW.BFCU.ORG)

