

CALLING ALL SUPERHEROES

WE LOVE OUR
MEMBERS



MEANWHILE, AT THE ANNUAL MEETING...

2016 | ANNUAL REPORT

POW!

FEDERALLY INSURED BY NCUA



**Barksdale Federal
Credit Union™**

Your Financial Partner for Life™

CHAIRMAN AND PRESIDENTS REPORT

CALLING ALL SUPERHEROES!

We've searched high and low, near and far, to *infinity* and beyond to assemble the most marvelous group of superheroes we could find! We are honored to serve our members and we thank you for choosing us! You are the reason we love what we do!

WE'RE IN THIS TOGETHER!

As a not-for-profit credit union we exist solely to serve our members. Every account holder owns a share of Barksdale Federal which means, you each have a voice! Last year, 880 members graciously completed our member satisfaction survey. We've tallied the results and are proud to say, we have a 77.15% member satisfaction rate, which is consistently above our peer average of 65%.

We took the feedback you gave us and put it to good use. You asked for more centers, so we built our Ellerbe Road location. In addition, we've made banking more convenient for the men and women of Barksdale AFB by opening a center inside the BX on base. You told us you'd like lower rates, so we held special promotions like Auto Loans as low as 2.39% with no payments for 90 days and a 1.99% introductory rate Visa Credit Card with free balance transfer.

In 2016, our assets grew by 2.33% to \$1.26 billion. We welcomed more than 3,300 new members to our credit union bringing our membership total to more than 120,000. Thanks to our loyal members our earnings reached \$4,549,906 last year. This continuous steady growth is beneficial because as we grow, we are able to develop new products, improve existing ones, ultimately saving you money and making banking more convenient.

LENDING A HELPING HAND.

We make it our mission to become your financial partner for life. From opening your first savings account to buying your first home and everything in between. We are pleased to offer the best rates in town because we want to help you reach your financial goals. Our members borrowed a total of \$270 million from the credit union last year. These loans helped over 600 members build, buy or remodel their homes and purchase over 6,300 vehicles.

GOING ABOVE THE CALL OF DUTY

Our employees are passionate about changing lives and have huge hearts for our communities. With 51% volunteerism, we are far above the national average of 25%. In 2016 we were blessed with the ability to donate \$312,000 (over \$27,000 coming directly from employee donations) and 1,360 hours to local schools, charities and causes in the communities we are so proud to be part of!

In 2016, our employees devoted 90 hours teaching business and economic education classes to local youth through Junior Achievement. Over 800 school supplies were donated to Operation A+ Stuff the Bus. The credit union gave out \$6,000 in scholarships to local students attending college. We donated 740 cans of non-perishables to local food pantries and 245 bags of clothing! Through Life Share Blood Center, our employees saved the lives of 34 community members with blood donations.

We had the pleasure of hosting free community events like BFCU Shred Days, where members were able to shred paperwork they no longer needed! And, we held our very first Barksdale Buddy Bash, an event where all Barksdale Buddy Savings account holders were invited to a free day of fun at Splash Kingdom Water Park!

In 2016, we were an award-winning credit union! Our employees were nationally recognized for their dedication to health and fitness with the Total Health Thriving Award through Humana Health Services. We were also named the J. Pat Beird Industry of the Year by the Shreveport Chamber of Commerce. SB Magazine and The Times honored us with the title of Best Credit Union. And, thanks to you and fellow community members, we were voted #1 in both Banking and Personal Loans through Locals Love Us Shreveport/Bossier!

YOU ARE OUR SUPERHEROES!

Whether you're a student, parent, or grandparent we are incredibly humbled to be the credit union you've chosen. We'd especially like to thank our first responders including police officers, firefighters, paramedics and military members for their dedication and service. We are truly honored to be your credit union!



STATEMENTS OF FINANCIAL CONDITION

DECEMBER 31, 2016 AND 2015

(In Thousands)

ASSETS

Assets:

| | 2016 | 2015 |
|---|------------|------------|
| Cash and cash equivalents | \$ 117,799 | \$ 142,003 |
| Interest bearing deposits with financial institutions | 50,984 | 51,182 |
| Investments | | |
| Held to maturity investments | 321,863 | 334,110 |
| Available for sale investments | 22,518 | 21,794 |
| Corporate credit union investments and other investments | 6,186 | 7,610 |
| Loans receivable net of allowance for loan losses of \$6,253 in 2016 and \$6,193 in 2015 | 690,705 | 626,502 |
| Other receivables | 1,645 | 1,092 |
| Accrued income | 2,835 | 2,688 |
| Prepaid and deferred expense | 888 | 709 |
| Property, plant and equipment net of accumulated depreciation totaling \$22,505 in 2016 and \$23,996 in 2015 | 30,825 | 30,337 |
| NCUA Share Insurance Fund deposit | 10,656 | 10,327 |
| Credit union owned life insurance | 3,727 | 3,758 |
| Other assets | 2,092 | 1,824 |

TOTAL ASSETS

\$ 1,262,723 \$ 1,233,936

LIABILITIES AND MEMBERS' EQUITY

Liabilities:

| | | |
|-------------------------------------|--------------|--------------|
| Members' share and savings accounts | \$ 1,126,982 | \$ 1,106,723 |
| Accounts payable | 1,534 | 1,287 |
| Dividends payable | 17 | 17 |
| Other liabilities | 7,664 | 4,490 |
| Total Liabilities | 1,136,197 | 1,112,517 |

Members' Equity:

| | | |
|--|---------|---------|
| Regular reserve | 52,770 | 49,766 |
| Undivided earnings | 73,681 | 72,135 |
| Accumulated other comprehensive income or (loss) | 75 | (482) |
| Total Members' Equity | 126,526 | 121,419 |

TOTAL LIABILITIES AND MEMBERS' EQUITY

\$ 1,262,723 \$ 1,233,936

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.



STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(In Thousands)

| | 2016 | 2015 |
|--|-----------------|-----------------|
| Interest Income | | |
| Loans receivable | \$ 31,712 | \$ 30,771 |
| Interest bearing deposits with financial institutions | 550 | 517 |
| Held to maturity investments | 4,954 | 4,422 |
| Available for sale investments | 312 | 233 |
| Corporate credit union investments and other investments | 495 | 398 |
| Total Interest Income | <u>38,023</u> | <u>36,341</u> |
| Cost of Funds | | |
| Dividends on members' share and savings accounts | 6,154 | 6,436 |
| Total Cost of Funds | <u>6,154</u> | <u>6,436</u> |
| Net Interest Income | 31,869 | 29,905 |
| Less provision for loan losses | 5,145 | 4,855 |
| Net interest income after provision for loan losses | <u>26,724</u> | <u>25,050</u> |
| Non-Interest Income | | |
| Mortgage fees and charges | 926 | 948 |
| Other member fees and charges | 20,862 | 20,086 |
| Other miscellaneous income | 281 | 109 |
| Total non-interest income | <u>22,069</u> | <u>21,143</u> |
| Operating Expense | | |
| Compensation | 15,828 | 15,079 |
| Employee benefits | 5,527 | 4,609 |
| Travel and conference expense | 338 | 454 |
| Association dues | 143 | 144 |
| Office occupancy expense | 2,215 | 2,217 |
| Office operations expense | 9,844 | 8,962 |
| Educational and promotional expense | 1,347 | 1,375 |
| Loan servicing expense | 1,008 | 897 |
| Professional and outside services | 4,589 | 4,316 |
| Federal examination fee | 225 | 217 |
| Depreciation of property, plant and equipment | 2,079 | 1,998 |
| Miscellaneous operating expense | 1,103 | 1,352 |
| Total Operating Expenses | <u>44,246</u> | <u>41,620</u> |
| NET INCOME FROM OPERATIONS | 4,547 | 4,573 |
| Other Non-Operating Income | 3 | 2 |
| NET INCOME | <u>\$ 4,550</u> | <u>\$ 4,575</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.



SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is a group of volunteers appointed by the Board of Directors. We are charged with working with the Internal Audit department, the credit union's management team, and the Board of Directors to ensure the credit union operates in a safe and sound manner and in the best interests of our membership. 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 several external auditing agencies, such as the CPA firm, IT security testing firm, and business lending review firm. The Committee also reviews and handles complaints submitted through the National Credit Union Administration Consumer Assistance Center. We strive 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. We remain committed to you and to the mission and values that have made Barksdale Federal what it is today.

The CPA firm of Heard, McElroy & Vestal, LLC performed the annual audit of the credit union's system of internal controls and the accuracy and reliability of the financial records. The results of the external financial audit concluded that the credit union's financial statements fairly present the financial position of the credit union and the results of its operations and cash flows. The services of Ingalls Information Security, LLC 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. The Committee also engaged Credit Union Business Group to review the member business loan portfolio for credit quality purposes.

Based upon the results of the external audit performed by Heard, McElroy & Vestal, LLC, the examination performed by the National Credit Union Administration, the results of our other external audit engagements, and the body of work performed by the Internal Audit department, it is the opinion of the Supervisory Committee that the financial condition and internal controls of Barksdale Federal Credit Union continue to remain very strong. 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. Roy Walling and Mrs. Charleene Ringler. Since no further nominations were 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 are grateful for the opportunity to serve you.



Steve J. Stakes

Chairman, BFCU Supervisory Committee

Committee Members

John Spillane
John Hays
Jim Mole
Ryan Jacobsen



BOARD OF DIRECTORS

The board of directors is the top managing body of your credit union. Each member serves as a volunteer, elected by the credit union membership, and receives no monetary compensation for their service.

On behalf of the board of directors, management and staff, we say "thank you" for your continued confidence in Louisiana's largest financial cooperative. We pledge to provide the best financial services.



VIRGIL C. BARNETTE - CHAIRMAN

Retired CMSGT from Barksdale Air Force Base. Broad management background in financial and engineering areas with education in Business Administration. Retired Deputy Chief of Civil Engineering Operations at Barksdale AFB. Serves as

Chairman, Board of Directors.



AL OAR - 1ST VICE CHAIRMAN

Retired Chief Master Sergeant from Barksdale AFB, November 1992 after serving 30 years in the United States Air Force. He has served on the Board of Directors since 1988 and served eight years on the Loan Policy Committee. He holds a degree in Applied Science & Personnel

Administration, and a BS in Business Management. He retired from Overton Brooks VA Medical Center. He is an active member of Shady Grove Baptist Church. He is a member of the American Legion and lifetime member of the Air Force Sergeants Association. He is also a member of the Bossier Sheriff's Posse. Married to the former Linda Ross of Shreveport with two children, a son, a daughter and four grandchildren.



BERNIE HAWK - 2ND VICE CHAIRMAN

Retired United States Air Force in the grade of SMSgt. Served from December 1958 to December 1986. Employed Air Force civil service as the Support Group Executive Officer, and 2 Bomb Wing Protocol Officer Jul 87 - May 2001.

Education: High School. Does volunteer work with Barksdale Air Force Base Pharmacy. Member of the Board, Barksdale FCU. Serves on the BFCU Supervisory Committee. Member of Bossier Council of Aging. Member of Shady Grove Baptist Church, Sunday School Superintendent, and Usher. Mr. Hawk is married to Fern Stringer Hawk. They have one daughter, Tammy Nechelle.



ROY E. WALLING - SECRETARY/ TREASURER

Roy Walling is the Retired Accounting and Finance Officer with Barksdale Air Force Base with over 35 years Accounting experience. He received a Bachelor of Science in Accounting from Louisiana Tech University. He served four years in

the U.S. Army 11th Airborne Division. Mr. Walling was the Past Chairman and Vice Chairman of the Board of Directors and member of the Supervisory Committee. Also serving as a Director on the Louisiana Credit Union League and serving as Commissioner in Charge for the Caddo Parish Clerk of Court during elections. Married for over sixty years to the former Barbara Jean Arnold of Oil City. They live in Blanchard, Louisiana and attend Westview Christian Church where he has served as an Elder, Deacon, and Sunday School Teacher.





**ROBERT KEITH FONTENOT -
DIRECTOR**

Retired SMSgt from Barksdale AFB in 1995, and recently retired from Overton Brooks VA Medical Center as the Operation Enduring Freedom/Operation Iraqi Freedom (OEF/OIF) Transition Patient Advocate. He served on BFCU's Supervisory

Committee from 1997 to 2000 and as Chairman of the Loan Policy Supervisory Committee from 1991 to 1997. Mr. Fontenot has an Associate Degree in Applied Sciences. He received an Advanced Degree in Biblical Studies. He is a member of the Disabled American Veterans. Commander of the American Legion Post 191 in Bossier City. He and his wife Kay have three children and five grandchildren. He is an active member of Shady Grove Baptist Church in Bossier City.



CHARLEENE RINGLER - DIRECTOR

Charleene Ringler retired December 2001 from Barksdale FCU after 35 years of dedicated service. She ended her career as Senior Vice President/CAO with responsibilities for human resource, funds investment and facilities. Continuing her service

to the credit union, Charleene was appointed to the Supervisory Committee in 2006 and was Chairman prior to her appointment to the Board of Directors in 2010. She has seen the credit union grow in assets from \$5M to over \$1.2Billion and from one location to 20 locations. She was active in several business organizations throughout the years. During these years, she attended LSUS and BPCC and completed the Certified Credit Union Executive program. She was born and raised in the Piney Woods of East Texas and has spent the last 46 years as a resident of the Bossier/Haughton area. She is the mother of four, grandmother of three and great grandmother of one. Married to LTC William (Bill) Ringler, USAF, Retired.



ARNO EASTERLY - DIRECTOR

Mr. Easterly was President & CEO of Barksdale Federal Credit Union from 1984 to 2008 and has served as Supervisory Chairman. Arno has received numerous awards including the Louisiana Credit Union League's Distinguished Service, Political Action &

Executive of the Year recognition and in 2004 was awarded the National Association of Federal Credit Unions (NAFCU) Executive of the Year. He also received Outstanding Business Person of the Year for 2006 from the Bossier Chamber of Commerce. He served 6 years in the Army Reserve and was called up for 11 months in 1961 during the "Berlin Crisis". While on active duty he was promoted to Sergeant First Class and was awarded the Army Commendation Metal for meritorious service. Arno is active in the Airline Baptist Church in Bossier City. He was Chairman of the Building Steering Committee for the current building, is Immediate Past Chairman of Deacons and teaches the Sunday school class of oldest men. He enjoys woodworking, home improvement, walking and bible reading. Mostly he enjoys time with his wife Clara, their two living sons, Arno III and Darren 4 grandchildren.





**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

BX Center
455 Curtiss Road
Bldg 4711 BAFB, LA 71110

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

Ellerbe Center
9475 Ellerbe Road
Shreveport, LA 71106

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 Boulevard
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
300 East 7th Avenue
Oakdale, LA 71463

Pines Road Center
6790 Pines Road
Shreveport, LA 71129

South Bossier Center
5490 Barksdale Boulevard
Bossier City, LA 71112

Stockwell Road Center
551 Stockwell Road
Bossier City, LA 71111

Internet Center
www.bfcu.org

EXECUTIVE TEAM

Rod Taylor
President/CEO

Patrick Gullatt
Executive Vice President/
COO

John Weaver
Senior Vice President/CFO

Dale Bickham
Vice President of
Retail Operations,
Northern Region

Melissa Couch
Vice President of
Business Development

Chas Dickson
Vice President of
Risk Management

Allison Dipboye
Vice President of
Marketing

Jon Dipboye
Vice President of
Information Services

Evelyn Epperson
Vice President of
Consumer Lending

Deanna Geissler
Vice President of
Business Services

Teresa Hall
Vice President of
Mortgage Lending

Karen Hemperley
Vice President of Loss
Prevention and Recovery

Teresa Poulsen
Vice President of
Operations

Tanya Scripture
Vice President of
Accounting

Murphy Shelton
Vice President of
Internal Audit

Rose Suire
Vice President of
Human Resources

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