



A World of

Opportunities



Electric Cooperatives
Federal Credit Union

2012

ELECTRIC COOPERATIVES
FEDERAL CREDIT UNION
ANNUAL REPORT



MISSION STATEMENT

Electric Cooperatives Federal Credit Union is a member owned financial cooperative dedicated to providing sound competitive financial services in a professional, responsible and caring manner for all members, while maintaining strong financial stability.

VISION STATEMENT

Electric Cooperatives Federal Credit Union is looking at the long-term future of its operation. Our positive attitude and our commitment to all members is our greatest strength.

The Board and staff realize the need to modernize and expand our service offering, while maintaining our “personal touch.”

2012 BOOK OF REPORTS

BOARD OF DIRECTORS

Amy Whitson, Chairman
Hayley Tibbs, Vice Chairman
Steve Hall, Secretary/Treasurer
Rose Vines, Director
William (Bill) Conine, Director
Ronnie Frizzell, Director
Forest Kessinger, Director
Greg Smith, Director
Billie Pyle, Director

SUPERVISORY COMMITTEE

Ken Bland, Chairman
Steve Williams
Jay Logan

CREDIT UNION STAFF

Windy Campbell, President/CEO
Patsy Baldwin, Office Manager/Accounting
Lauren Rowland, Loan Officer
Sarah Hutchens, Member Service Rep/Teller

AECC Bailey Power Plant
AECC Fitzhugh Power Plant
AECC McClellan Power Plant
AECC Magnet Cove Generating Station
AECC Little Rock
AECI Little Rock
Arkansas Valley Electric
Ashley-Chicot Electric
C&L Electric
Carroll Electric
Clay County Electric
Craighead Electric
First Electric
Mississippi County Electric
North Arkansas Electric
Ouachita Electric
Ozark Electric
Petit Jean Electric
Rich Mountain Electric
South Central Electric
Southwest Arkansas Electric
Woodruff Electric
ERMCO
Southwest Power Pool

AGENDA

- I. Call to Order
- II. Confirm a Quorum
- III. Approval of Previous Meeting Minutes
- IV. Reports
 - a. Chairman
 - b. Supervisory Committee
 - c. Nominating Committee
 - d. President
 - e. Treasurer
- V. Old Business
- VI. New Business
- VII. Door Prizes
- VIII. Adjournment

CALL TO ORDER

The Membership of the Electric Cooperatives Federal Credit Union met on March 28, 2012. The Annual Meeting convened in the Employee Meeting Room in the Harry Oswald Building, 1 Cooperative Way, Little Rock, AR. After viewing a short video on the history of Arkansas Children's Hospital, and a brief address by President Campbell, the meeting was called to order at 3:15 p.m. by Chairman Vines.

CONFIRMATION OF A QUORUM

After examination of those members in attendance, Secretary Tibbs reported to Chairman Vines the presence of a quorum.

MINUTES FROM THE PREVIOUS MEMBER MEETING

On a motion and second by voice vote, the membership voted to adopt the Minutes from the 2011 Annual Meeting. Motion carried.

REPORTS

On a motion and second by voice vote, the membership voted to dispense with the presentation of the financial reports. Motion carried.

Nominating Committee Member Alice Eason presented the Committee Report. The Committee was composed of Chairman Alice Eason, Bill Peters, David Smith, and Mel Coleman.

THE COMMITTEE NOMINATED THE FOLLOWING SLATE OF CANDIDATES:

- Amy Whitson – (3) year term
- Steve Hall – (3) year term
- Billie Pyle – (1) year term

Following the Committee's Report, Chairman Vines made three (3) calls for additional nominations from the floor. There being none, Chairman Vines asked for a motion to vote these candidates to the Board, a motion was made and seconded by voice vote. Motion carried.

DOOR PRIZES

Through a random drawing, token door prizes were awarded to certain membership in attendance.

ADJOURNMENT

With no additional business to come before the Annual Meeting, Chairman Vines declared the Annual Meeting adjourned at 3:25 p.m.

Respectfully submitted,
Hayley Tibbs, Secretary
Rose Vines, Chairman

CHAIRMAN'S REPORT

The Board of Directors is pleased to report that Electric Cooperatives Federal Credit Union (ECFCU) continues to provide dependable and convenient services to its member while maintaining a strong financial stability. In the last year we have provided to the employers who have the High Deductible Health Plan, a Health Saving Account (HSA) for our members. The HSA's continue to increase and we currently have over 470 accounts.

As always, the credit union is committed to helping our members by offering loans, HSAs, a free ATM network and online services. We have brought the credit union closer to the members by placing remote check printers at almost all the co-ops. The member can close their loans or get a check from their account printed on site.

During 2012, ECFCU has worked diligently to protect your assets and continue to build a strong financial institution to serve our growing needs. As of December 31, 2011, the credit union's total assets were \$10,906,202.63 with a total of 2,345 members. Thank you to all our members who are our biggest investments.

SUPERVISORY COMMITTEE

As required, the Supervisory Committee had an audit of the book of accounts and subsidiary records of the credit union performed for calendar year 2012.

The firm of Sullivan & Company, P.A. performed the audit in accordance with generally accepted auditing standards. The credit union received an unqualified opinion and Sullivan & Company's opinion states, "in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Electric Cooperatives Federal Credit Union as of December 21, 2012 and 2011, and the results of its operations and its cash flows for years then ended in conformity with accounting principles generally accepted in the United States of America."

Respectively submitted,
Ken Bland
Chairman

NOMINATING COMMITTEE

The nominating committee (W.H. Frizzell, Kevin Brownlee and Alice Eason) offers the following nominations for election to the board of directors of the Electric Cooperatives Federal Credit Union.

Greg Smith – C & L Electric Cooperative for a three (3) year term

Hayley Tibbs – South Central Arkansas Electric Cooperative
for a three (3) year term

Ronnie Frizzell – AECC/AECI for a three (3) year term

For the Committee,
Alice Eason

PRESIDENT'S REPORT

Electric Cooperatives Credit Union was organized in 1959. By March of 1979, the Credit Union became a Federal institution and changed its name to Electric Cooperatives Federal Credit Union (ECFCU). This allowed the credit union to better serve its members with different products and services. Over the past fifty (50) plus years, I am proud to say that ECFCU is still going strong as a member owned financial cooperative.

Over the past five years we have seen ECFCU grow not only in members (2,345), but also in assets (10.9 million). We also have seen an increase in our members taking advantage of more of the products and services we have to offer, thereby increasing their savings. One such product is the Health Savings Account (HSA). We have over 400 HSA's and look forward to opening more in the coming years.

In 2012 ECFCU shows a small decline in new loans, and a substantial increase in deposits. We also see that our delinquency ratio of 1.58% (with a net charge off) to average loan ratio of .25% shows a good loan quality this past year. Even though we have made fewer loans, we have continued to make better quality loans with fewer delinquencies.

It is our goal in the coming year to review our loan options and find new ways to provide quality loans at the lowest rate possible. As always, we want to invest in our members first, so think about ECFCU when looking for your next loan. On behalf of management and staff, I would like to say thank you for being a member. We look forward to continuing to provide a safe, trustworthy, friendly and professional credit union for you.

Respectfully submitted

Windy Campbell, President/CEO

TREASURER'S REPORT

As of December 31, 2012, Electric Cooperatives Federal Credit Union held total assets of \$10,906,202.63. This is an increase of \$546,075 from 2011. Of the total assets, loans to members account for \$6,541,945 while investments contributed \$1,969,511. Other smaller asset classifications accounted for the remainder. The credit union holds reserves of \$280,771 and undivided earnings of \$785,124.

Operating income for 2012 was \$742,233 with operating expenses of \$596,037 and dividend expenses of \$31,302. This resulted in a net income in 2012 of \$114,894. Your credit union board closely monitors expenses to insure that the membership receives the best possible value for the programs being offered. The credit union must balance the desire to charge low lending rates, with the need to pay competitive returns on share and share certificate deposits, while maintaining a strong financial position.

On behalf of those involved in providing credit union services, I wish to express our appreciation to you, the membership, for your continued loyalty to Electric Cooperatives Federal Credit Union.

Respectfully submitted,

Secretary-Treasurer, Steve Hall

ELECTRIC COOPERATIVES FEDERAL CREDIT UNION

FINANCIAL STATEMENT

DECEMBER 31, 2012

ASSETS

Loans	\$6,514,944.76
VISA Loans	620,509.06
Allowance Loan Loss	(64,489.11)
SUBTOTAL	\$7,070,964.71
Accounts Receivables	\$24,591.00
Cash Accounts	1,688,107.24
Investment Accounts	1,969,511.00
Accrued Interest	28,860.05
Prepaid Expenses	7,408.27
Furniture & Fixture	118,617.23
Depreciation Furn/Fixt	(95,212.94)
NCUA Assets	80,365.30
TOTAL ASSETS	\$10,906,202.63

LIABILITIES

Accounts Payable	\$32,477.80
Accrued Div Payable	0.00
Accounts Payable Taxes	216.23
Accrued Payables	53,113.65
NCUA Stabilization	0.00
ACH/Share Draft/Payroll Suspense	(882.05)
Shares	3,277,930.96
Money Market	2,093,449.86
Share Draft Accounts	1,468,387.43
Health Savings Accounts	733,606.07
Share Certificates	960,352.04
IRA Accounts	1,221,655.93
Reserve	280,770.65
Undivided Earnings	670,229.81
Net Income	(114,894.25)
TOTAL LIABILITIES	\$10,906,202.63

For more information about Electric Cooperatives
Federal Credit Union
and the wide variety of financial services available
or details on how to become
a member, call during normal business hours.

TELEPHONE

**1-501-570-2396 or toll free
1-800-442-0186**

FAX

**1-501-570-2393 or toll free
1-800-323-2415**

24-HOUR TELLER SERVICE

1-800-448-0498

ONLINE

www.ElectricCoopFCU.org

Or visit us in person at
1 Cooperative Way, Little Rock, AR 72209



Electric Cooperatives
Federal Credit Union

Federally insured by the NCUA



We do business in accordance
with the Federal Fair Housing Law
and the Equal Opportunity Act.