



# Partnering with *you*

Telcoe Federal Credit Union | Annual Report  
For the year ended December 31, 2025



# Board Minutes From Last Years Annual Meeting

Telcoe Federal Credit Union - Annual Meeting Minutes -January 21, 2025

1. The 75th Annual Meeting of the members of the Telcoe Federal Credit Union was called to order at 9:03 a.m., January 2, 2025, via Zoom.
2. President Sarah Mosley welcomed members to the meeting and let everyone know if they had questions or concerns to use the chat button and at the end of the business, all questions will be addressed. Sarah requested Odessa Darrough, Board Member and Supervisory Committee Chair, to open the meeting with the invocation.
3. President Sarah Mosley shared a few brief comments and introduced the staff members in attendance. She further introduced Bob Ellis, Chairman of the Board.
4. Mr. Ellis confirmed with Board Secretary, Cliff Smith, that a quorum was present. Mr. Ellis then introduced his fellow board members, Bill White, V Chair, Cliff Smith, Secretary-Treasurer, Odessa Darrough, Jimmy Dunahoo, Rick Stobaugh, and Lynn Martin. He next introduced the Supervisory Committee Ms. Odessa Darrough, Lynn Martin, Shelly Cheatham and Jeremy Cole plus Internal Auditor Kathy Qualls.
5. Mr. Ellis called the business portion of the meeting to order.
6. Mr. Ellis noted that the minutes of the 74<sup>th</sup> Annual Meeting, as well as the annual report including the various reports covered during and annual meeting, were provided to members under the annual meeting folder at [www.telcoe.com](http://www.telcoe.com).
7. Mr. Ellis asked for a motion to approve the minutes of the last meeting. A motion by George Dickerson and seconded by Odessa Darrough to approve the minutes, and the motion was approved.
8. Mr. Ellis noted that there was no old business and no new business.
9. Mr. Ellis stated the Chairman and President's report was included in the annual report for everyone's further review. He further noted the 68% return of all income to the members in the form of interest and dividend payments. He continued his comments in mentioning the addition of Kristy Vest as CEO.
10. Mr. Ellis asked for a motion to approve the Treasurer's report found in the presentation. George Dickerson made a motion to approve the report, which was seconded by Rick Stobaugh. The motion was approved. |
11. Mr. Ellis then reviewed the Supervisory Committee Report, which was also included in the Annual Report. He further discussed the rating of a CAMELS 1 as a part of Telcoe's regulatory examination, which is the highest rating available. Michele Beasley made a motion to approve the Supervisory Committee Report. Larry Johnson seconded. The motion was approved.
12. Mr. Ellis then turned the meeting over to Sarah Mosley. She announced the results of the annual election of board members, each of whom were appointed to a 3-year term.  
Mr. Bob Ellis  
Mr. Cliff Smith  
Ms. Lynn Martin
13. Sarah Mosley then announced the annual meeting certificate of deposit specials. Mrs. Mosley noted the 12 month certificate at 4.25% APY and the 24 month certificate at 3.80%. She further encouraged those in attendance to introduce their family members to Telcoe.
14. Michele Beasley presented an update on Telcoe's involvement with the Academies Program and Maumelle High School.
15. Sarah Mosley made a motion to adjourn the meeting. The motion was seconded by George Dickerson. Motion was approved.

Respectfully submitted, Clifford Smith, Secretary-Treasurer

# Message From The Board Chairman

Since stepping into the role of Board Chair, it has truly been a privilege to serve in this capacity. Over these years, I have been inspired by the dedication of our Board and Supervisory Committee, the passion of our leadership team, and most importantly the unwavering commitment of our members to the values that make Telcoe Federal Credit Union unique.

As Telcoe enters its seventh decade, this milestone speaks to the deep roots we have established with our members along with the trust we have earned over generations. With the passing of Sarah Mosley, this year marked a pivotable transition with the arrival of new leadership, Kristy Vest, our new President/CEO. While Mrs. Vest did recently rejoin Telcoe, she started her Telcoe journey in 2002. Kristy brings deep financial expertise and a strong commitment to Telcoe's purpose, ensuring we continue to serve our members with integrity, compassion, and excellence.

Building on our strong foundation, Telcoe continues to evolve by responding in new and meaningful ways to our members' needs, shaping our strategic direction to meet increasingly complex challenges, and exploring opportunities for growth. As a regulated financial institution, we remain accountable to our regulators and responsible for strong governance. The Board is committed to managing risk prudently and making sound financial decisions that keep Telcoe safe, secure, and sustainable. Every decision we make is guided by Telcoe's purpose and our long-standing commitment to the members we serve.

Looking ahead, I am deeply grateful to you, our members, for your trust as well as the dedicated Telcoe employees who serve our members daily and to my fellow Board members for their thoughtful leadership and stewardship.

Thank you for being part of this journey. Together, we are building a financial cooperative rooted in strong values, committed to providing financial solutions to make a positive difference in the lives of our members.

With gratitude,

Robert "Bob" Ellis, Chairman



#### ***The Telcoe Vision Statement:***

*To serve our worldwide membership with quality financial services while being the leader in proven technology, financial service delivery, and product innovation.*

#### ***The Telcoe Mission Statement:***

*We are committed to fostering life-long financial partnerships with our members/owners to promote the attainment of their personal financial goals. Our dedication to financial stability is strong, and our traditions support the core values of honesty, integrity, professionalism, and service.*

# Message From The President/CEO

It is an honor to share my first Annual Report letter as President/CEO of Telcoe Federal Credit Union. Since joining Telcoe, I have had the privilege of getting to know our members, our dedicated team, and the communities we serve. What stands out most is the deep commitment that guides the credit union - our commitment to each member's financial success and our commitment to providing financial solutions that make a real difference in our members' lives.

The year 2025 has brought about bittersweet events for Telcoe along with the opportunity to reflect on its legacy. In June, we all mourned the loss of our long-term leader, Sarah Mosley. Sarah will forever be embedded in the success of Telcoe and for that we will always be grateful. To honor her, we have dedicated our boardroom in her memory and renamed it as the "Mosley Boardroom".

Telcoe also celebrated its 75<sup>th</sup> Anniversary with reflection on our purpose, goal and commitment to provide financial solutions that make a difference in our members' lives. Telcoe remains committed to the same principles that we have stood by for the last 75 years. We have committed to investing in our technology, products, and personnel to ensure we deliver the best possible service and financial solutions to you, our members and deepen our positive impact in your lives. This is an effort you will see continue as we navigate through 2026 and bring forward a broader offering of both financial products and methods to access these while increasing efficiency, which leads to more profits being placed in the hands of our members, while still offering the personal service you have always received.

In 2025, we have the following financial and other successes to report:

- **Assets reached \$494 million.**
- **Gross Earnings reached \$21 million.**
- **We returned 61% of Telcoe's earnings into the hands of our members through dividends and interest.**
- **We built strong relationships in the community via partnering with charitable organizations such as Children's Miracle Network, the Academies of Central Arkansas, and Habitat for Humanity, among many others.**
- **We partnered with many new providers to increase service access to our members anywhere and at any time.**

Telcoe's strength lies in people. Every member, employee and business partner has played and will continue to play a significant role in our success. I extend my sincere gratitude to each and every one of these individuals for your trust and partnership. I am excited for what the future holds for Telcoe and look forward to continuing this journey together.

With appreciation,

**Kristy Vest, President/CEO**



# SUPERVISORY COMMITTEE REPORT

Telcoe Federal's Supervisory Committee is a board-appointed volunteer organization that works on behalf of the membership. The Supervisory committee must engage with both management and the Board to ensure strategies align with financial oversight responsibilities. The Supervisory Committee works to:

- ▶ Monitor the financial health of the Credit Union.
- ▶ Monitor the controls, policies, and systems put in place by the Credit Union to mitigate financial, operational, and compliance risks.
- ▶ Investigate perceived violations of credit union rules and policies, unethical behavior, or complaints that were not fully resolved to Member satisfaction through regular credit union channels.

The Committee performs vital activities on behalf of the members:

• Oversees internal audit (IA) – The Committee oversees the internal audit planning process, the results of ongoing and completed audits, management's responses, and ensuring any areas needed addressed are resolved.

- Engages External Auditors and Monitors Examinations – The Committee engages an audit firm to complete an independent annual review of the financial statements and related internal controls as well as various other independent audits that are completed throughout the year. This year Doeren Mayhew completed the annual audit engagement and issued a clean report.
- National Credit Union Administration Federal Examiners Most recently completed their Examination along with an IT Security Examination in December 2024. Telcoe received a composite CAMEL Rating ONE, the best rating possible, with no major issues being found.
- In 2025, Trace Security performed Internal and External Penetration tests to review the security of Telcoe's firewalls. Additionally, Trace performed a broad IT Security Risk Assessment and IT Security Audit. All of the above ensures adequate protection of the sensitive data Telcoe holds.
- The Committee would like to thank Telcoe's members for supporting Telcoe Federal Credit Union. Likewise, we commend the Credit Union's volunteer Board for their diligence and guidance in the Credit Union's oversight and their support of the Committee and its activities.

Your Supervisory Committee is working in the best interest of you, the Telcoe Federal members. If you have a question relating to the financial soundness or management of this organization, please do not hesitate to contact us:

We are here for your benefit,

Supervisory Committee Members-

Lynn Martin, Shelly Cheatham, Jeremy Cole, Michael Knapp and Kathy Qualls Internal Auditor

If you have questions relating to the financial soundness or management of this organization please do not hesitate to contact the Supervisory Committee: P. O. Box 15063 Little Rock, AR 72221.



## STATEMENT OF FINANCIAL CONDITION

Assets	2025	2024	\$\$Change	%Change
Loans (Net of Allowance For Loan Losses)	\$152,369,986.69	\$139,976,961.83	\$12,393,024.86	8.85%
Cash	<b>\$1,375,299.26</b>	\$1,215,721.48	\$159,577.78	13.13%
Investments	\$331,605,611.51	\$312,230,236.82	\$19,375,374.69	6.21%
Land & Building	\$5,083,068.86	\$5,262,085.46	-\$179,016.60	-3.40%
Other Assets	\$3,973,284.21	\$3,912,426.39	\$60,857.82	1.56%
<b>Total Assets</b>	<b>\$494,407,250.53</b>	<b>\$462,597,431.98</b>	<b>\$31,809,818.55</b>	<b>6.88%</b>
Liabilities				
Accounts Payable	\$1,606,985.74	\$3,201,279.29	-\$1,594,293.55	-49.80%
Members' Shares & Savings Accounts	\$416,404,607.26	\$396,854,760.28	\$19,549,846.98	4.93%
Regular Reserve & Undivided Earnings	\$2,879,855.80	\$2,879,855.80	\$0.00	0.00%
Unrealized Gain (Loss) on Investments	-\$23,331,867.37	-\$34,767,958.55	\$11,436,091.18	-32.89%
Undivided Earnings	\$96,847,669.10	\$94,429,495.16	\$2,418,173.94	2.56%
<b>Total Liabilities, Deposits, Equity</b>	<b>\$494,407,250.53</b>	<b>\$462,597,431.98</b>	<b>\$31,809,818.55</b>	<b>6.88%</b>

## STATEMENT OF OPERATIONS

Income				
Interest on Loans	\$8,251,718.17	\$7,287,228.33	\$964,489.84	13.24%
Income From Investments	\$10,597,804.94	\$9,891,718.12	\$706,086.82	7.14%
Other Income	\$2,137,162.11	\$2,033,783.37	\$103,378.74	5.08%
<b>Total Gross Income</b>	<b>\$20,986,685.22</b>	<b>\$19,212,729.82</b>	<b>\$1,773,955.40</b>	<b>9.23%</b>
Expenses				
Employee Compensation & Benefits	\$3,026,345.00	\$2,530,138.03	\$496,206.97	19.61%
Office Occupancy	\$392,748.17	\$392,241.58	\$506.59	0.13%
Office Operations	\$481,978.88	\$492,766.08	-\$10,787.20	-2.19%
Advertising & Promotions	\$228,363.98	\$229,601.22	-\$1,237.24	-0.54%
Loan Servicing	\$132,492.92	\$108,620.43	\$23,872.49	21.98%
Professional & Outside Services	\$1,352,836.67	\$1,098,188.07	\$254,648.60	23.19%
Provision for Loan Losses	\$43,000.00	\$0.00	\$43,000.00	
Federal Operating Fee	\$87,063.69	\$95,511.61	-\$8,447.92	-8.84%
Miscellaneous	\$56,890.07	\$23,009.38	\$33,880.69	147.25%
<b>Total Operation Expenses</b>	<b>\$5,801,719.38</b>	<b>\$4,970,076.40</b>	<b>\$831,642.98</b>	<b>16.73%</b>
Dividends to Members	\$12,776,791.90	\$13,479,568.08	-\$712,776.18	-5.29%
Reserves & Undivided Earnings	\$777,198.03	\$763,085.34	\$14,112.69	1.85%
<b>Total Distribution</b>	<b>\$19,345,709.31</b>	<b>\$19,212,729.82</b>	<b>\$132,979.49</b>	<b>0.69%</b>

# Dedication Ceremony: The Mosley Board Room

## Sarah Mosley, CEO 1973 – 2025

Sarah Mosley was the CEO of Telcoe Federal Credit Union for over 50 years. The members were at the heart of every decision Sarah made. She had a vision for growth and creating a lasting impact. Under Sarah's leadership, Telcoe merged with several other credit unions to open up the field of membership and serve the employees and families at SBC/AT&T, Entergy, Arkansas Blue Cross, Arkansas Children's Hospital, Pulaski and Pope County Government, Firestone, and many more. We are grateful for her 52 years of leadership and the impact it had on the lives of the employees of Telcoe Federal Credit Union, our 22,000+ members, and their families.



# COMMUNITY ENGAGEMENT

Our mission is to build meaningful connections that strengthen the communities we serve. We are dedicated to having a lasting and positive impact on the lives of individuals and families by supporting those in need. In 2025, we collaborated with local organizations, contributing to the prosperity of our members by fostering community connections. Here are a few examples of this impact:

01

In 2025, Telcoe made donations and staff volunteered with Arkansas Children's Hospital, Pulaski County Humane Society, Child Protection Center, Friendly Chapel Fishfry Fundraiser, Habitat for Humanity, PCSSD-Academies of Central Arkansas, and more.

02

Telcoe has continued its partnership with Maumelle High School and PCSSD through the Academies of Central Arkansas. Students work alongside our staff in the student-led branch. Aiden Key worked in our office during the Summer and in the school during the lunch period.

03

Our Telcoe team supported Conway Human Development in their Annual Walk-A-Thon raising money for staff and resident improvements at the facility.



CPC Donation



Partner Benefit Fairs



5k Conway Human Dev



Arkansas Children's



Student Intern



PCSSD Reality Fair



Employer Events



Friendly Chapel NLR

# FINANCIAL WELLNESS & EDUCATION

Telcoe is dedicated to helping everyone in our community build a financially successful future. We proudly offer financial wellness seminars and educational resources at no cost for schools, colleges, community groups, nonprofit organizations, and business partners of Telcoe. These programs provide tips and guidance on a wide range of topics, equipping participants with essential information and strategies for financial success.

Our Membership Development Team continues to focus on financial wellness within their business partners. They shared their knowledge with schools and business partners in 2025 representing hundreds of participants. Topics included building credit, preventing fraud, investing in the future, managing money, and much more



## 75 YEARS OF HISTORY

For 75 years, Telcoe Credit Union has been a trusted financial cooperative dedicated to serving its members and the community. Telcoe has continually evolved to meet the changing needs of its members while staying true to its mission of providing our members the right financial services to live life, dream big, and achieve financial success.



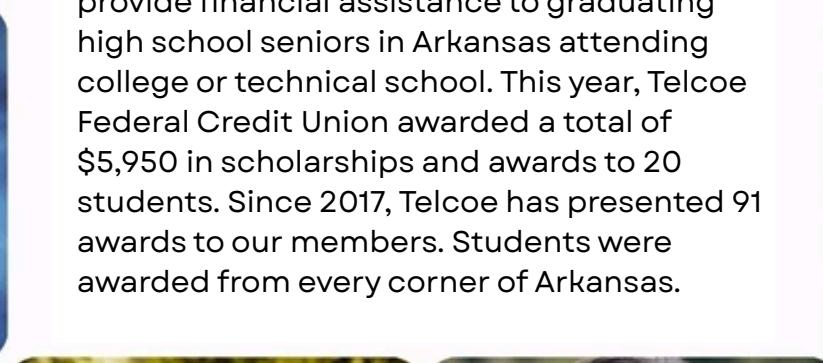
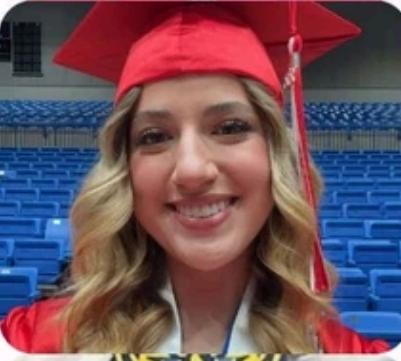
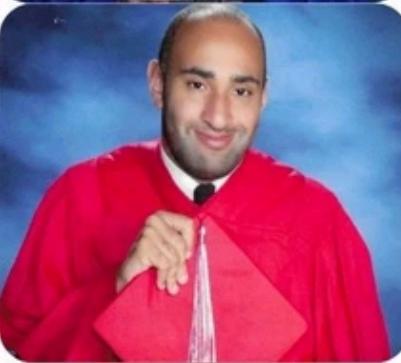
1950

2025



## TELCOE FCU SCHOLARSHIPS AWARDED

The Telcoe Scholarship and Academic Awards provide financial assistance to graduating high school seniors in Arkansas attending college or technical school. This year, Telcoe Federal Credit Union awarded a total of \$5,950 in scholarships and awards to 20 students. Since 2017, Telcoe has presented 91 awards to our members. Students were awarded from every corner of Arkansas.



## **BOARD OF DIRECTORS**

Bob Ellis, Chairman  
Bill White, V Chair  
Cliff Smith, Secretary/Treasurer  
Odessa Darrough, Director  
Jimmy Dunahoo, Director  
Richard Stobaugh, Director

## **SUPERVISORY COMMITTEE**

Odessa Darrough, Chair  
Lynn Martin, Committee Member  
Shelly Cheatham, Committee Member  
Jeremy Cole, Committee Member  
Michael Knapp, Committee Member  
Kathy Qualls, Internal Auditor

## **SENIOR MANAGEMENT**

Kristy Vest, President/CEO  
Michele Beasley, EVP  
Larry Johnson, VP  
Karla Walls, VP  
Nathan Franklin, VP  
Stacy Briggs, VP



[www.Telcoe.com](http://www.Telcoe.com)  
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