

2010 Annual Report

BOARD OF DIRECTORS

Neil Mills-Mazer, Chairman
Charles Morris, Vice Chairman
Robert Jeffery, Secretary
Duane Anderson
Louie Flores
Diane Leinweber
Keith Modellmog

SUPERVISORY COMMITTEE

Michael Brown, Chairman
Brenda Anderson
Miles Friedman

VOLUNTEER INTERNS

Paul Dallura
Steven Harback

In conjunction with the National Association of Letter Carriers, Eagle Community CU participates in the nation's largest single day food drive.

www.eaglecu.org



2010 | Annual Report

SUMMARY OF AUDITED FINANCIAL STATEMENTS

★ STATEMENT OF INCOME

	For the Twelve Months Ended	
	Sept. 30, 2010	Sept. 30, 2009
INTEREST INCOME		
Loans	\$ 6,981,660	\$ 8,383,584
Investments	1,488,011	1,553,507
SUBTOTAL INTEREST INCOME	8,469,671	9,937,091
INTEREST EXPENSE		
Dividends on Members' Shares	(1,354,071)	(2,688,442)
Interest on Borrowed Funds	-	(10,203)
NET INTEREST INCOME	7,115,600	7,238,446
Provision for Loan Losses	(2,030,325)	(4,618,883)
Non-Interest Income	2,321,586	3,281,106
Non-Interest Expense	(7,593,102)	(10,328,180)
NET (LOSS) INCOME	\$ (186,241)	\$ (4,427,511)

★ STATEMENT OF FINANCIAL CONDITION

	As of	
	Sept. 30, 2010	Sept. 30, 2009
ASSETS		
Loans Receivable (Net)	\$ 104,064,604	\$ 125,313,031
Cash and Investments	68,143,141	53,991,829
Property and Equipment (Net)	3,992,991	3,685,606
Other Assets	11,255,519	9,842,176
TOTAL ASSETS	\$ 187,456,255	\$ 192,832,642
LIABILITIES AND MEMBERS' EQUITY		
Member Shares and Deposits	\$ 172,111,619	\$ 177,485,910
Liabilities	1,393,672	1,051,859
Regular Reserves	1,032,603	1,032,603
Undivided Earnings	12,378,974	12,565,215
Unrealized Gain/Loss on Investment Securities-AFS	539,387	697,055
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 187,456,255	\$ 192,832,642

Message From the Chairman



Eagle Community Credit Union was founded in 1937 by a handful of enterprising postal workers who pioneered a movement to provide fellow employees with competitive financial products and services. We enter our 73rd year, proud of our past and optimistic about our future.

After weathering the most challenging three years of our history, I am very proud to inform you that 2010 marked our return to positive earnings. In fact, it was the first calendar year that we enjoyed positive earnings in all four quarters since 2002! Via these earnings and managing our balance sheet, we strengthened our net worth position and regained our designation as a "well capitalized" credit union. Our efforts to stem loan losses were fruitful and today, loan delinquency is lower than it has been in many years.

Unfortunately, the sky is not yet completely blue. Dark clouds, in the form of legislation and regulatory initiatives, are on the horizon and may threaten several sources of revenue. We will remain vigilant in advocating the best interests of our membership with elected officials and regulators.

We continue to invest in our infrastructure. Most notably, we replaced six aging ATMs with brand new, image-enabled machines and "spruced up" our Lake Forest building and the drive-up ATM kiosk. This investment will continue in 2011 with the replacement of three additional ATMs, technological upgrades, the launch of mobile banking, and an updated look to our Lake Forest branch.

We continue to contribute to our community via our support of the National Association of Letter Carriers' Stamp Our Hunger food drive, the Muscular Dystrophy Association, and the Children's Miracle Network. Through our partnership with Balance, we offer our members free, professional financial counseling. And for the community at large, we provide \$10,000 in college scholarships and offer free educational workshops.

Your Board, Supervisory Committee, and management team have worked tirelessly to return the credit union to a strong financial condition and serve the needs of our community. We are grateful for your loyal membership and are enthusiastic about the road ahead.

Neil Mills-Mazer
Chairman, Board of Directors

Supervisory Committee Report



The Supervisory Committee is an independent entity comprised of volunteers who are elected by the credit union's members. The role of the Committee is to ensure that the credit union is managed in a manner that is fiscally sound and in the best interests of its membership.

The Committee engaged the CPA firm of Turner, Warren, Hwang & Conrad to perform an opinion audit as of September 30, 2010. The opinion expressed in their audit report indicates that these financial statements represent fairly the financial condition and operational results of the credit union. A summary of the audited financial statements is included in this Annual Report and a detailed copy is available upon request. The Committee also reviews numerous operational, compliance, and examination reports to ensure that the credit union's operations are consistent with applicable laws, rules, and regulations.

Based upon these reviews, it is our opinion that Eagle Community Credit Union is operating in a safe and sound manner and is compliant with applicable laws, rules, and regulations.

Michael R. Brown
Chairman, Supervisory Committee

