



our **interest** is you



EAGLE
COMMUNITY
CREDIT UNION

2017

ANNUAL
REPORT

Message from the Chairman

I am pleased to report that Eagle Community Credit Union experienced an increase of \$6.8M in deposits and \$12.8M growth in total assets in 2017. While the credit union posted net income of \$48 thousand for the year, net worth was 7.97% of assets and is considered "Well Capitalized" by our State and Federal Regulatory agencies. Most amazing was the credit union's loan growth of \$33M. The highest rate of growth in over 10 years. This increase in loans caused the credit union to increase our allowance for loan loss by over \$510 thousand more than the prior year, reducing potential income for the year but having a long term positive impact on our financial performance.

Much was accomplished in 2017. Of particular note were the following:

- The sale and relocation of the corporate headquarters and Lake Forest branch. The new branch on El Toro and Rockfield provides greater access and visibility to those we serve in the Lake Forest and surrounding communities.
- The credit union realized a gain on the sale of our old headquarters building that greatly improved our capital position and financial strength.
- New loan products were introduced for mobile/manufactured homes and home energy improvements.
- The mobile/manufactured home loans provide access to members in our communities that had very limited options.
- Energy efficient home improvement loans will help members meet the growing demands for energy improvements made by state and local governments, as well as reduce the use of our natural resources and save members money over the long term.
- The required replacement of our online banking and mobile app was completed in the first quarter of 2018. While there were some challenges, management learned a lot in the process that will enable us to improve in the future.

In 2018 we will continue our efforts to enhance the value of your membership. To this end, we have the following exciting and important initiatives underway:

- The installation of a new online loan and member application will create a more efficient and streamlined experience for loans and the new member account opening process.
- The replacement of ATM's and other equipment that are at the end of their useful lives.
- An increased amount of interaction with our membership using surveys and focus groups to ensure that we are doing our best to meet our member's needs.

CEO



Scott Rains



Charles Morris

**Chairman of
the Board**

Community involvement is an important facet of our culture. We are very excited and proud of our efforts to support our local communities. Highlights from 2017 include:

- Eagle's annual scholarship program provided four \$4,000 scholarships to credit union members attending four-year colleges. We also introduced a new student Veterans' scholarship which provided an additional four \$500 scholarships to Veterans attending Irvine Valley College. None of which would have been possible without the support of our credit union members.
- Stamp Out Hunger– In May Eagle once again co-sponsored and provided nearly 1 million bags that were distributed in the region for the NALC's Stamp Out Hunger Food Drive - the largest one-day food drive in the nation. Over 50 Eagle employees, family members and friends worked at several postal facilities throughout the day sorting donated food for our local food banks.
- Eagle employees dedicated time to a wide variety of non-profit activities within our local community, serving veterans groups, the homeless and child health organizations.
- CHOC Walk– In October Eagle Community Credit Union led a collaboration of 12 local credit unions to form a team of over 1,200 walkers and raised over \$200,000 for the Children's Hospital of Orange County.
- Goodwill of Orange County– Eagle's Business Development team provided over 12 financial literacy workshops to the employees, partners, and customers of Goodwill of Orange County.

Thank you very much for your loyal membership with Eagle Community Credit Union. And, thank you to our committed and engaged employees who work hard every day to enhance the value of your membership, maintain our financial strength and support our local communities.

As Eagle enters its 81st year of operations, we look forward to widening the number of products and services that we offer and our continued success.



Charles Morris
Chairman of the Board

Board of Directors



Duane Anderson
Vice Chairman



Miles Friedman
Treasurer



Louie Flores
Secretary



Diane Leinweber



Neil Mazer



Jaquita Deter

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 the membership.

The Committee engaged the CPA firm of RSM USA, LLP to perform an opinion audit as of September 30, 2017. The opinion expressed in their audit report indicates that the financial statements fairly represent 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 on 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.



Justin Romero
Chairman, Supervisory Committee



Justin Romero
Chairman



Brenda Anderson



Ryan McDonald

11/22/17

I absolutely love having my car loans with you. Always great service, and I am very thankful this year for the service offered to take a break from my payments during the holidays. Very helpful.

- Jason E.
Member since 2015

Financial Statements

Statement of Income

	2017	2016
Interest Income		
Loans	5,959,126	5,515,796
Investments	1,710,277	1,526,182
Subtotal Interest Income	\$ 7,669,403	\$ 7,041,978
Interest Expense		
Dividends	(542,065)	(532,839)
Interest on Borrowings	(9,076)	-
Net Interest Income	7,118,262	6,509,139
Provision for Loan Loss	(1,298,000)	(271,000)
Non-Interest Income	3,275,791	3,463,282
Non- Interest Expense	(9,048,513)	(8,391,344)
Net Income (Loss)	\$ 47,540	\$ 1,310,077

Statement of Financial Condition

	2017	2016
Assets		
Loans Receivable (net)	150,636,650	117,406,463
Cash and Investments	84,734,449	106,247,827
Property and Equipment (net)	2,801,682	2,857,886
Other Assets	8,345,358	7,218,829
Total Assets	\$ 246,518,139	\$ 233,731,005
Liabilities and Members' Equity		
Member Shares and Deposits	216,438,663	209,655,191
Other Liabilities	11,027,718	4,536,624
Regular Reserves	1,032,603	1,032,603
Undivided Earnings	18,605,484	18,557,944
Unrealized Gain/(Loss) on Investments	(586,329)	(51,357)
Total Liabilities And Members' Equity	\$ 246,518,139	\$ 233,731,005

Audited financials as of September 30, 2017

People Helping People

IN 2017 EAGLE SPONSORED AND VOLUNTEERED IN SEVERAL HELPING HAND EVENTS AS A GROUP.

6/7/17

Convenience, expertise and the great customer service.

- Amber M.

Member since 2013



CHOC Walk



Stamp Out Hunger



Bite of Reality

7/20/17

I've been a member for many years. They always have good interest rates, they don't charge me for the checking accounts, there are a lot of other credit unions where I can make deposits on their ATM, and they've helped me qualify for different products.

- Claudia M.

Member since 2000

WE ADDED 2 VOLUNTEER TIME OFF DAYS THAT MANY OF OUR EAGLE TEAM MEMBERS USED TO VOLUNTEER FOR ORGANIZATIONS AND CAUSES CLOSE TO THEIR HEARTS.



MEMBER HIGHLIGHTS



Veteran Student Scholarship



College Scholarship Winners

4/20/17

I do not go to the branch very often, but when I do, I have always had top notch service with everyone I have encountered.

- Mark V.

Member since 2000

Member Service Center

(800) EAGLE CU (324-5328)

(949) 588-9400

Mailing Address

P.O. Box 5196

Lake Forest, CA 92609-8696

Branch Locations

Lake Forest

24336 Rockfield Boulevard

Garden Grove

12934 Harbor Boulevard

Placentia

781 Kimberly Avenue

Laguna Niguel*

24000 Avila Road

Santa Ana

3101 W. Sunflower Avenue

City of Industry

15421 Gale Avenue

**Cash only available via ATM at this location.*

Conveniences

• CO-OP ATMs and Shared Branches

Over 5,000 branches | Nearly 30,000 ATMs. Just look for the CO-OP logos.



(888) SITE-CO-OP
www.allco-op.org

• CU Direct

(888) CU-DIRECT
www.cudlautosmart.com

• Costco Auto Program

(800) 805-1195
eaglecu.costcoauto.com

• Mobile

www.eaglecu.org/Mobile



 **EAGLE**
COMMUNITY
CREDIT UNION
www.eaglecu.org
(800) EAGLE CU