

# 2010 Annual Report to Members

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A word of welcome from Mark G. Holbrook, Evangelical Christian Credit Union (ECCU) President/CEO. (To view this video, [click here.](#))



[Letter to Members.](#) Despite the economic uncertainty that continued into 2010, ECCU strengthened its financial position during the year. We also had opportunities to show our members how their involvement in this financial cooperative constitutes investment in ministry around the world.

[Investing in Ministry in 2010](#)



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MARK G. HOLBROOK  
*President/CEO*



April 20, 2011

### President's Letter to ECCU Members

What was 2010 like for you and your ministry? Uncertain? Exciting? Difficult? Surprising? That was certainly the story at Evangelical Christian Credit Union (ECCU). We experienced many of the same ups and downs that you did. I'm grateful to report, though, that the year ended with encouraging signs on the horizon.

Most encouraging to me are the opportunities we had to show our members how their involvement in this financial cooperative constitutes investment in ministry around the world. You can see and hear about some of these opportunities in the *2010 Stories* section of this annual report. Especially with all the negative financial news of the past few years, our members appreciate knowing that their deposits are invested to resource ministry that's aligned with Scripture.

Despite the economic uncertainty that continued into 2010, we strengthened our financial position during the year. At 10.4 percent, our capital at year-end remained well above the National Credit Union Administration's 7.0 percent "well capitalized" threshold. Heeding one lesson of the economic recession—that availability of cash is vital to financial health—we more than doubled our liquidity (cash and cash equivalents). And since a small percentage of our member ministries continued to struggle financially, we increased our allowance for potential loan losses to \$27.2 million.

The cumulative effect of these and other intentional decisions—such as the distribution of \$12.1 million in dividends to members from our retained earnings—was net losses of \$3.7 million and net losses after dividends of \$15.8 million for 2010.

All of this, and more, took place in a year when we continued to shift our business focus from acquiring new financing customers to helping members evaluate and adjust operations to improve their financial health. One evidence of this shift that you'll see in 2011 and beyond is an increased emphasis on building our deposit base so we're better positioned to resource ministry.

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The consolidated financial statements, located in the *2010 Financials* section of this annual report, are presented in a dynamic way that helps you put the numbers in their proper context.

As you read this year's report, please know that we are immensely grateful for your commitment to investing in ministry through your ECCU membership.

Sincerely,

**Mark G. Holbrook**  
President/CEO

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## Investing in Ministry in 2010

As an ECCU member, your deposits are invested to resource evangelical ministry around the world. A few member ministries took the time to share how they made a kingdom impact by being a part of this financial cooperative.

(To view this video, [click here.](#))



[2010 Consolidated Financial Statements](#)



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## 2010 Consolidated Financial Statements

(To take a guided tour through these financial statements, [click here](#).)

### Consolidated Balance Sheet

as of December 31, 2010

Assets	2010	2009
Cash and Cash Equivalents	\$ 188,139,496	\$ 82,804,241
Investments	21,371,384	10,072,047
Loans to Members	903,550,147	1,033,907,064
Allowance for Loan Losses	(18,692,394)	(11,492,807)
Accrued Interest Receivable	5,474,965	6,534,293
Retained Interests in Mortgage Loans Sold	12,824,045	14,461,661
Other Real Estate Owned	26,239,221	28,919,157
Property and Equipment (Net)	54,135,994	55,007,566
National Credit Union Share Insurance Fund (NCUSIF) Deposit	5,422,908	4,868,305
Corporate Credit Union Capital Shares	—	—
Equity Investments	3,365,736	3,836,403
Other Assets	2,931,564	3,629,152
<b>Total Assets</b>	<b>\$ 1,204,763,066</b>	<b>\$ 1,232,547,082</b>
<b>Liabilities and Capital</b>		
Savings Accounts	\$ 29,240,045	\$ 25,156,396
Certificate Accounts	325,781,263	309,760,733
Individual Retirement Accounts (IRAs)	6,793,762	6,780,098
Money Market Accounts	272,725,128	308,225,179
Checking Accounts	154,606,465	162,323,439
<b>Total Member Deposits</b>	<b>\$ 789,146,663</b>	<b>\$ 812,245,845</b>
Borrowings	\$ 306,292,214	\$ 290,073,778
General Liabilities	2,962,882	7,856,890
Reserves and Retained Earnings	106,361,307	122,370,569
<b>Total Liabilities and Capital</b>	<b>\$ 1,204,763,066</b>	<b>\$ 1,232,547,082</b>
<b>Gross Capital/Assets</b>	<b>10.38%</b>	<b>10.86%</b>
<b>Total Ministry Loans Serviced by ECCU</b>	<b>\$ 3,352,557,192</b>	<b>\$ 3,176,124,595</b>

### Consolidated Income Statement

for Twelve Months Ended December 31, 2010

Income	2010	2009
Income from Loans to Members	\$ 64,222,160	\$ 72,210,838
Net Increase (Decrease) in Retained Interests in Mortgage Loans Sold	(1,637,616)	(3,113,049)
Other Income	22,155,429	23,748,011
<b>Total Income</b>	<b>\$ 84,739,973</b>	<b>\$ 92,845,800</b>
<b>Expenses</b>		
Interest Paid on Borrowings	\$ 12,053,661	\$ 11,597,821
General Operating Expenses	40,556,161	49,249,819
Write-down on Foreclosed Assets	7,320,144	4,112,255
Net Income (Loss) on Corporate Credit Union Capital Shares	—	(2,458,059)
Net Change to NCUSIF Deposit and Special Premium Assessment	1,363,676	(3,378,129)
Provision for Loan Losses	27,150,705	12,414,263
<b>Total Expenses</b>	<b>\$ 88,444,347</b>	<b>\$ 76,454,088</b>
<b>Net Earnings</b>	<b>\$ (3,704,374)</b>	<b>\$ 16,391,712</b>
<b>Dividends to Members</b>	<b>\$ 12,144,806</b>	<b>\$ 19,172,877</b>
<b>Earnings after Dividends</b>	<b>\$ (15,849,180)</b>	<b>\$ (2,781,165)</b>

These consolidated statements were derived from ECCU's audited financial statements.

The ECCU Supervisory Committee serves members by reviewing the credit union's financial operations. The Committee monitors ECCU policies and practices as needed to protect member accounts. To do this, the Committee engages appropriate experts to audit accounts, review internal controls, and monitor compliance with applicable laws and regulations. The Committee meets regularly to receive and evaluate the reports of these experts.

Based on the unqualified opinion of ECCU's auditors, Moss Adams LLP, the Supervisory Committee has determined that ECCU complies with all credit union requirements and has good internal controls. In addition, its 2010 financial statements fairly present, in all material respects, the credit union's financial position, results of operations, and cash flows. For a free copy of the full audited financial statements, please contact ECCU's Accounting Department at 800.634.3228.

### [Banking Resources Delivered in 2010](#)



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## Banking Resources Delivered in 2010

In 2010, ECCU discovered several new ways to invest in ministry by more effectively resourcing our members. Here are some of the ministry banking resources we invested in this past year.

***ECCU Blog.*** The [ECCU blog](#), introduced in July 2010, was created to provide relevant information in an atmosphere that welcomes commentary and conversation. It offers news, ideas, and highlights from the ministry financial management world.

***ECCU Referral Programs.*** ECCU is fortunate to have members who believe in our mission, which makes them potential promoters of ECCU. Sharing ECCU's passion for ministry with other Christian ministries, friends, or family members became even easier with the unveiling of our referral programs. Members now have the opportunity to tell others about ECCU with the click of a button. And what's more, bonuses are offered for the opening of a qualified account. (For details, please visit the [ministry referral](#) or [individual referral](#) information pages.)

***Financial Forums for Ministries.*** Ministries need to stay abreast of changes in legislation, banking, and tax/accounting issues if they want to effectively manage their financial resources. [Last fall](#), ECCU partnered with CapinCrouse, LLP, to provide these updates to hundreds of ministry leaders in three California locations and in Colorado Springs, Colorado.

***Christian Leadership Alliance (CLA) Affinity Membership.*** ECCU members receive automatic [Affinity Membership](#) in CLA. This gave them access to a host of resources in 2010, including a lower member registration fee for CLA's National Conference in San Diego and a subscription to their quarterly *Outcomes* magazine.

Learn more about these [resources](#) and [financial services](#).

[2011 and Beyond](#)



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## 2011 and Beyond

The economy is showing signs of recovery, and ministries are applying the lessons and insights learned during the recession. We've been learning too. Here are some of the ways we're investing in ministry today and tomorrow.

**Online Banking.** Thousands of ECCU members—ministries and individuals—are now enjoying the benefits of their new and improved [online banking system](#). Online statements, online bill payment, and a host of other features are helping them more effectively manage their financial resources.

**Personal Banking.** Although our focus over the past decade has been to resource evangelical ministries, nearly 7,000 individuals bank with ECCU, and the number is growing. One reason is because many people appreciate knowing that their deposits are invested in ministry. Our new [personal banking website](#) is one step we've taken to introduce more people to ECCU as a banking option.

**Resourcing Missionaries.** Our 3,500 missionary members' banking needs are unique and varied. We're working closely with several mission sending agency members and individual missionaries to identify ways to better meet their needs.

**Cash Reserves Webinar.** With the help of many on our staff, including Senior Banking Consultant Mark Jones, ministries that struggled through the recession have learned the value of building adequate cash reserves. Mark is partnering with the Evangelical Council for Financial Accountability (ECFA) to present a webinar on this topic on July 14, 2011. This is one of many ways members benefit from our unique combination of ministry and banking expertise.

**Fall Resource Event Series.** Many who attend the *Financial Forums for Ministries* return each year because they value the updates and insights from experts at the ECFA and CapinCrouse, LLP. So ECCU will partner with these organizations to present this event series again in 2011.

[ECCU Today](#)

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Federally Insured by NCUA

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