



81ST Annual Meeting

Saturday, February 17, 2018



2017 ANNUAL REPORT



81st ANNUAL MEETING
Saturday, February 17, 2018
Ewa School Cafetorium

* Lunch - 11:00 A.M. *
* Meeting & Door Prizes to follow *

Business Meeting Agenda

- ❖ **Ascertainment of Quorum**
- ❖ **Approval or correction of 2016 Annual Meeting Minutes (Pg. 1-3)**
- ❖ **Reports:**
 - President & Board of Directors (Pg. 4)
 - Manager/CEO (Pg. 4-5)
 - Supervisory Committee (Pg. 5)
 - Treasurer – Financials (Pg. 6-7)
 - Loan Officer(s) (Pg. 7)
- ❖ **New Business:**
 - Announcements
 - Membership Awards
- ❖ **Election:**
 - Board of Directors 3-Yr. Term
 - Alan Bise
- ❖ **Other Business**
- ❖ **Adjournment**
- ❖ **Donation Prize Drawing**
- ❖ **Door Prizes - Grand Prize: \$500 Cash**

2017 Annual Meeting Minutes

Members gathered at 'Ewa School Cafetorium for the 11:00 A.M. event and received annual reports, pocket planners, pens, Eco-Reusable Shopping Bags, bentos from Dot's Restaurant, Famous Amos Cookies and drinks.

CALL TO ORDER:

The 80th Annual Membership Meeting of the Ewa Federal Credit Union was called to order by Board Director, Lilia Sugai at 11:45 A.M. on Saturday, February 18, 2017, in the Ewa School Cafetorium. Other directors present were: Carmen Manangan and Elaine Suyama.

QUORUM:

Secretary pro tem, Robyn Jara, notified the Board Director that approximately 331 members were present, certifying a legal meeting.

MINUTES:

As there were no corrections, the minutes of the last Annual Meeting held on Saturday, February 13, 2016, were approved as circulated.

REPORTS:

The following reports were accepted as circulated: President and Board of Directors, Manager/CEO, Treasurer, Loan Officers and Supervisory Committee reports.

NEW BUSINESS:

1) Announcements:

- **Field of Membership (FOM):** The attending members were reminded of 'Ewa FCU's FOM expansion which includes the 'Ewa Neighborhood Board No. 23. In other words, membership is open to all living, working, attending school or own a business or legal entity within the 96706 zip code community. Members were encouraged to continue to tell friends and family the benefits of joining the Credit Union.
- **Staff and Official Changes:** Taylor Toribio was introduced as 'Ewa FCU's new Administrative Assistant. Taylor's primary responsibility would be handling the accounting as well as other back office functions.

- #### 2) **Special Recognition:** Vera Mae Kaaikaula and Fumiko "Fumi" Nakamura were recognized and presented with parting gifts in appreciation for their years of service. Manager/CEO, Vera Mae Kaaikaula, retired in March 2016 after 45 years of service; Volunteer Fumi Nakamura retired after 34 years of service. Fumi served as a Credit Committee Member and then later on as the Supervisory Committee Secretary.

3) Membership Awards – Eleven members who joined our credit union 50 years ago in 1967 were recognized for their dedication and loyalty. The three members present were: Benedicto Lata, Deborah Marshall, and Alan Bise. Not able to attend were: Benigno Batalon, Adriano Dumlao, Douglas Sato, Frances Wason, Patricio Fletchetero, Lorraine Hermosura, Bienvenido Lata, and Pedro Plaza.

ELECTIONS:

There were two incumbent board members running for a three-year term. As there were no nominations from the floor, there was no voting process, and incumbents Robert Midel and Carmen Manangan were elected into office by acclamation.

OTHER BUSINESS: None.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 12:00 P.M.

SPECIAL DONATION DRAWING:

For the sixth year in a row, donations were collected for the Credit Unions for Kids Kapi'olani Children's Miracle Network and the Hawaii Credit Union League for legislative and lobbying funds to benefit credit unions (donations totaled \$247). This year's winner of the \$75 Walmart Gift Card was Carmelo Santiago-Lopez.

DOOR PRIZES:

There were 126 prizes given away, including the following major prizes:

- 5th Prize: Kate Spade Handbag (Joseph Kaaikaula)
- 4th Prize: Hamilton Beach 2 Way Brewer (Sammi Aki)
- 3rd Prize: Auto-iQ Nutri Ninja Blender (Veronica Lata)
- 2nd Prize: 32" VIZIO HDTV (Denick Gamiao, Jr.)
- 1st Prize: Apple Watch (Aris Dela Cruz)
- Grand Prize: \$500 CASH (Kyle Duponte)

The 80th anniversary event concluded at approximately 1:10 P.M.

Respectfully Submitted,
Sheryl Gushi
Secretary-Treasurer

Report of the President & Board of Directors

Welcome to the 81st Annual Membership Meeting. For the past 81 years, 'Ewa Federal Credit Union has strived to bring membership value by offering basic financial services with competitive rates and lower fees; by building trusted relationships through responsive and personalized customer service; and by providing a safe financial environment by means of maintaining our well-capitalized position.

Our credit union has experienced numerous challenges to its operations in the fulfillment of our mission over the years. Attracting and serving our members today is far more complex compared to our humble beginnings in 1937. Despite these challenges, the credit union continues to experience growth in member shares and deposits and our capitalized position remains strong, earning us the Bauer Financial 5-star superior rating for the 26th year in a row, recognizing 'Ewa FCU as being the "Best of the Best" and the "Best of Bauer", a feat accomplished by less than 5% of the nation's credit unions combined! We are proud to offer such a safe financial environment to the 'Ewa & 'Ewa Beach communities while providing competitive loan products and Internet based transaction convenience.

As stewards of our financial cooperative, your Board of Directors carefully considers how we can continue to provide credit union services to our members. We remain committed to maintaining the financial strength of the credit union while providing the basic services to meet your financial goals.

On behalf of the Board of Directors, volunteers, management and staff, thank you for putting your continued trust and faith in our credit union. Our members are our greatest assets and the primary reason why we are committed to do what we do.

Before closing, I would like to extend a special "Mahalo" to Elaine Suyama who will be retiring from the board of directors. Elaine has served as a director since 2000 and has deep roots in the 'Ewa Plantation community. While we will miss Elaine on the board, we are grateful for her years of volunteer service to the credit union community.

Respectfully Submitted,
Robert A. Midel
President

Manager/CEO Report

The first full year serving as your Manager/CEO has been quite challenging to say the least. By the end of 2016, the credit union was faced with a decline in assets, member shares and deposits, and membership, primarily due to the passing of our most loyal members.

Because of this, we made a concerted effort to market the credit union to the recently expanded field of membership, the entire 96706 community. We placed several advertisements in the *MidWeek West Oahu Voice* publication, sent direct mail flyers to 'Ewa households and businesses and even handed out brochures to all those stopping by the teller window looking for the post office.

We also did membership promotions by holding our very first youth membership drive and we brought back the refer-a-member program. Although the credit union did welcome quite a few new members this year, we continue to lose existing members due to the passing of our aging members and due to account inactivity. Most of the new members we welcomed to the credit union were based on referrals from our existing members, so a big MAHALO to our ambassadors for sharing the benefits of being a member of the 'Ewa Federal Credit Union.

For 2018, your Board of Directors and I will be considering offering new credit union products & services to further promote membership growth.

It is an honor to continue to serve the dedicated members of 'Ewa Federal Credit Union.

Respectfully Submitted,
Robyn Jara
Manager/CEO

Supervisory Committee Report

The Credit Union conducted its independent fiscal audits as mandated by NCUA. These actions are taken to ensure your assets are protected to the best of our abilities, that all proper safeguards are squarely in place and that our records are accurate.

CU Pacific Audit Solutions LLC performed the Comprehensive Audit and Bank Secrecy Act Audit which includes tests of compliance with internal accounting and administrative control procedures in accordance with GAAP and BSA requirements.

Based on the results of these independent audits, the Supervisory Committee is pleased to assure members that 'Ewa FCU is a sound and secure financial institution for your money.

As the credit union "watchdogs", we are committed to looking out for you.

Respectfully Submitted,

Alan Bise

Chairperson

FINANCIALS			
(For the Years Ending December 31)			
	2017	2016	%
STATEMENT OF FINANCIAL CONDITION			
ASSETS			
Total Loan to Members	\$3,769,151	\$3,841,728	-1.89%
Less: Allow for Loan Losses	-\$25,652	-\$21,978	16.72%
Cash	\$221,661	\$193,777	14.39%
Investments	\$9,057,895	\$8,702,410	4.08%
NCUSIF Share Insurance Deposit	\$98,254	\$102,074	-3.74%
Net Furniture & Equipment	\$2,285	\$3,222	-29.08%
Net Leasehold Improvement	\$0	\$0	0.00%
All Other Assets	\$37,856	\$50,545	-25.10%
Total ASSETS	\$13,161,449	\$12,871,778	2.25%
LIABILITIES AND EQUITY			
Accounts Payable	\$5,540	\$8,540	-35.13%
All Other Liabilities	\$78,724	\$65,942	82.26%
Member Shares & Deposits	\$10,092,383	\$9,825,433	2.72%
Capital & Net Income	\$2,984,802	\$2,971,863	0.44%
TOTAL LIABILITIES & EQUITY	\$13,161,449	\$12,871,778	2.25%
STATEMENT OF INCOME			
OPERATING INCOME			
Interest On Loans	\$225,033	\$212,093	6.10%
Less: Interest Refunds to Members	\$0	\$0	0.00%
Income from Investments	\$159,412	\$150,522	5.91%
Other Operating Income	\$58,415	\$55,427	5.39%
Total Operating Income	\$442,860	\$418,042	5.94%
OPERATING EXPENSE			
Employee Compensation	\$127,074	\$136,233	-6.72%
Employee Benefits	\$49,672	\$70,889	-29.93%
Travel & Conference	\$480	\$340	40.91%
Association Dues	\$3,203	\$3,447	-7.07%
Office Occupancy	\$19,355	\$20,860	-7.22%
Office Operations	\$26,785	\$24,916	7.51%
Educational & Promotions	\$1,933	\$1,007	91.98%
Loan Servicing Expense	\$14,061	\$9,713	44.76%
Professional & Outside Services	\$121,664	\$102,455	18.75%
Provision for Loan Losses	\$46,416	-\$19,687	282.58%
Operating Fees (Exam & Super.)	\$2,939	\$2,412	21.82%
Annual Meeting Expense	\$3,874	\$4,885	-20.70%
Total Operating EXPENSES	\$417,456	\$357,471	16.78%
Net Operating Income/Loss(-)	\$25,404	\$60,571	-58.06%
Non-Operating Gains/Loss(-)	\$0	\$0	0.00%
Dividends to Members	\$12,465	\$12,979	-3.96%
NET INCOME/LOSS(-)	\$12,939	\$47,592	-72.81%

Treasurer's Report

The Credit Union continues to remain well-capitalized with a net worth ratio of 22.67% as of 12/31/2017, well above the industry standards, maintaining our strong financial health.

We will continue to be resolved in providing a safe and stable financial environment for our most valuable assets, our members.

Respectfully Submitted,

Sheryl Gushi

Secretary-Treasurer

LOAN OFFICER(S) Report

LOAN TYPE	NO.	2017	NO.	2016
College	3	\$10,500.00	4	\$14,000.00
100% Share-Secured	30	\$178,805.27	36	\$318,247.32
50% Share-Secured	7	\$10,151.30	4	\$53,339.33
New Auto	8	\$249,125.34	10	\$270,403.70
Used Auto	22	\$157,534.94	27	\$216,587.29
New Motorcycle	1	\$15,000.00	0	\$0.00
Used Motorcycle	0	\$0.00	1	\$3,600.00
Signature	185	\$742,687.97	153	\$712,341.03
SUB-TOTALS	256	\$1,363,804.82	235	\$1,588,518.67
Line-Of-Credit Advances		\$155,698.15		\$135,571.67
New Money	256	\$1,519,502.97	235	\$1,724,090.34
Refinanced Amounts		\$745,831.19		\$672,640.97
Total Loans	256	\$2,265,334.16	235	\$2,396,731.31
CDI/CL Premiums	-547	\$58,310.41	-521	\$55,659.61
TOTAL LOANS	256	\$2,323,644.57	235	\$2,452,390.92
New Lines Of Credit Issued	31	\$30,500.00	59	\$56,100.00
New Visa Classic Accounts	8	\$21,400.00	10	\$51,000.00
New Visa Platinum Accounts	4	\$25,000.00	5	\$26,500.00
Counter-Offer/Exceptions	26		31	
Collateral Released	0		2	
Extensions	29		20	
TDR (Modified) Loans	0		1	
Loan Rejected	3		2	

BOARD OF DIRECTORS:

President - *Robert Midel*
Vice-President – *Carmen Manangan*
Secretary-Treasurer – *Sheryl Gushi*
Directors: *Alan Bise (interim) & Elaine Suyama.*

SUPERVISORY COMMITTEE:

Chairperson - *Alan Bise*
Members – *Rosemary Itamoto & Lilia Sugai*

STAFF:

Manager/CEO – *Robyn Jara*
Operations Supervisor - *Rebecca Tubania*
Member Services Specialist - *Leilani Fernandez*
Administrator Asst. – *Taylor Toribio*
PT Teller/Account Clerk – *Kimberley Chong*



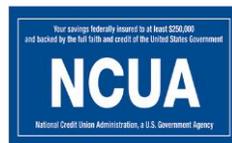
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