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Secretary

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Melissa Broadwell

Chatsworth | Northridge
818.993.6328 | matadors.org

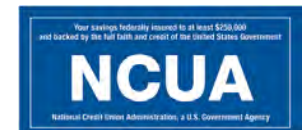


Matadors Community Credit Union

2018 Annual Report



Matadors
Community
Credit Union
Your better alternative to a bank since 1963



Federally insured by NCUA



CHAIRMAN'S REPORT

Matadors Community Credit Union had another successful year in 2018!

The Credit Union continues to be financially safe and strong. We were once again awarded the highest 5-star rating each quarter in 2018 from Bauer Financial, the nation's leading bank and credit union rating and research firm. We ended the year with a very healthy net worth ratio of 10.79%. Regulators consider a credit union well capitalized at 7%. Being well-capitalized means your credit union has solid financial strength.

MCCU continues to provide the financial products and services that our members want and need. In 2018, we continued to offer solar and energy loans that helped our members save money on utility costs and make their homes energy-efficient.

Throughout the year, we offered attractive share certificate rates for our members and the community, giving them a safe place to earn more interest on their hard-earned money.

We were very excited to be voted Best Auto Loans in the Los Angeles Daily News Readers Choice Awards in August 2018. We pride ourselves on our affordable car loans and fantastic service and are happy to see that our community agrees.

In 2019, we will continue to enhance our mobile banking app, and we will implement Apple, Android, and Samsung Pay for our Debit Cards, making payments easy and convenient for members.

The Credit Union's success is dependent on our loyal members, as well as our trusted employees, many who have been with the Credit Union for decades. On behalf of the Board of Directors and Supervisory Committee, the management team and the staff of the Credit Union, we thank you, our members, for your support. It is our goal to be the best financial institution for you. We will continue to give our members and the community a healthy, reliable and friendly place to do your banking, and look forward to serving you for many years to come.

H. John Khoukaz, Chairman of the Board

SUPERVISORY COMMITTEE REPORT

The Credit Union's Supervisory Committee is comprised of volunteers with the responsibility of ensuring that your credit union is providing maximum service and proficiency in serving your every financial need with professional courtesy and efficiency.

The main responsibility of the Committee is to ensure the annual completion of a formal audit of the Credit Union's operations and accounting records. In fulfilling this responsibility, the Committee once again retained the accounting firm of Richards and Associates to audit the Credit Union's records.

The Supervisory Committee has availed itself of this expertise and has been taking a very proactive position in working closely with the audit teams, the Board of Directors, and the entire management team to maintain this success and professional service to the membership. We are pleased that all reports reflect a very sound and financially strong institution.

A complete copy of the audited financial statements can be obtained from the credit union by request.

Tracy Cluss, Chair, Supervisory Committee

TREASURER'S REPORT

2018 was another solid year for loan, asset and share growth. Loans increased \$20,147,131 or 10.7%, assets increased \$24,601,404 or 10.9% and shares increased \$24,034,767 or 12.4%. A key indicator of our financial strength is members' equity, which increased \$2,032,398 or 8.2% in 2018. Our net worth ratio decreased 28 basis points in 2018, finishing the year at a strong 10.79%.

Matadors Community Credit Union continues to be an excellent place to bank, providing quality products and services to our community.

Phil Minah, Treasurer

STATEMENT OF FINANCIAL CONDITION

| <u>ASSETS</u> | 2018 | 2017 |
|---------------------------------|-----------------------|-----------------------|
| Loans (Net of Allowance) | \$ 208,838,051 | \$ 188,690,920 |
| Cash & Investments | \$ 27,913,447 | \$ 23,534,946 |
| Fixed Assets | \$ 6,647,089 | \$ 6,692,642 |
| Other Assets | \$ 5,921,955 | \$ 5,800,630 |
| Total Assets | <u>\$ 249,320,542</u> | <u>\$ 224,719,138</u> |
| <u>LIABILITIES & EQUITY</u> | | |
| Current Liabilities | \$ 4,219,195 | \$ 5,684,956 |
| Members' Shares | \$ 218,200,294 | \$ 194,165,527 |
| Retained Earnings | \$ 26,901,053 | \$ 24,868,655 |
| Total Liabilities & Equity | <u>\$ 249,320,542</u> | <u>\$ 224,719,138</u> |

STATEMENT OF INCOME

| | | |
|---------------------------|---------------------|----------------------|
| Loan Income | \$ 8,905,754 | \$ 9,732,754 |
| Investment Income | \$ 593,440 | \$ 440,569 |
| Total Interest Income | <u>\$ 9,499,194</u> | <u>\$ 10,173,323</u> |
| Dividends & Interest | \$ (1,495,410) | \$ (934,459) |
| Net Interest Income | <u>\$ 8,003,784</u> | <u>\$ 9,238,864</u> |
| Other Operating Income | \$ 1,450,411 | \$ 1,162,149 |
| | <u>\$ 9,454,195</u> | <u>\$ 10,401,013</u> |
| Operating Expenses | \$ (6,862,225) | \$ (6,478,667) |
| Provision for Loan Losses | \$ (552,827) | \$ (513,242) |
| Net Operating Income | <u>\$ 2,039,143</u> | <u>\$ 3,409,104</u> |
| Non-Operating Income | \$ (6,746) | \$ 123,480 |
| Net Income | <u>\$ 2,032,397</u> | <u>\$ 3,532,584</u> |