



ANNUAL REPORT 2017



Betty A. Dunn
Chair

Helping Our Members Achieve Financial Success

Report from the Chair of the Board

Thanks to the outstanding support of our members, our volunteers, and our staff, Community Credit Union of Florida has continued to fulfill its mission to help our members achieve financial success.

As CCU enters its 65th year of service, it is important to acknowledge the accomplishments and milestones of 2017. The successes of the past year were the result of our continued commitment to our members and a significant forward movement as we successfully implemented institution-wide improvements to enhance our member experience and online mobile capabilities. In addition, we implemented new programs that offer an alternative to payday loans, and continued to keep the credit union safe and secure through constant security reviews.

I sincerely thank all of our members for demonstrating your support of the strategic focus through your continued relationship with CCU. We realize you have a choice of financial institutions and are appreciative of the choice you have made in trusting us to handle your financial needs. Because of your dedication to CCU, we have remained extremely sound and our assets have continued to grow, as shown in the financial report.

Before I focus on 2017, I would like to acknowledge an important transition in the leadership of this member-owned cooperative.

After serving in the credit union movement for 42 years, with 26 of those years as President and Chief Executive Officer at CCU, David Brock retired in January, 2018. You can rest assured that the trusted tradition continues as CCU's former Senior Vice President, Laurie Cappelli, steps up as the new CEO of Community Credit Union.

Laurie has carefully prepared for this opportunity through hard work and study while serving the members of CCU for 22 years. She has successfully managed almost every facet of our operations over the years, and in particular the lending function, which is the very essence of our cooperative. She is one of only a few credit union managers in the country to have earned both of two significant industry designations: Certified Credit Union Executive and Certified Chief Executive.

On behalf of the Board of Directors and our valued members, I applaud David Brock's dedication, passion, and longstanding service to the members and our community. The credit union movement, as well as CCU, has benefited from his leadership. We thank him and wish him the best in his well-deserved retirement.

The board is delighted that Laurie Cappelli has moved into the CEO position. We offer her our congratulations as well as our support as she leads CCU into the future.

Congratulations to both David and Laurie on their achievements.

Sixty-five years after we were organized as Brevard County Teachers Credit Union in August, 1953, CCU remains true to our founders' vision to provide a safe place for our members to borrow and save, and to help improve their financial well-being. Although much has changed in sixty-five years, our commitment has remained, with creating value for members being our primary focus.

This focus on delivering value and providing a positive member experience continues to attract new members and new business.

During 2017, membership increased by 4.38% and we concluded the year with over 43,000 members. We established more than 12,394 new deposit accounts for our members, resulting in deposit growth of 9.79%. We fulfilled many dreams and visions through the 7,700 new loans issued and a 12.22% increase in loan volume, including small-dollar loans issued through our QuickCash Payday Alternative Loan Program that launched in December.

We increased our Net Worth position from \$67.6 million (11.43% of assets) at the end of 2016 to \$78.5 million (11.91%). This is well above the 7% regulatory threshold that identifies a credit union as "Well Capitalized."

We have also continued to maintain a concentrated focus on operational efficiency. We constantly strive to achieve the ideal balance of minimizing expenses while maximizing service to members. Our efficiency ratio remains one of the strongest in our peer group of credit unions, allowing us to return a high value to our members. I would like to extend my thanks to the credit union employees who help make this enviable position possible.

We will continue to build upon our success and strive to remain relevant as we constantly reinvent and reimagine how our members can do business with us. We realize it is the little things as well as the big things that impact the relationships we create along the way. We want to give you more reasons than ever to make us the only institution you turn to for your financial needs, and to refer your friends and family to your credit union.

On behalf of our board of directors and entire team, we thank you for choosing CCU as your financial partner. We are grateful for the opportunity to serve you and for the integral role you have played in our success.

Betty Dunn, Chair



Dortha "Dot" Everhart
Vice Chair



Jim Platman
Director



Linda P. Dale
Secretary/Treasurer



Moses L. Harvin, Sr.
Director

Commitment to the Community

CEO/President's Report

As I prepared for this transition, it was simply striking to look back at what was accomplished under the leadership of David Brock and the Board of Directors that has so effectively represented the interests of the membership over the years.

As we move forward, the plan is to continue a member-first focus and the mission to improve the financial lives of our members and make a positive impact on the community. We will continue to support and encourage our employees in performing volunteer work. I feel strongly that CCU can be a part of achieving a concept put forth by Theodore Roosevelt: "This country will not be a good place for any of us to live in unless we make it a good place for all of us to live in."

In 2017, CCU received a notable designation that demonstrates our support for that concept. We were recognized by the U.S. Department of the Treasury as a Certified Development Financial Institution, a title that acknowledges "financial institutions fostering community growth." Becoming a CDFI provides access to resources that will allow us to better serve low and moderate-income individuals and families, which make up a significant percentage of our community and existing membership.

While we are a credit union and part of our reason for being is to provide well-priced credit to members, we also want to help our members build savings. This remains a challenge for many members. In March, 2017, we introduced an easy savings option that has proved to be very popular: the CCU Debit Card RoundUp Savings Program.

As of the writing of this report, approximately 3,300 members have enrolled in this program and have deposited over \$346,202 to their savings accounts.

Another aspect of helping people save is to reduce their credit obligations so they can free up funds for savings. During 2017, we refinanced over \$14,239,038 in vehicle loans and \$999,713 in credit card balances from another lender to a CCU product. When working with members on these refinances, we encourage them to take at least some of the money they are no longer paying out each month to set up a regular savings plan. In particular, we point them to our **Serious Saver Account**, which features a rate well above market on the first \$500 in the account and a limit of one withdrawal annually to encourage the start of that all-important habit of putting some money aside for the inevitable rainy day.

During 2017, we also completed plans for a major renovation of the Rockledge headquarters and branch building. There have been no major changes to the building since it was constructed, and it no longer reflects the way that the members or the employees use the lobby and office areas. This is a complete redesign of the building that will take most of the year to complete. Unfortunately, this will cause some disruption for both members and employees. We are working to minimize the impact as much as possible, but we will be asking for your patience as the work proceeds. Ultimately, this effort will result in a more functional building that will allow us to better serve our members.

We are now entering our 65th year of service. This longevity is reflective of the value that we have been able to provide to members. On behalf of all of us at CCU, I thank you for the trust that you have placed in us to provide you with financial services.

Laurie Cappelli

Laurie Cappelli, *President/CEO*



Laurie Cappelli
President/CEO

“
I am grateful, excited,
and humbled
to deliver my first
annual report
to the membership
in the role of
President and CEO.

”

Our Mission:

Always improve the financial well-being of our members and make a positive difference in the community.



Johnette Gindling
Audit Committee Chair

Consolidated Statement of Financial Condition

CCU ended 2017 in a strong financial position. As in previous years, the management and staff continued to focus on meeting the evolving needs of our membership.

The capital level as of December 31, 2017 was at **11.91%**, providing the reserves needed to expand services and continue our strong growth trends. Total loan balances increased by **12.22%**, share balances grew by **9.79%**, and membership increased by **4.38%**. Assets grew by **11.48%**.

Ensuring the Safety and Soundness of CCU Audit Committee Report

The Audit Committee is composed of a group of volunteer members responsible for helping ensure the safety and soundness of the Credit Union. This responsibility is exercised in accordance with the Federal Credit Union Act and Community Credit Union's bylaws. The Committee fulfilled its responsibilities through the engagement of an external financial auditor, supervision of the internal audit function and review of the National Credit Union Administration's (NCUA) and Office of Financial Regulations (OFR) recent examination results and related matters.

At the conclusion of the December 31, 2017 external financial audit, the Committee met with RSM US, LLP representatives to discuss the external financial audit. The results of the audit concluded that the financial statements of the Credit Union present fairly the financial position of the organization and the results of its operations and cash flows. The financial audit supports management's commitment to accurate financial reporting.

The Committee also reviewed the results of the Credit Union's most recent regulatory examination,

conducted by the OFR. Results of the examination indicated that the Credit Union is financially sound. As the Committee Chair, I met with the examiners to review their findings, which were not significant. Examination results, examination recommendations, and regulatory guidance are reviewed and acted upon by management in a timely and appropriate manner. The Committee also reviews the results of internal audits and works with audit management to monitor management's commitment to strong internal controls.

The Committee is pleased to report that Community Credit Union continues to be well-managed and in strong financial condition. Industry recognition received by Community Credit Union includes Bauer Financial, Inc. 5-star rating, and IDC Financial Publishing's, Inc. Superior rating of 293 out of 300 among many others. We would like to express our appreciation to the Board of Directors, management and staff for their dedication and commitment to serving the Credit Union and its members.

BALANCE SHEET

	2016	2017
<i>ASSETS</i>		
Loans to Members	\$475,463,677	\$533,576,685
(less allowance)	\$(10,836,797)	\$(9,046,849)
Net Loans Outstanding	\$464,626,880	\$524,529,836
Cash/Investments	\$100,857,096	\$106,553,073
Fixed Assets	\$9,310,394	\$10,928,473
Other Assets	\$16,489,863	\$17,146,604
Total Assets	\$591,284,233	\$659,157,986

LIABILITIES, EQUITY & CAPITAL

Other Liabilities	\$24,748,102	\$32,854,829
Shares	\$236,875,265	\$245,548,147
Drafts	\$71,685,113	\$78,886,629
Other Deposits	\$195,204,085	\$228,665,060
Reserves	\$62,771,668	\$73,203,321
Total Liabilities, Equity & Capital	\$591,284,233	\$659,157,986

INCOME STATEMENT

<i>INCOME</i>		
Loan Income	\$23,233,709	\$25,693,016
Investment Income	\$525,671	\$948,306
Other Income	\$5,786,835	\$6,157,701
Total Income	\$29,546,215	\$32,799,023
<i>EXPENSES</i>		
Total Operating (including provision)	\$18,059,346	\$19,064,537
Dividends & Interest to Members	2,467,105	\$2,742,679
Non-Operating (Income)/Loss	(104,030)	\$78,032
Total Expenses	\$20,422,421	\$21,885,248
NET INCOME	\$9,123,794	\$10,913,775

Solutions for Home Ownership

A Message from the AVP of Mortgages

Assisting our members with the purchase of a home is an important aspect of the credit union's business. As a member-owned cooperative, it is our goal to offer solutions to those who wish to pursue the goal of home ownership while ensuring that they do not take on more debt than is prudent for their situation.

As member needs have changed, so has our service offering.

In 2017, we continued to provide the **HomeAdvantage™** program introduced in 2016. This free member benefit provides a financial advantage if you are buying or selling. It assists the buyer from the start with access to the same Multiple Listing Service (MLS) used by real estate agents and the ability to research neighborhoods and set alerts for properties or areas of interest.

In December, we introduced a new online mortgage application with a modern, streamlined interface and the option to verify assets online vs. providing documents.

We have continued to develop unique loan programs that allow people who would be unlikely to qualify elsewhere with access to financing. We do this not by offering the type of predatory loans with ultra-low initial payments that fueled the housing crisis of not so long ago, but by working to find an affordable solution for those who are financially stable but may not fit the picture of the traditional borrower. We evaluate the applicant as a whole so that single issues are put into perspective rather than becoming the driving force when evaluating the loan request.

In particular, we work with those who have experienced life events that would prevent them from qualifying for a traditional loan product, and with those who are able to afford the ongoing cost of a home but do not have large sums available for a down payment and closing costs.

In 2018, we look forward to serving a greater number of members with an expanded mortgage staff and our simplified online application.



Mary Trimboli
AVP of Mortgages



Awards and Certifications

CCU continued to receive many awards, certifications, and recognitions for performance and support in 2017. A partial list includes:

Certified Development Financial Institution – a designation from the U.S. Department of the Treasury that recognizes financial institutions fostering community growth

5 Star “Superior” Rating – awarded by Bauer Financial, Inc. which is the highest rating given for performance of US banks and credit unions

Raddon Crystal Performance Award – recognizes strong performance compared to peers in multiple business measurements

IDC Financial Publishing “Superior” ranking – this independent service ranks CCU's financial ratios relative to other financial institutions

Platinum Business Partner of the Year – awarded by Brevard Public Schools

Titusville Chamber Partner in the Business of Education – nominated by multiple Brevard Public Schools

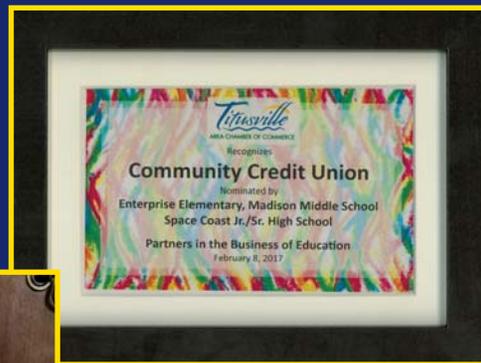
Top Bank Duck – awarded by Crosswinds Youth Services for outstanding support of the annual Duck Race to benefit services to homeless youth

Unwavering Supporter – presented by Florida A&M University

Community Outreach Award – awarded by the World Council of Credit Unions

All In Certificate of Recognition – presented by CUNA Councils for our participation in resource councils for multiple operational areas

A+ Rating – Better Business Bureau



2017 Initiatives

New Service Introductions & Enhancements

Below is a partial list of programs, products, and actions undertaken by CCU during 2017. Many of these actions support our intention to adopt “mobile first” capabilities, since this is the channel that the majority of members use to interact with the credit union.



Debit Card RoundUp Savings Program

Allows members to build a savings account by rounding debit card purchases up to the next dollar and automatically depositing the difference in savings.



Rewards Credit Card

This no-annual-fee card features ScoreCard® Rewards, which can be redeemed for travel packages, gift cards, airfare, hotels, and even cash back in the form of a statement credit.

SCORECARD



QuickCash Payday Loan Alternatives

Two new personal loans, Payday+ and QCash, can help members with no or weak credit to avoid the payday lending trap and build a positive credit history.

Money Management PFM

FinanceWorks™ was replaced with personal financial management tool Money Management. This free member service provides members with an aggregate view of accounts they have at CCU, as well as accounts at other financial institutions. Features include robust debt analysis and management capabilities.

“No Envelope” ATMs

Allows members to deposit cash and checks without the need for an envelope. Deployment will be completed in 2018.

Phone System Self-Authentication

Provides greater security and faster response after you are connected with a representative.



SecurLOCK™ mobile app for credit and debit card management

Turn a registered credit or debit card off and on using a smartphone. Also allows other card management like daily limits, prohibited merchant categories, and location restrictions. Available for business and personal cards.

Mortgage Enhancements:



Community Hero Loan

This popular loan program was updated to remove the restriction to first-time Home-buyers, to increase the amount that can be borrowed, and allow use for construction loans.

New Mortgage Application Platform

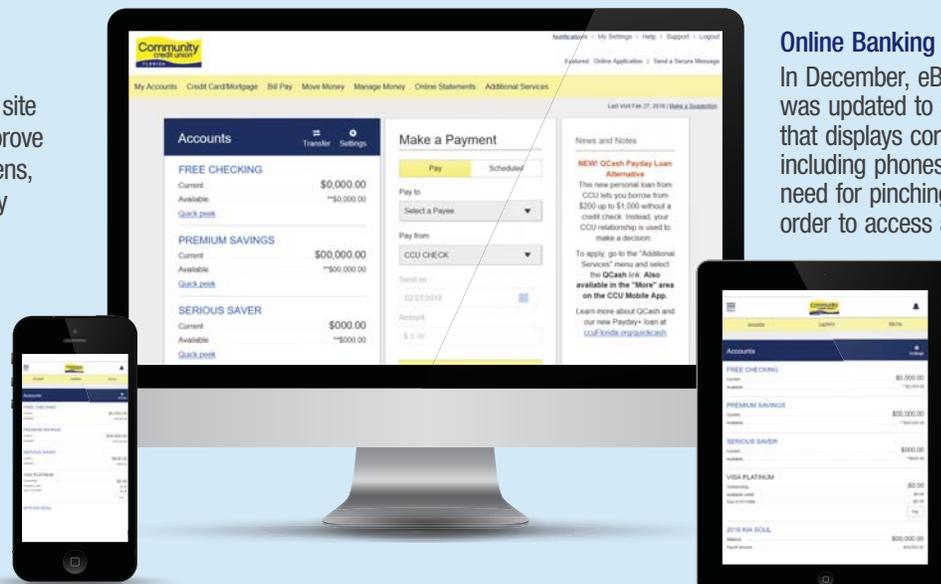
In December, our online first mortgage application was replaced with a new platform with a responsive view, a more conversational tone, and the option to confirm assets electronically. In 2018, the application will be made available within the CCU Mobile App.

Enhancements to Responsive View for ccuFlorida.org

Refinements were made to the site design launched in 2016 to improve the view on small (phone) screens, which have become the primary way the people visit the site.

New Services Added to the Mobile App

Debit Card RoundUp Savings and QCash loan application



Online Banking Responsive View

In December, eBranch Online Banking was updated to a responsive view that displays correctly on all devices, including phones. This eliminated the need for pinching and swiping in order to access account information.

Commitment to the Community

During 2017, we continued our efforts to support those who live and work in the communities we serve through a variety of efforts. Support comes in many forms, including monetary donations, volunteer hours, and helping to spread the word about needs or fundraising events.

CCU continues to encourage volunteerism by allowing employees to accrue up to 40 community service hours that are credited towards paid time off. Staff members serve on boards and committees that support numerous organizations including Aging Matters in Brevard, United Way of Brevard, LEAD Brevard, Junior Achievement of the Space Coast, Rolling Readers Space Coast, Child Advocacy Center of Brevard, Brevard Schools Foundation, Housing for the Homeless, and the Brevard Neighborhood Development Coalition.

Employees become teachers for a day to help develop financial knowledge through Junior Achievement of the Space Coast. We leverage our branch network to support the community through activities like offering duck adoptions

benefiting Crosswinds Youth Services, conducting an annual United Way Campaign, collecting gifts for seniors to be distributed by Aging Matters in Brevard, and collecting holidays gifts for children. We continue to participate in the JDRF One Walk.

When the devastating storms hit Puerto Rico, our credit union community of employees and members rallied to collect and donate food and other desperately needed items. Several CCU employees donated their own time and money and personally performed the actions needed to prepare and ship the collected items. These employees worked with individuals on the island to create a human network that transported items to areas too remote for mail delivery.

In 2017, our contributions to the community were formally recognized at the Federal level with the designation of CCU as a Certified Development Financial Institution.

Much of this support would not be possible without support and contributions from our members. Thank you for your participation in this aspect of CCU's mission.

JA for a Day



TSIC Run for Fun



911 Memorial Stair Climb



Principal of the year West Shore's Rick Fleming



Money Masters teller training at Rockledge



JUMP Luncheon



Palm Bay Lil Pirates Students



Supporting Education

Having been founded by public school teachers, support for public education remains a significant focus for CCU.

Through our efforts in this area, we help students of all ages learn about personal finance and support the professional development of school employees, including new teachers, and provide much-needed funds to address the particular needs of individual schools.

During 2017, we were pleased to work with Brevard Public Schools to support new efforts in staff development, including a Teacher of the Year Leadership Summit designed to help these outstanding teachers share their ideas and techniques, and Level 5 Leaders, which provides management and leadership training for those on track to become school principals.

Through the Brevard Schools Foundation, we continue to support efforts like the Take Stock in Children scholarship and mentoring program, the Supply Zone for Teachers, and the annual ABC Awards that celebrate the accomplishments of teachers, employees, and volunteers in Brevard's public schools.

Our School Bucks and High School Mascot Debit Card programs continue to generate

funds that individual schools can use for needs that are not covered by the school budget. Examples include security enhancements, robotic team travel, and facilities renovations. During 2017, over \$200,000 was distributed to 74 participating schools as a result of these exclusive CCU programs.

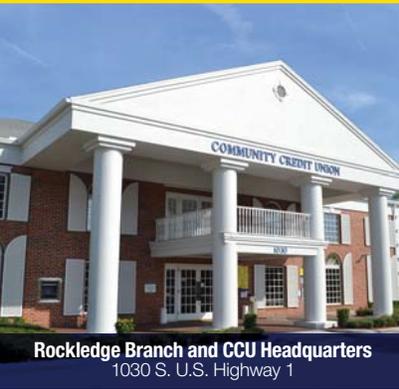
We opened two additional Money Masters in-school branches during 2017, bringing the total to six. This program offers elementary school students the opportunity for basic, hands-on education about financial transactions and banking.

During 2017, we also provided support to the Indian River County school district through sponsorships of programs and events for student and teacher recognition and staff training.

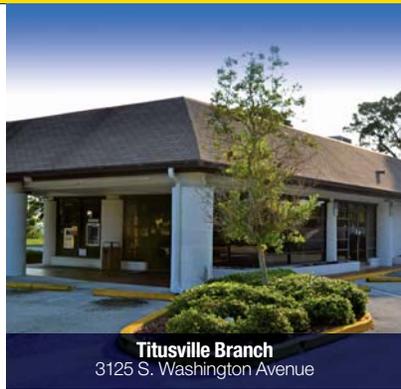
CCU was recognized by Brevard Public Schools as their Platinum Business Sponsor of the Year, and by the Titusville Area Chamber of Commerce as a Partner in the Business of Education.

More information about Money Masters, School Bucks, and Mascot Debit Cards is available at ccuFlorida.org.

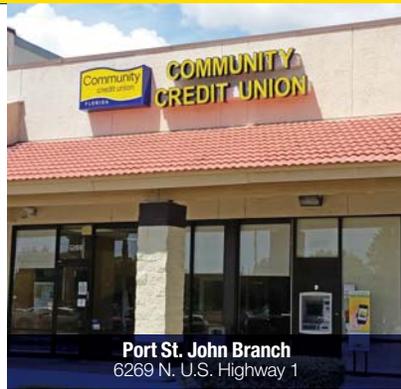
Call, Click, or Visit



Rockledge Branch and CCU Headquarters
1030 S. U.S. Highway 1



Titusville Branch
3125 S. Washington Avenue



Port St. John Branch
6269 N. U.S. Highway 1



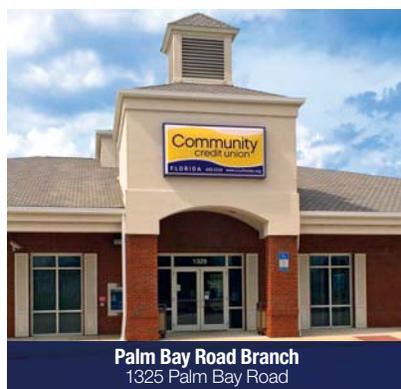
Viera Branch
7380 Murrell Road, Suite 102



Indian Harbour Beach Branch
293 E. Eau Gallie Boulevard



Melbourne Branch
333 E. NASA Boulevard



Palm Bay Road Branch
1325 Palm Bay Road



One Awesome eBranch
ccuFlorida.org

CCU Executive Team

Laurie Cappelli, CCE, CCUE
President/CEO

Lesli Dooley, CCE, CCUE
Senior VP

Jim Chastain
VP of Commercial Services

Margaret Hasenbeck, CCE
VP of Accounting and Finance

David Hill, CCE
VP of Technology

Meredith Gibson
VP of Marketing

Tina Webster, CRVPM, NCRM
Executive Secretary

Management Team

Rick Roach
VP of Commercial Lending

Lacie Banks
AVP of Operations

Barbara Gunter, SPHR
AVP of Human Resources

Brad Hayes
AVP of Lending

Mary Trimboli
AVP of Mortgages

Melissa Roundy
Regional Branch Director

Kim Seefeld
Regional Branch Director

Michel Alexander
Quality Control Manager

Jeffrey Hays
Member Solutions Manager

Debbie Lawson
Accounting Manager

Trish Retz
Commercial Loan Portfolio Manager

Robert Riley, NCRM
eCommerce Manager

Gigi Williams
Technology Manager

Board of Directors

Betty A. Dunn
Chair

Dortha "Dot" Everhart
Vice Chair

Linda P. Dale
Secretary/Treasurer

Jim Platman
Director

Moses L. Harvin, Sr.
Director

CONTACT INFORMATION

Member Service: 321.690.2328

Toll-Free (Outside Brevard): 800.690.2338

Telli (24-hour account access): 321.631.4611

Toll-Free Telli: 888.636.4611

Loan Line: 321.637.3211

Website: ccuFlorida.org

