

ANNUAL REPORT





Betty A. Dunn
Chair

Report from the Chair of the Board

As we reflect on last year, I want to thank our members, staff, and volunteers for their efforts that led to the accomplishments of 2018 which will be shared with you throughout this report. As you can imagine, a year's worth of efforts is difficult to capture in a single report. What we hope you take away is that every employee and volunteer of the credit union takes great pride and passion in serving our members and the community.

I sincerely thank all of our members, not only for committing to our strategic focus, but also for supporting it through your financial relationship. Your participation places us in a strong financial position to continue to meet your lending needs, offer innovative savings products and higher dividends on deposits, ensure top-notch online and mobile services, and contribute to the communities we serve. We have remained sound, and our assets have continued to grow as shown in the financial report.

Change is inevitable, exciting, and has been a part of our organization through the course of time. In 2018, our leadership changed with the appointment of a new CEO, Laurie Cappelli, and we began the remodel of our Rockledge branch and offices. I am pleased to report that under the leadership of Mrs. Cappelli, your credit union experienced an increase in loan growth of 9.53%, deposit growth of 10.11%, asset growth of 10.21%, and we concluded the year with over 45,000 members, an increase of 5.39%.

We have also continued to maintain a concentrated focus on operational efficiency, ending the year at 56.63%. Our efficiency ratio remains one of the strongest in our peer group of credit unions.

The remodel of the Rockledge branch is well under way, and we appreciate your patience and understanding as we work towards building a facility that will serve you more efficiently.

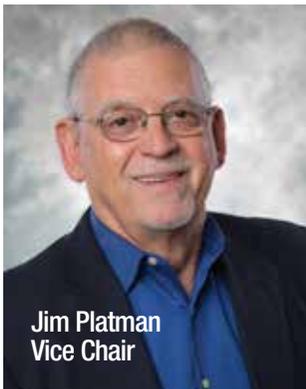
I am pleased with the recent evolution of our organization and am proud to be a member of Community Credit Union. We will continue to build upon our success and strive to remain the only institution you turn to for your financial needs.

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

In conclusion, I want to thank my fellow board members for their passion, commitment, and dedicated service. I am confident that under Mrs. Cappelli's leadership, the guidance of the board of directors, the commitment of a dedicated staff, and the support and loyalty of our members, Community Credit Union will continue to build upon our financial success and provide excellent service to our members in 2019 and beyond.

Betty Dunn, Chair

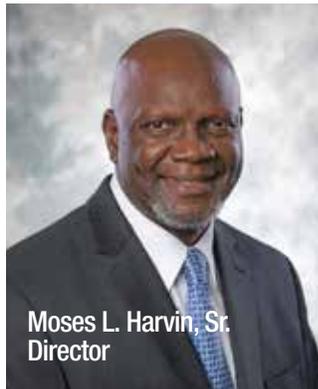
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”



Jim Platman
Vice Chair



Linda P. Dale
Secretary/Treasurer



Moses L. Harvin, Sr.
Director



Johnette Gindling
Director & Audit Chair

Our Mission:

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

CEO/President's Report

It's been 65 years since ten Brevard County teachers had the insight and a vision that has grown into Community Credit Union of Florida. As I complete my first year as President and CEO, I am both proud and pleased to provide this annual update to you, our valued members.

Over the last year, through new and enhanced products and services, we have addressed one of the biggest challenges heard from members and the community at large: help in building savings.

One of the easiest ways to build savings without even thinking about it is the CCU Debit Card RoundUp Savings Program, which rounds debit card purchases up to the next dollar and automatically deposits the difference in savings. As I write this, I am very happy to report that over \$1 million has been saved by our members. For some, this is the only savings they have, so this program truly makes a difference. A 2017 survey from Bankrate reported that fifty-seven percent of Americans don't have enough cash to cover a \$500 expense. Thirty cents here, 52 cents there – it adds up and helps solve this problem.

Another product that helps our members increase their cash on hand is Free Checking Plus. Introduced in October, this unique free checking account has

generated rave reviews among the members who have switched to it. It pays an extraordinary dividend when two simple conditions are met: the debit card is used at least 20 times during the month and the account holder accepts eStatements. There are none of the typical requirements like maintaining a certain balance or having direct deposit in order to avoid a service fee or earn interest. Plus, it pays a much higher dividend than is typical for interest-bearing checking accounts. CCU is the only financial institution in our market area offering this product.

A challenge we took on in 2017 was to help members who had become stuck in a payday lending cycle. **To address this, we introduced our QuickCASH Personal Loan products.** We clearly met a member need. Early in 2018, the product grew to the point where we were funding an average of \$100,000 each month. Most of that production is in the small-dollar QCash loan, where approval is based on the member's relationship with the credit union rather than a traditional credit history. These loans give members with no or weak credit a more affordable alternative to payday lending as well as help them build a positive credit history.

In 2018, we introduced our online Auto Buying Center, which expanded the free support services we offer to members who want to purchase a vehicle. Our goal is to facilitate a stress-free experience and ensure our members get the best deal possible. These tools are conveniently available on the website and mobile app and include AutoSMART™, which is an online vehicle marketplace designed exclusively for members. You can also obtain quick and easy financing preapproval, and contact the Auto Pro who will not only help you shop, but will also negotiate pricing with the dealer.

If you have visited the Rockledge branch in the last several months, you have seen the ongoing construction. This is another part of our continuing initiative to effectively support your needs and leverage advances in banking technology to benefit our members. This complete remodel includes an expansion of the back office area and an update to the lobby and drive-thru areas in order to provide better traffic flow and enable faster service. I applaud our members and employees who have been



Laurie Cappelli
President/CEO

very patient and upbeat during the construction.

In addition, we are currently working on relocating two existing branches, Port St. John and Titusville, to larger facilities. Look for updates and more details on our website and social media throughout the coming months.

Making a positive impact goes well beyond products and services. It also means working with other non-profits that serve Brevard County to identify needs for volunteers and donations. During 2018, CCU employees logged an impressive 2,040 hours of community service. In addition to many individual contributions to local charities, we conducted a United Way campaign and contributed to the well-being of many local youth through Junior Achievement, Summit of Seven, the Child Advocacy Center and Crosswinds Youth Services, just to name a few. Our 2018 holiday gift drive filled multiple vehicles with donations for Aging Matters in Brevard and the Neighbor Up Gifts from the Heart Christmas Shop. I am thankful to our members who so generously supported these efforts.

Coretta Scott King once said: "The greatness of a community is most accurately measured by the compassionate actions of its members." I, and our entire CCU team, appreciate not only your actions, but also your trust in us to serve your financial needs.

Laurie Cappelli

Laurie Cappelli, President/CEO

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Johnette Gindling
Audit Committee Chair

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 related audits throughout the year.

At the conclusion of the December 31, 2018 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 all audits that were conducted throughout the year, both internal and external. Audit results and recommendations are reviewed and acted upon by management in a timely and appropriate manner.

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 a 5-star rating from Bauer Financial, Inc., and a Superior rating of 300 out of 300 by IDC Financial Publishing, Inc., 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.

Consolidated Statement of Financial Condition

CCU ended 2018 in a strong financial position. As in previous years, the management and staff continued to focus on meeting the evolving needs of our members.

The capital level as of December 31, 2018 was at **12.61%**, providing the reserves needed to expand services and continue our strong growth trends. Total loan balances increased by **9.53%**, share balances grew by **10.11%**, and membership increased by **5.39%**. Assets grew by **10.21%**.

BALANCE SHEET

	2017	2018
ASSETS		
Loans to Members	\$533,576,685	\$584,416,150
(less allowance)	\$(9,046,849)	\$(7,295,979)
Net Loans Outstanding	\$524,529,836	\$577,120,171
Cash/Investments	\$106,553,073	\$118,309,674
Fixed Assets	\$10,928,473	\$14,295,736
Other Assets	\$17,146,604	\$16,757,479
Total Assets	\$659,157,986	\$ 726,483,060
LIABILITIES, EQUITY & CAPITAL		
Other Liabilities	\$32,854,829	\$31,856,844
Shares	\$245,548,147	\$237,083,571
Drafts	\$78,886,629	\$82,351,180
Other Deposits	\$228,665,060	\$289,592,358
Reserves	\$73,203,321	\$85,599,107
Total Liabilities, Equity & Capital	\$659,157,986	\$726,483,060

INCOME STATEMENT

INCOME		
Loan Income	\$25,693,016	\$29,157,245
Investment Income	\$948,306	\$1,690,473
Other Income	\$6,157,701	\$6,419,584
Total Income	\$ 32,799,023	\$ 37,267,302
EXPENSES		
Total Operating (including provision)	\$ 19,064,537	\$20,193,175
Dividends & Interest to Members	2,742,679	\$4,353,811
Non-Operating (Income)/Loss	78,032	(358,971)
Total Expenses	\$21,885,248	\$24,188,015
NET INCOME	\$10,913,775	\$13,079,287

Focus on Members

As part of our commitment to effectively and efficiently serving our members, we have added a new position and would like to introduce Dan Kelley, CCU's Vice President of Member Experience.

Dan is a 16-year veteran of the financial services industry and has served in a variety of roles with some of Central Florida's largest credit unions. He earned his Master of Business Administration from Webster University.

In addition to his extensive operational and management experience, Dan is a proponent of giving back to his community. He has served as President of the Rotary Club of Apopka, coached his son's little league baseball team, and now serves on Florida Institute of Technology's Center for Ethics and Leadership Committee. He is looking forward to helping lead CCU's mission to make a positive impact in the community.

In his position, Dan will help facilitate greater employee development to ensure our members are appropriately counseled and guided. There are many moving parts to managing personal finances, and a few simple changes can make the difference between building debt and building financial security. This has always been a priority for CCU, and Dan will help us focus even more on providing products and services that will place members firmly on the path to financial health. He will aid in creating a more consistent member experience across the branch network, member call center, and other member-facing delivery channels.

We are very proud of the CCU team's deep commitment to serving our members and the community, and we look forward to a year of continued growth and excellent member experience under Dan's leadership and guidance.



Dan Kelley
VP of Member Experience

Awards and Certifications

CCU continued to receive many awards, certifications, and recognitions for performance and support in 2018. 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

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

97th Percentile on the Raddon Performance Index - measures overall credit union performance and efficiency

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

Induction into the Partners in Education Hall of Fame - by Brevard Public Schools

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

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

A+ Rating – Better Business Bureau



2018 Initiatives

A partial list of programs, products, and actions undertaken by CCU.

free checkingplus

Free Checking Plus

This free debit/checking account, which pays dividends with no minimum balance requirement and no direct deposit requirement, was introduced in October. It is unique in our marketplace and is intended to provide a direct return to members who support the credit union with frequent use of their CCU debit card, which produces transaction income, and the acceptance of electronic statements, which is a cost efficiency that benefits the membership.



ESFC Titans Debit Card

CCU has partnered with Eastern Florida State College to offer the exclusive Titans Debit Card, available with any personal checking account.



New Mascot Debit Card

A Brevard Virtual School debit card is now available, bringing our total to 18 local high school mascot debit cards.



CDFI Renewal

CCU's designation as a Certified Development Financial Institution was renewed. This designation from the US Department of the Treasury recognizes financial institutions fostering community growth.



Auto Buying Center

In December, support services provided to members making a vehicle purchase were expanded with the addition of the AutoSMART™ online shopping platform. With this rollout, we combined and rebranded these services as the Auto Buying Center. Using the online Center, members can easily search the AutoSMART database, get preapproved for financing, and contact the CCU Auto Pro for personal buying assistance.



AutoSMART™

This new member benefit is a powerful online shopping website available for CCU members to research vehicles, see what local dealerships are offering, browse used vehicles nationwide, and calculate monthly payments to help determine affordability.



New Services Added to the Mobile App

Several services were made available with the tap of a finger on the CCU Mobile App, including:

- Debit Card RoundUp Savings Program enrollment and tracking
- School Bucks registration form
- Money Management personal financial management
- First Mortgage mobile-responsive loan application
- CCU Auto Buying Center
- Enhanced credit card account access

Phone System Upgrade

Our phone system was updated to add self-authentication steps for incoming calls that provide an added layer of security and allow members to hear transaction history and balances while on hold.

"No Envelope" ATMs

Members can now deposit cash and checks without the need for an envelope.

Partnering with Eastern Florida State College



During 2018, Community Credit Union entered into a new partnership with Eastern Florida State College. Many Brevard Public School students continue their education at EFSC, so this allows us to extend our support of Brevard's students beyond high school.

This partnership provides EFSC with additional funding for scholarships and allows CCU to interact directly with students, faculty, and employees to promote the many benefits of membership. It also extends our Mascot Debit Card program to the college level with the Titans Debit Card.

Throughout 2019, we will be on all four EFSC campuses at health fairs, sporting and performing arts activities, and other special events, as well as regularly staffing a table in the student centers to help open accounts and answer questions.

This is a great opportunity for us to offer our products and services that help meet the unique needs of EFSC staff and students as well as to provide them with financial education.

Commitment to the Community

During 2018, we carried out our mission to make a positive difference in the community through various events, donation drives, staff volunteer actions, and helping to spread the word about fundraising needs.

CCU continues to encourage volunteerism by including community service as part of yearly staff performance expectations and allowing employees to accrue up to 40 community service hours credited towards paid time off. In addition, many of our 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, Florida Institute of Technology's Center for Ethics and Leadership Committee, Rolling Readers Space Coast, Child Advocacy Center of Brevard, Brevard Schools Foundation, and Neighbor Up.

Each year, many of our employees also enjoy becoming teachers for a day to help local elementary school students develop

financial knowledge through Junior Achievement of the Space Coast. All of our branches help support the community through an annual United Way of Brevard Campaign, offering duck adoptions benefiting Crosswinds Youth Services, participating in and collecting donations for local seniors to be distributed by Aging Matters in Brevard and local children through the Neighbor Up Gifts from the Heart Christmas Shop.

We also participated in community initiatives like the Space Coast Thanksgiving Basket Brigade, 911 Memorial Stair Climb, Making Strides Cancer Walk, Keep Brevard Beautiful's Beach Clean-Up, JDRF One Walk, Relay for Life, and Summit of Seven.

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

Pictured Right (top to bottom): JDRF One Walk, JA In a Day, 911 Memorial Stair Climb



Supporting Education

CCU was founded by educators and is proud to continue supporting public education.

Our dedication to these efforts helps students of all ages learn about personal finance, supports school employee professional development, and provides much-needed funding to address the needs of individual schools in our area.

In 2018, we expanded our educational alliances to the college level through a new partnership with Eastern Florida State College. One of the more visible aspects of this relationship is the new Titans Debit Card, but more importantly, we have the opportunity to provide information about financial topics and the benefits of credit union membership to students and staff.

We were pleased to continue our support for Brevard Public Schools staff development, ranging from orientation for new teachers to 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.

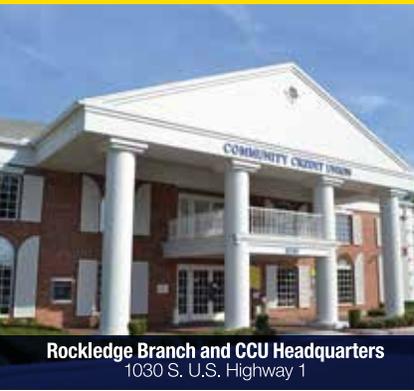
Our School Bucks and High School Mascot Debit Card programs continue to generate funds that individual schools can use for needs that are not covered by the school budget. The School Bucks program is reflective of CCU's cooperative structure, as it allows members to direct where CCU should make donations by their active participation in the program.

The number of Money Masters in-school branches remained the same at six, but actions were taken to prepare for an additional branch in 2019. This program offers elementary school students the opportunity for basic, hands-on education about financial transactions and banking.

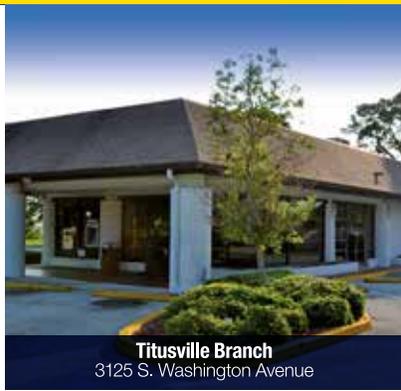
Pictured left (top to bottom): Palm Bay Elementary School Money Masters Branch Grand Opening, Money Masters Branch Teller Training, Brevard Adult Ed Mascot Debit Card Support, Brevard Public Schools PIE Coordinator Event



Call, Click, Tap, 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 Exective Team

Laurie Cappelli, CCE, CCUE
President/CEO

Lesli Dooley, CCE, CCUE, NCRM
Senior VP

Margaret Hasenbeck, CCE
VP of Accounting and Finance

David Hill, CCE
VP of Technology

Meredith Gibson
VP of Marketing

Dan Kelley
VP of Member Experience

Tina Webster, CRVPM, NCRM
Executive Secretary

Management Team

Lacie Banks
AVP of Operations

Barbara Gunter, SPHR
AVP of Human Resources

Melissa Roundy
AVP of Lending

Kim Seefeld
AVP of Branch Sales

Mary Trimboli
AVP of Mortgages

Mark Belew
Member Service Center Manager

Jeffrey Hays
Member Solutions Manager

Matthew Kelly
Electronic Payments Manager

Melissa Kornicki
Marketing Communications Specialist

Debbie Lawson
Accounting Manager

Trish Retz
Commercial Loan Portfolio Manager

Gigi Williams
Technology Manager

Board of Directors

Betty A. Dunn
Chair

Jim Platman
Vice Chair

Linda P. Dale
Secretary/Treasurer

Moses L. Harvin, Sr.
Director

Johnette Gindling
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

Blog: blogccu.org



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