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McCoy Cares
McCoy Federal Credit Union



Value Statements

Our Vision

Provide financial services beyond your expectations.

Our Mission

Provide a wide range of affordable financial products with exceptional member service.

Our Core Values

Culture of Help

From the very beginning, the purpose of the Credit Union has been “People Helping People.” We care about the well being of the individuals we serve and the communities in which they live. This care and concern is primary to all decision making.

Integrity

Our transactions with members, vendors and each other are conducted with the highest level of integrity. The net result is an organization built on trust and a reputation for honesty.

Longevity

We have helped members for sixty years. We have weathered challenging times with our members and will continue to be a vibrant source of financial services into the future.

Competence

We pursue excellence in everything we do. Drawing on the professional skills of our staff we continuously improve our services driven by member needs. We also seek assistance from strategic partners whose expertise improves our competencies.

Chairman's Report

2019 was a very successful year for McCoy Federal Credit Union. Our net assets increased from \$577,686,977 to \$593,644,042. Our net income was \$7,055,728 which was a significant increase over the prior year. Our annual CPA Financial audit went very well, and I am happy to report that McCoy FCU is fundamentally safe and sound. Congratulations to all the McCoy FCU Team for a job well done!

During 2019 McCoy FCU underwent a core conversion in which our data processing system was changed over to a new system. The conversion went very well and there was little interruption to our services during this major undertaking. I would like to personally thank all the McCoy FCU Management and staff for doing an outstanding job on this critical project!

With the rapid growth in housing starts and population in the greater Orlando metropolitan area McCoy FCU Management and Board of Directors are diligently looking for new opportunities to expand across Central Florida. We will be opening a new branch office in Hamlin Cove in the Winter Garden area by the Fall of 2020. This new state of the art office will offer all of our members the latest technology for their financial needs. Our main focus is to continue to open new convenient locations to better serve all of our loyal members and future members.

The coming year will present a very challenging year with the volatility of the stock market, the coronavirus outbreak in China and a divided U.S. Congress among numerous concerns that will affect the economy. Despite all these economic challenges I am confident the McCoy FCU Management Team will lead us through another successful year.

Since 2020 will be a presidential election year there are a few facts based on previous history that I would like to share with you. Presidential elections historically impact economic decisions in two ways: (1). If the economy is doing well around the time of the election, voters tend to reelect the incumbent; if economic conditions worsen, the challenger tends to gain more votes. (2). Stock market returns are generally higher in a president's third and fourth years in office. There is also an element of uncertainty that comes with presidential elections. Things such as tax modifications, regulation adjustments and fiscal policy can have a profound impact on the economy beginning as soon as six months into the Presidential term. This will have an impact on the economy potentially in the election year and for at least two years to follow.

As your Chairman, I want to personally thank each Board Member, each Volunteer, each staff person, and above all the 69,500 members of McCoy Federal Credit Union. Together all of you have continued to make McCoy FCU a great community credit union serving Lake, Orange, Osceola and Seminole Counties.

It has been a privilege and a pleasure to serve as your Board Chairman for the past two years. I thank you for your support and encouragement!



Michael F. Hester
Chairman of the Board

65th Annual Meeting Minutes



The 65th Annual Meeting of McCoy Federal Credit Union was called to order by Chairman of the Board Michael F. Hester at 6:33 p.m., February 20, 2019 in the Community Room of McCoy Federal Credit Union's Administration Building.

Chairman Hester welcomed everyone and thanked them for taking the time to attend the 65th Annual Meeting of McCoy Federal Credit Union. The Chairman called upon Director Dennis Johnson to lead the Pledge of Allegiance.

The Chair asked the Secretary if there was a quorum present. Mrs. Janet Brewer, Secretary replied in the affirmative. There being a quorum, the Chairman declared the 65th Annual Meeting of McCoy Federal Credit Union in session.

Chairman Hester introduced the Directors, the President/CEO, Supervisory Committee Members and Director Emeritus asking them to stand to be recognized. The Chair then called upon President/CEO Alvin Cowans to introduce the Senior Management Team.

President Cowans first thanked everyone for coming to the Annual Meeting. President Cowans introduced each of the Senior Management Team as well as his Executive Assistant, and the VPs Administrative Assistance in attendance.

Chairman Hester provided the Chairman's Report from the 2018 Annual Report. There were no questions of the Chairman.

Chairman Hester re-introduced President Cowans to provide his remarks for the evening.

President Cowans once again bid a Good Evening and a thank you for joining and participating in our 65th Annual Meeting. President Cowans offered a few observations from 2018.

Wall Street got off to a disappointing and disconcerting start, then rebounded slightly in the second quarter of the year, suddenly dropped to record lows and in the end leveled off somewhat a little. As concerns shifted back and forth from a sluggish economy to lukewarm, then to an overheating economy, to once again sluggish, the market took us on a roller coaster ride. It resulted in a portfolio performance of poor investment returns and tested investors' strategies and resolve, led to a slight increase in the financial cost of goods and services. There was just no place you could hide in the stock market the entire year.

President Cowans had the opportunity to meet with many economists throughout 2018 and got their views on the conditions of the financial industry. He also had the privilege of serving on the Federal Reserve Advisory Council and listen in on discussions as it related to current banking and overall economic conditions of the community depository institutions. President Cowans remarked, "I am here to tell you that, No One has a crystal ball."

65th Annual Meeting Minutes

Across the board the various market sectors performed poorly in 2018: telecommunications; materials; utilities; healthcare. Market volatility came back with vengeance. The market was anything but normal in 2018. Even fixed income holdings offered little stability to stock portfolios. In fact, as interest rates started to climb, many categories of bonds even lost value last year. Even bonds were not the safe haven they were in 2017.

There is an old saying often heard, “When E. F. Hutton talks, people listen”. Now it has become known among economist that when the Chairman of the Federal Reserve speaks, “the world listens, and something immediately happens”.

The Federal Reserve Chairman, Jerome Powell said in his January press conference after the Open Market Meeting, “we will be patient on any future interest-rate moves”, that signaled flexibility on the path for reducing its balance sheet. Chairman Powell also said, “we would be ready to alter the balance sheet’s size and composition if the economy warrants a looser monetary policy than the federal funds could achieve on its own.”

Mr. Powell went on to say that “the U.S. economy is in a good place and we will continue to use our monetary policy tools to help keep it there”. Soon after that announcement the U.S. stocks rallied, the Treasury yields fell, and the value of the dollar sank. “The World listened, and things immediately started to happen – whether good or bad.”

The current U.S. economic recovery is in one of the longest running periods of U.S. economic expansion on record, it started in 2009 and currently is 122 months and counting. The current expansion surpassed the 120-month record of 1991-2001. The Federal Reserve expects continued solid growth in 2019, though at a slower pace than in 2018. Credit unions very likely will continue to benefit from a relatively strong economy in 2019.

In the credit union industry, over all membership grew by 4.4% in 2018, but is estimated to slow to around 3.5% in 2019. Credit union’s as a whole had strong return on asset growth (ROA) in 2018 but is anticipated to fall off a bit in 2019. Every new year brings a different set of challenges, economic swings, regulatory issues, whether in the form of rulemakings, compliance priorities, or just changes in leadership.

When we take a moment to look at what’s happening right here in our back yard, in our community, we see that the economic outlook in Central Florida is very bright: Forbes Magazine reported Metro Orlando as one of the Top 10 and fastest growing American cities of the future. The Orlando Region ranks sixth among Forbes’ 15 Best Big Cities for Jobs. Forbes sighted Orlando’s science, technology, engineering and mathematics (STEM) job growth in recent years as one contributing factor, explaining “Orlando (is) actually now adding STEM jobs at a faster clip than the Bay Area metros.”

Orlando doesn’t just lead the nation in job growth; it is also top ranked for population growth. Double the national growth rate and the highest of all 30 of the largest cities in America. Economic forecasters indicate that the Central Florida population will grow from the current 2.5 million people to 4.0 million people by 2026 and then to 8.0 million people by 2036.

65th Annual Meeting Minutes

We see new areas of growth in Orlando such as: The Hamlin Town Center located in Southwest Orlando, it's the third fastest growing master planned community development in the Nation. Phase two of the \$600 million Dr. Phillips Performing Arts expansion has begun and is to include a multiform theater and a large rehearsal room with performance space, bringing to Orlando even more national plays, shows and performances. You no longer will have to travel to New York City for your cultural entertainment. Superion, a software company located in Seminole County plans to make a \$12.3 million investment in office expansion in Seminole County. The Orlando Sanford International Airport moved to the 5th most active airport in Florida. Osceola County is the eighth fastest growing county in the world. A new high-tech manufacturing center in Osceola County scored a major federal research contract victory, landing a role in a new \$75 million deal to develop smart-fiber technology. Even the commuter train, Sun Rail, is scheduled to start service in Osceola County in 2019.

While McCoy looks back at the successes, we had in 2018, and the financial achievements, we now must focus our attention on our 2019 challenges. At McCoy we will continue to market our "McCoy Cares" – Outreach, participating and assisting in many community projects, causes, and local school involvement. We will market credit union advantages; enhance communications to members on products, services, and our delivery channels. We will continue to enhance our service levels, using our new delivery channels and technologies and continue to improve operational efficiencies.

We will be closing our Aloma Branch Office in March 2019, as a result of our lease agreement terms expiring. While we have not yet been able to find a replacement location near-by we will continue to look. We have purchased land in the Hamlin Town Center area, Southwest Orange County off of Highway 429 and New Independence Parkway and will design/build a new Branch Office.

The biggest challenge facing McCoy in 2019 is converting over to a new data Core platform with the Jack Henry system, Symitar. Other credit unions larger than us are using that system. For the past 36 years, McCoy has utilized the same inhouse Data Platform. While the original company, USERS, was bought by another Data company, FISERV, and the Core system itself went through various upgrades during that time period of time, we have operated using the same basic data platform for all those years. We were around \$30 million in 1982, when we changed the Core then and now, we are closing in on \$600 million. It became obvious to us that in order for McCoy to continue to bring you the best level of products and services it was time for another change. In last year's President's message, it mentioned some critical changes that would take place and that these changes would put us in a position to bring improved service levels and a menu of new and improved products. So here we are "Go Launch" a new data Core platform is scheduled for April 1, 2019.

All that being said, the Board of Directors, Management and Team McCoy look forward to the opportunities and challenges facing us in 2019. President Cowans thanked everyone for allowing us to serve them and their families' financial needs and we appreciate their patronage.

Chairman Hester thanked President Cowans for his remarks and then continued with the

65th Annual Meeting Minutes

business portion of the Annual Meeting. The Minutes of the 64rd Annual Meeting were presented in the Annual Report. Having determined there were no corrections, a motion was made, seconded and approved to accept the Minutes as presented.

The Chairman called for questions of the Official Reports found on pages 9, 12, and 18 of the Annual Report. There were no questions for the Lending Report. There were no questions of the Treasurer's Report. The Chairman asked if there were any questions for the Supervisory Report, there were none.

Chairman Hester then called on the Chairman of the Nominating Committee for his report. Mr. Richard Albert reported there were no nominations by petition.

There being no nominations by petition, Mr. Samuel Davis, Jr., Mr. Dennis M. Johnson and Mr. Richard W. Tressler were each nominated for a term of three years. Mrs. Maureen E. Gimenez was nominated for a term of one year. A motion was made, seconded and carried that these persons be elected by acclamation.

The nominations concluded the Official Reports. There was neither Unfinished Business nor any New Business. There being no further Official Business, Chairman Hester closed the Business Meeting and declared the 65th Annual Meeting adjourned at 7:13 p.m., February 20, 2019.



Janet E. Brewer
Secretary



Michael F. Hester
Chairman of the Board

President's Message

When reviewing the Federal Reserve Community Depository Institutions Advisory Council (CDIAC) comments relating to the current conditions of the Financial Industry, they indicate that the overall conditions of the industry remains good. The Advisory Council does point out that there are regional differences in some markets, highlighting that Texas and Florida are even stronger than most. It was reported that general lending standards have been neutral for most Banks and Credit Unions and that credit standards have begun to tighten. The report indicates an optimistic forecast and that uncertainty and volatility of consumer confidence have begun to cast shadows over expectations for the longer term.

Information received from the Federal Reserve Open Market Committee, indicates that the labor market remains strong and that economic activity has been rising at a moderate rate. Job gains have been solid on average, in recent months the unemployment rate has remained low. Although household spending has been rising at a moderate pace, business fixed investment and exports remain weak. On a 12-month basis, overall inflation and inflation for items other than food and energy are running below 2%. Market-based measures of inflation compensation remain low.

The Federal Reserve Open Market Committee also decided in its first meeting of the 2020 year, to maintain their target range for the federal funds rate at 1-1/2 to 1-3/4 percent. The Committee judges that the current stance of monetary policy is appropriate to support sustained expansion of economic activity, strong labor market conditions, and inflation returning to the Committee's symmetric 2% objective.

When we look back over the past ten years at the changes to the financial institution industry, we notice that the total number of banks and credit unions in this country has dropped to just over 10,500 serving the financial needs of communities and consumers in the United States, that's about a 31% decrease.

Of that number there are currently a little over 5,300 federally insured credit unions. The total membership in Federal Insured Credit Unions continues to increase, now a little over 120 million members.

Over the past few years we have begun to even see a handful of credit unions and banks merge together. In the past you typically only saw bank-bank mergers or credit union-credit union mergers. We have also begun to see many Federal Chartered Credit Unions convert to State Chartered Credit Unions. This type of conversion provides more flexibility in expanding their community reach, sustain growth, and compete with the large banking institutions.

Over the last 25 years, credit unions have grown slightly over 2% increase in total market share, owning only about 7.6% of total financial assets. Smaller community banks' market share has dropped from a high of 53% to 17% over the same 25 years span. The total assets market share of the largest 100 banks has grown now close to 75%. Big Banks are gobbling up small community banks and those community banks are beginning to leave the consumer and mortgage lending space within the communities they served. Credit unions have continued to become even more so now, the lender of choice in this space.

President's Message

As a means of better serving the consumer lending space left voided by many community banks, credit unions are beginning to convert to State Chartered-federally insured financial institutions, because of the restrictions placed on Federally Chartered Credit Unions. As a State Chartered- federally insured credit union they are able to purchase a bank, and fill a void left by the closing community banks within the communities the bank where to serve. It allows credit unions the ability to bring back economic benefit, lending capacity and financial support to the communities and consumers of the area.

The National Credit Union Administrations (NCUA) Chairman Rodney Hood said it best when he said: "If it weren't for credit unions acquiring some of these banks, then the community would be left without a financial institution – it would leave them vulnerable to pernicious payday lenders."

When we look into our crystal ball at McCoy, we look at our credit union's mission of "Providing a wide range of affordable financial products with exceptional member service " and the vision of "Providing financial services beyond your expectations", we recognize that we must stay focused on our efforts of fulfilling the credit union's mission and vision.

Our priorities and initiatives going into this new year, this new decade, is to concentrate on elevating the McCoy membership advantage; recruit, develop and retain exceptional talent; enhance our digital delivery channels; provide for exceptional member experience; provide a wide array of portfolio valued products; extend our community "McCoy Cares" reach.

McCoy is celebrating over 65 years of serving the Greater Orlando, Metropolitan Statistical Area and we hold true to our Core Values – Culture of Help; Integrity; Longevity and Competence, which has sustained us over those years.

We thank you for being a part of the McCoy family and allowing us to serve you and your family's financial needs over this time.



Alvin J. Cowans, CCUE
President/CEO

Lending Report

2019 was the year of change. We converted our core processing platform from Fiserv (DataSafe) to Symitar (Jack Henry). The conversion was effective April 1, 2019, however, the process to convert spanned more than 8 months. We converted all Loan Origination Platforms which included Consumer, Mortgage and Commercial. The process consumed a significant amount of resources and detracted the focus from loan growth. As a result, loan volume suffered. At year's end, our loan growth was 2.03%. This was lower than our target of 7%. As of November 2019, 2.03% was below the industry growth average of 6.2%.

One of the primary areas projected for growth was the Mortgage Portfolio. Pre-conversion the portfolio grew 4.5% but post-conversion issues which needed to be addressed affected continued growth. At year end the 1st Mortgage portfolio declined 6.62%. The 2nd Mortgage Portfolio didn't escape the conversion effects either. It grew by only .32% compared to 30% growth in 2018.

One of the bright spots for 2019 was the Indirect Auto Loan Portfolio. Indirect New Auto Loans grew 28.5% and Indirect Used Auto Loans grew an astounding 48.02%. A small percentage of that growth was due to the classification of loans on the new core. The lion's share of this growth was due to the volume received from some of our "inactive" dealers. These previously inactive dealers operated on a different platform so, we contracted with the vendor for that platform to revitalize those relationships. This proved to be an important ingredient for this portfolio's success in 2019 and a significant contributor to the overall growth.

Another area that outperformed our projections was the Signature Loan Portfolio. We had a 34% growth in the Signature Loan Portfolio primarily due to two things: one, increased demand and two, promotions in the 4th quarter.

All of our loan promotions in the 4th quarter were fueled by the marketing tools acquired during the core conversion. We now have the ability to present offers within our mobile app (myMccoy) targeting specific qualified members. Our digital marketing solutions were also responsible for the turnaround with the Credit Card portfolio. In the 4th quarter we used the solution to present qualified members with new card offers. The promotion yielded \$1.2 Million in new Credit Card limits.

We are still implementing some of the solutions of the new core system while familiarizing ourselves with the existing ones. One thing we are certain of, the core system expands creative ways to digitally market the benefits of the Credit Union's products to its members.



Basil A. Buchanan
Vice President Lending

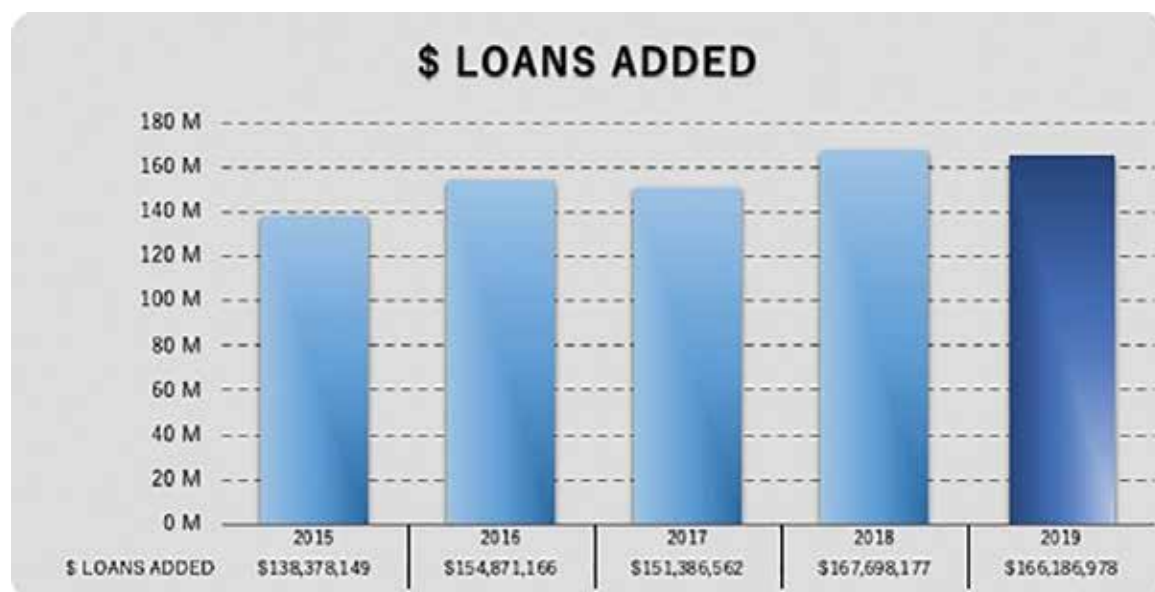
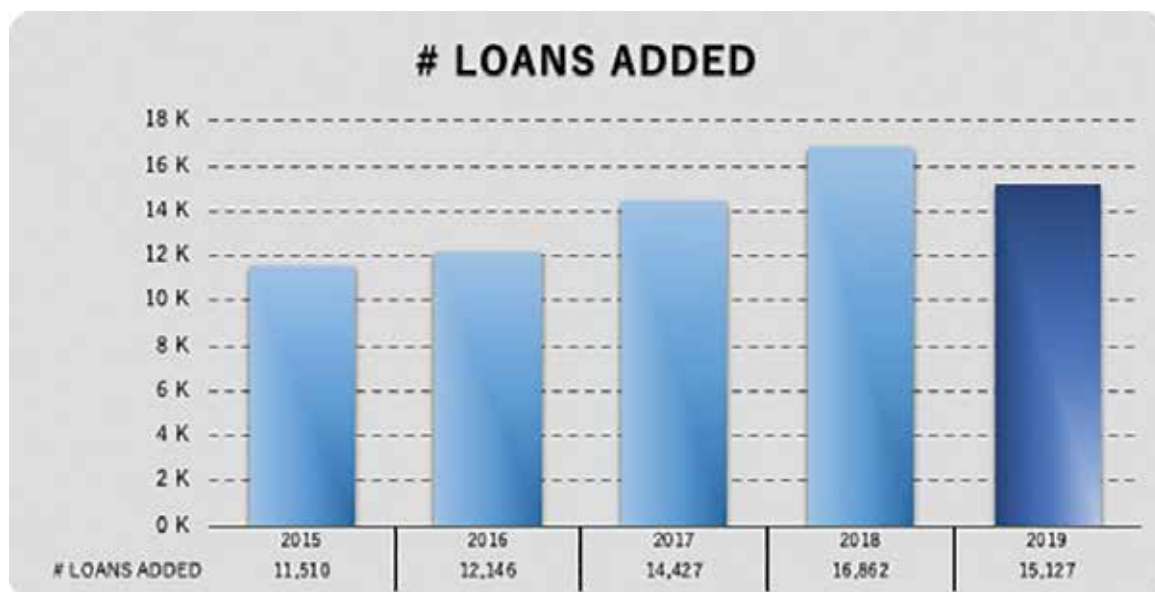
2019 Lending Performance

Total number of Loans Approved and Closed: **15,127**

Total dollar amount of Loans Generated: **\$166,186,978**

Total Loans Outstanding (Net) as of December, 2019: **\$353,569,869**

Lending Report

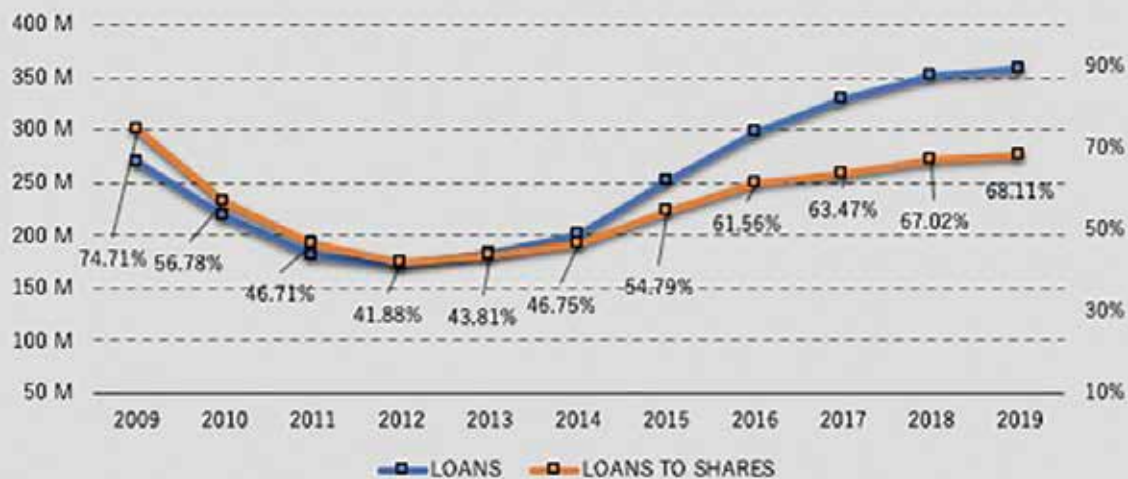


Lending Report

12 MONTH LOAN GROWTH



Total Loans / Loans to Share



Treasurer's Report

The summary financial reports shown below for the past three years indicates McCoy's financial status for 2019 and the two preceding years, 2017 and 2018. During 2019, our total assets ranged from January's \$585,345,352 to a high of October's \$604,458,984. Our ending assets for the year were \$593,644,042. This was a net increase in our assets of \$15,957,065 over the prior year.

In 2019, we continued to experience significant growth in our net loans. Our net loans increased from \$345,783,628 to \$353,569,869 during the year reflecting an increase of \$7,786,241. The biggest increases came in participation and vehicle loans.

During 2019 the Federal Reserve lowered short-term interest rates by a total 75 basis points with very little impact on longer term rates. The rate reductions reflect a Fed recognition that they might have overstated inflationary pressures and were pushing overall rates towards an inverted yield curve. An inverted curve historically is a leading indicator of recessionary activity. Overall activity for 2019 can be best characterized as stable.

Due to continued strong operational management, our Provision for Loan Losses decreased from \$3,684,521 in 2018 to \$2,947,705 in 2019. During 2019, we were able to reduce the loan delinquency ratio from .55% to .50%. Great credit should go to our Loan Services and Lending staff for their hard work and outstanding efforts as well as good underwriting!

Finally, we finished 2019 with a net income of \$7,055,728 which was \$4,386,292 above our 2019 budget and \$1,887,889 ahead of 2018. There were a couple significant one-time events that pushed net income significantly over budget and higher than 2018.

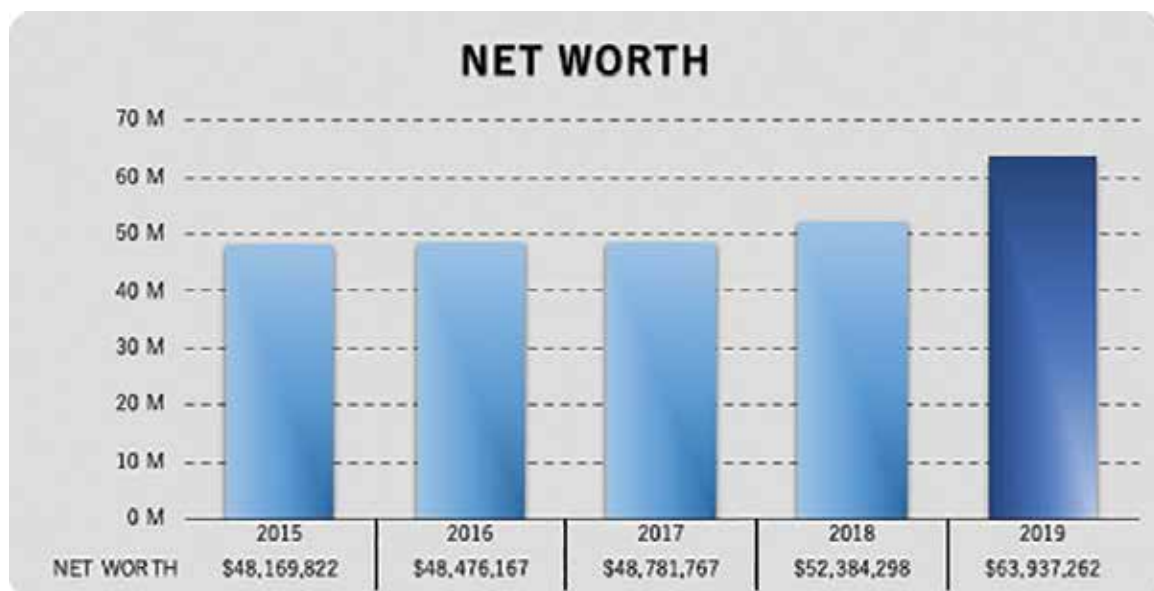
I would personally like to congratulate all the McCoy FCU staff members on controlling expenses while growing our member base to position us for future years!

	Assets	Member Deposits	Net Worth	Earnings
2019	\$593,644,042	\$522,594,211	\$63,937,262	\$7,055,728
2018	\$577,686,977	\$517,596,095	\$52,384,298	\$5,167,839
2017	\$568,816,322	\$510,630,984	\$48,781,767	\$476,519



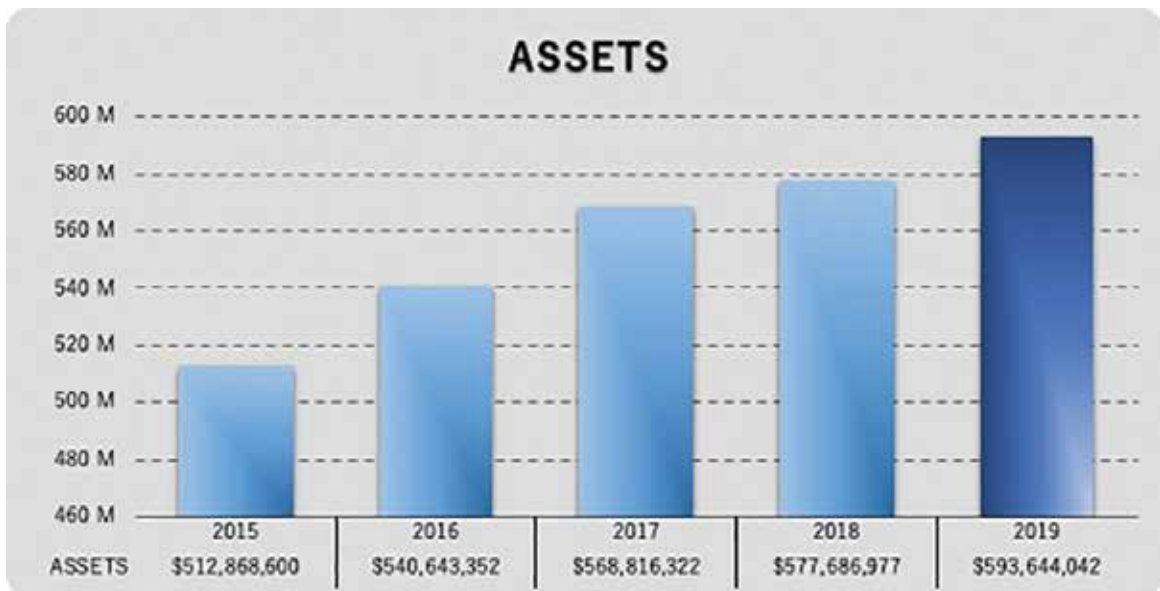
Richard W. Tressler
Treasurer

Treasurer's Report



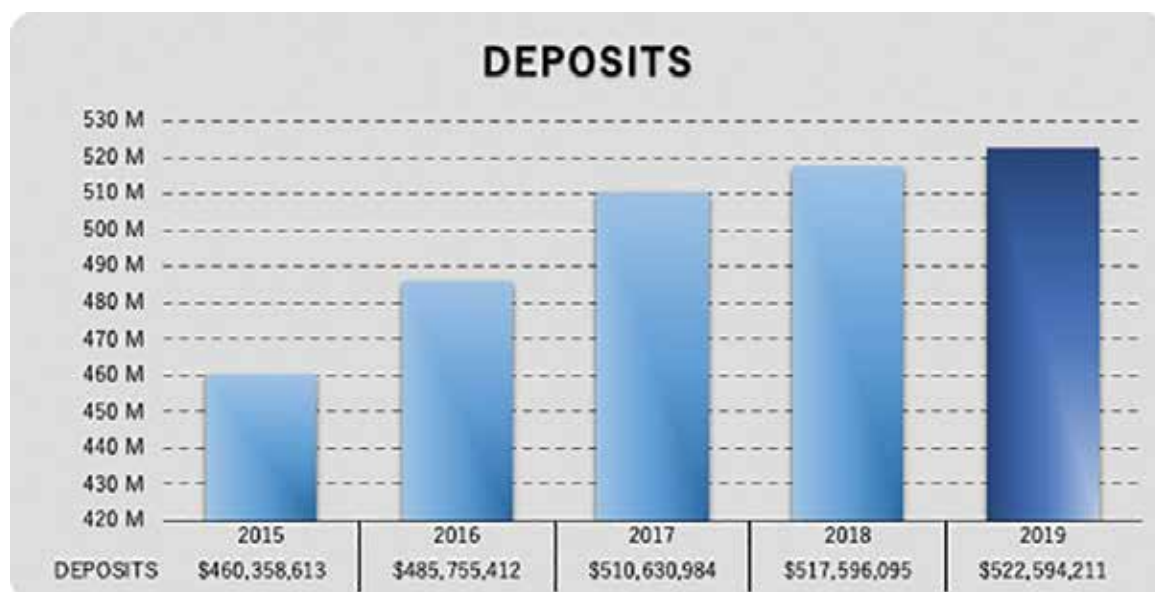
Balance Sheet

	2015	2016	2017	2018	2019
Loans (net)	\$248,583,975	\$295,133,310	\$323,498,087	\$345,783,628	\$353,569,869
Cash & Accts Rec	\$30,193,745	\$20,061,155	\$22,961,814	\$18,389,970	\$22,758,205
Investments	\$199,046,508	\$188,463,477	\$183,610,094	\$174,016,365	\$176,039,742
Facilities & Fixed Assets	\$19,258,264	\$20,822,431	\$20,353,083	\$20,417,813	\$21,453,677
All Other Assets	\$15,786,108	\$16,162,979	\$18,393,244	\$19,079,202	\$19,822,549
Total Assets	\$512,868,600	\$540,643,352	\$568,816,322	\$577,686,977	\$593,644,042
Accounts Payable	\$4,340,165	\$6,411,773	\$9,403,572	\$7,706,583	\$7,112,570
Share Accounts	\$354,061,847	\$383,096,047	\$422,130,984	\$444,128,768	\$457,781,058
Certificates	\$106,296,766	\$102,659,365	\$88,500,000	\$73,467,327	\$64,813,153
Regular Reserve	\$4,181,359	\$4,181,359	\$4,181,359	\$4,181,359	\$4,181,359
Undivided Earnings	\$43,993,751	\$44,294,808	\$44,600,407	\$48,202,939	\$59,755,902
Total Liabilities	\$512,868,600	\$540,643,352	\$568,816,322	\$577,686,977	\$593,644,042



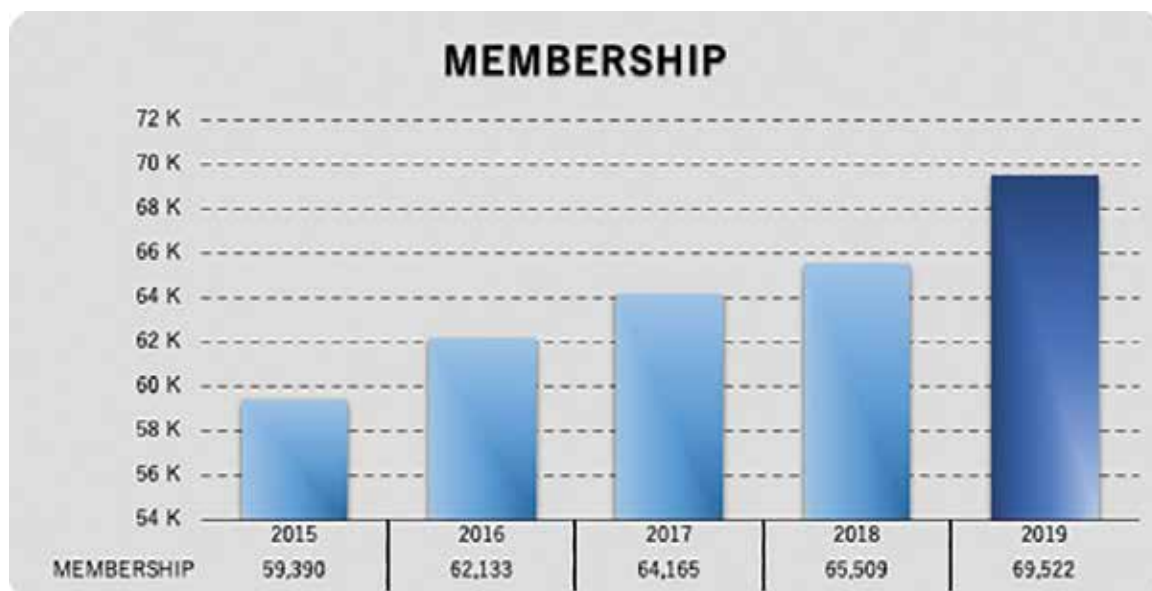
Income Statement

	2015	2016	2017	2018	2019
From Loans	\$12,760,734	\$13,987,815	\$14,664,923	\$15,918,012	\$15,908,919
From Investments	\$3,337,915	\$2,989,692	\$3,328,586	\$3,995,591	\$4,537,820
From Other Sources	\$12,926,507	\$13,246,873	\$13,256,398	\$14,164,716	\$13,616,183
Gross Income	\$29,025,156	\$30,224,380	\$31,249,907	\$34,078,319	\$34,062,922
Compensation	\$10,540,870	\$11,193,699	\$11,859,286	\$11,328,482	\$12,299,194
Office Occupancy	\$2,032,315	\$2,047,033	\$2,144,297	\$2,192,152	\$2,139,524
Office Operations	\$3,160,510	\$3,324,481	\$3,715,614	\$3,075,690	\$3,085,946
Advertising	\$769,915	\$730,699	\$796,053	\$653,326	\$820,480
Collection Expense	\$2,535,532	\$2,573,100	\$2,788,697	\$3,718,452	\$3,142,074
Professional Services	\$1,967,061	\$2,158,081	\$1,939,883	\$2,262,325	\$2,850,711
All Other Expenses	\$840,963	\$1,061,853	\$998,587	\$1,099,064	(\$1,264,104)
Provision for Loan Loss	\$1,762,440	\$3,540,000	\$5,442,532	\$3,684,521	\$2,947,705
Total Operation Expense	\$23,609,607	\$26,628,948	\$29,684,948	\$28,014,012	\$26,021,529
Net Income from Operations	\$5,415,549	\$3,595,432	\$1,564,959	\$6,064,307	\$8,041,392
Dividends Paid to Members	\$1,092,765	\$1,101,399	\$1,088,441	\$896,468	\$985,664
Contribution to Capital	\$4,322,784	\$2,494,034	\$476,519	\$5,167,839	\$7,055,728



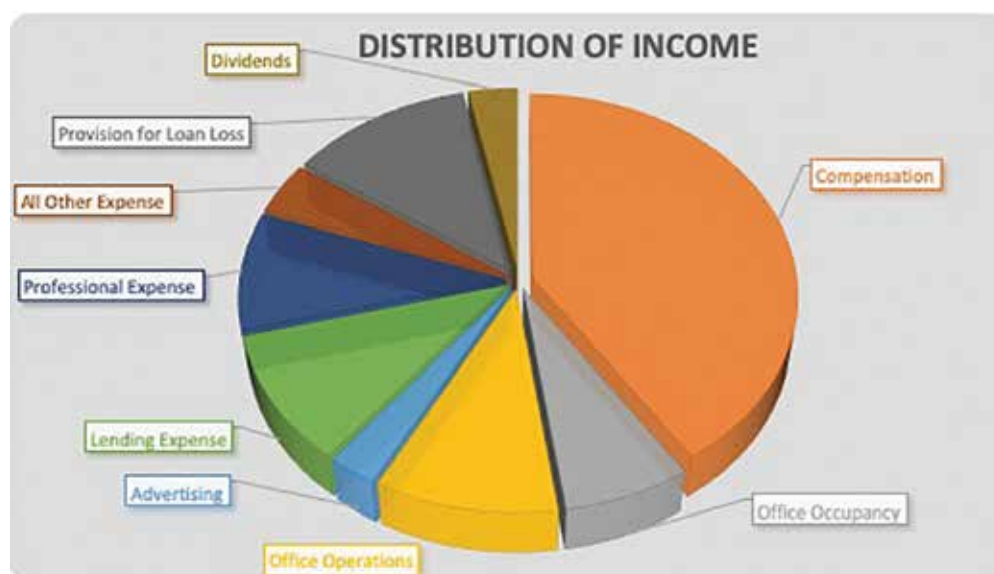
Membership Data

	2015	2016	2017	2018	2019
Members	59,390	62,133	64,165	65,509	69,522
Potential Members	2,321,418	2,321,418	2,321,418	2,321,418	2,321,418
Penetration of Members	2.56%	2.68%	2.76%	2.82%	2.99%
Number of Loans	13,265	14,319	14,704	14,779	15,034
Number of Credit Cards	8,349	8,258	8,187	7,915	7,801
Per Member Data:					
Income	\$489	\$486	\$487	\$520	\$490
Expenses	\$398	\$429	\$463	\$428	\$374
Net Income	\$91	\$58	\$24	\$93	\$116
Dividends	\$18	\$18	\$17	\$14	\$14
Avg Share Balance	\$7,751	\$7,818	\$7,958	\$7,901	\$7,517
# of Loans & Credit Cards	21,614	22,577	22,891	22,694	22,835
Avg Loan Balance	\$11,501	\$13,072	\$14,132	\$15,237	\$15,484
Financial Ratios:					
Return on Loans	5.60%	5.07%	4.67%	4.64%	4.51%
Return on Investments	1.52%	1.48%	1.72%	2.14%	2.45%
Return on Assets	0.86%	0.47%	0.09%	0.89%	1.18%



Distribution of Income

	2015	2016	2017	2018	2019
Compensation	36.32%	37.04%	37.95%	33.24%	36.11%
Office Occupancy	7.00%	6.77%	6.86%	6.43%	6.28%
Office Operations	10.89%	11.00%	11.89%	9.03%	9.06%
Advertising	2.65%	2.42%	2.55%	1.92%	2.41%
Collection Expense	8.74%	8.51%	8.92%	10.91%	9.22%
Professional Expense	6.78%	7.14%	6.21%	6.64%	8.37%
All Other Expense	2.90%	3.51%	3.20%	3.23%	-3.71%
Dividends	3.76%	3.64%	3.48%	2.63%	2.89%
Increase to Capital	14.89%	8.25%	1.52%	15.16%	20.71%
Provision for Loan Loss	6.07%	11.71%	17.42%	10.81%	8.65%



Supervisory Committee Report

The Supervisory Committee is responsible for making sure the Credit Union's financial records are in order and that internal controls are in place to protect the assets of the Credit Union and its members. The Committee does this by making sure that an annual audit is conducted and by making sure that internal controls are tested regularly.

The primary function of the Committee is to ensure ongoing reviews and audits to make sure that your credit union records are maintained properly, honestly, and accurately; that policies established by law and by the Board of Directors are carried out. We are also to make sure members' assets are safeguarded and used according to the purpose outlined by the Federal Credit Union Act, National Credit Union Administration rules and regulations and Board of Directors' policies.

In addition to our primary functions as a Supervisory Committee we are also responsible to:

- Review the actions of the Board of Directors, Officers and Committees to make sure that they exercise firm control over the credit union's affairs.
- Evaluate internal controls and operational risk management to make sure that we are upholding the integrity of the credit union's financial reporting.
- Review all policies and changes in credit union procedures in terms of their effects on the quality of service to members and safety of members' funds.
- Conduct or order a verification of members' loan and share accounts to comply with credit union policy and regulatory requirements.
- Present a full report of the findings of annual audits and any special findings to the Board of Directors.
- Prepare and make available an Annual Report presented to members at the Annual Meeting.

Nearman, Maynard, Vallez, Certified Public Accountants (CPAs), conducted the annual audit of McCoy Federal Credit Union's financial statements for the year ending September 30, 2019, in accordance with auditing standards generally accepted in the United States of America. The audit report did not address any areas of concern.

Nearman, Maynard, Vallez, Certified Public Accountants also conducted member account verifications, as required by the National Credit Union Administration. All inquiries and responses were researched and resolved.

Based on the results of the annual audit by Nearman, Maynard, Vallez, Certified Public Accountants (CPAs), it is the opinion of the Supervisory Committee that McCoy Federal Credit Union continues to be financially strong and operationally effective with sound policies and procedures.

McCoy Federal Credit Union continues to seek additional ways to improve efforts toward better security and safeguarding members' assets. In 2019, McCoy Federal Credit Union undertook the comprehensive project of implementing a core conversion of our data processing system. Thus, in doing so there were additional audit functions performed by our external audit firms during 2019.

McCoy Federal Credit Union's Mission is to provide a wide range of affordable and quality financial products with exceptional member service always striving to bring nothing but the very best to our members.



Respectfully submitted,

Maureen Gimenez
Director
Chairman Supervisory Committee

Nominating Committee Report

In accordance with Article V, Section 1 of McCoy Federal Credit Union's Bylaws, the Nominating Committee chaired by Vice Chair Richard J. Albert, Sr. has nominated 1 incumbent candidate for the position open on the Board. The incumbent is Maureen E. Gimenez for a 3 year term.



Maureen E. Gimenez
Director
Term of Three Years

MAUREEN E. GIMENEZ became a McCoy Federal Credit Union Volunteer in January 2007. She has served on the Supervisory Committee since 2007, and as Supervisory Committee Chair since 2015. Mrs. Gimenez was appointed as an Associate Director in 2016 and appointed as a Board of Director in April 2018 until February 2019 to fill a Board vacancy due to retirement.

Maureen Gimenez is currently a Supervisory Auditor (Bankruptcy) with the United States Department of Justice, Office of the United States Trustee in Orlando, Florida. Maureen has been with the United States Trustee's Office since 1992. Prior to becoming an Analyst in the office, she was a Paralegal Specialist, who received her Paralegal Specialist Certification in Litigation and Legal Writing with Honors, from Roosevelt University in Chicago, Illinois in 1987, and her bachelor's degree at Columbia College in Liberal Arts with a Concentration in Accounting in 1998. She has worked as a financial/litigation paralegal for the Law firm of Williams and Montgomery and the Law firm of Freeborn and Peters in Chicago, Illinois. She worked as a litigation paralegal for the Office of Legal Affairs City of Orlando/City Attorney from 1991-1992. She has spoken at various colleges for various paralegal programs around the Central Florida area.

She has been a volunteer Teen Court judge for Seminole County since 2000. She served as Chairperson for the Minority/Women Business Enterprise Certification Board for the City of Orlando (a Mayoral Appointment) from 2002-2006. She worked as a Tax Advisor for H&R Block from 1999-2004. She has been certified by the Florida Supreme Court as a County Court Mediator, mediating small claim cases for Orange County since 2003. In 2007, she decided to go back to school and received her MBA from Rollins College/Crummer School of Business in 2009. In the course of her MBA studies Maureen gave a presentation in Prague, Czech Republic to Wood & Company the leading investment house in Central and Eastern Europe. She also, attended and was part of a team that gave a presentation at IPADE, the Executive Business School, in Mexico City, Mexico.

She has and continues to serve as a volunteer on several community-based Boards. She remains on the volunteer recall list as a Teen Court Judge for Seminole County. She is a Guardian Ad Litem for Osceola County and also, a Certified County Mediator for Orange County, Florida.

Since there is at least one nominee for the vacancy, Article V, Section 1 of our Bylaws states the election will not be conducted by ballot and there will be no nominations from the floor at the Annual Meeting. However, other interested members may be nominated by petition signed by one percent of the members with a maximum of 500 for the office listed. Such NOMINATIONS BY PETITION MUST BE RECEIVED IN THE CREDIT UNION NOT LATER THAN 12 NOON ON January 8, 2020. Standard petition forms are available from the Board Secretary and WILL BE THE ONLY FORMS ACCEPTABLE FOR THIS PURPOSE.

Respectfully submitted,



Richard J. Albert
Vice Chairman of the Board
Chairman Nominating Committee



Dennis M. Johnson
Director
Committee Member



Richard W. Tressler
Director / Treasurer
Committee Member

2019 Board of Directors



Mr. Michael F. Hester
Chairman



Mr. Richard J. Albert
Vice Chairman



Mr. Richard W. Tressler
Treasurer



Mrs. Janet E. Brewer
Secretary



Mr. Samuel Davis, Jr.
Director



Mrs. Maureen E. Gimenez
Director



Mr. Dennis M. Johnson
Director

Supervisory Committee

Mrs. Maureen E. Gimenez	Chairman
Mr. Robert L. Conner	Member
Mr. Stephen J. Graham	Member
Mr. Michael E. Montague	Member

Senior Management



Alvin J. Cowans, CCUE
President/CEO



Tod W. Mazzocco
Executive
Vice President



Basil A. Buchanan
Vice President
Lending



Colleen G. Katz
Vice President
Human Resources



Donald J. Knopick
Vice President
Information Technology



Andrew N. Meyer
Vice President
Finance



Ronald C. Nesbitt
Vice President
Risk Management



Laura K. Retherford
Vice President
Operations



Wayne Schneck
Vice President
Marketing & Business Dev



Danny H. Snider
Vice President
Loan Services

2019 Community Partnerships

2019 Business Development Summary				
	EG Events	Community Events	Sponsorships	Total Community Involvement
1st Quarter	5	15	16	36
2nd Quarter	7	14	25	46
3rd Quarter	17	12	25	54
4th Quarter	15	16	32	63
YTD Total	44	57	98	199



WESTGATE RESORTS



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DOING THE MOST GOOD



Dwayne D. Andreas | School of Law



2019 Community Involvement



2019 Community Involvement



2019 Community Involvement



2019 Community Involvement



ORANGE COUNTY
BAR ASSOCIATION



BOY SCOUTS OF AMERICA
CENTRAL FLORIDA COUNCIL



2019 Community Involvement



Products & Services

- Regular Share (Savings) Accounts with dividends
- Easy, Classic & Fresh Start Checking Accounts with Overdraft Protection & Overdraft Privilege
- Visa Debit Card with Rewards
- Money Management Share Accounts (MMSA) with dividends
- 6-Month, 1-, 2-, 2 ½-, 3- and 5-Year Share Certificates
- Individual Retirement Accounts (IRA) – Traditional, Roth, and Coverdell Educational Savings Account (CESA)
- IRA Certificate Accounts—6-Month, 1-, 2-, 2 ½ -, 3- and 5-Years
- IRA Online Center
- Health Savings Accounts
- Youth Savings Accounts (Ages 5 - 17)
- Youth Checking
- Golden Eagle Club (Ages 55 and over)
- Direct Deposit
- ATMs—CU24, CU Here, CIRRUS, Pulse
- Safe Deposit Boxes (select locations)
- Western Union Wire Service (within USA only)
- Wire Transfer of Funds (within USA only)
- Night Depository (select locations)
- Money Orders
- Official Checks
- Free \$2,500 Accidental Death Insurance
- Toni-the-Teller at McCoy FCU
 - 24-Hour Access to Your Accounts
- First Mortgages – 10, 15, 20 & 30 year terms
 - VA, FHA & USDA Mortgages
- Second Mortgages
- Home Equity Loans
- Home Improvement Loans
- Land & Lot Loans
- Rental, Condo & Mobile Home Loans
- Line-of-Credit Loans
- Vehicle Loans (New & Used)
 - Auto, Truck & Motorcycle
 - RV & Travel Trailers
 - Boats & Jet Skis
- Debt Consolidation Loans
- Share Certificate and Share Account Secured Loans
- Visa Signature Credit Cards with Cash Back
- Visa Platinum Credit Cards with Rewards
- Visa Platinum Credit Cards with Low Rate
- Share Secured Credit Cards
- Credit Life and Credit Disability Insurance
- Auto Gap Insurance
- Automobile Warranties
- Auto Deductible Re-Imbursement Insurance
- Auto Essentials Coverage
 - Lost or Stolen Keys
 - Dings & Dents
 - Damaged Rims & Punctured Tires
- Automatic Loan Payments
- Electronic Loan Closing
- 24 Hour Loan by Phone
- Online Account Opening
- Online Loan Applications
- Indirect Lending
- My McCoy – OnLine Account Access with:
 - Online Bill Pay
 - E-Notices
 - Electronic Statements (E-statements)
 - E-Checks (OnLine)
- My McCoy Mobile – for iOS & Android
 - Mobile Banking
 - Mobile Check Deposit
 - Mobile Bill Pay
 - Person to Person Payments
- Apple Pay
- Samsung Pay
- Android Pay
- Business Accounts
 - Business Credit Cards with Rewards
 - Commercial Loans
 - Business Lines of Credit
 - Business Loans
 - SBA Loans
 - Business Debit Cards with Rewards
- Accel Credit & Debt Counseling
- Quorum Insurance - Auto, Commercial, Home & Health

Office Locations



1. McCoy Road Office

1900 McCoy Rd
Orlando, FL 32809

2. Curry Ford Office

5757 Curry Ford Rd
Orlando, FL 32822

3. Central Florida Pkwy Office

2075 Central Florida Pkwy
Orlando, FL 32837

4. Michigan Office

35 W. Michigan St
Orlando, FL 32806

5. L.B. McLeod Office

5620 L.B. McLeod Rd
Orlando, FL 32811

6. Chickasaw Office

502 S. Chickasaw Tr
Orlando, FL 32825

7. Apopka Office

931 N. Park Ave
Apopka, FL 32712

8. Osceola Parkway Office

1221 W. Osceola Pkwy
Kissimmee, FL 34741

9. Clermont Office

1051 E. Hwy 50
Clermont, FL 34711

10. Lake Nona Office

9101 N. Narcoossee Rd
Orlando, FL 32827

11. VA Office

Orlando VAMC
13800 Veterans Way
Orlando, FL 32827

12. Ocoee Office

1575 E. Silver Star Rd
Ocoee, FL 34761

13. Longwood/Lake Mary Office

3540 N Hwy 17-92
Lake Mary, FL 32746

Contact Information

Lobby Hours

Monday - Thursday Friday
9:00 AM - 5:00 PM 9:00 AM - 6:00 PM

Drive Thru

Monday - Thursday Friday
8:00 AM - 5:30 PM 8:00 AM - 6:00 PM

Phone (All Offices)

407-855-5452 • Toll Free 1-888-584-7701

Toni-the-Teller at McCoy FCU

24-hr Phone Account Access
407-857-8245 • Toll Free 1-888-584-8268

Orlando VAMC

Monday - Friday
8:00 AM - 4:00 PM

Call Center

Monday - Thursday
8:00 AM - 5:00 PM
Friday
8:00 AM - 6:00 PM

Mailing Address

McCoy Federal Credit Union
P.O. Box 593806
Orlando, FL 32859-3806

Web Site

www.mccoyfcu.org

Email

mccoy@mccoyfcu.org

The McCoy Federal Difference

- 1. Better interest rates and lower fees.** When you're getting better interest rates and paying lower fees, you get to keep and save more of YOUR money, helping you take charge of your financial life.
- 2. Full line of products and services.** At McCoy, you receive the same services as a bank - like checking, savings, ATMs, debit cards, investment funds, mortgage loans, car loans and even small business loans.
- 3. Convenience.** As a member, you have access to free ATMs at any McCoy location, all CU Here/CU24 ATMs plus all Publix ATMs.
- 4. Expertise.** Financial matters can be complicated. Not only do our staff members have terrific product knowledge, they have years of experience to help you make those important decisions.
- 5. Customer Service.** Credit union customer satisfaction consistently ranks higher than banks. At McCoy, you're always a member and not a number.
- 6. McCoy Gives Back.** We believe in giving back to the communities we serve through event sponsorships, scholarships, financial literary assistance and more. Your community is our community.
- 7. Safe and Sound.** The safety of your money and investments is an important aspect to consider. Rest assured, your money is safe and insured at McCoy.
- 8. Not-for-Profit.** Our not-for-profit status is a very important distinction that separates us from banks. In a nutshell, it means we return our profits (after paying expenses) to you, and not to stockholders, by offering better returns on savings, lower rates on loans, and new or improved services.
- 9. Member-owned.** Don't let membership scare you. It simply means you have a say in some of the activities of your local credit union should you want it. And it means you're treated with the same respect as everyone else.
- 10. Locally-Owned.** McCoy Federal is locally owned by our members. Since we are local, we have faster decision making and less red tape. We know the market and have a vested interest in seeing the local economy and our members succeed.

Membership



Membership to McCoy Federal Credit Union is open to anyone, who lives, works, worships, volunteers or attends school in Orange, Osceola, Seminole or Lake Counties; members of the immediate family or household; and organizations of such persons. Businesses and its employees located in Orange, Osceola, Seminole or Lake Counties are also eligible for membership.

Our History

- 1954** On December 14, 1954, seven people pooled their knowledge and assets to establish the Pine Castle Air Force Base Federal Credit Union, a military member credit union.
- 1958** Pine Castle Air Force Base was renamed McCoy Air Force Base in honor of Colonel Michael N.W. McCoy, and the credit union followed suit. From that time, it has been known as McCoy Federal Credit Union.
- 1974** McCoy Air Force Base was closed.
- 1981** McCoy Federal became a community chartered credit union serving those who lived and worked in Southside Orlando, between Michigan Street, I-4, Highway 15/15A and South County Line.
- 1985** McCoy Federal's first branch office, the Curry Ford Office, was opened near the corner of Curry Ford Road and Highway 436.
- 1990** The Williamsburg Branch Office began as a store front operation on Central Florida Parkway.
- 1993** The Michigan Street Office located in the Market at Southside opened.
- 1995** The Williamsburg Branch Office was relocated to a new full-service building on Central Florida Parkway near Orange Blossom Trail and was renamed as the Central Florida Parkway Office.
- 1997** McCoy received approval from NCUA to expand its field of membership to accept members who live, work, worship or attend school south of Highway 50 in Orange County, Florida.
- 1999** McCoy Federal opened its West Orlando Office on L.B. McLeod Road and Kirkman Road.
- 2002** McCoy opened its sixth office located on Chickasaw Trail in East Orlando at Lake Underhill.
- 2003** McCoy Federal received approval to expand the membership boundaries to anyone who lives, works, worships or attends school in all of Orange County. By the end of 2003, McCoy opened a new Administrative office building along side a new branch location at 41 & 35 West Michigan Street. McCoy's store front located at The Market at Southside was relocated to the new office at 35 West Michigan Street.
- 2006** Our 7th office opened in Apopka at 931 N. Park Avenue serving our members in Northwest Orange County. In December 2006, McCoy received approval from NCUA to expand its field of membership to include Orange, Lake, Seminole and Osceola County, Florida (Orlando MSA).
- 2007** Our 8th office opened near the Loop and Hunter's Creek in the Osceola Corporate Center at 1221 W. Osceola Parkway in Kissimmee.
- 2008** We opened our 9th location in Clermont in February 2008 to serve our members in Lake County. The Clermont Office was originally a store front located at 4300 S. US Hwy 27 at the Legends Pointe Center. On December 31, 2008, Central Florida Healthcare FCU merged with McCoy which added 14,000 new members and approximately \$50 million in assets to our Credit Union.
- 2009** We opened two new offices serving the Ocoee and Lake Nona areas.
- 2012** The Aloma office is opened off Aloma Ave just West of the 417. (This location was closed March 2019)
- 2014-15** To better serve our members, the Clermont office is relocated to 1051 E Hwy 50 just east of Hwy 27. The Lake Nona Office is moved from a storefront location to a new free standing facility. Both locations are full-service branches with larger facilities, drive-thrus and easier access for our members.
- 2017** The Longwood/Lake Mary office is opened at 3540 N Hwy 17-92 and Ronald Reagan Blvd (427) serving residents of Longwood, Lake Mary & Sanford areas.
- TODAY** McCoy Federal is one of the largest credit unions in Central Florida with over 69,000 members, average assets over \$600 million, 13 branch locations and still growing!



McCoy Federal
Your Full-Service Community Credit Union

