

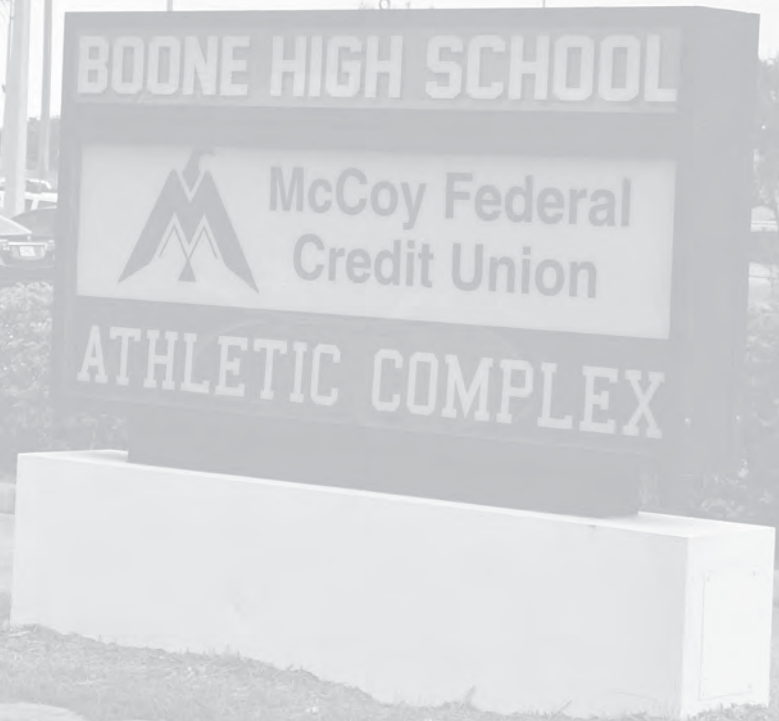


# ANNUAL REPORT 2018



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# 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

2018 was a very successful year for McCoy Federal Credit Union. Our net assets increased from \$569,000,000 to \$578,000,000. Our net income was \$5,000,000 which was a significant increase over the prior year. Our annual NCUA audit went very well this year 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!

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. 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, rising interest rates and a divided U.S. Congress among numerous concerns that will affect the economy. Despite all these uncertainties I am confident the McCoy FCU Management Team will lead us through another successful year.

Throughout the 2018 year, McCoy Federal and its Team Members have participated in numerous community projects. One particular project which has been ongoing for many years is a partnership with Lancaster Elementary School providing school supplies and to make sure children in need have a joyful Christmas. This year McCoy Federal and its employees sponsored 76 children for the holidays. Through this partnership, McCoy Federal employees sponsor a child or multiple children and provide gifts of clothing, toys, books and more. This generosity shown by the McCoy employees to the children is both heartwarming and touching.

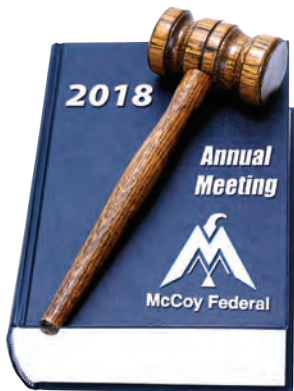
As your Chairman, I want to personally thank each Board Member, each Volunteer, each staff person, and above all the 65,500 members of McCoy Federal Credit Union. Together all of you have continued to make McCoy FCU a great community credit union serving Lake, Orange, Osceola and Seminole Counties.

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



**Michael F. Hester**  
Chairman of the Board

# 64th Annual Meeting Minutes



The 64th Annual Meeting of McCoy Federal Credit Union was called to order by Chairman of the Board Fred S. Browne, Jr. at 6:30 p.m., February 21, 2018 in the Community Room of McCoy Federal Credit Union's Administration Building.

Chairman Browne welcomed everyone and thanked them for taking the time to attend the 64th 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 64th Annual Meeting of McCoy Federal Credit Union in session.

Chairman Browne introduced the Directors, Associate Director, the President/CEO, and Supervisory Committee Members 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, the VPs Administrative Assistance and the AVP Marketing in attendance.

Chairman Browne began his remarks with thanking everyone for joining us. Chairman Browne brought up the question to everyone, how big was our Credit Union when you became a member? Our charter was approved in December 1954. The first Financial Statement was in December 1955 with Assets of \$43 thousand and 611 members. Ten years later in 1964 Assets were \$1.7 million and 4,860 members. "I was in the military being transferred to McCoy Air Force Base and I asked if anyone knew where McCoy is and was told it was somewhere between Daytona and Tampa." Now everyone knows where we are. That was the year, 1974, that I joined the Credit Union; being a young military member, I did not do much to help the Assets but did add 1 to the membership total. Was anyone (in attendance) a member during that time frame? Ten years later in 1974, assets were \$10 million and 10 thousand members. How many of you were members then? In 1984 Assets were \$29 million and 16 thousand members. Mr. Cowans had come on aboard in 1983. Then in 1994, assets were \$116 million and 32 thousand members. How many of you were members? In 2004, we celebrated 50 years with \$336 million in assets and 64 thousand members. In 2014, at 60 years we had \$478 million in assets and 56 thousand members. Then last year, 2017, we had \$568 million in assets and 64 thousand members.

Whenever you became a member, You became an important part of the McCoy family.

Chairman Browne 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 us tonight. At the end of the third quarter 2017, the credit union industry reported that there were:

5,642 Federally Insured Credit Unions - with

\$1.36 Trillion in Assets - serving

110.5 million members

# 64th Annual Meeting Minutes

The average size credit union today is considered to be in the range of \$200- \$250 million in Assets. Out of the 5,642 credit unions, only 529 credit unions have assets greater than \$500 million (This would put McCoy around the 480th largest credit union by asset size in the United States). In the State of Florida there are a total of 138 credit unions, of which only 31 have assets greater than \$500 million in assets, this puts McCoy as 28th largest credit union in Florida by asset size.

These numbers point out the importance of the role credit unions play in the financial market place. In recent years, numerous researchers have even provided evidence of the important role played by credit unions on local financial services marketplace. The presence of credit unions not only helps members get lower cost financial products, but also serves as a balance within the financial industry to the banking industry in providing a competitive option to the quality of financial products and services offered by the banking industry.

While the credit union industry only owns 11% of the entire financial dollars in the market place. We bring added value to what can be obtained by consumers, when credit unions are players in the financial market.

I have the privilege of serving as a member of the Federal Reserve Consumer Depository Institution Advisory Council (CDIAC), both in Federal District Six (Atlanta) and on the National Board of (CDIAC) (Washington, DC).

Last year, at this time, I mentioned in my speech that the Federal Reserve would increase the Fed Funds rate at least two times in 2017, maybe three. Well, The Federal Reserve did increase the Fed Funds Rate three times in 2017 towards their target rate. We can look for the same actions to take place by the Feds again in 2018.

Economist indicate that the U.S. economy is expected to grow at 2.6% in 2018, faster than the 2.4% reported in 2017 and faster than the long-term trend of 2%. The unemployment rate is expected to fall below 4% in 2018. Still, inflation remains low, though it is expected to rise to 2% in the medium term.

In the first meeting of the Federal Reserve in 2018 the Feds left the Fed Funds rate unchanged at what was Chairman Janet Yellen's last meeting. She indicated gradual tightening would continue, she said the word of the day is "solid". Solid economic growth, solid consumption, solid investments and solid employment growth.

On January 23, 2018, the United States Senate confirmed Jerome H. Powell to be the 16th Chairman of the Federal Reserve Board. Janet Yellen's resignation was effective on the day in which Mr. Powell was sworn in.

We now have just three governors out of a seven-person board currently serving. – Jerome Powell, Chairman; Randal K. Quarles, and Lael Brainard. There are four vacant Board of Governor seats.

Recently we have witnessed a stock market that has seen tremendous volatility. We have been in the second longest Bull Market in the history of the stock market roughly 8.5 years, and soon to be the longest in history. Is there a Bear Market correction on the horizon?

When we read how the 12 Federal Reserve Bank Presidents response was to the recent stock market fluctuations and the length of this Bull Market environment, they attribute it all to higher inflation expectations and anticipation, by the market.

# 64th Annual Meeting Minutes

We find that although inflation remained lower than the Federal Reserve Presidents would have liked, many believe strong labor markets will indicate a continued Bull Market for yet another 12 months or longer and most likely meaning a quarter-point rate hike at their March meeting.

Bottom line: The Federal Reserve remains committed to gradual hikes. The first quarter point hike will probably come in March. The market interest rate environment has not reacted to the Fed rate hikes just yet. So, for now it would appear that the market is taking stronger growth in stride but, as always, the market players will monitor the incoming Fed data very closely, before reacting.

So, what is happening in our back yard?

Orlando ranks No. 1 for job growth for the third year in a row and ranked as the fastest growing large metropolitan area in the country for 2017. While Orlando may not be the largest in terms of total jobs, 3.8 % employment growth means Orlando is outpacing such places as Riverside, Calif.; San Antonio, Texas; Austin, Texas; Seattle, Washington, and every other large MSA in America in terms of the number of jobs added this past year relative to the December 2016 starting points.

Orlando's explosive employment growth and ability to maintain such low unemployment rates speaks to the region's impressive ability to attract new talent from elsewhere in the United States and abroad.

Orlando's capacity to attract and retain talent will become even more important in 2018 as unemployment rates continue to drop and the labor market across the United States tightens.

The fastest growing industries here in Orlando, over the last year have been manufacturing (13.1% growth, construction 7.5% growth and financial services 6.3% growth), compared to national levels. Orlando is greatly outpacing the country. The leisure and hospitality sector grew at 4.3% but added the most jobs of any single category (10,900), followed closely by professional and business services. The transportation, warehousing, and utilities sector is the only industry that lost jobs.

While all of that is wonderful and does appear to be great for Orlando "The City Beautiful". It does put a lot of pressure on businesses having to keep pace with technology demands and advances, profit margins which help to cover the cost of those demands. Pressures on the cost of goods and services, as rates begin to climb. Pressures on the ability to create profitable margins to support the changes necessary to compete and "compete we must."

Here at McCoy we recognize that "Membership does have value" and while "we pledge to provide a wide range of affordable financial products with exceptional member service" and to do it beyond your expectations, we will do so with an effort to stay true to the Core Values etched in our history: Culture of Help, Integrity, Longevity and Competence. "McCoy Cares" that is our brand.

In the written Presidents report outlined in the Annual Report, I point out some critical changes that will be taking place here at McCoy over the next year. It involves our digital channel delivery systems and CORE Data System. These changes will be for the future success of the Credit Union and will put us in position to bring to you, improved service levels and a menu of new and improved products. Stay tuned to the information concerning the changes and we do expect a positive transition of these changes.

We thank you for allowing us to serve you and your family's financial needs and helping McCoy to be a beacon within the entire community we have the privilege of serving.

Again, thank you for being faithful members of McCoy!



# 64th Annual Meeting Minutes

Chairman Browne thanked President Cowans for his remarks and then continued with the business portion of the Annual Meeting. The Minutes of the 63rd 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. A question brought up on the Treasurer's Report page 15, Income and Expenses as to why was there such an increase in the Provision for Loan Loss from 2013, \$1.4 million to 2016, \$3.5 million and then 2017, \$5.4 million? President Cowans responded that the growth in our loan portfolio of 28% in 2015, 15% in 2016 and a 10% growth in 2017 were the contributing factors due to the calculation required on our loan portfolio to determine the required Provision for Loan Loss. The next question, also on the Treasurer's Report page 15, Income and Expenses pertained to the Return on Investments. Is the Credit Union limited to the type of investments it can do? President Cowans response was, yes we are limited to the types of investments due to restrictions by Federal Regulatory Mandates. There were no further questions of the Treasurer's Report. The Chairman asked if there were any questions for the Supervisory Report, there were none.

Chairman Browne then called on the Chairman of the Nominating Committee for his report. Mr. Gilbert Croft reported there were no nominations by petition.

There being no nominations by petition, Mr. Richard J. Albert, Sr., Mrs. Janet E. Brewer and Mr. Michael F. Hester were each nominated for a term of three years. 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 Browne closed the Business Meeting and declared the 64th Annual Meeting adjourned at 7:01 p.m., February 21, 2018.



**Janet E. Brewer**  
Secretary



**Fred S. Browne, Jr.**  
Chairman

# President's Message

The financial results and industry trends for credit unions in 2018, point out how well the credit union industry performed overall. The credit union industry experienced strong assets, loan and membership growth. Economists indicate that economic growth accelerated throughout 2018, which provided for credit union total industry membership surpassing 115 million, and credit union market share penetration increasing in percentages throughout many States. McCoy Federal experienced significant improvements in earnings, loan performance, and operating efficiencies.

Economists are expecting a slight slow down in 2019, due to ongoing disputes between political parties, impact of the prolonged government shut down, trade disputes and the fading impact from the tax stimulus. The slowdown was already evident the end of 2018 in the housing market where sales were down compared to prior year numbers. Retail cost of items started to rise due to increase production cost and labor cost. The stock market and stock values have shown record lows over the last two quarters of 2018.

While the Gross Domestic Product (GDP) has been at its highest point since the financial crisis, there is a broad sentiment among economists that recession risks are increasing. The Federal Reserve through its economic analysis found enough data from a strong labor market to raise rates four times in 2018. It appears the new strategy by the Feds will be to take the foot off the pedal and keep the foot off the brakes, creating a strategy of lets coast and see how the market responds for the first half of 2019. While economists feel the Feds may very well continue to raise short-term rates the second half of 2019, their balance sheet will also be unwinding which could place upward pressure on long-term rates. In spite of so much economic uncertainty in 2018, McCoy was able to experience financial, product and service improvements across many areas.

The Treasurer's Report highlights significant earnings growth, good loan growth, asset growth, membership growth, and a reduction in our overall loan portfolio delinquency. In 2018, we improved our ability to provide digital product channels to the members through a conversion to a new digital channel provider. A new CORE conversion will be completed by early 2nd quarter 2019 that will give us the ability to enhance our product mix and service levels.

While we work diligently to maintain a safe and sound financial position and satisfy our regulatory requirements at McCoy we are also working with the credit union industry. We join our industry Associations to advocate to our legislators for support that helps credit unions grow membership, loans and revenue. We fight for Regulatory Relief that would provide streamlined regulations allowing credit unions to put more resources towards serving its members. We advocate for preserving the credit union Tax Exemption which is estimated to save U.S. consumers \$16 billion annually and protects nearly 1 million jobs. Our aim is to keep the regulators' focus on our members. We advocate for a Fair and Innovative Market, pushing and promoting innovation, and creating national data and cybersecurity standards.

# President's Message

2019 will be filled with optimistic caution as we move forward. Aware that an economic slowdown can happen but when, will be any one's guess. Many credit union leaders believe that 2019 would be the time for credit unions to start preparing for what could be a downturn in the economy, even if it's at least a year or more away.

McCoy Federal's 2019 strategic direction will be to: Continue to grow our loan portfolio; Continue to focus on improving our digital delivery channels; Complete our CORE conversion, introducing an improved data system that better services our members; Increase branch efficiency, retention and profitability; Continue to improve operating efficiencies; Look into expanding our field of membership; Sustain controlled assets and membership growth; Enhance our "McCoy Cares" brand and social media strategies. While our plate appears full for 2019, it is all in our efforts to "Provide a wide range of affordable financial products with exceptional member service" and to do so beyond your expectations.



**Alvin J. Cowans, CCUE**  
President/CEO

# Lending Report

2018 was a very interesting year for the Credit Union and, extremely positive on many levels. Our delinquency ratio as of the end of the year stood at .55%, which is the lowest year end ratio for the past 5 years. 2018 loan growth was 6.75% which is below our strategic goal of 10%. However, mid-year that number was revised to 7% due to the focus on charge-off reduction. That refocus resulted in a 22 bps drop in our charge-off ratio over the previous year. Except for a “blimp” in February, we began 2018 with consistent growth through July. After July, we experienced 3 months of insignificant decline which totaled approximate \$1.3 Million. The year culminated with loan growth during the last 2 months.

The move of the first mortgage process back in-house yielded a 5.12% growth in that sector. Additionally, the 2nd mortgage portfolio had an impressive 30.77% growth. Again, the 100% Loan to Value 2nd mortgage accounted for the lion’s share of that growth. The decision to move the first mortgage process back in-house was also instrumental in the growth of the overall portfolio. Both first and second mortgages provided consistent volume throughout the year.

Not surprisingly, our auto portfolio, specifically Indirect Auto, dominated the growth activity. New Indirect Auto grew 20.03% while Used Indirect Auto grew 32.96%. This was quite outstanding when you consider that the automakers only posted a slight increase over 2017. That expectation reflected in the organic growth of the auto portfolio. As such, New and Used Direct Auto experienced a decline of 5.51% and 1.14% respectively. The growth of the Indirect sector was abetted by the addition of three new dealers and, the rejuvenation of inactive ones.

Two other noteworthy contributors were the Business Loan and Other Secured Loan sectors. SBA Loans were a major participant in the growth of the Business Loan sector. We are very proud of the fact that we aided in the realization of the dreams of a few Small Business Owners with the SBA loans we granted. Other Secured Loan growth emanated via motorcycles. The relationship with the motorcycle dealers proved influential to that outcome.

2019 will have its challenges. The primary challenge will be our core conversion. At the other end of the core conversion will be the realization of some of our goals. The primary objective of those goals is to add some variety to our product offering. In addition, we’ve acquired new marketing solutions to boost our marketing strategies. These strategies include a more comprehensive presence in the digital space. We’ll continue the evaluation of our charge-offs and adjust underwriting as needed to further lower that ratio.



**Basil A. Buchanan**  
Vice President Lending

## **2018 Lending Performance**

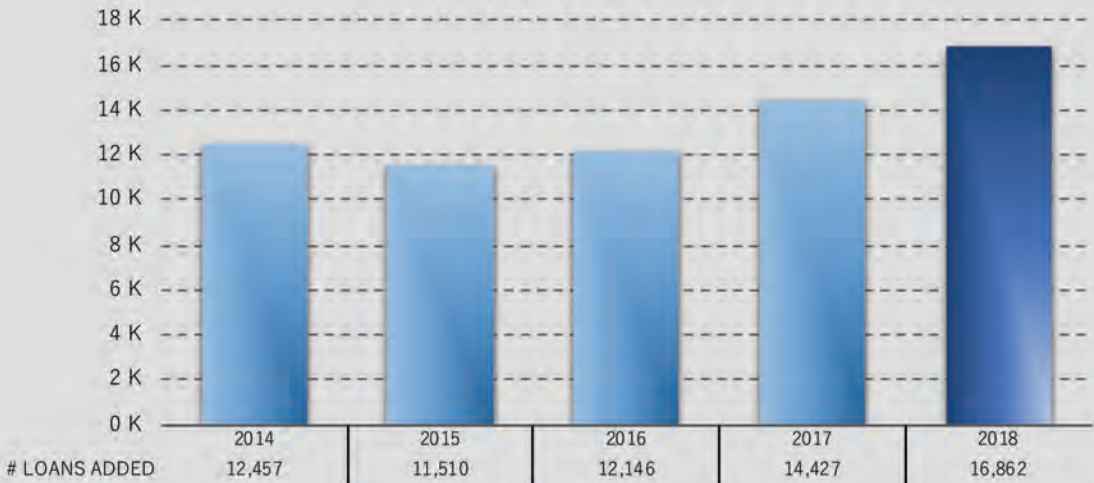
Total number of Loans Approved and Closed: **16,862**

Total dollar amount of Loans Generated: **\$160,698,177**

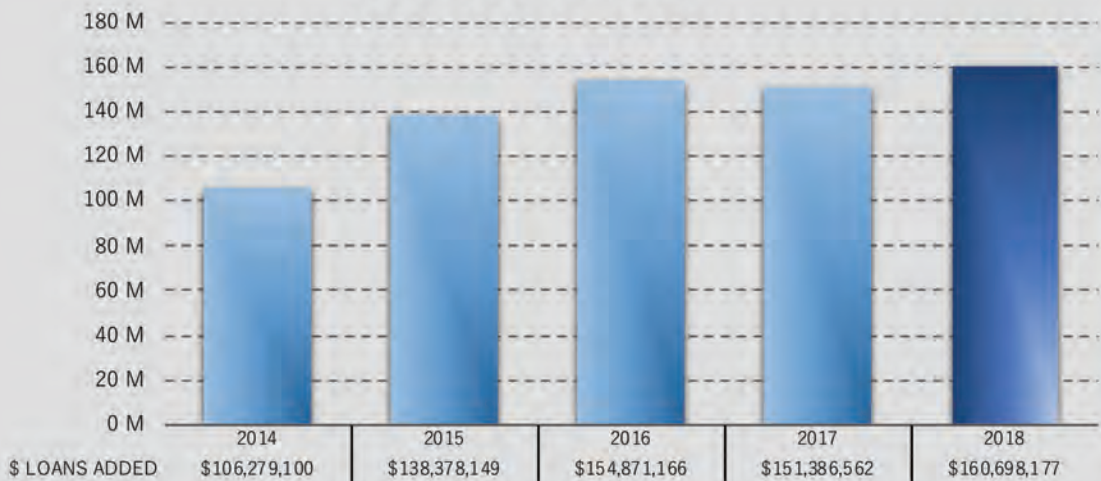
Total Loans Outstanding (Net) as of December, 2018: **\$345,783,628**

# Lending Report

## # LOANS ADDED

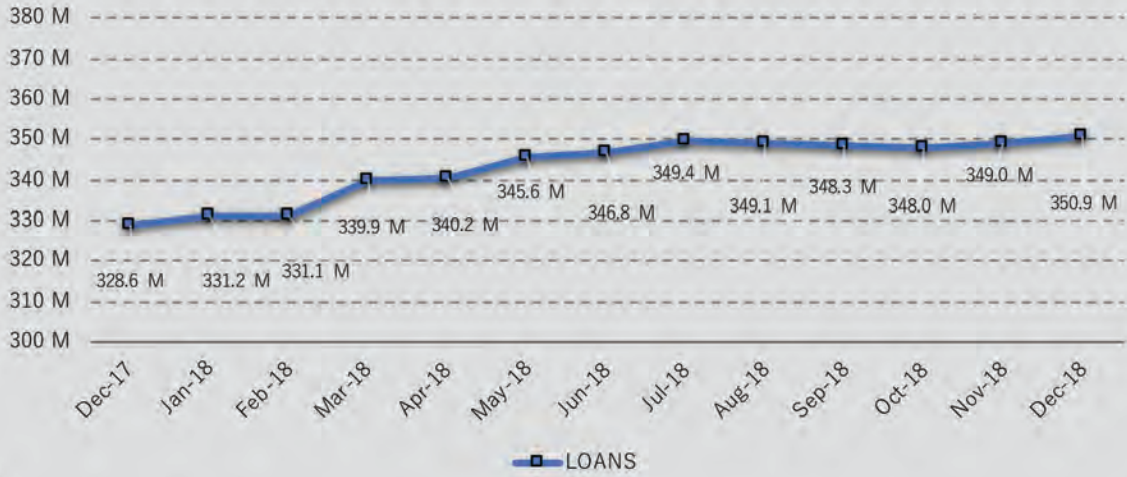


## \$ LOANS ADDED

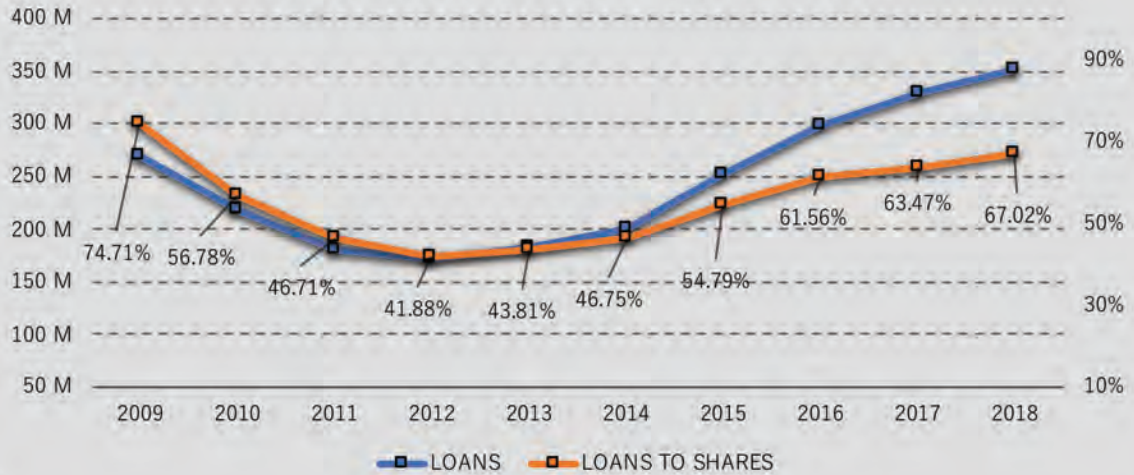


# Lending Report

## 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 2018 and the two preceding years, 2016 and 2017. During 2018, our total assets ranged from January's \$563,692,482 to a high of May's \$595,317,391. Our ending assets for the year were \$577,686,977. This was a net increase in our assets of \$8,870,655 over the prior year.

In 2018, we continued to experience significant growth in our net loans. Our net loans increased from \$323,498,087 to \$345,783,628 during the year reflecting an increase of \$22,285,541. The biggest increases came in business loans and vehicle loans.

During 2018 the Federal Reserve raised short-term interest rates by a total 100 basis points with very little impact on longer term rates. The rate hikes were small ones, but they will eventually affect millions of Americans including investors, home buyers and savers. Savers will eventually see a little more interest on their deposits and mortgage rates will gradually rise.

Due to better than planned expenses, our Provision for Loan Losses decreased from \$5,442,532 in 2017 to \$3,684,521 in 2018. During 2018, we were able to reduce the loan delinquency ratio from .71% to .55%. Great credit should go to our Loan Services staff for their hard work and outstanding efforts!

Finally, due to an increase in interest income, a decrease in loan loss reserves, and significant expense savings, we finished 2018 with a net income of \$5,167,839 which was \$4,097,169 above our 2018 projected budget.

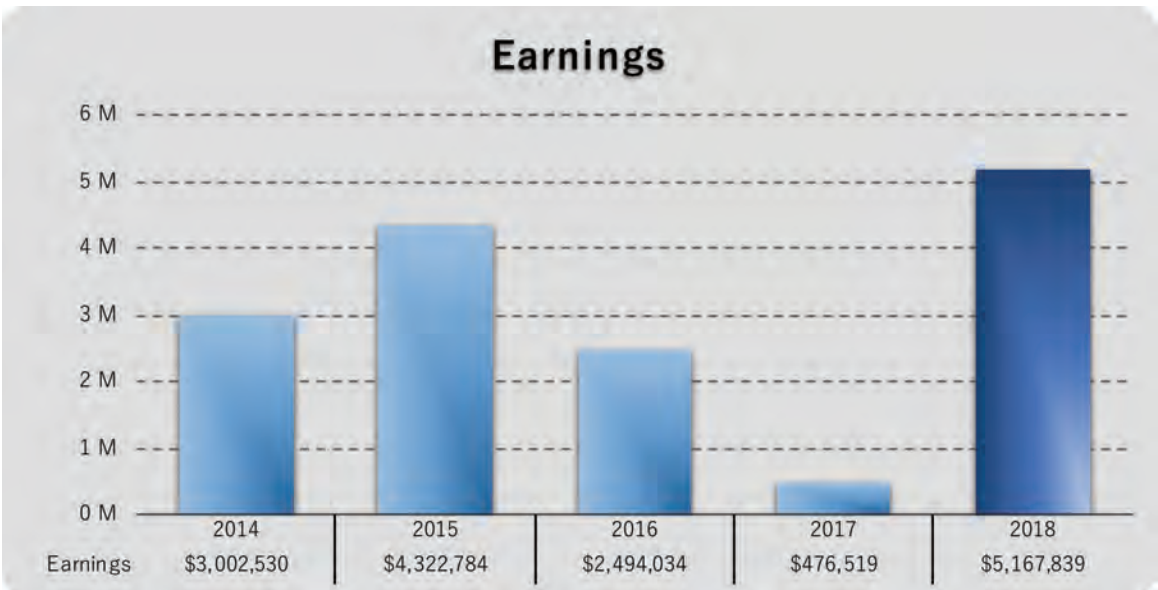
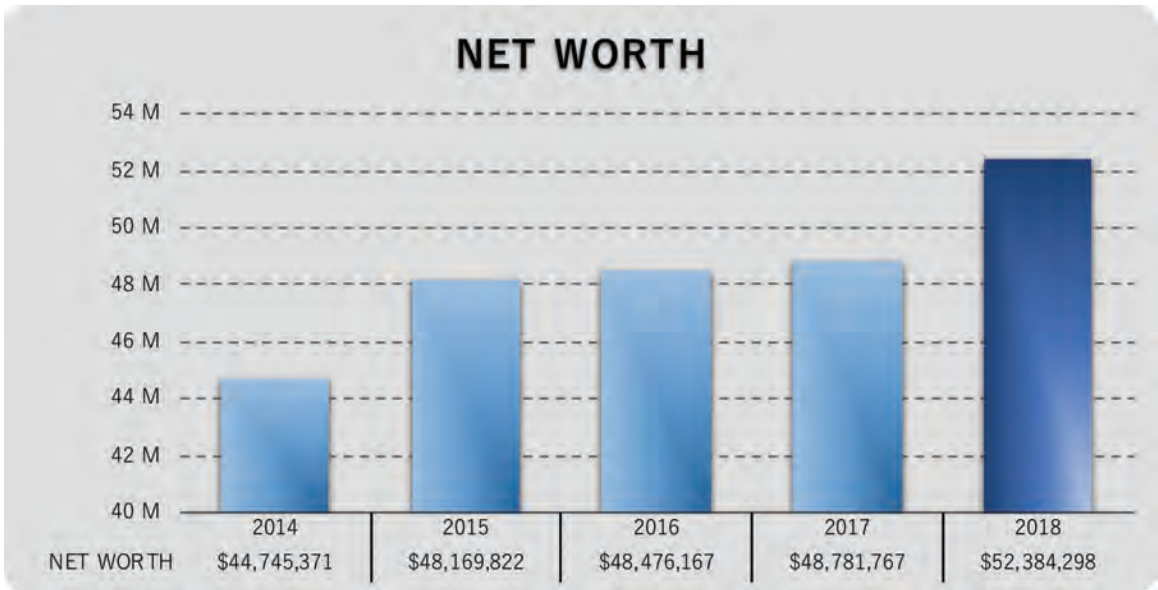
I would personally like to congratulate all the McCoy FCU staff members on controlling expenses while growing our member base to position us for future years!

	Assets	Member Deposits	Net Worth	Earnings
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
2016	\$540,643,352	\$485,755,412	\$48,476,167	\$2,494,034



**Richard W. Tressler**  
Treasurer

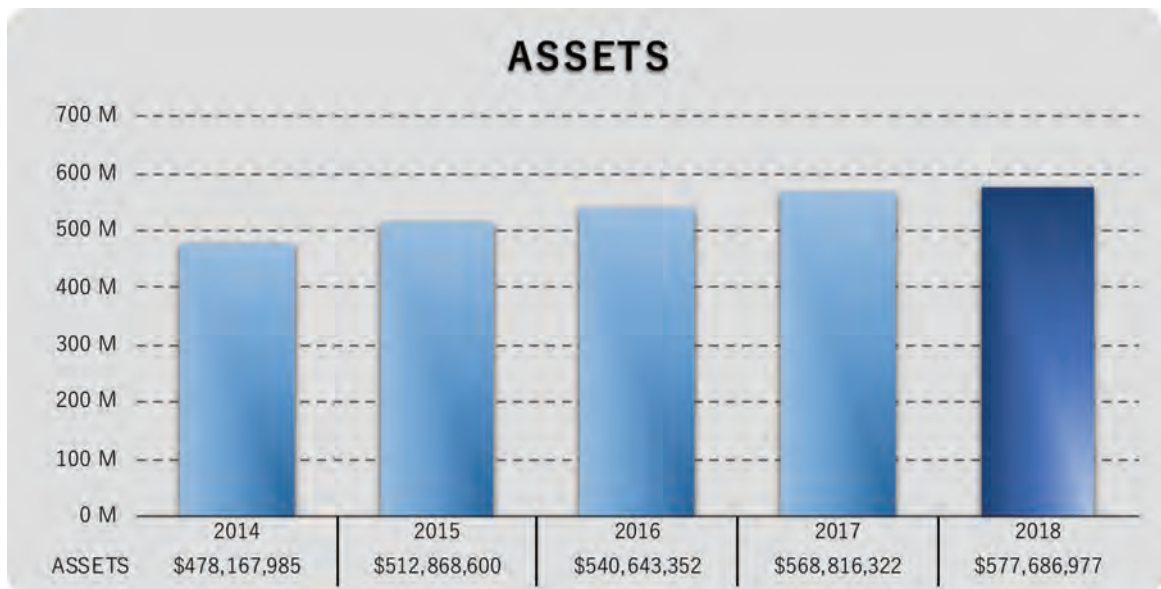
# Treasurer's Report





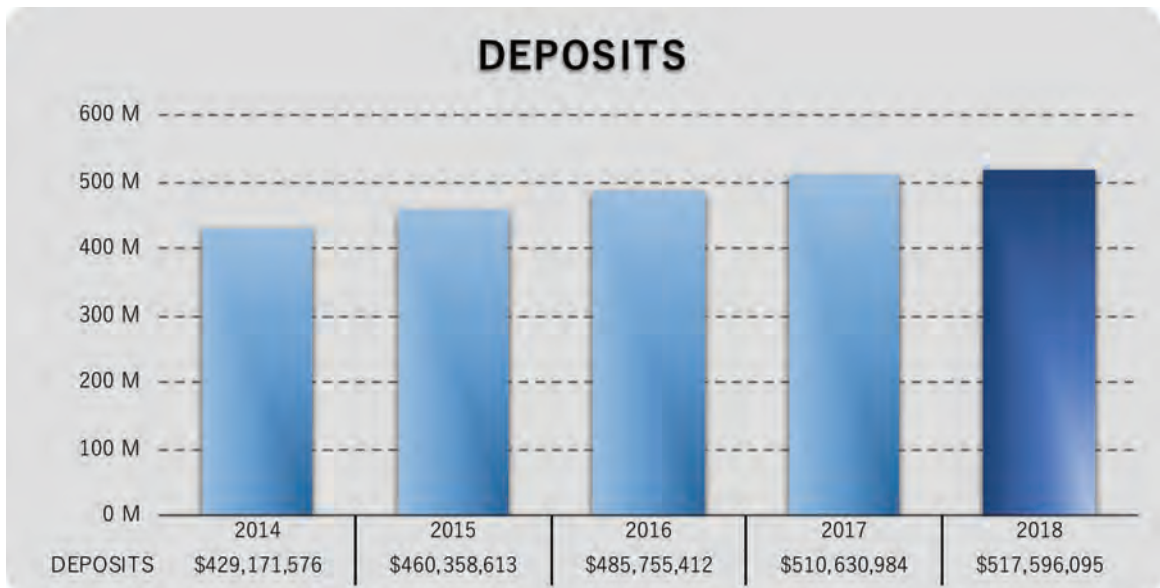
# Balance Sheet

	2014	2015	2016	2017	2018
Loans (net)	\$196,122,357	\$248,583,975	\$295,133,310	\$323,498,087	\$345,783,628
Cash & Accts Rec	\$23,143,004	\$30,193,745	\$20,061,155	\$22,961,814	\$18,389,970
Investments	\$224,721,401	\$199,046,508	\$188,463,477	\$183,610,094	\$174,016,365
Facilities & Fixed Assets	\$18,955,062	\$19,258,264	\$20,822,431	\$20,353,083	\$20,417,813
All Other Assets	\$15,226,161	\$15,786,108	\$16,162,979	\$18,393,244	\$19,079,202
<b>Total Assets</b>	<b>\$478,167,985</b>	<b>\$512,868,600</b>	<b>\$540,643,352</b>	<b>\$568,816,322</b>	<b>\$577,686,977</b>
Accounts Payable	\$4,251,039	\$4,340,165	\$6,411,773	\$9,403,572	\$7,706,583
Share Accounts	\$314,193,622	\$354,061,847	\$383,096,047	\$422,130,984	\$444,128,768
Certificates	\$114,977,954	\$106,296,766	\$102,659,365	\$88,500,000	\$73,467,327
Regular Reserve	\$4,181,359	\$4,181,359	\$4,181,359	\$4,181,359	\$4,181,359
Contingency Reserve	\$40,514,012	(\$5,289)	\$0	\$0	\$0
Undivided Earnings	\$50,000	\$43,993,751	\$44,294,808	\$44,600,407	\$48,202,939
<b>Total Liabilities</b>	<b>\$478,167,985</b>	<b>\$512,868,600</b>	<b>\$540,643,352</b>	<b>\$568,816,322</b>	<b>\$577,686,977</b>



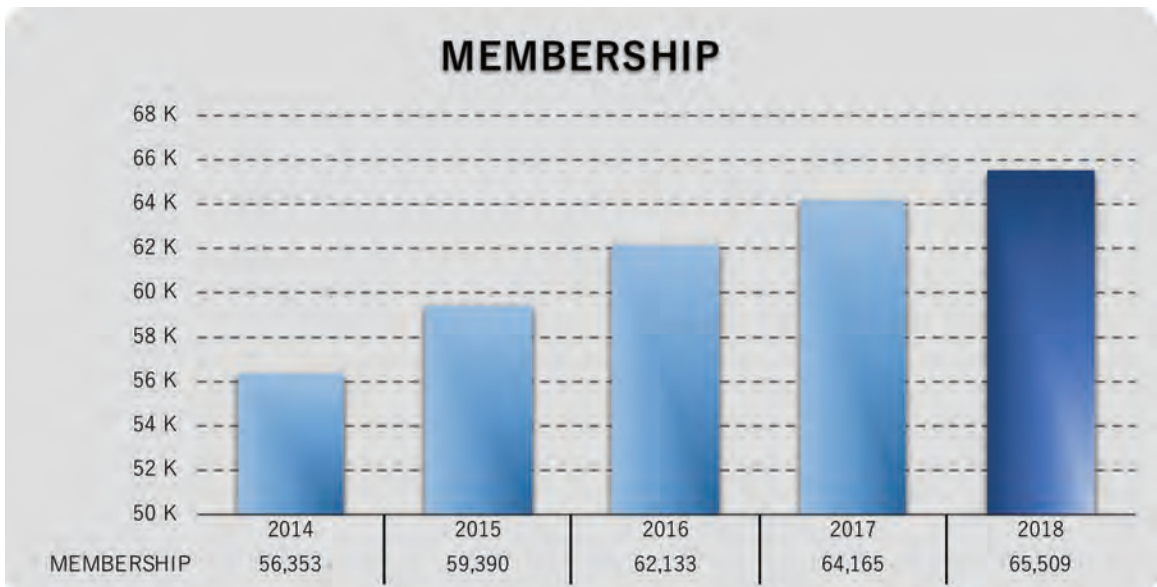
# Income Statement

	2014	2015	2016	2017	2018
From Loans	\$11,632,955	\$12,760,734	\$13,987,815	\$14,664,923	\$15,918,012
Form Investments	\$3,364,431	\$3,337,915	\$2,989,692	\$3,328,586	\$3,995,591
From Other Sources	\$12,394,746	\$12,926,507	\$13,246,873	\$13,256,398	\$14,164,716
Gross Income	\$27,392,132	\$29,025,156	\$30,224,380	\$31,249,907	\$34,078,319
Compensation	\$10,178,056	\$10,540,870	\$11,193,699	\$11,859,286	\$11,328,482
Office Occupancy	\$2,254,104	\$2,032,315	\$2,047,033	\$2,144,297	\$2,192,152
Office Operations	\$3,019,372	\$3,160,510	\$3,324,481	\$3,715,614	\$3,075,690
Advertising	\$673,920	\$769,915	\$730,699	\$796,053	\$653,326
Collection Expense	\$2,511,192	\$2,535,532	\$2,573,100	\$2,788,697	\$3,718,452
Professional Services	\$1,832,782	\$1,967,061	\$2,158,081	\$1,939,883	\$2,262,325
All Other Expenses	\$1,311,542	\$840,963	\$1,061,853	\$998,587	\$1,099,064
Provision for Loan Loss	\$1,476,498	\$1,762,440	\$3,540,000	\$5,442,532	\$3,684,521
Total Operation Expense	\$23,257,466	\$23,609,607	\$26,628,948	\$29,684,948	\$28,014,012
Net Income from Operations	\$4,134,666	\$5,415,549	\$3,595,432	\$1,564,959	\$6,064,307
Dividends Paid to Members	\$1,132,136	\$1,092,765	\$1,101,399	\$1,088,441	\$896,468
Contribution to Capital	\$3,002,530	\$4,322,784	\$2,494,034	\$476,519	\$5,167,839



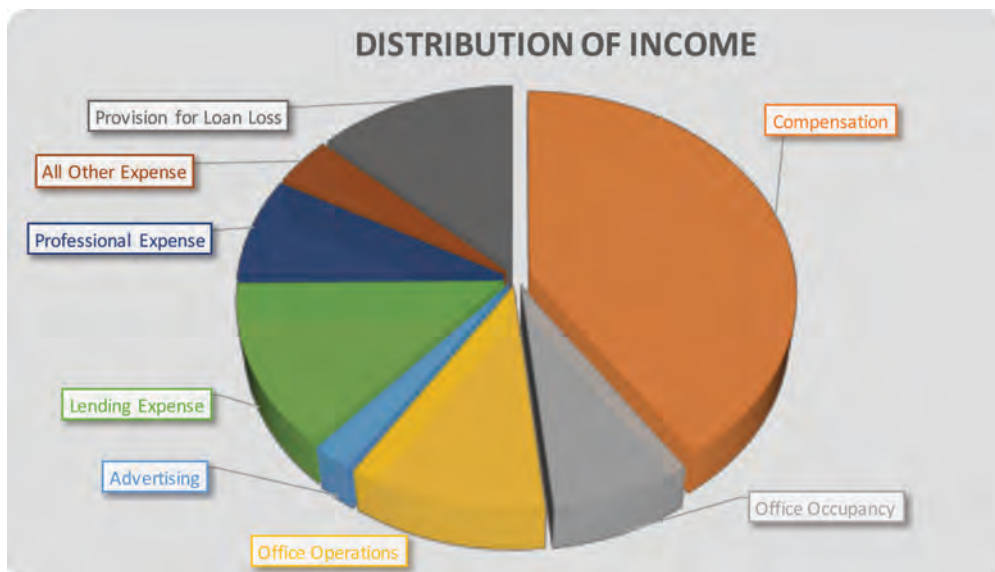
# Membership Data

	2014	2015	2016	2017	2018
Members	56,353	59,390	62,133	64,165	65,509
Potential Members	2,267,846	2,321,418	2,321,418	2,321,418	2,321,418
Penetration of Members	2.48%	2.56%	2.68%	2.76%	2.82%
Number of Loans	12,184	13,265	14,319	14,704	14,779
Number of Credit Cards	8,005	8,349	8,258	8,187	7,915
<b>Per Member Data:</b>					
Income	\$486	\$489	\$486	\$487	\$520
Expenses	\$413	\$398	\$429	\$463	\$428
Net Income	\$73	\$91	\$58	\$24	\$93
Dividends	\$20	\$18	\$18	\$17	\$14
Avg Share Balance	\$7,616	\$7,751	\$7,818	\$7,958	\$7,901
# of Loans & Credit Cards	20,189	21,614	22,577	22,891	22,694
Avg Loan Balance	\$9,714	\$11,501	\$13,072	\$14,132	\$15,237
<b>Financial Ratios:</b>					
Return on Loans	5.97%	5.60%	5.07%	4.67%	4.64%
Return on Investments	1.42%	1.52%	1.48%	1.72%	2.14%
Return on Assets	0.63%	0.86%	0.47%	0.09%	0.89%



# Distribution of Income

	2014	2015	2016	2017	2018
Compensation	37.16%	36.32%	37.04%	37.95%	33.24%
Office Occupancy	8.23%	7.00%	6.77%	6.86%	6.43%
Office Operations	11.02%	10.89%	11.00%	11.89%	9.03%
Advertising	2.46%	2.65%	2.42%	2.55%	1.92%
Collection Expense	9.17%	8.74%	8.51%	8.92%	10.91%
Professional Expense	6.69%	6.78%	7.14%	6.21%	6.64%
All Other Expense	4.79%	2.90%	3.51%	3.20%	3.23%
Dividends	4.13%	3.76%	3.64%	3.48%	2.63%
Increase to Capital	10.96%	14.89%	8.25%	1.52%	15.16%
Provision for Loan Loss	5.39%	6.07%	11.71%	17.42%	10.81%



# 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.

An annual Federal examination of McCoy Federal Credit Union was performed in 2018 by the National Credit Union Administration. NCUA concluded that McCoy Federal Credit Union is fundamentally safe and sound.

Nearman, Maynard, Vallez, Certified Public Accountants (CPAs), performed an annual external audit of our financials for the year ending September 30, 2018, as authorized by the Supervisory Committee. They also found that the Credit Union was financially sound and rendered a clean opinion.

McCoy Federal continues to seek additional ways to improve efforts toward better security and safeguarding members' assets. Thus, in doing so there were additional audit functions performed by our external audit firms during 2018.

McCoy Federal Credit Union's Mission is to provide a wide range of affordable and quality financial products with exceptional member service.

Respectfully submitted,

**Maureen Gimenez**

Director

Chairman Supervisory Committee

# Nominating Committee Report

As required by our Bylaws and as published in the October 2018 newsletter and on our website, said Committee submitted four names for vacancies on the Board of Directors. After thorough search and interviews, the Nominating Committee is proud to submit the following:

## For the Board of Directors



**Samual Davis, Jr.**  
Director  
Terms of Three Years



**Dennis M. Johnson**  
Director  
Terms of Three Years



**Richard W. Tressler**  
Director  
Terms of Three Years



**Maureen E. Gimenez**  
Director  
Terms of One Year

Additionally, in the newsletter, the Chairman of the Nominating Committee informed all members of the procedures for nomination by petition. The membership was also notified of the deadline for filing of such petitions. There were no nominations submitted by petition. Therefore, the election will be conducted by voice ballot at the Annual Meeting.



**Richard J. Albert**  
Vice Chairman  
Chairman Nominating Committee

# 2018 Board of Directors



Mr. Michael F. Hester  
Vice Chairman



Mr. Richard J. Albert  
Director



Mr. Richard W. Tressler  
Treasurer



Mrs. Janet E. Brewer  
Secretary



Samual Davis, Jr.  
Director



Maureen E. Gimenez  
Director



Mr. Dennis M. Johnson  
Director

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## Supervisory Committee

Mrs. Maureen Gimenez	Chairman
Mr. Fred S. Browne, Jr	Member
Mr. Daniel Collins	Member
Mr. Robert Conner	Member

# Senior Management



Alvin J. Cowans, CCUE  
President/CEO



Tod W. Mazzocco  
Executive  
Vice President



Basil A. Buchanan  
Vice President  
Lending



Donald J. Knopick  
Vice President  
Information Technology



Andrew Meyer  
Vice President  
Finance



Ronald C. Nesbitt  
Vice President  
Risk Management



Laura K. Retherford  
Vice President  
Operations



Danny H. Snider  
Vice President  
Loan Services

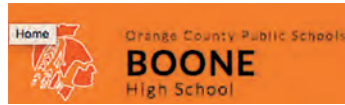


# 2018 Community Partnerships

2018 Business Development Summary				
	EG Events	Community Events	Sponsorships	Total Community Involvement
1st Quarter	5	6	13	24
2nd Quarter	6	8	16	30
3rd Quarter	13	12	26	51
4th Quarter	12	15	32	59
<b>YTD Total</b>	<b>36</b>	<b>41</b>	<b>87</b>	<b>164</b>



# 2018 Community Involvement



# 2018 Community Involvement



# 2018 Community Involvement



**ONE RACE  
HUMAN RACE**



**APOPKA**  
Pregnancy Care Center  
Serving our community with compassion & dignity!



Since 1954  
**BAHIA  
SHRINE  
CIRCUS**



**RAFMAN CLUB  
FOUNDATION**



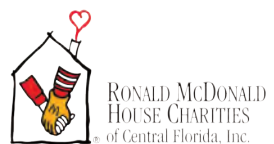
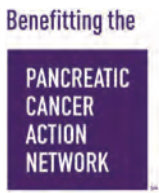
# 2018 Community Involvement



NATIONAL FIRE SAFETY COUNCIL



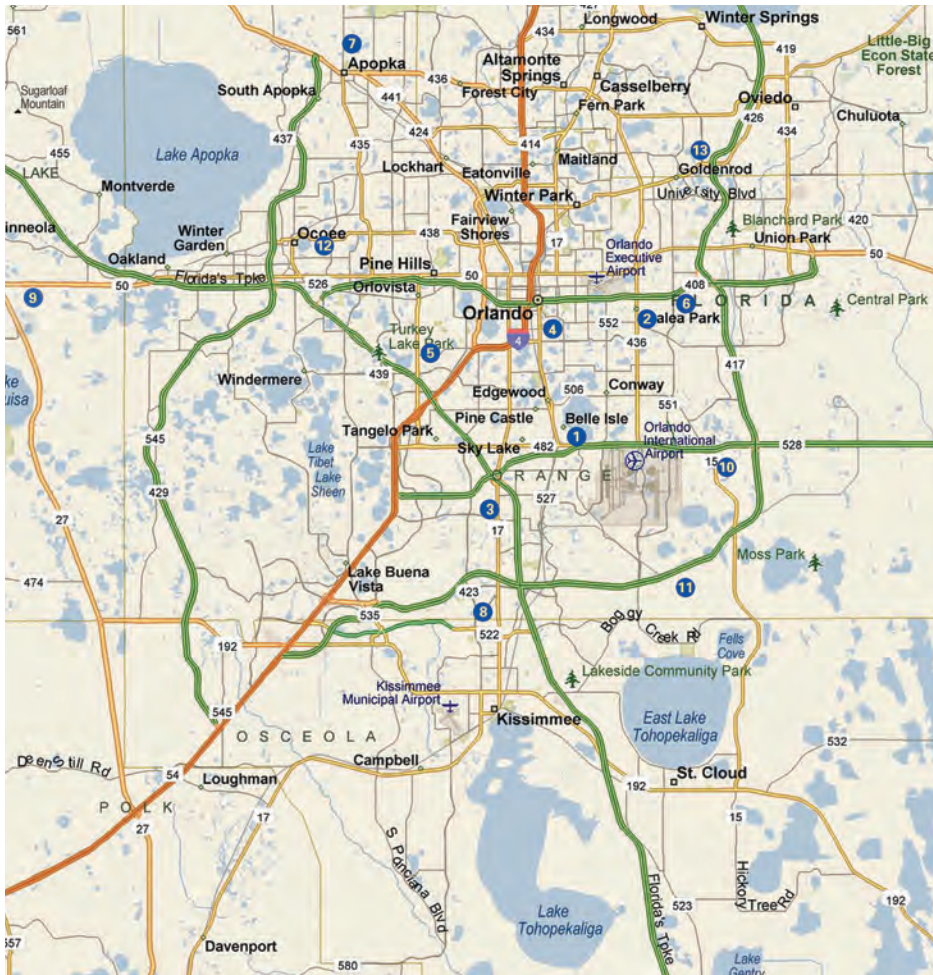
# 2018 Community Involvement



# 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
- 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
- Visa Checkout
- 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. Aloma Office

2871 Clayton Crossing Way  
Oviedo, FL 32765

## 14. Longwood/Lake Mary Office

3540 N Hwy 17-92  
Lake Mary, FL 32746



# Contact Information

## Lobby Hours

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

## Drive Thru

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

## Aloma Office

Monday - Friday  
9:00 AM - 5:00 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](http://www.mccoyfcu.org)

## Email

[mccoy@mccoyfcu.org](mailto:mccoy@mccoyfcu.org)

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## 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. Credit Unions Give Back.** We believe in giving back to the communities we serve through event sponsorships, scholarships, financial literacy 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.



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## 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.
- 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 65,000 members, assets over \$577 million, 14 branch locations and still growing!





**McCoy Federal**  
*Your Full-Service Community Credit Union*

