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**2017 Annual Report**  
*It's OCCU wherever you go!*

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## **BOARD OF DIRECTORS**

Jackie Rojas, Chairperson  
Chris Thomas, Vice Chairperson  
Lyn Viselli, Secretary/Treasurer  
Mel Poole, Director  
Joe Switt, Director

## **SUPERVISORY COMMITTEE**

Kenneth DeVilling, Chairperson  
Nancy Meagher, Secretary  
Michael Alsup, Committee Member

## **AGENDA**

- Call to Order
- Determination of a quorum (20)
- Approval, Minutes of 63<sup>rd</sup> Annual Meeting, April 05, 2017
- Chairperson & President/CEO's Report
- Supervisory Committee Report
- Treasurer's Report
- New Business
- Nominating Committee Report
- Accept Nominating Committee Candidates (Introduce candidates)
- Adjourn

## CHAIRPERSON AND PRESIDENT'S REPORT

### As your trusted financial institution,

we are pleased to report that OCCU ended 2017 on a strong financial footing. We showed increases across most areas in capital, membership, savings, and loans as the communities we serve turned to us for their financial needs. Thanks to so many of you we continue to grow with your referrals.

#### ELECTRONIC SERVICES

Smartphones & Tablets are used by many of you to access your financial data. Over the years OCCU has been keeping up with this demand and have put into place services like A2A, P2P, Mobile Check Deposit, Enhanced Online Banking, Re-Order Checks Electronically, eZ Card – Credit Card Electronic Access, Email & Text Messaging, Instant Transaction Block – Debit Card, MyPic Studios – Pick your what photo/image you want on your debit card or upload one, and much more. If you ever missed either a Newsletter Update or an e-Blast informing you of our new services, you may always look under any of our virtual branches as these are listed in chronological order.

#### ATM/CARD SERVICES

All three of OCCU's ATMs are EMV active for your fraud protection. In addition, all OCCU's Debit Cards have been mass issued with EMV Chips for your fraud protection. Our MasterCard Credit Cards are being re-issued, as each of yours expire, with new EMV Chips for your fraud protection. We have added Tokenization such as Apple Pay, Android Pay, Samsung Pay, and Samsung Gear Pay so you no longer have to remember where you placed your Debit Card.

#### LENDING SERVICES

OCCU's boat loans go out as far as 120 months. We offer Credit Life, Credit Disability, Refundable GAP, and Mechanical Breakdown Protection on our loans for qualified borrowers. We have both an in-house Mortgage program and a Mortgage Partner program. We have a Credit Builder program to help folks establish or re-establish credit. We have a special Educational Loan program for those that are either post-graduates or undergraduates needing a little extra cash. (Not a Student Loan).

#### PARTNERSHIP

We continue to Partner with Sprint to offer our members incentives. We added TruStage Auto & Life Insurance to save our members money on these products. We continue to offer AD&D insurance.

Ocala Community Credit Union will continue to enhance its services and security for the convenience of its members and the safety and soundness of your credit union.

*Jackie Rojas,*

Chairperson

*Steven Nazaruk,*

President/CEO



President/CEO Steven Nazaruk read the Supervisory Committee's Report in the absence of the entire Supervisory Committee.

Secretary/Treasurer Chris Thomas read the Treasurer's Report and noted a net profit for the year. President/CEO Steven Nazaruk thanked Chris for his volunteer work.

We began raffling off Door Prizes to those members in attendance and continued to do so throughout this meeting. (See next page for list of prizes and winners.)

President/CEO Steven Nazaruk opened the floor to New Business...

Various members brought up the following concerns.

- **Mr. Carter would like to see more OCCU ATM's on the other side of the county. –**  
President/CEO addressed in meeting that we have 3 of our own ATMs in Ocala, then Presto Network at all Publix in 6-7 states, then SHAZAM Network with approximately 79k ATMs nationwide. In addition, Member can get Cash Back @ various grocery stores in Marion County.
- **Both Mr. Carter & Mr. Kalarithara would like to see us turn on Cash & Check Deposits at ATMs. –**  
President/CEO addressed in meeting that our ATM models do NOT accept both Cash & Checks and one would only accept Envelopes, which is what the Night Drop is already for. **Update 04-25-2017:** The Board took up discussion on this and decided to wait to add Cash & Check Deposits into a new ATM when we open our second location. **Update 02-27-2018:** The Board agreed to replace old NCR ATM in drive thru with new Nautilus Hyosung ATM that will accept both Cash & Checks. Management is working with vendors on setting this up.
- **Mr. Peters asked, again this year, when will we be offering Business Credit Cards. –**  
President/CEO addressed in meeting that this falls under Business Lending of which we do not participate in due to additional risk to this small asset size credit union.
- **Mr. Carter brought up hiring a security guard for staff. –**  
President/CEO addressed that we had one in past and the Board voted to discontinue as we have many law enforcement officers onsite using our financial services. Many of these law enforcement officers are armed. **Update 04-25-2017:** Board took up this discussion and decided we will look into "Secure Entry w/Metal Detectors and Air Locks" similar to CampusUSA Credit Union. **Update 02-27-2018:** Board reviewed proposal by Premier Hamilton Security and decided to do the ATM first, then re-visit installing this security system as budget permits.
- **Ms. Rabel asked if we would consider offering Reward Credit Cards. –**  
President/CEO stated that he would bring this up at a future Board Meeting as he needs time to research cost and benefits. **Update 10-24-2017:** Board took up this discussion and determined cost outweighed the benefits as we would have to create a new BIN, cost to set up, then monthly fee just for these rewards. – We would have to come up with higher interest rate & variable interest rate cards to make this cost effective. Board asked that we remind everyone we have; as low as 7.99% Fixed APR for Purchase, Transfers, & Cash Advances, No Annual Fees, No Credit Card Membership Fees, No Balance Transfer Fees, No Cash Advance Fees, No Foreign Transaction Fees, No Return Payment Fee, and Low late fee of up to \$20.00.
- **Board wanted to address the Mobile Deposit Issue. –**  
President/CEO addressed the fact that we were on a five year Beta 3.0 version of RDC that we are currently updating as members concerns with new devices not working. **Update 10-2017:** After 10 months upgrading to new 7.0 version, members are finally able to use their new electronic devices smoothly again.

- Board wanted to address upcoming conversion from Visa Debit Cards to MasterCard Debit Cards. – President/CEO addressed the purpose of this conversion is due to multiple reasons. 1) Replacing Visa Magnetic Strip Debit Cards with MasterCard EMV Chip Debit Cards. 2) Replacing Visa with MasterCard within SHAZAM MyPic Studios. 3) Replacing Visa with MasterCard within SHAZAM Bolt\$ App. 4) Add Tokenization within users smart phones & watches. In addition, OCCU negotiated with MasterCard to provide your credit union with a financial incentive to help alleviate the conversion cost. **Update 10-2017:** After 9-10 months upgrading these features, members are enjoying more secure EMV Debit Cards with Apple Pay, Android Pay, Samsung Pay, & Samsung Gear Pay.
- Chairperson Joe Switt addressed possible second location. – Police Substation on Hwy 40 will be moved to back of property with a new Save-A-Lot Plaza coming in. OCCU signed a non-binding letter of intent with incentive to build out space on 10-19-2016. There is a magnet school in the area. **Update 02-2018:** Boyd Development dropped from this project and since Elgin Carelock has been in to discuss future development and options.

President/CEO Steven Nazaruk recognized Diane Guinn for her 20 years of service to OCCU and its members.

South Eastern Youth Fair (SEYF) Ambassadors’ presented OCCU with a plaque for continued sponsorship. Karen White thanked President/CEO Nazaruk for assisting in handing out Swine Event Awards.

Drawings for door prizes were held throughout the meeting, Winners of Door Prizes:

Donated Scrambles Café \$25.00 Gift Cert. – Carol Rabel	CU \$25.00 Cash – Samuel Deen
Donated Legacy Team Sales \$25.00 Gift Card – Ronald McKeever	CU \$25.00 Cash – Isabel Kirchenpfad
Donated Legacy Team Sales \$25.00 Gift Card – Dalmoline James	CU \$25.00 Cash – Dorothy Hall
Donated Legacy Team Sales \$25.00 Gift Card – Steven Nazaruk	CU \$25.00 Cash – Jackie Rojas
Donated Legacy Team Sales \$25.00 Gift Card – Nancy Meagher	CU \$50.00 Cash – Yanilka Guzman
Donated TruStage \$25.00 Gift Card – Rebecca Hall	CU \$50.00 Cash – Karen White
Donated CUNA Mutual Group \$25.00 Gift Card – Elizabeth Hackney	CU \$50.00 Cash – Daniel Hackney
Donated Mike’s Italian \$25.00 Gift Card – Judy Deen	CU \$75.00 Cash – Chris Thomas
Donated Corporate America \$25.00 Gift Card – Diane Guinn	CU \$75.00 Cash – Bonnie Ioffredo
Donated Corporate America \$50.00 Gift Card – Rosa Sandoval	CU \$100.00 Cash – Vicky Karpiw
Donated CU*South (Google Home) – Jeff Bairstow	CU \$100.00 Cash – Alan Peters

President/CEO, Steven Nazaruk, pointed out the President’s Report was in their brochures for reading and reminded everyone there was still plenty of food left and asked Secretary/Treasurer Chris Thomas for adjournment, and seconded by Lyn Viselli of which was all approved at 6:15 pm.

Chairperson, Joe Switt

Secretary/ Treasurer, Chris Thomas

## **Supervisory Committee Report**

The Supervisory Committee has the responsibility of making or ensuring an annual audit is conducted and submitting a report of that audit to the Board of Directors and the membership at the annual meeting. In recognition of the magnitude and complexity of the credit union operations, the Supervisory Committee hired a certified public accountant firm to audit the books and records of the credit union. The firm of Nearman, Maynard, and Vallez CPA's was chosen because of their specialty in auditing credit unions and will audit the credit union on an annual basis throughout their contract agreement.

The accounting firm of Nearman & Associates has performed a certified audit of the credit union for the 12-month period ending March 31, 2017; the audit is on file at the credit union's office and may be reviewed by interested members.

Kenneth DeVilling, Chairperson

## **Treasurer's Report**

The information stated in the balance sheet and income statement contained in this report fairly reflect the financial condition of the Ocala Community Credit Union at year-end closing, 2017. The statement reflects a profit for the year of \$196,512.

Our financial statements will be audited by the CPA firm of Nearman, Maynard, Vallez CPA's & Consultants, PA and are routinely examined by the office of the Comptroller of Florida.

Lyn Viselli, Secretary/Treasurer

**2017 FINANCIALS**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2017**

**ASSETS**

Loans to Members	16,459,460.00
Allowance for Loan Losses	(131,669.00)
Cash and Cash Equivalents	1,703,881.00
Investments	10,417,644.00
Property and Equipment	1,143,208.00
Other Assets	<u>503,305.00</u>
<b>TOTAL ASSETS</b>	<b><u>30,095,829.00</u></b>

**LIABILITIES & EQUITY**

Members Shares	25,906,804.00
Accounts Payable	<u>471,578.00</u>
<b>Total Liabilities</b>	<b>26,378,382.00</b>
<b>Members' Equity</b>	<b><u>3,717,447.00</u></b>
<b>Total Liabilities &amp; Equity</b>	<b><u>30,095,829.00</u></b>

**STATEMENT OF INCOME**  
**FOR YEAR ENDED DECEMBER 31, 2017**

**INCOME**

Interest Income	1,030,297.00
Dividends	<u>(84,365.00)</u>
<b>Net Interest Income</b>	<b>945,932.00</b>
Provision for Loan Loss	<u>(60,000.00)</u>
Net After Provision for Loan Loss	885,932.00
Non-Interest Income	292,787.00
Non-Interest Expense	(982,207.00)
Gain/Loss Disp. Assets	0.00
<b>Net Income</b>	<b><u>196,512.00</u></b>



## 2017 YEAR IN REVIEW

- January & February, 2017, Ocala Community Credit Union wrapped up an IT Conversion that began in October, 2016. This IT Conversion included NEW Servers with more space and much faster service. Maintenance & Monitoring Support by both CU\*Answers & CU\*South. In addition, we updated our email service. In addition, the FL-OFR and NCUA designated Ocala Community Credit Union as a Low-Income Credit Union. This will provide us with access to more services for our community. In addition, Sprint changed its rewards program from Monthly % Savings to Annual \$ Savings. Click on above link for more information on this Sprint Rewards Program. In addition, Ocala Community Credit Union worked with our Program Administrator, Allied Solutions, to upgrade our GAP Program to a Refundable and 120 days delinquent product so our members will be able to enjoy our new “Skip-A-Pay” program in near future.
- March & April, 2017, Ocala Community Credit Union worked with our Program Administrator, Allied Solutions, to upgrade our CL/CD Program from \$40K Max, to \$50K Max so our members will have more coverage on their collateral loans. In addition, Ocala Community Credit Union turned on/activated a new feature in our e-Alerts. Members now have Text Messaging within e-Alerts in our online banking. We are rolling this out Free of Charge to our members. In addition, Ocala Community Credit Union upgraded its Falcon Real Time monitoring of Debit Card transactions to 100%. Since this was done at the end of the month, we’ll say this is effective May 1st, 2017. (This provides more Fraud Protection for our members and OCCU is absorbing the additional cost.)
- May & June, 2017, Ocala Community Credit Union wrapped up a triple conversion to a joint venture w/CFPI & Cox Business on TV, Telephones, & Back-up Internet. This required an upgrade to our Telephone Server. (This was a cost saving move so we may keep expenses down and continue offering our members low loan rates, and high investment rates.) In addition, Ocala Community Credit Union added a new “Self Service” option for our members who still use personal checks. Members may now go online to RE-ORDER their own checks. This new service can be found on our website under Product & Services drop down menu, then click on “Checking Accounts & Re-Order Checks”, -OR- found in our “It’sMe247” online banking, under Info Center, then click on Helpful Links and look for “Re-Order Checks”. No longer does a member have to come in or call in to Re-Order Checks. In addition, Ocala Community Credit Union wrapped up a 5-6 months Credit Report upgrade from Equifax Beacon 9.0 to FICO 9v. This will provide us with the most current and more accurate credit reports. This process involved collaboration between CU\*Answers, CU\*South, Zoot, & Equifax.
- July, August, & September, 2017, Ocala Community Credit Union complied with a 2014 Crime Prevention Through Environmental Design “CPTED” recommendation to fence in around the generator, and complied with a 2016 Information Security Risk Assessment And Penetration Testing “ISRA” recommendation to secure external machinery. In addition, Ocala Community Credit Union added an additional eZCard link for our members who want to access their MasterCard **Credit Card** Accounts within It’sMe247. For those that do not want to sign into It’sMe247 online banking, you may continue to find quick access on our website...  
<https://www.ocalacommunitycu.com/mastercard/>. In addition, Ocala Community Credit Union renewed early and negotiated with Main Street to provide OCCU members with low cost check orders over the next five years (2018 – 2022). In addition, Ocala Community Credit Union added additional lockboxes aka Safe Deposit Boxes based on members request.
- October & November, 2017, Ocala Community Credit Union members are enjoying a new variety of Collegiate Checks as Main Street made enhancements to these designs. In addition, Ocala Community Credit Union wrapped up a 9-10 months Debit Card Conversion with enhancements to provide OCCU Members with the following changes...
  - \* Replace Visa Magnetic Strip Debit Card with MasterCard EMV Chip Debit Card. (More Secure for members)
  - \* Replace Visa with MasterCard within SHAZAM MyPic Studios. (Continue to offer members Photo Choices on individual Debit Cards)
  - \* Replace Visa with MasterCard within SHAZAM Bolt\$ App. (Continue to offer members Alerts, Transaction Control, Balances, ATM Locations, & P2P-Instantly)
  - \* Add Tokenization within users smart phones & watches. (Apple Pay, Android Pay, Samsung Pay, & Samsung Gear Pay)This process involved collaboration between SHAZAM, CU\*South, & Personix.  
In addition, Ocala Community Credit Union wrapped up a 10 months RDC (aka Mobile Check Deposit) App upgrade from beta 3.0 to new 7.0 so this service will work on all newer devices. **Members are asked to uninstall their current App, and then download and install this new replacement App in their Apple & Google Play Stores. This App will remain Free to download.** This is our third time introducing RDC/Mobile Check Deposit as we continue to upgrade for our members. History...
  - \*October, 2017 = OCCU/Malauzai version 7.0 (Upgraded App versions for service improvements)
  - \*December, 2013 = OCCU/Malauzai beta 3.0 (Upgraded to new and improved vendor)
  - \*December, 2012 = Vantiv’s Jeannie App. (First Time Introduced to OCCU Members)In addition, Due to popular demand, Ocala Community Credit Union began offering Bank Zipper Bags for our members either FREE if exchanging another financial institutions bag, or for purchase at \$10.00 per bag. In addition, Ocala Community Credit Union rolled out “TruStage” Insurance Products to its members. Although HOME Insurance is temporarily suspended in Florida, our members may still take advantage of the LIFE & AUTO Insurance products. TruStage is offered through our partnership with CUNA MUTUAL GROUP.



[www.ocalacommunitycu.com](http://www.ocalacommunitycu.com)

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Serving Ocala, Belleview, Silver Springs, Anthony, and Dunnellon residents and their families.

