



Annual Report 2018

COMPASS FINANCIAL
FEDERAL CREDIT UNION

"Contemporary Products. Traditional Service."

Report From the Chairman of the Board of Directors

It is always a great pleasure for me to tell you about our credit union. Since 1936, we have provided solid financial services to our membership. Our credit union is the oldest, continuously operating credit union in South Florida, and continues to provide our members with the latest in financial products and services. We take great pride in the fact that our credit union serves many families that have been members of our credit union for many generations.



Our success is due to our listening to you, our working closely with our SEGs (Select Employee Groups) and our adaptation to the ever-changing marketplace and economic climate. Our priority is to ensure that our credit union successfully addresses your financial needs.

As a result of our efforts and your full support, we had another successful car sale. Many members benefited from discount pricing and financial options provided. Last year's implementation of our Compass Mobile app went through without a glitch, allowing members to transact business on the go. Our introduction to our Elan Visa product was a huge success enrolling over 462 members since July 2018. Members are benefiting from the introductory 0% interest for 18 months. We look forward to introducing new products and services in the year to come that benefit our membership.

Our Board of Directors consists of volunteers who apply their business and technical experience to manage the direction of the credit union. It is a great honor for me to work side by side with these volunteers as we ensure that our credit union remains stable and financially sound for many more generations of members.

Raymond Jones, *Chairman, Board of Directors*

2018 Board of Directors

Leonardo M. Acosta
Treasurer



Fernando A. Garcia
Director



William "Jim" Keeley
Vice Chairman

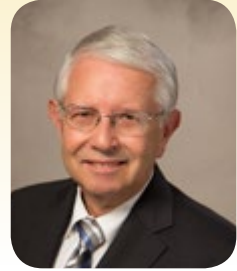


Soledad "Raisa" Solis
Secretary



Report From the Supervisory Committee

Good evening and welcome to the 2019 Annual Meeting. The Supervisory Committee ensures that our Credit Union meets reporting requirements and safeguards members' assets. To this end, the Committee retained the services of a CPA firm to conduct an annual audit for the year 2018. The opinion audit concluded that the financial condition of the credit union met required regulatory guidelines of safety and financial safety.



During 2018, the CPA firm also conducted two mandatory audits: the Bank Secrecy Act (BSA) audit and National Automated Clearing House Association (NACHA) audit. Both audits reflected satisfactory results. Our federal regulatory agency, NCUA, also conducted its yearly examination. Examiner findings have, or are being addressed.

Based on the CPA audits and the yearly examination from NCUA, the Committee is confident that Compass operates in compliance with required regulations and Board-approved policies and procedures.

As Chairman of the Nominating Committee, there were no open positions for the Board of Directors this year.

Thank you for your loyal membership to Compass Financial.

Fernando A. Garcia

Director

Chairman, Supervisory Committee

Supervisory Committee

Alberto Nadal
Member



Julio Jimenez
Member



Report From the President/CEO

We are proud of the new products and services for 2019. Coming up this year one of them is our new engagement with Bankers Choice Mortgage – Mortgage Bankers. Our credit union members will benefit from the variety of residential mortgage programs available, discounted services and accommodating appointments to include after hours and weekends.



Despite a financially-challenging year, we are proud to report that we experienced an increase in our net worth at 15.74% as of December 2018 compared to the required regulatory capital of 7.00%. This means we are well capitalized. Our loan portfolio performance continues to move in the right direction providing us with a record-low delinquency ratio of .09% and a loan yield of 7.04% ending December 2018.

Now moving forward, our commitment to serve our community continued in 2018 with our participation in the following events:

- Annual December Toy Drive benefiting Nicholas Children’s Hospital. Over 500 toys and \$500.00 in cash were donated.
- A donation of \$100.00 was made to the Town of Medley Foundation to purchase bicycles for underprivileged children in the community for the Holidays.

Lastly in support of our credit union, we encourage all our members to follow us on Social Media and read our emails and Newsletters for our latest updates and promotions throughout the year.

My deepest thanks to our credit union team, our dedicated volunteer Board of Directors and Supervisory Committee for their time and expertise which benefits our members.

Most importantly, thank you to our members for your continued patronage referring your family, friends and co-workers to become part of our Compass Financial Federal Credit Union family.

Leonardo M. Acosta
President/CEO

STATEMENT OF CONDITION

	12/31/2018	12/31/2017
ASSETS		
Total Cash and Cash Equivalents	\$2,499,252	\$2,887,515
Investments	2,199,989	3,456,397
Loans to members, net of allowance for loan losses	15,126,615	15,748,554
Accrued Income on loans	52,759	60,646
Accrued Income on Investments	9,828	5,663
Property and Equipment	213,838	298,293
NCUSIF deposit	175,317	184,672
Prepays and other Assets	996,106	982,614
Total Assets	\$21,273,704	\$23,624,354
Liabilities		
Member's share and share equivalents	17,639,508	19,721,943
Accounts payable and accrued liabilities	285,328	207,477
Total Liabilities	\$17,924,836	\$19,929,420
Members Equity		
Regular Reserves	1,214,103	1,214,103
Undivided Earnings	2,134,765	2,480,831
Accumulated Other Comprehensive (Loss) Income		
Total Equity	\$3,348,868	\$3,694,934
Total Liabilities and Member's Equity	\$21,273,704	\$23,624,354
STATEMENT OF INCOME AND EXPENSES		
Interest Income		
loans	1,118,322	1,322,076
Investments	60,056	37,722
Total interest income	\$1,178,378	\$1,359,798
Interest Expense		
Members Savings Accounts	22,293	20,020
Members Certificate of Deposits	69,638	103,014
Total Dividend and Interest Expense	\$91,931	\$123,034
Net Interest income	\$1,086,447	\$1,236,764
Provision for Loan Loss	353,587	497,903
	\$732,860	\$738,861
Operating Income	\$1,983,621	\$2,102,558
Operating Expenses		
NCUA Corporate CU Stabilization Fund Assessment	\$0	\$0
Net Income	\$(346,066)	\$(367,987)



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FEDERAL CREDIT UNION

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Federally insured by NCUA