



ANNUAL REPORT 2018



Federally insured by the NCUA.





OUR MISSION/VISION/CORE VALUES

MISSION: Florida Credit Union will serve our members and communities with efficient, convenient services and quality products that meet their everyday and long-term financial needs.

VISION: Florida Credit Union members' lives made better.

CORE VALUES:

Caring Service: Through new technologies & person-to-person services.

Integrity: Will adhere to the highest ethical standards and values.

Excellence: Provide progressive and quality programs and services that will benefit our members while promoting growth.

Financial Stability: To safeguard our members, we will continue to be a well-capitalized financial institution.

Cooperative Philosophy: Improve the economic well-being of our members and communities.

Community Service: Promote Florida Credit Union as a leader in serving our community activities and commitment to social responsibility.

THE CREDIT UNION DIFFERENCE



As members of Florida Credit Union, account holders have a variety of financial products and services available to them, from high rate deposit accounts, to low rate loans, and everything in between. But the real FCU difference lies in the nature of our organization; we are a financial service cooperative.

Cooperatives are customer-owned organizations, which means our owners are the people who make deposits, take out loans, and keep their savings at FCU. We can never be bought or sold, which is very different from the banking industry where community or state banks are built up and later sold to large, non-local institutions. When this happens, the stockholders usually profit greatly, while the customers receive no benefits or even see a decline in service after the buyout.

With Florida Credit Union, the stockholders and customers are the same people. Profits earned by the credit union are retained as capital to meet regulatory requirements, and to build stronger service and product offerings. That is the Florida Credit Union difference.

Our goal is to increase the value of the relationship with our members, while building and maintaining the strength of the credit union so it is here to serve future generations. Florida Credit Union continues to utilize the cooperative principles of:

1. Voluntary and Open Membership

FCU is open to all persons in our state-approved field of membership who are interested in using our services and willing to accept the responsibilities of membership.

2. Democratic Member Control

The member/owners of FCU choose the individuals who serve as elected trustees.

3. Member Economic Participation

Member/owners benefit proportionately to their level of participation from full utilization of the products and services that are available through the organization.

4. Autonomy and Independence

Financial service is offered to the member/owners who control the organization.

5. Education, Training, and Information

Information is provided to members, elected representatives, and staff to ensure further development of the organization.

6. Cooperation Among Cooperatives

Working with local, regional, national, and international groups to advance knowledge and service availability.

7. Concern for the Community

Providing services and programs to benefit the members of the community.

As an FCU member, you are an owner of one of the strongest financial institutions in north and central Florida. Take advantage of all the privileges afforded to you, like free auto advisory service or a personal consultation with a member service specialist. Then, spread the word about the Florida Credit Union difference, and watch our community grow!

REPORT OF THE BOARD OF DIRECTORS



Florida Credit Union was established in 1954 – 64 years ago! At that time, the Board of Directors pledged to focus on member needs. Today’s Board has the same goal and will continue to focus on meeting needs of members in the coming years. Throughout this report, you will see that Florida Credit Union is as safe and strong as ever.

In 2018, Florida Credit Union’s membership took advantage of the great products and services the credit union offers including very competitive rates on deposit accounts, low loan rates, and electronic access through online banking and mobile banking. Because of member participation, our assets were \$1,110,685,307 at year end. The most important measurement of a credit union’s soundness is the capital ratio. Florida Credit Union is considered “Well Capitalized” by federal and state examiners, with our year end capital ratio being 10.33%

A primary responsibility of your Board of Directors is to ensure that the operations of the credit union meet the needs of the membership. We must also ensure these operations are performed safely and soundly. The reports included in the 2018 Annual Report support that Florida Credit Union is indeed managed in accordance with policies, laws, and regulations. Florida Credit Union is a safe and sound financial institution and is well-situated for the future.

We have come a long way in six decades and are determined to continue to meet the needs of our membership while operating within sound financial guidelines.

Mr. Al Peoples,
Board Chair



Mr. Lynn Jones, Sr.
Vice-Chair



Mr. William Hopgood
Treasurer



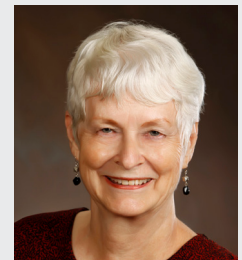
Mr. Andrew Sutherland
Secretary



Dr. Jacquelyn D. Hart
Director



Dr. Barbara Buys
Director



Mrs. Judy Johnson, JD
Director

CONVENIENCE

Florida Credit Union has eleven branch locations in north and central Florida, plus a contact center with extended hours (8am-8pm weeknights, 8am-5pm Saturdays). Additionally, members can open accounts and apply for loans online, anytime! We have loan officers on duty 24/7. Members also always have access to their FCU account through our online banking service, our mobile app, and Info24.



REPORT OF THE PRESIDENT



Florida Credit Union experienced another year of solid, managed growth. This growth is attributed to you, the owners of the credit union, for taking advantage of our deposit, loan, and electronic products. Since beginning in 1954, Florida Credit Union has remained a major financial institution in North and Central Florida. Our decisions and efforts always focus on our members' needs and how we can better meet all of their expectations. We will continue to keep in mind that this is your credit union and encourage all members to take advantage of our products and services.

In 2018 our loan programs were as successful as ever. Members obtained over \$62 million between 502 units in real estate loans and about \$292,244,973 (12,750 units) in auto loans. Over 31,292 consumer loans were granted in 2018 amounting to \$375,483,725. We also provided \$58,967,989 in funding to businesses in the past 12 months. Additionally, we continue to attract new members. In 2018, over 21,000 new accounts were opened. Thanks to you – our members – we have come a long way in 64 years.

In 2018, Florida Credit Union consistently promoted loan programs that were designed to help members pay less. These proved to be very successful. Over \$13 million in loans (666 units) were moved from other financial institutions who over-charged members.

In 2018, we expanded our field of membership to include Orange, Pinellas, Hillsborough, Osceola, Brevard, and Indian River Counties, bringing our reach to 36 counties total.

Over the past few years, we've enhanced our electronic access channels such as online loan and membership application products and mobile banking. We rolled out a refreshed, more transactional website in 2018. We also enhanced our mobile application to improve the process of online and mobile loan applications without ever stepping in to a branch. We also implemented a new communication platform allowing us to more efficiently route all member requests.

In 2019, we will continue to focus on the financial needs of our membership. We plan to offer new products and services to allow you to conduct your financial business conveniently.

We will also continue to focus on our facility and service needs. All locations offer very convenient hours of operation. Whether inquiring about CD rates or applying for a loan, our staff is available weekdays from 8 am to 8 pm and on Saturdays from 8 am to 5 pm. In addition, we offer loan services by phone 24 hours a day, 7 days a week. FCU understands how busy members are, so we make mortgage and loan services more convenient with this "round the clock" availability. You can talk to a fully-qualified loan officer anytime of the day or night simply by calling a local branch.



The board and management of FCU will continue to operate your credit union safely, using guarded and sensible decisions that are rooted by the needs of the membership. Our capital ratio of 10.33% far exceeds the 7% required ratio of federal and state examiners. It is because of the diligent and focused efforts of your board and management that Florida Credit Union continues to grow and succeed.

As a member/owner of Florida Credit Union, you belong to a strong, viable financial institution. With our soundness and stability, we are well positioned in today's financial arena to meet your personal financial needs. I urge you to take full advantage of your credit union membership.

Mr. Mark N. Starr

President/CEO

REPORT OF THE AUDIT COMMITTEE

By state law, the Audit Committee is appointed by the Board and charged to oversee the policies and programs of the credit union. The committee ensures that a comprehensive audit of credit union books and records is performed, and reports the results to the membership.

During the past year, the Audit Committee met with the auditing team from the firm of Warren Averett, P.A. The comprehensive audit as of September 30, 2018 indicates that the credit union is performing to the best benefit of the membership. This same firm performs extensive internal audit work on a quarterly basis to verify that policies, regulations, and generally accepted accounting principles are being met. The work of the Audit Committee, in partnership with the auditing firm, ensures that operations and programs authorized by the Board of Directors are being well managed.

Our financial performance is also highly scrutinized by federal and state examiners who are charged with ensuring the safety of your funds. Their findings, year after year, are that Florida Credit Union is a well-run, financially-viable financial institution, with sound management practices.

We appreciate the opportunity to serve the membership and encourage all members to take advantage of the many services and benefits offered by your credit union.

Dr. Barbara Buys

Audit Committee Chair



WHAT OUR MEMBERS HAVE TO SAY

FROM FACEBOOK:

“ Been banking here for years, their customer service is what keeps us coming back. All the staff is so helpful. So appreciate a bank that shows they care.”
– Jennifer G.

“ They are very helpful and friendly. They always try to help the best they can. Thank you F.C.U for always making me feel at home and safe. They also keep banking safe.”
– Christina A.

“ I have been a member of Florida Credit Union Ocala for several years. I was referred by a friend and they bragged as to how awesome this credit union is. Now I brag about them to all my friends. They have helped me through so many financial things and if they can't help with what you are thinking they come up with another strategy. The Ocala branch jumps through hoops to make sure we get what we need all the time. I wish everyone could be as pleased with their bank as I am with FCU.”
– Barry S.

FROM GOOGLE:

“ Been banking here for years and may have had a few minor issues but it's nothing that their wonderful team members couldn't help me with. It made the experience that much more amazing and stress free. A good business is only made that way by its amazing staff! We love FCU.”
– Dalia F.

“ Came in to get a new debit card and sat down and spoke with an MSR at closing wound up getting my car refinanced. Thank you so much amazing customer service!”
– Antonio S.

“ I've had nothing but good service with Florida Credit Union. Any issues I had was handled with care and the staff was very professional.”
– Joetta D.



REPORT OF THE CREDIT MANAGER

The Credit Manager is appointed by the Board and is responsible for the approval of loan applications in compliance with Board approved policies.

In 2018, Florida Credit Union originated almost \$430 million in loans of all types. Our most popular loan products in 2018 were autos, credit cards, commercial loans and first mortgages. FCU offers a full range of Mortgage programs including conventional, FHA, VA and USDA loans.

In the coming years, you can expect to see more loan products along with more ways to obtain loans. As usual, FCU rates and terms will be very competitive.

Mr. Mark N. Starr

Credit Manager

REPORT OF THE TREASURER



Florida Credit Union is now serving over 100,000 members. Statistics can be found in the Report of the Board of Directors and the President's Report. As compared to credit unions statewide, Florida Credit Union tends to grow at or above average trends year after year – 2018 was not an exception. All of this can be attributed to the amount of business our members conduct with us.

As of September 2018, Florida Credit Union was the 17th largest credit union in Florida in terms of asset size. Nationally, we are in the top 5% of all credit unions.

On the following pages, we present a breakdown of the assets and liabilities of Florida Credit Union. You will notice that our assets as of December 31, 2018, were \$1,110,685,307. Additionally, our capital ratio remains extremely strong at over 10.33%. You can see why the board, management and staff of your credit union are so proud of the successes we have experienced.

Mr. William Hopgood

Treasurer



YOUR MORTGAGE SOLUTION



Florida Credit Union's Mortgage Department combines years of mortgage lending experience with the personal touch that only your credit union can deliver. As a full-service mortgage lender, we cater to first-time home buyers, as well as current homeowners.

We understand that real estate financing is a critical part of your financial plan and we're here to help. Whether you're buying a first home, refinancing an existing mortgage, or considering a second or vacation home, our mortgage professionals can meet your needs with a wide variety of home loan solutions.

With a Florida Credit Union mortgage, you have a variety of options to choose from depending on your needs. We now offer loan types like FHA, VA and USDA to provide a variety of options for our members. Members who receive an FCU Portfolio or Fannie Mae mortgage have their loan serviced in-house, which means your loan stays close to your new home - where it belongs. Decisions and payments are made locally, and you have access to your mortgage information in a branch, over the phone, or online.

We offer a wide variety of products and services, all designed to save members time and money. We're proud to offer FCU members unique options for their mortgage needs.



COMMUNITY

Florida Credit Union has been around since 1954, and has always known the importance of being a part of our local community. We are proud to serve as an advocate for the people and businesses who have supported us all these years. Every year, FCU participates in community events, sponsors engagements, hosts local events and serves our neighborhood in any way possible.

Being a trusted part of your community is important to us. That's why we will continue to invest in the people, places and business that make north and central Florida our home.





YOUR COMMERCIAL BANKING SOLUTION

When it comes to lending options and banking services for your business in North and Central Florida, turn to the financial institution that prioritizes you. For more than 60 years, we've helped business owners in our communities find the right solutions to address their unique needs and goals. We're here to help in any way as you manage your company's finances and foster growth and development that take you to the next level.

From our commercial deposit accounts that offer great rates and advanced features, to our variety of business loan options, all our products are designed with you in mind. FCU offers auto, equipment, SBA and real estate loans, all with competitive rates. Plus, with a variety of electronic services, from commercial online banking, to remote deposit capture, FCU makes it easy for businesses to handle their finances without cutting into their busy schedule.

FCU has other great business offerings, too, like our merchant processing that makes it easy for your customers to pay you. You'll accept all major credit, travel and entertainment cards, ATM/debit and purchasing cards, and personal checks without risk. Plus, you'll differentiate your business from the competition, deliver more profit to your bottom line, increase customer spending potential, and reduce fraud. Please see the Products & Services on page 19 for a full list of available commercial business offerings.

Florida Credit Union wants to help take care of your employees, too! With our **Bank at Work** program, you can provide an exciting benefit to your staff at no cost to your company. Our members have access to great products and services, from high-rate interest bearing checking products, to low rate loans, a full suite of online and mobile banking tools, and much more. FCU will come to you and work around your employees' schedule, providing free enrollment and marketing material, and access to our member service support for questions and inquiries.

YOUR COMMERCIAL BANKING TEAM

What sets Florida Credit Union apart is the time we take to listen to your unique business needs and understand you and your company. That's how we're able to create so many long-standing relationships with local businesses and why owners trust us for sound advice delivered with a personal touch.

Take advantage of a **free personal consultation** with a member of our commercial services team. They can help you find the commercial banking package that best meets your needs. Being a member with FCU means being a co-owner of our financial institution. Isn't it time you started paying yourself, rather than shareholders?



Evan Pitts
SVP Commercial Services

Jane Harris
VP Business Relationship Manager

Chris Logan
VP Business Relationship Manager

THE FCU MANAGEMENT TEAM



Florida Credit Union's Senior Vice Presidents

Thom Beck
SVP Information Services/CIO

Christine Suarez-Jenkins
SVP Consumer Lending/CLO

Mark Starr
President/CEO

David Eckhardt
SVP Operations/COO

Wendy Koford
SVP Accounting/CFO

Evan Pitts
SVP Commercial Services



Florida Credit Union's Vice Presidents

Jane Harris
VP Business Relationship
Manager

Beatrice Cherry
VP Marketing

Matthew Teoli
VP Delivery Channels

Marlena Wesh
VP Human Resources

Wes Colson
VP Member Solutions

Sarah King
VP Project Administration
& Training

Mark Starr
President/CEO

Greg Purvis
VP of Lending

Chris Logan
VP Business Relationship
Manager

Pam Bolin
VP Accounting

Daniel Arreola
VP Risk Management

Heather Gilliam
VP Branch Operations

Kirk Becker
VP Information Services

THE FCU BRANCH MANAGERS



FCU's Country Oaks Branch
OCALA, FLORIDA

FCU's Branch Managers



Wade Hamilton, AVP
13th Street Branch (GNV)



Inez Cardwell, AVP
43rd Street Branch (GNV)



Rob Weil, AVP
Butler North Branch (GNV)



Marilynn Woodard, AVP
Haile Plantation Branch (GNV)



Ladonna Pollard, AVP
Contact Center Branch



Jennifer Patrick, AVP
Lake City Branch



Mindy Grimes, AVP
Silver Springs Branch (OCA)



Lisa Martin, AVP
Country Oaks Branch (OCA)



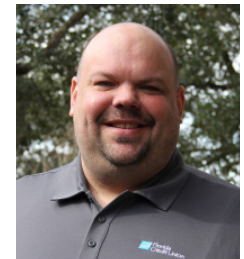
Alissa Myers, AVP
Ocala Branch (OCA)



Quan Freeman, AVP
Maricamp Branch (OCA)



Michelle Warnock, AVP
Starke Branch



Brian Leatherman, AVP
DeLand North Branch

STATEMENT OF FINANCIAL CONDITION

As of December 31, 2018

	2018
Assets:	
Loans	\$ 979,628,474
Less: Allowance for Loan Loss	\$ (8,715,848)
Net Loans	\$ 970,912,626
Cash on Hand	4,977,373
Investments, at Amortized Cost	92,975,900
Fixed Assets, Less Accum Depreciation	19,903,460
NCUSIF Deposit	8,831,090
Other Real Estate Owned	165,556
Loans Held for Sale	370,400
Other Assets	12,548,902
Total Assets	\$ 1,110,685,307
Liabilities and Members' Equity:	
Members' Shares & Savings Accounts	\$ 900,045,663
Non-Member Deposits	64,326,000
Accounts Payable	7,048,605
FHLB Borrowing	15,000,000
Other Accrued Liabilities	9,506,700
Total Liabilities	\$ 995,926,968
Members' Equity	
Regular Reserve	2,519,688
Undivided Earnings	112,238,651
Unrealized Gain/(Loss) on Security	0
Total Equity	\$ 114,758,339
Total Liabilities and Members' Equity	\$ 1,110,685,307

STATEMENT OF OPERATIONS

As of December 31, 2018

	2018
Income:	
Interest on Loans	\$ 51,117,890
Income on Investments	1,913,845
Other Income	22,430,959
Total Income	\$ 75,462,694
Expenses:	
Employee Compensation and Benefits	19,646,933
Office Operations	7,118,917
Office Occupancy	1,823,360
Professional and Outside Services	4,530,691
Provision for Loan Loss	7,920,500
Education and Promotional	3,731,944
Loan Servicing	3,693,092
Other Miscellaneous	1,021,231
Total Expenses	\$ 49,486,668
Income Before Cost of Funds	\$ 25,976,026
Non-Operating Gains or Losses:	
Gain/(Loss) on Investments	-
Gain/(Loss) on Disposition of Assets	(1,216,170)
Other Non Operating Gains/(Losses)	-
Total Net Income Before Cost of Funds	\$ 24,759,856
Cost of Funds:	
Dividends and Interest	\$ 8,865,411
Interest on Borrowed Funds	256,001
Net Income	\$ 15,638,444

PRODUCTS AND SERVICES

As a Florida Credit Union member/owner, you enjoy local, fast decisions; the ability to make your payments locally; a full range of products and services; and specialized customer service.

Personal Banking Services

- Value & Interest-Bearing Checking Accounts
- Youth Accounts
- Money Market Accounts
- Savings Accounts
- Vacation and Holiday Accounts
- IRAs and CDs
- Investment Services
- Auto/Boat/RV/Motorcycle Loans
- Personal Loans & Lines of Credit
- Mortgages
- Home Equity Loans & Lines of Credit
- Visa® Debit Cards
- Visa® Credit Cards
- Life Insurance Products

Commercial Banking Services

- Checking Accounts
- Money Market Accounts
- CDs
- Vehicle and Equipment Loans
- Lines of Credit
- Visa® Debit Cards
- Visa® Credit Cards
- Owner Occupied Real Estate
- Non-Owner Occupied Real Estate
- Investment Services
- Insurance Products
- Remote Deposit Capture
- Commercial Online Banking
- Free Commercial Online Bill Payer
- Interest-Bearing Checking
- Same-Day Credit
- Free Quicken & Quickbooks Downloads

Convenience Services

- Eleven locations
- 24 hour loan center
- Extended hours at Contact Center and select offices
- Mon – Fri 8 a.m. – 8 p.m.
- Saturday 9 a.m. – 5 p.m.
- Local, Fast Decisions

Electronic Services

- Online Banking
- Online Bill Payer
- Info 24 (Automated phone banking)
- Mobile Banking
- Mobile Bill Pay
- Mobile Check Deposit
- Online Applications
- eStatements
- Payroll Deduction
- Popmoney
- Direct Deposit
- 24-hour ATMs

Visit us on Facebook, Twitter and Instagram! | Visit FCU Online: fcu.org



MEMBERSHIP

Membership in Florida Credit Union is open to all who work or reside in Alachua, Baker, Bradford, Brevard, Citrus, Clay, Columbia, Dixie, Duval, Flagler, Gilchrist, Hamilton, Hernando, Hillsborough, Indian River, Jefferson, Lafayette, Lake, Leon, Levy, Madison, Marion, Nassau, Orange, Osceola, Pasco, Pinellas, Polk, Putnam, Seminole, St. Johns, Sumter, Suwannee, Taylor, Union and Volusia Counties.

LOCATIONS

43rd Street Office

2831 NW 43rd St.
Gainesville
352-377-4141

13th Street Office

3720 NW 13th St.
Gainesville
352-377-4141

Haile Market Square Office

2785 SW 91 St.
Gainesville
352-377-4141

Butler Plaza North Office

2803 SW 42 St, Suite 10
Gainesville
352-377-4141

Lake City Office

586 West Duval
Lake City
386-755-4141

Ocala Office

2424 SW 17 Rd.
Ocala
352-237-8222

Silver Springs Office

3504 East Silver Springs Blvd.
Ocala
352-237-8222

Country Oaks Office

9680 SW 114 St
Ocala
352-237-8222

Maricamp Office

10 Bahia Ave. Lane
Ocala

Starke Office

2460 Commercial Drive
Starke
904-964-1427

DeLand Office

1735 N Woodland Blvd
DeLand
386-738-4717

Mailing Address

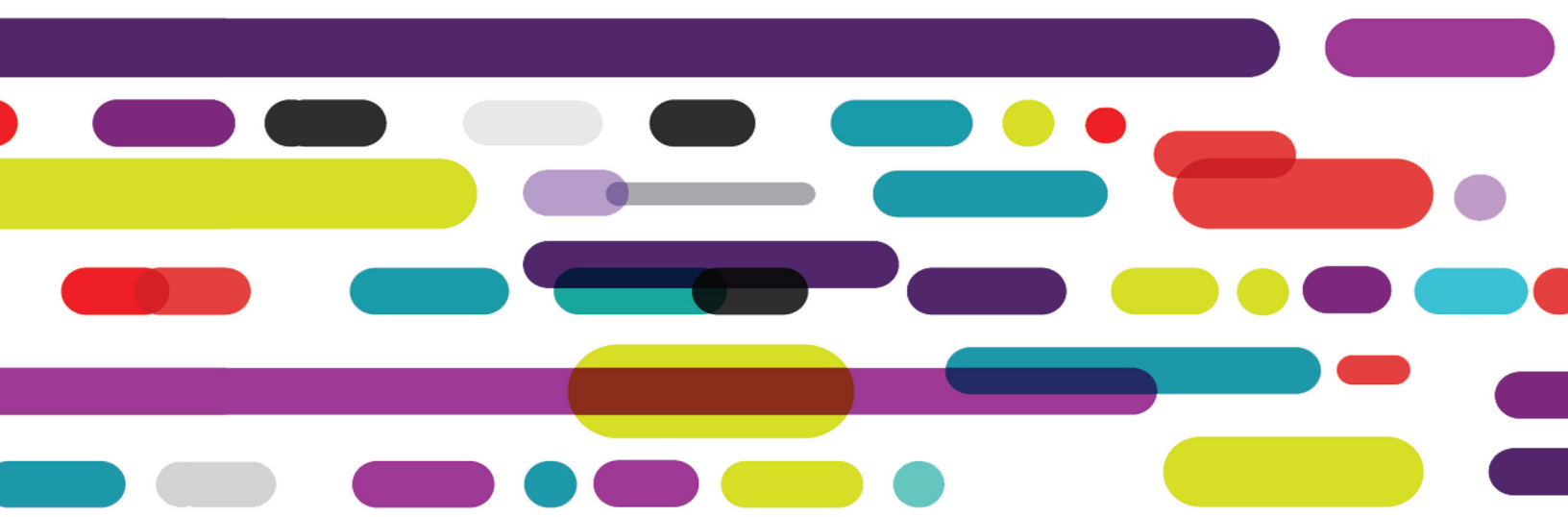
P.O. Box 5549
Gainesville FL 32627-5549

Outside Local Calling Areas

(800) 284-1144

Visit FCU Online

www.flcu.org



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