



Building Relationships

2016 Annual Report


First Florida
CREDIT UNION
Enriching People Every Day.®

Chairman's *and* President/CEO's Report

It's our pleasure to report to you that 2016 was an exceptional year of growth. As a financial cooperative, growth positions us to help even more people reach financial success with products, services, and conveniences that make life richer.

By design, there's a cooperative nature to credit unions. Our members are the foundation of our success. Membership often comes on the recommendation of a fellow employee, family member, or friend. In 2016, we welcomed nearly 2,000 new members with the successful completion of the Florida Baptist Credit Union merger. With each new member, First Florida strives to build lifetime relationships.

Our member service channels are a vital part of building relationships. The Member Support Center continues to assist our members daily with utmost efficiency. In 2017, we will be opening two additional branches in Tallahassee and will complete renovation to both our 500 building headquarters/branch and 401 administrative building in Jacksonville. Through our shared branching program, members also have access to more than 5,000 credit union branch locations nationwide.

We understand that building member relationships goes beyond brick and mortar. Usage of our electronic services continues to grow. We made significant enhancements to our website (www.firstflorida.org) in 2016. Implementation of a responsive web design now provides an optimal viewing and interactive experience for our members. Our Mobile Banking App was updated to include a more streamlined design for easier navigation and now includes "Card Controls" functionality that provides our members with increased debit and credit card safeguards.

Equally as important as building solid member relationships is having the products and services that respond to the ever changing financial industry and increased complexities of our members' lives. Of paramount importance is the safety and security of our members' financial data. During 2016, we improved our alert system for detecting potential fraud. The Fraud Alert System for suspicious debit or credit card transactions was expanded to include email and text notifications. We also implemented embedded microchip technology for our debit and credit cards. EMV Chip technology makes it more difficult for unauthorized users to access card information, thereby providing greater fraud protection. Be assured that we are always looking toward future innovations to enhance security and make processes less cumbersome in an ever changing technological environment.

In addition to delivering better service to our members by utilizing technology and optimizing our branch network, First Florida believes that strong communities create strong members. Last year, we continued our long-standing tradition of giving back to the communities we serve. We increased our charitable contributions statewide and supported events held by The Salvation Army, American Cancer Society, and Children's Home Society - to name just a few. In 2016, our state and its citizens suffered damage from two severe storms. In response, First Florida donated \$5,000 each to The Salvation Army and the Southeastern Credit Union Foundation for hurricane relief and provided low rate loans to members affected by the storms.

First Florida also believes anyone can be financially successful, and we can help. We offer financial guidance, education tools, and innovative programs to meet our members' needs wherever they are in their financial journey. In 2016, we are proud to announce that over 900 young adults completed our basic budgeting simulation program.

In addition to the qualitative accomplishments mentioned, First Florida experienced financial success in 2016. We ended the year with a net worth ratio of over 16%, well above the 7% which NCUA considers to be a well-capitalized credit union. The net worth ratio is a measure of the capital strength of a credit union (retained earnings divided by total assets). A strong capital position is what allows a credit union to continue to invest in the technologies and projects that will provide value to its membership. We grew assets by \$94.6 million (\$811.5 million). Core deposits (savings, checking, and money markets) grew by \$34.2 million.

Furthermore, we are pleased to report that First Florida disbursed \$188 million in loans, compared to \$148 million in the previous year. As loan demand continues to increase, we will be ready to meet our members' needs with streamlined, secure services and affordable rates.

First Florida is constantly improving to better serve you and our communities. As we look back on 2016 and ahead to 2017 and beyond, one thing will remain constant: First Florida will never stop evolving to meet the changing needs of our membership. We appreciate and value the trust you have placed in us.

Respectfully Submitted,



Dean E. Willis, Chairman

Respectfully Submitted,



Brent E. Lister, President/CEO

Treasurer's Report

I am pleased to submit my report on the financial soundness of First Florida.

First Florida understands the value provided to its members through a financially strong credit union and an organization that can demonstrate a financial return on our members' investments. During 2016, we experienced significant growth and financial progress in key areas. We maintained a strong net worth position (16.18%) essential to the financial soundness of the credit union. A strong net worth allows the credit union to continue to invest in the technologies and projects that will provide value to our membership.

In 2016, members continued to use the credit union for their borrowing needs. We disbursed \$188 million in loans, resulting in an outstanding gross loan portfolio of \$431.7 million. Net income for the year was \$5.2 million. Approximately \$2.1 million was distributed to members in the form of interest/dividends on savings, money market, and certificate accounts.

Looking ahead, we will continue to capitalize on opportunities to invest in preferred products and services, and deliver solutions for the benefit of our members.

Respectfully Submitted — *Ken Jones, Treasurer*

Credit Manager's Report

I am pleased to announce that in 2016 we experienced loan growth of \$88 million. We ended the year with a total gross loan portfolio of \$431.7 million. This is a significant increase from 2015, when we closed out the year with gross loans totaling \$343.7 million. An increase in consumer loan demand and our commitment to developing stronger relationships with our members helped fuel the growth.

Throughout 2016, members continued to look to First Florida for their borrowing needs. We disbursed \$188 million in loans, compared to \$148 million in 2015. \$83 million of the loans were disbursed in 2016 were in the form of new and used vehicle loans; \$48 million of disbursed loans were comprised of lines of credit, holiday loans, and other unsecured credit.

Of that total, \$49.7 million was disbursed for first mortgage loan borrowing. Buying a home is one of the most important purchases our members will make in their lifetime. First Florida is there to assist throughout the home buying process with convenient and affordable financing solutions.

Our mission is to provide financial solutions that enrich people's lives. We want to be our members' lender of choice. Our knowledgeable staff remains dedicated to developing relationships with our members and suggesting solutions to help you reach your financial goals.

Respectfully Submitted — *Joey Carpenter, EVP/Lending*

Audit Committee's Report

The audit committee reports that all First Florida records of operation are in favorable order and sound financial condition. The committee is made up of four directors, ensuring that management and operations are functioning professionally, within the framework of state laws and the policies set forth by the board of directors. The committee also ensures that internal accounting procedures comply with generally accepted accounting principles. An independent certified public accounting firm works closely with the committee.

Respectfully Submitted — *Jonathan R. Lyon, Audit Committee Chairman*

Balance Sheet

2016

2015

ASSETS

Net Loans	\$429,672,218	\$342,375,081
Cash	\$4,063,770	\$3,879,407
Investments	\$337,068,012	\$335,543,703
Fixed Assets	\$16,296,097	\$15,795,232
Other Assets	\$24,415,702	\$19,289,940
Total Assets	\$811,515,799	\$716,883,363

LIABILITIES/EQUITY

Savings/Deposits	\$474,385,022	\$435,243,407
Certificates (term deposits)	\$133,655,994	\$138,601,595
Reserves	\$128,138,066	\$124,832,971
Other Liabilities	\$75,336,717	\$18,205,390
Total Liabilities/Equity	\$811,515,799	\$716,883,363

STATEMENT OF OPERATIONS

Income

Interest on Loans	\$15,847,151	\$13,085,971
Credit Card Income	\$913,972	\$526,363
Investment Income	\$4,922,159	\$4,936,007
Other Income	\$10,053,688	\$9,406,925
Total Income	\$31,736,970	\$27,955,266

DISTRIBUTION OF INCOME

Dividends/Interest	\$2,147,241	\$2,253,705
Operating Expenses	\$24,302,651	\$22,567,616
Net Income	\$5,287,078	\$3,133,945

Board of Directors

Dean E. Willis	Chairman
Jonathan R. Lyon	Vice Chairman
Ken Jones	Treasurer
Nancy H. Meier	Secretary
Robert L. Bull	Director
Robert W. Gentry	Director
Richard M. Hood	Director
Sandra Magyar	Director
Don Mills	Director
Cornita A. Riley	Director
Frances W. Young	Director

Management Team

Brent E. Lister	President/CEO
Joey Carpenter	EVP/Lending
Linda K. Jones	EVP/Operations
Bradley A. Long	EVP/Finance
Michelle Troha	SVP/Marketing
Andrea Hurley	SVP/Risk Management
Rick Harper	SVP/Accounting
Libby Polk	SVP/Administration
Tim Brown	SVP/Information Technology

2016 Accomplishments

- Implemented significant enhancements to our website (www.firstflorida.org) including responsive web design and an upgraded online loan application
- Improved delivery channels including Mobile Banking App enhancements such as a more streamlined design for easier navigation and “Card Controls” functionality
- Expanded and improved our alert system for detecting potential fraud
- Completed the merger with Florida Baptist Credit Union, adding nearly 2,000 new members to First Florida
- Maintained high levels of member satisfaction throughout the organization, as reflected in 2016 member satisfaction surveys
- Received exceptional reports from the National Credit Union Administration and the Office of Financial Regulation, relative to internal controls and ensuring the effective and efficient operation of the credit union





www.firstflorida.org

(800) 766-4328, ext. 1 • In Jacksonville (904) 359-6800, ext. 1

Federally insured
by NCUA

