



MIDFLORIDA
Your community credit union

SERVING
Central Florida

LETTER FROM THE CEO

To the Owners,

MIDFLORIDA started in 1954 when a handful of teachers pooled their savings to start the Polk County Teachers Credit Union. The reason the credit union was started was simply because banks wouldn't lend money to working people. One of our founding members explained to me that he joined because he wanted to borrow money to buy a washing machine.

When I joined MIDFLORIDA 26 years ago, the staff and board set a goal to expand the credit union. We believed that credit union services should be available to everyone, not just select groups. We began by offering free checking accounts and low-rate loans to anyone living or working in Polk and Highlands counties. We have continued to expand our charter and now offer credit union services to most of Central Florida.

Today MIDFLORIDA's 900 associates serve over 300,000 members through 50 Central Florida branches. And our goal is to keep expanding our branch network. Members want electronic services but they also desire face-to-face access to employees. They want to travel to or move to anywhere in Central Florida and be able to visit a MIDFLORIDA office. Our goal is to make that a reality within the next five years.

It may seem hard to believe, but many of the issues those teachers faced 65 years ago haven't changed. Getting a free checking account or personal loan at a bank is still almost impossible for a person of modest means. MIDFLORIDA's mission also hasn't changed. Our singular goal is still to improve the financial well-being of our members; whether that's a free account, a fair deposit rate or a loan for a washing machine.

Respectfully Submitted,



D. Kevin Jones



PRESIDENT'S REPORT



It was another fantastic year for MIDFLORIDA! We expanded our branch network with four new locations: South Tampa, Spring Hill and two in Port St. Lucie – Gatlin and St. Lucie West (the latter opening April 2019). To support this continuous growth, we purchased a new Lakeland-

based Operations Center to house the Help Desk call center as well as various lending support staff, which will open late 2019. We also secured two high-traffic and high-visibility properties for future branch sites in the Carrollwood area of Tampa and in the city of Stuart.

Resources were allocated to develop products like instant-issue credit cards (joining our popular instant-issue debit cards) and new loans that allow our members to use their home's equity to fund large repairs or living expenses.

However, our greatest accomplishment of 2018 was our continued financial strength, which we credit to our membership and the faith they place in us. We saw this in record numbers as our Dealer Direct network loaned over \$500 million in car loans and our mortgage department reached over \$1 billion in home loans currently serviced for our members. When the deposit environment shifted at year end, members took advantage of our shorter term certificate with an above-market rate, and deposits soared. These efforts and successes led us to achieve record income while maintaining strong capital – financial metrics that enabled MIDFLORIDA to invest in new products, grow our branch network and improve services to members throughout Central Florida.

Thank you to our members. Serving you is both the reason we push forward and the reason for our continued success.

Sincerely,
Steve Moseley

CHAIRMAN'S REPORT



2018 was another very exciting year for MIDFLORIDA as we continued to grow in financial size and strength. This growth enabled us not only to better serve our existing members, but also to further expand our service area to new members in the Tampa Bay and Orlando markets.

All of us at MIDFLORIDA know that you, our members, are the driving force behind our success and pledge to continue to provide financial products and services that will improve your financial well-being.

Sincerely,
Gary I. Ruhle



CFO REPORT

Zelda V. Abram

MIDFLORIDA continued to expand throughout Central Florida while maintaining solid financial success. Total assets increased by \$231 million, ending the year over \$3.2 billion. Total loans increased by \$248 million, indicating 11 percent growth; and deposits increased

by \$256 million. Record net income totaled over \$40 million for the credit union, resulting in a 1.28 percent return on average assets. Our net worth increased by more than \$40 million, ending the year with a strong 10.9 percent net worth ratio.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

ASSETS	December 31,	
	2018	2017
Cash and cash equivalents	\$ 208,992,686	216,460,128
Investments:		
Available-for-sale	270,697,837	200,540,062
Held-to-maturity	136,700	185,722
Other	47,918,338	139,910,192
Federal Home Loan Bank (FHLB) stock	8,434,400	10,037,600
Loans held-for-sale	2,878,742	6,437,490
Loans receivable, net of allowance for loan losses	2,507,718,067	2,264,890,155
Accrued interest receivable	7,891,008	6,790,685
Premises and equipment, net	122,914,669	112,882,162
National Credit Union Share Insurance Fund deposit	26,319,546	23,563,099
Assets acquired in liquidation	2,707,935	2,035,845
Goodwill	8,064,747	8,064,747
Other assets	71,447,821	63,716,412
Total Assets	\$3,286,122,496	\$3,055,514,299
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' share and savings accounts	\$2,788,477,037	\$2,532,173,826
Borrowed funds	133,702,886	183,596,216
Accrued expenses and other liabilities	35,679,641	46,415,533
Total Liabilities	2,957,859,564	2,762,185,575
Commitments and contingent liabilities		
Members' Equity		
Regular reserve	10,923,475	10,923,475
Undivided earnings	330,987,739	290,626,406
Accumulated other comprehensive income (loss)	(23,325,696)	(17,898,571)
Equity acquired in acquisitions	9,670,664	9,670,664
Non-Controlling interests	6,750	6,750
Total Members' Equity	328,262,932	293,328,724
Total Liabilities and Members' Equity	\$3,286,122,496	3,055,514,299

CONSOLIDATED STATEMENTS OF INCOME

INTEREST INCOME	December 31,	
	2018	2017
Interest on loans receivable	\$101,234,464	86,989,366
Interest on investments	11,465,211	8,051,004
Interest income	112,699,675	95,040,370
INTEREST EXPENSE		
Dividends on members' share and savings accounts	15,322,252	10,175,907
Interest on borrowed funds	3,707,922	4,073,482
Interest expense	19,030,174	14,249,389
NET INTEREST INCOME	93,669,501	80,790,981
PROVISION FOR LOAN LOSSES	17,546,353	11,874,254
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	76,123,148	68,916,727
NON-INTEREST INCOME		
Other non-interest income	39,092,284	30,254,904
Fees and service charges	31,328,033	28,643,850
Gains on sale of mortgage loans, net	3,183,835	4,297,764
Gain on disposition of assets acquired in liquidation, net	46,967	70,752
Gains on sale of investments, net	—	4,410
Non-interest income	73,651,119	63,271,680
	149,774,267	132,188,407
NON-INTEREST EXPENSE		
Compensation and employee benefits	63,863,041	56,763,172
Operations	17,899,377	11,494,781
Professional and outside services	8,756,785	8,756,785
Occupancy	7,379,941	7,379,941
Education and promotion	5,644,168	5,644,168
Loan servicing	5,636,855	5,636,855
Loss on disposition of premises and equipment, net	65,338	929,164
Loss on disposition of assets acquired in liquidation, net	57,288	—
Non-Interest expense	109,302,793	96,604,866
Consolidated Net Income	40,471,474	35,583,541
Less: Net income attributed to non-controlling interests	(95,861)	(142,938)
NET INCOME	\$ 40,375,613	\$ 35,440,603



2018 BOARD OF DIRECTORS

Gary Ruhle, Chairman
Darrell Jensen, Vice Chairman
Harry Williams, Treasurer
Shirley Pellarchy, Secretary
Kenneth Heubusch, Director
Chester Brojek, Director
Nick Sudzina, Director
John Upperco, Director
Christopher Geiger, Director
Dan Pierce, Director
Donald Williams, Sr., Director

SENIOR MANAGEMENT TEAM

Kevin Jones, Chief Executive Officer
Steve Moseley, President
Dennis Pershing, Executive Vice President, Consumer Lending
David S. Hand, Executive Vice President, Commercial Lending
Zelda V. Abram, Chief Financial Officer
Christopher David, Chief Operations Officer
Nancy Irvin, Chief Human Resources Officer
Jill Davis, Chief Marketing Officer
Richard Haggins, Chief of Risk Management
Michael Cheeseman, Chief Analytics Officer
John King, Chief Information Officer
Sterling Grubbs, Chief of Mortgage Services
Donna Brown, Chief Audit & Compliance

SUPERVISORY COMMITTEE

Kevin Crouse, Chairman
Connie Milito, Member
Terrence McGriff, Member
Kathryn Ashmore, Member
Derrick Hall, Member



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Insured by NCUA.