

2016 BOARD OF DIRECTORS

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

SUPERVISORY COMMITTEE

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

SENIOR MANAGEMENT TEAM

Kevin Jones, President & Chief Executive Officer
Steve Moseley, Executive Vice President
Dennis Pershing, Chief Lending Officer
David S. Hand, Chief of Business Services
Mark Gray, Chief Information Officer
Zelda V. Abram, Chief Financial Officer
Christopher David, Chief Retail Delivery
Nancy Irvin, Chief Human Resources Officer
Jill Davis, Chief Marketing Officer
Richard Haggins, Chief of Risk Management
Michael Cheeseman, Chief Business Intelligence



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MIDFLORIDA
2016 ANNUAL REPORT

*Living up
to the promise.*



PRESIDENT'S LETTER

Nearly 40 years ago, the Board of Directors met and decided to change the credit union's name to MIDFLORIDA. None of the current board was at that meeting, but we have to assume that the name was changed from Polk County Schools to MIDFLORIDA because the board realized that members would want convenient branches throughout central Florida and not just in Polk County.

When I became your President/CEO nearly 25 years ago, I read the minutes of that meeting and decided that it was our mission to accomplish the foresight of those board members back in 1978. For my entire tenure, the board and senior management have been working to fulfill that promise of serving all of central Florida, while also living up to our mission statement of "improving the financial well-being of our members."

In 2016, we laid the final brick of the foundation of being the first credit union to serve all of central Florida. The board of Martin Federal Credit Union agreed to merge with MIDFLORIDA which provided the credit union 14,000 additional members and four branch offices in Orlando. This brings MIDFLORIDA to a total of 44 branches with nearly 800 employees serving more than 265,000 central Florida members.

Also during 2016, we continued our expansion in other parts of central Florida. We started construction on branches in Clearwater and Lutz. We also acquired branch sites in south Tampa and Port St. Lucie for branches to be built in 2017. In addition to physical facilities, we expanded our automobile dealership and commercial lending into the Orlando market. We are already one of the top auto lenders in Orlando, and Orlando is our largest commercial lending market.

In 2017, we will introduce our new Single View (Overview) home banking site which will allow members to consolidate all of their financial accounts to a single web site. Single View also offers budgeting and net worth calculations to help our members measure their financial success.

In closing, I tell all new employees that working at MIDFLORIDA is great because every day we help our members enrich their lives by improving their financial well-being. It's an honor to be your President and an honor to help fulfill the promises made by your Board of Directors.



D. Kevin Jones, President/CEO

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

Year ending December 31, 2016

ASSETS	2016	2015
Cash and cash equivalents	\$ 170,571,023	\$ 201,217,410
Investments:		
Available-for-sale	220,465,558	246,395,995
Held-to-maturity	234,712	274,298
Other	56,079,095	41,340,889
Federal Home Loan Bank (FHLB) stock	10,564,800	11,346,600
Loans held-for-sale	4,456,582	7,008,951
Loans receivable, net of allowance for loan losses	1,985,260,211	1,723,509,047
Accrued interest receivable	5,830,450	4,901,471
Premises and equipment, net	100,703,241	88,588,029
National Credit Union Share Insurance Fund deposit	19,750,682	17,724,773
Assets acquired in liquidation	1,499,910	2,123,016
Goodwill	8,064,747	8,064,747
Other assets	57,465,254	47,910,382
Total Assets	\$2,640,946,265	\$2,400,405,608

LIABILITIES AND MEMBERS' EQUITY

Liabilities	2016	2015
Members' share and savings accounts	\$2,145,386,965	\$1,928,836,408
Borrowed funds	201,518,625	221,875,000
Accrued expenses and other liabilities	40,814,723	24,057,367
Total Liabilities	2,387,720,313	2,174,768,775
Commitments and contingent liabilities		
Members' Equity		
Regular reserve	10,923,475	10,923,475
Undivided earnings	255,195,702	226,763,954
Accumulated other comprehensive loss	(17,422,334)	(16,579,705)
Equity acquired in acquisitions	4,522,359	4,522,359
Non Controlling Interests	6,750	6,750
Total Members' Equity	253,225,952	225,636,833
Total Liabilities and Members' Equity	\$2,640,946,265	\$2,400,405,608

CONSOLIDATED STATEMENTS OF INCOME

Year ending December 31, 2016

INTEREST INCOME	2016	2015
Interest on loans receivable	\$ 74,311,824	\$ 65,702,864
Interest on investments	6,698,476	5,974,703
Interest income	81,010,300	71,677,567
INTEREST EXPENSE		
Dividends on members' share and savings accounts	7,679,707	6,970,593
Interest on borrowed funds	4,400,392	3,828,790
Interest expense	12,080,099	10,799,383
NET INTEREST INCOME	68,930,201	60,878,184
PROVISION FOR LOAN LOSSES	8,078,247	5,351,150
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	60,851,954	55,527,034
NON-INTEREST INCOME		
Fees and service charges	25,571,397	23,009,129
Other non-interest income	27,529,971	25,726,948
Gains on sale of mortgage loans, net	4,105,449	2,490,013
Gains on sale of investments, net	95,915	—
Gain on disposition of assets acquired in liquidation, net	—	42,428
Non-interest income	57,302,732	51,268,518
	118,154,686	106,795,552
NON-INTEREST EXPENSE		
Compensation and employee benefits	52,213,805	46,328,159
Operations	11,440,250	14,123,920
Professional and outside services	8,446,466	6,331,307
Occupancy	6,513,363	6,488,191
Education and promotion	5,921,572	5,259,919
Loan servicing	4,420,240	3,736,162
Loss on disposition of assets acquired in liquidation, net	467,257	—
Loss on disposition of premises and equipment, net	156,142	670,087
Other gains and losses, net	—	134,641
Non-Interest expense	89,579,095	83,072,386
Consolidated Net Income	28,575,591	23,723,166
Less: Net loss attributed to noncontrolling interests	(161,528)	(148,994)
Consolidated Net Income Attributable to Controlling Interests	\$ 28,737,119	\$ 23,872,160