



Financial Stability *with local roots*

56th Annual Report | 2010

Our Mission: Florida Credit Union is dedicated to serving its membership by offering convenient products and services that are designed to meet the financial needs of the member/owners while preserving the strength of the cooperative for future generations.

Membership in Florida Credit Union is open to all who work or reside in Alachua, Bradford, Citrus, Clay, Columbia, Gilchrist, Lake, Levy, Marion, Putnam, Sumter, Suwannee and Union Counties.

The Credit Union Difference

As members of Florida Credit Union, account holders are eligible for a variety of financial products and services. **Checking, money market accounts, club accounts, loans of any kind, credit cards, check cards, online banking, commercial banking,** the list goes on and on. But the real difference lies in the nature of our organization – we are a financial service cooperative.

Cooperatives are customer-owned organizations. In other words, **the people who own Florida Credit Union are the people who make deposits, take out loans, and keep their savings at Florida Credit Union.** That's you – you are a member/owner. Your credit union can never be bought or sold. This is in stark contrast to the banking industry where community or state banks are built up and later sold to large, out-of-the-area banks. In this case, the stockholders usually profit greatly and the customers receive no benefits. Many times, service levels are actually diminished 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 for expansion of the credit union and its service offerings. With a bank, the goal is to maximize the profit of its stockholders which is a totally different goal than its customers. **That is the Florida Credit Union difference.**

Our goal is to maximize the service/value relationship with our customer/owners while building and maintaining the strength of Florida 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

Florida Credit Union 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 Florida Credit Union 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 a Florida Credit Union member, **you are an owner of one of the strongest financial institutions in North Central Florida.** Take advantage of ownership privileges such as free auto advisory service or a personal consultation with a member service specialist. Then help your credit union grow by spreading the word about the Florida Credit Union difference.



Report of the Board of Directors

When Florida Credit Union was established in 1954, your Board of Directors pledged to **focus on member needs**. 2010 was a year that posed many challenges to consumers and to the national and global economy. However, your credit union never lost sight of our original mission – to focus on member needs. Throughout this report, you will see that Florida Credit Union is as **safe and strong as ever**.

In 2010, Florida Credit Union membership took advantage of great rates on deposit accounts and low loan rates. Because of member participation, our assets were \$429 million 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 10.25%.

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 2010 Annual Report support our contention 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 56 years and we are determined to continue to meet the needs of our membership and operate within sound financial guidelines.



Dr. Barbara Buys
Chair



Dr. John Bonanno
Vice Chair



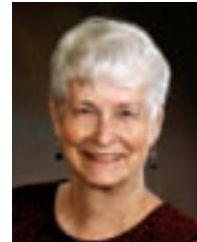
Dr. John C. Rawls
Treasurer



Mr. Von Fraser
Secretary



Dr. Jacquelyn D. Hart
Director



Mrs. Judy Johnson
Director



Mr. Alfred Peoples
Director





What could you do...

with a home equity line of credit?

Report of the President

Since its founding in 1954, Florida Credit Union has remained a major financial institution in North Central Florida. **Our efforts always focus toward one main goal... fulfilling the financial needs of our membership.** Because of this very strong focus, Florida Credit Union did not experience problems other financial institutions experienced in 2008, 2009 or 2010. We do not conduct business in a risky manner or with risky products so we continue to be very strong financially. We are still offering the same deposit and loan products as we have in past years and we continue to have very competitive rates. We have also remained in the lending business focusing on the individual rather than the credit score.

We will continue to keep in mind that this is your credit union and we encourage each of you to continue to take advantage of the benefits of membership. With the help of members who use the products and services we offer, we will continue to succeed without the aid of government bailout money or, more importantly, without changing the way we serve members.

Florida Credit Union steered clear of the “sub-prime” lending that caused some of the larger national financial institutions trouble. Instead, we continued to practice responsible lending, working with members to ensure affordable payments were set up. Additionally, we don't place your funds in the investment products that have been affected by this series of events. Therefore our financial performance remains very strong. Florida Credit Union is considered well capitalized by regulator standards. At the end of December, our capital ratio was 10.25%. Regulators consider 6% to be adequate; as you can see our capital ratio far exceeds that mark.



Florida Credit Union had another year of solid, managed growth. **Our success can be attributed to you, the owners of the credit union, for taking advantage of our deposit and loan products.** When we were first established, Florida Credit Union was known as Alachua County Teachers Credit Union. At that time, we had one source of membership – but that was not to last long.

Very soon after our first annual meeting in 1955, we started adding more school systems, community colleges, and many groups. After 56 years of expanding our field of membership, we are now a leading financial service provider open to thirteen counties and available to hundreds of thousands of consumers.

In 2010 our loan programs were as successful as ever. Members obtained over \$38,000,000 in real estate loans and about \$57,000,000 in auto loans. Close to 10,000 consumer loans were granted in 2010 amounting to over \$80,000,000. In addition, we provided over \$7,000,000 in funding to many businesses in the past 12 months. **Thanks to you – our members – we have come a long way since 1954.**

We continue to attract new members who have discovered the importance of the credit union difference. In 2010, over 7,200 new accounts were opened. Much of this is due to current member referrals – we thank you for your confidence in our service.

In 2010, Florida Credit Union consistently promoted loan programs that were designed to help members pay less. These proved to be very successful. **Over \$17,000,000 in loans were moved from other financial institutions who over-charged members.** We were able to save our members over \$2,500,000. That's money they would have otherwise given to finance companies, banks, or credit card companies if they had not taken advantage of our money-saving alternatives.





How far could you go...

with a low interest rate auto loan?

In 2011 we will continue to focus on our facility and service needs. Florida Credit Union has the most convenient hours of operation in any of our service areas. Members can reach a member of our staff 63 hours each week. Whether inquiring about CD rates or applying for a loan, our staff is available weekdays from 9am to 8pm and on Saturdays from 9am to 5pm. **In addition, we offer loan services by phone 24 hours a day, 7 days a week.** Florida Credit Union 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. **Additionally, members can apply for loans anytime via our website www.fcu.org.**

The board and management of Florida Credit Union will continue to operate your credit union safely, using guarded and sensible decisions that are rooted by the needs of the membership. As I mentioned previously, our capital ratio of 10.25% far exceeds the 6% 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 even in slower economic environments.

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 a comprehensive audit of the books and records is performed and reports the results to the membership.**

During the past year, the Audit Committee met with the examination team from the firm of Hutto and Carver, P.A. The comprehensive audit as of September 30, 2010 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. We believe the established policies are being upheld and the operations and programs authorized by the Board of Directors are being well managed.

Our financial performance is highly scrutinized by federal and state examiners as well as the independent auditing firm. All of these groups 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. This has not changed and it will not change.**

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

Dr. Jacquelyn D. Hart, *Chair*





Where would you go...

with your credit card reward points?

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 2010, Florida Credit Union originated nearly \$116 million in loans of all types.

Our commercial loan programs increased 41% in balances. We are very proud of these outstanding accomplishments.

Our most popular loan products in 2010 were autos and first mortgages. One of the most popular features of Florida Credit Union mortgages is that the servicing is not sold to other financial institutions. **We take pride in the fact that all loans stay here at home where they belong.**

We also experienced a great deal of success with a program that offered members a copy of their credit report with a free analysis of that report. More often than not, members discovered that they were paying much higher rates than they should have been paying. Through this free program, **we were able to help members reduce their monthly payments, increase their credit score, and take control of their finances.** We are excited to be able to continue to offer this very successful program in 2011.

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

Mr. Mark N. Starr, *Credit Manager*

Report of the Treasurer

Florida Credit Union is now serving over 50,000 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 – 2010 was not an exception. All of this can be attributed to the amount of business our members conduct with us.

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, 2010, were \$429,610,815. Additionally, our capital ratio remains extremely strong at over 10%.** You can see why the board, management and staff of your credit union are so proud of the successes we have experienced.

Dr. John C. Rawls, *Treasurer*





What can you do...

to make an impact in your community?

Statement of Financial Condition

AS OF DECEMBER 31, 2010

ASSETS	2010
LOANS	\$ 360,829,689
LESS: ALLOWANCE FOR LOAN LOSS	\$ (8,969,419)
NET LOANS	\$ 351,860,270
CASH ON HAND	\$ 4,336,705
INVESTMENTS, AT AMORTIZED COST	\$ 49,871,233
FIXED ASSETS, LESS ACCUMULATED DEPRECIATION	\$ 12,052,962
NCUSIF DEPOSIT	\$ 3,507,645
OTHER REAL ESTATE OWNED	\$ 2,093,017
LOANS HELD FOR SALE	\$ 621,400
OTHER ASSETS	\$ 5,267,583
TOTAL ASSETS	\$ 429,610,815
LIABILITIES & MEMBERS' EQUITY	2010
MEMBERS' SHARES & SAVINGS ACCOUNTS	\$ 352,274,740
NON-MEMBER DEPOSITS	\$ 11,552,000
ACCOUNTS PAYABLE	\$ 5,255,947
FHLB BORROWING	\$ 15,000,000
OTHER ACCRUED LIABILITIES	\$ 1,492,327
TOTAL LIABILITIES	\$ 385,575,014
MEMBERS' EQUITY	
REGULAR RESERVE	\$ 2,519,688
UNDIVIDED EARNINGS	\$ 41,516,113
UNREALIZED GAIN/(LOSS) ON SECURITY	\$ 0
TOTAL EQUITY	\$ 44,035,801
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 429,610,815



Statement of Operations

AS OF DECEMBER 31, 2010

INCOME	2010
INTEREST ON LOANS	\$ 26,413,172
INCOME ON INVESTMENTS	\$ 116,149
OTHER INCOME	\$ 12,179,440
TOTAL INCOME	\$ 38,708,761
EXPENSES	2010
EMPLOYEE COMPENSATION AND BENEFITS	\$ 9,135,039
OFFICE OPERATIONS	\$ 4,069,809
OFFICE OCCUPANCY	\$ 1,143,866
PROFESSIONAL AND OUTSIDE SERVICES	\$ 2,695,970
PROVISION FOR LOAN LOSS	\$ 9,590,000
EDUCATION AND PROMOTIONAL	\$ 1,498,006
LOAN SERVICING	\$ 1,789,681
OTHER MISCELLANEOUS	\$ 1,181,741
TOTAL EXPENSES	\$ 31,104,112
INCOME BEFORE COST OF FUNDS	\$ 7,604,649
NON-OPERATING GAINS OR LOSSES	2010
GAIN/(LOSS) ON INVESTMENTS	\$ (31)
GAIN/(LOSS) ON DISPOSITION OF ASSETS	\$ (1,453,077)
OTHER NON OPERATING GAINS/(LOSSES)	\$ 0
TOTAL NET INCOME BEFORE COST OF FUNDS	\$ 6,151,541
COST OF FUNDS	2010
DIVIDENDS AND INTEREST	\$ 4,813,847
INTEREST ON BORROWED FUNDS	\$ 336,689
NET INCOME	\$ 1,001,005



Products and Services

Florida Credit Union Services

- | Variety of Checking Accounts
- | Youth Accounts
- | Money Market Accounts
- | Savings Accounts
- | IRAs and CDs
- | Investment Services
- | Vacation and Holiday Accounts
- | Auto and Boat Loans
- | Auto Advisory Service
- | Free Credit Report Analysis Service
- | Personal Loans
- | Mortgages
- | Home Equity Loans
- | Business Accounts and Loans

Free Seminars

- | First Time Home Buyers Workshops
- | Investment Seminars

Electronic Services

- | Free Internet Banking
- | Online Bill Payer
- | Info 24 (Automated Phone Banking)
- | Mobile Banking
- | eStatements
- | Payroll Deduction
- | Direct Deposit
- | 24-hour ATMs
- | Online Loan Applications

Convenience Services

- | 8 locations throughout Gainesville, Ocala, Starke and Lake City to serve our members.
- | Extended call center and Advantage Center lobby hours
 - Monday – Friday 9am – 8pm*
 - Saturday 9am – 5pm*
- | 24-hour Loan Center
- | Visa® Debit Cards
- | Visa® Credit Cards
- | Local, Fast Decisions

Follow us online at   or visit us at www.flcu.org



Locations

Corporate Mailing Address

P.O. Box 5549
Gainesville, Florida 32627-5549
Outside Local Calling Areas call (800) 284-1144

43rd Street Office

2831 NW 43rd Street
Gainesville, Florida 32606
(352) 377 4141
(352) 374 1912 *fax*

Gainesville Advantage Center

3720 NW 13th Street, Suite 10-C
Gainesville, Florida 32609
(352) 377 4141
(352) 381 3593 *fax*

Haile Market Square

2785 SW 91 Street, Suite 200
Gainesville, Florida 32608
(352) 377 4141
(352) 264 2670 *fax*

ATM Only (Northgate Shopping Center)

1122 NE 16th Avenue
Gainesville, Florida 32609

Lake City Office

586 West Duval
Lake City, Florida 32055
(386) 755 4141
(386) 752 4916 *fax*

Ocala Office

2424 SW 17 Road
Ocala, Florida 34471
(352) 237 8222
(352) 237 0876 *fax*

Ocala Advantage Center

3504 East Silver Springs Boulevard
Ocala, Florida 34470
(352) 237 8222
(352) 369-9344 *fax*

Country Oaks

9680 SW 114 Street
Ocala, Florida 34471
(352) 237 8222
(352) 861 1581 *fax*

Starke Office

2460 Commercial Drive
Starke, Florida 32091
(904) 964 1427
(904) 964 1431 *fax*

