

Stronger

THAN WE STARTED



2020

ANNUAL REPORT

MIDFLORIDA
Florida's community credit union

LETTER FROM THE **PRESIDENT**

“Even with all the uncertainties throughout the year, we were able to move forward and end 2020 stronger than we started.”



Challenging. That is the best word to describe 2020. I am proud to report that MIDFLORIDA ended the year much stronger than we anticipated. At the start of the pandemic, we were concerned about our members' and employees' health, and the financial health of MIDFLORIDA and what lasting effects COVID would have on the economy. Our sympathy goes out to all of our members who were tragically affected by the virus during this past year.

Our goal for 2020 was to be there for our membership during these trying times. We did this by opening our branches as quickly as possible once it was safe, to be there for you. We initiated relief programs for members

with personal and auto loans as well as mortgages, and provided free Early Paycheck to all members. Based on the comments we have received and the low number of loan delinquencies, these programs were very successful.

Even with all of the uncertainties throughout the year, we were able to move forward and end 2020 stronger than we started. We crossed \$5 billion in assets; opened two branches—Carrollwood and Stuart; remodeled eight Ocala branches; expanded our geographic service area that allows us to offer car lending in more dealerships around the state; had record lending in mortgage, auto, and commercial. Our best accomplishment for 2020 was ending the year in a strong financial position. We increased our capital, had strong income, and bolstered our allowance for future

loan losses.

Thank you for being a part of MIDFLORIDA and allowing us to strive every day to improve the financial well-being of all of our members!

Sincerely,

Steve Moseley



CEO'S REPORT



2020 was a challenging year for many of our members and employees. When management and the Board realized the scope of the pandemic, we immediately took action to protect the membership and staff. We initially closed the lobbies, but then immediately began working on plans to safely reopen them to provide the critical financial services that our members need. I am proud to say that our safety protocols worked and we never experienced any material outbreak of the virus at our facilities.

After making sure that everyone was reasonably protected from the virus, we turned our

efforts to helping the thousands of members who were suffering financially due to the pandemic. We stopped charging certain fees and reversed thousands of dollars of overdraft and transfer fees to ensure everyone received their full stimulus payments. We allowed members to skip automobile loan payments for free and moved mountains to implement a "Pay Half" program allowing members to only pay half of their car payment. We worked with members to delay payments on their mortgage loans as well.

MIDFLORIDA has enjoyed tremendous success over the years, and we are very proud of our growth, financial strength, and service to our membership. But, we have never forgotten our mission, "To improve the financial well-being of our members." 2020 challenged all of us, but our greatest success was being there for our members when they needed us the most.

Kevin Jones



CHAIRMAN'S REPORT

While 2020 had its difficulties, it also presented tremendous opportunity. As the Board Chairman, I am proud of the ways MIDFLORIDA fully embraced its role as Florida's Community Credit Union. Staff and senior management worked diligently to provide

our fellow community members with unprecedented assistance during a time of uncertainty for so many. Thank you all for your hard work and commitment to improving the financial well-being of our membership. My fellow Board members and I appreciate the hard work the Credit Union put into

developing innovative loan payment assistance programs, expediting economic stimulus payments received by direct deposit, and processing Paycheck Protection Program loans. Together, we have helped ensure that our community receives the support and assistance it needs to weather a treacherous storm. My thanks must also go out to our members for their continued trust in MIDFLORIDA and for choosing us as your partner in reaching or sustaining financial success. We can't wait to see what we can achieve together in 2021.

Harry Williams





CFO'S REPORT

Due to the pandemic, 2020 was full of challenges. To ensure the success of our membership during this unprecedented year, the Credit Union not only waived fees on check clearing and deposit processing services, but provided deposits early and worked with membership on loan repayments. MIDFLORIDA reached a significant milestone of over

\$5 billion in assets. Additional financial successes included \$700 million in asset and deposit growth and \$667 million in loan growth. We were able to maintain a strong net worth of 9.23%. Net income earned was \$52 million, resulting in a return on assets of 1.08% for the year.

Zelda Abram

 **\$5.12 BILLION**

Total Assets in 2020

2019 - \$4.42 Billion | 2018 - \$3.28 Billion

Member Support



\$153 MM

in stimulus deposits



\$77 MM

funded in PPP loans

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

ASSETS	DECEMBER 31,	
	2020	2019
Cash and cash equivalents	\$ 237,895,227	194,312,072
Investments:		
Equity securities	5,983,485	4,888,279
Available-for-sale	429,829,834	520,886,284
Held-to-maturity	90,634	112,415
Other	128,303,543	68,087,998
Federal Home Loan Bank (FHLB) stock	3,979,900	5,535,200
Loans held-for-sale	19,355,783	43,443,331
Loans receivable, net of allowance for loan losses	3,823,809,223	3,172,522,789
Accrued interest receivable	12,157,101	11,718,658
Premises and equipment, net	181,278,625	171,700,515
National Credit Union Share Insurance Fund deposit	39,720,398	36,653,257
Assets acquired in liquidation	1,822,145	2,649,914
Goodwill	93,443,267	93,358,487
Other assets	141,351,452	96,140,799
Total Assets	\$5,119,020,617	4,422,009,998

LIABILITIES AND MEMBERS' EQUITY

Liabilities	2020	2019
Share and savings accounts	\$ 4,617,382,264	3,917,442,551
Borrowed funds	4,536,221	50,274,328
Accrued expenses and other liabilities	44,263,519	57,378,040
Total Liabilities	\$4,666,182,004	4,025,094,919

Commitments and Contingent Liabilities

Members' Equity	2020	2019
Regular reserve	\$ 10,923,475	10,923,475
Undivided earnings	445,210,125	393,368,992
Accumulated other comprehensive loss	(12,972,401)	(17,054,802)
Equity acquired in acquisitions	9,670,664	9,670,664
Non-controlling interests	6,750	6,750
Total Members' Equity	\$452,838,613	396,915,079

Total Liability and Members' Equity **\$5,119,020,617** **4,422,009,998**

CONSOLIDATED STATEMENTS OF INCOME

INTEREST INCOME	DECEMBER 31,	
	2020	2019
Interest on loans receivable	\$ 146,912,448	120,486,284
Interest on investments	13,845,180	15,094,419
Interest income	\$ 160,757,628	135,580,703
INTEREST EXPENSE		
Dividends on share and savings accounts	\$ 20,717,603	24,292,059
Interest on borrowed funds	3,406,787	3,668,020
Interest expense	24,124,390	27,960,079
NET INTEREST INCOME	\$ 136,633,238	107,620,624
PROVISION FOR LOAN LOSSES	\$ 24,080,867	8,500,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$ 112,552,371	99,120,624
NON-INTEREST INCOME		
Service charges	\$ 45,618,448	39,772,277
Card income	32,918,508	27,794,567
Gains on sale of loans, net	6,937,262	4,064,407
Other non-interest income	5,526,628	10,432,170
Gain on sale of investments, net	1,189,823	—
Other components of net periodic pension cost	978,637	223,070
Equity securities profits, net	552,706	587,401
Gain on liquidations of CU24 CUSO	225,707	388,605
Gain on disposition of assets acquired in liquidation net	179,249	12,461
Gain on disposition of premises and equipment, net	51,980	357,717
Income from sale of Visa stock	—	3,277,000
Non-Interest income	94,178,948	86,909,675
	\$ 206,731,319	186,030,299
NON-INTEREST EXPENSE		
Compensation and employee benefits	91,862,503	71,453,465
Operations	20,901,948	17,180,409
Occupancy	13,114,404	9,807,379
Professional and outside services	11,383,879	9,317,018
Loan servicing	8,904,412	6,970,915
Education and promotion	8,389,705	8,546,338
Other gains and losses, net	—	231,827
Non-Interest expense	\$ 154,556,851	123,507,351
Consolidated		
Net Income	\$ 52,174,468	62,522,948
Less: Net income attributed to non-controlling interests	(368,181)	(187,366)
Net Income	\$ 51,806,287	62,335,582

UNPRECEDENTED MEMBER SUPPORT

From day one of the COVID-19 pandemic, we understood the importance of supporting our membership through some of the world's most difficult and widespread economic declines. We sincerely look forward to further assisting members with their economic recovery in the months and years ahead and have grown more committed than ever to helping improve your financial well-being.



PAY HALF

Through this program, members with fixed-rate consumer auto loans could make only half of their minimum monthly payment without penalty. More than 3,700 members took advantage of the program and kept more money in their pockets for food, shelter, and other necessities.



PAYMENT ASSISTANCE

Understanding that members required unprecedented assistance during the pandemic, MIDFLORIDA allowed members to skip as many as three payments in 2020. Approximately 9,500 members utilized Skip-A-Payment in 2020, for a total of 17,300 skipped payments. In addition, the Credit Union did not require any minimum monthly payments on consumer credit cards for the months of May, June, or July.



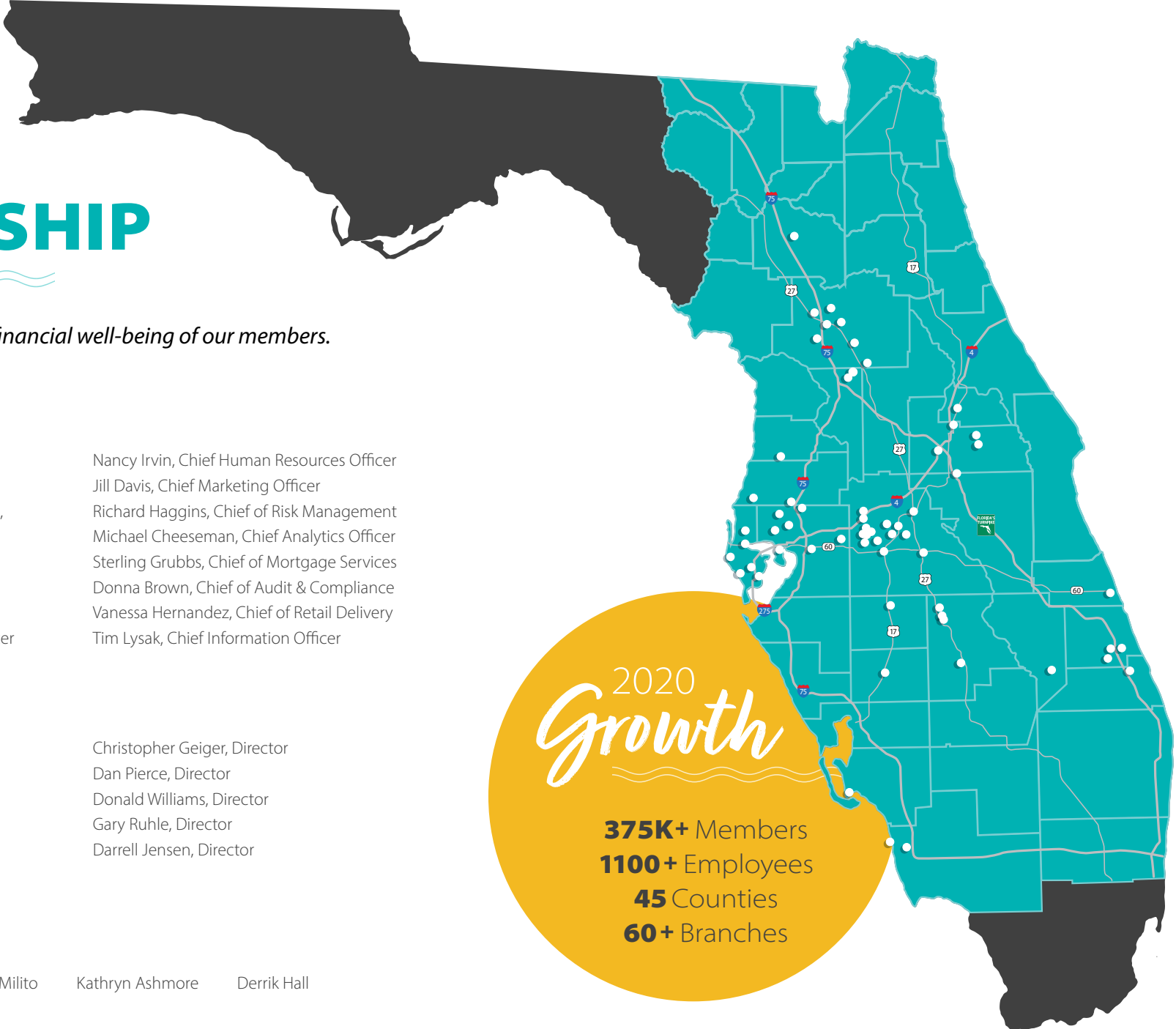
ECONOMIC STIMULUS PAYMENTS

The U.S. Treasury Department distributed emergency relief payments to Americans in April, with \$1,200 going to individuals with an adjusted gross income (AGI) below \$75,000, and \$2,400 going to couples with an AGI below \$150,000. MIDFLORIDA not only processed more than \$153 million in stimulus payments, but made those funds immediately available to the membership.



PAYCHECK PROTECTION PROGRAM

Backed by the Small Business Administration, these loans provided a means for businesses to keep their workforce employed during the crisis. In total, the Credit Union helped nearly 1,500 businesses obtain \$77,848,000—enough to save just shy of 11,000 jobs.



LEADERSHIP

Our mission is to improve the financial well-being of our members.

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
Sterling Grubbs, Chief of Mortgage Services
Donna Brown, Chief of Audit & Compliance
Vanessa Hernandez, Chief of Retail Delivery
Tim Lysak, Chief Information Officer

2020 BOARD OF DIRECTORS

Harry Williams, Chairman
Shirley Pellarchy, Vice-Chairman
Kenneth Heubusch, Treasurer
John Upperco, Secretary
Chester Brojek, Director
Nick Sudzina, Director

Christopher Geiger, Director
Dan Pierce, Director
Donald Williams, Director
Gary Ruhle, Director
Darrell Jensen, Director

SUPERVISORY COMMITTEE

Terrence McGriff, Chairman Connie Milito Kathryn Ashmore Derrik Hall

2020
Growth
375K+ Members
1100+ Employees
45 Counties
60+ Branches



MIDFLORIDA
Florida's community credit union

www.midflorida.com   

Insured by NCUA.

