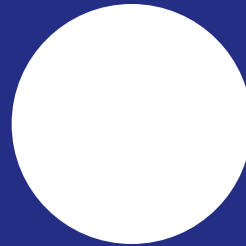
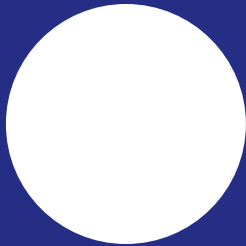
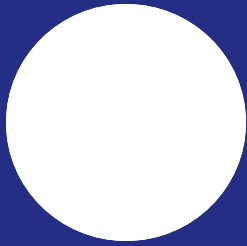
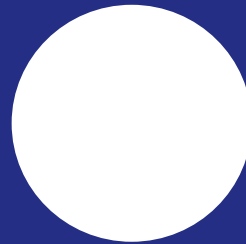
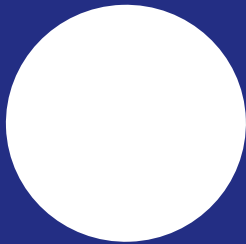
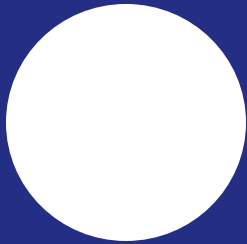


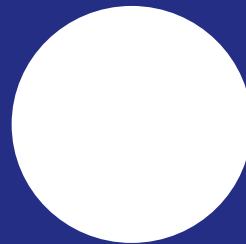
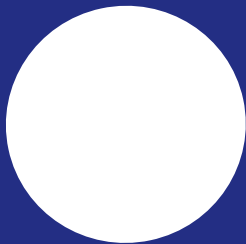
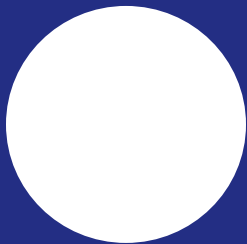
2004 ANNUAL REPORT



FOR 50 YEARS, FLORIDA CREDIT UNION HAS OFFERED



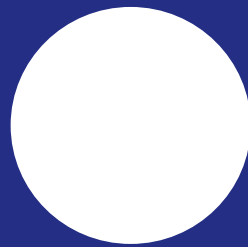
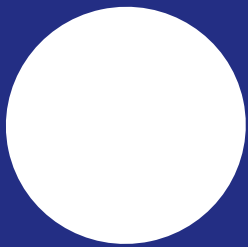
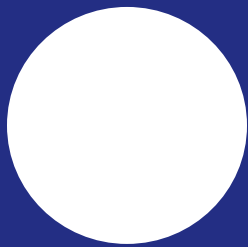
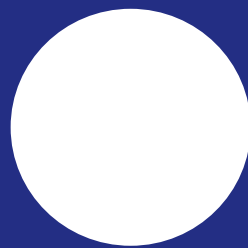
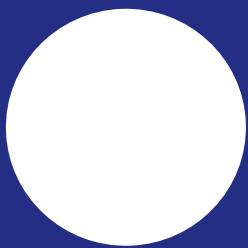
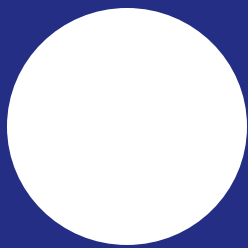
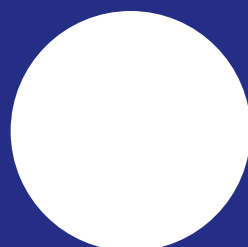
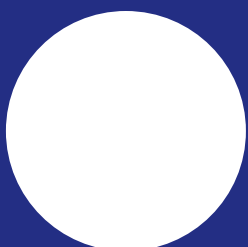
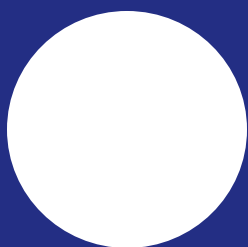
COMPETITIVE PRODUCTS AND SERVICES TO LOCAL



BUSINESSES, CONSUMERS, MEMBERS AND FAMILIES



1954 – 2004 • 50<sup>TH</sup> ANNIVERSARY





# Florida Credit Union

Florida Credit Union is dedicated to serving its membership by offering convenient and competitive 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.

# YOUR BOARD OF DIRECTORS



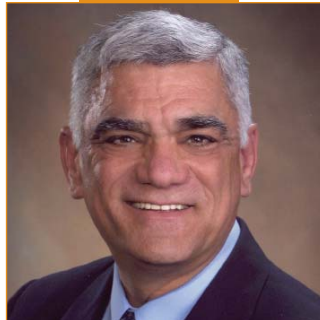
**Dr. Leonard Jackson**  
Chair



**Mr. Von Fraser**  
Vice-Chair



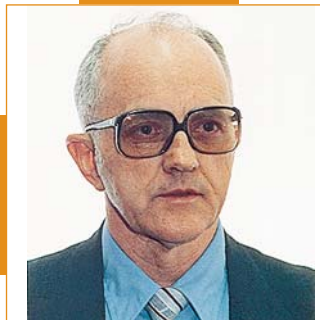
**Dr. Jacquelyn Hart**  
Treasurer



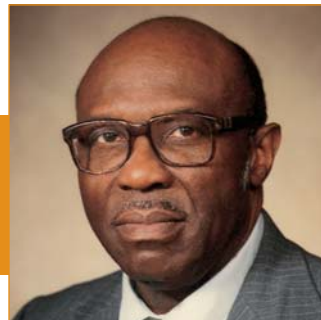
**Dr. Dan McKinnon**  
Secretary



**Dr. Barbara Buys**  
Director



**Mr. John Benson**  
Director



**Dr. John Rawls**  
Director

The member-elected  
Board of Directors are  
volunteers who  
generously give their  
time to ensure the  
success and well-being  
of Florida Credit Union



# REPORT OF THE BOARD OF DIRECTORS

## REPORT OF THE TREASURER

**This year, we celebrate 50 years of serving the financial needs of our membership.** When the Credit Union was established in 1954, your Board of Directors pledged to focus on member needs. This will continue for the next 50 years and beyond.

In 2004, we experienced an exceptional year of growth. Florida Credit Union membership took advantage of great rates on deposit accounts and low loan rates. Because of member participation, our assets grew 19.4%, which was over three times the projected national average at 5.70%. Deposits grew 20.2% as opposed to the national average of 4.80%. Once again, we experienced exceptional loan growth outlined in other reports.

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 this report support our contention that Florida Credit Union is indeed managed in accordance with policies, laws, and regulations.

Florida Credit Union has come a long way in 50 years. We are determined to continue to meet the needs of our membership and operate within sound financial guidelines.

Dr. Leonard Jackson, Chair  
Mr. Von Fraser, Vice-Chair  
Dr. Jacquelyn Hart, Treasurer  
Dr. Dan McKinnon, Secretary  
Mr. John Benson, Director  
Dr. Barbara Buys, Director  
Dr. John C. Rawls, Director

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Florida Credit Union is now serving over 38,000 members. In 2004, Florida Credit Union experienced 15.2% growth in loans. This is quite an accomplishment considering the projected national growth rate is about 10.8%. Actually we experienced very healthy growth in all areas. Other statistics can be found in the Report of the Board of Directors. As compared to credit unions statewide and nationally, Florida Credit Union tends to grow at or above average trends year after year. All of this can be attributed to the participation level of our members.

On the following pages we present a breakdown of the assets and liabilities of our Credit Union. You will notice that our assets as of December 31, 2004, were \$237,296,312, which is an increase over 2003 of 19.4%. Nationally, credit unions experienced 5.70% asset growth. With such a difference, you can see why the Board, management and staff of your Credit Union are so proud of our 50 years of success.

Dr. Jacquelyn Hart, Treasurer



# REPORT OF THE AUDIT COMMITTEE

## REPORT OF THE CREDIT MANAGER

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 Orth, Chakler, Murnane, and Company, CPAs. A comprehensive audit as of September 30, 2004, 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.

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

Dr. Barbara Buys, Chair  
Mr. John Benson, Director  
Dr. John C. Rawls, Director

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The Credit Manager is appointed by the Board and is responsible for the approval of loan applications in compliance with Board-approved policies.

In 2004, Florida Credit Union experienced a very healthy 15.2% growth rate in loans. We are very proud of this outstanding accomplishment. During 2004 we originated over \$192 million in loans of all types.

Our most popular loan products in 2004 were home equities and first mortgages. We are pleased with a 26.4% increase in our home equity loan balances. This is evidence of a very competitive variety of products with low rates and fees. Additionally, our first mortgage loan programs increased 48.9% in loan balances. One of the most popular features of FCU mortgages is that servicing is not sold to other financial institutions. We take pride in the fact that members continue to make payments at Florida Credit Union.

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. Our motto is that we will show you how to pay less. We are excited to continue this very successful program in 2005.

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

Mark N. Starr, Credit Manager



# REPORT OF THE PRESIDENT/CEO

**Florida Credit Union had another prosperous year of solid managed growth.** This tremendous growth can be attributed to you, the owners of the Credit Union, for taking advantage of our deposit and loan products. More importantly, we take this time to **celebrate 50 years** of success. Thanks to you - our members - we have come a long way since 1954.



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 too long. Very soon after our first annual meeting in 1955, we started adding more school systems, community colleges, and many groups. After 50 years of expanding our field of membership, we are now a leading financial service provider open to ten counties and available to hundreds of thousands of consumers.

You will see in other reports how strongly we have performed this year. This is because your Credit Union has remained a major financial institution in North Central Florida. Our efforts always focus on our members' needs. When we make decisions, we base them on how we can meet the expectations of our members. We will continue to keep in mind that this is your Credit Union and we encourage each of you to continue to reap the benefits of membership by taking advantage of all products and services.

In 2004, Florida Credit Union consistently promoted loan programs that were designed to help members pay less. These proved to be very successful. Over \$12,000,000 in loans were moved from other financial institutions who over-charged members. In the first six months of this new program, we were able to save our members over \$642,000. That's money that they would have otherwise given to finance companies, banks, credit card companies, etc. if they had not taken advantage of our great loans.

In 2005, we will continue to focus on the financial needs of our membership. We will continue to provide extended hours of operation, multiple ways to access your account at no charge, and knowledgeable and professional information for any financial service you may be interested in. This includes business account services which was originally introduced in 2003. Over 320 local business owners have moved their accounts to Florida Credit Union where they can take advantage of low fees, interest-bearing checking, competitive loan products, and convenient, personalized service.

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.

A handwritten signature in black ink that reads "Mark N. Starr". The signature is written in a cursive style and is positioned above a horizontal line.

Mr. Mark N. Starr, President/CEO



# CONSUMER PRODUCTS AND SERVICES

## Deposit Account Services

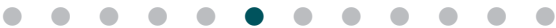
- Savings
- Free Checking
- Free Senior Checking
- Interest-bearing Checking
- Money Market Checking
- Vacation Club
- Holiday Club
- Money Market Accounts
- Individual Retirement Accounts
- Certificates of Deposit

## Loan Services

- First Mortgages
- Refinances
- Construction to Permanent Loans
- 5/1 ARMs
- Home Equity Loans
- Home Equity Lines of Credit
- Home Equity MasterCard®
- Land Loans
- Manufactured Home/Land Packages
- Auto Loans
- Boat Loans
- Recreational Vehicle Loans
- Lines of Credit
- Signature Loans
- Visa® Credit Card
- Check Card Credit Line

## Member Benefits

- Free Credit Report
- Free Online Home Banking (FCU@Home)
- Free Bill Payer
- Free Info 24 (Audio Response Phone Banking)
- Visa® Check Cards
- Sharebuilder
- Direct Deposit
- Payroll Deduction
- Money Orders
- Notary Service
- Credit Life and Disability Insurance
- Safety Deposit Boxes
- Saturday Lobby Hours
- Extended Calling Hours
- Home Buyer Services
- Auto Advisory Service
- Overdraft Protection
- Travelers Checks
- Online Check Retrieval
- Online Mortgage Applications
- Online Loan Applications
- Guaranteed Asset Protection Insurance
- Extended Warranties
- Investment / Insurance Programs
- \$350,000 Share Insurance Coverage





# YOUR MORTGAGE SOLUTION

Florida Credit Union's Mortgage Department combines years of mortgage lending experience with the personal touch that only your Credit Union can deliver. We have a full line of first mortgage products, but with an added benefit that is unique to FCU.

Mortgage brokers, many banks, and most credit unions originate first mortgage loans - then they sell that loan to some large, national chain. Customer service options are only available over the phone, payments are made out of state, and you never talk to the same person twice. With a Florida Credit Union mortgage, your loan stays here, at home where it belongs. Decisions are made locally, payments are made locally. You have access to mortgage information in a branch, over the phone, even online.

We offer a wide variety of products and services. All are geared to save members time and money. In 2005, even more programs will be introduced. We take pride in being able to offer our member/owners unique options for their mortgage needs. Here is a sampling of some of the mortgage programs offered:

## Fixed Rate

- 30- & 15- year

## 5/1 ARMs

- 90, 95, and 100% financing available

## Construction to Permanent

- Available with ANY of our products.

## Combo Loan

- Choose from any of our mortgage products, home equity loans, and credit cards to create a custom loan

## Single/Doublewide Homes with Land

## Vacant Land

## Mortgage Education Services

- First Time Home Buyer Seminars
- Mortgage Advisor Service
- Free Prequalifications
- 100% Financing Available
- FCU is the only local Credit Union Fannie Mae Seller/Service
- Your loan will not be sold
- Make payments locally or online



**Timothy Cannon**  
Assistant VP of  
Mortgage Lending



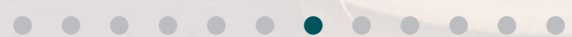
**Mary Gardner**  
Senior Mortgage  
Originator



**Christine Galetka**  
Mortgage  
Originator



**Mary Ellen Ryan**  
Mortgage  
Originator



# STATEMENT OF FINANCIAL CONDITION

## ASSETS

	2003	2004
Loans	\$166,588,571	\$191,894,306
Less: Allowance for Loan Loss	(1,458,555)	(1,541,166)
Net Loans	\$165,130,016	\$190,353,140
Cash on Hand	2,449,401	3,486,503
Investments, at Amortized Cost	20,710,088	31,908,795
Fixed Assets, Less Accum Depreciation	5,235,177	5,948,033
NCUSIF Deposit	1,661,162	1,869,255
Loans Held For Sale	709,908	723,304
Other Assets	2,910,464	3,007,282
<b>TOTAL ASSETS</b>	<b>\$198,806,215</b>	<b>\$237,296,312</b>

## LIABILITIES AND MEMBERS' EQUITY

	2003	2004
Members' Shares and Savings Accounts	\$173,622,120	\$208,636,388
Accounts Payable	3,588,573	3,806,567
Other accrued Liabilities	271,871	374,732
<b>TOTAL LIABILITIES</b>	<b>\$177,482,565</b>	<b>\$212,817,687</b>
<b>MEMBERS' EQUITY</b>		
Regular Reserve	2,583,748	2,210,979
Undivided Earnings	18,739,902	22,267,646
Unrealized Gain/(Loss) on Security	0	0
<b>TOTAL EQUITY</b>	<b>\$21,323,650</b>	<b>\$24,478,625</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$198,806,215</b>	<b>\$237,296,312</b>



# STATEMENT OF OPERATIONS

<b>INCOME</b>	<b>2003</b>	<b>2004</b>
Interest on Loans	\$11,623,990	\$11,871,949
Income on Investments	297,911	338,755
Other Income	6,787,620	7,795,086
<b>TOTAL INCOME</b>	<b>\$18,709,520</b>	<b>\$20,005,790</b>
<b>EXPENSES</b>		
Employee Compensation and Benefits	5,328,181	5,787,701
Office Operations	3,054,776	2,948,088
Professional and Outside Services	1,217,115	1,301,061
Provision for Loan Loss	1,298,000	1,373,058
Educational and Promotional	1,078,064	1,076,436
Loan Servicing	608,696	930,375
Other Miscellaneous	1,039,439	1,026,092
<b>TOTAL EXPENSES</b>	<b>\$13,624,270</b>	<b>\$14,442,811</b>
Income Before Cost of Funds	\$5,085,251	\$5,562,979
<b>NON-OPERATING GAINS OR LOSSES</b>	<b>2003</b>	<b>2004</b>
Gain/(Loss) on Disposition of Assets	\$5,745	\$9,222
Total Net Income Before Cost of Funds	\$5,090,996	\$5,553,757
<b>COST OF FUNDS</b>		
Dividends and Interest	\$2,252,884	\$2,398,636
Interest on Borrowed Funds	0	146
<b>Net Income</b>	<b>\$2,838,112</b>	<b>\$3,154,975</b>
<b>NUMBER OF MEMBERS</b>	<b>2003</b>	<b>2004</b>
	36,330	38,210



# YOUR COMMERCIAL BANKING SOLUTION

Florida Credit Union's Commercial Banking packages are competitive and convenient - just what business owners need today. Businesses in the ten county area we serve can take advantage of the privileges of Credit Union ownership also. With just a little research, it is easy to see how a business can take advantage of the Credit Union difference.

FCU offers a full line of business banking services:

- Vehicle loans
- Equipment loans
- Line of Credit
- Visa<sup>®</sup> Credit Card
- Real estate loans
  - Owner occupied
  - Non-owner occupied
- **Smart Business Value Checking**  
(non-interest bearing, no minimum balance)
- **Smart Business Plus Checking**  
(Minimum balance \$5,000)
- **Smart Business Super Checking**  
(Minimum balance \$25,000)

## Commercial checking accounts receive:

- Free first box of business checks
- Free Visa<sup>®</sup> Check Card
- Free Online and Phone Banking
- Free Quicken<sup>®</sup> Downloads
- Interest on accounts greater than \$5,000\*
- Same Day Credit
- Free Online Bill Payer
- Longest Available Lobby Hours

*Interest rates change frequently; ask for our most recent rates*

*\*With Smart Business Plus or Super*



In 2004, over 320 businesses chose to move their banking to Florida Credit Union. Take advantage of a free personal consultation with our Vice President of Commercial Banking, Julie Todd. She is prepared to help you find the commercial banking package that best meets your needs - not the needs of the bank. Isn't it time you started paying yourself rather than those shareholders?



## Business owners - take control of your finances.

Take advantage of our free, no obligation consultations and see what the Credit Union difference can do for your bottom line.

### Julie Todd

Vice President of Commercial Banking

(352) 377-4141, ext. 1-2107, Cell: 352-514-6812



# THE FLORIDA CREDIT UNION DIFFERENCE

As members of Florida Credit Union, account holders are eligible for a variety of financial products and services. Free checking, checking with interest, club accounts, loans of any kind, credit cards, check cards, online 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. Florida Credit Union began in 1954 as Alachua County Teachers Credit Union for the purpose of serving teachers. Over time, service was extended to communities over a ten county area and the name was changed to Florida Credit Union.

Ownership of Florida Credit Union has always been by its customer base. Your Credit Union can never be bought or sold. This is a 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 they actually find their service levels diminished.

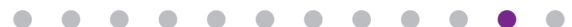


With Florida Credit Union, the stockholders and customers are the same people. Profits earned by the Credit Union are retained as capital to meet regulatory requirements and for expansion of the Credit Union and its service offerings. With a bank, the goal is to maximize the profit of its stockholders which is a totally different group 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** – FCU 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 FCU choose the individuals who serve as elected trustees.
3. **Member Economic Participation** – Member/owners benefit 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 checking products, 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 Credit Union difference.



# MANAGEMENT

## Senior Management

CEO/President  
Vice President of Operations  
Vice President of Marketing  
Vice President of Finance  
Vice President of Information Services  
Vice President of Commercial Banking  
Assistant Vice President of Consumer Lending  
Assistant Vice President of Branch Operations  
Assistant Vice President of Mortgage Lending

Mark Starr  
David Eckhardt  
Chris Clore  
Wendy Koford  
Kirk Becker  
Julie Todd  
Christine Suarez-Jenkins  
Marilynn Woodard  
Timothy Cannon

## Branch Managers

### Gainesville

43<sup>rd</sup> Street Branch  
13<sup>th</sup> Street Advantage Center

Inez Young  
Chessie Flanders, Operations Manager  
Matt George  
Nancy Mitzel

### Ocala

17<sup>th</sup> Road Branch  
Silver Springs Advantage Center

Lisa Martin  
John Lawson

### Lake City

Stephanie Oakley

### Starke

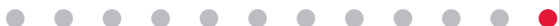
Jessica Mendez

## Other Personnel

Director of Human Resources  
Collections Manager  
Mortgage Manager  
Financial Advisor

Karen Rose  
Gale Cline  
Juanita Biles  
Mike Atkinson, Financial Network

Annual Report designed by  
Jaclyn Rhoads, Marketing Specialist





*Celebrating*

50

*years*

## BRANCHES

### GAINESVILLE / 352.377.4141

- 2831 NW 43 STREET
- 3720 NW 13 STREET / SUITE 10-C

### OCALA / 352.237.8222

- 2424 SW 17 ROAD
- 3504 E SILVER SPRINGS BLVD

### LAKE CITY / 386.755.4141

- 583 WEST DUVAL STREET

### STARKE / 904.964.1427

- 1371 S WALNUT STREET / SUITE 1600

## MAILING

- PO BOX 5549 / GAINESVILLE FL 32627

## WEB SITE

- [WWW.FLCU.ORG](http://WWW.FLCU.ORG)

## OUTLYING AREAS / 800.284.1144



ALL RESIDENTS OF ALACHUA, BRADFORD, CITRUS, COLUMBIA,  
GILCHRIST, LEVY, MARION, SOUTH CLAY, SUWANNEE, AND  
UNION COUNTIES CAN JOIN FLORIDA CREDIT UNION