

**ANNUAL REPORT  
2009**



**FLORIDA  
COMMERCE**  
CREDIT UNION

Committed to you.





**In these tough times,  
we are committed to helping  
our members and community  
weather this storm**

Fellow Florida Commerce Members,

2009 was a challenging year for our nation, state and community. In these tough times, we are committed to helping our members and community weather this storm, we helped you improve your personal finances, increased our efforts for financial literacy, and, when necessary, we worked with our members to help them stay in their homes. We are our members' financial partners for life – in the good times and the tough times. We understand there is a lot of news in the media about the health of financial institutions, so we want to take this opportunity to share our success and thank you for your continued support of your credit union.

Our success is seen clearly in our numbers: Our financial strength, as rated by IDC, ranks us among the top 10% of credit unions in the nation and second highest in our state. We are the 8<sup>th</sup> largest deposit holder in our community and our total deposits increased 11% in 2009. Florida Commerce ended 2009 with over \$2 million in net income and capital of \$41 million. In contrast, many local depositors reported only modest to negative results from operations. Florida Commerce remains one of the strongest financial institutions in our community.

Small businesses now have a new financial partner, Florida Commerce. In 2009, we reached out to the foundation of our business community, promoting the advantages of partnering with a financial cooperative. Your credit union now offers a full array of small business financial services, such as deposit products, commercial loans, and merchant services. The great news for our local businesses is they can now take advantage of the great prices and services we have always provided to our members to improve their bottom line.

We are committed to providing convenient and competitively priced financial services to our members.

In 2009, we introduced iBranch! 2.0, providing state of the art on-line access to your account, on-line account opening, account aggregation, and inter-bank transfers. We added the convenience of point of purchase financing by partnering with local franchise auto dealers, enhancing our members' auto buying experience.

WeLiveFIT! changed the way our community and members approached their finances by promoting healthy financial living. Florida Commerce partnered with seven local families to help them improve their financial situation, focusing on improving credit, reducing debt and increasing savings. The great news is this service, iLiveFIT!, is available to all members free of charge at all of our seven convenient locations.

Florida Commerce worked diligently through 2009 to ensure we protected your assets, continued to support our community, and build a strong financial institution to serve your growing needs. We understand and appreciate the trust you have placed in us and we remain committed to being your financial partner for life.

Committed to You,



Cecilia Homison  
CEO

Florida Commerce is in good financial shape and we expect to remain that way

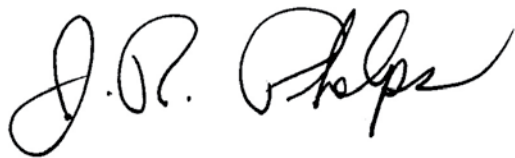


## FROM THE CHAIRMAN

I am happy to report that Florida Commerce Credit Union remained in a very strong financial condition at the end of 2009 despite the unprecedented volatility currently being felt in the financial marketplace. As a credit union, Florida Commerce can focus on the long-term interest of you, our members, instead of the short-term demands that other financial institutions are facing in this time of financial turmoil. We believe this offers our members the very valuable benefit of financial stability for the long run.

FCCU was not immune to the impact of the financial upheaval currently affecting our county. However, we are well capitalized, which makes us confident in our ability to manage through these current market conditions. Our capital – a key indicator of our financial strength and something that serves as a cushion against potential losses and a source of future income should unexpected events occur – was far above the minimum required by law, and exceeds even our own peer group of similarly sized credit unions.

Florida Commerce is in good financial shape and we expect to remain that way. We have an experienced management team and a seasoned committee of asset/liability management professionals who have managed crises before and who will remain focused on providing competitive yet safe and secure benefits to our members while protecting our core financial strength.

A handwritten signature in black ink that reads "J.R. Phelps". The signature is written in a cursive, flowing style.

J.R. Phelps  
Chairman, Board of Directors

# AUDIT COMMITTEE



Pam Butler, Canita Peterson, Chair; Mark Landreth, Kathy Arrant, NOT PICTURED: Kendall Coates

# AUDIT REPORT



The Audit Committee of Florida Commerce Credit Union is committed to ensuring the safety and soundness of the credit union.

To accomplish this objective, we review and ensure the policies and procedures of our credit union are being followed and that we are in full compliance with all applicable federal and state regulations and statutes.

During the past year, we retained McGladrey & Pullen LLP, one of the largest accounting firms in the United States, to perform an annual audit of Florida Commerce's financial statements. The most recent audit came back with an "unqualified opinion" which, in layman's terms, means everything went well and no irregularities were discovered. During this past year we also continued to work with Florida Commerce's internal auditor who conducts on a regular basis internal reviews of the policies and procedures of the credit union.

Retaining the accounting firm and monitoring the schedule, work product and reports of the internal auditor allow the Audit Committee to get a big picture view of our credit union's financial status and a snapshot view of the credit union at a particular point in time.

In addition to the audits, the Audit Committee also responds to member concerns and reviews the internal procedures and controls of our credit union.

Should you have any comments or concerns, please direct them to us at:

Florida Commerce Credit Union  
Audit Committee  
P.O. Box 6416  
Tallahassee, Florida 32314

Respectfully submitted,

Canita Gunter Peterson  
Chair of Audit Committee



# TREASURERS REPORT

Prepared by Dr. Jerry Osteryoung

	2008	2009
Assets	\$297,073,959	<b>\$316,870,434</b>
Deposits	\$216,656,754	<b>\$241,640,524</b>
Loans	\$249,315,699	<b>\$253,099,753</b>
Membership	37,066	<b>38,302</b>
Net Income	\$(2,469,786)	<b>\$2,365,664</b>
Members' Equity	\$38,695,372	<b>\$41,038,520</b>
Allowance for Loan Loss	\$7,237,756	<b>\$7,824,088</b>

# BOARD OF DIRECTORS



Dr Jerry Osteryoung, Treasurer; John Grayson, Director; J.R. Phelps, Chairman; Rivers Buford III, Vice Chairman; Michael Gomez, Secretary; Canita Peterson, Director; Kathy Arrant, Director

There is no need to tell you that 2009 was a difficult year for our members – you've been living it! Unemployment increased causing many of our members to be without work. Many others had their hours reduced causing a reduction in their income. Either way many members found it more difficult to maintain timely payments on their obligations. Balance, our financial counseling program, assisted 2,128 members last year with budgeting, negotiating payment terms directly with creditors or providing general financial information during these difficult times. Our own Collection Department worked nights and weekends to assist members with restructuring mortgage and home equity loans, as well.

While many members suffered through a difficult 2009, most members maintained their employment, and their income. When the local economy is in trouble for one segment of our community, it can provide incredible opportunities for others. Home buyers took advantage of the drop in housing values, low interest rates and tax credits to buy homes – many for the first time. Existing home owners benefited from low rates, too, and either refinanced existing homes or used their equity (yes, many of you STILL have equity in your homes!) to consolidate debt or renovate their home. Together, these borrowers accounted for a 38% increase in first mortgages, totaling \$25,911,170, and \$19,529,704 in home equity loans, a 47% increase.

2009 saw the launch of our new indirect lending program for franchised dealers enabling Florida Commerce to offer loans at the dealership. Legacy Toyota was selected as our inaugural dealer to kick off the new venture and by year end accounted for \$3,264,914 in new automobile volume. Champion Chevrolet and University Sales and Service were added at the end of 2009, with new franchise dealers scheduled to be added quarterly. This new program, along with our strong direct-to-member financing kept Florida Commerce as the #1 Auto Lender in the region for our 6th straight year. 2009 was a tough year for local dealers, with volumes off another 10% on top of 2008's 15% decline. Florida Commerce stood committed to being there for our

community to serve their borrowing needs. While other lenders were cutting back or becoming more restrictive in their lending, Florida Commerce financed vehicles totaling \$33,448,204, an 11.6% increase over 2008.

Our Commercial Services department continued to grow in 2009 with the addition of Darin Saley, who together with Park Broome, are dedicated to serving the financial needs of the Panhandle's small businesses. As many national and local lenders couldn't or wouldn't serve their small business client's lending needs, Florida Commerce stepped in and met almost \$4,000,000 of equipment, office and manufacturing space needs for small businesses and churches in the area. With a complete line of loan and deposit products, along with a variety of money management tools, Florida Commerce remains committed to our local business community.

We realize that the one item that can't become scarce in this economic recovery is the availability of credit, and we remain committed to being there for homeowners, businesses, and those needing transportation or other borrowing needs. Florida Commerce recognizes that as stewards of our member's deposits, we must remain prudent lenders, but lenders first and foremost. While your lending choices have shrunk over the past year or two, we always remember you do have a choice. We will always strive to offer you competitive products delivered with service you'll brag to your friends about. Know, too, that we will continue to work with you, our members, through whatever financial challenges you face, as your Financial Partner for Life.

Best Wishes for a Prosperous 2010,



Mary Estes  
Senior Vice President of Operations

# STATEMENT OF FINANCIAL CONDITION

	2008	2009
<b>ASSETS</b>		
Cash and cash equivalents	\$10,078,165	\$36,371,740
Loans to members, net of allowance for loan losses	242,077,943	245,275,665
Investments	27,034,706	10,396,352
Other receivables	2,128,487	2,881,797
Accrued income	1,528,538	1,415,778
Fixed assets	11,863,723	16,034,308
Other assets	2,362,397	4,494,794
<b>TOTAL ASSETS</b>	<b>\$297,073,959</b>	<b>\$316,870,434</b>
<b>LIABILITIES</b>		
Deposits	\$216,656,754	\$241,640,524
Borrowings	36,178,099	30,159,039
Accounts payable	2,520,928	1,451,237
Other liabilities	3,022,806	2,581,114
<b>TOTAL LIABILITIES</b>	<b>258,378,587</b>	<b>275,831,914</b>
<b>MEMBERS' EQUITY</b>		
Regular reserves	666,585	666,585
Undivided earnings	37,940,426	40,306,090
Investment valuation	88,361	65,845
<b>TOTAL MEMBERS' EQUITY</b>	<b>38,695,372</b>	<b>41,038,520</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$297,073,959</b>	<b>\$316,870,434</b>

# STATEMENT OF INCOME AND EXPENSE

	2008	2009
<b>INTEREST INCOME</b>		
Interest on loans	\$ 20,712,078	\$20,217,615
Interest on investments	1,380,928	273,561
<b>TOTAL INTEREST INCOME</b>	22,093,006	20,491,176
<b>DIVIDEND AND INTEREST EXPENSE</b>		
Dividends	5,622,734	4,012,300
Interest on borrowings	1,087,940	1,228,035
<b>TOTAL DIVIDENDS AND INTEREST EXPENSE</b>	6,710,674	5,240,335
<b>NET INTEREST INCOME</b>	15,382,332	15,250,841
Provision for loan losses	8,735,995	7,234,901
After provision for loan losses	6,646,337	8,015,940
<b>OTHER NON-INTEREST INCOME</b>	8,583,565	10,905,153
<b>OPERATING EXPENSES</b>		
Compensation	6,581,437	6,257,486
Employee benefits	1,866,858	1,719,521
Travel & conferences	360,983	251,541
Association dues	47,702	53,276
Office occupancy	1,369,606	2,055,625
Office operations	3,657,765	3,473,954
Educational & promotional	891,546	938,444
Loan servicing expense	686,908	717,560
Professional & outside services	819,640	870,421
Miscellaneous expenses	157,147	610,716
NCUSIF impairment	1,316,616	0
<b>TOTAL OPERATING EXPENSES</b>	17,756,208	16,948,544
<b>GAIN/LOSS ASSETS</b>	56,520	393,115
<b>NET INCOME</b>	(\$2,469,786)	\$2,365,664

# SENIOR MANAGEMENT



Valerie Silverman; Chief Financial Officer, Jeff Bond, VP/Chief Information Officer, Carla DeBaldo, VP of Sales, Cecilia Homison; CEO, Samantha Strickland; VP of Growth & Brand Management, Mary Estes; SRVP of Operations, Donna Moran; Director of Human Resources



## 2009 weLiveFIT! Challenge winner, Karen Rubin and Coach, Michelle Bailey

As everyone from Wall Street to Main Street struggled with the slowing economy of 2009, Florida Commerce Credit Union offered a welcomed bit of good news – a financial fitness contest with a \$10,000 grand prize.

Following the principles of the credit union philosophy; “people helping people,” Florida Commerce selected seven Tallahassee-area households to compete in a 10-month challenge to save money, reduce debt and improve their credit scores. With the help of the iLiveFIT! program, the families followed a “prescription” plan to meet their financial goals. The seven families met regularly with their financial fitness coaches who tracked their progress on the road to getting FIT, Financially Independent Today. The household with the most financial improvement at the end of the challenge would emerge as the \$10,000 winner.

During the 10-month competition, each family publicly shared their successes and challenges on their road to financial freedom. Those moments were captured in monthly webisodes that aired on the Challenge website and on Comcast cable. The families also used social media and blogs to share their experiences with the community.

By the end of the competition, the weLiveFIT! Challenge families made remarkable changes to their household bottom lines by taking cash only vacations, banning fast food restaurants and cutting up their credit cards. The 10-months were a rigorous, but rewarding test for the families who worked hard to reduce their debt, increase their saving and boost their credit scores.

As the winner of the Challenge, Karen Rubin, reduced her debt by \$4,500, increased her savings by more than \$30,000 (including retirement) and improved her credit score from 662 to 758. Although Ms. Rubin won the \$10,000 grand prize, all the families emerged as winners; collectively increasing their credit scores by 469 points, increasing their savings by more than \$72,000 and decreasing their debts by approximately \$44,000.

In the midst of a tough economy in 2009, Florida Commerce was committed to helping all families reach financial independence. The goal of the weLiveFIT! Challenge was to provide useful information and real world financial advice to start an important dialogue about financial health in the community. The weLiveFIT! Challenge succeeded.

# 2009 LEADERSHIP TEAM



Michelle Bailey, Maggie Gray, Kelley Dettmer, Linda Hill, John Hartwein, Alisha Williams, Warren Sumner, Betty O'Brien, Theresa Helms, Angela Terhune, Joanna Smyth, Jan Sheffield, Joy Bibeau, Angela Wable, Erin Williams, Sylvia Gamble, Catherin Noble NOT PICTURED: Wilma Wooten

## TEAM MEMBER MILESTONES

# 20

**YEARS**

Jan Folsom

# 15

**YEARS**

Kevin Meyer

# 10

**YEARS**

Betty O'Brien  
Erin Williams  
April Owens Porter  
Joy Sanders  
Angela Tuten  
Sameera Shah

# 5

**YEARS**

Debra Burrous  
Park Broome  
Mfon Barney  
Rossalyn Paul  
Martha Indihar  
Sonia Pradeep  
Cynthia Barnes  
Alisha Williams

# LOCATIONS AND 2009 BRANCH MANAGERS



## BLAIRSTONE (1)

**Michelle Bailey**, Branch Manager

1741 Old St. Augustine Road

9 a.m. – 5:30 p.m. (Monday – Thursday)

9 a.m. – 6 p.m. (Friday & Monthly State Paydays)

## BRADFORDVILLE (4)

**Linda Hill**, Branch Manager

6725 Thomasville Road in Bradfordville

Publix Shopping Center

9 a.m. – 6:30 p.m. (Monday – Friday)/

9 a.m. – 1 p.m. (Saturday)

## DEPT. OF EDUCATION (7)

**Joy Bibeau**, Branch Manager

325 W. Gaines Street

8:30 a.m. – 1:30 p.m./

2:30 p.m. – 5 p.m. (Monday – Friday)

## MACLAY (8)

**Warren Sumner**, Branch Manager

3515 Maclay Boulevard South

9 a.m. – 5:30 p.m. (Monday – Thursday)

9 a.m. – 6 p.m. (Friday & Monthly State Paydays)

## MAHAN (2)

**Kelly Dettmer**, Branch Manager

2330 Mahan Drive

9 a.m. – 6 p.m. (Monday – Friday)/9 a.m. – 1 p.m. (Saturday)

## WESTSIDE (6)

**Betty O'Brien**, Branch Manager

1460 Capital Circle NW

9 a.m. – 6:30 p.m. (Monday – Friday)/9 a.m. – 1 p.m. (Saturday)

## SOUTHSIDE (3)

**John Hartwein**, Branch Manager

5032 Capital Circle SW

9 a.m. – 5:30 p.m. (Monday – Thursday)

9 a.m. – 6 p.m. (Friday & Monthly State Paydays)

## TeliBranch LIVE (5)

**Sylvia Gamble**, Branch Manager

**Our All New Virtual Branch!**

RWF Administrative Facility

1620 Futura Drive

9am - 6:30pm (Monday – Friday)/9 a.m. - 1 p.m. (Saturday)



**FLORIDA  
COMMERCE**  
CREDIT UNION

Committed to you.

[www.FloridaCommerce.org](http://www.FloridaCommerce.org)

