

BOARD REPORT TO THE MEMBERSHIP

YOUR Healthcare Credit Union had another successful year of growth and improvements in 2014. Total loans and total shares grew by 2.34% and 7.78% respectively. Membership grew by 2.29%. During the year, we partnered with Legacy Toyota to offer 1% over dealer invoice pricing on new Toyotas and we enrolled in the Credit Union Member Discount Program with General Motors. During the year the credit union upgraded our internet banking bill payment platform to Checkfree which now offers Popmoney and Account to Account Transfer capabilities through Virtual Branch. Through Community Development Financial Institution Fund grant monies, we now have 8 CUNA Certified Financial Counselors on staff to help you with your personal finance needs.

TMH Federal Credit Union continues to remain financially healthy with a strong Net Worth Ratio of 10.66% and low loan delinquency of .77% at year end. Thank you for being a loyal member of our credit union and for giving me the opportunity to serve as your Board Chairman in 2014. Please be sure to tell your family and coworkers they are able to join!

Respectfully submitted:

Joseph Conklin, Chair of the Board

SUPERVISORY COMMITTEE REPORT

Your Supervisory Committee, appointed by the Board of Directors, is the "watch dog" of the credit union's official family. It is our job to ensure the safety and security of the credit union. We monitor Board and management activities; provide for financial statement audits; verify compliance with policies, procedures, rules and regulations; and monitor the internal control environment. Daily operations must meet audit and regulatory tests – this process is required by the National Credit Union Administration.

During 2014, quarterly and annual audits were performed. In addition to the oversight by your Supervisory Committee, the professional audit firm Sanders, Holloway and Ryan, Certified Public Accountants, in Tallahassee, Florida conducted a balance sheet audit of the credit union's finances for 2014. The findings concluded 100% verification of member accounts and examination of all balance sheet accounts.

And finally as is done every year, NCUA examiners reviewed the Credit Union's books, internal audit reports, and other outside audit reports. As a result of an extensive NCUA examination, they found that credit union records and practices are consistent with NCUA regulations and federal banking laws.

Thank you for giving me the opportunity to serve on the Board of Directors and your Supervisory Committee in 2014. Your credit union remains financial sound and growing to meet your financial needs.

Respectfully submitted:

Jamie Sheffield, Chair
Vickie Woodell, Member
Debra Gwaltney, Member

NOMINATING COMMITTEE MEETINGS

The 2015 Nominating Committee met on December 2, 2014 in the Credit Union conference room. In attendance were Rob Moss, TMH Medical Outreach (by conference call), Clarence Herring, TMH Assistant Director Pharmacy, and Janis Nall, TMH Director Laboratory. Tim Cook, President and Maria Legate, VP Administration were also present.

Mr. Cook explained that the Chair and Recording Officer must be elected for this meeting, but that the Chair is not required to be present at the Annual Membership Meeting in April 2015. The motion was made by Mr. Moss and duly seconded by Ms. Nall to elect Mr. Herring as Chair. All approved and motion carried. The motion was made by Mr. Herring and duly seconded by Ms. Nall to elect Mr. Moss as the Recording Officer. All approved and the motion carried.

The meeting was called to order by Chairperson Herring at 12:00 P.M. Mr. Cook presented the qualifications for each candidate and terms:

- Joseph Conklin – 3 year term
- Glenn Strickland – 3 year term

Mr. Cook confirmed that the two candidates were contacted in person and agreed to serve if elected. A motion was made by Ms. Nall and duly seconded by Mr. Moss to have the names placed in nomination and presented to the Board and membership. Mr. Cook will notify the membership of their decision and encourage members to file by petition if interested in serving as a Board member.

There being no other business, the motion was made by Mr. Moss and duly seconded by Mr. Herring to adjourn at 12:08 P.M.

Respectfully submitted:

Rob Moss, Recording Officer

Work in healthcare? You can join!



PRESIDENT'S REPORT

YOUR Healthcare Credit Union continued to grow and prosper in 2014. Consumer confidence continued to improve, inflation remained low, and Americans are now getting a much needed break in gas prices. As a result, total loans grew by 2.34% in 2014 to \$27,773,122 due to your support. Thirty five members earned a total of \$8,515 in cash back by moving their car loan to the credit union in the 4th Quarter of 2014. The 1% Cash Back Auto Refinance Promotion generated \$851,478 in car loans for the credit union. TMH Federal Credit Union also changed credit card processors in 2014 to improve functionality, efficiency and security for credit union members.

In 2015, the credit union will be purchasing the vacant lot behind the Main Office for future growth and for adding a full time car finder service. With the purchase of the lot, we will be able to offer onsite car, boat and camper sales with special rate financing and competitive vehicle pricing. Also in 2015, the credit union added iDrive Lending services for members to be able to finance their vehicle through the credit union while at participating area dealerships.

Thank you for your loyal membership to TMH FCU. Please be sure to share the gift of membership to your fellow healthcare colleagues and family members. Anyone who works in healthcare in our area and their immediate family members can join. Through your continued support YOUR Healthcare Credit Union is one of the safest and secure credit unions in our area offering a complete line of financial products to enhance the financial lives of our members.

Sincerely,

Timothy L. Cook, President

tmH
federal credit union

ANNUAL MEMBERSHIP REPORT

**APRIL 30, 2015
6:00 P.M.**

**GOODWOOD CARRIAGE
HOUSE
1600 Miccosukee Road
Tallahassee, Florida**

*Improving the financial
life of each member is our
priority and our pleasure.*

ANNUAL MEETING AGENDA

- I. Call to Order
- II. Roll Call
- III. Approval of 2014 Meeting Minutes
- IV. Report
 - A. Chairperson's Report
 - B. Supervisory Committee Report
 - C. Financial Officer's Report
 - D. President's Report
- V. Old Business
- VI. New Business
 - A. Nominating Committee Report
 - B. Elections
- VII. Adjourn to Drawings and Dinner

2014 ROSTER OF OFFICIALS

BOARD OF DIRECTORS:

Chair: Joseph Conklin
 Vice Chair: Berinice Mercer-Lewis
 Recording Officer: Glenn Strickland
 Financial Officer: Paul Lucas
 Directors at Large: Al Parker
 Jamie Sheffield
 Kelby Tardi, CPA

SUPERVISORY COMMITTEE:

Chair: Jamie Sheffield
 Committee Members: Vickie Woodell
 Debra Gwaltney
 Auditing Firm: Sanders, Holloway & Ryan, CPAs

NOMINATING COMMITTEE:

Chair: Clarence Herring
 Recording Officer: Rob Moss
 Committee Member: Janis Nall

SECURITY OFFICER and INFORMATION

SECURITY OFFICER: Tim Cook

BSA/COMPLIANCE

OFFICER: Brooke Bailey

ROSTER OF COLLEAGUES

EXECUTIVE STAFF:

Tim Cook, President
 Grace Chambers, VP Member Services
 Brooke Bailey, VP Finance
 Maria Legate, VP Administration
 Liz Thiele, VP Marketing

MANAGERS:

Valerie Papka, Member Services Manager
 Frances Locke, Member Services Manager
 Meghan Whitney, Member Services Manager
 Brenda Smith, Technology Officer
 Susan Smiroldo, Financial Literacy Officer

COLLEAGUES:

Patreka Daniels, Member Services Representative
 Carolyn Wilson, Member Services Representative
 Lisa Crum, Accounting Specialist
 Joyce Desilets, Collections Specialist
 Lisa Gray, Member Services Specialist
 Amber King, Member Services Specialist
 Jennie Ohlsson, Member Services Specialist
 Taylor Stinson, Member Services Specialist
 Francine Morton, Member Services Specialist

TMH FCU ANNUAL MEMBERSHIP MEETING MINUTES

I. Call to Order

Chairperson Christie Sloan called to order the Annual Membership Meeting of the TMH FCU membership at 6:17PM., April 17, 2014 in the Goodwood Museum & Gardens Conference Center at 1600 Miccosukee Road, Tallahassee, FL 32308.

II. Quorum

Ms. Sloan called on Doug Nordby, CPA of the Supervisory Committee to act as parliamentarian and determine that a quorum was present. Mr. Nordby declared a quorum of members present and the meeting continued.

III. Minutes from Prior Meeting

The minutes from the last meeting were presented in written form. After review, a motion was made from the floor to approve the minutes as presented. The motion was seconded without changes or objections. The motion carried.

IV. Reports

A. Chair of the Board. Ms. Sloan gave her report in written form.

B. Supervisory Committee. Doug Nordby gave his report in written form. He also introduced to the membership Mr. Chris Wallace of Sanders Holloway & Ryan. Mr. Nordby noted that the firm is our financial auditor and will also guide us on compliance.

C. Financial Officer. Mr. Conklin gave his report in written form.

D. President. Mr. Cook presented his report in written form. He thanked members for choosing to be a member of TMH FCU, and for joining the Credit Union in this new location at Goodwood. He noted that 2013 did indeed focus on growth out of the difficult economic environment of the past few years. He gave the membership credit for its support, which enabled TMH FCU to realize 2.45% deposit growth and 6.8% loan growth – an outstanding achievement within the financial industry and especially for a Credit Union this size.

Mr. Cook recognized the resignation of Board members Christie Sloan and Lynne Peters, CPA, and Supervisory Committee member Doug Nordby, CPA, thanking them for their guidance over their many years of service. He especially noted Ms. Sloan's deep involvement with local charities and credit union service over the past 20 plus years. Mr. Cook thanked and recognized all Credit Union employees, and the membership showed its appreciation as well.

Mr. Cook summarized the activities in 2013, which exemplified a year of growth for TMH FCU and he highlighted some of the initiatives planned in 2014. He invited the membership to take advantage of financing opportunities with TMH FCU through a boat sale on-site at Bass Pro Shop April 25-26, and car purchases through Thomasville Toyota June 26-28. TMH FCU loan officers will be on site at those locations to serve our members with special low rate financing. Web signature will be offered this summer for added convenience to our members for our lending services. CheckFree, a great improvement to our bill paying system for the membership and a top quality product in the industry, will soon be available.

In closing, Mr. Cook invited member's family members to join to give us the opportunity to meet their financial needs as well. At this time, the motion was made from the floor to accept all of the reports as presented. The motion was seconded without changes or objections. The motion carried.

V. Old Business

There were no old business items.

Before moving on to new business, Ms. Sloan took a few moments to introduce the Board Members and the Supervisory Committee members.

Ms. Sloan shared that while she was making an exciting move to relocate to south Florida where her roots are, the hardest thing she had to do was to advise the membership of her resignation tonight. Because of this relocation she is resigning, but she intends to stay a member long distance and for a long time! She expressed gratitude for her opportunities to be active on the Board of Directors and appreciated that she had learned so much over the years – and she pronounced that TMH FCU "is where our financial future and health lies."

Ms. Sloan recognized the staff as an extraordinary group of individuals serving the financial needs of the membership on a daily basis. She expressed her best wishes to the staff

and membership and asked the members to continue to support and sustain TMH FCU.

VI. New Business

The Nominating Committee Report was presented by Tim Cook in written form with the slate of candidates to be elected to the Board for 3-year terms:

• Berinice Mercer-Lewis • Jamie Sheffield

Tim recognized Ms. Mercer-Lewis' contributions and Ms. Sheffield's competence and knowledge from her extensive Credit Union experience. There were no petitions filed and the slate of candidates was elected by acclamation.

VII. Adjournment

In conclusion, Mr. Cook thanked the membership again for attending this evening. At this time, the motion was made from the floor to adjourn. The motion was duly seconded and the motion carried. Mr. Cook adjourned the meeting at 6:43 P.M. The membership enjoyed drawings for prizes and dinner following the meeting.

Minutes Submitted By:

Glenn Strickland, Recording Officer

FINANCIAL OFFICER'S REPORT

Your credit union had another successful financial year in 2014 with steady growth, continued financial strength and positive net earnings. Total loan increased 2.34% over the prior year with \$27,773,122 outstanding. Total deposits increased 7.78% with \$46,466,975 deposited. The loan to share ratio was 59.77% at year-end while peer credit union averaged 62.14%. Total members increased by 2.29% to a new total of 6,964. The delinquency ratio was .77% while average of peer credit unions was 1.19%. Net worth/ Total assets remained strong at 10.66% (well capitalized per NUCA standards) and the credit union earned \$115,408 in net income for the year.

2014 LOAN LOSS REVIEW:

TOTAL LOSSES: \$203,577
 RECOVERED: \$43,576
 NET LOSSES: \$160,001

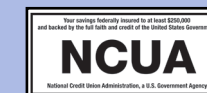
HISTORICAL COMPARISON

YEAR	LOANS	#APPROVED	# DENIED	%DENIED
2014	2814	1754	1123	39.90 %
2013	2647	1744	903	34.11 %
2012	2774	1824	947	34.14 %
2011	3174	2159	1015	31.98 %
2010	2755	1777	978	35.50 %

Thank you for being a member/owner of our credit union. We are here to help you improve your financial life. It has been my pleasure serving as your Financial Officer of the Board of Directors.

Respectfully submitted:

Paul Lucas, Financial Officer



INCOME STATEMENT

DECEMBER 31, 2014

REVENUE

Interest on Loans \$1,637,969.03
 Income on Investments \$120,358.86
Total Interest Income \$1,758,327.89

Dividend Expense

\$193,452.76

Provision for Loan/Share Loss

\$139,319.83

Non-Interest Income

\$1,114,243.71

OPERATIONAL EXPENSE

Compensation/Benefits \$1,024,697.36
 Travel/Conference \$16,874.71
 Association Dues \$25,403.17
 Office Occupancy \$105,846.63
 Office Operations \$170,060.73
 Marketing \$34,752.45
 Loan Servicing \$182,580.07
 Outside Services \$849,072.26
 NCUA Operating Fees \$9,086.49
 Cash Over Short \$(629.49)
 Annual Membership Meeting \$5,958.24
 Misc. Operating Expense \$3,140.46
Total Operating Expense \$2,426,843.08

Gain/Loss in Disposal of Assets

\$2,451.69

NET INCOME

\$115,407.62

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2014

ASSETS

Total Loans \$27,773,122.15
 Allowance for Loan/Share Loss \$(190,843.69)
 Total Cash and Investments \$22,488,158.94
 Prepaid - Deferred Expense/Income \$163,712.12
 Land and Building Net \$1,931,107.47
 Furniture and Equipment Net \$131,714.80
 All Other Assets \$696,156.20
Total Assets \$52,993,127.99

LIABILITIES

Other Liabilities \$879,434.43
 Share \$46,466,974.81
 Capital \$5,646,718.75
Total Liabilities & Equity \$52,993,127.99