

NOMINATING COMMITTEE MEETING

The 2023 Nominating Committee met virtually on October 20, 2022 in the Credit Union conference room, 345 South Magnolia Drive. In attendance were Rob Moss, Executive Director TMH Medical Outreach/Practice Management Services, Janis Nall, TMH Retiree, and Judy Eldridge, TMH Retiree. Tim Cook, President, and Liz Thiele, VP Marketing, and Maria Legate, VP Administration were also present.

At this time officers of the Committee were elected.

The motion was made by Mr. Moss and duly seconded by Ms. Eldridge to elect Ms. Nall to serve as Chair. All approved and the motion carried.

The motion was made by Ms. Nall and duly seconded by Ms. Eldridge to elect Mr. Moss to serve as Recording Officer. All approved and the motion carried. The meeting was called to order by Ms. Nall at 12:06pm.

Mr. Cook provided biographical information of the candidates for the Committee's review (attached to original minutes). He explained that Ms. Sheffield's regular term is expiring and that Ms. Mercer-Lewis' regular term is expiring. Mr. Cook confirmed that both Ms. Sheffield and Ms. Mercer-Lewis have agreed to serve on the Board, if elected. Mr. Cook opened the floor to any questions. The candidates selected by the Nominating Committee to serve three-year term:

Jamie Sheffield – 3 year term Berinice Mercer Lewis – 3 year term

A motion was made by Mr. Moss and duly seconded by Ms. Eldridge to have the names placed in nomination and presented to the Board and the membership. All approved and the motion carried. 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 Ms. Eldridge to adjourn at 12:09pm. All approved and the motion carried.

Respectfully submitted: Rob Moss, Recording Officer

SUPERVISORY COMMITTEE REPORT

Your Supervisory Committee is appointed by the Board of Directors to be the watchful guardian of the Credit Union's assets and operations. By overseeing the Credit Union's regulatory compliance, we ensure the safety and security of the Credit Union by monitoring Board and management activities; providing oversight for financial statement audits; and verifying compliance with policies, procedures, rules and regulations.

We ensure the daily operations meet audit and regulatory tests, and to this end layers of auditing occur on a month-to-month basis. There were no questionable practices or procedures, and we are very pleased to have received positive reports for year-end 2022.

- Four quarterly financial audits were performed by the auditing firm Sanders, Holloway & Ryan, Certified Public Accountants
- A comprehensive balance sheet audit was performed by the auditing firm CU Audit & Compliance Group.
- As is done every year, external audits were conducted for ACH and Bank Secrecy Act.
- A verification of all member accounts was conducted as of 12-31-2022.
- NCUA examiners reviewed the Credit Union's financial records, systems and operations. Our records are consistent with the NCUA requirements and there are no questionable practices or procedures.

It is my pleasure to serve on behalf of the membership. Your Credit Union continues to operate with the fiscal and operational prudence in the best interest of our membership. Your Credit Union remains ready to meet the growing needs of our membership. Management and the entire staff are determined to keep your Credit Union on course as your financial institution of choice.

Respectfully submitted:
Summer Harrell, Chair
Chris Kennedy
Morgan DeLoach

BOARD REPORT TO THE MEMBERSHIP

Thanks to our members, TMH Federal Credit Union remains financially sound with steady growth. Each year the complexity of presiding over a financial institution seems greater than the last. While we still face challenges in the current economy, our duty remains clear: to continue to offer our members the best service and products possible within a strong financial framework.

Your Board of Directors is intent on providing sound financial management and the highest level of personal financial services for the membership, as evidenced in this past year's services, lending and deposit promotions, and improvements.

- E-services to the membership expanded with implementation of the ZELLE payment platform, and the 24/7 Interactive Teller Machine (ITM) in the Main Office drive through lane.
- Our new branded online banking app went live in 2022. The app features enhanced capabilities for members.
- An unprecedented consumer loan growth of 28%, fostered with competitive interest rates and terms, resulted in \$64,876,590 total loans outstanding at the end of 2022.
- We experienced excellent member and loan growth through our Foreign Nationals Nurse Lending Program. This successful program was extended to the foreign nurses at HCA Florida Capital Hospital.
- The iDrive Lending program extended out to multiple counties (Bay, Taylor, Decatur and Thomas), and our partnership in the program acquired 184 new indirect loans totaling \$6,868,332.
- In 2021 we laid groundwork for a hosted phone system. The system was implemented in 2022 to route member inquiries directly to the appropriate departments and individuals.

Be assured that cyber defense continues to be a top priority for your Credit Union. A technology audit was conducted and while no substantive findings were found, all recommendations are being implemented. With the geopolitical events of 2022 we maintained our resilience through cyber protection monitoring and detection products. Additionally, all staff are regularly trained in cybersecurity.

As we prepare for 2023, the Board's focus centers on member growth and member service, both electronic and in-person. Your healthcare Credit Union remains a viable and stable financial institution. A very capable and dedicated staff handles the daily operations and contributes to the ongoing stability of our operations and performance.

We thank you for your support and the continued support of our

sponsor, Tallahassee Memorial HealthCare, Inc. We are honored to be supporting a membership working in an industry that has provided a stable environment for the community and the Credit Union: healthcare. Thank you for your continued trust and confidence as we work to meet your financial needs. It has been my great pleasure to serve as your Board Chair.

Respectfully submitted: Paul Lucas, Chairperson

PRESIDENT'S REPORT

Your health care Credit Union had another good financial year in 2022 despite having to continue to weather the financial storm caused by the pandemic. The Credit Union incurred a Net Loss in the amount of \$57,107 in 2022, had a Return on Average Assets Ratio of -.07% and a 9.79% Net Equity to Total Assets Ratio at year-end. Growth was good in 2022 with total loan growth at 28.49% and total deposit growth at -1.29%. Membership growth slowed down significantly, due to the pandemic, at .20% with 8,583 primary members at year end.

In 2022, your Credit Union continued our partnership in the iDrive Lending Credit Union Service Organization with FSU Credit Union and Envision Credit Union. Harry Burn, Business Development Officer, continued to meet with car dealers for iDrive during the pandemic. Through your Credit Union's ownership in iDrive Lending, members purchased 184 vehicles totaling \$6,868,332 in auto loans direct from local car dealers. The Credit Union also had 107 new members join the Credit Union through this program.

During 2022, the Credit Union installed a fully integrated Interactive Teller Machine (ITM) located on the 3rd drive-through lane at the Main Office. The ITM gives members 24/7 access for basic teller transactions including cash deposits/withdrawals, check deposits, transfers, loan payments and account history.

During 2022, the Credit Union installed the Zelle funds transfer platform. You can now transfer funds to/from friends and family through Virtual Branch and Mobiliti.

Thank you for being an owner/ member of our Credit Union. Please continue to share your Credit Union with your colleagues and your family members. Anyone who works in health care in our area and their immediate family members can join your Credit Union. Through your continued support your Credit Union is one of the safest and fastest growing credit unions in Tallahassee. Supporting the healthcare community by improving the financial life of each member is our priority and our pleasure.

Sincerely,

Timothy L. Cook, President



tmH
federal credit union

ANNUAL MEMBERSHIP REPORT

April 25, 2023
5:30 P.M.

TMH Federal Credit Union
Main Office
345 S. Magnolia Drive
Tallahassee, FL 32301

*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 2022 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

2023 ROSTER OF OFFICIALS

BOARD OF DIRECTORS:

Chair: Paul Lucas
 Vice Chair: J. Lynne Peters
 Recording Officer: Jamie Sheffield
 Financial Officer: Aaron Kinnon
 Director at Large: Berinice Mercer-Lewis

SUPERVISORY COMMITTEE:

Chair: Summer Harrell
 Committee Members: Morgan DeLoach
 Chris Kennedy

Auditing Firm: CU Audit & Compliance Group
 Sanders, Holloway & Ryan, CPAs

NOMINATING COMMITTEE:

Chair: Janis Nall
 Recording Officer: Rob Moss
 Committee Member: Judy Eldridge

SECURITY OFFICER and INFORMATION
 SECURITY OFFICER: Tim Cook

BSA/COMPLIANCE
 OFFICER: Lisa Langston

ROSTER OF COLLEAGUES

EXECUTIVE STAFF:

Tim Cook, President
 Grace Chambers, Vice President Member Services
 Maria Legate, Vice President Administration
 Liz Thiele, Vice President Marketing

MANAGERS:

Valerie Papka, Assistant VP Member Services
 Carolyn Wilson, Member Services Manager
 Patreka Daniels, Member Services Manager
 Susan Cardoza, Collections Officer
 Lisa Langston, Accounting Manager

COLLEAGUES:

Frances Locke, Senior Loan Officer
 Jaylee Beebe, Loan Officer
 Joe Lockard, Technology Officer
 Harry Burn III, Business Development Officer
 Lisa Gray, Member Services Specialist
 Karen Brokamp, Member Services Specialist
 Azure Harvey, Member Services Specialist
 Miranda Martinez, Member Services Specialist
 Angelina Blake, Member Services Specialist
 Tyler Hill, Member Services Specialist
 Stacy Atkinson, Accounting Specialist
 Alvin Johnson, Accounting Specialist
 Sharon McMillian, Collections Specialist

TMH FCU ANNUAL MEMBERSHIP MEETING MINUTES

I. Call to Order

Chairperson Paul Lucas called to order the Annual Membership Meeting of the TMH FCU membership at 6:00pm at Goodwood Museum & Gardens, 1600 Miccosukee Road, Tallahassee, FL 32308. Mr. Lucas welcomed and thanked everyone for attending and that the time they take to attend.

II. Quorum

Mr. Lucas called on Ms. Harrell to act as parliamentarian and determine that a quorum was present. Ms. Harrell 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. Mr. Lucas gave the Chairperson's report in written form, thanking the membership for their continued trust and confidence.

B. Supervisory Committee. Ms. Harrell highlighted the purpose of the Supervisory Committee and gave the Supervisory Committee report in written form.

C. Financial Officer. Mr. Cook provided the Financial Officer report, on behalf of Mr. Kinnon, in written form.

D. President. Mr. Cook thanked everyone for attending the 60th annual meeting and he took a moment to individually recognize Jamie Sheffield's years of service for a large portion of that time. Mr. Cook presented his report in written form. He invited current members to tell coworkers and family that they can now join online with the Credit Union's Origination new account software. In closing, Mr. Cook highlighted achievements in 2021 and upcoming Interactive Teller Machine (ITM) service in 2022. Mr. Cook recognized new staff to the Credit Union since the last membership meeting.

The motion was made from the floor to accept all the reports as presented. The motion was duly seconded without changes or objections. The motion carried.

V. Old Business

There were no old business items.

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.

- J. Lynne Peters, CPA - 3-year term
- Paul Lucas - 3-year term

There were no petitions filed and the slate of candidates was elected by acclamation.

VII. Adjournment

There being no further business, Mr. Cook thanked everyone again for attending this evening. The motion was made from the floor to adjourn. The motion was duly seconded, and the motion carried. Mr. Lucas adjourned the meeting at 6:15pm.

The membership enjoyed drawings for prizes and refreshments following the meeting.

Jamie Sheffield, Recording Officer



FINANCIAL OFFICER'S REPORT

In the face of a challenging year, we did not allow the economic conditions to spiral out of control in your Credit Union. As of December 31, 2022:

- Total shares and deposits decreased 1.29% with \$76,110,441 deposited.
- Loan growth increased 28.49% with \$64,876,590 loans outstanding.
- The loan-to-share ratio at year-end was 85.24% compared to 61.14% peer average ratio.
- At close of business in lending services, we had disbursed \$33,895,293 in new loans, again with an outstanding loan total of \$64,876,590.
- Our delinquent loan ratio at year-end was 0.55 %, compared to peer at 0.74%.
- Membership growth was positive at 0.20% (compared to peer average ratio 0.27%). Total number of members at year-end was 8,583.
- According to NCUA your credit union is still well capitalized with Net Worth/Total Assets of 9.79 %.
- The 2022 budget allowed for \$100,220 in income and incurred net loss at \$57,107.

We strive to make sound lending decisions on a daily basis and we remain committed to recovering every dollar.

2022 LOAN LOSS REVIEW:

TOTAL LOSSES:	\$225,243
RECOVERED:	\$32,062
NET LOSSES:	\$193,181

HISTORICAL COMPARISON

YEAR	LOANS	#APPROVED	# DENIED	%DENIED
2022	2807	2109	698	24.87%
2021	2408	1719	689	28.61%
2020	3347	2253	1094	32.69%
2019	3610	2305	1305	36.15%
2018	4252	2753	1499	35.25%

Our strength is in our members - thank you for being a loyal member/owner. Please think of YOUR Healthcare Credit Union first for all your financial needs - you can count on us and we value your business. It has been my pleasure serving as your Financial Officer of the Board of Directors.



Respectfully submitted:
 Aaron Kinnon, Financial Officer

INCOME STATEMENT

DECEMBER 31, 2022

REVENUE	
Interest on Loans	\$2,447,215.64
Income on Investments	\$152,676.12
Total Interest Income	\$2,599,891.76
Dividend Expense	\$170,595.92
Provision for Loan/Share Loss	\$355,916.85
Non-Interest Income	\$1,496,534.96
OPERATIONAL EXPENSE	
Compensation/Benefits	\$1,373,261.64
Travel/Conference	\$48,053.73
Association Dues	\$30,020.12
Office Occupancy	\$96,641.56
Office Operations	\$212,334.21
Marketing	\$55,049.18
Loan Servicing	\$430,428.03
Outside Services	\$1,342,604.64
NCUA Operating Fees	\$13,221.54
Cash Over Short	(\$104.36)
Annual Membership Meeting	\$6,395.01
Misc. Operating Expense	\$23,767.87
Total Operating Expense	\$3,631,673.17
Gain/(Loss) in Disposal of Assets	\$7,866.90
Gain/(Loss) on Investment	\$12,539.08
NET INCOME	(\$57,107.04)

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2022

ASSETS	
Total Loans	\$64,876,590.47
Allowance for Loan/Share Loss	\$(316,173.94)
Total Cash and Investments	\$17,608,469.61
Prepaid - Deferred Expense/Income	\$331,970.36
Land and Building Net	\$2,344,177.59
Furniture and Equipment Net	\$131,215.15
All Other Assets	\$749,237.80
Total Assets	\$85,725,487.04
LIABILITIES	
Other Liabilities	\$1,221,624.96
Share	\$76,110,441.29
Capital	\$8,393,420.79
Total Liabilities & Equity	\$85,725,487.04