

NOMINATING COMMITTEE MEETING

The 2016 Nominating Committee met on November 23, 2015 in the Credit Union conference room, 345 South Magnolia Drive. In attendance were Rob Moss, Executive Director Medical Outreach/Practice Management Services, Clarence Herring, Assistant Director Pharmacy Services, and Janis Nall, Director Laboratory. Tim Cook, President, and Maria Legate, VP Administration, were also present.

Mr. Cook provided biographical information of the candidates for the Committee's review (attached to original minutes).

At this time, officers of the Committee were elected.

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

The motion was made by Mr. Herring and duly seconded by Ms. Nall 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 12:28 p.m.

Mr. Cook explained that Al Parker declined serving another term on the Board of Directors, and he informed the Committee that two candidates have agreed to serve if elected. The candidates selected by the Nominating Committee to serve three year terms were:

- Paul Lucas – 3 year term
- Christie Sloan – 3 year term

Motion was made by Mr. Moss and duly seconded by Mr. Herring 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 meeting was adjourned at 12:30pm.

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 - it is our job to ensure the safety and security of the credit union. We monitor board and management activities; provide oversight for financial statement audits and verify compliance with policies, procedures, rules and regulations and monitor internal control environment. Daily operations must meet audit and regulatory tests - this process is required by the National Credit Union Administration (NCUA).

In addition to the many audits performed for regulatory compliance, during 2015 four quarterly audits and a full balance sheet audit were performed by the auditing firm Sanders, Holloway & Ryan, Certified Public Accountants. The findings included 100% verification of member accounts and a cash count of every dollar on credit union premises including ATM.

As is done every year, NCUA examiners reviewed the credit union's books, audit worksheets and tests. As a result of an extensive NCUA examination, they found that records are consistent with the NCUA requirements and there were no questionable practices or procedures.

It has been my great pleasure to serve on the Board of Directors and on your Supervisory Committee. We are very pleased to announce that our credit union is a five star rated credit union by Bauer Financial, Inc. for its strength and financial stability. Be assured that your credit union stands ready to meet the growing needs of our members/owners.

Respectfully submitted:

Jamie Sheffield, Chair

BOARD REPORT TO THE MEMBERSHIP

TMH Federal Credit Union remains a healthy, viable, and stable financial institution because of its sound business and lending practices. It was an extraordinary year of growth and improvements. In 2015, membership grew by 6.12% for a total of 7,390 members; total loans grew to \$34,030,237.99 outstanding at end of year; total shares grew to \$50,440,278.63 at end of year.

Your directors, management and credit union staff are a TEAM and their focus is the same --- service to our members! We are intent on providing sound financial management and the highest level of personal financial services for the membership, as evidenced in this past year's programs, lending promotions, and services.

- Purchase of the land adjacent to the Magnolia Drive office to develop an on-site car finder service for members.
- The Credit Union established an indirect loan program through the iDrive Lending Program, which provides members further ease and convenience to purchase directly from local dealers.
- Seasonal loan promotions, loan rates as low as 1.49%, car sales.
- Planning the implementation of EMV cards for VISA and MasterCard to better protect members from credit and debit card fraud.
- City of Tallahassee utility payment centers at any of our branch locations.

And finally, not only has your credit union received positive audit results for financial performance and compliance in regulatory requirements, not once have we let up on other critical areas such as safety and security, and information security.

Your Board of Directors is determined to keep your credit union on course as your financial institution of choice. To that end, we appreciate your continued trust and confidence as we work to meet your financial needs.

It has been my pleasure to serve as your Board Chairman during 2015.

Respectfully submitted:

Joseph Conklin, Chair of the Board

PRESIDENT'S REPORT

YOUR Healthcare Credit Union had one of the best growth years ever in 2016. Consumer confidence continues to improve, unemployment in the Tallahassee Metro Area is down to 4.4% as of year-end, and gas prices are at record lows. As a result, total loans grew by 22.53% in 2015 to \$34,030,238 due to your support. In 2015, your credit union partnered with iDrive Lending to offer indirect auto loans through local car dealers. Through this partnership, members purchased 148 vehicles totaling \$3,183,522 in auto loans. The credit union also had 70 new members join the credit union through this program. In 2015, total members grew by 6.12% due to you referring your credit union to your family and colleagues.

In March 2016, your credit union purchased the parking lot behind the credit union for future building growth and for adding a full time car finder service at the credit union. Autowise Buying Service will be on-site starting in April with two staff members and a portion of their vehicle inventory. Autowise Buying Service also can find the exact vehicle you want in their dealer network system. In April 2016, EMV (smart chip) debit cards will be issued to members as their existing debit card expires. If you would like an EMV debit card now, please contact a member services representative to reorder your existing debit card.

Thank you for your loyal membership to 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 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 14, 2016
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 2015 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

2016 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
 Summer Harrell
 Auditing Firm: Sanders, Holloway & Ryan, CPAs

NOMINATING COMMITTEE:

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

SECURITY OFFICER and INFORMATION

SECURITY OFFICER: Tim Cook

BSA/COMPLIANCE

OFFICER: Brooke Bailey

ROSTER OF COLLEAGUES

EXECUTIVE STAFF:

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

MANAGERS:

Valerie Papka, Member Services Manager
 Frances Locke, Member Services Manager
 Meghan Whitney, Member Services Manager
 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
 Karen Brokamp, Member Services Specialist
 Debra Enfinger, Member Services Specialist
 Maria Kimball, Member Services Specialist
 Yvonne Dorsey, Member Services Specialist

TMH FCU ANNUAL MEMBERSHIP MEETING MINUTES

I. Call to Order

Chairperson Joseph Conklin called to order the Annual Membership Meeting of the TMH FCU membership at 6:07 pm, April 30, 2015 in the Goodwood Museum & Gardens Conference Center at 1600 Miccosukee Road, Tallahassee, FL 32308.

II. Quorum

Mr. Conklin called on Jamie Sheffield of the Supervisory Committee to act as parliamentarian and determine that a quorum was present. Ms. Sheffield 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. Conklin gave his report in written form.

B. Supervisory Committee. Ms. Sheffield gave her report in written form. She was complimentary of the Credit Union leadership and staff for the excellent quarterly and annual audit results in 2014. She also introduced Mr. Joe Sanders of Sanders Holloway & Ryan, the Credit Union's auditing firm

C. Mr. Lucas congratulated the Credit Union membership on another year of sound and stable financial growth. Mr. Lucas gave his report in written form.

D. President. Mr. Cook presented his report in written form. He summarized activities, highlighting key financial products and enhancements that occurred throughout the year.

Mr. Cook recognized the Board of Directors and the Supervisory Committee. He noted that Mr. Al Parker, who has been involved with the Credit Union since the 1970's, will be retiring from the Board of Directors soon; and he thanked Mr. Parker for his continuous service on the Board since 2006. Mr. Cook also recognized the employees of the Credit Union. He summarized significant activities and membership growth that occurred in 2014.

In closing, Mr. Cook encouraged members to tell their immediate family members about joining the credit union. 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.

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:

- Glenn Stickland
- Joseph Conklin

Mr. Cook recognized the contributions and experience of both candidates, and the many years of participation in leadership roles on the Credit Union's Board of Directors. 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 6:33 pm. The membership enjoyed drawings for prizes and dinner following the meeting.

Minutes Submitted By:

Glenn Strickland, Recording Officer

Work in healthcare? You can join!

FINANCIAL OFFICER'S REPORT

What a singularly successful financial year your credit union experienced! As of December 31, 2015:

- Total deposits increased 8.55% with \$50,440,278.63 deposited.
- We had remarkable loan growth at an astounding increase of 22.53% with \$34,030,237.99 loans outstanding. The loan-to-share ratio was 67.47% at year-end compared to 62.85% peer average ratio.
- Our delinquent loan ratio significantly decreased to 0.17%, far below peer average ratio of 1.07%.
- We saw extraordinary movement in member growth, from 2.29% in 2014 to 6.12%, for a total of 7,390 members.
- Your credit union is well-capitalized according to NCUA, with Net Worth/Total Assets of 9.92%, and earned \$337,874.10 in net income for the year.

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

2015 LOAN LOSS REVIEW:
 TOTAL LOSSES: \$120,427.40
 RECOVERED: \$52,221.39
 NET LOSSES: \$68,206.01

HISTORICAL COMPARISON

YEAR	LOANS	#APPROVED	# DENIED	%DENIED
2015	3453	2262	1188	34.40 %
2014	2814	1754	1123	39.90 %
2013	2647	1744	903	34.11 %
2012	2774	1827	947	34.14 %
2011	3174	2159	1015	31.98 %

Thank you for being a member/owner. We are here to serve all your financial needs, and I encourage you to continue using the credit union and invite your family members and your healthcare friends to join. 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, 2015

REVENUE	
Interest on Loans	\$1,730,620.81
Income on Investments	\$130,577.94
Total Interest Income	\$1,861,198.75
Dividend Expense	\$170,061.22
Provision for Loan/Share Loss	\$ (14,372.65)
Non-Interest Income	\$1,168,700.57
OPERATIONAL EXPENSE	
Compensation/Benefits	\$968,459.03
Travel/Conference	\$23,985.16
Association Dues	\$27,188.62
Office Occupancy	\$112,285.21
Office Operations	\$162,369.13
Marketing	\$35,456.50
Loan Servicing	\$225,296.13
Outside Services	\$857,907.65
NCUA Operating Fees	\$9,689.26
Cash Over Short	\$121.20
Annual Membership Meeting	\$3,981.94
Misc. Operating Expense	\$6,157.01
Total Operating Expense	\$2,432,896.84
Gain/Loss in Disposal of Assets	\$ (3,986.48)
Gain/Loss on Investment	\$ (99,453.33)
NET INCOME	\$337,874.10

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2015

ASSETS	
Total Loans	\$34,030,237.99
Allowance for Loan/Share Loss	\$(106,374.91)
Total Cash and Investments	\$23,593,198.36
Prepaid - Deferred Expense/Income	\$178,351.37
Land and Building Net	\$1,950,345.57
Furniture and Equipment Net	\$109,875.81
All Other Assets	\$601,017.47
Total Assets	\$60,356,651.66
LIABILITIES	
Other Liabilities	\$3,931,780.18
Share	\$50,440,278.63
Capital	\$5,984,592.85
Total Liabilities & Equity	\$60,356,651.66