



2023 Annual Report
Strength Through Service



Federally insured by **NCUA**.



Our Purpose

**Guided by our collaborative principles,
together we empower our employees,
members and community
to live their best lives.**

Board of Directors

Malinda Prudencio | Chair
Ted Willich | Vice Chair
William Permenter | Secretary
Bettie Adams | Treasurer
Bruce Doueck
Jim Farah
Chantelle Schart
Dr. Brenda R. Simmons-Hutchins
Elvia Williams

Audit Committee

Chantelle Schart | Chair
Jeff Gleason, CPA, CIA, CISA
Alan Lovett, CPA, CIA, CISA
Naomi Paulino, CPA
Sean Thibodaux, CPA

89th Annual Meeting Minutes | March 9, 2023 at 6 p.m

The business meeting was called to order at 6:00 p.m. by the Chair of the Board, Malinda Prudencio. There were approximately 118 members present, which met the required quorum. Chair Prudencio called upon Director Dr. Brenda Simmons-Hutchins to give the invocation and lead the flag salute. Chair Prudencio welcomed those in attendance and introduced the Board of Directors and Audit Committee and then introduced President John Hirabayashi, who recognized the Board, Audit Committee, Community Advisory Council, Senior Executive Staff and Staff.

Minutes of the 88th Annual Meeting were approved. Chair Prudencio gave the Chair of the Board Report. John Hirabayashi gave an update on the Credit Union's progress and future plans. Bettie Adams gave the Treasurer's Report and reviewed the Financial Reports as printed in the Annual Report. Chantelle Schart reported on behalf of the Audit Committee. The Chair of the Board Report, the Audit Committee Report and the Credit Union's Financial Reports, were posted online in the 89th Annual Report. Ted Willich, Nominating Committee Chair, announced the election results: William Permenter, Elvia Williams and Jim Farah ran unopposed for an additional 3-year term.

Jimmy Lovelace recognized the Manager of the Year Committee. Jimmy announced the 2022 Headquarters Supervisor of the Year, David McElroy, Member Experience Center Operations Supervisor. He also announced the 2022 Assistant Branch Manager of the Year, Bruno Sangster from the Beach Branch and the 2022 Branch Manager of the Year, Daniel Kineke, from the Beach Branch. Lori Smith announced the 2022 Headquarters Manager of the Year Award recipient, Kristine Collison, Records Manager. Chair Prudencio reviewed the Core Values Award created by the Board of Directors for Community First staff. The Core Values Award honors an employee who is a shining example of the Credit Union's Core Values. She recognized each of the nominees for the Core Values Award. The recipient of the thirteenth Core Values Award was Andrea Crutchfield. The business meeting was adjourned at 6:43 p.m.

Message from our Board of Directors Chair

On behalf of the Community First Credit Union Board of Directors and leadership team, I am honored to present our credit union's annual report for 2023, a year in which we served our members, our employees and our community with a shared commitment to our purpose.

Increasingly recognized as a source of strength and stability in the region, our credit union earned community and industry accolades in 2023 while once again achieving financial milestones. We were named Credit Union of the Year by the League of Southeastern Credit Unions, we were recognized as a Best Places to Work in the Jacksonville area, and we contributed to the life of our community through sponsorships, volunteerism and the Community First Cares Foundation.

As we enter our 90th year of service, we are recognizing not only by the rich history of our organization, but also our many accomplishments under the leadership of John Hirabayashi, who announced he will retire in 2024 after 28 years as our president and chief executive officer. We are tremendously grateful for his service and the nurturing guidance he provided to so many Community First employees. Our board is currently engaged in a national search for a new CEO who will continue the remarkable record of growth and service we achieved during John's tenure.

Thanks to John's inspired leadership and our members' trust in our reliable ability to meet their financial needs, we continue to live up to the promise of our name: Community First.

Malinda Prudencio
Chair of the Board

Malinda Prudencio





John Hirabayashi
CEO and President

John Hirabayashi



Community First Milestones Under John Hirabayashi

Converted to a
Community-Chartered Credit Union

Renamed
Community First Credit Union
from Educational Community Credit Union

Nearly Quadrupled Membership to
172,800

Grew Assets from \$200 Million to
\$2.72 Billion

Grew Branch Network from 7 to
21 and Counting

Adopted the Community First
Statement of Purpose

President's Report | Strength Through Service

Energized by our employees' genuine commitment to helping members live their best lives, Community First Credit Union achieved another strong year of growth and service in 2023. Throughout the year, our employees empowered our members and our community by providing exceptional financial services and a supportive presence in neighborhoods across our region.

It was a year of significant progress across all of our stakeholder groups, as we reached new highs in member satisfaction, expanded professional development opportunities for employees and engaged with the community through exciting new initiatives. We were especially proud of our employees' embrace of our Purpose Statement, highlighted by our inaugural Day of Purpose in which more than 400 Community First employees performed volunteer service at 22 local non-profit organizations.

Financial Stability

The solid foundation supporting all our accomplishments is the financial stability of our credit union, which continued its strong performance even as we felt the impacts of economic challenges experienced by many of our members. Our net worth ratio of 12.68% at the close of the year was among the highest in our peer group, and our record total assets of \$2.72 billion, along with an excellent return-on-assets ratio of 1.03%, further reflected our financial strength.

Rising rates and strong loan production also drove a new record in loan income for our credit union, as our loan portfolio grew 7% to \$1.93 billion. At the same time, we improved our operating expense-to-income ratio by keeping a tight rein on operating expenses.

The year was not without its challenges. Our members felt the effects of inflation, including soaring premiums for home and auto insurance. In addition, many members experienced job losses or reduced hours. These hardships contributed to member deposit withdrawals and a decrease in our credit union's net deposits of 0.88%, our first decline in over 10 years. Our members' financial challenges were further reflected in a rise in delinquent loans, requiring a \$14.8 million transfer to our loan-loss provision fund and contributing to a 19% decrease in our net income for the year.

Helping to ease some of our members' hardships, we were able to share the benefits of rising interest rates, more than tripling our interest payments to members, which reached \$26.5 million in 2023, an increase from the previous year's total of \$8.6 million.

Our Growing Presence

Another 2023 highlight was our continued growth to meet the needs of our members and provide financing for growing businesses. We opened a new Northpoint Village Branch, scheduled two branch openings for 2024 and acquired a location in St. Johns County for a new branch coming in 2025. These activities are part of our long-range plan to add 10 new branches and 17 new ATM locations in a four-county region by 2028. Our objectives are to better serve our existing members, to attract new members in high-growth areas, and to bring high-quality, convenient financial services to neighborhoods with underserved banking needs.

Our credit union's hard-working commercial team also contributed to the vitality of neighborhoods across our territory through lending to Northeast Florida businesses. We loaned more than \$55 million during the year for everything from major construction projects to company expansions to small business start-ups.

Our long-range growth plan calls for opening 10 new branches and 17 new ATM locations by 2028.



Performance Highlights

 **Total Assets**
up 7.1% to **\$2.72 Billion**

 **Loan Portfolio**
up 7% to **\$1.93 Billion**

 **Membership**
up 4,700 to **172,800**

 **Deposits**
down 1% to **\$2.23 Billion**

 **Net Income**
down 19% to **\$27.3 Million**

 **Interest Paid to Members**
up 3x to **\$26.5 Million**



Thank YOU

On a personal note, as I approach my retirement in 2024, I would like to extend my heartfelt gratitude to all Community First employees, members and volunteers ***for your support and trust over the past 28 years.***

Together, we've been on a rewarding journey of teambuilding and growth that our board is committed to continuing under our credit union's new leadership.

Our performance in 2023 was a fitting affirmation of the path we have taken to build a credit union that lives its purpose by combining an exceptional service culture with a strong commitment to financial stability.

Community First is truly making Northeast Florida ***a better place to live for everyone,*** and I thank you for affording me the privilege to be part of it.

Serving Members

From expanding our branch network to providing loans for members and businesses, Community First was active throughout 2023 in our efforts to strengthen neighborhoods and meet our members' financial needs.

Consumer Lending

We helped our members finance important life goals in 2023 by lending a record \$180 million through our branches, contact center and online platform. We extended more than 5,500 unsecured personal loans and more than 3,800 auto loans as our consumer loan total grew by 19%. We also issued more than 2,600 new credit cards to members.

Commercial Lending

Community First provided more than \$55 million in commercial loans in 2023, the second-highest total in our history. Ranging from \$1,000 to \$11 million, the 250 loans closed during the year provided financing for a range of business sectors that included transportation, hospitality, construction, mental health services, and pest control companies, as well as beauty salons, restaurants and nonprofits. We also partnered with the U.S. Small Business Administration to provide financing for multiple small businesses.

Branch Expansion

Our new Northpoint Village Branch became Community First's 20th location when it opened in October in North Jacksonville. We also broke ground for a new Boulevard Crossing Branch, which opened in February 2024, and purchased property to build new branches in Murabella and Beachwalk, both in St. Johns County, and to relocate our Baymeadow Branch to the new Southside Quarter development.



Credit Union of the Year

For the **second time in three years**, Community First was named Florida's Credit Union of the Year by the League of Southeastern Credit Unions in the large credit union category (more than \$500 million in assets).

Selection criteria included outstanding achievements in daily operations, financial stability and soundness, and community outreach.



Our focus

on creating an environment where everyone is respected, valued and empowered helped drive our **employee retention rate to 86.47% in 2023.**

Member Satisfaction

Community First is committed to continually improving our member experience using feedback received through ongoing member surveys. In 2023, our efforts resulted in rising member satisfaction scores that exceeded our goal for the year. Members responded positively to our branch and ATM network expansion, to our updated, easy-to-navigate website, and to improved processes for disputing charges on their debit and credit cards. Our improved employee retention enabled us to serve members with more skilled and knowledgeable staff, contributing to increased member satisfaction.

Serving Employees

Because delivering a consistently exceptional member experience is the responsibility of our employees, Community First is committed to providing our staff with the professional development and supportive work environment that reflects the importance of their role. Our focus on creating an environment where everyone is respected, valued and empowered helped drive our retention rate to 86.47% in 2023, up 10 percentage points from 2022.

Professional Development

Professional development and cultivating a culture of learning continued to be a priority throughout 2023. In addition to strengthening our employee training programs, we launched a succession planning program to identify high-potential leaders and began developing a structure to enable employees to create individual development plans with career path and progression options. We also held two workshops on inclusive leadership for all Community First leaders.

Diversity, Equity and Inclusion

Community First believes that a diverse, equitable and inclusive workplace provides all employees with an opportunity to contribute to the best of their abilities and grow professionally. In 2023, we hired our first DEI director to lead this work, and we began offering monthly DEI foundational training workshops to all employees in September 2023. By the end of the year, over 45% of our employees had attended a workshop. In addition, we added a DEI awareness module, presented by our DEI director and members of our DEI Council, to our new hire onboarding program.

Serving the Community

Having a positive impact in the community is an essential part of the Community First purpose. In addition to providing banking services at our expanding network of neighborhood branches, we advanced our community purpose in 2023 through our credit union's partnerships and participation in community events, contributions from the Community First Cares Foundation, and the volunteer efforts of our employees.

Events and Partnerships

11th Annual Community First Seawalk Music Festival — We again sponsored this much-loved festival celebrating Northeast Florida's rich and diverse resources with all-local artists, crafters, businesses, and food creators.

Colors of the Wild, a ZooLights Lantern Experience — Expanding on our support of the Jacksonville Zoo and Gardens' annual ZOOLights event, we sponsored the zoo's Colors of the Wild display of Asian lanterns, one of the largest exhibitions of its kind in the nation.

Community First Igloo and the Jacksonville Icemen — We celebrated the grand opening of the newly refurbished Community First Igloo ice rink and event facility in 2023 while continuing to support the Jacksonville Icemen minor league hockey team as a season presenting sponsor and supporter of the The Icemen Foundation's community enrichment activities.



BEST PLACES TO WORK

Community First was recognized in 2023 as one of the region's **Best Places to Work** by the Jacksonville Business Journal. This honor is especially significant because it is based on an employee survey conducted by a third party.

We received recognition in the category for the largest employers (more than 250 employees), **validating our commitment to respecting, valuing and empowering our employees to live their best lives.**



Day of Purpose

An exciting highlight of the year for Community First employees was our **credit union's first Day of Purpose in October.**

More than 400 employees on Columbus Day/Indigenous Peoples Day, when our branches are closed, gathered for a morning of team-building activities followed by community service opportunities in the afternoon. Teams of employees fanned out across the region to volunteer **at 22 nonprofit organizations in four counties.**

In addition to the rewards of volunteering, employees came away from the Day of Purpose with stronger connections among themselves as well as the communities and neighborhoods they serve. Additionally, our efforts were recognized as a prototype for successfully advancing organizational purpose at the Callahan & Associates Purpose Symposium - November 2023, a national credit union conference.

Florida Theatre — Since 2016, Community First has proudly served as a season sponsor for the Florida Theatre. Situated in downtown Jacksonville, Florida, this historic venue boasts 1,865 seats and opened its doors on April 8, 1927. Recognized for its significance, the theatre was listed on the National Register of Historic Places in 1983. In 2023, Pollstar, a prominent concert industry trade magazine, revealed that the Florida Theatre ranked 39th in global attendance within the auditorium and theatre category, and 50th in ticket sales.

Community First Thanksgiving Day Classic 40th Anniversary — Nearly 5,000 runners participated in our annual half-marathon and 5k on Thanksgiving morning in the Mandarin section of the city, with proceeds benefiting the Mandarin Food Bank.

Stuff the Bus with First Coast News — This annual school supply drive in partnership with First Coast News and the United Way of North East Florida supported 87 schools and more than 57,000 students.

Blue Zone Commitment — We advanced our partnership with the Blue Zone Project-Jacksonville in 2023 by incorporating financial health into this initiative designed to help people in our community live longer and better.

School of the Month — In partnership with Duval County and Clay County public schools, we recognized more than 30 schools across a variety of categories.

Community First Cares Foundation

In 2023, the Community First Cares Foundation provided grant support to a wide range of non-profit organizations.

- Stage Aurora - The Little Mermaid Jr.
- Jacksonville Public Library Foundation
- Jacksonville Public Education Fund (JPEF)
- Clay County Education Foundation
- INK! (Investing in kids)
- BASCA (Building Abilities of Special Children & Adults)
- Edward Waters University

Audit Committee Report

The responsibility of the Audit Committee is to help assure, for the benefit of the Credit Union and its members, the safety of deposits, the soundness of management, and fairness to all members.

Results of the audit indicate the consolidated financial statements present fairly, in all material respects, the financial position of Community First Credit Union of Florida and Subsidiary as of December 31, 2023 and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The Credit Union's Internal Audit Department operates under the direction of the Audit Committee. The Internal Audit Department monitors credit union operations through the development of a risk-based audit plan, scheduling and conducting a continuing program of reviews of credit union processes and procedures. The Audit Plan, approved by the Audit Committee, is updated during the year as processes, controls, and events change. The Internal Audit Department works with Management in a collaborative manner on each internal audit and communicates the results of each audit to the Audit Committee on a quarterly basis.

Community First Credit Union of Florida is also examined on a regular basis by the State of Florida's Office of Financial Regulation and the National Credit Union Administration (NCUA). The regulators completed their most recent examination in August 2023, noting the Credit Union is in sound financial condition and performing in a consistent manner providing for safe and sound operation.

Based on the results of the above-referenced activities and related reports, the Audit Committee believes all audits, verifications, examinations and compliance reviews present an accurate reflection of the financial results and status of the credit union as a well-managed financially sound financial institution. On behalf of the entire Committee, we appreciate the opportunity to serve you, the members, and look forward to a secure and successful 2024.

Chantelle Schart
Chair of the Audit Committee

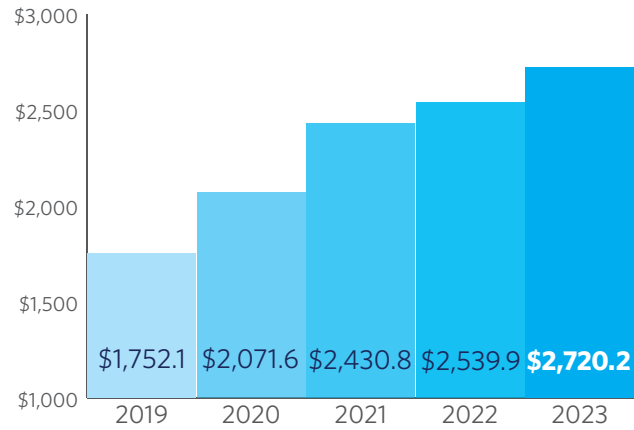
Eva Chantelle Schart



Financial Report

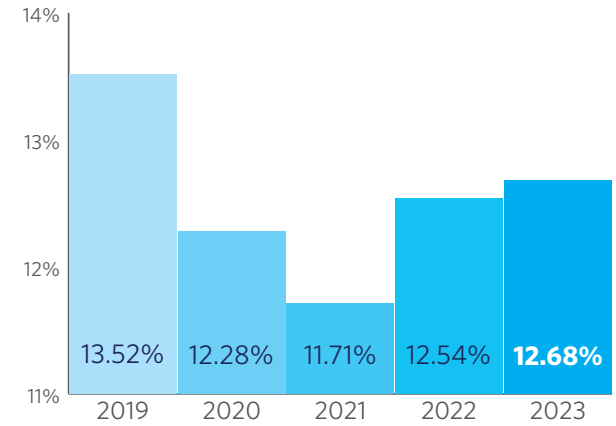
Total Assets

(measured in millions)

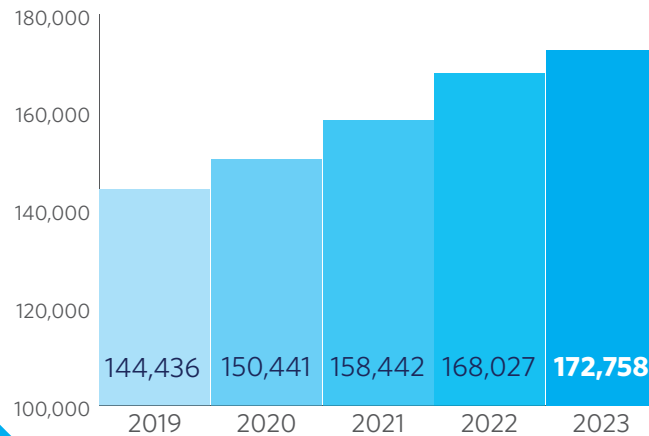


PCA Net Capital

(measured in percent)

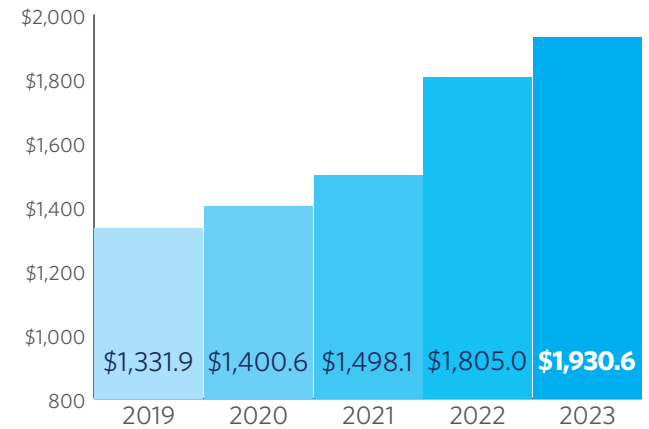


Total Members



Total Loans

(measured in millions)



Assets		Dec. 2023	Dec. 2022
Loans (Gross)		\$1,917,991,832	\$1,789,348,559
Unamortized Fees/Costs		\$12,625,639	\$15,648,196
Loans Loss Reserve		(\$28,027,141)	(\$24,335,348)
Loans (Net)		\$1,902,590,330	\$1,780,661,407
Cash		\$258,126,134	\$124,232,328
Investments	U.S. Government Obligations	\$399,305,740	\$499,191,751
	Corporate Federal CU (Capital Shares)	\$750,000	\$750,000
Other Investments		\$28,413,259	\$24,585,772
Total Investments		\$428,468,999	\$524,527,523
Building, Land and Equipment		\$59,925,655	\$47,073,156
Insurance Fund Deposit		\$21,169,024	\$21,182,755
Other Assets		\$49,895,998	\$42,179,404
Total Assets		\$2,720,176,140	\$2,539,856,573

Liabilities & Retained Earnings		Dec. 2023	Dec. 2022
Other Liabilities		\$188,779,695	\$29,524,351
Member Deposits	Certificates of Deposit	\$527,219,957	\$356,943,678
	Retirement Shares	\$39,812,084	\$46,517,230
	Share and Club Accounts	\$615,237,014	\$692,587,467
	Checking Accounts	\$519,616,274	\$532,503,202
	Money Market Accounts	\$523,355,609	\$616,353,342
Total Share & Deposits		\$2,225,240,938	\$2,244,904,919
Reserves		(\$38,672,120)	(\$53,029,427)
Undivided Earnings		\$344,827,627	\$318,456,730
Reserves & Retained Earnings		\$306,155,507	\$265,427,303
Total Liabilities & Equity		\$2,720,176,140	\$2,539,856,573

Income & Expenses		Dec. 2023	Dec. 2022
Interest Income and Expenses	Interest on Loans	\$95,218,492	\$72,449,641
	Interest on Investments	\$14,675,744	\$8,646,277
Total Interest Income		\$109,894,236	\$81,095,918
(Less)	Dividends and Interest Paid to Members	\$26,500,209	\$8,613,698
	Interest Paid on Borrowed Funds	\$3,611,754	\$0
	Provision for Losses	\$14,840,656	\$11,259,300
Net Interest Income	Net Interest Income after PLL	\$64,941,617	\$61,222,920
Other Income	Fee & Other Income	\$34,040,251	\$37,731,285
Operating Expenses	Compensation and Benefits	\$37,682,347	\$27,484,384
(Less)	Educational and Promotional	\$5,162,910	\$4,839,035
	Occupancy & Office Operations	\$11,203,084	\$10,207,113
	Other	\$20,516,921	\$18,845,010
Total Operating Expenses		\$74,565,262	\$61,375,542
Non-Operating (Income)/Expense	Non-Operating (Income)/Expense & Other Losses	(\$2,892,449)	\$3,725,323
Net Income		\$27,309,055	\$33,853,340

Thank you for your membership!