Please join us in congratulating Susan Verbeck for being honored as one of the Jacksonville Business Journal’s 2016 Women of Influence. Out of a field of over 100 nominations, Susan was chosen as one of an elite group of 25 women recognized this year for helping shape Jacksonville’s business community and our quality of life through their exemplary leadership in businesses, non-profits and the public sector. Congratulations, Susan, on this well-deserved recognition, and for setting an example for others to follow!

SUSAN VERBECk
CHIEF LENDING OFFICER
BOARD OF DIRECTORS

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Retired, Duval County Public Schools

DR. BRENDA R. SIMMONS-HUTCHINS
Retired, FSCJ Independent Educational Consultant

BETTIE ADAMS
Vice Chairman
Retired, Assistant Professor of Accounting & Finance, UNF

MARSHA COARSEY
Retired, Duval County Public Schools

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Communications Coordinator, JEA

BRUCE DOUECK
Retired, JEA Management Consultant

SCOTT BENNETT
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Associate Vice President, Administration & Finance, UNF

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Consultant

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Governance Advisor
Eubanks Risk Consulting,
LLC

CHANTELLE QUICK
CPA
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Controller,
Stein Mart

ALAN LOVETT
Vice President,
Internal Audit Services,
Advanced Disposal
On behalf of the volunteer board of Community First Credit Union, thank you for supporting locally-based financial services. We continue to grow because of your support of our vision and mission of putting our community first. I’m proud to help present our 2016 Annual Report.

The Board of Directors is charged with ensuring your credit union is operating safely and soundly while building a solid financial foundation. 2016 was a banner year in terms of building our financial strength.

Earnings were exceptionally strong this year at $15.8 million, helping to push our capital ratio to 13.17 percent, the highest in our history.

I’m proud to say Community First continues to be one of the strongest financial institutions in our city and state and we owe this to our employees and leadership.

Membership growth was also strong in 2016. We increased membership by a healthy 7% to 119,869 members. This growth is critical to fulfilling our strategy of being a leading provider of financial solutions to people and businesses in our market.

Community First Credit Union is regularly examined by state and federal regulatory agencies. We also employ a third-party independent audit firm to ensure compliance. We have included an audit summary in the annual report. I think you will find that our policies and procedures have resulted in an exceptionally well-managed, financially secure institution.

I’m also proud to report that 2016 was an exceptional year for our leadership and our staff. They continue to work hard every day to give you more ways to love where you bank.
On behalf of the entire staff at Community First Credit Union, thank you for your support and trust as we celebrate another year of growth and expansion. We work hard each day to serve the 120,000 members who depend on us to improve their financial lives. Last year was another record year for us and I’m proud to share our annual report with you.

In 2016, we continued to see the benefits of increased consumer and small business confidence. In fact, it was one of our strongest growth years since the economic downturn in 2008, and in our 82-year history.

Some of the 2016 highlights include:

- Funding of a record number of consumer loans totaling over $300 million and increasing our consumer loan portfolio 23% from $385 million to $474 million
- Growing the local economy by lending to small businesses, which increased our business lending portfolio by over 50% – a new record in volume
- Approving the largest small business loan in our history – $3.6 million – for a local physicians group to expand their practice on Jacksonville’s Northwest side
- Growing total member loans 16% to $954 million, setting a high water mark for loans outstanding

A key measure of member engagement is the volume of our members who actively bank with us. We measure this volume by the number of active checking accounts, which, in 2016, finished the year at a record high. Additionally, checking account balances grew to $247 million, an increase of 10% over the previous year. Members who participate actively in the credit union receive the most benefit from their membership, while also providing resources that are used to help meet all of our members’ growing needs.

Our Branch Transformation initiative continues to help us serve members across our community. We are proud to report that the refreshed Arlington Branch – our busiest location – opened last fall and features new design (interior and exterior) and new technology. This was our first freestanding location to receive a full makeover and we’re very proud of the end result. We have also begun retrofitting our Westside branch on 103rd Street in Orange Park, which we’ll unveil later this year. And we will soon begin construction of our freestanding Fleming Island branch, which will replace our smaller, shopping center location and better serve members in Clay County. Branch Transformation enables us to provide members a great in-branch experience while providing them with the tools and technology they need to access the credit union anytime, anywhere.

One of our Core Values, as our name implies, is putting our Northeast Florida community first. In 2016 we expanded our commitment to projects, initiatives and events that improve quality of life on the First Coast. We partnered with The Florida Theatre as the first-ever season-long sponsor and the theater’s largest sponsorship commitment to date. We also continued our support of beloved community events like the Community First Jacksonville Light Boat Parade in downtown Jacksonville, the Community First Seawalk Music Festival in Jacksonville Beach and the Sing Out Loud Festival in St. Augustine. And last but not least, our Community First Cares Foundation raised a record amount of funds in 2016, which enables it to continue supporting projects that meet our mission of improving health and wellness in our community. See page 9 for more details on our community engagement and partnerships.

Thank you for joining us for our 83rd Annual Meeting. We plan on giving you even more reasons to love where you bank in 2017.
Community First Credit Union of Florida is 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 July 2016, noting the Credit Union is in sound financial condition and performing in a consistent manner providing for safe and sound operation. Credit union regulators perform an examination of Community First’s operations on an annual basis. CliftonLarsonAllen, LLP, certified public accountants, performed an independent financial statement audit for the year ending December 31, 2016. The Credit Union received an unmodified opinion from this audit.

The Internal Audit Department conducts risk-based internal audits in accordance with the International Standards for the Professional Practice of Internal Auditing as issued by the Institute of Internal Auditors. 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 regular basis. The Audit Committee believes all audits, verifications, examinations and compliance reviews accurately reflect the status of the credit union as a well-managed and financially sound financial institution.
2016 HIGHLIGHTS

MEMBERSHIP
119,869 members ■ an increase of 7%

CHECKING ACCOUNTS
$247 million ■ an increase of 10%

SMALL BUSINESS LOANS
$22 million ■ an increase of 78%

THE CREDIT UNION’S TOTAL LOAN PORTFOLIO
$954 million ■ an increase of 16%

CONSUMER LOANS
$474 million ■ an increase of 23%
<table>
<thead>
<tr>
<th><strong>Assets</strong></th>
<th>Dec-16</th>
<th>Dec-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans (Gross)</td>
<td>$950,569,808</td>
<td>$817,638,124</td>
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<tr>
<td>Unamortized Fees/Costs</td>
<td>$3,598,755</td>
<td>$1,941,963</td>
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<tr>
<td>Loans Loss Reserve</td>
<td>($12,485,964)</td>
<td>($12,379,866)</td>
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<tr>
<td><strong>Loans (Net)</strong></td>
<td><strong>$941,682,599</strong></td>
<td><strong>$807,200,221</strong></td>
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<tr>
<td>Loans Held for Sale</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Cash</td>
<td>$76,518,142</td>
<td>$102,442,797</td>
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<tr>
<td>Investments</td>
<td></td>
<td></td>
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<tr>
<td>U.S. Government Obligations</td>
<td>$331,000,875</td>
<td>$347,578,220</td>
</tr>
<tr>
<td>Corporate Federal CU (Capital Shares)</td>
<td>$750,000</td>
<td>$750,000</td>
</tr>
<tr>
<td>Other Investments</td>
<td>$17,970,894</td>
<td>$17,053,218</td>
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<tr>
<td><strong>Total Investments</strong></td>
<td><strong>$331,721,769</strong></td>
<td><strong>$365,381,438</strong></td>
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<tr>
<td>Building, Land and Equipment</td>
<td>$31,155,408</td>
<td>$27,757,481</td>
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<tr>
<td>Insurance Fund Deposit</td>
<td>$11,378,965</td>
<td>$10,928,499</td>
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<tr>
<td>Other Assets</td>
<td>$9,520,942</td>
<td>$9,088,411</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$1,401,977,825</strong></td>
<td><strong>$1,322,798,847</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Liabilities &amp; Retained Earnings</strong></th>
<th>Dec-16</th>
<th>Dec-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Liabilities</td>
<td>$20,933,756</td>
<td>$19,690,128</td>
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<tr>
<td>Member Deposits</td>
<td>Certificates of Deposit</td>
<td>$215,541,516</td>
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<td>Retirement Shares</td>
<td>$62,129,225</td>
<td>$64,109,976</td>
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<tr>
<td>Share and Club Accounts</td>
<td>$306,415,863</td>
<td>$270,303,574</td>
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<tr>
<td>Checking Accounts</td>
<td>$247,511,814</td>
<td>$224,721,929</td>
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<tr>
<td>Money Market Accounts</td>
<td>$366,133,119</td>
<td>$363,291,634</td>
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<td><strong>Total Share &amp; Deposits</strong></td>
<td><strong>$1,197,731,537</strong></td>
<td><strong>$1,135,159,267</strong></td>
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<tr>
<td>Reserves</td>
<td>$7,144,099</td>
<td>$7,593,250</td>
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<tr>
<td>Undivided Earnings</td>
<td>$176,168,433</td>
<td>$160,356,202</td>
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<tr>
<td><strong>Reserves &amp; Retained Earnings</strong></td>
<td><strong>$183,312,532</strong></td>
<td><strong>$167,949,452</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Equity</strong></td>
<td><strong>$1,401,977,825</strong></td>
<td><strong>$1,322,798,847</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Income &amp; Expenses</strong></th>
<th>Dec-16</th>
<th>Dec-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income and Expenses</td>
<td>Interest on Loans</td>
<td>$39,218,191</td>
</tr>
<tr>
<td></td>
<td>Interest on Investments</td>
<td>$5,104,072</td>
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<tr>
<td><strong>Total Interest Income</strong></td>
<td><strong>$44,322,263</strong></td>
<td><strong>$42,412,623</strong></td>
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<tr>
<td>Dividends and Interest Paid to Members</td>
<td>$5,033,430</td>
<td>$5,179,677</td>
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<tr>
<td>Provision for Losses</td>
<td>$4,362,936</td>
<td>$2,808,072</td>
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<tr>
<td><strong>Net Interest Income</strong></td>
<td><strong>$34,925,897</strong></td>
<td><strong>$34,424,874</strong></td>
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<tr>
<td>Other Income</td>
<td>Fee &amp; Other Income</td>
<td>$23,695,585</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>Compensation and Benefits</td>
<td>$19,340,866</td>
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<tr>
<td></td>
<td>Educational and Promotional</td>
<td>$2,953,283</td>
</tr>
<tr>
<td></td>
<td>Occupancy &amp; Office Operations</td>
<td>$7,671,288</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>$13,275,260</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>$43,240,697</strong></td>
<td><strong>$40,395,958</strong></td>
</tr>
<tr>
<td>Non-Operating (Income)/Expense</td>
<td>Non-Operating (Income)/Expense</td>
<td>($431,446)</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td><strong>$15,812,231</strong></td>
<td><strong>$16,884,848</strong></td>
</tr>
</tbody>
</table>
Our Credit Union proudly supports the First Coast community through volunteerism, environmental sustainability and financial leadership. We believe our members and employees play a vital role in fostering the success and future of our institution. Our commitment to this belief is expressed in our core values: Collaboration, Commitment to Members, Community Focus, Continuous Improvement, Creating Trust and Creativity & Innovation.

COMMUNITY FIRST SEAWALK MUSIC FESTIVAL
The fourth annual Community First Seawalk Music Festival returned on February 27th and 28th at the Seawalk Pavilion. The free, two-day festival celebrated our rich and diverse local resources with all local artists, crew, volunteers and food vendors.

JACKSONVILLE ARMADA FC
Jacksonville Armada FC and Community First Credit Union continued their multi-year partnership in 2016. The soccer season at Community First Park ended in October. The Armada will play their 2017 season at Hodges Stadium on the campus of University of North Florida.

CLAY COUNTY FAIR
A genuine “Family A Fair”, Community First continued its support of this local treasure. In addition to financial support, Community First Clay County branches operated as ticket purchase sites, providing fairgoers ease and convenience of securing their advance tickets.
COMMUNITY FIRST GARDEN MONTH AT THE CUMMER
Community First Credit Union and The Cummer Museum of Art and Gardens proudly presented its annual celebration, Garden Month at The Cummer. The Cummer celebrated its historical gardens with events, programs, classes for adults and children, and docent-led tours throughout the month of March.

RAYMOND A. VINSON SCHOLARSHIP
In honor of the founder of Community First, the company annually awards five graduating seniors a four-time annual $1,000 Raymond A. Vinson Scholarship to attend a Florida college or university.

COMMUNITY FIRST NIGHT OWL CINEMA SERIES
Community First supported a free summer movie series held at the St. Augustine Amphitheatre in St. Johns County.

SING OUT LOUD FESTIVAL PRESENTED BY COMMUNITY FIRST
From August 25th through September 11th, St. Augustine hosted over 150 local and national musicians participating in the The Sing Out Loud Festival, presented by Community First Credit Union. The Sing Out Loud Festival featured 28 concerts at 10 different venues, showcasing over 150 musical acts. All events were free and open to the public, making the Sing Out Loud Festival the largest free music festival ever held in St. Johns County.

THE SALVATION ARMY OF NORTHEAST FLORIDA
Community First employees embraced the miracle of the holiday season by joining together to assist the Salvation Army of Northeast Florida during its Holiday Stocking campaign. Employees helped prepare over 320 stockings, which were distributed by the Salvation Army to children and families in need.
X102.9 & ST. JOHNS RIVER KEEPER
In 2016, Community First partnered with Cox Media to celebrate the most valuable natural resource – our water. This year-long series of events aimed at putting the community first by encouraging local citizens to help clean up the banks of Jacksonville’s riverbeds and waterways. Participants received free concert tickets and prizes in exchange for their time and dedication.

LIGHT UP AMELIA FOURTH OF JULY
Fourth of July fireworks are a tradition among many communities throughout the country. In 2016, Community First partnered with Light Up Amelia to help preserve this time honored tradition along the downtown waterfront in Nassau County’s historic Fernandina Beach.

JACKSONVILLE SUNS
Entering its first season under new ownership, guests at the Baseball Grounds of Jacksonville took notice of a FUNdamentally Different fan experience with the Jacksonville Suns. Our support included Community First Credit Union Two-For-Tuesdays: a 2-for-1 ticket offer at the box office for all attendees using their Community First Visa Credit or Debit card.

FIRST COAST WORKSITE WELLNESS COUNCIL
For the fifth consecutive year, Community First was honored by the First Coast Worksite Wellness Council and the Mayor’s Council on Fitness and Well-Being, as one of the healthiest companies in the region. The Credit Union was selected for the 2016 Healthiest Companies Award in the Gold Category for its demonstrated commitment to employee health and well-being through the implementation of comprehensive worksite health promotion strategies.

UNITED WAY OF NORTHEAST FLORIDA COMMUNITY FUND
Community First employees pledged more than $35,000 to its annual giving campaign.
ZOO LIGHTS

In December, Community First and the Jacksonville Zoo invited guests to celebrate the holiday season and create a family tradition, by admiring the sparkling lights and brilliant hues at the Jacksonville Zoo and Gardens Fifth Annual ZOOLights event. Thousands of LED lights transformed the Jacksonville Zoo and Gardens into a luminous winter wonderland filled with moving sculptures, forests of lighted trees and animal silhouettes. In addition to walking among the thousands of lights strung throughout the Zoo and listening to spirited holiday music, guests also enjoyed a unique view of ZOOLights by boarding the Zoo’s lighted train.

COMMUNITY FIRST JACKSONVILLE LIGHT BOAT PARADE

The holiday season wouldn’t be complete without the Community First Jacksonville Light Boat Parade. Each year, more than 200,000 people line the banks of the St. Johns River to celebrate the holiday season. Seafarers and landlubbers of all ages are sure to be dazzled by the area’s largest lighted boat parade. The night is capped off by a dazzling fireworks display featuring the famous sparkling waterfalls on the bridges of the St. Johns River.

THE COMMUNITY NUTCRACKER

In December, Community First continued to support a time honored holiday event, The Community Nutcracker. The Community Nutcracker was established in the summer of 1992 by a group of studio owners who had a passion for dance and philanthropy. Their vision was to create a highly-sophisticated production of The Nutcracker Ballet, where local talent is the performing company. The Community Nutcracker is the ONLY non-profit, volunteer-run organization that offers a portion of its proceeds to local charitable agencies with each performance. The Community Nutcracker has raised $500,000 in the past 25 years!