



COMMUNITY FIRST
CREDIT UNION
We'll Find A Way!

OWNERS' REPORT

2014

VOLUME NO. 40

EST. 1975

Celebrating 40 Years of Finding a Way!

People are at the heart of every story,

and the story of Community First is no different. Over the past 40 years, we have had the honor of hearing you call us “your credit union.” Nothing makes us more proud, and no truer words could be said. We belong to you.

It's that simple.

Because, as a community of member-owners, nothing stands between you and your credit union. You hear us say it all the time, “when you bank with Community First, you own Community First and the profits come back to you.” You're part of something that in its essence is simple, yet incredibly powerful – just look at the impact and resulting accomplishments of the credit union's ‘people helping people’ philosophy.

Your stories are our stories

As we enter our 40th year, we celebrate our history, and commitment to ‘finding a way’ for our member-owners every day. While your need for financial services may have been the way that we met, the relationships we've developed as you've visited the branches or called on the phone have brought your stories, and in turn, our story to life.

Together we have experienced economic booms and recessions, we've welcomed new members to our family and continue to treasure long-time members, we've shared your lives, and, through the cooperative, you have shared in one another's. Let's look back to our beginning, and celebrate the journey that has brought us to today, and will take us into the future - together.

From Humble Beginnings, A Place to Call Yours Begins

When Maury Dresang, our founder, organized a credit union for employees of the Outagamie County Highway Department in the 1950's, he had no inkling of what it would become many years later. What he did know was that a credit union offered people an alternative to traditional banking that made it possible for them to help themselves and one another as part of a cooperative.

Some had savings to put on deposit, others were in search of loans for appliances, homes and cars. The credit union provided a way for each member to get what they needed. Maury recalls days when he would call the nurses at the county hospital to collect deposits so a loan could be made to a fellow county highway department employee. That's the spirit of cooperation that is still very much alive today at Community First. We believe the beauty is in the individual and collective impact created by this simple idea.



Eventually, Maury would be recruited to manage the credit unions of 12 other area employers. His innovative spirit led to the creation of a credit union service center where the credit unions shared a building and staff - enabling them to continue to grow and provide members with better access and more services.

Later, the charter of a community-based credit union was followed by the orchestration of a historic merger among all 12 credit unions, laying the foundation for what would become Community First.

Under Maury's leadership until his retirement in 1993, the credit union moved forward; multiplying the power of people-helping-people while remaining true to the cooperative spirit.



Some things never change!



MEMBER-OWNED COOPERATIVE
where the profits are returned to members with better rates, free services and fewer fees.



GOVERNED by a volunteer Board of Directors that is elected by the membership.



Built on the credit union philosophy of **PEOPLE HELPING PEOPLE.**



COMMITTED to improving the lives of our members and the communities they call home.



Community First Founder Maury Dresang (right) is shown with other early board members (from left): Gar Vogt, Pat Hughes, Dwane Seidel, Bob Van Beek and Tony Choudoir.

FROM THE PRESIDENT

From my very first day in this job I've understood what a responsibility it is to be Community First's President/ CEO, but over the last twenty-one years I've come to cherish the unbelievable privilege it is to lead this amazing, not-for-profit financial cooperative. It's always been my belief that if we lived our name and maintained a single minded focus of serving our member-owners, we could make a profound positive difference by working together to benefit one another.

From our humble beginning in 1975 with 181 members and \$90 thousand dollars in assets, to today serving more than 115,974 member-owners with over \$2 billion dollars in assets, there is no denying what the power of 'people helping people' can accomplish.

Given our track record of achievement and the incredibly dynamic times we live in, I can honestly say I've never been more optimistic or enthusiastic about what lies ahead for Community First Credit Union.

We just delivered the best results in the history of this company, and for the sixth consecutive year were honored as one of the top ten credit unions in the nation for our financial performance. This speaks to our sustained success as well as our optimism and belief in CFCU's potential to keep growing and creating value for our members for the next 40+ years.

Over the years Community First has also been widely recognized as an admired and respected company within our industry and our communities, an achievement I'm especially proud of because it reflects more than just our strong performance. It speaks to our integrity and unwavering commitment to 'live our name' to act ethically and operate responsibly, putting the community of our members as well as the economic vitality and quality of life of the places they call home, ahead of pure profits. For us, doing good is essential to doing well. We know that being a good citizen is what you expect from us and, just as importantly, it's something we expect from ourselves.

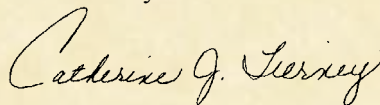
In the last several decades, technology has become a true game changer, enabling members to access and interact with the credit union from anywhere at any time. We are committed to keeping up with technology, and meeting the changing needs of our members. However, at the center of everything we do, this business is still about people – and we will continue to work diligently to protect the relationship and person-to-person interactions we have with each and every member.

Looking back over 40 years, with each milestone in our progress it becomes even more evident that this organization has exceeded our wildest expectations. It is the cooperative spirit - members working together for the benefit of one another and the collective whole that makes it so. Sharing their stories, members pave the way for each subsequent generation – that is what has enabled Community First to continue to grow and thrive.

Every day, I have the great honor of working with our dedicated volunteer board of directors who represent the membership, providing guidance and oversight, and with the 402 talented and caring team members (also member-owners) who constantly push the envelope of excellence to make Community First such a special place. We share a passion for this extraordinary company, as well as a belief in our mission to serve and an unbridled excitement for the future ahead of us. They deserve the highest praise, and my sincere gratitude.

On behalf of everyone at Community First Credit Union, I thank you for your support and assure you that we will continue to challenge ourselves to set the standard for excellence in serving your financial needs, to make a positive impact as a corporate citizen, and to earn your trust and respect every day not only for what we achieve, but for how we do it.

We'll Find A Way!



Catherine J. Tierney
President/CEO

FROM THE CHAIRMAN

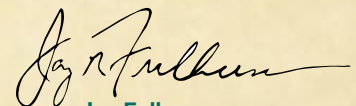
As Chairman of the Board, I am pleased to report that 2014 was another banner year for Community First. We welcomed 8,077 new member- owners and assets grew \$60.9 million to \$2,075 billion dollars. Loan outstandings grew \$192.9 million, a 12.87% increase over 2013. We were able to increase our capital position to 12.48% with record net earnings of more than \$33.8 million, and posted a return on assets of 1.65%, significantly above industry standards.

Other 2014 highlights:

- Granted waiver by the Department of Financial Institutions - WI Office of Credit Unions to increase the Member Business Lending Cap from 12.25% to 18% of assets, enabling us to better serve our members' business loan needs.
- Continued our successful Mission to Save journey on our way to helping members save more than \$200 million dollars in loan interest.
- Welcomed the 3,000+ members of Oshkosh Central Credit Union through a merger September 2, 2014.
- Opened our newest Green Bay branch in Bellevue October 1, 2014.
- Converted our Member Investment Services to a new broker dealer and adopted a new name: Community First Investment Advisors.
- Provided more than \$700,000, and 16,300+ volunteer hours to support non-profit organizations within our communities.

Looking ahead to 2015 we are excited to announce a new branch office in Kimberly scheduled to open in April. Additional planning is being done for branches on Lake Park Rd. and downtown Menasha. The board continues to work with management to select a site for a new headquarters facility, as we have outgrown our current space on Oneida St.

Community First is not just a financial institution and you're not just someone who banks here. The connection between us is much more than just money. On behalf of the board of directors I want to express our thanks for your confidence in us and your support of Community First. The future is bright – here's to the next 40 years!



Jay Fulkerson
Board Chairman

2014 VOLUNTEER BOARD OF DIRECTORS

Our volunteer Board of Directors are elected by fellow members of the credit union.

As the chosen representatives of the membership, the board provides guidance in the organization's mission, establishes governance policies and monitors the performance of Community First CU on behalf of all members.



Jay Fulkerson
Chairman
President and CEO
Health Payment
Systems, Inc.



Terri Towle, CPA
Vice-Chairman
VP-Finance
Community Foundation
Fox Valley Region



Dan Ferris
Secretary
VP & General Council
SECURA Insurance
Company



Catherine Tierney, CCUE
Treasurer
President/CEO
Community First
Credit Union



David Peperkorn
Retired, Human
Resource Manager
Presto Products



William Peters, CPA
Director
Coast to Coast
Contractors, Inc.



Dr. Susan May
President
Fox Valley
Technical College



Dean Hawkinson
Licensed
Architect



Mary Hultgren
Retired
Appleton Area
School District

2014 FINANCIALS

Over the past 40 years, Community First has grown from a humble start to the largest locally-owned financial cooperative in Northeastern Wisconsin, the third largest credit union in the state and one of the top 100 credit unions in the nation.

Our consistent growth and strong financial performance is reflected in the results shown here and ensures that Community First is positioned to serve our member/owners for many years to come.



MEMBERS

115,974

2014

67,484

2005

46,524

1995

22,150

1985

181

1975

ASSETS

\$2.075 Billion

\$768.8 Million

\$176.9 Million

\$57.1 Million

\$90 Thousand

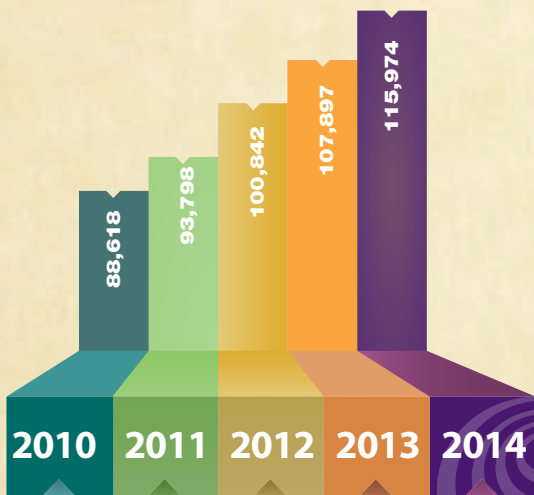
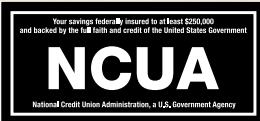
2014 STATEMENT OF CONDITION

Assets	2014	2013
Cash	21,773,345	19,892,799
Personal Loans	259,143,802	240,253,553
Real Estate Loans	1,062,761,872	932,515,968
Commercial Loans	271,117,797	233,510,138
Student Loans	41,153,266	41,378,862
Credit Card Loans	63,844,333	57,758,334
Allowance for Loan Losses	(5,552,673)	(5,876,470)
Investments	317,790,526	456,451,480
Building/Land/Autos	22,724,366	20,346,835
Furniture and Other Equipment	2,475,218	2,714,540
Other Assets	17,706,780	15,096,064
TOTAL ASSETS	2,074,938,632	2,014,042,103
Liabilities/Reserves		
Regular Savings	376,932,857	322,613,685
Christmas Clubs	1,169,657	1,063,758
Money Market Savings	522,327,344	482,159,698
Certificates of Deposit	482,569,669	512,192,132
IRA Accounts	151,471,887	153,928,884
Checking Accounts	269,333,537	236,427,305
Other Liabilities	22,446,871	90,879,946
TOTAL LIABILITIES	1,826,251,822	1,799,265,408
Regular Reserves	16,105,431	16,105,431
Other Reserves	232,581,379	198,671,264
Total Reserves	248,686,810	214,776,695
TOTAL LIABILITIES & RESERVES	2,074,938,632	2,014,042,103

2014 STATEMENT OF INCOME

Income	2014	2013
Interest on Loans	63,458,810	58,068,561
Investments	1,333,946	1,239,572
Other Income	20,520,694	21,102,239
GROSS INCOME	85,313,450	80,410,372
Expense		
Salaries & Benefits	21,726,997	20,915,943
Insurance	293,559	295,824
NCUSIF	0	1,226,958
Education & Promotion	3,836,441	3,684,499
Building/Land/Equipment	2,050,490	1,918,814
Office Operations	8,300,539	7,448,958
Depreciation	1,738,264	1,923,268
Other Expenses	1,580,307	1,238,206
Provision for Loan Loss	1,582,211	1,829,863
TOTAL EXPENSES	41,108,808	40,482,333
Operating Income	44,204,642	39,928,039
Dividends Paid to Members	10,373,555	10,556,460
NET INCOME	33,831,087	29,371,579

In 2014, the Audit Committee authorized the accounting firm of CliftonLarsonAllen, LLP to conduct the annual audit and verification of member accounts.



5-YEAR MEMBER GROWTH



5-YEAR ASSET GROWTH



5-YEAR RESERVE GROWTH

Award Winning Performances

From local recognition like the Best of the Valley to industry awards, Community First is proud to be recognized for both our commitments to service and financial strength.

Crystal Performance Award

For six consecutive years, Community First has been recognized for its financial performance by Raddon Financial Group, a research and strategic consulting group serving the financial industry.

Raddon’s Crystal Performance Award is given annually to the top 10 U.S. credit unions based on a balanced scorecard measurement of growth, income, efficiency and margin management. Over 500 credit unions were evaluated.

“Community First’s outstanding performance is possible because of their singular focus on the member coupled with their financial strength,” said Bill Handel, Vice President Research, Raddon Financial Group.



MILESTONES ON OUR JOURNEY

This is the story of a simple idea that is constant throughout our 40 years: that by pooling their money together, people could both help themselves and one another.

1975 Appleton Community Credit Union is chartered and ended its first year with 181 members and assets of just over \$90,000. Members are served through the Appleton Credit Union Service Center.

1997 Introduced Debit Cards.



1978 Wisconsin's First Credit Union Merger. Members of 12 service center credit unions voted to merge into the Appleton Community Credit Union resulting in a combined membership of 7,595 members and \$7.6 million in assets.

1998 Launched retirement and investment services to help members plan and prepare for their futures.



1983 Adopted a new name and a new look for the future.



1999 Introduced our website at communityfirstcu.org along with Online Banking providing 24/7 access to account information. More than 4,000 members signed up in the first three months!

1986 Opened the Community First Insurance Center.



2001 Opened our first student-run, high school branch bringing hands-on, real-life financial and work experiences to students in the Appleton Area School District.

1985 First financial in the market to provide Saturday hours.

2003 Reached \$500 Million in assets on Valentine's Day. Members have access to 13 traditional locations.

1991 Community First Fox Cities Marathon is founded. In 2015, the marathon will celebrate its 25th year. More than \$600,000 has been donated to local non-profits from race proceeds over the past 10 years.

2007 Awarded Small Business Administration Preferred Lender Designation, the first credit union in the state to receive the honor.

1991 Began providing financial services and an onsite branch to veterans residing at the Wisconsin Veteran's Home in King, WI through a contract with the state.

2008 Assets surpass \$1 Billion and membership grows to more than 80,800 members.

1995 Opened a new corporate headquarters on Oneida Street in Appleton.



2013 Introduced our Mobile App for Apple and Android phones. Exceeded \$2 Billion in assets and 107,000 members.



FULL SERVICE BRANCHES

APPLETON

2626 S. Oneida St. (est. 1984 & 1995)
509 N. Richmond St. (est. 1970)
2701 N. Ballard Rd. (est. 1987)
455 S. Nicolet Rd. (est. 1988)
1235 W. Spencer St. (est. 2008)

GREENVILLE

N1230 Cty. Rd. CB (est. 2003)

DARBOY

W6089 Cty. Rd. KK (est. 2003)

FOX VALLEY

TECH. COLLEGE (est. 2006)
Appleton Campus, Ent. 10

NEENAH

125 E. Forest Ave. (est. 1989)
2300 Industrial Dr. (est. 1990)
1193 W. Winneconne Ave. (est. 2012)

DE PERE

1700 Lawrence Dr. (est. 2009)

HOWARD

2949 Riverview Dr. (est. 2012)

BELLEVUE

3282 Eaton Rd. (est. 2014)

OSHKOSH

2424 Westowne Ave. (est. 2001)
1492 W. South Park Ave. (est. 2009)

MANITOWOC

1100 S. 30th St. (est. 2004)

TWO RIVERS

1819 Washington St. (est. 2013)

WAUPACA

1006 Royalton St. (est. 1988)

NEW LONDON

603 W. Wolf River Ave. (est. 2004)

NICHOLS

W5644 Cty. Rd. F (est. 2006)

NON-TRADITIONAL BRANCHES

Appleton West High School

610 N. Badger Ave. (est. 2001)

Appleton North High School

5000 N. Ballard Rd. (est. 2002)

Appleton East High School

2121 E. Emmers Dr. (est. 2004)

Jefferson Elementary

1000 S. Mason St. (est. 2009)

Roosevelt Middle School / Kaleidoscope Academy

318 E. Brewster St. (est. 2012)

Appleton Retirement Community

200 W. Packard St., Appleton (est. 2012)

Touchmark

2601 Touchmark Dr., Appleton (est. 2001)

Wisconsin Veterans Home

N2665 Cty. Rd. QQ, King (est. 1991)



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