

We'll Find A Way!

T **O** **g** **e** **t** **t** **e** **r**

2019 OWNERS REPORT



COMMUNITY FIRST
CREDIT UNION

We'll Find A Way!

Together

we are a community.



Our Mission

We provide financial, insurance, investment services and education for our members and for the community.



Our Vision

To consistently demonstrate to our members and potential members, that Community First is the best place for the majority of their financial business – and a place where everybody counts, everybody cares and everybody delivers – every day!

Meet Your 2019

BOARD OF DIRECTORS

Our volunteer Board of Directors is elected by members of the credit union to provide guidance in the organization's mission, establish governance policies and monitor the performance of Community First on behalf of all members.



DAN FERRIS
BOARD CHAIR
Vice President/General
Counsel/Corporate
Secretary, SECURA
Insurance



KATHRYN SIEMAN
VICE CHAIR
Director,
CPA/Financial
Consultant



CATHIE TIERNEY
TREASURER
President/CEO,
Community First
Credit Union



DAVE PEPERKORN
SECRETARY
Retired, Human Resource
Manager,
Presto Products



JAY FULKERSON
Retired, President/
CEO, Health Payment
Systems, Inc.



DEAN HAWKINSON
Licensed
Architect



MONICA HILT
President, Ascension
St. Elizabeth, Ascension
Mercy & Ascension
Calumet Hospitals



DR. SUSAN MAY
President,
Fox Valley
Technical College



SARA MICHELETTI
Attorney/Shareholder,
Sitzmann
Law Firm

45 years of finding a way Together.

It was a simple idea. People joining together to improve their financial well-being and to help one another. Over the past four decades, Community First Credit Union has become a strong and meaningful resource for our members, their families and our communities.

Your savings have allowed the credit union to help members realize their dreams. Just think of the members you've helped to purchase the car they needed to get to work each day. The families you've helped to build a new home, or the students you've helped to obtain a college degree. And don't forget those who needed a short-term loan to get them through some rough times.

Community First is a family of people helping people, working together to find a way for one another. As a not-for-profit, owned by our members, every dollar we make is put back into the cooperative and the communities our members call home. With member support, we continued to experience tremendous growth in 2019. Assets increased by \$295 million to \$3.4 billion (9.5%). Member deposits grew (11.8%), to \$2.9 billion while the credit union granted more than \$1 billion in new loans for the year. Loan outstandings increased by \$114 million to \$2.6 billion (4.5%) and we welcomed 3,482 new member-owners to the CFCU family.

This growth reflects our commitment to member service as well as our continuing efforts to offer rates and fees that are among the most attractive in our market. The credit union earned \$142.2 million in gross income for 2019. Interest earned

on loans to members is our largest source of income. We use gross income to pay dividends on member deposit accounts and for operating expenses. One of the hallmarks of our success is that our operating expenses are much lower than what is typical for a credit union our size. That efficiency allows us to return more to members while also building our reserves to provide additional financial stability and fund future growth.

For the eleventh consecutive year we have received the Crystal Performance Award, as one of the top 10 credit unions in the nation for our financial performance. We also received national recognition from Forbes as a "Best in State Credit Union" and made Standard & Poor's "Top 50 Credit Union" listing. Community First is the third largest credit union in Wisconsin and ranks No. 70 in the nation. Empowering financial well-being is what we do. It's important that we practice what we preach.

Our community involvement comes from a strong belief that as a business we don't just provide jobs and income.

We want to be active participants, joining together with our members and others in the community to make a real difference in peoples' lives. In 2019, Community First contributed \$1.7 million, to assist programs supporting arts and culture, education, housing, mental health, wellness and economic development. More than 75% of our team personally donated their time, talent, and resources through 17,600 volunteer hours to 463 non-profits and community organizations. We are especially proud of two new regional projects: *The Community First Career Exploration & Financial Literacy Center* in partnership with Junior Achievement and Fox Valley Technical College, and the *Community First Champion Center*. When we support local organizations through philanthropy and volunteerism, our communities thrive and we create places where everyone can achieve their dreams.

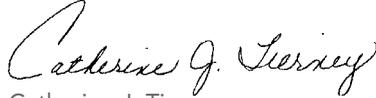
Our single greatest asset remains today – as it was 45 years ago – our member-owners.

In April 2019, we completed the conversion to a new 'core' data processing system. This was the culmination of a three-year technology transformation to enhance our member experience. It was challenging but rewarding and we are now well positioned to provide the services and access members want and expect for the future. We are very grateful for the patience, kindness and support of members during the transition and as we continue to learn. Members were excited about our newest branch on the corner of Lake Park Road and Hwy 114 in Menasha which opened in March 2019.

As we begin our 46th year, your Board and Leadership team are committed to the continued success of your credit union and service to members. Our areas of strategic focus include enhancing: Member Experience, Employee Experience and Financial Strength. In June of 2020 we will launch a new mobile responsive website providing members better access and additional options. With our new systems we have the opportunity to develop additional products and services for both our personal and business members. We are actively engaged in culture and leadership development as we strive to be an employer of choice. It's important that we retain and attract great employees. It is because of these exceptional and motivated employees and our dedicated and engaged volunteer board that Community First continues to provide superior service, uphold its national reputation for excellence, and help members achieve their dreams.

Thank you for being the heart and soul of Community First. It is because of you that we have a remarkable history and a bright future. Together, we will continue to demonstrate MERAKI, serving you with heart, soul and love, and to uphold our promise of 'we'll find a way'.


Daniel Ferris
Board Chairman


Catherine J. Tierney
President & CEO

Together

we are financially strong.

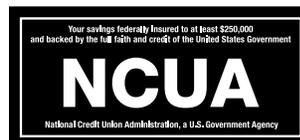
Statement of Condition

Assets	2019	2018
Cash	\$ 50,435,030	31,035,597
Personal Loans	412,908,175	398,639,366
Real Estate Loans	1,490,551,547	1,475,594,234
Commercial Loans	592,773,205	511,457,917
Student Loans	29,167,124	31,943,066
Credit Card Loans	91,830,514	86,019,308
Allowance for Loan Losses	(4,042,072)	(4,461,729)
Investments	624,341,646	474,173,540
Building/Land/Autos	61,832,682	64,359,475
Furniture & Equipment	12,467,987	9,965,135
Other Assets	50,464,374	38,705,339
Total Assets	\$ 3,412,730,212	3,117,431,248
Liabilities/Reserves		
Regular Savings	\$ 633,264,770	575,072,655
Christmas Clubs	1,137,824	1,194,802
Money Market Savings	605,174,847	593,851,898
Certificates of Deposit	1,050,185,143	875,629,690
IRA Accounts	205,933,371	179,996,751
Checking Accounts	447,835,400	406,539,022
Other Liabilities	30,769,854	80,300,988
Total Liabilities	\$ 2,974,301,209	2,712,585,806
Regular Reserves	\$ 16,105,431	16,105,431
Other Reserves	422,323,572	388,740,011
Total Reserves	438,429,003	404,845,442
Total Liabilities & Reserves	\$ 3,412,730,212	3,117,431,248

Statement of Income

Income	2019	2018
Interest on Loans	\$ 100,689,724	90,193,064
Investments	11,533,211	6,576,689
Other Income	29,927,666	29,410,361
Gross Income	\$ 142,150,601	126,180,114
Expense		
Salaries & Benefits	\$ 33,532,879	31,598,642
Insurance	241,232	332,530
Education & Promotion	5,219,360	5,241,822
Building/Land/Equipment	2,979,808	2,970,128
Office Operation	14,252,326	13,111,009
Depreciation	4,968,030	4,344,056
Other Expenses	2,362,816	2,095,189
Provisions for Loan Losses	1,809,254	1,973,515
Total Expenses	\$ 65,365,705	61,666,891
Operating Income	\$ 76,784,896	64,513,223
Dividends Paid to Members	37,962,947	23,434,352
Net Income	\$ 38,821,949	41,078,871

In 2019, the Audit Committee authorized the accounting firm of CliftonLarsonAllen, LLP to conduct the annual audit and verification of member accounts.



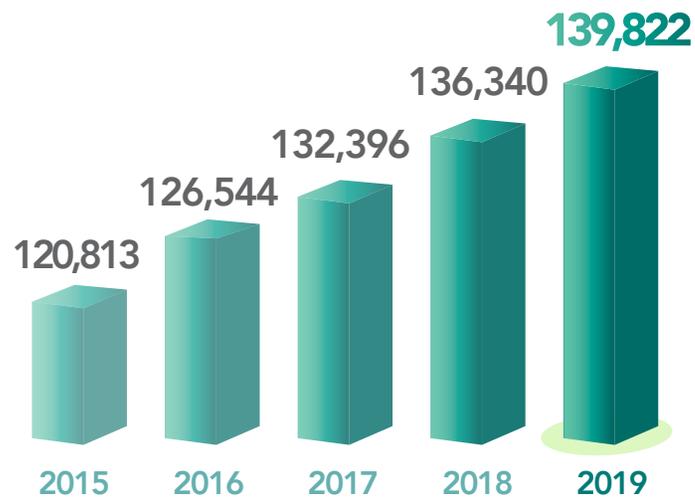
We are proud to have received the **Raddon Crystal Performance Award for the 11th consecutive year.**

The award recognizes Community First CU's financial performance as among the Top 10 Credit Unions in the United States.

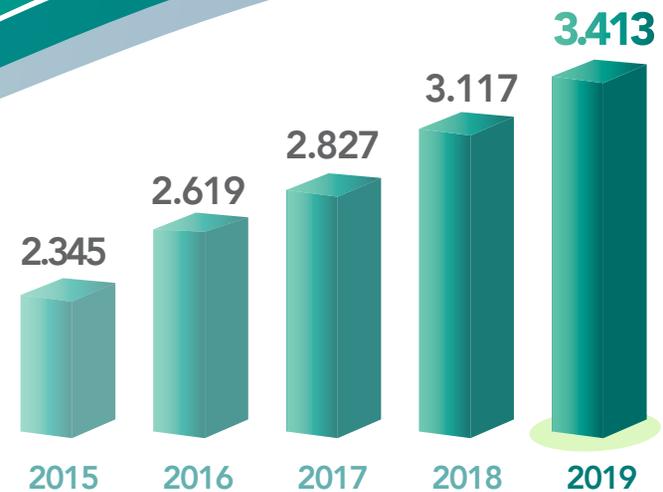


Together *we're growing.*

Our growth has never been for growth's sake. We monitor it to ensure that we are constantly moving in the right direction for you, growing our membership, building reserves to be able to weather the unexpected and ensuring we are thriving for your benefit.

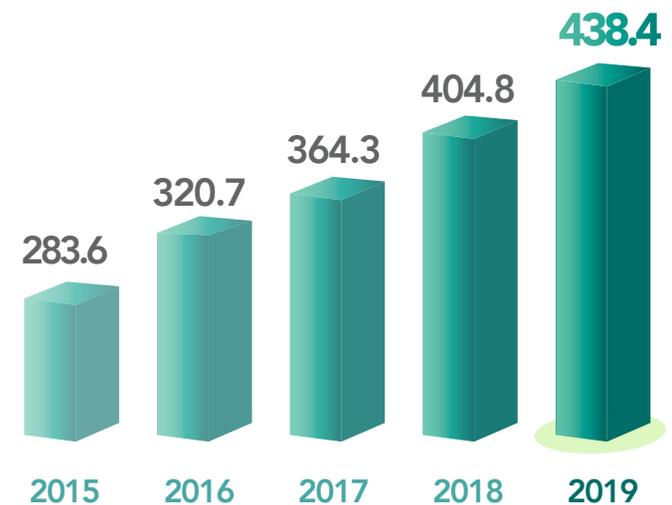


Member Growth



Asset Growth

in billions



Reserve Growth

in millions

Together

we remember our founder.

A life's work begins with a single moment.

An idea, five guys, the trunk of a car. Humble beginnings. What Maury began has grown beyond his wildest dreams. But this isn't a story of accounts, or balance sheets. It's a story of making a difference. Grounded in humble beginnings and a strong sense of purpose; fostered by a man who we celebrate.

In Maury's words: "You start from scratch, you encourage somebody to make deposits. And after you've got enough money you can maybe then make a loan to somebody. The money comes from the membership to help other members that need the help. It's people helping people. And it's...to me it's that simple."

It's that simple.

In 1953, with several county coworkers, he organized a credit union to serve county employees. He served as volunteer manager/treasurer, a role he held for over two decades in addition to his full-time jobs.

This role was the precursor to his last and most impactful career in credit unions. While continuing to run the Outagamie County Employees Credit Union, in 1966 Maury was asked to manage the Zwickerknit Credit Union.

Three years later, the Appleton Postal CU came to him and asked for help. That's when an idea began to form. He proposed that the three credit unions combine their resources to hire him full time along with one part time employee to be able to provide full time service to their respective members.

On July 1, 1970, the Appleton Credit Union Service Center opened for business in the Blair building on Wisconsin Ave. It was a novel idea and the first of its kind in the nation. By the end of 1974, the center was serving nine individual company credit unions.

In 1975 Maury decided that the center should have a credit union that would be open to members of the community, and chartered the Appleton Community CU.

By 1977 the center had grown to serve 13 credit unions. After petitioning the State Legislature to change the law to allow mergers, he engineered the largest merger of credit unions in the country and combined the 13 individual credit unions into one. Total assets were just over \$7 million with 7,000 members and the name was changed to Appleton Area Credit Union, known today as Community First Credit Union.

In Maury's words, "*It's that simple.*" Simple because, for Maury, it always came back to one thing. The member. Their dreams, their challenges, their goals, their life.



In Memoriam

Maurice Monroe Dresang

Founder, Community First Credit Union

1928 – 2019

We treasure the beginnings Maury gave to us and possibilities he has given to our members. More than that, we are grateful for him as a young entrepreneurial spirit with a passion to serve and the guts to transform lives.

Today, we continue to fulfill Maury's vision, everyday and with every member. In 26 locations from a home office on a street that bears his name – we are reminded daily of the man who gave us our start. Whose examples of integrity, leadership, service and caring will continue to guide us gently but firmly in our quest to fulfill his promise of people-helping-people one member, one story, one need, one challenge, one solution at a time.



Lake Park Branch Opened March 2019

Located on the eastern gateway to Menasha at the intersection of Lake Park Road and HWY 114, our Lake Park location is well positioned to serve members living in surrounding growing neighborhoods as well as commuters traveling to and from the eastern side of Lake Winnebago.



670 Lake Park Road, Menasha, Wisconsin

Together *we serve you.*

Appleton

2626 S. Oneida St.
509 N. Richmond St.
2701 N. Ballard Rd.
455 S. Nicolet Rd.
1235 W. Spencer St.
Fox Valley Technical
College Entrance 10

Greenville

N1230 Cty. Rd. CB

Neenah

125 E. Forest Ave.
2300 Industrial Dr.
1193 W. Winneconne Ave
1575 Dresang Way

Menasha

201 Main St.
New in 2019:
670 Lake Park Rd.

Darboy

W6089 Cty. Rd. KK

Bellevue

3282 Eaton Rd.

De Pere

1700 Lawrence Dr.

Howard

2949 Riverview Dr.

Kimberly

600 W. Kimberly Ave.

Oshkosh

2424 Westowne Ave.
1492 W. South Park Ave.
New in 2020: 2772 Oregon St.

Manitowoc

1100 S. 30th St.

Two Rivers

1819 Washington St.

Waupaca

1006 Royalton St.

New London

603 W. Wolf River Ave.

Nichols

W5644 Cty. Rd. F

Non-Traditional Branches

- Badger Elementary School
- Appleton Retirement Community
- Heritage/Peabody Manor
- Touchmark Retirement Community
- Wisconsin Veterans Home at King



Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through CFS: are not NCUA/NCUSIF or otherwise federally insured, are not a deposit or guarantee of the credit union, and may involve investment risk including possible loss of principal. Investment Representatives are registered through CFS. Community First Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union members.



Together
we'll find a way!

Proudly member-owned since **1975**



COMMUNITY FIRST
CREDIT UNION

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