



meraki

*serving our members with
heart, soul and love.*



44th Annual Owners' Report – 2018

What is *meraki*

The definition is difficult to put to words, but you know when it's there. It isn't something you touch, but it touches you. It can't be measured, but its impact is immeasurable.



Ben



Tara



Jaron

Meraki comes from within. It's a personal expression of love, creativity and soul that comes through when you care about doing something so much, you leave a piece of yourself behind in the process. Imagine a meal prepared with love. A performance that warms your soul. A smile that puts you at ease. Personal service with heart. Meraki is present in these moments.

"I bank here because of the people; they are always looking out for me." Ben Wickersheim, Fremont

Meraki expresses how each of us at Community First Credit Union chooses to serve our members, our communities, our partners and each other every day.

You are our inspiration for Meraki. Member-owners joining together across Northeast Wisconsin to build something more than just a place to bank. Something that connects us to one another. Something that strengthens us all.

"I feel a genuine welcome the minute I get through the door. They put their heart and soul into it."
Tara O'Brien, Neenah

Your deposits, your loans and your efforts to build a better financial future help the greater good of the community while enriching the lives of others. Your tales of triumph fuel our dedication to service with heart, inspiring us to "find a way" every time, every day. Without you, there is no Meraki. You make us who we are.

"At Community First, I feel part of the family. It's a community who cares and wants you to be the best you can possibly be."
Jaron Lewis, DePere

**Thank you for being a member-owner of
Community First Credit Union!**

Message from the *Chairman and President*

What's in a word?

Early last year our team came together and instead of setting New Year's resolutions, decided to choose a word as our guiding light for 2018. A simple but powerful idea that gives us clarity and focus as we strive to make a difference for our member-owners and the communities they call home. It has been and continues to be a strong reminder of our commitment to the credit union philosophy of people helping people, and the importance of having meaningful relationships to enhance our lives.

You have made Community First Credit Union your financial partner. Thank you for recognizing the benefits of owning a mission-driven, not-for-profit financial cooperative. By banking with us, your money stays right here, strengthening and adding to the economic vitality of this region. We are grateful to be a part of your life and financial journey, helping to achieve your dreams and goals and to make a positive difference for you and your family. **That's Meraki!**

A year of transitions

In 2018, our assets increased 10.25% to just over \$3.1 billion dollars. Membership grew by 3%, loans increased 8.5% and deposits grew by 8.5%. Our expense ratio remains one of the lowest in the industry, even with the addition of our new home office.

We ended the year with net income of over \$41 million and increased our net worth by 11% to 13.29%. Happily, dividends paid to members climbed by more than \$6.4 million or 37.4% in 2018. We now proudly serve 136,340 members from 25 full-service and nine non-traditional locations. Community First is the third largest credit union in Wisconsin and ranks #72 in the country. For the 10th consecutive year, we earned the Raddon Crystal Performance Award as one of the top 10 credit unions in the nation for our financial performance/strength, and received accolades as America's Best in State Credit Unions 2018 by Forbes and Standard & Poor's – SNL Financial Top 50 credit unions

"Together with our members, we were proud to contribute almost \$1 million in support to numerous non-profits and projects improving the quality of life in the communities where our members live and work."

in the U.S. We were humbled to once again receive the Best of the Valley/Waupaca – Best Credit Union, Best Mortgage Lender, even more special because that honor is bestowed by our members. We appreciate the accolades, but our success is not only defined by net income, deposit or loan growth, or even the number of branches, but by the steps taken to position Community First for future prosperity. The board and leadership team recognize that our industry – like all industries – must constantly adapt and evolve to the changing needs of our membership.

In early 2016, we began the process to upgrade our technology to improve and enhance our member experience. The transformation started in January of 2018, with the deployment of new systems in our finance and operations

departments, followed in April by a new lending platform, and in August, the addition of our new online/mobile banking system. Our entire team embraced the challenge of learning these new systems, working diligently to prepare for the April 1, 2019 conversion to our new core system software – which is scheduled 30 years to the day that we did our last core system conversion.

We are very grateful for the patience, kindness and good humor members have maintained through these changes. Your credit union will continue to invest in technology and innovative initiatives that will enable us to better serve you today and for the future.

Meet the *board*

Together, we are stronger

An important part of our mission is to partner with our members and others to build stronger communities. Being able to give back is one of the most rewarding measures of financial wellness/strength. Together with our members, we were proud to contribute almost \$1 million in support to numerous non-profits and projects improving the quality of life in the communities where our members live and work. Last year, 80% of our employees volunteered 18,385 hours at 486 organizations throughout our region. We never cease to be amazed and humbled by the generous hearts of our members and employees, and the important difference we can make – working together.

Representing you

Community First is very fortunate to have the consistent and capable support of our Board of Directors, who volunteer their time. You elect them as your representatives to guide the organization in fulfilling its mission, to establish governance policies and to monitor the performance of Community First. In 2018, we recognized two outstanding directors as they completed their service on the board.

Mary Hultgren joined the board in 2002 and served as Chair 2005/06. William Peters, CPA, began his board service in 1990, and served as Chairman of the Board in 1997/98 and again 2009/10. Bill left the board when he took a job in Minnesota. We are grateful to Mary and Bill for sharing their considerable time, talents and resources. Their contributions have made a significant and lasting impact.



Mary Hultgren



William Peters

Sara Micheletti, an attorney, was elected at the 2018 annual meeting to fill Mary's seat. Kathryn Sieman, CPA, was appointed to fill Bill's seat and will run for election at the 2019 annual meeting.



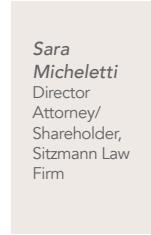
Daniel Ferris
Chairman
Vice President/
General
Counsel/
Corporate
Secretary,
SECURA
Insurance



Dr. Susan May
Vice-Chair
President,
Fox Valley
Technical
College



David Peperkorn
Secretary
Retired, Human
Resource
Manager, Presto
Products



Sara Micheletti
Director
Attorney/
Shareholder,
Sitzmann Law
Firm



Jay Fulkerson
Director
President/
CEO, Health
Payment
Systems, Inc.



Terri Towle
Director
VP-Finance &
Administration,
Community
Foundation for
the Fox Valley
Region



Kathryn Sieman
Director
CPA/Financial
Consultant



Dean Hawkinson, AIA
Director
Licensed
Architect



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

The Future is Bright

We look forward to 2019, and the completion of our technology transformation with the core system conversion. A new branch at the intersection of Hwy 114/Lake Park Rd. in Menasha will open first quarter and we will launch a new website in October. Plans are underway to renovate the Oneida St. location and to begin updating our entire branch network. The new year will see additional focus on Community First Financial Advisors and the Community First Insurance Center, bringing additional products and services to help with retirement/investment planning, wealth management and protection for you, your family and member businesses.

Thank you for being the heart and soul of our credit union. The success of Community First is the result of the trust you place in us. We will continue to work diligently to 'find a way' and to demonstrate *MERAKI, serving you with heart, soul and love. That's the Community First difference.*

Daniel P. Ferris
Daniel Ferris, Board Chairman

Catherine J. Tierney
Catherine J. Tierney, President/CEO

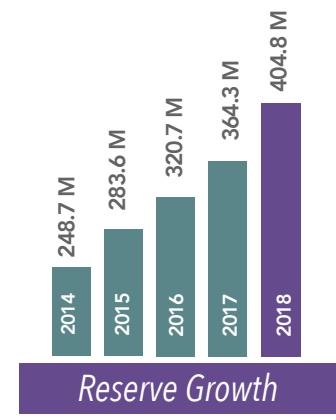
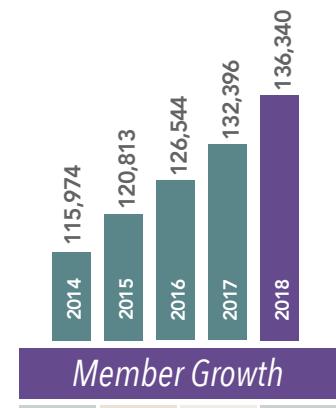
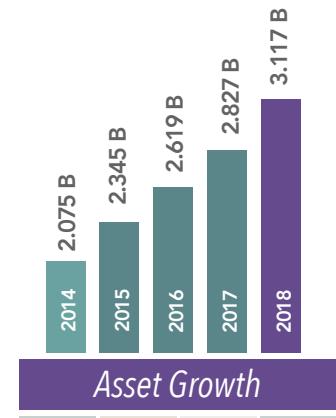
2018 Financial *statements*

Statement of Condition

Assets	2018	2017
Cash	\$ 31,035,597	31,897,128
Personal Loans	398,639,366	363,933,117
Real Estate Loans	1,475,594,234	1,422,526,169
Commercial Loans	511,457,917	457,143,797
Student Loans	31,943,066	34,845,570
Credit Card Loans	86,019,308	81,016,498
Allowance for Loan Losses	(4,461,729)	(4,543,985)
Investments	474,173,540	327,044,866
Building/Land/Autos	64,359,475	60,703,626
Furniture and Other Equipment	9,965,135	9,569,855
Other Assets	38,705,339	42,895,704
Total Assets	\$ 3,117,431,248	2,827,032,345
Liabilities/Reserves		
Regular Savings	\$ 575,072,655	544,474,144
Christmas Clubs	1,194,802	1,222,932
Money Market Savings	593,851,898	642,703,202
Certificates of Deposit	875,629,690	659,257,940
IRA Accounts	179,996,751	173,517,068
Checking Accounts	406,539,022	404,998,329
Other Liabilities	80,300,988	36,567,729
Total Liabilities	\$2,712,585,806	2,462,741,344
Reserves		
Regular Reserves	\$ 16,105,431	16,105,431
Other Reserves	388,740,011	348,185,570
Total Reserves	404,845,442	364,291,001
Total Liabilities & Reserves	\$ 3,117,431,248	2,827,032,345

Statement of Income

Income	2018	2017
Interest on Loans	\$ 90,193,064	82,943,033
Investments	6,576,689	3,709,946
Other Income	29,410,361	26,858,131
Gross Income	\$ 126,180,114	113,511,110
Expense		
Salaries & Benefits	\$ 31,598,642	26,724,530
Insurance	332,530	368,674
Education & Promotion	5,241,822	4,895,445
Building/Land/Equipment	2,970,128	2,605,474
Office Operation	13,111,009	11,654,392
Depreciation	4,344,056	2,711,239
Other Expenses	2,095,189	2,276,959
Provisions for Loan Losses	1,973,515	2,206,255
Total Expenses	\$ 61,666,891	53,442,968
Operating Income	\$ 64,513,223	60,068,142
Dividends Paid to Members	23,434,352	17,058,404
Net Income	\$ 41,078,871	43,009,738



In 2018, the Audit Committee authorized the accounting firm of CliftonLarsonAllen, LLP to conduct the annual audit and verification of member accounts.

Federally insured by NCUA.



Serving you in Northeast Wisconsin

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
Appleton Campus, 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.

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

- Appleton West High School
- Appleton North High School
- Appleton East High School
- Kaleidoscope Academy
- Badger Elementary School
- Appleton Retirement Community
- Heritage/Peabody Manor
- Touchmark Retirement Community
- Wisconsin Veterans Home at King



Available through CUSO Financial Services, LP



COMMUNITY FIRST
C R E D I T U N I O N

We'll Find A Way!

920-830-7200 • communityfirstcu.com