



Community 1st
Credit Union

Together is Better

ANNUAL MEETING
February 1, 2021

2021 Annual Report
This credit union is federally insured by the NCUA.





Community 1st Credit Union
Together is Better

2020 Year In Review: A Letter From The President / CEO

I hope this message finds you all safe and healthy. Thank you for choosing Community 1st Credit Union, your loyal membership is greatly appreciated. 2020 was definitely a challenge in many ways, as so much changed and our lives were rearranged and redefined. As I look back on all our accomplishments, I'm proud to report that even in such challenging times C1st had a successful year. You are the reason we have a solid foundation, allowing us to provide the products and services you expect from us.

We are here to improve the lives of our members. In 2020, C1st focused on members who experienced financial hardships due to the pandemic or the derecho storm in August. We worked vigorously to fund applications through the Paycheck Protection Program of the Small Business Administration, funding a total of \$12.2 million to help local businesses who experienced a loss of income because of the pandemic. We also provided many other helpful tools, including skip-a-pay loan flexibility, mortgage extensions, and personal loan specials. We know it's imperative to provide competitive and helpful solutions to alleviate financial stress when times are tough.

In June 2020, C1st rolled out a new first-time home buyers assistance program designed specifically for low-income and underserved individuals. The forgivable loans were funded by the Community Development Financial Institutions (CDFI) Fund. It was an excellent opportunity to help those who otherwise might not be able to purchase a home, or get the home they've been dreaming of. With this unique program, individuals qualified for up to \$5,000 in forgivable loans toward their down payment.

One of our five brand promises is having the right technology for today and tomorrow. In the spring of 2020, C1st closed their first mortgage loan without the member ever stepping into a branch. This was made possible by remote online notarization – a great tool for digital mortgage closings. Also in the fall of 2020, we upgraded our digital banking system. The new platform offers services such as mobile check deposits, loan payments, text banking, near real-time alerts, pay-a-member (C1st accounts), pay-a-friend (non-C1st accounts), Bill Payer, Apple Watch, and so much more. We hope you are enjoying a seamless experience.

We are a strong and empowered team at C1st! In September, the Des Moines Register published The 2020 Iowa Top Workplaces, a list of best places to work in Iowa. I am thrilled to let you know C1st was named to the list for the fifth year in a row. The employer honor is based on results of an employee feedback survey, truly showing we have something special happening here.

We are connected to our communities. Supporting causes close to our heart, such as financial literacy and community betterment, the C1st Foundation was very active in 2020. In March, \$15,000 was donated to the Iowa Credit Union Foundation's Emergency Relief Fund, used to assist Iowans in need during the pandemic. In August, we awarded \$4,000 to the Ottumwa Area Arts Council for the Main Street Streetscape Art Project, and \$25,000 to Jefferson County Kids Early Childhood Learning for a new childcare facility in Fairfield. Finally, in November, we awarded \$5,000 to the Mahaska County YMCA for their new building project in Oskaloosa. All of the project awards were made possible by grants from the C1st Credit Union Impact Giving Fund of Greater Cedar Rapids Community Foundation.

We continue to expand and invest in facilities. We were excited to celebrate the groundbreaking for a new branch facility in Osceola, IA. The facility will become our 18th branch. Construction began in September with a planned completion date of July 2021. The building features six offices, a large conference room, a spacious lobby including a children's activity center and three drive-thru lanes – one offering an ATM. We're extremely excited to become an integral part of the Osceola community.

C1st has also taken the first official steps to grow even further into western Iowa. C1st and Nishna Valley Credit Union have agreed to merge and partner together for an exciting future. Nishna Valley CU currently has 4,900 members and approximately \$40 million in assets with branches located in Atlantic and Creston, IA. We anticipate the merger will take place over the next six months.

We are passionate about our members. In spring 2020, we awarded \$42,000 in scholarships to 22 area high school seniors and non-traditional students. C1st has a long tradition of supporting local communities and education through its generous scholarship program.

We began 2020 with \$700 million in assets and 60,000 members, and even in this difficult year have continued to enjoy sustained growth. C1st now sits at over \$800 million in assets and more than 61,000 members. This wouldn't be possible without you, our loyal members. Thank you for continuing to put your trust in Community 1st Credit Union.

Sincerely, Greg Hanshaw, President/CEO



Community 1st Credit Union
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A Letter from the Board Chairman

C1st Member/Owners:

Community 1st Credit Union has had another successful year! I am happy to report we remain stronger than ever. We have 17 branches in 14 communities and have grown to over \$800 million in assets, serving over 61,000 members. Community 1st Credit Union remains financially strong and we look forward to continued growth in 2021.

In 2020, C1st staff successfully completed multiple projects, including:

- Recognized by U.S. Small Business Administration as top five financial institutions for loans produced in 2020
- Received Iowa Finance Authority Gold Lender Award
- Briana Gaunt & Peggy Umlauf, C1st Mortgage Originators, both received the Winner's Circle Award from the Iowa Mortgage Association for loan production
- Funded a total of \$12.2 million to local small businesses with the Paycheck Protection Program
- Developed the Together Program to help members experiencing a hardship during the pandemic and derecho
- Launched a first-time home buyers assistance program with funds received through the Community Development Financial Institutions (CDFI) fund
- Awarded \$42,000 in C1st scholarships, including the addition of \$4,000 to non-traditional students
- Actively engaged in ICUL advocacy efforts with Iowa Legislators
- Celebrated groundbreaking for a new branch facility in Osceola, IA, projected to open July 2021
- Announced intentions to grow further into western Iowa - C1st & Nishna Valley agreed to merge and partner together
- Awarded over \$50,000 in C1st Foundation grants to local community causes
- Courtney Monohon from the Loan Services/Fraud Department was selected to be an ICUL Convention Crasher
- Awarded Des Moines Register Top Workplace Award for 5th consecutive year
- Closed first mortgage loan with remote online notarization technology
- Upgraded our digital banking system

The board and management team continue to think of new ways to improve your credit union. The entire Board of Directors would like to thank you, the owner/member, for your business and making our credit union successful. We are excited and confident about the future of Community 1st Credit Union! Please feel free to contact me or other board members with any questions or comments. We are here to serve you.

Thank you - for the Board,
John Mayberry
Board Chairman



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A Letter from the Audit Committee Chairman

The Audit Committee continues to maintain its focus on the quality and integrity of the financial statements and the overall adequacy of internal controls and risk management of Community 1st Credit Union. The Committee continues its responsibility for the safety and soundness of Community 1st Credit Union by ensuring compliance with:

- the Credit Union's bylaws and policies;
- State and Federal laws; and
- NCUA rules and regulations.

This Committee continues to support the Board of Directors and its established policies and procedures by ensuring they are properly administered and adequately safeguard the member/owner interests against errors and fraud.

Petersen & Associates continues to conduct the external annual audit of Community 1st Credit Union. The Audit Committee takes into consideration all comments from the CPA firm, State and Federal Auditors, and credit union members/owners to ensure the financial soundness of your credit union.

The members of the Audit Committee meet monthly and are Anne Leathers (Chairman), Lowell McClure, and Carolyn Walker (Secretary).

Respectfully Submitted,

Anne Leathers
Audit Committee Chairman



Community 1st Credit Union
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A Letter from the Credit Committee Chairman

Once again, we have completed another challenging yet flourishing year. Community 1st Credit Union staff continues to show determination, empathy, and leadership toward co-workers and members. The Credit Committee continues to service the needs of our entire membership. We are protecting their investments and now showing support during uncertain times.

The Credit Committee meets every quarter in January, April, July, and October prior to the regular board meetings. This year, the committee consisted of four members of the board (Bianca Myers, Jason Eubanks, Rex Stewart, and Edith Cabrera-Tello) and two members of the management team (Mark Franke and Jim Holle). C1st continues to offer competitive, diversified loans, including auto, home equity, mortgage, personal and business loans. Indeed, C1st offers a competitive digital banking system to provide secure, 24-hour service for all accounts.

The U.S. Small Business Administration recently recognized C1st as one of the top five financial institutions in Iowa for business loans produced in 2020 and the only Credit Union recognized as a top lender in the state of Iowa. On December 31, 2020, C1st had \$626,917,880.81 in loans a net income of \$4,082,792.08. C1st continues to offer very competitive loan rates. We also continue to find ways to decrease and prevent fraud.

We would like to thank our members for their loyalty and trust. Your investments help us support our communities through C1st Foundation grants, sponsorships, and donations targeting education, community betterment, and the support of activities that involve and recognize the value of our members and employees. We are also very proud to continue assisting our high school senior members with their higher education. Each year C1st donates \$42,000 in scholarships to area members who wish to continue their education in college or vocational school.

The Credit Committee is proud to service our increasing multicultural members. We continue to be very proud to volunteer our time and efforts to "improve the lives of our members."

Edith Cabrera-Tello
Credit Committee



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**STATEMENT OF
FINANCIAL CONDITION**

AND

**STATEMENT OF
INCOME AND EXPENSES**

Community 1st Credit Union
Statement of Condition
12/31/20

	ACTUAL	ACTUAL
	<u>12/31/2020</u>	<u>12/31/2019</u>
ASSETS		
Loans	626,917,880.81	591,204,144.90
Allowance for Loan Loss	(5,495,776.96)	(4,493,630.66)
Other Receivables	58,245.78	21,598.35
Cash in Bank	8,743,397.55	8,128,992.38
NCB	171,411,099.30	72,367,600.00
Investments	1,224,100.00	1,300,300.00
Prepaid Expenses	1,013,031.79	1,037,616.29
Loans Available for Sale	1,942,400.00	1,856,929.00
Fixed Assets	21,945,621.42	22,363,105.34
Accrued Income	3,680,014.88	2,992,095.31
Other Assets	14,161,418.49	12,604,784.68
TOTAL ASSETS	<u>845,601,433.06</u>	<u>709,383,535.59</u>
LIABILITIES		
Borrowed Funds	9,000,000.00	13,000,000.00
Accounts Payable	4,734,800.22	3,200,207.16
Other Liabilities	2,118,960.29	2,146,036.80
Payrolls	0.00	0.00
Accrued Dividends	0.00	0.00
Accrued Taxes	600,225.12	490,683.80
Accrued Expenses	366,202.05	272,984.00
Shares	590,235,448.76	408,113,530.33
Certificates	170,507,618.36	218,204,707.32
TOTAL LIABILITIES	<u>777,563,254.80</u>	<u>645,428,149.41</u>
EQUITY		
Equity	63,955,386.18	59,752,990.37
Net Income	4,082,792.08	4,202,395.81
TOTAL EQUITY	<u>68,038,178.26</u>	<u>63,955,386.18</u>
TOTAL LIABILITIES & EQUITY	<u>845,601,433.06</u>	<u>709,383,535.59</u>

Community 1st Credit Union
Statement of Income
12/31/20

	<u>ACTUAL YTD</u> 12/31/20	<u>PRIOR YEAR</u> <u>YTD</u> 12/31/19
Income		
Loan Income	30,806,251.07	30,115,784.26
Investment Income	432,903.91	920,118.43
Fees/ Charge Income	8,870,408.79	8,406,952.94
Miscellaneous Operating Income	1,945,443.25	1,643,909.37
TOTAL INCOME	42,055,007.02	41,086,765.00
Expenses		
Employee Compensation	11,853,384.38	10,923,695.65
Employee Benefits	3,897,828.26	3,656,408.65
Education & Travel	238,097.44	396,199.78
Association Dues	88,932.53	79,433.20
Office Occupancy	1,998,584.21	2,080,702.38
Furniture & Equipment Maintenance	1,338,211.67	1,408,741.60
Stationary & Supplies	729,020.26	694,872.76
Insurance	162,159.70	166,473.95
Depreciation	2,174,367.46	1,974,506.58
Miscellaneous Expense	504.87	959.48
Promotion	2,011,428.25	1,819,196.39
Loan Service Expense	1,002,573.88	853,446.68
Supervision/ Exam Fees	164,425.09	119,011.21
Outside Services	2,361,817.00	2,717,068.37
Provision Expense	2,567,570.00	2,651,392.00
Cash Over/ Short	2,782.87	2,259.98
Interest Expense	263,749.45	272,597.58
Miscellaneous Operating Expense	169,784.31	183,629.16
Dividend Expense	6,883,987.11	6,707,154.88
Gain / loss on sale of assets	4,566.20	135,818.91
TOTAL EXPENSE	37,913,774.94	36,843,569.19
Extraordinary Expense	58,440.00	40,800.00
NET INCOME	4,082,792.08	4,202,395.81



Community 1st Credit Union
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ANNUAL MEETING

Hotel Ottumwa

January 27, 2020 at 6:00 PM

Members of Community 1st Credit Union held their 83rd Annual Meeting at Hotel Ottumwa. Board members present were: John Mayberry, D. Dave Boyer, Rex Stewart, Edith Cabrera-Tello, Anne Leathers, Bianca Myers, Courtney Jones, Tim Elliott and Jason Eubanks. Audit committee members present were: Carolyn Walker and Lowell McClure.

Chairman John Mayberry called the meeting to order at 6:20 p.m. Quorum was reached with 51 people in attendance.

Minutes of the last annual meeting were reviewed. A motion was duly made and seconded to approve the minutes. M/C

John Mayberry introduced the Board Members and the Audit committee members.

C1st staff members introduced themselves along with job titles.

Old Business: President and CEO Greg Hanshaw reviewed highlights from 2019 and some things to look forward to in 2020.

New Business: The 2021 Annual Meeting date was set to Monday, January 25, 2021.

Election Results: Rex Stewart, Anne Leathers, and Jason Eubanks will serve a 3 year term.

2020 C1st Board of Directors:

John Mayberry – Chairman

Tim Elliott – Vice Chairman

D. Dave Boyer – Chief Financial Officer

Courtney Jones – Secretary

Rex W. Stewart

Edith Cabrera-Tello

Anne Leathers

Bianca Myers

Jason Eubanks

A motion was duly made and seconded to adjourn. M/C Adjourned at 6:45 p.m.

John Mayberry, Chairman

D. Dave Boyer, Chief Financial Officer



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Community 1st Credit Union Branch Locations



Albia: 1420 S. Clinton Street

Bloomfield: 301 E. Franklin

Cedar Rapids: 1030 Sierra Dr. N.E.

Centerville: 999 N. 18th

Chariton: 1934 Court Avenue

Fairfield: 2501 W. Burlington

Grinnell: 205 West Street

Indianola: 300 S. Jefferson Way

Knoxville: 1008 W. Bell Ave., Suite 103

Mount Pleasant: 1800 E. Washington Street

Oskaloosa: 1311 A. Ave. West

Ottumwa – North: 739 Pennsylvania Avenue

Ottumwa – South: 235 Richmond Avenue

Ottumwa – Venture: 1940 Venture Drive (*Walmart*)

Ottumwa – JBS: 600 S. Iowa Ave (*JBS Employees Only*)

Pella: 500 Main Street

Washington: 303 S. 2nd Avenue

Coming in 2021: Osceola, Creston, Atlantic

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2021 Board of Directors Candidates

The nominating committee has selected three candidates to fill three vacancies.

John Mayberry



A member since 1982 and resides in Bloomfield, IA with his wife Carol, and family. He is retired from John Deere Ottumwa Works where he was employed for over 30 years. He's currently employed at Mid-States Mfg. in Milton, IA and works with the manufacture of Mac-Lander Trailers. Currently, John is Chairman of the C1st Board of Directors. He is also a member of the Davis County Fair Board and Twin State Truck/Tractor Pullers Association.

Bianca Myers



Director of Marketing & Community Relations of Indian Hills Community College. Bianca recently celebrated her 15th year with the college. She has a PhD in Educational Leadership from Iowa State University. Bianca and her husband, Chris have a 4-year-old son and live in Ottumwa, IA. Bianca has been a member of the C1st Board since 2018.

Courtney Jones



Manager of Donor Services at Mississippi Valley Regional Blood Center. Courtney has a Masters in Health & Human Performance/ Exercise Science from Oklahoma State University. She has been a member of the C1st Board since 2018. She and her husband, Austin reside in Ottumwa, IA and have two young children. Courtney is a former President of the Ottumwa Noon Lions Club and remains very active in it.