



Community 1st Credit Union
Together is Better

ANNUAL MEETING

January 28, 2019

MISSION

We are people helping people ~ rooted in our communities, empowering our employees to help our members achieve financial success.

VISION

To improve the lives of our members by being their trusted financial partner.

CORE VALUES

We are... passionate about our members.

We are... connected to our communities.

We are... a strong and empowered team.

We are... committed to service excellence.

We are... 





Community 1st Credit Union
Together is Better

2018 Year in Review: Letter from the President/CEO

At C1st...we're more than you may know. And our earnings? They belong to you. We put them into better rates, lower fees, and competitive products and services. As our mission states, we're people helping people, rooted in our communities, empowering our employees to help our members achieve financial success.

It's already January! It's been another successful and busy year for Community 1st Credit Union. We began 2018 with \$615 million in assets, and thanks to our strong and empowered team we have continued to grow to over \$645 million in assets with over 58,000 members. Thank you for your membership.

We continue to invest in facilities. *The expansion and renovation of our Centerville branch was celebrated in June.* The remodel gave us the space we needed to grow into the future and better serve our members.

We opened our 17th location at the JBS pork production plant in Ottumwa, IA in June. About half of the plant employees were already C1st members. We saw this as a wonderful partnership opportunity, providing more convenience for our existing membership, as well as more financial education.

In August, we held a groundbreaking ceremony in preparation for a 24,000 square-foot Corporate Center to be located at 1100 Hutchinson Ave. in northeast Ottumwa. The Corporate Center will provide office space, conference rooms and training facilities for approximately 75 administration and support employees with growth capacity for an additional 25. The single story, unique, curved structure will feature parking space for 130 vehicles and convenient accessibility to the four-lane, Ottumwa bypass.

Finally, we completed a renovation project for the Bloomfield branch in December. These renovations and expansions express our commitment and connection to the communities and member we serve, and our members will provide a more comfortable and efficient banking experience.

We stay connected to our communities. In May, we awarded a total of \$42,000 to 19 area high school seniors. What a privilege it is for C1st to help area students get their post-high school education off to a good start. When we say we're connected to our communities, we mean it. Additionally, we donated over \$125,000 back to our communities in the form of donations and sponsorships. We also actively participated in over 180 local events.

We are a strong and empowered team. In September, the Des Moines Register published The 2018 Iowa Top Workplaces, a list of best places to work in Iowa. C1st was named to the list for the third year in a row. The employer honor is based on results of an employee feedback survey. We are honored to have been selected for the award, and I'm proud of our staff.

We are here to improve the lives of our members. We launched several new loans & deposit accounts in 2018, including student loan refinance accounts, private student loans, Quinceanera loans, and a payday alternative loan called C1st Cash Loan; a small, short-term loan without sky-rocket interest rates and longer terms to repay the loan. Plus it helps educate and develop healthy savings habits. We also introduced C1st Investment Services at the beginning of 2018, offering estate conservation, insurance planning, investment planning, 401(k) planning, retirement planning, education funding, and much more.

We help our members achieve financial success. In 2018, we held numerous financial education classes in our communities, delivered by partnering with local schools, businesses, and non-profit organizations. We also offer an online financial education center. From trying to understand credit scores to figuring out how to pay for college. Our short interactive learning modules help build a foundation needed for long-term financial success.

We believe...together is better. Thank you again for your membership and for your continued investment in your financial cooperative. I wish you all a wonderful 2019!

Sincerely,
Greg Hanshaw, President/CEO



Community 1st Credit Union
Together is Better

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 \$645 million in assets, serving over 58,000 members. Community 1st Credit Union remains financially strong and we look forward to continued growth in 2019.

In 2018, C1st staff successfully completed multiple projects, including:

- Rolled out and began Service Culture effort
- Launched C1st Investment Services
- Launched Student Choice (student loans) product
- Welcomed two new Board members
- Launched Payday Alternative Loan product
- Launched 20-year in-house mortgage product
- Received Iowa Finance Authority Silver Lender award
- Built and opened new JBS branch location
- Completed Centerville remodel and grand opening
- Began relationship with Tom Karlin Foundation to combat teen suicide
- Completed organization-wide Business Continuity Plan
- Completed credit card portfolio conversion
- Implemented email encryption tool
- Groundbreaking for new headquarters facility
- Jes Schindel named Young Professional of the year by ICUL
- Awarded the Des Moines Register Top 50 Workplace award
- Started Bloomfield remodel project

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



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

The Audit Committee is responsible for the safety and soundness of Community 1st Credit Union by ensuring compliance in accordance to law, credit union bylaws and policies, and NCUA rules and regulations. This Committee ensures that the Board of Directors and Management of Community 1st Credit Union:

- Meet all financial reporting requirements and objectives.
- Establish practices and procedures that sufficiently safeguard member's assets.

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

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 to ensure the financial soundness of your credit union.

Respectfully Submitted,

Anne Leathers
Audit Committee Chairman



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

The Credit Committee is still servicing the needs of the entire members. We are protecting their investments in Community 1st Credit Union.

The Credit Committee meets every quarter in January, April, July, and October prior to the regular board meetings. This year, the committee consisted of three members of the board (Bianca Myers, Courtney Jones, and Edith Cabrera-Tello) and two members of the management team (Teri Orgies/Mark Franke and Jim Holle).

C1st continues to offer competitive, diversified loans; including auto, home equity, mortgage, personal and business loans. In 2018, C1st launched several new loan products, including a payday alternative loan (C1st Cash Loan), private student loans and a 20-year fixed in-house mortgage loan at an affordable rate.

On December 31, 2018, C1st had \$576,295,364 in loans. Our financial charts show an increase in deposits compared to 2017. Net income for 2018 was \$3,938,666.58. C1st still offers very competitive rates. We continue finding ways to decrease theft and fraudulent accounts. The strategic plans for 2019 include focus on growing total revenue, member service and cyber security preparedness.

We thank our members for their loyalty and trust in C1st. Your investments help us to keep supporting our community. We are very proud to continue assisting our high school senior members with their higher education. This is our second year donating \$42,000 in scholarships.

The Credit Committee is also proud to service our increasing multicultural 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
12/31/18

	ACTUAL	ACTUAL
	12/31/2018	12/31/2017
	<hr/>	<hr/>
ASSETS		
Loans	576,295,364.10	544,860,412.20
Allowance for Loan Loss	(3,748,372.86)	(3,504,574.16)
Other Receivables	18,732.75	56,849.61
Cash in Bank	6,191,075.71	6,683,998.17
NCB	33,748,631.15	36,499,208.67
Investments	1,266,735.21	1,216,341.42
Prepaid Expenses	654,853.96	716,056.16
Loans Available for Sale	1,039,790.80	2,798,159.87
Fixed Assets	18,977,796.05	17,988,935.30
Accrued Income	2,948,665.16	2,449,558.28
Other Assets	12,497,084.40	12,195,545.06
TOTAL ASSETS	<hr/> 649,890,356.43	<hr/> 621,960,490.58
LIABILITIES		
Borrowed Funds	13,000,000.00	13,000,000.00
Accounts Payable	3,628,632.91	3,783,816.01
Other Liabilities	1,391,684.91	1,236,002.09
Payrolls	0.00	0.00
Accrued Dividends	0.00	0.00
Accrued Taxes	504,679.89	484,085.47
Accrued Expenses	279,721.79	193,957.40
Shares	378,276,894.85	380,352,968.78
Certificates	193,055,751.71	167,095,337.04
TOTAL LIABILITIES	<hr/> 590,137,366.06	<hr/> 566,146,166.79
EQUITY		
Equity	55,814,323.79	52,206,725.70
Net Income	3,938,666.58	3,607,598.09
TOTAL EQUITY	<hr/> 59,752,990.37	<hr/> 55,814,323.79
TOTAL LIABILITIES & EQUITY	<hr/> 649,890,356.43	<hr/> 621,960,490.58

Community 1st Credit Union
Statement of Income
12/31/18

	<u>YTD</u> <u>12/31/18</u>	<u>YTD</u> <u>12/31/17</u>
Income		
Loan Income	27,040,742.81	24,445,158.97
Investment Income	683,173.43	363,479.72
Fees/ Charge Income	7,718,457.58	7,214,620.81
Miscellaneous Operating Income	1,752,423.07	1,376,132.71
TOTAL INCOME	<u>37,194,796.89</u>	<u>33,399,392.21</u>
Expenses		
Employee Compensation	10,358,304.23	9,746,919.96
Employee Benefits	3,284,818.73	3,298,487.31
Education & Travel	363,910.72	422,469.97
Association Dues	91,050.94	92,920.90
Office Occupancy	1,968,508.83	1,916,054.94
Furniture & Equipment Mtc.	1,325,814.35	1,130,240.51
Stationary & Supplies	653,754.27	664,194.00
Insurance	163,019.34	153,924.51
Depreciation	2,042,101.13	2,066,823.16
Miscellaneous Expense	545.59	2,485.28
Promotion	1,597,590.66	1,341,539.70
Loan Service Expense	748,286.90	720,381.30
Supervision/ Exam Fees	135,944.05	131,972.50
Outside Services	2,208,381.22	2,063,830.70
Provision Expense	2,537,814.00	1,682,651.00
Cash Over/ Short	6,156.92	(1,262.55)
Interest Expense	313,968.91	222,250.31
Miscellaneous Operating Exp.	177,743.18	189,840.09
Dividend Expense	5,144,004.45	3,947,778.72
Gain / loss on sale of assets	94,811.89	(32,858.19)
TOTAL EXPENSE	<u>33,216,530.31</u>	<u>29,760,644.12</u>
Extraordinary Expense	<u>39,600.00</u>	<u>31,150.00</u>
NET INCOME	<u><u>3,938,666.58</u></u>	<u><u>3,607,598.09</u></u>



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ANNUAL MEETING

Market on Main

January 22, 2018 at 6:00 PM

Members of Community 1st Credit Union held their 81st Annual Meeting at Market on Main in Ottumwa. Board members present were: John Mayberry, D. Dave Boyer, Lowell McClure, Rex Stewart, Edith Cabrera-Tello, Anne Leathers, and John Mickelson.

Chairman John Mayberry called the meeting to order at 6:30 p.m. Quorum was reached with 68 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.

Outgoing Board Member Lowell McClure was recognized for his years of service at C1st.

C1st staff members introduced themselves along with job titles.

Old Business: President and CEO Greg Hanshaw reviewed highlights from 2017 and some things to look forward to in 2018.

New Business: The 2019 Annual Meeting date was set to Monday, January 28, 2019.

Election Results: John Mayberry, Courtney Jones and Bianca Myers will serve a 3 year term.

2018 C1st Board of Directors:

John Mayberry – Chairman	Edith Cabrera-Tello
Tim Elliott – Vice Chairman	Courtney Jones
D. Dave Boyer – Chief Financial Officer	Anne Leathers
Dwain Russell – Secretary	Bianca Myers
Rex W. Stewart	

A motion was duly made and seconded to adjourn. M/C Adjourned at 7:00 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

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2019 Board of Directors Candidates

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



D. David Boyer

A resident of Ottumwa, and Tool & Die maker at John Deere Ottumwa Works. Dave has served on the board since 1995 and is currently the board CFO.



Edith Cabrera

A resident of Fairfield, and ELL Instructor for Ottumwa Community Schools. Edith also teaches at Indian Hills and has served on the board since 2016.



Tim Elliott

A resident of Washington, and current Owner/ Broker at Elliott Realty Group. Tim has served on the board since 2016.