



Community 1st
Credit Union

Together is Better

ANNUAL MEETING

January 27, 2020

2020 Annual Report
This credit union is federally insured by the NCUA.





Community 1st Credit Union
Together is Better

2019 Year in Review: Letter from the President/CEO

2019 was a year of growth and continued strategies to stay connected to our members and communities. As I look back on all our accomplishments, I'm proud to report that C1st had another successful year. Thank you for your membership and for choosing your local credit union to fulfill your financial needs. The more products and services available for you at C1st, the better we can serve as your financial cooperative.

We continue to offer new and innovative products and services to our members. At the beginning of the year, we announced our own, full-time financial advisor, Matthew Vickers. Have you met him yet? Our C1st Investment Services department offers options for investments, retirement plans, insurance solutions, financial goal setting and planning for long-term care. In addition, we simplified our rewards checking account program, launched four competitive business checking accounts, and introduced a redesigned c1stcu.com.

We are a strong and powerful team at C1st! Community 1st Credit Union received its fourth straight Des Moines Register "Top Workplace" award. Being in the top half of the winners is an additional honor. The results of the employee survey truly show we have something special happening here.

When we say 'people helping people' is what we're all about, we back it up – and come together to give back. The inaugural C1st Foundation grants totaling \$30,000 were awarded in 2019 to local community projects. The C1st Foundation supports causes close to our heart, such as education/financial literacy, mental wellness/suicide prevention, and community betterment. In addition, C1st also awarded \$42,000 in scholarships to high school seniors and over \$125,000 to local sponsorships and events.

We continue to invest in our facilities. To better serve our members in the Bloomfield community, the branch was remodeled. A grand opening ceremony was celebrated in March. The updates provided a more comfortable and efficient banking experience. In September, we moved into the new Corporate Center at 1100 Hutchinson Ave. in northeast Ottumwa. The new building provides 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-designed, curved structure features parking space for 130 vehicles and convenient accessibility to the four-lane, Ottumwa bypass. It allows us to consolidate multiple departments under one roof, creating significantly more efficiency and collaboration. Most of all, Ottumwa is our home and this project solidifies our commitment to serve the community and surrounding areas.

We are here to improve the lives of our members. C1st was awarded their second Financial Assistance Award grant in the amount of \$525,000 from the Treasury Department CDFI (Community Development Financial Institutions) Fund. We were one of four organizations in Iowa to receive an award. With this grant we are creating a first time home buyer down payment assistance program to be launched in 2020.

We began 2019 with \$650 million in assets and 58,500 members. We have continued to grow and now have \$700 million in assets with over 60,000 members. This growth 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
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 \$700 million in assets, serving over 60,000 members. Community 1st Credit Union remains financially strong and we look forward to continued growth in 2020.

In 2019, C1st staff successfully completed multiple projects, including:

- Introduced Matthew Vickers, first full-time advisor for C1st Investment Services
- Completed storefront entry at JBS Branch and scheduled regular financial literacy classes
- Kayla Kaufman from the Pella branch was selected to be a GAC Crasher
- Received Iowa Finance Authority Gold Lender Award
- Peggy Umlauf received IMA President's Club Award
- Awarded \$42,000 in C1st scholarships
- Actively engaged in ICUL advocacy efforts with Iowa Legislators
- Completed Bloomfield branch remodel and grand reopening
- Young Connections & Youth Strong presented mental health program in two C1st communities
- Awarded first ever C1st Foundation grants
- Met and began dialogue with Iowa Secretary of Agriculture Mike Naig
- Alysia Simmons from the Training department was selected to be an ICUL Convention Crasher
- Awarded Des Moines Register Top Workplace Award for 4th consecutive year
- Replaced Kasasa products with conversion to in-house C1st Rewards program
- Built and rolled-out new website design
- Moved into new C1st Corporate Center headquarters building
- Relocated Member Relations Center to Richmond location

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
Together is Better

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 focuses on the quality and integrity of the financial statements and the overall adequacy of internal controls and risk management.

This Committee supports the Board of Directors and ensures that the policies and procedures established by the Board are administered properly and do adequately safeguard the members' interests against errors and fraud.

Petersen & Associates continues to conduct the external annual audit of Community 1st Credit Union. The Audit Committee considers all comments from the CPA firm, State and Federal Auditors, and credit union members 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
Together is Better

A Letter from the Credit Committee Chairman

The Credit Committee members continue to execute their responsibilities – supporting the needs of over 60,000 members in over 57 Iowa counties and eight counties in Missouri. We also protect the investments of our members in the credit union, because we believe in "people helping people" and "ensuring all of our members get the best value for their membership."

The Credit Committee meets every quarter in January, April, and October preceding the regular board meetings. This committee involves three board members (Edith Cabrera-Tello, Courtney Jones, Bianca Myers, and Rex Stewart), and three members of the management team (Mark Franke, Greg Hanshaw, and Jim Holle). The Credit Committee regulates the loan policies and procedures and conveys those points to the Board of Directors. Community 1st Credit Union continues to offer new and innovative products and services to our members.

On December 31st, 2019, C1st had \$591,204,144 in loans, representing a significant year. Also, there were increases in monthly deposits and net income over the year. Net income for 2019 was \$4,202,395. Members continue to receive the best affordable rates. Our Investment Service department offers options for investments, retirement plans, insurance solutions, financial goal setting and planning for long-term care. At the beginning of 2019, we announced our own, full-time financial advisor, Matthew Vickers. In addition to these new financial services, C1st management teams had condensed their rewards checking account program, launched four competitive business checking accounts, and introduced a redesigned c1stcu.com website.

We look for ways to "improve the lives of our members." In 2019, C1st Foundation gave a total of \$30,000 to local community projects related to education/financial literacy, mental wellness/suicide prevention, and community betterment. C1st also awarded \$42,000 in scholarships to high school seniors and over \$125,000 to local sponsorships and events.

The Credit Committee would like to thank members for investing their money, trust, faith, and business in C1st. With this, we can give more back to our community and continue to serve everyone in the spirit of the credit union community. We are very proud to volunteer our time and efforts to "improve the lives of our members."

Edith Cabrera-Tello
Credit Committee



Community 1st Credit Union
Together is Better

**STATEMENT OF
FINANCIAL CONDITION**

AND

**STATEMENT OF
INCOME AND EXPENSES**

Community 1st Credit Union
Statement of Condition
12/31/19

	ACTUAL	ACTUAL
	<u>12/31/2019</u>	<u>12/31/2018</u>
ASSETS		
Loans	591,204,144.90	576,295,364.10
Allowance for Loan Loss	(4,493,630.66)	(3,748,372.86)
Other Receivables	21,598.35	18,732.75
Cash in Bank	8,128,992.38	6,191,075.71
NCB	72,367,600.00	33,748,631.15
Investments	1,300,300.00	1,266,735.21
Prepaid Expenses	1,037,616.29	654,853.96
Loans Available for Sale	1,856,929.00	1,039,790.80
Fixed Assets	22,363,105.34	18,977,796.05
Accrued Income	2,992,095.31	2,948,665.16
Other Assets	12,604,784.68	12,497,084.40
TOTAL ASSETS	<u>709,383,535.59</u>	<u>649,890,356.43</u>
LIABILITIES		
Borrowed Funds	13,000,000.00	13,000,000.00
Accounts Payable	3,200,207.16	3,628,632.91
Other Liabilities	2,146,036.80	1,391,684.91
Payrolls	0.00	0.00
Accrued Dividends	0.00	0.00
Accrued Taxes	490,683.80	504,679.89
Accrued Expenses	272,984.00	279,721.79
Shares	408,113,530.33	378,276,894.85
Certificates	218,204,707.32	193,055,751.71
TOTAL LIABILITIES	<u>645,428,149.41</u>	<u>590,137,366.06</u>
EQUITY		
Equity	59,752,990.37	55,814,323.79
Net Income	4,202,395.81	3,938,666.58
TOTAL EQUITY	<u>63,955,386.18</u>	<u>59,752,990.37</u>
TOTAL LIABILITIES & EQUITY	<u>709,383,535.59</u>	<u>649,890,356.43</u>

Community 1st Credit Union
Statement of Income
12/31/19

	<u>ACTUAL YTD</u> 12/31/19	<u>PRIOR YEAR</u> <u>YTD</u> 12/31/18
Income		
Loan Income	30,115,784.26	27,040,742.81
Investment Income	920,118.43	683,173.43
Fees/ Charge Income	8,406,952.94	7,718,457.58
Miscellaneous Operating Income	1,643,909.37	1,752,423.07
TOTAL INCOME	41,086,765.00	37,194,796.89
Expenses		
Employee Compensation	10,923,695.65	10,358,304.23
Employee Benefits	3,656,408.65	3,284,818.73
Education & Travel	396,199.78	363,910.72
Association Dues	79,433.20	91,050.94
Office Occupancy	2,080,702.38	1,968,508.83
Furniture & Equipment Maintenance	1,408,741.60	1,325,814.35
Stationary & Supplies	694,872.76	653,754.27
Insurance	166,473.95	163,019.34
Depreciation	1,974,506.58	2,042,101.13
Miscellaneous Expense	959.48	545.59
Promotion	1,819,196.39	1,597,590.66
Loan Service Expense	853,446.68	748,286.90
Supervision/ Exam Fees	119,011.21	135,944.05
Outside Services	2,717,068.37	2,208,381.22
Provision Expense	2,651,392.00	2,537,814.00
Cash Over/ Short	2,259.98	6,156.92
Interest Expense	272,597.58	313,968.91
Miscellaneous Operating Expense	183,629.16	177,743.18
Dividend Expense	6,707,154.88	5,144,004.45
Gain / loss on sale of assets	135,818.91	94,811.89
TOTAL EXPENSE	36,843,569.19	33,216,530.31
Extraordinary Expense	40,800.00	39,600.00
NET INCOME	4,202,395.81	3,938,666.58



Community 1st Credit Union
Together is Better

ANNUAL MEETING

Market on Main

January 28, 2019 at 6:00 PM

Members of Community 1st Credit Union held their 82nd Annual Meeting at Market on Main in Ottumwa. Board members present were: John Mayberry, D. Dave Boyer, Rex Stewart, Edith Cabrera-Tello, Anne Leathers, Bianca Myers, Courtney Jones, Tim Elliott, and Dwain Russell.

Chairman John Mayberry called the meeting to order at 6:30 p.m. Quorum was reached with 38 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 2018 and some things to look forward to in 2019.

New Business: The 2020 Annual Meeting date was set to Monday, January 27, 2020.

Election Results: D. David Boyer, Edith Cabrera-Tello, and Tim Elliott will serve a 3 year term.

2019 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



Community 1st Credit Union
Together is Better

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

866.360.5370 · c1stcu.com



Community 1st Credit Union
Together is Better

2020 Board of Directors Candidates

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



Anne Leathers

A long time, Indian Hills Community College accountant. Anne served as a member of the C1st Audit committee for 20 years. She and her husband, Scott have a grain and cattle operation near Ollie, IA. Anne was appointed to the C1st Board of Directors in August 2016.



Jason Eubanks

An Engineering Team Leader at John Deere, Jason has been a C1st member for almost 20 years and lives outside of Hedrick with wife Becky and 3 children. Jason is a previous C1st board member who feels passionate about coming back on the board to continue the mission of serving members.



Rex Stewart

A member since 1969 and is retired from John Deere Ottumwa Works. Currently, he farms and resides in Drakesville, IA with his wife, Elizabeth. Rex has served on the board since 1986 and is excited to be a part of the continued strength and growth of the credit union.