Our People

Brent Lamming, Chief Executive Officer
Brian Bumbacco, Chief Financial Officer
Jamie McLeod, Chief Information Officer
Debbie Sims, Chief Corporate Development Officer
Liisa Woolley, Chief Operations Officer

Cindy Adam, Compliance & Risk Manager
Debbie Bolduc, Branch Manager, Bay Street
Laureena Clement, Branch Administrator, Bay Street
Kelly Dawson, System Administrator
Sandra Frechette, HR Generalist
Stacey Fuselli, Administration Manager
Rose Gioia, Executive Assistant
Glyn Heatley, Information Technology Manager
Jennifer Landers, Branch Manager, Timmins
Brandon Lawrence, Project Coordinator
Betty Rusnell, Credit Manager
Lisa Salvini, Human Resources Manager
Randy Schuran, Branch Manager, Trunk Road
Kirstin Sniezek, Marketing & Communications Specialist
Lara Stilin, Finance Manager
Neil Sutton, IT Solutions Manager
Kaitlyn Wood, Internal Audit Manager
John Ziccarelli, Director of Credit & Business Services

Sherri Atkinson
Lori Babcock
Nancy Barkley
Kimberly Barrow
Julie Battisti
Scott Bell
Linda Bernier
Leslie Biggs
Kimberly Boudreau
Bobbi-Jo Brownlee
Patricia Cavaliere
Julie Chiera
Kim Clark
Wanda Coccimiglio
Teresa Cress
Johanna Cudmore
Jessica D’Angelo
Wendy Elliott
Manuela Febbraro
Cindy Fizzell
Nita Garofalo
Wendy Gennings
Penny Glover
Erin Greene
Loredana Guzzo
Debbie Johns
Angel Kelly-Rizzo
Joanne Kinnunen
MaryAnn Labancz-Vye
Susan Lamothe
Stacey Lampe
Roxanne Lester
Joely Maguire
Kirsti Medaglia
Lisa Medaglia
Vicki Milano-Lee
Lisa Mulligan
Leigh-Anne O’Brien
Chris Oliver
Taylor Payeur
Pamela Perrier
Jane Rains
Erin Russon
Donna Sanderson
Kaija Sillanpaa
Louise Striukas
Paula Theriault
Alannah Tomberg
Ingrid Voss
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YOUR FAVOURITE CREDIT UNION IS BACK

We Never Really Left

We started this Credit Union in 1948, as Algoma Steel Workers’ Credit Union, serving Algoma Steel workers and their families. In 1981, we began serving the entire Algoma district, as ASCU Community Credit Union. Then we grew even more, serving the province of Ontario as Community First Credit Union in 2005, to merging with Timmins Regional Credit Union as Community First Credit Union Limited in 2006. But since 2009, we have been publicly operating as Community First Financial Services. Now, as we review our unique organization, how we started, and how far we have come, we wonder why we dropped those two valuable words, Credit Union. We are proud of being a credit union. We celebrate the members that made this all happen over 66 years ago. Being a credit union is a huge part of our identity, where we have been, and where we want to go. So now, we want it back. Our name will once again be publicly known as Community First Credit Union. You will notice that our internal and external signage will be altered to reflect this change. This is to acknowledge our roots and the people that made this all happen for us. We are your credit union – and we are very proud to be.
A New Chapter

When our credit union started in 1948, we never imagined where we would be, over 66 years later. It is our honour and pleasure to continue to serve over 14,000 members all over Ontario. With so many years in business, changes must always occur to help us stay relevant in today’s marketplace. The world is constantly evolving, and we must continue to adapt and grow in this ever-changing environment.

To remain competitive in the financial marketplace, Community First Credit Union will be taking on a new look. We want to show our members where we have been, how we got there, and how we are moving forward. The logo will remain unchanged, and the products, services, and advice you have come to expect will of course be the same. We are going to own the elements that set us apart and make us different, and make them our brand. The friendly banking and smart advice you have come to expect from Community First will be at the forefront of our image. We are the same credit union and team you know and love, just with a fresh new look. We hope it excites you as much as it does us, and that you’ll continue to come along with us for the ride.

You are the key to our success. Our members are our VIPs and our most important ambassadors. We hope you will embrace this new direction with us, and we assure you that we are in this together. We only grow if you do, and we are continually committed to your financial success. You will start to see more of this new look and feel coming together over the next year, starting with this Annual Report. We are continually looking for your feedback, so contact us on our website and like us on Facebook. We want to hear what you think of this new direction, and appreciate your ideas. Thank you for your continued support.
In 2014, it was an honour to be named the CEO of Community First Credit Union. It is a pleasure to lead a company that is constantly striving to do more to help your family, friends, and neighbours achieve financial success.

As the Financial Services Industry continues to evolve and change, Community First Credit Union recognizes the importance of ensuring that we achieve alignment between our organizational needs and the needs of our current and prospective members. Alignment between the two is imperative, and drove the transformational journey the organization began in 2014. Our primary objectives in “changing the way we do business” were to improve our operating efficiency and implement products and services, through optimal delivery channels. As an organization, we have made difficult choices. We’ve implemented ways to improve spending and took steps to align ourselves internally to continue to build a strong, sustainable Credit Union for our members and communities.

All of our choices have helped us to achieve a financially rewarding year for our Credit Union. Our success is your success. We can provide you, our member, with the latest in products and services that you deserve to manage your individual financial needs. It is because of your trust and commitment to Community First Credit Union that we are able to thrive as leaders in providing friendly banking and smart advice for our members and the communities we serve. It is important that you help us promote Community First Credit Union to your family and friends. Acquiring new members and growing our share of wallet is a consistent, driving force for the whole team at Community First. Building membership will ensure that we continue to grow a sustainable Community First Credit Union for everyone.
The challenges of the Financial Services Industry are nothing new; thinning margins, ever-increasing competition, new regulatory requirements, and increasing non-interest costs. However, we faced these challenges with a number of strategic initiatives that are gaining traction in our efforts to improve efficiencies, enhance the member experience, and have positive implications for 2015. Here are some examples of what I mean:

1. As a credit union, we exist to serve our members. A key component of this service comes from a highly-engaged workforce. We recognize that our employees are indeed our most important competitive advantage. In 2014, we reached a 3-year collective agreement with USW 7129, the union representing the front line employees, with no disruption of labour occurring. The negotiations were a reflection of collaboration and mutual respect on behalf of Community First Credit Union staff, managers, and directors. In addition, our ongoing investment in sales and advisory training for all employees of the Credit Union focuses on our ongoing commitment to employees and our members. This is directly in line with our brand promise of providing “Friendly Banking. Smart Advice”.

2. In 2014, we focused on understanding and defining our brand character from the inside out, through a “brand path” that was strategic, research-based and collaborative. The purpose of the “rebrand” was not to redefine what we do at the core of our business, but to ensure greater alignment between our brand identity (what we say we deliver) and our organizational philosophy (what we actually deliver), ultimately creating a cohesive position across all of our business lines.

3. As the reliance on internet and mobile channels continues to grow with consumers, we must focus on being able to deliver the advice and service that the market demands in order to stay competitive and relevant.

4. In a fast-paced, dynamic environment, access to accurate timely information is critical. Community First’s implementation of a sophisticated data warehouse platform and business intelligence tools provided our team with the ability to manage risk, boost productivity, increase efficiencies and enhance the member experience.

5. Our Service Excellence Centre continues to drive operational efficiencies by centralizing administration as well as enhancing the member experience by driving 90% first call resolution and superior operational efficiency through the use of technology.

Both the success and challenges of 2014 have laid the foundation upon which we embrace the year ahead. The Community First Credit Union team has a strong positive outlook as we enter 2015. Senior Management along with our Board of Directors have developed a strategic road map that aligns business activities with our vision to become leaders in delivering financial solutions focused on providing our members and communities with opportunity for success.

Our strategic goals have been developed to align with the four pillars of our organization - our members - our employees – the communities we serve – and sustaining the Community First economy; each supporting our strategic direction.

Community First Credit Union is in a strong position – we are adequately capitalized, we have alignment between our branch and technological delivery channels, and we have a strong team of engaged individuals that are committed to doing what’s best for our members, communities, and organization.

2014 can be described as a year of transformation with focus on key elements that differentiate Community First Credit Union from our competition. We will develop resources that will provide more services and convenience for our members and we will focus on the road ahead, strategically positioning ourselves for growth and success. Our new strategy road map ensures that we are focused on what is important. Our future is bright and I am confident that we will continue to build a strong Community First, together.

Brent Lamming
Chief Executive Officer
Our EXECUTIVE TEAM

We would like to take this opportunity to introduce our Executive Team. With three new faces added in 2014, there’s no better time than now to give you a little insight into the five unique individuals that make up one of the most dynamic and innovative professional teams in the industry.

Brent Lamming  Chief Executive Officer

Brent holds a Certified Management Accounting Designation and is a Chartered Professional Accountant of Ontario. In addition, he holds a Bachelor of Business Administration from Algoma University, as well as a Personal Financial Planning Designation from the Institute of Canadian Bankers. He also served on the Community First Board of Directors until early 2014, when he became the CEO. Brent is committed to leading Community First Credit Union into a bright and prosperous future for members, staff, and our communities.

Favourite Local Cause: Bring a Doctor Home Hockey Tournament & Bursary

Smart Advice: When investing in equities (stocks, mutual funds), make regular purchases to take advantage of dollar cost averaging. Also, make it a practice to rebalance your investment portfolio on an annual basis to ensure your mix of investments continues to match your investor profile and long-term goals. Dollar cost averaging reduces the impact of volatility with the ups and downs when investing in equities and reduces the risk of incurring a substantial loss resulting from investing the entire “lump sum” just before a fall in the market.

Brian Bumbacco  Chief Financial Officer

Brian has an Honours Degree from Wilfrid Laurier in Economics and Accounting, and holds CPA and CA designations. Brian is responsible for designing and developing short and long-term financial strategies to manage risk and simulate growth for the Credit Union.

Favourite Local Cause: Rotary Club of Sault Ste. Marie

Smart Advice: An important part of owning a business is ensuring that you have trusted professionals on your team. Having a good relationship with your local Credit Union advisor to help support your businesses’ financial needs will ensure that you can focus on operating your business.

Jamie McLeod  Chief Information Officer

Jamie has a Computer Programmer/Analyst Diploma, as well as a Masters in Project & Portfolio Management. Additionally, she holds PMP (Project Management Professional) and CAPM (Certified Agile Project Manager) designations. Jamie has been a member of the Community First team for over 15 years and is responsible for the leadership and development of the
Credit Union’s technology roadmap, as well as providing the vision in defining the Credit Union’s member delivery channel strategies. With overall accountability for Central Administration and the Service Excellence Centre, it is her mission to continually drive operational efficiencies and deliver on member First Call Resolution.

**Favourite Local Cause:** ARCH

**Smart Advice:** In this day and age, it is important to stay connected to your accounts. Alerts provide you with more ways to proactively manage your accounts and receive real-time information by allowing you to detect possible fraud quickly and take appropriate action.

**Liisa Woolley** Chief Operations Officer

Liisa has a Bachelor of Arts & Science from the University of Windsor, with a specialization in Communications & Marketing. Liisa has worked in the credit union system for over 20 years, holding a variety of roles including Business Services, Sales, Marketing and Operations. Liisa provides overall organization management to assist in improving the lives of our members by developing and implementing tools and resources focused on using innovative strategies to help members succeed financially.

**Favourite Local Cause:** Heart & Stroke Foundation

**Smart Advice:** These days, a credit card is an inseparable part of people’s lives. Credit cards can be helpful but they can also be dreadful. Credit card debt is one of the top reasons people struggle to achieve financial success. If you want to achieve success financially, the key is to always pay your credit card debt immediately.

**Debbie Sims** Chief Corporate Development Officer

Debbie has 30 years of experience in the financial industry, spending the last 10 years in Senior Management at Community First. She has a Human Resources Certificate and is currently working toward her CUMA Leadership Certification at Queen’s School of Business. Debbie works closely with the CEO to plan and execute strategies that meet specific Credit Union objectives, including human resources, staffing, benefit and salary programs, and the long-term goals of the Credit Union.

**Favourite Local Cause:** Canadian Cancer Society

**Smart Advice:** Budgeting is one of the keys to achieving financial success. With budgeting, you know how much you can spend and how much you have to save. Once you make a budget, stick to it. Do not hesitate to get help from an experienced financial advisor to create a good budget based on your current situation.
Our
BOARD OF DIRECTORS

Jeff Piper
Board Chair
Sault Ste. Marie

Dave Walker
Vice Chair
Sault Ste. Marie

Christine Coccimiglio
Director
Sault Ste. Marie

Bruno D’Arcangelo
Director
Timmins

Janice Gibson
Director
Sault Ste. Marie

Lloyd Hotchkiss
Director/Member at Large
Sault Ste. Marie

Ron Lamon
Director
Sault Ste. Marie

Wayne Lee
Director/Secretary
Sault Ste. Marie

Norm Nankervis
Director
Timmins

Mary-Ellen Szadkowski
Director
Sault Ste. Marie

Barb Welin
Director
Timmins
Message from the Chair

We continue to experience change at Community First; change that includes growth in our financial performance; change in our senior leadership team; and change that has provided both challenges and opportunities.

In January of 2014, the board launched a formal search for a successor to the long-standing Chief Executive Officer, Greg Peres, who resigned from his role to pursue new opportunities. The Board formed an ad hoc committee and engaged the services of an Executive Search Firm to recruit the best possible candidate to lead the Credit Union. Throughout the recruitment process Debbie Sims, Chief Corporate Development Officer accepted the role of Interim CEO. We would like to thank Debbie for her dedication and leadership during this transition.

After an extensive search, the Board was very pleased to appoint Brent Lamming as our new Chief Executive Officer. Brent’s experience in both the Financial Services Industry and in leading a dynamic team has been evident over his first six months. Under Brent’s direction, we have seen a reduction in costs, increased performance, and a stronger financial bottom-line. Despite the continued ups and downs in the market, Brent has been successful at moving our Credit Union forward.

As the Financial Services Industry continues to rapidly evolve, the Board recognizes the need to ensure that we are attracting and developing highly-skilled Directors that are equipped to strategically guide the organization. During 2014, the Board introduced a Validation Committee which is responsible for ensuring that all Directors have the required skills and knowledge necessary to facilitate the governance process for Community First. Board training ensures that we have the knowledge to make the best decisions for our organization and for you, our member.

Developing the strategic road map of the organization was a critical component of the Board’s role in 2014. Our strategic roadmap is focused on creating a sustainable Community First, while providing opportunities for our members and communities to succeed financially. The Board’s four strategic priorities included:

Our Members: Provide our members with smart solutions designed to meet their long-term financial goals.

Our People: Invest in the development of highly-motivated and engaged individuals that are dedicated to providing our members with friendly, best in class service.

Our Communities: Foster relationships that will support our abilities to provide our communities with opportunities for success.

Our Credit Union: Focus on generating profitable growth necessary to building a strong Community First for our members and prospective members.

Our strategic roadmap is the foundation upon which we continue to position Community First as a leader in the Financial Services Industry.

In early 2014, Community First was successful in the issuing of $4.5 million in Class A Shares. Share issuance was important to building a strong capital base that ensured Community First was able to continue to expand and offer products and services designed to meet the needs of our members and communities. We are also pleased to report that based on the successful financial performance of the organization in 2014, we will again be in a position to pay out dividends to our members.

This year at the Annual General Meeting (AGM) in April, we will see at least four new members for our Board of Directors. The nominating committee will seek individuals that will enhance the strengths of our current Board. Our risk and responsibilities as Directors continues to increase, as does the time, effort, and commitment. It is increasingly more important to find individuals with Board and/or professional experience that can immediately meet or exceed the challenges of overseeing a financial services organization.

As we prepare to welcome new Directors to our team, we must also say goodbye to our longest-serving board member, Wayne Lee. Wayne has served Community First for more than 43 years. During his tenure, Wayne has been a catalyst for change and development of the credit union system. Wayne was not only an active member of Community First’s Board of Directors, but also served on the board or on committees of the former Credit Union Central of Ontario, Central 1, and other co-operative organizations. We would like to thank Wayne for his many years of service and wish him well in his retirement.

As we embark on the year ahead, I am confident that your Board will continue to ensure that we remain responsive to our members’ needs while ensuring that we are focused on achieving the strategic goals of the organization. To my fellow Board members, Management and Staff – thank you for all your continued hard work and dedication, and I look forward to the exciting road ahead.

Jeff Piper
Board Chair
While the foundation of our guiding principles has not changed, we are updating our mission, vision, and values to reflect our new direction, and to ensure alignment between what we say we do, and the exceptional service we provide.

**Mission**
We believe smart advice is the foundation of our relationship with our members in helping them achieve success. We are committed to delivering a friendly and engaging experience to help our members feel confident about making financial decisions. Co-operative banking puts our members’ interests first. We believe profits should benefit the people and the communities we serve.

**Vision**
To be a leader in delivering financial solutions focused on providing our members and communities with opportunity for success.

**Values**
- Making it better than it is today for our members.
- Doing the right thing in our communities.
- Creating positive, lasting memories in all of our relationships.
- Owning the member experience and passionately acting on it.

These principles will be a guiding force for the whole organization for the coming year and beyond. We will continue to earn your business and work harder, go farther, and do more for our members every day. When practiced by our staff, our new mission, vision, and values guarantees a superb level of service, the best products and services available, and smart advice that our members can rely on. Anything less is not the credit union you deserve.
"I have been a member for over 10 years. First of all, Bobbi-Jo is just tremendous. I’m a single mom with two daughters in University, and both of my girls were going to school at the same time. I was nervous about certain things financially for them, and Bobbi-Jo helped me. She got me set up and feeling secure. She is a great listener, and so down to earth and authentic. She is very empathetic; she understands that everyone’s financial situation is different, and is so good at helping you see where you need to go. Bobbi-Jo does everything she can to help you. She is prompt and an amazing time-manager. The girls at the front are also wonderful, personal, and pleasant at my Trunk Road branch. Randy is also awesome, he always makes a point to say hi. I couldn’t be happier with the service I have received from everyone at the Trunk Road branch, especially Bobbi-Jo.”

Bella, Trunk Road Member

"We have been members for over 34 years, and been working with Michael for over three years. Michael completely turned our lives around when we met him. The way he approaches us makes us feel comfortable and he never tries to push anything on us. He always asks us, ‘What can I do for you?’ and his advice is always based on our needs. Since we met him, we no longer worry about retirement. Our hope for young people is that they can get set up with him early. He thinks of everything. We like the fact that he calls every year to set up a visit and talk. He never stops surprising us. Our needs change with every visit and he helps us so much. Any time we have a concern, he always makes us feel at ease. He has a great personality and genuinely cares about us.

We have been with advisors in the past at other institutions where we feel like they’re rushing us and we haven’t felt cared for. We feel like family at Community First, it’s not just a job to the staff there. We are doing so well right now, and it’s because of the people we work with at our credit union, Michael, and also Joanne Kinnunen at the branch. We do our part too, but it’s because of the great advice we get from Michael and Joanne. They also work as a team to help us reach our goals, combining our personal banking and wealth management goals into one plan. They have given us great advice, and we sleep a lot better at night knowing we are taken care of.”

Jamie and Fran, Bay Street Members

"I have been a member for over 10 years. I like Community First because it gives me great rates on my investments, and wonderful, personalized advice. As an immigrant from Finland with an accent, sometimes it can be a struggle to understand each other, but the staff treats me so well and always makes me feel welcome. I deal with Stacey Lampe, Financial Services Representative. I like Stacey because of her friendly personality, anyone would like her. She is so easy to talk to and always makes me feel important. When my son moved back to Sault Ste. Marie, I told him he absolutely must become a member of Community First, and he did!"

Elvi, Bay Street Member

“As we are all aware, these challenging economic times are compelling us to make the most with the least. Consequently, my office staff which has great responsibility and few bodies sometimes require the boss (me) to carry out the important but tedious bank run.

Whether I am making a deposit or picking up a change order, the service I have received has been tremendous. The staff is responsive, friendly and most efficient. Owning a retail business myself, I am quite cognizant of the importance of good service, and when I receive the impressive member care as I did at the Timmins branch, I believe it is imperative to recognize a job well done. The entire organization deserves congratulations for providing an environment that encourages and recognizes exceptional member service.”

Lorne, Timmins Member
2014 was a great year, with a lot of exciting developments made and milestones reached. If you missed any of these enhancements and features, now is the time to take a minute to learn about the products and services that have been added just for you, and all of our other valuable members. We are continually developing our products and service lines, to enhance the friendly banking you’re used to, while delivering smart advice in the form of technological advancements. We listen to your wants and needs and respond with the products and services that you’ve been asking for.
**NEW WEBSITE**

In late 2014, we launched a new, more user-friendly website, with features that optimize your online experience, making it easier to bank with us. Website enhancements include:

- **Account Opening**: Take advantage of our new Account Opening feature from the convenience of your home and select the product that’s right for you. Online Banking now provides our members with the ability to open the following accounts online without having to contact the branch.
  - Chequing Accounts
  - Savings Accounts
  - Term Deposits
  - RRSPs
  - RRIFs
  - Tax-Free Savings

- **Statement Preferences**: Choose the security and convenience of eStatements, an electronic version of your paper statement. Our new website lets you do this right from online banking.

- **Financial Calculators**: How much do you need to save for a comfortable retirement? Or what size mortgage can you afford in order to purchase a new home? Our calculators can help you work out the details of your financial plan and assist you in reaching your goals.

**MOBILE APP**

You asked, we provided! In 2013, we launched our mobile app for Apple devices. In 2014, we delivered the app for Android devices as well. With a host of convenient features, it’s a fast and secure way to handle everyday banking wherever and whenever it suits you. Your community is wherever you are, and it’s fast and easy to navigate. The app is available for download from the AppStore and Google Play.

**DEPOSIT ANYWHERE™**

Save time by visiting the branch less by using Deposit Anywhere, the latest innovation in mobile banking, available to both personal and business members. Deposit Anywhere allows you to quickly and securely deposit cheques using our banking app on your Smartphone or tablet. This means no more lining up at the bank or ATM to deposit personal or business cheques. Just download our Apple or Android app and start depositing.

**ACCOUNTPLUS®**

AccountPlus gives you the ability to quickly and easily view your Credential investment accounts directly on your Community First Online Bank Account. If you have investments with Credential Asset Management Inc., Credential Securities Inc., or Credential Direct, you will be able to view these investments on your Account Summary page. See your complete financial picture with Community First when you link your accounts using AccountPlus.

**SMALL BUSINESS ONLINE BANKING**

If you own a small business, time is probably one of your most valuable commodities. No matter what you do, you never seem to have enough of it. We can help. Upgrade – at no cost – to Small Business Online Banking, and discover online banking the way it was meant to be – smart, simple, and seamless. Ask us how to set your business up today!
Contrary to our expectations, interest rates in Canada remained at all time lows as a result of lower than expected Canadian economic growth and the Bank of Canada’s lack of movement on their benchmark rate. While this is good for the homebuyer or anyone borrowing money, it is a much different situation for those that rely on interest rates for investment income. 2014 did begin to show signs of deposit rate increases as Community First received upward pressure on its short-term and long-term term deposit product interest rates.

We had a successful year managing our loan portfolio, moving loans from commercial syndication, which are typically funding non-member businesses outside our current geographic locations, to lending locally to our members. Despite significant market competition for mortgages, we were successful in growing our mortgage book by $9.8 million highlighting our strength of products and competitiveness of our rates. From a deposit growth perspective, Community First had a very successful year. We were able to grow our deposits by $5.3 million excluding the deposits that were transferred to Class A Series 2 shares in March 2014. Therefore, including the amount transferred to shares, deposits grew by $9.8 million.

As previously mentioned, Community First successfully completed its first share offering since 1998 when it issued $4.5 million in Class A Series 2 Investment Shares in March 2014. The share offering was completed to help ensure that Community First can maintain its capital requirement and support ongoing growth and prosperity. As a bonus to those members that invested in these shares, a 0.5% share dividend was declared on issuance of the shares. In 2014 members holding Class A and B shares received a total of $220,712 in dividends up from $97,433 in 2013.

**BALANCE SHEET**

At December 31, 2014, total assets under administration increased to $479.5 million and members’ equity was $21.9 million. The assets under administration included our financial statement assets of $354 million and assets managed through our Credential wealth management platform of $125.5 million. The Credit Union’s liquidity was sufficient at 10.1% within our prudent range of 9% to 12% of deposits and borrowings and included cash and investments of highest credit quality with Central 1.

During the year, loans to members increased by $0.5 million or 0.17% and members’ deposits increased by $5.3 million or 1.78%. We were successful in improving our liquidity position by adjusting our commercial lending portfolio to focus more on local lending versus syndicated loans. Our deposit growth was net of the $4.5 million that was included in deposits at January 1, 2014 and was transferred to our Class A Series 2 Shares.

The allowance for impaired loans increased by $143,767 during the year to $845,699 and is netted in the loans to members on the Summary Consolidated Statement of Financial Position. The increase was the
result of lower write-offs in our loan portfolio. Overall, Community First’s loan impairments and delinquencies are within an acceptable industry average.

As a result of our members’ deposit growth exceeding our lending, term loans utilized by the Credit Union decreased by $10.9 million to $6 million. These term borrowings are within the approved limits established in our business plans and approved by the Board of Directors. Additionally, Community First was successful in issuing its first Mortgage Backed Security (MBS) securitization transaction in August of 2014 resulting in securitized liabilities of $6.2 million being recorded on the Statement of Financial Position. At December 31, 2014, a liability of $5.1 million remained. Unlike securitization transactions issued prior to the conversion to IFRS, loans securitized remain on the Credit Union’s Statement of Financial Position.

Our pension plan liabilities increased during the year as a result of a decrease in long-term bond interest rates which were partially offset by improved investment returns on the pension plan assets. These changes resulted in the funded status of the plan decreasing by $1.5 million. Despite the decrease, the pension plans are still funded at 92.5%. While this change was negative for the financial position of the Credit Union in the year, our defined benefit pension plans and their accounting treatment impact our earnings and regulatory capital significantly and are subject to large adjustments that could be either positive or negative.

**STATEMENT OF INCOME**

Interest revenue remained consistent with the prior year, at $14.3 million as loan volumes and lending rates remained consistent. In 2014, Community First received a distribution on one of its investments that resulted in a one-time gain of $300,000 which was recorded in interest income from investments.

Cost of financing increased by $101,540 to $4.99 million as there was upward pressure on our deposit rates during 2014. While we paid out more interest to our membership, we were able to effectively control our external borrowing costs through tight monitoring of our borrowing facilities with Central 1. We continue to offer above market rates to members on average to ensure we retain and grow our deposits.

Other revenue increased from the previous year by $346,260 due to increased wealth management commissions and commercial prepayment penalties.

Overall, operating expenses decreased by $190,257 to $11.0 million which represented a 1.69% decrease. The majority of the decrease was in salaries, wages and benefits due to a number of vacant positions held for part of the year and automated networks as a result renegotiations of contracts with significant vendors. Operating expenses were within budgets established by the Board for the year.

Net income before taxes and dividends increased to $1,098,181, an increase of $656,707 over 2013.

Overall, Community First operated within all regulatory requirements.
FINANCIAL HIGHLIGHTS

GROWTH IN ASSETS
(in millions)

GROWTH IN CREDIT ISSUED TO MEMBERS
(in millions)

GROWTH IN ASSETS UNDER ADMINISTRATION
(in millions)

GROWTH IN MEMBER DEPOSITS
(in millions)

1 2012 results have been restated to reflect the revised International Accounting Standard (IAS) 19 Employee Benefits.
• In the year 2013, $8.7 million worth of mortgages were sold under Central 1’s Mortgage Loan Sale Agreement.
REGULATORY CAPITAL
(% of assets)

INTEREST AND DIVIDENDS
PAID TO MEMBERS
(in millions)

EARNINGS BEFORE INCOME TAXES
(in millions)

PERSONAL LOANS,
PERSONAL MORTGAGES,
BUSINESS LOANS, BUSINESS MORTGAGES

- PERSONAL LOANS
- PERSONAL MORTGAGES
- BUSINESS LOANS
- BUSINESS MORTGAGES
The information in this annual report and the accompanying summarized financial statements are the responsibility of Management and has been approved by the Board of Directors. The summary financial information has been extracted from the audited financial statements by Management.

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Credit Union in accordance with International Financial Reporting Standards. When required, the financial statements include estimates based on Management’s best knowledge. The summarized financial statements presented in the annual report are derived from the complete consolidated financial statements of Community First Credit Union Limited for the year ending December 31, 2014.

Management maintains a system of internal controls designed to provide reasonable assurance that relevant, reliable, and timely information is produced. This system provides reasonable assurance that transactions are authorized, assets are safeguarded and proper records and controls are maintained. These controls are reviewed by internal and external auditors and results are reported directly to the Audit Committee.

The external auditors have full and free access to, and meet periodically with the Audit Committee to discuss all matters concerning the nature and execution of their mandate, particularly with respect to the accuracy of financial information provided by Community First Credit Union and the reliability of internal controls.

The independent auditors appointed by the general meeting of the members, KPMG LLP, Licensed Public Accountants, have the responsibility of auditing the financial statements in accordance with Canadian generally accepted auditing standards and expressing their opinion. Complete audited financial statements are available to members on our website or by request from the office of the Chief Financial Officer.

Brian Bumbacco
Chief Financial Officer

Brent Lamming
Chief Executive Officer
### SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**As at December 31**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$36,478,034</td>
<td>$31,070,084</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>644,743</td>
<td>730,296</td>
</tr>
<tr>
<td>Loans to members, net</td>
<td>312,086,464</td>
<td>311,713,184</td>
</tr>
<tr>
<td>Other assets</td>
<td>4,845,959</td>
<td>6,049,128</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$354,055,200</td>
<td>$349,562,692</td>
</tr>
<tr>
<td><strong>Liabilities and Members’ Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member deposits</td>
<td>$317,653,284</td>
<td>$312,305,601</td>
</tr>
<tr>
<td>Term loans</td>
<td>11,069,182</td>
<td>16,900,000</td>
</tr>
<tr>
<td>Liabilities to non-members and other</td>
<td>3,345,524</td>
<td>2,017,020</td>
</tr>
<tr>
<td>Membership shares</td>
<td>64,858</td>
<td>68,116</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>332,132,848</td>
<td>331,290,737</td>
</tr>
<tr>
<td>Shares (Class A &amp; B)</td>
<td>8,304,748</td>
<td>3,617,605</td>
</tr>
<tr>
<td>Contributed surplus</td>
<td>1,117,567</td>
<td>1,315,305</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>11,867,573</td>
<td>11,117,051</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>632,464</td>
<td>2,221,994</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>21,922,352</td>
<td>18,271,955</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$354,055,200</td>
<td>$349,562,692</td>
</tr>
</tbody>
</table>

1 Basis of presentation
Management is responsible for the preparation of the summary consolidated financial statements. The summary consolidated financial statements presented include the summary consolidated statement of financial position and the summary consolidated statements of income and comprehensive income and changes in member's equity. The summary consolidated financial statements do not include any other schedules, the summary of significant accounting policies or notes to the financial statements. The summary consolidated statement of financial position and summary consolidated statements of income and comprehensive income and changes in members’ equity are presented in a similar format to the audited consolidated financial statements except that some line items have been presented together and the note referencing has been removed.

The summary financial information has been extracted from the audited financial statements by management. Complete audited financial statements are available to members on our website www.communityfirst-cu.com or by request from the office of the Chief Financial Officer.

* 2013 results have been restated to reflect a correction of an immaterial prior period error.
## SUMMARY CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

**Year ended December 31** | **2014** | **2013**
--- | --- | ---
Interest revenue | $14,282,505 | $14,009,837
Interest expense (cost of financing) | 4,988,516 | 4,886,976
Impairment on member loans | 473,509 | 422,571
Net interest income after provision for impairment | 8,820,480 | 8,700,290
Other revenue | 3,324,430 | 2,978,170
Operating expenses | | |
Depreciation and amortization | 936,454 | 978,393
Automated networks | 1,169,381 | 1,233,232
General and administration | 1,798,134 | 1,609,074
Insurance | 447,833 | 430,659
Loan costs | 67,005 | 97,132
Occupancy | 904,392 | 804,545
Salaries, wages and benefits | 5,723,530 | 6,083,951
Total operating expenses | 11,046,729 | 11,236,986
Income before income taxes | 1,098,181 | 441,474
Income taxes | 126,947 | 64,620
Net income for the year | 971,234 | 376,854
Other comprehensive income (net of income tax) | | |
Change in fair value of available for sale (AFS) investment | 55,901 | 71,775
Realized gain on AFS investment | (258,279) | -
Defined benefit plan actuarial gain (loss) | (1,387,152) | 2,582,827
Total other comprehensive income (loss) for the year | (1,589,530) | 2,654,602
Total comprehensive income (loss) for the year | $ (618,296) | $ 3,031,456
### SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

#### SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS’ EQUITY

<table>
<thead>
<tr>
<th>Year ended December 31</th>
<th>Members' Shares</th>
<th>Accumulated Other Comprehensive Income</th>
<th>Retained Earnings</th>
<th>Contributed Surplus</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2013*</td>
<td>$ 3,617,605</td>
<td>$ 2,221,994</td>
<td>$ 11,117,051</td>
<td>$ 1,315,305</td>
<td>$ 18,271,955</td>
</tr>
<tr>
<td>Net income</td>
<td>-</td>
<td>-</td>
<td>971,234</td>
<td>-</td>
<td>971,234</td>
</tr>
<tr>
<td>Distributions to members</td>
<td>199,818</td>
<td>-</td>
<td>(220,712)</td>
<td>-</td>
<td>(20,894)</td>
</tr>
<tr>
<td>Redemption of investment shares</td>
<td>(64,872)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(64,872)</td>
</tr>
<tr>
<td>Share offering costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(197,738)</td>
<td>(197,738)</td>
</tr>
<tr>
<td>Issuance of Class A, Series 2 shares</td>
<td>4,552,197</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,552,197</td>
</tr>
<tr>
<td>Defined benefit plan actuarial loss net of tax</td>
<td>-</td>
<td>(1,387,152)</td>
<td>-</td>
<td>-</td>
<td>(1,387,152)</td>
</tr>
<tr>
<td>Change in fair value on available for sale investment</td>
<td>-</td>
<td>55,901</td>
<td>-</td>
<td>-</td>
<td>55,901</td>
</tr>
<tr>
<td>Realized gain on available for sale investment</td>
<td>-</td>
<td>(258,279)</td>
<td>-</td>
<td>-</td>
<td>(258,279)</td>
</tr>
<tr>
<td>Balance at December 31, 2014</td>
<td>$ 8,304,748</td>
<td>$ 632,464</td>
<td>$ 11,867,573</td>
<td>$ 1,117,567</td>
<td>$ 21,922,352</td>
</tr>
</tbody>
</table>

* 2013 results have been restated to reflect a correction of an immaterial prior period error.
Community First’s Audit Committee was formed pursuant to Section 125 of the Credit Unions and Caisses Populaires Act, 1994 (Ontario) ("Act"). The committee, composed of Board of Director members, has oversight responsibility for the Credit Union’s financial reporting, risk management, internal/external audit, ethics, legal and compliance requirements. A written terms of reference prescribes the committee’s objectives, responsibilities and accountabilities. The committee met throughout the year to receive reports from management, internal audit, compliance and KPMG, our external auditors.

Throughout 2014, the Audit Committee adhered to its work plan which stipulates due diligence and governance activities. The committee, which meets at minimum quarterly, performed the following key functions on behalf of the Credit Union members reviewed and approved the following.

- Reviewed and approved:
  - 2013 Audited Financial Statements;
  - 2013 Audited Management and Union Employee Retirement Pension Plan Financial Statements;
  - Updated corporate policies, including policies relating to market risk, structural risk, inactive, dormant and unclaimed credit, enterprise risk management and proceeds of crime (money laundering) and terrorist financing; and
  - Internal audit reports and the annual audit plan.
- Completed an Audit Committee performance evaluation.
- Evaluated financial forecasts and performance indicators.
- Assessed representations as provided by Management, confirming that the operations of the Credit Union are being managed in accordance with the Deposit Insurance Corporation of Ontario (DICO) Standards of Sound Business and Financial Practices as outlined in DICO By-law No. 5.
The Audit Committee oversight activities were performed to ensure proper safeguarding of the Credit Union’s assets and adherence to policies. Based on its reviews and findings, the Audit Committee made recommendations to the Board of Directors and Senior Management, and followed up to ensure that the recommendations were considered and implemented as appropriate.

The Audit Committee is pleased to report to the members that the committee is functioning in accordance with the Act. Through the full co-operation and support of management, it continues to play an effective role in assuring the quality of financial reporting, risk management, internal/external audit, ethics, legal and compliance requirements, thus, enhancing overall operational control of the Credit Union.

There are no significant recommendations made by the Audit Committee that have not been either implemented or are in the process of being implemented. There are no issues the committee believes should be reported and no matters that would require disclosure pursuant to the Act or the Regulations.

Respectfully submitted on behalf of the Committee, Dave Walker, Chair, Christine Coccimiglio, Mary Ellen Szadkowski, and Barb Welin
Here at Community First Credit Union, we want to ensure that we consistently do the right thing for our members, our communities, and our business. We invest our time and money back into the communities we serve because we believe it isn’t what we say that makes a difference in the world, it’s what we do.

Where has Community First made a difference in 2014? Here are just a few highlights of a great year. For more information on what we and other credit unions are doing for our communities, visit www.creditunionsarehelpinghere.com

In November, Community First adopted two families from the Women in Crisis Centre. The two mothers, each with one child, had recently left the shelter after spending some time there. Through the generosity of the employees and a corporate donation, items were purchased from their modest wish lists, allowing the two families to enjoy a special Christmas.

In 2014, staff elected to put a different spin on dress down days, which take place every Friday. The $2 donation from each staff member is pooled together and a draw takes place at the end of each month. The winner of the draw selects the charity of their choice and a cheque is personally delivered by the winning
staff member. Organizations that held a special place with some of the staff members in 2014 included the Soup Kitchen, Heart and Stroke Foundation and the Northern Ontario Families of Children with Cancer.

**RotaryFest** was a huge success for Community First this year as we sponsored the **Miracle Mile Colour Blast** for the first time. Staff and Board Members volunteered to cheer the runners through the finish line, splash them with coloured paint, and take a picture. The pictures were uploaded to Community First’s Facebook page where participants were able to save and share their pictures. It was truly a blast!

In April, a group of Community First volunteers helped raise much-needed funds for the **Easter Seals Telethon**. Not only did the volunteers work the phones on the day of the telethon, but they also organized bake sales and dress down days at the branches with all proceeds going to Easter Seals. A cheque of $2,500 was presented at the telethon.

Staff also volunteered their time to the **Terry Fox Run** sponsoring Taten Hammerberg. Taten is a local young man battling bone cancer. Donations were also collected in branch to help Taten’s family with hospital expenses.

In 2014, Community First was once again proud to support our local youth by sponsoring the **Community First Kid’s Zone** at the Soo Greyhound hockey games. At each home game, five students from every local elementary school are recognized for their outstanding contributions to their school or the community. The kids got to attend the game, enjoy a snack, and be called down to the ice to be cheered on for their achievements.

The Timmins staff participated in the **City of Timmins Kayak Challenge** along with the **Canadian Breast Cancer Foundation’s Run for the Cure**.

**MONETARY AND “IN-KIND” DONATIONS:**

- The Whitney Volunteer Fire Department
- Alzheimer’s Society of Canada
- Timmins Symphony
- Porcupine Firefighter’s Association Annual Gala
- Hollinger Golf Club
- Children’s Rehabilitation Centre
- Lung Association – Festival of Trees
- Sault Major Hockey Association
- Terry Fox Foundation
- The Big Bike for Heart & Stroke
- The Sault Steelers
- ARCH
- Algoma Fall Festival
- Bon Soo Winter Carnival
- United Way

We continue to celebrate our communities the only way we know how, by giving back, not only in monetary donations, but also in the donated time and efforts of our staff and board members. We were once again blown away by the generosity of our staff and board members in 2014, and we look forward to continuing to provide our support in the Sault Ste. Marie and Timmins communities.
For more information visit us at
www.communityfirst-cu.com

OR STOP IN AT THE NEAREST BRANCH:

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Sault Ste. Marie, Ontario
P6A 1W7
Tel: (705) 942-1000
Fax: (705) 946-2363

535 Trunk Road
Sault Ste. Marie, Ontario
P6A 3T1
Tel: (705) 942-1000
Fax: (705) 946-2364

146 Cedar Street South
Timmins, Ontario
P4N 2G8
Tel: (705) 267-6481
Fax: (705) 268-4648

CALL TOLL-FREE: (866) 942-2328

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