



CITY FEDERAL CREDIT UNION



 **CITY FEDERAL**  
Credit Union

# A TALE OF TWO BRANCHES



**2021**  
ANNUAL REPORT



## PRESIDENT'S REPORT

### Community. Development. Service.

These are the values that we lean upon every day to fulfill our mission to you.

2021 was an inspirational year for the credit union.

- We grew by almost 20%
- We enjoyed another year of earnings for our members
- We opened the stunning Soncy Branch
- We were designated a Community Development Financial Institution
- We were awarded special funds by the US Treasury to grow the credit union

**COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION:** The credit union, as part of our mission to serve, has recently become a CDFI. This is a special certification by the federal government that recognizes our effort to serve the underserved people and underbanked communities in our business area. The credit union wishes to fulfill that need. *There were 416 CDFI-designated credit unions as of year-end 2021 serving nearly 17 million predominantly low-income members.*

## 2021: YEAR IN REVIEW

TOTAL ASSETS

**\$60.605 MILLION**

TOTAL ASSETS GREW BY

**\$9.823 MILLION**

TOTAL LOANS

**\$51.569 MILLION**

LOAN PORTFOLIO GREW BY

**\$7.753 MILLION**

TOTAL MEMBERS

**2,807**

Membership increased by 46

*With the award of our CDFI Certification, the credit union embarks upon an expanded mission to serve low to moderate income members in Amarillo. City Federal Credit Union is the only CDFI credit union or bank in the Panhandle. We will seek to engage those with less options for lending and banking services and attempt to fill that need.*

**SEVENTH CONSECUTIVE YEAR OF EARNINGS:** I am pleased to report that City FCU has again achieved record earnings in 2021. We navigated the tough waters and are well-positioned for 2022. We recognized net income of \$445,000 and increased our capital to \$5.0 million.

**We continue to increase lending opportunities and provide additional services to underserved members.**

The credit union is committed to building on these strengths. We are now positioned to look forward and build our business and serve additional members in 2022.

**HAVE YOU VISITED THE BRANCH ON SONCY?** The Soncy Branch opened for business in August 2021. The branch is led by long-time credit union veteran Vice-President Lynnette Padilla. Lynnette leads a full-service operation with a stylish teller counter, a technology Genius Bar to help you with your digital banking, multiple walk-in loan offices, a full-service drive-thru with Interactive Teller Machines, and, effective March 2022 a real estate lending department.

This branch includes a community room for hosting meetings and financial education opportunities for members. Ask in the branch if there is something we can do to assist you.

Located at the corner of Soncy and Heritage Hills Parkway, the gateway to the Heritage Hill subdivision.

**REMEMBER US:** Your credit union can serve all your financial needs at a lower cost and more convenience than any other financial institution in town. And it is YOUR credit union. As a member you are an owner. Let's share the community of City FCU with our friends and families.

**AND THANK YOU:** The future for City Federal Credit Union is brighter than ever. The exciting growth opportunities, our deeper relationships in the community, and the potential to serve is a privilege. We value the daily exchanges that we have with our members. We know you have many choices in choosing where to obtain financial services. We thank you for choosing us and allowing us to be part of your family.

Serving the Amarillo community,

*Frank Frazzitta*

Frank Frazzitta  
Chief Executive Officer

CITY FCU  
RETURNED TO  
MEMBERS  
MORE THAN

**\$440,000**  
in DIVIDENDS

MORE THAN

**\$500,000**  
DEBIT CARD  
TRANSACTONS







# BOARD OF DIRECTORS REPORT

It has been an honor to serve as Chairman of the Board of Directors again this year. I first want to congratulate the credit union employees for successfully opening the Soncy branch in the trying times of 2021. The pandemic created untold challenges and spring rains delayed construction and opening plans. Our employees faithfully kept the credit union open and running efficiently and effectively with good spirits and hard work. They are very much appreciated.

The credit union continues to expand services to improve the lives of our members. The Co-Op's over 30,000 ATMs means you have more direct, surcharge-free access to your money than most traditional bank customers do. Text a Zip Code to 91989 to find nearby ATM Locations. Almost every credit union ATM in town is part of the Co-Op network.

Try the new branch at Soncy and Heritage Hills Parkway! Folks tell us that this branch gives them the service, convenience, and friendship that they need on the west side of town.

I am pleased to report that 2021 continued our seven-years of results with strong and stable operations and continued growth. The financial balance sheet has grown significantly and remains robust and well-positioned for the future. The credit union holds over \$5 million in member's equity. We continue to use this equity to grow and enhance the credit union. Operating results and procedures were again rated highly by independent examiners during our annual audit as well as our regulatory examiners. City Federal compares favorably with other banks and credit unions both large and small.

The Board is responsible for oversight and direction of the Credit Union. The credit union's leadership team, guided by CEO Frank Frazzitta, continues to increase products and services for our members. The Board remains confident in the direction of City Federal Credit Union under the leadership of CEO Frazzitta.

The Board wishes to express their appreciation to the staff of City Federal. The success of the past year would not have been possible without their hard work and dedication. The Board would like to recognize the Supervisory Committee for their oversight efforts. The members of the Committee volunteer many hours annually to provide oversight, helping to ensure the integrity and security of credit union operations.

The Board is enthusiastic about the future of City Federal Credit Union. We thank you, our members, for your trust and support as we move forward. We know you have many options for your financial services and are honored you have chosen us.

Respectfully submitted,

*Matthew Langford*

Matthew Langford  
Chairman



# SUPERVISORY COMMITTEE REPORT 2021

The Supervisory Committee is responsible for various audits and related activities as prescribed by the National Credit Union Administration regulatory agency. We follow an approved Plan of Action as our guideline for procedures to be performed during monthly meetings and at various times throughout the year. Every few months a committee member attends a board meeting to ensure we are all working towards the same goals. We learn accepted policies and procedures by viewing educational webinars or by attending other training as available. Loan documentation is routinely assessed, new and closed accounts are confirmed, cash counts are performed on a random basis, dormant account activity and other reports are reviewed.

The committee has contracted with Waypoint Advisory Services to perform some of the procedures requiring more in-depth audit knowledge such as reviewing staff and officials' accounts, doing test balances of the general ledger, and validating bank statement reconciliations.

When Credit Union officials and staff perform various mandatory actions during the year such as the ACH audit and the Disaster Recovery Test, at least one representative from the Committee is present. A Bank Secrecy Act Audit is performed annually. A verification of all Credit Union accounts is conducted every two years; the last one was performed June 2020 with no negative responses.

Based on audit requirements and standards for credit unions set forth by National Credit Union Administration (NCUA) Rules and Regulations, Waypoint Advisory Services performed a comprehensive review in January 2022. NCUA Federal Examiners conducted an examination in October of 2020. In the reports provided to the Supervisory Committee by these agencies, both expressed confidence in the performance of the credit union and its staff. No major exceptions were noted in either case.

During the past year our Credit Union has withstood the challenges of the Covid pandemic while providing a safe banking environment. I am pleased to say our dedicated staff has stepped up and applied changes while maintaining customer satisfaction.

On August 28, 2021 the Credit Union opened its Soncy branch at the corner of Heritage Hills Parkway and Soncy. This branch will serve members in western and southern Amarillo with dedicated staff and management

I am excited about the growth and modernization within the institution, and am pleased to see the services offered to our members continue to improve. I appreciate the opportunity to work with such a supportive and committed group of officers, staff and committee members.

*Glenn Lavender*

Glenn Lavender  
Chairperson



# STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2021

	2021	2020
<b>ASSETS</b>		
CASH AND EQUIVALENTS	\$ 3,203,742	\$ 4,001,227
INVESTMENTS	50,240	53,658
LOANS	52,155,359	44,310,488
LESS: ALLOWANCE FOR LOAN LOSS	(586,108)	(494,553)
<b>NET LOANS OUTSTANDING</b>	<b>51,569,251</b>	<b>43,815,935</b>
FIXED ASSETS	4,403,797	1,773,288
PREPAID EXPENSES	80,894	90,140
ACCRUED INTEREST INCOME	376,059	373,569
OTHER ASSETS	921,196	673,756
<b>TOTAL ASSETS</b>	<b>60,605,164</b>	<b>50,781,574</b>
<b>LIABILITIES &amp; EQUITY</b>		
SHARE DEPOSITS	24,703,063	21,124,660
SHARE DRAFTS	6,064,043	5,825,455
IRA SHARES	2,045,090	1,952,387
SHARE CERTIFICATES	18,745,357	16,229,872
OTHER INT. BEARING SHARES	1,243,904	496,000
<b>TOTAL SHARES</b>	<b>52,801,457</b>	<b>45,628,374</b>
LINE OF CREDIT	2,000,000	-
PAYABLES	343,663	215,643
ACCRUED LIABILITIES	423,113	345,629
<b>TOTAL LIABILITIES</b>	<b>2,766,777</b>	<b>561,272</b>
MEMBERS EQUITY		
REGULAR RESERVES	640,292	640,292
UNDIVIDED EARNINGS	3,951,636	3,576,359
YTD NET INCOME	445,002	375,277
<b>TOTAL MEMBERS EQUITY</b>	<b>5,036,930</b>	<b>4,591,928</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>60,605,164</b>	<b>50,781,574</b>



# STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2021

	2021	2020
<b>INCOME</b>		
INTEREST INCOME		
INTEREST ON LOANS	\$ 2,651,787	\$ 2,785,664
INVESTMENT INCOME	5,498	10,152
<b>TOTAL INTEREST INCOME</b>	<b>2,657,285</b>	<b>2,795,816</b>
INTEREST EXPENSE		
<b>TOTAL INTEREST EXPENSE</b>	<b>440,725</b>	<b>472,481</b>
<b>NET INTEREST INCOME</b>	<b>2,216,560</b>	<b>2,323,335</b>
LOAN LOSS PROVISION	550,000	880,000
<b>NET INT INCOME AFTER PROVISION</b>	<b>1,666,560</b>	<b>1,443,335</b>
<b>NON-INTEREST INCOME</b>		
DEPOSIT FEES	203,559	181,770
LENDING FEES	97,508	108,688
OTHER INCOME	3,827	1,735
<b>TOTAL NON-INTEREST INCOME</b>	<b>304,894</b>	<b>292,192</b>
<b>NON-INTEREST EXPENSE</b>		
EMPLOYEE COMPENSATION	913,762	825,312
OCCUPANCY	80,572	61,442
OFFICE OPERATIONS	227,622	229,851
LOAN SERVICING	42,889	54,313
PROFESSIONAL SERVICE	47,593	32,466
MISCELLANEOUS	168,772	84,222
SHARE DRAFT EXPENSE	163,244	156,962
OTHER EXPENSE	(118,275)	(84,317)
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>1,526,179</b>	<b>1,360,250</b>
<b>NET INCOME</b>	<b>445,275</b>	<b>375,277</b>
<b>KEY RATIOS</b>		
NET WORTH/ASSETS	8.31%	9.04%
RETURN ON ASSETS	0.73%	0.74%
OPERATING EXPENSE	2.52%	2.68%
LOANS/ASSETS	86.06%	87.26%
DELINQUENT LOANS/LOANS	0.73%	1.27%
NET CHARGEOFFS	1.07%	1.32%
ASSET GROWTH	19.34%	4.66%
MEMBERS	2,807	2,761
MEMBERSHIP GROWTH	1.67%	-0.18%



# OFFICIALS AND STAFF

## BOARD OF DIRECTORS

MATTHEW LANGFORD..... CHAIRMAN  
 MARC LUSK ..... VICE CHAIRMAN  
 THOMAS HIGGINS ..... SECRETARY  
 CINDA JOHNSON ..... TREASURER  
 TERRY BATES  
 HECTOR MENDOZA

## SUPERVISORY COMMITTEE

GLENN LAVENDER..... CHAIRPERSON  
 ROSEMARY ROBINSON  
 LUPE QUINONEZ

## STAFF

FRANK FRAZZITTA..... CHIEF EXECUTIVE OFFICER  
 LYNNETTE PADILLA..... VICE PRESIDENT  
 LUCY HERNANDEZ ..... LENDING MANAGER  
 VERONICA DENNISTON ..... ACCOUNTING MANAGER  
 JEANNIE NINETE..... REAL ESTATE LENDING MANAGER  
 LAURA NESS ..... MARKETING MANAGER  
 QUINTIN MARQUEZ ..... COMMUNITY DEVELOPMENT MANAGER  
 CECE CEJA ..... LOAN OFFICER  
 ERIC SEALE..... LOAN OFFICER  
 ALEXANDRIA IVEY ..... E-SERVICES COORDINATOR  
 TYLER JONES..... TELLER  
 ALEXIS SCOTT..... TELLER  
 MONICA APODACA ..... E-SERVICES COORDINATOR

## OUR MISSION

*“City Federal Credit Union is committed to exceed our members expectations to meet their financial happiness, while providing a heartfelt and long-lasting relationship.”*

*“City FCU recognizes its unique position to support our local community and all of its diverse members. We commit to demonstrating policies and actions to provide equal financial services, education, and opportunities for the underserved.”*

## CORE VALUES

- Service-driven
- Innovative
- Relationship-Focused
- Accountability
- Integrity
- Entrepreneurial
- Member Delighted
- Enjoyable Atmosphere