

OFFICIALS AND STAFF
CITY FEDERAL CREDIT UNION

BOARD OF DIRECTORS

SHANNON BARLOW.....CHAIRMAN
 JERRY NEUFELD VICE CHAIRMAN
 LUPE QUINONEZ.....SECRETARY
 TERRY BATES.....TREASURER
 MATTHEW LANGFORD
 ADAM STONE
 CINDA JOHNSON

SUPERVISORY COMMITTEE

DONNA SMITHCHAIRPERSON
 KATHY HAWKINS.....SECRETARY
 RONNY BALDWIN
 ROSEMARY ROBINSON

STAFF

FRANK FRAZZITTA.....CHIEF EXECUTIVE OFFICER
 LYNNETTE PADILLA LENDING MANAGER
 VICKI THOMPSONOPERATIONS MANAGER
 VIRGINIA WILLIAMS.....UTILITY TELLER
 LAURA CARTERLOAN OFFICER
 IRETTA KIMBELL PART TIME TELLER
 CHLOE SOWERS TELLER
 JUSSTEN CRADDOCK TELLER
 CLARA KINNEYMEMBER SERVICES REPRESENTATIVE

STATEMENT OF OPERATIONS
CITY FEDERAL CREDIT UNION

YEAR ENDED DECEMBER 31

INCOME	2015	2014
INTEREST ON LOANS	\$662,263	\$500,576
INCOME FROM INVESTMENTS	\$176,781	\$189,536
FEE INCOME	\$83,573	\$96,023
OTHER OPERATING INCOME	\$84,909	\$78,993
NON-OPERATING INCOME	\$0	\$0
TOTAL INCOME	\$1,007,526	\$865,128
EXPENSES		
COMPENSATION & BENEFITS	\$468,932	\$550,316
OFFICE OCCUPANCY	\$32,364	\$30,908
OFFICE OPERATIONS	\$108,866	\$99,767
OTHER EXPENSE	\$174,826	\$157,381
PROVISION FOR LOAN LOSSES	\$14,576	\$34,700
TOTAL EXPENSES	\$799,564	\$873,072
NET INCOME BEFORE DIVIDENDS	\$207,962.00	-\$7,944.27
DIVIDENDS	-\$24,657.00	-\$14,489.73
GAIN OR LOSS ON ASSETS	-\$503.00	\$0.00
NET INCOME	\$182,802.00	-\$22,434.00
KEY RATIOS		
NET WORTH/ASSETS	9.44%	10.24%
RETURN ON AVERAGE ASSETS	0.63%	-0.08%
OPERATING EXPENSE	2.71%	3.13%
LOANS/ASSETS	56.37%	27.31%
DELINQUENT LOANS/LOANS	0.43%	0.59%
NET CHARGEOFFS	0.17%	0.50%
ASSET GROWTH	15.72%	0.01%
MEMBERS	2,652	2,743
MEMBERSHIP GROWTH	-3.32%	-8.72%

Mission Statement

“City Federal Credit Union believes in the philosophy of people helping people and operates for the sole purpose of providing quality financial services and products to members in a professional manner at the lowest possible cost.”

2015
ANNUAL
REPORT



STATEMENT OF FINANCIAL CONDITION

CITY FEDERAL CREDIT UNION

YEAR ENDED DECEMBER 31

ASSETS	2015	2014
CASH AND EQUIVALENTS	\$510,755	\$1,856,133
INVESTMENTS	\$12,448,819	\$17,188,819
LOANS	\$17,475,244	\$7,316,659
LESS ALLOWANCE FOR LOAN LOSSES	\$43,960	\$50,846
NET LOANS OUTSTANDING	\$17,431,284	\$7,265,813
FIXED ASSETS	\$283,956	\$174,523
ACCRUED INTEREST	\$61,298	\$30,879
OTHER ASSETS	\$266,888	\$276,275
TOTAL ASSETS	\$31,003,000	\$26,792,442
LIABILITIES		
ACCOUNTS PAYABLE & ACCRUED EXPENSES	\$512,896	\$249,700
SHARE DEPOSITS	\$17,230,944	\$17,313,986
SHARE DRAFT (CHECKING) ACCOUNTS	\$4,739,517	\$3,871,031
TERM SHARE CERTIFICATES	\$713,036	\$572,699
INDIVIDUAL RETIREMENT ACCOUNTS	\$2,001,580	\$2,038,802
NON-MEMBER SHARE CERTIFICATES	\$2,876,000	\$0
TOTAL LIABILITIES	\$28,073,973	\$24,046,217
MEMBERS EQUITY		
REGULAR RESERVES (STATUTORY REQUIREMENT)	\$640,292	\$640,292
OTHER RESERVES		
UNDIVIDED EARNINGS	\$2,105,933	\$2,128,366
NET INCOME (LOSS)	\$182,802	-\$22,434
TOTAL MEMBERS EQUITY	\$2,929,027	\$2,746,224
TOTAL LIABILITIES & MEMBERS EQUITY	\$31,003,000	\$26,792,442

BOARD OF DIRECTORS REPORT

CITY FEDERAL CREDIT UNION

It has been an honor to serve as Chairman of the Board of Directors this past year. I thank each of the Board members, Supervisory Committee, and staff for their continued support and time in working to help the City Federal Credit Union to thrive in an uncertain and volatile economy. I sincerely thank the members of the Credit Union for their support and challenge each of you to recruit friends, family, co-workers to join the team to grow our membership and share the benefits.

The Board of Directors continues to operate under the guidance of the City Federal Credit Union Mission Statement, which is: "City Federal Credit Union believes in the philosophy of providing quality financial services and products to members in a professional manner at the lowest possible cost." I am able to report to the membership, the Credit Union continues to be financially stable receiving favorable reviews from the regulatory examiners and auditors. The strength and sound operation of the Credit Union is a testament to the quality of management and staff working behind the scenes each day to provide exceptional service to members.

During the last year the City Federal Credit Union is pleased to announce the new leadership of Frank Frazzitta, C.E.O. Frank has worked diligently to provide a seamless transition to staff and board members, providing new staff structure and additional services to members. The Credit Union has undergone infrastructure remodeling, the addition of several products, and in-depth financial options of investments and communications services. The Board of Directors is extremely pleased with the current status of our financial institution. I encourage members to stop by and meet Mr. Frazzitta and offer any and all feedback. The success of the Credit Union is a team effort of members and directors. Frank and his staff welcome your input.

I would like to request your continued patience in the challenges that come with growth and change of the Credit Union. I am confident in the current fiscal status and look forward to the future with Frank and the outstanding staff of City Federal Credit Union in 2016.

Shannon Barlow
Chairman

PRESIDENT'S REPORT

CITY FEDERAL CREDIT UNION

THE FUTURE IS OURS! I am pleased to announce that 2015 was a record year of earnings and growth for City Federal Credit Union. We reversed the trend of the last eight years of not generating net income. In fact, the credit union had the second best financial performance in its history. Net income for the credit union was \$182,802 in 2015. The hard work from 2015 will carry over to 2016 where we are poised to double these results.

A MODERN HOME FOR YOUR MONEY! These results have allowed us to embark on a far-reaching program to modernize the credit union. We first put in an ATM for more convenience in getting money and making deposits. We then began a technology campaign with the development of our mobile banking app for iPhone and Android which will be on your phone in 2016. This was followed by our parking lot repaving and the outdoor lighting beautification program. We upgraded our debit card and credit card issuances to provide you better convenience when using your cards out of town or online while building better financial technology into our cards. Finally, we have begun to completely convert our "core" computer system to a modern platform built on safety, security, efficiency, and ease of use.

MORE LENDING CHOICES THAN EVER! In 2015, we restructured all of our loan offerings to better assist our members with their borrowing needs. We provided loan access to a broader group of members than ever before. We began member business lending services for the hard-working small businesses in our membership. We also dipped our toe into real estate and mortgage lending by gradually opening up those areas that our members have asked for.

WE ARE GROWING ON YOU! The credit union had a year of record growth in assets. We ended the year at \$31,003,000 in assets. This is the largest year of growth in our history at 15.72%.

WE NEED EACH OTHER! The credit union is built upon the foundation of the strength of our common bond of credit union membership and its roots in City of Amarillo employment and other employment groups. The one area is which the credit union sincerely needs your help is attracting new members

THANK THE TEAM! I am very pleased with the hard work and the results of the credit union's employees and its management team. They have put in extra hours and gone far beyond the call of duty to truly deliver to you a financial home that you will want stay with for life.

Respectfully Submitted
Frank Frazzitta
Chief Executive Officer

SUPERVISORY COMMITTEE REPORT

CITY FEDERAL CREDIT UNION

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. 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, dormant account activity and other reports are reviewed. Surprise cash counts are performed throughout the month. The committee has also contracted with Waypoint Advisory Services to perform some of the routine 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.

A verification of all Credit Union accounts is conducted every two years; the last one was done in the summer of 2014 with no negative responses. 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.

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 November of 2015. NCUA Federal Examiners did an examination in June of 2015. 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.

Based on these various verifications and assessments - and the consistently high marks received during annual audits and examinations - I believe our Credit Union to be in sound financial condition and being operated properly.

I'm excited about recent advances within the credit union and look forward to the implementation of upcoming projects that will further improve services for our members. I appreciate the opportunity to work with such a supportive and committed group of officers, staff and committee members.

Donna Smith
Chairperson