

2020

ANNUAL REPORT



CITY FEDERAL
CREDIT UNION



PRESIDENT'S REPORT

We have decided to be different in 2021. We are publishing and mailing a high-quality Annual Report for your use. This makes us different than the current trend of not printing and distributing annual reports. We came to this decision to offset the disappointment of not having an in-person Annual Meeting this year. Each year we host over 300 members to share an evening of food, fun, and companionship with the credit union. It just won't be the same with an online Annual Meeting. We will miss you.

We made over 1,750 loans totaling over \$19 million in 2020.

The events of 2020 had significant impacts on the lives of every member. We responded with about half a million of emergency loan dollars we made available at zero interest rates. We joined the SBA Payroll Protection Program (PPP) loan program for small businesses. We closed and quickly reopened our lobby. We sanitized and re-sanitized and kept our members safe and supported. We made sure we were there when you needed us the most.

2020: YEAR IN REVIEW

TOTAL ASSETS

\$51.781 MILLION

TOTAL ASSETS GREW BY

\$2.259 MILLION

TOTAL LOANS

\$44.308 MILLION

LOAN PORTFOLIO GREW BY

\$1.530 MILLION

TOTAL MEMBERS

2,761

Membership declined by 5



**CITY FCU
RETURNED
TO MEMBERS
MORE THAN
\$470,000**

THE SOUTH SONCY BRANCH WILL BE OPENING THIS SUMMER: The Soncy Branch construction was delayed due to Covid in 2020. I am happy to report construction is currently progressing towards a mid-summer opening date. This branch will be a hybrid of technology, safety, 24/7 self-service and the credit union's long history of friendly support. The credit union's 25-year veteran and Vice-President, Lynnette Padilla, will have opening responsibilities for the branch and will be permanently located there. Her team will operate in the Soncy corridor and support current members as well as membership growth.

This is the only credit union location of any credit union on Soncy Road. It will serve our members on the west side of town and provide convenient, new membership opportunities for persons living in the Heritage Hills subdivision on Heritage Hills Parkway.

Our planned new branch is the credit union's first expansion in our history. The branch has two purposes. The first is to provide a geographically different location than our downtown branch to increase member convenience. The second is to offer the experience of being a credit union member to others in the Amarillo community.

SIXTH CONSECUTIVE YEAR OF EARNINGS: I am pleased to report that City FCU has again achieved positive earnings in 2020. We navigated the tough waters and are well-positioned for 2021. We recognized net income of \$375,000 and increased our capital to \$4.6 million.

We continue to increase and provide additional services and lending opportunities 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 2021.

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.

With an honor to serve,

Frank Frazzitta

Frank Frazzitta
Chief Executive Officer



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 thank all the credit union employees who served all of us through the trying times in 2020. They 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. We have a greatly expanded ATM network, contactless payment options, and a new home banking website. We have upgraded our mobile app, increased mobile deposit amounts, and expanded online payment options for loans.

We also have initiated the construction of our second location, our new branch at Soncy and Heritage Hills Parkway. We are pleased to offer additional convenience to member throughout town and to extend our membership offerings to new residents. We plan on opening in early summer and hope each of you will visit the new location and experience the modern touches that the branch will include.

I am pleased to report that 2020 continued our six-years of results with strong and stable operations and continued growth. The financial balance sheet remains robust and well-positioned for the future. 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. Continued success depends on the input and guidance of CEO Frank Frazzitta and his leadership team. 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 insure 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 2020

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 December of 2020. NCUA Federal Examiners did 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 been taxed with business decisions based on challenges during the Covid pandemic. I am pleased to say our dedicated staff has stepped up and applied changes while maintaining customer satisfaction.

September 23rd, 2020 was a tremendous day for our Credit Union. A ground breaking ceremony was held at Heritage Hills Parkway for our new Branch location. This branch is a testament to our dedicated staff and leadership 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, 2020

	2020	2019
ASSETS		
CASH AND EQUIVALENTS	\$4,001,228	\$3,609,230
INVESTMENTS	\$53,658	\$297,921
LOANS	\$44,310,488	\$42,778,203
LESS: ALLOWANCE FOR LOAN LOSS	(\$494,553)	(\$268,399)
NET LOANS OUSTANDING	\$43,815,935	\$42,509,804
FIXED ASSETS	\$1,773,288	\$1,418,275
PREPAID EXPENSES	\$90,140	\$113,861
ACCRUED INTEREST INCOME	\$373,569	\$252,969
OTHER ASSETS	\$673,755	\$319,722
TOTAL ASSETS	\$50,781,572	\$48,521,784
LIABILITIES & EQUITY		
SHARE DEPOSITS	\$21,124,660	\$19,007,152
SHARE DRAFTS	\$5,825,455	\$5,152,580
IRA SHARES	\$1,952,387	\$2,078,927
SHARE CERTIFICATES	\$16,229,872	\$16,207,492
OTHER INT. BEARING SHARES	\$496,000	\$1,494,000
TOTAL SHARES	\$45,628,374	\$43,940,151
PAYABLES	\$215,643	\$87,280
ACCRUED LIABILITIES	\$345,627	\$277,731
TOTAL LIABILITIES	\$46,189,644	\$44,305,162
MEMBERS EQUITY		
REGULAR RESERVES	\$640,292	\$640,292
UNDIVIDED EARNINGS	\$3,576,359	\$3,165,330
YTD NET INCOME	\$375,277	\$411,000
TOTAL MEMBERS EQUITY	\$4,591,928	\$4,216,622
TOTAL LIABILITIES & EQUITY	\$50,781,572	\$48,521,784



STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2020

	2020	2019
INCOME		
INTEREST INCOME		
INTEREST ON LOANS	\$2,785,664	\$2,037,860
INVESTMENT INCOME	\$10,152	\$35,782
TOTAL INTEREST INCOME	\$2,795,816	\$2,073,642
INTEREST EXPENSE		
TOTAL INTEREST EXPENSE	\$472,481	\$295,601
NET INTEREST INCOME	\$2,323,335	\$1,778,042
LOAN LOSS PROVISION	\$880,000	\$314,958
NET INT INCOME AFTER PROVISION	\$1,443,335	\$1,463,084
NON-INTEREST INCOME		
DEPOSIT FEES	\$181,770	\$167,703
LENDING FEES	\$108,688	\$110,509
OTHER INCOME	\$1,735	\$6,255
TOTAL NON-INTEREST INCOME	\$292,192	\$284,466
NON-INTEREST EXPENSE		
EMPLOYEE COMPENSATION	\$825,312	\$734,954
OCCUPANCY	\$61,442	\$59,527
OFFICE OPERATIONS	\$229,851	\$212,034
LOAN SERVICING	\$54,313	\$58,172
PROFESSIONAL SERVICE	\$32,466	\$33,535
MISCELLANEOUS	\$84,222	\$140,814
SHARE DRAFT EXPENSE	\$156,962	\$140,218
OTHER EXPENSE	(\$84,317)	(\$37,126)
TOTAL NON-INTEREST EXPENSE	\$1,360,250	\$1,342,128
NET INCOME	\$375,277	\$405,423
KEY RATIOS		
NET WORTH/ASSETS	9.04%	8.69%
RETURN ON ASSETS	0.74%	0.84%
OPERATING EXPENSE	2.68%	2.77%
LOANS/ASSETS	87.26%	88.16%
DELINQUENT LOANS/LOANS	1.27%	1.93%
NET CHARGEOFFS	1.32%	0.59%
ASSET GROWTH	4.66%	36.01%
MEMBERS	2,761	2,766
MEMBERSHIP GROWTH	-0.18%	2.83%



OFFICIALS AND STAFF

BOARD OF DIRECTORS

MATTHEW LANGFORD..... CHAIRMAN
 MARC LUSK VICE CHAIRMAN
 THOMAS HIGGINSSECRETARY
 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
 AMANDA WHITNEYACCOUNTING MANAGER

 DONNA CAGLE..... LOAN OFFICER
 LUCY HERNANDEZ LOAN OFFICER

 MELONIE JASSO COLLECTIONS COORDINATOR
 MONICA APODOCA.....E-SERVICES COORDINATOR
 TAYLOR ZORNES..... TELLER
 SARAH LEDFORD TELLER

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.”

CORE VALUES

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