

2025 ANNUAL REPORT



Field of Membership

Anyone who lives, works, worships or attends school in Collin, Cooke, Dallas, Denton, Ellis, Grayson, Hunt, Johnson, Kaufman, Parker, Rockwall, Tarrant and Wise counties.

Branch Locations

Duncanville

506 East Highway 67
Duncanville, TX 75137

East Dallas

8344 East R.L. Thornton Freeway
Suite 110
Dallas, TX 75228

Gainesville

406 North Grand Avenue
Suite 101
Gainesville, TX 76240

Sherman

401 West Wilson Avenue
Sherman, TX 75090

Waxahachie

1625 North Highway 77
Waxahachie, TX 75165

Board of Directors

Alan Richardson, Chair — Term ends 2027

Ronnie Davis, Vice Chair — Term ends 2026

Larry McDaniel, Secretary/Treasurer — Term ends 2028

Craig Miller — Term ends 2026

John Sutton — Term ends 2028

Advisory Directors

Derek Beard

Jay Helmer

Executive Officers

David Frith, President and Chief Executive Officer

Mitchell Clark, Chief Operating Officer and Executive Vice President

Sallie Horace, Chief Retail Officer

Shannon Garrett, Chief Financial Officer

Core Values

Fairness - We will conduct our business in a fair, ethical and professional manner.

Honesty - We will be honest with our members and employees.

Excellence - We will strive for excellence in everything we do.

Board Chair's Report

Progress requires both stability and vision. In 2025, we focused on strengthening our foundation while thoughtfully preparing for what's ahead.

Financial strength remains essential to our long-term stability, and your Board continues to prioritize responsible growth and sound decision-making. But our vision goes beyond financial performance. We believe a strong credit union is measured by the experience it delivers every day. This year, our employee satisfaction scores reflected a healthy and engaged workforce — a team committed to serving members well. That commitment was evident in strong member survey results and our many five-star online reviews.

As the financial services landscape continues to evolve, so do we. We're investing in technology, refining our processes and enhancing our products to make banking simpler, more convenient, and more responsive to your needs. Our goal is not just to keep pace with change, but to position City CU for continued growth and relevance in the years ahead.

The future of City CU is one of steady progress, thoughtful innovation and an unwavering commitment to the people we serve. On behalf of the Board of Directors, thank you for your trust and membership. We look forward to what we will accomplish together.

Alan Richardson
Board Chair

President's Report

This past year marked an important leadership transition for City CU. After more than two decades of dedicated service, our longtime President and CEO retired, and I stepped into the role with deep appreciation for the strong foundation we've established. We remain committed to the values, culture and member-first focus that define City CU.

With continuity in leadership and a clear strategic vision, we are focused on the future — strengthening our operations, investing in our team and positioning City CU for continued growth and innovation. Change brings opportunity, and we are energized by what lies ahead.

Over the past year, we've laid important groundwork for enhancements that will roll out throughout the coming years — focused on improving convenience, expanding financial solutions and strengthening the ways you can manage your financial life with us.

Looking ahead into the next year, you can expect continued innovation in digital tools, expanded product offerings tailored to your needs and refinements to our experience that make banking with us easier and more rewarding.

While leadership and products evolve, our core focus remains constant: serving you with integrity, responsiveness and service excellence that sets City CU apart.

Thank you for your trust and partnership.

David Frith
President and CEO

Treasurer's Report

City CU remained financially stable in 2025 as we navigated a challenging economic environment marked by inflation, interest rate volatility and shifting consumer behavior. Our focus remained on prudent financial management and the long-term strength of the credit union.

Total assets ended the year at \$623 million, compared with \$639 million in 2024, reflecting a balanced approach to liquidity and growth as interest rates and member borrowing patterns shifted. Loans to members totaled \$322 million, compared with \$363 million in 2024, as the credit union continued to meet members' needs while carefully managing credit quality and portfolio performance.

City CU reported net income of \$620,617 for the year and maintained disciplined expense management, with a non-interest expense ratio of 4%, helping to preserve the long-term financial strength of the credit union.

Total membership decreased by 2.85% to 34,196 in 2025.

In 2025, CLA (CliftonLarsonAllen) audited City CU's financial statements. City CU's Audit Committee consisted of Larry McDaniel (chair) and John Sutton.

Larry McDaniel
Secretary/Treasurer

Notable Changes

- **Bylaws** - Changed the number of Board of Directors members from 7 to 5 ((Section 5.01 (a))
- **Articles of Incorporation** - Changed Principal Place of Business to 8344 East R.L. Thornton Freeway, Suite 400, Dallas, Texas 75228 (Section 2.01 – Place of Business)
- **Executive Management**
 - President and Chief Executive Officer Sharon Moore retired.
 - David Frith was promoted to President and Chief Executive Officer.
 - Mitchell Clark was promoted to Chief Operating Officer and Executive Vice President.
 - Shannon Garrett was promoted to Chief Financial Officer.

Consolidation Statements of Financial Condition

Years Ended December 31, 2025 and 2024

| Asset | 2025 | 2024 |
|---|----------------------|----------------------|
| Cash and Cash Equivalents | \$55,196,586 | \$60,029,849 |
| Investment Securities: | | |
| Held-to-Maturity | 200,312,225 | 183,806,484 |
| Other Investments | 16,173,000 | 6,016,174 |
| Federal Home Loan Bank Stock | - | 680,700 |
| Loans to Members, Net of Allowance for Losses | 322,082,464 | 362,807,502 |
| Accrued Interest Receivable | 1,672,929 | 1,713,361 |
| Premises and Equipment, Net | 14,363,513 | 11,249,939 |
| NCUSIF Deposit | 5,255,959 | 5,627,279 |
| Funded Status of Defined Benefit Pension Plan | 3,603,057 | 3,507,241 |
| Forclosed Assets | - | - |
| Other Assets | 4,549,085 | 3,384,001 |
| Total Assets | \$623,208,818 | \$639,516,465 |

Liabilities & Members' Equity

Liabilities:

| | | |
|--|--------------------|--------------------|
| Members' Share and Savings Accounts | \$541,958,079 | \$549,208,560 |
| Accrued Expenses and Other Liabilities | 8,102,125 | 8,354,783 |
| Total Liabilities | 550,060,204 | 567,563,343 |

Members' Equity:

| | | |
|--|----------------------|----------------------|
| Regular Reserve | 4,291,639 | 4,291,639 |
| Undivided Earnings | 69,557,409 | 68,936,792 |
| Accumulated Other Comprehensive Loss | (700,434) | (1,275,309) |
| Total Members' Equity | 73,148,614 | 71,953,122 |
| Total Liabilities and Members' Equity | \$623,208,818 | \$639,516,465 |

| Interest Income | 2025 | 2024 |
|--|-------------------|-------------------|
| Interest on Loans to Members | \$23,346,648 | \$24,872,903 |
| Interest on Investment Securities and Cash Equivalents | 7,686,732 | 7,972,328 |
| Total Interest Income | 31,033,380 | 32,845,231 |

| | | |
|-------------------------|------------------|-------------------|
| Interest Expense | 8,662,511 | 11,849,846 |
|-------------------------|------------------|-------------------|

| | | |
|----------------------------|-------------------|-------------------|
| Net Interest Income | 22,370,869 | 20,995,385 |
|----------------------------|-------------------|-------------------|

| | | |
|-----------------------------------|------------------|------------------|
| Provisions for Loan Losses | 5,548,410 | 5,324,159 |
|-----------------------------------|------------------|------------------|

| | | |
|---|-------------------|-------------------|
| Net Interest Income After Provisions for Loan Losses | 16,822,459 | 15,671,226 |
|---|-------------------|-------------------|

Non-Interest Income

| | | |
|----------------------------------|------------------|-------------------|
| Fees and Charges | 3,743,518 | 4,352,361 |
| Other Non-Interest Income | 4,977,554 | 6,266,551 |
| Total Non-Interest Income | 8,721,072 | 10,618,912 |

Non-Interest Expense

| | | |
|---------------------------------------|------------------|--------------------|
| General and Administrative | | |
| Compensation and Benefits | 11,375,254 | 11,292,248 |
| Occupancy | 1,600,422 | 1,731,525 |
| Operations | 2,479,602 | 3,810,514 |
| Loan Servicing | 1,356,705 | 1,364,462 |
| Other Expenses | 8,110,931 | 4,733,918 |
| Net Loss on Sale of Foreclosed Assets | - | - |
| Total Non-Interest Expense | 24,922,914 | 22,932,667 |
| Net Income | \$620,617 | \$3,357,471 |



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