2019
Annual Report

City Credit Union

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.

Connect with City CU

Website: www.citycu.org
Email: members@citycu.org
Live Chat: access at www.citycu.org
EasyTeller Automated Phone System: (214) 320-2111

Member Services

(214) 515-0100 | (888) 324-2328

Branch Locations

Duncanville
506 E. Hwy. 67
Duncanville, TX 75137

Ferguson
7474 Ferguson Rd.
Dallas, TX 75228

Frankford
3015 Frankford Rd.
Dallas, TX 75287

Gainesville
406 N. Grand Ave.
Ste. 101
Gainesville, TX 76240

Oak Cliff
126 E. Colorado Blvd.
Dallas, TX 75203

Sherman
401 W. Wilson Ave.
Sherman, TX 75090

Waxahachie
1625 N. Hwy. 77
Waxahachie, TX 75165

Board of Directors

Alan Richardson
Board Chair
Term expires in 2021

Larry McDaniel
Vice Chair
Term expires in 2022

Bonnie Ambrose
Secretary
Term expires in 2020

Gloria Lopez Carter
Treasurer
Term expires in 2020

Gilbert Aguilar
Term expires in 2022

Mary Bland
Term expires in 2021

Armin Jose' Cruz
Term expires in 2021

Chandra Marshall-Henson
Term expires in 2020

Craig Miller
Term expires in 2022

Advisory Board Members

Nicole Gills
Advisory Board Member
Term End Date: February 2020

Kellen Houghton
Advisory Board Member
Term End Date: February 2020

Greg Reichel
Advisory Board Member
Term End Date: October 2020

Executive Officers

Sharon Moore, CFE
President and CEO

Mitchell Clark
Chief Administrative Officer

John Bailey
Chief Operating Officer

Amber Abbitt
Chief Financial Officer

Sallie Horace
Chief Retail Officer

David Frith
Chief Strategy Officer

Board Chair's Report

City CU's commitment to long-term growth and stability continues to reward us in the form of financial success and employee and Member satisfaction. We follow the Board of Directors' Strategic Plan, which is the blueprint for City CU's vision and goals.

We attribute City CU's overall success to the Board of Directors and employees making the difference with our Members every day while practicing our Core Values: fairness, honesty and excellence.

City CU is a not-for-profit financial cooperative; we return all profits to Members in the form of lower loan rates and fees, higher deposit rates and convenient and secure banking services. In-branch services and self-service online and mobile account management tools deliver value to our Members.

For many years, our free financial education has made a difference for our Members and those we help in the community. This sets us apart from other financial institutions and we promote it via radio, web and social media to the communities we serve. In 2019, our financial education seminars, workshops and one-on-one counseling helped more than 2,200 individuals.

In addition to our financial statements, the Member Satisfaction surveys impart another, equally-important measurement of City CU's performance: Members' experience with our staff, products and services. In 2019, our overall satisfaction score again increased, to 93%. This outstanding score demonstrates the commitment and efforts of our Board of Directors and our employees.

On behalf of everyone at City Credit Union, we thank you for your ongoing trust in us. We look forward to serving you for years to come.

Alan Richardson
Board Chair

City Credit Union's 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.

President's Report

In 2019, City CU continued to execute the strategic plan established by our Board of Directors. Our focus remained on our two cornerstones, free financial education and Random Acts of Kindness, along with balanced asset and loan growth.

Members and non-Members benefitted from free financial seminars, workshops and one-on-one counseling from our Community Outreach team. Financial education is an ongoing differentiator for City CU in both the regional financial industry and the communities we serve.

Generous donations from our Members, staff and those in our communities helped organizations like Austin Street Center, Buckner International and other nonprofits in the Dallas, Ellis, Grayson and Cooke county communities. We're continuing our Random Acts of Kindness practice in 2020 and encourage others to join us.

We completed our north Texas field of membership expansion in 2019 to include Hunt, Parker, Johnson and Wise counties. We now offer all communities in the Dallas-Fort Worth-Arlington Metropolitan Statistical Area a broad range of financial services, deposit products, low-rate loans and the technology to manage them.

Highlights from 2019:

- A high satisfaction score from our staff again earned us a Great Place to Work certification.
- For the fifth year in a row, Bauer Financial, Inc. awarded us their highest ratings based on our financial performance, stability and strong management.
- Loans grew to $340 million as new and existing Members trusted us to finance their cars, homes and credit cards.
- City Credit Union Financial Services, LLC experienced outstanding insurance product growth; this is a result of hiring a new agent, renewed marketing and employee referrals.
- A 93% Member satisfaction score exceeded our expectations

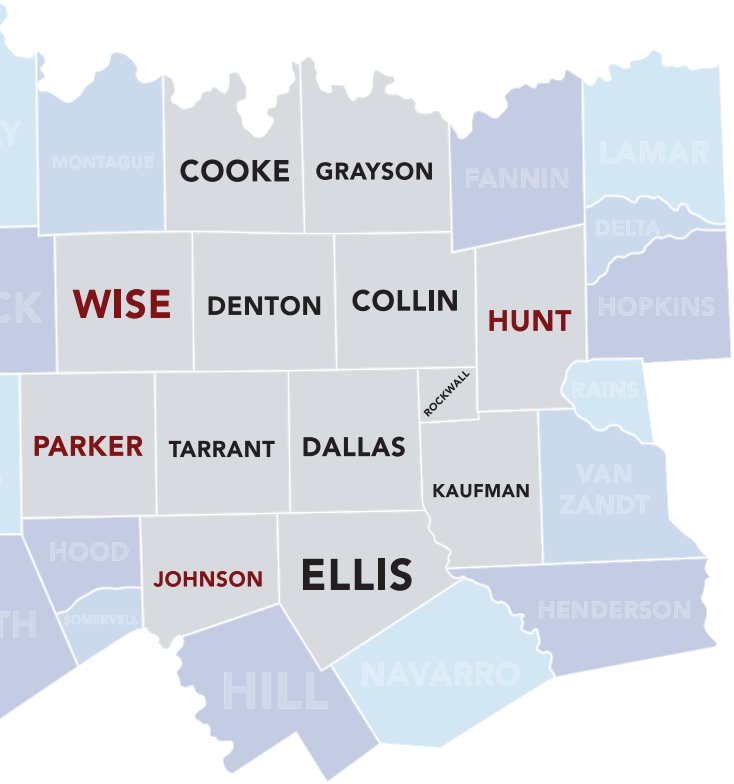
We owe our success to the Board of Directors and our employees and, above all, we thank our Members for your ongoing loyalty and for allowing us to make the difference in your life. I look forward to a successful 2020!

Sharon Moore, CFE
President and CEO

Bylaws

The Bylaws were amended in 2019 to allow Parker, Wise, Johnson and Hunt counties into City CU's field of membership.

To view the current City CU Bylaws, please visit **citycu.org**.



Thank you!

We wish our Board Directors Bonnie Ambrose and Chandra Marshall Henson a very fond farewell. We appreciate the time and dedication they have given to the organization. They will be missed.

Treasurer's Report

For another year, City CU's well-capitalized position and commitment to maintaining financially-responsible operations resulted in balanced and sustainable growth in Assets, Deposits and Loans.

During 2019, Total Assets grew $29 million to $496 million, a 6.3% increase over 2018. Loans experienced a similar result, increasing 6.5%, or $21 million, with new and existing Members coming to City CU for their borrowing needs. Deposit growth kept pace as well, with a 6.9% increase over 2018, finishing the year at $439 million. City CU's membership remained steady in 2019 with 36,671 Members; this is a result of proactively monitoring and closing inactive accounts in compliance of Texas law.

Net Income in 2019 was $3.7 million. With our ongoing focus on operating efficiencies to control costs, the non-interest expense ratio remained stable at 4.4% in 2019 versus 4.3% in 2018.

City CU's financial statements are audited each year by Nearman, Maynard, Vallez Certified Public Accountants. During the course of 2019, internal audit services were provided by Credit Union Resources, Inc. City CU's Audit Committee consists of Gloria Lopez Carter, Craig Miller and Greg Reichel.

Gloria Lopez Carter
Treasurer

Consolidation Statements of Financial Condition

Years Ended December 31, 2019 and 2018

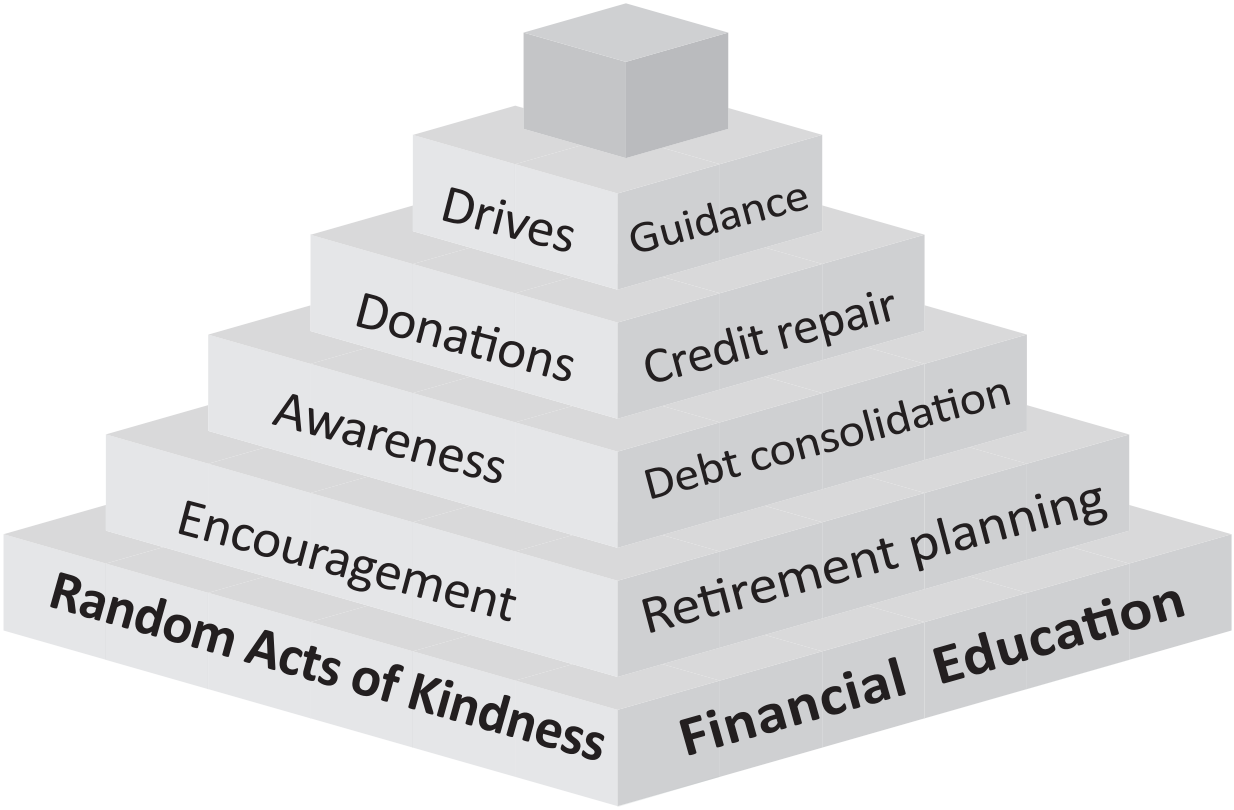
Asset	2019	2018
Cash and Cash Equivalents	$47,611,623	$37,032,960
Investment Securities:		
Held-to-Maturity	32,069,281	21,628,510
Other Investments	56,444,933	70,545,500
Federal Home Loan Bank Stock	190,000	165,600
Loans to Members, Net of Allowance for Losses	336,473,681	316,991,899
Accrued Interest Receivable	1,251,396	1,171,972
Premises and Equipment, Net	13,241,934	13,191,560
NCUSIF Deposit	4,148,632	3,892,083
Funded Status of Defined Benefit Pension Plan	1,918,981	391,336
Foreclosed Assets	-	-
Other Assets	2,965,860	1,976,616
Total Assets	**$496,316,321**	**$466,988,036**

Liabilities & Members' Equity

Liabilities:		
Members' Share and Savings Accounts	$438,630,220	$410,299,408
Accrued Expenses and Other Liabilities	7,487,379	10,203,380
Total Liabilities	446,117,599	420,502,788
Members' Equity:		
Regular Reserve	4,291,639	4,291,639
Undivided Earnings	48,973,581	45,269,243
Accumulated Other Comprehensive Loss	(3,066,498)	(3,075,634)
Total Members' Equity	50,198,722	46,485,248
Total Liabilities and Members' Equity	**$496,316,321**	**$466,988,036**

Interest Income	2019	2018
Interest on Loans to Members	$19,395,377	$16,960,761
Interest on Investment Securities and Cash Equivalents	2,736,037	2,103,083
Total Interest Income	**22,131,414**	**19,063,844**
Interest Expense	3,986,717	2,952,245
Net Interest Income	18,144,697	16,111,599
Provisions for Loan Losses	3,874,747	3,382,889
Net Interest Income After Provisions for Loan Losses	14,269,950	12,728,710
Non-Interest Income		
Fees and Charges	5,599,517	8,433,585
Other Non-Interest Income	5,008,919	1,967,650
Total Non-Interest Income	**10,608,436**	**10,401,508**
Non-Interest Expense		
General and Administrative		
Compensation and Benefits	9,968,026	8,801,559
Occupancy	1,848,202	2,036,703
Operations	4,591,799	5,042,068
Loan Servicing	893,513	847,567
Other Expenses	3,872,508	2,238,121
Net Loss on Sale of Foreclosed Assets	-	**4,927**
Total Non-Interest Expense	21,174,048	18,970,945
Net Income	**$3,704,338**	**$4,159,273**

City CU's 2019 Cornerstones



7474 Ferguson Road, Dallas, Texas 75228

(214) 515-0100 | (888) 324-2328 | citycu.org

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