

# The People's Bunch



# 68th Annual Meeting

# PRESIDENT'S REPORT

The People's Federal Credit Union once again had a positive year in 2020, even during pandemic protocols. We appreciate our management and staff for their diligence in providing services to our members whether in person (curbside, drive-ups, lobby, or phone) or virtually (ATM/debit, Bill Payer, CU@round, or remote deposits). Some stayed on the front line and others teleworked.

Growth in key operational areas continued to be successful. Monitored challenges affecting the areas of investments, interest rates and subsequent impact on dividends paid. TPFCU's steady growth is a reflection of members in the credit union. We appreciate your confidence in our organization.

During the past year, loans and shares increased, membership grew, mobile money and virtual branch users increased, operating expenses remained steady and charge offs and delinquency remained relatively the same. Our return on average assets decreased slightly but gradually improved throughout the year. Policies were updated as needed to maintain NCUA requirements and sound business practices. We offered programs and services to keep up with technology and introduced mobile remote deposits. We continue to be involved in community activities.

The Board of Directors will remain diligent in establishing policies to better manage the assets of the credit union and to carry out our duties in good faith, in a manner to be in the best interest of the membership. The credit union's board and management philosophy is committed to being your primary financial institution. We will always strive to provide quality and competitive services in an atmosphere of trust and superior satisfaction to each member.

Some areas for development this year include improvements at our Pecos branch office, interior and parking upgrades.

Our mission of people helping people remains our goal to provide products, services and safety to the membership.

Christie Brown  
Board President



# GENERAL MANAGER'S REPORT

The People's Federal Credit Union concluded 2020 with a successful year in both loan and savings growth. Your credit union experienced growth in membership, loans and savings. Overall, our financial performance improved from the previous year in several key metrics including financial efficiency. Your participation in the credit union contributes to its growth and allows us to return profits back to you, the owners and members, through competitive rates, products, and enhanced services. Your continued confidence helps us accomplish this growth and we would like to thank our members for allowing us to have a very good year.

Our assets grew to over \$205 million, while membership grew approximately 2.3% ending the year with 22,875 members. Total savings accounts ended the year at \$205.4 million, growing at a 15.78% rate. Loans grew 8% in 2020 and reflected \$125 million in loans outstanding. Delinquent loans increased as a percentage for the year while loan losses decreased for the year for a combined 1.01%. You continue to value competitive rates and you have a commitment to honoring your financial obligations with your credit union.

The People's Federal Credit Union's capital position decreased from the previous year in 2020 due to continued growth, but we remain a well-capitalized financial institution with a capital ratio of 7.24% compared to the industry standard of 7%. Our overall net gain from operations was less than the previous year, but with lower loan losses and continued expense control, the credit union remains profitable. Your credit union continues to be an efficient organization with very low operating expenses compared to the industry.

Many other areas of your credit union have grown not just in size but in convenience. We have the convenience of 5 full-service branches including in Canyon and Childress. We have the highest number of No-Surcharge ATMs owned and more shared ATMs across the Amarillo area and nationwide. Other services include: our suite of electronic access products including Debit/ATM cards, CU@Round, our Owner Mobile banking app, E-statements, online bill pay system, remote deposits, and overdraft protection for your checking accounts.

While there have been many changes, your credit union strives to maintain the personal service you have come to expect over the past 68 years. Most noticeably, this is evidenced in our staff - the good people who work for you, live near you, and care about your financial well-being. We have the good fortune to have an experienced and dedicated management team and board of directors. This experience gives your credit union a level of stability that is hard to find these days.

Our 2020 results show that The People's FCU is a strong, sustainable and efficient financial institution. We are confident in our ability to meet all your financial services needs but we are far more than just financial services and products. We are a part of the community and give back to the community through many projects. Although several of these community projects looked different this year due to Covid, we still were able to assist the community when possible.

2021 begins our 68th year as a credit union. Over that time, your credit union has shown some incredible growth in membership, assets, savings, and loans. We again added more members this year and assets increased. Loans to members have continued to increase each year as our members trust their credit union not only as a great savings place but a great place to get a loan. Some areas for development this year include improvements at our Pecos branch office, interior and parking upgrades. There are always many changes in the financial services area, and we pride ourselves on keeping up with those changes while maintaining the personal service you have come to expect.

We have a team of dedicated professionals who work daily with the one objective: to help meet the financial needs of our Owners and make your financial life easier. These things would not be possible without the commitment and effort of our dedicated credit union staff, volunteer board of directors and committees. I thank them for their continuous commitment and you, our member/owner, for having the confidence in these individuals who drive the success of your credit union. We look forward to making 2021 a better year.

Art Hornell  
GM/CEO

# TREASURER'S REPORT

It is once again time to review the state of the credit union and from all indications our credit union is sound. Once again the credit union management, staff and board were challenged to keep the credit union healthy. In spite of low interest rates established by the Federal Reserve board, we were able to stay healthy by making strategic investments in an attempt to receive the highest rates of return and offer loans to members and pay dividends at competitive rates.

Our membership and assets continue to grow. For example, comparing 2020 to our position at the end of 2019, membership grew by 519 to a total of 22,875. The number of accounts grew by 803 to a total of 38,048. Share draft, or checking accounts, increased by 301 to a total of 12,238. Assets grew by 14.88% or \$28,933,657 to a total of \$223,291,866. This overall growth was occasioned by an increase in savings by \$28,007,000, or 15.78%, an increase in IRAs and a decrease in CDs by \$80,046 which gave us total members equity of \$205,413,884. Our total income decreased \$623,224 which was a 7.08% decrease from 2019. Expenses for the year were higher by \$248,828, which was a 3.45% increase over 2019, however there was a decrease in the cost of funds by 24.33% for a total of \$247,848.

Credit union income comes from three different sources: Interest from loans to members, income from investments and from fees. The credit union has liberal loan policies and the loan department never makes a bad loan. However, there are cases where loans go delinquent. In this regard, our delinquency decreased from 1.22% in 2019 to 0.77% in 2020. Said another way, loans, on the bright side, were 99.33% current. Charge off ratio to average assets decreased from 0.34% to 0.24% and charge offs to average loans decreased from 0.54% to 0.41%.

Once again, the state of the credit union is sound. It is here serve the financial needs of you the owner members. Management, Staff and the board of directors wish to thank you for your continued support.

Sam P. Gaffney



# COMPARATIVE FINANCIAL STATEMENT

## ASSETS

	2019	2020
Loans to Members	116,274,558	125,639,204
Allowance for Loan Loss	(578,377)	(588,482)
Cash in Banks, et al	3,425,651	3,406,435
Investments		
Government Securities	38,945,178	61,371,458
CDs in CUs and Banks	8,632,000	5,656,000
Shares in CUs	19,830,935	19,621,182
Perpetual Contributed Capital/CCFCU	310,526	310,526
NCUSIF	1,705,212	1,864,707
Prepaid Expenses	372,576	304,982
Accrued Income	446,728	422,145
Fixed Assets		
Land and Buildings (net)	4,316,564	4,206,357
Furniture/Fixtures/Equipment (net)	565,486	507,343
Other Assets	111,172	570,008

## TOTAL ASSETS

**194,358,209**                      **223,291,866**

## LIABILITIES

Accounts Payable	758,024	1,387,644
Notes Payable	0	0
Dividends Payable	256,199	120,861
Taxes Payable	0	0
Deferred Expenses	168,850	202,195
Other Liabilities	(533)	7,125

## TOTAL LIABILITIES

**1,182,540**                      **1,717,825**

## EQUITY

Member Savings	111,942,816	129,379,215
Member IRAs	11,588,508	11,699,249
Member Checking	37,721,237	48,215,983
Member Share Certificates	16,199,484	16,199,437
Regular Reserve	2,098,362	2,098,362
Undivided Earnings & Special Reserve	13,625,263	14,061,796

## TOTAL LIABILITY & EQUITY

**194,358,209**                      **223,291,866**

## FOOTNOTES

Accrued Dividend on Share Certificates	66,195	48,564
Approved LOC Not Used	96,798	91,956
Approved MasterCard Not Used	9,661,525	9,710,769

(As of December 31st)

# CONDENSED OPERATING STATEMENT

	2019	2020
<b>INCOME</b>		
Income from Loans	5,260,987	5,428,255
Interest from Investments	1,508,836	997,496
Other Income	2,029,987	1,750,837
Gain (Loss) from Investments, Sale of Assets, Other Non-Operating	12,065	370,501
<b>TOTAL INCOME</b>	<b>8,811,876</b>	<b>8,547,088</b>
<b>EXPENSES</b>		
Salaries & Related	3,334,602	3,425,126
Travel & Conferences	44,378	25,748
Association Dues	32,229	34,294
Office Occupancy	344,064	387,816
Office Operations	601,392	610,736
Advertising & Promotion	245,073	236,867
Loan Service	351,156	465,813
Professional & Outside Services	666,769	673,893
Provision for Loan Losses	614,822	518,438
Interest on Borrowed Money	0	0
Members Insurance	0	0
Miscellaneous Expenses	963,975	1,068,559
<b>TOTAL EXPENSES</b>	<b>7,198,460</b>	<b>7,447,289</b>
<b>NET GAINS FROM OPERATIONS</b>	<b>1,613,416</b>	<b>1,099,799</b>
<b>NET GAIN DISTRIBUTION</b>		
Dividends Paid on Shares	715,610	459,691
Dividends Paid on Share Certificates	302,776	310,847
Regular Reserve Requirement	0	0
Net Change to Undivided Earnings	595,031	329,262
<b>FOOTNOTES</b>		
Number of Members	22,354	22,875
Number of Accounts	38,072	38,048

(As of December 31st)

# SUPERVISORY COMMITTEE REPORT

To The People's Federal Credit Union Members,

The National Credit Union Administration (NCUA) rules and regulations, which govern The People's Federal Credit Union, require that representatives of the credit union's general field of membership be appointed by the board to serve on a committee established for the purpose of monitoring internal controls while helping to sustain the credit union's processes for member service and growth. This committee, the Supervisory Committee, currently consists of three board-appointed volunteers dedicated to serving the needs of the Members of TPFCU. In addition, the committee oversees an independent external auditing team that visits the credit union and its various branches monthly, which, in 2020, performed eighty-eight (88) separate, independent control tests.

Your Supervisory Committee meets each month for the purpose of preparing closed and dormant account letters, sending satisfaction surveys and reviewing the work performed by outside auditors to ensure the continuity of the credit union's control testing program. In addition, the committee reviews and decides on the disposition of the returned surveys and closed account letters; reviews override reports, performs periodic cash count audits and addresses inquiries from the Membership. The final major responsibility of the Supervisory Committee is to arrange for an accredited auditing firm to perform our annual financial statement audit, which meets all the requirements of Section 715.5 of the NCUA's rules and regulations.

The Supervisory Committee and its independent auditors have reviewed the credit union's accounting records, procedures, policies, internal controls, loan files and operations. The Supervisory Committee is pleased to report that the credit union remains a safe and sound place for members to entrust their hard-earned funds.

The Supervisory Committee would like to remind all members that we are here to serve you, and to say thank you for your continued support and patronage of the credit union. In addition, we would like to say thank you to the credit union's Board of Directors, Management and Staff for their continued support of the Committee and the duties we perform. The Supervisory Committee is committed to working diligently to ensure compliance with all credit union regulations and to serve the credit union members whom we represent.

Mark Epperson, Chairman

# EMPLOYEES

## HILLSIDE

### ADMINISTRATION

Art Hornell...General Manager/CEO  
Summer Baker...Office Services Manager  
Wendy Wilson...Human Resource Manager  
Kenja Purkey...Marketing Director  
Brandi Judd...Operations Manager  
Jimmie Green...Maintenance

### LENDING

Julie Daily...Lending Manager  
Sarah Bixenman...Loan Supervisor  
Brittani Anderwald...Mortgage Loan Officer  
Di Angelo Lucero...Indirect Loan Officer  
Brittanie Leochner...Junior Loan Officer  
Heather McKinnon...Junior Loan Officer  
Morgan Pacheco...Loan Processor  
Robert Seawright...Loan Processor  
Ashlynn Walden...Loan Processor  
Amanda Lemke...Loan Call Center Rep  
Dasia Brown...Receptionist

### ACCOUNTING

Jeffrey Woodington...Accounting Manager  
Desiree Ramirez...Sr Accounting Specialist  
Alexis Frescas...Accounting Specialist  
Nicholas Yarbrough...Accounting Clerk

### MEMBER SERVICES

Rebecca Gross...Member Service Supervisor  
Tiffani Hernandez...Sr Member Service Rep  
Mireya Alvarez...Member Service Rep  
Lamara Keys...Member Service Rep  
Latasha Mitchener...Call Center Rep  
Jill Murie...Call Center Rep  
Rosie Pearson...Call Center Rep  
Jaci Smithson...Call Center Rep

### E-SERVICES

Russell Parker...IT Manager  
Billie Anne Cole...ATM Debit Card Service Coordinator  
Hannah Jones...ACH Specialist  
Dale Harris...Network & Systems Admin  
Shannon Baucom...Bookkeeper  
Sara Fuller...Computer Operator Tech

### TELLERS

Cheryl Willard...Vault Head Teller  
Nate Tucek...Teller Supervisor  
Leslie Jimenez...Teller  
Stephany Seth...Teller  
Jacob Burrell...Teller  
Angela Myers...Teller

## PECOS

### ADMINISTRATION

Carolyn Cotter...Branch Manager  
Stacy Vick...Branch Account Services

### LENDING

Susan Carrillo...Loan Officer  
Lillian Montanez...Loan Officer  
Destiny Osburn...Loan Processor

### COLLECTIONS

Jorge Guasp...Collections Supervisor  
Allyson Linton...Collections Assistant  
Janette Perez...Collector  
Stacey Baker...Insurance Clerk

### MEMBER SERVICES

Elena Martinez...Member Service Rep

### TELLERS

Ron McKinnon...Teller Supervisor  
Lauren Coopridge...Vault Head Teller  
Brittany Burgin...Teller  
Autumn Gentry...Teller  
Alex Guidry...Teller  
Julia Reinbold...Teller  
Rebecca Young...Teller

## CANYON

Chelsea Smith...Branch Supervisor  
Crystal Taylor...Branch Member Service Loans  
Braydon Burrell...Teller  
Lindsey Vital...Teller

## CHILDRESS

Sarah MaGouirk...Branch Supervisor  
Sarah Votaw...Branch Member Service Loans  
Kassandra Sanchez...Member Service Rep  
Glenda Cribbs...Senior Teller  
Nancy Limon...Teller

## BOARD OF DIRECTORS

Christie Brown...President  
Cindy Klause...Vice-President  
Sam Gaffney...Treasurer  
Timothy Shedd...Secretary  
Michelle Chalmers...Board Member  
Natalie Demerson-Watkins...Board Member  
Jay Mayden...Board Member  
Dirk Schmitz...Board Member  
Aaron Soto...Board Member

## SUPERVISORY COMMITTEE

Jerry Poirot...Supervisory Committee Chairperson  
Mark Epperson...Secretary  
Thomas McLean Jr...Supervisory Committee



# IN MEMORIAM

Mayola Alexander  
Anita Alvarez  
Tommy Amburn  
Carol Anderson  
Fred Andrada  
George Baca  
Shannon Baggett  
Jo Ann Baker  
Terry Barker  
Juanita Berry  
Kristy Brandon  
Milton Brown  
June Burkhard  
Ivan Bourque  
Lucia Calhoun  
Lawny Cannon  
William Carver  
Brittani Caswell  
Jimmy Clifton  
Chuck Codignoni  
Eugene Conger  
Sherry Cook  
Jay Cooper  
Olin Cosby  
Ronnie Crooks  
E E Crowley  
Lanny Crump  
J A Crutchmer  
Lloyd Culala  
Glen Cunningham  
Vivian Curtis  
Darlene Darlington  
Edward Davis  
Lavonna Davis

John Dellis  
Lyle Denny  
Joseph Detten  
Willie Dunavin  
Alvin Eddleman  
Perry Edwards  
Morris Edwards  
Barbara Escamilla  
Jacob Espinoza  
Eloy Farias  
Robert Farmer  
Raymond Fodor  
Bill Franks  
Kendrick Freeman  
James Gonzales  
Jonathan Gutierrez  
James Hamilton  
Josie Haynes  
Leland Heiskell  
Stanley Heiskell  
Dale Herbst  
Jeremy Hernandez  
Roberto Hernandez  
Jeanette Hoover  
Shelby Hopkins  
Earl Horne  
Michael Hubbs  
Dennis Huddleston  
Delores Hughes  
Cathy Imhof  
Mary James  
Harry Johnson  
Jim Johnson  
Darren Jones

Edwina Jones  
Gene Jones  
E A Judson  
Donna Keeler  
Victoria Keith  
Wesley Kloppenborg  
Arona Knight  
Marvin Koenig  
Charles Krizan  
Helen Kuntz  
Frank Leal  
Rachel Leal  
Fern Lewis  
H W Lichte  
Patricia Lichte  
Paula Longbine  
Carol Madsen  
Frank Mallingers  
Billie Maples  
Paul Martinez  
Martha McClenagan  
Marcelo Mendoza  
George Meyer  
Jerry Miller  
Connie Moore  
Wilma Morrissey  
Robert Mulherin  
Dorothy Mundt  
Steve Nicholson  
J W Noble  
Laura Ormsby  
Henry Palmer  
Justin Patterson  
Janice Portwood

Sylvia Pyland  
Norman Rhoton  
Jo Ann Rios  
Augustine Rodriguez  
Casiano Ruiz  
Ricardo Sanchez  
Tony Sell  
Billy Shannon  
Johnnie Shuping  
Donna Spake  
Robert Spray  
Mary Stoker  
K J Sudbury  
Melvin Suttle  
Gary Swagerty  
Charles Swearingen  
Rita Taylor  
Rudy Taylor  
Choya Thompson  
Curtis Thompson  
Konetta Tooley  
Richard Tung  
Judy Van Noy  
David Verdine Sr  
Manuel Villarreal  
James Walden  
Arley Walker  
Shirley Wheeler  
Brady White  
Steven Winters  
Virginia Wyer

# CREDIT UNION SERVICES

## ACCOUNTS

- Free Kasasa checking and savings accounts that pay you for banking with TPFCU
- Club accounts to pay for vacation or Christmas
- MasterCard debit cards with a network of over 55,000 surcharge-free ATMs nationwide
- Control your debit card through our free CardValet app--turn on or off, customize based on merchant or location
- Optional Overdraft courtesy is available or you can link your savings account to cover your checking account in the case of an overdraft for free Direct Deposit/ACH
- Pre-Authorized Drafts for bill payment
- E-Statements when you don't want a paper statement each month
- Online Internet Access to your accounts through CU@round, your virtual branch
- Mobile account access through our Owner app and telephone access to your account through The People's Audio Line (PAL)
- Child and teen account programs and our Golden Preferred Senior account program that gives members 55 and older special privileges like free checks and safe deposit boxes

## LOANS

- New and used auto loans
- RV, boat, motorcycle and motor home loans
- MasterCard with a low APR and free balance transfers to pay off all those high interest credit cards
- Mortgage and land loans
- Signature loans as well as vacation, back to school and Christmas loan specials
- Home equity loans
- Line of credit loans

## INVESTMENTS

- Individual Retirement Accounts (IRA)
- Certificates of Deposit (CD)

## OTHER SERVICES

- Wire Transfers
- Safe Deposit Boxes
- Money Orders
- Traveler's Checks
- Gift Cards
- Travel Cards
- Remote Deposit
- Free online financial education through our TPFCU Financial Wellness Center