

AEROSPACE
FEDERAL CREDIT UNION

**20
24**
ANNUAL
REPORT

**THE VALUE OF
MEMBERSHIP**

Message from the Chair



The year 2024 was another outstanding year for AFCU from the perspective of the value that the Credit Union provided to its members. Members took advantage of the services offered in large numbers. In spite of it being another challenging year in regard to interest rates in general, members found many opportunities at the credit union to enhance the financial side of their lives.

In the savings category, many members took advantage of share certificate promotions which provided them with an opportunity to repatriate their deposit savings with the credit union. Members especially took advantage of certificate offers with high rates and short terms. These offerings were so embraced by members that share certificates ended the year at a record high for these deposit categories.

Of course, sometimes members need to borrow funds also. On the lending side of the aisle, members found tremendous value in our home equity line of credit (HELOC) mortgage product for their financial needs. Other services that members took advantage of included our Visa Platinum Credit Card with its world-class 5-4-3-2 rewards program. In addition, active AFCU debit cardholders had chances to win \$500 monthly prizes and a grand prize of \$2,500. Always on the lookout for more ways big and small to bring value our members, new credit card designs with the Tap to Pay feature were released in 2024.

Perhaps most importantly, I am also pleased to report, in terms of safety and soundness, that the credit union is well-capitalized and continues to receive high ratings from regulators. This reflects our duty of care in providing you financial services, and the commitment and alignment of the credit union with the industry slogan of “people helping people.”

A huge thanks goes to my fellow board volunteers for all their contributions, and the AFCU management team and staff that provide service to our membership. Together we take the responsibility for your financial success extremely serious and have comfort in the knowledge that the AFCU is a safe and secure place for you to save and borrow. We appreciate the opportunity to serve you and look forward to working with you as we achieve our vision for a better tomorrow!

David A. Christopher

Message from the President



we live in.

As we head into calendar year 2025, we realize that membership is the key ingredient which allows the credit union to fulfill its charter and serve the needs of the membership. As a member of the credit union, you play a key role in the ongoing success of this cooperative financial institution. It is a relationship that has stood the test of time and continues to evolve with the environment that

As an employee of The Aerospace Corporation or other qualifying group, the financial services that are offered by the credit union are an employee benefit. That benefit includes access to better than average dividend rates on your savings, low competitive loan rates, and low cost fees for essential services. But above all, as a member of the credit union, you have a team of dedicated finance professionals whose sole purpose is to assist you in achieving your financial goals. I am pleased to report that thousands of employees along with new and existing members agree with this sentiment and leverage the services of the credit union to our mutual benefit.

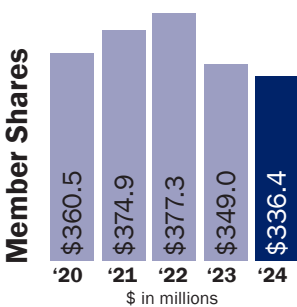
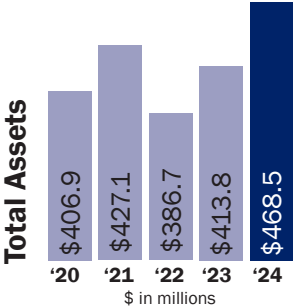
In 2025, we believe the benefits of being a member of the credit union will continue to grow, from enhanced rewards for using the financial services of the credit union, to a new home banking platform that is designed to make your experience with the credit union seamless. But your relationship with the credit union is more than just a set of transactions, but more so about relationships that create a level of synergy which produces a better good. To that end, our goal is always to focus on returning the most value for your continued support of your credit union.

In closing, I am pleased to report the vision of a small group of people in 1961, that resulted in the AFCU charter, is alive and well and remains committed to continuously enhancing the benefits of AFCU membership. Together, we can make 2025 a rewarding experience and AFCU a lifelong benefit for generations to come.

Marvin L. Thomas

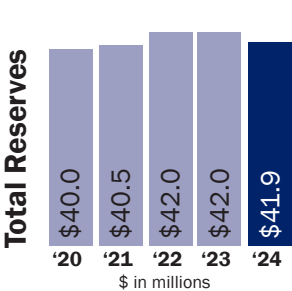
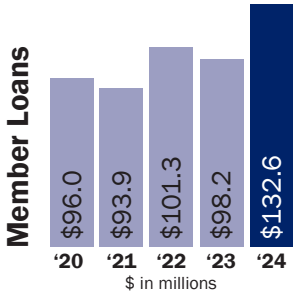
Summary Statement of Financial Condition

Years ended December 31		
ASSETS	2024	2023
Loans to Members	\$132,651,873	\$98,264,025
Less: Allowance for Loan Loss	(130,000)	(80,000)
Cash	3,443,657	3,634,590
Investments	314,632,121	293,821,951
Accrued Interest Receivable	1,492,375	1,307,020
Property and Equipment	2,014,925	2,276,190
NCUSIF Deposit	3,076,717	3,375,902
Other Assets	11,308,156	11,228,585
TOTAL ASSETS	<u>\$468,489,824</u>	<u>\$413,828,263</u>
LIABILITIES & EQUITY		
Accounts Payable/Accrued Liabilities	\$120,199,680	\$53,954,615
Member Shares	336,438,896	349,059,029
Regular Reserve	0	0
Retained Earnings	41,903,550	42,026,965
Unrealized Gain/Loss on Investments	(30,052,302)	(31,212,346)
TOTAL LIABILITIES & EQUITY	<u>\$468,489,824</u>	<u>\$413,828,263</u>



Summary Statement of Income & Expense

Years ended December 31		
INTEREST INCOME	2024	2023
Loans to Members	\$4,694,213	\$3,934,914
Investments	12,778,920	7,798,241
TOTAL INTEREST INCOME	17,473,133	11,733,155
Less: Dividend on Member Shares	5,877,285	4,478,040
NET INTEREST INCOME	11,595,848	7,255,115
Other Operating Income	1,022,330	987,794
TOTAL OPERATING INCOME	\$12,618,178	\$8,242,909
OPERATING EXPENSE		
Salaries & Benefits	\$2,879,711	\$2,868,014
Data Processing	947,700	867,937
Communications	171,004	177,759
Auditing Fees	94,394	70,032
Stationery & Supplies	16,863	14,835
Education & Promotion	142,533	126,994
Depreciation & Amortization	283,851	307,980
Share Insurance	0	0
General Expenses	8,205,537	3,759,069
TOTAL OPERATING EXPENSE	\$12,741,593	\$8,192,620
Non-Operating Income/(Loss)	0	0
NET INCOME	<u>(\$123,415)</u>	<u>\$50,289</u>



Report of the Treasurer



Key elements of your credit union's 2024 financial performance include:

- Total assets were \$468.5 million; up \$54.7 million from the previous year and reflects an increase of 13.2%.
- Member share deposits at \$336.4 million, were down \$12.6 million, and reflects a decrease of 3.6%.
- Member loans at \$132.6 million, were up \$34.4 million and reflects an increase of 35.0%.
- Investments ended the year at \$314.6 million, up \$20.8 million and reflects an increase of 7.0%.
- Total revenue for the year was \$18.5 million, up 45.4% from a year ago. Of that amount, \$12.7 million was allocated to operating expenses, and most importantly, \$5.8 million (31.4%) was returned to members in the form of dividend payments and were greater than the prior year by \$1.4 million.
- Capital for the year ended at \$41.9 million and corresponds to a net worth ratio of 8.94%, and in accordance with regulatory standards, represents a regulatory classification of a "well-capitalized" credit union.

We anticipate moderate growth in member share deposits and loan demand, and for a continuation of improved earnings in 2025, with a balance sheet that is well structured to accommodate a wide range of interest rates.

James W. Ford

Report of the Supervisory Committee



In compliance with the Federal Credit Union Act, the Supervisory Committee retained RSM US, LLP, a CPA firm, to conduct internal audits of many of the operational areas in the credit union with a focus on regulatory compliance and risk management. Richards and Associates, a CPA firm, was retained to conduct an independent opinion audit of the Aerospace Federal Credit Union's financial statements and business practices. Both CPA firms reported and discussed their results with the Supervisory Committee and Senior Management. I am pleased to report there were no significant areas of concern with respect to the operational practices and performance of the credit union. Additionally, they found the credit union's financial statements conform to generally accepted accounting principles of the United States of America and are available for review at the credit union.

Anthony T. Stier

2024 Officials

Board of Directors

David A. Christopher | *Chair*
Christopher P. Woods | *Vice Chair*
James W. Ford | *Treasurer*
Tammy L. Choy | *Secretary*
Lauren P. Kim
Charlotte M. Lazar-Morrison
Kien T. Le
Steven M. Leontis
Mary H. Moy

Board Member Emeritus

Joe M. Straus

Supervisory Committee

Anthony T. Stier | *Chair*
Brenda E. Eichel
Lauren P. Kim
Lesli K. Otake
Terence S. Yeoh

Recording Secretary

Gail J. LaCroix

Senior Management

Marvin L. Thomas | *President/CEO*
Gregory S. Moran | *VP, IT*
Jeri L. Smith | *VP, Member Service*
Lani L. Young | *Finance Director*
Ian B. Freshman | *Marketing Manager*
Erin M. Hicks | *Compliance Officer*

