



2019 Annual Report



A Little About Us

Aurora Federal Credit Union was founded in 1968 by employees of the City of Aurora. Since that time, we have grown to include other employers in the Aurora area, as well as Rural Electric Cooperatives in Colorado, Wyoming, Kansas and New Mexico. As a not-for-profit financial cooperative, we are member-owned and led by a volunteer Board of Directors made up of the membership. Profits are given back to the members in the form of lower loan rates and higher savings rates.

Meeting Agenda

51st Annual Meeting of the Membership AGENDA

May 12, 2020

5:30 Business Meeting

- Call to Order (Mark Stephenson, Chairman of the Board)
- Determination of Quorum
- Approval of Minutes (May 14, 2019)
- Report of the Board Chairman (Mark Stephenson)
- Supervisory Committee Report (Matt Jad)
- Treasurer's Report (Terry Teske)
- President's Report (Jeff Holler)
- Nominating Committee
- General Business
- Adjournment

2019 Annual Meeting Minutes

2019 Annual Meeting Minutes
May 14, 2019

I. CALL TO ORDER

Mark Stephenson, Chairman of the Board, called the meeting to order. A quorum was present.

II. READING OF THE MINUTES

Minutes from the Annual Meeting held May 8, 2018 were approved as read.

III. REPORTS

Mark Stephenson presented the Chairman's Report.

Matt Jad presented the Supervisory Committee's Report.

Terry Teske presented the Treasurer's Report.

Jeff Holler presented the President's Report.

IV. ELECTION OF OFFICERS

Mark Stephenson & Terry Teske were elected by acclamation. No other candidates ran for the open positions.

V. GENERAL BUSINESS

Drawing for Door Prizes.

VI. ADJOURNMENT

There being no further business to come before the members, the meeting was adjourned at 5:50 p.m.

Respectfully submitted,

Mark Stephenson, Chairman

Matt Jad, Secretary

Report of the Board Chairman

Fellow Member Owners

On behalf of the volunteers who make up your Board of Directors and Supervisory Committee, I offer this annual report for the calendar year 2019.

The year 2019 was another successful year for the Aurora Federal Credit Union. Since our original charter, over a half century ago, we have experienced continued and sustained growth. By any measure, our credit union is a resounding example of a successful member owned institution. We have third generation members, we consistently score extremely high with our federal exams, we have staff longevity, our members are throughout Colorado, and we are secure and safe. Our full gamut of financial services includes: mini-mortgages, on-line banking, electronic bill pay (one of my favorite services), Mobile Wallet (Apple Pay, Google Pay, Samsung Pay), free E-statements, competitive rates, auto buying services, no annual fee credit card, ScoreCard reward system, and over 30,000 free ATM's across our nation. In short, we are poised well for any future challenges!

The volunteers and staff appreciate the trust from our members in allowing us to be an important part of their lives and we sincerely thank you for being a part of our member owned organization.

Respectfully submitted,
Mark Stephenson, Chair



Mark Stephenson



Deidre Warner



Terry Teske



Maher Jad



Robin Peterson



Ray Barnes



Victor Ogunmodede

Supervisory Committee Report

The Supervisory Committee's primary responsibilities are:

1. Ensure the financial condition of the Credit Union is accurately and fairly presented in the Credit Union's financial statements.
2. Ensure the Credit Union's practices and procedures are sufficient to safeguard member assets while complying with Credit Union policies established by the Board of Directors.
3. Ensure management and the Board are doing what is fiscally responsible for the members.

To meet those responsibilities the Supervisory Committee develops a comprehensive annual work plan that includes working with management, internal auditors, external auditors and the National Credit Union Administration to review current credit union practices and procedures.

The Supervisory Committee utilizes the services of an internal auditor on a quarterly basis and has retained the services of Clowers Credit Union Services for the annual Supervisory Committee Audit. These partners work with the committee to review records for accuracy and to satisfy annual audit requirements under current federal regulations. The committee is proud to report the Credit Union had no material audit or regulatory exceptions in 2019.

In our role overseeing the finances of the credit union, I am pleased to tell you the Board of Directors, staff and management work as a unit to protect your funds.

We look forward to the challenges of the upcoming year and the continued economic well-being at Aurora Federal Credit Union.

Matt Jad
Chairman, Supervisory Committee



Matt Jad



Bill Huber



David Balint



David Harper



David Patterson

Meet the Team

Management Team

Jeff Holler..... President/CEO
Curtis E. Gardner.....EVP
Blake Smith..... Vice President of Accounting & IT
Andrea Sargic Operations Manager
Tracy Lewis..... Loan Manager

Member Services Department

Teaira Allen.....Teller
Dorine Alston.....Teller
Rebecca McComb Teller
Rachael Mello.....Teller
Beth Myers.....Teller
Alyna Romero-Salazar.....Teller
Olivia Sanders.....Teller
Shana Zink Receptionist/Admin. Assistant

Accounting Department

Darla Johnson Staff Accountant
Brandi Raney..... Accounting Clerk

Loan Department

Whitney Weidner.....Loan Officer
Daisy Espin Financial Services Representative
Kayla Newton.....Financial Services Representative

Marketing Department

Amanda Gladstone Marketing Coordinator

2019 Highlights

COMMUNITY EVENTS - In 2019, AFCU participated in a variety of events in the communities in which our members live. We sponsored the City of Aurora Core 4 Employee Awards Ceremony as well as Summer Splash, the annual COA employee appreciation day at Aurora Reservoir. In addition, we sponsored the Firefighters of Aurora Benevolent Fund Golf Tournament, the Aurora Police Association Charity Golf Scramble, the Aurora Mental Health/Aurora Vistas Mayor's Cup Golf Classic, the ASPIRE Foundation Golf Tournament and the Mountain West Credit Union Foundation Golf Tournament. Also, we sponsored the Aurora Police Association's Shop with a Cop event. We also joined the Rotary Club of Aurora and the Aurora Association of Realtors to get more involved in the community.

MEMBER RELATIONS - Throughout the year we strengthened the relationships with our Select Employee Groups. We regularly distributed promotional marketing material, and made presentations to SEG employees, including to Fire & Police academies at the Aurora Public Safety Training Center. We had the opportunity to drop treats off at several fire stations throughout the year. At the City of Aurora Open Enrollment Fair, we had a chance to interact with members and offer some great giveaways, including a spin on our Prize Wheel. The Aurora Mental Health Benefits Fair provided an additional way for Aurora Mental Health employees to learn about the products and services of the CU. In September, we attended the CREA Accountants' Meeting in Buena Vista. During the holidays, we sent calendars to our SEG groups to say "thanks for the support" in 2019.

PRODUCTS AND SERVICES - In 2019, we focused on continuing to provide member value with our core products and services, which are conveniently delivered using technology. At the start of 2019, we finalized issuance of EMV debit cards for added security for our members. In late Spring, we introduced Mobile Deposit Capture—this service allows our members to make check deposits from anywhere. At our Main Office, we rolled a new self-service coin machine, offering additional convenience and flexibility to our members. In addition, we continued to offer great rates on a variety of savings and loan products, as well as a number of free online convenience services.

2019 Financial Summary

BALANCE SHEET

As of December 31,	2019	2018	Difference	Percent Change
ASSETS				
LOANS	53,913,085	50,027,830	3,885,255	7.77%
LESS: Allow Loan Loss	(643,878)	(670,034)	-26,156	-3.90%
NET LOANS	53,269,207	49,357,795	3,911,412	7.92%
CASH AND EQUIVALENTS	5,775,029	4,892,678	882,351	18.03%
OTHER INVESTMENTS	38,920,934	38,727,455	193,479	0.50%
TOTAL INVESTMENTS	44,695,963	43,620,133	1,075,830	2.47%
FIXED ASSETS	5,487,386	5,517,621	-30,235	-0.55%
NCUSIF DEPOSIT	814,655	779,302	35,353	4.54%
ALL OTHER ASSETS	258,674	254,662	4,012	1.58%
TOTAL ASSETS	104,525,884	99,529,513	4,996,371	5.02%
LIABILITIES AND EQUITY				
ACCOUNTS PAYABLE	196,743	255,574	-58,831	-23.02%
OTHER LIABILITIES	1,151,310	1,145,415	5,895	0.51%
TOTAL LIABILITIES	1,348,053	1,400,989	-52,936	-3.78%
SHARES TO MEMBERS	27,834,430	28,496,394	-661,964	-2.32%
OTHER SHARES	1,726,078	1,568,959	157,119	10.01%
HEALTH SAVINGS ACCOUNTS	276,881	278,104	-1,223	-0.44%
CHECKING ACCOUNTS	13,489,033	12,754,836	734,197	5.76%
MONEY MARKETS	18,960,401	18,726,793	233,608	1.25%
SHARE CERTIFICATES	14,777,549	12,830,568	1,946,981	15.17%
IRA ACCOUNTS	6,127,573	5,852,534	275,039	4.70%
TOTAL SHARES	83,997,482	80,508,177	3,489,305	4.33%
REGULAR RESERVES	1,826,611	1,826,611	0	0.00%
UNDIVIDED EARNINGS	17,372,264	15,814,244	1,558,020	9.85%
UNREAL. INVEST G/L	(18,526)	(20,508)	-1,982	-9.66%
TOTAL EQUITY	19,180,350	17,620,347	1,560,003	8.85%
TOTAL LIABILITIES & EQUITY	104,525,884	99,529,513	4,996,371	5.02%

2019 Financial Summary

INCOME STATEMENT

For the years ended December 31,	2019	2018	Difference	Percent Change
OPERATING INCOME				
INTEREST ON LOANS	2,973,002	2,698,848	274,154	10.16%
INVESTMENT INCOME	1,219,768	1,034,872	184,896	17.87%
NON-INTEREST INCOME	921,327	977,420	-56,093	-5.74%
TOTAL OPERATING INCOME	5,114,098	4,711,140	402,958	8.55%
EXPENSES				
PROVISION FOR LOAN LOSSES	175,000	210,000	-35,000	-16.67%
NON-INTEREST EXPENSES	2,726,991	2,434,185	292,806	12.03%
TOTAL NON-INTEREST EXPENSES	2,901,991	2,644,185	257,806	9.75%
DIVIDEND & INTEREST EXPENSES				
SHARE ACCOUNTS	39,499	33,347	6,152	18.45%
MONEY MARKET ACCOUNTS	227,281	138,291	88,990	64.35%
TERM SHARE CERTIFICATES	259,413	175,498	83,915	47.82%
IRAs	117,292	86,588	30,704	35.46%
INTEREST ON BORROWED FUNDS	0	0	0	0.00%
TOTAL DIVIDEND & INTEREST	643,485	434,755	208,730	48.01%
NET OPER. INCOME/(LOSS)	1,568,622	1,632,199	-63,577	-3.90%
NON-OPER. INCOME/(LOSS)	0	0	0	0%
GAIN (LOSS) ON INVESTMENTS	0	0	0	0%
GAIN (LOSS) ON ASSET DISPOSITION	(10,600)	(15,268)	4,668	30.57%
NET INCOME/(LOSS)	1,558,021	1,616,932	(58,911)	-3.64%

2019 Financial Summary

KEY FINANCIAL RATIOS

As of December 31, 2019	Aurora FCU	\$100-\$249.9m Peers	Difference
ROA (Profitability)	1.52%	0.69%	0.83%
Cost of Funds (interest paid on member savings)	0.63%	0.64%	-0.01%
Operating Expenses	2.67%	3.84%	-1.17%
Delinquency Ratio	0.93%	0.76%	0.17%
Loan Charge-Offs	0.47%	0.48%	-0.01%
Net Worth (Capital Ratio)	18.37%	11.67%	6.70%
Loan Growth	7.77%	4.01%	3.76%
Member Growth	0.68%	0.87%	-0.19%

Original Charter for Aurora Municipal Employees CU

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE
SOCIAL SECURITY ADMINISTRATION
Bureau of Federal Credit Unions
FD-302 (Rev. 5-22)

Use this form for groups having
a common bond of OCCU-
PATION (employment).

FEDERAL CREDIT UNION INVESTIGATION REPORT

This report form must be filled in completely and should accompany the organization
certificate at the time it is submitted for approval

INFORMATION FOR CHARTER AND BYLAWS

1. Proposed name Aurora Municipal Employees FEDERAL CREDIT UNION
Second choice of name Aurora Employees FEDERAL CREDIT UNION
2232 Geneva St.
2. Keyman Mr Dennis L. Law Tel. 364-1751 Address Aurora, Colc. 80010
3. The credit union will maintain its office at Aurora Adams County Colorado
(City) (County) (State)
and will operate in the following territory Aurora, Colorado
The territory of operation described above should be only the place(s) where the employees work. When several places are involved, it may be preferable to state the district, county, State, or other geographical area involved. When only one place is involved the name of the city is used.
- 4a. Proposed permanent mailing address of credit union Municipal Bldg., 9859 East 16th Ave.
Aurora, Colorado 80010
4. Define proposed field of membership Employees of the City of Aurora, Colorado; members
of this credit union who are retired as annuitants from the above employment;
employees of this credit union; members of their immediate families; and
organizations of such persons.
5. The board will have (usually 6 or 7) 5 members; the credit committee (usually 3) 2 members.

CHARACTER AND FITNESS OF SUBSCRIBERS (Please type or print)

6. List of the subscribers who have signed the organization certificate (7 or more):
- | | | |
|--|----------------------------|---------------------------|
| Name <u>Frank A. Herr</u> | Years of service <u>2</u> | Number of shares <u>1</u> |
| Occupation <u>Mechanic</u> | | |
| Name <u>Beatrice E. Ellison</u> | Years of service <u>4</u> | Number of shares <u>1</u> |
| Occupation <u>Library Assistant</u> | | |
| Name <u>Robert E. Miller</u> | Years of service <u>11</u> | Number of shares <u>1</u> |
| Occupation <u>Lieutenant, Fire Dept.</u> | | |
| Name <u>Ivan L. Widom</u> | Years of service <u>1</u> | Number of shares <u>1</u> |
| Occupation <u>Administrative Ass't</u> | | |
| Name <u>Antonio C. Airozo</u> | Years of service <u>15</u> | Number of shares <u>1</u> |
| Occupation <u>Water Foreman</u> | | |
| Name <u>Lenore A. Smith</u> | Years of service <u>1</u> | Number of shares <u>1</u> |
| Occupation <u>Draftsman</u> | | |
| Name <u>Frank T. Kastory</u> | Years of service <u>2</u> | Number of shares <u>1</u> |
| Occupation <u>Ass's Finance Director</u> | | |
| Name <u>Benny K. Blake</u> | Years of service <u>5</u> | Number of shares <u>1</u> |
| Occupation <u>Sgt., Police Dept.</u> | | |

First Recorded Organizational Meeting January 12, 1968

MINUTES

ORGANIZATIONAL MEETING JANUARY 12, 1968

The meeting was called to order by Dennis Law, Acting Chairman. Those in attendance to discuss the formation of a credit union for city employees were as follows:

Public works

Frank Kastory	- Finance
Lenore Smith	- Engineering
Dennis Law	- Parks
Ivan Widom	- City Manager's Office
Benny Blake	- Police
Robert Miller	- Fire
Frank Herr	- Motor Equipment (absent)
Beatrice Ellison	Library
A. C. Airozo	- Water (absent)

A vote was taken as to whether the charter for said credit union would be Federal or State. The majority voted for the Federal Charter. The \$25.00 fee for filing of the application of the charter was donated by the police association.

The credit union shall be entitled Aurora Municipal Employees Federal Credit Union. Those persons eligible to participate in the credit union shall be permanent employees of the City of Aurora or employees having at least one year of continuous service with the City of Aurora and the ~~IMMEDIATE~~ ^{FAMILY} of each eligible employee.

There shall be a Board of Directors, Credit Committee, and Auditing Committee; all of which shall be comprised from the participating members in the credit union.

At the present time there shall be no pay-roll deductions. It was suggested inner office mail would be a means of transferring money to be placed in credit union. Telephone calls shall be made after hours. Committee meetings will be held at the designated times; this will not be during working hours!

Method of operation for credit union was discussed. At the general meeting on January 17, 1968, it shall be decided by the participants. It was suggested that a part time secretary should be hired to conduct all business pertaining to the credit union.

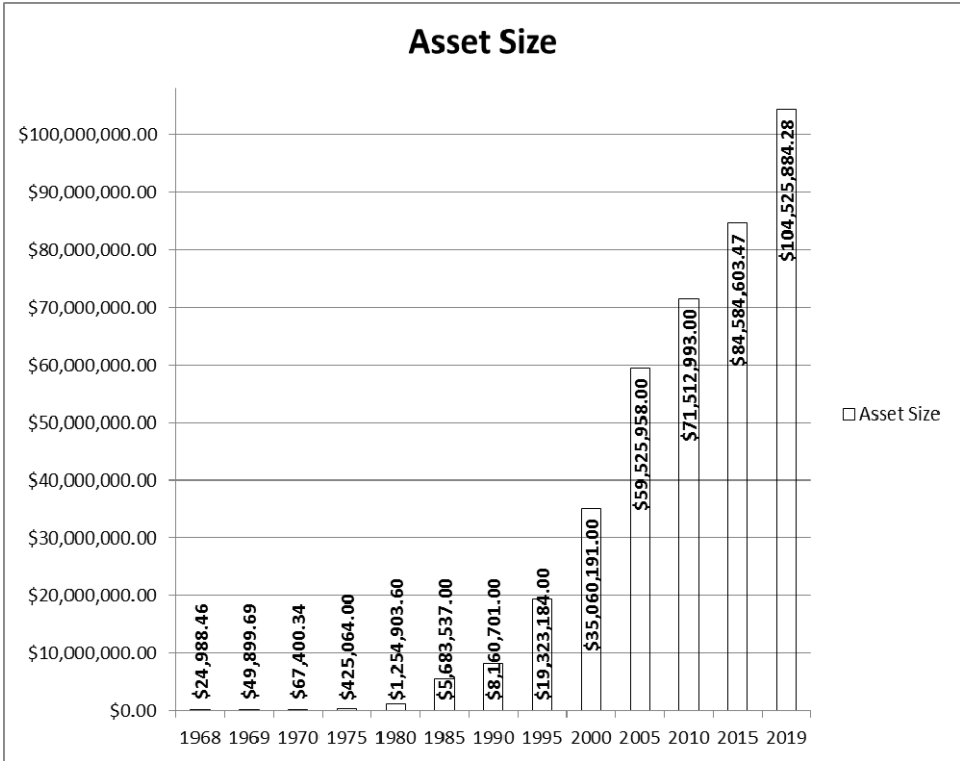
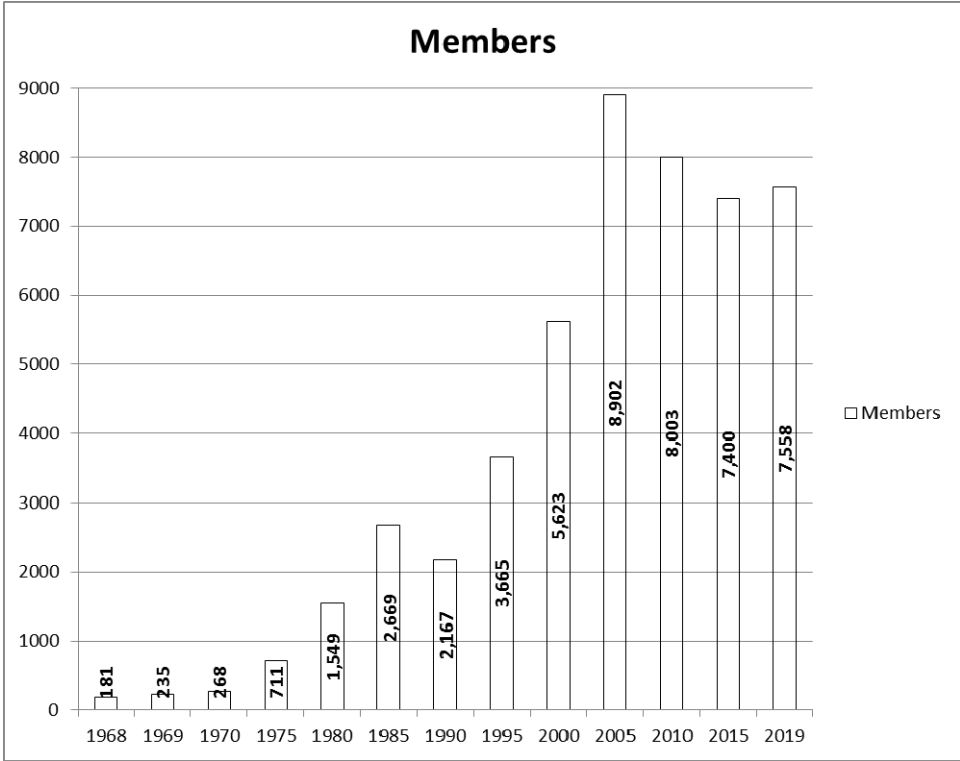
Lenore Smith, Ivan Widom, and Dennis Law were appointed by the organization committee to answer questions at meeting on January 17, 1968.

After ascertaining there was no further business, the meeting was adjourned.

Respectfully submitted,

Beatrice E. Ellison
Acting Secretary

Historical Total Members and Total Assets



Note 1: Membership decline after 2005 was due to a methodology change in accounting for total memberships following Rural Electric CU merger, where method was changed from total accounts at par to total individual persons.

Historical Total Loans and Total Shares

