



2020 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

52nd Annual Meeting of the Membership AGENDA

May 11, 2021

5:30 Business Meeting

- Call to Order (Mark Stephenson, Chairman of the Board)
- Determination of Quorum
- Approval of Minutes (May 12, 2020)
- 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

2020 Annual Meeting Minutes

2020 Annual Meeting Minutes
May 12, 2020

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 14, 2019 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

Ray Barnes, Victor Ogunmodede & Deidre Warner were elected by acclamation. No other candidates ran for the open positions.

V. GENERAL BUSINESS

None

VI. ADJOURNMENT

There being no further business to come before the members, the meeting was adjourned at 5:40 p.m.

Respectfully submitted,

Mark Stephenson, Chairman

Matt Jad, Secretary

Report of the Board Chairman

On behalf of the volunteers who comprise your Board of Directors, it is my pleasure to submit the Chair Report for the 2020 Annual Report.

As I write this, the Covid vaccines are being rolled out and it appears that we may be starting the end of the pandemic. Of course, Covid brought with it many challenges associated with the delivery of services, the safety of our staff and members, and the potential impact to our financial performance. It is a testimony to the abilities of our President and Executive Team that the Board can report that we actually experienced growth during the same period! Our members were very understanding and accommodated the necessary control measures with support and continued loyalty.

We continued our long history of seeking new ways to serve our members including free seminars on Managing Debt. During these seminars, our members learned how to plan a budget, identify expenses, and avoid pitfalls. In addition to our free seminars, we offered a free \$1,000 Accidental Death and Dismemberment insurance policy to our members with additional coverage available at low cost. We also partnered with TruStage to offer home and auto insurance (through Liberty Mutual) which often saved our members considerable premium expenses.

We continue to offer the latest electronic services such as electronic bill pay, Apple Pay, Google Pay, and Samsung Pay. In addition to offering the same services as the world's largest credit unions, we are also implementing the latest industry cybersecurity and fraud protection methods and software. These should be almost completed by our annual meeting in May 2021.

Our steady growth since incorporating has been based in part on financial security, a large inventory of services and products, excellent management, active volunteers, and personal service. Most importantly, our growth has been due to the loyalty of our member-owners and the Board of Directors thanks you! We look forward to the future with you.

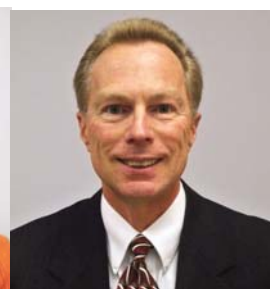
Respectfully submitted,
Mark Stephenson, Chair



Mark Stephenson



Deidre Warner



Terry Teske



Matt 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 WSC Financial 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 2020.

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 Vice President of Member Services

Member Services Department

Teaira Allen Teller
Dorine Alston Teller
Samantha Hagan Teller
Annette Herrera Teller
Alyna Romero-Salazar Teller
Sara Suarez Teller
Shana Zink Receptionist/Admin. Assistant

Accounting Department

Philip Chea Accounting Clerk
Beth Myers Accounting Clerk

Loan Department

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

Marketing Department

Amanda Norris (Gladstone) Marketing Coordinator

2020 Highlights

COMMUNITY EVENTS - In 2020, AFCU participated in a variety of events in the Aurora community following COVID-19 safety guidelines and policies. Even though we were unable to be in person for many events, AFCU still values the commitment to our Aurora Community and our members who live and work here. AFCU partnered with Aurora Public Libraries and we were able to host two in person Financial Literacy classes before lockdowns and then three courses were held virtually once the Library was able to develop a safe alternative using the Zoom platform. While there was not an in-person City of Aurora Open Enrollment Fair this year, AFCU participated in the virtual event that was held in its place-this event is always a highlight. We still had our prize giveaway and were able to raffle off two great prizes to two City of Aurora Employees. We look forward to getting back to in-person events in 2021!

MEMBER RELATIONS - Even with all the safety restrictions in place during 2020, AFCU was able to maintain and develop our relationship with our members and Select Employee Groups. Before the lockdown restrictions in the first quarter of 2020, we were able to drop in and visit the Aurora Housing Authority, the Aurora Center for Active Adults, and the Aurora Mental Health Center. We were also able to help celebrate and congratulate the Aurora Police Academy and Fire Academy Graduates with lunch and details on how we can help their finances. Our drive-up window became the best way to keep in touch with our members on a daily basis and we were able to perform many duties utilizing this feature of our main branch. As we adjusted to the new normal, AFCU was able to keep in contact with our members using email campaigns and other virtual communication.

PRODUCTS AND SERVICES - During 2020, a strong focus was placed on our Online and Digital services. Virtual Branch Online Banking and the Aurora CU Mobile Banking App were critical tools in making sure all our member's financial needs were met in a safe and secure way. AFCU offered financial support to its members with an additional Skip-A-Pay opportunity for qualified members who may have experienced some hardships during the pandemic. We continued to save our members money with our loan products such as Car Loans, 1st & 2nd Mortgages and Credit Cards. Our First Responder Loans help those that serve our community have the ability to finance the cost of the tools they need to keep us safe. Though 2020 was not a year any of us could have expected, we always focused on ensuring the health and safety, including financial health, of our members. We look forward to serving our members in 2021 and beyond!

2020 Financial Summary

BALANCE SHEET

As of December 31,	2020	2019	Difference	Percent Change
ASSETS				
LOANS	53,926,416	53,913,085	13,331	0.02%
LESS: Allow Loan Loss	(618,618)	(643,878)	25,259	3.92%
NET LOANS	53,307,798	53,269,207	38,591	0.07%
CASH AND EQUIVALENTS	21,053,190	5,775,029	15,278,161	264.56%
OTHER INVESTMENTS	38,613,475	38,920,934	-307,458	-0.79%
TOTAL INVESTMENTS	59,666,666	44,695,963	14,970,703	33.49%
FIXED ASSETS	5,398,897	5,487,386	-88,489	-1.61%
NCUSIF DEPOSIT	924,528	814,655	109,873	13.49%
ALL OTHER ASSETS	212,484	258,674	-46,190	-17.86%
TOTAL ASSETS	119,510,372	104,525,884	14,984,488	14.34%
LIABILITIES AND EQUITY				
ACCOUNTS PAYABLE	246,575	196,743	49,833	25.33%
OTHER LIABILITIES	513,691	1,151,310	-637,619	-55.38%
TOTAL LIABILITIES	760,266	1,348,053	-587,787	-43.60%
SHARES TO MEMBERS	32,332,478	27,834,430	4,498,048	16.16%
OTHER SHARES	2,294,839	1,726,078	568,760	32.95%
HEALTH SAVINGS ACCOUNTS	270,065	276,881	-6,816	-2.46%
CHECKING ACCOUNTS	17,023,100	13,489,033	3,534,068	26.20%
MONEY MARKETS	21,774,737	18,960,401	2,814,336	14.84%
SHARE CERTIFICATES	16,708,516	14,777,549	1,930,968	13.07%
IRA ACCOUNTS	7,263,912	6,127,573	1,136,339	18.54%
TOTAL SHARES	98,592,475	83,997,482	14,594,993	17.38%
REGULAR RESERVES	1,826,611	1,826,611	0	0.00%
UNDIVIDED EARNINGS	18,348,999	17,372,264	976,734	5.62%
UNREAL. INVEST G/L	(17,978)	(18,526)	548	2.96%
TOTAL EQUITY	20,157,631	19,180,350	977,282	5.10%
TOTAL LIABILITIES & EQUITY	119,510,372	104,525,884	14,984,488	14.34%

2020 Financial Summary

INCOME STATEMENT

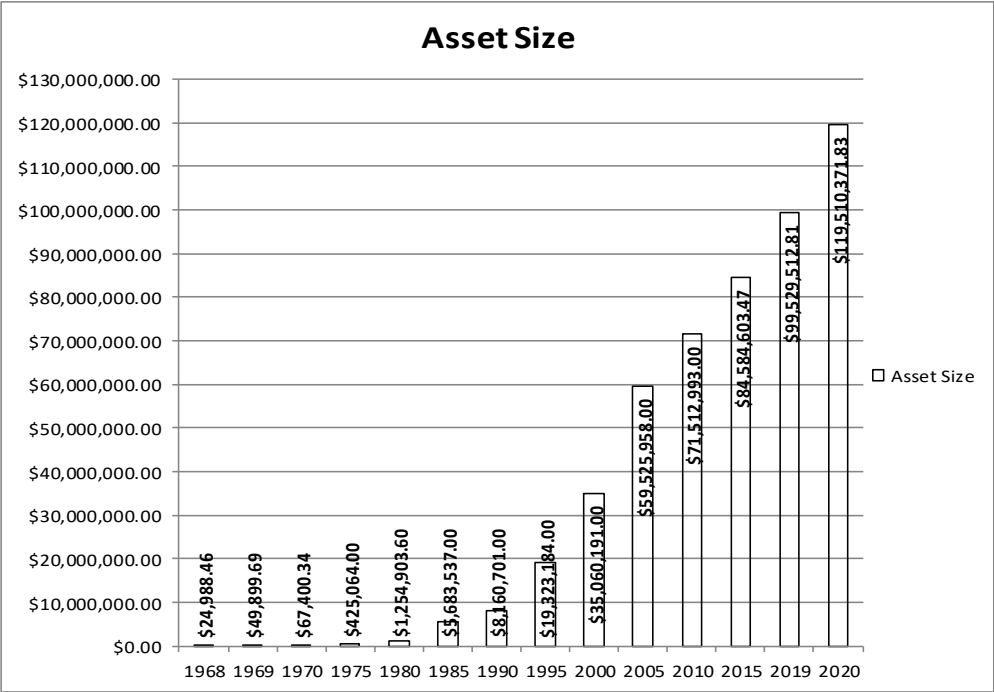
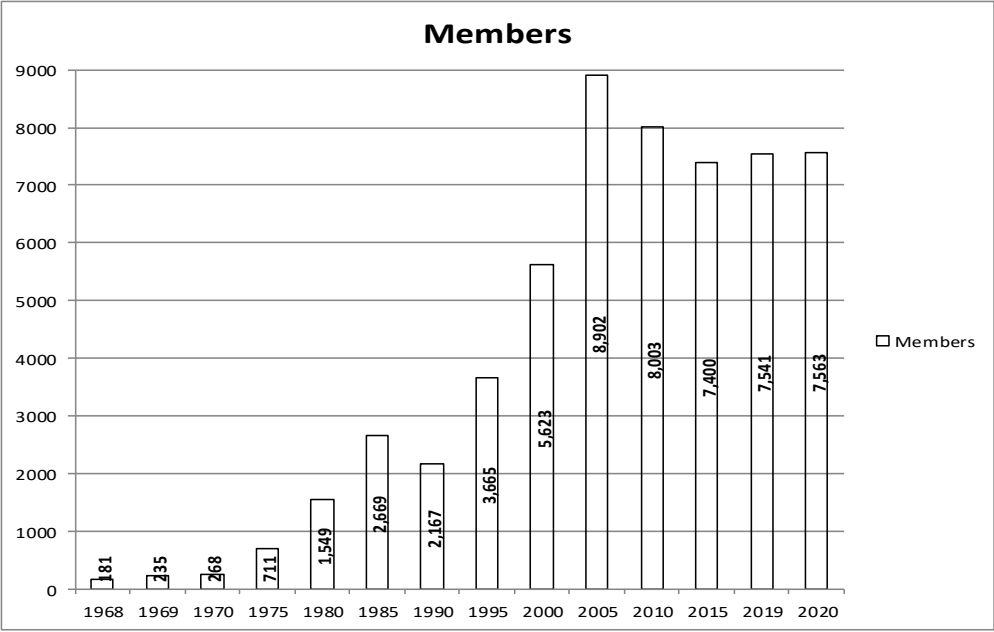
For the years ended December 31,	2020	2019	Difference	Percent Change
OPERATING INCOME				
INTEREST ON LOANS	2,897,976	2,973,002	-75,026	-2.52%
INVESTMENT INCOME	759,002	1,219,768	-460,766	-37.77%
NON-INTEREST INCOME	842,918	921,327	-78,409	-8.51%
TOTAL OPERATING INCOME	4,499,896	5,114,098	-614,201	-12.01%
EXPENSES				
PROVISION FOR LOAN LOSSES	270,000	175,000	95,000	54.29%
NON-INTEREST EXPENSES	2,619,610	2,726,991	-107,381	-3.94%
TOTAL NON-INTEREST EXPENSES	2,889,610	2,901,991	-12,381	-0.43%
DIVIDEND & INTEREST EXPENSES				
SHARE ACCOUNTS	21,255	39,499	-18,244	-46.18%
MONEY MARKET ACCOUNTS	130,999	227,281	-96,282	-42.36%
TERM SHARE CERTIFICATES	306,493	259,413	47,080	18.15%
IRAs	152,620	117,292	35,328	30.12%
INTEREST ON BORROWED FUNDS	0	0	0	0%
TOTAL DIVIDEND & INTEREST	611,367	643,485	-32,118	-4.99%
NET OPER. INCOME/(LOSS)	998,920	1,568,622	-569,702	-36.32%
NON-OPER. INCOME/(LOSS)	0	0	0	0%
GAIN (LOSS) ON INVESTMENTS	31	0	31	0%
GAIN (LOSS) ON ASSET DISPOSITION	(22,216)	(10,600)	-11,616	-109.58%
NET INCOME/(LOSS)	976,733.93	1,558,021	(581,287)	-37.31%

2020 Financial Summary

KEY FINANCIAL RATIOS

As of December 31, 2020	Aurora FCU	\$100-\$249.9m Peers	Difference
ROA (Profitability)	0.87%	0.46%	0.41%
Cost of Funds (interest paid on member savings)	0.55%	0.50%	0.05%
Operating Expenses	2.34%	3.54%	-1.20%
Delinquency Ratio	0.30%	0.63%	-0.33%
Loan Charge-Offs	0.60%	0.36%	0.24%
Net Worth (Capital Ratio)	16.88%	10.61%	6.27%
Loan Growth	0.02%	3.21%	-3.19%
Member Growth	0.07%	0.06%	0.01%

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

