

2022



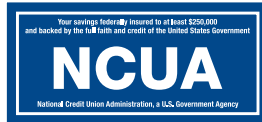
ANNUAL REPORT



ABOUT US

Aurora Federal Credit Union was founded in 1968 by nine employees of the City of Aurora representing fire, police, water, finance, engineering, parks, library, equipment and management departments. Since that time, we have grown to include other employers in the Aurora community. In 2004, we merged with Rural Electric Credit Union and serve REA 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 who are all members. Profits are given back to members in the form of competitive rates and lower fees.

This credit union is federally insured by the National Credit Union Administration. Your deposits are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government.



For the 12th consecutive year, Aurora Federal Credit Union earned the 5-Star Rating for safety and soundness by BauerFinancial, Inc., the nation's premier credit union and bank rating firm, and was given the distinction of an "Exceptional Performance Credit Union."

FOR OUR COMMUNITY

AND THOSE WHO SERVE, SUPPORT AND PROTECT IT

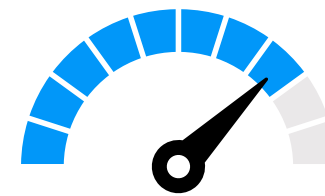
- We support all City of Aurora employees, their families and the greater Aurora community.
- We give back to Aurora police and fire organizations, including sponsoring and participating in fundraising events for the Aurora Police Foundation and Firefighters of Aurora Benevolent Fund.
- We also go out and speak to groups like fire and police academy recruits, showing our support and appreciation – as well as providing some financial education and opportunities.
- We partner with more than 80 select employee groups including the City of Aurora, Aurora Community Mental Health, Medical Center of Aurora, Aurora Police Department and Association, Aurora Fire Department, Falck Rocky Mountain ambulance, regional homeowners associations and energy providers.



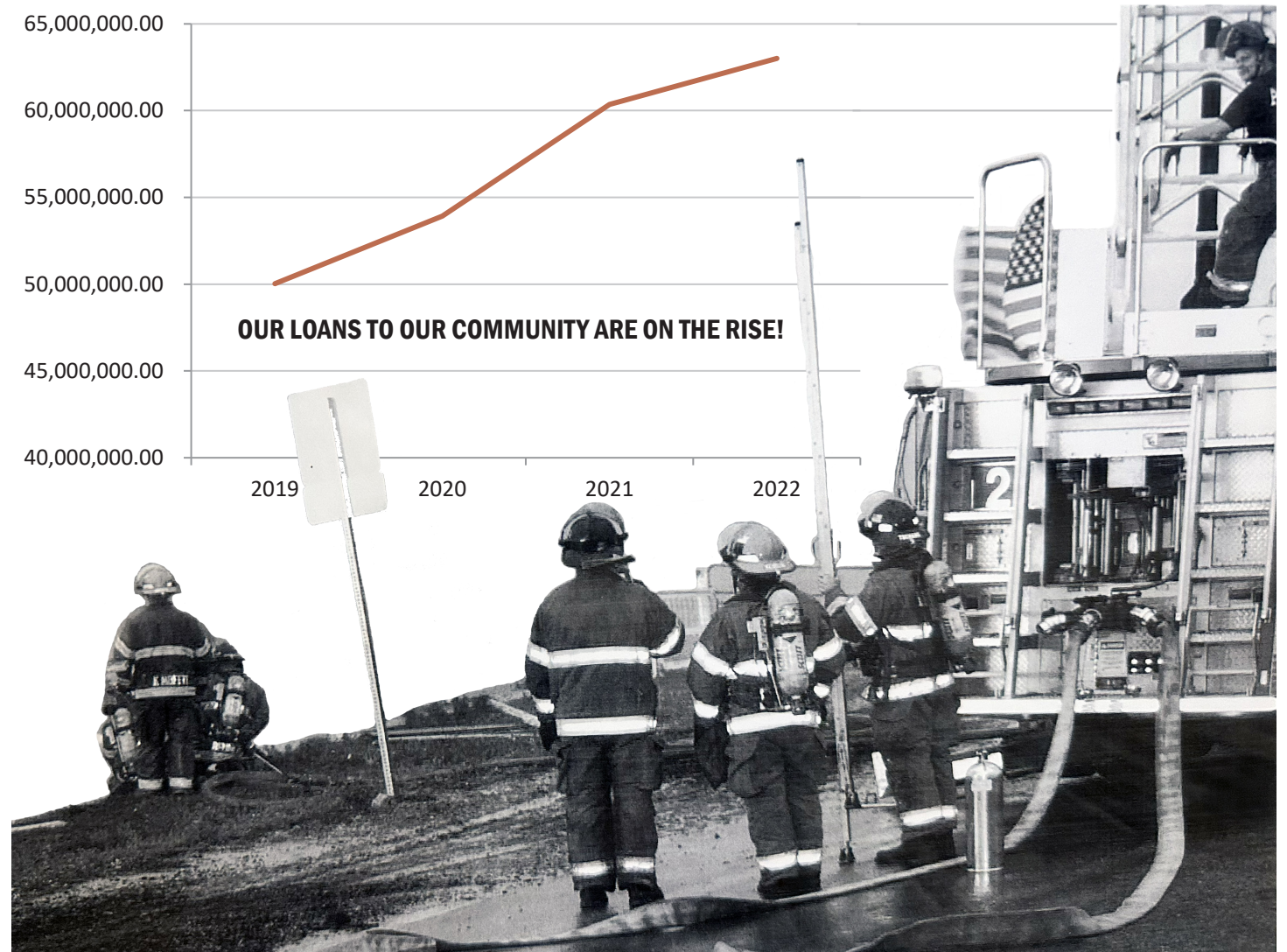
MEMBERSHIP APPRECIATION

Aurora Federal Credit Union celebrated its 55th Anniversary in January! Members were treated to 0.55% auto loan rate discount and 0.55% savings rate boost on 18-month CDs for the occasion in a very successful promotion.

We held a **Membership Appreciation Day** on Saturday, September 10, 2022, with free document shredding, fun, food trucks and other festivities!



This year's member survey response rate was significantly higher (11% increase). Our overall satisfaction rating (8.34 out of 10) was also up! Our Net Promoter Score increased 15% (48% higher than banking average).





REPORT OF THE BOARD CHAIR

SUPERVISORY COMMITTEE REPORT

On behalf of the dedicated volunteers of the Board of Directors, it is my pleasure to submit for your review the Chair Report for 2022.

Our member-owned credit union now has over a half-century of history! From our humble beginnings in the dark and dank basement of the original Aurora fire and police station at 16th and Elmira in 1968, to our beautiful new building and branch office in the Aurora Municipal Building, our history has had consistent growth over the decades with many factors responsible for our success. Our continued success is paralleled with credit unions in North America and around the world. The business model of putting the member first continues to result in the growth of our credit union.

The credit union movement actually started in Europe in the mid-1800s. It quickly became a very successful model for financial services to local populations. Then, the first credit union in North America, the Caisse Populaire de Levis in Quebec, Canada began operations on Jan. 23, 1901, with a ten-cent deposit! It quickly spread to America with the help of a Boston businessman and philanthropist, Edward Filene. With widespread predatory lending, loan sharks, and outrageous interest rates, the movement took off. Now there are over \$2 Trillion dollars in credit unions in the United States! These deposits are backed by the full faith and credit of the United States Government under the National Credit Union Share Insurance Fund.

As a volunteer of our Aurora Federal Credit Union, I look back at our phenomenal growth since our humble beginnings and I think of many factors that contributed to it. First, we have had dedicated volunteers on the Board and the Supervisory Committee who donate their time and expertise for the benefit of the organization. Second, we have a stable workforce with excellent employees and an outstanding Executive Management team. Third, we offer a “cornucopia” of financial services and products that match any commercial bank.

“ The business model of putting the member first continues to result in the growth of our credit union. ”

Thus, our member-owned credit union continues its history of providing service, security, and stability to our members!

Thank you for being a member!

Respectfully submitted,
Mark Stephenson, Chair

The Supervisory Committee's primary responsibilities are:

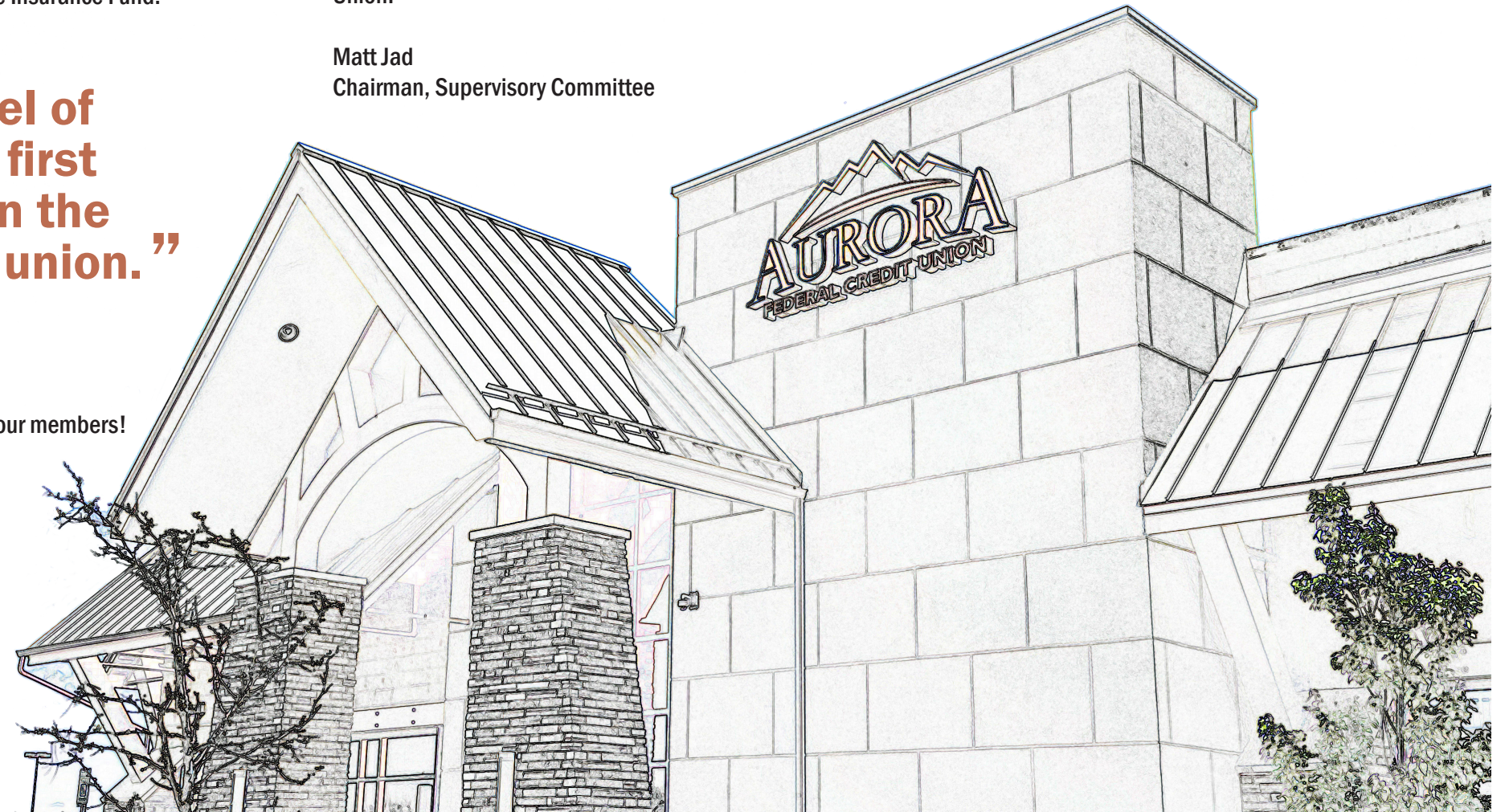
1. Ensure the financial condition of the Credit Union is accurately and fairly presented in the Credit Union's financial statements.
2. Ensure the Credit Union's practices and procedures are sufficient to safeguard member assets while complying with Credit Union policies established by the Board of Directors.
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 SingerLewak LLP 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 2022.

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



MEET THE LEADERSHIP TEAM

CHARLIE WATTS

PRESIDENT'S REPORT



BOARD OF DIRECTORS

MARK STEPHENSON CHAIRPERSON	
DEIDRE WARNER..... VICE CHAIRPERSON	ROBIN PETERSON..... BOARD MEMBER
MATT JAD SECRETARY	RAY BARNES..... BOARD MEMBER
TERRY TESKE..... TREASURER	VICTOR OGUNMODEDE..... BOARD MEMBER

SUPERVISORY COMMITTEE

MATT JAD CHAIRPERSON	DAVID PATTERSON..... COMMITTEE MEMBER
DENISE BALKAS SECRETARY	TERRI VELASQUEZ..... COMMITTEE MEMBER
	MOLLY MARKERT COMMITTEE MEMBER

MANAGEMENT TEAM

CHARLIE WATTS PRESIDENT AND CEO	WHITNEY WEIDNER LOAN MANAGER
BLAKE SMITH..... VP OF ACCOUNTING & IT	DAISY ESPIN..... OPERATIONS MANAGER
ANDREA SARGIC VP OF MEMBER SERVICES	TROY SURRETT MARKETING MANAGER

Dear Valued Members,

Last year was a good year for our credit union despite challenges from rising interest rates and a difficult job market. In 2022, we upgraded our online banking with Zelle®, launched our new website, and made improvements based on comments you left us in our member survey. Financially we had another strong year with excellent loan growth and good earnings while maintaining our sound capital position. For the 12th consecutive year, we earned the 5-Star Rating for safety and soundness by BauerFinancial, Inc and given the distinction of an “Exceptional Performance Credit Union.”

Looking forward in 2023, we plan to continue our success with future improvements including adding debit and credit card issuance at our main branch, a new HELOC loan product, and making it easier to get an auto loan at local car dealerships. We also implemented our 50/50 Referral Program where members who refer family, friends and co-workers both are rewarded with \$50. Of course, we will always continue to provide our services with low fees and great rates for deposits and loans.

“ Financially we had another strong year with excellent loan growth and good earnings while maintaining our sound capital position. ”

Aurora Federal Credit Union is now 55 years old as the anniversary of our founding was on January 12, 1968, when nine City of Aurora Employees held the first meeting to start the credit union. These men and women represented several departments of our city including: Fire, Police, Water, Finance, Engineering, Parks, Library, Equipment, and Management. The purpose of the credit union was to provide banking and lending services while promoting thrift to our members and the Aurora Community. Every day we work to achieve this purpose and serve your banking needs.

Thank you for your membership and your business.

Sincerely,
Charlie Watts
President and CEO



2022 FINANCIAL SUMMARY BALANCE SHEET

As of December 31,	2022	2021	Difference	Percent Change
ASSETS				
LOANS	63,001,178	60,356,817	2,644,361	4.38%
LESS: Allow Loan Loss	(597,674)	(600,035)	2,361	-0.39%
NET LOANS	62,403,504	59,756,782	2,646,722	4.43%
CASH AND EQUIVALENTS	11,881,697	22,965,740	-11,084,043	-48.26%
OTHER INVESTMENTS	45,485,197	38,500,521	6,984,676	18.14%
TOTAL INVESTMENTS	57,366,894	61,466,261	-4,099,367	-6.67%
FIXED ASSETS	5,186,363	5,452,787	-266,424	-4.89%
NCUSIF DEPOSIT	1,039,087	1,015,139	23,948	2.36%
ALL OTHER ASSETS	632,298	179,836	452,462	251.60%
TOTAL ASSETS	127,001,057	127,870,805	-869,748	-0.68%
LIABILITIES AND EQUITY				
ACCOUNTS PAYABLE	90,547	122,618	-32,072	-26.16%
OTHER LIABILITIES	78,163	131,327	-53,165	-40.48%
TOTAL LIABILITIES	168,709	253,945	-85,236	-33.56%
SHARES TO MEMBERS	37,881,602	36,314,566	1,567,036	4.32%
OTHER SHARES	2,229,049	2,411,433	-182,384	-7.56%
HEALTH SAVINGS ACCOUNTS	249,849	259,377	-9,528	-3.67%
CHECKING ACCOUNTS	19,692,747	19,232,231	460,516	2.39%
MONEY MARKETS	24,391,038	24,867,984	-476,946	-1.92%
SHARE CERTIFICATES	14,122,027	16,210,229	-2,088,202	-12.88%
IRA ACCOUNTS	6,628,630	6,257,392	371,238	5.93%
TOTAL SHARES	105,194,942	105,553,212	-358,270	-0.34%
REGULAR RESERVES	1,826,611	1,826,611	-0.36	0.00%
UNDIVIDED EARNINGS	20,318,595	19,194,226	1,124,369	5.86%
UNREAL. INVEST G/L	(507,801)	(21,236)	-486,565	2291.22%
TOTAL EQUITY	21,637,406	20,999,601	637,805	3.04%
TOTAL LIABILITIES & EQUITY	127,001,057	127,870,805	-869,748	-0.68%

2022 FINANCIAL SUMMARY INCOME STATEMENT

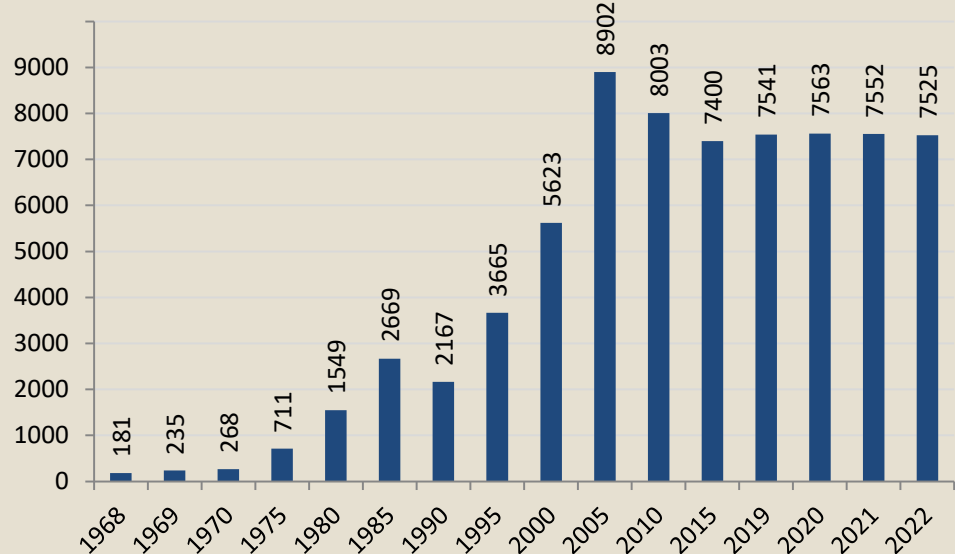
For the years ended December 31,	2022	2021	Difference	Percent Change
OPERATING INCOME				
INTEREST ON LOANS	2,887,779	2,840,693	47,086	1.66%
INVESTMENT INCOME	1,038,343	409,196	629,147	153.75%
NON-INTEREST INCOME	867,448	910,683	-43,235	-4.75%
TOTAL OPERATING INCOME	4,793,571	4,160,572	632,999	15.21%
EXPENSES				
PROVISION FOR LOAN LOSSES	63,300	84,600	-21,300	-25.18%
NON-INTEREST EXPENSES	3,220,245	2,799,461	420,784	15.03%
TOTAL NON-INTEREST EXPENSES	3,283,545	2,884,061	399,484	13.85%
DIVIDEND & INTEREST EXPENSES				
DIVIDENDS ON SHARES AND DEPOSITS	383,174	417,784	-34,610	-8.28%
INTEREST ON BORROWED FUNDS	0	0	0	0%
TOTAL DIVIDEND & INTEREST	383,174	417,784	-34,610	-8.28%
NET OPER. INCOME/(LOSS)	1,126,852	858,727	268,125	31.22%
NON-OPER. INCOME/(LOSS)	0	0	0	0%
GAIN (LOSS) ON INVESTMENTS	0	0	0	0%
GAIN (LOSS) ON ASSET DISPOSITION	(2,482)	(13,500)	11,018	-81.61%
NET INCOME/(LOSS)	1,124,369	845,227	279,142	33.03%

KEY FINANCIAL RATIOS

As of December 31, 2022	Aurora	\$100-\$249.9M	Difference
	FCU	Peers	
ROA (Profitability)	0.88%	0.70%	0.18%
Cost of Funds (interest paid on member savings)	0.30%	0.31%	-0.01%
Operating Expenses	2.52%	3.21%	-0.69%
Delinquency Ratio	1.02%	0.53%	0.49%
Loan Charge-Offs	0.11%	0.23%	-0.12%
Net Worth (Capital Ratio)	17.44%	10.90%	6.54%
Loan Growth	4.38%	15.94%	-11.56%
Member Growth	-0.36%	1.73%	-2.09%

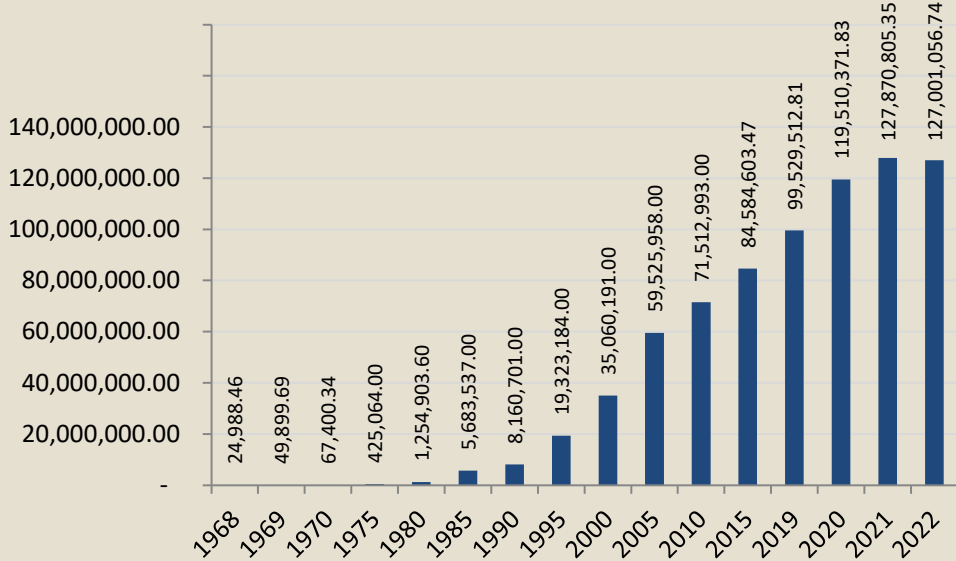
MEMBERS AND ASSETS HISTORICAL TOTALS

TOTAL MEMBERS



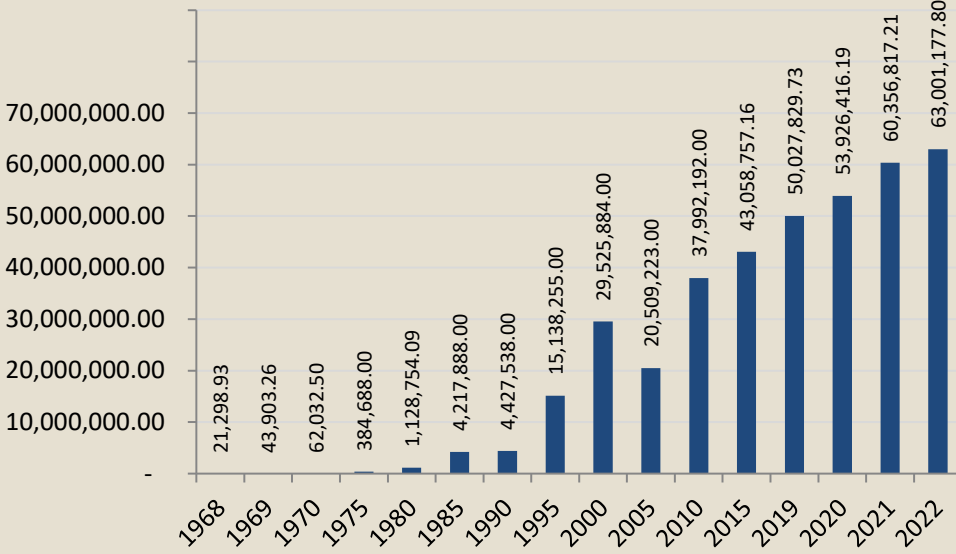
Note 1: Membership decline after 2005 was due to a methodology change in accounting for total memberships following Rural Electric CU merger, where method was changed from total accounts at par to total individual persons.

TOTAL ASSETS

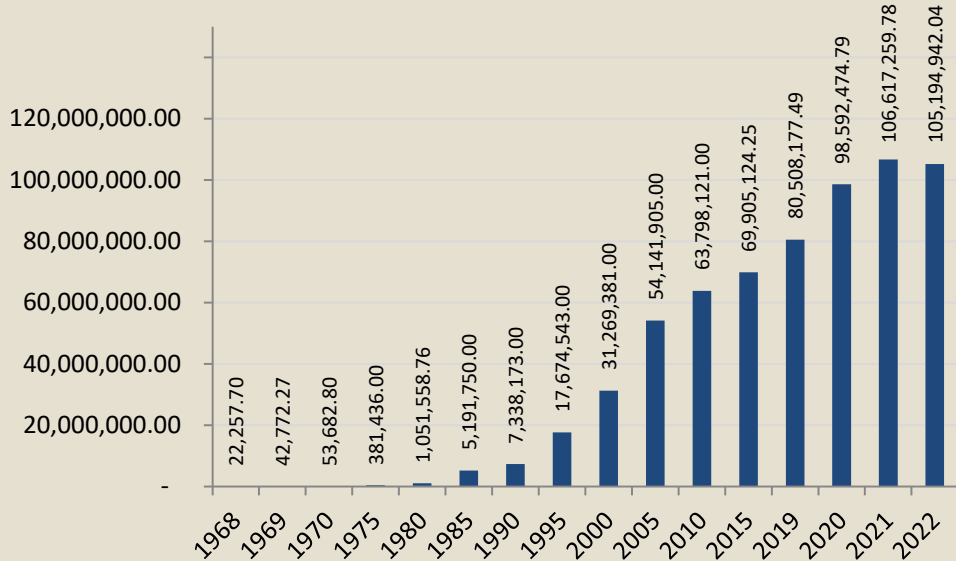


LOANS AND SHARES HISTORICAL TOTALS

TOTAL LOANS



TOTAL SHARES





Main Branch
610 S. Abilene Street
Aurora, CO 80012



COA Municipal Building Branch
15151 E. Alameda Parkway
Aurora, CO 80012

Visit us online at
AuroraCU.com!



“ Our member-owned credit union continues its history of providing service, security, and stability to our members! ”

— Mark Stephenson, Chair
Aurora Federal Credit Union Board of Directors