Agenda

I. Call Business Meeting to Order
II. Appoint Parliamentarian
III. Ascertain that a Quorum is Present
IV. Reading and Approval of Minutes from Previous Annual Meeting Dated May 11, 2013
V. Reports
   i. Chairman’s Report
   ii. President’s Report
   iii. Supervisory Committee Report
   iv. Treasurer’s Report
VI. Unfinished Business
VII. Call for New Business
VIII. Elections
IX. Adjournment of Business Meeting

Approval of Annual Meeting Minutes, May 18, 2012
A motion was made to dispense with the reading of the minutes and to approve them as presented. The motion was seconded and carried.

Reports
Chairman LC Williams thanked all those in attendance at Space Age’s 61st Annual Meeting. He began by recognizing Heather Szymanski, Director of Marketing, and the marketing and business development staff for finding such an excellent venue for this year’s meeting. He then stated the importance of Space Age’s existence for 61 years. He then overviewed the difference between credit unions and banks and asked members how many of them were invited by their bank to attend an annual meeting. No hands were raised. He recognized the staff for their excellent contribution to Space Age’s high level of service and execution. He then overviewed the financial highlights and stated that at year end, Space Age’s assets were $102.9 million. He stated that delinquency is well below the industry average at .26% in 2012. He then highlighted the results of the member satisfaction survey and said for the first time Space Age achieved 99% member satisfaction in 2012. He said that the credit union will strive to continue this excellent level of service. He closed by complimenting Management on their commitment and dedication to Space Age. Chairman Williams then introduced John Uchida, President of Space Age Federal Credit Union. Mr. Uchida thanked the Chairman and the members for attending the annual meeting. He said that he was extremely pleased to see
Space Age Federal Credit Union 2013 Annual Report

2013 Chairman and President’s Report

Thank You
To begin our report, we want to first thank you, our over 14,000 members for giving us the opportunity to serve you. We appreciate your patronage and trust that you have given us to be part of your financial lives. Since 1952, Space Age Federal Credit Union has been a proud member-owned financial institution dedicated to serving our members.

2013 Financial Highlights
2013 was a very successful year for Space Age. Assets ended at $103.6 million. Our net worth increased from $175,000 over two times the amount of delinquent loans due to the conservative approach in this calculation. Our financial condition was also verified by the National Credit Union Administration and Petersen & Associates, CPA’s, our auditing firm who gave an unmodified (unqualified) opinion of our financial statements.

Service to Our Members
In 2013, Space Age continued the practice of asking our members how we are serving them. We are pleased to announce that we achieved a 98% member satisfaction rating, utilizing a third party for the results. We continued to offer numerous educational sessions for our members on topics, such as, understanding credit scores, mortgages, investments and wills and trusts. We also provided the convenience of having an in-house financial planner and first mortgage provider. Additionally, we proudly continued to support our select employee groups by participating in 36 events. In 2013, we also upgraded our phone system to give better service to our members.

Youth–The Future of Space Age
Since 1993, Space Age has been committed to the perpetuation of our credit union through building relationships with our very important youth demographic. In 2013, we performed a youth focus group to obtain their feelings and thoughts on electronic services. We also initiated a Kids Day at Space Age that brought 137 members to our headquarters to learn about Space Age and experience some fun. From these efforts, we opened 226 youth savings accounts and 44 checking accounts with debit cards for our future lifetime members.

Unfinished Business
Chairman LC Williams stated that the agenda contained no unfinished business.

New Business
Chairman LC Williams called to the membership for any new business. There was none.

Election Results
Chairman LC Williams stated that Richard Koebert, Ann Franklin, and Michael Thompson were each elected for a 3-year term.

Adjournment
There being no further business, the meeting was adjourned at 10:25 a.m.

LC Williams, Chairman
Tom Wittman, Secretary

so many young members in attendance. He said that the future of Space Age is in the next generation of member. He proudly stated that 240 youth savings accounts were opened in 2012. Total deposits by this age group is $973,000 with an average balance of $768. He said the average age is 10.94 years old. He then stated that without youth accounts, Space Age’s average member is 50 years old. With youth accounts, the average member’s age is 47. He then implored all the members to bring in their children and grandchildren, and continue the great job as was done in 2012. He then overviewed the community work that the credit union did in 2012. He stated that Space Age continued its commitment to Lowry Elementary by providing tutoring, Super Savers accounts, and good citizen awards. He also said that the credit union continued to work with the Children’s Miracle Network, the AFAFC/DFAS Retirees organization, and the Aurora Credit Union Alliance. He then asked the members in attendance to look at the annual report that was recognized in the report. He stated that countless hours are given to the credit union by these individuals and they serve as volunteers. He thanked the Volunteers for their commitment and longevity that was recognized in the report. He stated that countless hours are given to the credit union by these individuals and they serve as volunteers. He thanked the Volunteers for their commitment and dedication and asked them to stand to be recognized. He then stated that nothing could be accomplished without an excellent staff. He applauded them for their high marks in member satisfaction in 2012. He then asked the staff to stand and be recognized. In closing, he said that 2013 should be another exciting year. Space Age is working on new products and services to deliver to the membership in 2013. He once again thanked the members for their attendance. Chairman Williams thanked the President for his report. He then said that both the Supervisory Committee Report and Treasurer’s Report are located within the Annual Report for review. He also mentioned that Space Age received an unqualified opinion from the CPA audit in 2012. He congratulated the accounting staff for their excellent work and said that this excellent report is the standard at Space Age. After which, a motion was made and seconded to accept all the reports as presented.

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New Business
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Election Results
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Adjournment
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LC Williams, Chairman
Tom Wittman, Secretary
Community Focused

Space Age continued its commitment to our many communities. In 2013, we participated at Lowry Elementary, the Interior Business Center, Children’s Miracle Network, the AFAFC/DFAS Retirees, and the Aurora Credit Union Alliance. We were also recognized at the state level by receiving the Dora Maxwell Award from the Mountain West Credit Union Association for our work in raising funds for Firefly Autism. Many thanks go out to our members, staff and volunteers, in making this event a success.

Recognizing Our Team of Dedicated Professionals

Thanks go out to our incredible volunteers who comprise the Board of Directors and Supervisory Committee. These visionary professionals donate many hours a year to ensure that your credit union is operating at the expected levels. Their leadership and dedication is what makes Space Age a successful financial institution. The staff at Space Age is comprised of extremely talented professionals who work hard every day to provide you the high-level service you deserve. Thank you for your continued excellence in serving our members.

Today and Beyond

2014 is looking to be a great year for Space Age. We are working on systems and products that will assist you in managing your financial challenges and successes. Please let us know if there is anything that we can do better in serving your current and future needs.

LC Williams, Chairman
John Uchida, President

2013 Supervisory Committee Report

Space Age’s Supervisory Committee serves as your personal advocate, determined to provide you with the highest quality of member service. The Committee independently evaluates the strength and soundness of Space Age’s operations and activities.

With the assistance of the Board of Directors, the President, the Senior Management Team, and independent auditors, the Supervisory Committee ensures that the Credit Union’s assets are safeguarded by upholding procedures that comply with Generally Accepted Accounting Principles. In addition, the Committee is responsible for ensuring that Space Age’s audited financial statements provide a fair and accurate representation of the financial condition of the Credit Union.

Our independent auditors, the public accounting firm of Petersen & Associates, Certified Public Accountants, conducted a comprehensive opinion audit of Space Age’s financial statements for the period ending on September 30, 2013 and the related statements of income, changes in retained earnings, and cash flow for the year. They returned a detailed report to the Board of Directors, which confirmed that the Credit Union’s financial statements fairly represent the financial position of Space Age and conform to Generally Accepted Accounting Principles.

In addition to our independent auditors, Space Age retained the Texas Credit Union League Resources Department, CU Resources, to perform three internal reviews throughout the year. These are ongoing reviews to ensure that the Credit Union’s policies and procedures are being followed and quality internal controls are in place. After each review, CU Resources provides a detailed report to the Supervisory Committee, the Board of Directors, and the Senior Management Team.

Finally, the National Credit Union Administration (NCUA), which is the regulatory agency for all federally-chartered credit unions nationwide, performs periodic supervisory examinations. The last examination performed was as of June 30, 2013. Based on this examination, they provided a report confirming that Space Age is prudently managed and is a financially sound institution.

Based on the result, of the opinion audit, the internal reviews, and the NCUA supervisory examination, as well as the internal control work that the Committee performs on a regular basis, it is the opinion of the Supervisory Committee that Space Age Federal Credit Union continues to be financially strong and well-managed, with sound policies and programs. Space Age Federal Credit Union is in compliance with the Credit Union’s bylaws and applicable federal laws and regulations.

We are proud to offer you a safe and sound environment to conduct your financial business. We look forward to continuing to serve you in the future.

Terrie Smigiel, Supervisory Committee Chairman
We are pleased to report that despite the current challenging economic environment, Space Age continues to remain a safe and sound financial institution, and we are thankful for your continued trust and belief in the Credit Union.

Total assets exceeded $103 million for 2013. As a result of strong member relationships, increased operational efficiencies, and a strong net worth, Space Age continued to strengthen reserves while providing the innovative products and services that our members needed.

Space Age ended the year with a net income of $570,259, which further helped to strengthen the credit union’s retained capital and overall financial position. Space Age’s delinquent loan ratio ended the year at 0.31%, far less than the peer average of similar sized credit unions. Additionally, Space Age was very successful in keeping operating costs low, while maintaining competitive loan and deposit rates for our members.

In 2013, net worth improved by 50 basis points, ending the year at 8.66%. Net worth is a key measure of financial safety and soundness for credit unions, and a ratio of 7.00% or higher identifies a credit union as well-capitalized. The increase in Space Age’s net worth ratio was due to strong earnings on the loan portfolio, and a strong asset liability management program.

With interest rates at historically low levels, gross income still exceeded $5.2 million. Our independent auditors, Petersen & Associates, Certified Public Accountants, also issued another “unqualified” or clean audit opinion of Space Age in 2013. The National Credit Union Administration reviewed our financial condition and found it sound as well.

The Space Age Board of Directors and Management Team remain optimistic as we look forward to continuing to take on the challenges and opportunities of 2014. As we look to the future, Space Age will continue to implement ways to meet the needs of our members while staying focused on growing net worth and improving overall operational efficiencies. This will allow us to continue to strengthen our solid foundation, and ensure we are here for our members for years to come.

We thank you, our member-owners, for your continued loyalty to YOUR Credit Union. Your trust in Space Age as your primary financial institution is vital to our continued growth and success. Please do not hesitate to let us know how we can better meet your saving and borrowing needs.

Carl S. Miller, Treasurer

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### 2013 Financial Report

**Balance Sheet (Unaudited)**

**Assets**

- Loans to Members: $76,739,812
- Less: Allowance for Loan Losses: $(482,203)
- Cash: $543,347
- Investments: $23,902,833
- Accrued Income Receivable: $326,835
- Other Receivables: $30,357
- Prepaid Expenses: $153,771
- NCUA Insurance Fund Deposit: $907,171
- Furniture and Equipment (Net of Depreciation): $786,100
- Leasehold Improvements (Net): $63,450
- Other Assets: $587,449
- **Total Assets**: $103,557,922

**Liabilities and Members’ Equity**

**Liabilities**

- Accounts and Taxes Payable: $58,363
- Accrued Expenses and Other Liabilities: $466,902

**Members’ Equity**

- Share Accounts: $31,513,002
- Share Draft Accounts: $17,510,789
- Holiday Club Accounts: $132,370
- Share Certificate and IRA Accounts: $26,370,923
- Money Market Accounts: $18,536,498
- Undivided Earnings: $7,274,307
- Regular Reserve: $1,694,768
- **Total Liabilities and Members’ Equity**: $103,557,922

The accompanying notes are an integral part of these financial statements.
# 2013 Financial Report

## Statement of Income and Changes in Undivided Earnings (Unaudited)

### Income for the Year End

<table>
<thead>
<tr>
<th>Income</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on Loans</td>
<td>$3,853,750</td>
</tr>
<tr>
<td>Interest on Investments</td>
<td>$67,737</td>
</tr>
<tr>
<td>Miscellaneous Operating Income</td>
<td>$1,341,593</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>$5,263,080</strong></td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Compensation</td>
<td>$1,819,007</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>$597,839</td>
</tr>
<tr>
<td>Travel and Conferences</td>
<td>$72,251</td>
</tr>
<tr>
<td>Association Dues</td>
<td>$28,454</td>
</tr>
<tr>
<td>Office Occupancy</td>
<td>$318,793</td>
</tr>
<tr>
<td>Office Operations</td>
<td>$698,524</td>
</tr>
<tr>
<td>Education and Promotion</td>
<td>$130,743</td>
</tr>
<tr>
<td>Loan Servicing</td>
<td>$192,532</td>
</tr>
<tr>
<td>Professional and Outside Services</td>
<td>$653,891</td>
</tr>
<tr>
<td>Share Insurance</td>
<td>$72,574</td>
</tr>
<tr>
<td>Members’ Insurance</td>
<td>$24,000</td>
</tr>
<tr>
<td>Federal Supervision Fees</td>
<td>$23,279</td>
</tr>
<tr>
<td>Annual Meeting Expense</td>
<td>$11,940</td>
</tr>
<tr>
<td>Miscellaneous Operating Expenses</td>
<td>$106,350</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>$4,750,177</strong></td>
</tr>
</tbody>
</table>

| Provision for Loan Losses        | $24,000    |
| (Loss)                           | ($327,602) |
| **Income (Loss) from Operations**| **$816,505** |

| Dividends Paid to Members        | $246,246   |
| Interest on Borrowed Funds       | $0         |
| **Net Income (Loss)**            | **$570,259** |

### Changes in Undivided Earnings

<table>
<thead>
<tr>
<th>Changes in Undivided Earnings</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance January 1, 2013</td>
<td>$6,704,048</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>$570,259</td>
</tr>
<tr>
<td><strong>Balance December 31, 2013</strong></td>
<td><strong>$7,274,307</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.

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# Note 1. Summary of Significant Accounting Policies

**Loans to Members and Allowance for Loan Losses**

Loans are stated at the amount of unpaid principal, reduced by an allowance for loan losses. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding. The allowance for loan losses is established through a provision for loan losses charged to expenses. Loans are charged against the allowance for loan losses when Management and the Board believe that the collectability of the principal is unlikely. The allowance is an amount that Management believes will be adequate to absorb possible losses on existing loans that may become uncollectible, based on the pooling method of evaluation that utilizes a 24 month rolling average of specific loan pools and losses associated with each pool. The accrual of interest on loans is discontinued when payments become two months delinquent.

**Investments**

Investments are stated at cost, adjusted for amortization of premiums and accretion of discounts, which are recognized as adjustments to interest income on investments. Gains and losses on disposition are based on the net proceeds and the adjusted carrying amount of the investments sold, using the specific identification method. The majority of investments are in United States Treasury Bills, United States Government Agency Securities, or certificates of deposit at federally insured financial institutions.

**Furniture and Equipment**

Furniture and equipment are stated at cost, less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

**Dividends**

Dividends to members on various types of share accounts are paid at various rates and are shown as a reduction to net income. Dividend rates are set by the Board of Directors and the Asset Liability Committee, based on an evaluation of current and future market conditions and available earnings.

**Note 2. Income Taxes**

The Credit Union is exempt from Federal taxes under the provisions of the Federal Credit Union Act.

**Note 3. Pension Plan**

The Credit Union has a 401(k) retirement plan which covers all eligible employees. The Credit Union funds pension costs on a current basis.
Note 4. Share Insurance
The National Credit Union Administration (NCUA) insures Credit Union accounts up to $250,000. Certain retirement accounts are separately insured up to $250,000. The NCUA Share Insurance Fund requires the Credit Union to maintain a deposit with the NCUA.

Note 5. Lease
The Credit Union is committed to a lease on the main office building in Aurora, Colorado. The lease expires on January 31, 2016. The lease is appropriately accounted for as an operating lease. The lease contains clauses whereby the Credit Union is responsible for common area maintenance and other related expenses.

Note 6. Line of Credit
The Credit Union has a $7,800,000 line of credit agreement with Corporate America Credit Union. No borrowings were outstanding at December 31, 2013.

Note 7. Loans to Members
The composition of loans to members is as follows:

Year Ended December 31, 2013

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobile</td>
<td>$61,274,661</td>
</tr>
<tr>
<td>Mortgage</td>
<td>$7,434,686</td>
</tr>
<tr>
<td>Unsecured</td>
<td>$7,783,606</td>
</tr>
<tr>
<td>Share and Certificate Secured</td>
<td>$246,859</td>
</tr>
<tr>
<td><strong>Total Loans</strong></td>
<td><strong>$76,739,812</strong></td>
</tr>
<tr>
<td>Less: Allowance for Loan Losses</td>
<td>($482,203)</td>
</tr>
<tr>
<td><strong>Net Loans</strong></td>
<td><strong>$76,257,609</strong></td>
</tr>
</tbody>
</table>

A Summary of Changes in the Allowance for Loan Losses is as follows:

Year Ended December 31, 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance: Beginning of Year</td>
<td>$781,656</td>
</tr>
<tr>
<td>Provision Charged to Operations</td>
<td>$24,000</td>
</tr>
<tr>
<td>Loans Charged Off</td>
<td>($410,800)</td>
</tr>
<tr>
<td>Recoveries</td>
<td>$67,347</td>
</tr>
<tr>
<td><strong>Balance: End of Year</strong></td>
<td><strong>$482,203</strong></td>
</tr>
</tbody>
</table>
2013 Board of Directors

Richard Koebert
Director
22 Years of Service

Michael Thompson
Director
14 Years of Service

Samuel Doutrich III
Director
7 Years of Service

Sam Searcy
Associate Director
2 Years of Service

2013 Supervisory Committee

Terrie Smigiel
Chairman
6 Years of Service

Vickie Mahlberg
Committee Member
9 Years of Service

Lois Tilley
Committee Member
3 Years of Service

Michael Smigiel
Committee Member
2 Years of Service

Richard Sall
Committee Member
1 Year of Service
Thank You to the Following Space Age Partners

TODD A. DUSSEX, CFP
Available at Space Age Federal Credit Union
...helping you with your financial future.

BERENBAUM WEINSHIENK PC
ATTORNEYS AT LAW

CUNA MUTUAL GROUP

FAY MYERS
MOTORCYCLE WORLD

STEELES CYCLE

FOOTHILLS BMW TRIUMPH

AUTOMOTIVE AVENUES

HARRY L. SIMON, P.C.
ATTORNEYS AND COUNSELORS AT LAW

Northern Colorado Euro

Experian

The Hughes Law Firm

Sub Cat Marketing

Rocky Mountain Harley-Davidson

TruSTAGE™