



SPACE AGE

FEDERAL CREDIT UNION
YOUR FINANCIAL NORTH STAR

2019 ANNUAL REPORT



WELCOME

48th Annual Meeting • Wednesday, August 12, 2020

Virtually Held from Space Age Federal Credit Union via Zoom



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 June 7, 2019
- V. Reports
 - i. Chairman's and President's Report
 - ii. Supervisory Committee Report
 - iii. Treasurer's Report
- VI. Unfinished Business
- VII. Call for New Business
- VIII. Elections
- IX. Adjournment of Business Meeting



2019 ANNUAL MEETING MINUTES

67th Annual Meeting • Saturday June 7, 2019

Welcome

Chairman LC Williams welcomed the attendees of the 67th Annual Meeting of Space Age Federal Credit Union.

Convened

Space Age Federal Credit Union's 67th Annual Meeting was held at Wings Over the Rockies Air and Space Museum, Denver, Colorado on Friday, June 7, 2019. In accordance with Article 5 of the Bylaws, the Business Meeting was called to order by Chairman Williams at 7:05 p.m. Chairman Williams then introduced the Board of Directors and Supervisory Committee members present at the meeting. From the Board of Directors: Mr. Sam Douthick III, Mr. Sam Searcy, Mr. Tarro McCray, Mr. Tom Wittman, Ms. Ann Franklin, Mr. Rick Koebert, and Mr. Ralph Giesler. From the Supervisory Committee: Mr. Gordon Carruth, Mr.

Richard Sall, and Ms. Lois Tilley. Chairman Williams also introduced the Board Members present from Jeffco Credit Union, being: Mr. Greg Moore and Ms. Sue Young.

Appointment of Parliamentarian

Chairman Williams appointed Mr. Bob Wilson, RG Wilson Law, as Parliamentarian for the Annual Meeting.

Ascertainment of Quorum

Chairman Williams stated that with over 240 people in attendance, a quorum was present.

Approval of Annual Meeting Minutes, June 2, 2018

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 Williams introduced President John Uchida for his comments. President Uchida thanked the attendees for coming to Space Age Federal Credit Union's 67th Annual Meeting. He highlighted the financials of the credit union and stated that Space Age's assets grew to \$142 million. Net worth ended 2018 at 8.98% and delinquency and charges off were well below peer ratios. He stated that our certified public accounts, Petersen & Associates, issued an unmodified opinion. He then stated that Space Age continued to work in the communities including the AFAFC/DFAS Retirees and thanked them for their continued support of Space Age. He also stated that much energy has been devoted to the Jefferson County and Golden field of memberships that was due to the partnership with Jeffco Federal Credit Union. He said that in the past year, membership has grown over 6%. He then stated that the focus in 2018 was to provide cyber security for the data of our members. He reviewed the steps that were taken to continue to provide our members the peace of mind needed in this day of cyber security threats. He also stated that membership satisfaction is an important part of Space Age's mission and said that in 2018, a 95.2% satisfaction rating was achieved. He then stated that Space Age spent resources in order to improve the online experience for our members so they would not necessarily have to come in to a branch to open an account or obtain a loan. He closed by thanking the staff for a job well done and recognized them for their outstanding hard work in providing excellent member service. He then thanked the Board of Directors and Supervisory Committee for their excellent vision and work and gave special recognition to Chairman LC Williams for his outstanding leadership and dedication to making Space Age a great financial institution. President Uchida then recognized the business partners that were present. He introduced Mr. Todd Dussex, LPL Financial; Ms. Susan Reedy, Pivot Lending; Mr. Tri Nguyen, AutoTrek; Mr. Matthew Morrison, Steele's Cycles; Mr. Scott Earl, President and CEO of the Mountain West Credit Union Association; Mr. Bob Wilson, RG Wilson Law; Mr. Bob Zitnik, Security and Safe of Colorado; and Ms. Angela Rogers, Rocky Mountain Human Services. At this point, he stated that Mr. Matthew Morrison, Steele's Cycles, had requested a few moments of time to express his thoughts of Space Age. At this time, Mr. Morrison was introduced to the attendees. He began by telling the attendees about his relationship with Space Age over the past several years and some of the challenges that he faced with Space Age helping him along the way. He stated that Space Age was helpful during challenging times and wanted to recognize the credit union for assisting him. He then urged members to go online and provide a positive review of Space Age FCU on places such as Yelp and Google. President Uchida thanked him for his kind comments and then turned the meeting over to Chairman Williams. Chairman Williams

once again thanked the membership for attending the annual meeting. He stated that having the annual meeting on the day following the 75th anniversary of D-Day 1944, was a thought provoking opportunity. He said the sacrifices made by the men and women of the greatest generation provided the opportunity for Space Age to be in existence today and the many opportunities in America due to their sacrifices. He then thanked both the long-term members and the new members for their participation and attendance. He then recognized the Board of Directors, Supervisory Committee, and staff for their outstanding work. He also stated that being a Board of Director at Space Age, or any other credit union, provides great opportunity for education and purpose. He stated that if any member would be interested in volunteering for Space Age, that those opportunities will be advertised in the fourth quarter of this year. He overviewed some of the benefits of being a volunteer at Space Age. He then stated that the Supervisory Committee Report and Treasurer's Report are included in the annual report and asked for a motion to approve the reports as submitted. A motion was made and seconded to accept the reports as presented and the motion carried.

Unfinished Business

Chairman Williams stated that the agenda contained no unfinished business.

New Business

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

Election Results

Chairman Williams stated that Ann Franklin, Richard Koebert, and Roxane Nowling submitted their names to the Secretary for recommendation and they were each elected for a 3-year term.

Adjournment

There being no further business, the meeting was adjourned at 7:45 p.m.

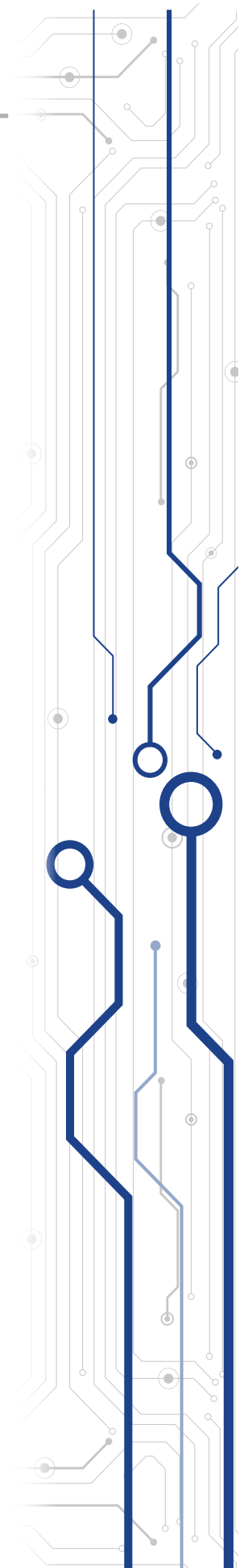
Respectfully Submitted

LC Williams

Roxane Nowling

Board Chairman

Secretary



2019 CHAIRMAN AND PRESIDENT'S REPORT

LG Williams and John R. Uchida



Welcome

Welcome to Space Age Federal Credit Union's 68th Annual Meeting. We are pleased that we have grown to 16,500 members since our inception in 1952. The Annual meeting is normally a highly sought after event held at one of the great attractions in the community that's always filled to capacity. As a result of COVID-19, we are in what could be called a new normal. Thus, for the safety and concern of our members, this year's meeting is an on-line only event. COVID-19 has significantly impacted the US and the world as a whole in ways never seen before. The US economy has taken a nose dive; unemployment and loss of jobs have skyrocketed; most businesses are negatively impacted; and the enormous loss of life is heartbreaking and exceeds the losses in most US military battles. We are committed to our members and the community during these very difficult times and thank you for trusting us with your financial needs. We know that there are a myriad of choices among financial institutions and we are proud that you have allowed us to be of service to you and your family.

Financial Highlights

2019 was another successful year for Space Age. Assets grew to just under \$147 million. The net worth ratio increased to 9.13%. Delinquent loans ended at .62%, and charge offs ended at .29%. Our solid financial condition was also verified by the National Credit Union Administration and by Petersen and Associates, CPA's, our auditing firm who gave an unmodified opinion of our financial statements. Collectively, this attests to the financial soundness and success of Space Age Federal Credit Union.

Working to Serve Our Members

Space Age remained active within our many communities by participating in several functions with the AFAFC/DFAS Retirees organization, and many organizations within Jefferson County and the City of Golden. We held a multitude of member focused initiatives throughout the year, to include the highly attended membership appreciation barbecue at the Golden location. Space Age also remained committed to our young members by hosting several events focused on our next generation of members. In fact, we opened over 150 new youth accounts in 2019. Further, we completed a highly successful fund-raising drive for the Food Bank of the Rockies to assist those in need who were severely impacted during the food shortage associated with COVID-19.

Additionally, Space Age maintained a keen focus on security and committed the resources needed to ensure that our Cybersecurity systems continued to be on the leading edge in protecting our members' financial well-being. Our computer systems are equipped with constant monitoring and surveillance and are regularly tested in order to maintain a safe, secure, and effective Cybersecurity environment. In addition, we revamped our website to be more accessible and user friendly and continued to remain committed to our ongoing drive to have superior technology options for our members.

Thanking Our Outstanding Team at Space Age

We would not be successful if we did not have an outstanding team of volunteers and staff at Space Age. We would like to thank our Board of Directors and Supervisory Committee for their endless commitment and leadership that steers our credit union into the future. The staff at Space Age is a team of highly committed professionals who are dedicated to serve our members. Our staff continued to provide excellent service by achieving a 97.2% satisfaction ratio this year.

2020

2020 has been an extremely challenging year for everyone. Due to COVID-19, our focus moved very rapidly earlier this year from providing new products and services while maintaining our service levels to keeping our branches open and providing superior service for our members either in person, online or on the phone. Safety of our members and staff became our primary priority while finding ways to continue to serve our members through all available channels. We are pleased to tell you that Space Age deferred over \$12 million in loans for members in need during this time. In addition, we funded over \$100,000 in emergency loans for members who were impacted by the coronavirus. We want to thank our members for their patience and continued commitment to Space Age during these unprecedented times. However, we are continuing to find new ways to improve our delivery systems. Later this year, we will be upgrading our online banking platform to a superior platform. We believe that you will find this change beneficial. And while the pandemic may linger for most of 2020, Space Age remains here for you; committed to serving you through all means possible as we have done for the past 68 years. We are focused on keeping our branches safely open during these times, if feasible. We will continue deep cleaning of our branches on a regular basis along with numerous sanitizing processes throughout the day. When we had to temporarily close our Aurora branch, members used other options such as the appointment system. Our online banking systems increased to record numbers during this time, including remote deposit capture. Thank you again for choosing and remaining loyal members of Space Age. It is our hope that next year we will see you in person at our 69th Annual Meeting.

Thank you,

LC Williams
Chairman

John R. Uchida
President



2019 SUPERVISORY COMMITTEE REPORT

Gordon Carruth

On behalf of the Supervisory Committee, thank you for your continued trust and confidence in Space Age Federal Credit Union. The Supervisory Committee advocates for you personally and is determined to provide the highest quality of member service possible. The strength and soundness of Space Age's operations and activities are evaluated by us, and we are proud of the safe and sound environment we offer you to conduct your financial business.

It is with the support of the Board of Directors and independent auditors, the Supervisory Committee watches over the Credit Union's assets to ensure they are safeguarded by upholding policy and procedures that comply with Generally Accepted Accounting Principles. Space Age's audited financial statements provide a fair and accurate representation of the financial condition of the Credit Union. It is the Committee's responsibility to ensure those audits are honest and true.

2019 Independent Audits

The public accounting firm of Petersen & Associates, Certified Public Accountants, are the independent auditors who conducted a comprehensive opinion audit of Space Age's financial statements for the period ending on September 30, 2019. This audit also included the related statements of income, changes in retained earnings, and cash flow for the year. The detailed report they returned the Board of Directors confirmed the Credit Union's financial statements fairly represent the financial position of Space Age and conformed to Generally Accepted Accounting Principles.

In addition to our independent auditors, Space Age retained CU Resources, the Cornerstone Credit Union League Resources Department, to perform quarterly reviews. These ongoing reviews ensure the Credit Union's policies and procedures are being followed and quality internal controls are in place. After each review a detailed report is given to the Supervisory Committee, the Board of Directors, and the Senior Management Team by CU Resources.

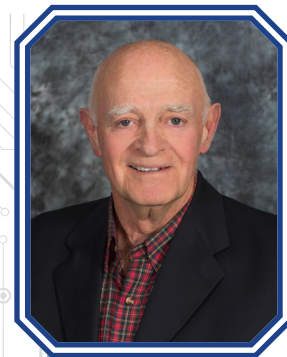
The regulatory agency for all federally chartered credit unions nationwide, The National Credit Union Administration (NCUA), also performs supervisory examinations. The last examination performed was as of June 30, 2019. According to the report they provided, Space Age is prudently managed and is a financially sound institution.

2019 Opinion

We the Committee, are pleased to state 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 base this opinion on the results of the opinion audit, the internal reviews, and the NCUA supervisory examination, as well as the internal control work the Committee performs on a regular basis.

Thank you again for your support. We look forward to continuing to serve you – today, tomorrow, and the foreseeable future.

Gordon Carruth
Chairman of The Supervisory Committee



2019 TREASURER'S REPORT

Sam Searcy



Thank you again for your unwavering support of Space Age Federal Credit Union. Your trust is vital to our continued growth and success. We recognize that you have many options when it comes to banking, and we are honored that you choose to conduct your financial business with Space Age.

We are pleased to report that Space Age Federal Credit Union continues to remain a safe and sound financial institution.

A Look Back at 2019

In 2019, total assets exceeded \$146 million. 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 our members both want and need.

Space Age ended the year with a net income of \$643,338. Space Age's delinquent loan ratio ended the year at 0.62%. In 2019, Space Age was very successful in keeping operating costs low, while maintaining competitive loan and deposit rates for our members.

Furthermore, net worth remained strong, ending the year at 9.13%. 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 Credit Union's solid net worth ratio was due to strong earnings on the loan portfolio, and a strong asset liability management program.

Gross income exceeded \$7.5 million. Our independent auditors, Petersen & Associates, Certified Public Accountants, also issued another "unqualified" or clean audit opinion of Space Age in 2019. The National Credit Union Administration reviewed our financial condition and found it sound as well.

Looking Forward to 2020

The Space Age Board of Directors and Management Team continues to take on new challenges and opportunities in 2020. As we look to the future, Space Age will continue to implement and improve upon 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.

Thank you for your continued trust and confidence in Space Age Federal Credit Union. Please do not hesitate to let us know how we can better meet your financial needs.

Sam Searcy
Treasurer



2019 FINANCIAL REPORT

Balance Sheet (Unaudited)

Assets	December 31, 2019
Loans to Members.....	\$118,832,935
Less: Allowance for Loan Losses.....	(\$573,320)
Cash.....	\$540,850
Investments.....	\$21,058,921
Accrued Income Receivable.....	\$436,238
Other Receivables.....	\$427,534
Prepaid Expenses.....	\$464,550
NCUA Insurance Fund Deposit.....	\$1,196,259
Building and Equipment (Net of Depreciation).....	\$1,004,502
Leasehold Improvements (Net).....	\$817,619
Land.....	\$264,400
Other Assets.....	\$2,456,756
Total Assets.....	\$146,927,244

Liabilities and Members' Equity

Liabilities

Payables and Other Liabilities.....	\$2,695,972
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Members' Equity

Share Accounts.....	\$53,191,681
Share Draft Accounts.....	\$26,069,680
Holiday Club Accounts.....	\$293,186
Share Certificate and IRA Accounts.....	\$24,367,273
Money Market Accounts.....	\$26,898,955

Undivided Earnings.....	\$11,401,588
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Regular Reserve.....	\$2,008,909
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Total Liabilities and Members' Equity.....	\$146,927,244
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The accompanying notes are an integral part of these financial statements.

Statement of Income & Changes in Undivided Earnings (Unaudited)

Income for the Year End

December 31, 2019

Income

Interest on Loans.....	\$5,840,087
Interest on Investments.....	\$330,185
Miscellaneous Operating Income.....	\$1,417,165
Total Income.....	\$7,587,437

Expenses

Employee Compensation.....	\$2,575,980
Employee Benefits.....	\$738,259
Travel and Conferences.....	\$76,302
Association Dues.....	\$29,670
Office Occupancy.....	\$400,464
Office Operations.....	\$1,060,860
Education and Promotion.....	\$112,069
Loan Servicing.....	\$262,533
Professional and Outside Services.....	\$697,475
Share Insurance.....	\$0
Members' Insurance.....	\$0
Federal Supervision Fees.....	\$38,326
Annual Meeting Expense.....	\$18,750
Miscellaneous Operating Expense.....	\$148,542

Total Operating Expenses.....\$6,159,230

Provision for Loan Losses.....	\$372,000
Other Loss (Gain).....	\$75,579

Income (Loss) from Operations.....\$1,131,786

Dividends Paid to Members.....	\$488,448
Interest on Borrowed Funds.....	\$0

Net Income (Loss).....\$643,338

Changes in Undivided Earnings

Balance January 1, 2019.....	\$10,758,250
Net Income (Loss).....	\$643,338
Balance December 31, 2019.....	\$11,401,588

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



2019 FINANCIAL REPORT

Notes to Financial Statements

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 Corporate Credit Unions and 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 NCUA.

Note 5. Lease

The Credit Union is committed to a lease on the main office building and branch in Aurora, Colorado. The lease expires on September 30, 2026. The lease is appropriately accounted for as an operating lease.

Note 6. Line of Credit

The Credit Union has a \$8,800,000 line of credit agreements with Corporate Credit Unions. No borrowings were outstanding at December 31, 2019.

2019 FINANCIAL REPORT

Notes to Financial Statements

Note 7. Loans to Members

The Composition of Loans to Members is as Follows:

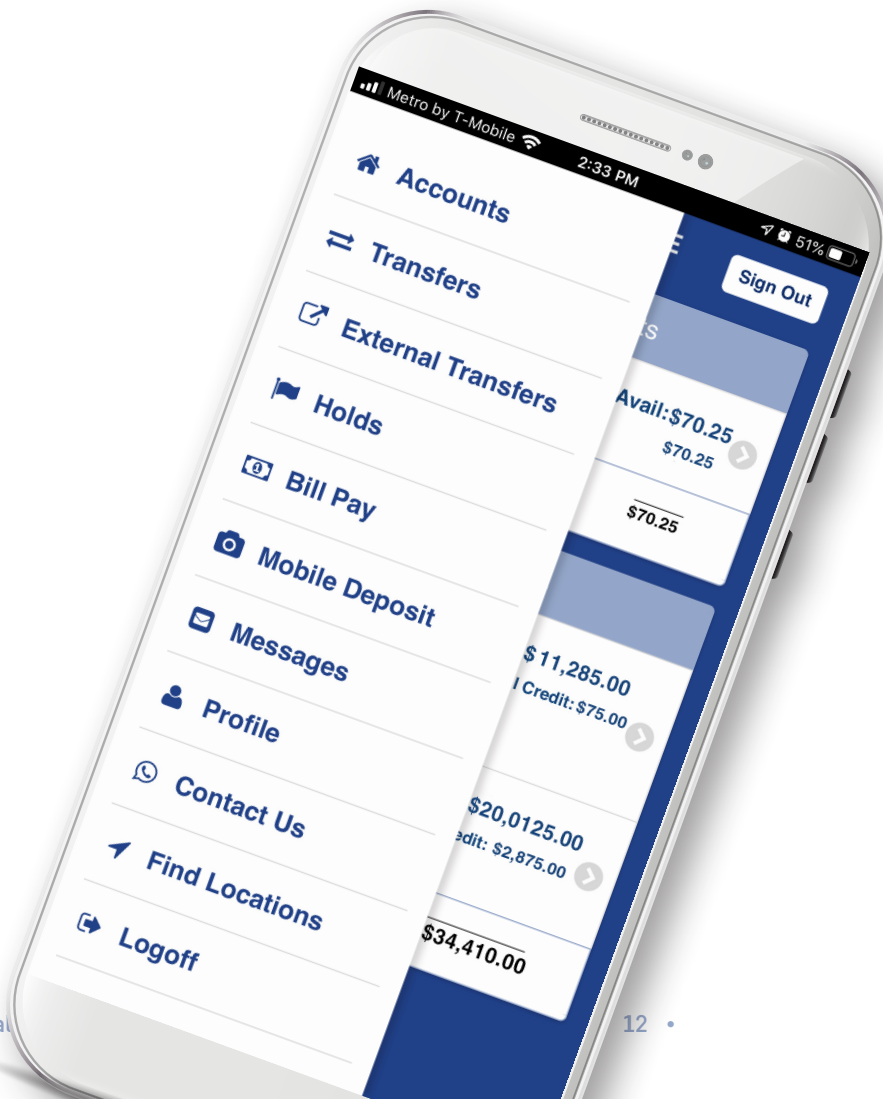
YEAR ENDED DECEMBER 31, 2019

Automobile.....	\$90,166,388
Mortgage.....	\$21,659,970
Unsecured.....	\$6,809,527
Share and Certificate Secured.....	\$197,050
Total Loans.....	\$118,832,935
Less: Allowance for Loan Losses.....	(\$573,320)
Net Loans	\$118,259,615

A Summary of Changes in the Allowance or Loan Losses is as Follows:

YEAR ENDED DECEMBER 31, 2019

Balance: Beginning of Year	\$542,128
Provision Charged to Operations.....	\$372,000
Loans Charged Off.....	(\$464,492)
Recoveries	\$123,684
Balance: End of Year.....	\$573,320



Thank You for Your Service

Today, the Board of Directors honors Space Age Federal Credit Union Director Brigadier General Carl S. Miller, USAF (Ret) in recognition of his 28 years of military service to our country, and his 18 years of volunteer service to our credit union.

General Miller's distinguished 28-year military career included wartime service in the Korean, Vietnam and Thailand areas of operation, with a combined total of 524 combat missions piloting F-84, F-100 and F-4 fighter aircraft. His service included numerous operational, command and staff positions both stateside and overseas, and he served as Deputy Commander, Fifth Allied Tactical Air Force, NATO, in Vicenza, Italy.

General Miller retired on July 1, 1979, having served as Commander, 21st North American Air Defense Command Region, with additional duty as Commander, 21st Air Division, Aerospace Defense Command, at Hancock Field, New York.

General Miller's military decorations include the Silver Star with oak leaf cluster, Legion of Merit with two oak leaf clusters, Distinguished Flying Cross with eight oak leaf clusters, Bronze Star Medal, Meritorious Service Medal, Air Medal with 29 oak leaf clusters, Joint Service Commendation Medal, Vietnamese Gallantry Cross with palm, and the Republic of Vietnam Air Service Medal (Honor Class).

During his 18 years of volunteer service to our credit union, General Miller held positions as Director, Assistant Treasurer, Treasurer and Chairman of the Board of Directors. In each of these positions, General Miller contributed significantly to the success of Space Age Federal Credit Union through his sound leadership and personal commitment of service to our members.

As he completes his volunteer service to Space Age Federal Credit Union at this year's annual meeting, we are privileged and honored to name Brigadier General Carl S. Miller, USAF (Ret) as Director Emeritus.



2019 BOARD OF DIRECTORS



LG WILLIAMS
Chairman
19 Years of Service



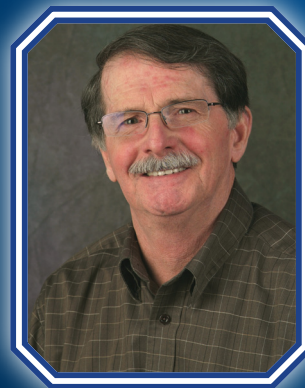
SAMUEL DOUTRICH III
Vice Chairman
13 Years of Service



ROXANE NOWLING
Secretary
4 Years of Service



SAM SEARCY
Treasurer
8 Years of Service



TOM WITTMAN
Assistant Secretary
25 Years of Service

2019 BOARD OF DIRECTORS



TARRO A. MCCRAY
Assistant Treasurer
6 Years of Service



RICHARD KOEBERT
Director
28 Years of Service



CARL S. MILLER
Director
18 Years of Service

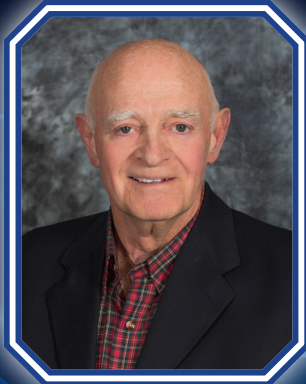


ANN FRANKLIN
Director
15 Years of Service



TERRIE SMIGEL
Associate Director
12 Years of Service

2019 SUPERVISORY COMMITTEE



GORDON CARRUTH

***Chairman
4 Years of Service***



LOIS TILLEY

***Committee Member
9 Years of Service***



RICHARD SALL

***Committee Member
7 Years of Service***



ELIZABETH PISANI

***Committee Member
1 Year of Service***