

Written in the stars



ANNUAL REPORT

2022

1962 - 2022

SIXTY
ANNIVERSARY

For Nearly 11,000 years

the Antelope Valley was populated by different cultures and used as a trade route for Native Americans traveling from Arizona and New Mexico. Edwards Federal Credit Union was just an idea written in the stars. We're proud that we've had the opportunity to serve this vital and historic community, and all of our members, for the past 60 years – just a brief moment in time.

2022 was our 60th anniversary year, and what a year it was!

If you haven't been to our Palmdale branch to see our museum-quality homage to the Antelope Valley, please stop in today! It's fun, informative, educational, and we're just a little more than proud to tell you more about the community that we call home.



2022 saw our return to a positive net income, and service to more members than ever. As we grow into 2023 and beyond, we're hopeful that the community continues to trust us, believe in us, and bank with us! We're here for all the residents of the Antelope Valley, and for all of the dreams that you hope will come true. ✕



The Value of your credit union

*Martin C. O'Brien
Chair – Board of Directors*

We are very proud of the services we have provided to our members for the last 60 some years. With a continued focus on sound policies, effective procedures, and cost discipline, your credit union is enjoying continuous growth in member deposits, both to savings and checking as well as an overall increased use of services. We are proud to offer a safe and secure financial environment for the Antelope Valley Community. We offer affordable loans to help members who need to borrow, and attractive rates for our savers all while exploring ways to better spread our availability to the community.

We were proud to recently celebrate our two-year anniversary of opening the branch in Palmdale at the corner of 10th Street West and O-8. Located in the heart of the Valley's retail district, our location features dual drive through lanes, ample parking, and a dedicated room for community use. I hope you will continue to help us spread the word about the value of your credit union.

Lastly, I want you to know that your management team continues to work extremely hard to meet the needs of the membership as we continue to find ways to make your experience with us more enjoyable in these financially turbulent times. ✂

While 2021 presented many challenges, 2022 has proven equally challenging in a different manner. As all are aware the economy went into hyperdrive. Lots of people had money and they wanted to spend some. Rising demand, and short supplies, drove higher prices. Our government money managers responded by raising interest rates.

Our credit union was well postured with sufficient liquidity, additional member share deposits, and a predominately short-term portfolio of investments that were able to take advantage of some of the rising investment interest rates. With the excellent investment management of our CFO, plus management control of expenses, I am very pleased to report net income of \$998,025 for the year of 2022.

Allow me to point out a few highlights on the accompanying financial statements. Member share deposits grew by \$9 million dollars; thanks to our members trust in their credit union. Loans grew by \$5 million dollars. Investments declined by \$2 million dollars. Total asset growth is \$7.8 million dollars. Gross income increased by \$1.3 million dollars, while operating expenses grew by only \$71 thousand dollars. With continued member support, your credit union is well postured to meet the new challenges ahead of us in 2023. ✂

Well Postured to meet the new challenges ahead

*Don Sullivan
Treasurer – Board of Directors*

Safe, Sound & Well-Managed

*Rose Chartier
Chair – Supervisory Committee*


financial statements are accurate and that they provide an accurate assessment of the financial condition of the EFCU. We are also responsible for confirming that management practices and procedures successfully safeguard members assets.

During 2022, we oversaw two annual external audits. Both the National Credit Union Administration (NCUA) and our independent public accounting firm of Moss Adams completed examinations of the credit union's records, policies and the security of the credit union's computer systems.

Based on the results of these examinations we are able to assure our members that Edwards Federal Credit Union continues to follow all laws and regulations and we are considered safe, sound and well managed. ✂

The Supervisory Committee is composed of member volunteers who are responsible for ensuring the credit union follows established policies and procedures to stay in compliance with all state and federal regulations.

Reporting directly to the credit union's Board of Directors, we ensure that Edwards Federal Credit Union's (EFCU)

A person stands in a desert landscape at night, holding a flashlight that illuminates the ground. The sky is filled with stars and the Milky Way galaxy, which is visible as a bright, hazy band of light. The foreground consists of large, reddish-brown rock formations. The overall scene is dark and atmospheric, with the flashlight providing a warm, yellow light that contrasts with the cool, blue and purple tones of the night sky.

“The stars don’t look bigger,
but they do look brighter.”

Sally Ride

Edwards Federal Credit Union was meant to be here – right now – to help you live your best life. But it’s up to you to help us make the Antelope Valley a great place for all to call home.

FINANCIAL REPORT

December 31, 2022 and 2021 (Unaudited)

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

ASSETS	2022	2021
Cash and Cash Equivalents	\$ 22,306,967	\$ 16,912,530
Investments	113,367,423	115,450,266
Loans Receivable, net	107,865,585	102,882,406
Property and Equipment, net	10,401,022	10,789,459
Share Insurance Deposits	2,318,065	2,190,096
Other Assets	5,361,237	5,577,317
TOTAL ASSETS	\$ 261,620,299	\$ 253,802,074
LIABILITIES AND MEMBERS EQUITY		
Accrued Expenses and other Liabilities	\$ 2,517,549	\$ 1,571,461
Members' Shares	246,560,551	237,551,298
Retained Earnings	12,542,199	14,679,315
TOTAL LIABILITIES & MEMBERS EQUITY	\$ 261,620,299	\$ 253,802,074

December 31, 2022 and 2021 (Unaudited)

CONSOLIDATED STATEMENT OF INCOME

INTEREST INCOME	2022	2021
Interest on Loans to Members	\$ 4,564,788	\$ 4,171,009
Interest on Investments and Cash Equiv	1,800,651	1,042,866
	\$ 6,365,439	\$ 5,213,875
INTEREST EXPENSE		
Dividends on members' and borrowed funds	\$ 272,531	\$ 247,860
Net Interest Income	6,092,908	4,966,015
Provision for Loan Losses	(227,800)	26,000
Net Interest Income after Provision for Loan Losses	\$ 5,865,108	\$ 4,992,015
NON INTEREST INCOME/LOSS		
Income from Services	\$ 1,047,494	\$ 1,036,816
Miscellaneous Income	2,022,214	1,890,718
Non Operating Income/Loss	\$ 3,069,708	\$ 2,927,534
GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries and Benefits	\$ 3,423,001	\$ 3,536,120
Operations	4,030,021	4,116,858
Occupancy	483,769	489,123
	\$ 7,936,791	\$ 8,142,101
NET INCOME (LOSS)	\$ 998,025	\$ (222,552)

Edwards Federal Credit Union Annual Meeting



June 23, 2022

Board

Ron Guyadeen, Chair
Kim Dunham, Vice Chair
Don Sullivan, Treasurer
Ardith Richardson, Director
Martin O'Brien, Director
Lindsay Harris, Secretary
Ron Davino, Director

Management

Roy MacKinnon, President/CEO

Supervisory Committee

Rose Chartier, Chair, SC

Members Present: 12

Employees Present: 16



Call to Order: The Annual Meeting called to order at 7:15 p.m. by Chair Ron Guyadeen; introductions of Board and Supervisory Committee chair. Secretary Lindsay Harris noted that a quorum was present; cards and pens were made available for questions; staff (Ernestina and employees) were thanked.

Minutes of 24 June 2021 Annual Meeting – Secretary Lindsay Harris presented the minutes from the 2021 meeting, contained in the program.

Motion: It was moved, seconded, and CARRIED to approve the Minutes of 24 June 2021 Annual Meeting (Greg Bechner/Gail Lofdahl).

Treasurer's Report

The following information was imparted to the attendees:

EFCU has been in existence for 60 years

Today's EFCU is a community-based credit union that has evolved from a primarily military-based credit union

Inclusion of a more robust credit union with expanded membership

Financial statements included in brochures

EFCU has grown 30% in the last two years (during pandemic)

EFCU has continued making investments within credit union restrictions and guidelines

Economy is rebounding in 2022, resulting in higher interest rates and increase in inflation

EFCU is projecting a profitable 2022

Supervisory Committee Report

The following information was presented by Supervisory Committee Chair Rose Chartier:

Composition of committee (volunteers)

Ensures EFCU is following established operational guidelines

Committee works with independent firms (TWHC and Moss-Adams) to audit operations and ensure guidelines are adhered to by Board, staff, and employees

Recent audit findings by Moss-Adams provided a clean audit

NCUA audit noted earnings and capital is down, but management has developed a plan for improvement in both areas

EFCU continues to operate in a safe and sound manner



President/CEO's Report

Chair Ron Guyadeen introduced President/CEO Roy MacKinnon, who presented the President's report, as follows:

Challenges brought about by the pandemic
Credit union has survived through seven recessions throughout its 60-year history
Average age of CU members is increasing
EFCU is working to attract younger members
Completion of construction of Palmdale facility
EFCU funded \$32 million in loans last year
30% increase in membership
English and Spanish advertising and cable TV advertising launched
2022 is projected to be a profitable year

Zero Hero Visa transfer balance was well received and will be re-launching this year
Financial literacy program for local high schools will roll out this year
Upgrade to Home banking platform will be launched this year
CD and loan promotions due out later this year
Lobby holiday display will return in November
Membership was thanked for their continued support



Old Business – Nothing to report. **New Business** – Nothing to report.

Questions from the Floor

Touch and pay debit and credit cards – Roy MacKinnon stated that renewals will generate contactless cards.

EFCU to re-open a Lancaster location – Plans are in the works, date as yet undetermined.

Ownership of Lancaster site – Site was a ground lease, building reverted to owner of shopping center.

Funding the new facility – Both site and building are owned by EFCU, funds for building provided by membership (40-year amortization).

Is EFCU soliciting member input before upgrading online banking? – Upgrade is out of EFCU's hands, upgrade is driven by third-party vendor (moving from unsupported version 1.0 to supported 2.0). EFCU strives to ensure that the best possible online banking product is available to the membership and is continually examining products available on the open market.

Is EFCU considering group outreach? – EFCU is reaching out to various community groups (e.g., churches, schools, civic groups, etc.) as best as is possible in this post-pandemic environment. Many organizations are not welcoming vendors at this time due to COVID restrictions; however, this is expected to improve. EFCU is planning events to welcome the public into the credit union to generate membership increases.

Nominating Chair – Ron Guyadeen presented the nominating chair, Ardith Richardson, who advised that in accordance with the CU's Bylaws, Article 5, Section 2 the following board members were re-elected to the Board: Lindsay Harris, Kim Dunham, Don Sullivan, and Ron Davino.

Vendors – Roy MacKinnon presented the vendors that donated for the event; prizes were awarded to the attendees whose tickets were in the drawing. Amazon gift cards provided by Moss-Adams, Paul Lucas, PSCU, TWHC, Timothy Hayes Financial, Shell Gas gift cards from Joe Sacco, building management company, FTSI (ATM maintenance), and others.

Adjournment – Chair Ron Guyadeen expressed his thanks to everyone for attending the meeting, which was adjourned at 7:59 p.m.

Transcript prepared by Emily Gutierrez, Hearing Reporter



Board of Directors

Martin O'Brien
Chair

Kim Dunham
Vice Chair

Don Sullivan
Treasurer

Lindsay Harris
Secretary

Ron Davino
Director

Ardith Richardson
Director

Ron Guyadeen
Director

Supervisory Committee

Rose Chartier
Chair

Connie Reese
Member

Carol Hardy
Member

Leadership Team

Sandra Groover
Chief Information Officer

Ewa Lipinska
Chief Financial Officer

Stacie Carrasco
Vice President Lending

Branch Locations

PALMDALE 39963 10th Street West
MONDAY - FRIDAY 9 am to 6 pm
SATURDAY 9 am to 5 pm
FAX 661.942.3573

EDWARDS AFB 10 South Muroc Drive
MONDAY - FRIDAY 9 am to 5 pm
FAX 661.258.7244



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