



2024

ANNUAL REPORT





MINUTES OF THE 71ST ANNUAL MEMBERSHIP MEETING

Welcome and Call to Order: The 71st Annual Membership Meeting of Air Force Federal Credit Union was held at the AFFCU Corporate Headquarters located at 1560 Cable Ranch Rd., Suite 200, San Antonio, Texas, 78245 on March 25, 2024. The 2023 Annual Report was posted on the Credit Union's website at www.goaffcu.com. At 4:00 p.m. Mr. Sam V. Farace, Jr., Chairman of the Board, called the meeting to order, and welcomed the members in attendance.

Determination of Quorum: Mrs. Joan B. Lopez certified that a quorum was present.

Pledge of Allegiance: Mr. Farace invited everyone to rise and join him in the recitation of the Pledge of Allegiance.

Introduction of the Board: Mr. Farace introduced the Board Members. Those in attendance were Mr. James E. Goodgion III (Vice Chair), Mrs. Joan B. Lopez (Secretary), Mr. Melvin J. Moczygemba (Treasurer), Mr. Michael M. Buecher, Ms. Georgia Snodgrass, and Dr. Thomas L. Scott, EdD. Those serving on the Supervisory Committee in 2023 were Mr. Michael Buecher (Chairman), Mr. Michael A. Pollog, Mr. Joseph M. Gonzales, Mr. Alejandro E. Valadez and Mrs. Price O. Long.

The Management team members in attendance were Mr. Ryan Ross, President/CEO, Mr. Greg Barnes, EVP/COO, Mr. Ric Ledezma, SVP/CFO, Mrs. Stephanie Norwood, VP/Business Operations, Mrs. Jeanette Riedel, VP/CTO, Ms. Jessica Martinez, VP/Human Resources, Mrs. Yvonne De La Rosa-Flores, AVP Compliance & Risk Management, and Mr. Eric Sanchez, AVP Sales & Service Performance.

Moment of Silence: A special moment of silence was observed for members who had passed away in 2023, and for the brave men and women who served in our military and made the ultimate sacrifice while defending this country that we may be free Americans.

Minutes of the 70th Annual Meeting: On a motion made and seconded from the floor, the minutes of the 70th Annual Membership Meeting held March 27, 2023, were approved.

Reports: Chairman Farace referenced the Chairman's Report, President's Report, and various Committee Reports contained in the 2023 Annual Report and called for any questions. There were none.

Annual Meeting Video Presentation: Mr. Farace introduced a video produced by the Marketing team that illustrated our new brand.

President's Report: Mr. Ross reported AFFCU was marked by growth and transformation in 2023. The membership flourished, the credit union earned \$2.3 million and total assets increased to \$663 million.

Many exciting things occurred during 2023. Our Chairman of the Board, Sam Farace, was inducted into the Hall of Honor by DCUC. Once again, AFFCU was awarded Credit Union of the Year by DCUC. AFFCU was busy with charities this year, employees donated their time to The San Antonio Food Bank, Breast Cancer Foundation and the Ronald McDonald House to name a few. The new name, Soarion, was announced on March 18th to all members. The credit union will begin doing business as Soarion on April 2nd. Mr. Ross thanked his Senior Team for a great year! He closed by thanking the members for their support and membership and letting them know we appreciate them choosing to do business with us.





2024 MINUTES (CONTINUED)

Youth Committee Scholarship Report: Ms. Georgia Snodgrass presented the Youth Committee Report and announced the 2024 AFFCU Scholarship recipients. There was a total of five scholarships awarded, each in the amount of \$5,000 to be used at the college or university of the recipient's choice. Marcus Sandoval received the AFFCU Founders' Scholarship; Carson Krampe received the MSgt Warren D. Vail Memorial Scholarship; Ryan Sarmiento received the George H. Einfeldt Memorial Scholarship; Scarlet Graf received the CMSgt James Kemple Memorial Scholarship; and Sophia Pokorney received the CMSgt Ronald R. Applegate Memorial Scholarship.

Unfinished Business: Chairman Farace called for any Unfinished Business. There was none.

New Business: Chairman Farace called for any New Business. Members from the floor asked the following questions:

- Why did we close the Ingram Financial Center? Mr. Ross answered it was because of the positioning of the branch; the data we pulled to show the proximity of the other branches and how we needed to expand the space and options were limited.
- Are we going to offer digital literacy for elder members? Mr. Ross stated yes, and Eric Sanchez, VP/Sales & Services also validates that it is the plan to do so.
- "We used to have newsletters in the branches, are they coming back?" Mr. Ross comments that nobody was picking them up and we are trying to be diligent on where we spend members' money. Another member states that FC staff always print things when asked, so that is an option.
- What is the point of the name Soarion and when will it be communicated to members? Mr. Barnes stated that the name was communicated to all members on March 18th, it is also on the website as well as letters that were sent out. Member said he was not "digital" so he was unaware. Ryan gives context about the name change and its relation to our former name.
- Do we plan to open a financial center off 281? Mr. Ross said we are opening Marshall Road on 04/02 and then our new HQ later this year (2024) off 281.

Nominating Committee Report: Ms. Snodgrass, Nominating Committee member, delivered the Nominating Committee Report. The Board had three 3-year term vacancies for 2024. It was the duty of the Nominating Committee to nominate at least one member for each position, with the election to be held at the Annual Meeting. The Nominating Committee received submissions from three individuals indicating their desire to serve on the Board. The Nominating Committee found the candidates, Mr. Melvin Moczygemba, Mr. Brian K. Rawls, and Dr. Thomas Scott, EdD qualified and agreeable to having their names placed in nomination.

There were no nominations by petition. According to Article V of the Bylaws, when only one member was nominated for each position to be filled, the election would not be conducted by ballot and there would be no nominations from the floor. Therefore, the following nominees were declared elected by general consent for three-year terms; Mr. Melvin Moczygemba, Mr. Brian K. Rawls and Dr. Thomas Scott, EdD.

Adjournment: The next annual meeting will be held in March 2025. Chairman Farace adjourned the meeting at 5:00 p.m.



MESSAGE FROM **THE CHAIRMAN**

Col Sam V. Farace Jr. USAF (Ret), NCVE



Dear Fellow Soarion Credit Union Members,

I hope you have had an enjoyable and healthy start to 2025.

Last year was certainly filled with many accomplishments including the unveiling of our new name and brand, the opening of our Summit Church Financial Center, and a successful launch of Soarion's HomeX loan offerings. The Board of Directors also appointed the Credit Union's new President and CEO, Ric Ledezma, in October. These are just a few of the many achievements we were proud to see in 2024.

As we look ahead, the Board of Directors and staff are already hard at work to make sure this year is our best one yet!

I, like all of you, have been excitedly anticipating the opening of our new flagship financial center and soon-to-be-completed headquarters at Soarion Plaza, near San Antonio's downtown. This financial center will help Soarion better serve members who live, work, and recreate in San Antonio's urban core. It also increases our opportunity to welcome new members who can benefit from the competitive products and services we offer.

We are also excited to announce that Soarion will open another financial center later this year. Located in San Antonio's historic Southside, this financial center will help us reach even further into the community and better serve our members who live in the area. By year's end, we will have seven financial centers in San Antonio.

This continued growth is a testament to Soarion's current excellent standing and commitment to its members. From its humble beginnings in 1952 as Lackland Federal Credit Union, to now as Soarion Credit Union, it has grown to serve over 55,000 members worldwide. And this growth could not be achieved without you, our loyal members. Your faith in Soarion helps propel us forward to continue finding the very best financial solutions that benefit you. Thank you for your enduring support.

I look forward to a prosperous year ahead.

Sincerely,

Sam V. Farace, Jr., USAF (Ret), NCVE
Soarion Credit Union Chairman of the Board





MESSAGE FROM THE PRESIDENT

Ric Ledezma



Dear Soarion Credit Union Members,

Last year was an incredible year for Soarion, and 2025 will be even more exciting for you, our members. We are looking forward to the opening of two new financial centers, including our downtown area location. Located off U.S. 281 and Mulberry Ave., Soarion Plaza has already become a beacon of interest and helped increase the visibility of our brand, which can only lead to even more promising opportunities in the years ahead. Late this year, we will also expand into San Antonio's Southside with a new financial center in that area.

In January, the Soarion team welcomed Sharlene East as our new Chief Financial Officer. She will be instrumental in driving our financial strategies and operations. Her extensive expertise and leadership will help us continue to grow and enhance the value we provide to you.

I also want to emphasize my commitment to you. We continue to strive to find the best, innovative products, services, and solutions that best fit your needs – especially in these uncertain times. Each and every Soarion Credit Union employee is dedicated to serving you with excellence and helping you achieve your financial goals. I invite each of you to make this the year that you decide to work on those goals. Throughout the challenges and uncertainty, please know we are here to help. Visit our website or meet with one of our member advisors to learn more about how we can assist and what resources are available to you.

Now, more than ever, we are also increasing our dedication to the community. I strongly believe that community engagement is an important part of who we are as an organization. Through collaborative partnerships, volunteer opportunities, and sponsorships – all benefitting local non-profit organizations – Soarion employees will continue to do our part to better the lives of those in need.

I wish you a happy and healthy remainder of the year.

Thank you for your membership and let's keep soaring together!

Sincerely,

Ric Ledezma
Soarion Credit Union President & CEO



OUR NEW NAME & BRAND!

Teresa Vaughn Hernandez
CU STRONG



In April, we launched our new look!

Our new name and brand pay homage to our Air Force heritage while providing opportunities for us to serve our entire community, military and non-military alike.

If you are interested in simple financial solutions with an exceptional member experience, **we ask you to soar with us!**



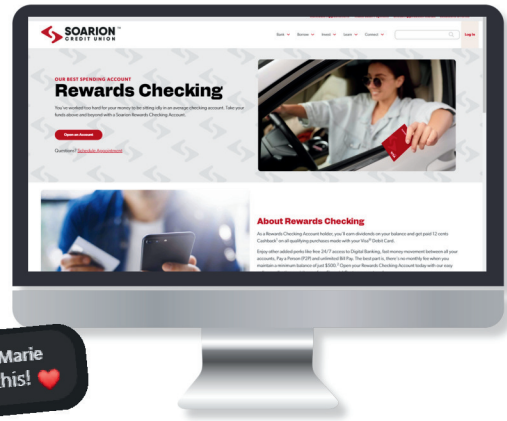
danay_x3 This is great!!!
47w 1 like Reply



Stefanie Franco
What an exciting time for the bank! Looking forward to this awesome new era!



Jaclyn Marie
Love this! ❤️



GRAND OPENING OF SUMMIT CHURCH



Grand Opening of Summit Church Financial Center - May 22, 2024



This new, state-of-the-art Financial Center positions us to better serve our members in North San Antonio.



Our Grand Opening Certificate promotion brought in **\$1.5 million** in new deposits and offered our members market-leading rates on their deposits!



2538 Summit Church Rd STE 107,
San Antonio, TX 78259





HOMEX

powered by  **SOARION**
CREDIT UNION

We proudly launched our HomeX Lending product in October 2024.

Specializing in both sustainable “green” and traditional home improvement loans, this new operation allows us to offer our members the chance to invest in and elevate their most treasured asset- their home.

From solar panels to HVAC, we have you covered for your home project needs. All with competitive loan rates that don’t break the bank!

We funded over 95 loans in our first three months of operation!

To learn more about our HomeX loans, call us today at (210) 673-5610.





SUPERVISORY COMMITTEE REPORT

The Supervisory Committee, which is appointed by the Board of Directors of Soarion Credit Union, is responsible for ensuring that the credit union's financial records are in order and that internal controls are in place to protect the assets of the credit union for its members.

To meet these goals, the Supervisory Committee is responsible for determining whether your credit union managers have:

1. Established and maintained effective internal controls to achieve the credit union's financial reporting objectives.
2. Promptly prepared accounting records and financial reports to accurately reflect operations and results.
3. That the relevant plans, policies and control procedures established by the Board of Directors are properly administered.
4. That policies and control procedures that safeguard against error, carelessness, conflict of interest, self-dealing and fraud are established.

Section 115 of the Federal Credit Union Act states that the Supervisory Committee is responsible for the credit union's audit and that the results are reported to the Board of Directors and the membership. To assist in carrying out these responsibilities in 2024 the committee engaged the firm of Doeren Mayhew CPAs to perform an independent audit and to provide an opinion on the financial condition of your credit union for the period ending 9/30/2024 (although this date does not coincide with year-end it is the date that our financial audit is historically done.) The goals of this audit are to determine the reliability and integrity of the financial and operating information and to determine compliance with generally accepted accounting principles (GAAP). The annual audit program included Soarion Financial Statements, Member Verification, and Soarion Retirement Plan and Trust.

In addition to the annual audit, Doeren Mayhew CPAs also audited several other areas of the credit unions operations including BSA (Bank Secrecy Act), Payroll and Vendor Management.

Soarion's internal auditor performs monthly inspection of internal controls, cash, member loans, and other assets of your credit union.

CastleGarde was engaged to perform an Information Systems risk assessment, multi-factor authentication assessment, and a website compliance review. The Supervisory Committee followed and offered guidance to our internal auditor during the year. It approved the annual internal audit plan, worked with the compliance officer to ensure compliance training programs were administered to staff and met with credit union management to discuss detailed operations information.

The committee is pleased to report your credit union continues a tradition of excellent financial management and compliance. The committee will continue to monitor the credit union's controls as it faces the challenges and opportunities in the upcoming year.

Respectfully submitted,

Michael A. Pollog
Supervisory Committee Chair





NOMINATING COMMITTEE REPORT

Soarion Credit Union will have three 3-year term vacancies on the Board of Directors in 2025. It is the duty of the Nominating Committee to nominate at least one member for each of these positions, with the election to be held at the Credit Union’s annual meeting on March 24, 2025. The Nominating Committee received submissions from three individuals indicating their desire to serve on the Board. The Nominating Committee found the candidates qualified and agreeable to having their names placed in the nomination. The nominees for the Soarion Credit Union Board of Directors are James Goodgion III, Joan Lopez, and Georgia Snodgrass.

Respectfully submitted,

Michael M. Buecher
Nominating Committee Chair

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SCHOLARSHIP WINNERS

Chelsea Huber

Soarion Founders’ Scholarship
\$5,000

Sofia Ramirez

MSgt Warren D. Vail, USAF (Ret) Scholarship
\$5,000

Kirra Vrzal

SMSgt George H. Einfeldt, USAF (Ret) Scholarship
\$5,000

Danielle Yarbrough

CMSgt James C. Kemple, USAF (Ret) Scholarship
\$5,000

Kayanna Brownlee

CMSgt Ronald “Ron” Applegate, USAF (Ret) Scholarship
\$5,000





STATEMENT OF FINANCIAL CONDITION

ASSETS

	2024	2023
Cash & Cash Equivalents	\$64,062,549	\$27,760,252
Investments	48,083,967	35,934,498
Federal Home Loan Bank Stock	2,550,900	2,411,100
Loans Held for Sale	120,000	0
Loans to Members (Net of Allowance)	452,611,294	560,863,474
Accrued Interest Receivable	1,684,816	1,793,908
Accounts Receivable	-78,575	397,193
Fixed Assets	5,633,026	4,146,080
NCUSIF Deposit	5,396,558	5,151,734
Other Assets	33,885,867	25,058,972
TOTAL ASSETS	\$613,950,402	\$663,517,209

LIABILITIES

Shares and Savings Accounts	\$565,602,382	\$531,432,902
Dividends Payable	0	0
Borrowed Funds	10,000,000	50,000,000
Accrued Expenses and Other Liabilities	7,781,888	9,317,646
TOTAL LIABILITIES	\$583,384,270	\$590,750,548

EQUITY

Regular Reserves	\$0	\$5,654,729
Undivided Earnings	30,603,663	45,504,564
Accumulated Other Comprehensive Income (Loss)	-687,171	-6,515,293
Equity Acquired From Merger	649,635	649,635
TOTAL MEMBERS' EQUITY	\$30,566,127	\$45,293,636

TOTAL LIABILITIES AND MEMBERS' EQUITY	\$613,950,402	\$663,517,209
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STATEMENT OF **INCOME**

INTEREST INCOME

2024**2023**

Loans to Members	\$29,835,460	\$26,461,746
Investments	2,868,628	2,619,125
TOTAL INTEREST INCOME	\$32,704,088	\$29,080,871

DIVIDEND AND INTEREST EXPENSE

Shares and Savings Accounts	12,215,965	7,597,159
Other Interest	0	0
Borrowed Funds	602,062	2,281,798
Total Interest Expense	12,818,027	9,878,957
Net Interest Income	\$19,879,277	\$19,201,914
Provision For Loan Losses	12,980,103	2,919,769
NET INTEREST INCOME AFTER PROVISION	\$6,899,175	\$16,282,145

NON-INTEREST INCOME

Fee Income	6,411,861	6,732,236
Other Operating Income	1,022,687	1,120,035
Gain (Loss) on Investments	0	0
Gain (Loss) on Disposition of Assets	-129,987	583,465
Other Non-Operating Income	0	0
TOTAL NON-INTEREST INCOME	\$7,304,561	\$8,435,735

NON-INTEREST EXPENSE

Salaries and Benefits	10,546,120	10,661,851
Office Occupancy	2,491,258	2,335,168
Office Operations	3,074,429	2,621,449
Other Expense	8,266,219	6,743,427
TOTAL NON-INTEREST EXPENSE	\$16,111,807	\$22,361,895
NET INCOME	-\$10,174,291	\$2,355,986





COMMUNITY ENGAGEMENT



2024 Community Outreach Initiatives

Soarion Credit Union is committed to fostering a stronger community. We recognize it is our responsibility to help improve the lives of our neighbors and invest in the areas we serve.

Some of the ways we do this each year are through:

- Community Partnerships
- Volunteer Efforts
- Scholarship Program
- Event Sponsorships
- Fundraisers and Donations



Many of our employees donate their time and talents to create lasting impact. In 2024, Soarion employees collectively contributed approximately 690 volunteer hours serving our local community.

Soarion Credit Union was proud to work with 30 community organizations on various projects and events that directly impacted the lives of people in the San Antonio and Del Rio communities.



Some of our 2024 partner organizations included:

- Airman Heritage Foundation
- Alamo Breast Cancer Foundation
- Big Brothers Big Sisters of South Texas
- Children’s Bereavement Center of South Texas
- City of San Antonio
- Military Officers Association of America – Alamo Chapter
- Palo Alto College
- Ronald McDonald House Charities of San Antonio
- Salvation Army San Antonio Command
- San Antonio Food Bank
- Soldiers’ Angels





BOARD OF **DIRECTORS**



Chairman
Col Sam V. Farace Jr.
USAF (Ret), NCVE



Vice Chairman
James E. Goodgion, III
NCVE



Treasurer
Melvin J. Moczygemba
CPA, NCVE



Secretary
Joan B. Lopez
NCVE



Director
TSgt Michael M. Buecher
USAF (Ret), CCD, NCVE



Director
CMSgt Brian K. Rawls
USAF (Ret), NCVE



Director
Dr. Thomas Scott, EdD
USAF (Ret), NCVE



Director
Georgia S. Snodgrass
NCVE



Director
Lt Col John A. Szulta III
USAF (Ret)



