




ADVANTAGE | FEDERAL
FINANCIAL | CREDIT
UNION

2024

ANNUAL REPORT

MESSAGE FROM THE CHAIRMAN

During 2024, the Credit Union continued to expand and improve its digital banking services. Our new online and mobile platform was made available in February of 2025. It is a significant improvement over the old platform, and there are more features on the way. We know members like the convenience of self-service banking, but we also want everyone to know our branch staff is available for one-on-one consultation if you need guidance during your financial journey.

As you are aware, the current political climate is having an impact on some of our members, while uncertainty in the current economic environment may be making it difficult to execute your financial plans. Please know we are here to help. Regardless of whether you just want someone to help analyze your options or if you need financial assistance, please do not hesitate to contact your local branch.

Growing our membership continues to be a challenge. We need healthy membership growth if the Credit Union is going to thrive, and this is where you can help. If you value your Credit Union membership, be sure to tell your co-workers about us, and please spread the word among your relatives. Your membership means your family members can join too. Our digital offerings make it easy for your children, grandchildren, siblings, aunts, uncles, and cousins to become members. They can access our services from anywhere, including their smartphone, tablet, computer or physical branch. Everyone values a recommendation when it comes to financial services, and we certainly appreciate the referral. Anything you can do to introduce a new generation to the benefits of Credit Union membership will go a long way toward our future success.

I would like to thank each of our members for your continued support. I would also like to thank our volunteers for their unwavering commitment to the success of the Credit Union. I also want to thank and recognize the Credit Union Staff and Management for all the hard work they've done over the years. If you have suggestions as to how we can enhance our products and services, please submit them to tellus@advfcu.org.

We remain committed to providing you with unique programs and exceptional service, empowering you to reach your financial goals. We know you have options, and we sincerely thank you for choosing Advantage Financial as your trusted financial partner. We will continue to work hard to retain that trust.

Donald Walsh
Board Chairperson

MESSAGE FROM THE SUPERVISORY COMMITTEE

As Chair of Advantage Financial Federal Credit Union's Supervisory Committee, I am pleased to report that your Credit Union is safe, sound, and in excellent financial condition.

Credit Unions are highly regulated entities, requiring a significant number of controls to ensure your money is safe. At Advantage Financial, we use a multi-tiered approach to ensure your Credit Union operates in a safe and sound manner and complies with various regulations and the Board of Directors' policies.

This approach begins with an internal auditor. The internal auditor is hired by, and works for, the Board of Directors. The internal auditor conducts ongoing reviews of Advantage Financial FCU's Management and Staff operations to determine their adherence to established policies, procedures, and regulations. The internal auditor's efforts are supplemented by an annual audit conducted by an independent certified public accounting firm. This firm is engaged by the Supervisory Committee to verify member accounts and perform an opinion audit of the Credit Union's financial statements. In addition, our industry regulator, the National Credit Union Administration, examines the operations of the Credit Union to ensure it is operating in a safe and sound manner and complying with established laws and regulations.

Based on the results of our independent external audit, the National Credit Union Administration's regulatory examination, and our ongoing Supervisory Committee reviews, it is our opinion that Advantage Financial FCU remains financially strong and well-managed. The Board of Directors, Management, and the entire Staff are to be commended.

We understand the importance of having a safe, sound place where you can save, borrow, and conduct your financial business. The committee encourages members to contact the Advantage Financial FCU hotline to resolve any problem or issue they may have. Should the Credit Union Staff not resolve the matter properly, concerns should be sent to our Committee's email address: supervisory@advfcu.org. We're committed to doing all we can to meet our members' needs. It's an honor to serve you.

Gregory C. Hosmer
Supervisory Committee Chairman



MESSAGE FROM THE PRESIDENT/CEO

Advantage Financial FCU produced better-than-expected results for 2024. The Credit Union managed to generate positive net income for the year, but we did see a significant drop in share balances. The decrease in share balances seems to have been driven by two factors: higher prices and high interest rates. Many of our members appear to be spending a larger portion of their take-home pay on everyday essentials, leaving less for savings. If the current economic conditions persist, we can see families using more and more of their savings to stretch their budgets. Of course, this has a far-reaching impact on financial goals like saving for a house, the children's college fund, a wedding fund, and even a rainy-day fund.

The current political climate is not helping to ensure our members are able to reach their financial goals either, as many now face job insecurity and high prices. Please know, if you are impacted by what is going on in Washington, DC, we will do our best to help you through it. Please reach out to us for assistance — the earlier, the better.

With so much uncertainty, we are anticipating a further decrease in loan demand among our current membership, which makes attracting new members a necessity. Since you know the value of credit union membership, please share your experience with your friends, family and co-workers. Help them to take advantage of belonging to Advantage Financial.

In closing, I would like to say thank you to our Staff, our Management Team and the Board of Directors for their continued support, but most of all, thank you to our members. You are the reason we exist.

Your faith in our team gives us encouragement to further the mission of improving the financial lives of all those who belong.

Don Johnson
President/CEO



REPORT FROM THE TREASURER

Despite continued challenges, the total net income for 2024 was \$221,649. This was a result of management strategies, including taking advantage of an improving interest rate environment. Management has also continued to work to limit reliance on more risky long-term investments in favor of less risky, favorable return short-term investments.

Our Credit Union continues to have a strong balance sheet, with assets of \$109 million at the end of 2024 and a net worth ratio that increased to 11.73%. This strong net worth position continues to allow us to pull through tough economic times. The Board and Management will continue to take the steps necessary to strengthen our Credit Union's financial health and improve member services, as shown in the recent update of the ADVFCU online digital banking platform and enhanced phone app tools. We will also move to grow membership in 2025 with a renewed emphasis on marketing and increased community outreach.

Michael Greenan
Treasurer

2024 FINANCIAL REPORT

INCOME STATEMENT

	2024	2023
INTEREST INCOME		
Interest on Loans	\$3,248,535	\$3,120,684
Interest on Investments	\$1,266,731	\$1,148,983
Total Interest Income	\$4,515,266	\$4,269,667
INTEREST EXPENSE		
Dividends on Members' Shares	\$364,651	\$350,841
Accrued Interest Income	\$14	—
Total Interest Expense	\$346,665	\$350,841
Net Interest Income	\$4,168,601	\$3,918,826
Provision for Credit/Loan Losses	\$202,551	\$353,549
Net Interest Income After Provision	\$3,966,050	\$3,565,277
NON-INTEREST INCOME		
Service Charges	\$696,517	\$618,370
Card Income	\$448,101	\$592,650
Commission Income	\$43,515	\$52,441
Loan Servicing Income	\$25,754	\$48,190
Other Non-Interest Income	\$80,015	\$11,267
Other Gains & Losses (Net)	—	—
Non-Interest Income	\$1,293,902	\$1,322,918
NON-INTEREST EXPENSE		
Compensation & Benefits	\$2,212,977	\$2,039,395
Office Operations	\$1,614,892	\$1,602,887
Loan Servicing	\$591,727	\$593,166
Office Occupancy	\$358,421	\$346,690
Professional & Outside Services	\$140,249	\$130,547
Publicity & Promotion	\$120,037	\$104,130
Loss on Sale of Investments (Net)	—	—
Non-Interest Expense	\$5,038,303	\$4,816,815
NET-INCOME (LOSS)	\$211,649	\$71,380

BALANCE SHEET

	2024	2023
ASSETS		
Cash & Cash Equivalents	\$5,588,539	\$7,666,959
Investment Securities	—	—
Available for Sale	\$27,295,349	\$29,956,427
Other	\$8,478,979	\$8,220,979
Federal Home Loan Bank Stock	\$78,000	\$81,000
Loans to Members, Net of Allowance for Loan Losses	—	—
Loans to Members, Net of Allowance for Credit Losses of \$417,717	\$61,065,964	\$62,167,193
Accrued Interest Receivable	\$347,160	\$286,645
Property & Equipment	\$61,319	\$100,835
National Credit Union Share Insurance Fund Deposit	\$897,348	\$945,205
Right-of-Use Assets	\$949,753	\$1,212,536
Other Assets	\$899,009	\$604,216
TOTAL ASSETS	\$105,661,420	\$111,241,995
LIABILITIES & MEMBERS' EQUITY		
LIABILITIES		
Share & Savings Accounts	\$96,259,419	\$101,721,044
Lease Liabilities	\$949,753	\$1,212,536
Accrued Expenses & Other Liabilities	\$280,121	\$338,504
Total Liabilities	\$97,489,293	\$103,272,084
Commitments & Contingent Liabilities	—	—
MEMBERS' EQUITY		
Undividend Earnings	\$12,172,854	\$12,171,849
Accumulated Other Comprehensive Income	(\$4,000,727)	(\$4,201,938)
Total Members' Equity	\$8,172,127	\$7,969,911
TOTAL LIABILITIES & MEMBERS' EQUITY	\$105,661,420	\$111,241,995

BOARD OF DIRECTORS

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