

2024 HFCU Financials

INDEPENDENT AUDITOR'S REPORT

To the Members
of Honda Federal Credit Union

Opinion

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statements of financial condition of Honda Federal Credit Union, as of June 30, 2024 and 2023, and the related statements of operations, comprehensive income, changes in members' equity, and cash flows for the years then ended (not presented herein); and in our report dated September 17, 2024, we expressed an unqualified opinion on those financial statements.

In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

Richards & Associates, CPAs

RICHARDS & ASSOCIATES
Certified Public Accountants
Yorba Linda, California
September 17, 2024

HONDA FEDERAL CREDIT UNION

STATEMENTS OF FINANCIAL CONDITION

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 117,152,717	\$ 50,647,800
Investment debt securities- available-for-sale	83,492,756	91,171,306
Investment in equity securities	6,874,185	6,411,900
Loans to members, net of allowance for credit losses - loans	916,059,160	952,495,695
Accrued interest receivable	2,602,582	2,595,238
Premises & equipment	8,082,350	7,575,963
Operating lease right-of-use assets	1,064,085	1,514,450
Prepaid expenses and other assets	14,237,736	3,640,541
Share insurance deposit	8,691,981	8,588,870
Mortgage servicing rights	99,371	-
Foreclosed and repossessed assets	253,426	221,480
TOTAL ASSETS	<u>\$ 1,158,610,349</u>	<u>\$ 1,124,863,243</u>
LIABILITIES AND EQUITY		
Liabilities:		
Members' share and savings accounts	\$ 968,572,769	\$ 952,475,006
Non-members' share accounts	50,331,000	4,319,000
Notes payable	-	25,000,000
Operating lease liabilities	1,151,792	1,616,495
Accounts payable and other liabilities	47,012,530	49,785,630
TOTAL LIABILITIES	<u>1,067,068,091</u>	<u>1,033,196,131</u>
Commitments and contingent liabilities		
Members' equity, substantially restricted		
Unappropriated (undivided earnings)	103,107,977	105,543,674
Accumulated other comprehensive loss	(11,565,719)	(13,876,562)
TOTAL MEMBERS' EQUITY	<u>91,542,258</u>	<u>91,667,112</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 1,158,610,349</u>	<u>\$ 1,124,863,243</u>

HONDA FEDERAL CREDIT UNION

STATEMENTS OF OPERATIONS

Years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
INTEREST INCOME		
Loans	\$ 45,884,246	\$ 40,592,284
Investments	4,267,685	3,100,613
TOTAL INTEREST INCOME	<u>50,151,931</u>	<u>43,692,897</u>
INTEREST EXPENSE		
Members' share and savings accounts	15,991,112	7,047,757
Non-members' share accounts	1,331,783	8,912
Borrowed funds	427,821	1,594,943
TOTAL INTEREST EXPENSE	<u>17,750,716</u>	<u>8,651,612</u>
NET INTEREST INCOME	32,401,215	35,041,285
PROVISION FOR CREDIT LOSSES	<u>3,970,000</u>	<u>1,266,000</u>
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	<u>28,431,215</u>	<u>33,775,285</u>
NON-INTEREST INCOME		
Service charges and other income	15,182,514	13,405,934
Gain on sale of loans	330,167	-
Gain on servicing assets	106,746	-
Net loss on sales/redemptions of debt securities - available-for-sale	-	(106,205)
Non-operating income	537,285	-
TOTAL NON-INTEREST INCOME	<u>16,156,712</u>	<u>13,299,729</u>
NON-INTEREST EXPENSE		
General and administrative expenses		
Compensation and benefits	25,057,319	23,042,366
Office operations	11,772,410	11,148,147
Outsourced services	5,467,774	4,345,889
Other expenses	4,726,121	4,320,752
TOTAL NON-INTEREST EXPENSES	<u>47,023,624</u>	<u>42,857,154</u>
NET INCOME (LOSS)	<u>\$ (2,435,697)</u>	<u>\$ 4,217,860</u>