



**PenAir**   
CREDIT UNION   
**2025 ANNUAL REPORT**

## **A MESSAGE FROM THE BOARD CHAIR AND PRESIDENT & CEO**

As we reflect on the past year, we are proud to share how PenAir Credit Union has continued to grow with purpose, strengthening our service to members, investing in our communities, and positioning the credit union for long term success. This year's progress was not accidental; it was the result of intentional decisions guided by our purpose of Enhancing Lives and supported by the trust you place in us every day.

### **Purpose Driven Growth**

Across our footprint, we focused on expanding access to financial services in ways that reflect how our members live, work, and plan for the future. The opening of our new Crestview branch and the transition of our Mobile location into the PenAir family represent more than new buildings. They reflect our commitment to being present in the communities we serve. These milestones support our long term strategy to make banking more convenient, more personal, and more responsive to member needs.

### **Enhancing the Member Experience**

Our ongoing transition to the advisory driven branch model and the expansion of LIVE Teller services allowed us to serve more members with greater efficiency and care. These improvements help free our teams to focus on what matters most: building relationships, understanding each member's goals, and providing guidance that supports financial well being. As we open newly designed and remodeled spaces, we remain committed to ensuring every PenAir member receives the thoughtful, personal experience they deserve.



Delbert Lee Morgan  
President and CEO



Stephanie Oram  
Chair of the Board

### **Deepening Community Impact**

PenAir's values of service, respect, and Communerosity® continued to shine throughout the year. Through initiatives like SnackStock and our financial education programs, we invested time, resources, and compassion into the communities we proudly serve. These efforts affirm a belief that financial wellness is strengthened when people and communities thrive together.

### **Stewardship & Financial Strength**

As a Board and leadership team, we take seriously the responsibility to safeguard PenAir's financial stability. Throughout the year, we maintained disciplined oversight while advancing initiatives that prepare us for a strong future. Our investments in technology, branch redesign, member access, and employee development position PenAir to serve with excellence today while strengthening our resilience for tomorrow.

### **Looking Ahead with Confidence**

We enter the coming year with clarity and momentum. With new branches underway in Panama City Beach and Fort Walton Beach, and continued enhancements to our digital and in branch experiences, we are committed to meeting the evolving needs of our members with integrity, innovation, and heart.

Thank you for your trust, your loyalty, and your belief in PenAir Credit Union. It is an honor to serve you.



### **BOARD OF DIRECTORS**

Back Row

- » Gerald Adcox, Director
- » Randy Smith, Director
- » Donald Bailey, Director
- » Ricky Crews, Treasurer

Front Row

- » Randy Roy, Vice-Chair
- » Stephanie Oram, Chair
- » Robert Jacobson, Director



### **SUPERVISORY COMMITTEE**

- » Jonathan Lewis, Chair
- » Deborah Graham
- » Ann McCall
- » Kevin Krieger



### **ASSOCIATE VOLUNTEERS**

- » Cory Brown
- » Kristin Longley
- » Daniel Lucas
- » Lance Williams
- » Mike Hamlin
- » Joseph Palmer
- » Evan Hipsey (not pictured)



### **EXECUTIVE MANAGEMENT**

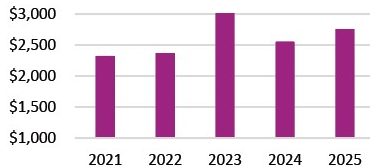
Back Row

- » Charles Blackwell, SVP/CRO
- » Delbert Lee Morgan, President/CEO
- » Andrew Reynolds, SVP/CSO
- » Galen Counselman, SVP/CIO

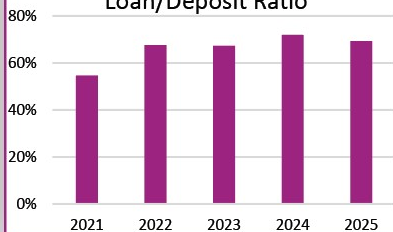
Front Row

- » John Huddleston, SVP/CFO
- » Dana Mullins, SVP/CPO
- » Derrick Aguilar, SVP/CXO

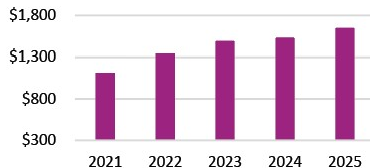
### Total Assets (in Millions)



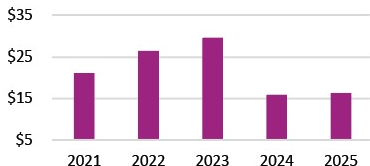
### Loan/Deposit Ratio



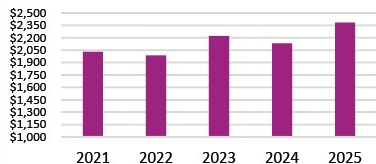
### Total Loans (in Millions)



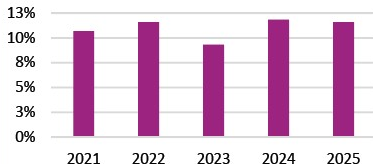
### Net Income (in Millions)



### Total Deposits (in Millions)



### Capital Ratio (Safety & Soundness)



## STATEMENTS OF FINANCIAL CONDITION

As of December 31

Assets					
	Unaudited 2025	Unaudited 2024	Variance \$	Variance %	
CASH AND CASH EQUIVALENTS	\$ 414,336,779	\$ 335,227,193	\$ 79,109,586		24%
INVESTMENTS	536,354,961	577,922,420	(41,567,459)		-7%
LOANS AND LEASES NET OF ALLOWANCE FOR LOAN LOSSES	1,620,306,772	1,501,000,883	119,305,889		8%
OTHER ASSETS	181,833,179	140,287,798	41,545,381		30%
<b>TOTAL ASSETS</b>	<b>\$ 2,752,831,691</b>	<b>\$ 2,554,438,294</b>	<b>\$ 198,393,397</b>		<b>8%</b>

### Liabilities and Members' Equity

	Unaudited 2025	Unaudited 2024	Variance \$	Variance %	
ACCOUNTS PAYABLE AND OTHER LIABILITIES	\$ 119,731,821	\$ 222,556,210	\$ (102,824,389)		-46%
MEMBER SHARES AND DEPOSITS	2,382,588,871	2,129,956,402	252,632,469		12%
TOTAL MEMBERS' EQUITY	250,510,999	201,925,682	48,585,317		24%
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 2,752,831,691</b>	<b>\$ 2,554,438,294</b>	<b>\$ 198,393,397</b>		<b>8%</b>

## STATEMENTS OF INCOME

For the years ended December 31

	Unaudited 2025	Unaudited 2024	Variance \$	Variance %	
INTEREST ON LOANS	\$ 103,895,398	\$ 98,795,864	\$ 5,099,534		5%
INTEREST ON INVESTMENTS	23,422,199	45,423,266	(22,001,067)		-48%
INTEREST EXPENSE	44,608,103	66,137,242	(21,529,139)		-33%
<b>NET INTEREST INCOME</b>	<b>82,709,494</b>	<b>78,081,888</b>	<b>4,627,606</b>		<b>6%</b>
PROVISION FOR CREDIT LOSSES	13,634,000	16,641,347	(3,007,347)		-18%
<b>NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES</b>	<b>69,075,494</b>	<b>61,440,541</b>	<b>7,634,953</b>		<b>12%</b>
NON-INTEREST INCOME	33,972,026	31,383,830	2,588,196		8%
NON-INTEREST EXPENSE	86,778,191	76,999,612	9,778,579		13%
<b>NET INCOME</b>	<b>\$ 16,269,329</b>	<b>\$ 15,824,759</b>	<b>\$ 444,570</b>		<b>3%</b>

**177**  
**ORGANIZATIONS**  
**IMPACTED**

**\$47,500**  
**GIVEN IN**  
**SCHOLARSHIP**  
**DOLLARS**

**2025**

**6,260**  
**EMPLOYEE**  
**VOLUNTEER**  
**HOURS**

**2,600**  
**PEOPLE**  
**PARTICIPATED**  
**IN FINANCIAL**  
**LITERACY**  
**PRESENTATIONS**

# 2025 SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is responsible for independently evaluating PenAir Credit Union's financial activities on behalf of its members. In fulfilling this role, the Committee ensures the continued financial viability of the credit union and verifies that management safeguards PenAir's assets through effective internal controls. These controls must adhere to Generally Accepted Accounting Principles, the Federal Credit Union Act, the Florida Credit Union Act, and PenAir's Bylaws.

For the 2025 audit, the Supervisory Committee engaged the certified public accounting firm Forvis Mazars, LLP. This independent firm was contracted to audit the credit union's financial statements, verify the accuracy of member account information, and assess compliance with applicable federal and state regulations as well as board policies. In addition, National Credit Union Administration and the State of Florida Office of Financial Regulation – Division of Financial Institutions examiners conduct periodic risk based examinations to ensure that state chartered financial institutions, including PenAir, meet all safety and soundness required standards.

Under the direction of the Supervisory Committee, PenAir's Internal Audit Department conducts comprehensive and ongoing reviews of the credit union's operations. This oversight ensures that activities are maintained in accordance with established policies and procedures and that the interests of the membership and the organization

are protected. The Committee's primary responsibilities include ensuring the reliability and integrity of PenAir's financial reporting, confirming that appropriate internal controls are in place, and supporting the Board of Directors in its oversight. Members of the Supervisory Committee are volunteer appointees, selected annually by PenAir's Board of Directors.

Based on PenAir's internal audits, the annual reports of independent accountants, and examination findings from state and federal regulators, the Supervisory Committee affirms that PenAir's policies, programs, and management practices are sound and that members' assets are well protected. The Committee extends its appreciation to the Board of Directors, Chief Executive Officer, management, and staff for their cooperation and continued commitment to excellence.

Your Supervisory Committee is honored to serve PenAir's members and remains dedicated to upholding the financial integrity and soundness of the credit union. We will continue to apply best practices in oversight as PenAir works to deliver financial solutions that meet the evolving needs of its members.

~ Respectfully Submitted, Jonathan Lewis, Chair

# 2025 ANNUAL MEETING MINUTES

PenAir Credit Union's Annual Business Meeting was held virtually through Zoom on Thursday, April 24, 2025.

Mr. Robert Jacobson, Chair, called the meeting to order at 5:30pm, and led the membership in the Pledge of Allegiance.

Ascertainment of the quorum was made that the required twenty (20) members were present.

Mr. Jacobson informed the membership that Ms. Meredith Strange, Attorney with Williams Gautier Law Firm, would serve as Parliamentarian.

Mr. Jacobson asked for a motion to accept the Minutes of the 88th Annual Business Meeting, CEO & Chairman's Report, Treasurer's Report, and Supervisory Committee Report, as printed in the 2024 Annual Report.

Motion made, seconded, and carried to accept the Minutes of the 88th Annual Business Meeting, CEO & Chairman's Report, Treasurer's Report, and Supervisory Committee Report, as printed in the 2024 Annual Report.

Mr. Jacobson turned the meeting over to Mr. Delbert Lee Morgan, President/CEO.

Mr. Morgan briefed the membership on the accomplishments of the past year.

Mr. Morgan turned the meeting over to Ms. Stephanie Oram.

Ms. Oram presented the Nominating Committee Report to the membership.

Ms. Oram informed the membership that three Board positions were open. Mr. Donald Bailey, Mr. Ricky Crews, and Mr. Randy Roy were nominated to fill these positions. The nominations were approved, and the seats were filled by acclamation.

Mr. Jacobson asked if there was any unfinished business to bring before the membership.

There was none.

Mr. Jacobson then asked if there was any new business to bring before the membership.

There was none.

Motion was made, seconded, and carried. The meeting was adjourned.

Randy Roy, Secretary  
Robert Jacobson, Chair

## UNEXPIRED TERM OF THE BOARD OF DIRECTORS

Ann McCall	3 Years
Stephanie Oram	3 Years
Robert Jacobson	2 Years
Gerald Adcox	2 Years
Donald Bailey	1 Year
Ricky Crews	1 Year
Randy Roy	1 Year