



2024 ANNUAL REPORT

Service • Respect • Commnerosity®



CEO & CHAIRMAN REPORT



Delbert Lee Morgan
President and CEO



Robert Jacobson
Chairman of the Board

As we look back on 2024, this year was marked by growth—not only in expanding our physical presence but also in strengthening our foundation for future success. PenAir Credit Union remains committed to enhancing lives by expanding access, providing products and services that boost financial well-being, and supporting our communities meaningfully. Through innovative financial solutions, strategic expansion, and an unwavering dedication to our members, we continue to position ourselves as the trusted financial partner of choice.

We celebrated the grand opening of our Beulah branch in February 2024, marking an exciting milestone in our commitment to improving how we serve our members. Creating a more efficient and member-focused environment empowers our teams to provide personalized support and valuable financial solutions. During the year, we also made great progress on the construction of our new Nine Mile Road branch for opening in early 2025. Looking ahead, our planned expansions in Crestview, Panama City Beach, and Fort Walton Beach will ensure that more members across the region can access PenAir's exceptional service and financial resources.

In June 2024, our membership field expanded into Escambia and Houston counties in Alabama.

Additionally, with a steady production of loans of \$1.5 billion and shares of \$2.1 billion in 2024, we are empowering more members with the lending and savings opportunities they rely on to build a secure financial future.

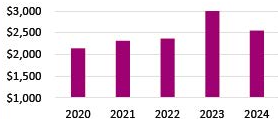
Beyond financial growth, our commitment to community impact has never been stronger. In 2024, PenAir and its employees invested over \$865,000 in 196 local community and nonprofit organizations focused on financial education and health and human services. Additionally, our employees dedicated over 7,000 volunteer hours to serving our communities. At PenAir, we remain committed to enhancing lives and making a lasting difference where it matters most.

As we look to 2025 and beyond, PenAir is poised for even greater impact. With a strong foundation in place for continued growth, we remain steadfast in our purpose of enhancing lives. Guided by our core values of Service, Respect, and Communerosity®, we are committed to empowering our members with financial solutions that create lasting stability and opportunity. PenAir is more than a financial institution; we are a true partner in building brighter financial futures and stronger communities.

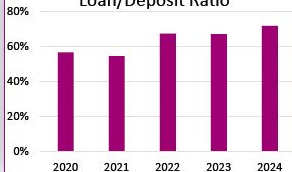


2024 COMMUNEROSITY®

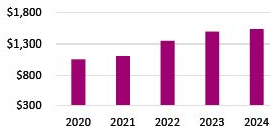
**Total Assets
(in Millions)**



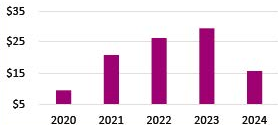
Loan/Deposit Ratio



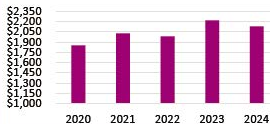
**Total Loans
(in Millions)**



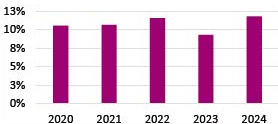
**Net Income
(in Millions)**



**Total Deposits
(in Millions)**



**Capital Ratio
(Safety & Soundness)**



STATEMENTS OF FINANCIAL CONDITION

As of December 31

Assets

	Unaudited 2024	Audited 2023	Variance \$	Variance %
CASH AND CASH EQUIVALENTS	\$ 335,232,713	\$ 842,743,827	\$ (507,510,914)	-80%
INVESTMENTS	577,840,393	641,586,000	(63,925,607)	-10%
LOANS AND LEASES NET OF ALLOWANCE FOR LOAN LOSSES	1,501,000,882	1,460,077,561	40,923,321	3%
OTHER ASSETS	140,564,305	131,489,624	9,074,681	7%
TOTAL ASSETS	\$ 2,554,438,294	\$ 3,075,876,812	\$ (521,438,518)	-17%

Liabilities and Members' Equity

	Unaudited 2024	Audited 2023	Variance \$	Variance %
ACCOUNTS PAYABLE AND OTHER LIABILITIES	\$ 222,556,210	\$ 671,745,635	\$ (449,189,425)	-67%
MEMBER SHARES AND DEPOSITS	2,129,956,402	2,220,830,464	(90,874,062)	-4%
TOTAL MEMBERS' EQUITY	201,925,682	183,300,713	18,624,969	10%
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 2,554,438,294	\$ 3,075,876,812	\$ (521,438,518)	-17%

STATEMENTS OF INCOME

For the years ended December 31

	Unaudited 2024	Audited 2023	Variance \$	Variance %
INTEREST ON LOANS	\$ 98,795,884	\$ 88,430,609	\$ 12,365,255	14%
INTEREST ON INVESTMENTS	45,423,266	43,620,178	1,803,088	4%
INTEREST EXPENSE	66,137,242	53,382,747	12,744,495	24%
NET INTEREST INCOME	78,081,887	78,658,040	1,423,847	2%
PROVISION FOR CREDIT LOSSES	16,841,347	14,738,000	1,903,347	13%
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	61,440,540	61,920,040	(479,500)	-1%
NON-INTEREST INCOME	31,428,417	37,761,541	(6,333,124)	-17%
NON-INTEREST EXPENSE	77,044,198	70,271,148	6,773,050	10%
NET INCOME	\$ 15,824,759	\$ 29,410,433	\$ (13,585,674)	-46%

2024 SUPERVISORY COMMITTEE REPORT

The Supervisory Committee's responsibility is the monitoring and evaluation of PenAir Credit Union's financial activities on behalf of its members to ensure continued viability of the credit union. It is the committee's responsibility to affirm that the credit union's management is protecting the assets of the credit union by establishing and maintaining sound internal controls in accordance with Generally Accepted Accounting Principles, the Federal Credit Union Act, the Florida Credit Union Act, and PenAir's Bylaws. The Supervisory Committee is also responsible for providing an independent assessment of the protection and soundness of your credit union by monitoring all operational areas and determining that the financial condition of PenAir is accurately presented in its financial statements.

The Supervisory Committee engaged the firm of Doeren Mayhew, Certified Public Accountants, for the 2024 audit. The committee contracted this independent firm to verify the financial statements, the accuracy of member account statements, as well as compliance with federal and state regulations and board policy. The State of Florida Office of Financial Regulation, Division of Financial Institutions, conducts periodic risk-based examinations and ensures that each state-chartered financial institution meets state and federal requirements for safety and soundness.

Under the direction of the committee, PenAir's Internal Audit Department maintains a wide-ranging and persistent review of the credit union's processes. This guidance ensures that all activities

are in compliance with policies and procedures, and that the interests of the members and credit union are protected. The primary roles of the Supervisory Committee are to review PenAir Credit Union's financial records, to ensure all is in order, and to verify that internal controls are in place to protect both the credit union and its members. Each member of the Supervisory Committee is volunteer-appointed annually by PenAir Credit Union's Board of Directors. We assist the Board of Directors in its general oversight of the credit union's financial reporting, internal controls, and audit function.

The committee affirms, based on its audits, annual reports of independent accountants, and examination reports by the State and Federal regulators, that the policies, programs, and management practices of PenAir are sound, and members assets are well safeguarded. The committee is appreciative of the support provided by the Board of Directors, CEO, committees, and staff.

Your Supervisory Committee members are honored to serve and to assist in ensuring the financial well-being of our members' assets. The Committee will continue to exercise best practices to ensure the financial integrity of PenAir for its members. We look forward to PenAir's continued success in providing financial solutions to meet the needs of its members.

Respectfully Submitted,
Jonathan Lewis, Chair



BOARD OF DIRECTORS

Back Row

- » Donald Bailey, Director
- » Gerald Adcox, Director
- » Robert Jacobson, Chair
- » Randy Smith, Director
- » Randy Roy, Secretary

Front Row

- » Ricky Crews, Treasurer
- » Stephanie Oram, Vice-Chair
- » Ann McCall, Director Emeritus



SUPERVISORY COMMITTEE

- » Mike Hamlin
- » Kevin Krieger
- » Deborah Graham
- » Jonathan Lewis, Chair

ASSOCIATE VOLUNTEERS



Daniel Lucas



Evan A. Hipsley, Jr.



EXECUTIVE MANAGEMENT

Back Row

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

Front Row

- » John Huddleston, SVP/CFO
- » Dana Mullins, SVP/CPO
- » Chris Funk, SVP/CLO

2024 ANNUAL MEETING MINUTES

PenAir Credit Union's Annual Business Meeting was held virtually through Zoom on Thursday, April 25, 2024.

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

Ascertainment of the quorum was made that the required fifteen (15) members were present.

Mr. Jacobson noted to the membership that Mr. John DeLoach, Attorney, would serve as Parliamentarian.

Mr. Jacobson asked for a motion to accept the Minutes of the 87th Annual Business Meeting, CEO & Chairman's Report, Treasurer's Report, and Supervisory Committee Report, as printed in the 2023 Annual Report.

Motion made, seconded, and carried to accept the Minutes of the 87th Annual Business Meeting, CEO & Chairman's Report, Treasurer's Report, and Supervisory Committee Report, as printed in the 2023 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 Mr. Roy.

Mr. Roy presented the Nominating Committee Report to the membership.

Mr. Roy noted to the membership that there were two open Board positions. Ms. Stephanie Oram and Ms. Ann McCall were nominated to fill the two open positions. Both seats were filled by acclamation.

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

Randy Roy, Secretary
Robert Jacobson, Chair