

A silhouette of a hiker with a backpack stands on a mountain peak, arms raised in triumph, against a golden sunset sky. The hiker is positioned on the right side of the frame, facing away from the viewer.

2025

Annual Report



Air Academy
CREDIT UNION

Chairman & President's Report



We celebrated our 70th year serving the membership. From our humble start on October 25th, 1955, to an organization with over \$813 million in assets, eight locations, and more than 44,000 members, we remain focused on our simple but powerful mission: to improve the financial lives of our members and the communities we serve, and always be guided by doing what is right, not what is easy. Considering the economic uncertainty and volatility, we accomplished a lot in 2025. Member service remained world class and our culture was top notch. In addition, we were involved in our communities. Our team gave time, expertise, and resources to support schools, nonprofits, and civic organizations. From financial education and volunteer service to charitable partnerships, we lived the cooperative philosophy of people helping people.

The US economy in 2025 was generally positive and resilient amid uncertainty. The stock market reached new highs despite inflationary pressures and waning consumer confidence. Unemployment edged up from 4.0% in January to 4.4% in December. The Federal Reserve lowered rates three times and the target federal funds rate ended 2025 at 3.50%-3.75%. Mortgage rates started the year at almost 7.0% and ended the year just above 6.0%, helping a slightly cooler housing market. Overall economic conditions showed strong Gross Domestic Product growth of 4.4% (as of the third quarter). At Air Academy Credit Union (AACU), the economy, improved balance sheet performance, and operational excellence resulted in a net income turnaround of \$3.5 million from 2024 to 2025.

The year also brought lower delinquencies and charge offs as our loan portfolio performance improved dramatically.

As a member-owned cooperative, service is foundational to our philosophy of People Helping People. Our Net Promoter Scores (NPS) remained world-class. We sent almost 44,000 email invitations for feedback and our response rate was almost eight percent. At branches, our NPS reached 80 for the year, rivaled by very few companies. Digital NPS was 72, and NPS for members adding additional products was 81. We are proud of our service and always seek to improve. We made substantial investments in automation, artificial intelligence, technology, and member experience. We added credit cards to our portfolio and had a record year in commercial services helping our member businesses. We set the stage for an even better future.

World-class member service cannot be attained without an outstanding staff. For the ninth consecutive year, AACU was named a Gazette Best Workplace – Large Company. This award reflects our staff culture and what separates AACU from others. We were also recognized by Forbes as a Top 5 Credit Union in Colorado, reaffirming our reputation as a trusted financial partner. This recognition belongs to our credit union family—employees who deliver exceptional service, members who place their trust in us, and our volunteer Board of Directors and Supervisory Committee who provide governance and strategic vision.

Celebrating 70 years is a milestone matched by few. The Fortune 500 was established in 1955, the same year AACU was chartered. Of the original 500, approximately 10 percent remain.



Our success represents generations of members and employees who believed in the cooperative spirit of credit unions.



We are proud to provide banking, wealth management, insurance, and philanthropy through Air Academy Credit Union, Air Academy Investment Group, Air Academy Insurance Services, and the Air Academy Federal Credit Union Foundation. We will always live by our vision statement: Improve the lives of our members and communities by doing what is right, not what is easy. From our volunteer Board of Directors, Supervisory Committee, and our 140 dedicated staff, we appreciate your confidence and trust. We know the environment is challenging. We know the work is difficult. We know we will stand tall in the future. We look forward to 2026!



Donald M. Bird
Dr. Donald M. Bird
Chairman

Glenn L. Strebe
Glenn L. Strebe
President/CEO

Treasurer's Report

AACU ended 2025 with \$813 million in total assets, a decrease of \$5 million from 2024. Total assets decreased as higher cash balances and equity growth were offset by lower investments and lower net loans outstanding.

As interest rates began to ease late in the year, members continued to look for yield and maintained a meaningful portion of deposits in higher-rate products. Total member deposits ended 2025 at \$723.9 million, a decrease of 1% from 2024. Share certificates totaled \$158.8 million, down \$2.8 million from 2024. Regular shares totaled \$173.1 million, down \$3.7 million from 2024. Money fund savings totaled \$147.5 million, down \$2.6 million from 2024. Share draft checking totaled \$223.8 million, down \$1.8 million from 2024. IRA accounts totaled \$20.6 million, up \$1.0 million from 2024.

Members funded \$166.3 million in loans during 2025. Total outstanding loan balances ended 2025 at \$644.6 million, a 2% decrease from 2024. Consumer loans totaled \$193.9 million, down \$39.5 million from 2024. Mortgage loans totaled \$333.9 million, up \$3.9 million from 2024, driven by continued member demand for home equity products. Total Home Equity Line of Credit balances ended 2025 at \$54.9 million, up \$7.9 million from 2024. Business lending remained a strength, with total business loans ending 2025 at \$98.6 million, an increase of \$24.6 million, or 33%, from 2024.

While economic pressures continued to affect some borrowers, our safety and soundness remained strong. We ended 2025 with a net worth ratio of 8.28% and net worth of \$67.4 million. This was \$10.5 million above the net worth our regulators require to be considered "well capitalized". Delinquent loans were 0.35% of total loans and net charge-offs were 0.87%. Both figures were improvements from 2024.

AACU continued to manage operating expenses carefully while investing in the products and services members use most. Operating expenses for 2025 totaled \$28.0 million, with an operating expense ratio of 3.43% of assets. Operating expenses were 6% lower than in 2024.

AACU ended 2025 with net income of \$1.6 million. Net interest income increased versus 2024, supported by deposit pricing discipline and portfolio repositioning, while the credit union continued to fund an appropriate provision for loan losses.

At year-end, AACU served 44,508 members. We remain focused on growing responsibly and offering new products and services while maintaining strong capital, liquidity, and risk management.

Thanks to the high standards of integrity and the guidance from our Board of Directors, AACU remains a safe and sound place to invest and borrow.

Please refer to the financial statements in this report for more details.

Thank you for your membership!

Dr. Phil Prosseda
Treasurer

Supervisory Committee's Report

The Supervisory Committee provides the membership with an independent evaluation of the safety and soundness of Air Academy Credit Union's operations, processes, and activities. The committee, which is appointed by the Board of Directors, works with our auditor to ensure all aspects of the credit union are routinely monitored. The auditor conducts internal audits and reviews internal controls to ensure the assets of the credit union are protected.

Annually, the National Credit Union Administration (NCUA), our federal regulatory agency, performs a safety and soundness examination of our credit union to verify that we are complying with federal regulations. Annually, the Supervisory Committee also engages an independent public accounting firm to perform a comprehensive examination of the financial statements.

Based on the results of our internal audit procedures, the NCUA's examination report, and the independent auditor's report, it is the opinion of the Supervisory Committee that AACU continues to be financially sound and well managed.

The Supervisory Committee serves as your voice in credit union affairs. We invite you to share your comments, questions, or concerns with us at any time. You can send comments directly to the Supervisory Committee at:

Supervisory Committee
P.O. Box 62907
Colorado Springs, CO 80962-2907

Terry Stokka
Chairman

Assets (Millions)

2021 \$860 million
 2022 \$908 million
 2023 \$908 million
 2024 \$818 million

44,508
 Total Members
 12/31/25

2025 \$813,195,222 Total Assets

Statement of Financial Condition - Unaudited

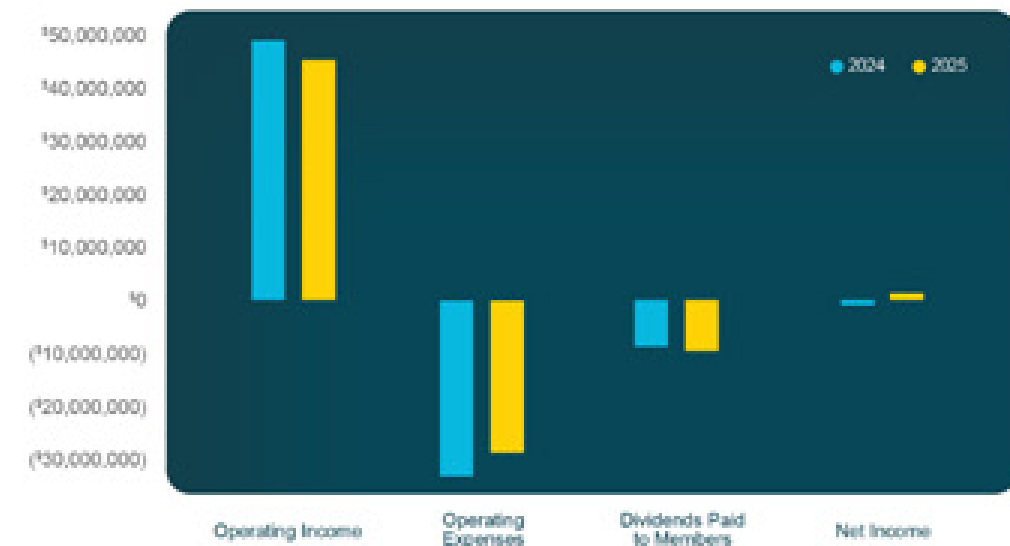
As of December 31, 2025 and 2024



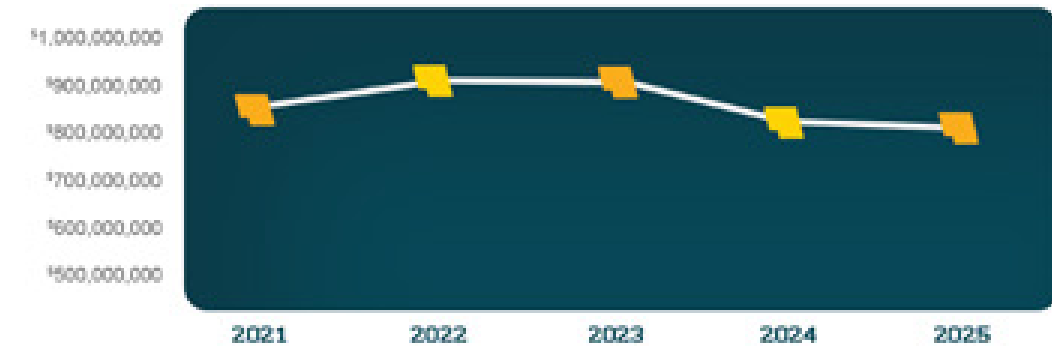
	2024	2025
Loans to Members	\$660,551,525	\$645,284,601
Less: Allowance for Loan Losses	(7,899,622)	(7,207,046)
Net Loans to Members	\$652,651,903	\$638,057,555
Cash & Investments	\$119,756,118	\$129,781,253
Other Assets	\$45,764,565	\$45,356,414
Total Assets	\$818,172,586	\$813,195,222

Statement of Income - Unaudited

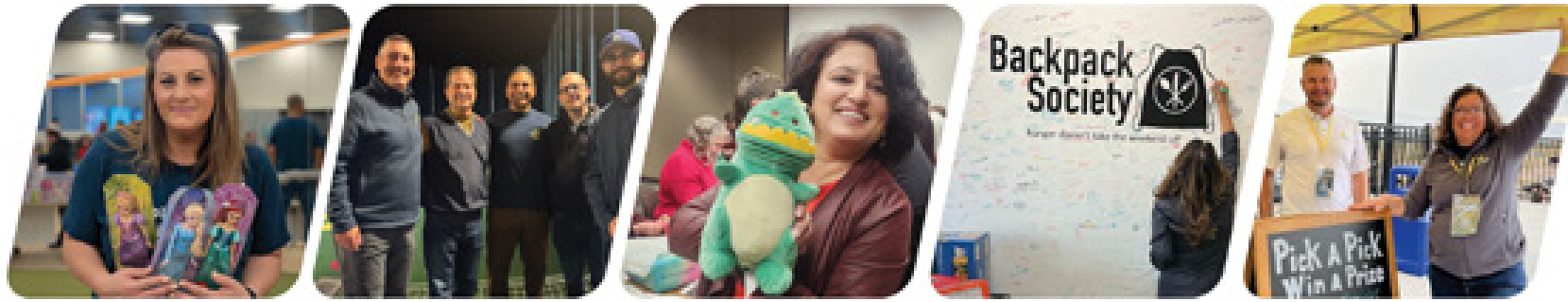
For the Years Ended December 31, 2025 & 2024



	2024	2025
Operating Income	\$47,367,108	\$45,585,279
Operating Expenses	(33,492,499)	(28,825,061)
Provision for Loan Losses	(6,568,000)	(5,493,000)
Non-Operating (Losses) Gains, Net	(148,196)	(26,178)
Dividends Paid to Members	(9,071,534)	(9,630,766)
Net Income	\$(1,913,121)	\$1,610,274

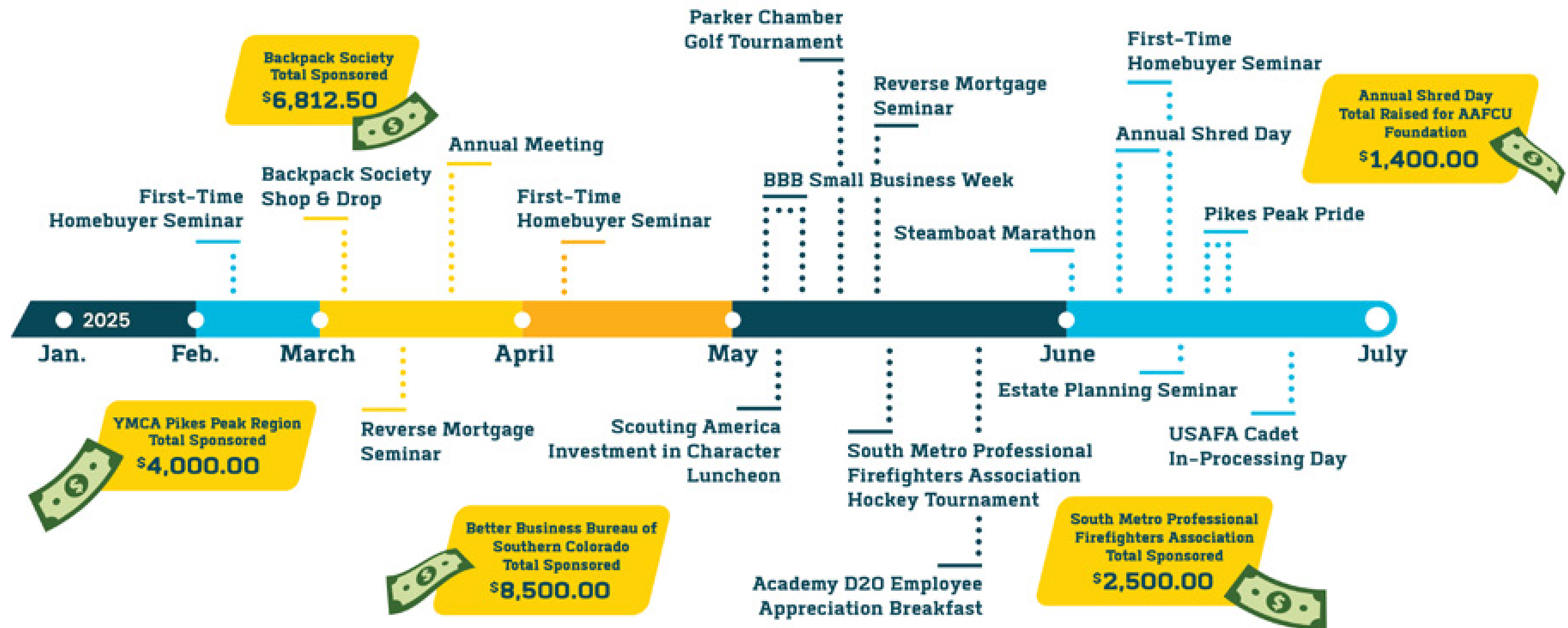


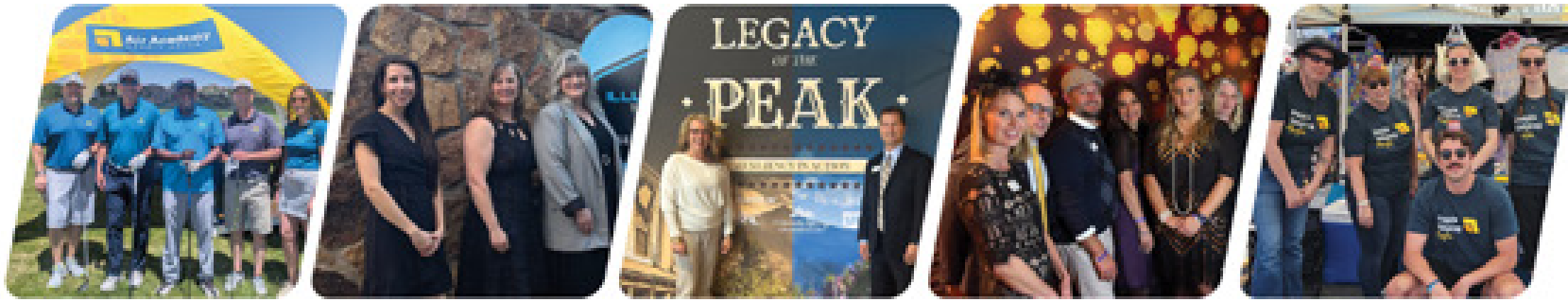
	Total Assets	Dividends Paid	Capital
2025	\$813,195,222	\$9,630,766	8.28%
2024	\$818,172,586	\$9,071,534	8.41%
2023	\$907,999,225	\$6,858,527	8.02%
2022	\$908,446,028	\$2,745,290	7.67%
2021	\$860,015,213	\$2,837,164	7.68%



\$89,662 Given Back to the Community in 2025

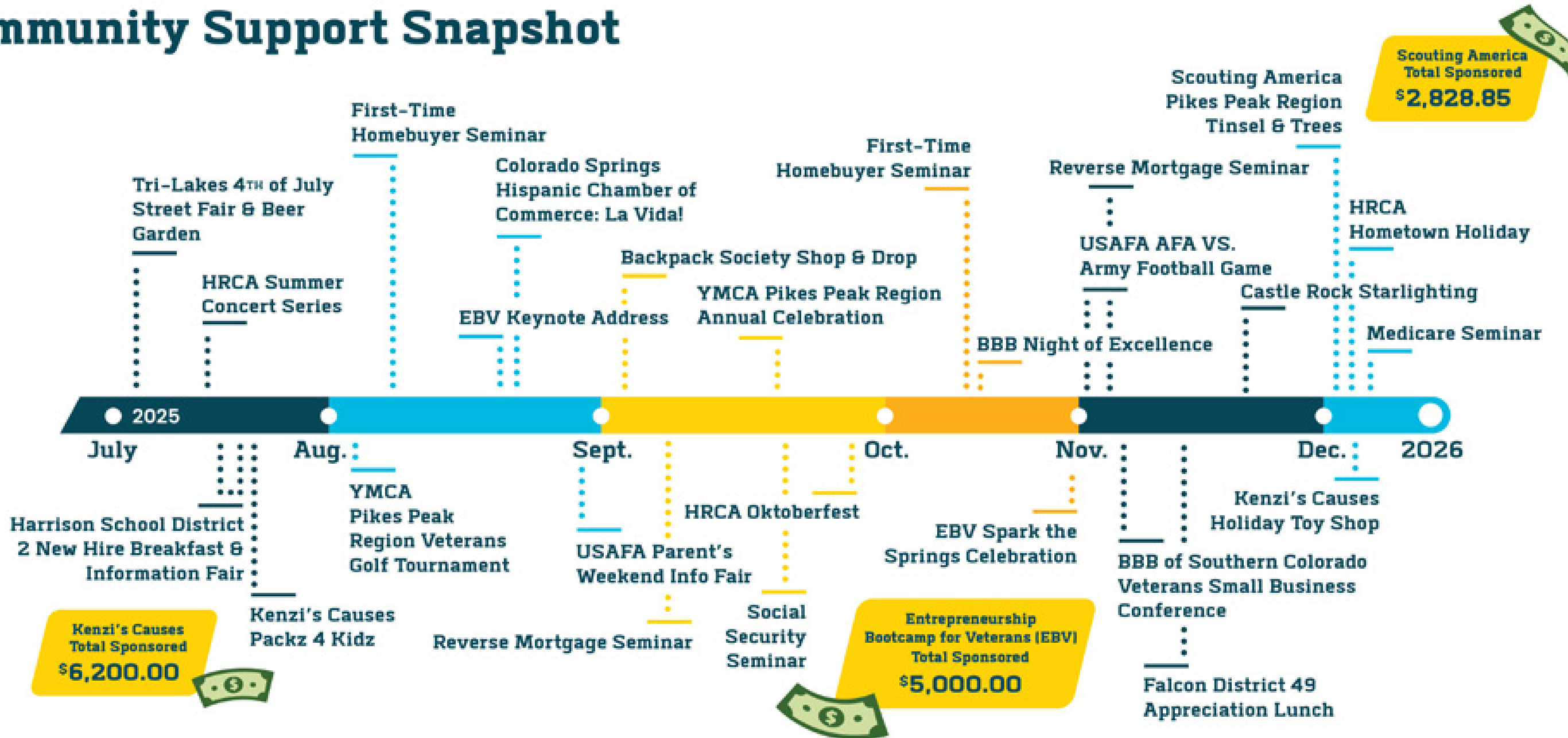
Community Support Snapshot





\$89,662 Given Back to the Community in 2025

Community Support Snapshot





Air Academy

CREDIT UNION

Everyone Deserves Personal Banking

*Non-deposit investment products and services are offered through UPL Financial ("UPL"), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through UPL are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal. Investment representatives are registered through UPL. The Credit Union has contracted with UPL to make non-deposit investment products and services available to credit union members.

**Insurance products are not insured by NCUA or any Federal Government Agency, are not a deposit, or guaranteed by the Credit Union or any Credit Union affiliate, and may lose value.

Air Academy Federal Credit Union, DBA, Air Academy Credit Union.

Insured by NCUA.

