2025 ANNUAL REPORT

AURORA
FEDERAL CREDIT UNION



ABOUT US

Aurora Federal Credit Union was founded in 1968 by nine employees of the City of Aurora representing fire, police, water, finance, engineering, parks, library, equipment and management departments. Since that time, we have grown to include other employers in the Aurora community. In 2004, we merged with Rural Electric Credit Union and serve REA cooperatives in Colorado, Wyoming, Kansas and New Mexico. As a not-for-profit financial cooperative, we are member-owned and led by a volunteer Board of Directors who are all members. Profits are given back to members in the form of competitive rates and lower fees.

This credit union is federally insured by the National Credit Union Administration. Your deposits are federally insured to at least $250,000 and backed by the full faith and credit of the United States Government.

EXCEPTIONAL PERFORMANCE CREDIT UNION

For the 15th consecutive year, Aurora Federal Credit Union earned the 5-Star Rating for safety and soundness by BauerFinancial, Inc., the nation's premier credit union and bank rating firm, and was given the distinction of an "Exceptional Performance Credit Union."

FOR OUR COMMUNITY

AND THOSE WHO SERVE, SUPPORT AND PROTECT IT

- We support all City of Aurora employees, their families and the greater Aurora community.
- We give back to Aurora police and fire organizations, including sponsoring fundraising events for the Aurora Police Foundation and Firefighters of Aurora Benevolent Fund. We also speak to fire and police academy recruits, showing our support and appreciation — as well as providing financial education.
- We sponsor breakfast at the City of Aurora's weekly new hire orientation meetings, welcoming in all new employees.
- We provide lunch for Falck Rocky Mountain ambulance during their monthly new hire training sessions.
- We support higher education locally through the Community College of Aurora Foundation and extending gift cards to students in need of emergency assistance funds.
- We partner with more than 80 select employee groups including the City of Aurora, Aurora Police Department and Association, Aurora Fire Rescue, Aurora Mental Health and Recovery, Medical Center of Aurora, Falck Rocky Mountain, regional homeowners associations and rural electric associations.



One of the many events we support and sponsor in the community is the Aurora Fire Foundation's National Night Out with local police officers, firefighters and first responders engaging with their neighborhood.

WE ♥ AURORA + OUR MEMBER OWNERS!

Aurora Federal Credit Union celebrated its 58th Anniversary in January! Members were treated to 0.58% auto loan rate discount and 0.58% savings rate boost on new share CDs for the occasion.

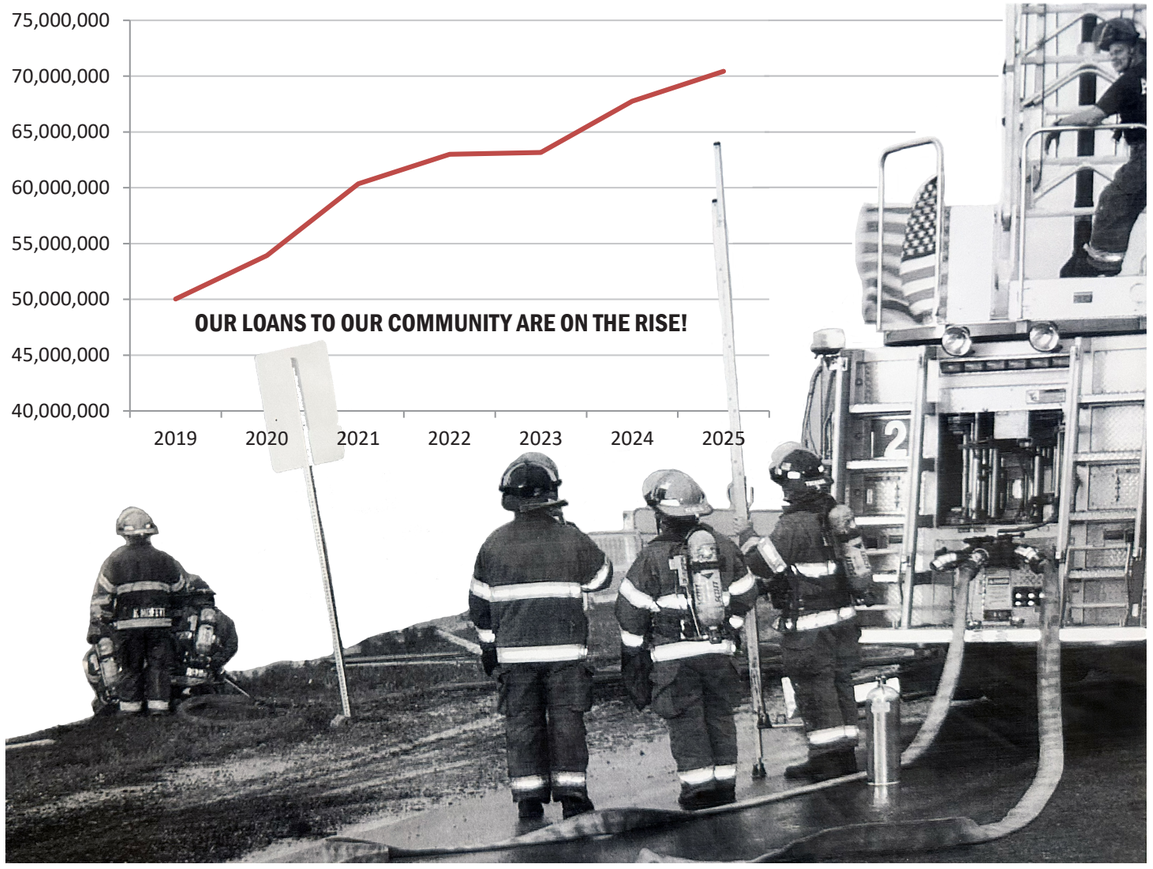
We held our **Member Appreciation Day** on Saturday, September 20, 2025, with free food trucks, face painting, prizes, games and our largest crowd yet. This member party gets bigger and better every year. See you again in September!

58th ANNIVERSARY











BOARD CHAIR & PRESIDENT REPORT

Dear Valued Members,

We had a successful year at Aurora Federal Credit Union in 2025 growing our credit union and serving our members and our community.

Financial Performance

We had exceptional growth in 2025:

- **Asset Growth:** Our credit union grew by 8.00% based on Total Assets, reflecting our competitive rates and strong member support and loyalty.
- **Loan Growth:** We experienced strong growth in our loan portfolio of 3.95%. This growth was driven by our competitive loan products and rates.
- **Member Growth:** We outpaced our peers in 2025 with strong new member growth.
- **Safety and Soundness:** For the 15th consecutive year, we earned the 5-Star Rating for safety and soundness by BauerFinancial, Inc and the "Exceptional Performance Credit Union" distinction.

Community Impact

We are committed to support our Aurora Community:

- **Supporting Aurora Employees and First Responders:** We support our City of Aurora new hires with weekly orientation breakfasts. We also provide monthly lunches for Aurora Fire Rescue, Aurora Police Department, and Falck Rocky Mountain EMS new hire academies.
- **Community Support:** We donated over $40 thousand to local charities and community fundraising, increasing our community involvement and partnership.

Expanding Member Access

We are taking big steps to expand access for our members including:

- **New Branch Construction:** Our new branch is under construction at 21885 E. Quincy Avenue in southeast Aurora. We look forward to opening and serving members in early 2027.
- **Drive-Up Expansion:** We completed the expansion of our Main Branch Drive-up from 1 to 3 lanes and added a new ATM. This expansion offers members much quicker drive-up service.
- **Phone Interactive Voice Response (IVR):** We are working to implement a phone system IVR this year to reduce phone hold times and serve you quickly.

Appreciation

We want to thank our members, our volunteer Board and Supervisory Committee, and our staff for your support of our credit union. We look forward to another great year in 2026!

Sincerely,

Charlie Watts
President/CEO

Mark Stephenson
Board Chair



SUPERVISORY COMMITTEE REPORT

The Supervisory Committee's primary responsibilities are:

1. Ensure the financial condition of the Credit Union is accurately and fairly presented in the Credit Union's financial statements.
2. Ensure the Credit Union's practices and procedures are sufficient to safeguard member assets while complying with Credit Union policies established by the Board of Directors.
3. Ensure management and the Board are doing what is fiscally responsible for the members.

To meet those responsibilities the Supervisory Committee develops a comprehensive annual work plan that includes working with management, internal auditors, external auditors and the National Credit Union Administration to review current credit union practices and procedures.

The Supervisory Committee has retained the services of SingerLewak LLP for the annual Supervisory Committee Audit, periodic internal audits, and other required audits. Additionally, we have retained the services of CoNetrix Security for IT Audit and Vulnerability Assessment. These partners work with the committee to review records for accuracy and to satisfy annual audit requirements under current federal regulations. The committee is proud to report the Credit Union has responded to all audit and regulatory exceptions in 2025.

We look forward to the challenges of the upcoming year and the continued economic well-being at Aurora Federal Credit Union.

Matt Jad
Chair, Supervisory Committee

MEET THE LEADERSHIP TEAM

BOARD OF DIRECTORS

MARK STEPHENSON ..... CHAIR

DEIDRE WARNER..... VICE CHAIR

MATT JAD ..... SECRETARY

TERRY TESKE..... TREASURER

ROBIN PETERSON..... BOARD MEMBER

DAVID PATTERSON..... BOARD MEMBER

VICTOR OGUNMODEDE..... BOARD MEMBER

SUPERVISORY COMMITTEE

MATT JAD ..... CHAIR

DENISE BALKAS..... SECRETARY

MOLLY MARKERT .....COMMITTEE MEMBER

LAURA WARNER .....COMMITTEE MEMBER

MANAGEMENT TEAM

CHARLIE WATTS .....PRESIDENT AND CEO

BLAKE SMITH.....VP OF IT & RISK MANAGEMENT

ANDREA SARGIC..... VP OF LENDING

SARAH HENDERSON ..... VP OF FINANCE

JACOB INIGUEZ ..... OPERATIONS & TRAINING MANAGER

TROY SURRATT .....DIRECTOR OF MARKETING & BUSINESS DEVELOPMENT

BANKING FOR YOUR FUTURE

SERVING & REACHING MORE



New Branch Under Construction

We're coming to you soon, SE Aurora! Construction is underway at our new branch near Quincy Ave. and Picadilly St. west of E-470. It is a great location in a growing area and just down the street from the City of Aurora Public Safety Training Center for police/fire training and the new Aurora Water operations facility.

Drive-Up Expansion

Our main branch drive-up was expanded last year and now includes three lanes and an upgraded ATM for member convenience.





Community Room Upgrades

With our neighbors at The Chamber, we've enhanced our shared Community Room for hosting events — filling it with Aurora history, landmarks and recognition of service to our city.

Neighborhood Team Ups

We partner with local organizations like Sēb's Recreation Center and collaborate with ambassadors like Miss Aurora — reaching more within our community and supporting shared causes.



2025 FINANCIAL SUMMARY

BALANCE SHEET

As of December 31, 2025	2025	2024	Difference	Percent Change
ASSETS				
LOANS	70,434,931	67,763,316	2,671,615	3.94%
LESS:ALLOWANCE FOR LOAN LOSS	(1,467,118)	(725,127)	(741,991)	102.33%
NET LOANS	68,967,813	67,038,189	1,929,624	2.88%
CASH AND EQUIVALENTS	16,154,928	8,086,194	8,068,734	99.78%
OTHER INVESTMENTS	41,188,075	40,729,029	459,046	1.13%
TOTAL INVESTMENTS	57,343,003	48,815,223	8,527,780	17.47%
FIXED ASSETS	7,042,250	6,698,853	343,397	5.13%
NATIONAL CREDIT UNION SHARE INSURANCE FUND (NCUSIF) DEPOSIT	1,035,617	956,730	78,887	8.25%
ALL OTHER ASSETS	506,535	1,395,706	(889,171)	-63.71%
	8,584,402	9,051,289	(466,887)	-5.16%
TOTAL ASSETS	134,895,218	124,904,701	9,990,517	8.00%
LIABILITIES AND EQUITY				
ACCOUNTS PAYABLE	25,163	36,317	(11,154)	-30.71%
OTHER LIABILITIES	406,163	387,512	18,651	4.81%
TOTAL LIABILITIES	431,326	423,829	7,497	1.77%
SHARES TO MEMBERS	31,661,046	31,991,616	(330,570)	-1.03%
OTHER SHARES	2,952,948	2,481,835	471,113	18.98%
HEALTH SAVINGS ACCOUNTS	154,754	223,396	(68,642)	-30.73%
CHECKING ACCOUNTS	19,750,580	19,083,329	667,251	3.50%
MONEY MARKETS	20,944,436	21,846,766	(902,330)	(0.04)
SHARE CERTIFICATES	29,110,570	18,828,799	10,281,771	54.61%
IRA ACCOUNTS	5,950,420	5,644,056	306,364	5.43%
TOTAL SHARES	110,524,754	100,099,797	10,424,957	10.41%
REGULAR RESERVES	1,826,611	1,826,611	0	0.00%
UNDIVIDED EARNINGS	22,172,728	22,585,161	(412,433)	-1.83%
UNREALIZED INVESTMENT GAIN/LOSS	(60,201)	(30,697)	(29,504)	96.11%
TOTAL EQUITY	23,939,138	24,381,075	(441,937)	-1.81%
TOTAL LIABILITIES & EQUITY	134,895,218	124,904,701	9,990,517	8.00%

2025 FINANCIAL SUMMARY

INCOME STATEMENT

For the years ended December 31, 2025	2025	2024	Difference	Percent Change
OPERATING INCOME				
INTEREST ON LOANS	4,885,398	4,096,736	788,662	19.25%
INVESTMENT INCOME	2,378,879	2,132,854	246,025	11.54%
NON-INTEREST INCOME	867,137	807,173	59,964	7.43%
TOTAL OPERATING INCOME	8,131,414	7,036,763	1,094,651	15.56%
EXPENSES				
PROVISION FOR LOAN LOSSES	1,894,457	367,890	1,526,567	414.95%
NON-INTEREST EXPENSES	4,767,544	4,225,062	542,482	12.84%
TOTAL NON-INTEREST EXPENSES	6,662,001	4,592,952	2,069,049	45.05%
DIVIDEND & INTEREST EXPENSES				
DIVIDENDS ON SHARES AND DEPOSITS	1,841,592	1,333,771	507,821	38.07%
INTEREST ON BORROWED FUNDS	0	0	0	0%
TOTAL DIVIDEND & INTEREST	1,841,592	1,333,771	507,821	38.07%
NET OPER. INCOME/(LOSS)	(372,179)	1,110,040	(1,482,219)	-133.53%
NON-OPER. INCOME/(LOSS)	43,040	14,347	28,693	0%
GAIN (LOSS) ON ASSET DISPOSITION	(83,294)	(131,165)	47,871	-36.50%
NET INCOME/(LOSS)	(412,433)	993,222	(1,405,655)	-141.52%

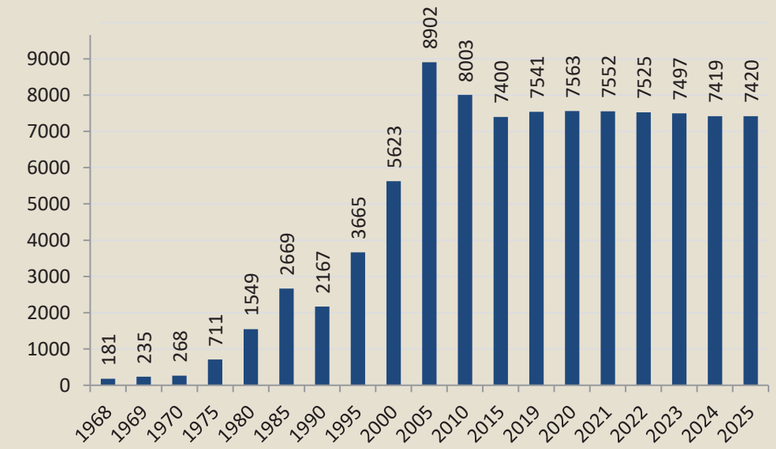
KEY FINANCIAL RATIOS

As of December 31, 2025	Aurora FCU	$100M-$500M Peers (based on total assets)	Difference
Return on Assets (Profitability)	-0.32%	0.54%	-0.86%
Cost of Funds (Interest Paid)	1.42%	1.51%	-0.09%
Operating Expenses	3.43%	3.57%	-0.14%
Delinquency Ratio	2.05%	0.95%	1.10%
Loan Charge-Offs	1.65%	0.44%	1.21%
Net Worth (Capital Ratio)	17.79%	11.88%	5.91%
Loan Growth	3.95%	3.05%	0.90%
Member Growth	0.01%	-1.42%	1.43%

MEMBERS AND ASSETS

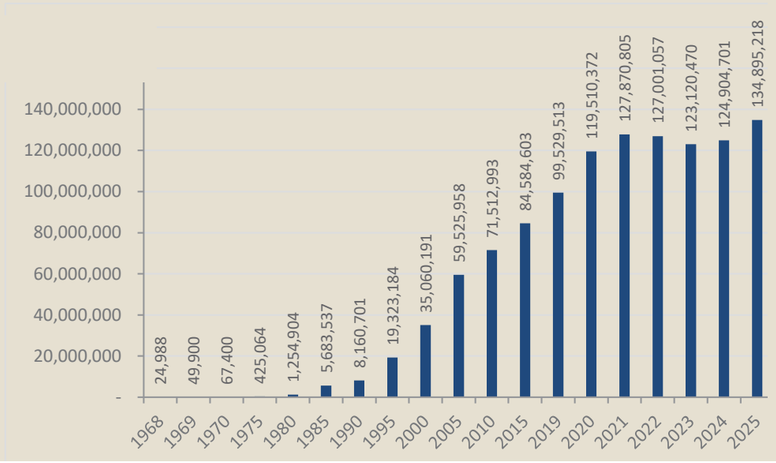
HISTORICAL TOTALS

TOTAL MEMBERS



Note 1: Membership decline after 2005 was due to a methodology change in accounting for total memberships following Rural Electric CU merger, where method was changed from total accounts at par to total individual persons.

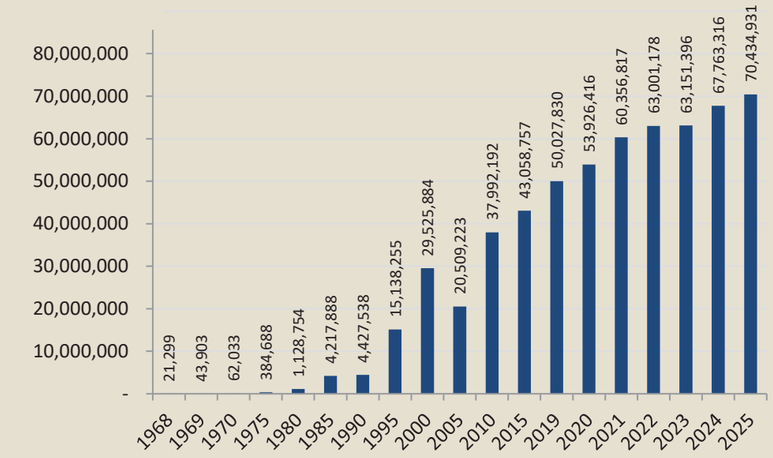
TOTAL ASSETS



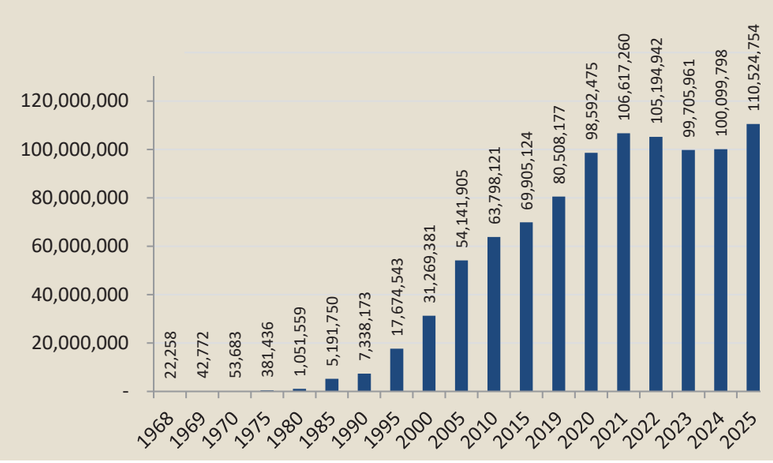
LOANS AND SHARES

HISTORICAL TOTALS

TOTAL LOANS



TOTAL SHARES



We had another successful year at Aurora Federal Credit Union.
Looking forward to exciting developments and new opportunities ahead!



Main Branch
610 S. Abilene Street
Aurora, CO 80012



COA Municipal Building Branch
15151 E. Alameda Parkway
Aurora, CO 80012



Opening Soon • SE Aurora
21885 E. Quincy Avenue
Aurora, CO 80018



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