

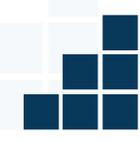


2025

# ANNUAL REPORT

 **arizona central** | CREDIT UNION

**SIMPLE SOLUTIONS | LOCAL SERVICE**  
**TRUSTED SINCE 1939**

 **arizona central** | CREDIT UNION



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# MANAGEMENT REPORT

## VISION

Make it simple to live, grow, and succeed together.



## PURPOSE

Provide seamless connections to your life's pursuits.



## MISSION

Make a positive impact on the lives of our employees, members, and communities.



2025 was a year of meaningful change for Arizona Central Credit Union. Two of our longtime and accomplished leaders entered well-deserved retirements, opening the door for new leadership, including a new CEO and COO. I am honored that the Board of Directors selected me to step into the CEO role, and I look forward to building upon the strong foundation already in place.

**Even amid leadership transitions, our focus remained steady: serving our members and our community. Our members continued to place their trust in us, contributing to nearly \$9 million in deposit growth in 2025. We returned \$7.9 million to members in deposit dividends, an increase of almost \$150,000 from the prior year. Members also turned to Arizona Central when they needed credit—expanding our loan portfolio by more than \$19.6 million over the prior year.**

Our commitment to operational excellence also strengthened our financial performance. With a disciplined focus on efficiency through growth, net income improved by roughly \$3.8 million compared to 2024. These efficiencies enable us to reinvest in better products, stronger technology, and greater value for our members—without compromising the high level of service they expect from Arizona Central.

While 2025 delivered many achievements, I am especially excited about what lies ahead. This year, our Senior Leadership Team partnered with the Board of Directors to establish our strategic direction for 2026. Together, we defined three strategic pillars intended to deepen our impact on members' financial lives:

**Cultivate Talent:** Build a team that is well trained, empowered, and equipped to deliver excellence.

**Foster Connection:** Strengthen relationships with our members and the communities we serve.

**Elevate Experience:** Simplify and enhance the ways members interact with us across every channel.

Each pillar includes focused initiatives designed to improve service, streamline operations, and ensure we consistently deliver exceptional value.

4.



Thank you for your continued trust in Arizona Central Credit Union. We are committed to supporting your financial well-being and enhancing member value in everything we do. The future is bright for Arizona Central, and I am proud to lead this organization into its next chapter.

Respectfully submitted,

Brian Lee,  
President & Chief Executive Officer  
*(Pictured)*

Mark Denke, Board Chair



# FINANCIAL FOCUS

Financial results in 2025 demonstrate a year of positive net income alongside steady, aligned growth in both our lending and deposit portfolios. These achievements underscore our resilience and commitment to financial growth. Below is the summary of our fiscal health and operational achievements for 2025.

**Net Income:** Our net income in 2025 surpassed \$2.2 million, a 243% increase over the \$1,550,467 loss reported in 2024. Interest income increased by over 6% from the prior year and we reduced operating expenses by 4.6% over the same period. Our Provision for Loan Losses increased by over \$1.4 million in 2025, which is the result of an increase in total loans and net charge-offs.

**Member Deposits:** Total deposits rose about \$8.9 million to a total of \$636.9 million, an increase of 1.4%. Total dividends returned to our members increased by nearly \$150,000 from the prior year. This growth reflects continued member confidence and provides the necessary liquidity to fund the steady expansion of our lending activities.

**Loan Portfolio:** We concluded the year with over \$596 million in total loans, a 3.4% increase year-over-year. This reflects our balanced approach to expanding our portfolio and our commitment to supporting members' goals through competitive lending products.

**Total Assets:** Our total assets grew by 4.87% to end the year at \$722.4 million.

**Capital Adequacy:** We ended the year with a Capital Ratio of 8.67%, maintaining a "well-capitalized" credit union while increasing growth.

# MEMBERS

Member satisfaction and engagement remained strong throughout the year as we continued to enhance the quality, safety, and accessibility of the services we provide to our members at Arizona Central Credit Union. Our commitment to meeting members where they are, whether through personalized financial support, enhanced fraud protection, or expanded digital tools, has strengthened their confidence in our credit union.

Branches continued to prioritize member education on emerging fraud risks and took proactive measures to prevent financial losses to both members and the credit union. A dedicated fraud communication channel enables timely information sharing between branches and internal departments, improving early identification of suspicious activity and helping prevent numerous members from becoming victims of fraudulent schemes.

This year also marked significant progress in expanding member access to digital controls and self-service options. We improved Zelle® transaction limits and launched a project which will greatly broaden members' ability to manage their plastic card security and settings independently. By automating several back office tasks, we improved turnaround times for common member requests and reduced operational friction.

These advances, paired with our ongoing technology enhancements, position us to deliver an even more seamless, secure, and member centered experience. We remain deeply grateful for our members' trust and continued engagement with our credit union.

# COMMUNITY

Volunteerism and community involvement are strategic priorities for Arizona Central Credit Union. Our employees continued to support and engage our local communities throughout the year. In 2025, 150 volunteers contributed a total of 2,452 hours and raised over \$66k supporting 68 non-profit organizations. We are proud to make improving the lives of our members and making a positive impact on the communities in which we live and work an essential part of our culture.

In 2026, the team will broaden community engagement by shifting toward a more hyper-local approach by ensuring our volunteer efforts support not only major metro areas like Phoenix, but also the local charities and organizations in the communities surrounding our branches. This allows us to create a more direct and meaningful impact where our members and employees live and work.

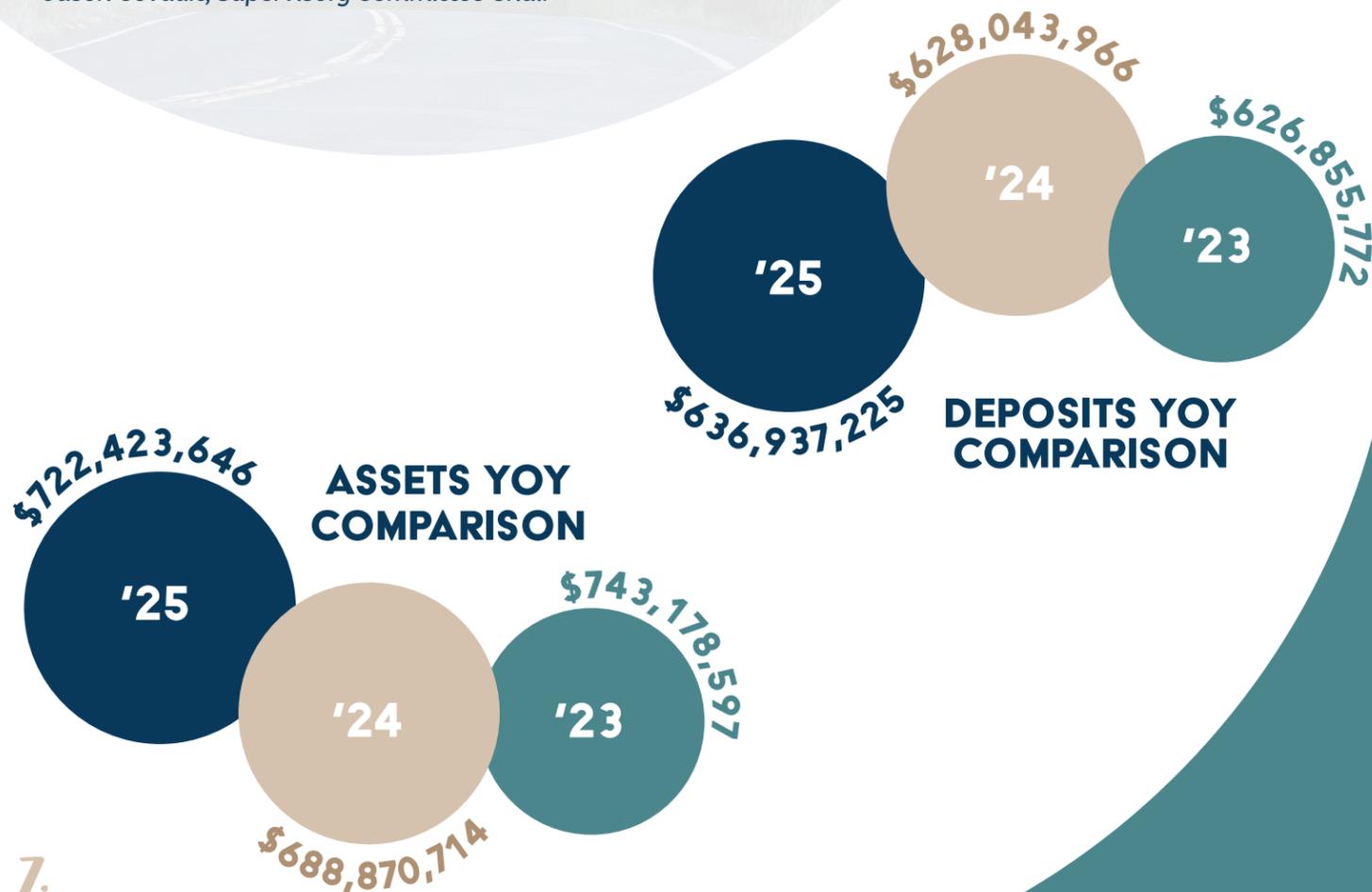
# SUPERVISORY COMMITTEE REPORT

The Supervisory Committee of Arizona Central Credit Union are appointed by the Board of Directors on an annual basis. The Committee is responsible for independently monitoring and assessing the credit union's financial condition and operations. Policies, procedures, and internal controls are evaluated by the Committee via discussions with internal/external auditors and state/federal regulators, as well as reviews of audit and examination reports. In addition, the Committee retained Doeren Mayhew CPA and Advisors, a national CPA firm with recognized expertise in the credit union industry, to perform a comprehensive year-end audit of the credit union's financial statements.

Doeren Mayhew concluded that the financial statements present fairly, in all material respects, the financial position of Arizona Central Credit Union as of December 31, 2025. A portion of the audited financial statements are included in this report, and a full copy is available upon request. Based upon the results of all audits and examinations performed during 2025, it is the opinion of the Supervisory Committee that the Credit Union is in sound financial condition.

We would like to thank the Board of Directors and the Members of Arizona Central Credit Union for the privilege of serving them.

Respectfully submitted,  
Jason Covault, Supervisory Committee Chair



## LOAN COMMITTEE REPORT

During the period of January to December 2025, a total of 4,723 loans originated with loan amounts totaling \$208,232,903. Our loan portfolio grew by 3.55% year-over-year. The loan portfolio closed with a balance of \$592,654,409.

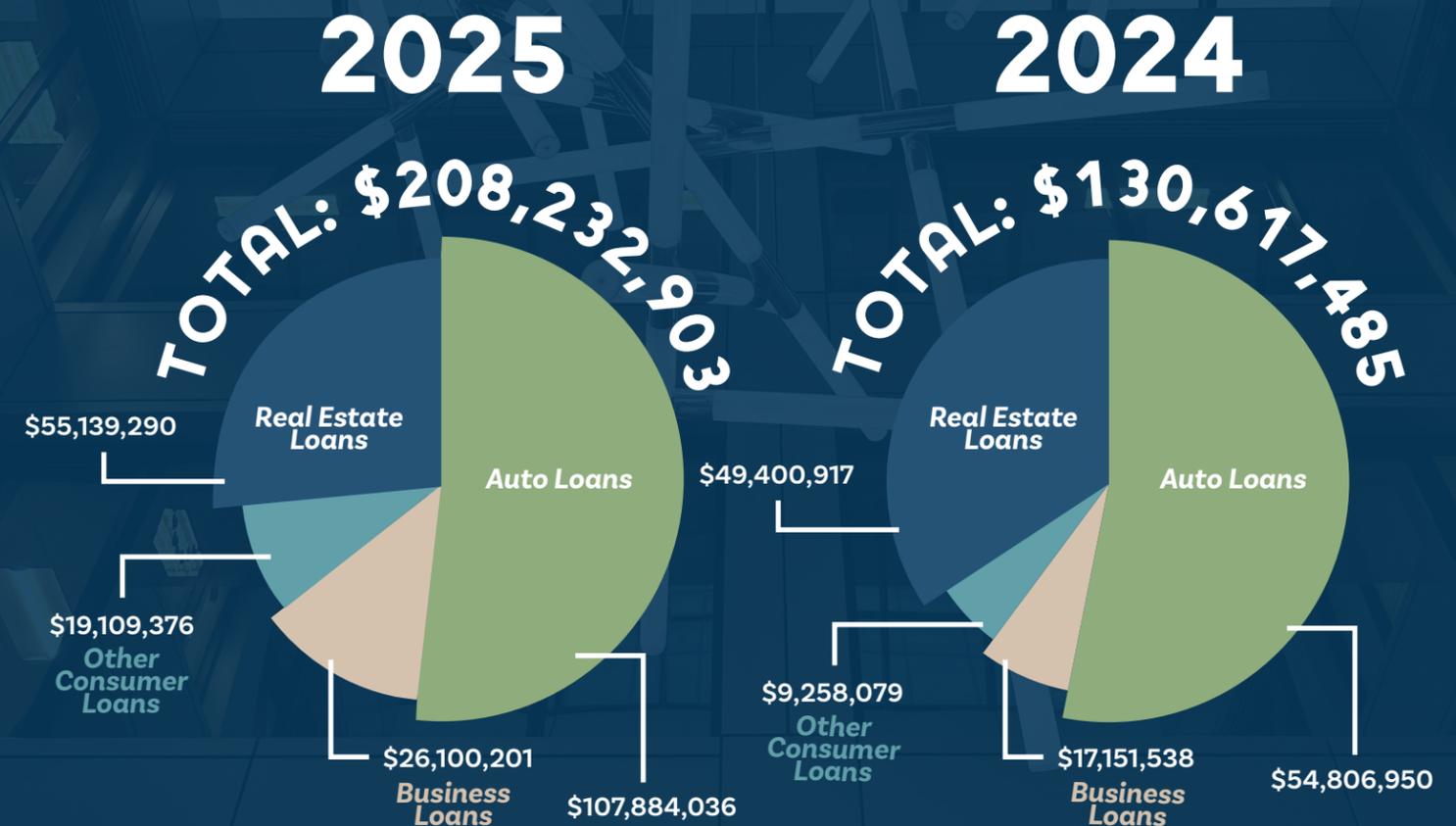
The Loan Committee plays a vital role in safeguarding the credit union's financial strength and ensuring responsible oversight of our loan portfolio. Our focus remains on supporting members' financial well-being through sound lending practices, prudent risk management, and consistently applied credit policies.

In the following section, you'll find a breakdown of loan originations for the year. These results reflect our ongoing commitment to providing members with fair, accessible, and competitive lending options.

We appreciate the trust you place in AZCCU. Thank you for allowing us to support your financial goals. We look forward to serving you.

Respectfully submitted,  
Yvette Clay,  
Chief Lending Officer

### TOTAL NEW LOAN ORIGINATIONS YOY COMPARISON



## ASSETS

Loans: Net Allowance for Loan Losses

	2025 <i>Unaudited</i>	2024
Loans: Net Allowance for Loan Losses	\$591,314,494	\$571,912,393
Total Loans Held for Sale (HFS), Cash & Accounts Receivable	\$8,316,335	\$9,553,277
Corporate Capital & Other Investments	\$6,633,103	\$2,517,400
Corporate Account Deposits & Certificates	\$40,295,399	\$30,500,924
Marketable Investments	\$32,991,574	\$34,609,425
Fixed Assets	\$13,887,039	\$14,954,192
Accrued Interest, Prepaid & Other Assets	\$23,033,082	\$19,011,971
NCUSIF Deposit	\$5,952,619	\$5,811,132
<b>Total Assets</b>	<b>\$722,423,646</b>	<b>\$688,870,714</b>
<b>LIABILITIES</b>		
Total Payables	\$29,814,507	\$9,398,286
Total Member Deposits	\$636,937,225	\$628,043,966
<b>Total Liabilities</b>	<b>\$666,751,733</b>	<b>\$637,442,252</b>
Members' Capital	\$55,671,913	\$51,428,462
<b>Total Liabilities &amp; Members' Equity</b>	<b>\$722,423,646</b>	<b>\$688,870,714</b>

Total Loans Held for Sale (HFS), Cash & Accounts Receivable

Corporate Capital & Other Investments

Corporate Account Deposits & Certificates

Marketable Investments

Fixed Assets

Accrued Interest, Prepaid & Other Assets

NCUSIF Deposit

**Total Assets**

## LIABILITIES

Total Payables

Total Member Deposits

**Total Liabilities**

Members' Capital

**Total Liabilities & Members' Equity**

# FINANCIAL CONDITION STATEMENT

## TOTAL INTEREST INCOME

Interest on Loans

Interest on Investments

Total Interest Income

Total Dividends & Interest Expense

Net Interest Income

Provisions for Loan Losses

Net Interest Income After Provisions

## NON-INTEREST INCOME

Fees & Charges

Other Non-Interest Income

Gain/(Loss) on Inv. & F/A

**Total Non-Interest Income**

## NON-INTEREST EXPENSE

Compensation & Benefits

Occupancy

Operations

Marketing

Professional Fees

NCUA Share Insurance

Other Non-Interest Expense

**Total Non-Interest Expense**

**Net Income (Loss)**

	2025 <i>Unaudited</i>	2024
Interest on Loans	\$33,474,620	\$31,309,041
Interest on Investments	\$3,431,548	\$3,454,600
Total Interest Income	\$36,906,168	\$34,763,641
Total Dividends & Interest Expense	\$8,808,513	\$9,367,036
Net Interest Income	\$28,097,655	\$25,396,605
Provisions for Loan Losses	\$3,996,826	\$2,530,681
Net Interest Income After Provisions	\$24,100,828	\$22,865,924
<b>NON-INTEREST INCOME</b>		
Fees & Charges	\$4,396,299	\$4,013,254
Other Non-Interest Income	\$5,446,453	\$5,102,676
Gain/(Loss) on Inv. & F/A	\$19,580	(\$247,252)
<b>Total Non-Interest Income</b>	<b>\$9,862,331</b>	<b>\$8,868,678</b>
<b>NON-INTEREST EXPENSE</b>		
Compensation & Benefits	\$16,835,443	\$16,630,985
Occupancy	\$2,872,000	\$3,029,224
Operations	\$7,632,448	\$8,291,595
Marketing	\$1,519,699	\$1,920,632
Professional Fees	\$444,503	\$687,590
NCUA Share Insurance	\$0	\$0
Other Non-Interest Expense	\$2,440,007	\$2,725,043
<b>Total Non-Interest Expense</b>	<b>\$31,744,101</b>	<b>\$33,285,069</b>
<b>Net Income (Loss)</b>	<b>\$2,219,059</b>	<b>(\$1,550,467)</b>

\$33,474,620

\$3,431,548

\$36,906,168

\$8,808,513

\$28,097,655

\$3,996,826

\$24,100,828

\$4,396,299

\$5,446,453

\$19,580

\$9,862,331

\$16,835,443

\$2,872,000

\$7,632,448

\$1,519,699

\$444,503

\$0

\$2,440,007

\$31,744,101

\$2,219,059

\$31,309,041

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\$34,763,641

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(\$247,252)

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\$0

\$2,725,043

\$33,285,069

(\$1,550,467)

# INCOME STATEMENT

# ABOUT US

## ARIZONA CENTRAL CREDIT UNION

**Arizona Central Credit Union** is a not-for-profit, full-service, financial institution owned by its members.

With nearly 49,000 members, over \$722 million in assets, and nine full-service branches throughout the Greater Phoenix area, Tucson, Flagstaff and Show Low, we have proudly served Arizona for 87 years.

At Arizona Central Credit Union, employee satisfaction and retention are the foundation of our commitment to exceeding our members' expectations. We realize that we are stronger together and want to thank members, staff and volunteers, for your loyalty and ongoing support.



Trusted  
Since  
1939



**Member satisfaction, customized solutions and convenience continue to be the foundation for launching new products and delivery channels ensuring we meet the needs of our diverse membership.**



- Member Share Accounts
- Simple & Money Market Checking Accounts with Visa® Check Cards
- Money Market Accounts
- Certificates & IRAs
- Health Savings Accounts
- You-Name-It Savings Accounts
- New & Used Vehicle Loans
- Credit Union Advantage & AutoSMART
- Lines of Credit
- Signature Loans
- Mortgages & Home Equity Loans
- Visa® Gold, Classic & Secured Credit Cards
- Business Savings, Checking, Credit Cards & Loans
- Commercial Real Estate Loans
- Online Money Management Tool
- SavvyMoney® Credit Monitoring
- Send & Receive Money with Zelle®
- iTM - Interactive Teller Machines
- Mobile Apps & SMS Alerts
- Payroll Deduction & Early Direct Deposit
- Central Phone Banking
- CO-OP Surcharge-Free ATM Network
- eBRANCH Online Banking, Bill Pay Services & Mobile Deposit
- Mechanical Breakdown Protection & GAP Policies
- MEMBER'S CHOICE™ Borrower Security
- Central Financial Services\*
- Auto & Homeowner's Insurance through TruStage™
- Life Insurance through Cetera Advisor Networks, LLC
- NextGen Youth Club
  - CU Grow Savings Program (12 years old & younger)
  - CU Succeed Savings Program (13-17 years old)
- My First Nest Egg - Financial education app for kids
- Free Notary Public Services
- 24-Hour Depository
- Vacation & Travel Discounts

**MEMBER SERVICES & BENEFITS**

Securities offered through Cetera Wealth Services, LLC (doing insurance business in CA as CFGAN Insurance Agency LLC, CA License #0644976) member FINRA/SIPC. Advisory services offered through Cetera Investment Advisers, LLC a Registered Investment Advisor. Cetera is under separate ownership from any other named entity. Central Financial Services is not a subsidiary of nor controlled by Cetera Wealth Services LLC. Cetera Wealth Services LLC is not an affiliate of Arizona Central Credit Union. Investments are: • Not FDIC/NCUSIF insured • May lose value • Not financial institution guaranteed • Not a deposit • Not insured by any federal government agency.

# BRANCH LOCATIONS & HOURS

## BRANCH & ATM LOCATIONS

**Phoenix**  
2020 N. Central Ave. Suite 100

**Glendale**  
6901 W. Bell Rd.  
5552 W. Glendale Ave.

**Chandler**  
1805 W. Chandler Blvd.

**Tempe**  
4455 S. Rural Rd.

**Tucson**  
2150 W. Ina Rd.

**Flagstaff**  
2521 N. West St.  
1948 S. Woodlands Village Blvd.

**Show Low**  
4474 S. White Mountain Rd.

## HOURS OF OPERATION

**Mon, Tue, Thur, Fri**  
9 a.m. - 5:30 p.m.

**Wednesday**  
10 a.m. - 5:30 p.m.

**Saturday**  
Via Phone Only:  
Support & Lending  
Departments  
10 a.m. - 2 p.m.

## CONTACT US

Call or go online  
(602) 264-6421  
or toll free at  
(866) 264-6421

[azcentralcu.org](http://azcentralcu.org)



# BOARD OF DIRECTORS

**Mark Denke** *Chair*  
**Stephanie McQuillan** *Vice Chair*  
**Veronica Piotrowski** *Treasurer*  
**Sandy Watts** *Secretary*

**Brian Raczynski** *Director*  
**Nicolette Lemmon** *Director*  
**Kyle Hallstrom** *Director*

# SUPERVISORY COMMITTEE

**Jason Covault** *Chair*  
**Johna Burke** *Member*  
**Kimberly Ortiz** *Member*

**John Skelton** *Member*  
**Ryan Harper** *Member*

# SENIOR LEADERSHIP TEAM

**Brian Lee** *President & Chief Executive Officer*  
**Angela Smith** *Chief Strategy Officer*  
**Sarah Hancotte** *Chief Operations Officer*  
**Yvette Clay** *Chief Lending Officer*  
**Julie Ashurst** *Vice President, Human Resources*  
**Denise Epps** *Vice President, Accounting & Finance*