OFCU

ANNUAL
OTERO FEDERAL CREDIT UNION
REPORT
2026

Chairman Report

On behalf of the Board of Directors, it is my pleasure to reflect on a year of strong performance, strategic progress, and meaningful community impact at Otero Federal Credit Union.

OFCU remains financially strong, achieving a Return on Assets of 1.62% and a Net Worth Ratio of 15.15%. Assets grew by approximately $27 million, bringing total assets to nearly $520 million, reflecting disciplined growth and continued member confidence.

We made important advancements in products, services, and operational capabilities. OFCU implemented and continues to develop a Business Lending program, supporting local economic growth, and introduced contactless "tap-to-pay" cards to enhance member convenience and security. We also expanded our online fraud recognition and prevention capabilities, reinforcing member protection, while the implementation of automated loan underwriting will further improve speed and efficiency in lending decisions.

Our commitment to community remains a cornerstone of our mission. In 2025, all branches partnered to support families in Ruidoso and Mescalero impacted by flooding, contributing $17,250 and assisting more than 20 families. In total, OFCU contributed $87,900 in donations and sponsorships. Employees further demonstrated exceptional dedication, raising $5,250 for local events and organizations and contributing 1,750 volunteer hours across our communities.

OFCU's performance and commitment to excellence have been widely recognized. We were named one of the 2024 Air Force Distinguished Credit Unions of the Year and recognized by Newsweek as one of America's Best Regional Credit Unions for 2026.

Looking ahead, the Board remains focused on advancing strategic initiatives that support sustainable growth, strengthen digital capabilities and risk management, and enhance services for our members.

The Board extends its sincere appreciation to the management team for their leadership and to all employees for their dedication and service. We also thank our members for their continued trust and loyalty.

Respectfully submitted,

Harry Bloom, Chairman
Board of Directors

Treasurer Report

BALANCE SHEET (unaudited)

	December 31 2025	December 31 2024
ASSETS:		
Net Loans to Members	$247,204,831	$ 244,172,590
Cash & Investments	$243,571,666	$ 213,467,368
Land & Buildings	$8,227,107	$ 8,471,251
Furniture & Equipment	$2,666,585	$ 2,642,063
Accrued Income	$2,145,551	$ 2,194,413
All Other Assets	$15,922,423	$ 15,762,930
TOTAL ASSETS	**$519,738,164**	**$ 486,710,615**
LIABILITIES AND EQUITY:		
Members' Shares	$ 438,430,378	$ 415,910,845
Accrued Expenses and other Liabilities	$ 2,447,748	$ 2,928,671
Undivided Earnings	$ 78,568,905	$ 70,406,019
Unrealized Gains (Losses) on Investments	$ (920,670)	$ (3,385,255)
Accumulated Other Comprehensive Income/(Loss)	$ 1,211,803	$ 850,335
TOTAL LIABILITIES & EQUITY	**$ 519,738,164**	**$ 486,710,615**

STATEMENT OF INCOME AND EXPENSE

	December 31 2025	December 31 2024
INCOME:		
Interest on Loans	$ 14,931,183	$ 14,016,824
Interest on Investments	$ 8,782,975	$ 6,087,052
Fee and Other Income	$ 5,837,928	$ 5,403,019
GROSS INCOME	**$ 29,552,087**	**$ 25,506,895**
EXPENSES:		
Dividends to Members	$ 4,965,409	$ 4,618,002
Operating Expenses	$ 14,607,713	$ 13,424,554
Provision for Credit Loss	$ 1,595,544	$ 1,554,838
Interest-Borrowed Money	$ -	$ -
TOTAL EXPENSES	**$ 21,168,666**	**$ 19,597,394**
OTHER INCOME/EXPENSE:		
Net Non-Operating Gains (Losses)	$ (220,535)	$ (186,113)
NET INCOME	**$ 8,162,886**	**$ 5,723,388**

Melene Street, Treasurer
Board of Directors

Main Office's Community Unity
March 2025
Lending Center's Community Unity
June 2025
Runners Refuge
Admin's Community Unity
March 2025
Admin's Community Unity
March 2025
Net Worth
15.15%
as of
12/31/2025
OFCU
donated
& sponsored
over $55.9K
to our
communities
during 2025
South Main's Community Unity
June 2025
Holloman's Community Unity
March 2025
Holloman's Community Unity
March 2025
Holloman's Community Unity
June 2025
OFCU
donated
over 1,750
Volunteer
Hours
in 2025
Ruidoso's Community Unity
March 2025
North Main's Community Unity
December 2025
OFCU
employees
donated
over $11.5K
to THRIVE.
Community Unity
August 2025
South Main's Community Unity
December 2025
South Main's Community Unity
March 2025
Lending Center's Community Unity
December 2025
OFCU's
Community Unity
fundraised & donated
over $5K to our
communities
in 2025
Asset Size
$519.7M
as of
12/31/2025
OFCU
fundraised & donated
over $17K to
those affected
by the
2025 floods
OFCU
awarded 17
$1,000
scholarships
to 9 different
area high
schools.
Lending Center's Community Unity
March 2025
Ruidoso's Community Unity
June 2025
33,773
Members
as of
12/31/2025
OFCU
donated
$32K
to local
non-profits
during 2025
OFCU saved
members over
$144K with
discounted
rates
America's Millennium School
Northside's Community Unity
March 2025
North Main's Community Unity
June 2025
OFCU's
Community Unity
fundraised & donated
over $5K to our
communities
in 2025
Admin's Community Unity
June 2025
North Main's Community Unity
March 2025
OFCU
sponsored
321 student
educational
awards.
Admin & Holloman's Community Unity
December 2025
OFCU
reached
490
individuals
in financial
literacy

Supervisory Report

During 2026, the Supervisory Committee of Otero Federal Credit Union (OFCU) continued to fulfill its responsibilities in accordance with regulatory requirements and sound governance practices. Appointed by the Board of Directors, the Committee provides independent oversight to help ensure the safety, soundness, and integrity of the Credit Union's operations and financial reporting processes.

As part of this role, the Committee engaged an independent certified public accounting firm to perform the annual audit of the Credit Union's financial statements. While management maintains responsibility for the accuracy and integrity of the financial statements and the supporting internal control structure, the Committee conducted its review of the audited results. This included consideration of the appropriateness and quality of accounting principles applied, the reasonableness of key estimates and judgments, and the transparency and clarity of financial disclosures.

The Committee also reviewed audit work performed by the internal auditor as well as independent assessments of information systems and cybersecurity controls. Based on the results of these reviews and its oversight activities, the Committee believes OFCU continues to operate in a safe and sound manner, supported by prudent financial management and effective internal controls.

A sample of member accounts was also verified, and no discrepancies were identified.

The Committee extends its appreciation to the Board of Directors, management, and staff for their cooperation and continued dedication. We appreciate the trust our members place in OFCU and remain committed to serving in your best interests.

Respectfully,

Linda Dusak, Chair
Supervisory Committee

Thank You Holloman AFB

Department of the Air Force Distinguished Credit Union of the Year!

Locations

Main Office, Alamogordo
1200 E. 10th St.

Northside Office, Alamogordo
3300 N. White Sands Blvd.

Holloman Office, HAFB
Bldg. 786

Ruidoso Office
25984 US Hwy 70

South Main Office, Roswell
1900 S. Main

North Main Office, Roswell
2211 N. Main

Lending Center, Alamogordo
3300 N. White Sands Blvd.

Service Center
(575) 434-8500 or
(800) 376-9000

OFCU Phone Assistance Line
(OPAL) (575) 434-8596 or
(855) 903-2749

Board of Directors

Harry Bloom
Chairman

Jocelyne Driscoll-Gillespie
1st Vice Chair

Thomas Shoaf
2nd Vice Chair

Lenora Barr
Secretary

Melene Street
Treasurer

Michael Keedy
Member

Linda Dusak
Member

Leonard Ekman
Associate Member

Supervisory Committee

Linda Dusak
Chair

Pam McCarty
Vice Chair

Mary Jo Drake
Secretary

James Archer
Member

Mary Lynn Bardocz
Member

Executive Management

Melene Street
President/CEO

Elsa Montoya
Chief Operations Officer

Aaron Populo
Chief Lending Officer

Hector De La Fuente II
Chief Information Officer

Joy Jencks
Chief Financial Officer

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Notice To Members
Member Account Verification

The Supervisory Committee has engaged CliftonLarsonAllen, LLP Certified Public Accountants, to complete the annual audit of Otero Federal Credit Union. In conjunction with the audit, the auditors will select a sample of members share and loan accounts to verify account balances directly with the account owner by letter. If your account has been selected as part of the auditing process, you will receive a letter from CliftonLarsonAllen, LLP requesting information on a designated account. Members with multiple accounts may receive more than one letter.

Letters will come from the Minneapolis Service Center of CliftonLarsonAllen via US mail. Members will not be asked to verify their account information by any other means, including electronic.

Should you have any questions, call Elaina Orwoll our Internal Auditor, at (575) 443-7004 or 1-800-376-9000 Ext. 17004.

Privacy Notice

Special Notice to our members: OFCU's Notice of Privacy Practices for Credit Union Members is located on our website at https://www.oterofcu.org/privacy/ You can also click on "Privacy" at the bottom of any OFCU website page to view our promise to you. A paper copy can and will be mailed to you at your request. To request a copy of our Notice of Privacy Practice please call 1-800-376-9000.

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