

Annual Report

2026

**CEFCU 85TH ANNUAL
BUSINESS MEETING &
MEMBER BASH**



APRIL 21ST, 2026

6:00PM - 9:00PM

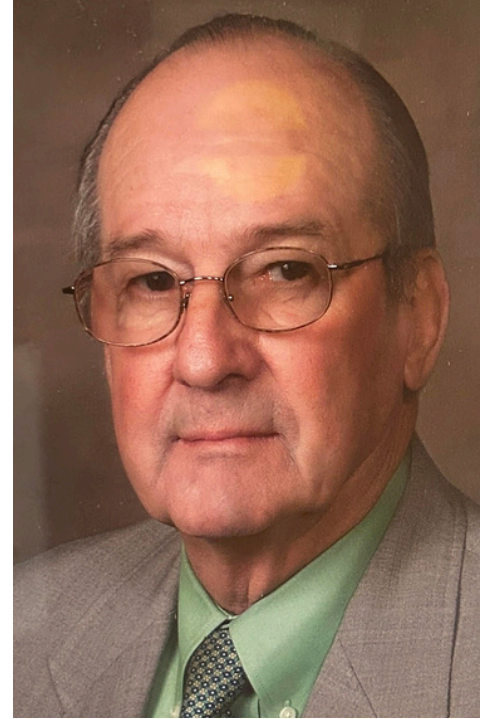
McNease Convention Center

501 Rio Concho Drive



CONCHO EDUCATORS
Federal Credit Union
School. Family. Community.

In Remembrance of Mr. Wesley J. Davis



Mr. Wesley J. Davis

Remembering a Dedicated Leader and Community Advocate

Mr. Wesley J Davis, the former President and CEO of Concho Educators Federal Credit Union, passed away on December 1, 2025. Known for his unwavering commitment to financial empowerment and community service, Mr. Davis leaves behind a legacy of leadership and positive impact.

Mr. Davis served on the CEFCU Board from 1979 to 1985 with two of the years serving as Chairman of the Board. He served as President and CEO of Concho Educators Federal Credit Union from 1988 to 2004. In 1996, Mr. Davis was a member of the Texas Credit Union League Board, representing District 14 in the Mid-West Area. He attended the Southwest CUNA Management School and graduated in 1992. In 2004, he was named SCMS Alumni Association Alumnus of the Year. Mr. Davis was also a member of the San Angelo Chapter of Credit Unions and the San Angelo West Rotary Club.

Colleagues and community members remember Mr. Davis as a compassionate leader with a vision for inclusive growth. “His leadership inspired all of us to do better for our members, and he truly believed in the mission of the credit union and worked tirelessly to fulfill it”, noted Jerry Merrill, CEFCU current President and CEO.

The credit union extends its deepest condolences to the family, friends, and all who were touched by his remarkable leadership and service.

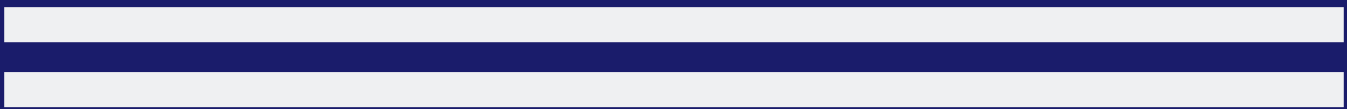


CONCHO EDUCATORS

Federal Credit Union

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2025 Annual Report Contents



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84th ANNUAL REPORT MINUTES

CONCHO EDUCATORS FEDERAL CREDIT UNION
84th Annual Meeting Minutes
April 10, 2025

The 84th Annual Meeting of Concho Educators Federal Credit Union was called to order at 7:00 pm by Chairman Cheryl McGaughey. The meeting was held in the Angelo Civic Hall, San Angelo, Texas.

Chairman Cheryl McGaughey presented the minutes of the 2024 Annual Meeting. A motion was made by Darlene Good to approve the minutes as presented. Greg Pecina seconded the motion. Motion carried. Chairman Cheryl McGaughey then introduced the Board of Directors and Supervisory Committee Members. President Jerry Merrill introduced the management team and staff.

Chairman McGaughey presented the Chairman's Report. She thanked all the members for attending the meeting and for their contribution to the Credit Union over the past 83 years. Chairman McGaughey spoke on how the credit union had a good year in 2024 despite the poor economy and high cost of living. She also thanked the strong management team and employees for their dedication to the credit union. She closed by thanking the Board members and Supervisory members for their leadership and support of the credit union.

President Jerry Merrill gave the President's Report. President Merrill also welcomed everyone again to the 84th Annual Meeting. He briefly reviewed several key financial statistics and ratios from 2024 and how well the credit union performed. Mr. Merrill spoke about the various key projects that the credit union completed during 2024. Mr. Merrill noted that the credit union's primary goal for 2025 will continue to be focused on membership growth and spreading the word about the benefits of being a member of Concho Educators Federal Credit Union.

Randall Jenkins presented the Treasurer's Report and highlighted the credit union's financial statement of condition and balance sheet as of December 31, 2024. Laura Strube presented the Supervisory Report and discussed the primary mission of the Supervisory Committee which includes conducting various internal reviews on credit union policies and procedures for compliance.

President Jerry Merrill acknowledged the four employees named Employee of the Quarter and then presented the CEFCU Employee of the Year, Jessica Cortez.

Randal Jenkins, Nominating Committee Chair, introduced three candidates for the Board of Directors Greg Pecina, Eddie Salicdo, and Dr. Sarah Hernandez. Each candidate gave a short biography of themselves and why they wanted to serve on the board. Chairman McGaughey called for a nomination from the floor. There were no nominations made from the floor. Wayne Merrill made a motion that nominations cease and that the candidates be elected by acclamation. Greg Pecina seconded the motion. Motion carried with the three candidates being elected for a three-year term.

Chairman McGaughey requested that the evaluations of the meeting be completed and given to a staff meeting at the conclusion of the meeting. The meeting was adjourned at 7:45 p.m.

Cheryl McGaughey, Chairman

Robert Markell, Secretary

CEFCU BOARD OF DIRECTORS, SUPERVISORY COMMITTEE & STAFF

CEFCU BOARD OF DIRECTORS

Cheryl McGaughey.....Chairman
 Greg Pecina.....Vice Chairman
 Randall Jenkins.....Treasurer
 Robert Markell.....Secretary
 Max Puello.....Board Member
 Darlene Good.....Board Member
 Eddie Salcido.....Board Member
 Dr. Jason Skelton.....Board Member
 Dr. Sarah Hernandez.....Board Member

CEFCU SUPERVISORY COMMITTEE MEMBERS

Laura Strube.....Chairman
 Richard Gonzalez.....Committee Member
 Julia Rogge.....Committee Member
 Kevin Reynolds.....Committee Member
 Berta Sepulveda.....Committee Member

CEFCU EXECUTIVE LEADERSHIP

Jerry Merrill.....President/Chief Executive Officer
 Kathleen Gonzales.....Senior Vice President/Chief Financial Officer
 Amy Angel.....Vice President of Branch Operations
 Vicki Coulter.....Senior Accountant & Payroll/HR Administrator
 Ciro Garcia.....Vice President of Information Technology
 Saul Torres.....Vice President of Lending
 Sarah Boyette.....Director of Marketing

CEFCU BACK OFFICE

Becky Hernandez.....Senior Loan Officer
 Gissella Ponce.....Loan Processor
 Jessica Cortez.....Loan Insurance Clerk
 Monica Leyva.....Accounting/Debit Card Specialist
 Eric Russell.....Compliance/Internal Audit
 Mike Tucker.....IT Administrator
 Chip Hill.....IT Back Office Support
 Brittney Martinez.....Accounting Representative II
 Jeanette Martinez.....Accounting Representative II

CORPORATE OFFICE - LOOP OFFICE

Elvia Aceves.....Branch Manager
 Kobe Jones.....Head Teller
 LaStasia Reed.....Teller
 Jordan Carrasco.....Teller
 Ivette Alvarez.....Member Service
 Emillee Denton.....Member Service

BEAUREGARD OFFICE

Elva Harness.....Branch Manager
 Lisa Blanco.....Lead Teller
 Emma Cullen.....Teller
 Amber Rodriguez.....PT Teller
 Ida Steely.....Member Service

NORTH OFFICE

Brenda Melendez.....Branch Manager
 Marialinda Trevino.....Head Teller
 Olivia Gandar.....Teller
 Jessica Cortez.....PT Teller
 Amber Clawson.....Member Service

CHAIRMAN'S & PRESIDENT'S REPORT

Welcome to the 85th annual meeting of Concho Educators Federal Credit Union. We are excited to celebrate 85 years of providing financial services to the residents living in the Concho Valley. As a member and owner of Concho Educators, it is our mission and goal is to provide the best products and services to the membership while continuing to be a positive force in the Concho Valley.

We are pleased to report that 2025 was another successful year for the credit union despite the continued harsh economy coupled with high cost of living. At the close of business on December 31, 2025, the credit union ended with \$99.8 million in total assets, \$89.8 million in total deposits, and \$59.2 million in total loans outstanding. Total net income was \$263,252 which represented a 0.27% net return on assets with an 11.50% net capital-to-asset ratio. Federal regulators require a minimum ratio of 7% and consider any ratio over 10% to signal a financially strong institution.

2025 was an exciting year with several new innovative services being offered to the members. The following is a summary of key projects completed during 2025.

- Converted to New Express Pay Bill Pay System with Single Sign on
- Added Early Pay for all Electronic ACH Direct Deposits
- Merged Mortgage Loans with Colonial Savings to the New Servicer – Members First Mortgage
- Added On-Line New Member Enrollment
- Added Four New ATMs at the Coliseum and Various Key Locations
- Continued to Update Credit Union Youth Accounts with our New Mascot
- Continued to Focus on Membership Growth
- Offer Auto Loan and Mortgage Loan Specials Below Market Rates
- Continued Our Community Involvement (Concho Valley Teacher of the Week, SAISD Teachers of the Year, SAISD Athletics, Region IV, TLCA, ASU Ram Jam, ASU Midnight Madness, ASU Athletics, Angelo State University, San Angelo Stock Show & Rodeo and Primary Sponsor of the Xtreme Bull Riding event.

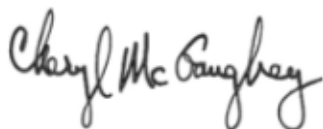
As we look toward 2026, the credit union will continue to focus on additional on-line products and services to help give the members more access to account information while creating an experience that is easy to use. The following is a summary of strategic goals for 2025.

- Membership Promotions and Business Development throughout Community
- Increased Marketing of Credit Union Products and Services
- Marketing New Mascot – Captain Educator at Various Community Events
- Replace Several ATM's (Vanderventer, Mobile 2)
- Auto Loan Specials and Mortgage Loan Specials (below market rates)

We want to thank you for being a member of Concho Educators Federal Credit Union and we wish you a healthy and prosperous 2026.

Sincerely,

Cheryl McGaughey
Chairman



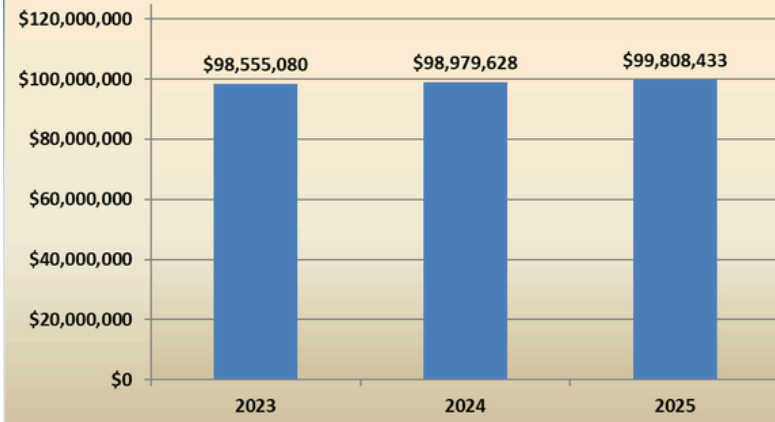
Jerry Merrill
President/CEO



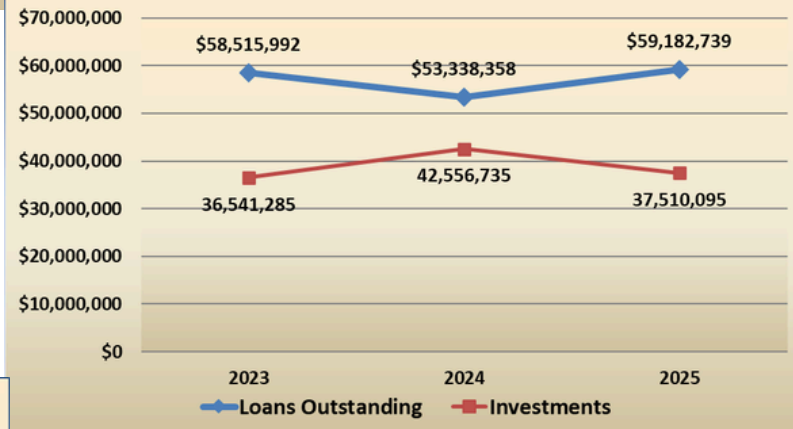
Concho Educators Federal Credit Union				
Statement of Financial Condition - 12/31/2025				
BALANCE SHEET	2023	2024	2025	
Total Loans	\$58,515,992	\$53,338,358	\$59,182,739	
Allowance for Loan Losses	-\$119,220	-\$321,939	-\$495,364	
Cash & Investments	36,541,285	42,556,735	37,510,095	
Fixed Assets	1,886,327	1,787,508	1,799,524	
Other Assets	1,730,696	1,618,966	1,811,439	
TOTAL ASSETS	\$98,555,080	\$98,979,628	\$99,808,433	
Total Liabilities	1,268,108	1,846,919	1,593,127	
Shares/Drafts/Certificates	91,050,903	89,988,613	89,856,821	
Regular Reserves	1,136,559	1,136,559	1,136,559	
Gains/Losses on AFS Securities	-4,549,476	-4,050,234	-3,099,098	
Undivided Earnings	9,648,986	10,057,771	10,321,024	
TOTAL SHARES & EQUITY	\$97,286,972	\$97,132,709	\$98,215,306	
TOTAL LIABILITIES / SHARES / EQUITY	\$98,555,080	\$98,979,628	\$99,808,433	
INCOME STATEMENT	2023	2024	2025	
INCOME				
Interest on Loans	\$2,801,925	\$2,960,627	\$3,014,902	
Investment Income	725,632	867,168	914,900	
Fee Income	410,795	423,077	435,238	
Other Income	788,732	856,311	871,652	
TOTAL INCOME	\$4,727,084	\$5,107,183	\$5,236,692	
EXPENSES				
Employee Compensation & Benefits	\$1,734,728	\$1,842,388	\$1,925,461	
Professional Development	36,648	20,696	23,921	
Dues/Subscriptions/Contributions	37,384	38,268	37,878	
Office Occupancy & Operations	\$937,706	\$861,367	\$1,020,093	
Marketing	\$122,768	\$106,293	\$124,170	
Loan Servicing	\$232,597	\$252,223	\$273,908	
Professional & Outside Services	\$155,272	\$160,971	\$155,860	
Provision for Loan Losses	\$69,868	\$520,669	\$467,232	
NCUA Operating Fees	\$16,647	\$19,246	\$18,692	
Misc. Operating Expenses	\$57,275	\$49,127	\$43,505	
TOTAL EXPENSES	\$3,400,893	\$3,871,248	\$4,090,720	
INCOME BEFORE DIVIDENDS	\$1,326,191	\$1,235,935	\$1,145,972	
Non-Operating Income/<Losses>	\$113,620	\$130,503	\$77,519	
Gain <Loss> of Student Loans/Investments/Assets	-\$1,572	\$0	-\$8,281	
TOTAL NON-OPERATING INCOME	\$112,048	\$130,503	\$69,238	
DIVIDENDS/INTEREST EXPENSE	\$594,546	\$957,654	\$951,958	
NET INCOME	\$843,693	\$408,784	\$263,252	
	2023	2024	2025	
Gross Capital	10,785,545	11,194,330	11,457,583	
Gross Capital Ratio	10.9%	11.3%	11.5%	

2025 FINANCIAL REPORT

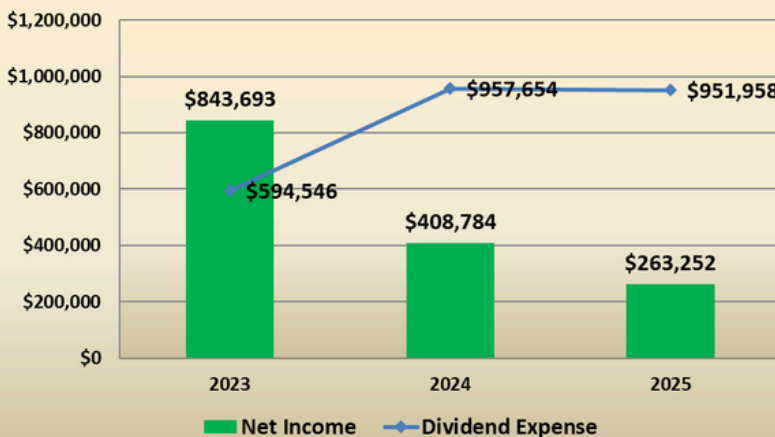
Total Assets



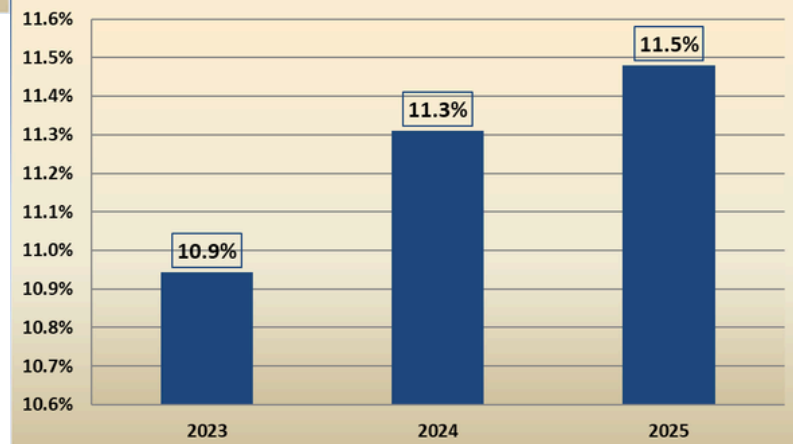
Total Loans and Investments



Net Income & Dividend Expense



Gross Capital Ratio



TREASURER'S REPORT

Concho Educators Federal Credit Union's had another excellent year in 2025. At the close of business on December 31, 2025, total assets grew slightly and ended up at \$99.8 million while total member shares and deposits were at \$89.8 million. The total loans to members increased from \$53.3 million to \$59.2 million (+10.96%), resulting in a loan-to-asset of 59.30% and a loan-to-share ratio of 665.86%.

All federally insured credit unions, such as Concho Educators FCU, are required by the National Credit Union Administration to maintain a minimum 7% capital-to-asset ratio to be considered well capitalized. The capital-to-asset ratio is calculated by dividing undivided earnings and regular reserves by total assets. The capital-to-asset ratio at the end of fiscal year 2025 was well-capitalized at 11.5%.

A hallmark of CEFCU is the high quality of our assets, measured in part, by our low delinquency ratio and low net charge-off ratios. At the end of fiscal year 2025, the delinquency ratio 0.88% while the net charge-off ratio ended up at 0.30%, both below the credit union peers.

With regards to the income statement, the Credit Union ended up with a gross operating income of \$5,236,692 while the total operating expenses ended up at \$4,090,720. The total dividends paid to members was \$951,958 which was comparable to dividends paid in 2024. The Credit Union net income for 2025 was \$263,252 resulting in a 0.27% return on assets.

Respectfully,

Randall Jenkins
Treasurer

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee continues to oversee the overall operations and assets of the credit union and to insure that policies, procedures, and regulations are being followed. Assignments are performed on a monthly basis at each meeting that consists of internal reviews and scheduled checkpoints. Teller cash counts are also performed on a random basis each month to ensure the credit union's cash operations are properly accounted for.

The Supervisory Committee is made up of five credit union members that are appointed by the Board of Directors. The committee performs various internal reviews on credit union policies and procedures for compliance and high integrity of the credit union. Annual audits of the financial statements and credit union operations are performed by an independent CPA firm while annual examinations are performed from our regulatory agency, NCUA.

This committee is also responsible for ensuring a high level of member satisfaction. Monthly surveys are sent to all new accounts and closed accounts which helps measure the quality of service being provided to the members.

Sincerely,

Laura Strube
Supervisory Committee Chairman

BOARD OF DIRECTORS BALLOT

Concho Educators Federal Credit Union's Nominating Committee has recommended the reelection of 3 board members for renewal. Below you will find the ballot for listing these candidates. There is also an option to nominate a write-in candidate. Please choose three (3) individuals.



Trey Holmes



Max Puello



Randall Jenkins

Here are the Board of Directors candidates listed in order of their photos above. There is also an option to nominate a write-in candidate. Please choose three (3) individuals.

Please choose three (3) candidates

- Trey Holmes
- Max Puello
- Randall Jenkins
- Write In _____

FEEDBACK

**Concho Educators Federal Credit Union
Annual Member Membership Survey
4/21/2026**

Thank you for attending our 85th Annual Meeting and Membership Bash! We ask that you please complete the following membership survey and return it to us at the end of the meeting.

Please circle your score (0 = lowest, 10 = highest)

1. How would you rate your overall experience at the Annual Meeting/Member Bash?

Score: 0 1 2 3 4 5 6 7 8 9 10

2. How much did you enjoy the "Wild West Game" theme of this year's event?

Score: 0 1 2 3 4 5 6 7 8 9 10

3. Please rate your satisfaction with the specialty food and drinks offered at the event.

Score: 0 1 2 3 4 5 6 7 8 9 10

5. How valuable did you find attending this year's Annual Meeting/Member Bash in terms of information shared and member engagement?

Score: 0 1 2 3 4 5 6 7 8 9 10

6. Suggestions for Next Year: Do you have any suggestions for how we could improve future Annual Meetings or themed member events?
