



2023

SUPERVISORY COMMITTEE REPORT

Kari Polk, *Supervisory Committee Chair*

First Watch Federal Credit Union's Consumer Loan Department reviewed 2,918 loan requests and approved and funded 980 loans totaling \$26,045,447 during 2023. Thirty-three percent of loan requests were approved, while 67 percent of loans were denied.

422 Personal Loans totaling \$1,648,850.53.

523 Auto Loans totaling \$19,213,482.40.

14 Boat, RV, Motorcycle Loans totaling \$324,617.23.

6 Home Equity loans totaling \$706,000.

15 Real Estate Loans totaling \$1,893,526.

We assisted 12 members purchase and refinance homes through credit union partners for a total of \$2,258,971. A total of 30 new Mastercards® were approved.

First Watch Credit Union loan officers review each loan application in accordance with policy guidelines established by the Board of Directors. Each quarter, the Supervisory Committee studies the percentage of approved loans to ensure proper compliance and documentation. The committee's specific duties are to:

- Review and ensure, through internal and external auditors, that the proper internal controls of the credit union exist.
- Ensure proper audit and enterprise risk management procedures.
- Audit the books, financials, and business operations of the credit union using an appointed independent auditor.
- Validate and verify the accounts of members against the credit union's records.
- Review the affairs of the Board of Directors, officers, and management for adherence to First Watch Credit Union's bylaws and policies, and all regulations provided by government agencies.
- Maintain the reputation of the credit union by thoroughly investigating any and all claims made to the credit union and acting on the findings.

Waypoint Advisory was selected by the Supervisory Committee to audit the credit union's financial statements and ensure that they were reported according to the Generally Accepted Accounting Principles (GAAP). It is important to us that we can offer competitive rates and friendly service through our loan department.

First Watch Credit Union is thankful for the relationships we continue to build while providing for our members. Thank you for your support and membership.



2023

BALANCE SHEET

Nancy Edgar, *Treasurer*

ASSETS

Loans	\$74,686,378
Cash/Investments	\$19,591,880
Building, Furniture, Equipment & Other Assets	\$5,570,644
Total Assets	\$99,848,902

LIABILITIES

Accounts Payable/Other Liabilities	\$334,096
Member's Shares & Certificates	\$90,142,064
Undivided Earnings	\$7,216,396
Reserve	\$2,156,346

Total Liabilities and Equity ————— **\$98,848,902**

OPERATING INCOME

Loan Income	\$3,648,513
Investment Income	\$367,933
Misc. Operating Income	\$1,651,437
Gross Income	\$5,667,883

Total Operating Expenses	\$4,386,556
Total Dividends Paid	\$837,548
Total Expense	\$5,224,104

TOTAL NET INCOME ————— **\$443,779**



2023

ANNUAL

REPORT



FIRST WATCH
— CREDIT UNION —



2023

PRESIDENT'S REPORT

Megan Allred, *President & CEO*

We all know that credit unions are different. That's why we're here today. As members, you are equal owners, and we are accountable to you. Every one of you, equally.

Recently, members have recognized and valued their trusted credit unions even more. As the financial landscape continues to shift, First Watch Credit Union works diligently to provide the best value and experience for our members. Challenges remain and have caused the financial industry to develop more innovative and efficient processes. We've worked to develop more online banking tools, streamline and simplify our processes wherever possible, keep robust cybersecurity measures in place, and continue our priority of outreach and involvement in our local communities.

As your local credit union, we also pride ourselves on being visible and involved in our community. It was so refreshing this year to be able to get back together with the people in our community. Our employees logged over 300 volunteer hours throughout 2023; our management team devoted many hours to various leadership roles throughout organizations within our community; and we supported countless non-profit and community wide organizations through sponsorships and underwriting of events.

It's a top priority of First Watch Credit Union to meet the challenges of our current economy, infrastructure and environment head-on while embracing digital technologies and transforming into a modern and flexible business that serves our members and our community. We couldn't have done it without our wonderful members! As our member-owners, you are integral to our credit union family, and we are sincerely grateful that you've chosen First Watch Credit Union as your financial partner. We wish you and your family a healthy and prosperous 2024.



2023

CHAIRMAN OF THE BOARD REPORT

Doug Hall, *Chairman*

On behalf of the Board of Directors, I am pleased to report that the credit union performed well in 2023. One of the primary indicators of how well our members are receiving the products and services we offer is our growth in assets. Our current assets grew to \$99,848,902 and we generated \$443,779 in net income.

One of the benefits of credit union membership is the opportunity to share in the profits. Our 9,951 members are always our top priority, and whenever we can, in keeping with our credit union mission, we distribute profits back to you. Our success allowed us to pay \$837,548 in dividends to our members.

As members' needs evolve, we evaluate internal resources which in turn gives us an opportunity to better support our members' financial goals. Supporting our members through challenging circumstances is important to your credit union. During the months of November and December, our Skip-a-Payment program assisted members in deferring 553 loan payments. The fees collected from this program are used to benefit local charities.

Looking ahead to 2024, we are excited by the possibilities and opportunities before our organization and the benefits that will be passed on to our membership. Streamlining technology, enhancing banking and deposit solutions, and broadening products and services will all play integral roles in our plans for the year. Our 'why' behind this journey remains unchanged. The credit union works for our members and their benefit. At its core, that is what People Helping People is all about. Thanks to our members, staff, and friends in the communities that we serve as we close another year and journey together.

