



# 2025 SUPERVISORY COMMITTEE REPORT

Kari Polk, *Supervisory Committee Chair*

First Watch Federal Credit Union's Consumer Loan Department reviewed 2,759 loan requests and approved and funded 952 loans totaling \$30,690,464 during 2025. Thirty-four percent of loan requests were approved, while 66 percent of loans were denied.

336 Personal Loans totaling \$2,020,320.	3 Home Equity Loans totaling \$370,000.
598 Auto Loans totaling \$ 27,664,800.	5 Real Estate Loans totaling \$388,750.
10 Boat, RV, Motorcycle Loans totaling \$165,594.	

We assisted 6 members purchase and refinance homes through credit union partners for a total of \$1,139,294. A total of 22 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.



# 2025 BALANCE SHEET

Mark Huffington, *Treasurer*

## ASSETS

Loans	\$68,574,524
Cash/Investments	\$26,847,973
Building, Furniture, Equipment & Other Assets	\$5,050,114

**Total Assets** ————— **\$100,472,611**

## LIABILITIES

Accounts Payable/Other Liabilities	\$241,385
Member's Shares & Certificates	\$90,564,752
Undivided Earnings	\$9,666,474

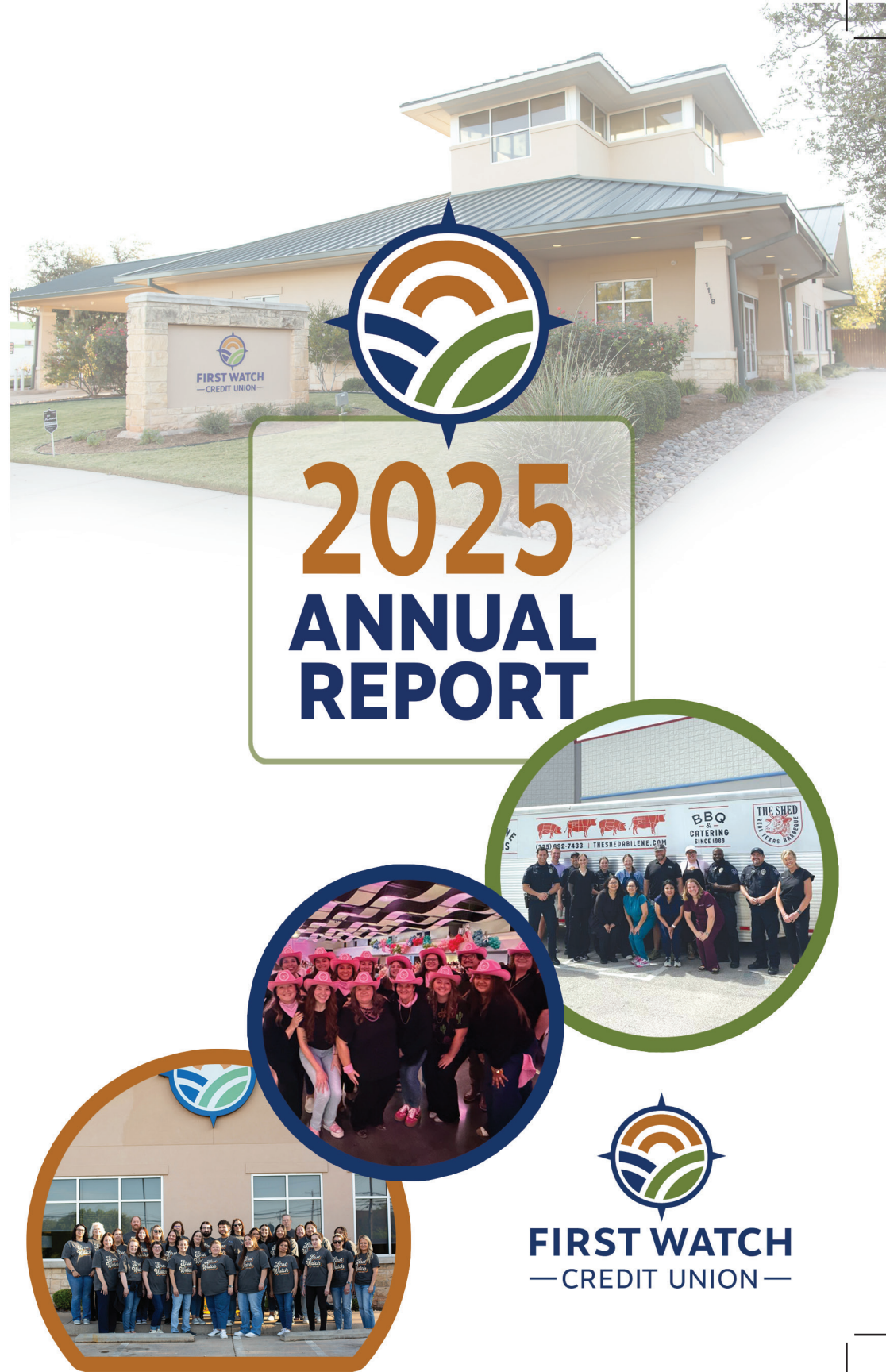
**Total Liabilities and Equity** ————— **\$100,472,611**

## OPERATING INCOME

Loan Income	\$3,660,730
Investment Income	\$905,017
Misc. Operating Income	\$1,504,793
<b>Gross Income</b>	<b>\$6,070,540</b>

Total Operating Expenses	\$4,903,963
Total Dividends Paid	\$1,055,868
<b>Total Expense</b>	<b>\$5,959,831</b>

**TOTAL NET INCOME** ————— **\$110,709**



# 2025 ANNUAL REPORT



**FIRST WATCH**  
— CREDIT UNION —



## 2025 PRESIDENT'S REPORT

Megan Allred, *President & CEO*

Today's economic environment looks different than in years past, but it is no less complex. Higher interest rates, inflationary pressures, global conflicts, evolving consumer expectations, and rapid technological change continue to shape the financial landscape. At First Watch Credit Union, our focus remains unchanged: providing reliable, affordable, and member-focused financial services while planning responsibly for the future. By adapting to these challenges and remaining committed to our mission, we continue working to deliver the best value and experience for our members.

Over the past year, we have continued to enhance our digital banking experience while maintaining the personal service our members expect. Improvements to our digital and mobile banking tools have made it easier and more convenient to manage finances anytime and anywhere. At the same time, we have reviewed member "pain points" and worked to streamline processes, simplify workflows, and improve communication so that doing business with your credit union is easier than ever. We have also continued investing in updated IT systems and strong cybersecurity measures to ensure the safety, reliability, and protection of our members' financial information.

Community outreach and involvement remain central to who we are. Our employees continue to dedicate their time and talents to organizations throughout the communities we serve. Through volunteer service, leadership roles, and financial support, we are proud to strengthen the partnerships and relationships that make our communities thrive.

Inside the credit union, workplace culture has remained a top priority. Every employee plays an important role in shaping the environment we create for both our team and our members. This year, we continued investing in training, professional development, and resources that support growth, collaboration, and a positive workplace culture.

First Watch Credit Union is nothing without its members, and each of you is a vital part of our continued success. As we look ahead to 2026, we know there will be both challenges and opportunities, but we remain confident in the strength of our team, our leadership, and our membership. Our commitment to providing a financial path to personal well-being and maintaining a strong sense of community will continue to guide everything we do. Thank you for your membership, and we look forward to serving you in the years ahead.



## 2025 CHAIRMAN OF THE BOARD REPORT

Doug Hall, *Chairman*

On behalf of the First Watch Credit Union Board of Directors, I am pleased to report that the credit union performed reasonably well in 2025. Despite ongoing economic challenges, First Watch was able to thoughtfully balance interest rates, affordability for our members, and effective budget management. As a result, we maintained a healthy balance sheet, with assets ending the year at \$100,472,611 and a positive net income of \$110,709.

One of the benefits of credit union membership is the opportunity to share in the success of the organization. Our 9,379 members are always our top priority, and whenever possible, in keeping with our credit union mission, we return those earnings back to you. In 2025, our success allowed us to pay \$ 1,055,868 in dividends to our members.

Throughout the year, we continued our Skip-a-Payment program, which gives members additional flexibility when managing their finances. We recognize the impact we can have by supporting members during challenging times. This program assisted members in deferring 619 loan payments when needed, providing meaningful financial relief. The fees collected through this program are used to benefit local youth charities, further extending the positive impact within the communities we serve.

I would also like to express my sincere appreciation to the leadership team, Board of Directors, and the dedicated staff of First Watch Credit Union for their continued commitment to serving our members. Their focus on responsible growth, strong member relationships, and sound financial stewardship allows our credit union to remain a trusted financial partner in the communities we serve. Most importantly, we thank our members for the trust they place in us each day. We look forward to continuing to serve you and building on this foundation in the year ahead.

