



2022

## SUPERVISORY COMMITTEE REPORT

Kari Polk, *Supervisory Committee Chair*

First Watch Credit Union's Consumer Loan Department reviewed 5,133 loan requests and approved and funded 1,747 loans totaling \$52,636,759 during 2022. Thirty-four percent of loan requests were approved, while 66 percent of loans were denied.

**518 Personal Loans totaling \$2,328,324**

**1190 Auto Loans totaling \$47,920,019**

**38 Boat, RV, Motorcycle Loans totaling \$1,054,363**

**13 Home Equity Loans totaling \$1,681,800**

**16 Real Estate Loans totaling \$3,944,932**

We assisted 31 members purchase and refinance homes through credit union partners for a total of \$6,473,801. A total of 38 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.



2022

## BALANCE SHEET

Nancy Edgar, *Treasurer*

### ASSETS

Loans	\$80,454,320
Cash/Investments	\$13,944,317
Building, Furniture, Equipment & Other Assets	\$4,284,485

**Total Assets**  **\$98,683,122**

### LIABILITIES

Accounts Payable/Other Liabilities	\$278,658
Member's Shares & Certificates	\$89,035,026
Undivided Earnings	\$7,213,092
Reserve	\$2,156,346

**Total Liabilities and Equity**  **\$98,683,122**

### OPERATING INCOME

Loan Income	\$2,841,412
Investment Income	\$229,027
Misc. Operating Income	\$2,173,586
<b>Gross Income</b>	<b>\$5,244,025</b>

Total Operating Expenses	\$4,686,669
Total Dividends Paid	\$273,976

**TOTAL NET INCOME**  **\$283,380**

# 2022 ANNUAL REPORT



**FIRST WATCH**  
— CREDIT UNION —



2022

## PRESIDENT'S REPORT

Megan Allred, *President & CEO*

As you know, the credit union industry is unique in its structure. Our members are also our owners, and we are accountable to them- to you! Being informed on our current state of affairs so that you can make intelligent choices benefits us all.

The past year was challenging for our team as we worked diligently to unveil a new name and brand with few disruptions. We recognized a valuable key to our future was our ability to serve new members and communities. After significant research over the past years and an extensive strategic analysis, we recognized the best way to become connected and identifiable within all 13 counties in which we serve was to rebrand our credit union. Our new name First Watch Credit Union, is a result of careful thought and eyes to the future. "First watch" is a term that refers to the very first shift of the day. It has a historical tie to the first shift at a hospital and a nod to a farmer tending to his land as the sun rises. At First Watch we are hardworking and determined to serve our members well. Though change can be difficult at times, our membership recognized and valued the shift and our hard work to provide the best experience for our members.

Alongside the development of our new website, we've worked to offer user-friendly, online-options with the same personal touch you've come to expect from us for most of your financial needs. These include convenient online account opening and digital lending options.

Throughout the year, we continued to think forward by streamlining and simplify our processes wherever possible and optimizing security and technology to keep our members safe and protected. Our goal is to always combine our technological advancements with our signature personal touch to make the member experience the best it can be. Providing a financial path for personal well-being will be the mission we continue to pursue as we grow and serve our membership.

As your credit union, we continue our priority of outreach and involvement in our local community. Our employees logged around 300 volunteer hours, while our management team continued to play important leadership roles in a variety of organizations devoted to our community.

Meeting the challenges presented by our current economy and infrastructure head on, and working to continue to embrace digital technologies and transform into a modern and flexible business that serves our members and our community is top priority for First Watch Credit Union. We are your credit union, here to serve you, and we couldn't do it without your input and involvement! 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 a healthy and prosperous 2023.



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## CHAIRMAN OF THE BOARD REPORT

Doug Hall, *Chairman*

It is with great honor for me to share the performance of First Watch Credit Union for the 2022 year. As we continue to face a volatile economy, First Watch Credit Union continues to perform quite well. We generated \$283,380 in net income, and as a result were able to pay \$273,976 in dividends. One of the primary indicators of how well our members are receiving the products and services we offer is our growth in assets and membership. Our current assets grew to \$98,683,122 and membership increased to a total of 10,295 members.

Through our popular Skip-A-Payment program we deferred 464 loans. This annual program provides extra funds for our membership during the holiday spending months. The fees collected from this program were donated to multiple children's charities throughout our community.

We would not be here today if our founding members and their families had not started this credit union in 1959. Our growth in serving 13 counties throughout West and Central Texas brought on a name change in 2022. Changing our name was a proactive step in allowing us to provide our members more convenient, low-cost financial services, while allowing us the ability to pursue further growth opportunities.

The last several years have presented many changes and challenges, and as we've adapted, together we have proven that we are more than capable of facing any new challenges and opportunities we may encounter in 2023 and beyond.

