

# 2023 Highlights



**0.81%**  
Deposit  
Growth



**17.39%**  
Loan  
Growth



**\$58 Million**  
Processed  
Mortgage  
Loans



**1.82%**  
Member  
Growth



**874.5**  
Volunteer  
Hours



**60**  
Community  
Organizations  
Assisted



**\$122,616**  
Community  
Donations



**30,382**  
Active  
Online & Mobile  
Banking Users



**BALLOT**

Comparative Statement of Financial Condition		
Assets	December 31, 2023	December 31, 2022
Loans to Members	\$ 412,772,397.67	\$ 351,639,265.30
Less Allowance for Losses	(5,755,687.74)	(5,653,964.25)
Cash & Equivalents	38,255,670.65	31,648,161.03
Investments	257,018,390.58	308,031,517.87
Other		
Accrued Income Receivable	2,129,053.80	1,859,684.13
Property and Equipment, Net Depreciation	19,040,353.46	19,634,588.37
National Credit Union Share Insurance Fund	6,656,514.26	6,805,146.39
Other Assets	19,074,141.29	14,127,586.52
<b>Total Assets</b>	<b>\$ 749,190,833.97</b>	<b>\$ 728,091,985.36</b>
Liabilities, Shares, and Equity	December 31, 2023	December 31, 2022
Accounts Payable & Other Liabilities	\$ 4,687,082.44	\$ 4,918,015.21
Member Shares	682,718,321.38	677,208,106.16
Equity		
Reserves	\$ 2,652,060.02	\$ 2,652,060.02
Undivided Earnings	87,225,603.29	76,904,403.15
Unrealized Gain(Loss) on AFS Securities	(26,491,141.68)	(30,246,517.18)
Accumulated and Other Comprehensive Income	(1,601,091.48)	(3,344,082.00)
<b>Total Equity</b>	<b>\$ 61,785,430.15</b>	<b>\$ 45,965,863.99</b>
<b>Total Liabilities, Shares, &amp; Equity</b>	<b>\$ 749,190,833.97</b>	<b>\$ 728,091,985.36</b>



Comparative Statement of Income		
	December 31, 2023	December 31, 2022
<b>Interest Income</b>		
Interest on Loans	\$ 22,428,950.07	\$ 17,293,795.82
Investment Income	6,848,193.12	5,979,177.44
<b>Total Interest Income</b>	<b>\$ 29,277,143.19</b>	<b>\$ 23,272,973.26</b>
<b>Interest Expense</b>		
Dividends to Members	4,637,591.64	1,934,832.93
Interest on Borrowed Money	144,842.34	12,771.31
<b>Total Interest Expense</b>	<b>\$ 4,782,433.98</b>	<b>\$ 1,947,604.24</b>
<b>Net Interest Income</b>	<b>\$ 24,494,709.21</b>	<b>\$ 21,325,369.02</b>
<b>Non-Interest Income</b>	<b>5,357,936.75</b>	<b>5,267,123.41</b>
<b>Non-Interest Expense</b>		
Employee Compensation	\$ 5,816,727.31	\$ 5,493,201.78
Employee Benefits	1,302,429.68	1,216,164.87
Travel and Conference	160,521.08	175,094.44
Association Dues	81,229.15	85,934.04
Office Occupancy	1,191,843.40	1,174,179.56
Office Operations	2,443,507.14	2,152,073.46
Educational & Promotional	925,374.02	757,920.66
Loan Servicing	2,275,678.74	1,834,089.65
Prof. & Outside Services	1,356,396.64	1,332,115.97
Provision for Loan Losses	1,354,660.33	(1,469,107.33)
Operating Fees	120,665.98	114,433.67
Annual Meeting	22,005.73	5,925.40
Direct Cost of Services to Members	2,478,803.80	2,301,301.89
Misc. Operating Expenses	276,463.75	115,720.68
<b>Total Non-Interest Expense</b>	<b>\$ 19,806,306.75</b>	<b>\$ 15,289,048.74</b>
<b>Income from Operations</b>	<b>10,046,339.21</b>	<b>11,303,443.69</b>
<b>Non-Operating Gain/ (Loss)</b>	<b>178,278.60</b>	<b>(1,427,112.46)</b>
<b>Net Income</b>	<b>\$ 10,224,617.81</b>	<b>\$ 9,876,331.23</b>

# Growing Together



## Meeting Agenda

### 1. Call to Order

- A. Roll Call
- B. Approval of the Agenda
- C. Approval of Minutes of the 69th Annual Meeting of March 25, 2023

### 2. Reports of Officials

- A. Supervisory Committee  
Walter Kamika Smith III
- B. Nominating Committee  
Sheryl Grady
- C. Chairman of the Board  
Walton D.Y. Hong
- D. President/CEO  
Tess Shimabukuro

### 3. Unfinished Business

### 4. New Business

- A. Suggestions/Actions  
Recommended by Membership

### 5. Election of Officials

- A. Board of Directors

### 6. Adjournment

## 2023 Annual Meeting Minutes

The 69th Annual Membership Meeting of Gather Federal Credit Union was convened at 1:08 p.m. on Saturday, March 25, 2023, at Smith's Kaula'i with Vice Chairman Eric Honma presiding.

### ROLL CALL.

263 Members attended the meeting. A quorum was declared to be present. (Article IV, Section 5 of the Bylaws requires that 15 members be present).

**Agenda** – On motion duly made, seconded, and carried, the agenda was approved.

**Minutes** – On motion duly made, seconded, and carried, the minutes of the March 8, 2022, 68th Annual Membership Meeting, was approved.

### Report of Officials

**Supervisory Committee.** Mr. Ross Kagawa, Official of the Supervisory Committee, indicated the Supervisory Committee is appointed by the Board of Directors to ensure the safety and soundness of the Credit Union. Mr. Kagawa introduced the Supervisory Committee members: Deborah Christian, Karen Henry, Ian Jung, and Walter Kamika Smith III as Chairperson of the Supervisory Committee and himself. The committee's full report is found in the annual report. Mr. Kagawa acknowledged, on behalf of the Supervisory Committee, that the credit union is financially sound, and the credit union's financial statement and management's policies and procedures are sufficient and safeguard member's assets.

On motions duly made, seconded, and carried, the report of the Supervisory Committee was accepted.

**Nominating Committee.** Mr. Kent Kikuchi, Chairperson of the Nominating Committee, presented the following nominations:

Board of Directors-3 Year Term:

Mr. Walton D.Y. Hong  
Ms. Ashley M. Carvalho  
Mr. George Burkhart

On motion duly made, seconded, and carried, the Nominating Committee Report was accepted.

**Vice Chairman's Report.** Vice Chairman Honma was honored to address the Annual Membership Meeting.

Vice Chairman Honma addressed the board changes: Director, Ms. Ann Kennedy resigned for personal reasons and in September, Mr. Earl Miyao suddenly passed away. We would like to thank Ms. Kennedy for her service while on the Board and send our condolences to the Miyao family.

The Board of Directors were introduced: Walton D.Y. Hong as Chairman of Board, Walter Kamika Smith III, Ashley M. Carvalho, Brent Mizutani, Kent Kikuchi, Ken Shimonishi, Sheryl Grady, and the newest director, George Burkhart. Vice Chairman Honma thanked the directors for their contribution to the credit union.

Although there have been changes in Board members in the past three years, the board has remained consistent in their role to assist the management team in upholding the standards and providing the best services for our members.

Vice Chairman Honma addressed the recent bank failures in the news. It was emphasized that these are banks, and they are for profit. Bank goals are to maximize their returns for their shareholders. That is not the philosophy of credit unions, we are for non-profit. Funds at Gather FCU are safe and secure.

Vice Chairman Honma proudly announced that we recently broke ground on the Kilauea property and will hopefully be opened by the next year's annual meeting. This newest branch will put Gather FCU's branch offices around the island.

In closing, Vice Chairman Honma highlighted Gather FCU's partnership with 52 community organizations and community donations of \$102,000 grants to island wide organizations. Our goal is to improve the quality of life for all the residents. When we gather, we help each other, then we all benefit.

**President/CEO's Report.** Ms. Shimabukuro extended her appreciation to the Members for joining the Officials, Management and Staff at the 69th Annual Membership Meeting. It has been three years since the last in person Annual Membership meeting. She also conveyed her appreciation to Smith's Tropical Paradise for allowing us to have our meeting in a beautiful venue this year.

Ms. Shimabukuro explained that last year was a very interesting and challenging year for everyone. There were seven consecutive interest rate hikes by the Federal Reserve, extraordinary inflation and the

threat of recession. All the while Gather FCU remained financially healthy and continued to invest in ways to improve the member experience. Profits belong to our member owners and Gather FCU puts them back to work in many ways. We have continued to grow and expand services, including successfully integrating new technology and digital experiences. With a huge shift towards digital channels, it is important to provide personalized experience with the right mix of solutions.

Although we live in digital age, we have home grown values that we feel is important to cultivate relationships. Thus, our newest branch in the Lihue's Walmart and upcoming branch in Kilauea will allow us to better support the island community.

Ms. Shimabukuro concluded as a credit union, people helping people is in our blood. She expressed her appreciation to our dedicated Board of Directors and our incredible employees for working hard throughout the last year. Also, extended sincere appreciation to our loyal members. We are truly blessed with the ongoing support and trust of the membership for stewarding their financial affairs.

**Unfinished Business.** There were none.

### New Business

**Suggestions/Actions Recommended by Membership.** There were none.

**Election of Officials.** Vice Chairman Honma called for nominations from the floor for the vacancies on the Board of Directors. There were none. There being no objections, the nominations were closed with the Secretary casting a unanimous ballot electing Mr. Walton Hong, Ms. Ashley Carvalho, and Mr. George Burkhart to a three-year term on the Board of Directors.

### Adjournment.

*There being no further business, the meeting was adjourned at 1:32 p.m.*

Eric Honma  
Vice Chairman of the Board

Kent Kikuchi  
Secretary/Treasurer



Tess Shimabukuro  
President & CEO

## Message from the President & CEO

Congratulations and welcome to the 70th anniversary of your credit union. Gather Federal Credit Union was founded in 1954 by people who understood that we're stronger together. While a lot has changed since then, our values have remained the same. Thank you for the opportunity to partner with you on your journey to financial well-being.

Gather FCU continued to grow in 2023. Total assets increased by \$21.1 million, ending the year at \$749,190,833. Net worth, a key indicator of safety and soundness, increased to 12% of total assets, well above what is considered well-capitalized. Total loans increased by \$61.3 million as we helped many members finance cars and homes. Membership grew by nearly 2% and we now serve 37,883 members!

Gather FCU has been, and continues to be, a safe place for our members and their finances. The success of the credit union is the result of keeping members at the heart of every decision. We also performed very well from a safety and sound perspective in our most recent annual exam.

Our dedication to the communities we serve is evident. Our Annual Golf Tournament continues to be our largest fundraising event raising \$60,000 in 2023. While \$50,000 was once again donated to the Wilcox Health Foundation and the Kapi'olani Women's and Children Hospital via Children's Miracle Network, \$10,000 was donated to the people of Maui via the Valley Isle Chapter of Credit Unions.

This year, we will open our 7th branch office in Kilauea. In addition to traditional operations, this branch will feature self-service technology. Our commitment to member service remains our top priority as we will continue to prioritize service, reliability, and value to you.

I extend my appreciation to the board of directors, management, and employees for their many valuable contributions. I appreciate your membership and look forward to continued growth and enhancing our products and services in 2024.

Respectfully Submitted,

Tess Shimabukuro

## Message from the Chairman of the Board



Walton D.Y. Hong  
Board of Directors  
Chairman

It has been 70 years ago when a small group of farmers decided to form a credit union to provide financial assistance and services to its members. From that modest start as Kaula'i Community Federal Credit Union, we have grown and at the end of 2023, Gather Federal Credit Union had assets of nearing \$750,000,000, and membership of 37,883.

Although we have grown tremendously over the years, we have not forgotten our roots. Gather Federal Credit Union continues to provide services and assistance to meet the financial needs of its members. We have continuously kept up with changes in the financial landscape for greater efficiency and returns to our credit union family. For example, there are increasing availabilities of secure automated financial services in the various branches, as well as on-line.

This past year has seen changes in the board of directors. Vice-Chairman Eric Honma resigned from the board due to medical issues, and we all wish him a favorable and speedy recovery. Karen Henry was selected to replace Director Honma, and we welcome her to the Board.

Our Kilauea branch office is finally under construction. It has been a long time coming, but we expect the building to be finished later this year. The Kilauea office will offer the full range of financial options and services being enjoyed at the other branch offices.

The branch office in the Walmart Lihue has exceeded our expectations, as more and more of you are taking advantage of the convenience of doing your banking and shopping at the same time. The Kōloa branch office, while small, continues to provide services to the credit union's members in the South shore communities.

I would like to thank my fellow directors, management and staff for their outstanding work and dedication in continuing to provide the best possible service to the members of Gather Federal Credit Union. And I would also like to thank you, the members of Gather Federal Credit Union of your continued belief and support of your credit union.

Respectfully Submitted,

Walton D.Y. Hong

## Supervisory Committee Report



Walter Kamika Smith III  
Supervisory Committee  
Chairman

The Supervisory Committee is appointed by the Board of Directors to protect the safety and soundness of the Credit Union. This is accomplished through oversight of the Credit Union's Internal Audit Department.

Moss Adams performed the Financial Statement audit for the period ending December 31, 2023, and on behalf of the Committee, I am pleased to report that the Credit Union is financially sound, and the condition of the Credit Union's financial statements and Management practices are sufficient to safeguard your assets.

To further protect the Credit Union and safeguard your assets, the Committee approved a Risk-Based Audit Plan to assess the organization's effectiveness of oversight, compliance, and risk mitigation. The Internal Audit Manager identified, prioritized, and sourced key organizational risks to ensure process enhancement, when warranted.

You, the Members, are the pillars of our growth and the motivation behind our success. We wouldn't be who we are without your continued trust and membership and for that, we thank you sincerely. We also want to thank the Board of Directors, Management, and staff, whose hard work and diligence helped maintain the financial safety and soundness of your Credit Union.

We look forward to another year of representing our member-owners and working with the Credit Union personnel to ensure you continue to receive a superior member experience.

Respectfully Submitted,

Walter Kamika Smith III

