

# 2024 Highlights



**9.77%**

Deposit  
Growth



**8.93%**

Loan  
Growth



**\$57 Million**

Processed  
Mortgage  
Loans



**2.73%**

Member  
Growth



**1,306**

Volunteer  
Hours



**54**

Community  
Organizations  
Assisted



**\$109,700**

Community  
Donations



**33,727**

Active  
Online & Mobile  
Banking Users



**BALLOT**

Comparative Statement of Financial Condition		
	December 31, 2024	December 31, 2023
<b>Assets</b>		
Loans to Members	\$ 449,802,989.03	\$ 412,772,397.67
Less Allowance for Losses	(5,429,714.15)	(5,755,687.74)
Cash & Equivalents	55,710,486.42	38,255,670.65
Investments	275,474,085.50	257,018,390.58
Other		
Accrued Income Receivable	2,441,550.68	2,129,053.80
Property and Equipment, Net Depreciation	18,709,190.43	19,040,353.46
National Credit Union Share Insurance Fund	6,971,807.76	6,656,514.26
Other Assets	22,029,792.35	19,074,141.29
<b>Total Assets</b>	<b>\$ 825,710,188.02</b>	<b>\$ 749,190,833.97</b>
<b>Liabilities, Shares, and Equity</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Accounts Payable & Other Liabilities	\$ 2,150,306.15	\$ 4,687,082.44
Member Shares	749,411,635.58	682,718,321.38
Equity		
Reserves	\$ 2,652,060.02	\$ 2,652,060.02
Undivided Earnings	97,278,324.80	87,225,603.29
Unrealized Gain/(Loss) on AFS Securities	(24,132,017.53)	(26,491,141.68)
Accumulated and Other Comprehensive Income	(1,650,121.00)	(1,601,091.48)
<b>Total Equity</b>	<b>\$ 74,148,246.29</b>	<b>\$ 61,785,430.15</b>
<b>Total Liabilities, Shares, &amp; Equity</b>	<b>\$ 825,710,188.02</b>	<b>\$ 749,190,833.97</b>



Comparative Statement of Income		
	December 31, 2024	December 31, 2023
<b>Interest Income</b>		
Interest on Loans	\$ 27,473,655.56	\$ 22,428,950.07
Investment Income	8,898,815.68	6,848,193.12
<b>Total Interest Income</b>	<b>\$ 36,372,471.24</b>	<b>\$ 29,277,143.19</b>
<b>Interest Expense</b>		
Dividends to Members	10,693,633.94	4,637,591.64
Interest on Borrowed Money	8,694.52	144,842.34
<b>Total Interest Expense</b>	<b>\$ 10,702,328.46</b>	<b>\$ 4,782,433.98</b>
<b>Net Interest Income</b>	<b>\$ 25,670,142.78</b>	<b>\$ 24,494,709.21</b>
<b>Non-Interest Income</b>	<b>5,467,358.59</b>	<b>5,357,936.75</b>
<b>Non-Interest Expense</b>		
Employee Compensation	\$ 6,640,725.49	\$ 5,816,727.31
Employee Benefits	1,406,313.19	1,302,429.68
Travel and Conference	170,671.88	160,521.08
Association Dues	67,643.28	81,229.15
Office Occupancy	1,202,670.67	1,191,843.40
Office Operations	2,664,897.79	2,443,507.14
Educational & Promotional	952,329.90	925,374.02
Loan Servicing	2,722,027.85	2,275,678.74
Prof. & Outside Services	1,412,246.49	1,356,396.64
Provision for Loan Losses	867,937.50	1,354,660.33
Operating Fees	138,224.82	120,665.98
Annual Meeting	21,439.76	22,005.73
Direct Cost of Services to Members	2,515,768.24	2,478,803.80
Misc. Operating Expenses	97,782.80	276,463.75
<b>Total Non-Interest Expense</b>	<b>\$ 20,880,679.66</b>	<b>\$ 19,806,306.75</b>
<b>Income from Operations</b>	<b>10,256,821.71</b>	<b>10,046,339.21</b>
<b>Non-Operating Gain/(Loss)</b>	<b>(204,100.20)</b>	<b>178,278.60</b>
<b>Net Income</b>	<b>\$ 10,052,721.51</b>	<b>\$ 10,224,617.81</b>

# Growing Together

## Meeting Agenda

### 1. Call to Order

- A. Roll Call
- B. Approval of the Agenda
- C. Approval of Minutes of the 70th Annual Meeting of March 30, 2024

### 2. Reports of Officials

- A. Supervisory Committee  
Jeneva Coates
- B. Nominating Committee  
George Burkhardt
  - 1. Presents the following nominations:  
Board of Directors-3 Year Term:  
Ms. Sheryl Grady  
Mr. Ken Shimonishi  
Mr. Brent Mizutani
- C. Chairman of the Board  
Walton D.Y. Hong
- D. President/CEO  
Tess Shimabukuro

### 3. Unfinished Business

### 4. New Business

### 5. Election of Officials

### 6. Adjournment

## 2024 Annual Meeting Minutes

*The 70th Annual Membership Meeting of Gather Federal Credit Union was convened at 1:05 p.m. on Saturday, March 30, 2024, at Smith's Kauai with Chairman Walton D.Y. Hong presiding.*

### ROLL CALL.

380 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 25, 2023, 69th Annual Membership Meeting, was approved.

### Report of Officials

**Supervisory Committee.** Mr. Walter Kamika Smith III, Chair/Secretary 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. Smith III 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 members' assets.

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

**Nominating Committee.** Ms. Sheryl Grady, Chair of the Nominating Committee, presented the following nominations:

Board of Directors-3 Year Term:

Mr. Kent Kikuchi  
Mr. Walter Kamika Smith III  
Ms. Karen Henry

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

**Chairman's Report.** Chairman Hong conveyed his pleasure and honor to address the Annual Membership Meeting as well as celebrating Gather Federal Credit Union's 70th anniversary.

Chairman Hong addressed a change in board of directors: Director Eric Honma resigned due to

medical issues. He was replaced by Ms. Karen Henry.

Earlier this month, there were several directors including himself and President/CEO who attended the Governmental Affairs Conference in Washington, D.C. Participants included credit union officials and volunteers from credit unions across the nation, including several credit unions from Hawai'i.

At this convention, he was approached and congratulated by directors from other credit unions from Hawai'i on how well Gather was doing, as compared to other credit unions in Hawai'i and the nation. Chairman Hong felt proud to be able to state that Gather Federal Credit Union was the envy of many of the Hawai'i credit unions for their financial performance over the past year. Congratulations to Ms. Shimabukuro and her management team on a job well done.

In closing, Chairman Hong had no question that as long as the board of directors and management of the credit union continue to remain mindful of its purpose in addressing the financial needs of this community, and as long as the members of Gather Federal Credit Union support them in that purpose, that this credit union will continue to grow and maintain its role as a major financial figure in this island community.

**President/CEO's Report.** Ms. Shimabukuro welcomed and congratulated everyone to the 70th anniversary of Gather Federal Credit Union. Recognizing this milestone, Gather has pledged to show appreciation by performing 70 Acts of Kindness throughout the year.

The credit union continued to grow in 2023, ranked to be the 7th largest credit union in the state and the 2nd largest of all neighbor islands. Membership grew by nearly 2% and we now serve nearly 38,000 members!

Gather FCU continues to be a safe place for our members and their finances. Commitment to member service remains the top priority, to provide the best possible experience for all of you.

In 2024, the credit union's 7th branch will open in Kilauea. In addition to traditional operations, this branch will feature self-service technology. The Kilauea branch would make us the only financial institution to be in 7 major communities across the island.

Gather's future is to continue to prioritize service, reliability, and value to our members. In 2023, Gather volunteered more than 870 man hours and made donations totaling over \$122,000. All of this was done on behalf of the members of Gather.

Ms. Shimabukuro thanked and acknowledged the hard work and dedication of the board and the staff of the credit union to keep us as Kaua'i's foremost credit union.

But last, and certainly not least, she thanked all the members of this credit union for their confidence and support over the past years to making Gather Federal Credit Union the best credit union on Kaua'i and among the top credit unions in the State of Hawai'i.

**Unfinished Business.** There were none.

### New Business

**Suggestions/Actions Recommended by Membership.** A member asked when we would have apps like, Zelle or Venmo.

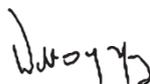
Ms. Shimabukuro stated that Gather's app has a link to Zelle. She asked to either call or come into the branch office, so that one of the staff would be able to explain and show how the app works.

**Election of Officials.** Chairman Hong 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/Treasurer casting a unanimous ballot electing Mr. Kent Kikuchi, Mr. Walter Kamika Smith III, and Ms. Karen Henry to a 3 year term on the Board of Directors.

### Adjournment.

*There being no further business, the meeting was adjourned at 1:28 p.m.*

*Respectfully Submitted,*

  
Walton D.Y. Hong  
Chairman of the Board

  
Brent Mizutani  
Secretary/Treasurer

## Message from the President & CEO



Tess Shimabukuro  
President/CEO

To Our Members: Strong. Safe. Secure. Proudly, these words describe Gather Federal Credit Union today just as they have for decades. Last year, we marked our 70th year serving the families of Kaua'i and Ni'ihau. It took grit and determination to establish a credit union with 10 pineapple farmers pooling \$595 together in 1954. That

same spirit is what's kept us strong and drove us to new heights in 2024.

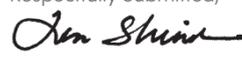
We provided more money-saving opportunities where members need it the most by offering low-minimum, high-return Share Certificate options, raised our Kasasa checking rates when everyone else was lowering rates, and maintained low loan rates. In return, your loyalty helped spur growth in deposits and in our lending portfolio.

We recorded positive key financial and operational results in 2024. Our earnings totaled \$10 million in 2024. Assets increased to \$825 million. Our net worth ratio was 12 percent at year's end, far above the 7 percent threshold to be considered "Well Capitalized" from a regulatory standpoint. We ended the year with nearly 39,000 members. Total loan growth registered at \$36.9 million, and savings grew by \$66.7 million.

Focused on serving your best interests, we also improved security and convenience through strong technology so you can access the banking options you want and need, no matter where you are. To achieve this, we invested in enhancing mobile banking by providing easier payments and transfers, added personal financial tools, installed an ATM at Kauai Veterans Memorial Hospital, added an interactive teller machine in our Walmart branch, and improved Call Center wait times by offering enhanced text messaging and call back features.

We are committed to being the first and best choice for you and your family.

On behalf of the Board of Directors and Gather FCU's dedicated employees, I want to thank you for your membership and trust.

Respectfully Submitted,  
  
Tess Shimabukuro

## Message from the Chairman of the Board



Walton D.Y. Hong  
Board of Directors  
Chairman

From its humble beginnings more than 70 years ago, Gather Federal Credit Union has grown to be consistently within the top ten credit unions in Hawai'i. From assets nearing \$750 million at the end of last year, your credit union grew to \$825 million at the end of 2024.

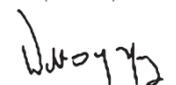
In spite of this tremendous growth, we have not lost sight of our goal of continuing to recognize and meet the financial needs of our nearly 39,000 members. We are continually looking at ways to keep up with the latest technology and advances in the financial landscape to serve you in the most efficient way possible, but without sacrificing the personal touch which distinguishes us from the banks.

All of the credit union's branch offices are doing very well. What was intended for the convenience of our members as they went shopping, the branch within Walmart has been an unexpected success and is now one of the busiest branches.

We expect our newest branch office in Kilauea to be opened to serve our North Shore members in a few months. Although we anticipated this branch to be already operating by this time, there were delays beyond our control.

As I have stated in the past, it is my intention to resign from the Board of Directors of Gather Federal Credit Union after the Kilauea branch office is opened. I have been a director of this institution since 1988, and its chairman since 1999. It has been my honor and privilege to have been able to serve you all of these years, watching the credit union grow and prosper under the outstanding leadership of past president Mel Chiba and current President/CEO Tess Shimabukuro, and the evolving board of directors, over the years.

I would like to thank my fellow directors, management and staff for their work and dedication in serving the credit union and its members. But the thanks should really belong to the members for their belief and support over the years.

Respectfully Submitted,  
  
Walton D.Y. Hong

## Supervisory Committee Report



Walter Kamika Smith III  
Supervisory Committee  
Chairman

The Supervisory Committee, appointed by the Board of Directors, is responsible for the safety and soundness of the Credit Union via oversight of the Credit Union's Internal Audit Department.

Moss Adams completed the Annual Financial Statement audit, 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 remain sufficient to safeguard your assets.

To further protect and safeguard the Credit Union, the Committee approved a Risk-Based Audit Plan to assess the organization's effectiveness of oversight, compliance, internal controls, and risk mitigation. The Director of Internal Audit identified, prioritized, and sourced key organizational risks to ensure regulatory compliance and 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 superior member experience.

Respectfully Submitted,  
  
Walter Kamika Smith III



This credit union is Federally Insured by the National Credit Union Administration.

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