2023 ANNUAL REPORT



FIRST CREDIT UNION



Goodyear Branch

Who We Are

We're a dedicated not-for-profit financial cooperative that's been serving Arizona since 1929. We sincerely care about our member's financial strength and show it by offering member-valued products and services. We also offer free financial education and money management tools to help our members improve their financial future. Simply put, we exist to serve our members. :)

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Our Mission

To provide First Class Personal Solutions.



Our Strategic Vision

To be a thriving, innovative financial services provider that can adapt and evolve to the market.

Our Strategic Initiatives

Enhance the Member Experience

Embrace Innovation

Ignite Employee Engagement

PRESIDENT'S REPORT



As we reflect on the past year, 2023 has been a remarkable journey for First Credit Union. We have been active in continuing to enhance our products and services, streamline processes, and further invest in technological and digital platform improvements. Despite any challenges presented by global and economic uncertainties, we have navigated through them with resilience and adaptability. First Credit Union has been proactive in building capital, reserves and liquidity to be able to weather any headwinds. Our commitment to delivering exceptional financial products and services remains unwavering, thanks to the dedication of our talented team and the enduring support from members like you.

In February of 2023, we launched a live chat feature and chatbot we call RAE, short for Ready Assist Engine. True to its name, RAE is ready to assist you 24/7 with quick answers to frequently asked questions, location information, general information about First Credit Union products and services, and other topics you'd like to know about. RAE can also help connect you with a live representative anytime by phone and during business hours by live chat or video. As we continue to enhance our digital delivery experience, we also continue to invest in our physical delivery experience. In 2023, we completed the remodel of our Goodyear branch and added the finishing touches to our Glendale Branch. In 2024, we plan to bring the same modern, welcoming, open design to our Devonshire branch.

First Credit Union has once again earned distinction as a 'Top Company to Work For in Arizona' by BestCompaniesAZ. This marks the fourth consecutive year that our credit union has been honored with this prestigious award, a testament to our ongoing dedication to fostering a supportive work environment. We take pride in the fact that our employees view First Credit Union as a collaborative workplace that values their input and contributions. This recognition reaffirms our commitment to being among the best places to work, enabling us to attract and retain top talent to better serve you, our members.

Looking ahead to 2024, we are excited about the opportunities that lie before us. For First Credit Union, it will be



Did You Know?

RAE is now adjustable! You are able to relocate RAE to anywhere you'd like on your phone, tablet or desktop. Simply hold and drag to the position of your choice.

Horseshoe Bend

our 95th anniversary of serving our members and our beloved communities! Innovation continues to be at the forefront of our strategy, as we strive to introduce cutting-edge solutions that cater to your evolving financial needs. The feedback and insights we have received from you, our valued members, have been instrumental in shaping our road map for the coming year. We are determined to continue to enhance our offerings, improve member experiences, and foster even stronger partnerships with you.

We express our sincere gratitude for your trust and loyalty. Together, we can make 2024 a year of shared successes and further growth.

Thank you for being an integral part of our 95-year journey, and we look forward to continuing to thrive and grow together.



JAY CURTIS
PRESIDENT & CEO

BOARD OF DIRECTORS' REPORT

Your Board of Directors' chief concern is to ensure the well-being of First Credit Union for today, tomorrow and for years to come. We keep our member-owners' best interests at the forefront when, along with the Executive Management team, we make strategic decisions throughout the year to strengthen and grow our credit union. We are your representatives and take seriously our responsibilities to you.

Your Board has complete trust in our credit union's Executive Management team and their ability to make sound decisions for our future success and execute our strategic plans. We're confident First Credit Union remains a safe, stable and beneficial financial institution.

SUPERVISORY COMMITTEE REPORT

The role of the Supervisory Committee is important and similar to the role of internal auditors, which is to protect the interests of First Credit Union members. The committee members assume this responsibility by ensuring a quality system of checks and balances is maintained. The committee is appointed by the Board of Directors. Committee members for 2023 were JoLea Quintana, Debra Curry, Mark Morrison, Roland Tanner and David Brink.

The Supervisory Committee oversees that operations are conducted in accordance with credit union governing rules and regulations and that assets are properly administered. The committee has normally, and did again in 2023, retained the services of an independent, national Certified Public Accounting firm, to perform an annual financial statement audit in conformance with Generally Accepted Auditing Standards.

Based on their interaction with the Board of Directors, Executive Management, and Internal Auditors, it is the opinion of the Supervisory Committee that First Credit Union is conducting its affairs in a fiscally responsible manner and that the financial statements presented in this annual report fairly represent the condition of First Credit Union at year-end 2023.



Caryn Horvitz-Strauss, CPA
Chair



William Jimro
Vice Chair



Kenneth Mullins
Secretary



Ben Tan
Treasurer



Mark Morrison
Director



Lori Gallegos
Director



Jay Curtis
Director



Superstition Mountains

CREDIT COMMITTEE REPORT

First Credit Union is committed to being a safe and stable financial institution for our members. The Credit Committee met regularly throughout 2023 to ensure the credit union is operating within established lending policies and guidelines.

During 2023, First Credit Union granted $107.1 million in consumer loans and $7.9 million in first mortgage loans. The total loan portfolio decreased by $11.5 million to $402.5 million, which is a year-over-year decrease of 2.8%.

Being the "first choice" for your borrowing needs is our goal. Going forward, First Credit Union and the Credit Committee remain committed to offering new products, services and enhancing our delivery channels to continue meeting our members' financial needs and first-class service expectations.


Monument Valley

2023 MEETING MINUTES

The 2023 Annual Meeting was called to order at 5:05 pm on Tuesday, March 28, 2023, at the corporate headquarters in Chandler, Arizona, by the Board Chairperson, Caryn Horvitz-Strauss. Chairperson Horvitz-Strauss named Lori Gallegos as the credit union's Parliamentarian. A quorum was ascertained by Russ Puckett, Vice-Chairperson of the Board.

Following an invocation and recitation of the Pledge of Allegiance, Chairperson Horvitz-Strauss introduced members of the Board of Directors and the Supervisory Committee.

Jay Curtis, President and CEO, thanked the Board of Directors, Supervisory Committee and the Member Advisory Group for their active engagement and personal time commitment to the credit union. Curtis also introduced the credit union's leadership team. After introducing the leadership team, Curtis reviewed the 2022 Annual Report. Curtis called attention to four reports within the Annual Report: The President's Report, the Board of Directors' Report, the Supervisory Committee Report, and the Credit Committee Report. Curtis also provided a 2022 year in review.

Chairperson Horvitz-Strauss called for a motion to approve the minutes of the



2022 Annual Meeting, which are included in the 2022 Annual Report. Tan made a motion to approve the minutes, seconded by Mullins, the motion was approved unanimously.

Because there is no Old Business, Chairperson Horvitz-Strauss moved directly to New Business.

Chairperson Horvitz-Strauss delivered the Nominating Committee Report. There were three vacancies for the Board of Directors and the Nominating Committee nominated three candidates, William Jimro (incumbent), Jay Curtis (incumbent) and Kenneth Mullins (incumbent). Because there were only three candidates for the three open Board positions, no ballot election was necessary, and the three candidates were elected by acclamation. William Jimro, Jay Curtis, and Kenneth Mullins have been re-elected to the board and they will each serve a three-year term.

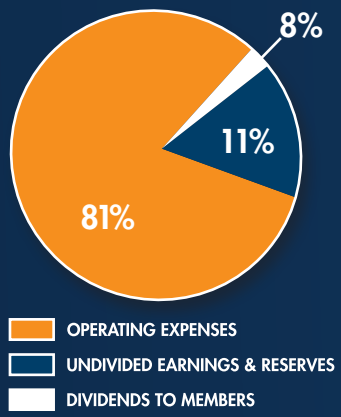
Chairperson Horvitz-Strauss noted that there being no further business, called for a motion to adjourn the Annual Meeting. Gallegos offered a motion to adjourn the First Credit Union Annual Meeting, which was seconded by Tan, and unanimously approved at 5:16pm.

STATEMENT OF FINA

ASSETS	2023	2022
Loans to members	403,206,544	413,937,472
Allowance for loan losses	(5,160,223)	(2,816,228)
Investments	173,812,682	200,208,985
Fixed Assets	11,581,780	10,810,900
Cash and cash equivalents	88,754,183	56,805,896
All other assets	33,444,006	32,070,016
Total Assets	**705,638,972**	**711,017,041**

LIABILITIES	2023	2022
Accounts payable	3,816,610	2,740,272
Other liabilities	54,469,306	29,787,271
Member Equity:		
Shares and certificates	599,825,407	636,915,684
Undivided earnings and statutory reserves	65,613,620	62,447,640
Other comprehensive income (loss)	(18,085,971)	(20,873,826)
Total Liabilities and Member's Equity	**705,638,972**	**711,017,041**

DISPOSITION OF INCOME



ASSETS

(in millions of dollars)



NCIAL CONDITION

As of December 31, 2023 *(unaudited)*

INCOME	2023	2022
Interest from loans	23,154,908	17,986,466
Investment income	8,271,910	4,582,377
Other income	6,883,357	8,041,901
Total Gross Income	**38,310,175**	**30,610,744**

OPERATING EXPENSES	2023	2022
Compensation and employee benefits	12,163,441	11,901,763
General and administrative expenses	12,888,043	11,072,214
Total Operating Expenses	**25,051,484**	**22,973,977**
Income before the following:	13,258,691	7,636,767
Provision for loan losses	(4,940,258)	(1,962,133)
Interest on borrowings	(1,078,432)	(171,448)
Dividends to members	(3,255,502)	(727,850)
Total Net Income (Loss)	**3,984,499**	**4,775,337**

SHARES

(in millions of dollars)

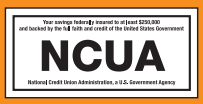


LOANS

(in millions of dollars)



firstcu.net





THIS CREDIT UNION IS FEDERALLY INSURED BY THE NATIONAL CREDIT UNION ADMINISTRATION