

ANNUAL REPORT 2024




**MAUI
COUNTY**
FEDERAL CREDIT UNION

A MESSAGE FROM OUR CEO



As I reflect on my time leading Maui County Federal Credit Union, I am filled with immense gratitude. Since stepping into this role in 1991, I have had the privilege of witnessing and guiding an incredible journey of growth, transformation, and service to our members.

When I first joined, we were a single-branch institution with nine dedicated employees serving 6,000 members. Today, we proudly operate three locations with a team of 70, serving over 20,000 members. This growth is not just measured in numbers but in the lives we've impacted—helping families buy homes, finance educations, and build financial security.

Over the years, we have expanded our offerings far beyond traditional savings and checking accounts. We introduced share

certificates, rewards and cash back checking accounts, kids and teen savings programs, and a full suite of digital banking services. We've also empowered our members with access to personal and auto loans, mortgages, home equity line of credits, credit cards, and safe deposit boxes - ensuring we meet their financial needs at every stage of life.

This journey has also included major milestones, such as building a new main office and Wailuku Branch to support our growing operations and undertaking a core processor conversion to modernize and enhance our services. Each step has been driven by our unwavering commitment to innovation and our dedication to serving our members with excellence.

As I prepare to retire, I do so with confidence in the bright future ahead. Our leadership team and staff are stronger than ever, ready to continue our mission of *caring for our members' needs by providing services that encourage financial well-being*. I have no doubt that the Credit Union will continue to thrive and evolve in ways that benefit both our members and our community.

To our board of directors, our incredible staff, and most importantly - you, our members, thank you. Your trust, support, and belief in Maui County Federal Credit Union have been the foundation of everything we have accomplished together. It has been an honor to serve as your CEO, and I look forward to seeing all that the future holds for this remarkable institution.



BOARD OF DIRECTORS' REPORT

The Board of Directors is pleased to report that Maui County Federal Credit Union remains financially strong, well-capitalized, and positioned for continued growth. Despite the challenges of an evolving economic landscape, we have maintained stable earnings, expanded our loan portfolio, and effectively managed interest rate risk. Our liquidity profile remains healthy, ensuring that we can continue to serve our members' lending needs without restrictions.

The most significant milestones this year were the successful conversions of our core data processing system and digital banking platform in March 2024 and the transition of our debit card processor in September 2024. These changes required extensive preparation and dedication from our employees, and we appreciate our members' patience and understanding throughout the process. These upgrades were designed to further enhance security, improve operational efficiencies and provide members with a more seamless banking experience.

We remain committed to serving our West Maui members and are actively working toward reopening our Lahaina branch on Lahainaluna Road. While the building was spared from the wildfires, it sustained damage to its plumbing, cabling, air conditioning, and furnishings. Restoration efforts are ongoing, and we look forward to reestablishing a full-service location for our members in the years ahead.

A significant leadership transition is also on the horizon, as our CEO will retire later this year. The Board Personnel Committee, consisting of Rhonda Loo, Richelle Lu, and Glenn Okimoto, is diligently working through the selection process to ensure a smooth transition. We are committed to finding a leader who will continue to uphold our values and guide the Credit Union into its next phase of growth and service.

As we move forward, our priority remains the same - supporting our members and strengthening our community. Thank you for your trust and continued membership. We look forward to serving you in the years to come.



SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is pleased to report that Maui County Federal Credit Union continued to operate in accordance with sound financial principles and all applicable laws and regulations throughout 2024.

As required by federal regulations, the Supervisory Committee ensures that the Board of Directors and management meet financial reporting objectives and maintain policies and procedures to safeguard members' assets. To fulfill these responsibilities, we:

- Engaged an independent certified public accounting firm to audit the Credit Union's financial statements as of September 30, 2024. These statements are available for review upon request.
- Directed an internal audit program to assess and strengthen the Credit Union's risk management, internal controls, and governance practices.
- Monitored the activities of the Board of Directors and management to ensure compliance and accountability.
- Investigated member concerns and verified member accounts to maintain accuracy and trust.
- Coordinated with the National Credit Union Administration (NCUA) examiners to ensure regulatory compliance.
- Conducted special investigations and studies as needed.

The Supervisory Committee extends our sincere appreciation to the Board of Directors and management for their collaboration and commitment in helping us serve our members throughout 2024.

COMMUNITY IMPACT



EMPOWERING LIVES THROUGH GIVING & EDUCATION

Maui County Federal Credit Union continued strengthening our community through volunteerism, financial support, and educational opportunities. Our team dedicated time to service projects, while monetary donations and scholarships helped uplift individuals and organizations in need.

We proudly supported nonprofits such as the Maui Food Bank, Alzheimer's Association, Scouting Hawaii, Nahona Health, Maui Health Foundation, The Salvation Army, and Binhi At Ani Bayanihan elderly feeding program. Additionally, we invested in financial literacy by sponsoring free education in high school classrooms, online, and through the Zogo mobile app, equipping individuals with the tools to build a secure financial future.

Together, we are making a lasting impact—one act of service, one donation, and one lesson at a time.



214

Hours Volunteered



285

Hours of Learning Sponsored



\$15,000

Donations to Local Nonprofits



17

Scholarships Awarded

FINANCIAL REPORTS

STATEMENT OF INCOME

	Dec. 31, 2024	Dec. 31, 2023	Variance %
Operating Income			
Loan Income	\$10,458,651	\$8,456,828	23.71
Investment Income	5,693,360	4,709,352	20.89
Other Operating Income	<u>1,804,824</u>	<u>1,701,642</u>	6.06
Total Income	\$17,956,835	\$14,864,822	20.80
Operating Expense			
Compensation	\$3,664,506	\$3,339,595	9.73
Employee Benefits	1,043,882	1,094,224	-4.60
Travel & Conference	137,667	57,447	139.64
Dues	45,245	60,963	-25.78
Occupancy Expense	1,045,778	1,102,274	-5.13
Office Operating Expense	1,472,951	1,038,357	41.85
Education & Marketing	292,235	270,855	7.89
Loan Servicing	471,197	688,537	-31.57
Outside Services	2,449,868	3,252,795	-24.68
Provision for Loan Losses	443,574	376,294	17.88
Examination Fees	79,333	68,623	15.61
Misc. Operating Expenses	<u>117,973</u>	<u>173,153</u>	-31.87
Total Operating Expenses	\$11,264,208	\$11,523,117	-2.25
Net Operating Income	\$6,692,627	\$3,341,705	100.28
Net Income before Dividends	\$7,238,389	\$3,746,875	93.18
Dividends - Shares	4,923,366	2,248,207	118.99
Non-operating Income	545,762	405,173	34.70
Gain / (Loss) on Sale of Assets	<u>0</u>	<u>(3)</u>	-100.00
Net Income	\$2,315,023	\$1,498,669	54.47

STATEMENT OF CONDITION

	Dec. 31, 2024	Dec. 31, 2023	Variance %
Assets			
Net Loans	\$199,373,790	\$191,222,898	4.26
Receivables	81,128	323,498	-74.92
Cash	7,596,462	4,726,976	60.70
Investments	190,125,145	198,804,494	-4.37
Fixed Assets	28,117,319	28,582,000	-1.63
Other Assets	<u>23,128,961</u>	<u>21,515,203</u>	7.50
Total Assets	\$448,422,805	\$445,175,068	0.73
Liabilities			
Payables	\$81,444	\$170,864	-52.33
Other Liabilities	<u>1,426,520</u>	<u>1,628,839</u>	-12.43
Total Liabilities	\$1,507,964	\$1,799,703	-16.21
Member Equity			
Shares & Certificates	\$383,134,849	\$383,521,930	-0.10
Reserves & Undivided	63,461,478	61,146,456	3.79
Other Comprehensive Income	<u>318,513</u>	<u>(1,293,020)</u>	-124.63
Total Member Equity	\$446,914,840	\$443,375,366	0.80
Total Liabilities & Equity	\$448,422,805	\$445,175,068	0.73

NUMBER OF MEMBERS

20,746

20,423

1.58