

# 80<sup>TH</sup> ANNUAL MEETING AGENDA

1. Ascertainment of Quorum (15 members)
2. Approval of 2017 Minutes
3. Report of Officers and Committees
  - Chairman’s Report
  - Treasurer’s Financial Report
  - Supervisory Committee Report
4. Unfinished Business
5. New Business
  - Nominating Committee Report – Clayton Fuchigami  
Board of Directors (3 year term)  
2 to be elected
    - Jodi Arisumi
    - Doug Schenk
  - Election of Board
  - Other Business
6. Adjournment
7. Lunch
8. Door Prizes

## 2017 ANNUAL MEETING MINUTES

Prior to the call to order, Emcee Doug Schenk introduced the volunteers and employees hired since our last annual meeting.

### CALL TO ORDER

The 79th Annual Meeting attended by 250 members was called to order by Chairman Wesley Nohara at 11:35 a.m. on Sunday, March 26, 2017. Location was the Maui Beach Hotel – Elleair Room.

### QUORUM

Since there were 250 members in attendance, Chairman Wesley Nohara ruled that we had a quorum to carry on the business meeting.

### MINUTES

Upon motion duly made and seconded, it was voted to accept the minutes of the 2016 Annual Meeting as printed in the Annual Meeting Booklet. The motion passed unanimously.

### CHAIRMAN’S REPORT

Upon motion duly made and seconded, it was voted to accept the Chairman’s Report as printed in the Annual Meeting Booklet. The motion passed unanimously.

### TREASURER’S REPORT

Upon motion duly made and seconded, it was voted to accept the Treasurer’s Report as printed in the Annual Meeting Booklet. The motion passed unanimously.

### SUPERVISORY COMMITTEE REPORT

Upon motion duly made and seconded, it was voted to accept the Supervisory Committee Report as printed in the Annual Meeting Booklet. The motion passed unanimously.

### UNFINISHED BUSINESS

No unfinished business at this time.

### NEW BUSINESS

Election of Officers

Chairman W. Nohara introduced Nominating Committee Chairperson Jodi Arisumi, who was recognized and gave the following nomination and report:

#### Board of Directors (3 year term) 1 to be elected

1. Beverly Kurokawa

The Nominating Committee report was accepted and Nominating Committee Chairperson J. Arisumi turned the meeting back to Chairman W. Nohara.

Upon motion duly made and seconded, it was voted that we receive the report of the Nominating Committee.

Since there were no nominations by petition, and upon motion duly made and seconded, it was voted that the credit union cast a unanimous ballot for Beverly Kurokawa. The motion passed.

### OTHER BUSINESS

No other business.

### ADJOURNMENT

There being no further business, the meeting adjourned at 11:45 a.m. and lunch was served.

Door prize drawings concluded the afternoon.

Respectfully submitted,  
**Wesley Nohara, Chairman**  
**Clayton Fuchigami, Secretary/Treasurer**

## 2017 VOLUNTEERS

### BOARD OF DIRECTORS

Wesley Nohara – Chair  
Beverly Kurokawa – Vice Chair  
Clayton Fuchigami – Secretary/Treasurer  
Doug Schenk – Director  
Jodi Arisumi – Director

### SUPERVISORY COMMITTEE

Stacey Jio – Chair  
Stephanie Asato – Member  
Elli Funakoshi – Member  
Madelyn Bumanglag - Member



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## CHAIRMAN'S REPORT

Our credit union's performance last year could be best described as, strong and consistent. With the uncertainty of our economy and interest rates, we took a healthy and balanced approach in generating loans. Our loan portfolio grew by 14.03% and investments grew by 5.80%. Our priority is to generate loans, because it helps our members and generates the needed income to operate (pay your dividends and cover operational expenses). In 2017, we approved 91.37% of all loan requests.

Our Net Income (how much money we made in 2017) was a solid \$643,378 and our Net Worth (the accumulation of financial wealth over the life of the credit union), was a strong 15.63%. The high net worth is important because it ensures us a better chance to withstand major shocks or downturns in the economy like we saw in 2008. The bottom line is, Maui FCU is one of the safest financial institutions in the State of Hawaii and we strive to protect your financial assets.

As a not-for-profit financial institution, all of our net income goes back into the credit union in the form of higher net worth, lower interest rates, higher paid dividends and lower fees. Maui FCU provides great value to you, our members. Not only in the form of competitive interest rates and dividends, but our fees are amongst the lowest in the State of Hawaii (51%) and in the nation (31%).

### 2017 Financial Performance:

- Total assets grew by 2.19%
- Total shares increased 1.75%
- Total loans grew by 14.03%
- Net income of \$643,378
- Net worth increased by 4.26%
- Net worth ratio of 15.63%.
- Investments increased by 5.80%.
- Total operating expenses increased insignificantly by 1.23%

We are excited about the opportunity to better serve you in 2018. We will continue to provide the top value services and security you expect and deserve. We will broaden our marketing efforts to reach out to potential new members via social media, new services, and community outreach. Let us know if there is any way we can serve you better, because without you there would be no credit union.

The Maui FCU Boards of Directors, Management and Staff appreciate your membership and confidence in us. You are the reason we serve.

Sincerely,  
**Wes Nohara, Chairman**

## SUPERVISORY COMMITTEE REPORT

A comprehensive annual audit as of September 30, 2017 of books and records performed in accordance with the audit guidelines and procedures recommended in the Supervisory Committee guide for Federal Credit Unions was conducted by Kwock & Company, CPA's. From the information we have been given, it is the feeling of this committee that the elected officers, management and staff of Maui Federal Credit Union have performed their duties in a creditable manner and that the credit union is in a sound financial condition.

The Supervisory Committee continues to perform periodic surprise cash counts and reconciliation of traveler's checks along with other internal audit activities.

On behalf of all the committee members, we thank you for the opportunity to have served you.

Respectfully submitted,  
**Stacey Jio, Supervisory Committee Chairman**

## STATEMENTS OF FINANCIAL CONDITION

Years Ended December 31, 2017  
and 2016 (Unaudited)

ASSETS	2017	2016
Loans to member	34,647,299	30,384,690
Less: Allowance for loan losses	(1,964,330)	(1,934,196)
Net loans	32,682,969	28,450,494
Cash and cash equivalents	7,543,881	12,501,475
Investments	55,174,786	52,299,153
NCUSIF	808,475	777,148
Land & Building	3,159,774	3,218,636
Furniture and Equipment	22,402	33,767
Other Assets	1,461,383	1,408,362
<b>TOTAL ASSETS</b>	<b>100,853,670</b>	<b>98,689,035</b>
<b>LIABILITIES</b>		
Liabilities - accounts payable and other	405,222	512,370
<b>EQUITY</b>		
Members' shares		
Regular shares	55,111,447	51,482,166
IRA shares	5,295,960	4,555,326
Other shares	1,449,437	1,396,664
Share drafts	5,154,516	5,007,503
Share certificates	17,849,679	20,956,620
Total Shares	84,861,039	83,398,279
Members' Equity, substantially restricted	15,587,409	14,778,386
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>100,853,670</b>	<b>98,689,035</b>

## STATEMENTS OF INCOME

Years Ended December 31, 2017  
and 2016 (Unaudited)

INTEREST INCOME	2017	2016
Loans to members	1,679,317	1,619,215
Investments	876,650	805,976
Total Interest Income	2,555,967	2,425,191
Members' share dividends	(247,220)	(213,276)
Net Interest Income	2,308,747	2,211,915
Provision for loan losses (PLL)	-	-
Net Interest Income After PLL	2,308,747	2,211,915
Operating Expenses	(2,084,888)	(2,059,448)
Net Income Before Other Income	223,859	152,467
<b>OTHER OPERATING INCOME</b>		
Fees and Charges	326,210	323,123
Other	93,309	84,928
Total Operating Income	419,519	408,051
Non-Operating Income	-	126,555
<b>NET INCOME</b>	<b>643,378</b>	<b>687,073</b>

