

HIGHLIGHTS... (continued)



Fighting Hunger!
Thanks to you, we collected food items for the Maui Food Bank. We hope to continue this tradition every year!



Maui Fil-Am Heritage Festival

We were back again with Western Union at the Maui Filipino Chamber of Commerce Foundation's annual signature event - giving away awesome prizes and reasons why you need to choose Maui FCU!



SUPERVISORY COMMITTEE REPORT

A comprehensive annual audit as of September 30, 2019 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 Kwok & 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 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

TREASURER'S FINANCIAL REPORT

Statements of Financial Condition

Years Ended December 31, 2019 and 2018 (Unaudited)

ASSETS	2019	2018
Loans to member	35,876,347	34,626,204
Less: Allowance for loan losses	(1,893,298)	(1,940,178)
Net loans	33,983,049	32,686,026
Cash and cash equivalents	7,100,640	7,891,387
Investments	54,754,256	53,289,335
NCUSIF	827,950	811,258
Land & Building	3,043,077	3,101,425
Furniture and Equipment	40,041	19,957
Other Assets	1,702,206	1,507,117
TOTAL ASSETS	101,451,219	99,306,505

LIABILITIES	2019	2018
Liabilities - accounts payable and other	421,312	655,342

EQUITY	2019	2018
Members' shares		
Regular shares	47,292,152	51,967,290
IRA shares	5,950,865	5,585,946
Other shares	1,196,796	1,118,036
Share drafts	6,261,020	5,671,667
Share certificates	23,517,047	18,020,105
TOTAL SHARES	84,217,880	82,363,044
Members' Equity	16,812,027	16,288,119

TOTAL LIABILITIES AND EQUITY	101,451,219	99,306,505
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Statements of Income

Years Ended December 31, 2019 and 2018 (Unaudited)

INTEREST INCOME	2019	2018
Total Interest Income	3,221,726	2,816,242
Loans to members	1,772,940	1,750,299
Investments	1,448,786	1,065,943
Members' share dividends	(473,908)	(285,952)
Net Interest Income	2,747,818	2,530,290
Provision for loan losses (PLL)	-	-
Net Interest Income (After PLL)	2,747,818	2,530,290
Operating Expenses	(2,553,703)	(2,367,387)
Net Income Before Other Income	194,115	162,903

OTHER OPERATING INCOME	2019	2018
Fees and Charges	405,435	368,762
Other	145,145	176,050
Total Operating Income	550,580	544,812
Non-Operating Income	-	-
Net Income	744,695	707,715



2019 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

Office Locations and Mailing Addresses

Main Branch

107 East Wakea Avenue, Kahului, HI 96732
Phone: (808) 873-5050 Fax: (808) 873-6211
Hours: Monday - Friday 8:30 a.m. - 5:30 p.m.

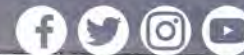
Ho'okele Partner Station at Pu'unene Shopping Center

(Located inside Aloha Pacific Federal Credit Union)
70 Ho'okele Street, Suite 1210, Kahului, HI 96732
Phone: (808) 866-5295
Hours: Tuesday - Friday 9 a.m. - 2 p.m. & 3:15 p.m. - 5 p.m.
Saturday 9 a.m. - 1 p.m.

Hana Branch

1501 Uakea Road, Room D3, Hana, HI 96713
Phone: (808) 248-8307 Fax: (808) 248-7645
Days of operation and office hours vary.
Please call first before visiting.

www.mauifcu.com



MAUI
FEDERAL CREDIT UNION

2019
ANNUAL
REPORT



AGENDA

82nd ANNUAL MEETING

1. Ascertainment of Quorum (15 members)
2. Approval of 2019 Minutes
3. Report of Officers and Committees
 - Chairman's Report
 - Treasurer's Financial Report
 - Supervisory Committee Report
4. Unfinished Business
5. New Business
 - a. Nominating Committee Report – Doug Schenk Board of Directors (3-year term) 1 to be elected:
 - Beverly Kurokawa
 - b. Election of Board
 - c. Other Business
6. Adjournment
7. Lunch
8. Door Prizes



2019 ANNUAL MEETING MINUTES

Emcee and Board Director Doug Schenk introduced the volunteers and employees hired since our last annual meeting.

CALL TO ORDER

The 81st Annual Meeting attended by 246 members was called to order by Chairman Wesley Nohara at 11:35 a.m. on Sunday, April 14, 2019. Location was the Maui Beach Hotel – Elleair Room.

QUORUM

Since there were 246 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 2018 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 member Doug Schenk, who was recognized and gave the following nominations and report:

- Board of Directors (3-year term) 2 to be elected:
1. Wesley Nohara
 2. Clayton Fuchigami

The Nominating Committee report was accepted and Nominating Committee member D. Schenk 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 Wesley Nohara and Clayton Fuchigami. The motion passed.

OTHER BUSINESS

President C. Fuchigami reported on the launch of our new logo which was nature inspired and a subliminal abstract reference to our roots. The logo complements our transformation maintaining the teal and green colors we had replaced our traditional logo with recently.

ADJOURNMENT

There being no further business, the meeting adjourned at 11:50 a.m. and lunch was served.

Door prize drawings concluded the afternoon.

Respectfully submitted,
Wes Nohara, Chairman
Clayton Fuchigami, Secretary/Treasurer



CHAIRMAN'S REPORT

In general terms, Maui Federal Credit Union had a very good year in 2019. Our key financial measurables showed positive growth and sets us up for a strong directional trend entering the next decade.

The strength and financial health of a credit union is best evaluated through its Net Income (short term) and more importantly, its Net Worth (long term). NCUA (federal regulators) require credit unions to maintain a minimum of 7% Net Worth Ratio. Maui FCU's Net Worth Ratio of 16.9%, makes us one of the top capitalized credit unions in the State of Hawaii. Being highly capitalized is important because it is like an insurance policy/reserves to protect the credit union from potential and catastrophic economic down turns. We saw this happen in the 2007 - 2009 recession. Whereas banks needed Federal "bailouts", credit unions like Maui FCU were able to weather the storm via its healthy Net Worth.

2019 Financial Performance:

- Total assets of \$101.5 million (increased 2.16%)
- Total shares increased 2.25%
- Total loans increased by 3.61%
- Net income of \$744,695
- Net worth increased by 4.5%
- Net Worth Ratio of 16.97%.
- Investments increased by 2.75%.
- Total operating expenses increased by 7.87 %
- Membership grew by 1.6%

Looking into the future, most economists forecast the US economy to be strong, but with the outbreak of the coronavirus, we see new risks and uncertainty. Our investment yields are anticipated to flatten or decline in 2020. However, in preparing for the future, most experts agree that credit unions need to be aware and adapt to economic trends, financial risk, regulatory requirements, technological changes and recognize the needs of its members. Maui FCU is working hard to meet and address these challenges. We are looking to increase staff in 2020 to improve the level of expertise necessary to ensure that we can service your needs, keep your money safe and available when you need it, offer new products and services while ensuring compliance with all applicable laws and regulations.

We know that you have other options to bank elsewhere and we appreciate your membership with Maui FCU. We are your credit union. Everything we do is focused on serving you.

Thank you for your continued support, and membership.

Sincerely,
Wes Nohara, Chairman



2019 HIGHLIGHTS



New Partner Station!
We are pleased to offer Maui FCU members extended hours! Find our table inside Aloha Pacific FCU's newest branch at the Puunene Shopping Center next to Ulta Beauty. This service was made possible because of our more than 20-year partnership with Aloha Pacific FCU. Please visit us - see you soon!

"Members only"
Private movie screening of **Frozen 2**
Members of Maui FCU's Youth Program got to dress up and enjoy with their families a private movie screening at QKC - featuring the sequel of Elsa, Ana and Olaf's adventures into the unknown!



Scholarship program
We awarded five scholarships to eligible members who were selected through an application process. Check mauifcu.com to find out more about this year's deadlines!

Mary Joy Butac, University of Hawaii at Manoa
Kathrina Mae Tolentino, University of Hawaii at Manoa
Lindsay Lani, University of Hawaii at Manoa
Chaeleen Obiero, University of Hawaii at Manoa
Jacqueline Agorilla, University of Hawaii at Manoa