

# ANNUAL REPORT 2025



# A MESSAGE FROM OUR CEO



**MICHELE KAWAHARA**

CEO / President

With sincere gratitude, I reflect on a year defined by service, resilience, and care for one another. Mālama Kākou, we care, is more than a phrase; it is how we show up for our members, our community, and one another each day. As we honor the retirement of former President and CEO Gary Fukuroku and his decades of leadership and commitment to our members, I am humbled to carry the responsibility of leading Maui County Federal Credit Union into its next chapter, building on the values that have shaped us while thoughtfully preparing for the future.

Everything we do is centered on building meaningful, lasting relationships with our members. In 2025, we welcomed 1,374 new members to our credit union family, reaffirming the strength of our cooperative model. More importantly, we had the privilege of supporting members at key moments in their financial journeys. We helped 488 members purchase a vehicle, 47 members buy a new home, and 79 members use the equity in their home to support important financial needs. In addition, 593 members reached personal financial milestones, whether that meant consolidating debt, building savings, or preparing for what comes next.

Being a trusted resource for financial well-being remains central to who we are. Beyond offering products and services, our goal is to provide guidance, education, and reassurance when financial decisions feel complex or uncertain. This commitment extends to future generations as well. In 2025, we provided financial literacy education to more than 600 students across our community, helping equip young people with the knowledge and confidence to make informed financial decisions for years to come.

Our impact also reaches beyond our branches. Last year, our employees contributed 374 hours of service to 18 local nonprofit organizations, supporting causes that strengthen Maui and care for our neighbors. These efforts reflect our belief that a strong credit union is one that gives back and remains deeply connected to the community it serves.

At the same time, we continue building our digital and technology capabilities to better support you today and into the future. Enhancements to our digital banking tools and internal systems allow us to deliver more convenient, secure, and personalized experiences while empowering our employees to serve you more efficiently.

None of this progress would be possible without the dedication of our employees, the guidance of our Board of Directors, and the continued trust of you, our members. Together, we are building a credit union that honors its roots while thoughtfully preparing for what lies ahead.

Mahalo for being part of our cooperative. We are grateful for your confidence in Maui County Federal Credit Union and look forward to continuing to serve you and our community for generations to come.

# BOARD OF DIRECTORS' REPORT

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The Board of Directors is pleased to report that Maui County Federal Credit Union remains financially strong, well-capitalized, and positioned to continue serving our members and community. Throughout 2025, the credit union maintained stable earnings, a sound liquidity position, and an appropriate capital level, enabling it to meet member lending needs while prudently managing risk in a dynamic economic environment.

One of the most significant milestones during the year was work done towards the restoration of operations at our Lahaina Branch at 270 Lahainaluna Road. Following the 2023 wildfires, the Board worked with management to provide oversight of the planning, remediation, and operational readiness necessary to safely resume services at this location. Restoring branch operations reflects the credit union's long-term commitment to serving West Maui and ensuring reasonable access to financial services for our members. The Board extends its appreciation to our members for their patience throughout this process.

Leadership succession planning was another key focus of the Board in 2025. After decades of dedicated service, President and CEO Gary Fukuroku announced his retirement. The Board undertook a structured and deliberate succession process to identify a successor capable of upholding the Credit Union's mission, values, and cooperative principles while ensuring continuity of operations and strategic direction. The Board is confident that this transition supports the ongoing safety, soundness, and long-term success of the Credit Union.

Throughout the year, the Board remained actively engaged in its fiduciary responsibilities, including oversight of strategic planning, risk management, regulatory compliance, and internal controls. During 2025, the Board also appointed two new Directors, further strengthening its collective experience and capacity to provide effective governance and oversight. We continue to work collaboratively with management to ensure that investments in technology, facilities, and personnel are aligned with Maui County Federal Credit Union's strategic objectives and conducted in a safe and responsible manner.

On behalf of the Board of Directors, we thank you for your continued trust and membership. We remain committed to the long-term financial health of Maui County Federal Credit Union and to serving the best interests of our members and community.

Rhonda Loo, Board Chair

# COMMUNITY IMPACT



Caring for our community remains central to who we are. In 2025, Maui County Federal Credit Union continued this commitment through volunteer service, charitable giving, and expanded educational opportunities that support long-term financial well-being.

We proudly supported nonprofits including Maui Food Bank, Alzheimer's Association, Scouting Hawaii, The Salvation Army, Feed My Sheep, J. Walter Cameron Center, and the Binhi At Ani Bayanihan elderly feeding program, strengthening vital programs that serve families, youth, and kūpuna across Maui County.

Additionally, we continued to promote financial education through classroom instruction and accessible online learning, while awarding scholarships that support students as they pursue higher education and meaningful career pathways.

Through service, partnership, and education, we remain dedicated to making a lasting impact.



**18**

**Local Charities Supported**



**374**

**Hours Volunteered**



**602**

**Students Received Financial Education**



**\$27,500**

**In Scholarships & Donations Given**

# SUPERVISORY COMMITTEE REPORT

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The Supervisory Committee is pleased to report that Maui County Federal Credit Union continued to operate in a safe, sound, and compliant manner throughout 2025, in accordance with applicable laws, regulations, and generally accepted accounting principles.

As required by federal regulation, the Supervisory Committee is responsible for providing independent oversight to ensure that the Board of Directors and management maintain effective financial reporting, internal controls, and policies designed to safeguard members' assets. In fulfilling these responsibilities during 2025, the Supervisory Committee:

- Engaged an independent certified public accounting firm to conduct an audit of the Credit Union's financial statements as of September 30, 2025. The audited financial statements are available for member review upon request.
- Directed an internal audit program focused on evaluating the effectiveness of internal controls, risk management practices, and governance processes.
- Provided independent oversight of the activities of the Board of Directors and management to promote accountability and regulatory compliance.
- Reviewed member concerns, performed account verifications as necessary, and ensured appropriate follow-up to maintain accuracy and member confidence.
- Coordinated with National Credit Union Administration examiners in connection with regulatory examinations and reviewed examination results and management responses.
- Authorized special audits, reviews, and investigations when warranted.

The Supervisory Committee appreciates the cooperation of the Board of Directors, management, and staff throughout the year. Their professionalism and commitment to sound operations and member service support the continued strength and integrity of Maui County Federal Credit Union.

# FINANCIAL REPORTS

## STATEMENT OF INCOME

	Dec. 31, 2025	Dec. 31, 2024	Variance %
<b>Operating Income</b>			
Loan Income	\$12,150,902	\$10,458,651	16.18
Investment Income	6,030,061	5,693,360	5.91
Other Operating Income	<u>1,919,213</u>	<u>1,804,824</u>	6.34
Total Income	\$20,100,176	\$17,956,835	11.94
<b>Operating Expense</b>			
Compensation	\$4,182,247	\$3,664,506	14.13
Employee Benefits	1,190,990	1,043,882	14.09
Travel & Conference	182,488	137,667	32.56
Dues	42,250	45,245	-6.62
Occupancy Expense	1,115,756	1,045,778	6.69
Office Operating Expense	1,472,798	1,472,951	-0.01
Education & Marketing	294,503	292,235	0.78
Loan Servicing	762,474	471,197	61.82
Outside Services	2,084,048	2,449,868	-14.93
Provision for Loan Losses	733,778	443,574	65.42
Examination Fees	83,799	79,333	5.63
Misc. Operating Expenses	<u>274,269</u>	<u>117,973</u>	132.48
Total Operating Expenses	\$12,419,401	\$11,264,208	10.26
Net Operating Income	\$7,680,775	\$6,692,627	14.76
Net Income before Dividends	\$8,205,757	\$7,238,389	13.36
Dividends - Shares	6,090,109	4,923,366	23.70
Non-operating Income	524,982	545,762	-3.81
Gain / (Loss) on Sale of Assets	<u>0</u>	<u>0</u>	0
Net Income	\$2,115,648	\$2,315,023	-8.61

## STATEMENT OF CONDITION

	Dec. 31, 2025	Dec. 31, 2024	Variance %
<b>Assets</b>			
Net Loans	\$221,686,062	\$199,373,790	11.19
Receivables	31,031	81,128	-61.75
Cash	4,387,887	7,596,462	-42.24
Investments	196,920,564	190,125,145	3.57
Fixed Assets	27,209,034	28,117,319	-3.23
Other Assets	<u>25,229,524</u>	<u>23,128,961</u>	9.08
Total Assets	\$475,464,102	\$448,422,805	6.03
<b>Liabilities</b>			
Payables	\$38,360	\$81,444	-52.90
Other Liabilities	<u>2,133,977</u>	<u>1,426,520</u>	49.59
Total Liabilities	\$2,172,337	\$1,507,964	44.06
Member Equity			
Shares & Certificates	\$406,711,255	\$383,134,849	6.15
Reserves & Undivided	65,577,126	63,461,478	3.33
Other Comprehensive Income	<u>1,003,384</u>	<u>318,513</u>	215.02
Total Member Equity	\$473,291,766	\$446,914,840	5.90
Total Liabilities & Equity	\$475,464,102	\$448,422,805	6.03
<b>NUMBER OF MEMBERS</b>	<b>20,705</b>	<b>20,746</b>	<b>-0.20</b>