



2022

Annual Report



CEO MESSAGE TO MEMBERS

Dear Members,

As we returned to a sense of normalcy in 2022, it was wonderful to see your faces again. Like so many businesses we faced new challenges. Your continued patience through staffing shortages and growing our team members has been much appreciated. We saw increases to the cost of goods with rising inflation and a surge in interest rates, leading to the highest mortgage rates we have seen in decades.

To assist members during these uncertain financial times, we offered our adjustable-rate Home Equity Line of Credit borrowers the opportunity to fix their rates for the next two years at a rate lower than it would have adjusted to, saving members \$150,000 annually. In addition, we kept our Personal and Auto loan rates low even as other financial institutions raised their rates, and locked in mortgage rates for an extended period for member's purchasing homes so they wouldn't be priced out of the market because mortgage rates increased before they could close on their loans. Members could also take advantage of higher Share Certificate rates at various terms to maximize the earnings on their savings.

We're proud to continue supporting our community by providing over 250 volunteer hours to local nonprofits, including Feed My Sheep, Hale Mahaolu, Imua Family Services and Maui Food Bank. For the fifth consecutive year, through our partnership with The Salvation Army and the generosity of members, we provided school supplies to help kids in need return to school with tools to succeed and helped less fortunate keiki and kupuna experience the joy of opening gifts on Christmas.

Furthering our mission to care for our members needs by providing services that encourage financial well-being, we provided financial education to students in their classrooms at Baldwin, Hana, Maui, Molokai, King Kekaulike and Lahainaluna High Schools. An additional 700+ individuals improved and grew their financial knowledge by using our free online financial education platform and sponsored Zogo mobile app.

We are excited about what 2023 holds for you, Maui County Federal Credit Union and the community. With the move of our main office and Wailuku branch to Kehalani Village Center, there will be new opportunities to provide additional and improved services.

Thank you for choosing to bank locally.

Aloha,
Gary Fukuroku, CEO & President



Employees spent the Juneteenth holiday helping Imua Family Services at Imua Discovery Center.



Packing bags of non-perishable food for those in need with Maui Food Bank.



Employees helped prepare meals for the senior residents at Hale Mahaolu at Binhi At Ani.



Thanks to the generosity of our members, we collected hundreds of gifts for The Salvation Army Angel Tree program.

MESSAGE FROM THE BOARD

Dear Members,

In 1998, Maui County Federal Credit Union (FCU) moved into its Wailuku office building on Wili Pa Loop, which was designed to accommodate 25 employees. Over the past 25 years, Maui County FCU has grown significantly and now has over 50 employees with 30 working out of the Wailuku branch and an additional nine employees working out of a leased office space.

During the same time, membership has increased from 7,300 members to nearly 20,000 members and total assets increased from approximately \$57 million to nearly \$414 million. The growth of Maui County FCU is the result of members like you who continue to utilize Maui County FCU's products and services and enable us to provide competitive dividend and loan rates.

Tremendous growth and the everchanging needs of members have necessitated building a new main office and Wailuku branch, more centrally located to the homes of our members. Located at 224 Kehalani Village Drive, our new Wailuku location will replace the Wili Pa Loop office and is slated to open by April 2023. This location will be able to better serve you by having our Consumer Loans team on-site, more parking available, drive-up ATMs and over 600 safe deposit boxes. To accommodate our future growth, there is also space for an in-house contact center and a drive-up teller.

We are grateful for your membership and look forward to serving you in the years to come.

Thank you,
Edwin Okubo, Board Chair



Kehalani double lane drive thru.



Kehalani branch entrance facing Foodland.

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is pleased to report that Maui County Federal Credit Union (FCU) continued to operate in accordance with sound financial principles and applicable laws and regulations in 2022.

Federal regulations require that supervisory committees ensure the board of directors and management of credit unions meet required financial reporting objectives and establish practices and procedures to safeguard members' assets. To fulfill our responsibilities, we contracted a certified public accounting firm to perform an independent audit of Maui County FCU's financial statements as of December 31, 2022, which may be viewed upon request; directed an internal audit program to evaluate and improve Maui County FCU's risk management, controls, and governance processes; monitored the activities of the Board of Directors and management; investigated member complaints; verified member accounts; interacted with the National Credit Union Administration's examiners; and conducted special investigations or studies as we considered necessary.

We would like to express our gratitude to Maui County FCU's Board of Directors and management for their support in helping us to serve you in 2022.

Respectfully submitted,
Alia Garcia, Supervisory Committee Chair

FINANCIAL REPORTS

STATEMENT OF INCOME

Operating Income	Dec. 31, 2022	Dec. 31, 2021	Variance %
Loan Income	\$6,923,228	\$6,547,766	5.73%
Investment Income	\$4,165,034	\$3,345,420	24.50%
Other Operating Income	\$1,867,970	\$1,797,627	3.91%
Total Income	\$12,956,233	\$11,690,813	10.82%
Operating Expense			
Compensation	\$3,066,876	\$3,168,641	-3.21%
Employee Benefits	\$1,109,312	\$1,116,280	-0.62%
Travel & Conference	\$73,729	\$46,248	59.42%
Dues	\$59,602	\$53,870	10.64%
Occupancy Expense	\$717,458	\$642,165	11.72%
Office Operating Expense	\$830,281	\$732,775	13.31%
Education & Marketing	\$225,825	\$220,829	2.26%
Loan Servicing	\$393,990	\$388,911	1.31%
Outside Services	\$2,515,707	\$2,263,968	11.12%
Provision for Loan Losses	\$368,901	\$400,024	-7.78%
Examination Fees	\$64,949	\$75,314	-13.76%
Misc. Operating Expenses	\$120,438	\$129,205	-6.79%
Total Expenses	\$9,547,069	\$9,238,230	3.34%
Net Operating Income	\$3,409,164	\$2,452,583	39.00%
Gain/(Loss) on Sale of Assets	\$2,121,859	\$9	23,576,113%
Non-operating Income	\$403,584	\$101,801	296.44%
Net Income before Dividends - Shares	\$5,934,607	\$2,554,393	132.33%
	\$600,878	\$620,108	-3.10%
Net Income	\$5,333,729	\$1,934,285	175.75%

STATEMENT OF CONDITION

Assets	Dec. 31, 2022	Dec. 31, 2021	Variance %
Net Loans	\$168,289,172	\$153,156,557	9.88%
Receivables	\$10,398	\$10,212	1.82%
Cash	\$10,038,463	\$14,909,796	-32.67%
Investments	\$183,118,617	\$200,649,296	-8.74%
Fixed Assets	\$26,924,566	\$19,957,219	34.91%
Other Assets	\$25,513,161	\$23,645,240	7.90%
Total Assets	\$413,894,376	\$412,328,320	0.38%
Liabilities			
Payables	-\$128,621	\$2,950,835	-104.36%
Other Liabilities	\$1,758,668	\$1,418,550	23.98%
Total Liabilities	\$1,630,046	\$4,369,385	-62.69%
Member Equity			
Shares & Certificates	\$353,180,480	\$353,674,256	-0.14%
Reserves & Undivided	\$62,307,073	\$56,973,344	9.36%
Other Comprehensive Income	-\$3,223,223	-\$2,688,665	19.88%
Total Member Equity	\$412,264,330	\$407,958,935	1.06%
Total Liabilities & Equity	\$413,894,376	\$412,328,320	0.38%