

ANNUAL MEETING AND CELEBRATION OF

**MariSol**
Federal Credit Union
Solutions



YEARS OF SERVICE IN THE COMMUNITY



70th Annual Meeting

April 23, 2024

The meeting starts at 9 am

Agenda

1. Roll Call – CEO Robin Romano

2. Introductions – CEO Robin Romano

3. Approval of the 2023 Annual Meeting Minutes – Chair Mary Harden

4. Elections for 2024 – Chair Mary Harden and Nominating Chairperson John Werbach

- i. This is a non-contested election.
- ii. Three people are running for three open positions that have three-year terms. MariSol did not receive any other applications for the board elections. Nominating Committee members were John Werbach, Irma Guzman, and Rusty Hampton. The Nominating Committee selected the following candidates:
 - Lisa Bernhardt
 - Laura Weygandt
 - Francisca Montoya
- iii. If there are no nominations from a petition, there is a vote of acclamation by the membership present at the meeting, called by the Nominating Chairperson.

5. Reports

- Chair Report – Chair Mary Harden
- CEO Report – CEO Romano
- Treasurer Report – Treasurer Richard Lucero
- Supervisory Committee Report – Chair Robert Wheeler

6. New Business – Chair Mary Harden

7. Adjournment



Board Chair and CEO Report

Dear Members,

MariSol celebrates 70 years! Our credit union started in a phone booth under the Maricopa County court stairs. Our office has changed, but our mission to give our members access to affordable and equitable financial solutions has not.

Our credit union was formed to give the employees of Maricopa County a place to borrow and save at reasonable rates and terms. These hard workers found that the normal banking system was not friendly to low and moderate-income borrowers with limited credit.

For 70 years, the boards of your credit union have made decisions about products and services that build the capacity of our members. Offering an IRA savings account with a \$5.00 minimum balance allows all our members, no matter their income, to save for their future and build wealth. In 2007, MariSol saw that many of our members were using cash lending and payday lenders. So, we created the Quick Loan to offer an alternative source of quick cash at a fraction of the cost. The program helped many members during the Great Recession and COVID. It is our most popular product.

As the Board looks to the future, we will find ways to lower the costs of our loan products, as we recognize that affordability is top of members' minds. We are going to be introducing three new checking accounts that offer real benefits for our members. We are working on improving technology to improve service delivery. In 2024, we will help with our first energy efficiency seminar and plan to do more educational energy events. Our energy efficiency loans are at lower than market costs so that our members can afford to update or upgrade their homes to literally "Beat the Heat." The Board understands that lowering the cost of energy helps all our members.

Maricopa County is home to some of the largest banks and credit unions in the nation. MariSol quietly serves its members in the same way it was founded, serving those who do not find the current banking system friendly or accessible. MariSol is small but mighty. We believe in the mission of affordable and equitable financial solutions for our community, including those of lower income.

It is an honor to serve this membership.

Mary Harden, Chair
Robin Romano, CEO

Supervisory Committee

The Supervisory Committee is comprised of volunteer members whom the Board of Directors appoints. Our committee members are Kay Bodude, Maria Piña, Angela Booker, and Laura Weygandt.

The primary purpose of the Supervisory Committee is to ensure that MariSol operations are audited for financial soundness and compliance with the policy. We report on our activities and findings to the Board of Directors. A third-party auditor, A.A. Audit, assists MariSol and the Committee with weekly internal audit tasks. MariSol's internal Operations Specialist performs regular audit tasks. The Committee reviews their audit work. This past year, the Supervisory Committee completed a variety of audit and review activities such as:

- Cash counts of teller drawers and the vault;
- A random selection of loans, share accounts, and investments;
- Procedures for new accounts, collections, ATMs, records retention, data processing controls, disaster recovery, and other operational areas;
- Delinquencies, loan losses, and charge-offs; and
- The hiring of an outside CPA firm for the annual financial audit.

Last October, Doreen Mayhew, CPA, performed MariSol's financial audit as of August 31, 2023. This outside audit found the credit union's financial condition sound, with no material findings or adjustments. The CPAs complimented MariSol staff for keeping excellent records!

Being a member of the Supervisory Committee is an excellent way to learn how MariSol operates and fulfills a service requirement to run for the Board. If you are interested in serving, please get in touch with the Committee via e-mail at administration@marisolcu.org.

Robert Wheeler, Supervisory Committee Chair

Board of Directors

Chair

Mary Harden

Vice Chair

Lisa Bernhardt

Treasurer

Laura Weygandt

Secretary

Ken Stahli

Director

Angela Booker

Director

Jessica Bueno

Director

Irma Guzman

Director

Richard Lucero

Director

Francisca Montoya

Director

John Werbach

Supervisory Committee

Chair

Robert Wheeler

Kay Bodude

Maria Piña

Laura Weygandt

Angela Booker



Treasurer Report

The year 2023 was another year of rising interest rates and costs. By the end of the year, inflation was steadily declining and the Federal Reserve was talking about rate reduction sometime in 2024.

MariSol grew loans by \$1.1 million, including growing energy efficient lending by \$535,100. Members used their savings in 2023 to offset rising costs, and our overall shares declined \$1.8 million.

One sign of financial stability is the credit union's new worth, which measures cumulative earnings over time. Under the National Credit Union Administration, a credit union's net worth must exceed 7% to be classified as "well capitalized". MariSol's net worth ended at 11.98%, up from 11.44% in 2022. MariSol continues to be in strong financial condition.

Members can feel confident that MariSol is a sound financial institution that will continue to meet our members' needs.

Richard Lucero, Treasurer

Assets	12/31/2022	12/31/2023	Change
Consumer Loans	\$ 14,998,531	\$ 15,616,738	\$ 618,207
Mortgages	\$ 10,672,191	\$ 11,476,534	\$ 804,342
SBA PPP	\$ 284,018	\$ 284,018	\$ (268,664)
Business lending	\$ 186,544	\$ 221,448	\$ 1,188,788
Total Loans	\$ 26,141,285	\$ 27,330,073	\$ 1,188,788
Fixed Assets	\$ 4,022,731	\$ 3,995,836	\$ (26,896)
Investments	\$ 20,145,616	\$ 16,972,416	\$ 123,717
Other Assets/Investments	\$ 1,759,515	\$ 1,883,232	\$ 123,717
Total Assets	\$ 52,069,147	\$ 50,181,557	\$ (1,887,590)
Liabilities			
Savings Accounts	\$ 25,986,792	\$ 23,765,933	\$ (2,220,859)
Checking	\$ 9,228,569	\$ 8,234,675	\$ (993,894)
Money Market	\$ 4,371,707	\$ 3,715,721	\$ (655,986)
Certificates of Deposit	\$ 3,128,931	\$ 5,386,797	\$ 2,257,866
IRA Deposits	\$ 401,443	\$ 410,995	\$ 9,552
Other Deposits	\$ 2,109,201	\$ 1,861,257	\$ (1,851,265)
Total Shares	\$ 45,226,644	\$ 43,375,378	\$ 121,999
Net Worth (Capital Reserves)	\$ 6,133,146	\$ 6,255,145	\$ 121,999
Income			
Total Interest Income	\$ 1,465,527	\$ 1,602,103	\$ 136,576
Investment Income	\$ 298,789	\$ 486,346	\$ 187,557
Fee Income	\$ 435,881	\$ 359,988	\$ (75,893)
Other Income	\$ 773,782	\$ 545,932	\$ (227,850)
Total Income	\$ 2,973,980	\$ 2,994,369	\$ 20,390
Expenses			
Operating Expenses	\$ (2,303,057)	\$ (2,423,667)	\$ (120,610)
Loan Losses	\$ (268,190)	\$ (179,500)	\$ 88,690
Dividends	\$ (26,593)	\$ (118,663)	\$ (92,070)
Net Income	\$ 376,139	\$ 272,539	\$ (103,600)