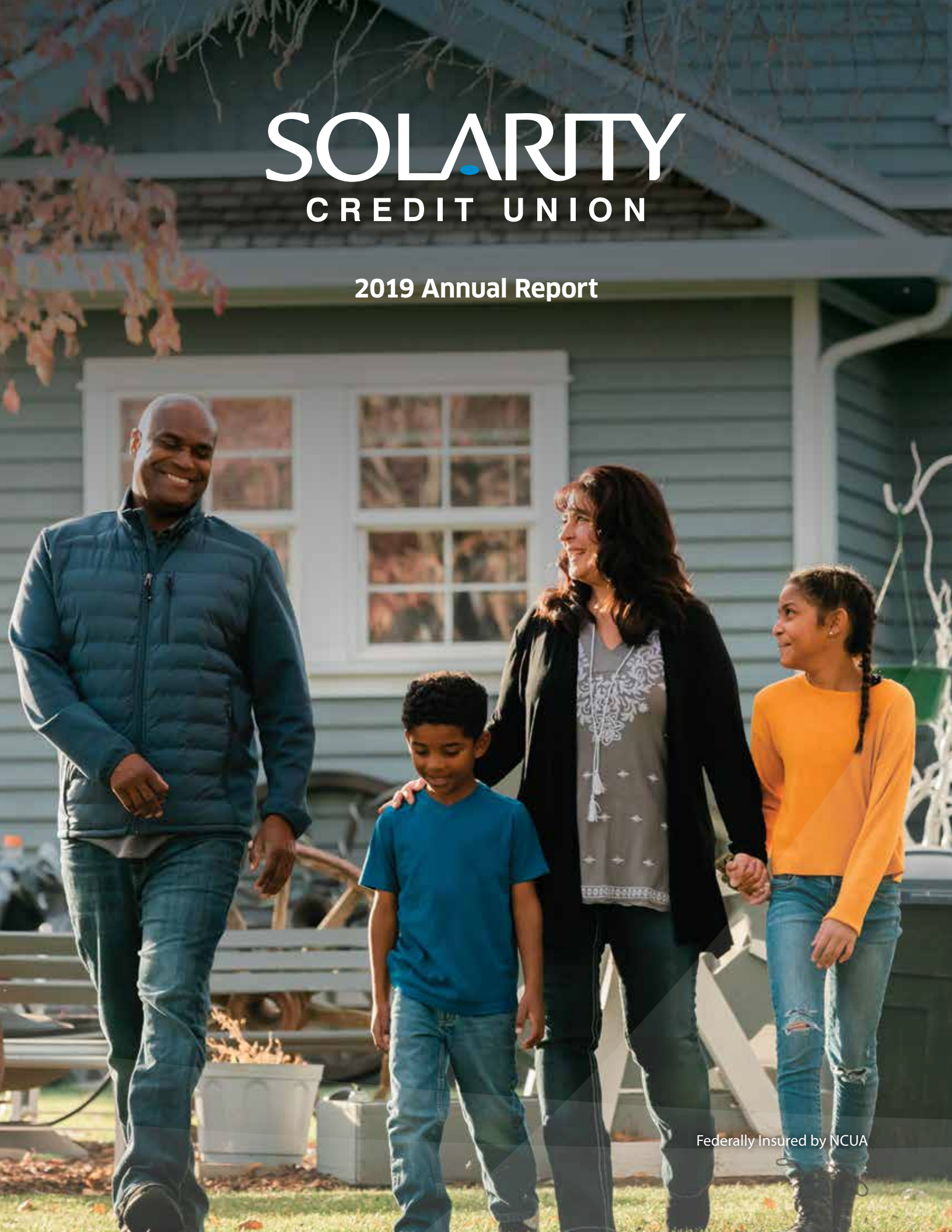


# SOLARITY

CREDIT UNION

## 2019 Annual Report



Federally Insured by NCUA

## CEO Report

At Solarity, we work tirelessly to support our Board of Directors' vision, expressed in the sentiment, "Everyone has a place of their own to call home." Our member interfacing staff, as well as our internal teams, are constantly making improvements to the home loan process and evaluating the home ownership experience on behalf of our members. We spend a great deal of time thinking about and exploring exactly what 'home' means to our members.

One of the best tools we have available to understand what home means to our members is through the stories they tell us; first-hand stories that we feel deeply privileged to be a part of. Each one is remarkable and reaffirms for us that we're on the right path. In 2019, we put 250 families and individuals into new homes, helped 299 families refinance their home loans to improve their situations, and worked with numerous builders to help 29 families construct their dream homes. Further, we financed 239 new rentals for landlords who provide rental properties for individuals who choose to rent their home versus purchase. Additionally, our employees donated \$13,190

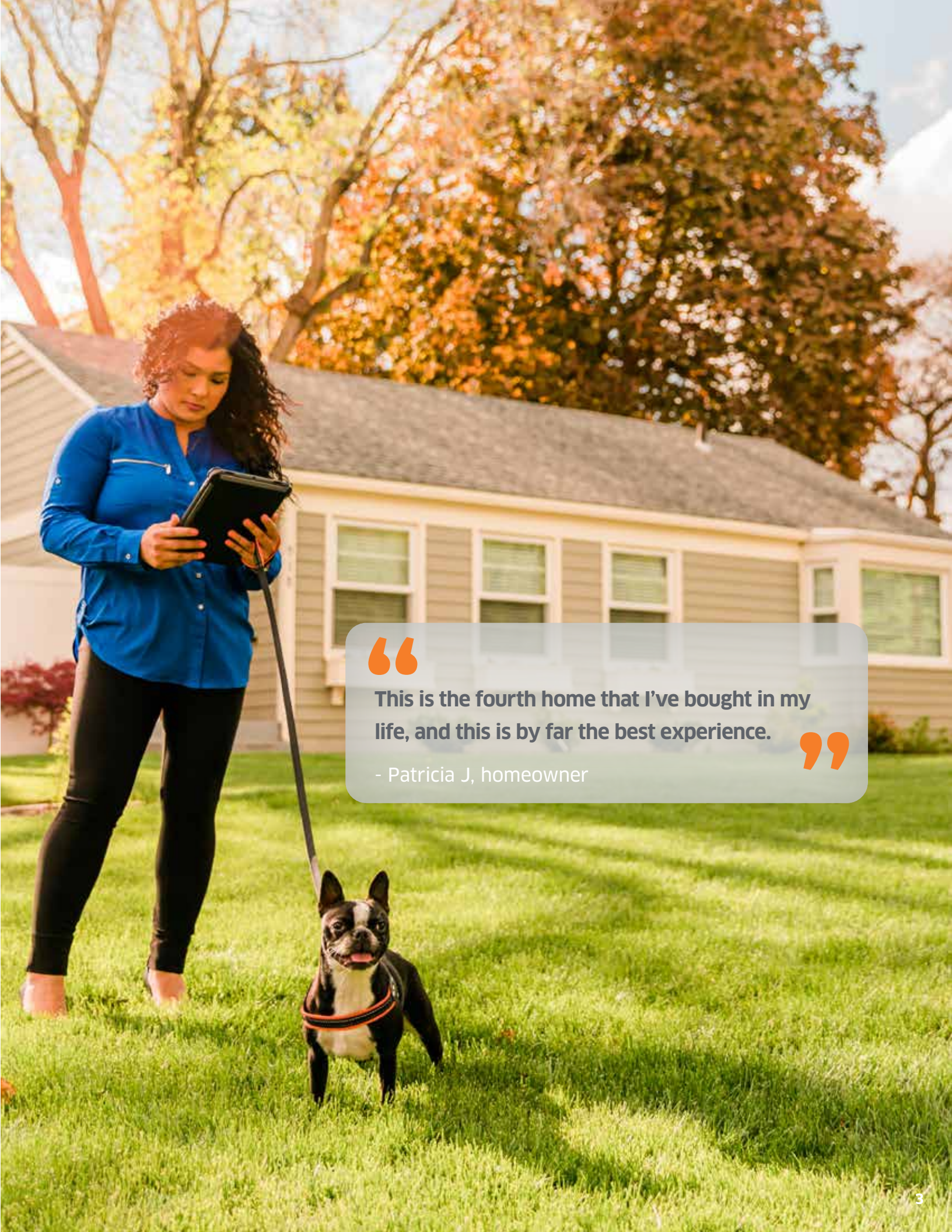


of their own funds and 175.5 hours of physical labor helping our local Habitat for Humanity build homes for families in need.

While we're making progress in our quest to dramatically and systematically improve the home ownership experience for our members, we still have more we can do. In 2020 we will be keenly focused on continuing improvements to the home ownership process. We consistently ask our members for their feedback, and I encourage you that whenever you have the opportunity, please let us know how we are doing.

A handwritten signature in black ink, appearing to read "Mina Worthington". The signature is fluid and cursive.

**Mina Worthington**  
President and CEO



“

This is the fourth home that I've bought in my life, and this is by far the best experience.

”

- Patricia J, homeowner



# Board Chair Report

As a member of Solarity Credit Union, you are more than a customer. You're a shareholder. A part-owner of a not-for-profit financial cooperative that works for the benefit of our unique community. Solarity's Board of Directors serves as an advocate for each shareholder and helps ensure that Solarity continues to make sound business decisions that benefit our membership.

The Board works to fulfill this responsibility in collaborative partnership with the senior management team by imparting sound governance through continuous review of organizational performance and by supporting operational excellence and continued growth. Together, we perform these duties with thoughtful integrity, striving to balance our members' current needs with a strategic vision that positions Solarity for the future.

This year's story is one of progress and performance. Solarity's strategic focus on home ownership led to a significant increase

in home loans for our members, at satisfaction levels that lead the industry. Continued effort on improving the home lending experience resulted in many operational efficiencies being implemented, and new systems introduced to ease and abbreviate the loan process.

Additionally, we made improvements to our online channels, including a more expansive and powerful website designed for usability and functionality to provide you with the answers you seek regarding your banking needs. In keeping member needs clearly in focus with every interaction, management constantly monitors member feedback and evaluates opportunities for improvement.

Your Board of Directors remains focused on helping guide the vision and continuous improvement of Solarity. We are proud to serve as your advocates every step of the way.

**Terry Morgan**  
Board Chair

## Board of Directors



**Terry Morgan**  
Board Chair



**Michael Meyer**  
Vice Chair



**Gary Kissling**  
Secretary



**Mina Worthington**  
Board Director & President/CEO



**Merrilou Harrison**  
Board Director



**Jim Hurley**  
Board Director



**Regan Myers**  
Board Director



**Doug Nicholson**  
Board Director



**Victoria Larios**  
Associate Director



# Audit Committee Report

My fellow Committee members and I are honored to be part of Solarity’s exciting story. And it is exciting! It’s a story of cooperation and creation – of member-owners coming together to provide our community with an option for financial services that places people ahead of profits and neighbors ahead of numbers.

Elected members of the Audit Committee work closely with Solarity’s Executive Team, Risk Management Team, and external auditors to provide review and oversight of operations on behalf of Solarity’s members. This is work that’s never done, but it’s of critical importance, and members of the Audit Committee consider it an honor to support it with their time and talents.

As of year-end 2019, Solarity upheld the best possible rating for financial condition and operation. In addition, the independent evaluation firm, Bauer Financial, rated Solarity “Best of Bauer” for our 104 consecutive

quarters of 5-star financial performance. These honors are achieved through an instilled culture and system of risk controls that we believe safeguard our members and their assets. We look forward to the year ahead as another great chapter in Solarity’s story.

“ As of year-end 2019, Solarity upheld the best possible rating for financial condition and operation. ”

**Merrilou Harrison**  
Audit Committee Chair

## Audit Committee



**Merrilou Harrison**  
Audit Committee Chair



**Jim Hurley**  
Board Director



**Doug Partlow**  
Secretary



**Paul Garrigues**  
Staff Liaison



**Tina Torres**  
Staff Liaison



“

You can bet I'll be recommending Solarity highly to everyone I can. If I hadn't gone through those two experiences with big banks, I'd still think you were great, but it's nice to see what Solarity can do compared to the big guys. I am very happy.

- Vinda H, homeowner

”

250

New home loans for members and their families.

299

Home loans refinanced to meet our members' needs.

239

Rental doors opened through investment loans to members.

1075

Charitable hours volunteered by Solarity employees.

\$ 13k

Employees donated to Habitat for Humanity.

175

Hours spent helping Habitat for Humanity.

# Financial Statement

## Statement of Income

Income	2018	2019
Interest on Loans	27,393,657	26,876,074
Investment Income	1,525,119	2,463,672
Fee & Other Operating Income	9,165,406	11,531,614
<b>Total Income</b>	<b>38,084,182</b>	<b>40,871,360</b>

Expenses	2018	2019
Compensation	12,872,595	13,847,006
Travel & Conference	315,144	339,532
Office Occupancy	1,480,330	1,314,762
Office Operations	3,909,854	4,675,904
Marketing	756,249	1,729,819
Loan Servicing	1,614,024	1,932,980
Professional & Outside	2,911,044	2,821,783
Provision for Loan Losses	2,170,613	2,370,889
Cost of Borrowed Money	1,391,104	1,113,171
Misc Operating Expenses	886,416	627,974
<b>Total Operating Expenses</b>	<b>28,307,373</b>	<b>30,773,820</b>

Non-Operational Income or Expense	122,124	(2,108,014)
Dividends	2,487,377	3,029,869
Total Expenses	30,916,874	31,695,675
<b>Net Income</b>	<b>7,167,308</b>	<b>9,175,685</b>

Unaudited financials as of Dec 31, 2019. Certain prior year amounts have been reclassified for consistency with the current year's report. These reclassifications had no effect on the reported results of operations.

## Statement of Financial Condition

Assets	2018	2019
Loans	610,379,361	453,105,227
Allowance for Loan Loss	(3,411,475)	(2,552,288)
Loans Held for Sale	15,181,942	54,716,114
Cash and Deposit	43,013,547	141,054,318
Investments	46,094,394	32,097,721
Land-Building (Net of Depreciation)	13,950,259	12,347,204
Furniture & Fixtures (Net of Depreciation)	2,410,195	2,860,481
Other Assets	15,156,268	21,219,672
Accounts Receivable	3,793,163	4,328,194
<b>Total Assets</b>	<b>746,567,654</b>	<b>719,176,643</b>

Assets Serviced for Others	521,547,890	612,610,764
<b>Total Assets Under Management</b>	<b>1,268,115,544</b>	<b>1,331,787,407</b>

Liabilities	2018	2019
Accrued Liabilities	2,118,310	3,195,068
Accounts Payable	14,443,334	17,647,810
Borrowings	62,500,000	25,000,000
<b>Total Liabilities</b>	<b>79,061,644</b>	<b>45,842,878</b>

Equity	2018	2019
Membership Shares	191,391,315	197,553,662
Share Checking	110,398,010	113,592,153
Certificates	50,828,867	68,644,642
IRAs	13,151,841	11,770,736
Money Market Accounts	164,217,704	155,696,750
Non-Member Deposits	34,753,115	14,235,090
<b>Total Membership Equity</b>	<b>564,740,852</b>	<b>561,493,033</b>

Equity Acquired in Merger	20,445,000	20,445,000
Regular Reserve	2,771,120	2,771,120
Unrealized Gain or Losses on AFS Securities	29,569	(70,542)
Retained Earnings	79,519,469	88,695,154
<b>Total Reserve Equity</b>	<b>102,765,158</b>	<b>111,840,732</b>

<b>Total Liability &amp; Equity</b>	<b>746,567,654</b>	<b>719,176,643</b>
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[solaritycu.org](https://solaritycu.org)

 Equal Housing Opportunity Lender. Federally insured by NCUA.

