



SOLARITY
CREDIT UNION

2022
ANNUAL REPORT

Report to the Membership

Having a trusted financial institution available as your partner during unprecedented times is a vital key to weathering any financial storm.

Following several years of uncertainty, notably marked by a global pandemic that has proven to be one of the most challenging events in history and capped by subsequent economic pressures and record inflation, there is hardly a household or business not feeling some impact in their day-to-day finances.

Throughout 2022, Solarity continued to focus on delivering reliable banking services that give our members peace of mind so you can focus on what really matters. Our refreshed branch lobbies are integral to the consultative and engaging financial interactions you have come to expect. Our Experience Guides working in tandem with our Smart ATMs have allowed us to focus on improvements and efficiencies when it comes to opening new accounts and loans. With our members' valuable time in mind, we were able to decrease the overall time it takes to open a new membership or loan by 43% - while simultaneously engaging in consultative conversations to better understand your overall wants and needs.

The credit union exists to serve its members, and we cannot effectively do that without each of our team members and their continued dedication to delivering extraordinary member experiences. In 2022 alone, we assisted our members by funding \$232 million in home and vehicle loans. In fact, Solarity helped more local homeowners than any other lender! We successfully assisted 352 members in financing their homeownership dreams, or nearly \$72 million in home loans. Additionally, we supported our real estate investors by financing projects that further provide housing for roughly 2,366 people, through \$82.5 million in commercial lending.

Solarity is proud to have provided support for the communities we serve. Our support took many forms: from the investments in loans for homes and real estate, to donations, sponsorships and volunteerism of our staff. Our employees gave nearly 500 hours and \$17,000 of their own earnings supporting our selected community partners: Yakima YWCA, Yakima Humane Society, Mercy Housing and ShelterBox. In a cause near and dear to our mission, we were honored to be recognized with the Golden Hammer Award as Yakima Valley Habitat for Humanity's Community Partner of the Year. This event recognizes those who make it possible for Habitat to serve people in the Yakima Valley in need of safe and affordable housing. Another \$125,000 was provided in donations and sponsorships by Solarity.

A recap of these exciting highlights of 2022 can be seen in our inaugural Community Impact Report, which can be viewed on our website. We look forward to continuing our efforts to innovate on behalf of our membership in 2023, making it easier for you to meet your financial needs and accomplish your goals.



Mina Worthington
President and CEO



Terry Morgan
Board Chair



\$232
MILLION

Financing for homes,
rental properties, cars
and outdoor adventures.

**Multi-Family
Real Estate
Financing**

\$82.5
MILLION
in commercial lending

986
DOORS
FINANCED

2,300+
PEOPLE
HOUSED

Audit Committee Report

Through the ongoing activities supported by the Audit Committee, in close collaboration with Solarity’s Executive team, Risk Management team and external auditors, we seek to ensure the ongoing financial stability and operational soundness of the credit union. The Audit Committee is elected by the Membership to act on your behalf. Through careful review of quality practices and internal controls, we work continuously to safeguard the collective assets of the membership.

It is the responsibility of the Audit Committee to annually engage independent auditors to conduct the annual audit of Solarity’s financial statements. In 2022, our independent auditors, Eide Bailly, audited the financial statements of Solarity for the 12 months ending March 2022, and completed the verification of member accounts. They formally rendered their

opinion indicating that our financial statements accurately reflect the financial condition of Solarity Credit Union. We appreciate the support of the Board of Directors and the employees of the credit union for their cooperation in allowing us to carry out our duties and responsibilities that ensure an effective audit program.



Jim Hurley
Audit Committee Chair

Board of Directors



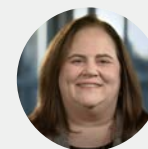
Terry Morgan
Board Chair



Merrilou Harrison
Vice Chair



Regan Myers
Secretary



Angela Gonzalez
Board Director



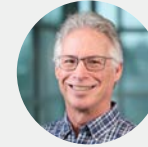
Jim Hurley
Board Director



Victoria Larios
Board Director



Michael Meyer
Board Director



Doug Nicholson
Board Director



Ryan Smith
Board Director



Angela Von Essen
Board Director

Audit Committee



Jim Hurley
Chair



Ryan Smith
Committee Member



Victoria Larios
Committee Member



Tina Torres
VP of Risk Management & Staff Liaison



We help more local homeowners than any other lender.

We are humbled to be the top lender in Yakima Valley.

352

HOMEOWNERS HELPED

\$72

MILLION IN HOME LOANS

**42.5%
FASTER**

We reduced the time it takes to open an account or apply for a loan



\$124,700

IN DONATIONS AND SPONSORSHIPS

476

EMPLOYEE VOLUNTEER HOURS

\$16,876

EMPLOYEE DONATIONS TO OUR COMMUNITY PARTNERS

Our members are at the center of our universe. **85%** of our members say **Solarity makes their lives better.**



Solarity locks in rates and keeps their word. The team is thorough. That's rare in today's society. As usual, they went way beyond what was necessary.

-Steve, member

It's always been a collaborative experience, unlike - frankly - the majority of other experiences I've had with banks and other credit unions.

-Scott, member

The whole team at Solarity did a fantastic job on keeping in contact. It made the transaction really nice and it flowed perfectly, honestly.

-Luis, member

It was a much more personal experience, like there was a personal relationship being built. Our Home Loan Guide was really helpful in creating potential options of what that payment could look like.

-Kenzie, member

We all have problems and issues in life, financially. They have backed me up and helped me out many times.

-Dennis, member

I was in the market for a new family car and tried applying for other car loans and Solarity was the only one that accepted.

-Stevan, member



Financial Statement

Statement of Income

Income	2022	2021
Interest on Loans	25,334,466	22,541,628
Investment Income	1,878,025	584,408
Fee & Other Operating Income	8,485,850	11,829,014
Total Income	35,698,341	34,955,050

Expenses	2022	2021
Compensation	16,088,551	15,228,495
Travel & Conference	483,157	317,691
Office Occupancy	1,080,801	1,187,792
Office Operations	5,786,568	5,886,620
Marketing	949,913	1,149,602
Loan Servicing	1,292,284	1,710,734
Professional & Outside	3,083,810	3,371,722
Provision for Loan Losses	426,000	-
Cost of Borrowed Money	717,043	448,626
Misc Operating Expenses	612,884	647,983
Total Operating Expenses	30,521,011	29,949,265

Non-Operational (Income) or Expense	104,599	145,661
Dividends	605,544	931,934
Total Expenses	31,231,154	31,026,860
Net Income	4,467,187	3,928,190

Unaudited financial statement as of Dec 31, 2022. 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	2022	2021
Loans	663,569,001	547,460,222
Allowance for Loan Loss	(2,345,380)	(2,638,245)
Loans Held for Sale	0	55,334,146
Cash and Deposit	60,089,357	116,032,636
Investments	60,483,380	55,422,083
Land-Building (Net of Depreciation)	10,148,764	10,697,632
Furniture & Fixtures (Net of Depreciation)	2,587,065	3,385,510
Other Assets	22,131,419	22,849,860
Accounts Receivable	4,623,524	5,227,315
Total Assets	821,287,130	813,771,159

Assets Serviced for Others	537,004,521	553,183,368
Total Assets Under Management	1,358,291,651	1,366,954,527

Liabilities	2022	2021
Accrued Liabilities	1,773,173	1,925,983
Accounts Payable	15,171,181	16,630,767
Borrowings	41,300,000	10,000,000
Total Liabilities	58,244,354	28,556,750

Shares	2022	2021
Membership Shares	298,232,942	300,137,353
Share Checking	163,048,831	162,924,308
Certificates	40,726,105	41,308,151
IRAs	8,334,936	9,387,724
Money Market Accounts	133,635,259	152,666,378
Non-Member Deposits	1,004,901	1,094
Total Shares	644,982,974	666,425,008

Equity	2022	2021
Equity Acquired in Merger	20,445,000	20,445,000
Regular Reserve	103,063,734	98,596,546
Unrealized Gain or Losses on AFS Securities	(5,448,932)	(252,145)
Total Reserve Equity	118,059,802	118,789,401

Total Liabilities, Shares & Equity	821,287,130	813,771,159
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