

2023  
ANNUAL  
REPORT



INVESTED IN THE  
COMMUNITY

# Report to the Membership

News headlines in 2023 were a little scary for those of us working in the banking sector. We heard about things we haven't witnessed since The Great Recession of 2008, such as impending recession, economic crisis, liquidity problems and so on. During the first half of the year, a few uniquely positioned, niche banks were closed by regulators due to the strain created by rapidly rising interest rates. While the failure of these banks was concerning, they were limited to a sector of regional banks that might not have been playing their best hand of cards given the economic circumstances.

Solarity remains strong and viable, navigating through the headwinds of shrinking margins due to less borrowing demand and higher interest rates paid to our depositors. We continually keep a keen eye on economic indicators and make proactive decisions that support the long-term sustainability of your credit union. Throughout 2023, we have maintained great liquidity and capital positions while continuing to raise deposit rates and lend to those seeking to borrow. Ensuring Solarity's stellar financial position is a responsibility that the Board and Management take quite seriously on behalf of our members, our employees and our community. We are proud of the fact that our state and federal regulators also acknowledged our safe and sound practices during their recent annual examination.

Solarity is positioned well and eager to be your trusted partner in financial matters. We seek to rescue you from other financial institutions that might not put your needs first and foremost in the way that we do at Solarity. We seek to

deliver a reliable banking experience that gives you peace of mind and makes it simple for you to accomplish your goals. We invest in our staff to increase their skills and knowledge, so they are empowered to deliver extraordinary member experiences. We are heavily focused on training, mentoring, coaching and observing our staff to ensure they are able to deliver top-quality service to you.

Evidence of this is seen through our industry-leading Member Satisfaction scores. We survey our members on transaction-level interactions and on overall relationship loyalty. Solarity's executive management team personally reviews every single member survey response. We appreciate the feedback you give us because we grow every time you tell us where we are great as well as where we can improve.

Our plans for 2024 and beyond will demonstrate that we continue to improve our operations for our members, our Solarian employees and the communities we serve. We look forward to what the future brings and to partnering with you to make your life better.



**Mina Worthington**  
President and CEO



**Terry Morgan**  
Board Chair





# Community Involvement

Being rooted in Yakima and Kittitas counties fills us with pride! Here's a glimpse of local community events we supported or participated in throughout the year.



Orange balloons and fresh produce! We were proud to be the title sponsor of this record-setting inaugural year in the new downtown location.

**Downtown Yakima Farmers Market**



We were thrilled to support our local agriculture industry while giving away almost \$4,000 in cash and prizes!

**Fresh Hop Ale Festival**



We loved seeing Yakima's ghosts and goblins. We handed out tons of candy to enthusiastic kiddos and got in touch with our supernatural side.

**Downtown Yakima Trunk-or-Treat**



We cheered on runners and gave out swag at our booth. We especially enjoyed giving the doggies Solarity bandanas.

**Downtown Yakima Mile**



Solarity "elves" dropped off more than 90 toys, gift cards and other items for two single moms and their children over the holiday season.

**YWCA Adopt-a-Family**



We successfully collected more than 100 warm coats, hats and other winter essentials for donation to YWCA Yakima.

**YWCA Winter Coat Drive**



Our members took home adorable sasquatch stuffed animals for \$20 donations to the Yakima Humane Society, raising over \$4,000!

**Yakima Humane Society Donation**



We donated a new toy Jeep and an additional \$39,000 to the Memorial Foundation, which ensures babies like Lennon get the care they need.

**Memorial Foundation Donation**



# Audit Committee Report

The Audit Committee is elected by the Membership to perform ongoing work in collaboration with Solarity’s Executive team, Risk Management team and external auditors. This supports the continued financial stability and operational soundness of the credit union. The committee ensures compliance with various financial and regulatory requirements through the ongoing review of quality practices and internal controls to protect against theft and fraud, continuously safeguarding the membership’s collective assets.

It is the responsibility of the Audit Committee to engage independent auditors to conduct the annual audit of Solarity’s financial statements. In 2023, our independent auditors, Eide Bailly, audited the financial statements of Solarity

for the 12 months ending March 2023 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



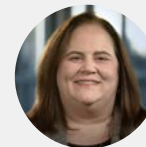
**Terry Morgan**  
Board Chair



**Merrilou Harrison**  
Vice Chair



**Doug Nicholson**  
Secretary



**Angela Gonzalez**  
Board Director



**Jim Hurley**  
Board Director



**Victoria Larios**  
Board Director



**Michael Meyer**  
Board Director



**Regan Myers**  
Board Director



**Ryan Smith**  
Board Director



**Angela Von Essen**  
Board Director

## Audit Committee



**Jim Hurley**  
Chair



**Victoria Larios**  
Committee Member



**Regan Myers**  
Committee Member



**Ryan Smith**  
Committee Member



**Angela Von Essen**  
Committee Member



**Tina Torres**  
VP of Risk Management & Staff Liaison



# Innovating to make members' lives better



## Some of the best rates in the market

With Money Market Max offering higher rates, and low auto and RV loan rates, members kept more of their hard-earned money.



## New and improved Skip-a-Pay

Members could defer their loan payment up to two times every 12 months, helping to free up cash when budgets were tight.



## Free financial consultations

Members were able to chat with an experienced Relationship Guide about how to accomplish their financial goals.



## Rewarding members for using their debit card

This year we introduced Bonus Savings, an account that earns you 40 times more than Solarity's Primary Savings.



## Helping members tap into more home equity

Members consolidated debt and tackled home makeovers with a home equity line of credit (up to 95% of their home's equity!).



## Serving members in their preferred language

We launched our Spanish website. Talking about money can be tough; we're working to make it as easy as possible to understand.

## Thank you for voting us:



Best Credit Union



Best Mortgage Company



Best Credit Union

# What makes Solarity different?

## Our members say it best!

It's my first time getting a car loan. You guys have made it a smooth and easy process. Thank you for offering great low interest rates and for your great customer service.

**-Abigail, member**

Mobile deposit, in combination with Bill Pay and automatic transfers, is a game changer for anyone who is interested in efficiency and effective financial management.

**-Barbara, member**

I appreciate how easy everything is with Solarity. The online app is easy, getting things done in person is easy, getting things done over the phone is easy. It's the best bank I've ever had!

**-Jennifer, member**

I love how easy it is to do mobile deposit. I can deposit late at night or early in the morning or on the weekends.

**-Business Member**

When I was denied by other financial institutions, Solarity came through for me on my mortgage. Thank you to Solarity, you're a lifesaver!

**-Elaine, member**

Everyone is always nice and friendly, and they always take care of my issues, whatever they may be. I am glad we switched from Bank of America to Solarity.

**-Toni, member**

# Financial Statement

## Statement of Income

Income	2023	2022
Interest on Loans	28,345,622	25,334,466
Investment Income	5,452,963	1,878,025
Fee & Other Operating Income	9,196,849	8,485,850
<b>Total Income</b>	<b>42,995,434</b>	<b>35,698,341</b>

Expenses	2023	2022
Compensation	15,283,495	16,088,551
Travel & Conference	469,447	483,157
Office Occupancy	1,162,575	1,080,801
Office Operations	5,657,186	5,786,568
Marketing	875,743	949,913
Loan Servicing	931,074	1,292,284
Professional & Outside	3,787,728	3,083,810
Provision for Loan Losses	838,000	426,000
Cost of Borrowed Money	3,281,751	717,043
Misc Operating Expenses	(419,670)	612,884
<b>Total Operating Expenses</b>	<b>31,867,329</b>	<b>30,521,011</b>

Non-Operational (Income) or Expense	1,115,306	104,599
Dividends	4,813,468	605,544
Total Expenses	37,796,103	31,231,154
<b>Net Income</b>	<b>5,199,331</b>	<b>4,467,187</b>

Unaudited financial statement as of Dec 31, 2023. 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	2023	2022
Loans	663,731,318	663,569,001
Allowance for Loan Loss	(2,931,008)	(2,345,380)
Loans Held for Sale	0	0
Cash and Deposit	106,899,190	60,089,357
Investments	59,893,826	60,483,380
Land-Building (Net of Depreciation)	9,696,305	10,148,764
Furniture & Fixtures (Net of Depreciation)	2,864,121	2,587,065
Other Assets	23,930,938	22,131,419
Accounts Receivable	2,484,946	4,623,524
<b>Total Assets</b>	<b>866,569,636</b>	<b>821,287,130</b>

Assets Serviced for Others	490,944,658	537,004,521
<b>Total Assets Under Management</b>	<b>1,357,514,294</b>	<b>1,358,291,651</b>

Liabilities	2023	2022
Accrued Liabilities	1,780,983	1,773,173
Accounts Payable	17,017,195	15,171,181
Borrowings	90,300,000	41,300,000
<b>Total Liabilities</b>	<b>109,098,178</b>	<b>58,244,354</b>

Shares	2023	2022
Membership Shares	234,816,203	298,232,942
Share Checking	144,574,340	163,048,831
Certificates	71,325,700	40,726,105
IRAs	6,938,145	8,334,936
Money Market Accounts	154,882,871	133,635,259
Non-Member Deposits	21,083,767	1,004,901
<b>Total Shares</b>	<b>633,621,026</b>	<b>644,982,974</b>

Equity	2023	2022
Equity Acquired in Merger	20,445,000	20,445,000
Regular Reserve	107,303,254	103,063,734
Unrealized Gain or Losses on AFS Securities	(3,897,822)	(5,448,932)
<b>Total Reserve Equity</b>	<b>123,850,432</b>	<b>118,059,802</b>

<b>Total Liabilities, Shares &amp; Equity</b>	<b>866,569,636</b>	<b>821,287,130</b>
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\$87,130

**CREDIT UNION  
DONATIONS AND  
SPONSORSHIPS**



450  
hours

**EMPLOYEE  
VOLUNTEER  
HOURS**



\$10,081

**EMPLOYEE PAYROLL  
DONATIONS TO  
OUR COMMUNITY  
PARTNERS**

