

2023 Community Impact Statement

Helping our
community thrive





A Message From Geoff

Dear Member,

Thank you for being a member of Harborstone Credit Union. Your perspectives are key to helping us make positive decisions to serve you best now and in the future. We've established more effective channels of communication to gather your feedback. To those who have reached out to share their thoughts, thank you!

As we move forward, we continue to ask: "What matters most to you?" Maybe it's buying a home, car, or truck with rates you can afford; exercising smart ways to invest; or saving for a rainy day. Perhaps you're interested in starting that business you've been dreaming about or gaining access to services that help you thrive as an entrepreneur and local business owner.

What matters to Harborstone? The answer is simple: It's you, our members. From our personal bankers in-branch, to our support staff behind the scenes, to me and the executive team, we all align on this core purpose: We delight in the business of providing financial solutions to our members.

YOU are why we're here.

This year, we continue to build on last year's success. We're developing new products and services, including our new PNW Premier checking account, and offering competitive yields with simple qualifications, new savings product specials, and enhanced digital services so that you can manage your money with convenience and simplicity.

Above all, what you'll continue to find with Harborstone is a collective of unique individuals eager to support you on your financial journey. We look forward to serving you this year and for many years to come.

Sincerely,

Geoff Bullock
CEO and President

By the Numbers: 2023 Milestones



\$413,859
2023 total contributions & sponsorships

\$20,000
to Pike Place Market Foundation

\$50,000
to Business Impact NW



Top 5 financial contributions

\$45,000
to Junior Achievement of Washington

\$50,000
to University of Washington Board Fellows Program

\$30,000
to Sound Outreach



1,193
Staff volunteer hours



54
Number of organizations supported

We were honored to be named once again as one of Washington's Best Workplaces by the Puget Sound Business Journal in 2023.



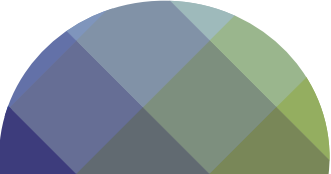
Credit Unions, Unite!



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International Credit Union Day celebrates the spirit of the global credit union movement and raises awareness about the impact of credit unions in communities around the world. In 2023, the City of Tacoma recognized Harborstone, along with TAPCO, ACU, and Sound Credit Unions, for our service under the new **Compassionate Tacoma initiative**. Employees celebrated ICU Day in a few different ways:

- Painting and cleaning up trash at a Tiny Home Village.
- Removing invasive species and planting and removing debris at Bradley Lake Park.
- Cleaning tennis courts, weeding paths, and laying mulch and gravel at Portland Avenue Park.



Meaning and Impact: Strengthening Our Community

In 2023 and every year, we've worked to create change in our communities — both in our branches serving members and through our donations, sponsorships, and gifts of time and talent to support initiatives that truly impact our neighbors.

Just a few highlights from 2023:

Financial Education

- Continuing our strategic partnership with Sound Outreach, we helped Pierce County residents experiencing low or fixed incomes build financial security. A Community Development Financial Institutions (CDFI) grant has allowed us to embed Harborstone staff at their Hilltop location, install an ATM, and create low-barrier products to help clients pay off debt and increase their credit score. In 2023, Sound Outreach served more than 500 clients with financial and employment coaching.
- Established in part by Harborstone, Business Impact NW provides capital, coaching, and classes to female, veteran, person of color, immigrant, and LGBTQ+ entrepreneurs. In 2023, Harborstone, as presenting partner, helped give entrepreneurs a chance to compete for more than \$30,000 in prize money through the annual IMPACT Pitch competition.

DEI and Empowerment

- Harborstone sponsored Lakewood Multicultural Coalition's (LMCC) first Annual Dr. Claudia Thomas Community Service Award Gala. LMCC's mission is to provide a voice to all people and communities through celebration, empowerment, and inclusion.



Top photo: Employees participate in the annual Toy Drive supporting Santa's Castle on Joint Base Lewis-McChord.

*Above: Our business team supporting the Kent International Festival.
Left: Harborstone attends Lakewood Multicultural Coalition's gala.*

Meaning and Impact: Strengthening Our Community



*Top: Our team participates in Habitat for Humanity's home build project.
Below: Harborstone sponsors Communities in Schools event.*

- Throughout the year, Harborstone's DEI team rallied colleagues to participate in and support community events, including a meet-up to view exhibits reflecting on the legacy of Executive Order 9066, which incarcerated people of Japanese descent during World War II; a movie night to bring awareness about different cultures through entertainment while supporting local nonprofit The Grand Cinema; and an event at the Puget Sound Labor Agency (PSLA) food bank, where Harborstone volunteers helped serve 357 recipients, equating to about 6,000 pounds of food valued at \$30,000.

Housing and Food Security

- Harborstone sponsored the annual Tacoma/Pierce County Habitat for Humanity's Changing Lives Luncheon; attendees enjoyed an inspiring hour learning how Habitat's programs now offer housing solutions not only for entry-level homeownership but also to keep people in homes they already own.
- For the first time post-pandemic, in 2023 the Harborstone United Giving Support (HUGS) Team gathered coworkers to assemble soup kits for the United Way of Pierce County. The group packaged and donated 595 soup kits to be distributed to local food banks.

Supporting our Youth

- As in past years, in 2023, Harborstone sponsored Communities in Schools (CIS) events throughout the year. In April, an All in For Kids luncheon brought more than 250 community members together to celebrate student achievement, and in May, we sponsored the organization's 30th anniversary breakfast.
- Harborstone Senior Vice President and Chief Retail Officer Tim Hoefel serves on the board for Junior Achievement of Washington. We helped the organization raise over \$668,000 during the Dare to Dream fundraising event in September.

Fun, Culture and Contribution to Community

Harborstone sponsored, attended, and participated in a number of cherished community events during 2023, including:

- **King County Metro Parks' Big Backyard 5K** Proceeds support maintenance and operations of facilities and recreational resources.
- **MOSAIC (Tacoma's Arts & Cultural Festival)** For the first time this year, Harborstone helped sponsor MOSAIC (formerly Ethnic Fest). MOSAIC continues its 35-year tradition of bringing together a kaleidoscope of dance, music, art, food, and family fun, set under the shady trees of Wright Park.
- **Issaquah Concert on the Green** As a headline sponsor for the third year in a row, Harborstone helped raised funds to support many of Issaquah's small nonprofits.
- **National Night Out** For the fifth year, Harborstone supported this collaboration with the City of Lakewood, Lakewood Police Department, and West Pierce Fire & Rescue, bringing neighbors and law enforcement together to work on building a safer community.
- **United Way of King County Community BBQ** In addition to sponsorship, Harborstone employees volunteered at the event. Proceeds support youth through the Racial Equity Coalition's after-school program.
- **Pike Place Market Foundation Sunset Supper** Harborstone supported this United Way of King County event, which raised \$600,000 to directly support the market community through daycare, food bank, medical center, senior housing, senior community center, and other activities.



Top: Harborstone supports National Night Out.
Above: Team members participate in the King County Big Backyard 5K.
Left: Harborstone volunteers for the annual United Way King County Community BBQ.

To Our Military: We Salute You



Above: Harborstone attends the annual Spouses' Club gala.

At Harborstone, we know that serving in the military presents unique hardships, with frequent moves, long separations from loved ones, and other challenges, and since we got our start at McChord Air Force Base, our local military will always hold a special place in our hearts and history. It is our honor and pleasure to support our military through sponsorships, appreciation events, and financial education throughout the year.

A few military highlights from 2023:

- Newcomer luncheons connected incoming soldiers with housing information and other resources to help them acclimate on base.
- We sponsored and attended dozens of Morale, Welfare & Recreation (MWR) initiatives — from the Easter Dash, Kids Fest, Haunted Trail, and WinterFest, to library reading sessions and competitions, to the annual Operation Turkey Drop & Ham Grenade and the Operation Cookie Drop during the holidays.
- We worked with Support the Enlisted Project (STEP) to present its first Swing for Our Heroes golf tournament in Washington.

Team McChord Civic Leaders Tour

Harborstone staff Steve Crosby, COO, and Mike DeCius, CIO, joined other area civic leaders on a tour of Columbus Air Force Base in Mississippi, Sheppard Air Force Base in Texas, and Altus Air Force Base in Oklahoma. The Civic Leaders Tour program is designed to provide community partners an opportunity to visit other installations and learn about the Air Force's mission, operation, and priorities.



To Our Military: We Salute You

- **Spouses' Club Event** Harborstone was a proud sponsor of the Spouses' Club of Joint Base Lewis-McChord's annual charity event, which raises grant money to serve active and retired military members and their families.
- **Financial Literacy Expo** When you understand how to manage your money and what resources are available, you can prevent financial challenges and emergencies. That's why we participated in the JBLM National Financial Literacy Expo this year.
- **OP REDs** Continuing a 13-year tradition, Harborstone helped organize two Operation Recruit Enlistment Dinners (OP REDs), recognizing and celebrating high school graduates enlisted in the military.
- **Santa's Castle** In partnership with KOMO TV, we supported Santa's Castle on Joint Base Lewis-McChord through a toy drive and a \$5,000 contribution. We gathered more than 300 toys and also contributed cash and check donations from Harborstone and some generous members.
- **McChord Air Show** After a seven-year hiatus, McChord Field once again hosted its beloved air show in July. Harborstone staffed a booth and helped sponsor kickoff parties and hospitality tents. This event was missed in past years: More than 80,000 people attended in 2023!
- **Air Force Ball** In the fall, Harborstone served as a major sponsor and organizer of the Air Force Ball, celebrating the Air Force's 76th anniversary with a theme of "Global Reach, Unstoppable Force: A Vision of Modern Warfare."

Participated
in over
50 events
supporting our
military service men
and women.


\$5,000
Contributed
and...

300
Toys gathered
for Santa's Castle
program at JBLM



Mark Minickiello inducted into JBLM Civilian Hall of Fame

Established in 2003, the Joint Base Lewis-McChord Civilian Hall of Fame (also known as the LTG William H. Harrison Service Award) recognizes community members who have contributed to the community as a civilian for three or more years and who through their efforts made an exceptional impact on service members, military families, or the JBLM community. Congrats, Mark!



Consolidated Statements of Financial Condition

(in thousands)

		2023	2022
ASSETS	Loans	\$1,379,450	\$1,343,345
	Loan Reserves	(20,481)	(16,161)
	Cash and Investments	460,894	445,388
	Other Assets	89,425	88,862
	TOTAL ASSETS	\$1,909,288	\$1,861,434
LIABILITIES & MEMBERS' EQUITY	Notes Payable	\$55,000	\$25,000
	Other Liabilities	\$12,861	\$16,503
	Total Members' Deposits	\$1,530,865	\$1,469,261
	Total Business Deposits	\$91,537	\$101,642
	Total Non-Members' Deposits	\$51,617	\$92,360
	TOTAL DEPOSITS	\$1,674,019	\$1,663,263
	TOTAL LIABILITIES	\$1,741,880	\$1,704,766
	Total Net Worth	\$222,542	\$219,862
	Unrealized Gain/(Loss) on Investments	(55,134)	(63,194)
	TOTAL MEMBERS' EQUITY	\$167,408	\$156,668
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$1,909,288	\$1,861,434	

MISSION:

Building dreams;
changing lives
for generations
to come.

VISION:

A world-class financial
institution that builds trust as
it assists members in achieving
financial well-being through
innovative solutions that foster
thriving communities and
economic vitality.

CORE VALUES:

Committed
—
Dependable
—
Kind



Geoff Bullock
CEO & President



Ann Anderson
Board Chair

Board of Directors

- Ivan Barron, *Director*
- Jim Buck, *Director*
- Franklin Donahoe, *Director*
- Walt Frost, *Director Emeritus*
- Michael Gedeon, *Director*
- Bonnie Kern, *Director*
- Linda Crane Nelsen, *Director*
- Rick Stevens, *Vice Chair*
- Shellie Willis, *Secretary*

Supervisory Committee

- Kaye Moore, *Chair*
- Dennis Barnes, *Vice Chair*
- Justin Maryanski, *Member*
- Jeanie Rieke, *Secretary*



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