

2022 Community Impact Statement

From DEI efforts to volunteerism, philanthropy and more, see how we show up in your community.



A Message From Geoff

This last year saw a decline of pandemic activity and the return of some normalcy to our regular routines. We attended events again, reconnected with the community in face-to-face interactions, and continued the work we love doing: helping our community thrive. We are reinvigorated by our purpose: providing financial services that support members on their path to stability and wealth.

In 2022, we saw local businesses coming back to life. Harborstone employees led the charge in volunteerism, supporting those experiencing low incomes or homelessness, and preparing our youth for a bright future through education, incentives for savings, and compassionate giving. We know a little kindness goes a long way, and Harborstone's mission is to help our communities be successful.

Harborstone continues to be financially sound, ready to embrace whatever comes our way. Our leadership and staff are savvy navigators of uncertainty, moving with grace and supporting our members with empathy and kindness. As we marshal our will for what lies ahead, we look forward with confidence as a team and as a community.

I'm humbled and excited to be here and I look forward to leading our organization into even greater success in this new chapter of Harborstone's history.

Sincerely,



Geoff Bullock
CEO and President



Our Why

It's not just what we do. It's HOW we do it.

Harborstone's mission is to create a thriving community by helping members realize their full potential through trusted relationships.

Our Values

Simplicity

We are easy to work with and committed to improving the banking experience.

Empathy

We care about people, show respect at all times, and strive to understand everyone's unique circumstances and needs.

Prosperity

We are optimistic and aim to help everyone reach their full financial potential.

Advocacy

Advancing the best interests of our members is the foundation of everything we do. We believe it's our obligation to empower our members with the knowledge they need to make informed financial choices.

Equity

We advocate and proactively look for opportunities to help our members and the community flourish.

Trust

We continually strive to earn and maintain trust by doing the right things and doing things right.

Harborstone's Commitment to Equity

Harborstone acknowledges that entrenched racism and discrimination exist in our society, and we are publicly committed to making a meaningful, positive impact in our local communities through Diversity, Equity, and Inclusion (DEI) efforts.



- **Cultural Cuisine** – Employees show us how to make their favorite cultural dishes (above: Imbenia Kline, VP, Contact Center Experience).
- **Monthly Communications** - We share news that features awareness months, cultural holidays, and employee spotlights.
- **Volunteerism** - Our team shows up for the communities around our branches (above: Harborstone employees at Puget Sound Labor Agency).
- **DEI** - We regularly share articles, videos, stories, and education on DEI topics with our staff.
- **Listen & Learn** – Harborstone's DEI team invited Kent Police Department Officer Eric Doherty (above), to speak about his role in the community and how he champions equity.

Supporting the Next Generation

Boys and Girls Clubs (King and Pierce Counties)

Harborstone supports the Boys and Girls Clubs Youth of the Year signature effort to foster a new generation of leaders fully prepared to live and lead in a diverse, global, and integrated world economy. The finalists work with club staff throughout the year to prepare for this event.

Harborstone provides interview coaches each year with local leaders and business owners in the community.

This year-long effort culminates in one evening of presentations by finalists, who share their personal stories of adversity, their growth with the Boys and Girls Clubs, and their plans as young leaders.

A finalist is awarded a scholarship at the event and goes on to the national level of the Youth of the Year competition.

We also provided 225 Harborstone-branded Visa gift cards, ranging in amounts of \$50 to \$250, that were donated to club families in need.

Very Important Payment (VIP) Program

This program is designed to help young people start saving and setting financial goals. We offer a special incentive gift to minors who open a savings account

and commit to saving at least \$10 a month.

Harborstone deposits \$20 each quarter to boost VIP account balances. Parents receive materials monthly to help guide kids in tracking the balance, making goals, and learning the value of saving.

Junior Achievement

Celebrating Financial Literacy Month

Harborstone offered a range of financial classes in partnership with Junior Achievement of Washington.

Classes taught youth about the importance of saving, budgeting, and overall money management.

As an added bonus—and to encourage the habit of saving, a \$50 deposit was made for each child who attended a financial learning class.

Dare to Dream

Harborstone supported the 2022 Dare to Dream Dinner & Auction. The event raised over \$727,000 to promote childhood education in financial literacy, career planning, and entrepreneurship.



Taking Action in the Community

United Way of Pierce County

Harborstone continued its support of United Way of Pierce County in 2022 through the following actions:

- Sponsored MLK Jr. Virtual Month of Service, promoting service projects that honor the life and legacy of Dr. King through a menu of opportunities to address pressing community needs
- Sponsored From Poverty to Possibilities Conference
- Supported Pierce County's overall poverty work

United Way of King County

King County's United Way, in partnership with former Seahawk Doug Baldwin Jr. and the Champions of Change Initiative, hosted its first-ever Annual Community BBQ.

Harborstone supported this event with organization efforts, volunteers, and monetary contributions.

This provided community members a chance to gather with friends and family, meet other community members, and celebrate with local food. The event included music, dancing, BBQ, and family-friendly activities.

Harborstone plans on participating in the 2023 Annual Community BBQ and will also support the grand opening of the Vault 89 Ventures Community Center in Renton, slated to open in July 2023.

Member Calendar Contest

As in past years, we asked members to submit their best works of photography and compiled their photos into calendars, which we provided free to members!



2023 Member Calendar

King County Giving Program

Harborstone donates \$7,500 to pay for thank-you gifts and T-shirts for the King County employees who volunteer to support the Sponsorship Drive.

Last year, King County Giving raised \$2,346,103 with a total of 2,027 donors.

Big Backyard 5K (BBY5K)

Over our 12 years of involvement, more than 12,000 runners and walkers have gathered to raise over \$75,000 for King County Parks. In 2022, the BBY5K celebrated our ability to gather together again with a simple approach to fun and fitness (pictured right).



International Credit Union (ICU) Day – Compassionate Tacoma

On October 20, 2022, Harborstone, along with three other credit unions, teamed up to support local service projects. More than 40 credit union employees joined the ranks, collaborating across organizations, to make a positive impact on our communities.

Projects included:

- Painting and tidying the Tiny Home Village in South Tacoma, a Low-Income Housing Institute connection
- Beautifying Bradley Lake Park in Puyallup – a Pierce Conservation District effort – by removing invasive species and garbage, and by planting new trees and flowers
- Cleaning tennis courts, weeding paths, and laying mulch and gravel at Portland Avenue Park in east-side Tacoma in connection with Metro Parks

In January of 2023, Mayor Victoria Woodards and the Tacoma City Council presented Harborstone and its fellow ICU Day participants (pictured right) with the Compassionate Tacoma recognition for their service together on International Credit Union Day.



Employees in the Community

In 2022, Harborstone employees volunteered over 1,560 hours at more than 157 organizations.

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In the Community, *continued*

Paying It Forward

Each holiday season, our teams seek out a local nonprofit in their community to serve by providing much-needed resources that allow the nonprofit to continue their service. Harborstone teams “pay it forward” through a combination of financial support and volunteer hours or another creative approach.

This year, Harborstone donated a total of over \$5,750 to 19 different organizations.

Below are the organizations that benefited from this effort.

- Tacoma Humane Society
- Clothes for Kids
- Thurston County Food Bank
- Hope Sparks
- Asia Pacific Cultural Center
- Autism Speaks
- PAWS
- FUSION
- Peninsula FISH Food Bank
- Fisher House
- Domestic Abuse Women’s Network
- Our Ark
- Santa’s Castle on JBLM
- OASIS Youth Center
- Santa for Seniors
- Puget Sound Pet Food Bank
- Treehouse
- Salvation Army
- The Northwest Spay and Neuter Center



Serving Those Who Serve

Since we got our start in 1955 as McChord Federal Credit Union, we’ve always taken great pride in our military roots. Today, it is our pleasure – and a top priority – to help financially empower military personnel and their families.

Some highlights from 2022:

Celebrating Education

Harborstone celebrates the educational accomplishments of airmen serving at Joint Base Lewis-McChord (JBLM), joining Team McChord leaders, unit colleagues, and family members to congratulate the honorees.

The Community College of the Air Force (CCAF) at JBLM grants airmen two-year Associate of Applied Science degrees.

Harborstone participates in event planning for the annual graduation festivities and provide funds for decorations, snacks, and printing.

CCAF’s Airman Leadership School graduates a class of airmen six times a year. Harborstone team members attend the graduation ceremonies, where we present a small gift to

each class’s John L. Levitow Award recipient. This is the highest award bestowed in professional military education and is given to the student with the highest overall average of instructor and student points.

Military Saves Week

The personal financial security of service members is a crucial aspect of military readiness. Harborstone staff partner with JBLM’s Directorate of Personnel & Family Readiness annually to celebrate Military Saves Week, a national campaign to motivate members of the JBLM military community to build wealth through saving money and reducing debt.

The team hosts a Harborstone table, offering resources and answering questions.



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Serving Those Who Serve, continued

Team McChord Summer Bash

The 62d Airlift Wing makes it a priority to invest in growing strong leaders and resilient families. We are proud to be able to celebrate summer – and have fun – with the McChord community during this event.

Our team members serve on the planning committee, and Harborstone covers the cost for a variety of supplies and vendors.

Several Harborstone staff also volunteer to work at the event, which attracts more than 1,000 attendees including members of the 62d Airlift Wing, members of other units and the U.S. Army Reserve, and other community partners.

Lewis Community Spouses' Club

The Lewis Community Spouses' Club is a volunteer-run, nonprofit, all-ranks spouses' group at JBLM. Harborstone sponsors the group's Annual Charity Event (ACE Night), filling a table and helping raise funds.

In 2022, the event raised more than \$17,000, which was returned to our community through grants.

Grant recipients included the Lewis-McChord Scholarship Fund, Emergency Food Network, Operation Homefront, Lakes High School, Green Trike, and many more worthy organizations.

Operation Cookie Drop

Every year, many airmen stationed at JBLM experience their first holiday season away from home. Operation Cookie Drop sends cookies and holiday cheer to airmen living in the base dorms.

Harborstone donates funds for cookie boxes and labels, and several team members bake and donate homemade cookies to fill them.

Turkey Drop and Ham Grenade

Money can be tight during the holidays, especially for young families. The Air & Space Forces Association sponsors the annual Turkey Drop and Ham Grenade, distributing donated turkeys and hams to service members in several JBLM units during the weeks before Thanksgiving and Christmas. Two

Harborstone members serve on this organization's board, and we provide additional support to this effort by covering the cost to print labels for the gift packaging.

McChord First Sergeants' Council

Harborstone helps cover the cost of meals and entertainment at the McChord First Sergeants' Council's annual off-site retreat. We also contribute annually to the council's Warm Heart Fund and support the First Sergeants' annual golf tournament as a hole sponsor.

Annual Air Force Ball

To join in celebrating the Air Force's birthday, Harborstone team members serve on the Annual Air Force Ball event planning committee.

We also participate as a major financial contributor for the event and fill a table with Harborstone employees.

Team McChord Cup Golf Tournament

The Team McChord Cup Golf Tournament, presented in association with the Air & Space Forces Association's (AFA's) Airmen Support Golf Tournament, offers a chance for military personnel and civilians to enjoy a day of golf together while they raise funds to support local airmen through the Pilot for a Day program and AFA and Daedalians scholarships.

Harborstone sponsors a hole and provides refreshments.



Volunteering Our Time and Expertise

Harborstone team members serve on many boards in support of our local military personnel. These include several positions with the state and JBLM chapters of the Air & Space Forces Association, as well as the Pierce Military & Business Alliance (PMBA), a nonprofit organization started by Harborstone and The Boeing Company.

We also have board representation for Operation Recruit Enlistment Dinners (OP RED), a project of the Association of the United States Army (AUSA), PFC William Kenzo Nakamura Chapter.

A Harborstone team member leads preparation for annual OP RED events each May.

These dinners recognize and celebrate the decision of new military recruits to join all branches of the U.S. armed forces. Invitees include the recruits' families and friends, local elected officials, and military leadership from all branches.



Supporting Local Business

Business Impact Northwest (BIN)

BIN provides coaching, classes, and access to capital to community small businesses, with an emphasis on working with traditionally under-served populations – entrepreneurial low/moderate-income earners, women, BIPOC, veterans, immigrants, or members of the LGBTQ+ community.

In 2022, Harborstone increased its support of BIN with donations, time, and resources.

- Donations equaling \$36,000 to locally owned small businesses
- IMPACT Pitch 2022 – an opportunity for traditionally underserved small-business owners who are committed to improving local communities through targeted technical assistance and financial opportunities.

As a presenting sponsor, Harborstone Business Money Management Coaches (BMMCs) volunteered to provide business coaching to attending entrepreneurs.

Harborstone supported BIN's 2022 achievements, including:

- 110 business loans
- 423 jobs created
- 806 jobs retained

Harborstone supported a new connection between the Tacoma Urban League and BIN.

Because of the new relationship, BIN presented at Tacoma Urban League's Small Business Support meeting in January 2022, providing valuable information on resources available to Black-owned businesses.

Business Money Management Coaches – Leaders in Our Communities

Harborstone doubled its team of BMMCs in 2022 to support local companies in achieving their goals to grow and thrive as valuable businesses in the community.

- Harborstone and the Filipino Chamber of Commerce of the Pacific Northwest (FCCPN) – serving Filipino businesspeople and professionals in the Pacific Northwest.
 - Harborstone was a presenting sponsor at the 2022 International Trade and Business Development Bi-Annual Conference, Aug. 19-21, 2022, in Seattle.



BMMC team at FCCPN's conference

- Business Member Experience Manager, Galileo Tan, serves on this organization's board and emceed the three-day event.
 - Additionally, four Harborstone team members volunteered to support business owners with guidance to achieve their financial goals.
 - Harborstone Guest of Honor former Seahawk Doug Baldwin Jr. (pictured right with Galileo Tan) was acknowledged and presented with a lifetime achievement award.
- Our BMMCs work tirelessly to support local business owners and entrepreneurs at work, many of whom also hold leadership roles on their respective communities' Chamber of Commerce boards.

Eat Local – A Spotlight on Restaurants

In 2022, we partnered with 11 BIPOC-owned restaurants, purchasing \$15,000 in gift cards to give away to members at our branches throughout the year. This allowed us a special opportunity to share our appreciation for our members while also supporting small, local businesses. Pictured right are a few of our restaurant partners.



Influencing Economic Growth

In 2022, Harborstone's Executive Team increased efforts to engage with and serve disadvantaged groups in our communities. Our leadership responded to the ever-evolving financial needs of our community members by creating new financial products, boosting access to services, opening a new physical location in Federal Way, and more.



Harborstone continues to evolve its impact by analysis of our current community relationships, and identification of potential new partners, to ensure their equity and inclusion practices, and identifying organizations with CDFI grants. We are well on our way to building a new community impact program that will produce solid evidence of Harborstone's mission at work.



Consolidated Statements of Financial Condition

(in thousands)

	2022	2021
ASSETS		
Loans	\$1,343,345	\$1,292,952
Loan Reserves	(16,161)	(16,059)
Cash and Investments	445,388	513,045
Other Assets	88,862	87,202
Total Assets	\$1,861,434	\$1,877,140
LIABILITIES & MEMBERS' EQUITY		
Notes Payable	\$25,000	\$0
Other Liabilities	\$16,503	\$13,116
Total Members' Deposits	\$1,469,261	\$1,544,066
Total Business Deposits	101,642	120,711
Total Non Members' Deposits	92,360	28
Total Deposits	\$1,663,263	\$1,664,805
Total Liabilities	\$1,704,766	\$1,677,921
Total Net Worth	\$219,862	\$204,371
Unrealized Gain/(Loss) on Investments	(63,194)	(5,152)
Total Members' Equity	\$156,668	\$199,219
Total Liabilities and Member's Equity	\$1,861,434	\$1,877,140

The Future Is Bright

With more than 65 years of service to our members, Harborstone Credit Union stands strong as we purposefully step into the future. We are full of gratitude for the space we occupy in our community, serving Washington state families, local businesses, and our employees.

We pay homage to our military founders, honoring their vision to collectively support one another, realizing at our core that Harborstone Credit Union is created to serve those who serve.

In the year ahead, we will:

- Continue to serve as our members' steadfast partners in financial empowerment.
- Create opportunities to thrive for historically marginalized individuals through education and advocacy.
- Welcome new members and expand our presence and impact.

From all of us at Harborstone Credit Union, we wish you the best in 2023.



Geoff Bullock
CEO & President



Ann Anderson
Board Chair

Board of Directors

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Jim Buck, *Director*
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