

Where you bank matters.



2023
ANNUAL REPORT

Chair's Report

A dedicated and focused team.

Columbia Credit Union is a financially healthy, top-performing financial cooperative guided by its management and Board of Directors to serve our members and support our communities. Guided by our core values of people, community, and financial wellness, I'm honored to serve as part of this experienced and dedicated team leading Clark County's largest deposit-holding financial institution. I have great pride in being part of a cooperative enriching the local economy and proving the point that *where you bank matters*.

Adapting to our members' needs.

After appointing Lindsey Salvestrin as our interim President and CEO, I was delighted with the decision to welcome her to the position full-time. Much of Columbia CU's strength is demonstrated in its ability to adapt to its membership's diverse and evolving needs. We work to ensure its products, services, and personnel can continue to be outstanding resources while providing personal touchpoints through our 14 community branches, member service contact center, website virtual assistant, digital banking including our highly rated mobile app, and social media networks.

Financial strength and achievements.

Columbia CU's financial strength and high levels of member, employee, and community satisfaction are celebrated with the awards Columbia CU received in 2023:

- The Columbian's 2023 Best of Clark County (*Credit Union and Financial Services*)
- Vancouver Business Journal's 2023 Best in Business
- Portland Business Journal's 2023 Corporate Philanthropy Award
- DepositAccounts.com's "A" Financial Health Rating
- Weiss' "Recommended" Rating
- Bauer Financial's "5 Star" Rating

As we look ahead, Columbia Credit Union will continue to grow, remain financially strong, and evolve to meet the changing needs of our members. We look forward to continuing to earn your trust and appreciate your membership and advocacy as we remain true to our vision, mission, and core values.

Joseph Vance
Board Chair



President's Message

Throughout 2023, Columbia Credit Union demonstrated why our people-first approach toward financial wellness makes us the number one financial destination in Clark County—from large-scale community service to local financial opportunities to targeted member appreciation. Since our founding in 1952, we've worked toward our vision of being the most trusted, respected, and sought-after financial institution—providing innovative solutions to support our employees, members, and the communities we serve. In 2023, we put that vision into action, demonstrating our mission of **bringing people together to make life better for themselves and their communities.**

With membership at an all-time high of 114,262 and assets reaching \$2.35 billion, we were able to make huge impacts in the community. Our support for the KPTV Toy Drive reached new heights, amassing countless sleighfuls of toys, ensuring every child had a toy to open during the holidays. We partnered with the Vancouver Housing Authority to increase the inventory of affordable housing and provided accessible loans to kickstart homeownership's generational wealth-building. Big deposit givebacks in the form of market-leading CD specials and our always high-dividend Income CheckingSM boosted earnings potential for our members, while our revolutionary Overdraft Kindness program reduced daily overdrafts by 61%, saving folks when their finances were most vulnerable. In 2023 we were again the area's number one auto lender, helping over 10,000 people drive away with a new car. And finally, we sent member appreciation to new levels with our \$10,000 vacation prize sweepstakes, encouraging philanthropy and rewarding deposits that build our financial cooperative's strength. Congratulations went to our lucky member Aaron on his fully-funded family trip!

In the year ahead, we'll continue seeking innovative means to serve individuals, families, and their local businesses while creating partnerships with organizations that support our community. Because what's important to you is important to us, we'll help our parents mentor their young members' financial success with FernSM, our newest innovation in online and mobile banking—rewarding hard work and teaching money management. You'll find River, our new website virtual assistant, guiding visitors to faster, self-service solutions for hundreds of inquiries—24/7. We'll bolster digital features, including transfer and payment capabilities, enhance fraud monitoring and prevention, go contactless with our debit and credit cards, and modernize our small business loan application process.

The future is looking bright.

Thanks to our directors and staff for all their hard work, building on Columbia Credit Union's strong foundation as we reach new levels of success. And, as always, I'm grateful to our membership for their enthusiastic support of Columbia Credit Union because, like Joe states in his Chair's Report, **where you bank matters.**

Lindsey Salvestrin
President & CEO



Supervisory Committee's Report

The Supervisory Committee (*Committee*) of Columbia Community Credit Union (*Columbia CU or Credit Union*) is comprised of five members elected by the membership to three-year terms. The Committee conducted regular meetings throughout 2023.

As a state-chartered credit union, Columbia CU is bound by Chapter 31.12 of the Revised Code of Washington (RCW). The Committee's duties are enumerated in this Chapter.

In accordance with RCW 31.12.335, the Committee must:

- Meet at least Quarterly;
 - Keep fully informed as to the financial condition of the Credit Union and the decisions of the Credit Union's Board;
 - Perform or arrange for a complete annual audit of the Credit Union and a verification of its members' accounts; and
 - Report its findings and recommendations to the Board and make an annual report to members at each annual membership meeting.
- In addition, the Committee must comply with the applicable sections of Part 715 of National Credit Union Administration (*NCUA*) rules.

As in past years, Columbia Credit Union's Supervisory Committee engaged an independent public accounting firm to audit Columbia CU's financial statements and completed a verification of member accounts for the fiscal year ending December 31, 2023.

In addition to carrying out its noted statutory duties, the Committee oversees the Internal Audit department in its broader audit function. The Department, in some cases through its audit co-sourcing partners, provides an additional layer of review through internal audits and reviews. Qualifying auditing and consulting firms are used for their expertise to review areas such as information technology security, business lending, home lending and compliance, to ensure a thorough, qualified audit or review and an objective internal audit process.

As a result of these various audits and reviews, it's the opinion of the Supervisory Committee that the financial condition of Columbia CU is strong. The Committee believes the internal controls, policies and operations of the Credit Union are in compliance with all governmental regulations.

The support and cooperation from management and staff have assisted the Committee in the performance of its duties and are greatly appreciated.

Questions or comments regarding financial statements, audits, and information in this Report should be directed to Penny Harris, Chief Financial Officer.

Copies of Columbia CU's 2023 audited financial statements are available from Penny, upon request.

Lynn Valenter

Supervisory Committee Chair



Community Contributions

61
non-profits

\$409,300
total donated

amount raised
\$7.5
million



Community Focus

▶ 2023 Total Dollars Donated
▶ % of total budget



Economic and Industry
▶ **\$132,991**
▶ **32.5%**



Children and families
▶ **\$65,850**
▶ **16%**



Education
▶ **\$65,150**
▶ **16%**



Health
▶ **\$60,983**
▶ **15%**



Low-Income Food / Housing
▶ **\$39,276**
▶ **9.5%**



Sustainability
▶ **\$19,050**
▶ **5%**



Veterans
▶ **\$16,000**
▶ **4%**



Arts
▶ **\$10,000**
▶ **2%**



Support for Local Economic Development



over
\$216,000

In addition to our philanthropic dollars, we contribute to organizations dedicated to community livability and economic development.

In 2023 we supported the following organizations:

- Association of Washington Businesses
- Greater Vancouver Chamber of Commerce
- Camas/Washougal Chamber of Commerce
- Ridgefield Chamber of Commerce
- Columbia River Economic Development Council
- Identity Clark County
- Building Industry Association of Clark County
- Realtor Association of Clark County
- Southwest Washington Contractor Association
- Vancouver Downtown Association
- Portland Business Alliance
- Southwest Washington Chapter of Credit Unions
- Central Eastside Industrial Council
- Battle Ground Business Association
- Hazel Dell/Salmon Creek Business Association
- East Vancouver Business Association
- Southwest Washington Society for Human Resource Management

2023 Community Involvement

Our mission and core values drive our commitment to our community. Because of our dedication to ensure our contributions *"make life better"* where our members live, work and play, we have staff devoted to our community partnerships and have a metric to ensure all management is involved in our outreach efforts.



1385

management team
volunteer hours



Three Key Corporate Wide Community Partnerships

AMERICAN HEART ASSOCIATION

Cardiovascular diseases claim more lives each year than all forms of cancer and chronic lower respiratory disease combined and in Clark County it is the number one cause of death. We rallied our staff and members to raise funds for prevention efforts at the American Heart Association and awareness through some valuable information on prevention with our staff and members. We reached our goal of raising \$10,000 from staff and members to match our \$10,000 donation.



COLUMBIA CREDIT UNION MCKIBBIN LEGACY CLASSIC

Our third year running we have put on the Columbia Credit Union McKibbin Legacy Classic in honor of the late John McKibbin was our biggest success to date with over \$47,000 raised for three local non-profits: CDM Services, Habitat for Humanity, and Leadership Clark County (LCC). John had a special presence in Clark County throughout his life, raising funds for causes important to him and making life better for the community at every turn. The tournament honors his legacy by continuing that same spirit of enthusiastic charity.



KPTV – TOY DRIVE

Bringing joy to the lives of thousands of children on Christmas day makes such an impact in our community. For the eighth year, we invited the region to join us in making life better for children in our community over the holidays by sponsoring the KPTV Toy Drive. We had the most successful toy drive to date.





Consolidated Statements of Financial Condition

Years ended December 31, 2023 and 2022

ASSETS

(in thousands)

CURRENT ASSETS

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 165,144	\$ 247,271
Securities - Available-for-Sale	230,734	277,327
Other Investments	1,430	2,842
Loans Held-for-Sale	388	624
Loans, Net	1,874,198	1,705,547
Accrued Interest Receivable	6,595	5,247
Premises and Equipment, Net	24,588	24,493
NCUSIF (National Credit Union Share Insurance Fund) Deposit	18,960	19,084
Other Assets	<u>29,664</u>	<u>14,067</u>
Total Assets	\$ <u>2,351,701</u>	\$ <u>2,296,502</u>

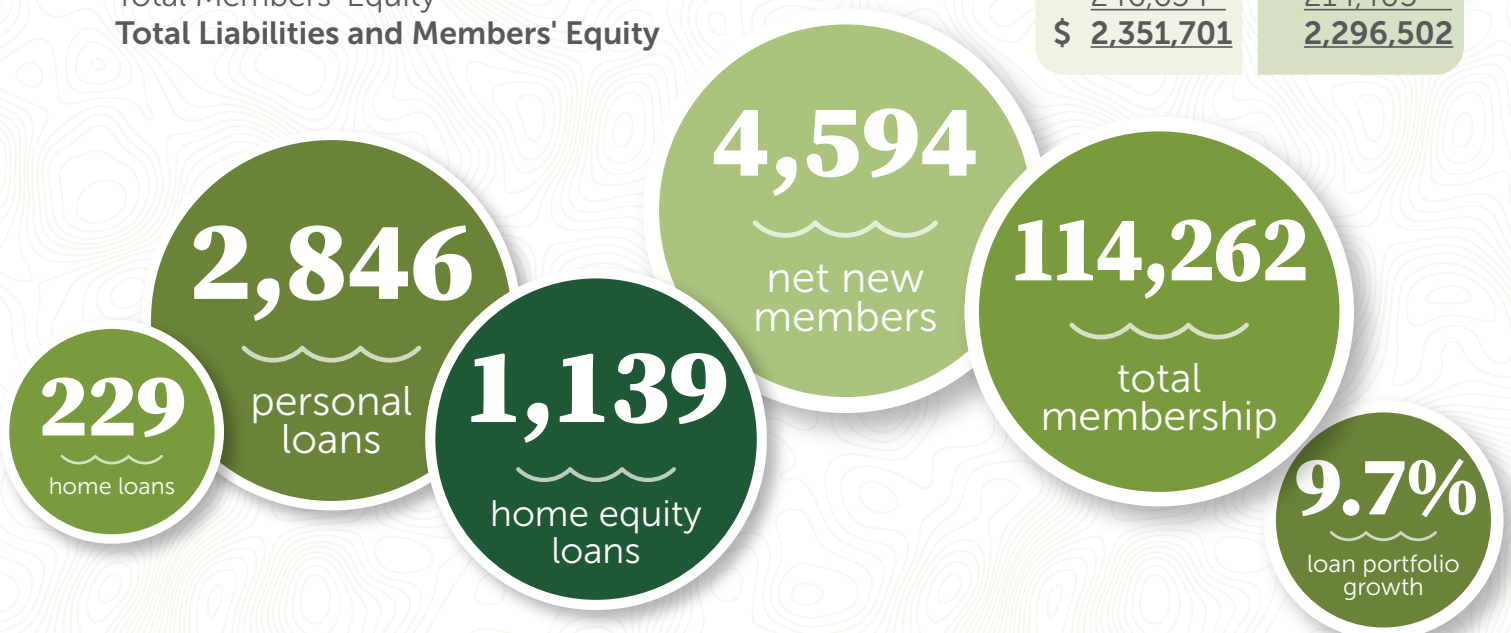
LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

Members' Share and Savings Accounts	\$ 2,076,848	\$ 2,058,187
Accrued Expenses and Other Liabilities	<u>28,199</u>	<u>23,910</u>
Total Liabilities	\$ <u>2,105,047</u>	\$ <u>2,082,097</u>

MEMBERS' EQUITY

Undivided Earnings	\$ 274,677	\$ 249,029
Accumulated Other Comprehensive Loss	<u>(28,023)</u>	<u>(34,624)</u>
Total Members' Equity	<u>246,654</u>	<u>214,405</u>
Total Liabilities and Members' Equity	\$ <u>2,351,701</u>	\$ <u>2,296,502</u>





Consolidated Statements of Financial Condition

Years ended December 31, 2023 and 2022

over
15,000
new loans

73
business loans

10,781
car loans

CONSOLIDATED STATEMENTS OF INCOME

(in thousands)

INTEREST INCOME

Interest and Fees on Loans to Members
Securities, Interest Bearing Deposits, and Cash Equivalents
Total Interest Income

2023	2022
\$ 86,080	\$ 60,363
<u>13,385</u>	<u>10,274</u>
99,465	70,637

INTEREST EXPENSE

Members' Share and Savings Accounts
Net Interest Income

<u>24,210</u>	<u>5,371</u>
75,255	65,266

PROVISION FOR CREDIT LOSSES

Net Interest Income After Provision for Credit Losses

<u>5,681</u>	<u>3,672</u>
69,574	61,594

NONINTEREST INCOME

Fees and Service Charges
Investments and Insurance Income
Gain on Sale of Loans Held-for-Sale
Interchange Income
Net Loss on Sale of Securities - Available-for-Sale
Net Loss on Sale of Premises and Equipment
Miscellaneous Operating Income
Total Noninterest Income

4,269	5,748
2,016	1,889
787	1,430
9,765	9,700
(56)	-
(36)	(21)
<u>1,709</u>	<u>2,032</u>
18,454	20,778

NONINTEREST EXPENSE

Employee Compensation and Benefits
Staff and Official Expense
Office Occupancy
Office Operations
Computer and Electronic Services
Marketing
Loan Servicing
Professional Services
Other Operating Expenses
Total Noninterest Expense

33,443	30,564
1,347	1,246
3,175	3,118
5,131	4,874
10,559	9,440
1,908	1,875
2,917	2,555
2,218	1,886
<u>1,378</u>	<u>1,206</u>
<u>62,076</u>	<u>56,764</u>

NET INCOME

\$ 25,952	\$ 25,608
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Financial Wellness Impact

Through online financial literacy, workshops, certified financial counseling sessions and youth activities we lived out our core value of offering financial wellness to countless members and non-members.



FINANCIAL COACHING

COACHING SESSIONS

TOTAL REQUESTS	ONE-ON-ONE APPOINTMENTS
103	55

EVERFI ON-DEMAND FINANCIAL WELLNESS

EVERFI FOR ADULTS TOTAL USERS	EVERFI FOR K-12 TOTAL USERS
5,855	123

WORKSHOPS

INVESTMENT & INSURANCE WORKSHOPS

TOTAL WORKSHOPS	TOTAL ATTENDEES
24	472

COMMUNITY/BUSINESS BENEFIT PARTNER WORKSHOPS

TOTAL WORKSHOPS	TOTAL ATTENDEES
11	205

FIRST TIME HOMEBUYER WORKSHOPS

TOTAL WORKSHOPS	TOTAL ATTENDEES
6	85

YOUTH FINANCIAL WELLNESS

LEMONADE DAY

TOTAL KIDS PARTICIPATING	TOTAL IN-PERSON LEMON U KIDS	TOTAL ONLINE APP ONLY KIDS <i>(Mentored by Branch Managers)</i>
71	28	43

RIDGEFIELD 4TH GRADE

BASICS OF LOANS AND HOW THEY ARE REVIEWED FOR APPROVAL TOTAL YOUTH PARTICIPANTS
28

2023 Leadership




Board of Directors

MAX AULT
TRACEY MALONE
JULIANNA MARLER
ERIC SAWYER
TIM SCHAUER

DENA STRONG
JOSEPH VANCE
CAROL VAN NATTA
MARC WHITE-STUMPF



Supervisory Committee

KELLY LOVE ZUERCHER
PAUL MONTAGUE*
DAVID SACAMANO

CHRISTINE SMITH
ALISHIA TOPPER*
LYNN VALENTER



Senior Management

LINDSEY SALVESTRIN
President & CEO

COLLEEN BOCCIA
Chief Experience Officer

MICHAEL FLOREA
Chief Data Officer

PENNY HARRIS
Chief Financial Officer

MARK MICHAELS
Chief Information Officer

WENDY SMITH
Chief Risk Officer

MARC TIMM
Chief Credit and Lending Officer

JIM WOOD
Chief Administrative Officer

*Served Partial Year