

# 2022

ANNUAL REPORT

**sound  
credit  
union** 



## President/CEO & Board Chair Report

Since 1940, Sound has stood together with our members, employees, and community, offering access to products and services that help them to financially grow and thrive. And while the past few years have presented unprecedented challenges toward this objective, we have continued to support the financial health and wellbeing of our growing member community.

**BUILDING FINANCIAL CONFIDENCE** Supporting the financial confidence of our members drives many of the decisions in the credit union. Through our products and services, we work to secure their financial stability and growth. Our community has responded in kind. In 2022, we

 **11,700+ Members**  
joined Sound Credit Union in 2022.

welcomed more than 11,700 new members. We added \$438 million in new loans, including \$159 million in small business lending. Members brought in more than \$55 million in deposits and received \$5.7 million in dividends. We offered rate specials on certificates for those looking to grow their savings and reduced fees on Courtesy Pay and non-sufficient funds (NSFs) for those caught off-guard with monthly cash-flows.

Having access to affordable credit plays a huge part in supporting financial confidence. We continue to develop programs that support this, one being our Waves auto loans. Having access

 **Affordable Credit**  
Over 1,000 loans granted through our Waves Auto Loan program.

to reliable transportation has a huge impact on our ability to earn income, however about 18% of consumers have credit scores that limit their access to affordable auto loans. Through our

Waves loan, we've provided nearly 1,000 vehicle loans to members with average credit scores of 623 and are continuing to see how we can expand this program into other areas of the credit union.

 **225 Local Non-Profits**  
were supported in 2022 and received over \$650k in donations and sponsorships.

**SUPPORTING OUR COMMUNITIES** Supporting the financial health and wellbeing of our communities is equally important. This often means addressing the holistic needs of our community, whether reducing food insecurity, increasing access to education, or sponsoring the local events and programs that make our local communities so great. In 2022, Sound supported 225 local non-profits through more than \$658,000 in donations and sponsorships. With easing of pandemic restrictions, we also expanded our financial education outreach. We brought back Bite of Reality, a hands-on app-based simulation of real-world financial realities, to teens in schools across the region. We also launched the RCity Kids Club youth program in partnership with the Tacoma Rainiers to encourage local youth to build good financial habits early.

 **Affordable Housing**  
Proud supporters of the Evergreen Housing Impact Fund.

Through partnerships with other local credit unions, we are also working to improve the communities we serve. Together, we continue to advocate for member needs with local and state government leaders and fund programs to support local communities. We are also helping to create affordable housing with investments in local organizations like the Evergreen Impact Housing Fund (EIHF) whose goal is to close the persistent and growing gap in affordable housing in Washington State. Thanks to

the collaborative support of Sound and its partner credit unions, the fund anticipates opening their second project later this year.

**PEOPLE HELPING PEOPLE** Supporting people and communities is the backbone of Sound's internal culture. To foster this, each year Sound provides employees with up to 8 paid volunteer hours and donation matching up to \$500 per year resulting

 **Giving Back**  
Sound encourages employees to take paid time to volunteer in our community.

in thousands of hours and thousands of dollars in community support. Through the Sound Giving Program, individual branches and departments were also provided funds to support local non-profits of their choice.

**LOOKING FORWARD** As we enter our 83rd year serving Washingtonians, we continue to stand with you—our members. Despite recent disruptions in the banking environment, our steady stewardship of your assets has left Sound safe, secure, and strong. We ended 2022 with \$2.7 billion in assets and remain well-capitalized. And through these safe and sound business practices and continued focus on financial confidence for all, we will continue to stand with you through all waves of life.



Don L. Clark, Jr.  
President/CEO



Shelley R. Coleman  
Chair, Board of Directors

## Audit Committee Report

The Audit Committee's responsibilities include monitoring the financial safety and soundness of Sound Credit Union and compliance with various financial and regulatory requirements. The Committee meets regularly to, among other things, review internal audit reports, compliance and risk management reports, and examination reports issued by regulatory agencies.

To fulfill these obligations, the Audit Committee engaged the independent audit firm, Moss Adams LLP, which directly reports to the Committee, to conduct the annual audit of the credit union for the year ending December 31, 2022. Moss Adams issued an unqualified opinion and determined the financial statements of Sound Credit Union were presented fairly, in all material aspects, as of December 31, 2022.

The National Credit Union Administration and the State of Washington, Department of Financial Institutions, Division of Credit Unions conducted a joint examination for the period ending September 30, 2022. Their findings reflect a high rating for strong performance and safe and sound practices and operations.

The Audit Committee is pleased with the reports from the internal auditor, external audits, and regulatory compliance. We wish to thank the members, Board of Directors, and employees for their cooperation in helping us carry out our duties and responsibilities and will continue to work with management to ensure an effective internal audit program.



James W. Griggs  
Chair, Audit Committee



# sound credit union

**Invested in We™**

## **Board of Directors**

Shelley R. Coleman, Chair  
John H. Bauder, Vice Chair  
Barry J. Wallis, Secretary/Treasurer  
Haluk Demirkan, Ph. D.  
Brenda M. Goodson-Moore  
James W. Griggs CPA  
Altaf G. Merchant, Ph. D.  
Terry Pentimonti CPA  
David J. Wasson

## **Audit Committee**

James W. Griggs CPA, Chair  
Haluk Demirkan, Ph. D.  
Terry Pentimonti CPA

**Insured by NCUA. Equal Housing Opportunity.**  
Financial statements, as of December 31, 2022, are available  
at Sound Credit Union's corporate office in Tacoma, WA.