



# 2021

## Community Impact and Financial Report



ARLINGTON COMMUNITY  
FEDERAL CREDIT UNION

# Arlington Community Federal Credit Union

**Our Vision:**

To be recognized as the most trusted resource for financial education and empowerment in our community

**Our Mission:**

To empower the financial lives of our members at each stage of their financial journey

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# Chairman & CEO Report

Every day, the ACFCU team comes to work to support our members. We find our purpose in listening to your stories, finding solutions, and making impact – in your lives and in our community. Each member of our team makes a difference in the way we serve our members, and our 2021 report showcases the many ways in which we focused on member empowerment and community connection as we all navigated through our second year of the COVID-19 pandemic.

We are proud to report to you, as members of this financial cooperative, that 2021 was a strong year financially for ACFCU. The credit union’s financial success is an outcome of our partnership with our members. The reports contained here demonstrate how your participation and engagement, combined with our commitment to deliver the products and services that support your financial lives, enable us to effectively redeploy earnings into new products, technology, and community programming that foster further prosperity and financial strength. From changing the financial trajectory of an individual member’s life, to funding critical community programs through nonprofit partnerships, ACFCU is proud to make a difference and improve lives.

Banking can never be about maintaining the status quo. The summary of initiatives found in this report also highlight the many ways we have been innovating to provide the financial products and services you need, and creating programs to uplift our neighbors. We are planning exciting products and initiatives for the years ahead and look forward to serving you. We always appreciate your feedback and use it to improve our products and our service.

The pandemic highlighted something that we have always believed to be true—our employees are our greatest asset in living our purpose and executing our strategic vision. Throughout the last year, we have renewed our focus on employee culture and engagement, knowing that there’s never been a more critical time to provide balance, development, and connection: to each other, our values, and our wonderful community.

Our goal is for you, our members, to feel a strong sense of connection to the ACFCU team, our values, and our community commitment. Each interaction is designed to show that we’re with you on your financial journey, and we’re so glad you are part of the broader ACFCU community making a difference in Arlington and beyond.

Thank you for your membership.

**Karen Rosales**  
President & CEO

**Daniel Murray**  
Chair, Board of Directors



**We listen to your stories.  
We find solutions.  
We make impact.**

Empowering members and our community every day.



# We Listen to Your Stories.

## How the ACFCU team connects with members and provides remarkable service

Six members of the ACFCU team became Certified Financial Counselors in 2021. This certification trains our front-line team members to listen for:

- Financial opportunity for empowerment
- Serve with empathy
- Serve members with effective and affordable solutions for financial success

Our member service team achieved remarkable service scores of 91% in monthly member surveys.

Our members repeatedly ask for guidance on the home-buying process, so we increased the frequency of our home-buying webinars, and also offered an in-person webinar in Spanish at the “Live In Arlington” Info Fair.

To ensure diversity, equity, inclusion and belonging are effectively woven into our operations and organizational culture we combined our Diversity and Cultural Development committees. This combined committee of 12 staff members works to evaluate policies, provide ongoing diversity and inclusion feedback to leadership, and improve internal engagement. They also celebrate the rich diversity of our staff by hosting cultural events, recognizing Black History Month, Women’s History Month, LGBTQIA+ Pride Month, Juneteenth, and Asian American/Pacific Islander Month.

When ACFCU business member Rocklands BBQ needed a loan for solar panels at their flagship restaurant, our

business lending team funded the very first Commercial Property Assessed Clean Energy (C-PACE) loan in Virginia.

“In Their Words”, a new business member testimonial campaign, launched in May to highlight local business members and why they love banking with ACFCU.

When nearby National Landing FCU closed, we welcomed their members to ACFCU and created a seamless process for conversion of their existing loans.

ACFCU’s staff reflects the racial and ethnic diversity of its field of membership — Arlington, Fairfax County, and the cities of Falls Church and Alexandria — with 35% of the staff speaking Spanish, 26 languages spoken among staff, 54% of the leadership team representing a minority ethnic status, and 65% women on the leadership team.

ACFCU has helped me with my business for the past 5 years. They are community focused and offer low rates. I would highly recommend doing business with them today.

**Zak**, owner of Mimi Trucking and ACFCU business member, who participated in our “In Their Words” testimonial campaign.



We celebrated our members’ furry friends in August for National Dog Month, serving treats from Dogma, a dog bakery in Shirlington, to make visits to our branch or drive-up a little more fun.



Consumer Lending superstar Patricia is passionate about listening to members’ stories and averaged over \$1 million per month in loan funding in 2021.



**The ACFCU Real Estate team** provide their expertise to homebuyers and offered a presentation in Spanish at the “Live In Arlington” Info Fair.



# We Find Solutions

## New and Improved Products

- Two new 1st mortgage products were introduced to give our members the purchasing flexibility they need, including a 90% loan with no mortgage insurance required, and a 15/15 ARM loan.
- Business Visa provides our business members with the credit they need to successfully operate and scale, complete with credit card rewards.
- Commercial loans backed by the Small Business Administration to give business owners the extra capital they need.
- Free Rewards Checking with new qualifications to make it easier for members to earn rewards
- Contactless cards to give credit and debit cardholders the most efficient and safest transactions

## New Services

- Credit Card E-Statement Enrollment in digital banking to give members better access and control of their statements and save trees
- Shared Branching services resumed to non-members to support the broader credit union community

## Infrastructure for Security and Convenience

- Enhanced ACFCU security solutions to ensure the latest defenses to support a geographically diverse team
- Strengthened redundancy in our IT environment to further limit interruptions in the event of system outages
- New Secure File Exchange to streamline document sharing between members and ACFCU

ACFCU digital solutions offer convenience, security and account control, and our members show they love our mobile app and online banking by rating the app 4.81 (iOS) and 4.89 (Android) in 2021.

↑ **12.8%**  
Increase in digital banking logins in 2021

↑ **28.8%**  
Increase in mobile check deposits in 2021

# We Make Impact

Creating opportunities and empowering our members, community, and staff.

In 2021, community impact became more important than ever. We increased financial education, provided more education in Spanish, and developed successful partnerships with nonprofits and small businesses.

## Financial Education:

- Each month, we provide free in-person financial education to parents, teachers, and residents in-need at Carlin Springs Elementary School’s Family Market where those attending are receiving monthly food services provided by the Capital Area Food Bank. Financial Services at the Family Market are provided in both English and Spanish.
- Residents at Goodwin House Senior Living Community learned from ACFCU’s CIO, David Martinez, how to successfully identify online phishing scams.



**Armando Rivera** from our Columbia Pike branch provides financial education and information in Spanish at Carlin Springs Family Market.



**Partnerships:**

- To celebrate International Credit Union Day, members received a free mum from local business Greenstreet Gardens to reflect the theme “Building financial health for a brighter tomorrow.”
- We successfully held an in-person, socially distanced, Women-In-Business Networking Event in conjunction with the Arlington Chamber of Commerce, showcasing our support for women-owned small business in Arlington.
- We cohosted an event with the Credit Union National Association and invited 13 area credit unions for a Pride-themed virtual event to discuss how the credit union industry can better serve LGBTQIA+ members and support LGBTQIA+ employees.
- We matched purchases at Good Company Donuts to support Bridges to Independence’s virtual Lemonade Stands, donating \$1000 to support local families overcoming homelessness.

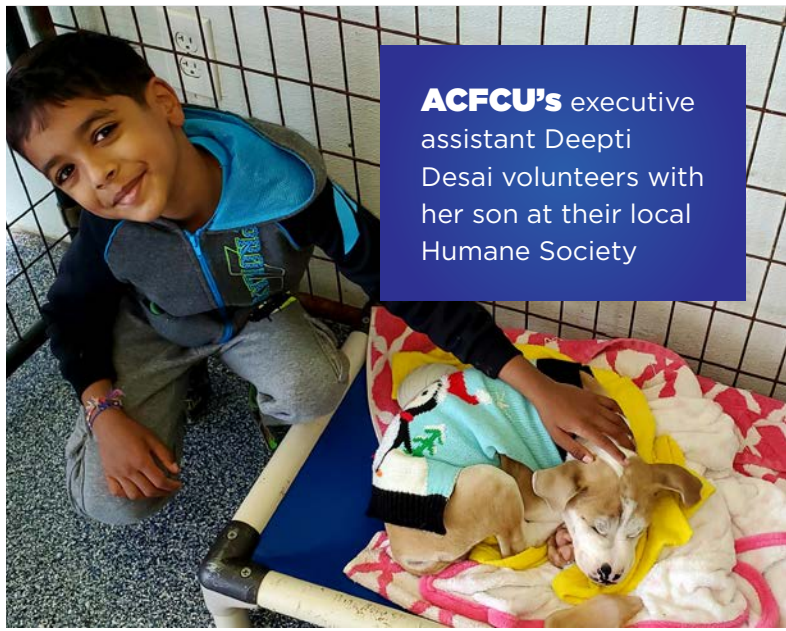
**The staff at ACFCU** selected STEM education nonprofit Rosie Riveters to receive an end-of-year donation.

**Sponsorships and Donations:**

- We reinvested in the following nonprofits in Arlington in 2021 with \$22,100 in donations and other support: Bridges to Independence, Arlington Free Clinic, Edu-Futuro, Rosie Riveters, OAR and more. We welcomed new Arlington Public Schools teachers at their orientation in August. ACFCU began as the APS credit union, so we love to say that we were founded by APS teachers, for APS teachers!
- We were proud to support Arlington’s first responders through sponsorship of the 9/11 Memorial 5K, back in 2021 after a year off due to the pandemic.

**\$22,100**

donated to nonprofits



**ACFCU's** executive assistant Deepti Desai volunteers with her son at their local Humane Society

**Volunteerism:**

- ACFCU staff volunteered for EcoAction as part of an Earth Day stream clean-up event. In total the volunteers collected 87 bags of trash, 16 bags of recyclables, a boogie board, skateboard, lots of pieces of construction metals, a COVID testing site sign, and two traffic cones!
- Our staff stuffed snack bags for the students of AHC Affordable Housing to provide sustenance during their weekly tutoring sessions at AHC’s affordable housing properties in Arlington. AHC’s educational programs for students encourage academic excellence and personal growth in a nurturing and stable environment.
- Our staff members picked their own passions to choose where to volunteer, including local humane shelters. Employees earn extra hours of paid time off for their community service.

**Supporting Our Staff**

Our Learning and Development team introduced a revamped service delivery program, “Remarkable Service,” to all areas of the organization.

15Five Performance Management System implementation led to increased efficiency and communication between employees and their leaders, and improved recognition process for employee and team successes.

The People & Culture team conducted diversity, equity, inclusion, and belonging meetings with a hired consultant to evaluate our DEIB efforts and made recommendations on programs to increase organization-wide education and awareness of DEIB efforts.

Staff completed an engagement survey, in which our staff rated themselves as “Highly Engaged” with an all-staff score of 85%.

Our staff holiday calendar was updated to be more inclusive, giving all staff a flexible Culture Day to be used to observe their personal traditions; adding Juneteenth as a holiday; and observing Indigenous Peoples’ Day.





# Values Recognition

We love what we do, and we are fueled by a deep commitment to create positive impact on our members and our community. Thank you to those who recognized our work this year—it further inspires us to make even greater impact!

## Awards



### Sharky Award

Our team won a Best Phishing Campaign award for recognizing email phishing attempts from our IT security and training vendor, KnowBe4. Our staff is passionate about IT security and keeping our member data secure!



### Sun Gazette Best of the Best

Our community voted us Best Community Bank for the 6<sup>th</sup> year in a row! We are so proud to serve our neighbors and be recognized for our remarkable service.

## Core Values

Each year our staff awards 7 colleagues who best align with the ACFCU core values. Congratulations to these amazing team members:

### Community

Kevin Sheffield

### Opportunity

Jon Klosner

### Passion

Sunny Masih

### Integrity

Alex Jang

### Empathy

Dollie Gomez

### Remarkable Service

Armando Rivera

### Overall Core Values

Mary Spellman

# Reports & Financials

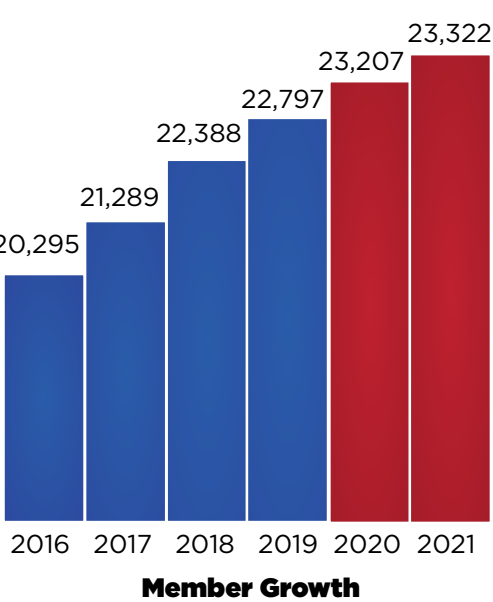
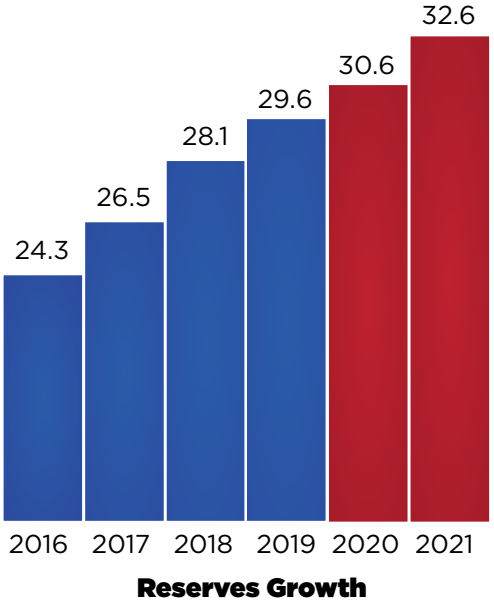
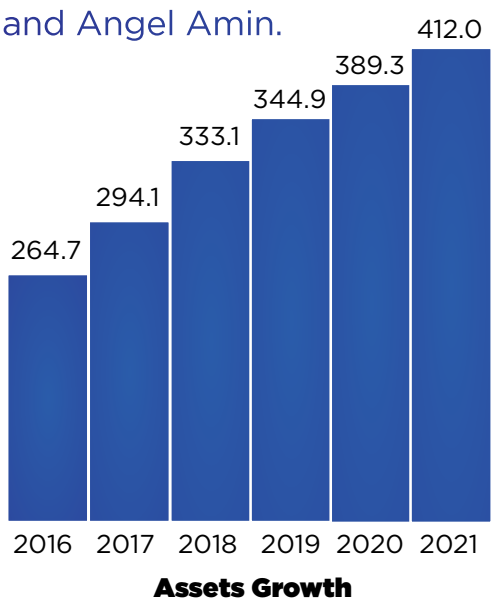
## Supervisory Committee Report

The Supervisory Committee is appointed by the Board of Directors to monitor the effectiveness of internal control systems; confirm adherence to established policies, procedures, and regulations; review member feedback; and arrange for annual audits of the Financial Statements. Your committee members for 2020-2021 were Max Montague, Stephen Vu, Lauren Lugasi, and Angel Amin.

Doeren Mayhew was retained to perform the annual financial audit for 2021 in accordance with generally accepted auditing standards. The CPAs at Doeren Mayhew found that ACFCU's financial statements fairly represent the financial condition of the credit union in conformity with generally accepted accounting principles. Other firms were engaged to assess the credit union's information security and to determine compliance with various regulations.

After reviewing the various audit reports, reviews and assessments, the Supervisory Committee finds that management and staff are handling the operations of the credit union professionally, accurately, and within all regulations and guidelines. The committee commends the Board of Directors, management, and staff for their diligence in maintaining the financial stability and integrity of your credit union.

**Max Montague**  
Chair, Supervisory Committee










# Treasurers Report

2021 was a challenging year for many. Unemployment persisted at high levels, while global supply chain shortages impacted inventories and drove inflation to the highest levels in decades. This increased the cost of living for our members and neighbors.

Arlington Community Federal Credit Union continued to serve the membership with passion for our mission—improving our members’ financial lives. We remained dedicated to flexible lending, holistic lending strategies, and affordable rates. In turn, members placed their trust in their credit union and ACFCU grew to 23,322 members and \$412 million in assets.

Our 2021 growth is also reflected in the following five categories:

- Assets increased by 5.83%.  
 **5.83%**
- Member Share Deposits increased by 7.24%.  
 **7.24%**
- Loans increased by 6.25%.  
 **6.25%**
- Membership increased by 0.50%.  
 **0.50%**
- Net Worth Growth increased by 9.25%.  
 **9.25%**

As financial cooperatives, credit unions acquire assets from funds deposited by members. Those funds are then deployed back into the community through loans to members and local businesses, or placed in investment vehicles. ACFCU firmly believes in prioritizing community investment- in the form of mortgages, auto loans, credit cards, and business loans. Re-investing funds in the members and small businesses in our community strengthens our

neighbors, neighborhoods and communities. While our peer credit unions reinvest 66% of their member deposits in loans to their members, Arlington Community has loaned over 90% of deposits back into our community to help improve the financial lives of our members. 65% of our members have a loan with their credit union compared to just 61% of members at other credit unions.

Despite our growth, the credit remained a “well-capitalized” credit union as defined by the NCUA. NCUA measures the ratio of a credit union’s capital to its total assets in determining safety and soundness. A capital ratio over 7% is considered “well-capitalized.” Your credit union’s capital ratio was 8.00% at the end of 2021.

As the financial steward of your credit union, I thank you for your continued support of the only financial cooperative dedicated to serving the greater Arlington community and thank our volunteers and staff for their continued hard work and dedication.

**Luis Araya**  
Treasurer

# Financials

STATEMENT OF CONDITION			
	2019	2020	2021
ASSETS			
Cash	19,631,001	27,848,949	26,075,353
Auto Loans	63,506,497	59,719,060	59,100,983
Real Estate Loans	160,896,132	191,592,764	217,204,334
Credit Card Loans	16,918,635	14,755,864	13,868,541
Business Loans	36,158,539	37,776,008	30,942,348
Personal & Other Loans	12,042,319	10,355,674	12,725,896
Less: Allowance for Loan Losses	(1,379,334)	(1,601,890)	(1,718,004)
Net Total Loans	288,142,788	308,067,737	332,124,100
Investments	3,842,470	15,768,119	22,123,847
Land & Buildings	17,953,053	17,748,241	17,546,783
Furniture & Equipment	712,871	862,055	648,018
All Other Assets	14,645,239	14,507,146	13,514,199
TOTAL ASSETS	344,927,421	389,331,988	412,032,301
LIABILITIES/RESERVES			
Prime Shares	89,827,444	113,876,384	133,549,227
Money Market Shares	39,394,822	49,434,133	54,767,098
Checking Accounts	61,290,951	79,773,295	88,784,743
Holiday Club	68,771	72,358	78,537
IRAs	11,550,246	12,830,191	12,203,811
Certificates of Deposit	88,119,664	84,900,227	84,119,031
Borrowed Funds	10,670,000	7,000,000	2,500,000
Other Liabilities	14,363,739	10,806,372	3,387,526
TOTAL LIABILITIES	315,285,637	348,302,460	379,389,975
RESERVES			
Regular Reserves	2,036,933	2,036,933	2,036,932
Other Reserves	27,604,852	28,602,095	30,605,396
Total Reserves	29,641,784	30,639,028	32,642,329
TOTAL LIABILITIES & RESERVES	344,927,421	389,331,988	412,032,301

STATEMENT OF INCOME			
	2019	2020	2021
Interest Income			
Interest On Loans	14,797,520	13,901,683	13,624,972
Income from Investments	429,500	269,712	260,590
Total Interest Income	15,227,020	14,171,396	3,885,562
Non-Interest Income			
Other Non-Interest Income	5,300,548	4,742,732	5,987,721
Total Income	20,527,568	18,914,127	19,873,283
Expenses			
Total Dividend Expense	3,191,291	2,449,495	1,300,570
Salaries & Benefits			
Salaries & Benefits	7,698,456	7,940,292	8,467,855
Other Operating Expenses	6,983,057	6,483,698	7,373,319
Provision for Loan Loss Expense	1,128,000	1,218,462	230,000
Total Expenses & Losses	19,000,804	18,091,947	17,371,746
Net Income	1,526,764	822,180	2,501,536



**Learn more:**

Want to learn more about ACFCU's service,  
mission and purpose? Visit [www.arlingtonCU.org](http://www.arlingtonCU.org).

**Follow us:**

