



# 2022

## **Community Impact and Financial Report**



ARLINGTON COMMUNITY  
FEDERAL CREDIT UNION

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# Chairman & CEO Report

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With each passing year, the concept of a cooperative financial institution becomes more valuable.

Credit unions were formed on the foundational principle of people helping people. The not-for-profit model enabled members of the financial cooperative to benefit from the institution’s success—bettering their financial lives, the financial lives of their fellow members, and enabling a thriving community. The public health and economic events of the last few years have showed all of us, more than ever, the power of community collaboration. And there has never been a more apt time to herald the incredible impact that this cooperative continues to make on our greater Northern Virginia community.

Arlington Community FCU exists to empower our members’ financial wellbeing. As we listen to our members, hear their stories, and empower their financial needs—no matter how simple or complex—we know the power of every interaction can lead to an ongoing positive impact in our community. When members feel financially empowered, they create a ripple effect of support for others, engagement with local businesses, and investment in community organizations. Arlington Community FCU’s mission of empowering our members’ financial needs is so deeply woven into our culture that it informs everything from our long-term strategy to our day-to-day operational model. It keeps us focused on what’s truly important.

This report is a collection of the 2022 highlights that reflect ACFCU’s purpose. You will learn more about the ways we empowered and supported our amazing team

members, continued to focus on serving and empowering our members; and used the collective passion of our staff and members to uplift our community at large. We are proud to report that 2022 was an incredible year for ACFCU.

The financial reports contained here demonstrate how your loyalty and trust allow us to redeploy earnings to deliver products, services, and solutions that empower our membership and community. Your membership makes a real impact on the ongoing health of the cooperative and support of the community.

Many of the highlights within are the result of requests, ideas, and dialogue with our membership. We are always listening to our members and constantly innovating to ensure we’re delivering remarkable service, and market-competitive competitive products, and services that enable you

to transact your financial business with efficiency and ease. We are deeply committed to financial stewardship, compliance, and sound operating principles—ensuring we are able to execute on our mission of empowering members and building communities that are healthy and strong. By keeping safety, soundness, and purpose at the forefront of decision, we’re stronger than ever after 72 years.

Together, as a financial cooperative, we are creating opportunities for bright futures. Keep the great ideas coming, and thank you for your membership.

**Karen L. Rosales**  
President & CEO

**Dan Murray**  
Chair, Board of Directors





# **Empowering Our Workforce to Serve**

Success begins and ends with our phenomenal staff. While trends in talent retention have included The Great Resignation and “quiet quitting” over the past few years, we were proud to maintain exceptional employee engagement and offered competitive programs to ensure each team member is empowered to take great care of our members. To the right are the highlights of our 2022 People and Culture initiatives.



“I am continually impressed and inspired by the ACFCU team. They come together each day to make a difference for our members and are so passionate about making an impact in their communities.”

**Amy D. Thomas,**  
Chief Operations Officer

## Staff Engagement by the Numbers

- The annual staff engagement survey, conducted by a third party, resulted in our highest ever score with 93% engagement
- We surpassed our 80% retention goal by 2%

## Training and Professional Development to Build Tomorrow's Workforce

- Our staff completed 1,345 eLearning classes = 3,200 hours of learning
- Five employees completed the prestigious Maryland DC Credit Union Association Future Leaders program
- An on-the-spot coaching model was implemented to provide in-real-time learning opportunities and minimize inaccuracy
- We hosted an Army Intern in the ACFCU IT Intern Program to help give back and support a public servant during the transition from active duty to veteran status
- Dollie Gomez, our BSA Specialist, received the prestigious NAFCU Certified Bank Secrecy Officer Certification
- Twelve employees were promoted internally, taking advantage of growth opportunities, including one staff member who completed ACFCU's internal IT ambassador program to transition from a branch position to an IT role

**3,200**  
hours of eLearning  
completed by Staff

**93%**  
staff engagement

**Celebrating Team Diversity**

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:

**33%**

of the staff members speak Spanish

**21**

languages spoken among staff

**50%**

of the leadership team represents a minority ethnic status

**61%**

women on the leadership team



ACFCU staff celebrated Hispanic Heritage Month with a virtual Hispanic cooking class led by Mortgage Loan Officer Sandra Ortecho, and they made the branches festive with staff-created decorations.





# Strengthening Our Connections



Our Cultural Development Committee, comprised of representatives from each business division, programmed all-staff events including a Black History Month cooking class, a Women’s History Month panel discussion, a Finance and Mental Health presentation, and a Hispanic Heritage Month cooking class.



Staff gathered in person for the annual All-Staff Development Day, the first time in three years! Team members enjoyed in-person time together, and participated in interactive exercises to learn about their Kolbe A Index, a measurement of the instinctive ways they learn, process and take action.





## **Remarkably Serving Our Members**



With a mission to empower the financial lives of our members, everything we do has the member in mind. Throughout a year that held much uncertainty—a looming recession, inflation, and rising rates—our team responded with remarkable service, new products, and enhanced banking services to provide a sense of security to our members and support their financial wellbeing in turbulent times.

### **Service Success by the Numbers**

- Our staff earned a service score of 90% based on weekly online surveys sent to a random selection of members
- The ACFCU mobile app maintained a user rating of 4.81 stars in Apple iOS and 4.78 in Android
- The Risk Division stopped more than \$400,000 in attempted fraud, preventing losses to our members and the credit union

### **Enhancing Digital Access for Control, Convenience, and Security**

- The mobile app was redesigned with enhanced navigation to offer a more intuitive member experience
- Enhanced fraud protection was added to the mobile app and online banking platforms, an upgrade that is invisible to members but increases security
- We made upgrades to debit and credit cards to enhance our members' ability to control their cards through digital channels, including transaction alerts based on merchant type or location, travel notifications, the ability to turn cards on and off, and request card replacement
- The number of members actively using Bill Pay for easy, convenient, and secure payments increased by 11.8%
- The credit card rate was added to the mobile app and online banking to increase transparency

**4.81**

stars mobile app rated

**90%**

service score



## New Products and Services to Empower Our Members

- A new robust Credit Card rewards program launched with enhanced earning and redemption options for Platinum cardholders, and a brand new Signature card was offered for the first time with 3x points on dining, gas, groceries, and travel purchases
- Industry-leading Share Certificate rates were continually offered to support members' savings goals
- Paychex, an integrated payroll and HR platform, was added to the suite of business service options to support small business members
- Merchant Services were added to business member offerings for payment processing capabilities
- A fee-free Community Checking Account was created for a local nonprofit to support their clients, women coming out of incarceration. The accounts provide the ability to have direct deposit from their new jobs and establish financial independence and security.



"The team did a phenomenal job responding to our members' varied needs throughout the year. Now more than ever, we're here to listen and find solutions."

**Mary Spellman,**  
Director of  
Branch Services



Thank you to our members for voting us  
Best Community Bank again in 2022!





# **Uplifting Our Community**



In 2022, ACFCU's Community Impact team reinvested time, dollars, and expertise back into our field of membership. We continued our deep commitment to our members by partnering with local nonprofit organizations, businesses, and core community partners—listening to their needs and finding solutions through new, innovative products and services, financial education, and our first grant cycle.

### Impact by the Numbers

- ACFCU donated more than \$67,000 to local nonprofit organizations
- Employees spent over 700 hours volunteering in their communities
- Leadership team members lent their expertise to over 20 boards and committees throughout the ACFCU field of membership

### Financial Education & Wellness Programs

- Financial education programming included 32 webinars, 13 in-person seminars, and more than 400 participants. Topics included building credit, budgeting, small business lending, and homebuying.
- Financial educators developed a seminar for Together We Bake, a workforce development nonprofit that trains and employs women to run all aspects of a bakery that produces delicious chocolate chip cookies and other treats. The program taught participants to budget and save earnings from their jobs.

**\$67,000**

donated to local  
nonprofit organizations

**700+**

hours volunteering  
in their communities







A partnership with Friends of Guest House, a nonprofit supporting women coming out of incarceration, resulted in a financial education program for clients to learn and relearn budgeting, account management, credit building, and much more.



ACFCU made its first strategic grant reinvestments back into the field of membership for a total of \$40,000 on behalf of the cooperative membership. These \$10,000 general capacity grants were given to incredible nonprofits that are making deep impact in the areas of:

- **Financial education:** Britepaths
- **Housing opportunity:** Rebuilding Together Arlington, Fairfax and Falls Church; Bridges to Independence
- **Workforce development:** Friends of Guest House



## ACFCU volunteers

help with landscaping at  
Culpepper Gardens.



## Reinvesting in Our Communities

- 40% of our workforce participated in the Arlington Chamber of Commerce's annual volunteer day
- ACFCU celebrated International Credit Union Day with its second annual garden mum giveaway for members, in partnership with local businesses, Greenstreet Gardens and Merrifield Gardens
- Staff collected holiday gifts for Bridges to Independence's annual toy drive
- Pet-loving members and staff came together to donate food and supplies to the Animal Welfare League of Arlington through donation collection bins in each branch
- VP of Marketing and Community Impact, Libby Snipe, moderated a Community Action Committee forum on the benefit of corporate-nonprofit partnerships
- The Community Impact team attended the monthly Carlin Springs Family Market to provide financial education and credit union information in Spanish





- The IT Team hosted young professionals from Arlington County for a lunch and learn session to talk about the credit union's workforce development program, data center, and career opportunities
- Leadership served on 20 local and industry boards and committees, including the Arlington Chamber of Commerce, Columbia Pike Partnership, and National Association of Federally Insured Credit Unions (NAFCU)
- Staff warmly welcomed new Arlington Public School teachers at their annual New Teacher Orientation and enjoyed raffling off cash gifts to participants
- Community Impact Manager, Megan Niewold, chaired the Community Action Committee's Panel on Diversity, Equity, Inclusion, and Belonging with the Arlington Chamber of Commerce, featuring speakers from OAR, PathForward, and Veritas Culture

## Partnering to Create Impactful Financial Products

- A partnership with Friends of Guest House, an Alexandria-based nonprofit that supports women reentering community after incarceration, resulted in creation of a fee-free Community Checking Account for its clients. The ACFCU Impact Team worked closely with the nonprofit staff to listen to the challenges that the clients face and created a solution specific to their financial needs.
- ACFCU collaborated with Arlington Partnership for Affordable Housing (APAH) to create Individual Development Accounts, or IDAs, for APAH clients. The program matches client deposits 7:1 and encourages saving, budgeting, and financial planning.

"We are so proud of the community partnerships that have resulted in new impact products, passionate employees volunteering throughout Northern Virginia, and financial education programs for every life chapter. Thank you to our wonderful partners!"

**Jim Wilmot,**  
Chief Lending  
Officer



# Reports & Financials

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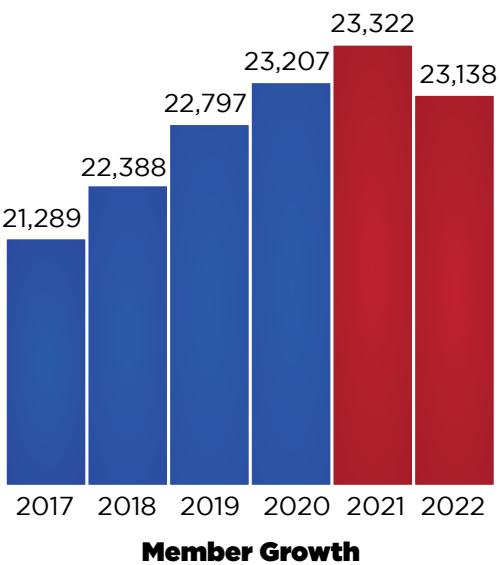
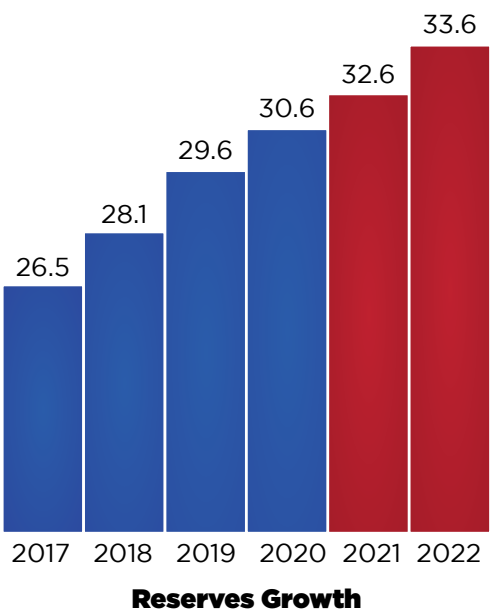
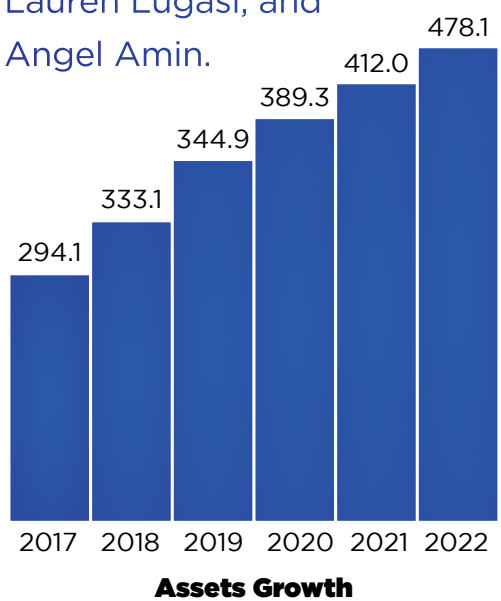
# Supervisory Committee Report

The Supervisory Committee is appointed by the ACFCU Board of Directors to confirm adherence to established policies, procedures, and regulations; monitor the effectiveness of internal control systems; review member feedback; and arrange for annual audits of the Financial Statements. Your committee members for 2021-2022 were Max Montague, Stephen Vu, Lauren Lugasi, and Angel Amin.

Accounting firm Doeren Mayhew was retained to perform the annual financial audit for 2022 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. Additionally, other firms were engaged to determine compliance with various regulations and assess the credit union’s information security.

Upon review of the various audit reports, reviews, and assessments, the Supervisory Committee is pleased to report that ACFCU’s management and staff are handling the operations of the credit union professionally, accurately, and within all regulations and guidelines. The committee commends the volunteer 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



# Treasurer's Report

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Financial uncertainty loomed in 2022, with rising rates, threats of recession, and ongoing supply chain issues impacting inventories.

It was another challenging year, and Arlington Community Federal Credit Union delivered on its mission to empower our members' financial lives, providing remarkable service with every interaction. We remained a trusted resource for loans, offered industry-leading deposit rates, and maintained our service model to "hear the story, find solutions, and make impact." As a result, members placed their trust in their credit union, and ACFCU grew to 23,138 members and \$478 million in assets.

Our 2022 growth is also reflected in the following five categories:

- Assets increased by 16.05%.  
**↑ 16.05%**
- Member Share Deposits increased by 2.23%.  
**↑ 2.23%**
- Loans increased by 21.32%.  
**↑ 21.32%**
- Membership increased by 1.55%.  
**↑ 1.55%**
- Net Worth was  
**7.57%**

As financial cooperatives, credit unions acquire assets from our member-owners as deposits. We then redeploy those funds back into the community through loans to members and local businesses or place the funds in investments. ACFCU passionately believes in keeping those funds local and supporting our members in the form of mortgages, auto loans, credit cards, and business loans, to strengthen our neighbors and

communities. While our peer credit unions reinvest 70% of their member deposits in loans to their members, Arlington Community has loaned 100% of deposits back into our community to help improve the financial lives of our members, and 80% of our members have a loan with ACFCU.

ACFCU remained a "well-capitalized" credit union as defined by the National Credit Union Administration (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 7.57% at the end of 2022.

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

**Luis Araya**  
Treasurer



# Financials

| Statement of Condition          |             |             |             |
|---------------------------------|-------------|-------------|-------------|
|                                 | 2020        | 2021        | 2022        |
| Assets                          |             |             |             |
| Cash                            | 27,848,949  | 26,075,353  | 19,808,087  |
| Auto Loans                      | 59,719,060  | 59,100,984  | 63,889,458  |
| Real Estate Loans               | 191,592,764 | 217,204,335 | 283,505,245 |
| Credit Card Loans               | 14,755,864  | 13,868,541  | 14,157,124  |
| Business Loans                  | 37,776,008  | 30,942,349  | 22,157,408  |
| Personal & Other Loans          | 10,355,674  | 12,725,896  | 21,320,820  |
| Less: Allowance for Loan Losses | (1,601,890) | (1,718,004) | (1,427,280) |
| Net Total Loans                 | 308,067,737 | 332,124,100 | 403,602,775 |
| Investments                     | 15,768,119  | 22,123,847  | 22,169,807  |
| Land & Buildings                | 17,748,241  | 17,546,783  | 17,346,385  |
| Furniture & Equipment           | 862,055     | 648,018     | 654,733     |
| All Other Assets                | 14,507,146  | 13,514,199  | 14,568,017  |
| Total Assets                    | 389,331,988 | 412,032,301 | 478,149,804 |
| Liabilities/Reserves            |             |             |             |
| Prime Shares                    | 113,876,384 | 133,549,228 | 129,632,035 |
| Money Market Shares             | 49,434,133  | 54,767,098  | 50,081,660  |
| Checking Accounts               | 79,773,295  | 88,784,743  | 85,853,734  |
| Holiday Club                    | 72,358      | 78,537      | 78,824      |
| IRAs                            | 12,830,191  | 12,203,811  | 11,111,654  |
| Certificates of Deposit         | 84,900,227  | 84,119,032  | 102,876,423 |
| Borrowed Funds                  | 7,000,000   | 2,500,000   | 60,000,000  |
| Other Liabilities               | 10,806,372  | 3,387,527   | 4,841,156   |
| Total Liabilities               | 348,302,460 | 379,389,976 | 444,475,488 |
| Reserves                        |             |             |             |
| Regular Reserves                | 2,036,933   | 2,036,933   | 2,036,932   |
| Other Reserves                  | 28,602,095  | 30,605,396  | 31,637,384  |
| Total Reserves                  | 30,639,028  | 32,642,329  | 33,674,317  |
| Total Liabilities & Reserves    | 389,331,988 | 412,032,301 | 478,149,804 |

| Statement of Income             |            |            |            |
|---------------------------------|------------|------------|------------|
|                                 | 2020       | 2021       | 2022       |
| Interest On Loans               | 13,901,683 | 13,624,972 | 16,753,280 |
| Income from Investments         | 269,712    | 260,590    | 480,276    |
| Total Interest Income           | 14,171,396 | 13,885,562 | 17,233,556 |
| Other Non-Interest Income       | 4,742,732  | 5,987,721  | 5,472,475  |
| Total Income                    | 18,914,127 | 19,873,283 | 22,706,031 |
| Total Dividend Expense          | 2,449,495  | 1,300,570  | 2,223,238  |
| Salaries & Benefits             | 7,940,292  | 8,467,855  | 9,571,461  |
| Other Operating Expenses        | 6,483,698  | 7,373,319  | 7,677,824  |
| Provision for Loan Loss Expense | 1,218,462  | 230,000    | —          |
| Total Expenses & Losses         | 18,091,947 | 17,371,746 | 19,472,524 |
| Net Income                      | 822,180    | 2,501,536  | 3,233,508  |

### **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

### **Learn more:**

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

### **Follow us:**

