



2023

Community Impact and Financial Report

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Chairman & CEO Report

Each year, it is rewarding to look back at the impact our financial cooperative has made in the lives of our members and in our community. From our goal to deliver remarkable service with every single transaction to making financial dreams come true with our products and services, our entire staff and board of directors are passionate about making a difference each day.

This passion is abundant throughout the credit union industry, which was built on the cooperative movement and continues to be one of the best ways to bank and support your beloved community at the same time. We can sincerely say that the team at Arlington Community FCU is among the most passionate in the industry.

Arlington Community FCU exists to financially empower our members through remarkable service: We hear the story, find solutions, and bring positive change to the community we love. This approach 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: our members' financial prosperity.

We are proud to report that 2023 was a successful year for ACFCU and we are grateful to our many members for their support. Not only was our financial performance strong throughout the year, we also outperformed peers on key measures of financial health and received exceptional ratings from the National Credit Union Administration (NCUA) during our annual regulatory examination. 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.

We invite you to read the highlights in this report and take pride in how your credit union served underbanked neighbors, uplifted community nonprofits with financial education programs, volunteered to lighten the load for our fellow Arlingtonians, and in the simplest of ways, made banking easier and more accessible for all. Your membership makes a real impact on the ongoing health of the cooperative and support of the community.

As co-owners of our cooperative, you can be sure we are committed to maintaining a vital credit union that will serve your banking needs today and well into the future. Thank you for being part of this important, life-changing work.

Karen L. Rosales
President & CEO

Dan Murray
Chair, Board of Directors



We hear the story.

ACFCU exists to empower our members' financial lives through remarkable service: We hear the story, find solutions, and bring positive change to the community we LOVE.



The ACFCU team is trained to deliver Remarkable Service. Simply put, we focus on people before profit. We listen and work hard to find solutions for each member's unique financial goals. In this way we make a positive impact on the financial health of our members and community.

Our organizational development programs hire for values alignment, train on serving with empathy, and provide ongoing development and advancement opportunities to ensure that remarkable service is at the heart of everything we do. Our 2023 employee and workforce highlights include:

Developing Our Remarkable Service Team

- 12 employees were promoted internally, taking advantage of growth opportunities within the organization
- Our staff completed 1046 hours of eLearning
- The entire staff gathered for two day-long learning sessions, with a focus on finding individual purpose in our work and creating a culture of self care

1046

hours of eLearning completed by Staff

12

employees were promoted internally

Employing a Team that Reflects the Diversity of our Membership

32%

of our staff speaks Spanish

67%

women on the leadership team

12

languages spoken by the staff, other than Spanish or English

47%

of the leadership team represents a minority ethnic status



Members from the Senior Leadership Team attended BizLaunch's Brunch and Business: Honoring Asian Entrepreneurship.

Celebrations & Accomplishments

CEO Karen Rosales announced staff celebrations and accomplishments at the all-staff development day in October.

Maintaining Staff Engagement

We regularly measure employee engagement levels to ensure our organizational culture supports job satisfaction and retention. Our 2023 engagement survey revealed that our staff engagement score is 84, which means the team is 84% more engaged than in other organizations who also participate in the survey across various industries, geographies, and sizes. ACFCU scored 83 for Diversity, Equity, and Inclusion (DEI) practices according to staff, also measured against participating organizations.



As part of our all-staff development day in February, the ACFCU team assembled STEM slime kits for an Arlington elementary school in partnership with the non-profit Rosie Riveters.

84%

staff engagement score in our annual engagement survey

83%

DEI score



We find solutions.

ACFCU's solutions-based approach to banking sets us apart from other financial providers. We pride ourselves on working with our members to deeply understand their financial challenges and help create customized paths to prosperity for them. In a work environment where solutions equal success, we are pleased to share 2023 highlights of our remarkable service in action:

Serving our Members Remarkably

- Our staff earned a service score of 91% based on weekly online surveys sent of members
- The ACFCU mobile app maintained a user rating of 4.8 stars in both Apple iOS and Android
- ACFCU provided 17 educational webinars to support financial empowerment among our membership and neighbors
- The Risk Division stopped more than \$538k in attempted fraud, preventing losses to our members and the credit union

4.8

stars mobile app
rated on Android

4.8

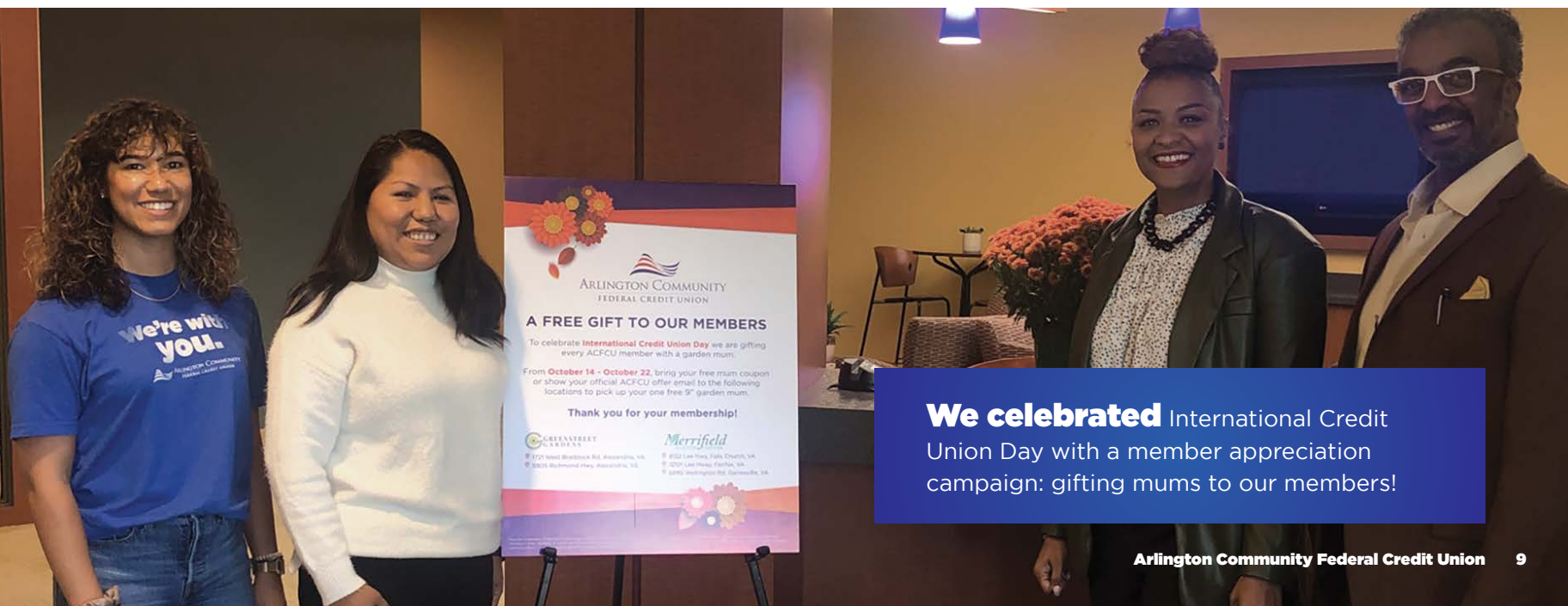
stars mobile app
rated on Apple iOS

\$538k

in attempted
fraud prevention

91%

service score



We celebrated International Credit Union Day with a member appreciation campaign: gifting mums to our members!

Enhancing Digital Access for Convenience and Security

The following upgrades were made to ACFCU's digital channels in 2024:

- External account transfers made even more secure with instant account verification
- Premium Card Management created the ability to add credit and debit cards directly to digital wallets
- Credit card rewards, balances, and transaction details seamlessly synced in ACFCU's mobile app
- E-Statements and e-Documents easily available in mobile apps
- Behavioral analytics added to mobile transactions to detect fraud attempts before they happen
- SMS member verification added to increase ease of Contact Center in confirming member identity
- Real-time credit score updates added to the mobile app

Expanding Who We Serve

- We expanded our lending policies to accept applications from all members of our community regardless of residency status
- ACFCU received a grant from the Community Development Financial Institution (CDFI) fund to increase lending in low income zip codes

“My digital transaction experience with ACFCU has been flawless. To me ACFCU has an exceptional digital framework for a successful personal banking experience.”

A happy ACFCU member





**Bring positive change to
the community we LOVE.**

With “Community” as our middle name, our passion is uplifting the greater Arlington community through financial empowerment and education. Highlights of our 2023 opportunities and impact throughout the greater Arlington community include:

- We partnered with multiple nonprofit organizations to provide customized financial education programs, including Together We Bake (pictured below)
- Young entrepreneurs from Bridges to Independence hosted a pop-up sale in our Columbia Pike branch lobby (pictured at right)
- Community members appreciated our eco-friendly giveaways at Langston Boulevard Alliance’s Earth Day Celebration, a day-long festival we sponsored and attended with pride (pictured on previous page)





The foodies on our staff supported Columbia Pike restaurants and enjoyed the company of the monthly Columbia Pike Lunch Club.



Recognition in Our Community

CEO Karen Rosales was named a 2023 Woman of Vision in the business sector by the Arlington County Commission on the Status of Women for her leadership and mentorship of women in the community and throughout her career.



ACFCU was named Best Bank in the Leader Gazette's annual readers' poll.

We pitched in

to support the Carlin Springs Family Market throughout the year.



- We proudly sponsored the Arlington Chamber of Commerce's Hospitality Awards, recognizing the amazing workers in the County's vibrant hotel and restaurant industries (pictured above)
- ACFCU staff showed their community passion through volunteering a total of 423 hours
- Our leaders served on local boards including Columbia Pike Partnership, Kitchen of Purpose, and Animal Welfare League of Arlington

400+

staff hours volunteering
in their communities



- CEO Karen Rosales lent her expertise to a panel titled Framing Your Financial Future, with colleagues from Virginia Cooperative Extension and Arlington Economic Development's BizLaunch (pictured above)
- To share our love of local business, ACFCU sponsored the Arlington Chamber of Commerce's Best Business Awards (pictured at right)



Reports & Financials

Supervisory Committee Report

The Supervisory Committee is appointed by the ACFCU Board of Directors to perform the following critical functions:

- 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 2022-2023 were Max Montague, Stephen Vu, Lauren Lugasi, and Angel Amin.

Accounting firm Doeren Mayhew was retained to perform the annual financial audit for 2023 in accordance with generally accepted auditing standards. Doeren Mayhew's CPAs determined 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.

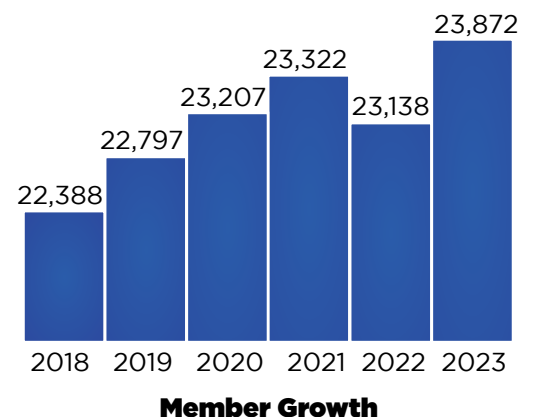
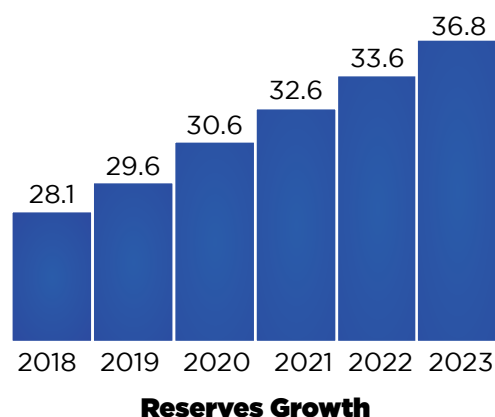
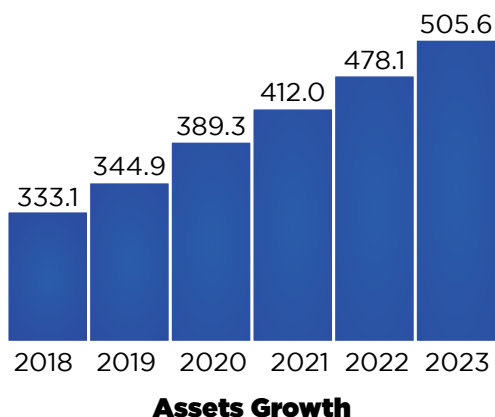
Upon review of the various audit reports, reviews, and assessments, the Supervisory Committee is pleased to report that ACFCU's management and staff are handling the operations of the credit union professionally, accurately, and within all regulations and guidelines. The

committee commends the volunteer Board of Directors, management, and staff for their diligence in maintaining the financial stability and integrity of your credit union.

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Max Montague

Chair, Supervisory Committee



Treasurer's Report

With ongoing concerns of recession and no relief from inflation, 2023 proved to be a challenging year for consumers and our community of members. Arlington Community Federal Credit Union supported the membership through remarkable service with every interaction.

We offered industry-leading deposit rates to help members make the most of their savings and remained a trusted resource for loans. As a result, members placed their trust in their credit union and ACFCU grew to 23,872 members and \$505 million in assets.

Our 2023 growth is also reflected in the following five categories:

- Assets increased by 5.75%.

↑ **5.75%**

- Member Share Deposits increased by 8.82%.

↑ **8.82%**

- Loans increased by 5.66%.

↑ **5.66%**

- Membership increased by 3.17%

↑ **3.17%**

- Net Worth grew by 8.64%

↑ **8.64%**

As financial cooperatives, credit unions acquire assets from member owners. Those funds are redeployed into the community through loans to other members and local businesses or placed 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 86% 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.

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 7.78% at the end of 2023.

As ACFCU’s financial steward, I am grateful to each and every member for your loyalty and continued support of the only financial cooperative dedicated to empowering the greater Arlington community. Thank you to our staff and volunteers for their passion, integrity, and dedication.

Luis Araya
Treasurer

Financials

Statement of Condition

	2021	2022	2023
Assets			
Cash	26,075,353	19,808,087	27,327,307
Auto Loans	59,100,984	63,889,458	68,031,053
Real Estate Loans	217,204,335	283,505,245	300,936,580
Credit Card Loans	13,868,541	14,157,124	15,232,416
Business Loans	30,942,349	22,157,408	20,248,165
Personal & Other Loans	12,725,896	21,320,820	23,525,625
Less: Allowance for Loan Losses	(1,718,004)	(1,427,280)	(1,265,102)
Net Total Loans	332,124,100	403,602,775	426,708,736
Investments	22,123,847	22,169,807	20,357,167
Land & Buildings	17,546,783	17,346,385	17,150,483
Furniture & Equipment	648,018	654,733	475,610
All Other Assets	13,514,199	14,568,017	13,620,474
Total Assets	412,032,301	478,149,804	505,639,778
Liabilities/Reserves			
Prime Shares	133,549,228	129,632,035	113,919,622
Money Market Shares	54,767,098	50,081,660	36,894,075
Checking Accounts	88,784,743	85,853,734	83,201,750
Holiday Club	78,537	78,825	83,332
IRAs	12,203,811	11,111,655	12,332,179
Certificates of Deposit	84,119,032	102,876,423	166,687,620
Borrowed Funds	2,500,000	60,000,000	51,000,000
Other Liabilities	3,387,527	4,841,156	4,678,773
Total Liabilities	379,389,976	444,475,488	468,797,353
Regular Reserves	2,036,933	2,036,933	2,036,933
Other Reserves	30,605,396	31,637,384	34,805,493
Total Reserves	32,642,329	33,674,317	36,842,425
Total Liabilities & Reserves	412,032,301	478,149,804	505,639,778

Statement of Income

	2021	2022	2023
Interest On Loans	13,901,683	16,753,280	24,256,904
Income from Investments	269,712	480,276	1,023,242
Total Interest Income	14,171,396	17,233,556	25,280,145
Other Non-Interest Income	4,742,732	5,472,475	5,844,236
Total Income	18,914,127	22,706,031	31,124,381
Total Dividend Expense	2,449,495	2,223,239	8,446,477
Salaries & Benefits	7,940,292	9,571,461	10,150,317
Other Operating Expenses	6,483,698	7,677,824	8,395,143
Provision for Loan Loss Expense	1,218,462	—	1,005,979
Total Expenses & Losses	18,091,947	19,472,524	27,997,916
Net Income	822,180	3,233,508	3,126,465

Our vision:

Our vision is to be the preferred financial partner for everyone who wants to be part of a thriving community.

Our purpose:

ACFCU exists to financially empower our members through REMARKABLE SERVICE: We hear the story, find solutions, and bring positive change to the community we LOVE.

Learn more:

Want to learn more about ACFCU's service, mission and purpose? Visit www.ArlingtonCU.org.

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FEDERAL CREDIT UNION