



# 2024 Annual Report





## MISSION

We provide customized financial solutions to our members through innovation and personal connections.

## VISION

We aspire to be the economic growth engine of the South Puget Sound.

## ABOUT ACU

ACU was founded in 1954 as the Fort Lewis Federal Credit Union. It was initially created to serve civilian federal employees and their families who worked at Fort Lewis (now Joint Base Lewis-McChord). Membership was later expanded to military and eventually civilians in the region. Our original purpose, which still guides us, was to provide a valuable alternative to commercial banks by operating as a cooperative to the benefit of our members.

We are proud of our military heritage and celebrate the fact that veterans still make up a substantial amount of our membership — and we continue to operate according to core military values of dedication, service, and integrity. Today, civilians as well as active, retired, and reservist members of the armed forces across the Northwest are welcome to join ACU.

ACU is a not-for-profit credit union. Unlike traditional banks, we don't issue stock or pay dividends to outside stockholders. Instead, we are owned and operated by our members — and all profits are returned to our membership. This allows us to offer lower loan rates, higher interest returns on deposits, fewer fees, and other benefits to our members. As a financial cooperative, ACU puts your interests first. We focus on helping small businesses thrive, supporting families, and strengthening communities. That's the value of a credit union. ACU membership is open to individuals and businesses located in the Pacific Northwest.

## Board of Directors

### **KYLE LENTZ**

Board Chairperson, President, Neptune Seafood Inc.  
President / CEO Chelsea Farms

### **KENNETH S. LEONARD**

Chief Executive Officer, Board Member

### **DEBRA HODOUS**

Vice Chairperson, Retired ACU CFO

### **COLLEEN OCZKEWICZ**

Treasurer, CFO / CPA

### **KENNETH CHAPMAN**

Secretary, Contract Specialist at Department of  
Veterans Affairs, Veteran

### **THAD COLLARD**

Member, Brigadier General // US Army Reserve //  
Healthcare Administrator, Deputy Commanding  
General (Operations), US Army Medical Command

### **WILLIAM HARVEY**

Member, Retired US Army Family Morale &  
Recreation

### **FRED CRASE**

Associate Member, Business Owner

### **CHUCK MCSWAIN (EMERITUS)**

Member, Retired Business Owner, CPA

### **BENJAMIN NORBE (EMERITUS)**

Member, Vice President, Kidder Mathews

### **DICKEY WILSON (EMERITUS)**

Member, Retired Organizational Methods Analyst,  
JBLM

## Executive Staff

### **PHILIP PROTHERO**

President, Chief Operations Officer

### **TROY KYLE**

Executive Vice President, Chief Information Officer

### **MONIQUE STEVENS**

Chief Financial Officer, US Army Veteran

### **AMY SAKSON**

Chief Administrative Officer

### **PATRICK HORAN**

Chief Lending Officer

## Supervisory Committee

### **LARINDA MORSON**

Chairperson, Boeing Software Engineer

### **HERBERT STUMPF**

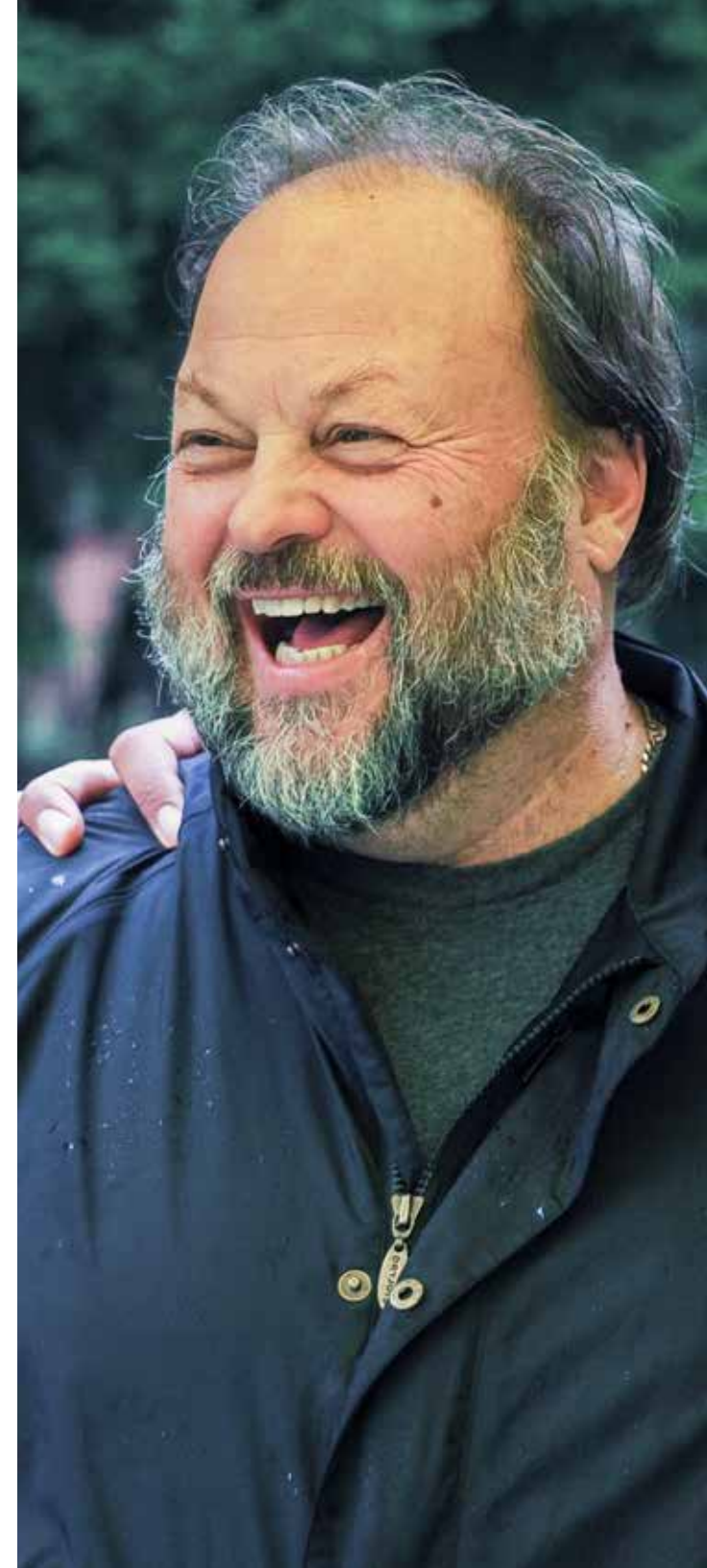
Vice Chairperson, Retired Veteran

### **NICOLE FRIEDRICK**

Secretary, Practicing RN / Attorney

### **JENNIFER SHAMOON**

Member, CPA



# Management Report

On behalf of the Board of Directors and the staff of America's Credit Union (ACU), I extend our heartfelt gratitude for your continued membership and trust in our institution. I am pleased to report that ACU remains robust and financially sound. Our total assets are nearing the \$700 million mark, and member loans are strong. A key indicator of our financial health, the net worth to total assets ratio, has steadily increased to 10.27%, positioning ACU favorably for growth and enhanced service delivery.

In 2024, ACU was honored as Washington's Best-In-State Credit Union by Forbes. This recognition was based on an extensive survey of approximately 26,000 U.S. residents. Participants evaluated their financial institutions on several key criteria, including customer service, quality of financial advice, fee structures, ease of navigating digital and in-person services, and overall trust. Additionally, we were featured on Newsweek's list of "Best Regional Banks and Credit Unions" with a 5-star ranking.

As the banking industry continues to evolve, ACU is committed to maintaining a balance of service, value, and convenience. Recent national leadership changes have paved the way for regulatory relief, enabling us to uphold our high standards of security and compliance while focusing on member needs, innovation, and service.

The widespread adoption and convenience of mobile and home banking apps have led to a reduction of branch traffic. While branches remain a vital part of our business, we are reviewing the branch model to enhance efficiency and access to best serve member needs in a way that matches their lifestyle.

Our new Tumwater branch will serve as an anchor in Thurston County, offering a fresh approach to banking and member service. This branch will cater to a diverse range of Olympia and Tumwater members, with partnerships established with South Puget Sound Community College, the Craft District, and other South Sound businesses. The space will support a variety of activities, including financial education, member service, mortgage lending, and business needs, leveraging new and emerging digital technologies.

As interest rates have begun to ease, we have seen steady growth in our lending activity. The mortgage portfolio grew by 2% to \$199,132,470 in 2024 while home equity loans increased by 9% year-over-year. We continue to offer VA/FHA loan programs and plan to expand these activities in 2025.

The ACU Business Services portfolio reached \$189,686,991, a 2% increase from 2023, with business loans now comprising 35% of our total portfolio. Consumer loans, including personal, credit card, and vehicle loans, saw 9% growth in Q4 2024, driven by strategic partnerships.

Total assets remained steady at \$696,928,768, a slight 0.04% increase from \$696,626,959 in 2023. Total loans grew by 1.60% to \$545,369,484, up from \$536,653,012 last year. Total member shares and deposits decreased from \$584,112,267 to \$578,859,937, a 0.91% decline due to elevated rates for most of the year. Total earnings for 2024 were \$1,261,411.

Since 1954, ACU has been providing financial services to the South Puget Sound region. Our membership has grown, encompassing our military heritage and the broader community. As our members increasingly favor the convenience of digital banking, we remain committed to balancing technological innovation with efficiency and service. We are dedicated to delivering the ultimate financial experience, with a personal touch.

As new technologies present themselves, we adopt and improve systems that deliver for our members.

When members need to visit a branch, we must provide stellar service, thoughtfully and accurately to meet their every need.

– Ken Leonard



**KENNETH S. LEONARD**

Chief Executive Officer, Board Member

# Service Highlights

2024 was another busy and successful year implementing enhancements to our products and services. Our member contact and information technology staffs delivered for our members.

## Contactless Cards

Our tap-to-pay technology streamlines your shopping, making checkouts a breeze. Whether you're grabbing a coffee or paying for groceries, tap-to-pay is the swift, hassle-free way to complete your purchase.



## ATM Network

Our entire ATM network has been updated to ensure the highest level of security.

## KEN Chatbot

The KEN Chatbot is continuing to learn and assist members, gaining efficiency and decreasing call volume. Additionally, we have added voice biometrics for authentication, making it more convenient to log into your account while keeping others out.

## Telephone Upgrade for the Member Contact Center

These improvements enable the MCC staff to support voice, email and eventually video calls. Also, we can now evaluate calls immediately for feedback and coaching.

## Member Texts

Previously introduced, it's now integrated into additional departments for efficient member communication.

## ITM Development

An Interactive Teller Machine (ITM) is in action at our Lacey branch, allowing members to interact with an ACU representative directly from the machine.

## Online and Mobile Banking Upgrades

This major upgrade included a complete redesign as well as important new features that include:

- Updated Interface: Our new, intuitive interface is designed to make navigation easier and more efficient. Enjoy a seamless banking experience with a modern look and feel.
- Real-Time Fraud Alerts: Stay protected with real-time alerts that notify you of any suspicious activity on your account.
- Biometric Authentication: Enjoy enhanced security with biometric authentication, ensuring that only you can access your account.
- Light and Dark Mode: You can now switch between light and dark modes based on your preference. Whether you prefer a bright interface during the day or a darker one at night.
- And much more

## Safe Deposit Boxes

Upgraded procedures to improve efficiencies for members and branches.



**270**  
ACU VOLUNTEER  
HOURS



**\$740,000**  
TOTAL RAISED FROM TURKEY SHOOT



**\$276,434,191**  
HOME LOAN BALANCES



**\$189,686,991**  
BUSINESS LOAN BALANCES

# Chairperson's Report

As your ACU Board Chairperson, it is my honor to provide leadership on behalf of our membership. Our dedicated volunteer board is committed to ensuring safe and resolute governance, enabling us to grow and enhance the financial well-being of our credit union members.

The year 2024 presented numerous challenges to the credit union industry, including:

- Economic pressures on members
- Cybersecurity threats
- Digital and AI transformation
- Regulatory compliance

In response, ACU has adjusted rates and introduced programs to help members monitor their spending and invest wisely. We have upgraded our systems, enhanced security measures, and dedicated staff to safeguard your data. Additionally, we have implemented AI tools to streamline services, making ACU accessible 24/7 for many inquiries and transactions.

The Board of Directors remains steadfast in ensuring the (credit union or ACU) operates safely, ethically, and in accordance with all applicable laws and regulations. Maintaining strong compliance helps protect our members, ensures the financial health of our institution, and upholds the trust and confidence our members place in us.

Throughout 2024, ACU implemented changes to meet the challenges of an increasingly digital society. These enhancements include new mobile and desktop environments, upgrades to our Member Contact Center, and improved security for our ATMs.

The 2024 Best-in-State designation, awarded by our satisfied members, is a testament to our commitment to providing exceptional service. While the designation is important to recognize, there is always more work to be done. ACU needs to continue to grow in deposits and membership to maintain relevance and help the next generation of South Puget Sounders.

Our vision statement, "To be the financial engine of the South Puget Sound," has become increasingly true over the past five years. During this period, we have doubled our business loans to reach \$190 million, and our Home Loan Center has grown from \$99 million to \$200 million. Other consumer loans complete our portfolio, providing a balance that protects ACU from economic shifts.

As we open the new Tumwater Branch, we are optimistic about opportunities for growth. Establishing more of a foothold in Thurston County will elevate our presence and provide access to existing members in the area as well as an entirely new pool of potential members.

Thank you for your continued support and confidence in ACU. We remain dedicated to enriching your lives and meeting your financial needs. Together, we will create new opportunities for responsive financial service, focused on being your trusted financial partner. We appreciate your business and the trust you place in ACU.

Respectfully submitted,



**KYLE LENTZ**  
Board Chairperson

**IN 2024, ACU CELEBRATED OUR 70TH  
YEAR OF SERVING OUR MEMBERS.**



Phil Prothero, ACU President, COO and Maxey Ryan-Brooks,  
DuPont Branch Manager

# Supervisory Committee Report



Jennifer Shamoon, Herbert Stumpf, Nicole Friedrich and Larinda Morson

We ensure the Board of Directors are acting in a manner that is beneficial to the membership. We monitor compliance with all local, state, and federal laws and regulations. Working with an independent audit firm, we ensure the financial statements are reliable and accurately represent our financial condition and that management and the board of directors maintain a system of controls that safeguard member and credit union assets. A bi-annual member verification, as required by regulation, is also conducted by the independent firm. The Committee works with various audit firms and internal resources to conduct a variety of audits across the enterprise to validate the effectiveness of the established control environment. The Committee is also responsible for follow up and monitoring of all NCUA examinations and any member complaints received.

The Supervisory Committee has confidence that ACU continues to maintain a high level of financial stability. The Committee is dedicated to protecting and safeguarding our members' interests, ensuring

continued vigilant oversight of operations, helping you achieve your financial goals and providing you with exceptional member service.

The Supervisory Committee consists of four volunteer members who meet regularly and also on an as needed basis. The Committee thanks the attentive staff, experienced management team and committed Board of Directors for their contribution to the accomplishments over the past year.

**The Supervisory Committee of ACU is responsible for independently ensuring management is operating the credit union in a safe and sound manner and effectively managing risk.**



**LARINDA MORSON**  
Supervisory Committee Chair

## ACU MILITARY SPECIFIC SUPPORT

- 42nd MP Brigade Golf and Ball
- Adjutant General Corps
- AFA
- American Lake Veterans Golf Course Board
- Annual Turkey Shoot golf tournament
- Armed Forces Day
- Armed Services YMCA - JBLM Board
- Army Emergency Relief
- AUSA
- Blue Star Families, JBLM
- BOSS Program, JBLM
- Buffalo Soldier Museum
- Coffee Connections for Spouses
- Dream Foundation Sponsorship
- Fisher House, JBLM
- Freedom Fest, JBLM
- Gold Star Families Christmas, Hope for the Holidays
- Governor's Suicide Prevention Challenge
- JBLM Rainier Rocks Inc., Scholarship
- Lakewood Chamber of Commerce
- Madigan Army Medical Center
- Military Spouse Appreciation Day
- No Dough Lunch and Dinner events with the USO
- Pacific Northwest Veterans Alliance
- Partner, US Army and Recruiting Command PaYS Program
- Pilot for a Day Program, Air Force Association
- Recognized Best Squad Competition for 7th ID and I Corps
- Recognized Outstanding Leadership at NCO Academy JBLM
- Recognized Outstanding Volunteers at JBLM
- Red Cross' Honor Your Legacy event, JBLM
- Replacement Center at JBLM during Holidays
- Retiree Day, JBLM
- Santa's Castle, JBLM
- Sergeants Major Association
- South Sound Communities Partnership
- Spouses Club, JBLM
- Suicide Prevention Office - A.S.A.P, Fill-a-Ruck event, JBLM
- Suits for Service Members and Operation Deploy Your Dress
- Transaction Assistance Program, JBLM
- USO Gala
- Veterans Day at Seattle Seahawks Training Camp and Game
- Veterans Free Pizza Day, with Farrelli's
- Veterans Legislative Reception, Olympia
- Visited with over 8,000 Service Members at Newcomers
- Warrant Officers Association
- Warrior Care Event, JBLM



**STATEMENT OF FINANCIAL CONDITION - UNAUDITED  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

Assets	2024	2023	Change
Cash and cash equivalents	\$27,968,735	\$32,258,150	\$(4,289,415)
Investments	67,702,027	78,211,101	(10,509,074)
Loans to members	545,369,484	536,653,012	8,716,472
Allowance for loan losses	(5,288,692)	(5,538,148)	249,456
Premises and equipment	20,241,098	21,009,562	(768,464)
Other Assets	40,936,116	34,033,282	6,902,834
<b>Total Assets</b>	<b>\$696,928,768</b>	<b>\$696,626,959</b>	<b>\$301,809</b>
<b>Liabilities &amp; Capital</b>			
Borrowings and other liabilities	\$53,774,196	\$50,971,681	\$2,802,515
Total shares and deposits	578,859,937	584,112,267	(5,252,330)
<i>Total liabilities</i>	<i>632,634,133</i>	<i>635,083,948</i>	<i>(2,449,815)</i>
Members' equity	64,294,635	61,543,011	2,751,624
<b>Total Liabilities and Members' Equity</b>	<b>\$696,928,768</b>	<b>\$696,626,959</b>	<b>\$301,809</b>

**STATEMENT OF INCOME - UNAUDITED  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023	Change
Interest on loans	\$28,455,186	\$26,582,468	\$1,872,718
Investment & Other Interest Income	3,280,565	2,748,684	531,881
<b>Total interest income</b>	<b>31,735,751</b>	<b>29,331,152</b>	<b>2,404,599</b>
Dividend expense	6,759,487	6,228,213	531,274
Interest on borrowings	2,774,424	943,547	1,830,877
<i>Total dividend and interest expense</i>	<i>9,533,911</i>	<i>7,171,760</i>	<i>2,362,151</i>
<b>Net interest income</b>	<b>\$22,201,840</b>	<b>\$22,159,392</b>	<b>\$42,448</b>
Total fee and other non-interest income	10,919,145	11,100,494	(181,349)
Compensation and employee benefits	16,493,812	16,046,923	446,889
Operating expenses	10,889,561	10,845,991	43,570
Office occupancy	1,966,114	1,918,944	47,170
<b>Total operating expense</b>	<b>\$29,349,487</b>	<b>\$28,811,858</b>	<b>\$537,629</b>
Provision for Loan Loss	2,510,087	289,935	2,220,152
<b>Net Income/(Loss)</b>	<b>\$1,261,411</b>	<b>\$4,158,093</b>	<b>\$(2,896,682)</b>

Trish Bartlett and Hannah Saunders of the Home Loan team



# ACU Foundation Report

In 2024, the ACU Foundation proudly demonstrated its commitment to supporting our local military and communities by donating a total of \$40,000. This contribution was distributed among various esteemed organizations and initiatives, including:

- Santa's Castle
- Fisher House
- The Lewis McChord Spouses Club

Additionally, the Foundation extended its support to the local Veterans of Foreign Wars by purchasing rain jackets for their Honor Guard duties. A significant portion of the donations was allocated to welcome

baskets and holiday food and gifts for the JBLM reception barracks, ensuring that 143 service members new to JBLM felt appreciated and cared for. Other notable contributions included:

- The Honor Foundation
- Operation Home through JBLM YMCA
- Change the Narrative, an organization dedicated to preventing active duty and veteran suicide
- Support for local community and education

The Foundation's efforts also reached local community school children and their families through partnerships with organizations such as Together! Thurston County and 4 The Love, which provide housing assistance and meals for families facing food insecurities.



Tommy Carson delivers pizzas to Fisher House on JBLM

In addition to financial contributions, ACU Foundation volunteers dedicated over 700 hours of their time to various causes throughout the year. The Foundation's support extended to educational and community programs, with donations to:

- Bush Middle School PIE Program
- Yelm High School's Choir
- Dry Tykes and Wet Wipes, including a direct donation and diaper drive

This comprehensive support underscores the ACU Foundation's dedication to making a positive impact in the community. These achievements would not have been possible without the unwavering support of our members.

We look forward to continuing our mission of service and support in the coming years. Thank you for being an integral part of our journey.



Permission to Start Dreaming Foundation's Race to Remember - Jacob Cuthbertson, Austin Leatherwood, Monique Stevens, Crysta Leatherwood, Julie Castro, Brisa Paz, Marizaliz Sierra





[youracu.org](http://youracu.org)

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