



Annual Report

American United
FEDERAL CREDIT UNION

We Help When Others Won't

2023





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2023 Annual Meeting Agenda

Wednesday, March 13, 2024

BUSINESS MEETING	5:30 – 6:00 p.m.
Welcome	Lisa Jensen
Call to Order	Lisa Jensen
Action on Minutes – 2023 Annual Meeting	
President & CEO's Report	Jacob Bowman
Board of Directors Report	Lisa Jensen
Secretary/Treasurer Report	Cynthia Walker
Supervisory Committee Report	Lynn Kelly
Volunteer Awards	Jacob Bowman
Introduction of Candidates & Election Results	Jacob Bowman
Raffle Prizes	Amy Daniels
Chairman Remarks	Lisa Jensen
ADJOURNMENT	6:00 p.m.





Moral Philosophy

WE HELP WHEN OTHERS WON'T: Throughout every facet of business, from approving loans when others won't, to paying close attention to the needs of our small businesses, to working with our individual members to provide them the best financial picture, you will start to see our moral philosophy publicly shine through. WE HELP WHEN OTHERS WON'T!

ALL IN: All members of the Board of Directors, the Executive Team, and the Staff at American United and First Californian use an "ALL IN" attitude with everything we do. We are ALL IN for our members, ALL IN for our employees, and ALL IN for our communities!

Credit Union Story

American United Federal Credit Union has been serving members since December 1952. The Credit Union is a wholly member-owned, non-profit cooperative financial institution, dedicated to serving the financial needs of its community. We pledge ourselves to Help When Others Won't.

Over the years American United has merged with several underserved credit unions in order to provide their members with advanced banking products and services. We have welcomed members from BluesPlus, Big Valley Credit Union, VAF Federal Credit Union, Credit Union One, Newspaper Employees Credit Union, Deseret News Employees Credit Union, Grantsville Federal Credit Union, Credit Union for the Blind, Midvalley Federal Credit Union, and our newest in 2019, Sunnyside Credit Union. We are always looking for new opportunities to assist underserved credit unions and their members.

The First Californian Division of American United was founded to serve the underserved members of tribal organizations in Southern California. The Morongo Branch of First Californian opened in 2009, followed by the Soboba Branch in 2018 and the Twenty-Nine Palms Branch in 2019. The efforts focused on assisting underserved tribal organizations will continue into the future, providing extended stability to the organization as a whole and all of the members we serve.

President's Report

I am pleased to reflect on the journey we've shared in 2023 and extend my gratitude for your continued trust in American United. In a dynamic financial landscape, our Credit Union has not only weathered the challenges 2023 offered, but thrived – thanks to your unwavering support. Together, we have grown membership to ~27,000, with 12 branches and \$389 million in collective assets.

While growth is critical to financial viability, our primary goal is to work in the best interest of our Members and provide value across the gamut of financial need. I am proud that our 100 employees know that we exist to serve you, our Members, and Help When Others Won't – not to earn record profits or increase a stock price. We will continue offering competitive rates and the security and technology to manage your financial lives both safely and conveniently.

In 2023, the financial services industry underwent significant transformations: Federal Reserve rate hikes, elevated (yet cooling) inflation, economic shifts, technological advancements, and increasing consumer expectations. Through it all, American United has been resilient – adapting and innovating to meet the evolving needs of our Members.

We commenced a new five-year strategic plan which returns focus to our mission and core values, and adopts various technological advancements. Our commitment to financial inclusion, personalized service, and community engagement endured.

I am proud to report that American United has maintained a solid fiscal position, despite economic headwinds. Our prudent financial management, coupled with the loyalty of our Members, has allowed us to offer competitive rates and expanding our suite of financial products.

We are excited about the possibilities and challenges that await us in 2024. We remain dedicated to empowering financial well-being, enabling reliable transportation through affordable auto loans, helping create safety nets of personal savings, freeing people from excessive debt and predatory lending, launching businesses, repairing credit, and healing financial shame. We are committed to making a positive impact in the lives of our Members and the communities we serve.

I want to express my deepest appreciation for your trust and partnership. Your support is the driving force behind our success, and we are eager to continue growing together in the coming year.

Warm regards,

A handwritten signature in black ink, appearing to read 'Jacob Bowman', with a long horizontal flourish extending to the left.

Jacob Bowman, President & CEO

Board of Directors Report

As Chair of the Board of Directors, I'm delighted to present the Board of Directors Report. This year has brought about another cycle of change amid ongoing economic uncertainties. While there are signs of resilience in the economy, our members are still grappling with inflation and heightened interest rates.

A significant shift within the credit union is the departure of our CEO, Michelle Thorne, after 20 years of dedicated service, nine as CEO. Michelle navigated the credit union through tumultuous times, showcasing exceptional leadership amidst challenges. I extend my gratitude for her steadfast guidance.

I'm pleased to announce the appointment of our new CEO, Jacob Bowman. Jake brings a wealth of knowledge and experience in both business and credit unions. His arrival has been warmly embraced by our staff, and I am confident in his ability to lead us forward.

Despite offering higher interest rates on savings, fewer members have the disposable income to capitalize on these rates. Borrowing activity has also slowed compared to previous years. Nevertheless, we remain vigilant in monitoring the economic landscape and believe our credit union is well-positioned to withstand the uncertainties ahead.

Our capital ratio remains robust at 11.52%, providing us with stability during financial turbulence. In 2023, American United experienced growth in assets (5.13%, \$389M) and membership (1.89%, 26,934). While our income saw a slight decrease to \$1.48M, it remains positive and will be reinvested in our offerings, services, branch enhancements, and digital platforms.

The Board of Directors, in collaboration with our staff, engaged in strategic planning once more, resulting in a comprehensive implementation plan. This roadmap outlines our trajectory to remain competitive and deliver exceptional service to our members.

Though this year has been marked by change, we are confident in our path forward and in the enduring success of our institution.

Lisa Jensen, Board Chair
Bryce Glissmeyer, Vice Chair
Cynthia Walker, Secretary/Treasurer
Lynn Kelly, Board Member
Edward Varra, Board Member
Aisza Wilde, Board Member

Secretary/Treasurer Report

As of December 31st, 2023, total assets at American United FCU were \$389M, representing a 5.13% increase over 2022. The credit union operates in an extremely competitive market, and new deposit growth was slightly down. However, loan growth was 3.38% for the year, and the loan-to-share ratio ended higher at 93.73%.

The asset and deposit growth in the credit union industry has slowed from previous years, and the financial performance of American United over the last 12 months reflects the current economic environment. Inflation has declined but continues to impact members' savings and discretionary cash. The Federal Reserve aggressively raised interest rates over the last two years to temper inflation while attempting to avoid a recession. The frequency of rate hikes has slowed, and the likelihood of future rate hikes is low.

American United FCU reports a return on average assets (ROA) of .39%, and the increase in the cost of funds to be competitive and retain deposits has played a large part in the lower ROA. The Board of Directors and management closely monitor the economy and interest rates and how changes may impact the organization and its members. The Credit Union has a strong capital position at 11.52% and manages its balance sheet and expenses to remain profitable and viable to continue to serve its members well into the future.

The Board is aware of our members and is committed to our mission to "Help When Others Won't." We constantly search for products, services, and technology to benefit our members. We strive to keep loan rates as low as possible while offering higher deposit yields. Our VISA Rewards program and short-term emergency loan products give members better financial options. Our members, whether borrowers or savers, are taking advantage of those opportunities.

A new branch opened at 208 E 800 South, and this location further supports those members on the east side of the valley and provides a full-service branch near the VA Medical Center. The Credit Union continues to invest in creating professional branches for members to conduct their financial business.

The Board is committed to using the resources of the Credit Union in a fiscally responsible manner. It monitors the financial and economic environment to ensure the safety and soundness of the institution. We encourage all members to review American United FCU's financial statements and direct any questions to the Board and executive team. The Board would like to thank you for your loyalty and continued support.

Cynthia Walker, Secretary/Treasurer

Supervisory Committee Report

The American United FCU Supervisory Committee continues to monitor the financial wellbeing of the credit union as required by the National Credit Union Association (NCUA). Our committee has ensured that the Board of Directors and management safeguard our credit union by meeting required financial reporting, having established policies and procedures in place to safeguard members assets, and monitoring for error, conflict of interest, self-dealing or fraud.

We have ensured effective internal controls are in place by working closely with the internal auditor, Heidi Oswald. We have met with Heidi at least quarterly to review the many audits she and her assistant perform. Some of these audits include employee and volunteer accounts, corporate credit card usage, and consumer and business loans. We thank Heidi and Lisa Evans for their continued commitment in helping our committee with its required oversight responsibilities.

We also want to thank and acknowledge the work of the VP of Compliance, Sherrie Johnson, in her research efforts and ensuring that policies are tracked and updated in a timely manner.

Our Supervisory Committee recently contracted with a new external auditor for 2024 to perform the required audits on financial statements, member verification, and BSA/ACH. Russ Dickson & Co., a CPA firm, will be performing these audits. It is prudent for our committee to periodically use different audit services to confirm and ensure that all credit union reporting is accurate.

Our committee feels confident that credit union management has the policies and procedures in place to ensure the safety and soundness of the organization. We would like to thank the Board for their trust in us and for providing the Committee with the needed resources to fulfill our responsibilities in an effective manner. We also thank the management and staff of AUFCU for working with us to address, in a timely manner, any concerns we may have.

Lynn Kelly, Chair
David Larsen
Julio Raymundo

Financial Statement: **Income & Expense Statement**

Income	31-Dec-23	31-Dec-22	Increase/ Decrease
Interest on Loans	\$ 19,662,579	\$ 16,736,945	\$ 2,925,634
Income from Investments	\$ 761,038	\$ 757,537	\$ 3,501
Other Income	\$ 5,858,345	\$ 6,200,780	\$ (342,435)
Gross Income	\$ 26,281,962	\$ 23,695,261	\$ 2,586,701
Operating Expenses			
Compensation & Benefits	\$ 8,060,998	\$ 7,938,197	\$ 122,801
Training & Conference	\$ 274,227	\$ 292,767	\$ (18,540)
Association Dues	\$ 76,744	\$ 78,189	\$ (1,445)
Office Occupancy	\$ 574,992	\$ 540,528	\$ 34,464
Advertising & Promotions	\$ 1,765,983	\$ 969,820	\$ 796,163
Office Operations	\$ 2,389,961	\$ 2,179,563	\$ 210,398
Loan Servicing	\$ 2,132,793	\$ 2,831,132	\$ (698,339)
Professional Services	\$ 933,185	\$ 916,217	\$ 16,968
Provision for Loan Loss	\$ 1,671,158	\$ 968,078	\$ 703,080
Member's Insurance	\$ —	\$ —	\$ —
Supervision & Examination Fees	\$ 58,975	\$ 58,470	\$ 505
Cash Over & Short	\$ 3,095	\$ (39)	\$ 3,134
Interest on Borrowed Money	\$ 463,893	\$ 1,784	\$ 462,109
Annual Meeting Expense	\$ (47,803)	\$ —	\$ (47,803)
Misc. Operations	\$ —	\$ —	\$ —
Total Operating Expense	\$ 18,358,201	\$ 16,774,705	\$ 1,583,496
Income before Dividends	\$ 7,923,761	\$ 6,920,557	\$ 1,003,204
Dividends	\$ 6,537,384	\$ 3,387,742	\$ 3,049,642
Gain or (Loss) on Investments	\$ 93,273	\$ (96,414)	\$ 189,687
Net Income	\$ 1,479,650	\$ 3,336,401	\$ (1,856,751)

Financial Statement: **Balance Sheet**

Assets	31-Dec-23	31-Dec-22	Increase/ Decrease
Loans to Members	\$ 305,869,652	\$ 295,860,502	\$ 10,009,150
(Less: Allowance for Loan Loss)	\$ (2,215,744)	\$ (1,799,103)	\$ (416,641)
Net Loans	\$ 303,653,908	\$ 294,061,399	\$ 9,592,509
Cash	\$ 15,613,037	\$ 6,556,722	\$ 9,056,315
Investments	\$ 45,144,343	\$ 47,069,059	\$ (1,924,716)
Furniture & Equipment	\$ 3,479,457	\$ 3,147,086	\$ 332,371
(Less: Accumulated Depreciation)	\$ (2,628,733)	\$ (2,299,613)	\$ (329,120)
Net Furniture & Equipment	\$ 850,724	\$ 847,473	\$ 3,251
Land & Building	\$ 15,636,977	\$ 13,925,463	\$ 1,711,515
(Less: Accumulated Depreciation)	\$ (2,288,854)	\$ (1,912,101)	\$ (376,753)
Net Building	\$ 13,348,123	\$ 12,013,361	\$ 1,334,762
Other Assets	\$ 10,535,661	\$ 9,611,881	\$ 923,780
Total Assets	\$ 389,145,796	\$ 370,159,895	\$ 18,985,901
Liabilities & Equities			
Member Savings			
Regular Shares	\$ 59,992,240	\$ 76,114,094	\$ (16,121,854)
Share Drafts	\$ 54,240,342	\$ 55,061,949	\$ (821,607)
Money Market Accounts	\$ 72,954,502	\$ 77,940,359	\$ (4,985,857)
Club Accounts	\$ 5,277,496	\$ 6,393,859	\$ (1,116,363)
Regular Certificates	\$ 118,310,423	\$ 93,243,395	\$ 25,067,028
IRA Shares & Certificates	\$ 15,539,657	\$ 17,004,566	\$ (1,464,909)
Total Member's Savings	\$ 326,314,660	\$ 325,758,222	\$ 556,438
Dividends Payable	—	—	\$ —
Other Liabilities	\$ 3,164,540	\$ 3,164,540	\$ —
Other Comp Income	\$ 20,367,079	\$ 3,072,748	\$ 17,294,331
Undivided Earnings	\$ 37,710,512	\$ 36,575,380	\$ 1,135,132
Regular Reserves	\$ 1,589,004	\$ 1,589,004	\$ —
Total Liabilities & Equities	\$ 389,145,796	\$ 370,159,895	\$ 18,985,901

Board of Directors

Lisa Jensen, Board Chair
Bryce Glissmeyer, Vice Chair
Cynthia Walker, Secretary/Treasurer
Lynn Kelly, Board Member
Edward Varra, Board Member
Aisza Wilde, Board Member

Supervisory Committee

Lynn Kelly, Supervisory Committee Chair
David Larsen, Committee Member
Julio Raymundo, Committee Member

Executive Team

Jacob Bowman, President & CEO
Amy Daniels, Executive Vice President
Sherrie Johnson, VP Compliance/Risk Mgmt.
Ryan Orcutt, VP Information Technology
Alisa Ott, VP Accounting
Deborah Tschann, VP Operations – CA Division



Minutes of the 70th Annual Meeting – Via Zoom

The business meeting for the 70th Annual Meeting of American United Federal Credit Union (AUFUCU) was held on March 15, 2023, and called to order by Board Chair Lisa Jensen at 5:30 PM. There were around 65 in attendance. She reminded attendees that there will be a prize drawing at the end of the meeting and stated they must be present on the call to participate. In addition, to participate and to vote, an attendee must be a member and at least 18 years of age to win.

Action on Minutes – 2022 Annual Meeting – Board Chair Jensen asked for any questions on the 2022 Annual Meeting Minutes at which time there were none. She then called for a motion to approve. The motion was made by Ben Thompson and Marilyn Pearson seconded the motion. There was no one opposing. The vote to approve the minutes was unanimous. Board Chair Jensen turned the time over to President Michelle Thorne for the President’s Report.

President’s Report – President Michelle Thorne gave a brief introduction. She reinforced the email that she sent out regarding the banks that have closed and reassured everyone that we are a sound credit union and in good standing. She reminded everyone that she is retiring August 31st and so this is her last Annual Meeting as President. She thanked the staff, Board and Supervisory members for their dedication to the credit union. Board Chair Jensen asked if there were any questions about the President’s Report. There were none, at which time she asked for a motion to approve the President’s Report. The motion was made by Jeff Archer and seconded by Sarah Merritt. There was no opposition made. The vote was unanimous.

Board of Directors Report – Board Chair Jensen asked if there were any questions about the Board of Directors Report. There were none at which time she asked for a motion to accept the Board of Directors report as presented. Leah Zumbrunnen motioned to accept the Board of Director’s Report and it was seconded by Natalie Lazenby. There was no opposition. The vote was unanimous. Board Chair Jensen then introduced the Secretary/Treasurer Cynthia Walker to give her report.

Secretary/Treasurer Report – Cynthia Walker gave a brief introduction. She touched on financial highlights for the year and reported that we ended at \$370 million last year and that capital is 11.8%. She thanked the management team, executive team, Board and Supervisory Committee for working very hard to make sure that the credit union successful. Board Chair Jensen asked if there were any questions regarding the Secretary/Treasurer Report. There were none and she asked for a motion to accept the report. David Larsen motioned to approve the report as presented and Mena Duchane seconded the motion. There was no opposition, and the vote was unanimous. Board Chair Jensen then introduced Lynn Kelly, the Chair of the Supervisory Committee, to give her report.

Supervisory Committee Report – Supervisory Chair Kelly gave a brief background on the Supervisory Committee and their responsibilities to the Credit Union. She advised that this Committee makes sure that internal controls are in place by supervising the internal audit department, overseeing audits performed by the internal auditor, and responding to member complaints, just to name a few.

Supervisory Chair Kelly thanked Sherrie Johnson, VP of Compliance, Heidi Oswald, Internal Auditor, and the Board and management team for their hard work. Board Chair Jensen asked if there were any questions on the report and there were none. She then asked for a motion to accept the Supervisory Committee Report and Cameron Wilkins made the motion. It was seconded by Marilyn Pearson. There was no opposition, and the motion was approved unanimously. Board Chair Jensen then asked President Thorne to announce the volunteer awards and to report on election results.

Volunteer Awards – President Thorne reported that Lynn Kelly, Aisza Wilde, and Cynthia Walker have completed their term of service on the Board and Supervisory Committee. She recognized them for their years of service and dedication to the credit union. President Thorne also recognized the increase of their responsibilities over the last few years and reported that we have sent them a small gift as a token of the appreciation. President Thorne then reported on the introduction of candidates and election results.

Introduction of Candidates & Election Results – President Thorne reported Lynn Kelly, Aisza Wilde and Cynthia Walker are up for re-election and are willing to serve the credit union again. She reported that their names were put on the ballot as incumbents and nominations for Board applicants went out to the membership back in October. No applications were received, so nominations by petition went out in January to all membership and no names were received.

As a result, Lynn Kelly, Aisza Wilde and Cynthia Walker have been re-elected to Board. President Thorne thanked them and welcomed them back. President Thorne then turned the time over to Executive Vice President Jacob Bowman to award the prize drawings.

Prize Drawings – Executive Vice President Bowman made one last call for attendees to submit their full name and email to enter the drawing. Gift certificates were then randomly awarded to those in attendance.

Closing Remarks – Board Chair Jensen thanked EVP Jake Bowman and Stephanie Braun for finding a solution to being able to do a prize drawing virtually. She also thanked VP Ryan Orcutt for his IT support and all of the executive team who helped put this event together.

A motion to adjourn the meeting was made by Amy Daniels and seconded by Jayna Hunsaker. The motion carried. The meeting adjourned at 6:05 pm.

A motion to adjourn the meeting was made by Amy Daniels and seconded by Jayna Hunsaker. The motion carried. The meeting adjourned at 6:05 PM.

Branch Locations



WEST JORDAN BRANCH

2687 West 7800 South
West Jordan, Utah 84088

WEST VALLEY CITY BRANCH

5688 South Parkway Boulevard
West Valley City, Utah 84128

SALT LAKE CITY MAIN ST. BRANCH

3226 South Main Street
Salt Lake City, Utah 84115

GRANTSVILLE BRANCH

458 East Main Street
Grantsville, Utah 84029

SANDY BRANCH

8621 South 700 East
Sandy, Utah 84070

SUNNYSIDE BRANCH

1 Market Street
Sunnyside, Utah 84539

SALT LAKE CITY VA BRANCH

500 Foothill Blvd. #GA 20-1
Salt Lake City, Utah 84148

800 SOUTH BRANCH

208 East 800 South
Salt Lake City, Utah 84111



MORONGO BRANCH

47993 Morongo Trail, Suite 101
Cabazon, California 92230

TWENTY-NINE PALMS BRANCH

Located Inside the Spotlight 29 Casino
46-200 Harrison Place
Coachella, California 92236

SOBOBA BRANCH

23333 Soboba Road
San Jacinto, California 92583





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