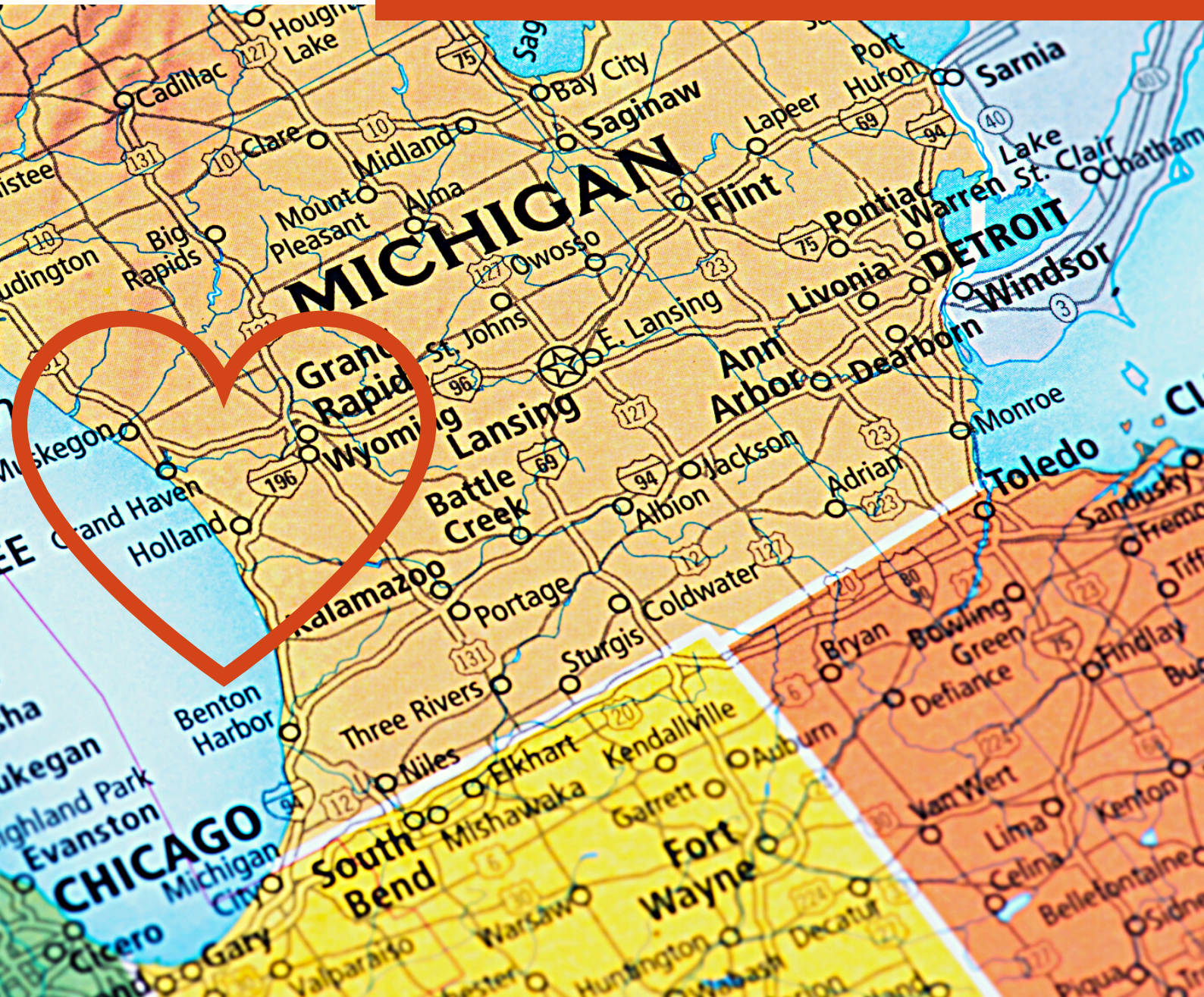


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Annual Report

AAC CREDIT UNION



Federally Insured by NCUA
Equal Housing Opportunity

DEAR AAC MEMBERS,

Thank you for choosing AAC Credit Union. We know you have many choices when it comes to banking, and we consider it the highest compliment that you choose us.

Overall we ended 2021 very strong. Mortgages and deposits held steady, while the auto loan market saw the impact of high demand and limited inventory. Capital grew to 19.8%. This ratio demonstrates the financial soundness and stability of your credit union.

We cannot review the past year without recognizing the continued impact of the COVID-19 pandemic. Members, the credit union, and our team, felt it uniquely. Again at AAC, we held steadfast in our belief that while a smile isn't a cure, it helps make members days brighter, one-by-one.

2022 marks the 85-year anniversary of AAC Credit Union. What a remarkable achievement, and one we couldn't have done without you! Members are the very heart of everything we do.

We look forward to celebrating our anniversary with you throughout the new year, continuing to build on our legacy of helping every member succeed financially.

Thane Barden
Board Chairman



KEY RATIOS	2020	2021
Net Worth	19.37%	19.89%
Delinquent Loans	0.25%	0.49%
Net Charge Off	0.48%	0.23%
Return on Assets	2.08%	1.76%
Asset Growth	20.01%	6.26%

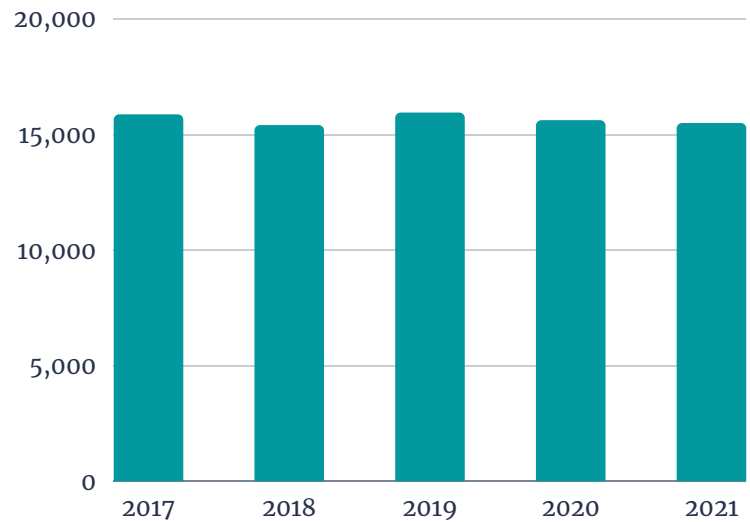


Thank you to our volunteer Board of Directors:

*Thane Barden (Chair),
Jim Ondersma, Russ Hower,
Dave Kremm, Gord Jeltema,
Ken Howe, and Dennis Ziomkowski*



Mortgage Lending
Held Steady in 2021



AAC is Named to the
Top 200 CUs in the Nation

MEMBERSHIP GROWTH

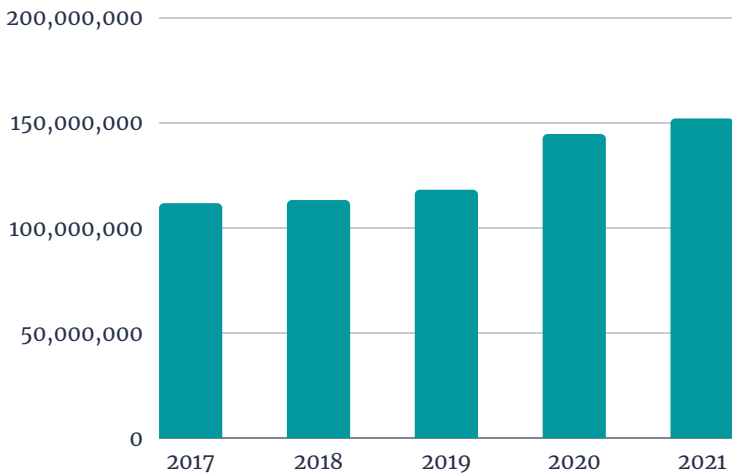
We closed the year with 15,457 members. Net membership was down in 2021. We continued to see the negative impact of COVID-19. We encourage members to tell friends and family about AAC. We appreciate every referral.

We saw a continued increase in the number of new members joining AAC online as more and more consumers adopt electronic banking habits.



Mobile Banking Use
Continued to Grow in 2021

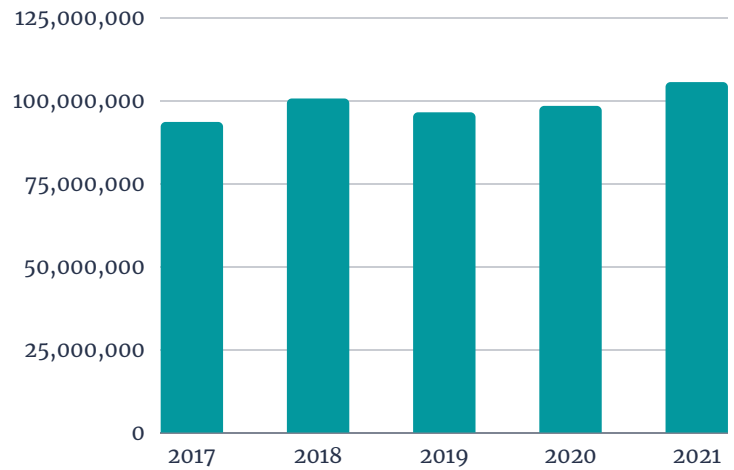
Our mission is to help people grow financially; our members, team, and community. When we can do that, we all succeed.



DEPOSIT GROWTH

We continued to see deposits grow in 2021 as our collective funds grew to over \$151 Million, our highest yet.

While rates remained relatively unchanged, members utilized AAC products such as the high-yield checking, money market and certificates of deposit to build balances. We encourage members to continue a habit of savings.



LOAN GROWTH

Lending began to rebound in 2021 growing by 7.30%. Members continued to refinance and purchase homes driving mortgage demand. We saw this start to slow in Q4 as rates began to creep upward.

Many members enjoyed the return to outdoor activities in new or used RVs, motorcycles, and boats. All of which helped round out a good year of lending.

WHAT MEMBERS ARE SAYING ABOUT AAC



"I have always had great service. The people are amazing."
-Judy S

"They are the coolest most helpful people of any business I deal with"
-Larry B

"Love my AAC"
-Dee D

"Great People"
-Kevin O

"Faithfully a member for years"
-Ron B

"Everyone is friendly and knows me by name. Good people!"
-Cyndi S

"I'm in good hands, each & every time I visit AAC."
-Bernie G

ASSETS	2021	2020	DIFFERENCE
Loans to Members	\$105,362,815	\$98,193,028	\$7,169,787
Allowance for Loan Losses	\$(966,773)	\$(1,080,603)	\$113,830
Cash & Funds Due	\$18,149,246	\$22,873,914	\$(4,724,668)
Investments	\$60,248,613	\$51,730,484	\$8,518,128
Property & Equipment	\$4,873,879	\$5,015,578	\$(141,698)
Other Assets	\$3,272,623	\$3,007,165	\$265,459
NCUA Share Insurance Fund	\$1,415,321	\$1,280,957	\$134,364
Total Assets	\$192,355,724	\$181,020,523	\$11,335,201

LIABILITIES

Notes Payable	-	-	-
Accrued Div/Interest	\$158,659	\$215,690	\$(57,032)
Accounts Payable	\$1,376,043	\$803,968	\$572,075
Other Liabilities	\$798,083	\$612,573	\$185,510
Savings to Members	\$151,750,507	\$144,330,452	\$7,420,055
Required Reserves	\$2,246,860	\$2,246,860	-
Undivided Earnings	\$36,025,572	\$32,810,979	\$3,214,593
Total Liabilities & Equity	\$192,355,724	\$181,020,523	\$11,335,201

INCOME

Interest on Loans	\$5,249,862	\$5,630,730	\$(380,868)
Investment Income	\$1,079,999	\$1,182,829	\$(102,830)
Less Dividend/Interest Expense	\$(776,300)	\$(1,247,057)	\$470,758
Less Provision for Loan Losses	\$(115,000)	\$(768,000)	\$653,000
Net Interest Income	\$5,438,561	\$4,798,502	\$640,060
Other Income	\$3,225,296	\$3,682,342	\$(457,046)
Net Operating Income	\$8,663,858	\$8,480,844	\$183,014

EXPENSES

Employee Compensation	\$2,165,418	\$2,111,622	\$53,796
Employee Benefits	\$611,316	\$591,922	\$19,394
Travel & Conference	\$37,719	\$32,303	\$5,416
Office Occupancy	\$275,733	\$228,521	\$47,212
Office Operations	\$1,377,657	\$1,309,481	\$68,175
Educational & Promotional	\$155,382	\$117,974	\$37,407
Loan Servicing Expense	\$242,137	\$192,118	\$50,019
Professional & Outside Services	\$416,452	\$335,639	\$80,813
Operation Fees	\$35,004	\$27,454	\$7,550
Other Operating Expenses	\$68,162	\$85,976	\$(17,814)
Interest on Borrowed Funds	-	-	-
Gain or Loss on Investments	-	-	-
Gain or Loss on Disposal of Assets	-	\$1,368	\$(1,368)
Total Expenses	\$5,384,979	\$5,034,376	\$350,603
Gain or Loss from Operations	\$3,278,879	\$3,446,467	\$(167,589)
Net Income	\$3,278,879	\$3,446,467	\$(167,589)