



ADVENTURE
CREDIT UNION

2022 Annual Report

CEO's Report

Amanda Garabedian

Established in 1936, Adventure Credit Union started with the cooperative philosophy of people helping people. As we look back at 2022, we are excited to see that same spirit shines throughout our entire organization and continues to be the core of what we do.



Whatever the economy brings, our Trusted Financial Guides are here to help. In 2022, we all faced new challenges from inflation to rising interest rates. Despite changing economic conditions, the credit union remains financially sound. We have a strong capital ratio, well above the NCUA's threshold for a "well capitalized" credit union.

In 2022, we completed a number of projects that create efficiencies for our operations and enhance our member experience. I want to thank our team for always putting our members first.

As we reflect on the past and look ahead, we're excited to help our member enrich their financial futures. Thank you for making us your Trusted Financial Guide!

Chairman's Report

Pete Winninger

Thank you for another year of impactful moments. In 2022, the credit union found respite from some of the major challenges we faced in recent years such as the pandemic and labor shortages. However, other challenges like high prices for homes and vehicles persisted. We encountered additional challenges in 2022 like heightened inflation, rising interest rates, and stiff competition for our members' deposits. I am proud to report that our Trusted Financial Guides took this all in stride and continued to live our mission of "discovering solutions and achieving success together!"

As you will read in the following pages of this report, the credit union had many accomplishments to celebrate in 2022. Our Guides commitment to success showed in the completion of projects, like the phone system upgrade and upgrading the accounts payable process, that create efficiencies and will benefit our teams for years to come. Rather than growing complacent, Adventure continues to make improvements so that we can stay competitive.

Despite these challenges, the credit union's financial performance exceeded the Board's expectations. Member deposits remained consistent year-over-year, while our loan portfolio grew by 5% and we funded \$37 million dollars in new direct loans to our members. The increase in loans is largely due to members holding on to their existing loans longer than anticipated in response to rising interest rates. We ended the year with \$437 million dollars in assets. Our annual net income was \$2.64M; well above our budgeted figure of \$1.6M. On behalf of myself and my fellow Board members, I want to thank you, our members, for allowing us to be your Trusted Financial Guide!



2022

HIGHLIGHTS

In 2022, our Guides continued to live our mission of discovering solutions and achieving success together. Check out these highlights from our very productive year:



Retained 99%+
of Deposits &
Assets YOY



Increased Loans
by \$15.8M



0.70% Return
on Assets



23 New
Employees



100+ 5-Star
Reviews received



Recognized as a
Top Employer



Accounts Payable Project

BEST AND BRIGHTEST
COMPANIES TO WORK FOR IN THE NATION WINNER 2022



Collection Platform Conversion Project



Phone System Upgrade

AWARDS & PROJECTS FROM 2022

The *Dora Maxwell*
Social Responsibility Community Service
AWARD

3rd Place



VISA External Loans Conversion

WEST MICHIGAN'S
BEST AND BRIGHTEST
COMPANIES TO WORK FOR WINNER 2022



Paylocity Payroll Conversion

"Spirit of Friends" award



Friends of Grand Rapids Parks



ADVENTURE *gives*

2022 Highlights:

Community events: 53

Volunteer hours: 894

Employee volunteers: 126

Donations & sponsorships:
\$25,000+

Volunteer Events with:

Ele's Place Capital Region

Ele's Place West Michigan

Friends of Grand Rapids Parks

Greater Lansing Food Bank

Kids' Food Basket

North Kent Connect

and more!



Donation & Sponsorship Events:

First quarter:

- Sparrow Foundation
- Ele's Place West Michigan
- Ele's Place Capital Region
- Kids' Food Basket

Second quarter:

- Ele's Place Capital Region
- Friends of Grand Rapids Parks
- Brian McVeigh Memorial Golf Outing
- Ele's Place Capital Region

Third quarter:

- Ele's Place Capital Region
- Ele's Place West Michigan
- Greater Lansing Food Bank
- North Kent Connect
- Sparrow Foundation

Fourth quarter:

- Grand Rapids Public Museum
- Firecracker Foundation
- Ele's Place West Michigan
- Ele's Place Capital Region
- Greater Lansing Food Bank
- Kids' Food Basket



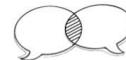
GIVING TUESDAY

In 2022, the credit union gave each employee and board member \$25 in cash so that they could complete their own micro-project for Giving Tuesday. The result was a wide array of stories full of generosity and kindness. You can read the full list of stories on our website.



"I put my Giving Tuesday money towards the purchase of 100 comic books from my local comic book store. I then donated the comics to the Helen DeVos Children's Hospital. As a parent, I know that having something fun to read with your child, especially in a tense moment, can be a welcome distraction. I hope these comics will bring many smiles."

-Adam



"I kept my Giving Tuesday money on hand for a few weeks, waiting for an opportunity to present itself. Finally, my spouse and I received a donation request from a family friend in Uganda. I donated my Giving Tuesday money, along with some personal funds, to a speech therapy charity called Hope Speaks. Our donation will provide one day of free therapy for a person who otherwise couldn't afford it."

-Anonymous



"I chose a random act of kindness for my Giving Tuesday project. After paying for coffee at Biggby, I handed the cashier \$25 and asked her to apply \$5 towards the next five orders. Sometimes small surprises like this can have a big impact on a person. It never hurts to be kind!"

-Amanda



"I donated my Giving Tuesday money, along with some personal funds to The Heat and Warmth Fund (THAW). THAW helps elderly, disabled, and unemployed individuals pay their energy bills. This fund is especially important during the winter months!"

-Anonymous



"I used Giving Tuesday as an opportunity to teach my 13-year-old daughter about the importance of giving. After we talked, I let my daughter decide how the Giving Tuesday money should be used. While at Meijer together, she decided to give the money to a young couple shopping the newborn section. The couple was ecstatic, and my daughter and I felt good too."

-Anthony, Board Member



"I wanted to support my local community, so I used my Giving Tuesday to support a local business- Robinette's Apple Haus & Winery. I purchased some amazing donuts and delivered them to the Plainfield Fire Department. Along with the sweet treat, I used this opportunity to express my gratitude for the fire fighters' service."

-Teresa

Treasurer's Report

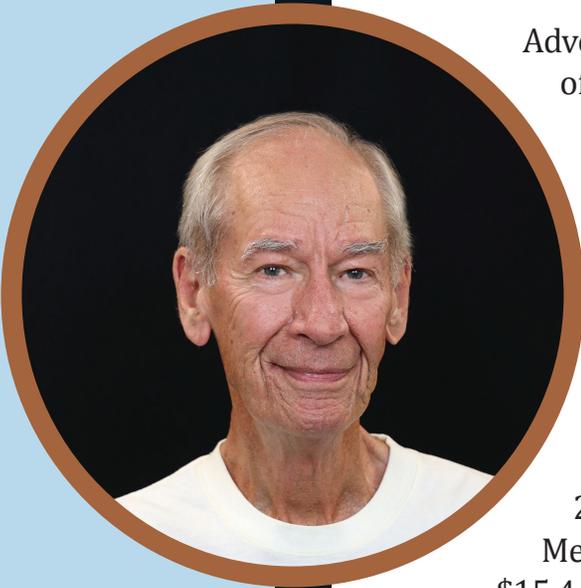
Roger Fry

We are pleased to report that Adventure Credit Union is a strong, viable, and healthy member owned cooperative financial institution. The business affairs of your credit union comply with all state and federal regulations. The credit union's financial statements have been audited by an independent public accounting firm and determined to be accurate and free from any material misrepresentation.

Adventure Credit Union remains well capitalized and ended 2022 with a Net Worth to Assets Ratio of 13.25%, up from 12.89% at the end of 2021. Capital guidelines established by the NCUA categorize the credit union as a Well Capitalized Financial Institution. Adventure has also had solid earnings the past two years with Net Income of \$2.6 million dollars in 2022 and \$3.1 million in 2021. Credit Union membership fell from 33,660 members on December 31 2021 to 32,938 members on December 31, 2022, approximately a 2% decline.

Your credit union ended 2022 with Total Assets of \$437.1 million dollars, a decrease of \$1.7 million dollars and 0.38% from the \$438.8 million dollars of Total Assets reported at the end of 2021. Member Deposit balances declined \$2.2 million dollars in 2022 after rising \$34.0 million dollars in 2021 and \$58.1 million in 2020. The rapid Deposit Balance growth in 2020 and 2021 was driven by federal stimulus payments to consumers and businesses. Total Member Deposits are \$379 million dollars on December 31, 2022. Loans to members increased \$15.4 million in 2022 ending the year at \$314.0 million dollars. Balances increased in four of five loan categories.

In many ways this past year was a return to a more normal environment but it has also ushered in new challenges including a period of very high inflation, rapidly rising interest rates, and the likelihood of an economic recession in 2023. The credit union is committed to operating in a financially safe and sound manner while moving forward with a strategic plan focused on organizational investment and development that improves our members, our teammates, and our communities. As your Treasurer I am confident Adventure will continue to be a strong, vibrant, and agile financial institution that is also committed to "partnering with members, employees, and the community to enrich their financial futures."



FINANCIALS

STATEMENT OF FINANCIAL CONDITION

ASSETS	2022	2021
Cash & Cash Equivalents	\$33,704,881	\$46,428,122
INVESTMENT SECURITIES		
Available for Sale	\$54,866,928	\$58,887,722
Held to Maturity	\$4,484,079	\$4,844,953
Time Deposits with Other Financial Institutions	0	0
Loans to Members (Net)	\$310,957,660	\$296,452,865
Accrued Interest Receivable	\$1,130,481	\$975,592
Premises & Equipment (Net)	\$7,872,522	\$8,008,142
NCUSIF Deposit	\$3,779,750	\$3,639,823
FHLB Stock	\$1,373,200	\$1,575,000
Cencorp Perpetual Contributed Capital	\$600,000	\$600,000
Credit Union Owned Life Insurance	\$9,229,982	\$10,036,141
Other Assets	\$9,120,864	\$7,335,701
Total Assets	\$ 437,120,347	\$438,784,061
LIABILITIES & MEMBER EQUITY		
Members' Shares and Savings Accounts	\$379,049,660	\$381,245,972
Non-Member Certificates of Deposit	0	0
Borrowed Funds	0	0
Accrued Interest Payable	\$118,222	\$80,636
Accrued and Other Liabilities	\$3,753,805	\$3,029,183
Total Liabilities	\$382,921,687	\$384,355,791
MEMBER EQUITY		
Undivided Earnings, Reserves, and Other	\$54,198,660	\$54,428,270
TOTAL LIABILITIES & RESERVES	\$437,120,347	\$438,784,061

STATEMENT OF INCOME

INTEREST INCOME	2022	2021
Loans	\$15,243,864	\$13,853,911
Investment Securities	\$861,733	\$388,532
Other	0	0
Total Interest Income	\$16,105,597	\$14,242,443
INTEREST EXPENSES		
Members' Shares and Savings Account	\$1,547,474	\$1,542,957
Borrowed Funds	0	\$114,011
Non-Member Certificates of Deposit	0	\$34,856
Total Interest Expense	\$1,547,474	\$1,691,824
Net Interest Income	\$14,558,123	\$12,550,619
Provision for Loan Losses	\$1,203,579	\$144,026
Net Interest Income / After provision for loan	\$13,354,544	\$12,406,593
NON-INTEREST INCOME		
Net Gain on Sale of Loans Held for Sale	\$2,543,521	\$2,480,731
Fees and Charges	\$3,043,630	\$3,695,438
Gain on Sale of Other Real Estate Owned	\$90,435	\$120,000
Other	\$950,604	\$400,064
Total Non-Interest Income	\$6,628,190	\$6,696,233
COMPENSATION AND BENEFITS		
Operating Expenses	\$3,753,203	\$3,245,855
Occupancy Expenses	\$998,341	\$1,063,048
Loan Servicing Expense	\$2,079,153	\$2,029,409
Professional and Outside Services	\$1,915,721	\$1,763,929
Total Non-Interest Expenses	\$17,342,547	\$16,002,915
NET INCOME	\$2,640,187	\$3,099,911

MISSION • VISION • VALUES



Core Purpose:

Your Trusted Financial Guide

Mission Statement: Discovering solutions and achieving success together

Vision Statement: As the Trusted Financial Guide, we partner with our members, employees, and community to enrich their financial futures



CORE VALUES:

Collaboration: *By being resourceful, empowered guides, we embrace change and find solutions*

Integrity: *By following our moral compass, we enrich relationships built on accountability and transparency*

Respectfulness: *By exhibiting a positive attitude, we create an open environment built on trust and the contributions of others*

Innovation: *By embracing partnerships, we cultivate an environment that encourages continuous improvement*

Learning: *By providing opportunities and sharing our knowledge, we support growth and development*