

2022 Annual Report



We embolden our members to reach higher, achieve more, and take control of their financial future.



Trust Innovation Community Empowerment

Over the past year, the Federal Reserve has sharply increased interest rates to combat inflation. While this creates some uncertainty about the economy, Ashland Credit Union remains ready, willing, and able to support our members with higher returns on savings products, attractive loans, and products for your day-to-day needs, such as checking accounts and ATMs.

Construction continues on the new headquarters building in Ashland, and two new branches will open in the coming months in the greater Ashland area. These branches will provide expanded drive-thru service and for some a more convenient location.

For members that do not live near a branch location, our services include online banking options and a call center that is ready to take your phone call and direct it to the person who can help you process your transactions over the phone. We continue to monitor and plan for further innovations and improvements in the technology we offer our members to provide more convenience and an even better experience with ACU.

Our goal is to continue to provide members with services and financial products that help them achieve their financial goals.



Marita Werner
Board Chairperson

"A building can only be as tall as its foundation is strong," a quote that aptly sums up 2022 for ACU. While this statement obviously applies to our physical construction projects, it also holds true for the transformation happening throughout the organization. We dedicated our time and resources to define our identity, mission, values and how to communicate them effectively to our members and our community.

As a result, we launched a new brand that we revealed in May 2022. Our mission statement, "We embolden our members to reach higher, achieve more, and take control of their financial future", reflects our partnership with members. We provide the products, services, knowledge, and tools needed to help our members achieve their financial goals.

Moreover, we focused on enhancing our organizational structure's foundation considering our growth history and the upcoming expansion plans for additional local branches. While restructuring to allow more capacity and efficiency, we also conducted comprehensive training for our employees for their redefined roles.

In addition, while the economy was experiencing great volatility with rapid rate increases and inflationary pressures, ACU ensured our financial foundation remained solid. We grew in a controlled and fiscally responsive manner, ensuring that our capital position remained strong.

As we look towards the future, ACU is well-prepared for 2023 as we launch our new branches in Boyd County and Russell, KY, and with work continuing on our new Headquarter location, which we expect to open in 2024.

In conclusion, we focused on strengthening our foundation in 2022 and we are committed to emboldening our members so they can achieve their financial goals.



Larry Lucas
President

HQ Groundbreaking

“We believe in Ashland, Kentucky. We want to be headquartered here. We are confident in Ashland, Kentucky. This is **HOME** and we are proud of our **HOME**.”
- Larry Lucas, President

On November 18, 2022, ACU Staff, Board of Directors, and other local partners gathered to break ground on the new ACU Headquarters. A large group turned out for the occasion. Despite temperatures in the low 30s, the excitement was evident. President Larry Lucas opened the event with his vision for the location, which includes enough space for ACU’s growing staff and to better serve its rapidly expanding member base.



The new Headquarters has been a long time coming. When finished, it will be a state-of-the-art building, ready to join the long list of landmarks showcasing the recent boom in the Ashland area business scene. The HQ building will be one of the first things people see when crossing the (green) Ben Williamson Bridge, a visual tribute to ACU’s longstanding presence in the community. As progress continues, we expect that the Headquarters will formally open by Summer 2024.

“It’s a symbol of the revitalization of our downtown. It’s the commitment of the members and the employees giving back to this community with this investment. We are grateful.”
- Matt Perkins, Mayor



Balance Sheet (\$,000)*

As of December 31, 2022, unaudited

Assets	2021	2022
Loans to Members (Net)	\$265,952	\$277,609
Investments	\$61,059	\$57,907
Cash	\$1,181	\$1,275
Fixed Assets	\$5,714	\$8,997
Other Assets	\$5,705	\$6,137
Total Assets	\$339,611	\$351,925
Liabilities and Equity		
Regular Shares	\$40,873	\$33,472
Share Certificates	\$73,363	\$76,956
Money Market Accounts	\$120,934	\$132,380
IRAs	\$18,355	\$19,530
Checking	\$26,031	\$25,151
Other Shares	\$7,385	\$9,096
Other Liabilities	\$12,296	\$16,028
Members' Equity	\$40,374	\$39,312
Total Liabilities and Equity	\$339,611	\$351,925

Loan Balances (\$,000)*

As of December 31, 2022, unaudited

	2021	2022
New Vehicles (Includes RV)	\$45,333	\$43,618
Used Vehicles (Includes RV)	\$58,769	\$67,107
First Mortgages	\$107,617	\$101,701
Home Equity	\$30,214	\$37,594
Credit Cards	\$5,964	\$6,212
Unsecured	\$6,694	\$8,732
Motorcycles	\$5,638	\$6,086
Boats	\$3,465	\$4,188
Share and Certificates Secured	\$654	\$724
Other Secured	\$538	\$429
Commercial	\$2,469	\$3,289
Allowance for Loan Loss	(\$1,403)	(\$2,071)
Total Loan Balances	\$265,952	\$277,609

Statement of Income (\$,000)*

As of December 31, 2022, unaudited

	2021	2022
Loan Income	\$11,909	\$12,836
Investment Income	\$1,008	\$1,113
Insurance and Other Income	\$3,331	\$2,896
Total Income	\$16,248	\$16,845
Operating Expenses	(\$9,325)	(\$10,972)
Income Before Dividends	\$6,923	\$5,873
Share Dividends	\$572	\$673
Money Market Dividends	\$490	\$1,278
Share Certificate Dividends	\$1,383	\$1,111
Total Dividends Expense	(\$2,445)	(\$3,062)
Net Income (Loss)	\$4,478	\$2,811

Misc. Statistical Information

As of December 31, 2022, unaudited

	2021	2022
Ratio of Loans to Shares	93.18%	94.30%
Liquidity Ratio	7.79%	8.77%
Net Capital Ratio	12.06%	12.43%
Year-End Net Loan Yield	4.74%	4.69%
Loans Written	5,697	5,995
Number of Members	38,554	40,182
Members with Loans	6,912	7,223

During 2022, the Federal Open Market (FOMC) increased rates 7 times for a total of 425 bps, in an attempt to control inflation. The resulting market volatility left many investors perplexed. During this time, ACU provided a safe and secure place for members to save their funds, with total deposits increasing \$9.65 million. Those funds were deployed to fund \$12.32 million in loan growth, primarily in Used Autos and HELOCs. The loan to share ratio grew 112 bps to 94.30% in 2022. The capital ratio also increased by 37 bps to 12.43%, due to net income of \$2.81 million. This ratio exceeded the 7% regulatory benchmark of a well-capitalized credit union as well as the ACU peer group (\$100-500 million in assets) average of 10.77%.

*(Dollars In Thousands)

New Branches

2022 was a year of change and expansion for ACU. In addition to rebranding and making plans for our new Headquarters, we also determined that additional branches were needed to better serve our community and members. ACU purchased two sites, one in Cannonsburg and one in Russell.

The Cannonsburg Branch will be located on Rt. 60, directly across from the Camp Landing Complex. It is set to open in May 2023. Several familiar faces will migrate



to the Cannonsburg Branch, and members can rest assured that they will receive the same excellent service and familiar environment.

The Russell Branch sits at the corner of Diederich Blvd. and Country Club Drive, facing Bridges Christian Church. This location provides easy access for members in the Russell/Flatwoods area. Our members will be able to access the same branch features as our Ashland Branch, but in a location more convenient to their needs. Current plans have the Russell Branch scheduled to open in Summer 2023.



We are excited for these opportunities, which will allow us to continue serving our members, in locations that will be right in their own backyards. ACU is proud to be part of the growth in our community. Through this expansion, we look forward to greater impact and involvement.

Community

Ashland Credit Union is committed to community involvement and helping the greater Ashland area to own their journey. We achieve this in a variety of ways: by partnering with local nonprofits, organizations, and charities.

ACU kicked off 2022 by co-hosting Build-a-Bed in March. Build-a-Bed is a chapter activity for the KY Credit Union League; each build ensures a FIVCO area child has their own bed, bedding, and other amenities like stuffed animals and alarm clocks. The 2022 build produced 160 beds for distribution, along with nighttime kits for each recipient.



Over the last decade, ACU has maintained a strong partnership with United Way of Northeast Kentucky (UWNEK). Based in Ashland, UWNEK promotes the importance of education, a stable income, and good health for our communities. ACU has had the privilege of its staff members serving on the UWNEK Board of Directors for more than ten years. In 2022, ACU participated in the annual UWNEK 5K, as well as their softball tournament. Each event raised money to assist UWNEK with the work they do in the greater Ashland area.



ACU collected supplies for Amy for Africa and volunteered at Chocolate Extravaganza, which supports Hope's Place. Both charities are committed to providing resources for children at home and abroad. When Eastern Kentucky experienced devastating flooding in September, ACU partnered with Kentucky Power for a Flood Relief Drive. ACU collected donations of cleaning supplies, clothing, drinking water, and more to help with Kentucky Power's efforts. ACU is proud of the opportunity to give back to the state we call home.

Fall is always a busy time of year, full of fun local activities. ACU employees participated in the City of Ashland's 10th Annual Chili Fest, which benefits the Ashland Community Kitchen. Employees served up a pot of chili that kept festival goers coming back for more. November brought another longstanding ACU tradition: the Ashland Christmas Parade. ACU staff decorated the float with a 'Christmas in Whoville' theme; some dressed in costume and rode the float while others walked beside and passed out candy. ACU is proud to be part of the thriving Ashland Community!



Empowerment

ACU believes the future starts with our youth, and our goal is to give them the tools to take control of their financial future from an early age. ACU regularly visits schools to teach classes on various financial skills and raise awareness of the credit union industry.

ACU also partners with local schools through our School Spirit Program, which includes an affinity card option that donates \$0.10 per swipe to the member's chosen school. Through this program, ACU has helped our partner schools earn over \$35,000. These donations help schools continue funding specific programs designed to provide enhanced academic opportunities for their students.



2022 School Spirit Partners

- Ashland Independent Schools: \$6,540
- Boyd County Schools: \$2,605
- East Ridge High School, MN: \$206
- Fairview Independent Schools: \$1,725
- Holy Family School: \$468
- Park High School, MN: \$1,361
- Raceland-Worthington Independent Schools: \$2,143
- Rose Hill Christian School: \$630

The ACU Scholarship Program for our young members is designed to promote education and achievement. In 2022, ACU awarded ten graduating seniors one-time \$1,000 scholarships to recognize their outstanding academic and overall achievement. As those ten recipients continue to pursue higher education, we are honored to have played a small part in their lives.

We are passionate about bringing financial wellness to the community. In 2022, ACU's new Financial Education Specialist taught an eight-week Lunch and Learn course that was open to the public. Each class focused on common financial skills like budgeting and balancing a checkbook. We are committed to giving community members of all ages the tools for financial wellness and empowerment.

LUNCH & LEARN

An 8-Week Summer Financial Series

Every Thursday in July and August @ 11am
Lunch will be provided as we tackle these topics together.

*All home evening options can be provided upon RSVP

July 7th (ACU)	.....	Taking Control of My Credit
July 14th (ACU)	.....	Budgeting and Saving 101
July 21st (YMCA)	.....	Taking Control of My Checkbook
July 28th (ACU)	.....	Relieving Debt
Aug 4th (BoCo Library)	.....	Achieving Online Security
Aug 11th (ACU)	.....	Buying a Home
Aug 18th (ACTC)	.....	Saving for the Future
Aug 25th (ACU)	.....	Reaching Higher

RSVP

(606) 329-5436



2022 Scholarship Winners

- Gracie Bates:** Russell High School
- Zane Christian:** Paul G Blazer High School
- Jacob Claar:** Fairview High School
- Kayla Coffee:** Raceland-Worthington High School
- Jeremy Crawford:** Rose Hill Christian School
- Brooke Ellis:** Park High School
- Riley Hester:** Ironton High School
- Lynzie Justice:** Raceland-Worthington High School
- Abigail Lees:** Chesapeake High School
- Jasmine Webb:** Russell High School

The backbone of Ashland Credit Union are its volunteers. The credit union is led by a volunteer Board of Directors, which directs the CU's operations and maintains responsibility for the general direction and control of the organization. The volunteer Supervisory Committee safeguards member assets by ensuring adequate policies and procedures, organizing the CU's annual audit, and reviewing and investigating escalated member complaints.

Board of Directors

Werner, Marita - Chairperson
Noel, Leslie - Vice Chairperson
Spence, Matthew - Treasurer
Walters, Rob - Secretary
Carter, Kelly
Curry, Michael
Dearing, Tom
Garlinger, Michael

Hsu, Joseph
Ray, Andrew
Schifsky, Michael

Supervisory Committee

Cross, Janet - Chairperson
Adelsberger, Mark
Caudill, Marjorie Ann
Crutcher, Wilma
Dietrich, Mary
Gerrald, Rachel

Mottett, Christopher
Pousette, Gustav
Thompson, Leeronna
Weinfurtnr, Brenda

Cottage Grove Branch

Quast, John - Branch Manager
Day, Alisha
Garrison, Brenda
Naraine, Shenies
Patel, Mittal

Dublin Branch

Cornett, Martha

Lexington Branch

Hayes, Robin
Thomas, Bree'ana
Wilburn, Meredith

Ashland Branch/HQ

Lucas, Larry - President
Rothenstine, Traci - Executive VP
Davis, Audrey - Member Experience VP
Short, Gretchen - Financial VP
Ulincy, Jon - Information Technology VP
Wellman, Khrista - AVP Collections and Controls
Blevins, Jan - Sr Branch Network Manager
Wyatt, Josh - Sr Remote Network Manager
Fisher, Johnda - Controls Manager
Gambill, Mary - Loan Risk Manager
Stanley, Candace - Marketing Manager
Adams, Lisa - Remote Service Supervisor
Bush, Summer - Sales and Service Supervisor
Charles, Shawn - Collections Supervisor
Fitch, April - Remote Sales Supervisor
Niece, LeAnn - Mortgage Supervisor
Salyers, Marla - Accounting Supervisor
Tackett, David - IT Operations Supervisor
Tackett, Laura - HQ Service Supervisor

Adkins, Derrick
Barker, Brenda
Bartram, Meredith
Bennett, Amanda
Bisesi, Mindy
Brown, Angela
Brown, Gynell
Brown, Jackie
Burris, India
Butcher, Heather
Cartmill, Maeghan
Coffman, Kimberly
Conley, Alonna
Cox, Simeon
Evans, April
Evans, Kaitlyn
Floyd, Riccara
Fraleigh, Cathy
Frasure, Amy
Gambill, Mary
Gauze, Allison
Hankins, Elizabeth
Hatten, Bettie
Holbert, Halee
Holland, Megan
Holley, Audrey
Jaco, Anna
Jefferson, Matthew

Jergler, Rebecca
Kiser, Linda
Lange, Tracy
Lewis, Brandi
Manning, Joyce
Mantle, Kevann
Marshall, Alexandria
McClanahan, Janelle
McKenzie, Christy
Moore, Amber
Nichols, Angela
Oney, Rikki
Osborne, Robert
Pauley, Kyleigh
Perry, Nikkie
Prough, Elisha
Rice, Kelsey
Sallie, Judy
Salyers, Emily
Salyers, Grayson
Slone, Ashley
Sutton, Sumer
Thacker, Savana
Thomas, Heather
Whitlock, Elizabeth



Ashland
CREDIT UNION