


2021 ANNUAL REPORT



SAME PEOPLE,
FRESH LOOK AND FOCUS





Ashland Credit Union has experienced significant growth in recent years and 2021 was no exception. We now have some personnel working in rented office space. Senior Management and the Board continued the planning process in 2021 for a new site in downtown Ashland.

The new building will have a larger lobby, more drive-thru lanes, more parking, and enough space for the Ashland based personnel. While this will take some time to build, work has finally begun to clear the site and start the building process. Additionally, we are planning for two branch locations in the Ashland area, which should increase the convenience for members in this area.

For members that do not live near a physical branch, or prefer to bank from home, the office or on the go, we offer on-line and mobile device banking. We continue to monitor and plan for improvements in our technology offerings, as members take advantage of the convenience of these options. We also have dedicated call center personnel, who are ready to take your call and assist you if you prefer a live person to help you with your banking needs.

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



MARITA WERNER
Board Chairperson

2021 was a year during which we learned to appreciate the little things. I'm sure we have all gained a renewed appreciation for being able to be around those we care about. While keeping our branches open came in cycles as we navigated through the COVID-19 variants, I am thankful that Ashland Credit Union (ACU) was able to open its doors once again and able to serve our membership in-person.

Last year, our members continued to rely on us for financial guidance. Not only were we able to help our members navigate how COVID-19 impacted their income, but we were also able to help many members refinance their loans to take advantage of the low interest rate environment. As you can see from our financial statements, ACU experienced strong growth across all key categories; deposits, loans, assets, and capital.

As we settle in to 2022, it is clear that this is a key transition year for ACU and our members. ACU is working diligently to execute plans for facilities to better serve our members and branding to better communicate to our members and our community who we are and why what we do matters.

Thank you for using ACU! We are excited to be a key partner with you along your financial journey.



LARRY LUCAS
President

Balance Sheet* (\$,000)

As of December 31, 2021, Unaudited

Assets	2020	2021
Loans to Members (Net)	\$233,054	\$265,952
Investments	\$65,228	\$61,059
Cash	\$1,732	\$1,181
Fixed Assets (Net)	\$4,325	\$5,714
Other Assets	5,154	\$5,705
Total Assets	\$309,493	\$339,611
Liabilities and Equity		
Regular Shares	\$38,110	\$40,873
Share Certificates	\$88,893	\$73,363
Money Market Accounts	\$96,392	\$120,934
IRAs	\$17,769	\$18,355
Checking	\$22,081	\$26,031
Other Shares	\$7,224	\$7,385
Other Liabilities	\$2,420	\$12,296
Members' Equity	\$36,604	\$40,374
Total Liabilities and Equity	\$309,493	\$339,611

Statement of Income* (\$,000)

As of December 31, 2021, Unaudited

	2020	2021
Loan Income	\$11,906	\$11,909
Investment Income	\$634	\$1,008
Insurance and Other Income	\$2,664	\$3,331
Total Income	\$15,213	\$16,248
Operating Expenses	(\$9,634)	(\$9,325)
Income Before Dividends	\$5,579	\$6,923
Share Dividends	\$630	\$572
Money Market Dividends	\$533	\$490
Share Certificate Dividends	\$1,906	\$1,383
Total Dividends Expense	(\$3,069)	(\$2,445)
Net Income (Loss)	\$2,510	\$4,478

Loan Balances* (\$,000)

As of December 31, 2021, Unaudited

	2020	2021
New Vehicles (Includes RV)	\$49,237	\$45,333
Used Vehicles (includes RV)	\$53,874	\$58,769
First Mortgages	\$72,984	\$107,617
Home Equity	\$34,195	\$30,214
Credit Cards	\$6,028	\$5,964
Unsecured	\$7,033	\$6,694
Motorcycles	\$5,646	\$5,638
Boats	\$3,360	\$3,465
Share and Certificate Secured	\$753	\$654
Other Secured	\$761	\$538
Commercial	\$823	\$2,469
Allowance for Loan Loss	(\$1,640)	(\$1,403)
Total Loan Balances	\$233,054	\$265,952

Misc. Statistical Information

Year Ending December 31, Unaudited

	2020	2021
Ratio of Loans to Shares	86.80%	93.20%
Liquidity Ratio	8.70%	7.80%
Net Capital Ratio	11.80%	12.10%
Year-End Net Loan Yield	5.30%	4.70%
Loans Written	5,168	5,697
Number of Members	37,079	38,554
Members with Loans	6,941	6,912

In 2021, members trusted ACU to safeguard their funds and improve their financial position in a time of market volatility. Regular Share and Money Market accounts grew by \$27.3 million to \$161.8 million. ACU put those funds to work for our members, lowering the interest rate paid on most household's greatest asset, their home. Home loans grew by \$30.6 million to \$137.8 million in 2021, with a 3.07% portfolio weighted average interest rate. With this growth, the loan to share ratio increased 640 bps to 93.2%. Despite the low interest rate environment, ACU finished the year with a net income of nearly \$4.5 million, increased the capital ratio by 30 bps to 12.1% and exceeded credit union peers (by asset size) who averaged a 10.22% capital ratio in the same period. This strong capital position will allow ACU to invest in human capital, technology, and infrastructure to better serve our members in the future.

OUR NEW BRAND



Our new logo is a symbol that represents you and the positive direction of your journey with us.

Our tagline inspires the confidence needed to achieve your goals with our guidance to get you there!



MISSION

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

VISION

Financial empowerment for all.

VALUES

Trust, Community, Empowerment, Innovation.

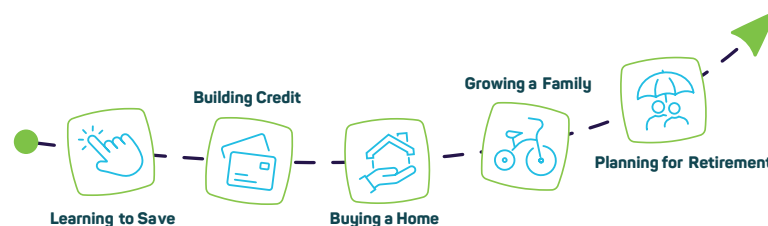
"The ACU rebrand has been a wonderful opportunity to gain insight into how we have evolved as an organization over the last 80 years.

Our purpose for rebranding wasn't to change what we do, but to better define what we do and why we do it and create ways to effectively communicate this to our members and non-members."

- Larry Lucas, President

LET US HELP YOU ON YOUR JOURNEY

Wherever you are on the journey of life, ACU will be here every step of the way.



SCHOOLS

At ACU we value academics, volunteerism, and extracurricular activities. The future of our youth is so important, and we are fortunate to play a small role in making their dreams more attainable.

We are thankful for the relationships we have with our youth members and our school spirit partners. With these partnerships, we have helped our partner schools earn over \$15,000 through our School Spirit Card Programs in 2021. The funds generated by these programs help schools continue to fund specific programs designed to provide enhanced academic opportunities for their students.

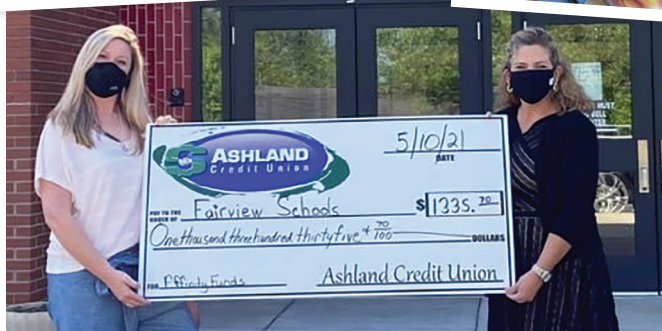
ACU believes everyone should have access to an education. Our ACU Scholarship Program for our young members is designed to promote education and achievement. In 2021, ACU awarded ten students \$1,000 scholarships to recognize their outstanding overall achievement. As those ten recipients continue to pursue higher education, we are honored to have been a small part of their future.

2021 School Spirit Card Partners

- Ashland Independent Schools - \$6,516.60
- Boyd County Schools - \$2,569.30
- East Ridge High School - \$205.80
- Fairview Independent Schools - \$1,335.70
- Holy Family Schools - \$422.90
- Park High School - \$1,727.50
- Raceland-Worthington Independent Schools - \$2,078.40
- Rose Hill Christian School - \$596.60

2021 Scholarship Winners

- Nathan Sean Conley - Russell High School
- Anna Crumrine - Newark Catholic High School
- Jackson Miller - Marshall County High School
- Megan Bump - Park High School
- Natalie Tackett - Fairview High School
- Graden McNeil - Boyd County High School
- Kolby Koburn - Paul G. Blazer High School
- Raegan West - Raceland-Worthington High School
- Eliza Crawford - Rose Hill High School
- Haleigh Thompson - Lawrence County High School



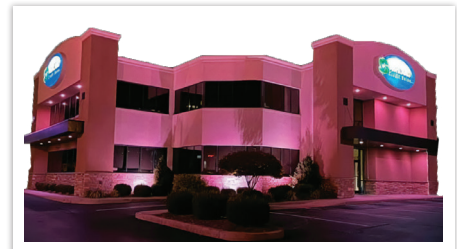
COMMUNITY

While uncertainty lingered in the air from 2020, it didn't stop ACU. Our commitment to our community and to our members has carried us through this difficult time, strengthening our passion for serving others even more than before.



Over the last decade ACU has maintained a strong partnership and continued board representation with the United Way of Northeast Kentucky (UWNEK). Based in Ashland, they serve the FIVCO area, promoting the importance of education, a stable income, and good health for our community.

Last year, ACU and its employees were able to support the UWNEK through an annual United Way Giving Campaign, volunteerism at the launch of their new education initiative (The Born Learning Trail), and through donations and attendance of one of their funded agency events (Hope's Place Advocacy Center).



In October, we lit up our building pink for the second year in a row to show our support for everyone fighting a battle with breast cancer. It is something that has touched ACU personally as one of our own was diagnosed with breast cancer in 2020. We continue to fight against breast cancer with faith over fear.

As temperatures began to drop, ACU held a blanket and coat drive for "The Neighborhood", here in Ashland, KY. This agency's goal is to provide a safe, secure, clean, and convenient one-stop center for those in need of assistance in the northeastern Kentucky region.

Through generous donations made by our staff and our own members, we were able to assist a great local agency in their efforts to help families in need stay warm.



The backbone of Ashland Credit Union is 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	Hsu, Joseph
Curry, Michael	Ray, Andrew
Dearing, Tom	Schifsky, Michael
Garlinger, Michael	

Supervisory Committee

Cross, Janet - Chairperson	Mickelson, Kelli
Adelsperger, Mark	Mottett, Christopher
Caudill, Marjorie Ann	Pousette, Gustav
Crutcher, Wilma	Thompson, Danielle
Dietrich, Mary	Thompson, Leeronna
Folsom, Eric	Underwood, Dan
Gerrald, Rachel	Weinfurter, Brenda

Cottage Grove Branch

Quast, John - Operations Manager
Brooke, Alisha
Garrison, Brenda
Gonzalez, Jennifer
Mergens, Diane
Patel, Mittal
Ross, Makayla

Dublin Branch

Cornett, Martha
Hawkins, April

Lexington Branch

Addington, Meredith
Hayes, Robin
Leblanc, Tracy

Ashland Branch

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 Manager of Loan Risk
Fisher, Johnnda - Controls Manager
Stanley, Candace - Marketing Manager
Fitch, April - Lending Support Supervisor
Niece, LeAnn - Mortgage Supervisor/Loan Originator
Salyers, Marla - Accounting Supervisor
Tackett, David - Information Technology Operations Supervisor

Adams, Lisa
Bennett, Amanda
Bisesi, Mindy
Brown, Gynell
Brown, Jackie
Burris, India
Bush, Summer
Butcher, Heather
Cales, Alonna
Coffman, Kim
Colwell, Ashley
Cox, Simeon
Evans, April
Evans, Kate
Fisher, Johnnda
Fraleigh, Cathy
Frasure, Amy
Gambill, Mary
Gauze, Allison
Gillum, Hannah
Hannah, John
Hatten, Bettie
Holland, Megan
Holley, Audrey
Jergler, Rebekah
Johnson, Amy
Kerns, Tyler
Kiser, Linda

Lange, Tracy
Lewis, Brandi
Manning, Joy
Mantle, Kevann
Marshall, Alex
McClanahan, Janelle
McKenzie, Christy
McKenzie, Eden
Moore, Amber
Muncy, Tabitha
Nichols, Angie
Osborne, Robert
Perry, Nikkie
Prough, Elisha
Rice, Kelsey
Sallie, Judy
Salyers, Emily
Stevens, Tessa
Tackett, Laura