



ADVENTURE
CREDIT UNION

2023 Annual Report

CEO's Report

Amanda Garabedian



During my fourth year at Adventure and my first full year as the credit union's CEO, I had the privilege to work with an incredible team and create a new strategic plan that will serve as our roadmap for success in 2024 and beyond. I believe Adventure's super power is that we are locally owned and operated, and as a result we are intimately familiar with the people and places we serve. Being part of the fabric of the community, we are uniquely qualified to help people make smarter financial decisions, build wealth, and keep more of their hard-earned money.

Adventure Credit Union's mission is to be an indispensable resource and financial guide for helping members live the lives they want to live. Our goal is for our members and communities to be better off as a direct result of their relationship with Adventure Credit Union. We will accomplish this by providing high quality, affordable, and personalized financial services. In 2024, we are refocusing our efforts on providing exceptional member service with every interaction. Not only do our member deserve this level of care, I believe that service is the crux upon which all of our organizational goals will hinge.

In closing, I want to thank you, our members, for your continued support. I look forward to some exciting changes in 2024 that will continue to increase the value of your membership.

Chairman's Report

Pete Winninger

In 2023, the board of directors completed one of its most important functions, appointing a new President and CEO. My fellow board members and I worked closely with an executive search firm and interviewed a number of impressive candidates. In the end, we were pleased to announce Amanda Garabedian as the credit union's new leader. In the months that have followed, Amanda has continued to prove that we made the right decision.

With inflation still causing financial hardship for our members in 2023, the credit union sought to ease their burdens. We continued to offer low interest rates on loans so that our members could afford to borrow what they needed. Over the course of the year, we wrote \$40 million in loans for more than 1,500 core members.

At the same time, we gave money back to our members by significantly increasing the dividend rates paid on their deposits.

2023 proved to be another year of solid financial performance.

The credit union maintains an exceptional capital ratio and has shown stability year-over-year with profitability markers like net income and return on average assets. Still, I believe the best is yet to come in 2024! I'm excited to see what the hardworking and dedicated team at Adventure can accomplish with the credit union's new strategic plan.



20
23

HIGHLIGHTS

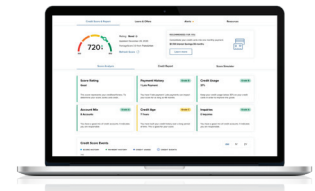
Check out these highlights from our very productive year:



Retained 98% of
Deposits YOY



Retained 99.5%
of Assets YOY



Increased
Credit Sense
users by 13%



16 New
Employees

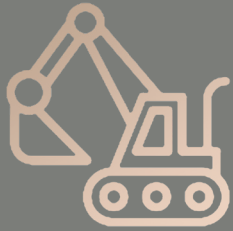


98 5-Star
Reviews received



0.71% Return
on Assets*

**Pre-Bonus*



Began Construction

New Alpine Ave. Branch

The *Dora Maxwell*
Social Responsibility Community Service
AWARD

1st Place in Michigan



ITM Deployment

32nd St.
Plainfield Ave.



Treasury Management

For Business Members

AWARDS & PROJECTS FROM 2023



MCUL Gold Star Award
for PAC Fundraising



Spare Change Self Service

The *Dora Maxwell*
Social Responsibility Community Service
AWARD

2nd Place in the Nation



Save to Win
Program Enhancements

WEST MICHIGAN'S BEST AND BRIGHTEST COMPANIES TO WORK FOR WINNER 2023



ADVENTURE *gives*

2023 Highlights:

Community events: 48

Volunteer hours: 786

Employee volunteers: 120

Donations & sponsorships:
\$27,908

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:

- Ele's Place Capital Region
- North Kent Connect
- Ele's Place West Michigan
- Friends of Grand Rapids Parks

Second quarter:

- Friends of Grand Rapids Parks
- Brian McVeigh Memorial Golf Outing
- Ele's Place West Michigan
- Ele's Place Capital Region
- North Kent Connect

Third quarter:

- Ele's Place Capital Region 5K
- Greater Lansing Food Bank
- North Kent Connect
- Ele's Place Capital Region Auction
- Kids' Food Basket
- Lori's Voice Golf Outing

Fourth quarter:

- Greater Lansing Food Bank Event
- Ele's Place Capital Region
- Greater Lansing Food Bank
- Kids' Food Basket
- Friends of Grand Rapids Parks
- Ele's Place Capital Region
- St. Vincent's Catholic Charities



GIVING TUESDAY

In 2023, 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 gave the \$25 to my nephew to buy diapers. He and his girlfriend have been struggling financially since the birth of their son.

-Anonymous



CAPITAL AREA
HUMANE
SOCIETY
New Home. New Hope.

“For Giving Tuesday, I made a donation to the Capital Area Human Society. I adopted my dog from CAHS about four years ago. My pets bring me so much joy, and I wanted my donation to support the care and placement of other animals.”

- Connor



“I used my Giving Tuesday money (plus I added to it) to buy items off a teacher's Amazon wish list. Teachers are continuously giving back, so it's nice to give back to them!”

-Bridgett



“I decided to participate in Angel Tree. I used the \$25 to buy a gift for a four-year-old girl.”

-Betty B.



“I regularly visit a local coffee shop and their staff is always kind to me. So, I used my Giving Tuesday money to brighten the baristas' day with a \$25 tip!”

-Anonymous



“I donated my \$25 to the library at Grand Ledge's Holbrook Elementary School to help payoff past due book fines for some less fortunate students. Clearing out these fines will allow the kids to start checking out books again.”

- Alyshia

Treasurer's Report

Mike Kutas

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 2023 with a Net Worth to Assets Ratio of 13.97%, up from 13.25% at the end of 2022. Capital guidelines established by the NCUA categorize the credit union as a Well Capitalized Financial Institution.

The Credit Union ended 2023 with Total Assets of \$435 million dollars, a \$2.2 million dollar decrease from the \$437 million dollars in Total Assets reported at the end of 2022. Member Deposit balances fell \$7.3 million dollars in 2023, ending the year at \$372 million dollars. And, Loans to Members declined \$16.3 million dollars in 2023, closing the year at \$298 million dollars.

Your credit union has recorded solid earnings in each of the past two years, with Net Income of \$2.7 million dollars in 2023 and \$2.6 million in 2022. Credit Union membership fell from 32,938 members on December 31, 2022 to 31,594 members on December 31, 2023, approximately a 4% decline.

These past two post-pandemic years have ushered in a period of much higher inflation and interest rates. The economy has avoided recession in both years with strong GDP growth in 2023.

Adventure Credit Union is committed to operating in a financially safe and sound manner while moving forward with a strategic plan focused on organizational development and operational excellence. In short, to make a difference and leave things better than we found them.

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	2023	2022
Cash & Cash Equivalents	\$38,935,205	\$33,704,881
INVESTMENT SECURITIES		
Available for Sale	\$47,717,341	\$54,866,928
Held to Maturity	\$19,286,091	\$4,484,079
Time Deposits with Other Financial Institutions	0	0
Loans to Members (Net)	\$294,704,561	\$310,957,660
Accrued Interest Receivable	\$1,356,319	\$1,130,481
Premises & Equipment (Net)	\$7,794,869	\$7,872,522
NCUSIF Deposit	\$3,625,342	\$3,779,750
FHLB Stock	\$1,373,200	\$1,373,200
Cencorp Perpetual Contributed Capital	\$600,000	\$600,000
Credit Union Owned Life Insurance	\$9,410,320	\$9,229,982
Other Assets	\$10,087,836	\$9,120,864
Total Assets	\$ 434,891,084	\$ 437,120,347
LIABILITIES & MEMBER EQUITY		
Members' Shares and Savings Accounts	\$371,747,537	\$379,049,660
Non-Member Certificates of Deposit	0	0
Borrowed Funds	0	0
Accrued Interest Payable	\$287,615	\$118,222
Accrued and Other Liabilities	\$4,160,476	\$3,753,805
Total Liabilities	\$376,195,628	\$382,921,687
MEMBER EQUITY		
Undivided Earnings, Reserves, and Other	\$58,695,456	\$54,198,660
TOTAL LIABILITIES & RESERVES	\$434,891,084	\$437,120,347

STATEMENT OF INCOME

INTEREST INCOME	2023	2022
Loans	\$16,892,988	\$15,243,864
Investment Securities	\$2,464,497	\$861,733
Other	0	0
Total Interest Income	\$19,356,485	\$16,105,597
INTEREST EXPENSES		
Members' Shares and Savings Account	\$3,213,900	\$1,547,474
Borrowed Funds	0	0
Non-Member Certificates of Deposit	0	0
Total Interest Expense	\$3,213,900	\$1,547,474
Net Interest Income	\$16,143,585	\$14,558,123
Provision for Loan Losses	\$1,684,116	\$1,203,579
Net Interest Income / After provision for loan	\$14,459,469	\$13,354,544
NON-INTEREST INCOME		
Net Gain on Sale of Loans Held for Sale	\$2,578,859	\$2,543,521
Fees and Charges	\$2,797,946	\$3,043,630
Gain on Sale of Other Real Estate Owned	\$30,000	\$90,435
Other	\$467,328	\$950,604
Total Non-Interest Income	\$5,874,133	\$6,628,190
COMPENSATION AND BENEFITS		
Operating Expenses	\$3,451,846	\$3,753,203
Occupancy Expenses	\$1,055,573	\$998,341
Loan Servicing Expense	\$2,271,745	\$2,079,153
Professional and Outside Services	\$2,205,159	\$1,915,721
Total Non-Interest Expenses	\$17,616,632	\$17,342,547
NET INCOME	\$2,716,970	\$2,640,187

Who We Are

“Adventure Credit Union is a financial cooperative serving Greater Lansing and Grand Rapids Communities in Michigan. We are not-for-profit and owned by our depositors, with a mission of putting people first. We offer affordable, high quality, and consumer-friendly banking services to consumers and small businesses including checking/savings accounts, all types of loans, and more.”



Vision, Mission, and Core Beliefs

Adventure Credit Union’s success is built upon a deep understanding of the ideals that make us who we are. These ideals are captured in our vision, mission, and core beliefs; taken together these statements form the philosophical foundation of our strategic plan.

VISION:

Our vision statement describes our aspirations for the future:

“Adventure Credit Union will be its members’ first and best choice for affordable, high quality, and personalized banking services that dependably serves their financial needs.”

MISSION:

Our mission statement documents our shared objective on behalf of members:

“Adventure Credit Union’s mission is to be an indispensable resource and financial guide for helping members live the lives they want to live.”

OUR CORE BELIEFS:

Our core beliefs define the character of our organizations: Adventure Credit Union believes in -

- Putting people first. This includes members, employees, and guests.
- Treating people with dignity and respect, finding ways to say “yes.”
- Being empathetic and listening, meeting every member in the place that they are.
- Fostering an environment for enthusiastic, optimistic people who care deeply about helping others succeed.
- Empowering employees to use their voice, do the right thing as they see it, and to achieve their own goals in life.
- Leaving the world a better place.