

FINANCIAL STATEMENT

ASSETS	2015	2014	DIFFERENCE
Loans to Members	\$69,987,293	\$61,462,672	\$8,524,621
Allowance for Loan Losses	\$(911,686)	\$(802,504)	\$(109,182)
Cash and Funds Due	\$887,024	\$822,973	\$64,051
Investments	\$40,581,008	\$28,082,599	\$12,498,409
Property and Equipment	\$3,504,521	\$1,821,362	\$1,683,159
Other Assets	\$1,295,910	\$1,088,800	\$207,110
NCUA Share Insurance Fund	\$887,644	\$731,083	\$156,561
Total Assets	\$116,231,714	\$93,206,985	\$23,024,729
LIABILITIES			
Notes Payable	\$-	\$-	\$-
Accrued Div./Interest	\$104,555	\$82,167	\$22,388
Accounts Payable	\$2,717,789	\$342,834	\$2,374,955
Other Liabilities	\$546,879	\$235,256	\$311,623
Savings to Members	\$91,105,686	\$75,744,172	\$15,361,514
Required Reserves	\$2,246,860	\$1,734,195	\$512,665
Undivided Earnings	\$19,509,945	\$15,068,361	\$4,441,584
Total Liabilities and Equity	\$116,231,714	\$93,206,985	\$23,024,729
INCOME			
Interest on Loans	\$4,123,507	\$3,585,067	\$538,440
Investment Income	\$674,194	\$415,701	\$258,493
Less Dividend/Interest Expense	\$(524,364)	\$(431,080)	\$(93,284)
Less Provision for Loan Losses	\$(343,100)	\$81,981	\$(425,081)
Net Interest Income	\$3,930,237	\$3,651,668	\$278,569
Other Income	\$1,815,107	\$1,481,495	\$333,612
Net Operating Income	\$5,745,344	\$5,133,164	\$612,180
EXPENSES			
Employee Compensation	\$1,621,314	\$1,207,640	\$413,674
Employee Benefits	\$456,132	\$392,775	\$63,357
Travel and Conference	\$39,499	\$39,020	\$479
Office Occupancy	\$162,726	\$136,064	\$26,662
Office Operations	\$1,028,275	\$868,108	\$160,167
Educational and Promotional	\$54,461	\$47,901	\$6,560
Loan Servicing Expense	\$293,068	\$252,380	\$40,688
Professional and Outside Services	\$382,003	\$228,112	\$153,891
Operation Fees	\$31,803	\$24,253	\$7,550
Other Operating Expenses	\$56,185	\$48,465	\$7,720
Interest on Borrowed Funds	\$4,688	\$2,476	\$2,212
Gain or Loss on Investments	\$-	\$-	\$-
Gain or Loss on Disposal of Assets	\$5,026	\$(730)	\$5,756
Total Expenses	\$4,135,180	\$3,246,465	\$888,715
Gain or Loss from Operations	\$1,610,164	\$1,886,699	\$(276,535)
Net Income	\$1,610,164	\$1,886,699	\$(276,535)



Twenty Sixteen



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Annual Report

Federally insured by NCUA

CHAIRMAN'S REPORT

Thank you once again to the members of AAC Credit Union for another outstanding year of growth. We are here because of you, and for you.

Looking back, 2015 was a year of laying foundations. These foundational projects are unfolding in 2016 placing AAC Credit Union in its strongest position to stake a claim in the West Michigan financial market.

In September 2015, we broke ground and poured the foundation of a new administrative hub in Standale, MI. The new 4,966 square foot building will open in April 2016. As a credit union founded by the furniture industry we felt it was very important to honor our rich history. The building features all Michigan-Made furniture.

You may have also noticed that AAC Credit Union received a facelift in 2015. It was time to put forth a new look as we continue to grow and invite new members to join us. The logo was given a fresh design and vibrant new colors. The tagline Aspire, Achieve, Connect was added to bring new associations to our letters; associations that speak more clearly of how we want members to think about their financial goals and how they think about AAC.

Aspire

We aspire to be your go-to resource for all things financial. We believe it is important for all members to have financial goals. Whether that means purchasing a home or building a nest egg for the future, we strive every day to provide valuable tools to help you reach them. It always pleases us to see an AAC member purchase a car or move into their new home. While mortgage rates remained low in 2015, we saw a shift from the refinance boom of year's past, to new home purchases.

Achieve

Our success must always include the responsible management of the assets of AAC Credit Union. In 2015, our capital position grew 18.72% and Return on Assets remained strong at 1.54%. We reported a 24.70% asset increase and loan growth is up 13.87%.

The noted increase in assets is due in large part to a strategic new partnership. Big Dutch Fleet and their 3,000 members joined AAC Credit Union in September 2015. This merger brought a new location to AAC members on the south side of Holland, and opened the door to new products and services for our new friends at Big Dutch. We are pleased to welcome them to AAC.

Connect

In 2016, we want to reach out more helping you to connect with your money. We want members to really understand their banking choices so that they can make the best decisions for their family.

We have exciting new products in the works, too, like a high yield checking and new bill payment platform. Members can also enjoy earning ScoreCard Rewards on purchases made with an AAC Visa Credit Card. You can redeem points for merchandise and travel. A mobile app will be released in Spring 2016.

We cannot speak of our success without also mentioning the outstanding people who make up the staff of AAC Credit Union. Thank you to each one for upholding the level of service our members deserve and for going the extra mile, for a smile. You are an essential part of our success.

We are happy to begin another year with you and to invite new opportunities for our mutual growth. Thank you for your membership.

Sincerely,

Thane Barden
Chairman of the Board

CREDIT COMMITTEE REPORT

AAC Credit Union approved 2,622 loans for \$33,169,383. We approved 110 mortgages for \$12,893,305, of these, 73 were sold to Freddie Mac for a total of \$8,812,665.

The ratio of delinquent loans outstanding last year was 0.74% up slightly from 2014 and net charge offs decreased to 0.35% from 0.44% in 2014.

We encourage all members to contact the credit union first when in need of financing. Autos, RVs, mortgages, home equity loans or any projects you have, keep us in mind. AAC offers low rates, quick response and helpful service.

Respectfully submitted,

Chris Cross
Nancy Koch
Brooke Andrews

SUPERVISORY COMMITTEE REPORTS

The Financial Standards Group completed the comprehensive annual audit as of June 30, 2015. The audit included examinations of the statement of financial condition, statements of income and changes in equity.

The Department of Insurance and Financial Services, Credit Union Division, Lansing Michigan also conducted an examination of our records as of September 30, 2015.

In addition to these examinations, the Supervisory Committee performed individual audits of various credit union policies, procedures and operations. We've also conducted cash audits to make sure all cash balanced.

The number of members as December 31, 2015 was 13,647. It is the opinion of this committee the published report fairly reports the financial condition of AAC Credit Union.

Respectfully submitted,

George Sullivan