

# Stronger Together



2020 ANNUAL REPORT



**David Woodruff**

President/CEO



**John Tochko**

Chair,  
Board of Directors



**Don Henderson**

Chair,  
Supervisory Committee



**Robert Miller**

Treasurer

---

BOARD OF DIRECTORS

---

John Tochko, Chair

Alice Berman, Vice Chair

Robert Miller, Treasurer

Sarah Cooke, Recording Secretary

Laura Davis, Director

Rosalyn Furukawa, Director

Peter Laanisto, Director

Brian O'Connor, Director

Benjamin Roca, Director

---

SUPERVISORY COMMITTEE

---

Don Henderson, Chair

Karen Brown

Cory Case

Peter Laanisto

---

ASSOCIATE VOLUNTEERS

---

Nadine Bernard

Illysa Izenberg

Monica McMellon-Ajayi

---

DIRECTOR EMERITUS

---

Charlene Husted



# A MESSAGE FROM OUR PRESIDENT & CHAIRMAN

---

Credit Unions are not-for-profit cooperatives founded on the principle of people helping people. This past year, perhaps more than any other year in APL FCU's history, showed the true value of that cooperative spirit.

Although the Howard County area fared better than many other parts of the country in 2020, we still had numerous members dealing with financial hardship caused by the pandemic. In early March we introduced our COVID Relief Initiative, assisting members in need with loan modifications and deferrals, fee waivers, and other help to lessen their financial burden. Overall, we provided loan relief to almost 600 members with more than \$18 million in outstanding loan balances in 2020, with ongoing assistance provided to hundreds of additional members in 2021.



In addition to prioritizing the well-being of our members, like many other organizations we had to completely rethink our approach to member service. In the early stages of the pandemic, we introduced a split-shift model for our frontline staff, to protect against a widespread outbreak that could have crippled our ability to serve our members.

We also greatly increased our telecommuting capabilities, allowing back office and Call Center staff to work safely from home while still performing their job duties. And to help protect our members and onsite staff, we significantly expanded our use of DocuSign and other technology to lessen the need for members to make in-person branch visits to conduct their business.

Despite the difficulties of operating through a pandemic, we experienced strong financial results and growth for the year. Total deposits increased by more than 16%, from \$423 million to \$491 million, as our members relied upon us to safeguard their savings during uncertain times. This helped grow our total assets from \$481 million at year-end 2019 to \$553 million at year-end 2020. We also booked \$109.2 million in member loans, the second-highest total in our 67-year history.

Our strong financial position – with a net worth well above regulatory requirements – allows us to invest in improved technologies to enhance the overall member experience while continuing to offer some of the best loan rates you will find anywhere.

Our “One Rate” auto loan, which has saved our membership millions of dollars in finance charges since we introduced it in 2013, continues to be a strong generator of loan growth for the Credit Union. We also saw record mortgage volume in 2020, as members took advantage of historically low rates for both purchases and refinances.

In June we introduced our “Balance Transfers for Life” feature, allowing members to transfer a high-rate loan or credit card balance from another lender to an APL FCU Classic or Rewards Visa while locking in a low fixed rate of just 4.99% until the transferred balance is paid off. Then in December, we enhanced our credit card program further by dropping our already-low card rates even lower, to just 6.99% for our Classic Visa and just 9.99% for our Rewards Visa.

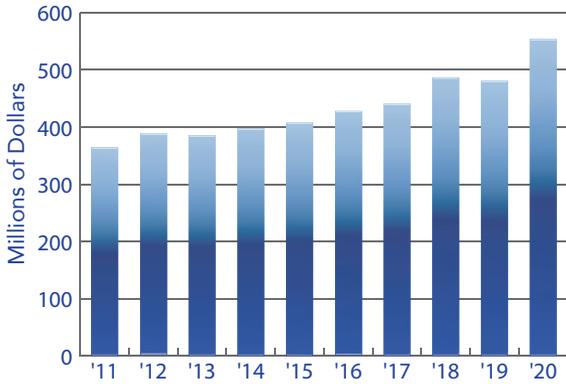


APL FCU's Board and staff are truly grateful that we have been able to help so many members in need during these unprecedented times. But we also feel strongly about being a positive presence in our community and extending our assistance well beyond our membership. This past year we provided financial aid and support to numerous frontline workers and essential organizations, including the Howard County Food Bank, Howard County General Hospital, Grassroots Crisis Intervention Center and HopeWorks of Howard County.

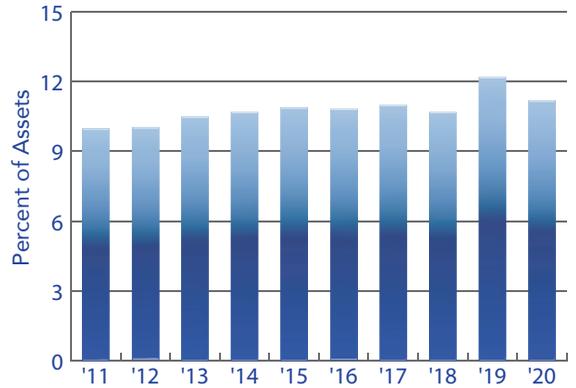
On behalf of APL Federal Credit Union's volunteers and staff, we thank you for choosing us for your financial needs. We wish each of you safer and brighter days in 2021 and beyond.

# 10 - YEAR ANNUAL REPORT DATA

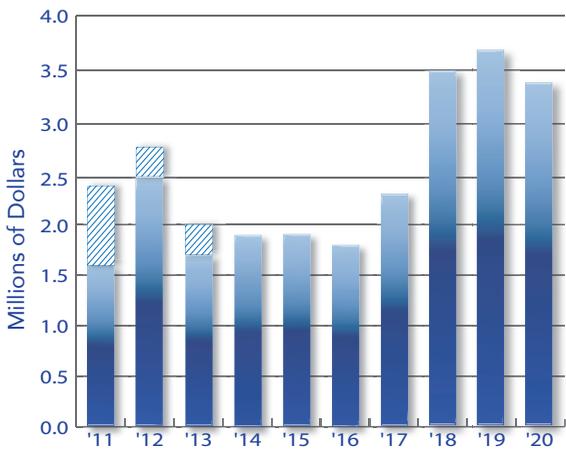
## ASSETS



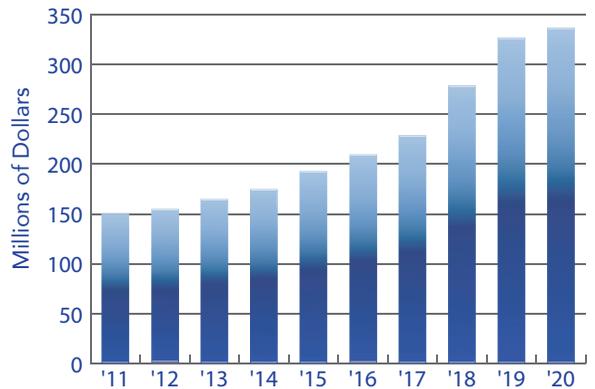
## NET WORTH



## NET INCOME

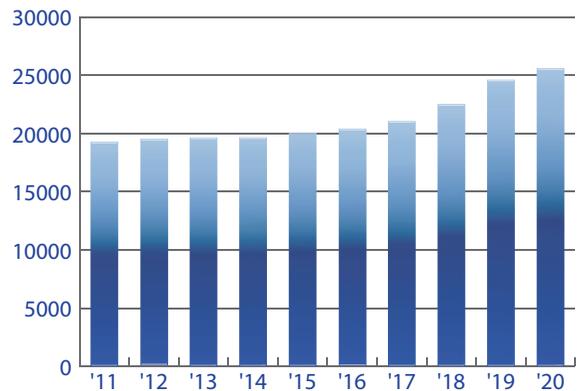


## TOTAL LOANS



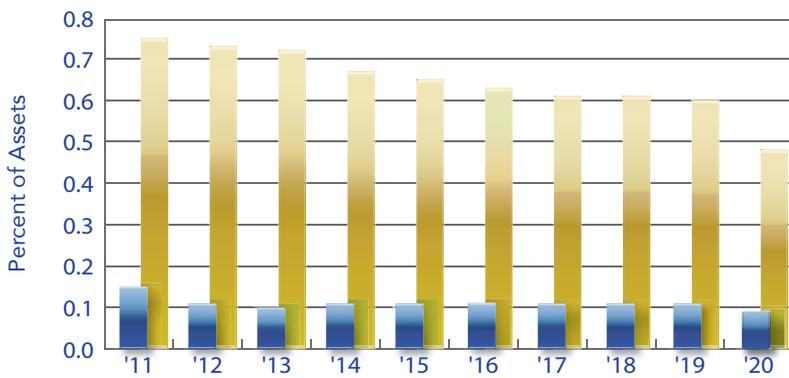
\*2011 thru 2013 income shown before and after NCUA Stabilization Expense

## NUMBER OF MEMBERS





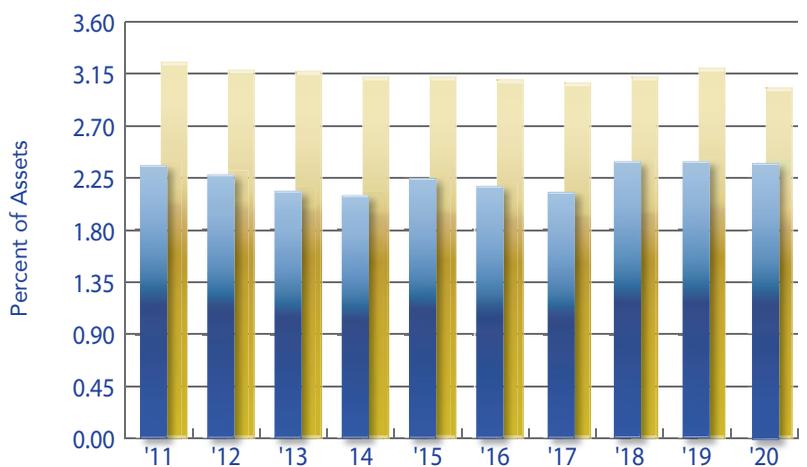
### MEMBER FEE INCOME TO AVERAGE ASSETS



This ratio is an effective way to compare the amount of fee income generated by credit unions, regardless of their size. APL FCU's fee income is about six times lower than the national credit union average and one of the lowest you will find anywhere.

### OPERATING EXPENSE TO AVERAGE ASSETS

This ratio compares APL FCU's operating efficiency to the national credit union average. In general, credit unions with lower operating expenses are being run more efficiently. APL FCU's low operating expenses allow the Credit Union to offer members lower loan rates and lower fees while still maintaining profitability.



■ APL Federal Credit Union      ■ National Credit Union Average

# STATEMENT OF FINANCIAL CONDITION

ASSETS	2020	2019
<b>Loans</b>		
Loans to Members - Less Allowance for Loan Losses, and Net Deferred Loan Income	\$336,571,051	\$325,834,213
Loan Notes Receivable	-	1,024,790
<b>Loans Net:</b>	<b>\$336,571,051</b>	<b>\$326,859,003</b>
<b>Other Assets</b>		
Accounts Receivable	\$39,177	\$28,293
Cash	1,832,973	1,694,200
Investments	198,416,361	137,613,801
Accrued Income Receivable	624,433	751,334
Prepaid Expenses	413,464	363,315
Buildings & Land	8,458,888	8,616,885
Furniture & Equipment	1,129,742	771,011
NCUSIF Deposit	4,278,096	3,888,438
Other Assets	2,671,423	317,000
<b>Total Assets:</b>	<b>\$554,435,608</b>	<b>\$480,903,280</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Accounts Payable	\$390,360	\$337,677
Accrued Expenses	1,355,776	1,041,454
Other Liabilities	9,675,105	5,410,188
<b>Total Liabilities:</b>	<b>\$11,421,241</b>	<b>\$6,789,319</b>
<b>Equity</b>		
Savings	\$219,744,197	\$185,498,347
Checking	105,859,311	81,607,952
Preferred Money Market	86,426,905	79,924,333
IRA Money Market	4,525,889	4,500,897
IRA Certificates	13,172,734	13,124,396
Certificates of Deposit	61,247,115	58,573,085
<b>Total Shares:</b>	<b>\$490,976,151</b>	<b>\$423,229,010</b>
<b>Reserves</b>		
Regular Reserve	\$2,614,802	\$2,614,802
Undivided Earnings	56,095,503	52,358,910
Net Allowance to Adjust Investments to Fair Value	1,187,364	(326,009)
Other Comprehensive Income	(11,223,455)	(7,499,346)
Net Income (Loss)	3,364,002	3,736,594
<b>Total Equity:</b>	<b>\$543,014,367</b>	<b>\$474,113,961</b>
<b>Total Liabilities &amp; Equity:</b>	<b>\$554,435,608</b>	<b>\$480,903,280</b>

# STATEMENT OF INCOME

OPERATING INCOME	2020	2019
Interest on Loans	\$4,491,644	\$4,011,338
Interest on Real Estate Loans	5,463,357	6,253,145
<b>Net:</b>	<b>\$9,955,001</b>	<b>\$10,264,483</b>
Income From Investments	\$4,435,120	\$4,645,418
Fees and Charges	482,623	520,301
Other Operating Income	1,695,917	2,003,628
<b>Total Operating Income:</b>	<b>\$16,568,661</b>	<b>\$17,433,830</b>
<b>Operating Expenses</b>		
Compensation	\$4,706,375	\$4,338,829
Employee/Retiree Benefits	2,892,963	3,870,035
Education & Conference Expenses	45,538	64,812
Association Dues	36,678	25,169
Office Occupancy Expenses	388,437	388,534
Office Operations Expenses	1,558,166	1,448,942
Education & Promotional Expenses	220,046	205,842
Loan Servicing Expenses	429,632	399,309
Professional & Outside Services	786,679	603,900
Regulatory Fees	131,022	131,311
Annual Report & Meeting Expenses	3,600	3,600
Miscellaneous Operating Expenses	57,427	15,506
Share Draft Processing Expenses	38,107	54,597
<b>Total Operating Expenses:</b>	<b>\$11,294,670</b>	<b>\$11,550,386</b>
Provision for Loan Losses	\$(6,350)	\$7,200
Interest on Borrowed Money	-	12,631
<b>Non-Operating Gains (Losses)</b>		
Gain (Loss) on Investments	(304,802)	(158,587)
Gain (Loss) on Disposition of Assets	-	4,276
Other Non-Operating Income (Expenses)	(12,071)	(4,242)
<b>Total Non-Operating Gains (Losses):</b>	<b>\$(316,873)</b>	<b>\$(158,553)</b>
Income (Loss) Before Dividends	\$4,963,468	\$5,705,061
Dividends	\$(1,599,466)	\$(1,968,467)
<b>Net Income (Loss):</b>	<b>\$3,364,002</b>	<b>\$3,736,594</b>





**[aplfcu.org](http://aplfcu.org)**

11050 Johns Hopkins Road  
Laurel, MD 20723