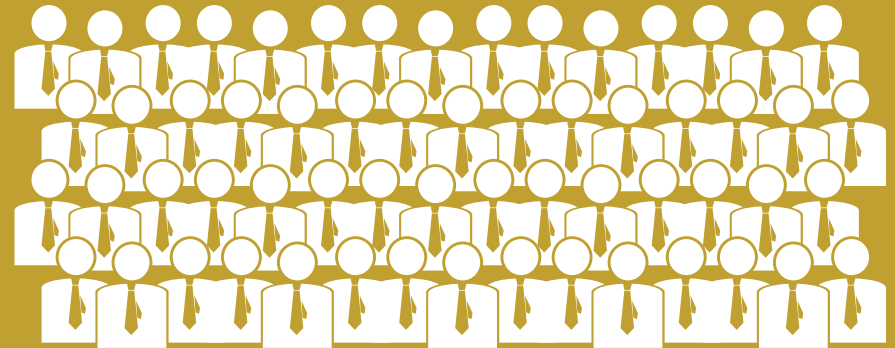
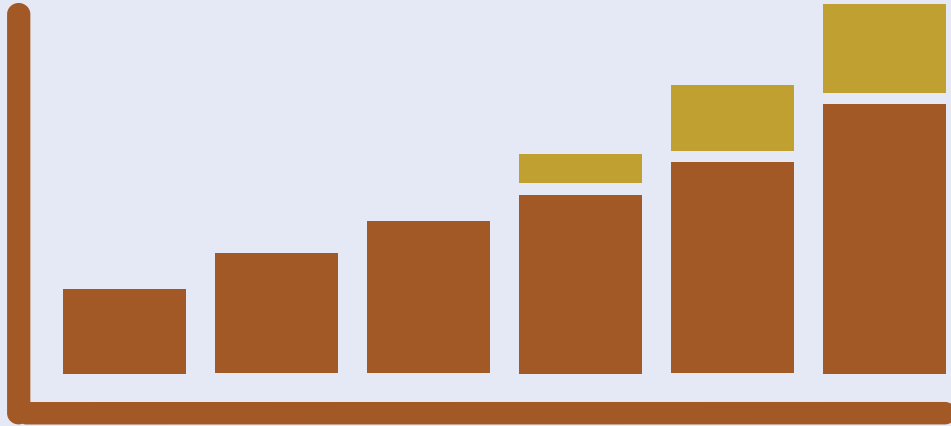


# REACHING NEW MILESTONES

\$400 MILLION IN ASSETS



20,000 MEMBERS

\$1 BILLION IN TOTAL MEMBER LOANS



## NEW ONE-YEAR RECORDS:

1,207 VEHICLE LOANS



\$70 MILLION IN TOTAL LOANS



2015  
ANNUAL REPORT

# BOARD OF DIRECTORS

John Tochko, Chair

Rosalyn Furukawa, Vice Chair

Robert Miller, Treasurer

Charlene Hustead, Recording Secretary

Philip Albert, Director

Sarah Cooke, Director

Laura Davis, Director

Peter Newman, Director

Brian O'Connor, Director



**Robert Miller**  
Treasurer

# SUPERVISORY COMMITTEE

Karen Brown, Chair

Don Henderson

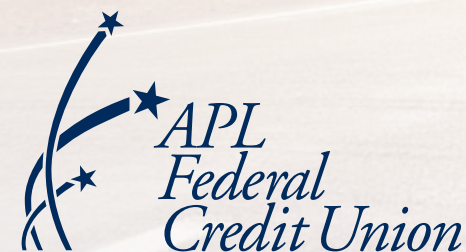
Rachel Rakes



**Karen Brown**  
Chair

# ASSOCIATE VOLUNTEERS

Tim McIntyre



## A MESSAGE FROM OUR PRESIDENT & CHAIRMAN

APL Federal Credit Union turned 61 in 2015, and the Board of Directors and senior management are pleased to announce that the Credit Union appears to be getting better with age. Perhaps there have been more significant years in APL FCU's history – such as 2001, when we were granted the community charter for Howard County – or years when we had higher net income or opened more new memberships. By almost any measure however, 2015 was one of the most successful years in our Credit Union's history, as we set several new loan records and reached multiple historic milestones.

At the end of October we surpassed 20,000 total members. It took 45 years – from 1954 to 1999 – to reach 10,000 members, but only 16 years to add the next 10,000. We also finished the year above \$400 million in assets, doubling the Credit Union's asset size in just over 12 years. In the beginning of November we reached a significant milestone in APL FCU's history, as we exceeded \$1 billion in total member loans since the Credit Union's founding.

To reach the \$1 billion loan figure, we generated a record \$70.4 million in new loans in just the past year alone. This helped raise APL FCU's total loans outstanding by a record \$18.1 million, from just over \$175.4 million at year-end 2014 to almost \$193.6 million at year-end 2015.

Auto loans were certainly the biggest driver of these record-setting results. For the year, we booked 1,207 auto loans for our members. This is 134 more loans than our previous record high of 1,073 set in 2004, and only the second time in the Credit Union's history that we surpassed 1,000 auto loans in a year.

We also added more than 250 new home equity lines of credit (HELOCs), helping to propel the Credit Union

past 2,000 total loans for the first time since 2007, prior to the start of the Great Recession. Total HELOC balances grew by \$4 million for the second straight year, accounting for more than 20% of our outstanding loan growth in 2015.

The unprecedented loan results helped APL FCU earn almost \$1.9 million in net income for the year. This marks the fifth straight year the Credit Union earned at least \$1.5 million. As in previous years, the bottom line did not rely on member fee income, as we continue to maintain the lowest fee structure of any full-service financial institution in the Howard County area.

Maintaining consistently strong earnings allows the board and senior management to plan for new services and upgrades that are not only beneficial to the membership, but play an integral part in APL FCU's overall management philosophy. Even with record-setting loan results and a strong balance sheet, we would not consider the year a total success unless we continued to improve the overall member experience.

In 2015, we met this goal by introducing a completely redesigned mobile banking app, completing a major upgrade to our computer systems to improve speed and reliability, and launching a large-scale project to replace all of our credit and debit cards with new EMV secure chip cards.

As we venture forth in 2016 and beyond, we will be vigilant to continually increase the value of your APL FCU membership. We know you have many financial institutions from which to choose and, on behalf of the Credit Union's entire staff and Board of Directors, we thank you for choosing APL Federal Credit Union. As always, we remain, **"At Your Service, In Your Community."**



**Jim Deegan**  
President/CEO

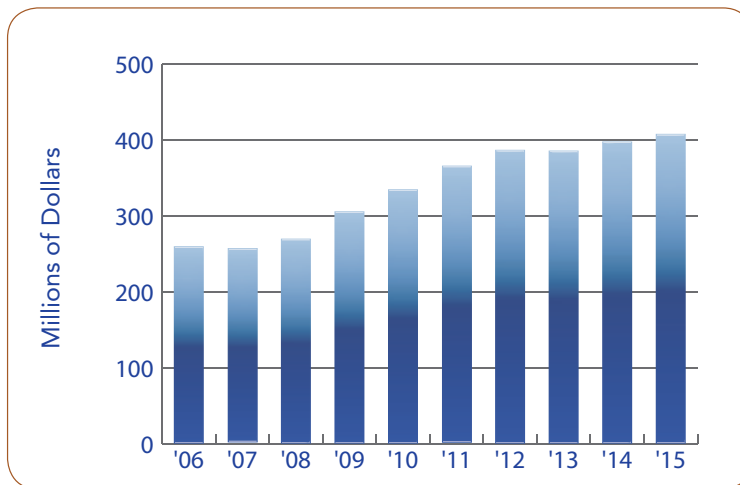


**John Tochko**  
Chair

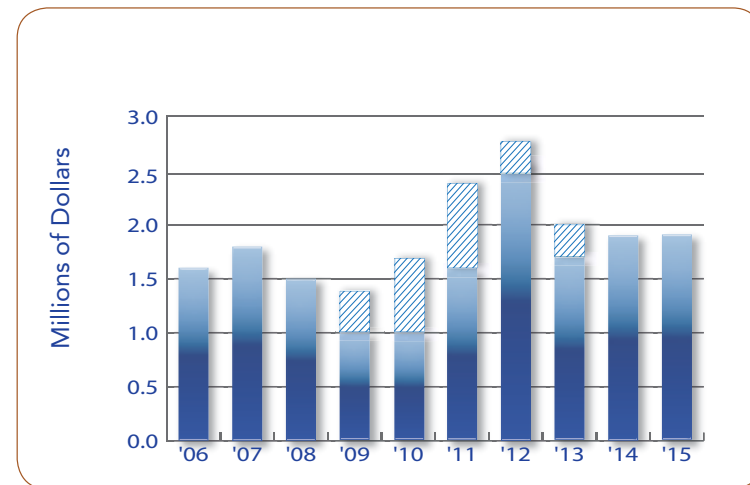
# 10-YEAR ANNUAL REPORT DATA

2006

## ASSETS

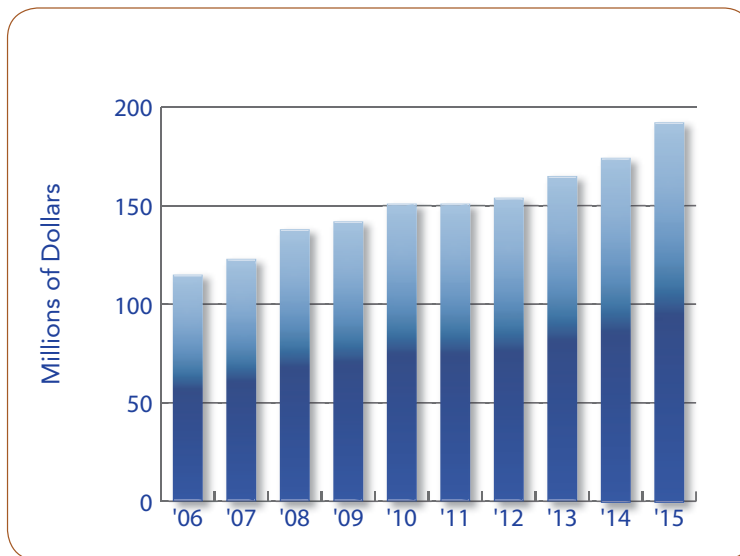


## NET INCOME

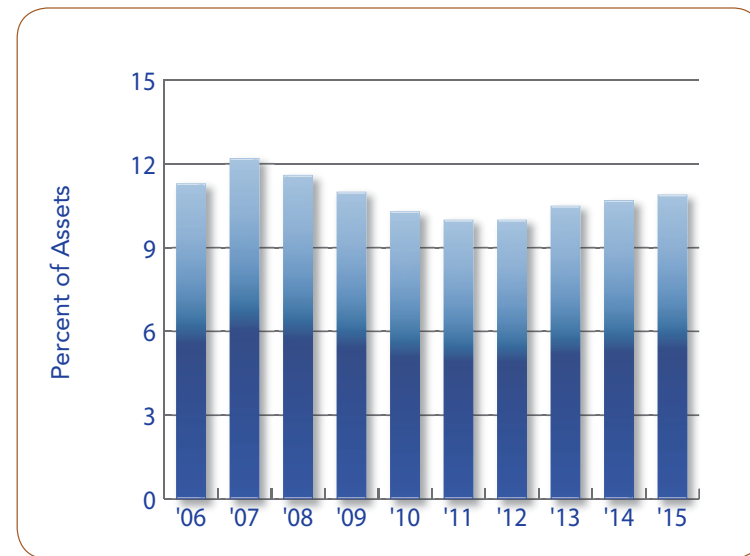


\*2009 thru 2013 income shown before and after NCUA Stabilization Expense

## TOTAL LOANS

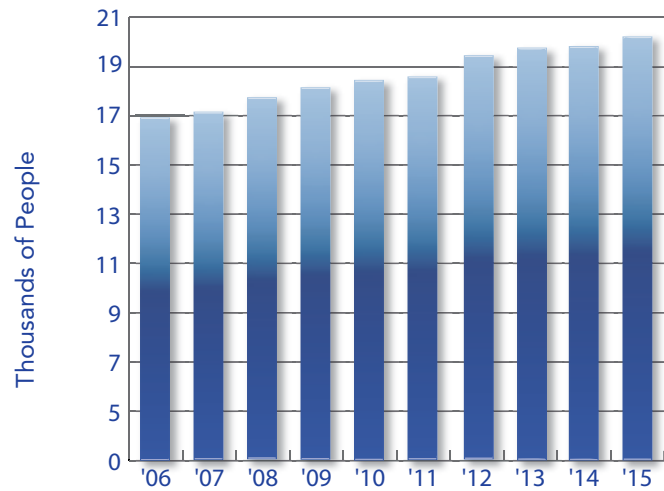


## NET WORTH

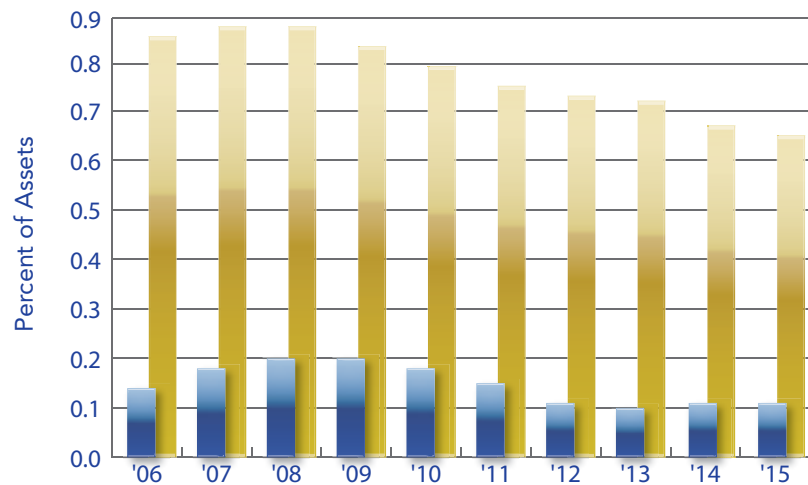




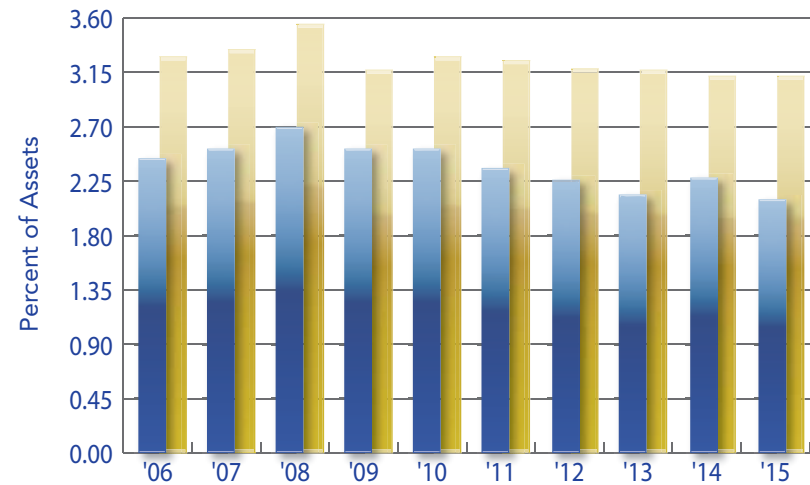
## NUMBER OF MEMBERS



## MEMBER FEE INCOME TO AVERAGE ASSETS



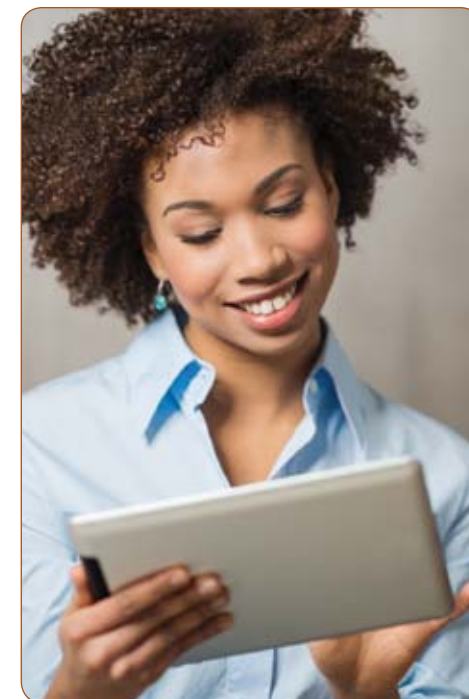
## OPERATING EXPENSE TO AVERAGE ASSETS



■ APL Federal Credit Union ■ National Credit Union Average

# STATEMENTS OF FINANCIAL CONDITION

<b>ASSETS</b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>Loans</b>		
Loans to Members - Less Allowance for Loan Losses, and Net Deferred Loan Income	\$ 193,385,099	\$ 174,693,135
Loan Notes Receivable	0	0
<b>Loans Net:</b>	<b>\$ 193,385,099</b>	<b>\$ 174,693,135</b>
<b>Other Assets</b>		
Accounts Receivable	\$ 9,483	\$ 5,242
Cash	1,723,312	1,876,925
Investments	196,383,326	204,807,814
Accrued Income Receivable	611,441	631,830
Prepaid Expenses	356,325	241,271
Buildings & Land	9,394,404	9,588,783
Furniture & Equipment	787,076	762,563
NCUSIF Deposit	3,361,481	3,322,724
Other Assets	1,757,721	1,722,897
<b>Total Assets:</b>	<b>\$ 407,769,668</b>	<b>\$ 397,653,184</b>
<b>LIABILITIES &amp; EQUITY</b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>Liabilities</b>		
Accounts Payable	\$ 528,261	\$ 530,334
Accrued Expenses	3,195,697	2,820,536
Other Liabilities	3,124,357	2,965,153
<b>Total Liabilities:</b>	<b>\$ 6,848,315</b>	<b>\$ 6,316,023</b>
<b>Equity</b>		
Savings	\$ 147,058,297	\$ 137,265,066
Checking	59,706,858	53,085,155
Preferred Money Market	69,750,897	68,935,023
IRA Money Market	4,907,197	5,431,079
IRA Certificates	16,939,515	18,454,003
Certificates of Deposit	63,442,769	69,074,053
<b>Total Shares:</b>	<b>\$ 361,805,533</b>	<b>\$ 352,244,379</b>
<b>Reserves</b>		
Regular Reserve	\$ 2,614,802	\$ 2,614,802
Undivided Earnings	39,784,023	37,874,403
Net Allowance to Adjust Investments to Fair Value	643,181	2,329,697
Other Comprehensive Income	(5,798,934)	(5,635,740)
Net Income (Loss)	\$ 1,872,748	\$ 1,909,620
<b>Total Equity:</b>	<b>\$ 400,921,353</b>	<b>\$ 391,337,161</b>
<b>Total Liabilities &amp; Equity:</b>	<b>\$ 407,769,668</b>	<b>\$ 397,653,184</b>



# STATEMENTS OF INCOME

## STATEMENTS OF INCOME

	<u>2015</u>	<u>2014</u>
<b>Operating Income</b>		
Interest on Loans	\$ 1,728,686	\$ 1,556,848
Interest on Real Estate Loans	4,633,976	4,641,924
<b>Net:</b>	<b>\$ 6,362,662</b>	<b>\$ 6,198,772</b>
Income from Investments	2,648,935	2,823,679
Fees & Charges	430,620	434,285
Other Operating Income	1,605,141	1,521,577
<b>Total Operating Income:</b>	<b>\$ 11,047,358</b>	<b>\$ 10,978,313</b>
<b>Operating Expenses</b>		
Compensation	\$ 3,967,513	\$ 3,817,594
Employee/Retiree Benefits	2,325,937	1,770,895
Education & Conference Expenses	59,000	56,146
Association Dues	19,787	17,371
Office Occupancy Expenses	381,582	391,078
Office Operations Expenses	1,106,898	1,094,050
Education & Promotional Expenses	177,713	180,541
Loan Servicing Expenses	411,960	328,608
Professional & Outside Services	448,855	428,449
Regulatory Fees	72,707	71,299
Annual Report & Meeting Expenses	2,785	400
Miscellaneous Operating Expenses	13,492	9,760
Share Draft Processing Expenses	54,214	50,142
<b>Total Operating Expenses:</b>	<b>\$ 9,042,443</b>	<b>\$ 8,216,333</b>
Provision for Loan Losses	\$ (105,900)	\$ (180,450)
Interest on Borrowed Money	0	0
<b>Non-Operating Gains (Losses)</b>		
Gain (Loss) on Investments	\$ 950,798	\$ 290,504
Gain (Loss) on Disposition of Assets	0	0
Other Non-Operating Income (Expenses)	(259)	(5,157)
<b>Total Non-Operating Gains (Losses):</b>	<b>\$ \$950,539</b>	<b>\$ 285,347</b>
Income (Loss) Before Dividends	\$ 2,849,553	\$ 3,155,777
Dividends	\$ (976,805)	\$ (1,246,157)
<b>Net Income (Loss) Before NCUSIF Stabilization Expense:</b>	<b>\$ 1,872,748</b>	<b>\$ 1,909,620</b>
NCUA Insurance Premium	0	0
NCUA Stabilization Expense	0	0
<b>Net Income (Loss):</b>	<b>\$ 1,872,748</b>	<b>\$ 1,909,620</b>



## OUR MISSION

APL Federal Credit Union  
is dedicated to providing  
its members quality financial  
services with a competitive  
edge, while ensuring the safety  
and stability of financial assets.

**APLFCU.ORG**