



aplfcu.org

11050 Johns Hopkins Road
Laurel, MD 20723

Rooted in Our Community

Improving Lives Since 1954.

2022 ANNUAL REPORT



A MESSAGE FROM OUR PRESIDENT & BOARD CHAIR



David Woodruff

President/CEO



Alice Berman

Chair,
Board of Directors



Don Henderson

Chair,
Supervisory Committee



Robert Miller

Treasurer

BOARD OF DIRECTORS

Alice Berman, Chair
Sarah Cooke, Vice Chair
Robert Miller, Treasurer
Rosalyn Furukawa, Secretary
Nadine Bernard, Director
Illysa Izenberg, Director
Brian O'Connor, Director
Benjamin Roca, Director
John Tochko, Director

SUPERVISORY COMMITTEE

Don Henderson, Chair
Cory Case
Illysa Izenberg
Monica McMellon-Ajayi

DIRECTORS EMERITAE

Karen Brown
Laura Davis



APL FCU's ongoing mission is to improve lives and make a positive impact in our community. As a not-for-profit cooperative, we are focused on providing as much value as possible to our members, while also supporting local charitable organizations on behalf of our members.

One of the primary ways we provide value to our members is by maintaining some of the lowest fees you will find anywhere. In 2022 we once again maintained the lowest fee structure of any full-service financial institution in the area, with a fee ratio that was five times lower than the average credit union nationwide.*



We also continued to provide value to our members through our great loan rates. This helped us generate more than \$192 million in new loans in 2022, by far the highest total in APL FCU's history. This included a record number of auto loans, as our "One Rate" auto loan allowed thousands of members to take advantage of a rate significantly lower than the industry average. Our members also completed over \$144 million in debit and credit card transactions, which is almost \$9 million more than the record total set in 2021.

To accomplish the second part of our mission, we supported numerous charitable organizations in our community over the past year. This includes the Howard Hospital Foundation, The Association of Community Services, Grassroots Crisis Intervention Center, The Community Action Council/Howard County Food Bank, Blossoms of Hope, The Howard County Autism Society, Ohana HC, Neighbor Ride, Rebuilding Together Howard County, HopeWorks of Howard County, and Cedar Lane School.

In addition to our stated mission, APL FCU's management and Board of Directors are dedicated to improving the services we provide our members. Although the low-rate environment of the past two years reduced our income, we stayed true to our not-for-profit purpose by continuing our significant investment in member service enhancements.

During 2022 we completed two major projects to review and assess our online/mobile banking platform and plastic card program. We signed agreements to convert both services to new vendors, with a scheduled launch in September 2023. The new offerings will allow us to offer members improved service, better functionality and integration, and numerous technological advancements.

We also finalized plans to reward savers with higher-interest savings accounts, while returning additional value by lowering our already-low fees even further. We also are in the process of elevating our member service efforts, which includes the launch of a back-up call center in the spring to reduce call wait times, as well as continued expansion of our remote service capabilities.

On behalf of APL Federal Credit Union's volunteers and staff, we thank you for being part of the Credit Union – and for helping us improve lives within our community. You are not just banking; you are banking with a purpose.

Alice Berman

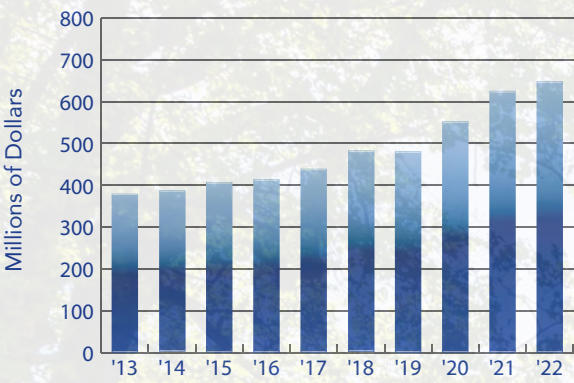
David Woodruff, President/CEO



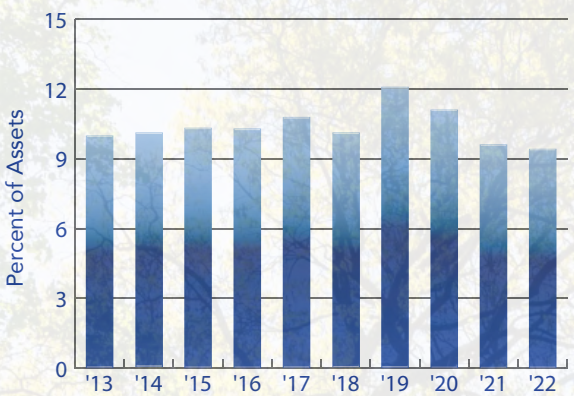
*Fee data based on a comparison of fees/average assets and fees paid per member by Callahan, Inc., a leading provider of data and analytics for the credit union industry.

10-YEAR ANNUAL REPORT DATA

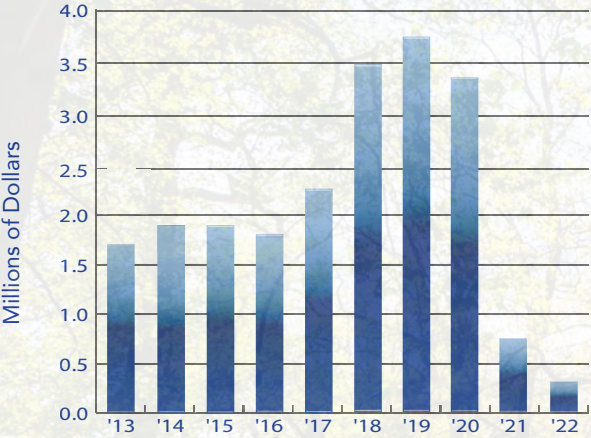
ASSETS



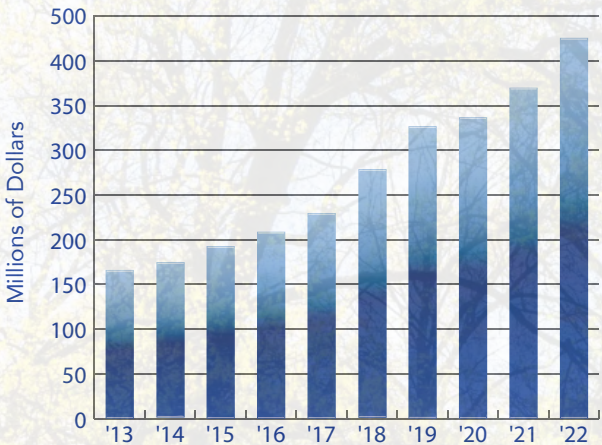
NET WORTH



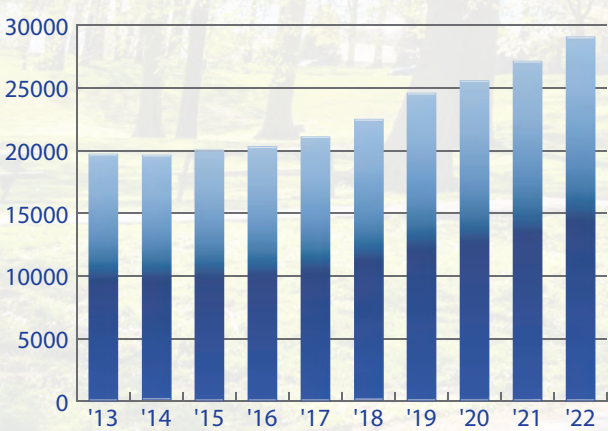
NET INCOME



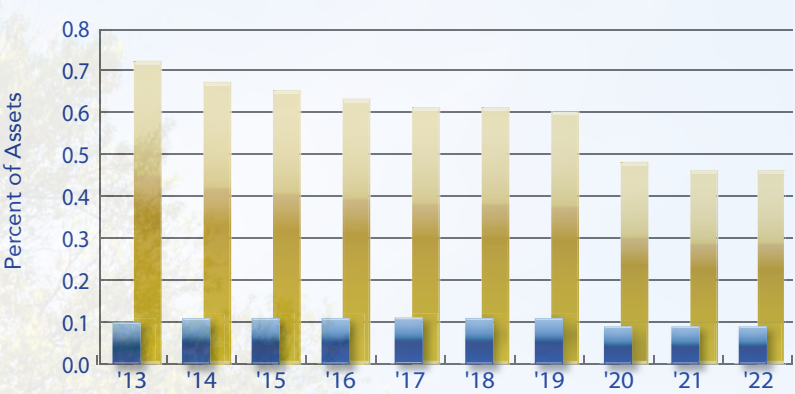
TOTAL LOANS



NUMBER OF MEMBERS



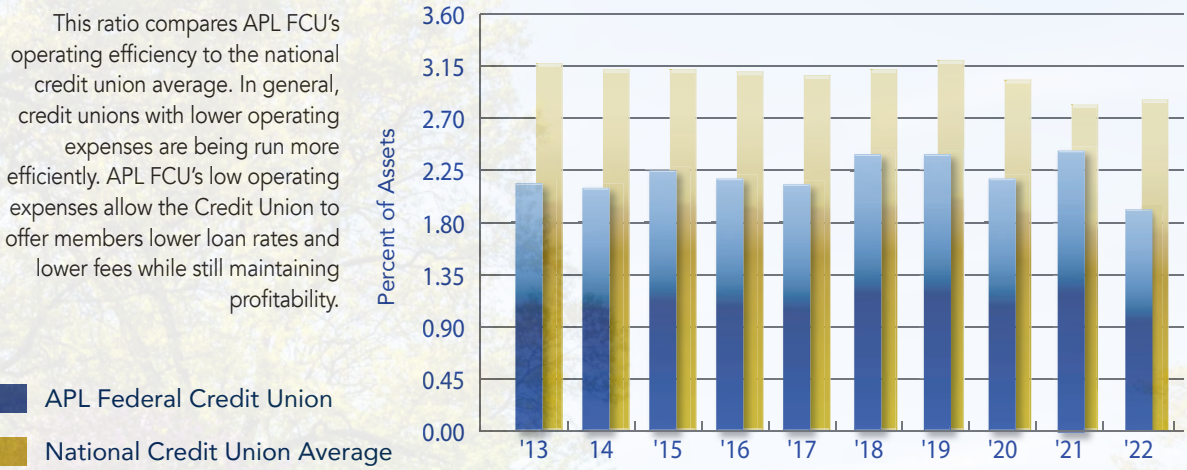
MEMBER FEE INCOME TO AVERAGE ASSETS



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 five 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.



STATEMENT OF FINANCIAL CONDITION

ASSETS	2022	2021
Loans		
Loans to Members - Less Allowance for Loan Losses, and Net Deferred Loan Income	\$454,532,478	\$361,255,682
Loan Notes Receivable	-	-
Loans Net:	\$454,532,478	\$361,255,682
Other Assets		
Accounts Receivable	\$11,211	\$11,211
Cash	1,421,070	1,580,164
Investments	169,774,773	240,255,381
Accrued Income Receivable	1,004,780	686,129
Prepaid Expenses	820,280	463,656
Buildings & Land	8,068,065	8,263,477
Furniture & Equipment	1,023,003	1,109,731
NCUSIF Deposit	5,155,382	4,791,045
Other Assets	2,757,848	2,721,099
Total Assets:	\$644,559,938	\$621,137,575
LIABILITIES AND EQUITY		
Liabilities		
Accounts Payable	\$748,407	\$412,237
Borrowing	30,000,000	
Accrued Expenses	2,768,694	2,030,993
Other Liabilities	832,208	7,056,092
Total Liabilities:	\$34,349,309	\$9,499,322
Equity		
Savings	\$261,347,307	\$256,609,340
Checking	127,108,051	125,406,322
Preferred Money Market	92,476,491	95,097,715
IRA Money Market	5,183,556	5,357,501
IRA Certificates	12,153,645	13,411,552
Certificates of Deposit	64,618,920	61,353,384
Total Shares:	\$562,887,970	\$557,235,814
Reserves		
Regular Reserve	\$2,614,802	\$2,614,802
Undivided Earnings	60,233,566	59,459,506
Net Allowance to Adjust Investments to Fair Value	(15,803,265)	(1,523,468)
Other Comprehensive Income	(41,270)	(6,922,461)
Net Income (Loss)	318,826	774,060
Total Equity:	\$610,210,629	\$611,638,253
Total Liabilities & Equity:	\$644,559,938	\$621,137,575

STATEMENT OF INCOME

OPERATING INCOME	2022	2021
Interest on Loans	\$5,405,176	\$4,502,087
Interest on Real Estate Loans	6,550,708	5,125,896
Net:	\$11,955,884	\$9,627,983
Income From Investments	\$(466,380)	\$3,825,573
Fees and Charges	598,948	550,485
Other Operating Income	2,404,926	2,217,904
Total Operating Income:	\$14,493,926	\$16,221,945
Operating Expenses		
Compensation	\$ 4,788,141	\$4,732,254
Employee/Retiree Benefits	3,028,064	5,536,824
Education & Conference Expenses	115,219	82,542
Association Dues	70,907	54,079
Office Occupancy Expenses	420,161	394,226
Office Operations Expenses	1,896,532	1,706,752
Education & Promotional Expenses	227,011	213,560
Loan Servicing Expenses	519,594	450,008
Professional & Outside Services	1,127,227	954,705
Regulatory Fees	96,359	111,095
Annual Report & Meeting Expenses	3,600	3,600
Miscellaneous Operating Expenses	36,661	41,187
Share Draft Processing Expenses	37,786	45,989
Total Operating Expenses:	\$12,363,662	\$14,323,221
Provision for Loan Losses	\$131,500	\$(4,000)
Interest on Borrowed Money	297,225	-
Non-Operating Gains (Losses)		
Gain (Loss) on Investments	-	-
Gain (Loss) on Disposition of Assets	-	-
Other Non-Operating Income (Expenses)	(28,080)	(7,988)
Total Non-Operating Gains (Losses):	\$(28,080)	\$(7,988)
Income (Loss) Before Dividends	1,672,912	1,894,736
Dividends	(1,354,086)	(1,120,676)
Net Income (Loss):	\$318,826	\$774,060

