



Banking with a
Purpose

Improving Lives Since 1954.

2021 ANNUAL REPORT





David Woodruff

President/CEO



John Tochko

Chair,
Board of Directors



Don Henderson

Chair,
Supervisory Committee



Robert Miller

Treasurer

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Robert Miller, Treasurer

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ASSOCIATE VOLUNTEER

Monica McMellon-Ajayi

DIRECTOR EMERITA

Laura Davis



A MESSAGE FROM OUR PRESIDENT & CHAIRMAN



APL FCU's primary mission is to improve lives and make a positive impact in our community. As a not-for-profit cooperative, we accomplish this mission in two ways: by assisting our members directly and by supporting local charitable organizations on behalf of our members. For the past couple of years this mission has taken on greater importance, as many of our neighbors are dealing with ongoing hardships brought about by the pandemic.

To assist members directly, we once again maintained the lowest fee structure* of any full-service financial institution in the area, while offering some of the best loan rates in town. We also continued to assist members in need through our COVID Relief Initiative, which we launched in 2020. The Initiative includes loan modifications and deferrals, fee waivers and other financial considerations.

To accomplish the second part of our mission, we continued to assist charitable organizations in our community over the past year. This includes ones supporting frontline workers, such as the Howard Hospital Foundation, along with others helping to improve lives throughout the county, including 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.

APL FCU's Board of Directors and management are fully aware that we would not be able to support the organizations making a difference in our community without our members. When you use the Credit Union's products and services, you help generate the funds that allow us to make these valuable contributions.

In 2021 our members opened more than \$137 million in new loans, the highest total in APL FCU's history. This included some of our best totals ever for new Visa cards, mortgages and auto loans. Members also completed almost \$136 million in debit and credit card transactions, which is over \$20 million more than in any previous year.

In addition to the strong loan volume and plastic card usage, our members increased their savings by more than \$66 million for the second straight year, growing the Credit Union's total deposits from \$491 million at year-end 2020 to \$557 million at year-end 2021. This helped raise our total assets from \$554 million to \$621 million over the same period.

In conjunction with our members' contributions, APL FCU's board and staff strive to ensure the continued success of the Credit Union while protecting member assets. In 2021 we maintained a net worth well above regulatory requirements, with an operating expense ratio almost 16% lower than the average credit union in our area.

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.

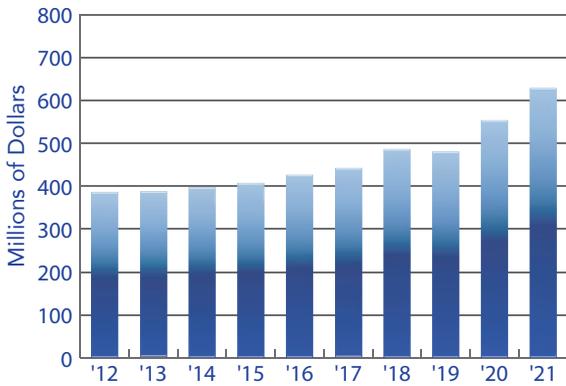


*Based on a comparison of fees/average assets and fees paid per member by Callahan, Inc., a leading provider of data and analytics for the credit union industry.

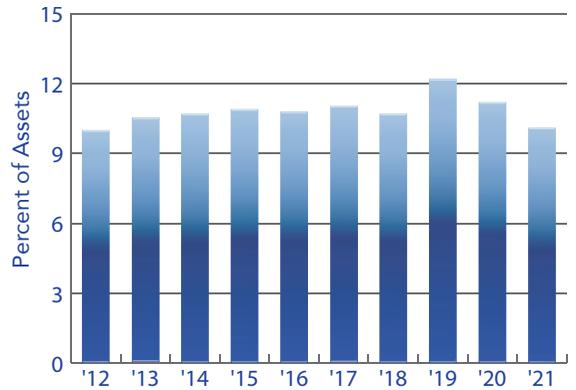
*I've been banking here for more than 20 years.
You cannot beat the rates and I've always had
a positive experience.*

10 - YEAR ANNUAL REPORT DATA

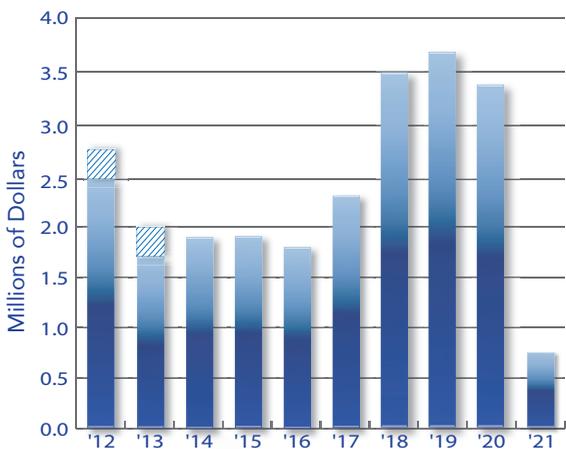
ASSETS



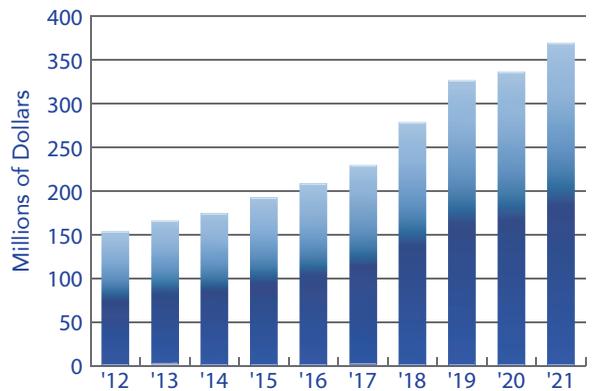
NET WORTH



NET INCOME

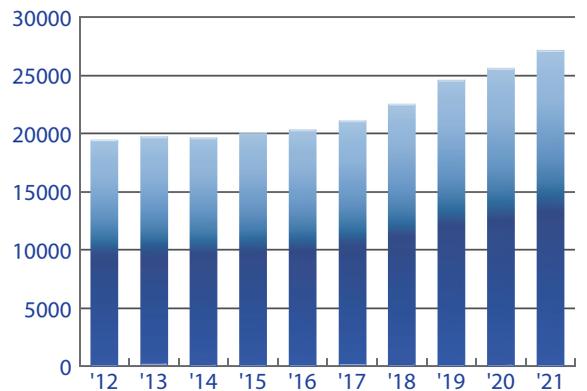


TOTAL LOANS



*2012 and 2013 income shown before and after NCUA Stabilization Expense

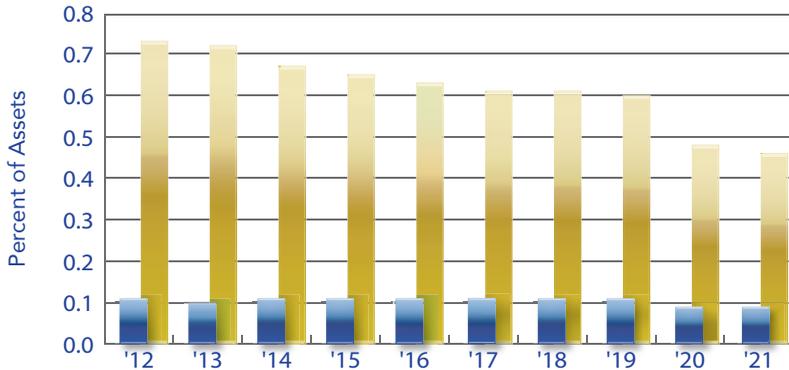
NUMBER OF MEMBERS



I am fortunate that the pandemic has not hurt me financially, but I am proud to be an APL FCU member because of your support for those who have been negatively impacted.



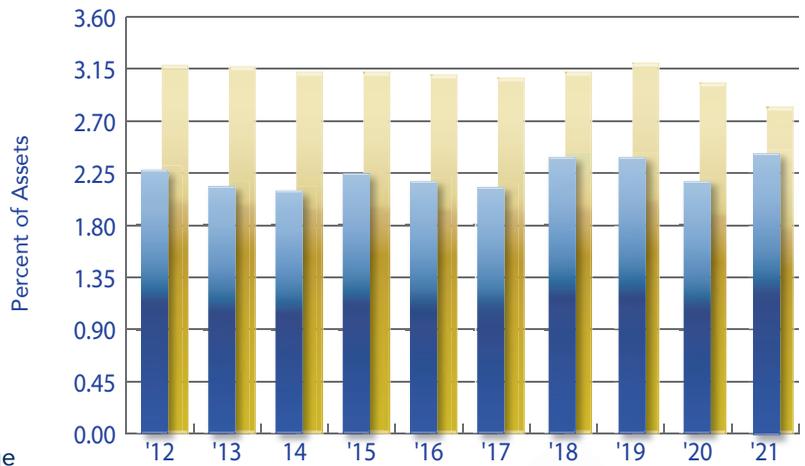
MEMBER FEE INCOME TO AVERAGE ASSETS



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



I started banking with APL FCU as a kid, and now I just got my first auto loan with you. The dealer couldn't believe how low the rate was!

STATEMENT OF FINANCIAL CONDITION

ASSETS	2021	2020
Loans		
Loans to Members - Less Allowance for Loan Losses, and Net Deferred Loan Income	\$361,255,682	\$336,571,051
Loan Notes Receivable	-	-
Loans Net:	\$361,255,682	\$336,571,051
Other Assets		
Accounts Receivable	\$11,211	\$39,177
Cash	1,580,164	1,832,973
Investments	240,255,381	198,416,361
Accrued Income Receivable	686,129	624,433
Prepaid Expenses	463,656	413,464
Buildings & Land	8,263,477	8,458,888
Furniture & Equipment	1,109,731	1,129,742
NCUSIF Deposit	4,791,045	4,278,096
Other Assets	2,721,099	2,671,423
Total Assets:	\$629,401,052	\$554,435,608
LIABILITIES AND EQUITY		
Liabilities		
Accounts Payable	\$412,237	\$390,360
Accrued Expenses	2,030,993	1,355,776
Other Liabilities	7,056,092	9,675,105
Total Liabilities:	\$9,499,322	\$11,421,241
Equity		
Savings	\$256,609,340	\$219,744,197
Checking	125,406,322	105,859,311
Preferred Money Market	95,097,715	86,426,905
IRA Money Market	5,357,501	4,525,889
IRA Certificates	13,411,552	13,172,734
Certificates of Deposit	61,353,384	61,247,115
Total Shares:	\$557,235,814	\$490,976,151
Reserves		
Regular Reserve	\$2,614,802	\$2,614,802
Undivided Earnings	59,459,506	56,095,503
Net Allowance to Adjust Investments to Fair Value	(1,523,468)	1,187,364
Other Comprehensive Income	(6,922,461)	(11,223,455)
Net Income (Loss)	774,060	3,364,002
Total Equity:	\$611,638,253	\$543,014,367
Total Liabilities & Equity:	\$621,137,575	\$554,435,608

I love the money I save with APL FCU, but the support you provide to organizations in our community is what makes me proud to be a member.

STATEMENT OF INCOME



OPERATING INCOME	2021	2020
Interest on Loans	\$4,502,087	\$4,491,644
Interest on Real Estate Loans	5,125,896	5,463,357
Net:	\$9,627,983	\$9,955,001
Income From Investments	\$3,825,573	\$4,435,120
Fees and Charges	550,485	482,623
Other Operating Income	2,217,904	1,695,917
Total Operating Income:	\$16,221,945	\$16,568,661
Operating Expenses		
Compensation	\$ 4,732,254	\$4,706,375
Employee/Retiree Benefits	5,536,824	2,892,963
Education & Conference Expenses	82,542	45,538
Association Dues	54,079	36,678
Office Occupancy Expenses	394,226	388,437
Office Operations Expenses	1,706,752	1,558,166
Education & Promotional Expenses	213,560	220,046
Loan Servicing Expenses	450,008	429,632
Professional & Outside Services	954,705	786,679
Regulatory Fees	111,095	131,022
Annual Report & Meeting Expenses	3,600	3,600
Miscellaneous Operating Expenses	37,587	57,427
Share Draft Processing Expenses	45,989	38,107
Total Operating Expenses:	\$14,323,221	\$11,294,670
Provision for Loan Losses	\$(4,000)	\$(6,350)
Interest on Borrowed Money	-	-
Non-Operating Gains (Losses)		
Gain (Loss) on Investments	-	(304,802)
Gain (Loss) on Disposition of Assets	-	-
Other Non-Operating Income (Expenses)	(7,988)	(12,071)
Total Non-Operating Gains (Losses):	\$7,988	\$(316,873)
Income (Loss) Before Dividends	1,894,736	4,963,468
Dividends	(1,120,676)	(1,599,466)
Net Income (Loss):	\$774,060	\$3,364,002





aplfcu.org

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