

CELEBRATING 70 YEARS

2024



Alice Mault
Chair, Board of Directors



David Woodruff
President/CEO

BOARD OF DIRECTORS

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Brian O'Connor, Treasurer
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Nadine Bernard, Director
Cory Case, Director
Illysa Izenberg, Director
Robert Miller, Director
John Tochko, Director

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Cory Case
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Peter Meoli
Adam Stetser

DIRECTORS EMERITAE

Karen Brown
Sarah Cooke
Laura Davis

ANNUAL REPORT

STATE OF THE CREDIT UNION

APL Federal Credit Union's Board of Directors is pleased to announce another successful year for the Credit Union. After completing two major conversions in September 2023 to improve our plastic card program and our online/mobile banking platform, we embarked on a major upgrade to our core banking system in 2024.

This one-year project kicked off in March, with a scheduled go-live date of April 1, 2025. Although the upgrade will not be as visible to our members as the two 2023 conversions, it moves us to a more modern platform that will allow our staff to operate more effectively, while providing a robust and secure system to serve our members' needs as we continue to grow.

In addition to the major system upgrade, we added several new enhancements for our members during the past year. This includes multiple new security features to keep our members' assets safe, a new financial education platform to assist members with their financial well-being, and a security education and awareness program to help members avoid online scams and cybersecurity threats.

We continue to operate in a safe and sound manner, confirmed by our external and internal audits throughout the year. As in past years, we perform at a high level of operational efficiency. Our operating expense ratio, which was the 2nd lowest out of 30 peer credit unions in our area, is more than 30% lower than the national credit union average.

We also continue to provide value to our members with some of the lowest fees you will find anywhere. Year in and year out, we maintain the lowest fee ratio of any full-service financial institution in the area*. In 2024, our peer institutions charged almost five times more in fees than APL FCU.

And finally, we are happy to report that we were selected as the "Best Bank/Credit Union" in Howard Magazine's Best of Howard County poll for a 7th straight year.

On behalf of the Credit Union's volunteers and staff, we thank you for being an APL FCU member.

Alice Mault,
Board Chair

David Woodruff,
President/CEO

*Based on a comparison of fees/average assets of full-service financial institutions in the Howard County area. Courtesy of Callahan and Associates, Inc., a leading provider of data and analytics for the credit union industry.

2024 Financial Statement

STATEMENT OF FINANCIAL CONDITION

ASSETS

Loans

Loans to Members - Less	
Allowance for Loan Losses, and	
Net Deferred Loan	
Income	\$ 443,708,114

Loan Notes Receivable	-
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Loans Net:	<u>\$ 443,708,114</u>
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Other Assets

Accounts Receivable	\$ 157,107
Cash	1,476,774
Investments	172,513,734
Accrued Income Receivable	1,494,007
Prepaid Expenses	1,073,565
Buildings & Land	7,677,240
Furniture & Equipment	2,865,283
NCUSIF Deposit	5,089,372
Other Assets	4,616,334

Total Assets:	<u>\$ 640,671,530</u>
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LIABILITIES AND EQUITY

Liabilities

Accounts Payable	\$ 238,317
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Borrowing	-
Accrued Expenses	3,956,357
Other Liabilities	453,261

Total Liabilities:	<u>\$ 4,647,935</u>
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Equity

Savings	\$ 218, 834,776
Checking	117,965,951
Preferred Money Market	72,240,616
IRA Money Market	4,387,121
IRA Certificates	13,810,656
Certificates of Deposit	145,977,437

Total Shares:	<u>\$ 573,216,557</u>
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Reserves

Regular Reserves	-
Undivided Earnings	\$ 66,726,399
Net Allowance to Adjust Investments to Fair Value	(9,955,069)
Other Comprehensive Income	687,537

Net Income (Loss)	5,348,170
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Total Equity:	<u>\$ 636,023,594</u>
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Total Liabilities & Equity:	<u>\$ 640,671,530</u>
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STATEMENT OF INCOME

OPERATING INCOME

Interest on Loans	\$ 9,175,089
Interest on Real Estate Loans	10,351,258

Net:	<u>\$ 19,526,347</u>
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Income From Investments	5,622,572
Fees and Charges	615,605
Other Operating Income	2,267,208

Total Operating Income:	<u>\$ 28,031,732</u>
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OPERATING EXPENSES

Compensation	\$ 6,031,352
Employee/Retiree Benefits	2,831,280
Education & Conference Expenses	153,082
Association Dues	80,381
Office Occupancy Expenses	431,397
Office Operations Expenses	2,489,311
Education & Promotional Expenses	237,489
Loan Servicing Expenses	656,441
Professional & Outside Services	1,421,407
Regulatory Fees	121,175
Miscellaneous Operating Expenses	54,135
Share Draft Processing Expenses	29,497

Total Operating Expenses:	<u>\$ 14,536,947</u>
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Provision for Loan Losses	\$ 558,902
Interest on Borrowed Money	242,846

NON-OPERATING GAINS (LOSSES)

Gain (Loss) on Investments	-
Gain (Loss) on Disposition of Assets	-
Other Non-Operating Income (Expenses)	(44,660)

Total Non-Operating Gains (Losses):	<u>\$ (44,660)</u>
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Income (Loss) Before Dividends	\$ 12,648,378
Dividends	\$ (7,300,207)

Net Income (Loss):	<u>\$ 5,348,171</u>
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