TWENTY FIFTEEN

Annual Report

AMERICU CREDIT UNION
65
CELEBRATING YEARS OF SERVICE

AmeriCU
CREDIT UNION

Federally insured by NCUA

TABLE OF CONTENTS

PRESIDENT'S MESSAGE

2015: Building the New

In 2000, author Malcolm Gladwell changed the way many of us think about…well, change. In his best-selling book The Tipping Point, Gladwell presented a new way of understanding why change so often seems to happen quickly and unexpectedly. He examined and defined a particular moment, "the moment of critical mass, the threshold, the boiling point," when a series of barely noticeable, incremental changes suddenly "tips the scales" – and change becomes both self-evident and exponential.

AmeriCU is in the midst of such a tipping point. While the Credit Union has grown steadily over the past decade, in 2014 we saw that we would soon outgrow many of the strategies, systems, processes, and organizational structures which had served us so well in the past. The scales would soon "tip" and the time had come to build something new.

To capitalize on this opportunity and better position the organization for future growth, AmeriCU expanded and enhanced our senior leadership team with the addition of Ms. Lisa Malone as Chief Lending Officer (CLO) and Mr. Vincent Schoonmaker as Chief Information Officer (CIO). The addition of these two positions, and the experience and expertise that Ms. Malone and Mr. Schoonmaker bring, ensure that AmeriCU is poised to face the challenges presented by an ever-changing financial services industry.

> **"THE SECRET OF CHANGE IS TO FOCUS ALL OF YOUR ENERGY, NOT ON FIGHTING THE OLD, BUT ON BUILDING THE NEW."**
> **- SOCRATES**

Numerous other transformations took place throughout the Credit Union in 2015, the most significant in the Lending division, with an immediate, positive impact on performance. The Commercial Lending, Real Estate, and Loan Workout and Recovery Departments were restructured, and many of AmeriCU's lending guidelines, processes, procedures, products, and rates were substantially modified, with outstanding results.

In 2015, Commercial Lending originated $7.1M in loans and lines of credit to our business members, an increase of 2.4% over 2014. In Real Estate Lending, home equity originations increased by 50.9% over the prior year to $110.2M. AmeriCU also originated $76.6M in first mortgages. In vehicle lending, AmeriCU enjoyed the best year in our history, originating $250.5M in auto loans, more than double (105%) our 2014 performance. Other types of consumer loan originations increased 54.7% to $119.4M. Our 2015 success in consumer lending was due largely to two major factors. First, by changing some of the underwriting policies and rates on these products, we increased originations on motorcycle, RV, and marine loans by 67.7% from $5.4M in 2014 to $9.1M in 2015. Second, late in the third quarter, we made major changes to our credit card offerings. We completed a credit line increase and grandfathered our existing non-variable rate credit cards, while simultaneously introducing two new variable rate credit cards which improved the competitiveness of our rewards program. These actions resulted in credit card originations of $52.4M, an increase of $3.2M or 6.5% over 2014.

As with all areas of financial services, lending is increasingly being driven and shaped by technology. Therefore, AmeriCU took on several major technological initiatives in 2015. In lending, AmeriCU introduced EMV technology for our credit card products. EMV (an acronym for Europay, MasterCard, Visa) is the world's new standard for ensuring interoperability between chip-based payment cards, (aka smart cards) and terminals. AmeriCU plans to introduce EMV on our debit card platform in 2016. We also enhanced our online loan application process to give members an instant decision on their applications, a crucial tool for AmeriCU to meet the needs of members.

AmeriCU continued to experience substantial growth in usage of our online + mobile banking platform, which was completely redesigned in Q4 2014. As of the end of 2015, almost 50% of our members were actively using online + mobile banking. Consumers are increasingly turning to their mobile devices to help them with all aspects of life management, and financial services are clearly no exception! To that end, AmeriCU launched a new website in late 2015, which features a responsive design that is clean, intuitive, and easy to navigate from any device. In 2015, AmeriCU began working to offer mobile wallet solutions to our members and was among the first credit unions to offer Apple Pay. We plan to introduce Android Pay in 2016 and continue to evaluate other mobile wallet solutions as well.

As we innovate for our future, we do so with an eye to preserving the foundation that has made AmeriCU so successful: outstanding member service. To ensure that we are achieving this goal, each year AmeriCU partners with Deluxe/CSP to measure overall member satisfaction through "mystery shoppers" – actual members who evaluate their experience. We benchmark our performance against 30+ large financial institutions across the country. Our goal is to achieve a minimum score of 94 ("highly satisfied"), based on the industry's top performers. In 2015, we are pleased to report that our average score was 97.2.

In no small part, member satisfaction is influenced by AmeriCU's dedication to the communities we serve. Corporate citizenship is part of our promise and who we are as an organization. In 2015, we continued to support nearly 80 charitable organizations throughout our footprint through time, talent, and fundraising. For our continued dedication to our communities, AmeriCU was honored by CenterState CEO as 2015 Business of the Year, Community Involvement. In addition, we received the Dejardins Adult Financial Literacy Award from the New York Credit Union Association for our work with the faculty, staff, and students of Onondaga Community College.

Our continued visibility in our communities helped us build relationships and loyalty, and grow our membership, deposits, and service businesses. Membership grew by 5.7% to 110,962 members, who held more than $1.13B in shares by the end of 2015. In addition, our members continued to turn to AmeriCU for insurance and retirement planning services. AmeriCU Services, LLC experienced growth of 5% in 2015 and, as of year-end, held 3,276 consumer insurance policies - including auto, motorcycle, homeowners, renters, disability and long-term care - for $3.2M in premium, and 197 commercial insurance policies for $874.7K in premium. AmeriCU Capital Management's member retirement business grew by 5% in 2015 to 760 clients with more than $147M in assets under management.

As our membership has grown, so too has our family of truly outstanding and dedicated employees. As we grow, it is imperative that we foster a culture of learning and ensure that our staff has ample opportunities to develop and advance. Therefore, AmeriCU launched an ambitious Succession and Development Planning Program in 2015. We believe that there is no single more important action we can take than to invest in our people if we are to build a world-class financial institution. Our employees tend to agree, as AmeriCU was again named a Best Place to Work in New York State for 2016 by the Best Companies Group. This award evaluates and ranks the best places of employment based on an employee survey measuring satisfaction and engagement, as well as workplace practices and policies.

As Mr. Gladwell eloquently stated, "Truly successful decision-making relies on a balance between deliberate and instinctive thinking." Our instincts told us a tipping point was on the horizon for AmeriCU. So, in 2015 and through the foreseeable future, we have deliberately begun building something new. With the many innovations and changes we have made, and will continue to make, we hope to strengthen the foundation on which we have built our success for more than 65 years, and we look forward to the positive effects of these actions on AmeriCU Credit Union long into the future.

John A. Stevenson

John A. Stevenson
Chairman of the Board

Mark Pfisterer

Mark Pfisterer
President and CEO
AmeriCU Credit Union

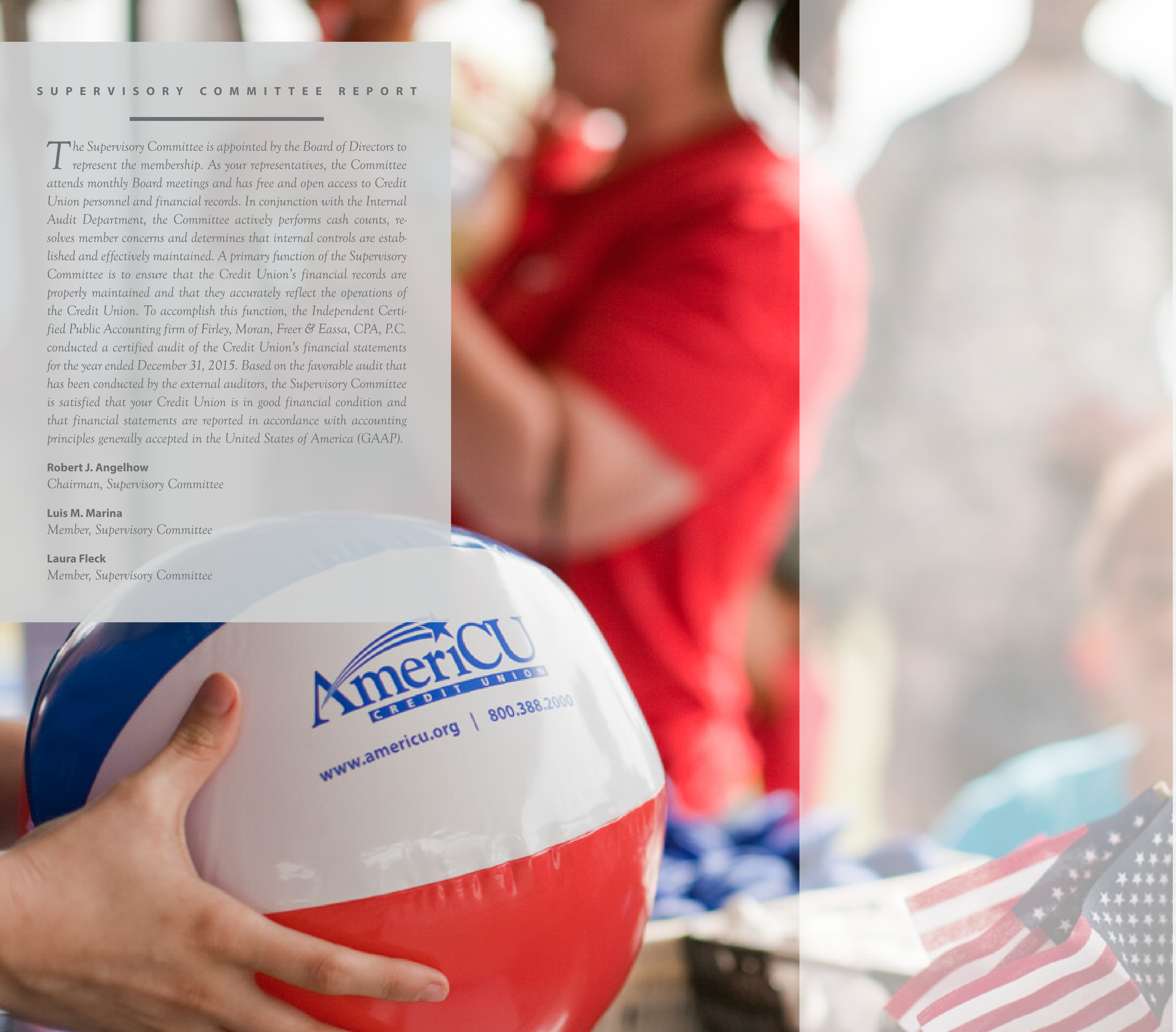
SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is appointed by the Board of Directors to represent the membership. As your representatives, the Committee attends monthly Board meetings and has free and open access to Credit Union personnel and financial records. In conjunction with the Internal Audit Department, the Committee actively performs cash counts, resolves member concerns and determines that internal controls are established and effectively maintained. A primary function of the Supervisory Committee is to ensure that the Credit Union's financial records are properly maintained and that they accurately reflect the operations of the Credit Union. To accomplish this function, the Independent Certified Public Accounting firm of Firley, Moran, Freer & Eassa, CPA, P.C. conducted a certified audit of the Credit Union's financial statements for the year ended December 31, 2015. Based on the favorable audit that has been conducted by the external auditors, the Supervisory Committee is satisfied that your Credit Union is in good financial condition and that financial statements are reported in accordance with accounting principles generally accepted in the United States of America (GAAP).

Robert J. Angelhow
Chairman, Supervisory Committee

Luis M. Marina
Member, Supervisory Committee

Laura Fleck
Member, Supervisory Committee



AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

AmeriCU Credit Union and Subsidiaries
DECEMBER 31, 2015 AND 2014

Audited Consolidated Financial Statements:

Other Financial Information:

Firley, Moran, Freer & Eassa, CPA, P.C.
5010 Campuswood Drive • East Syracuse, New York 13057
TEL: 315.472.7045 • **FAX:** 315.472.7053 • **www.fmfecpa.com**

INDEPENDENT AUDITOR'S REPORT

To the Supervisory Committee and Board of Directors
AmeriCU Credit Union
Rome, New York

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of AmeriCU Credit Union and Subsidiaries which comprise the consolidated statements of financial condition as of December 31, 2015 and 2014, and the related consolidated statements of income, comprehensive income, members' equity and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AmeriCU Credit Union and Subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Firley, Moran, Freer & Eassa, CPA, P.C.

East Syracuse, New York
February 26, 2016

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CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

AmeriCU Credit Union and Subsidiaries

	December 31, 2015	December 31, 2014
Assets		
Cash and cash equivalents	$ 47,341,158	$ 139,439,092
Deposits at corporate credit union	175,211	175,105
Investments–available for sale	16,989,239	30,881
Loans to members, net of allowance for loan losses	1,181,675,871	1,048,878,554
Loans held for sale	2,936,306	1,715,012
Accrued interest receivable	3,592,577	2,931,224
Property and equipment, net	31,632,901	31,960,614
Other assets	48,795,950	38,627,743
Total assets	$ 1,333,139,213	$ 1,263,758,225
Liabilities And Members' Equity		
Liabilities		
Members' share accounts	$ 1,144,894,044	$ 1,134,298,869
Borrowed funds	51,000,000	-0-
Accounts payable and accrued liabilities	12,330,541	12,201,435
Total liabilities	1,208,224,585	1,146,500,304
Members' equity	124,914,628	117,257,921
Total liabilities and members' equity	$ 1,333,139,213	$ 1,263,758,225

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENTS OF INCOME

AmeriCU Credit Union and Subsidiaries

	Year ended December 31, 2015	2014
Interest income:		
Interest on loans	$44,835,064	$43,467,163
Interest on investments and cash equivalents	677,404	355,463
	45,512,468	43,822,626
Interest expense:		
Dividends	7,830,990	9,457,925
Borrowed funds	47,440	-0-
	7,878,430	9,457,925
NET INTEREST INCOME	37,634,038	34,364,701
Provision for loan losses	4,263,907	2,059,465
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	33,370,131	32,305,236
Non-interest income:		
Fees, service charges and other income	17,553,548	19,749,560
Gain on sales of loans	1,613,372	1,262,166
	19,166,920	21,011,726
Non-interest expense:		
Compensation and benefits	20,792,002	19,342,101
Office occupancy and operations	16,400,057	15,307,559
Professional services	4,565,248	4,676,543
Membership services, promotions and other	2,467,289	2,172,346
	44,224,596	41,498,549
Net income	$ 8,312,455	$ 11,818,413

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

AmeriCU Credit Union and Subsidiaries

	Year ended December 31, 2015	2014
Net income	$ 8,312,455	$ 11,818,413
Other comprehensive loss:		
Unrealized holding loss on investments arising during the year	(655,748)	(389)
Other comprehensive loss	(655,748)	(389)
Total comprehensive income	$ 7,656,707	$ 11,818,024

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

AmeriCU Credit Union and Subsidiaries

	Regular Reserve	Appropriated Undivided Earnings	Undivided Earnings	Accumulated Other Comprehensive (Loss) Income	Total
Balances at December 31, 2013	$ 25,722,824	$ 200,000	$ 79,515,440	$ 1,633	$ 105,439,897
Net income			11,818,413		11,818,413
Other comprehensive loss				(389)	(389)
Balances at December 31, 2014	25,722,824	200,000	91,333,853	1,244	117,257,921
Net income			8,312,455		8,312,455
Other comprehensive loss				(655,748)	(655,748)
Balances at December 31, 2015	$ 25,722,824	$ 200,000	$ 99,646,308	$ (654,504)	$ 124,914,628

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENTS OF CASH FLOWS

AmeriCU Credit Union and Subsidiaries

	Year ended December 31, 2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 8,312,455	$ 11,818,413
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Provision for loan losses	4,263,907	2,059,465
Provision for losses on other real estate owned	248,482	155,254
Depreciation and amortization	2,910,021	2,828,670
Gain on sales of loans	(1,613,372)	(1,262,166)
Gain on sales of property and equipment	(93,279)	-0-
Gain on sales of investments	(12,835)	-0-
Loss on sales of other real estate owned, net	908,096	176,370
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
Loans held for sale	(1,221,294)	(839,653)
Accrued interest receivable	(661,353)	117,721
Other assets	(12,985,765)	1,265,293
Accounts payable and accrued liabilities	936,311	(1,403,626)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 991,374	$ 14,915,741

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENTS OF CASH FLOWS--CONTINUED

AmeriCU Credit Union and Subsidiaries

	Year ended December 31, 2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in deposits at corporate credit unions	$ (106)	$ -0-
Purchases of investments-available for sale	(20,206,977)	-0-
Proceeds from sales of investments-available for sale	2,605,706	-0-
Loan originations, net of principal collected	(186,412,242)	(24,381,495)
Proceeds from loans sold	50,028,906	49,860,682
Proceeds from sales of other real estate owned	1,789,259	943,692
Purchases of property and equipment	(2,681,708)	(5,687,763)
Proceeds from sales of property and equipment	192,679	-0-
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(154,684,483)	20,735,116
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in members' share accounts	10,595,175	(9,718,736)
Increase in borrowed funds	51,000,000	-0-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	61,595,175	(9,718,736)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(92,097,934)	25,932,121
Cash and cash equivalents at beginning of year	139,439,092	113,506,971
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 47,341,158	$139,439,092
SUPPLEMENTAL DISCLOSURES		
Dividends paid on members' share accounts	$ 7,830,990	$ 9,457,925
Transfer of loans to other real estate owned	$ 935,484	$ 1,839,243
Interest on borrowed funds	$ 47,440	$ -0-
NON-CASH INVESTING ACTIVITIES		
Unrealized holding losses on investments-available for sale arising during the period, net	$ (655,748)	$ (389)

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AmeriCU Credit Union and Subsidiaries
December 31, 2015 and 2014

NOTE A
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business:

AmeriCU Credit Union (AmeriCU or the Credit Union) is a state chartered cooperative association organized in accordance with the provisions of the State of New York and is administratively responsible to the New York State Department of Financial Services. It promotes thrift among, and creates a source of credit for, its members located in the New York State counties of Oneida, Onondaga, Cayuga, Madison, Jefferson, Oswego, Lewis and Herkimer.

Principles of Consolidation:

The consolidated financial statements include the accounts of AmeriCU and its wholly owned subsidiaries, Hamilton Associates, Inc., AmeriCU Services, LLC and AmeriCU Capital Management, LLC. These subsidiaries are credit union organizations (collectively the CUOs) incorporated and organized for the primary purpose of providing services to AmeriCU's members. These services include electronic tax filing, insurance and investment services. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

Significant Accounting Policies:

The Credit Union and its subsidiaries follow the accounting standards set by the Financial Accounting Standards Board (FASB). The FASB establishes accounting principles generally accepted in the United States of America (GAAP) that are followed to ensure consistent reporting of the financial condition, results of operations and cash flows of the Credit Union and its subsidiaries. References to GAAP issued by the FASB in these notes are to the FASB Accounting Standards Codification (the Codification or FASB ASC).

Use of Estimates:

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents:

For the purpose of the consolidated statements of cash flows, cash and cash equivalents includes cash on hand, certain operating bank account balances and money market funds. Amounts held on deposit with other financial institutions may, at times, exceed federally insured limits.

Investments:

The Credit Union is required to categorize each investment as either held to maturity, available for sale, or trading. At December 31, 2015 and 2014, the Credit Union did not maintain an investment trading or held to maturity portfolio. Securities not classified as held to maturity or trading are classified as available for sale and recorded at fair value, with unrealized gains and losses excluded from earnings and reported as other comprehensive income or loss.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Declines in the fair value of available for sale securities below their cost that are deemed to be other than temporary are reflected in earnings as realized losses. In estimating other than temporary impairment losses, management considers (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, (3) the current liquidity and volatility of the market for each of the individual security categories, (4) the projected cash flows from the specific security type, (5) the financial guarantee and financial rating of the issuer, and (6) the intent and ability of the Credit Union to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. There are no other than temporary impairment losses at December 31, 2015 or 2014. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Loans to Members:

Loans receivable that the Credit Union has the intent and ability to hold for the foreseeable future are stated at unpaid principal balances, less an allowance for loan losses. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

The accrual of interest on loans is discontinued at the time the loan is 90 days delinquent unless the credit is well-secured and in process of collection. Credit card loans and other personal loans are typically charged-off no later than 120 days past due. Past due status is based on contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged-off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged-off is reversed against interest income. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Certain direct origination costs are deferred and recognized as an adjustment to interest income using the sum of the years digits method over the weighted average life of the loans.

Allowance for Loan Losses:

The allowance for loan losses is established, as losses are estimated to have occurred, through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. Because of uncertainties inherent in the estimation process, management's estimate of loan losses within the loan portfolio and the related allowance may change in the near term. However, the amount of the change that is reasonably possible, if any, cannot be estimated.

The allowance consists of specific, general and unallocated components. Specific allowances for loan losses are established for impaired loans on an individual basis as required by the Codification. The general component is based on historical loss experience adjusted for qualitative factors. An unallocated component is maintained to cover uncertainties that could affect management's estimate of probable losses.

A loan is considered impaired when, based on current information and events, it is probable that the Credit Union will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan by loan basis as determined by the fair value of the collateral.

Generally, large groups of smaller balance homogeneous loans are collectively evaluated for impairment. Accordingly, the Credit Union does not separately identify individual consumer and residential loans for impairment disclosures unless such loans are the subject of a restructuring agreement.

Loan Servicing:

Servicing assets are recognized as separate assets when servicing rights are retained as mortgage loans are sold. When sold, a portion of the basis in the mortgage loan is allocated to the servicing right based on relative fair value. Fair value is based on market prices for comparable loan servicing contracts, when available, or alternatively, is based on a valuation model that calculates the present value of estimated future net servicing income. The valuation model incorporates assumptions that market participants would use in estimating future net servicing income, such *as the cost to service, the discount rate, the custodial earnings rate, an inflation rate, ancillary income, prepayment speeds and default rates and losses. Capitalized servicing rights are reported in other assets and are amortized into non-interest income in proportion to, and over the period of, the estimated future net servicing income of the underlying financial assets.*

Servicing fee income is recognized for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal, or a fixed amount per loan and are recorded as income when earned. The amortization of loan servicing rights is netted against loan servicing fee income.

Servicing assets are evaluated for impairment based upon the fair value of the rights as compared to amortized cost. Impairment is recognized through a valuation allowance to the extent that fair value is less than the capitalized amount. If the Credit Union later determines that all or a portion of the impairment no longer exists, a reduction of the allowance may be recorded as an increase to income.

Troubled Debt Restructurings:

The Credit Union performs a loan-level valuation of those loans identified by the Credit Union as troubled debt restructurings. The Credit Union believes that each loan included in the analysis constitutes a troubled debt restructuring when, prior to the restructuring, the borrower experiences financial difficulty and, in response, the Credit Union grants a concession to the borrower, such as a reduction of interest rate, extension of the loan term or other concession that the Credit Union would not otherwise consider.

The Credit Union estimates the impairment of the troubled debt restructured loan portfolio by discounting expected cash flows of the restructured loans at the original interest rate. If applicable, the identified impairment amount would then be reserved for as part of the allowance for loan loss account.

Loans Held for Sale:

Loans held for sale are those mortgage loans the Credit Union has the intent to sell in the foreseeable future. They are carried at the lower of aggregate cost or market value. Net unrealized losses, if any, are recognized through a valuation allowance by charges to non-interest income. Gains and losses on sales of mortgage loans are recognized at settlement dates and are determined by the difference between the sales proceeds and the carrying value of the loans after allocating cost to servicing rights retained. All sales are made without recourse subject to the customary representations and warrantees.

Foreclosed and Repossessed Assets:

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in non-interest expense.

Property and Equipment:

Land is carried at cost. Buildings, leasehold improvements, furniture, fixtures, and equipment are carried at cost, less accumulated depreciation and amortization. Buildings, furniture, fixtures, and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. The cost of leasehold improvements is amortized using the straight-line method over the terms of the related leases.

National Credit Union Share Insurance Fund Deposit and Assessments:

The deposit in the National Credit Union Share Insurance Fund (NCUSIF) is in accordance with the National Credit Union Administration (NCUA) regulations, which require the maintenance of a deposit by each federally insured credit union in an amount equal to one percent of insured shares. The deposit would be refunded to the Credit Union if its insurance coverage is terminated, if it obtains insurance coverage from another source, or the operations of the fund are transferred from the NCUA Board.

Legislation was passed by Congress to permit the NCUA to create a Temporary Corporate Credit Union Stabilization Fund (TCCUSF) to absorb costs and borrowings incurred by the TCCUSF related to the collapse of various corporate credit unions.

The Credit Union recognizes NCUSIF premiums and TCCUSF assessments when approved by the NCUA. During the years ended December 31, 2015 and 2014, there were no NCUSIF premiums due or TCCUSF assessments recognized by the Credit Union.

Members' Share Accounts:

Members' share accounts are subordinated to all other liabilities of the Credit Union upon liquidation. However, in the event of liquidation, their accounts are insured in accordance with NCUA regulations through the NCUSIF. Dividends on members' shares are based on available earnings at the end of a dividend period and are not guaranteed by the Credit Union. Dividend rates on members' share accounts are set by the Board of Directors, based on an evaluation of current and future market conditions.

Members' Equity:

The Credit Union is required by regulation to maintain a statutory reserve. This reserve, which represents a regulatory restriction of undivided earnings, is not available for the payment of dividends. The appropriated undivided earnings was established at the discretion of the Board of Directors and is not available for the payment of dividends.

Advertising Costs:

The Credit Union follows the policy of expensing its advertising costs (including any production costs) as incurred. Advertising expense was approximately $1,686,000 and $1,485,000 for the years ended December 31, 2015 and 2014, respectively.

Income Taxes:

The Credit Union is exempt, by statute, from federal and state income taxes. The Credit Union's subsidiary, Hamilton Associates, Inc., is a C corporation and is subject to federal and state income taxes. Its other CUOs are each limited liability companies and are disregarded as separate tax entities. Operations of the CUOs resulted in immaterial amounts of income tax expense in 2015 and 2014.

The Credit Union is a state-chartered credit union described in Internal Revenue Code (IRC) Section 501(c)(14). As such, the Credit Union is exempt from federal taxation of income derived from the performance of activities that are in furtherance of its exempt purpose. The Credit Union continually assesses its activities for any potential federal or state income tax liability. In the opinion of management, any liability arising from federal or state taxation of activities deemed to be unrelated to its exempt purposes is not expected to have a material effect on the Credit Union's financial position or results of operation. The Credit Union annually files federal and state unrelated business income tax (UBIT) returns. Amounts of UBIT tax from the performance of activities unrelated to the Credit Union's tax exempt function resulted in immaterial amounts of tax expense in 2015 and 2014.

The Credit Union complies with FASB ASC Topic 740-10, "Accounting for Uncertainty in Income Taxes", which clarifies the accounting for uncertainty in income taxes. There was no impact to the accompanying consolidated financial statements attributable to this ASC for the years ended December 31, 2015 and 2014.

The Credit Union is potentially subject to income tax examinations for its U.S. federal and state income taxes for the years 2012 through 2015.

Events Occurring After Reporting Date:

The Credit Union has evaluated events and transactions that occurred between December 31, 2015 and February 26, 2016, which is the date the consolidated financial statements were available to be issued, for possible disclosure and recognition in the consolidated financial statements. There were no such events or transactions identified by the Credit Union.

Reclassifications:

Certain amounts in the 2014 consolidated financial statements have been reclassified to conform to the 2015 presentation. There was no impact on members' equity or net income as a result of these reclassifications.

NOTE B
DEPOSITS AT CORPORATE CREDIT UNION

Credit unions that are participating in corporate credit unions acquire membership privileges by maintaining a deposit with a corporate credit union. The Credit Union is a member of, and transacts business with, Alloya Corporate Federal Credit Union (Alloya). Deposits at Alloya consist of the following:

	December 31, 2015	December 31, 2014
PLATEAU AND MONEY MARKET ACCOUNTS	$ 211	$ 105
PERPETUAL CONTRIBUTED CAPITAL	175,000	175,000
	$ 175,211	$ 175,105

Perpetual Contributed Capital:

The Credit Union maintains a capital deposit with Alloya in a perpetual contributed capital account. The deposit allows the Credit Union to participate as a member of the corporate credit union. The deposit is uninsured and requires approval by the corporate credit union prior to withdrawal. The perpetual contributed capital account of a corporate credit union is subordinate to all other liabilities of a corporate credit union.

NOTE C
INVESTMENTS--AVAILABLE FOR SALE

The amortized cost and estimated fair value of investments-available for sale are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	AT DECEMBER 31, 2015			
Common stocks - TBPF Program	$4,638,301	$ 154,780	$ 209,201	$ 4,583,880
Real estate investment trusts - TBPF Program	917,588	9,125	56,942	869,771
Mutual funds - TBPF Program	6,096,000	-0-	250,857	5,845,143
Exchange traded funds - TBPF Program	5,970,308	-0-	302,274	5,668,034
Mortgage-backed securities	21,546	865	-0-	22,411
	$ 17,643,743	$ 164,770	$ 819,274	$ 16,989,239
	AT DECEMBER 31, 2014			
Mortgage-backed securities	$ 29,637	$ 1,244	$ -0-	$ 30,881

The Credit Union does not intend to sell the investments and it is not more likely than not that the Credit Union will be required to sell the investments prior to their anticipated recovery of the unrealized losses and, the Credit Union believes the decline in fair value for these securities to be temporary. Should the impairment of any of these securities become other than temporary, the cost basis of the investment would be reduced and the resulting loss recognized in net income in the period in which the other than temporary impairment is identified.

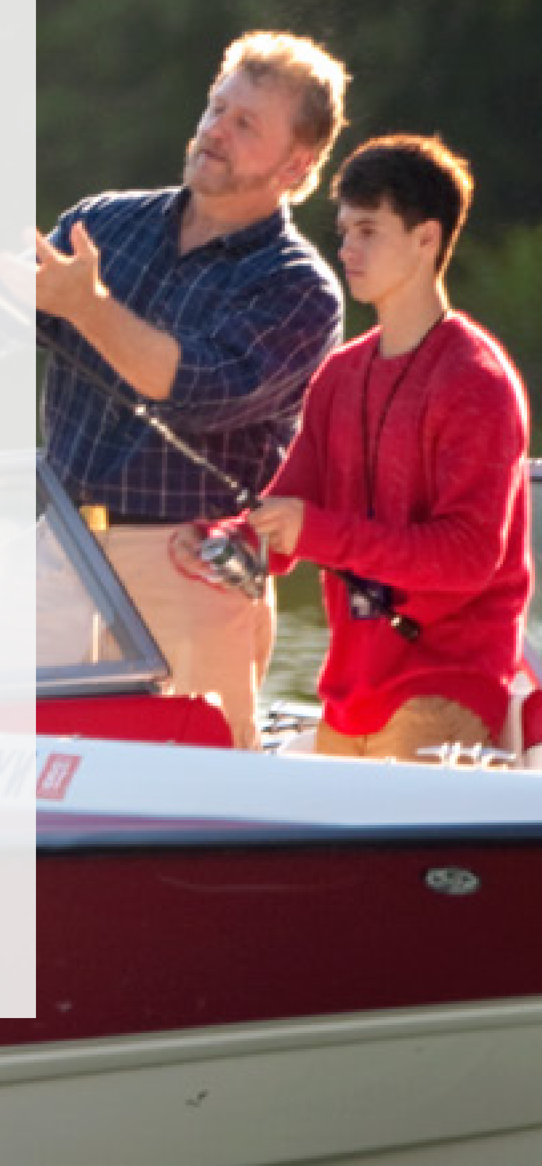
There are no investments that have been in a continuous loss position for a period of more than twelve months.

TBPF Program: *The Credit Union has made certain investments via a Total Benefit Pre-Funding Program (TBPF Program). The investments made via the TBPF Program are primarily made up of assets normally impermissible to the Credit Union, but allowable if the investments are specifically earmarked for the purpose of pre-funding future employee benefit obligations, with the proceeds offsetting general employee benefits expense.*

NOTE D
LOANS TO MEMBERS

Loans to members consist of the following (in 000's):

	December 31, 2015	December 31, 2014
MEMBER BUSINESS LOANS	$ 14,190	$ 9,890
MORTGAGES AND OTHER REAL ESTATE:		
Mortgages	246,973	258,788
Home equity/improvement loans	409,059	384,244
	656,032	643,032
VEHICLES AND OTHER CONSUMER:		
Vehicles	439,517	332,380
Credit cards and other lines of credit	43,876	42,663
Education loans	16,000	13,043
Unsecured signature/personal	17,231	12,887
	516,624	400,973
Less allowance for loan losses	5,170	5,016
	$ 1,181,676	$ 1,048,879



AMERICU CREDIT UNION 65 CELEBRATING YEARS OF SERVICE

NOTE E
LOAN QUALITY

Management performs a monthly evaluation of the adequacy of the allowance for loan losses (ALL). For the purposes of calculating the ALL, the Credit Union segregates its loan portfolio into the following general segments: member business, mortgages and other real estate and vehicles and other consumer.

During the year ended December 31, 2014, Credit Union management performed a reassessment of the methodology and quantitative and qualitative factors used to determine the allowance for loan losses. As a result of this reassessment, management determined that modifications were warranted. These modifications were deemed necessary to ensure that the ALL continues to be adequately funded. The changes resulted in an increase in the allowance for vehicles and other consumer loans and a reduction in the allowance for member business loans and mortgage and other real estate loans in 2014. Credit Union management considers the ALL adequate to cover losses inherent to the portfolio.

The following is an analysis of the allowance for loan losses by segment:

Allowance for Loan Losses

	Member business	Mortgages and other real estate	Vehicles and other consumer	Total
	DECEMBER 31, 2015			
Beginning balance	$ 177,421	$ 796,824	$ 4,041,475	$ 5,015,720
Charge-offs	(106,453)	(1,371,304)	(3,518,079)	(4,995,836)
Recoveries	-0-	91,232	795,144	886,376
Provision	80,355	1,683,635	2,499,917	4,263,907
Ending balance	$ 151,323	$ 1,200,387	$ 3,818,457	$ 5,170,167
	DECEMBER 31, 2014			
Beginning balance	$ 345,010	$ 2,444,938	$ 2,854,971	$ 5,644,919
Charge-offs	(66,518)	(383,118)	(3,234,854)	(3,684,490)
Recoveries	47,584	69,456	878,786	995,826
Provision	(148,655)	(1,334,452)	3,542,572	2,059,465
Ending balance	$ 177,421	$ 796,824	$ 4,041,475	$ 5,015,720

The following presents, by loan segment, loans that were evaluated for the allowance for loan losses individually and those that were evaluated collectively as of December 31, 2015 and 2014:

	Member business	Mortgages and other real estate	Vehicles and other consumer	Total
	DECEMBER 31, 2015			
Allowance for loan losses:				
Ending balance allocated to loans individually evaluated for impairment	$ -0-	$ 258,637	$ -0-	$ 258,637
Ending balance allocated to loans collectively evaluated for impairment	151,323	941,750	3,818,457	4,911,530
Total	$ 151,323	$1,200,387	$ 3,818,457	$ 5,170,167
Loans outstanding:				
Ending balance of loans individually evaluated for impairment	$ -0-	$ 5,826,185	$ 87,408	$ 5,913,593
Ending balance of loans collectively evaluated for impairment	14,189,936	650,205,479	516,537,030	1,180,932,445
Total	$14,189,936	$ 656,031,664	$ 516,624,438	$ 1,186,846,038
	DECEMBER 31, 2014			
Allowance for loan losses:				
Ending balance allocated to loans individually evaluated for impairment	$ 143,953	$ 316,139	$ -0-	$ 460,092
Ending balance allocated to loans collectively evaluated for impairment	33,468	480,685	4,041,475	4,555,628
Total	$ 177,421	$ 796,824	$ 4,041,475	$ 5,015,720
Loans outstanding:				
Ending balance of loans individually evaluated for impairment	$ 143,953	$ 6,124,542	$ 95,872	$ 6,364,367
Ending balance of loans collectively evaluated for impairment	9,746,414	636,907,038	400,876,455	1,047,529,907
Total	$ 9,890,367	$ 643,031,580	$ 400,972,327	$ 1,053,894,274

Past Due Loans:

Loans are considered past due if the required principal and interest payments have not been received within thirty days of the payment due date. An analysis of past due loans, segregated by loan segment, as of December 31, 2015 and 2014, was as follows:

Analysis of Past Due Loans

	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans
			DECEMBER 31, 2015			
Member business	$-0-	$ -0-	$ -0-	$ -0-	$ 14,189,936	$ 14,189,936
Mortgages and other real estate	4,628,246	1,180,330	3,821,981	9,630,557	646,401,107	656,031,664
Vehicles and other consumer	5,793,003	1,079,201	535,948	7,408,152	509,216,286	516,624,438
Total	$ 10,421,249	$ 2,259,531	$ 4,357,929	$ 17,038,709	$ 1,169,807,329	$ 1,186,846,038
% of total loans	.88%	.19%	.37%	1.44%	98.56%	100.00%
			DECEMBER 31, 2014			
Member business	$ -0-	$ -0-	$ -0-	$ -0-	$ 9,890,367	$ 9,890,367
Mortgages and other real estate	5,040,071	1,404,324	4,831,849	11,276,244	631,755,336	643,031,580
Vehicles and other consumer	5,159,446	830,406	347,648	6,337,500	394,634,827	400,972,327
Total	$ 10,199,517	$ 2,234,730	$ 5,179,497	$ 17,613,744	$ 1,036,280,530	$ 1,053,894,274
% of total loans	.97%	.21%	.49%	1.67%	98.33%	100.00%

The following table summarizes troubled debt restructuring modifications as of December 31, 2015 and 2014:

Modifications as of December 31,

	2015			2014		
	Number of loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment	Number of loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Troubled Debt Restructuring:						
Mortgages and other real estate	19	$ 2,775,328	$ 3,098,795	16	$ 2,419,094	$ 2,693,567
Vehicles and other consumer	10	165,045	165,045	12	177,754	177,754

There were no troubled debt restructurings that subsequently defaulted in 2015 and 2014.

Risk Rating:

In addition to monitoring the performance status of the loan portfolio, the Credit Union also utilizes a risk rating system to evaluate loan asset quality. This methodology is primarily used for loans that are reviewed individually (typically member business loans) for ALL as described previously and are not part of a homogeneous loan pool. The risk rating system considers factors such as financial condition, earnings, collateral, management and industry outlook.

The Credit Union's internally assigned classifications are as follows; Superior-Substantially risk free, Excellent-Minimal risk, Good--Modest risk, Acceptable-Average risk, Acceptable with caution/watch-Developing risk, Special mention-Currently protected but potentially weak, considerable risk, Substandard-High and well defined risk of default, Doubtful-Extremely high risk of loss, and Loss-Loans classified as loss are considered non-collectible.

Risk Rating by Internally Assigned Classifications for its Member Business Loan Portfolio:

	December 31, 2015	December 31, 2014
Superior	$ -0-	$ 54,897
Excellent	2,205,547	2,238,730
Good	7,350,851	5,207,783
Acceptable	2,800,177	1,095,062
Acceptable with caution/watch	1,356,675	1,149,942
Special mention	-0-	-0-
Substandard	476,686	-0-
Doubtful	-0-	143,953
Loss	-0-	-0-
Total	$ 14,189,936	$ 9,890,367

For loans that are not rated under this system, the Credit Union evaluates credit quality based on the aging status of the loan (previously presented) and the performing status. The following table presents the performance status on selected loans:

	Mortgages and other real estate	Vehicles and other consumer	Total
		DECEMBER 31, 2015	
Performing	$ 652,209,683	$ 516,088,490	$ 1,168,298,173
Non-performing (nonaccrual)	3,821,981	535,948	4,357,929
Total	$ 656,031,664	$ 516,624,438	$ 1,172,656,102
		DECEMBER 31, 2014	
Performing	$ 638,199,731	$ 400,624,679	$ 1,038,824,410
Non-performing (nonaccrual)	4,831,849	347,648	5,179,497
Total	$ 643,031,580	$ 400,972,327	$ 1,044,003,907

If interest on non-performing loans had been accrued, such income would have approximated $63,900 and $198,200 for the years ended December 31, 2015 and 2014, respectively.

NOTE F
LOAN SERVICING

Loans serviced for others are not included in the accompanying consolidated statements of financial condition. The unpaid principal balances of loans serviced for others and the mortgage custodial escrow accounts are summarized as follows (in 000's):

	December 31,	
	2015	2014
Mortgage loan portfolio serviced	**$ 229,395**	**$ 232,959**
Custodial escrow accounts	**$3,006**	**$ 2,866**

A summary of the changes in the balance of mortgage servicing rights in 2015 and 2014 were as follows (in 000's):

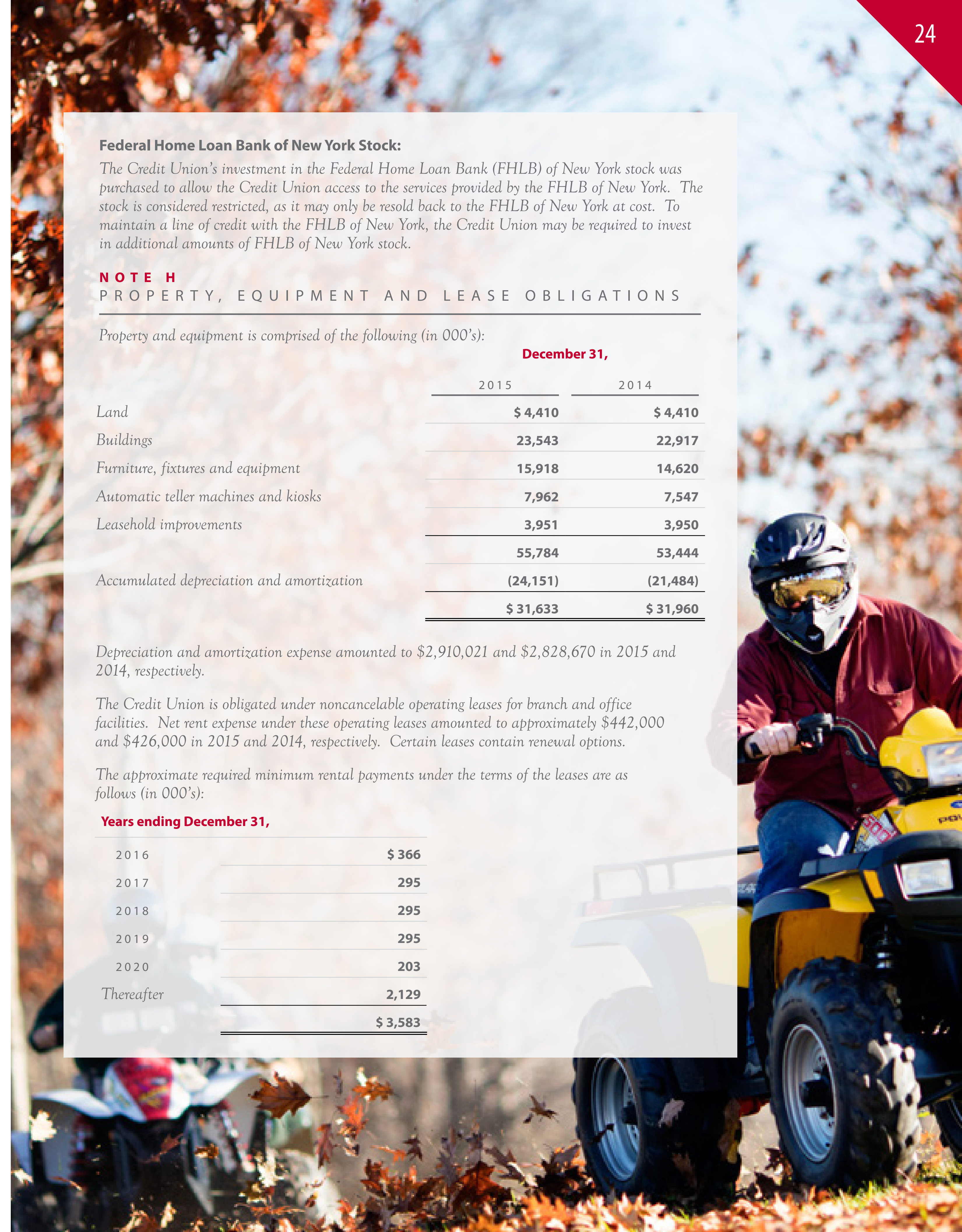
	Year ended December 31,	
	2015	2014
Balance, beginning of year	**$ 1,116**	**$ 1,107**
Servicing rights recognized	**266**	**285**
Amortization of servicing rights	**(315)**	**(276)**
Balance, end of year	**$ 1,067**	**$ 1,116**

The carrying value of mortgage servicing rights approximates fair value.

NOTE G
OTHER ASSETS

Other assets consist of (in 000's):

	December 31,	
	2015	2014
National Credit Union Share Insurance Fund deposit	**$ 10,799**	**$ 10,934**
Dealer reserves	**4,801**	**1,850**
Accounts receivable and miscellaneous clearing accounts	**4,109**	**3,591**
Loan collateral in process of liquidation	**484**	**304**
Mortgage servicing rights	**1,067**	**1,116**
SERP related investments and life insurance annuity	**20,075**	**14,883**
Other real estate owned	**323**	**2,333**
Prepaid and deferred expenses	**2,337**	**1,359**
Investments in unconsolidated credit union service organizations	**1,184**	**1,045**
FHLB of New York stock	**3,267**	**963**
NCB Community Investment Fund	**250**	**250**
Investor Secondary Capital Fund	**100**	**-0-**
	$ 48,796	**$ 38,628**



Federal Home Loan Bank of New York Stock:

The Credit Union's investment in the Federal Home Loan Bank (FHLB) of New York stock was purchased to allow the Credit Union access to the services provided by the FHLB of New York. The stock is considered restricted, as it may only be resold back to the FHLB of New York at cost. To maintain a line of credit with the FHLB of New York, the Credit Union may be required to invest in additional amounts of FHLB of New York stock.

NOTE H
PROPERTY, EQUIPMENT AND LEASE OBLIGATIONS

Property and equipment is comprised of the following (in 000's):

	December 31,	
	2015	2014
Land	**$ 4,410**	**$ 4,410**
Buildings	**23,543**	**22,917**
Furniture, fixtures and equipment	**15,918**	**14,620**
Automatic teller machines and kiosks	**7,962**	**7,547**
Leasehold improvements	**3,951**	**3,950**
	55,784	**53,444**
Accumulated depreciation and amortization	**(24,151)**	**(21,484)**
	$ 31,633	**$ 31,960**

Depreciation and amortization expense amounted to $2,910,021 and $2,828,670 in 2015 and 2014, respectively.

The Credit Union is obligated under noncancelable operating leases for branch and office facilities. Net rent expense under these operating leases amounted to approximately $442,000 and $426,000 in 2015 and 2014, respectively. Certain leases contain renewal options.

The approximate required minimum rental payments under the terms of the leases are as follows (in 000's):

Years ending December 31,	
2016	**$ 366**
2017	**295**
2018	**295**
2019	**295**
2020	**203**
Thereafter	**2,129**
	$ 3,583

NOTE I
MEMBERS' SHARE ACCOUNTS

The aggregate amount of members' share accounts over $250,000 was approximately $70,796,000 at December 31, 2015.

At December 31, 2015, scheduled maturities of share certificates, including IRA certificate accounts, are as follows (in 000's):

Years ending December 31,	
2016	$ 207,829
2017	73,139
2018	45,234
2019	17,034
2020	32,835
Thereafter	1,204
	$ 377,275

NOTE J
FINANCING ARRANGEMENTS

Alloya Line of Credit:

The Credit Union has an $8.75 million dollar line of credit agreement with Alloya secured by the assets of the Credit Union. The interest rate is determined by Alloya at the time of borrowing and is established based on current market rates. There were no outstanding borrowings under this facility as of December 31, 2015 and 2014.

FHLB of New York Advance Agreement:

The Credit Union has an advance, collateral and security agreement with the FHLB of New York. This agreement provides the Credit Union with a credit line having $137,179,348 of availability at December 31, 2015. The Credit Union is required to pledge eligible mortgage loans as collateral, with $214,245,019 of mortgages currently eligible to be pledged as collateral. The interest rate is determined by the FHLB of New York at the time of borrowing and is established based on the term of the loan selected by the Credit Union and current market rates. The Credit Union has $51,000,000 and $-0- in outstanding borrowings as of December 31, 2015 and 2014, respectively.

Federal Reserve Bank of New York Advance Agreement:

The Credit Union has an advance, collateral and security agreement with the Federal Reserve Bank of New York which provides the Credit Union with a line of credit. The Credit Union is required to pledge eligible indirect auto loans as collateral. The interest rate is determined at the time of borrowing and is established based on a 90-day term set by the Federal Reserve Bank of New York at prevailing market rates. There were no outstanding borrowings under this facility as of December 31, 2015 and 2014.

NOTE K
401(K) PENSION PLAN

The Credit Union maintains a 401(k) pension plan covering substantially all employees. The Plan allows employees, immediately upon date of hire, to defer a portion of their salary through contributions to the Plan. After one year of service the Credit Union makes matching contributions to the Plan based on elected compensation deferrals. The Credit Union's matching contribution is based on 100% of the elected deferral for the first 3% of compensation and 50% of the elected deferral for the next 2% of compensation. Expense for the years ended December 31, 2015 and 2014 amounted to approximately $537,000 and $530,000, respectively.

NOTE L
COMMITMENTS

Financial Instruments with Off-Balance Sheet Risk:

The Credit Union enters into commitments to extend credit in the normal course of meeting the financial needs of its members. Commitments to extend credit, which generally have fixed expiration dates or other termination clauses, are legally binding agreements to lend to a member (as long as there is no violation of any condition established in the contract). These commitments involve, to varying degrees, elements of credit, interest rate or liquidity risk in excess of the amount recognized in the consolidated statements of financial condition.

Credit risk is the possibility that loss may occur from the counterpart's failure to perform according to the terms of the contract. Interest rate risk is due to fluctuations in interest rates that may decrease the market value of a financial instrument. Liquidity risk is the risk that the Credit Union will not be able to meet its contractual obligations as they come due.

The Credit Union uses the same credit policies in making commitments as it does for on-balance sheet instruments. The Credit Union controls the credit risk of commitments to extend credit through credit approvals, credit limits, monitoring procedures, and management's evaluation of each member's credit worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the member.

The Credit Union's exposure to credit loss in the event of nonperformance by the other party for commitments to extend credit is represented by the contractual amounts of the commitments. A summary of the contract amounts of the Credit Union's commitments to extend credit at December 31, 2015 is as follows (in 000's):

Unused credit card lines	$ 103,464
Unused lines of credit, excluding credit cards	35,836
Overdraft protection program commitments	25,381
Loans approved not yet disbursed	3,782
Unused residential construction loans	1,517
Unfunded business loan commitments	1,579
Other unfunded commitments	11,695
	$ 183,254

Since portions of the above commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future liquidity requirements.

The Credit Union has identified certain credit risk concentrations in relation to its on and off balance sheet financial instruments. A credit risk concentration is defined as a significant credit exposure to an individual or a group engaged in similar activities or affected similarly by economic conditions.

The Credit Union, at times, maintains deposits with depository financial institutions that exceed federally insured limits.

The Credit Union originates residential real estate loans throughout Central and Northern New York. These loans are underwritten to comply with secondary market standards and are secured by the underlying collateral. The Credit Union also grants various secured and unsecured consumer type loans to members in these regions.

Sponsorship Commitments:

The Credit Union has sponsorship and license commitments with several local organizations and is required to pay approximately $567,000 over the next five years; $200,000 in 2016, $100,000 in 2017, $100,000 in 2018, $100,000 in 2019 and $67,000 in 2020.

AMERICU CREDIT UNION 65 CELEBRATING YEARS OF SERVICE

NOTE M
DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The Credit Union follows the provisions of the FASB guidance on fair value measurement for financial assets and financial liabilities, FASB ASC Topic 820, "Fair Value Measurements". Fair value is an estimate of the price the Credit Union would receive upon selling a financial instrument in a timely transaction to an independent buyer or the most advantageous market of the financial instrument.

FASB ASC Topic 820 established a three tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the financial instruments as noted below:

LEVEL 1 - *quoted prices in active markets for identical inputs*

LEVEL 2 - *other significant observable inputs*

LEVEL 3 - *significant unobservable inputs (including the Credit Union's own assumptions in determining fair value)*

The fair value of cash and cash equivalents, deposits at corporate credit union, investments available for sale, loans to members with adjustable interest rates, and accrued interest receivable approximate carrying value due to the nature of the instruments.

The Credit Union uses Level 2 inputs to fair value loans to members, loans held for sale and members' share accounts. These fair value estimates utilize treasury yield curve interest rates offered with similar loan and share products and similar maturities.

The following methods and assumptions were used by the Credit Union in estimating fair values of financial instruments as disclosed herein:

Cash and Cash Equivalents:
The carrying amounts of cash and cash equivalents approximate their fair value.

Deposits at Corporate Credit Union:
The carrying amounts of deposits at the corporate credit union approximate their fair value.

Investments--Available for Sale:
Fair values for securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Fair value of the interest spread retained on loans sold approximates its carrying value.

Loans to Members, net:
The fair values of loans are estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Loans Held for Sale:
The fair value of loans held for sale approximate their carrying value.

Accrued Interest Receivable:
The carrying amount of accrued interest approximates fair value.

Members' Share Accounts:
The fair value of members' share accounts is estimated by discounting the estimated cash flows using interest rates for comparable instruments and terms.

Borrowed Funds:
The carrying amount of borrowed funds approximates fair value.

Off-Balance-Sheet Credit-Related Instruments:
Fair values for off-balance sheet lending commitments are based on interest rates currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the borrowers' credit standings.

The carrying amount and fair value of financial instruments of the Credit Union as of December 31, 2015 and 2014 are as follows (in 000's):

	DECEMBER 31, 2015		DECEMBER 31, 2014	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial Assets:				
Cash and cash equivalents	$ 47,341	$ 47,341	$ 139,439	$ 139,439
Deposits at corporate credit union	175	175	175	175
Investments–available for sale	17,644	16,989	30	31
Loans to members, net	1,181,676	1,198,802	1,048,879	1,073,373
Loans held for sale	2,936	2,936	1,715	1,715
Accrued interest receivable	3,593	3,593	2,931	2,931
Financial Liabilities:				
Members' share accounts	$ 1,144,894	$ 1,102,616	$ 1,134,299	$ 1,101,670
Borrowed funds	51,000	51,000	-0-	-0-
Off balance sheet items:				
Commitments to extend credit		$ 183,254		$ 141,130

Fair Value on a Recurring Basis:
At December 31, 2015 and 2014, investments available for sale and mortgage servicing rights are recorded at fair value on a recurring basis. Fair value is determined under Level 1 for investments available for sale and approximates $16,989,000 and $30,000 at December 31, 2015 and 2014, respectively. Fair value is determined under Level 2 for mortgage servicing rights and approximates $1,067,000 and $1,116,000 at December 31, 2015 and 2014, respectively.

Fair Value on a Nonrecurring Basis:
Certain assets and liabilities are measured at fair value on a nonrecurring basis, that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment). The following table presents the assets and liabilities carried on the statement of financial condition, by caption and by level within the valuation hierarchy (as described above), for which a nonrecurring change in fair value has been recorded (in 000's):

	Carrying Value	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
	FAIR VALUE MEASUREMENTS AT DECEMBER 31, 2015				
Other real estate owned	$ 323	$ 323	$ -0-	$ 323	$ -0-
Loans held for sale	$ 2,936	$ 2,936	$ -0-	$ 2,936	$ -0-
	FAIR VALUE MEASUREMENTS AT DECEMBER 31, 2014				
Other real estate owned	$ 2,333	$ 2,333	$ -0-	$ 2,333	$ -0-
Loans held for sale	$ 1,715	$ 1,715	$ -0-	$ 1,715	$ -0-

NOTE N
RELATED PARTY TRANSACTIONS

In the normal course of business, the Credit Union extends credit to directors, supervisory committee members, executive officers and employees. The aggregate loans at December 31, 2015 and 2014 are approximately $11,292,000 and $10,367,000, respectively. Shares from these related parties at December 31, 2015 and 2014 amounted to approximately $12,874,000 and $12,795,000, respectively. It is the Credit Union's policy that all such transactions are on substantially the same terms as those for comparable transactions with its members.

NOTE O
REGULATORY CAPITAL

The Credit Union is subject to various regulatory capital requirements. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Credit Union's consolidated financial statements. Under capital adequacy regulations and the regulatory framework for prompt corrective action, the Credit Union must meet specific capital regulations that involve quantitative measures of the Credit Union's assets, liabilities, and certain off balance sheet items as calculated under accounting principles generally accepted in the United States of America. The Credit Union's capital amounts and net worth classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Quantitative measures established by regulation to ensure capital adequacy require the Credit Union to maintain minimum amounts and ratios of net worth to total assets.

Credit unions are also required to calculate a Risk-Based Net Worth (RBNW) requirement which establishes whether or not the Credit Union will be considered "complex" under the regulatory framework. The Credit Union's RBNW ratio as of December 31, 2015 and 2014 was 6.9% and 6.7%, respectively. A ratio of 6% or greater would cause the Credit Union to be considered complex. The Credit Union was classified as complex at December 31, 2015 and 2014, and as such, the Credit Union's net worth ratio must be greater than the RBNW ratio or it will be classified as undercapitalized. Management believes, as of December 31, 2015 and 2014, that the Credit Union meets all capital adequacy requirements to which it is subject.

As of December 31, 2015, the most recent call reporting period, the Credit Union was categorized as "well capitalized" under the regulatory framework for prompt corrective action. To be categorized as "well capitalized" the Credit Union must maintain a minimum net worth ratio of 7% of assets and meet any applicable RBNW requirement. Management believes there are no conditions or events that have occurred since that notification that would have changed the Credit Union's category.

The Credit Union's actual capital amounts and ratios at December 31, 2015 and 2014 are presented in the following table (in 000's):

	Actual		To be Well Capitalized Under Prompt Corrective Action Provisions		To be Adequately Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31, 2015						
Net Worth	$ 125,569	9.4%	$ 93,346	7.0%	$ 80,011	6.0%
Risk-Based Net Worth requirement	91,879	6.9%	N/A	N/A	N/A	N/A
December 31, 2014						
Net Worth	$ 117,257	9.3%	$ 88,505	7.0%	$ 75,861	6.0%
Risk-Based Net Worth requirement	83,447	6.7%	N/A	N/A	N/A	N/A

Actual net worth amounts in the preceding table do not include accumulated other comprehensive income or loss.

Because the RBNW requirement is less than the net worth ratio, the Credit Union retains its original category.

Firley, Moran, Freer & Eassa, CPA, P.C.
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INDEPENDENT AUDITOR'S REPORT ON OTHER FINANCIAL INFORMATION

To the Supervisory Committee and Board of Directors
AmeriCU Credit Union
Rome, New York

We have audited the consolidated financial statements of AmeriCU Credit Union and Subsidiaries as of and for the years ended December 31, 2015 and 2014, and have issued our report thereon, dated February 26, 2016, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

The accompanying other financial information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Firley, Moran, Freer & Eassa, CPA, P.C.

East Syracuse, New York
February 26, 2016

DETAILS OF CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

AmeriCU Credit Union And Subsidiaries
December 31, 2015

	AmeriCU Credit Union	Hamilton Associates, Inc.	AmeriCU Services, LLC	AmeriCU Capital Management, LLC	Eliminations	Consolidated
Assets						
Cash and cash equivalents	$ 47,341,158	$ 109,021	$ 1,598,476	$ 1,811,359	$ 3,518,856	$ 47,341,158
Deposits at corporate credit union	175,211					175,211
Investments-available for sale	16,989,239					16,989,239
Loans to members, net of allowance for loan losses	1,181,675,871					1,181,675,871
Loans held for sale	2,936,306					2,936,306
Accrued interest receivable	3,592,577					3,592,577
Property and equipment, net	31,632,901					31,632,901
Other assets	52,257,011		218,326	2,144	3,681,531	48,795,950
Total assets	$ 1,336,600,274	$ 109,021	$ 1,816,802	$ 1,813,503	$ 7,200,387	$ 1,333,139,213
Liabilities And Members' Equity						
Liabilities						
Members' share accounts	$ 1,148,412,900				$ 3,518,856	$ 1,144,894,044
Borrowed funds	51,000,000					51,000,000
Accounts payable and accrued liabilities	12,272,746		$ 44,825	$ 12,970		12,330,541
Total liabilities	1,211,685,646		44,825	12,970	3,518,856	1,208,224,585
Members' equity	124,914,628	$ 109,021	1,771,977	1,800,533	3,681,531	124,914,628
Total liabilities and members' equity	$ 1,336,600,274	$ 109,021	$ 1,816,802	$ 1,813,503	$ 7,200,387	$ 1,333,139,213

DETAILS OF CONSOLIDATED STATEMENT OF INCOME

AmeriCU Credit Union and Subsidiaries
Year ended December 31, 2015

	AmeriCU Credit Union	Hamilton Associates, Inc.	AmeriCU Services, LLC	AmeriCU Capital Management, LLC	Eliminations	Consolidated
Interest income:						
Interest on loans	$ 44,835,064					$ 44,835,064
Interest on investments and cash equivalents	1,275,885	$ 377	$ 4,744	$5,718	$ 609,320	677,404
	46,110,949	377	4,744	5,718	609,320	45,512,468
Interest expense:						
Dividends	7,841,829				10,839	7,830,990
Borrowed funds	47,440					47,440
	7,889,269				10,839	7,878,430
NET INTEREST INCOME	38,221,680	377	4,744	5,718	598,481	37,634,038
Provision for loan losses	4,263,907					4,263,907
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	33,957,773	377	4,744	5,718	598,481	33,370,131
Non-interest income:						
Fees, service charges and other income	15,445,790	3,985	825,572	1,283,601	5,400	17,553,548
Gain on sales of loans	1,613,372					1,613,372
	17,059,162	3,985	825,572	1,283,601	5,400	19,166,920
Non-interest expense:						
Compensation and benefits	19,493,487		649,578	648,937		20,792,002
Office occupancy and operations	16,178,456	6,530	99,276	121,195	5,400	16,400,057
Professional services	4,565,248					4,565,248
Membership services, promotions and other	2,467,289					2,467,289
	42,704,480	6,530	748,854	770,132	5,400	44,224,596
Net income	$ 8,312,455	$ (2,168)	$ 81,462	$ 519,187	$ 598,481	$ 8,312,455

AMERICU CREDIT UNION 65 CELEBRATING YEARS OF SERVICE

BOARD AND MANAGEMENT

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CHIEF OPERATING MANAGER, AMERICU SERVICES, LLC AND AMERICU CAPITAL MANAGEMENT, LLC

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ASSISTANT VICE PRESIDENT, FINANCIAL CENTER SERVICES

Tina M. Wildhaber
ASSISTANT VICE PRESIDENT, FINANCIAL CENTER SERVICES

Management Team

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FINANCIAL CENTER MANAGER, CAZENOVIA

John Arnold
SALES MANAGER, MEMBER BUSINESS SERVICES

Leslee Bango
MANAGER, RESIDENTIAL MORTGAGES

Carrie Barth
CREATIVE DIRECTOR

Michelle Brundage
MANAGER, APPLICATION SYSTEMS AND SERVICES

Kathryn M. Cashel
MANAGER, CONSUMER LOANS AND ASSET QUALITY

Mike Cook
FINANCIAL CENTER MANAGER, HERKIMER

Corazon Deecher
MANAGER OF MORTGAGE PRODUCTION

Jacqueline M. Emma
FINANCIAL CENTER MANAGER, GRIFFISS

Stephanie M. Fisher
MANAGER, AUTOMATED DELIVERY SYSTEMS AND SERVICES

Michael Francisco
MANAGER, SECONDARY MARKET

Alexander Gerson
FINANCIAL CENTER MANAGER, CAMILLUS

Jin Gwak
MANAGER, INFRASTRUCTURE SYSTEMS AND SERVICES

Kyle Halpin
FINANCIAL CENTER MANAGER, ONONDAGA COMMUNITY COLLEGE

Danielle R. Hatashita
FINANCIAL CENTER MANAGER, CICERO

Linda A. Hoff
MANAGER, COMPLIANCE OFFICER

Dora Isles
PROJECT MANAGEMENT OFFICER

Tina Lanier
FINANCIAL CENTER MANAGER, LOWVILLE

Diana Lingel
FINANCIAL CENTER MANAGER, ARMORY SQUARE

Mary Ellen Lingenfelter
FINANCIAL CENTER MANAGER, FORT DRUM

Mark J. Livesey
CHIEF AUDIT EXECUTIVE

Karen E. Lockwood
FINANCIAL CENTER MANAGER, AUBURN

Lori Losowski
RELATIONSHIP MANAGER, BUSINESS AND COMMUNITY DEVELOPMENT

Rebecca Mabry
FINANCIAL CENTER MANAGER, WATERTOWN

Michael J. Manuele
FINANCIAL CENTER MANAGER, ROME

JoAnne Marco
IT TECHNICAL SUPPORT SUPERVISOR

Justin Marriott
MANAGER OF MARKET INTELLIGENCE

Vaune A. Morat
MANAGER, MEMBER SERVICE CENTER

Cristina L. Morrissiey
FINANCIAL CENTER MANAGER, LIVERPOOL

Linda Murphy
MANAGER, PROCESS IMPROVEMENT AND TRAINING

Rindy L. Pallas
MANAGER, ACCOUNTING AND ELECTRONIC SERVICES

Sharron Puglio
ASSISTANT MANAGER, LOAN WORK OUT AND RECOVERY

Janette Ranieri
FINANCIAL CENTER MANAGER, SYRACUSE

Tab Rightmyre
MANAGER OF OUTREACH & EDUCATION

Barbara H. Schram, SPHR
MANAGER, HUMAN RESOURCES

Rachel Siderine
FINANCIAL CENTER MANAGER, ONEIDA

Karen Teachout
MANAGER, LOAN WORK OUT AND RECOVERY

Ellen M. Traub
FINANCIAL CENTER MANAGER, COMMERCIAL DRIVE

Kelly Trepasso
SENIOR CREDIT OFFICER, MEMBER BUSINESS SERVICES

Jennifer Viti
FINANCIAL CENTER MANAGER, NORTH UTICA

Tim S. Witter
MANAGER, FINANCIAL PLANNING

Christopher A. Wood
RELATIONSHIP MANAGER, INDIRECT LENDING

Heather Wood
FINANCIAL CENTER MANAGER, FAYETTEVILLE

18 CONVENIENT FINANCIAL LOCATIONS

Armory Square Office
200 Walton Street
Syracuse, NY 13202

Auburn Office
295 Grant Avenue
Auburn, NY 13021

Camillus Office
5212 West Genesee Street
Camillus, NY 13031

Cazenovia Office
82 Albany Street
Cazenovia, NY 13035

Cicero Office
6414 State Route 31
Cicero, NY 13039

Commercial Drive Office
4957 Commercial Drive
Yorkville, NY 13495

Fayetteville Office
5439 N Burdick Street
Fayetteville, NY 13066

Fort Drum Office
10750 Enduring Freedom Drive
Fort Drum, NY 13602

Griffiss Park Office
231 Hill Road
Rome, NY 13441

Herkimer Office
EFK Plaza 326 E. State Street
Herkimer, NY 13350

Liverpool Office
7474 Oswego Road
Liverpool, NY 13090

Lowville Office
7394 Utica Boulevard
Lowville, NY 13367

North Utica Office
224 N Genesee Street
Utica, NY 13502

Onondaga Community College Office
Whitney Center for
Applied Technology
4585 W Seneca Street
Syracuse, NY 13215

Oneida Office
280 Genesee Street
Oneida, NY 13421

Rome Office
1916 Black River Boulevard
Rome, NY 13440

Syracuse Office
6303 Thompson Road
Syracuse, NY 13206

Watertown
871 Arsenal Street
Watertown, NY 13601

NOTES

NOTES

TWENTY FIFTEEN

Annual Report

AmeriCU CREDIT UNION

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