

# ANNUAL REPORT

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2022



**REDSTONE**  
FEDERAL CREDIT UNION<sup>®</sup>

# Report from

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## The Chair

As chair of the Board of Directors, I thank you for your membership and appreciate the confidence you have placed in us.

Your volunteer board, together with the committee members and Executive Staff, are responsible for planning and making certain that the proper systems and resources are in place and used effectively to benefit you, our members. This report will provide compelling evidence that Redstone Federal Credit Union is a high-performing cooperative and serves as a model for others to emulate.

As of December 31, 2022, Redstone's assets have grown to \$7.6 billion. With 741,000 members and more than 1,200 employees, it is an economic driver that provides jobs, services, and support to communities throughout North Alabama and Middle Tennessee.

President and CEO, Joe Newberry, continues doing an exceptional job leading the Credit Union and its talented team. In 2022, Newberry received the John W. Dixon Award from the Association of the U.S. Army for his selfless service and dedication to the Army and its soldiers.

Redstone has won numerous national and regional awards, including the Credit Union National Association (CUNA) Diamond Award for its member magazine and the regional Desjardins Adult Financial Education Award for creating and presenting financial literacy courses at the Downtown Rescue Mission in Huntsville, AL.

The Credit Union was also featured on the popular television show, *World's Greatest!...*, with a behind-the-scenes look at the many ways Redstone serves its members and the community.

Read the entire report for additional details on the great work your Credit Union is doing. We're proud of this cooperative and proud of our members.

Respectfully submitted,



Dave Hargrove  
**Chair**

# Report from

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## The President

This past year presented new opportunities for Redstone Federal Credit Union to meet challenges that our members faced in their financial lives.

Inflation that caused prices to soar, declines in the stock market, and the lingering effects of the global pandemic required Redstone to pivot again and dig deeper to find ways to better serve our members.

Two of Redstone's Guiding Principles are to *"Be the go-to provider for high quality financial products and services,"* and to *"Be the catalyst for positive change in our communities."*

Despite the challenges, Redstone has refused to stray from those principles. Instead, we cling to them and stay true to our mission of improving the financial well-being of our members and communities by offering trusted advice, choices, opportunities, and solutions.

Last year, we tackled high gas prices, enhanced our after-hour call center, and gave members even more reason to get their home loan from Redstone.

Over the summer, we launched one of the industry's highest cash back credit card rewards on gas purchases. Members earned 6% in cash back on gas purchases through October 2022 with Redstone giving back \$656,707 in fuel rebates.

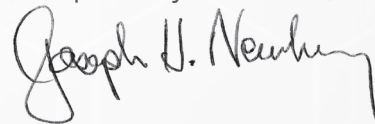
To better respond to members who have questions about their debit or credit cards or online banking after-hours, we extended our call center hours. Now, help is available each day until 9 pm CST.

Home loan interest rates climbed during 2022 with each new Federal Reserve rate hike. To thank our members who closed their mortgage with Redstone during the fourth quarter of the year, we provided home improvement gift cards that ranged in value from \$200 to \$2,000 based on the loan amount. Those payouts totaled \$108,000.

Being responsive to our members' and employees' needs is one reason Redstone is repeatedly recognized as one of the top 100 banks and credit unions in the nation. We also earned the designation of 2022 Best Place for Working Parents.

We look forward to 2023 – a year full of new opportunities to serve our members.

Respectfully submitted,



Joseph H. Newberry  
**President/CEO**

# Report from

## The Supervisory Committee

The Supervisory Committee, in compliance with the Federal Credit Union Act and Redstone Federal's bylaws, independently evaluates the soundness of Redstone Federal's operations and activities. The Committee provides assurance that the board and management are meeting the required financial reporting objectives and establishing practices and procedures sufficient to safeguard members' assets by implementing sound internal controls.

In accordance with these responsibilities, the Committee hired an independent CPA (certified public accountant) firm, Moss Adams LLP, to perform the financial statements audit for the year ending June 30, 2022. The full report of the Independent Auditors can be found on the credit union's website. A condensed consolidated statement of financial condition and income of the Credit Union appears in this Annual Report.

Industry recognitions received by Redstone Federal Credit Union during 2022 included a superior rating by BauerFinancial, Inc. This five-star rating means Redstone Federal Credit Union is a safe, financially sound credit union that operates well above the National Credit Union Administration's (NCUA) required capital. The Credit Union has maintained this rating since June 1996 and has been named a *"Best of Bauer Credit Union"*.

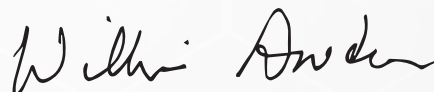
Redstone was also named one of the Top 100 banks and credit unions in the U.S. by GoBankingRates.com. In addition, Forbes® recognized Redstone as a top credit union in the state for the fourth year in a row after reviewing member surveys and overall standings.

Based on the results of internal audits, the financial statements audit, and the outstanding regulatory examination report by the NCUA, conducted during the past year, it is the opinion of the Supervisory Committee that Redstone Federal Credit Union continues to be financially secure and operates in a safe and sound manner.

Soundness is one of Redstone's core values and its employees strive to understand how each action they take impacts the Credit Union.

It is because of our members that we continue to be a proven leader in the financial industry. Thank you for your membership.

Respectfully submitted,



William "Bill" Andrews  
Chair



# Leadership



**Joseph H. Newberry**  
President  
Chief Executive Officer



**Terri Bentley**  
Senior Executive VP  
Chief Information Officer



**Wayne Sisco**  
Senior Executive VP  
Chief Financial Officer



**Jan Bias**  
Executive VP  
People & Culture



**Yvette Banks**  
Senior VP  
Chief Retail Officer



**Ericka Gorman**  
Senior VP  
Chief Lending Officer



**Mike Rodgers**  
Senior VP/Chief Compliance  
Officer/General Counsel



**Wendy Edmonds**  
Vice President  
Human Resources



**Keith Greene**  
Vice President  
Chief Audit Officer



**Joel Guske**  
Vice President  
Innovation & Marketing



**Kevin Hall**  
Vice President  
Indirect Member Services



**Jonathan Kirby**  
Vice President  
Security & Investigations



**Diana McCafferty**  
Vice President  
Controller



**Mike Panesi**  
Vice President  
TN Market Executive



**Tara Perez**  
Vice President  
Consumer Lending



**Mitch Peters**  
Vice President  
Information Security



**Raj Prasad**  
Vice President  
Data Science & Analytics



**Stephen Simpson**  
Vice President  
Finance



**Lisa Whitt**  
Vice President  
Technology

# Board of Directors



**Dave Hargrove**  
Chair



**Charlie Miller**  
1st Vice Chair



**Richard L. Morris**  
2nd Vice Chair



**Steve Fisher**  
Treasurer



**Kathleen Leonard**  
Secretary



**William Andrews**  
Director



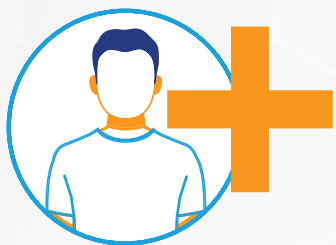
**Charlene Brueggeman**  
Director



**Terrence L. Clay, Jr.**  
Director



**Dawn C. Stanley**  
Director



**NEW MEMBERS IN 2022**  
**45,946**

## **MEMBER GIVEBACK IN 2022**

**\$24,136,108**

**\$13,920,392**  
IN CREDIT CARD  
REBATES

**\$2,154,092**  
IN DEBIT CARD  
CASHBACK

**\$1,623,230**  
IN HELOC  
CLOSING COSTS

**\$6,438,393**  
IN OTHER  
PROMOTIONS



## **VISION**

Helping members, their families, and our communities achieve their financial dreams.

## **MISSION**

Improving the financial well-being of our members and communities by offering trusted advice, choices, opportunities, and solutions.

## **GUIDING PRINCIPLES**

1. Grow accessibility to our cooperative and its financial solutions.
2. Be the go-to provider for high quality financial products and services.
3. Create unparalleled value for our members.
4. Be the catalyst for positive change in our communities.



# Redstone Federal Credit Union and Subsidiaries

## Condensed Consolidated Statements of Financial Condition and Income (in thousands)

Summary financials only. For a full copy of the Report of Independent Auditors and Consolidated Financial Statements for Redstone Federal Credit Union and Subsidiaries, please visit [redfcu.org/about](http://redfcu.org/about).

	June 30, 2022	June 30, 2021
<b>Assets</b>		
Cash and Cash Equivalents	\$ 484,822	\$ 157,268
Investments in Available-for-Sale Debt Securities	3,548,056	3,572,981
Loans Held for Sale	7,414	842
Loans, Net	3,228,699	2,987,568
Accrued Interest Receivable	13,611	13,366
Property and Equipment, Net	154,928	150,227
National Credit Union Share Insurance Fund (NCUSIF) Deposit	62,364	54,422
Equity Investments	53,934	54,806
Other Investments	9,376	8,583
Net Pension Asset	30,526	25,274
Other Assets	30,236	27,766
<b>Total Assets</b>	<b>\$ 7,623,966</b>	<b>\$ 7,053,103</b>
<b>Liabilities</b>		
Members' Shares	\$ 7,024,642	\$ 6,261,851
Accrued Expenses and Other Liabilities	65,805	64,739
<b>Total Liabilities</b>	<b>7,090,447</b>	<b>6,326,590</b>
<b>Members' Equity</b>		
Retained Earnings	786,800	715,511
Accumulated Other Comprehensive gain/(loss)	(253,281)	11,002
<b>Total Members' Equity</b>	<b>533,519</b>	<b>726,513</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 7,623,966</b>	<b>\$ 7,053,103</b>
<b>Income</b>		
Interest Income	\$ 204,864	\$ 199,622
Noninterest Income	131,689	137,562
<b>Total Income</b>	<b>336,553</b>	<b>337,184</b>
<b>Expenses</b>		
Interest Expenses	15,135	18,010
Provision for Loan Losses	19,260	12,271
Noninterest Expenses	230,869	215,212
<b>Total Expenses</b>	<b>265,264</b>	<b>245,493</b>
<b>Net Income</b>	<b>\$ 71,289</b>	<b>\$ 91,691</b>

