



REDSTONE
FEDERAL CREDIT UNION®

ANNUAL REPORT

2021

Report from

The Chair

Redstone Federal Credit Union's Board of Directors joins our membership in celebrating 70 successful years in operation, while acknowledging that many among us continue to be affected by the ongoing COVID pandemic.

Because of Redstone's strength and soundness, it has consistently responded to the needs of its members and remains a stalwart of the community. We appreciate the confidence you have placed in this Credit Union.

The Board of Directors continues to challenge itself to stay abreast of the best technology, products and services available to help members achieve their financial dreams. As part of our responsibility for short and long-term planning, these efforts ensure that systems are in place for administering and effectively using resources.

We are proud of the work our employees have done to grow our assets beyond \$7 billion, while keeping our 600,000-plus members a priority. That hard work was once again recognized by Forbes® as the magazine designated Redstone one of Alabama's best credit unions. GOBankingRates also named Redstone one of the nation's Top 100 Best Banks of 2021.

Thank you for trusting us for 70 years; it is much appreciated. We do not take it for granted and look forward to another year of successes.

Respectfully submitted,



Dave Hargrove
Chair

Report from

The President

Redstone Federal Credit Union has remained steadfast in its commitment to help members improve their financial well-being despite navigating unprecedented times.

We introduced new digital products and services, including Redstone Live, our virtual branch, text messaging, digital receipts, new short-term loan options, and a debt restructure product for members in need. Plus, Redstone consistently ranked as a top provider of auto loans and conventional mortgages over the past year.

Another enhancement introduced last year was online appointment scheduling. This time-saving feature lets you set the date, time and branch for your appointment. It also lists the items you need to bring so that you can complete everything in one visit.

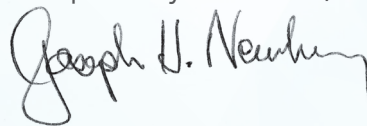
We continue to add to our digital and mobile service offerings, while not neglecting the personal touch that sets Redstone apart from other financial institutions. Our talented team provides trusted advice and solutions at any and all points during your interaction.

Our members and employees make up our communities; therefore, it is imperative that we are a catalyst for change in these communities. Our team can be seen out in the community volunteering and financially supporting organizations that serve the homeless, veterans, abandoned or neglected animals, and many more.

We continue to invest in our communities to support an environment of education and learning as well as growth for our members and their families, as we endeavor to be the catalyst for positive change in our communities.

We welcome 2022 and look forward to all the ways we can serve as your go-to provider of financial services this year.

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 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, 2021. 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 2021 included a superior rating by Bauer-Financial, Inc. This five-star rating means Redstone Federal Credit Union is a safe, financially sound credit union that is operating well above the regulators' required capital. The Credit Union has maintained this rating since June 1996 and has been named a '**Best of Bauer Credit Union**'.

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 daily to consider how each action they take impacts the Credit Union.

Redstone exists because of its members and we consider it a privilege to serve you. Thank you for your membership.

Respectfully submitted,



William "Bill" Andrews
Chair



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 and 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



Joel Guske
Vice President
Innovation & Marketing



Kevin Hall
Vice President
Indirect Member Services



Jonathan Kirby
Vice President
Security & Investigations



Mike Panesi
Vice President
TN Market Executive



Mitch Peters
Vice President
Information Security



Stephen Simpson
Vice President
Finance



Linda Smith
Vice President
Controller



Mary Turner
Vice President
Chief Audit Officer



Lisa Whitt
Vice President
Technology

Leadership



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

Board of Directors



NEW MEMBERS IN 2021

37,863

MEMBER GIVEBACK IN 2021

\$19,995,687

\$13,815,638
IN CREDIT CARD
REBATES

\$2,140,695
IN DEBIT CARD
CASHBACK

\$1,192,875
IN HELOC
CLOSING COSTS

\$2,846,480
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.

Student-run Branches



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.

| | June 30, 2021 | June 30, 2020 |
|--|---------------------|---------------------|
| Assets | | |
| Cash and Cash Equivalents | \$ 157,268 | \$ 307,927 |
| Investments in Available-for-Sale Debt Securities | 3,572,981 | 3,008,207 |
| Loans Held For Sale | 842 | 455 |
| Loans, Net | 2,987,568 | 2,516,671 |
| Accrued Interest Receivable | 13,366 | 14,448 |
| Property and Equipment, Net | 150,227 | 143,513 |
| National Credit Union Share Insurance Fund (NCUSIF) Deposit | 54,422 | 44,966 |
| Equity Investments | 54,806 | 40,101 |
| Other Investments | 8,583 | 11,866 |
| Net Pension Asset | 25,274 | - |
| Other Assets | 27,766 | 15,728 |
| Total Assets | \$ 7,053,103 | \$ 6,103,882 |
| Liabilities | | |
| Members' Shares | \$ 6,261,851 | \$ 5,355,080 |
| Borrowed Funds | - | 42,242 |
| Accrued Expenses and Other Liabilities | 64,739 | 58,484 |
| Total Liabilities | 6,326,590 | 5,455,806 |
| Members' Equity | | |
| Retained Earnings | 715,511 | 623,820 |
| Accumulated Other Comprehensive Income | 11,002 | 24,256 |
| Total Members' Equity | 726,513 | 648,076 |
| Total Liabilities and Members' Equity | \$ 7,053,103 | \$ 6,103,882 |
| Income | | |
| Interest Income | \$ 199,622 | \$ 201,739 |
| Noninterest Income | 137,562 | 93,711 |
| Total Income | 337,184 | 295,450 |
| Expenses | | |
| Interest Expense | 18,010 | 37,449 |
| Provision for Loan Losses | 12,271 | 28,212 |
| Noninterest Expenses | 215,212 | 197,067 |
| Total Expenses | 245,493 | 262,728 |
| Net Income | \$ 91,691 | \$ 32,722 |



This credit union is federally insured by the National Credit Union Administration.
Redstone Federal Credit Union | 220 Wynn Drive | Huntsville, AL 35893 | redfcu.org | 800-234-1234