



We are excited for what's on the horizon

APCO EMPLOYEES CREDIT UNION  
2021 ANNUAL REPORT

# APCO Employees Credit Union 68th Annual Report

## Mission Statement

*Making the financial difference  
for members.*

## Vision Statement

*Provide value and help our  
members do better financially.*



# 2021 HIGHLIGHTS

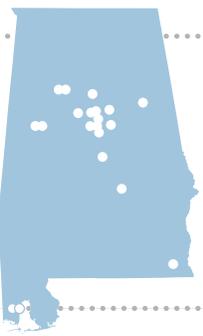
# \$3.6 Billion

in Assets



## Largest

State-Chartered Credit Union in Alabama



# 79.3%

Net Promoter Score  
Measuring Member Satisfaction

# 14th

Most Efficient Credit Union in America



# 20

Locations



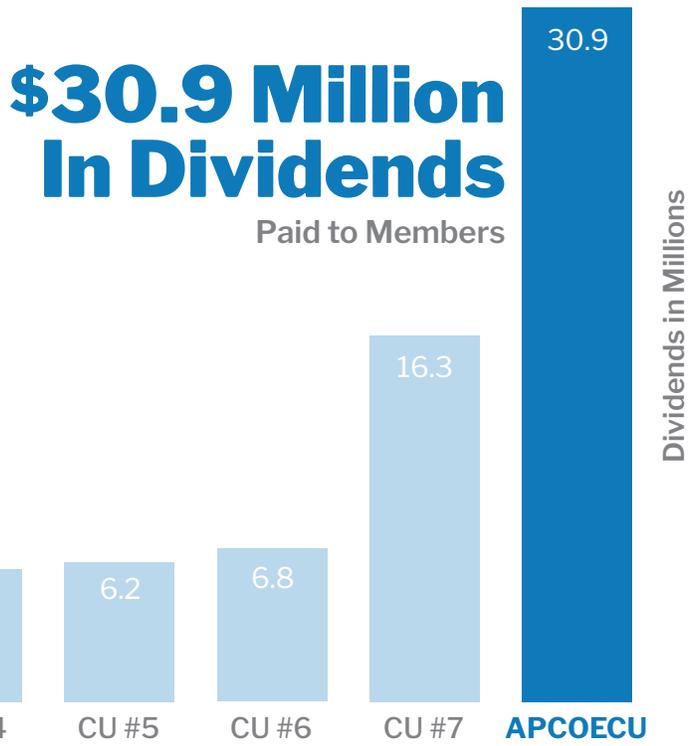
# \$78,000+

Charitable Giving



# 72,166

Members



2021 Dividends Paid to Members by Credit Unions in Alabama



## Report of the Chairman and President

As we look back on 2021, we are filled with gratitude for our entire Credit Union family, from our membership to our partners and employees. We were optimistic as the COVID-19 pandemic seemed to decline, allowing us to return to our offices and reopen the last of our branches that had remained closed. However, this latest strain has reminded us of the need to be flexible in how we operate. Through it all, we are proud to say it was another successful year at APCO Employees Credit Union.

Our financial condition remained strong in 2021. Thanks to the outstanding work of our team, your Credit Union had another milestone year on the balance sheet and in product and service growth. We ended the year serving more than 72,000 members, in 20 locations, while reaching \$3.6 billion in assets. The growth is attributed to our employees delivering a member experience that is focused on our core values and mission of doing what is right while making the financial difference for our members.

Providing convenient access to your accounts is a priority for your Credit Union. We have spent the last year upgrading Digital Banking and continuing to expand our branch network while making updates to existing infrastructure that will allow for the space needed to accommodate our future needs.

In the summer, we launched our new and streamlined Digital Banking product. Desktop users now experience a new interface with enhanced features. Along with the modernizing of our Online Banking, we also took the time to launch a new Mobile Banking app. The improved platforms offer increased security and user control with customizable tools and features like SecureNow and CardManager. We made sure whether you were home, out running errands, or on vacation, access to your accounts was seamless from your desktop, laptop, tablet, or mobile phone.

Beyond Digital Banking, we also expanded our branch network in two of our markets by adding a new location in Anniston and an additional branch in Tuscaloosa. With a focus on convenience, APCO Employees Credit Union opened the third highest number of net new branches in the United States between June 2020 and July 2021. The new locations have been embraced by local members and we could not be happier about the enthusiastic response. We've also just completed an expansion of our Main Office that will accommodate our growing team and be a hub for Credit Union development.



Employee Appreciation Day



2021 APCO Employees Credit Union Share the Care Charity Golf Tournament at Greystone Golf and Country Club



Food Truck Friday at Main Office



Anniston Branch



Member Appreciation Day

As we continue to evolve, being a good steward of your investment in the Credit Union remains our top priority. We're honored to have received two awards in recognition of our commitment to putting member benefits at the core of doing business. In 2021, the Credit Union was named the 14th Most Efficient Credit Union in the country out of 4,942 credit unions by *The Business Journals*, which ranked financial institutions by deposits per full-time employee. APCO Employees Credit Union was also a recipient of the Louise Herring Award for Philosophy in Action, which honors credit unions that are making exceptional efforts to include credit union philosophy in their daily operations. While we're not in business to receive accolades, it's always appreciated to have our efforts recognized in the industry.

As a financial institution, sustained growth and financial strength are paramount to operations, however member service is at the heart of APCO Employees Credit Union. We take every opportunity to hear from our members on how well we meet their needs, and how we can improve the Credit Union experience moving forward. With the 2021 APCO Employees Credit Union Member Satisfaction Survey, we received a Net Promoter Score of 79.3%, a higher score than is achieved by most financial institutions and organizations across all industries.

After canceling our charity golf tournament in 2020 due to the pandemic, we were pleased to resume our annual event with the 17th APCO Employees Credit Union Share the Care Foundation Charity Golf Tournament.

Thanks to the efforts of our Credit Union team and all our generous sponsors, we're honored to say the event was successful in raising \$48,000 for Children's of Alabama.

As we move forward in 2022, we are excited for what is on the horizon. The APCO Employees Credit Union Share the Care Foundation was designated a 501(c)(3) in 2021, with a full launch coming this year. We are also proud to be a Patron Partner of The World Games 2022 taking place here in Birmingham this summer. Both opportunities will allow us to make a meaningful investment and contribution to the communities we serve.

In closing, we would like to say we are continually humbled by the trust our members place in us. We remain committed to improving the lives of our members, employees, and the partners we serve. Thank you for continuing to choose APCO Employees Credit Union to help you reach your financial goals.



**Mark Wilkinson**  
Chairman



**Derrick E. Ragland, Jr.**  
President / CEO

## Report of the Supervisory Committee

The APCO Employees Credit Union Supervisory Committee is a team of three members elected by the membership. Its primary responsibility is to establish practices and procedures to safeguard members' assets by providing members with an independent appraisal of the safety and soundness of APCO Employees Credit Union's operations and activities.

The Supervisory Committee is focused on the quality and integrity of the financial statements and the overall adequacy of internal controls and risk management of the Credit Union. To fulfill its duties, the Committee met regularly with the Credit Union's Internal Control Supervisor to examine the Credit Union's monthly financial and internal controls reports to determine that policies are established and effectively maintained.

As required by law, the APCO Employees Credit Union Supervisory Committee is responsible for the annual financial audit of the Credit Union's records. To accomplish this responsibility, the Supervisory Committee retained the services of the CPA firm Pearce, Beville, Leesburg, Moore, P.C., independent external auditor, to perform the audit for the period ending June 30, 2021. The audit was completed, and it affirms the Supervisory Committee's position that the Credit Union meets the highest level of financial standards.

In addition to the CPA audit, the Alabama Credit Union Administration and the National Credit Union Administration performed their annual examinations for the period ending March 31, 2021. The Supervisory Committee reviewed the results of these audits with the Board of Directors and President of the Credit Union. The examinations found that the Credit Union is financially sound and professionally managed.

An additional function of the Supervisory Committee is the review of past due loans and uncollectible accounts. During 2021, the Committee, with the assistance of the Credit Union's President and staff, reviewed outstanding loans and recommended to the Board of Directors that 214 loans totaling \$930,108.78 be charged to the Allowance for Loan Losses Account. The Board took affirmative action on the Committee's recommendations.

The Supervisory Committee is confident that APCO Employees Credit Union is meeting the needs of its members, continuing to keep current with the rules and regulations, all the while providing a sound local option for your financial needs. As we move forward in 2022, we will continue to work closely with auditors and regulators, making certain that you can rest assured that your Credit Union is safe, stable, and secure.



**Greg Bass**  
Chairman  
Allison Boone, Member  
Ann Wilkinson, Member

***“The Supervisory Committee is focused on the quality and integrity of the financial statements and the overall adequacy of internal controls and risk management of the Credit Union.”***

## Report of the Treasurer

In 2021, APCO Employees Credit Union focused on supporting members with solutions for their unique financial needs as we all continued to navigate the second year of the pandemic. Because of our commitment to improve the lives of our members, our team, and the partners we serve, your Credit Union had another record-breaking year.

APCO Employees Credit Union produced a net income of \$21.8 million, a solid return of 0.62% on average assets. Assets topped \$3.6 billion, with the Credit Union's 11.3% capital strength significantly exceeding the NCUA well capitalized threshold of 7%. The Credit Union achieved strong deposit growth of 11% and asset growth of 9% for the year.

Along with maintaining a strong capital position for many years, APCO Employees Credit Union continued to carefully manage its operational expenses, which were five times lower than the peer average, allowing us to return more value to our members. Operational efficiency combined with above market dividend rates, have affirmed the Credit Union's position as a leading financial institution in Alabama. Once again, we paid our members more in dividends than any other financial institution in the state.

Dividends paid to members on deposits totaled just under \$31 million, \$9 million more than was retained in capital.

As the Treasurer for APCO Employees Credit Union, I am pleased to report that your financial institution remains strong, stable, and secure. Thanks to the stewardship of the Board of Directors and the Credit Union executive team, APCO Employees Credit Union is positioned to continue investing in greater technology and improved products and services to provide a trusted and positive member experience. We look forward to many more decades of investing in you, our members. Thank you for choosing APCO Employees Credit Union.

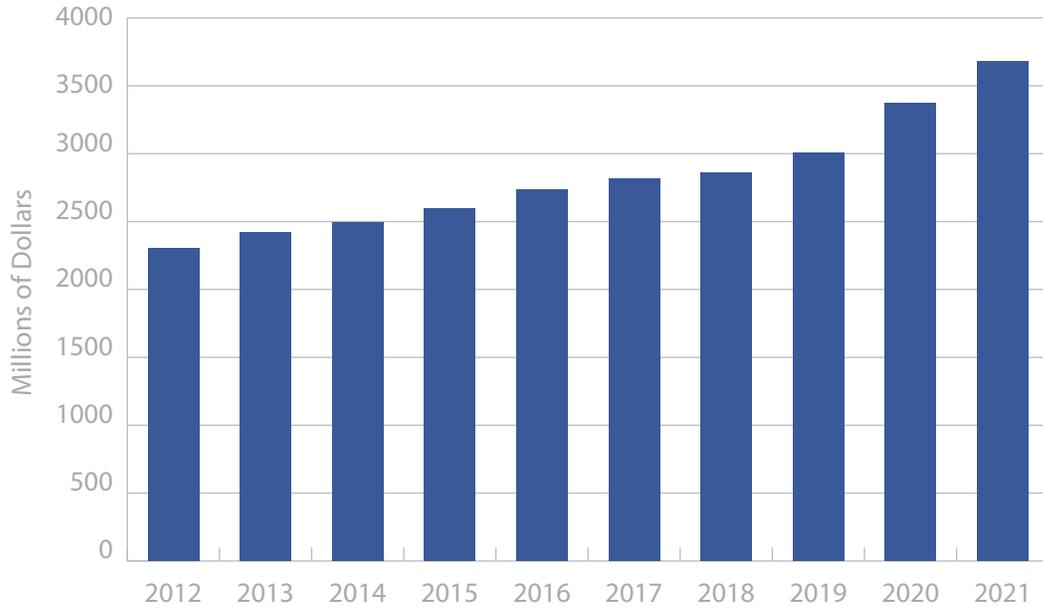


**John Valekis**  
Treasurer

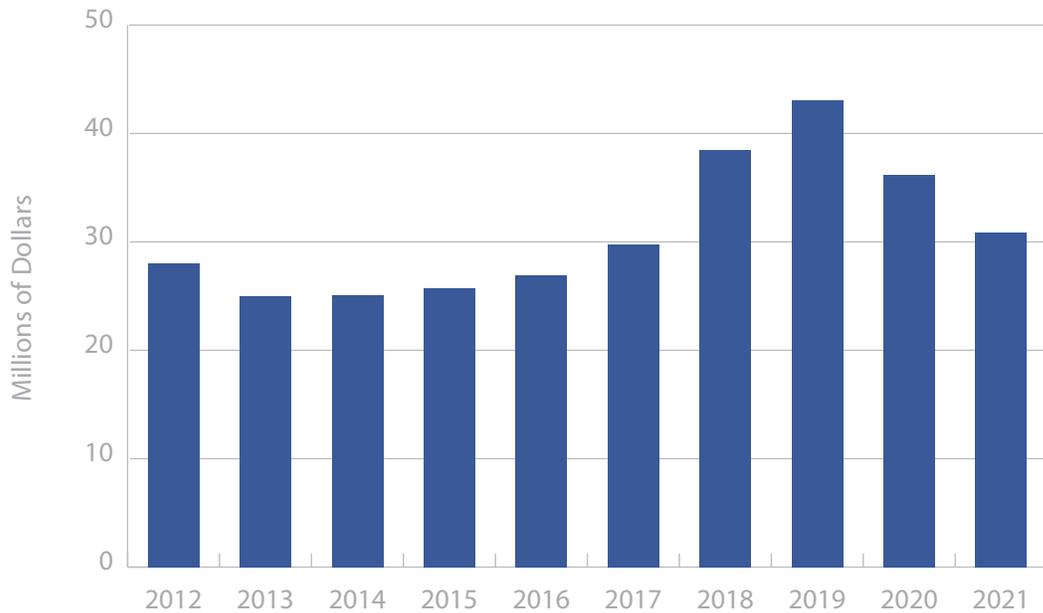
***“I am pleased to report that your financial institution remains strong, stable, and secure.”***

	<b>2021</b>	<b>2020</b>	<b>Increase or (Decrease)</b>	<b>%</b>
<b>Total Assets</b>	\$3,681,543,052	\$3,376,053,353	\$305,489,699	9.05%
<b>Member Loans</b>	749,422,621	793,543,352	(44,120,731)	-5.56%
<b>Shares</b>	2,582,538,845	2,238,728,810	343,810,035	15.36%
<b>Certificates of Deposit</b>	474,921,346	519,339,413	(44,418,067)	-8.55%
<b>Chek-Plus</b>	227,096,620	205,628,310	21,468,310	10.44%
<b>Reserves</b>	395,437,088	374,026,728	21,410,360	5.72%
<b>Undivided Earnings</b>	20,000,000	19,600,000	400,000	2.04%
<b>Number of Members</b>	72,166	71,726	440	0.61%

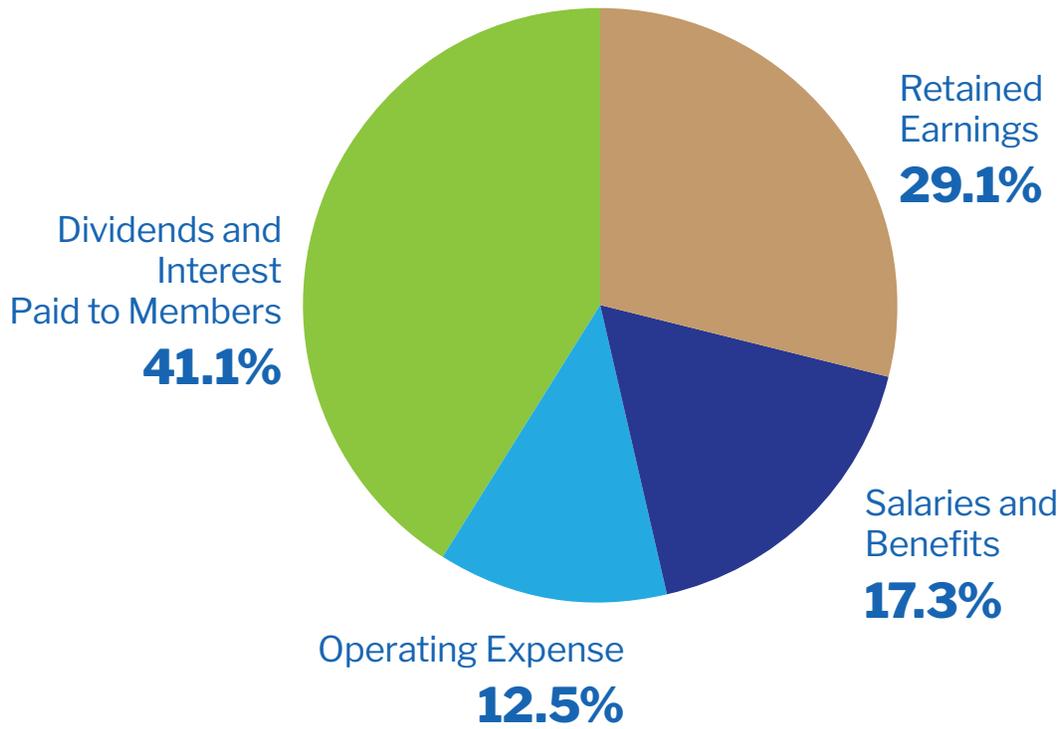
## Assets



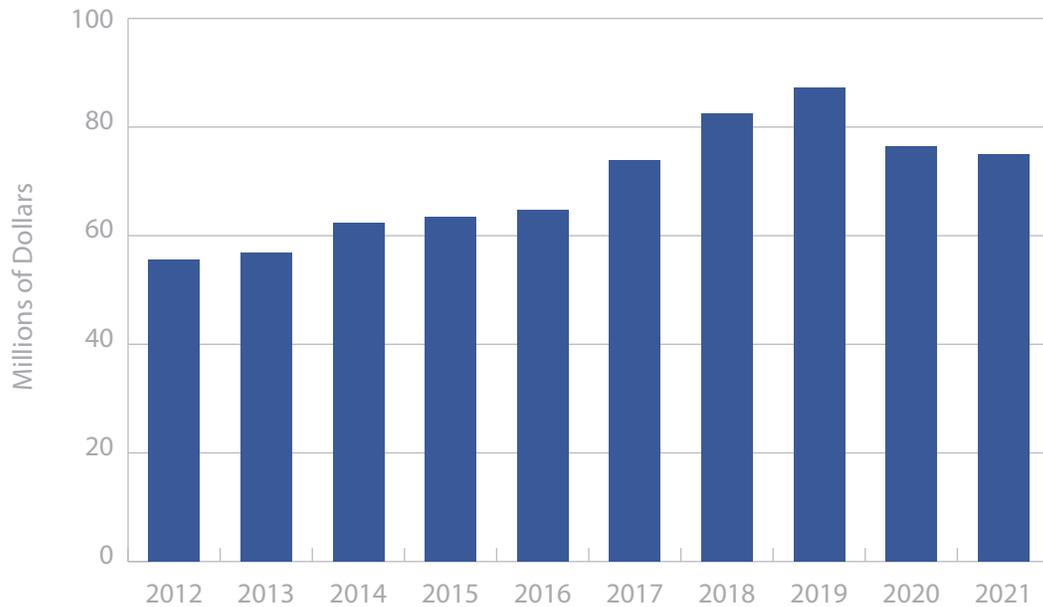
## Dividends and Interest Paid to Members



## Distribution of 2021 Gross Income



## Gross Income



## Condensed Statement of Financial Condition

<b>Assets</b>			
	<b>2021</b>	<b>2020</b>	<b>INCREASE (DECREASE)</b>
<b>Net Member Loans</b>	\$747,818,706	\$791,571,180	(\$43,752,474)
<b>Cash and Cash Equivalents</b>	179,450,734	306,987,482	(127,536,748)
<b>Federal Agency Securities</b>	2,381,624,842	1,556,755,295	824,869,547
<b>Federal Reserve Account</b>	251,500,000	613,600,000	(362,100,000)
<b>NCUA Insurance Deposit</b>	28,350,210	25,535,073	2,815,137
<b>Fixed Assets, Land and Building</b>	25,330,851	24,467,591	863,260
<b>Other Assets</b>	67,467,709	57,136,732	10,330,977
<b>TOTAL ASSETS</b>	<b>\$3,681,543,052</b>	<b>\$3,376,053,353</b>	<b>\$305,489,699</b>

<b>Liabilities and Members' Capital</b>			
<b>Accounts Payable and Other Liabilities</b>	(\$18,450,847)	\$18,730,092	(\$37,180,939)
<b>Member Shares &amp; Deposits</b>	3,284,556,811	2,963,696,533	320,860,278
<b>Regular Reserves</b>	395,437,088	374,026,728	21,410,360
<b>Undivided Earnings</b>	20,000,000	19,600,000	400,000
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$3,681,543,052</b>	<b>\$3,376,053,353</b>	<b>\$305,489,699</b>

## Condensed Statement of Income and Expense

<b>Income</b>			
	<b>2021</b>	<b>2020</b>	<b>INCREASE (DECREASE)</b>
<b>Interest on Loans</b>	\$34,400,452	\$38,004,233	(\$3,603,781)
<b>Income from Investments</b>	37,509,205	34,726,011	2,783,194
<b>Noninterest Income</b>	3,087,092	3,773,754	(686,662)
<b>GROSS INCOME</b>	<b>\$74,996,749</b>	<b>\$76,503,998</b>	<b>(\$1,507,249)</b>
<b>Expenses</b>			
<b>Dividends to Members</b>	30,853,583	36,164,383	(\$5,310,800)
<b>Salaries and Benefits</b>	12,983,336	12,012,566	\$970,770
<b>Provision for Loan Losses</b>	50,000	1,100,000	(\$1,050,000)
<b>Noninterest Expense</b>	9,299,470	7,494,644	\$1,804,826
<b>TOTAL EXPENSES</b>	<b>53,186,389</b>	<b>56,771,593</b>	<b>(\$3,585,204)</b>
<b>NET INCOME</b>	<b>21,810,360</b>	<b>19,732,405</b>	<b>\$2,077,955</b>

Summary financials only. For more detailed financial statements, please visit one of our branch locations or call our Contact Center.

## Board of Directors

### Officers



**Mark Wilkinson**  
Chairman



**Greg Shipp**  
Vice-Chairman



**John Valekis**  
Treasurer



**Celia Yates**  
Secretary

### Directors



**Billy Gober**



**Melinda Lopez**



**Wendell W. Pate**



**Robert B. Roy**



**Carlton Stephens**

### Advisory Board Members



**Carissa Ledbetter**



**Constantine Sfakianos**



**William M. Bass**

### Director Emeritus

## Supervisory Committee



**Greg Bass**  
Chairman



**Allison Boone**  
Member



**Ann Wilkinson**  
Member

### President / CEO



**Derrick E. Ragland, Jr.**

## Locations

MAIN OFFICE  
750 17th Street North  
Birmingham, AL 35203  
(205) 226-6800  
1-800-249-APCO (2726)

Anniston  
925 Quintard Avenue  
(205) 813-7500

Chelsea  
370 Chelsea Crossroads  
(205) 678-8406

Clanton  
1872 7th Street South  
(205) 280-0366

Alabama Power  
Corporate Headquarters  
600 North 18th Street  
(205) 257-1592

Dothan  
2220 Montgomery Highway  
(334) 793-7226

Energy Center (Colonnade - Hoover)  
3535 Colonnade Parkway  
(205) 992-5030

Gardendale  
949 Main Street  
(205) 598-8300

Hoover  
4725 Chace Circle  
(205) 823-7403

Hueytown  
2901 Allison-Bonnett Drive  
(205) 257-3905

Jasper  
706 20th Avenue East  
(205) 221-4238

Jasper West  
2501 Highway 78 W  
(205) 878-4600

Mobile  
150 St. Joseph Street  
(251) 694-2383

Montgomery  
244 Dexter Avenue  
(334) 832-3822

Pelham  
101 Huntley Parkway  
(205) 664-7421

Tattersall  
6400 Tattersall Park Drive  
(205) 547-9400

Trussville  
151 Main Street  
(205) 661-2715

Tuscaloosa  
630 15th Street  
(205) 345-6550

Tuscaloosa Queen City  
915 Queen City Avenue  
205-722-7300

West Mobile  
6396 Airport Blvd  
(251) 434-5634



APCO EMPLOYEES  
CREDIT UNION

[apcocu.org](http://apcocu.org)



Federally Insured by NCUA  
Equal Housing Opportunity Lender