

# GENCO

FEDERAL CREDIT UNION

## Setting the table for your financial future

YESTERDAY AND TOMORROW • 2018 ANNUAL REPORT



**66th  
Annual  
Membership  
Meeting**

**3.19.19**

- I. Call to Order**
- II. Invocation**
- III. Determination of  
Quorum**
- IV. Minutes of the  
65th Annual  
Membership  
Meeting**
- V. Report of the  
Board of Directors**
- VI. Report of the  
President**
- VII. Report of the  
Supervisory  
Committee**
- VIII. Unfinished  
Business**
- IX. Elections**
- X. Recognitions**
- XI. Adjournment**
- XII. Cash Door Prizes**

## Chairman's Address

It gives me great pleasure in welcoming you to the 66th Annual Meeting of GENCO Federal Credit Union. As a Board, we are truly honored to serve and represent you and we never take for granted the level of trust you have placed in us to ensure that GENCO remains committed to the communities we serve and a strong financial partner for all our members' financial needs.

I would also like to thank my fellow board members for their dedicated service, commitment, and passion to the credit union movement. They have contributed greatly to the success of GENCO and will continue to provide the leadership necessary to move GENCO forward in this ever changing world we live in.

By exercising sound business and service strategies, we can help you navigate your financial future. Our continued success means we can offer a wealth of financial products and services to save you money and enhance your life. We plan for a bright future for all our members and want to look at new and better ways of defining and redefining our success as we grow and learn and change.

Our credit union's management and staff have done an excellent job of keeping GENCO healthy and strong as you can see from the Supervisory Committee report and the financial statements presented. Staff is held accountable to the highest standards demanded by the membership, board of directors, auditors and federal regulators.

We value your membership and your continued participation in GENCO means we are in a strong financial position to continue meeting the financial needs of all our members. We look forward to serving you and being your financial partner in the years ahead.

Respectfully Submitted, **Robert Black**  
CHAIRMAN OF THE BOARD



# President's Address

For 66 years, GENCO Federal Credit Union has worked hard to provide the best service to our members in order to help you achieve your financial goals. From the first member we served in 1953 to each new member we welcome today, GENCO is committed to cultivating your financial success. We strive to stay on the forefront of innovative technology, providing you secure access to your accounts 24 hours a day, 7 days a week. So whether we are meeting you in person at a Branch office, speaking with you on the phone through our TeleBranch, or connecting with you through one of our electronic delivery services, it is our goal to provide you with the best in class service that you deserve and expect.

In 2018 we continued to focus on lending efficiency and convenience, operational consistency and competitive investment alternatives. In addition, looking forward into 2019, we are working to make sure our members are aware of all the products and services that are available including high interest rate checking accounts, money market accounts, share certificates (CDs), mortgage and home equity loans, and consumer loans. We are also working to provide more online services, content and financial education for our members.

Going forward, we want to continue to connect with you and be your first choice for all of your financial needs. We are committed to building a strong relationship with you based on trust and a high level of member service. You will feel so confident in us that you will want to refer all your friends and family members to GENCO when they need assistance finding solutions to their individual financial needs. We understand that everyone has unique situations and we want to be there for you and for them.

GENCO remains committed to the McLennan and Angelina County communities that we live and work in as well. We recognize it is important to be a solid community partner in addition to being your financial partner. We have invested in our communities by participating in numerous community events, working hundreds of volunteer hours, and giving thousands of dollars in sponsorships and donations. It is our job to support our communities who help make GENCO successful and together we will continue to grow and be successful.

Our accomplishments would not be possible without the teamwork and dedication of our credit union staff, board of directors and supervisory committee. This outstanding group of people has the common goal of making GENCO a great place to work and an institution of trust for members to conduct their financial business. Their passion inspires me, and I thank them for their loyalty and willingness to provide great service. Our commitment to you and your commitment to us is reflected in the mutual success we enjoy together. Thank you for your business and we will continue to work hard to earn it everyday.

***We look forward to the future and traveling together, on this road we call Life.***

Sincerely, **Neil Ling**

PRESIDENT, GENCO FEDERAL CREDIT UNION

**GENCO volunteered & participated in many Community Events in 2018.**

**LISTED BELOW ARE A FEW OF OUR LOCAL EVENTS WE SPONSORED AND/OR FUNDED:**

- ◆ **Local Little Leagues**
- ◆ **Livestock Shows**
- ◆ **National Nights Out**
- ◆ **Food for Families**
- ◆ **Toys for Tots Toy Drive**
- ◆ **Waco Police Memorial Run**
- ◆ **ARC of McLennan County**
- ◆ **FFA Shows**
- ◆ **In School Student Education/Classroom Visits**
- ◆ **Students of The Month**
- ◆ **HERO Day**
- ◆ **High School Sports**
- ◆ **Fire Department Fundraisers**
- ◆ **Lufkin Project Graduation**
- ◆ **Education Foundations**
- ◆ **American Cancer Society**
- ◆ **Carter Blood Care**
- ◆ **6 Chambers of Commerce**
- ◆ **Habitat For Humanity**
- ◆ **No Kill Animal Shelters (2)**
- ◆ **Financial Health Fairs**

# Supervisory Committee Report

GENCO FCU's Supervisory Committee, made up of three volunteer members, independently evaluates the strength and soundness of GENCO's operations and activities. We work alongside internal auditors, the Board of Directors, the President and employees of GENCO to ensure that the assets are safeguarded by upholding procedures that comply with Generally Accepted Accounting Principles.

The committee is also responsible for responding to member concerns and oversees the audited financial statements to confirm that they represent a fair and accurate picture of the financial condition of GENCO.

The annual audit is one way to ensure the security of member deposits and provide a practical way for members to verify the authenticity and accuracy of reports from elected officials.

The committee retained the services of certified public accountants (CPAs) from Clifton Larson Allen LLP and reviewed the financial condition, policies and internal controls of the Credit Union as of June 30, 2018.

The review was performed in accordance with requirements set forth in Part 715 of NCUA Rules and Regulations.

The NCUA (National Credit Union Administration), a U.S. government agency, completed its examination as of September 30, 2018 and reviewed the report with the Board of Directors and Supervisory Committee.

Based on the results of the written and oral reports of the auditors and examiners, we conclude that GENCO Federal Credit Union is in excellent order. Further, it is our opinion that the financial statements presented herein are a true and accurate report of GENCO Federal Credit Union's financial condition.

Respectfully Submitted, **Larry Bone**

CHAIRMAN, SUPERVISORY COMMITTEE

		2018	2017	
<b>Assets</b>	Cash on Hand & in Bank.....	\$ 2,810,966.56	\$ 3,396,502.65	
	Loans to Members (Net).....	211,673,835.05	190,484,399.72	
	Investments.....	71,664,990.36	81,730,913.97	
	Buildings & Land.....	8,706,783.04	8,880,907.94	
	Furniture & Fixtures.....	679,109.10	665,670.91	
	Other Assets.....	7,107,648.38	6,060,120.11	
	<b>TOTAL ASSETS.....</b>	<b>\$ 302,643,332.49</b>	<b>\$ 291,218,515.30</b>	
<b>Liabilities</b>	Shares (Member Savings).....	\$ 264,660,526.16	\$ 255,785,527.59	
	Accounts Payable.....	0.00	0.00	
	Other Liabilities.....	534,694.06	118,035.80	
	Dividends Payable.....	378,521.86	258,344.99	
	Reserves.....	8,523,807.37	8,523,807.37	
	Undivided Earnings.....	28,545,783.04	26,532,799.55	
	<b>TOTAL LIABILITIES.....</b>	<b>\$ 302,643,332.49</b>	<b>\$ 291,218,515.30</b>	
<b>Income</b>	Interest on Loans to Members.....	\$ 7,794,935.22	\$ 7,116,914.10	
	Income from Investments.....	1,387,379.71	1,078,842.05	
	Other Income.....	6,175,964.76	5,762,421.55	
	<b>TOTAL INCOME.....</b>	<b>\$ 15,358,279.69</b>	<b>\$ 13,958,177.70</b>	
<b>Expenses</b>	Compensation.....	\$ 4,161,519.62	\$ 4,031,189.01	
	Employee Benefits.....	991,282.66	1,000,246.68	
	Training & Conferences.....	65,764.35	52,901.88	
	Dues & Subscriptions.....	63,368.25	65,062.90	
	Office Occupancy.....	715,115.45	700,431.35	
	Office Operations.....	3,025,988.81	2,901,845.37	
	Education & Promotion.....	399,813.11	394,265.29	
	Loan Servicing.....	149,767.08	137,287.27	
	Professional Services.....	936,680.12	809,816.93	
	Provision for Loan Losses.....	1,019,447.20	956,025.80	
	NCUA Assessment.....	0.00	0.00	
	Miscellaneous Operating.....	252,112.61	164,312.04	
		<b>TOTAL EXPENSES.....</b>	<b>\$ 11,780,859.26</b>	<b>\$ 11,213,384.52</b>
		Income Before Dividends.....	\$ 3,577,420.43	\$ 2,744,793.18
	Dividends.....	1,555,311.99	1,246,451.15	
	Gain/(Loss) on Assets.....	(4,397.38)	1,608.42	
	Other Non-Operating Gain/(Loss).....	0.00	0.00	
	<b>NET INCOME.....</b>	<b>\$ 2,017,711.06</b>	<b>\$ 1,499,950.45</b>	

# MINUTES OF THE 65TH ANNUAL MEMBERSHIP MEETING

The 65th GENCO Federal Credit Union Annual Membership Meeting was held in the Brazos Room at the Waco Convention Center on March 17, 2018.

The meeting was called to order by Chairman Robert Black at 7:00p.m. Chairman Black welcomed everyone to the 65th Annual Membership Meeting of GENCO Federal Credit Union.

Before the invocation, Chairman Black asked everyone to bow their heads in a moment of silence in memory of those members who had passed away since the last meeting and for the men and women in uniform. Scott Hedges delivered the invocation.

Chairman Black recognized everyone seated at the head table.

Chairman Black then reported that, according to the Federal Credit Union by-laws, fifteen members constitute a quorum and that there were in excess of 280 members present; therefore a quorum was declared present and the meeting continued.

Chairman Black reported that the agenda for the meeting along with the annual report is printed and on the table.

Chairman Black announced that "Robert's Rules of Order Newly Revised" would be the Parliamentary Authority for the meeting.

Cathy Restivo was appointed recording secretary.

Chairman Black announced the meeting was being recorded and if anyone wished to speak they must be a member of GENCO Federal Credit Union and they must use a microphone, state their full name and place of employment, and be recognized.

Chairman Black announced a duly appointed Committee had approved the minutes of the 64th Annual Membership Meeting. The minutes are printed in the Annual Report. There were no questions.

Chairman Black appointed the following committee to approve the minutes of the 65th Annual Membership Meeting: Ruth Merilian, Myra Berg, and Julia Campos, Chairperson.

Chairman Black said the Board of Directors Report was printed in the annual report and he delivered his remarks.

President Neil Ling recognized Kelley Perkins, Marketing Director, and thanked her for the audio visual presentation and all the hard work to make this meeting so successful. The President then reviewed the financial statements and presented the President's Report.

Larry Bone delivered the Supervisory Committee Report.

Chairman Black reported that there was no unfinished business. He asked if there was any new business other than the election to come before this meeting. There was no new business.

Chairman Black called on Ronnie Selman, Chairman of the Nominating Committee, to deliver the Nominating Committee Report. Mr. Selman recognized the other members of the Nominating Committee: Jerry Cross and Mary Needler. Mr. Selman reported that two, three-year terms on the Board of Directors were expiring at this meeting. The committee met and nominated Larry Davis and Kim Payne to serve on the Board of Directors. Mr. Selman delivered a brief biography of the two nominees.

Chairman Black stated that the bylaws of GENCO Federal Credit Union allow nominations for the Board of Directors by petition and when there is more than one nominee per position, the elections will be by mail ballot. There were no nominations by petition. Therefore the Chair declared Larry Davis and Kim Payne elected to the Board of Directors for three-year terms, 2018-2021.

Chairman Black then called on President Neil Ling for other special recognitions. The President then recognized all GENCO Federal Credit Union employees present at the meeting as well as retired employees, former Supervisory Committee members, Credit Committee members, Board members and former General Tire employees. President Ling then recognized board member Travis Cotten with a plaque for his nine years of service on the board from 2009-2018.

Chairman Black said there was no further business to come before the meeting and declared the 65th Annual Membership Meeting of GENCO Federal Credit Union adjourned at 7:23 p.m.

Respectfully submitted,

**Julia Campos, Chairman, Ruth Merilian and Myra Berg • March 17, 2018**





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BOARD OF DIRECTORS

ROBERT BLACK

CHAIRMAN

LARRY DAVIS

VICE CHAIRMAN

MARY NEEDLER

TREASURER

CATHY RESTIVO

SECRETARY

KIM PAYNE

BOARD MEMBER

LARRY BONE

BOARD MEMBER

JERRY MCDONALD

BOARD MEMBER

SUPERVISORY

COMMITTEE

LARRY BONE

CHAIRMAN OF THE

SUPERVISORY

COMMITTEE

KIM PAYNE

COMMITTEE MEMBER

JERRY MCDONALD

COMMITTEE MEMBER