

70TH

ANNUAL
MEETING



GENCO FCU | MARCH 28TH, 2023

2022 ANNUAL REPORT



CHAIRMAN'S ADDRESS

On behalf of the Board of Directors, I would like to welcome you to the 70th annual meeting of GENCO FCU. It is my privilege to join with you today in recognizing our credit union achievements and the success we have experienced in serving our members and the community.

As your elected volunteer Board of Directors, we are proud to serve and we will never take for granted the trust you have placed in us as a group. My fellow Board members, Supervisory Committee volunteers and I strive to provide quality and consistent leadership at GENCO. As a Board, we embrace our responsibilities and commitment to you and our goal is to provide strong, clear policies that direct the management and staff in their day to day operations of the credit union.

2022 proved to be one of the most challenging years since the pandemic hit the United States back in the spring of 2020. While Covid-19 became part of everyday life and the supply chain issues slowly worked themselves out to a great extent, we were faced with a whole new set of challenges this past year. Inflation at 40 year highs, wage price spirals, staffing shortages and interest rates rising at a pace not seen since the 1980's were a few of the biggest challenges of the year. And while GENCO was not immune from a single one of these challenges, we are proud to have been there for you during this difficult time in our history. Our management team and staff had to be creative and adapt to an ever changing environment and marketplace. Through implementation of sound business practices and service strategies, we were able to meet the needs of our members on a daily basis and further our financial partnership. I want to acknowledge their dedication to serving both our members and our communities, and to carrying on the credit union philosophy of "people helping people" every day. For all this and more, they are very deserving of our gratitude.

Financial success can be measured in many ways but to us it means a better life for you, your family, and our community. Your participation in GENCO means we are in a strong financial position to continue meeting your lending needs and offering a wealth of savings tools and other essential financial services to enhance your life.

As we continue to put members first and focus on building relationships, we hope this will deepen your trust in GENCO. We are a strong credit union that advocates in our community, consistently acquires new members and we are increasing our strength in numbers. 2022 has been an challenging but successful year and we are excited and look forward to serving our more than 41,000+ members in 2023.

Respectfully Submitted,
Robert Black
Chairman of the Board

- I. Call to Order
- II. Invocation
- III. Determination of Quorum
- IV. Minutes of the 69th 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



PRESIDENT'S ADDRESS

I am here today because I believe we share a common goal: We are committed to building an atmosphere of opportunity that works for our members, our employees and our community. And I am excited to be back here in person for our Annual Meeting. There's energy that comes from this that you cannot replicate online. We took advantage of Zoom, Microsoft Teams and other technology resources, but there's nothing that replaces the energy from a live event so Thank You all for coming tonight.

At GENCO, we strive to help our members and to give back every day. As a financial cooperative, we continue to give back in many ways. For members who are savers, it has been many years since we have seen interest rates at this level and we're giving back in the form of higher dividend rates on your deposits and certificates. For our borrowers, while we recognize that interest rates have gone up, GENCO still offers you the lowest rates around when it comes to personal, auto or home loans. We also continue to support our communities through volunteerism, scholarship opportunities, sponsorships and donations. Whether it be our local schools, community organizations, or fundraisers, we believe our support helps make our communities stronger and a better place to live and work. We focus on how we can help our members live better, going beyond their financial lives.

At GENCO we never want lose sight of one of our greatest strengths and what keeps members coming back to us for their future needs: "Outstanding Member Service." Our tremendous staff in each of our branches are here to speak with you and to help you with all your financial needs. After all, it's about relationships and we are here to partner with you no matter your need. Technology and remote access are great but there is nothing like that personal touch our employees provide to you on a daily basis. It is truly our pleasure to serve you.

I'm proud to say our staff was recognized in 2022 by being voted #1, in two separate community driven competitions all voted on by the public. GENCO staff won first place for The Best Of Lufkin-Credit Union in Angelina County and in McLennan County our staff won #1 Credit Union Most Loved in Waco. Two number one positions in 2 counties. Our 102 employees **Thank You**, our members, for that honor.

Behind the scenes we have worked diligently to provide you with the best products and services:

- Expanding our online and mobile banking options with upgrades to our My Card service allowing you to increase your security and control over your debit card.
- Providing a redesigned Website with a great new look and easy to navigate pages. Includes upgraded ADA assistance features for ease of use.
- Increased spending on security and software to protect our network and digital resources. Your trust and privacy are our top priority.
- Upgrading our network and technology to improve efficiency, speed, access and uptime.
- Developed financial literacy resources and tools for financial education
- Support advocacy and lobbying efforts on behalf of the credit union community that protect GENCO and the credit union system to ensure we are here to serve you.

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 our members. Their passion inspires me, and I thank them for their loyalty and willingness to serve. Thank you for your business and support of GENCO. Together, we are stronger!

Thank You, **Neil Ling - President**

SUPERVISORY COMMITTEE REPORT

GENCO's Supervisory Committee independently evaluates the strength and soundness of GENCO's operations and activities. We work alongside our 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 the credit union. The annual audit is one way to ensure the security of member deposits and it provides 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 CliftonLarsonAllen, LLP and reviewed the financial condition, policies and internal controls of the Credit Union as of June 30, 2022. 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, 2021 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**

| | | 2022 | 2021 |
|----------------------------|-----------------------------------|--------------------------------|--------------------------|
| ASSETS | Cash on Hand & in Bank..... | \$ 3,916,610.87..... | \$ 3,927,402.09 |
| | Loans to Members (Net)..... | 231,025,161.34 | 228,411,809.20 |
| | Investments | 171,508,666.45..... | 172,341,962.20 |
| | Buildings & Land | 7,930,112.85..... | 8,172,602.88 |
| | Furniture & Fixtures..... | 478,782.66..... | 671,043.92 |
| | Other Assets..... | 6,903,398.03..... | 7,334,169.51 |
| | TOTAL ASSETS | \$ 421,762,732.20 | \$ 420,858,989.80 |
| LIABILITIES | Shares (Member Savings)..... | \$ 373,159,900.30..... | \$ 374,237,996.27 |
| | Other Liabilities | 90,645.97..... | 1,578,115.52 |
| | Dividends Payable..... | 398,368.83..... | 268,549.27 |
| | Reserves..... | 0.00..... | 8,523,807.37 |
| | Undivided Earnings..... | 48,113,817.10..... | 36,250,521.37 |
| | TOTAL LIABILITIES | \$ 421,762,732.20 | \$ 420,858,989.80 |
| INCOME | Interest on Loans to Members..... | \$ 8,917,363.47..... | \$ 8,936,726.24 |
| | Income from Investments..... | 2,171,988.13..... | 933,496.10 |
| | Other Income..... | 8,302,552.57..... | 7,439,966.32 |
| | TOTAL INCOME..... | \$ 19,391,904.17..... | \$ 17,310,188.66 |
| EXPENSES | Compensation..... | \$ 5,406,951.94..... | \$ 4,912,892.50 |
| | Employee Benefits..... | 1,184,638.75..... | 1,097,955.14 |
| | Training & Conferences..... | 45,910.53..... | 47,589.28 |
| | Dues & Subscriptions..... | 69,128.88..... | 69,290.85 |
| | Office Occupancy..... | 761,860.18..... | 730,190.09 |
| | Office Operations..... | 3,896,442.79..... | 3,654,639.76 |
| | Education & Promotion | 334,164.26..... | 347,889.42 |
| | Loan Servicing..... | 131,946.63..... | 146,868.57 |
| | Professional Services..... | 1,567,718.82..... | 1,428,973.48 |
| | Provision for Loan Losses..... | 195,037.68..... | 135,057.71 |
| | Miscellaneous Operating..... | 184,311.88..... | 149,610.88 |
| | TOTAL EXPENSES | \$ 13,778,112.34..... | \$ 12,720,957.68 |
| | Income Before Dividends..... | \$ 5,613,791.83..... | \$ 4,589,230.98 |
| Dividends..... | 1,501,176.46..... | 1,455,300.85 | |
| Gain/(Loss) on Assets..... | 8.00..... | (2,274.90) | |
| NET INCOME | \$ 4,112,623.37..... | \$ 3,131,655.23 | |

MINUTES OF THE 69TH ANNUAL MEMBERSHIP MEETING

The 69th GENCO Federal Credit Union Annual Membership Meeting was held virtually in the lobby of the Valley Mills Drive office located at 731 N. Valley Mills Drive Waco, TX 76710. The meeting was broadcast virtually via Facebook Live on March 29, 2022 at 6:30pm.

The meeting was called to order by Chairman Robert Black at 6:30p.m. Chairman Black welcomed everyone to the 69th 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. Neil Ling delivered the invocation.

Chairman Black recognized all the Board members seated in the room one by one and he also recognized Adam Harry who will be coming onto the Supervisory Committee.

Chairman Black then reported that due to emergency proclamations issued at the national, state, and local levels for the COVID-19 pandemic, the Board of directors at the February 1, 2022 board meeting discussed and invoked the emergency bylaw amendment passed in 2020 that allows the meeting to be held virtually and without an in-person quorum. The National Credit Union Administration has also notified all credit unions that it is appropriate to invoke this bylaw provision based on the current state of the on-going pandemic.

Chairman Black reported that the agenda for the meeting along with the annual report is printed and available on our website at www.gencofcu.org or there are a limited number of printed copies at each branch office that you can pick up and review.

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 via Facebook Live.

Chairman Black announced a duly appointed Committee had approved the minutes of the 68th Annual Membership Meeting. The minutes are printed in the Annual Report.

Chairman Black appointed the following committee to approve the minutes of the 69th Annual Membership Meeting: Marcia Horn, Melissa Hoeldtke and Mike Provence as Chairperson.

Chairman Black said the Board of Directors Report was printed in the annual report and he had no other remarks.

President Neil Ling recognized Kelley Stark, Marketing Director, and thanked her for organizing and planning the virtual Facebook Live format so we could complete our annual meeting. 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 or new business other than the election to come before this meeting.

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: Donna Hogan and Kim Payne. Mr. Selman reported that two, three-year terms on the Board of Directors were expiring at this meeting. The committee met and nominated Mary Needler and Larry Bone 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 Mary Needler and Larry Bone elected to the Board of Directors for three-year terms, 2022-2025.

Chairman Black then called on President Neil Ling for other special recognitions. The President then recognized all GENCO Federal Credit Union employees as well as retired employees, former Supervisory Committee members, Credit Committee members, Board members and former General Tire employees and thanked them for their service to GENCO.

Chairman Black said there was no further business to come before the meeting and declared the 69th Annual Membership Meeting of GENCO Federal Credit Union adjourned at 6:54p.m.

Respectfully submitted,

Mike Provence, Chairman | Marcia Horn | Melissa Hoeldtke | March 29, 2022

GENCO FCU BOARD OF DIRECTORS

ROBERT BLACK CHAIRMAN

LARRY BONE VICE CHAIRMAN

MARY NEEDLER TREASURER

CATHY RESTIVO SECRETARY

KIM PAYNE BOARD MEMBER

TODD GILL BOARD MEMBER

JERRY MCDONALD BOARD MEMBER

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GENCO
FEDERAL CREDIT UNION

GENCO FCU SUPERVISORY COMMITTEE

LARRY BONE CHAIRMAN OF THE SUPERVISORY COMMITTEE

LARRY DAVIS COMMITTEE MEMBER

ADAM HARRY COMMITTEE MEMBER

WACO

LUFKIN

LACY LAKEVIEW

BELLMEAD

LORENA

WOODWAY



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