



GENCO
FEDERAL CREDIT UNION



2019 ANNUAL REPORT

MARCH 17TH, 2020



67TH ANNUAL MEMBERSHIP MEETING

- I. Call to Order
- II. Invocation
- III. Determination of Quorum
- IV. Minutes of the 66th 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

On behalf of the Board of Directors, I would like to welcome you to the 67th annual meeting of GENCO FCU. Thank You for the level of trust you have placed in me and my fellow board members. I think you all recognize that as not-for-profit cooperatives, credit unions are different and we strive to make a difference in the lives of our members every day. Our board is completely voluntary and committed to establishing strong, clear policies that direct the management and staff in their day-to-day operations of GENCO.

By exercising sound business practices and providing a high level of member service, we can help navigate your financial future. We are here to help you meet your financial goals and we are always evaluating new and better ways of defining and redefining our success as we grow and learn and change. With the continued success of GENCO FCU, we can offer our members a wealth of savings tools, loans and other financial products and services that enhance your life and expand our outreach in the community and beyond.

Our Credit Union's management and staff has done an excellent job of keeping GENCO healthy and strong as you can see from the Supervisory Committee report and the financial statements presented. As an organization, we are all held accountable to the highest standards demanded by our membership, auditors and federal regulators.

In closing, let me express my confidence in the guidance of our Board of Directors and Supervisory Committee, the commitment of our dedicated staff, and the support and loyalty of our members. And let me also assure you that GENCO is well positioned to face any challenge and seize any opportunity that presents itself in 2020.

Thank you for your membership and commitment and I wish you all the best for the coming year!

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

PRESIDENT'S ADDRESS

When you joined GENCO with your initial deposit, you became one of the most important people in the credit union industry: a member-owner. That initial deposit made you a participant and contributor to the growth and future of GENCO Federal Credit Union.

At GENCO, you're surrounded by people like yourself who have an equal share of GENCO. As a financial cooperative, our success is your success. And through that cooperative structure, we are able to return those shared savings back to you by offering lower rates on loans, higher rates on savings, new financial products/services, and lower fees. According to the Credit Union National Association, credit unions provided more than \$16.5 billion in financial benefits to the U.S. economy in 2019. In short, credit unions put people over profits and provide a means for members like you to manage your financial affairs and succeed in life.

Over the course of the past year, our membership grew by 2.30% and GENCO ended the year with 39,264 members. As our membership grew and we continued to improve our products and services, our total deposits grew 4.81% to \$277.3 million and our total assets grew 5.00% to \$317.7 million by the end of 2019. In addition, loans increased 6.12% from the previous year and closed the year at \$225.7 million. In 2019, GENCO provided in excess of \$111 million in new loans to members providing the opportunity for some of the most important financial expenses in life.

Our commitment to community involvement is another reason GENCO is different from other financial institutions. Some of our community activities in 2019 include:

- *We volunteered time and gave financial support to 5 local chambers of commerce.*
- *We collected much needed items to help supply 2 local no kill animal shelters.*
- *We delivered a van stuffed full of Christmas gifts for Toys for Tots to the Marines.*
- *We hosted holiday Easter and Halloween parties for our youngest GENCO members.*
- *We attended over two dozen health fairs/reality fairs/expos.*
- *We supported over a dozen local schools by co-sponsoring educational events.*
- *We donated over \$35,000 to a large variety of other local community events*

AND FOR 2020, **WE PLAN TO CONTINUE TO REACH OUT TO THESE AND OTHER ORGANIZATIONS.**

Additionally, I am very proud of our management team and staff for their loyalty and dedication to GENCO with twelve Years of Service Awards given out in 2019, ranging from 5 – 37 years employment. We have a group of over 100 employees who come to work every day as a team with the goal of listening to member needs and providing solutions to improve our members' financial and daily lives. We are also very fortunate to have a dedicated volunteer Board of Directors and Supervisory Committee leading the credit union by setting policy and making decisions with the number one goal being: What is best for GENCO's members. We can never thank them enough for their time and volunteer spirit.

You have made GENCO Federal Credit Union your financial partner. Thank you for recognizing the benefits of being a member-owner. By choosing to do your financial business with us, your money stays right here local, strengthening and adding to the economic stability of the communities we serve. We are forever grateful to be a part of your financial journey, helping you to achieve your dreams and goals. Thank you for your business and we will work hard to earn it every day

Sincerely, **Neil Ling**
PRESIDENT

SUPERVISORY COMMITTEE REPORT

GENCO'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.

They are also responsible for responding to member concerns and oversees the audited financial statements to confirm that they represent a fair and accurate picture of our financial condition. 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, 2019.

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

		2019	2018	
Assets	Cash on Hand & in Bank	\$ 4,040,486.48	\$ 2,810,966.56	
	Loans to Members (Net).....	224,679,706.88	211,673,835.05	
	Investments	71,980,381.33	71,664,990.36	
	Buildings & Land	8,484,962.03	8,706,783.04	
	Furniture & Fixtures	788,661.46	679,109.10	
	Other Assets.....	7,808,648.46	7,107,648.38	
	TOTAL ASSETS	\$ 317,782,846.64	\$ 302,643,332.49	
Liabilities	Shares (Member Savings)	\$ 277,392,367.54	\$ 264,660,526.16	
	Accounts Payable.....	0.00	0.00	
	Other Liabilities.....	572,037.21	534,694.06	
	Dividends Payable.....	521,619.17	378,521.86	
	Reserves.....	8,523,807.37	8,523,807.37	
	Undivided Earnings	30,773,015.35	28,545,783.04	
	TOTAL LIABILITIES.....	\$ 317,782,846.64	\$ 302,643,332.49	
Income	Interest on Loans to Members	\$ 8,843,612.14	\$ 7,794,935.22	
	Income from Investments.....	1,704,138.55	1,387,379.71	
	Other Income.....	6,296,993.54	6,175,964.76	
	TOTAL INCOME	\$ 16,844,744.23	\$ 15,358,279.69	
Expenses	Compensation	\$ 4,474,445.28	\$ 4,161,519.62	
	Employee Benefits.....	1,055,987.52	991,282.66	
	Training & Conferences	56,219.37	65,764.35	
	Dues & Subscriptions	70,899.90	63,368.25	
	Office Occupancy.....	718,139.11	715,115.45	
	Office Operations	3,261,329.84	3,025,988.81	
	Education & Promotion	400,009.70	399,813.11	
	Loan Servicing.....	154,456.91	149,767.08	
	Professional Services	1,099,501.95	936,680.12	
	Provision for Loan Losses	943,427.15	1,019,447.20	
	NCUA Assessment.....	0.00	0.00	
	Miscellaneous Operating.....	232,235.95	252,112.61	
		TOTAL EXPENSES.....	\$ 12,466,652.68	\$ 11,780,859.26
		Income Before Dividends	\$ 4,378,091.55	\$ 3,577,420.43
	Dividends.....	2,162,138.35	1,555,311.99	
	Gain/(Loss) on Assets.....	(6,378.97)	(4,397.38)	
	Other Non-Operating Gain/(Loss)	0.00	0.00	
	NET INCOME	\$ 2,209,574.23	\$ 2,017,711.06	

MINUTES OF THE 66TH ANNUAL MEMBERSHIP MEETING

**The 66th GENCO Federal Credit Union Annual
Membership Meeting was held in the Brazos Room
at the Waco Convention Center on March 19, 2019.**

The meeting was called to order by Chairman Robert Black at 7:03p.m. Chairman Black welcomed everyone to the 66th 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 225 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 65th 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 66th Annual Membership Meeting: Taylor Leatham, Gail Settlemyer, and Daryl Colyer, 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 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 Larry Bone and Mary Needler 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 Bone and Mary Needler elected to the Board of Directors for three-year terms, 2019-2022.

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.

Chairman Black said there was no further business to come before the meeting and declared the 66th Annual Membership Meeting of GENCO Federal Credit Union adjourned at 7:24 p.m.

Respectfully submitted,

Daryl Colyer, Chairman, Gail Settlemyer and Taylor Leatham • March 19, 2019

GENCO FCU 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**

GENCO FCU SUPERVISORY COMMITTEE

- LARRY BONE **CHAIRMAN OF THE SUPERVISORY COMMITTEE**
- KIM PAYNE **COMMITTEE MEMBER**
- JERRY MCDONALD **COMMITTEE MEMBER**



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