



GENCO
FEDERAL CREDIT UNION



2020 ANNUAL REPORT

MARCH 23RD, 2021



68TH ANNUAL MEMBERSHIP MEETING

- I. Call to Order
- II. Invocation
- III. Determination of Quorum
- IV. Minutes of the 67th 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

CHAIRMAN'S ADDRESS

It gives me great pleasure in welcoming you to the 68th 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 adopting sound financial policies and exercising ethical business practices and strategies, we can help assure the credit union remains on strong financial footing. Our continued success means we can develop and offer a wealth of financial products and services to save you money and enhance your financial goals. We plan for a bright future for all our members and want to look at new and better ways of defining and redefining our business success as we grow and learn to meet your future needs.

Our credit union's management and staff continue to do 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. We want to develop relationships with you that enable us 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

Every person in America and every financial institution have had to face the challenges of the COVID-19 pandemic. GENCO is no different. Your health and safety, and the health and safety of our staff, are important to us, so in 2020 we enacted certain protocols to minimize exposure while ensuring you have access to your money and our full array of services and products whenever you need them.

As a result we offered expanded services in our drive thru that we never had before and it was very successful. We also saw tremendous growth in the number of calls to our Call Center as members utilized this safe and efficient way to access the credit union. Finally, we saw increases in the use of all electronic services which allow you to access your account. Members who had never used mobile banking or applied for a loan online found these services to be a very safe and effective way to take care of their financial business.

In addition, and as a result of our experiences this past year, I am also pleased to announce that we are going through a complete upgrade of our home banking, mobile banking, and bill pay services. We will be adding all new capabilities which will increase your ability to manage your accounts and loans remotely. We are adding tablet banking, the ability to deposit checks remotely, person to person transfers through Zelle®, account to account transfers with other financial institutions, integrated bill pay, same day bill pay, upgraded security features and much more which will only enhance your experience here with GENCO. Look for all these upgrades to go live in May 2021. We hope the technical advancements we are making will help you feel confident about the security of your finances and access to GENCO when you need it even during the most challenging of times.

With all these technological advances and remote access, 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 is still here in each of our branches 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 whether you need a checking account, auto loan, home loan or personal loan. 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!

As your financial first responder, GENCO went to great lengths to help members and our community through the most challenging year in modern times. Because that's what we're here for: **your financial well-being.**

Over the course of the past year, our **membership grew by 1.93%** and GENCO ended the year with 40,022 members. As our membership grew and we continued to improve our products and services, our **total deposits grew 15.59% to \$320.6 million** and our **total assets grew 14.61% to \$364.2 million** by the end of 2020. In addition, **loans increased 2.63%** from the previous year and closed the year at \$231.6 million. In 2020, GENCO provided 5,902 new loans in excess of \$110 million to members providing the opportunity for some of the most important financial expenses in life.

Our many accomplishments would not have been possible without the ongoing energy, optimism, commitment, and servant hearts of everyone involved including our Board, Supervisory Committee, staff and you, our Members. It takes **“Teamwork to make the Dreamwork”** and because of the work we've all done together, this credit union is doing very well, despite the pandemic. I am so proud of our Team here at GENCO that has found a way through all the chaos of the past year to be steadfast in their commitment to serve you! I am blessed to work with every one of them each and every day.

As we navigate the challenges of 2021, we promise that GENCO will continue to grow responsibly while listening and responding to your needs. As our member-owners, you are an integral part of our credit union family, and we are sincerely grateful that you've chosen GENCO FCU as your financial partner. We wish you a healthy and prosperous 2021.

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, 2020. 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 June 30, 2020 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

	2020	2019	
Assets	Cash on Hand & in Bank	\$ 3,875,912.98	\$ 4,040,486.48
	Loans to Members (Net)	230,619,997.60	224,679,706.88
	Investments	113,757,905.53	71,980,381.33
	Buildings & Land	8,384,990.85	8,484,962.03
	Furniture & Fixtures	809,543.26	788,661.46
	Other Assets	6,776,874.85	7,808,648.46
	TOTAL ASSETS	\$ 364,225,225.07	\$ 317,782,846.64
Liabilities	Shares (Member Savings)	\$ 320,641,811.14	\$ 277,392,367.54
	Other Liabilities	1,345,019.24	572,037.21
	Dividends Payable	390,226.75	521,619.17
	Reserves	8,523,807.37	8,523,807.37
	Undivided Earnings	33,324,360.57	30,773,015.35
TOTAL LIABILITIES	\$ 364,225,225.07	\$ 317,782,846.64	
Income	Interest on Loans to Members	\$ 9,387,177.51	\$ 8,843,612.14
	Income from Investments	1,238,986.04	1,704,138.55
	Other Income	6,613,211.11	6,296,993.54
TOTAL INCOME	\$ 17,239,374.66	\$ 16,844,744.23	
Expenses	Compensation	\$ 4,658,615.09	\$ 4,474,445.28
	Employee Benefits	1,092,235.27	1,055,987.52
	Training & Conferences	46,204.34	56,219.37
	Dues & Subscriptions	70,305.89	70,899.90
	Office Occupancy	728,614.64	718,139.11
	Office Operations	3,361,440.63	3,261,329.84
	Education & Promotion	343,351.05	400,009.70
	Loan Servicing	160,091.61	154,456.91
	Professional Services	1,303,784.07	1,099,501.95
	Provision for Loan Losses	721,563.34	943,427.15
	Miscellaneous Operating	202,421.63	232,235.95
	TOTAL EXPENSES	\$ 12,688,627.56	\$ 12,466,652.68
Income Before Dividends	\$ 4,550,747.10	\$ 4,378,091.55	
Dividends	2,047,348.45	2,162,138.35	
Gain/(Loss) on Assets	(4,959.22)	(6,378.97)	
NET INCOME	\$ 2,498,439.43	\$ 2,209,574.23	

MINUTES OF THE 67TH ANNUAL MEMBERSHIP MEETING

The 67th 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 July 21, 2020 at 6:15pm.

The meeting was called to order by Chairman Robert Black at 6:15p.m. Chairman Black welcomed everyone to the 67th 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 all the Board members seated in the room one by one.

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 March 25, 2020 board meeting discussed and adopted a bylaw amendment that allowed 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 66th Annual Membership Meeting. The minutes are printed in the Annual Report.

Chairman Black appointed the following committee to approve the minutes of the 67th Annual Membership Meeting: Cassandra McClure, Cindy Zavodny and Marcia Horn, 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 Perkins, Marketing Director, and thanked her for moving everything to 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 three, three-year terms on the Board of Directors were expiring at this meeting. The committee met and nominated Robert Black, Cathy Restivo, and Jerry McDonald to serve on the Board of Directors. Mr. Selman delivered a brief biography of the three 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 Robert Black, Cathy Restivo, and Jerry McDonald elected to the Board of Directors for three-year terms, 2020-2022.

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 67th Annual Membership Meeting of GENCO Federal Credit Union adjourned at 6:36 p.m.

Respectfully submitted,

Marcia Horn, Chairman, Cassandra McClure and Cindy Zavodny • July 21, 2020

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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