



GENCO
FEDERAL CREDIT UNION



2021 ANNUAL REPORT

MARCH 29TH, 2022



69TH ANNUAL MEMBERSHIP MEETING

- I. Call to Order
- II. Invocation
- III. Determination of Quorum
- IV. Minutes of the 68th 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 69th 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

For 69 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 2021 we all continued to deal with the Covid-19 pandemic and the effects it was having on our daily lives and how we do business. At GENCO our focus was on improving our ability to be able to do business with you when and how you wanted to do business. We invested heavily in our new mobile and online banking technology which now allows you to access all of our electronic services through a single sign-on simplifying access to your accounts. We added a new bill pay platform that is integrated into our online banking and mobile banking so you can pay your bills from anywhere. We also added mobile deposit that allows you to deposit checks to your account by utilizing your mobile phone. Other new features include person-to-person payments, bank-to-bank transfers, budget tracking and the ability to view your credit report and credit score. And while we added all this new technology for your convenience, we kept our focus on security. We invested in new security technology throughout all these products to make sure that you can safely and securely access your accounts. Looking forward into 2022, we are working to make sure our members are aware of all the products and services that are available including mortgage and home equity loans, auto loans, personal and credit card loans, high interest rate checking accounts, money market accounts and share certificates (CDs). We are also working to provide more online services, content and financial education for our members.

Going forward, we want to continue to 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. 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. 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 important to support our communities who help make GENCO successful and together we will continue to grow.

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.

We will continue to work hard to earn your trust every day.

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, 2021. 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

		2021	2020
Assets	Cash on Hand & in Bank	\$ 3,927,402.09	\$ 3,875,912.98
	Loans to Members (Net)	228,411,809.20	230,619,997.60
	Investments	172,341,962.20	113,757,905.53
	Buildings & Land	8,172,602.88	8,384,990.85
	Furniture & Fixtures	671,043.92	809,543.26
	Other Assets	7,334,169.51	6,776,874.85
	TOTAL ASSETS	\$ 420,858,989.80	\$ 364,225,225.07 s
Liabilities	Shares (Member Savings)	\$ 374,237,996.27	\$ 320,641,811.14
	Other Liabilities	1,578,115.52	1,345,019.24
	Dividends Payable	268,549.27	390,226.75
	Reserves	8,523,807.37	8,523,807.37
	Undivided Earnings	36,250,521.37	33,324,360.57
	TOTAL LIABILITIES	\$ 420,858,989.80	\$ 364,225,225.07
Income	Interest on Loans to Members	\$ 8,936,726.24	\$ 9,387,177.51
	Income from Investments	933,496.10	1,238,986.04
	Other Income	7,439,966.32	6,613,211.11
	TOTAL INCOME	\$ 17,310,188.66	\$ 17,239,374.66
Expenses	Compensation	\$ 4,912,892.50	\$ 4,658,615.09
	Employee Benefits	1,097,955.14	1,092,235.27
	Training & Conferences	47,589.28	46,204.34
	Dues & Subscriptions	69,290.85	70,305.89
	Office Occupancy	730,190.09	728,614.64
	Office Operations	3,654,639.76	3,361,440.63
	Education & Promotion	347,889.42	343,351.05
	Loan Servicing	146,868.57	160,091.61
	Professional Services	1,428,973.48	1,303,784.07
	Provision for Loan Losses	135,057.71	721,563.34
	Miscellaneous Operating	149,610.88	202,421.63
		TOTAL EXPENSES	\$ 12,720,957.68
	Income Before Dividends	\$ 4,589,230.98	\$ 4,550,747.10
	Dividends	1,455,300.85	2,047,348.45
	Gain/(Loss) on Assets	(2,274.90)	(4,959.22)
	NET INCOME	\$ 3,131,655.23	\$ 2,498,439.43

MINUTES OF THE 68TH ANNUAL MEMBERSHIP MEETING

The 68th 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 23, 2021 at 6:30 p.m.

The meeting was called to order by Chairman Robert Black at 6:30 p.m. Chairman Black welcomed everyone to the 68th 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 Todd Gill who will be coming onto the Board at the conclusion of the meeting.

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 10, 2021 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 67th Annual Membership Meeting. The minutes are printed in the Annual Report.

Chairman Black appointed the following committee to approve the minutes of the 68th Annual Membership Meeting: Kelley Stark, Melissa Hoeldtke, and Cindy Zavodny 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 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 Larry Bone. Mr. Selman reported that two, three-year terms on the Board of Directors were expiring at this meeting. The committee met and nominated Kim Payne and Todd Gill 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 Kim Payne and Todd Gill elected to the Board of Directors for three-year terms, 2021-2024.

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. The President then presented a plaque and recognized Larry Davis for his 15 years of service on the Board of Directors plus his other 7 years on the Supervisory Committee and Credit Committee.

Chairman Black said there was no further business to come before the meeting and declared the 68th Annual Membership Meeting of GENCO Federal Credit Union adjourned at 6:58 p.m.

Respectfully submitted,

Cindy Zavodny, Chairman | Melissa Hoeldtke | Kelley Stark | March 23, 2021

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**

GENCO FCU SUPERVISORY COMMITTEE

- LARRY BONE **CHAIRMAN OF THE SUPERVISORY COMMITTEE**
- LARRY DAVIS **COMMITTEE MEMBER**
- ADAM HARRY **COMMITTEE MEMBER**



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