

A photograph of a modern, multi-story building at dusk. The building's facade is a mix of light-colored panels and stone. The "generations federal credit union" logo is prominently displayed on the left side of the building. The logo consists of a stylized graphic of three curved, overlapping shapes in green and orange, followed by the word "generations" in a bold, lowercase sans-serif font, and "federal credit union" in a smaller, lowercase sans-serif font below it. The building's interior lights are visible through large glass windows, and a balcony on the upper right has a glowing blue and orange light fixture.

generations
federal credit union

2015
Annual Report



generations
federal credit union

Letter From The President

Looking back, 2015 was quite a year for our credit union. Generations celebrated its 75th anniversary and grew to serve nearly 53,000 members. As we celebrated these milestones, our staff found themselves echoing the sentiments of our founders: do what's right for this generation of members, and we'll have a chance to do business with the next.



We introduced many product and service initiatives to better serve members and their financial needs. One of the most requested services, Apple Pay, was rolled out in late 2015. Apple Pay enables members to pay for purchases at select retailers with their Apple products, offering increased mobile payment convenience and security.

Additionally, we introduced our Credit Card Rewards program, which provides members the opportunity to earn cash back on everyday purchases. With two card options (Earned Rewards and Earned Premium), rewards accumulated are automatically deposited into the account of your choice each quarter - and there are no caps or limits on the amount of cash you earn. We also launched our Indirect Lending program last spring, offering both members and non-members several financing options that can be processed immediately while at 10 dealerships across San Antonio.

In August, we launched a new division of our credit union, Generations Insurance Services. This insurance company offers an array of products, including auto, home, life, and business insurance in a competitive-market format where consumers select the type of insurance they need. Depending on the product, up to 60 bids are presented, allowing members and non-members to find affordable insurance, and ensure the rate they have continues to be competitive year after year.

Also in 2015 we revamped our Commercial Services department to better serve the needs of San Antonio's growing business community. With an updated suite of business products, as well as a team of experienced commercial professionals who have the necessary expertise and knowledge, we look forward to growing this line of business and meeting the ongoing challenges of this industry.

Generations has many ambitious goals and plans for 2016, including a wealth management program and a comprehensive business services suite. In addition to these exciting initiatives, we will be introducing our mortgage products at competitive rates with experienced mortgage professionals to better serve your needs. Furthermore, our executive leadership team has refocused our strategic direction in a way that will enable us to improve upon what we already do - delivering thoughtful service, building member relationships, learning new or improving upon existing skills, and achieving operational efficiencies. It is our goal to serve you to the best of our ability while providing value to members for years to come.

But of course, the success and growth of Generations would not be possible without you: our member, our owner, and most importantly, our family. I thank you again for your continued trust in our credit union and wish you success and prosperity in 2016.

Sincerely,

A handwritten signature in black ink that reads "Steve Schipull". The signature is written in a cursive, flowing style.

Steve Schipull
President/CEO

Letter From The Board of Directors



Looking back at the past 75 years, I am filled with pride at all that Generations has accomplished and how our credit union has remained true to the core values of the nine gentlemen who gave us our roots . . . and our wings.

Our 75th Anniversary Random Acts of Kindness initiative was one of the highlights of the past year. More than 60 Generations employees spread across San Antonio to celebrate our anniversary, surprising random individuals by paying for their gas, groceries, lunches, water bills, and more.

The stories that emerged were nothing short of remarkable. Whether it was the woman at the gas station who, moments earlier, received word that she was cancer free, or the family needing to purchase clothing for their missionary trip to Guatemala, this project highlighted what Generations is all about: service to each other and service to the community.

We also continued our support of organizations that do so much to better the lives of the people within our beautiful community. Some of these include: Any Baby Can, St. PJ's Children's Home, the San Antonio Fire Museum, the San Antonio Chamber of Commerce, Visitation House, the Eastside Midnight Basketball League, the North San Antonio Chamber of Commerce, the San Antonio Hispanic Chamber of Commerce, and of course, Credit Unions for Kids. Additionally, members of the Generations leadership team joined the Boards of organizations such as the Texas Diaper Bank, SAMMinistries, and the United Way of San Antonio and Bexar County.

Last fall, Generations' CEO Steve Schipull was named Corporate Chair of the 2015 Jingle Bell Run benefiting the local Arthritis Foundation. Steve brought a special interest to this race, having been diagnosed with a form of arthritis in his early 20's. I'm pleased to share that under his leadership, the 2015 Jingle Bell Run received the most donations in the event's history. For the fifth year we supported local children

under the care of Child Protective Services through our partnership with KENS 5 and their Bill's Elves initiative. In August, more than 20,000 school supplies were accepted followed by more than 6,500 toys in December during the holiday drive. As always, our staff volunteered their time and talents to make this program it's most successful to date.

I'm also proud to report that we continued our annual Turkey Express program for local firefighters and police officers who give up their Thanksgiving in order to protect and serve our own families. Reaching back to our roots, we provided turkeys and pre-cooked hams to 52 Fire Stations, including the SAFD Command Center, and the eight SAPD substations across the community. Our partners at H-E-B generously donated the delivery coolers as more than 50 staff members took to the streets to show these brave men and women how much we appreciate their sacrifices.

And once again I'm pleased to announce that Generations has, for the sixth year in a row, been named a "Top Workplace" by the *San Antonio Express News* as well as a "Healthiest Employer" by the *San Antonio Business Journal*. Our credit union was recognized among some of the community's leading local businesses as one that works hard not only for its members, but its staff as well. I know I speak for the entire Board when I say we are truly honored by this recognition and continue to be impressed by our staff's efforts.

It is my hope that the credit union philosophy of "People Helping People" shines through in everything we do, from the more than 50% staff participation in this year's United Way Campaign to volunteering for clean-up in Wimberley after the devastating floods that hit the area last Memorial Day.

Looking forward, I know Steve and his leadership team will guide our credit union with strategic initiatives that will ensure growth and development - while always putting your needs first.

Rose Rangel
Chair, Board of Directors

Letter From The Treasurer

As Treasurer for the Board of Directors, I am pleased to report that Generations Federal Credit Union continued our positive financial performance throughout 2015. The strong growth over the past 75 years has been a vital part of our ability to meet our members' needs.



Our growth over fiscal years 2014 and 2015 is as follows:

	2015	2014	Percentage Change
Total Assets	\$593,379,861	\$501,691,734	18%
Total Member Investments	\$536,048,740	\$445,490,412	20%
Total Member Loans	\$409,247,252	\$308,203,257	33%

For the year ending December 31, 2015, the credit union's gross income totaled \$35,246,349 and net income was \$839,671.

Generations' staff will continue to respond to the changing economic environment to meet the needs of our most precious asset, our members; and our commitment to sound fiduciary responsibility remains steadfast.

I look forward to the continued success of our credit union, as well as its growth and future expansion.

Paulette McClure
Treasurer, Board of Directors

Letter From The Supervisory Committee



Generations Federal Credit Union conducts two independent fiscal audits every year. These actions are taken to ensure that your assets are protected to the best of our abilities, that all proper safeguards are squarely in place and that our records are accurate.

In 2015, the Credit Union's Vice President of Risk Management worked with Padgett Stratemann & Co. and the National Credit Union Administration (NCUA) to fully complete these two independent audits successfully.

NCUA examined our fiscal operations and stability, and gave us high marks. Padgett Stratemann & Co. found that our records and operations comply with all federal regulations and that Generations is financially safe and sound.

Padgett's opinion stated, "that the financial statements presented fairly, in all material respects, the financial position, operations and cash flows, in accordance with accounting principles generally accepted in the United States of America, of Generations Community Federal Credit Union as of June 30, 2015." A copy of this letter may be found on pages 8 and 9 of this report.

Based on the results of these independent reviews, the Supervisory Committee is pleased to assure members that Generations Federal Credit Union is a sound and secure financial institution for your money.

The Supervisory Committee serves as a liaison between the members, volunteers, management and staff of the credit union. The Committee is established by law as a key part of the credit union's operational process and fiscal soundness.

We are proud to serve you and your family and thank you for your membership.

Ronald Moure
Chair, Supervisory Committee

Board of Directors



Rose Rangel
Board Chair



Leroy Harvey
Board Vice-Chair



Robert Guerra
Secretary



Paulette McClure
Treasurer



Tom DeSot
Board Member



Neira South-White
Board Member



Joseph Martinez
Board Member



Rosalie Manzano
Board Member



George Whitfield, Jr.
Board Member



Padgett Stratemann

Independent Auditor's Report

To the Supervisory Committee
Generations Community Federal Credit Union
San Antonio, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Generations Community Federal Credit Union, which comprise the statement of financial condition as of June 30, 2015, and the related statements of income, comprehensive income, members' equity, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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Letter From Padgett Stratemann

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Generations Community Federal Credit Union as of June 30, 2015, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Padgett, Stratemann + Co., LLP

San Antonio, Texas
November 16, 2015

Comparative Balance Sheet

Assets	31-Dec-15 (unaudited)	31-Dec-14 (unaudited)
Loans	\$409,247,252	\$308,203,257
Allowance for Loan Loss	(3,576,654)	(2,580,018)
Cash	18,411,059	13,936,107
Investments	131,261,869	142,893,214
Accrued Interest	1,854,899	1,616,304
Prepaid Expenses	1,670,577	965,717
Other Assets	14,935,808	16,246,744
Fixed Assets (Net)	19,575,052	20,410,049
Total Assets	\$593,379,861	\$501,691,374

Liabilities		
Accounts Payable	\$6,017,912	\$3,124,574
Notes & Interest Payable	117,844	86,380
Accrued Expenses	1,369,515	1,772,508
Other Liabilities	322,695	254,683
Total Liabilities	\$7,827,966	\$5,238,145

Equity		
Regular Shares	\$113,826,806	\$114,151,757
IRAs	26,386,619	20,157,578
Term Share Certificates	139,424,702	130,561,242
MMIA's	90,902,421	84,255,221
Share Drafts	102,822,645	88,616,350
Non-Member	62,685,547	7,748,265
Regular Reserves (Note VIII)	7,179,339	7,178,339
Undivided Earnings (Note XI)	42,324,816	43,784,478
Total Equity	\$585,551,894	\$496,453,229

Total Liabilities and Equity	\$593,379,861	\$501,691,374
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Comparative Income Statement

Year Ended December 31	2015 (unaudited)	2014 (unaudited)
Income		
Loan Interest Income	\$19,963,836	\$17,999,732
Investment Interest Income	3,541,487	3,116,120
Member Fees and Other Income	11,741,026	10,383,944
Total Income	\$35,246,349	\$31,499,796

Expenses		
Less: Operating Expenses	(\$26,980,236)	(\$24,661,737)
Less: Loan Loss Provision	(4,712,778)	(1,800,590)
Income Before Dividends	3,553,335	5,037,469
Less: Dividends to Members	(2,725,527)	(2,512,798)
Net Income from Operations	827,808	2,524,671
Non-Operating Gain (Loss)	11,863	(197,240)
Net Income After Gain (Loss)	\$839,671	\$2,327,431

Leadership

Executive Officers

Steve Schipull, President/Chief Executive Officer
Clay Thompson, Executive Vice President/Chief Operating Officer
Wes Barnett, Chief Information Officer
Geraldine Breeding, Chief Financial Officer
Kenneth Raymie, Chief Risk Officer

Vice Presidents

Bonnie Aguilar, VP of Direct Lending
Jack Curtis, Senior VP of Retail Lending
Juan DeHoyos, VP of Member Experience
Jason Dizon, VP of Information Technology
Ashley Harris, VP of Marketing and Corporate Communications
Jessica Hernandez, VP of Risk Management
Angela Howorth, Senior VP of Human Resources
Mark Johnston, VP, Senior Commercial Relationship Manager
Ryan Pierce, VP of Loan Servicing
Kimberli Schaefer, VP of Branch Operations
Marcel Theriot, Senior VP of Finance

Board of Directors

Rose Rangel, Chair
Leroy Harvey, Vice Chair
Robert Guerra, Secretary
Paulette McClure, Treasurer
Tom DeSot
Rosalie Manzano
Joseph Martinez
Neira S. White
George Whitfield, Jr.

Supervisory Committee

Ronald Moure, Chair
Ervey Banda
Charles Toudouze

Locations

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Downtown

1828 N. St. Mary's St.

North Central

9311 San Pedro Ave.

Northwest

6000 N. W. Loop 410

Southeast

1945 S. W.W. White Rd.

Southside

7503 Yarrow Blvd.

HEB Retail Branches

10718 Potranco Rd.
1150 N.W. Loop 1604
18140 San Pedro Ave.
9255 FM 471 West
24165 IH-10 West, Suite 300
10660 W. FM 471
9900 Wurzbach Rd.
17460 IH-35N, Schertz, TX

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