

Member owned. Community grown.



Annual Report 2019

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Letter from the CEO

Generations Federal Credit Union team members worked toward building a high-performing organization in 2019, and we've made significant strides toward this long-term goal. Our 2019 milestones included raising the bar on Generations member experience, and creating a culture that honors and represents the credit union's legacy of service.

Generations received a "Best of the Best" designation from MemberXP, an organization that facilitates member feedback on service experiences at branches, online and by phone. Fewer than 20% of MemberXP partner credit unions receive this award. Thanks to your invaluable responses, we restructured our Branch, Call Center and infrastructure teams to increase accuracy, efficiency and member satisfaction.

Upgrades to products and services demonstrate our focus on member ease-of-use and security. Generations Visa credit and debit cards were reissued with the latest EMV chip and contactless technology. Instant issue of the new EMV chip and contactless cards is now available at multiple branches. Our fleet of ATMs was upgraded, and we implemented several updates to our online and mobile banking platforms. We launched the new mygenfcu.org website and the Generations Academy online financial education platform, and re-introduced our brand into the market with radio, TV and print advertising featuring our great rates and convenient services.

Leading up to our 80th Anniversary celebrations in 2020, we have sought to honor the founding public servants and first responders who built Generations. In addition to serving our traditional core members in the community, we've put an emphasis on celebrating service, leadership and collaboration within our organization. In 2019, we implemented an internal peer recognition program to highlight employees who demonstrate our cultural values when working with members and coworkers. We also created a Leadership

Development Program for managers, and expanded opportunities for employee participation in team-building and community service. These efforts contributed in part to Generations being named a 2019 Top Workplace by the

San Antonio Express-News, with high marks in engagement in employee coaching.

As stewards of your financial resources, I am pleased to report that Generations ended 2019 in a positive financial position with strong momentum, as described in our Treasurer's Report. We are grateful for the opportunity to be your financial partner, and we look forward to serving you for generations to come.

Ken Raymie
President & CEO

“ we've put an emphasis on celebrating service, leadership and collaboration within our organization. ”



In May 2019, Generations VP of Member Engagement received the SA Hispanic Chamber of Commerce "Making a Mark on the World" Rising Star Award Recipient. Also in 2019, Letty graduated from Leadership SA, the professional development program of the SA Chamber and SAHCC.



In December 2019, Vice President of Operations Jessica Hernandez was named to the 2020 San Antonio Business Journal's prestigious 40 Under 40 Awards. She was further recognized as Woman of the Year among all award recipients, based upon her workplace and community leadership accomplishments.

Letter from the Board of Directors

We are pleased to inform you that in 2019 Generations Federal Credit Union, your member owned, member controlled and member-employee operated Institution, met and/or surpassed all safety and soundness standards set by our regulator and insurer, the National Credit Union Administration. Standard measures evaluated annually include evaluation of capital adequacy, asset quality, management, earnings and liquidity/asset-liability management.

We thank all members for letting us represent your interests and financial needs in both good and challenging times.

From GFCU's origins in 1940, the credit union philosophy expanded from "members helping members" to "People Helping People." We marvel at the vision of our public service founders as GFCU has grown in membership and expanded the field of eligibility. In addition to the many programs and services to members that the President/CEO describes in his report, GFCU contributed \$249,000 to worthy causes and community fundraisers in 2019. Of this amount, \$132,000 represented direct funding, and \$117,000 was provided in the form of in-kind services (representing 4,600 hours) by our hard-working employee team. Annually, GFCU also donates toys, school supplies and clothing items received from employees and members.

GFCU further invests in the direct-sponsorship of its Annual Future Leadership Scholarship Program. In 2019, we awarded a cumulative \$11,000 in scholarships to eleven individuals. Scholarships of \$1,000 each were awarded to Maya Hammer,

who received the inaugural Leroy Harvey Honorary Scholarship and who attends Pepperdine University; and Ben Olivares, who received the inaugural Robert "Bobby" Guerra Memorial Scholarship and will be attending the University of Texas of the Permian Basin. Remaining scholarship recipients included Samantha Botello, Texas A&M University College Station; Stacy Evans, Texas Tech University; Elizabeth Gonzales, University of the Incarnate

Word; Star Jimenez, Our Lady of the Lake University; Daniel Resendez, Texas A&M University College Station; Kaitlyn Salazar, Our Lady of the Lake University; Mia Saucedo, Texas A&M University College Station; Valerie Villa, Our Lady of the Lake University; Beth Weyel,

Palo Alto College. Please join us in congratulating and extending best wishes and success to these young future leaders!

The Board extends its deep appreciation to directors and Supervisory Committee volunteers and you for your trust, support and business that makes and keeps GFCU strong. All volunteers are committed to a high level of accountability as we continue to steer GFCU in the right direction. Like family, let's all help keep each other financially and physically healthy as we look forward to another productive year and to continue the celebration of GFCU's GRAND 80th Anniversary in 2020!

Sincerely,
Rosalie Manzano
Chair,
Board of Directors

“ We marvel at the vision of our founders’ philosophy of “members helping members.” ”



Generations Federal Credit Union was recognized as a 2019 San Antonio Express News Top Workplace in the midsize employer category. This prestigious award distinguishes local organizations with cultures of highly engaged employees.



Our Consumer Lending team received the MemberXP 2020 Best of the Best Loan Experience Award, which recognizes consistently exceptional levels of member service during 2019. This award is independently granted by MemberXP, and is given to fewer than one in five MemberXP clients.

Letter from the Supervisory Committee

The Generations FCU Supervisory Committee has a duty of responsibility for monitoring activities of the credit union's Board of Directors and officials, interacting with the credit union's members, volunteers, management and staff. The Supervisory Committee oversees and reports on organization and branch audits and reviews of credit union financial and operational performance. This oversight ensures that assets are protected, proper safeguards are in place, and the records are accurate.

Working with the credit union's Vice President of Risk Management, an independent audit was conducted by RSM US, LLP. RSM's audit reported that Generations is financially safe and sound, and records and operations are in compliance with federal regulations. Please see the October 2019 Independent Auditor's Report, included in this Annual Report. In addition, the National Credit Union Administration examined fiscal operations and stability and reported the same findings of financial stability.

The Supervisory Committee is pleased to report that, based upon these independent reviews, Generations FCU is a sound and secure financial institution.

We are proud to serve the Generations community of members.

Kate Martin,

Chair, Supervisory Committee

Letter from the Treasurer

I am pleased to report that Generations Federal Credit Union's financial performance in 2019 allows us to continue to meet our members' needs.

For the year ending December 31, 2019, the credit union's gross income totaled \$36,715,329, and end-of-year net income was \$369,112.

The Generations management team will continue to improve efficiencies and respond proactively to the changing economic environment to ensure fiscal stability. Our commitment to sound fiduciary responsibility is unwavering.

I look forward to the continued success of our credit union.

Larry Reed

Treasurer, Board of Directors

	2019	2018	Change
Assets	\$551,884,976	\$505,773,178	9.12%
Loans	\$367,124,760	\$369,158,761	-0.55%
Deposits	\$491,636,465	\$449,460,896	9.38%

Comparative Balance Sheet

Assets	Dec. 31, 2019 (Unaudited)	Dec. 31, 2018 (Unaudited)
Loans	\$367,124,760	\$369,158,761
Allowance for Loan Loss	(\$3,888,724)	(\$4,402,079)
Cash	\$63,065,785	\$40,102,576
Investments	\$89,923,052	\$59,400,785
Accrued Interest	\$1,641,752	\$1,479,286
Prepaid Expenses	\$1,279,286	\$1,327,101
Other Assets	\$21,893,228	\$23,637,005
Fixed Assets (Net)	\$10,845,837	\$15,069,743
Total Assets	\$551,884,976	\$505,773,178
Liabilities		
Accounts Payable	\$9,576,685	\$6,799,943
Accrued Expenses	\$1,159,323	\$1,586,879
Other Liabilities	\$1,640,138	\$279,239
Total Liabilities	\$12,376,146	\$8,666,061
Equity		
Regular Shares	\$140,266,756	\$130,955,181
IRAs	\$14,684,107	\$15,811,630
Term Share Certificates	\$135,693,584	\$126,988,727
Money Market Accounts	\$81,094,077	\$83,591,611
Share Drafts	\$119,897,941	\$92,113,747
Regular Reserves	\$7,082,163	\$7,082,163
Other Equity	(\$5,913,842)	(\$5,770,875)
Undivided Earnings	\$46,704,044	\$46,334,933
Total Equity	\$539,508,830	\$497,107,117
Total Liabilities & Equity	\$551,884,976	\$505,773,178

Comparative Income Statement

Year Ended Dec. 31	2019 (Unaudited)	2018 (Unaudited)
Income		
Loan Interest Income	\$20,399,865	\$20,492,067
Investment Interest Income	\$2,408,301	\$2,108,742
Member Fees & Other Income	\$13,907,162	\$14,172,504
Total Income	\$36,715,329	\$36,773,314
Expenses		
Less: Operating Expenses	(\$30,430,790)	(\$29,648,952)
Less: Loan Provision	(\$2,575,421)	(\$2,247,755)
Income Before Dividends	\$3,709,117	\$4,876,607
Less: Dividends to Members	(\$3,845,196)	(\$3,000,972)
Net Income From Operations	(\$136,079)	\$1,875,635
Non-Operating Gain (Loss)	\$505,191	\$53,805
Net Income After Gain (Loss)	\$369,112	\$1,929,440

Independent Auditor's Report

To the Supervisory Committee
Generations Community Federal Credit Union

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Generations Community Federal Credit Union and Subsidiary, which comprise the consolidated statements of financial condition as of June 30, 2019 and 2018; the related consolidated statements of income, comprehensive income (loss), members' equity and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Generations Community Federal Credit Union and Subsidiary as of June 30, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

San Antonio, Texas
October 8, 2019

BOARD OF DIRECTORS



Rosalie Manzano
Chair



Neira South-White
Vice-Chair



Paulette McClure
Secretary



Larry Reed
Board Treasurer



Joseph Martinez



Rose Rangel



George Whitfield, Jr.



Warren Schott



Anthony Rogers, PhD

Supervisory Committee

Kate Martin
Chair

Chris Shoup

Dennis Wagner

Robert Westbrook

LEADERSHIP



Ken Raymie
President & CEO



Geraldine Breeding
Chief Financial Officer



Kim Kieny
Chief Lending Officer

Angela Howorth
VP of Human Resources

Marcel Theriot
VP of Finance

Gabe Longoria
VP of Information Systems

Kate Himes
VP of Consumer Lending

Jessica Hernandez
VP of Operations

Mark Johnston
VP of Commercial Services

Danielle Smothers
VP of Retail Delivery

Letty Gonzales
VP of Member Engagement

Eve Hernandez
VP of Marketing

MEMBER ENGAGEMENT



GFCU celebrated one of our core founding member groups on National Police Week, delivering treats to every substation in the San Antonio Police Department. We're grateful to our police officers for keeping our community safe, and for partnering with us in community service.



The 100 Club of San Antonio, which supports families of fallen first responders, hosted its 22nd Annual Meatball Roll and Spaghetti Dinner Fundraiser. Generations was on hand to help prepare the thousands of meatballs that made this event a success.



Our Commercial and Member Engagement teams rolled up their sleeves to assist with two home-building days with Habitat for Humanity. Generations was happy to install fence posts and landscaping, putting finishing touches to make this new house a home for a San Antonio family.



We joined Blue Cares, the community outreach program of the San Antonio Police Officers Association, at a local recreation center for Paletas in the Park, serving burgers and summertime treats while greeting our neighbors.



Generations was pleased to participate in the Bexar County Sheriff's Deputy graduation ceremonies, sharing goodie bags and refreshments with newest members of Bexar County law enforcement and their families.



Blue Santa, coordinated by Blue Cares and SAPOA, brings holiday cheer to families in need throughout the community every year. Our team members eagerly support this season of giving by supporting fundraising, donation collection, gift wrapping, and of course, helping Santa Claus present gifts to families at the end of December.



A Birthday Bash, celebrating July birthdays of children at Boysville, Inc., brought together Blue Cares, SAPOA and Generations to host a barbecue picnic, birthday cake and outdoor games for all the amazing Boysville residents and staff members.



Hero Fest 2019 supports the San Antonio Firefighters Cancer Fund with a 5K Run/Walk, plate sale, silent auction and live music. GFCU shared games, giveaways and paletas with hundreds of participants who joined to support another of our core founding groups, San Antonio firefighters.

Member Owned. Community grown.

St. Mary's Branch

1828 N. St. Mary's St.
San Antonio, TX 78212

Balcones Heights Branch

4005 Fredericksburg Rd.
San Antonio, TX 78201

WW White Branch

1945 W.W. White Rd.
San Antonio, TX 78222

San Pedro Branch

9311 San Pedro Ave.
San Antonio, TX 78216

Northwest Branch

6000 NW Loop 410
San Antonio, TX 78238

Yarrow Branch

7503 Yarrow Blvd.
San Antonio, TX 78224

HEB Plus! - McCreless

4100 S. New Braunfels Ave.
San Antonio, TX 78223

HEB - IH-10 & Wurzbach

9900 Wurzbach Rd.
San Antonio, TX 78230

HEB - Grissom & Tezel

9255 Grissom Rd.
San Antonio, TX 78251

HEB Plus! - 1604 & Blanco

1150 N. Loop 1604 West
San Antonio, TX 78248

HEB Plus! - 1604 & Potranco

10718 Potranco Rd.
San Antonio, TX 78251

HEB - Schertz

17460 IH-35 North
Schertz, TX 78154

210.229.1128

MyGenFCU.org

To become a member of Generations Federal Credit Union, you must live, work, worship, volunteer, attend school, and/or own a business in Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, and/or Wilson County, Texas. All immediate family members of those listed above are also eligible for membership.



generations
federal credit union



Facebook.com/mygenfcu



Twitter.com/generationsfcu



LinkedIn.com/company/generationsfcu



Instagram.com/generationsfcu

Regulated and Supervised By:

National Credit Union Administration Region IV - Austin 4807
Spicewood Springs Rd. Suite 5200
Austin, TX 78759-8490
512-342-5600 | Region@ncua.gov

Savings Insured By: National Credit Union Administration
up to \$250,000 for each qualified account

