

The background features a collage of various community service and volunteer activities. In the top left, a sign for the 'FOOD BANK' is visible, with handwritten text indicating a donation of 'ONE THOUSAND SIX HUNDRED' meals for kids. Other photos show groups of volunteers, some wearing 'generations' branded shirts, and a 'TOP WORK PLACES' award trophy. The entire image is overlaid with large, flowing green and orange curved shapes.

2021

ANNUAL REPORT



generations

federal credit union

Member owned. **Community grown.**

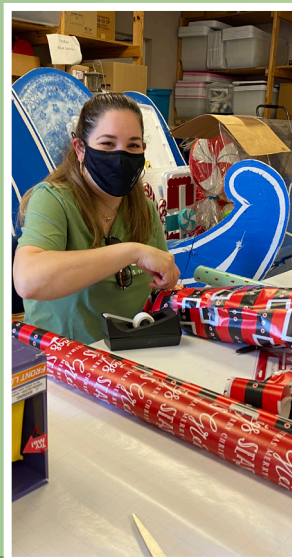


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LETTER FROM THE CEO



KEN RAYMIE
President and CEO

In 2021, Generations FCU kept a keen focus on how to fine tune our service delivery model we created in response to the global pandemic.

The GFCU team aimed to increase efficiencies in service, while maintaining our commitment to a personalized member experience. Those efforts resulted in the launch of an online and mobile appointment scheduling platform, which allowed members to schedule appointments via phone or in-person at a branch. Generations monitored member experience, implementing changes in real-time to better serve our members. When branches re-opened April 1st, the appointment tool remained useful as the team managed branch traffic. Mindful of the health pandemic, GFCU optimized its virtual services and in March, launched an improved online user experience for credit card account holders. The online optimization offers a host of conveniences including Single Sign-On capability through Online Banking and the GFCU Mobile Banking App. Now, members can access their credit card accounts with the click of a button.

Additionally, the Operations team launched the Electronic Cash Management system in May, allowing for members to conveniently make consumer loan payments from any financial institution, and unveiled a text notification program that allows members to sign up for recurring payment reminders with links to make payments.

Operationally, we announced our Next GENERation retail branch strategy, moving away from the HEB in-store model to expanding our portfolio of traditional branches and establishing a new corporate headquarters.

As much of the region returned to business, Generations kicked off an advertising campaign with refreshed messaging that highlighted our highly competitive rates while also emphasizing why members choose and prefer Generations. Personalized service is what makes Generations FCU unique, and it will continue to lead us into the future.

Despite the extraordinary challenges, disruptions and anxiety imposed by the pandemic, Generations was named a 2021 Top Workplace by the San Antonio Express-News, marking the ninth time

Generations has received the designation since joining the program in 2010. Eighty-five percent of employees responded to a survey which gauged employee satisfaction across a variety of business topics, including communication and organization direction.

Additionally, Generations received a “Best of the Best” designation from MemberXP, an organization that collects feedback from members on their experiences across all modes of service. The recognition is given to fewer than 20% of credit unions partnered with MemberXP. We are proud to be recognized for our top-tier service.

Understanding that employee satisfaction is paramount to the member experience, Generations improved its Paid Time Off policy and compensation structure, bringing GFCU’s minimum hourly wage to \$17, while also implementing a PTO policy that is flexible for all employees, no matter their role.

While many things have changed due to the challenges of the pandemic, our core values have remained the same. Our commitment to community was on full display in 2021 as the GFCU team took home first place in the San Antonio Sports Corporate Cup Competition, out-raising all competing companies. GFCU concluded the year with our Turkey Express event, delivering warm holiday meals to all San Antonio Fire and Police stations, and collecting toys for our annual Blue Cares Blue Santa Toy Drive.

Generations is making great strides forward in member experience and service to the community. We thank you for your continued support and trust in Generations to be the financial institution that you can depend on.

“

Personalized service is what makes Generations FCU unique, and it will continue to lead us into the future.

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LETTER FROM THE BOARD CHAIR



LARRY REED
Acting Chair,
Board of Directors

We believe in building a community of people and partners who make a difference in the lives of others. In 2021, your membership did just that as Generations raised tens of thousands of dollars for local charities, sponsored scholarships, celebrated our first responders, and so much more.

The Generations team kicked off the year eager to get outdoors, sponsoring the San Antonio Sports All Star Game and the Big Brothers Big Sisters Flag Football Game. Both non-profits do great work to inspire our youth through sports and mentorship. Your dollar goes the extra mile with Generations, and we have the wheels to prove it. In March, GFCU presented the American Red Cross Greater San Antonio Chapter with a check for \$30,000 to aid in the purchase of a community support vehicle. In July, Generations helped the 100 Club of San Antonio prepare for their annual spaghetti dinner. GFCU volunteers rolled hundreds of meatballs

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We are grateful to our members and team for helping us show, once again, that Generations is a people first organization.

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to be served as part of their fundraiser, which provides resources to first responders and their families. Generations defended our title in the San Antonio Sports Corporate Cup Competition while also raising the most of any company competing in Corporate Cup, which is no small feat, considering many of the companies competing had 500 or more employees. GFCU raised \$11,223 for local charities, collected hundreds of school supplies, thousands of pounds in food and 57 units of blood. We are grateful to our members and team for helping us show, once again, that Generations is a people first organization. Service to community continued throughout 2021, as health guidelines permitted in-person gatherings. The GFCU team, excited to safely

gather in-person again, joined Blue Cares SAPOA Outreach to collect thousands of school supplies items for students in the Lincoln Courts Heights area. GFCU also sponsored the San Antonio Police Officers Organization's Golf Tournament, which is one of the organization's major fundraisers for scholarships. We also participated in the 100 Club of San Antonio's Run to Remember, in honor of San Antonio Police Officer John "Rocky" Riojas, who lost his life in the line of duty in 2001. Generations also helped preserve the legacy of San Antonio Firefighters by supporting the San Antonio Fire Museum's annual golf tournament. Additionally, Generations raised over \$20,000 for the Leukemia & Lymphoma Society - South Central Texas Light the Night 2021 Walk. We hosted a lantern-lit walk in memory of those lost to blood cancer, and in support of those battling blood cancer.

Beyond financial support, our team prepared and packaged 4,300 meals at the San Antonio Food Bank. Not stopping there, the team raised funds for an additional 11,200 meals. The team spent the final months of 2021 collecting gifts for the Blue Cares SAPOA Outreach Blue Santa Toy Drive, and the Turkey Express events. GFCU team delivered hot meals to our area first responders over multiple days as part of our Turkey Express event and wrapped and delivered the hundreds of gifts collected through Blue Santa.

All of this was completed under the leadership of Generations' President and CEO, Ken Raymie, who was recognized by the San Antonio Business Journal's C-Suite awards. This award is a testament to our team's ability to adapt and thrive in uncertain times.

Thank you for your support throughout these challenging times. We look forward to serving you for years to come.

Letter from the Supervisory Committee

The Supervisory Committee is tasked with overseeing independent audits of the Credit Union to ensure that member funds are managed appropriately and that assets are safeguarded.

The committee is established by law and is an integral part of the credit union's operational process and fiscal soundness. Each year, the Credit Union undertakes two independent fiscal audits.

In 2021, Generations FCU's Assistant Vice President of Risk Management, Erica Garza, worked with RSM US, LLC, along with the National Credit Union Administration on the execution of two independent audits. The findings of these reviews confirmed that we are a secure financial institution which continues to operate in an optimized manner.

Thank you for your continued trust and support.

Kate Martin,
Chair, Supervisory Committee

Letter from the Treasurer

After a year of strong, profitable growth in 2020, Generations FCU's progress forward continued in 2021. The optimization of services, particularly online, brought even stronger financial performance for GFCU.

For the year ending December 31, 2021, the Credit Union's net income totaled \$4,756,210, nearly double that of the year prior, when Generations reported a Net Income of \$2,391,804. The pages ahead demonstrate the growth Generations has realized between 2020 and 2021.

The challenges of the pandemic also forged new opportunities for the Generations team to explore ways in which they can create more efficient practices, while also improving member experience.

Warren Schott,
Acting Treasurer, Board of Directors

	2021	2020	Change
Assets	\$691,359,682	\$627,636,935	10.15%
Loans	\$448,312,814	\$456,920,242	-1.88%
Deposits	\$624,270,596	\$569,033,322	9.71%

Comparative Balance Sheet

Assets	Dec. 31, 2021 (Unaudited)	Dec. 31, 2020 (Unaudited)
Loans	\$448,312,814	\$456,920,242
Allowance for Loan Loss	(\$2,509,091)	(\$2,664,731)
Cash	\$70,641,622	\$77,519,928
Investments	\$126,918,550	\$62,454,578
Accrued Interest	\$1,460,622	\$1,258,478
Prepaid Expenses	\$1,743,256	\$1,370,135
Other Assets	\$28,994,274	\$20,509,681
Fixed Assets (Net)	\$15,797,635	\$10,268,624
Total Assets	\$691,359,682	\$627,636,935

Liabilities		
Accounts Payable	\$7,713,713	\$7,895,087
Accrued Expenses	\$1,381,475	\$877,803
Other Liabilities	\$1,081,030	\$1,325,637
Total Liabilities	\$10,176,218	\$10,098,527

Equity		
Regular Shares	\$204,952,226	\$171,411,631
IRAs	\$19,298,560	\$21,231,163
Term Share Certificates	\$106,103,160	\$111,334,959
Money Market Accounts	\$105,262,021	\$89,370,820
Share Drafts	\$188,654,628	\$175,684,749
Regular Reserves	\$7,082,163	\$7,082,163
Other Equity	\$734,856	\$5,281,122
Undivided Earnings	\$49,095,849	\$46,704,045
Total Equity	\$681,183,463	\$617,538,408

Total Liabilities & Equity	\$691,359,681	\$627,636,935
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Comparative Income Statement

Year Ended Dec. 31 Income	2021 (Unaudited)	2020 (Unaudited)
Loan Interest Income	\$20,393,911	\$20,316,013
Investment Interest Income	\$1,047,348	\$1,304,410
Member Fees & Other Income	\$13,582,919	\$12,695,063
Total Income	\$35,024,178	\$34,315,486

Expenses		
Less: Operating Expenses	(\$29,182,471)	(\$30,055,704)
Less: Loan Provision	(\$834,702)	(\$28,965)
Income Before Dividends	\$5,007,006	\$4,230,817
Less: Dividends to Members	(\$2,079,455)	(\$3,446,419)
Net Income From Operations	\$2,927,551	\$784,398
Non-Operating Gain (Loss)	\$1,828,659	\$1,607,406
Net Income After Gain (Loss)	\$4,756,210	\$2,391,804



RSM US LLP

Independent Auditor's Report

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, 2021 and 2020; the related consolidated statements of income, comprehensive loss, members' equity and cash flows for the years then ended and the related notes to the consolidated financial statements (collectively, 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 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 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.

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 and Subsidiary as of June 30, 2021 and 2020, 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
September 8, 2021

BOARD OF DIRECTORS



Larry Reed
Acting Chair



George Whitfield, Jr.
Vice Chair



Rosalie Manzano
Acting Secretary



Warren Schott
Acting Treasurer



James Bell



Joseph Martinez



**Anthony Rodgers,
PhD**

Associate Board Member

James Smith

Supervisory Committee

Kate Martin
Chair

Robert Westbrook
Vice Chair

Michael Trainer
Secretary

Joseph Martinez James Smith

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

Brent Mora
VP of Mortgage Lending

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



President and CEO Ken Raymie was recognized by the SA Business Journal's C-Suite Awards. The award honors local chief executives who demonstrated fierce leadership during the changing environment of the global pandemic. We're grateful for Ken's leadership and commitment to each and every employee!



For International Firefighters' Day, we visited all SA Fire Department stations to deliver treats, and to personally thank our first responders for keeping our communities safe.



Generations brought the Division 3 Championship Trophy home, thanks to the outstanding efforts of our team members on the track, field, court, and more. GFCU also won the SA Sports Corporate Cup 2021 Charity Challenge Championship trophy, raising \$11,224!



Generations celebrated National Employee Appreciation Day to thank our team for making banking easy for all our members. To show our appreciation, we shared a GFCU swag bag, gift cards, and a delicious BBQ meal, featuring smoked brisket.



We thanked our employees for helping us achieve a San Antonio Express-News Top Workplace milestone by providing employees with a gift bag of special commemorative items, delivered to our Retail Branch teams by Retail Leaders, and to all other employees by our Member Engagement Teams.



We joined the San Antonio Police Officers Association's Blue Cares community outreach organization to load backpacks with school supplies to help children in need. Thanks to the generosity of our employees and members, GFCU contributed over 3,500 items in July and August.



GFCU team members deployed to deliver Thanksgiving turkeys and hams to 56 fire stations in San Antonio, Balcones Heights and Castle Hills, as well as to all SA Police Department Substations, Bexar County Sheriff's Office headquarters, Balcones Heights and Castle Hills Police Departments.



Throughout the month of November, we had the opportunity to spread some cheer by helping the San Antonio Police Officers Association's Blue Cares community outreach organization with the Blue Santa Toy Drive. We wrapped gifts for more than 1,500 children in our community.

Member Owned. Community grown.

St. Mary's Branch

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

WW White Branch

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

Northwest Branch

6000 NW Loop 410
San Antonio, TX 78238

Balcones Heights Branch

4005 Fredericksburg Rd.
San Antonio, TX 78201

San Pedro Branch

9311 San Pedro Ave.
San Antonio, TX 78216

Yarrow Branch

7503 Yarrow Blvd.
San Antonio, TX 78224

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

