

2022

Annual Report



generations
federal credit union

Member owned. **Community grown**

MEMBER ENGAGEMENT



Thanks to #GENerous members and employees like you, Generations FCU contributed over 1,300 school supplies and \$3,480 in donations to Communities In Schools San Antonio's Stuff the Bus. Our VP of Mortgage Lending Brent Mora is a member of the CISSA Board of Directors, and proud leader of our school supply drive.



We celebrated International Firefighters Day by giving back to the men and women of our area fire departments who protect our community. GFCU employees teamed up to deliver Firehouse Subs Sandwiches to all 56 SAFD Fire Stations across San Antonio.



Generations volunteers helped roll thousands of meatballs for The 100 Club of San Antonio's annual Spaghetti Dinner fundraiser. It was a fun event and we were glad to be able to not only sponsor, but also lend a hand to such a worthy cause.



On Employee Appreciation Day, we expressed gratitude for our teams for delivering our brand of "Member owned, Community grown" service to our members every single day. GFCU is grateful for the support of every employee, from our branch teams to support departments.



Generations raised \$20,000 in donations for The Leukemia & Lymphoma Society Central Texas, thanks to the #GENerosity of our teams, members, friends, and family. We joined thousands of our neighbors at the annual Light the Night Walk in bringing light to the darkness of cancer.



Our GFCU team members helped make the holidays bright for children in foster care at Boysville, Inc. We helped wrap hundreds of gifts contributed by generous members of our community. We were honored to join in their mission to provide a safe family environment for children in need.



Our 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.



GFCU staff donated and went shopping for winter coats for our community school children as part of the Coats for Kidz SA Coat Drive at SMART 501c3. Our employees were able to donate nearly 400 coats and jackets in total for local school kids.

Member Owned. **Community grown.**

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LETTER FROM THE CEO

KEN RAYMIE
President and CEO

Generations Federal Credit Union attained new levels of success in 2022, gaining strides in member convenience and service, awards and recognition, and building the Generations brand and culture.

All of our teams were excited to open our doors to greet and serve members face-to-face in February of 2022. After two years of serving members with social distancing protocols and remote operation, we were finally able to return to normal business hours at our branch lobbies, drive thrus and call centers.

GFCU served as market leader throughout the year. We offered competitive rates on products like Reset Your Debt, a personal loan with a consolidation focus, and the best-in-class MyAdvantage Checking account, along with great rates on auto, home equity loans, and lines of credit. We launched MyAdvantage Mortgage, our no-down-payment home ownership program featuring no Private Mortgage Insurance requirement. We introduced a special rate Certificate of Deposit campaign called Join the Wave Day for a limited time in July. GFCU also continued to make Skip-A-Payment available throughout the year to add convenience for our members. Member service enhancements included the addition of Zelle, a convenient person-to-person payments system, available through our online and mobile banking applications. We also launched GEN Now, a personal loan available 100% online, from the application to the loan closing, with funds deposited within minutes. Advertising campaigns featuring TV, radio, print, and digital advertising helped us get the word out to members and to our entire community.

I was pleased to announce the purchase of our new headquarters building and full-service branch at One Castle Hills, an eight-story, Class A office building near Loop 410 at Blanco Road. We also shared plans for a new branch near Loop 1604 at Potranco Road. These facilities will further strengthen service to members and anchor the credit union's future retail branch strategy.



2022 proved to be an incredible year for Generations FCU, thanks to the support of our membership, Board of Directors and volunteers, and our dedicated employees.



Our teams began to gather in person again for our quarterly All Staff Meetings, Employee Appreciation Day, and community outreach and volunteer activities as the city and branches reopened. We added many enhancements to our employee compensation and benefits program with the goal of maintaining consistency and excellence in service to members. We also supported events presented by the San Antonio Business Journal, the SA Hispanic Chamber of Commerce, the North SA Chamber of Commerce, and the South Texas Business Partnership.

We were named an SA Express-News Top Workplace for the 10th year since participating in the program. In addition to being named one of the Top Five places to work in the midsize company category, we were recognized for Leadership achievement. This award is the result of positive feedback provided by our team members.

Generations was recognized as a top credit union in San Antonio in the Express-News YourSA.com Readers' Choice Awards, with votes received from the entire community. We also received "Best of the Best" honors from MemberXP, the company that provides our member service survey program.

The Generations FCU team also competed in the San Antonio Sports Corporate Cup, winning second place in the athletic competitions in our division, and taking top honors in Team T-Shirt Design, Best Tailgate, and the Charity Challenge, having raised over \$45,000 in donations for local nonprofits.

Our VP of Commercial Services, Mark Johnston, received recognition in two very competitive programs. He was named to the 2022 SA Business Journal's 40 Under 40 list, and he was also selected for the SA Chamber's prestigious Leadership San Antonio program. These honors are given to local business and community leaders on the rise.

VP of Member Engagement Letty Gonzales was among the winners of the SA Business Journal's Women's Leadership Awards, honoring women for their positive impact in our community.

2022 proved to be an incredible year for Generations FCU, thanks to the support of our membership, Board of Directors, volunteers, and our dedicated employees.

I look forward to continuing to build on our success in the future, and to making waves and creating success for our members and our community for generations to come.



LETTER FROM THE BOARD CHAIR

LARRY REED
Chair,
Board of Directors

Generations FCU was founded in 1940 by public servants committed to our community. We're proud of these roots and we remained dedicated to building on this legacy of service in 2022 by continuing to support and highlight our first responders.

In May, we commemorated International Firefighters Day by delivering lunch to fire stations across the city. In the following weeks, we marked the Annual National Police Appreciation Week, taking boxes of delicious custom cookies to all SAPD Stations and Substations. National Law Enforcement Week took place soon after, and we again brought treats to our Police Stations and Substations, and to our Bexar County Sheriff's locations, to share our appreciation.

November brought with it our 10th Annual Turkey Express event, where we deploy our volunteer team to deliver frozen turkeys to every Fire Station in San Antonio, Castle Hills, and Balcones Heights the week before Thanksgiving. The following week, we provided hot cooked turkeys, along with sides and pies, to Police Stations & Substations, and to Bexar County Sheriff's Office facilities. It is our pleasure to honor those who work through the holidays to keep our friends and families safe. In December, we participated in holiday gift donations, collection drives, gift wrapping & delivering with Blue Cares, the SA Police Officers Association outreach, and with the SA Fire Department's community outreach teams.

Generations FCU also supported the larger San Antonio community throughout the year, working with local nonprofits by providing volunteers, sponsorships, and fundraising assistance. Our volunteer corps #GFCUCares celebrated the SA Stock Show & Rodeo's 25th Annual Bar-B-Que Cook-Off & Festival in January. We teamed up with competitive BBQ team Good Life Barbecue, and friends at the US military veteran-focused Texas Chrome Hero's Foundation to collect cash donations for college tuition scholarships, while serving up amazing food and drinks. We were excited to learn that our three-team partnership collected the second-highest total scholarship donations.

As part of our successful efforts to win the 2022 SA Sports Charity Challenge title in support of our community, we partnered with South Texas Blood and Tissue to help give the gift of life during two GFCU-sponsored blood drives. Our employees also contributed funds and held donation drives to support SA Sports, the SA Food Bank, Boys and Girls Clubs of SA, and Haven for Hope.

With organizations and nonprofits re-launching public events, #GFCUCares was busy throughout spring and summer, engaging friends and neighbors. GFCU volunteers distributed hundreds of paletas during the YMCA Spring



***Your support of our Member Owned,
Community Grown credit union is
making a difference throughout
our local neighborhoods for future
generations.***



Siclovía event in March. We participated in a number of Fiesta events, selling our Fiesta medal in a fundraiser for the Children's Hospital of San Antonio.

GFCU sponsored and brought volunteers to the Any Baby Can SA's Walk for Autism in April, raising awareness and funds for services provided to local families with medically fragile children and children with intellectual and developmental disabilities.

We also hosted a school supply drive and raised funds, collecting 1,300 items and \$3,480 for Communities in Schools SA's annual Stuff the Bus event in the summer. In July, GFCU teams raised more than \$20,000 for the Light the Night Walk, presented by the Leukemia & Lymphoma Society of Central Texas, to bring light to the darkness of cancer for patients, survivors, and family members.

On behalf of the Board of Directors, I would like to thank you for being a member-owner. Your support of our Member Owned, Community Grown credit union is making a difference throughout our local neighborhoods for future generations.

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 2022, Generations FCU's Assistant Vice President of Risk Management, Erica Garza, worked with Clifton Larson Allen LLP, 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 2021, Generations FCU's progress forward continued in 2022. For the year ending December 31, 2022, the Credit Union's net income totaled \$5,105,876. For the prior year ending December 31, 2021, Generations reported a Net Income of \$4,765,210. The pages ahead demonstrate the growth Generations has realized between 2021 and 2022. Throughout 2022, the Generations team enhanced efficiency while improving service, resulting in value delivered to members.

Warren Schott
Treasurer, Board of Directors

	2022	2021	Change
Assets	\$729,932,400	\$691,359,682	5.58%
Loans	\$532,512,693	\$448,312,814	18.78%
Deposits	\$670,010,536	\$624,270,596	7.33%

Comparative Balance Sheet

Assets	Dec. 31, 2022 (Unaudited)	Dec. 31, 2021 (Unaudited)
Loans	\$532,512,693	\$448,312,814
Allowance for Loan Loss	(\$ 1,990,915)	(\$2,509,091)
Cash	\$17,232,887	\$70,641,622
Investments	\$113,560,534	\$126,918,550
Accrued Interest	\$1,983,256	\$1,460,622
Prepaid Expenses	\$1,812,065	\$1,743,256
Other Assets	\$29,381,832	\$28,994,274
Fixed Assets (Net)	\$35,440,049	\$15,797,635
Total Assets	\$729,932,401	\$691,359,682
Liabilities		
Accounts Payable	\$8,944,628	\$7,713,713
Accrued Expenses	\$1,247,390	\$1,381,475
Other Liabilities	\$205,935	\$1,081,030
Total Liabilities	\$10,397,953	\$10,176,218
Equity		
Regular Shares	\$207,077,484	\$204,952,226
IRAs	\$18,770,010	\$19,298,560
Term Share Certificates	\$159,225,618	\$106,103,160
Money Market Accounts	\$103,194,480	\$105,262,021
Share Drafts	\$181,742,944	\$188,654,628
Regular Reserves	\$7,082,163	\$7,082,163
Other Equity	(\$17,389,311)	(\$4,021,354)
Undivided Earnings	\$59,831,060	\$53,852,059
Total Equity	\$719,534,448	\$681,183,463
Total Liabilities & Equity	\$729,932,401	\$691,359,681

Comparative Income Statement

Year Ended Dec. 31 Income	2022 (Unaudited)	2021 (Unaudited)
Loan Interest Income	\$22,834,895	\$20,393,911
Investment Interest Income	\$1,862,798	\$1,047,348
Member Fees & Other Income	\$16,229,012	\$13,582,919
Total Income	\$40,926,705	\$35,024,178
Expenses		
Less: Operating Expenses	(\$32,210,954)	(\$29,182,471)
Less: Loan Provision	(\$755,697)	(\$834,702)
Income Before Dividends	\$7,960,054	\$5,007,006
Less: Dividends to Members	(\$2,954,767)	(\$2,079,455)
Net Income From Operations	\$5,005,287	\$2,927,551
Non-Operating Gain (Loss)	\$100,589	\$1,828,659
Net Income After Gain (Loss)	\$5,105,876	\$4,756,210



INDEPENDENT AUDITORS' REPORT

Supervisory Committee
Generations Community Federal Credit Union and Subsidiary
San Antonio, Texas

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Generations Community Federal Credit Union and Subsidiary, which comprise the consolidated statement of financial condition as of June 30, 2022, and the related consolidated statements of income, comprehensive (loss) income, members' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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, 2022, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Generations Community Federal Credit Union and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The consolidated financial statements of Generations Community Federal Credit Union as of June 30, 2021, were audited by other auditors whose report dated September 8, 2021, expressed an unmodified opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Generations Community Federal Credit Union and Subsidiary's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Generations Community Federal Credit Union and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Generations Community Federal Credit Union and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CliftonLarsonAllen LLP

San Antonio, Texas
November 7, 2022

BOARD OF DIRECTORS



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Chair



George Whitfield, Jr.
Vice Chair



Rosalie Manzano
Secretary



Warren Schott
Treasurer



James Bell



Veronica Godley



Joseph Martinez



Anthony Rodgers, Ph.D.



Mike Trainer

Associate Board Member

James Smith

Supervisory Committee

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Tony Padgett
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Mike Trainer
Secretary

Kevin Burton

Robert Westbrook

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President & CEO

Geraldine Breeding
Chief Financial Officer

Rick Divina
Incoming Chief Financial 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

Erica Garza
VP of Risk Management

Wendy Albers
VP of Member Experience

Isabel Rios
AVP of Operations

Samantha Olivarez
AVP of IT Operations

Ryan Pierce
AVP of IT Projects
and Analytics

Marissa Scheffler
AVP of Human Resources



2022 Awards & Recognition



GFCU Top Workplace Recognition

San Antonio Express-News and Energage release the Top Workplaces employee survey each Spring to help companies of all sizes determine employee satisfaction, and to gain valuable feedback. In 2022, the 10th year that Generations FCU has participated in this program, we were thrilled to be named one of the Top Five Workplaces among midsize companies in our market. In addition, CEO Ken Raymie received a special Leadership Achievement Award due to outstanding support from our team members.



YourSA Top Credit Union

MySA.com is our local online news publication, and the YourSA Awards are awarded to reader favorites in categories for businesses ranging from restaurants and law firms to performance venues. Thanks to online votes, Generations was named a Top Credit Union in San Antonio for the first time. We were so pleased to receive this recognition in our market from our members and community.



MemberXP Best of the Best

Member feedback is key to ensuring excellent service and our partner, MemberXP helps us monitor member satisfaction with every transaction. We were pleased to be nominated for the fourth consecutive year as a MemberXP Best of the Best credit union.



Corporate Cup 2022

The annual SA Sports Corporate Cup is an annual field day for local businesses of all sizes. Our teams put on a great showing in the sporting events, but we were especially excited to be named winner of the Charity Challenge, raising more funds for five local nonprofits than companies of any size. We donated over \$45,000 to SA Sports, Haven for Hope, the Boys and Girls Clubs of San Antonio and the SA Food Bank. We also collected over 80 pints of blood for South Texas Blood & Tissue with multiple drives.



Light the Night 2022

Light the Night is the annual walk and fundraiser presented by the Leukemia & Lymphoma Society of Central Texas. Our employees and walk teams hosted fundraisers and candy sales, bringing in over \$20,000 in donations to help provide services, education and treatment for cancer patients, their families, and survivors.



VP of Commercial Services Mark Johnston was named to the SA Business Journal 40 Under 40 Awards list of honorees, joining a prestigious cohort of leaders in the city who are making a difference in the community. We are pleased that Mark's leadership in our commercial services and branch expansion projects and his volunteer work and mentoring were recognized with this honor.

Mark was also selected to participate in the SA Chamber of Commerce and SA Hispanic Chamber of Commerce Leadership San Antonio program, graduating at the end of 2022.



VP of Member Engagement, Letty Gonzales was among the honorees at the SA Business Journal's Women's Leadership Awards. In addition to overseeing all aspects of member engagement and marketing, Letty has developed GFCU's corporate giving and sponsorship programs, as well as the #GFCUCares volunteer core. She is a tireless volunteer who supports nonprofits serving children, families, education, and equity for women in our community.

Member Owned. Community grown.

Castle Hills Branch

1100 NW Loop 410, Suite 101
Castle Hills, TX 78213

Yarrow Branch

7503 Yarrow Blvd.
San Antonio, TX 78224

Northwest Branch

6000 NW Loop 410
San Antonio, TX 78238

W.W. White Branch

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

St. Mary's Branch

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

Balcones Heights Branch

4005 Fredericksburg Rd.
San Antonio, TX 78201



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.



Facebook.com/mygenfcu



Twitter.com/generationsfcu



LinkedIn.com/company/generationsfcu



Instagram.com/generationsfcu

 **210.229.1128**

 **MyGenFCU.org**

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

