

2024 Annual Report



2024 A Year in Review



Board of Directors

Corbyn Beck, Board Chair
Darron Niles, Vice Chair
Joel Vastine, Secretary
Daryl Empen, Treasurer
Karen Thode
Joel Thompson

Tom Pearson
Mike Smith
Nick Thompson
Diana Contreras
Pam Galvin
Jeff Condit



Chairman's Report

2024 was a solid, if unspectacular year for your credit union. How's that for an inspiring opening statement? Given our current interest rate environment and the uncertainty facing many businesses and consumers, solid is actually looking pretty darn good.

We ended the year with a net worth at 9.99% of assets. This is a slight decline from 2023, but expected due to higher expenses from our core system upgrade. Now that the upgrade is behind us, we should see lower expenses going forward, which will boost our net income.

Another reason for our lower earnings in 2024 was certainly the interest rate environment. After years, or decades really, of ultra-low rates, the Fed kept rates at an elevated level for much of the year. This was great for our savers, as certificate rates were at the highest level in years. This was reflected in our dividend expense, which totaled more than \$2.1 million, easily our highest level ever in our history. Along with fantastic certificate rates, we also raised the rate on our Green² Checking account to 4.50% by year's end. We are very proud of our ability to pay higher than average rates on all of our deposit accounts, and in fact, our average dividend per member places us in the top 7% of all credit unions in the entire country, no matter the size.

Higher rates also meant higher rates on many of our loan products, but I am proud to say we were able to hold the line on many of these rates. Unlike many institutions, we did not raise our credit card rates, and our auto loan rates are amongst the lowest in the market. So just how can we pay the best rates on deposits, while offering the lowest rates on loans? Simple – we have lower operating expenses. Compared to other credit unions in our peer group, we are a full ½ percent lower in operating expenses measured against assets. In fact, we are substantially lower than most of our larger local credit union competitors also – something we are very proud of.

We once again ranked among the best credit unions in the entire country according to Callahan & Associates. We are in the top 1.5% for returning value to our members, measured in 3 areas – return to savers, return to borrowers, and member service usage. When you choose to be a member of GECU, you are choosing to do business with one of the best credit unions in the entire nation.

Finally, I would like to recognize three of our Directors that are stepping down from the Board, Tom Pearson, Joel Thompson and Mike Smith. Tom has served on the Board for 15 years, Joel has served for 10 years, and this was his second tenure on the Board. Mike has also served on the board for 10 years. All three have provided invaluable insight and leadership to the Board and the direction of the credit union, and they have always kept your best interests at heart. After four years on the Board myself, I have also decided to step down from the Board as I conclude my term with tonight's meeting. I have truly enjoyed my time on the Board, and it has been my absolute pleasure to serve as Chairman these past two years. I have enjoyed working with my fellow Directors and have always enjoyed working with GECU's employees. I leave knowing the credit union is in good hands, and thank you all for your continued support of GECU.

Corbyn Beck
Board Chair

Statistical Data

	YEAR ENDING DECEMBER 31 2024	YEAR ENDING DECEMBER 31 2023
MEMBERS	5604	5701
AVERAGE TOTAL SHARES/ MEMBER	\$19,568.55	\$17,315.24
NUMBER OF LOANS OUTSTANDING:		
Consumer	1368	1383
Signature	786	706
VISA Accounts	1420	1431
Mortgage	616	578
AVERAGE AMOUNT OF LOANS OUTSTANDING:		
Consumer	\$17,456.72	\$16,676.01
Signature	\$3,319.20	\$3,787.71
VISA Accounts	\$2,386.34	\$2,310.85
Mortgage	\$77,875.69	\$78,575.92
KEY RATIOS:		
Net Worth/Total Assets	9.99%	10.10%
Net Income/Average Assets	0.33%	0.55%
Net Charge-offs/Average Loans	0.31%	0.18%
Delinquent Loans/Total Loans	0.61%	0.58%
Net Operating Expenses/Assets	2.74%	2.59%
Loans to Total Shares	74.68%	73.44%

Credit Committee

One of our core missions at GECU is to meet the borrowing needs of our members, by offering a variety of loans at the lowest cost, to save you money and improve your financial well-being. Despite high interest rates continuing throughout 2024, your credit union still had a robust year for loan growth, increasing loans by almost 5%.

Perhaps the category most affected by interest rates was our first mortgage loans. We saw a slight decline in mortgages with new mortgages essentially offsetting our payoffs. The largest category for growth was in our home equity loans, which grew by \$3 million, or 35%. Many members decided to invest in their current home, or use their equity to consolidate other debt.

We also had a solid year for auto loans, despite the high rates. Auto loans outstanding grew by just under \$1 million, or 4.7%.

While other institutions have seen their delinquent loans and charged-off loans escalate throughout the year, we had a very good year. Our delinquent loans, measured as those loans over 60 days past due, were just 0.61% of all loans outstanding at year end. This is less than the credit union national average of 0.97% and well below our Quad Cities credit unions' average of 1.97%. Net charge-offs finished at just 0.31% of average loans. This also is well below the local and national average, which are both about .80% of loans.

We have seen many changes over the years – who would have thought the majority of our consumer loans would be granted by signing electronically and never even having to set foot in the office? But no matter how much technology changes, we are committed to adapting and meeting your needs, big and small.

Credit Committee,
Karen Thode, Chair
Mike Smith
Darron Niles



Supervisory Committee

The Supervisory Committee's role is to act as the independent auditor of the credit union. To ensure that independence, members cannot be an officer on the Board, nor serve on the credit committee.

For many years, the committee performed audits on its own, without assistance from any external party. As the credit union has grown, however, we are subject to more regulations and have far more complex operations. As a result, the credit union has engaged outside professionals for many of these required audits, including quarterly audits on different areas of operations, and independent ACH and Bank Secrecy Act audits, as required by our regulators. These are in addition to the regular audit work still performed by members of the committee.

The committee once again hired Selden Fox CPAs, LTD, for both our annual State-required full opinion audit, and for quarterly internal audit work covering a wide range of activities and operations. We are pleased to report that there were no findings or journal entries in our 2024 audit, and we received a clean opinion.

We also had a State of Illinois IDFP Examination in 2024, based on our 2023 fiscal year. The State examination was very clean with no major findings or areas of concern. We would like to congratulate the staff and management of GECU for continuing to operate the credit union in a safe and sound manner, and for the assistance they have shown in working with the committee.

Respectfully Submitted,

Joel Thompson, Chair
Tom Pearson
Jeff Condit

Statement of Income & Expenses

INCOME	2024	2023
Interest on Consumer Loans & Mortgages	\$4,099,910	\$3,500,777
Income on Investments	\$950,935	\$920,907
Share Draft Fees and Charges	\$99,361	\$46,823
VISA Interest & Income	\$447,534	\$440,260
ATM/Debit Card Fees and Charges	\$426,068	\$436,306
Other Fees & Income	\$269,222	\$309,402
NCUSIF Members United Corp CU Distribution	\$0	\$9,525
TOTAL GROSS INCOME	\$6,293,031	\$5,663,999
OPERATING EXPENSES		
Salaries, Payroll Taxes & Employee Benefits	\$1,675,493	\$1,513,644
Normal Operating Expenses	\$1,612,381	\$1,544,890
Member Publications and Marketing	\$97,376	\$92,257
Depreciation	\$166,126	\$162,704
Employee & Director Education	\$55,810	\$45,567
Credit Loss Expense	\$239,793	\$155,809
NCUSIF Share Insurance Expense	\$0	\$0
TOTAL OPERATING EXPENSES	\$3,846,979	\$3,514,871
DIVIDEND EXPENSE		
Normal Dividends	\$2,111,990	\$1,464,488
TOTAL DIVIDEND EXPENSE	\$2,111,990	\$1,464,488
NON-OPERATING INCOME (EXPENSE)		
Gain (Loss) on Investments	\$60,722	(\$39,331)
Gain (Loss) on Sale of Property	\$245	\$0
TOTAL NON-OPERATING INCOME (EXPENSE)	\$60,967	(\$39,331)
NET INCOME	\$395,029	\$645,309

10 Year History

YEAR	ASSETS	SHARES	LOANS
2015	\$70,442,168	\$62,770,833	\$43,300,583
2016	\$71,272,831	\$62,782,924	\$44,625,474
2017	\$74,690,592	\$65,700,666	\$48,124,392
2018	\$78,206,110	\$69,486,274	\$54,700,500
2019	\$82,382,957	\$72,697,431	\$60,353,164
2020	\$103,325,503	\$88,006,080	\$63,308,831
2021	\$110,437,833	\$99,453,133	\$66,816,853
2022	\$116,713,734	\$106,872,919	\$73,933,471
2023	\$116,458,923	\$107,562,803	\$78,016,122
2024	\$121,716,761	\$109,666,157	\$81,894,080

Statement of Financial Condition

	YEAR ENDING DECEMBER 31 2024	YEAR ENDING DECEMBER 31 2023
ASSETS		
Loans to Members	\$81,894,080	\$78,016,122
Reserve for Loan Losses	(\$785,474)	(\$796,024)
Investments	\$30,216,764	\$27,990,275
Shares in Corporate Credit Unions	\$4,451,510	\$4,180,997
Cash & Corporate Checking Accounts	\$1,007,573	\$2,219,159
Land, Building, Office Equipment	\$1,924,926	\$2,007,037
NCUSIF	\$1,026,407	\$989,586
Other Assets	\$1,976,946	\$1,851,771
TOTAL ASSETS	\$121,712,731	\$116,458,923
LIABILITIES		
Accounts Payable	\$1,647,945	\$1,333,798
Borrowings	\$0	\$0
Share Accounts	\$28,069,734	\$30,089,218
Share Certificates (CDs)	\$32,299,828	\$23,899,798
Share Drafts	\$24,307,871	\$25,051,933
Christmas Club	\$82,210	\$82,883
IRA Accounts	\$8,679,288	\$8,685,323
Money Market Accounts	\$16,223,197	\$18,419,848
TOTAL LIABILITIES	\$111,310,072	\$107,562,803
MEMBERS EQUITY (RESERVES)		
Regular Reserve	\$914,053	\$914,053
Undivided Earnings	\$10,710,520	\$10,315,491
Acquired Equity from RID Merger	\$538,119	\$538,119
Other Comprehensive Income	(\$971,048)	(\$1,185,705)
Unrealized Gain/Loss on Securities	(\$788,984)	(\$1,685,838)
TOTAL MEMBERS EQUITY	\$10,402,659	\$8,896,120
TOTAL LIABILITIES & MEMBERS' EQUITY	\$121,712,731	\$116,458,923

2024 Annual Meeting Minutes

Gas and Electric Credit Union

2024 Annual Meeting Minutes

March 9, 2024

Chair of Board, Corbyn Beck, called the meeting to order at 6:36 PM at the Stern Center, Rock Island, Illinois. Corbyn asked Acting Secretary, Darron Niles, to read the call of the meeting. A quorum was present.

Corbyn Beck declared the 88th annual meeting of the Gas and Electric Credit Union officially open and welcomed the 178 members and guests present.

Corbyn Beck introduced the board members present. This included Daryl Empen, Darron Niles, Tom Pearson, Karen Thode, Joel Thompson, Mike Smith, Diana Contreras, Pam Galvin, and Jeff Condit.

Reports:

Chair Beck presented the minutes of the 2023 annual meeting as printed. Steve Imming moved the minutes be adopted as printed. Motion was seconded by Kurt Frank and passed.

Chairman

Corbyn Beck reviewed the Chair's report as printed in the annual report

Credit Committee

Board member Karen Thode presented the Credit Committee's report as printed in the annual report.

Supervisory Committee

Board member Joel Thompson presented the Supervisory Committee's report as printed in the annual report.

President-Treasurer

President Daryl Empen presented his President's report as printed in the annual report.

Old Business

Chair Beck asked the secretary if there was any business remaining from the 2023 annual meeting. Acting Secretary Niles indicated there was none.

New Business

Chair Beck asked Tom Pearson to read the report from the Nominating Committee consisting of Tom Pearson, Darron Niles, and Corbyn Beck. Tom read the list of submitted names for nominations: Daryl Empen, Tom Pearson, Mike Smith, Karen Thode, Joel Thompson, Joel Vastine, Darron Niles, Corbyn Beck, Nick Thompson, Diana Contreras, Pam Galvin and Jeff Condit.

Corbyn Beck called, three times, for nominations from the floor. Leroy Brown moved to close the nominations. Steve Imming seconded, and the motion passed. Steve Imming then motioned to cast a unanimous vote for the slate of officers as presented. The motion was also seconded by Randy Smith and passed.

Chair Beck asked for a motion that the board be allowed to fill any vacancies that may occur during the upcoming year. A motion was made by Steve Imming. Motion was seconded by David Thode and passed.

There being no questions from the floor, Jim Roseman moved to adjourn the meeting at 7:00 pm. Motion was seconded by Steve Imming and passed.

A drawing for door prizes was then held, followed by a GECU Trivia contest, and then a buffet dinner.

Corbyn Beck, Chair

Darron Niles, Acting Secretary

President's Report

At our last annual meeting, we were just a week removed from our core system upgrade. That first week was unlike anything I, or anyone on our staff, has ever experienced. The phones rang off the hook from the opening minute to closing time, as we helped members enroll in the new online banking, and were learning the new system ourselves. I know I've said it before, but thank you for your patience during that time. Conversions are never easy, but we are happy to have the hard work behind us, so that we can focus on the future.

And a bright future lies ahead for GECU. As of the end of 2024, we were one of just 4700 credit unions in our country. At its peak over 50 years ago, we had over 24,000 credit unions in the country. Due to failures, consolidations, and mergers the number of credit unions is down over 80%! There are many reasons for this, just like in any industry. But we have survived because in the end, we understand why we exist. Yes, we need to keep up with technology – perhaps AI and cryptocurrency will have a place in our future – but our singular focus is improving the lives of our members. The primary way we do this is offering a safe and convenient place for you to deposit your hard-earned money, and pay you the best rate possible for keeping that savings here. And then we turn around and make loans to our members from those deposits. Loans to purchase a new vehicle, to buy or remodel a home, to consolidate debt, or even to help with the holidays. Make enough spread between the interest on loans and investments, and the dividends we pay on deposits, to pay our staff, keep up with technology, and keep the lights on, and return the rest to you, our member-owners. That's it. A simple formula in an ever-increasingly complex world. Some institutions have forgotten this mission, but we have not.

Another key difference for GECU is our commitment to local ownership and the common bond of membership. Local is better, period. We are owned by you, our members. You are represented by a Board of Directors made up of employees or retirees of our various sponsor groups – your coworkers or colleagues. They make sure that we are acting in your best interests. While we have added various sponsors over the years, and expanded our field of membership, we have always done so judiciously and with the goal to keep that common bond of membership alive.

With that being said, we do need to grow, and 2024 was a bit frustrating in that regard. While we opened 298 new memberships, we closed a bit more than that. We need your help – talk us up to your coworkers or eligible family members. Switching institutions is a bit of a hassle, but we think making the switch to GECU is worth it. Better deposit rates – check. Better loan rates – check. Lower and fewer fees – check. Have a problem and need to talk to an actual person – check. And have we told you we're ranked in the top 1.5% of ALL credit unions for returning value to members?

I am so very proud of our record here at GECU, and the staff that we have assembled to take care of your needs. Thank you for the privilege of allowing us to serve you for over 90 years.

Respectfully Submitted,
Daryl Empen, President

