



*reaching new heights*

2018 ANNUAL REPORT

## INCOME AND EXPENSE YEAR-TO-DATE

	12/31/18	12/31/17
<b>INTEREST INCOME</b>		
INCOME, LOANS	11,123,675	9,347,638
INCOME, INVESTMENTS	428,795	503,571
TOTAL INTEREST INCOME	<b>11,552,470</b>	<b>9,851,209</b>
<b>INTEREST EXPENSE</b>		
TOTAL INTEREST, DEPOSITS	990,350	767,094
TOTAL INTEREST, BORROWINGS	190,998	100,415
TOTAL INTEREST EXPENSE	<b>1,181,347</b>	<b>867,509</b>
NET INTEREST INCOME	<b>10,371,123</b>	<b>8,983,700</b>
LOAN & LEASE LOSS EXPENSE	1,788,979	1,512,480
TOTAL LOSS PROVISION	<b>1,788,979</b>	<b>1,512,480</b>
NET AFTER LOSS PROVISION	<b>8,582,144</b>	<b>7,471,220</b>
<b>NON-INTEREST INCOME</b>		
SERVICE FEES	5,231,463	4,308,059
TOTAL OTHER INCOME	<b>5,231,463</b>	<b>4,308,059</b>
<b>NON-INTEREST OPERATING EXPENSES</b>		
TOTAL OPERATING EXPENSE	<b>11,048,852</b>	<b>9,906,269</b>
INCOME BEFORE EXTRAORDINARY ITEMS	<b>2,764,754</b>	<b>1,873,010</b>
<b>EXTRAORDINARY ITEMS</b>		
OTHER NON-OPERATING ITEMS	92,683	(38)
<b>NET INCOME</b>	<b>2,672,072</b>	<b>1,873,048</b>

## STATEMENT OF CONDITION

<b>ASSETS</b>		
TOTAL LOANS TO MEMBERS	208,967,184	207,127,001
TOTAL ALLOWANCE FOR LOAN LOSSES	(1,552,250)	(1,438,876)
TOTAL LOANS PARTICIPATIONS	3,360,205	6,938,370
TOTAL RECEIVABLES	376,724	856,629
TOTAL CASH	7,702,771	7,907,387
TOTAL INVESTMENTS	29,778,318	19,775,089
TOTAL PREPAID AND DEFERRED EXPENSES	2,559,076	2,193,554
TOTAL FIXED ASSETS	10,451,372	6,805,237
TOTAL ACCRUED INCOME	707,558	688,502
TOTAL OTHER ASSETS	405,748	299,225
TOTAL ASSETS	<b>262,756,706</b>	<b>251,152,118</b>
<b>LIABILITIES</b>		
TOTAL ACCOUNTS PAYABLE	828,121	1,082,434
TOTAL NOTES PAYABLE	5,667,851	18,380,171
TOTAL CONTINGENTS PAYABLE	687,976	512,478
TOTAL OTHER LIABILITIES	4,260,559	4,883,471
TOTAL LIABILITIES	<b>11,444,506</b>	<b>24,858,554</b>
<b>DEPOSITS</b>		
TOTAL DEPOSITS	<b>225,601,672</b>	<b>203,255,108</b>
<b>EQUITY</b>		
TOTAL MEMBER CAPITAL	25,710,528	23,038,456
<b>TOTAL LIABILITIES, DEPOSITS &amp; EQUITY</b>	<b>262,756,706</b>	<b>251,152,118</b>

# 2018 ANNUAL MEETING AGENDA



- Call to Order
- Ascertain quorum
- Reading and approval of minutes
- Report from Chairman of the Board
- Report from President/CEO
- Annual Audit Report
- Unfinished Business
- New Business
- Election of Board of Directors

## REPORT OF THE BOARD OF DIRECTORS



and Management Year ending December 31, 2018

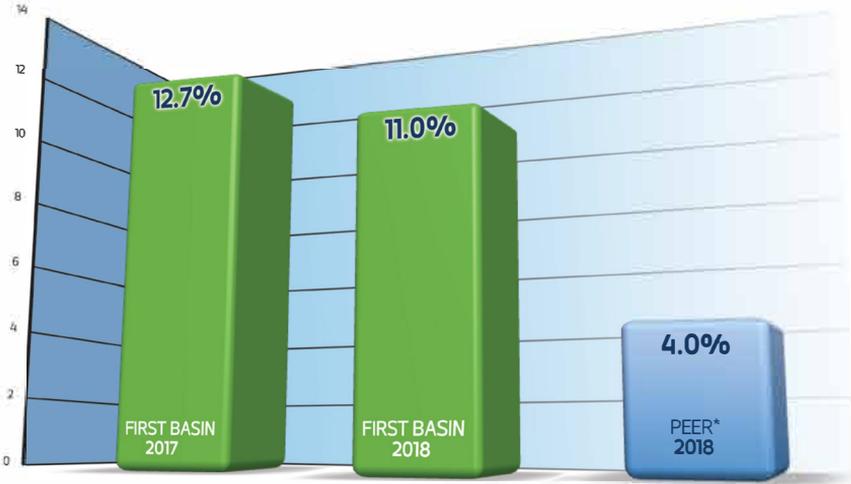
We are proud to share with you, our members and First Basin family, that the year 2018 was unquestionably one of the most successful in the history of your credit union. In fact, by most measures, 2018 was the most productive of all previous years as we continued to expand and solidify the foundation on which we may build a more inspired and prosperous future.

The most gratifying aspect of 2018's achievements was that it was preceded by another record-breaking year, 2017. To illustrate, over the past two years, the credit union's capital growth (Net Worth) averaged an annualized 10.8% compared to the peer average 7.5%. During the same time period, First Basin also held strong in deposit and loan growth, an annualized average 11.9% and 18.0%, respectively, versus the peer average 4.7% for deposits and 9.0% for loans. We have established an impressive pattern of performance and plan to continue reaching new heights as we head into 2019 and beyond. All of this despite the economic cycles that sometimes afflict short-term advancements.

### CAPITAL GROWTH RATES



## DEPOSIT GROWTH RATES



\* Denotes peer group data through September. Peer group is all credit unions \$100 to \$500 million.

As validation of the aforementioned financial accomplishments, the annual audit performed by Doeren Mayhew CPAs, and the examination conducted by the Texas Credit Union Department, both resulted in a determination that the credit union is in compliance with applicable laws, rules, and regulations, and that the policies, procedures, and internal control environment ensures that the credit union is operating in a safe and sound manner.

First Basin Credit Union is committed to our communities and will continue to invest the necessary resources so that we may fulfill our responsibility to provide you with exceptional products and services. There is no better example of this commitment than the recent announcement that First Basin will soon break ground on a new Corporate Headquarters Office located in the Parks Legado Town Center in Odessa. The four-story building and approximately 60,000 square feet will house a full-service branch with an expansive drive-thru, along with a spacious “community” room to support the meeting space needs of various non-profit organizations. Such facility will provide essential cohesiveness that will enable First Basin to better serve our more than 25,000 members across 17 counties.



As you also know, in 2016 we expanded our membership to the South Plains and opened our doors for the first time in Lubbock. We were welcomed into the market and have been exposed to a thriving membership that has allowed us the opportunity to flourish in the South Plains. Our Lubbock Branch is now open four days a week and features a branch manager, a member service representative and two part-time tellers.

We are proud to share our continued growth and strong values. First Basin supports more than 40 nonprofit organizations dedicated to promoting our youth. While it is our goal to contribute to our community through volunteerism and sponsorship of events, it is also of importance to First Basin to educate our communities on the importance of fiscal responsibility. In 2018, 40 employees volunteered their time through Junior Achievement to teach 180 personal finance classes to students throughout all six of the high schools in Midland and Odessa.



Not only are we honored to serve our community, but we also heard their applause in 2018. First Basin brought home the gold in the Midland Reporter Telegram “Readers’ Choice Awards” for Best Employer, Best Finance Company, Best Home Mortgage Company, and received silver recognition for Best Credit Union. The Odessa American “Best of the Permian Basin” also honored FBCU for Best Customer Service and Best Loan Company.



As we close on a prosperous 2018 and journey into 2019, we see that our future is bright. We have experienced incredible growth, and 54 years into the history of First Basin, we will continue to build on our foundation to guide our progress and expansion. We attribute our success to each of you, our members, and thank you for continuing to choose First Basin to be the partner in your financial lives.

Sincerely,

*Julian Beseril*

Julian Beseril  
Chairman of the Board

*S. E. Culpepper*

Shem Culpepper  
President & CEO



## REPORT TO MEMBERSHIP



First Basin Credit Union appreciates the commitment and dedication of the Board of Directors and presents them along with the expiration dates of their terms.

Julian Baseril 2/2019  
Sam Gonzalez 2/2020  
Shem Culpepper 2/2021

Rebecca Marler 2/2019  
Gary Windham 2/2020  
Steve Compton 2/2021



## MISSION STATEMENT



*First Basin Credit Union will do whatever it takes to exceed members' expectations by providing professional financial solutions that place members' needs first.*

### **Board of Directors**

Julian Baseril – *Chairman*  
Sam Gonzalez – *Vice Chairman*  
Gary Windham – *Secretary/Treasurer*  
Shem Culpepper  
Rebecca Marler  
Steve Compton

### **Senior Management**

Shem Culpepper – *President/CEO*  
Tim O'Reilly – *Senior Vice President, Marketing*  
Ana Gonzalez – *Vice President, Accounting*  
Brad Stillwell – *Vice President, Information Technology*  
Julia Tarin – *Vice President, Branch Operations*



2740 N. County Road West | Odessa, Texas | 79764  
(432) 333-5600 | [www.firstbasin.com](http://www.firstbasin.com)