# 2017 ANNUAL REPORT

# good vibes

First Basin®
credit union

First Basin credit union

## INCOME AND EXPENSE YEAR-TO-DATE

| | 12/31/17 | 12/31/16 |
|---|---|---|
| **INTEREST INCOME** | | |
| INCOME, LOANS | 9,347,638 | 6,970,298 |
| INCOME, INVESTMENTS | 503,571 | 709,892 |
| TOTAL INTEREST INCOME | **9,851,209** | **7,680,190** |
| **INTEREST EXPENSE** | | |
| TOTAL INTEREST, DEPOSITS | 767,094 | 712,285 |
| TOTAL INTEREST, BORROWINGS | 100,415 | 40 |
| TOTAL INTEREST EXPENSE | **867,509** | **712,325** |
| NET INTEREST INCOME | **8,983,700** | **6,967,865** |
| LOAN & LEASE LOSS EXPENSE | 1,512,480 | 930,564 |
| TOTAL LOSS PROVISION | **1,512,480** | **930,564** |
| NET AFTER LOSS PROVISION | **7,471,220** | **6,037,301** |
| **NON-INTEREST INCOME** | | |
| SERVICE FEES | 4,308,059 | 4,131,103 |
| TOTAL OTHER INCOME | **4,308,059** | **4,131,103** |
| **NON-INTEREST OPERATING EXPENSES** | | |
| TOTAL OPERATING EXPENSE | **9,906,269** | **9,028,967** |
| INCOME BEFORE EXTRAORDINARY ITEMS | **1,873,010** | **1,139,437** |
| **EXTRAORDINARY ITEMS** | | |
| NCUSIF STABILIZATION ASSESSMENT | 0 | 0 |
| OTHER NON-OPERATING ITEMS | (38) | 28,535 |
| **NET INCOME** | **1,873,048** | **1,110,902** |

## STATEMENT OF CONDITION

| | | |
|---|---|---|
| **ASSETS** | | |
| TOTAL LOANS TO MEMBERS | 207,127,001 | 142,527,701 |
| TOTAL ALLOWANCE FOR LOAN LOSSES | (1,438,876) | (1,027,210) |
| TOTAL LOANS PARTICIPATIONS | 6,938,370 | 12,385,535 |
| TOTAL RECEIVABLES | 856,629 | 718,802 |
| TOTAL CASH | 7,907,387 | 11,518,593 |
| TOTAL INVESTMENTS | 19,775,089 | 30,005,684 |
| TOTAL PREPAID AND DEFERRED EXPENSES | 2,193,554 | 2,004,684 |
| TOTAL FIXED ASSETS | 6,805,237 | 6,868,722 |
| TOTAL ACCRUED INCOME | 688,502 | 502,000 |
| TOTAL OTHER ASSETS | 299,225 | 185,024 |
| TOTAL ASSETS | **251,152,118** | **205,689,535** |
| **LIABILITIES** | | |
| TOTAL ACCOUNTS PAYABLE | 1,082,434 | 432,793 |
| TOTAL NOTES PAYABLE | 18,380,171 | 297,251 |
| TOTAL CONTINGENTS PAYABLE | 512,478 | 433,225 |
| TOTAL OTHER LIABILITIES | 4,883,471 | 3,348,610 |
| TOTAL LIABILITIES | **24,858,554** | **4,511,879** |
| **DEPOSITS** | | |
| TOTAL DEPOSITS | **203,255,108** | **180,276,789** |
| **EQUITY** | | |
| TOTAL MEMBER CAPITAL | 23,038,456 | 20,900,867 |
| **TOTAL LIABILITIES, DEPOSITS & EQUITY** | **251,152,118** | **205,689,535** |

# 2017 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

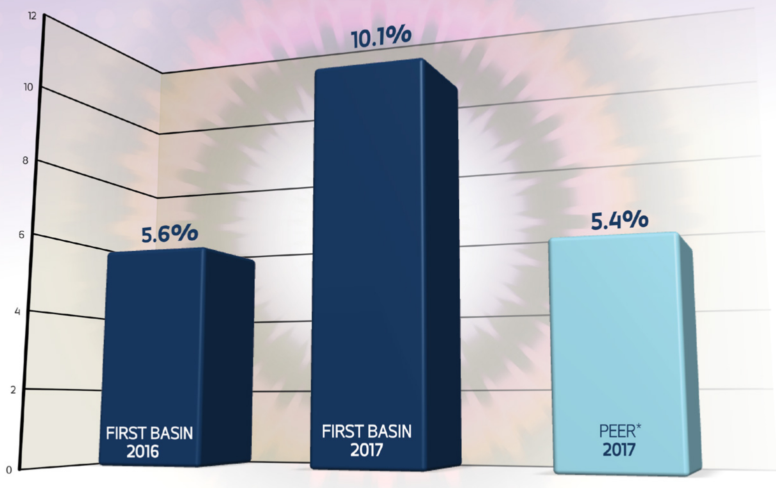
# REPORT OF THE BOARD OF DIRECTORS

## and Management Year ending December 31, 2017

Dear Members,

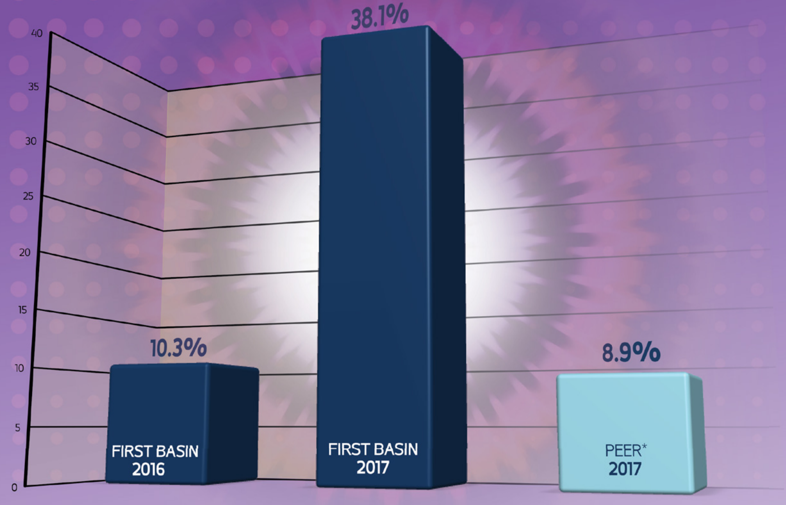
We are pleased to report to you that 2017's overall financial results were phenomenal, arguably one of the most successful in the history of your credit union. First Basin experienced significant growth in all three of the primary financial metrics reflected in the board adopted long-term goals: Loans, deposits, and capital. For each measure, First Basin far-outpaced the peer average, as illustrated in the following graphs.

## CAPITAL GROWTH RATES

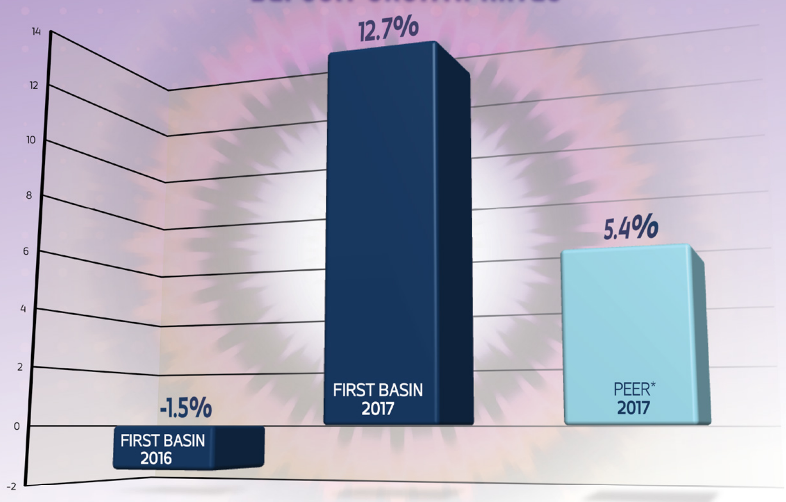



* Denotes peer group data through September. Peer group is all credit unions $100 to $500 million.

## LOAN GROWTH RATES




## DEPOSIT GROWTH RATES




These financial measures serve as evidence that First Basin continued to fulfill a key element of its Mission and Vision Statement, which translates into providing valued products and services to an expanding membership.

The credit union's overall financial strength is reflected in the capital-to-assets ratio, also referenced as the net worth ratio. First Basin's regulatory authority has determined that a ratio in excess of 7.0% represents a "well-capitalized" position. First Basin's 9.1%

clearly demonstrates financial strength. In addition, 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.

As gratifying as it may be to achieve such impressive financial results, another board adopted long-term goal is to be a well-recognized corporate citizen and community advocate. To this end, First Basin's dedicated, selfless and devoted team members volunteered for more than 30 community events during the year while First Basin provided sponsorship funding for more than 60 non-profit community service organizations. These counts reflect increases over the prior year and demonstrates First Basin's ongoing commitment to worthy causes. You have our pledge that we will continue to do so and if possible even increase the impact that First Basin makes.

We would like to close this report by saying thank you. Because of your support, First Basin Credit Union continues to grow at a healthy pace while providing you with added convenience and service to make your life more hassle-free. On behalf of the board, management, and entire First Basin staff, we want to thank you once again for making First Basin Credit Union your financial institution. We wish you a healthy and prosperous 2018.

Sincerely,

Julian Beseril
Chairman of the Board

Shem Culpepper
President & CEO

First Basin credit union

# 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 Beseril | 2/2019 | Rebecca Marler | 2/2019 |
| Shem Culpepper | 2/2018 | Steve Compton | 2/2018 |
| Sam Gonzalez | 2/2020 | Gary Windham | 2/2020 |

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

**Executive Management**
Shem Culpepper – *President/CEO*
Cody Kidd – *Senior Vice President, Lending*
Tim O'Reilly – *Senior Vice President, Marketing*

**Senior Management**
Ana Gonzalez – *Vice President, Accounting*
Brad Stillwell – *Vice President, Information Technology*
Julia Tarin – *Vice President, Branch Operations*

First Basin® credit union

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