



2019 ANNUAL REPORT



2020
2020

INCOME AND EXPENSE YEAR-TO-DATE

	12/31/19	12/31/18
INTEREST INCOME		
INCOME, LOANS	9,829,907	11,123,675
INCOME, INVESTMENTS	1,115,406	428,795
TOTAL INTEREST INCOME	10,945,313	11,552,470
INTEREST EXPENSE		
TOTAL INTEREST, DEPOSITS	1,082,085	990,350
TOTAL INTEREST, BORROWINGS	140,850	190,998
TOTAL INTEREST EXPENSE	1,222,935	1,181,347
NET INTEREST INCOME	9,722,378	10,371,123
TOTAL LOAN LOSS EXPENSE	2,816,245	1,788,979
TOTAL LOSS PROVISION	2,816,245	1,788,979
NET AFTER LOSS PROVISION	6,906,133	8,582,144
NON-INTEREST INCOME		
SERVICE FEES	5,269,228	5,231,463
TOTAL OTHER INCOME	5,269,228	5,231,463
NON-INTEREST OPERATING EXPENSES		
TOTAL OPERATING EXPENSE	10,649,374	11,048,852
INCOME BEFORE EXTRAORDINARY ITEMS	1,525,987	2,764,754
EXTRAORDINARY ITEMS		
(GAIN) / LOSS ON DISPOSAL OF ASSETS	(1,079,389)	92,683
NET INCOME	2,605,376	2,672,072

STATEMENT OF CONDITION

ASSETS		
TOTAL LOANS TO MEMBERS	181,250,237	208,967,184
TOTAL ALLOWANCE FOR LOAN LOSSES	(2,024,459)	(1,552,250)
TOTAL LOANS PARTICIPATIONS	1,127,429	3,360,205
TOTAL RECEIVABLES	389,033	376,724
TOTAL CASH	8,949,540	7,702,771
TOTAL INVESTMENTS	60,247,317	29,778,318
TOTAL PREPAID AND DEFERRED EXPENSES	2,638,944	2,559,076
TOTAL FIXED ASSETS	15,885,886	10,451,372
TOTAL ACCRUED INCOME	602,455	707,558
TOTAL OTHER ASSETS	411,576	405,748
TOTAL ASSETS	269,477,956	262,756,706
LIABILITIES		
TOTAL ACCOUNTS PAYABLE	805,082	828,121
TOTAL NOTES PAYABLE	5,465,505	5,667,851
TOTAL CONTINGENTS PAYABLE	649,636	687,976
TOTAL OTHER LIABILITIES	3,312,259	4,260,559
TOTAL LIABILITIES	10,232,482	11,444,506
DEPOSITS		
TOTAL DEPOSITS	230,883,488	225,601,672
EQUITY		
TOTAL MEMBER CAPITAL	28,361,986	25,710,528
TOTAL LIABILITIES, DEPOSITS & EQUITY	269,477,956	262,756,706

2019 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, 2019

As First Basin Credit Union turned the page to close 2019 and enter into the new decade, economic conditions in the markets we serve have remained relatively stable. This stability has allowed First Basin to continue growing and thriving to achieve its goals and mission with a strong fiscal foundation.

The financial condition of First Basin remained strong throughout the year, with the loan portfolio experiencing needed contraction, deposit growth controlled and net income and subsequent capital retention one of the strongest on record. Financial performance during 2019 allowed the credit union's net worth ratio to improve from 9.8% to 10.5%, well ahead of the regulatory agency prescribed "well capitalized" mark of 7.0%.

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.

One year ago, in February 2019, First Basin began one of the most significant chapters of the institution's history with the ground-breaking and ensuing



construction of the new Corporate Headquarters Office. The 64,000 square-foot, four story building in the prestigious Parks Legado Town Center will provide for the necessary office space for years to come.

First Basin is fully invested in better serving the Permian Basin through this expansion and in creating an exceptional member experience. Last year, numerous operational elements were implemented internally to build loyalty and recognition with our staff. This includes Voice of the Member, which allows an unknown member to survey employees during transactions and provide beneficial feedback; Bucketlist, an employee recognition, rewards and incentive program; Quality Service Awards; and all staff get the day off on their birthday. We believe if you create a great working culture and environment, that it will resonate into even better service for our members.

First Basin also continues to show its support to more than 40 nonprofit organizations. Last year, FBCU was proud to sponsor "Adopt a Star" to benefit High Sky Children's Ranch for the seventh year. In partnering with our fellow community cape crusaders, more than 180 children across West Texas had their Christmas wishes fulfilled. For the fourth year, First Basin also sponsored the City of Odessa Starbright Village, featuring more than 300,000 lights and holiday themed displays that families can enjoy for free throughout the season.



Junior
Achievement®
of the Permian Basin

Starbright
Village



SENIOR LIFE
MIDLAND

Midland
CHILDREN'S
rehabilitation center





To support our commitment to supporting area schools and universities, last year First Basin joined forces with Texas Tech University in Lubbock as a Corporate Partner. This partnership offered First Basin the opportunity to engage with the Lubbock citizens at TTU's fall football "Raider Alley" and will provide us the outlet to broaden our presence in the South Plains.

We are grateful to the community for recognizing our commitment to giving back. First Basin was voted "Best Credit Union" in the Odessa American 2019 Reader's Choice "Best of the Permian Basin". FBCU also received silver recognition in the Midland Reporter Telegram "Reader's Choice Awards" for Best Credit Union, Finance Company, Best Loan Company, and Best Employer – Less than 100 Employees. Keep Odessa Beautiful also recognized First Basin with the 2019 "Leading the Community Award" for the credit union's engagement within the organization and throughout Odessa.



Thank you, to our more than 27,000 members, for allowing First Basin to be a part of your financial lives. We look forward to the coming year and continuing on our journey as a community-minded, member-oriented financial institution with one simple goal – to be the best for you.

Sincerely,

A handwritten signature in blue ink, appearing to read "S. Culpepper".

Shem Culpepper
President & CEO

A handwritten signature in blue ink, appearing to read "Sam Gonzalez".

Sam Gonzalez
Vice Chairman



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.

Sam Gonzalez 2/2020
Gary Windham 2/2020
Cathy Laracuenta 2/2020

Shem Culpepper 2/2020
Steve Compton 2/2021
Rebecca Marler 2/2022



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

*Vice Chairman – Sam Gonzalez
Secretary/Treasurer – Gary Windham
Rebecca Marler
Steve Compton
Cathy Laracuenta*

Senior Management

*President/CEO – Shem Culpepper
Chief Financial Officer – Ana Gonzalez
Chief Lending Officer – Doug Sypolt
Chief Marketing Officer – Tim O'Reilly
Chief Operations Officer – Brad Stillwell
Chief Retail Officer – Julia Tarin*



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