

ONE WITH YOU

2020 ANNUAL REPORT

INCOME AND EXPENSE YEAR-TO-DATE

	12/31/20	12/31/19
INTEREST INCOME		
INCOME, LOANS	8,527,693	9,829,907
INCOME, INVESTMENTS	286,871	1,115,406
TOTAL INTEREST INCOME	8,814,564	10,945,313
INTEREST EXPENSE		
TOTAL INTEREST, DEPOSITS	988,263	1,082,085
TOTAL INTEREST, BORROWINGS	55,166	140,850
TOTAL INTEREST EXPENSE	1,043,429	1,222,935
NET INTEREST INCOME	7,771,135	9,722,378
TOTAL LOAN LOSS EXPENSE	1,115,219	2,816,245
TOTAL LOSS PROVISION	1,115,219	2,816,245
NET AFTER LOSS PROVISION	6,655,916	6,906,133
NON-INTEREST INCOME		
SERVICE FEES	5,062,140	5,269,228
TOTAL OTHER INCOME	5,062,140	5,269,228
NON-INTEREST OPERATING EXPENSES		
TOTAL OPERATING EXPENSE	11,047,121	10,649,374
INCOME BEFORE EXTRAORDINARY ITEMS	670,935	1,525,987
EXTRAORDINARY ITEMS		
(GAIN) / LOSS ON DISPOSAL OF ASSETS	(399,800)	(1,079,389)
NET INCOME	1,070,735	2,605,376

STATEMENT OF CONDITION

ASSETS		
TOTAL LOANS TO MEMBERS	168,447,466	181,250,237
TOTAL ALLOWANCE FOR LOAN LOSSES	(1,419,111)	(2,024,459)
TOTAL LOANS PARTICIPATIONS	-	1,127,429
TOTAL RECEIVABLES	692,322	389,033
TOTAL CASH	7,495,836	8,949,540
TOTAL INVESTMENTS	90,315,638	60,247,317
TOTAL PREPAID AND DEFERRED EXPENSES	3,050,744	2,638,944
TOTAL FIXED ASSETS	23,682,500	15,885,886
TOTAL ACCRUED INCOME	766,905	602,455
TOTAL OTHER ASSETS	474,230	411,576
TOTAL ASSETS	293,506,530	269,477,956
LIABILITIES		
TOTAL ACCOUNTS PAYABLE	612,981	805,082
TOTAL NOTES PAYABLE	279,516	5,465,505
TOTAL CONTINGENTS PAYABLE	805,789	649,636
TOTAL OTHER LIABILITIES	4,582,797	3,312,259
TOTAL LIABILITIES	6,281,083	10,232,482
DEPOSITS		
TOTAL DEPOSITS	257,838,809	230,883,488
EQUITY		
TOTAL MEMBER CAPITAL	29,386,638	28,361,986
TOTAL LIABILITIES, DEPOSITS & EQUITY	293,506,530	269,477,956

2020 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, 2020

First Basin Credit Union celebrated the beginning of 2020 with optimism, enthusiasm, and preparation to conquer goals.

To improve operational efficiencies, and to support the vision and long-term growth of the credit union, First Basin announced promotions in senior management: Tim O'Reilly, with FBCU for five years, was promoted to Chief Marketing Officer; Brad Stillwell, with FBCU for 12 years, now serves as Chief Operations Officer; Julia Tarin, with the credit union for 20 years, was appointed as Chief Retail Officer; and Ana Gonzalez, with a tenure of 11 years, is FBCU's Chief Financial Officer.

On January 2, 2020, First Basin also welcomed the leadership and expertise of Doug Sypolt as Chief Lending Officer for the credit union. Sypolt came to Odessa from Community First Credit Union located in Jacksonville, FL. He is responsible for leading all lending endeavors at First Basin, including consumer, mortgage and commercial lending.

The colorfulness and climate of the world shifted to a grim black and white as the months moved forward. The COVID-19 pandemic overshadowed the ordinary and took center stage in the lives of millions. The pandemic not only had an adverse impact on First Basin as an entity, but more importantly on our stakeholders as well as the citizens and businesses we serve.

Unlike many communities across the country, whereby the pandemic was the key adversary, in the Permian Basin we have also struggled mightily with the downturn in the oil and gas industry, resulting in the loss of thousands of jobs.

First Basin is extremely proud of the manner in which we were able to provide much needed assistance to the small business community by participating in the Small Business Administration's Paycheck Protection Program. During 2020, First Basin advanced 380 loans totaling more than \$12 million to area small businesses.

First Basin has always been closely aligned and a staunch supporter of the medical community. As such, we hold a special relationship and understanding of the unique nature of the livelihood of the thousands of medical care providers. We are eternally thankful for the unselfishness, dedication and bravery demonstrated by the medical community in an effort to combat the pandemic and save as many lives as possible.

Although First Basin was significantly impacted by the pandemic in the form of loan losses, the overall financial condition remained strong. During the year, deposits increased \$27 million, while total assets increased to \$293 million at year-end. Because of the weakened economy, loans declined near \$13 million during the year, ending at \$168 million. With asset growth of 9% compared to retained earnings growth of only 4%, the institution's net worth ratio declined from 10.5% to 10.0% at year-end; however, remaining comfortably ahead of the regulatory "well-capitalized" level of 7.0%.

From the earliest days of the pandemic's onset in March 2020, the First Basin Board of Directors, management and staff were laser-focused on remaining one with you, our members.

First Basin made the commitment to continue providing all banking and financial services to members including open lobbies and drive-thru service along with in-branch member service representatives to support all member account and lending services. To do so, required a concerted effort to maintain a safe working environment to protect employees and members. First Basin provided masks and administered stringent cleaning and sanitation protocols. It was also necessary to alter schedules, re-assign and relocate certain employees for purposes of social distancing.

In addition to ensuring uninterrupted banking and financial services, First Basin continued the practice of product and service development. Examples during 2020 included the enhancement and improvement of the entire mobile and online banking platform, including bill pay, ACH and other payment options, a robust card management system and new credit card rewards redemption program.

In a year that proved to be somber and difficult to endure, there were glimmers of color seen throughout the community that helped us along the way to remember kindness and empathy to get through this together.

The fall of 2019, First Basin had committed to teaching personal finance classes, through Junior Achievement (JA), throughout the eight-week trimester at Trinity School of Midland. We were thrilled to have the opportunity to fulfill our commitment with the students in the spring of 2020. FBCU Senior Management also hosted "JA in a Day" at Trinity for the graduating seniors to learn about credit, saving and properly managing their money.

In spring 2020, the school year ended abruptly for students in many communities. As the fall rolled around there was hesitation from all angles to resume in-person classes, but our teachers and students braved the uncertainty. First Basin stepped in to help students and teachers in the best way we could.

FBCU held the Fifth Annual "Back to School" Donation Drive benefitting the children of the Rainbow Room of Odessa. While there were still many unknowns at the time, First Basin wanted to ensure the children were prepared for virtual or in-person learning. The drive raised \$2,500 for the Rainbow Room to purchase supplies for 300 children in foster and CPS care to have a successful school year.

For the first year, First Basin adopted Zavala Magnet Elementary through the ECISD Education Foundation "Adopt a School" program. The principal and staff were thrilled, sharing they had never been adopted by a local business before! To welcome the teachers back for the new school year, First Basin made a special visit to deliver more than 80 goodie bags for the teachers and staff. FBCU also provided Zavala with much-needed traffic cones for the school to set-up a safe arrival and pick-up zone for their students.

As the holidays approached, First Basin embraced the season of giving by individually wrapping and delivering 470 books to be given to each student at Zavala as a Christmas surprise. FBCU also showed our gratitude to the hard-working, dedicated teachers and staff at the school by providing lunch from Rosa's at their end of year in-service day.

First Basin shared the gift of giving by helping families of Harmony Home Children's Advocacy Center enjoy a Thanksgiving meal. FBCU hosted "Blue Jeans 4 Turkey!" inviting all employees to donate \$20 to our Harmony Home Thanksgiving Drive. In exchange, those who donated, could wear blue jeans for one week. Our kind-hearted staff answered the call for help donating \$600! With their donations, plus First Basin's donation, meals were provided to 25 families in need.



For the eighth year, First Basin hosted "Adopt a Star" to benefit High Sky Children's Ranch. With the generous donations of our staff and members, and money donated by First Basin, FBCU made a check presentation for \$10,000 to High Sky Children's Ranch. Money raised allowed High Sky to purchase presents for more than 300 children of all ages.

At a time that proved to be challenging for many, became the moment for First Basin to stand tallest and shine brightest to be one with our FBCU family, our members and the community. As our leader, President and CEO shared with our members, "rest-assured, we will continue to face this challenge head-on until it is simply another obstacle, we as a community, have overcome."

Shem Culpepper
President & CEO

Sam Gonzalez
Chairman





REPORT TO MEMBERSHIP

First Basin Credit Union appreciates the commitment and dedication of the Board of Directors. Currently, FBCU pays each director \$400 per board meeting attended. The FBCU Board of Directors are presented below, along with the expiration dates of their terms.

Sam Gonzalez	2/2023	Wesley Burnett	2/2022
Gary Windham	2/2023	Cathy Laracuente	2/2021
Rebecca Marler	2/2022	Steve Compton	2/2021

There were no documented changes to the First Basin Credit Union bylaws in 2020. However, in accordance with the bylaws and because of the pandemic, First Basin shifted the date of the Annual Meeting to March 18, 2021 to allow for in-person attendance.



ANNUAL AUDIT

The annual audit performed by Doeren Mayhew CPAs, and the examination conducted by the Texas Credit Union Department, both resulted in a determination that First Basin Credit Union is in compliance with applicable laws, rules, and regulations, and that the policies, procedures, and internal control environment ensures that First Basin is operating in a safe and sound manner.



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 Laracuente
Wesley Burnett

Senior Management

<i>President/CEO</i>	<i>Shem Culpepper</i>
<i>Chief Financial Officer</i>	<i>Ana Gonzalez</i>
<i>Chief Lending Officer</i>	<i>Doug Sybolt</i>
<i>Chief Marketing Officer</i>	<i>Tim O'Reilly</i>
<i>Chief Operations Officer</i>	<i>Brad Stillwell</i>
<i>Chief Retail Officer</i>	<i>Julia Tarin</i>

