

# 2017 Annual Report



CHECKING



SAVINGS



LOANS



COMMUNITY



**We're more than a bank,  
We're your credit union.**

# Our Mission

We are committed to providing quality and affordable financial products/services meeting the needs of our membership and community through exceptional customer service.

## **76th Annual Meeting Agenda**

*First Imperial Credit Union | El Centro Branch  
Wednesday, May 9, 2018  
6 p.m.*

**Call to Order**

**Flag Salute**

**Invocation**

**Reading and Approval or Correction of  
the 5/10/17 meeting minutes**

**Chairman's Report**

**Treasurer's Report**

**Supervisory Committee's Report**

**President/CEO's Report**

**Unfinished Business**

**New Business other than elections**

**Board Elections**

**Adjournment**

**Door Prizes**



# Chairman's Report

It has been an honor to have served as Chairman of the Board of First Imperial Credit Union this past year. It is exciting to know that we have been providing financial services for over 75 years in Imperial County. What started out as a small cooperative serving IID employees exclusively, has now become a first class financial institution serving more than 17,000 members. We are proud to say that last year we funded \$46 million in new loans, and our employees processed over 538,000 member transactions.

As a volunteer Board, we continue to execute a prudent and conservative business model to provide you peace of mind that we will have a solid credit union to serve you for many years to come. I am pleased to highlight some of our achievements in 2017.

In 2017, we celebrated the ribbon cutting of our newly opened Imperial branch, reissued new EMV chip debit cards to all checking account holders, were voted Best Credit Union by I.V. Press readers, launched a variable rate home equity line of credit program, added five new dealerships to the indirect lending program and implemented a number of initiatives to ensure our employees have a high level of employment satisfaction.

We recognize that there are many financial institutions to choose from when handling your financial affairs and we want to thank you for choosing FICU. I want to express my sincere gratitude to my fellow Board Members, Supervisory Committee and to our staff for their diligent and dedicated service in maintaining a healthy and prosperous organization. Their efforts in supporting the mission of the credit union and serving you are the keys to our continued success. Thank you for your loyalty and we look forward to continuing to serve you for many years to come.



**Katie B. Luna**  
*Chairman of the Board*

## Board of Directors

**Katie B. Luna** Chairman

**Don Campbell** Vice Chairman

**Michael Campbell** Secretary

**Josue (Josh) Mercado** Treasurer

**Dr. Victor M. Jaime** Board Member

**Dr. Kathleen Lang** Board Member

**Chris Petree** Board Member

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*Follow us on Social Media and know all the latest news and updates FIRST!*

# Treasurer's Report



**Josue (Josh) Mercado**  
**Treasurer**

First Imperial Credit Union remained financially strong in 2017. For the year ending 2017, our total assets grew to \$108.9 million, deposits ended at \$94.4 million and loans ended at \$80.1 million. Our membership grew to 16,856, a number which continues to increase. Net income for the year was \$1,038,098 which gave us an ROA (return on assets) of 1.02% that is significantly higher compared to our peers that stand at 0.52%. Overall, 2017 was proven to be a sound and impactful year for FICU.

The Board of Directors and senior management team have worked together closely to ensure that we remain a well-capitalized credit union with a net worth to total asset ratio of 10.27% as of year-end 2017. This ratio, established by the NCUA (National Credit Union Administration), sets the minimum allowable capital level for "well-capitalized credit unions" at 7%. First Imperial Credit Union continues to

exceed this requirement.

Thank you for the trust you place in First Imperial Credit Union. We look forward to being your financial partner for many years to come.

## Consolidated Statement of Financial Condition

ASSETS		INCOME	
Loans	\$ 80,126,967	Interest on Loans	\$ 5,027,655
Allowance for Loan Losses	\$ (905,989)	Income from Investments	\$ 266,903
Cash	\$ 3,097,790	Fees	\$ 1,857,186
Deposits in Corporate Credit Union	\$ 21,784	Other Operating Income	\$ 773,982
Deposits in Federal Reserve Bank SF	\$ 3,406,956		
Investments	\$ 12,611,850	<b>TOTAL INCOME</b>	<b>\$ 7,925,727</b>
Land and Building/Leasehold Improvements	\$ 3,523,970		
Furniture and Fixtures/Data Software	\$ 506,319	EXPENSES	
Other Assets	\$ 6,527,363	Employee Compensation and Benefits	\$ 2,564,899
<b>TOTAL ASSETS</b>	<b>\$ 108,917,010</b>	Travel & Conference Expense	\$ 52,789
		Association Dues/Annual Fees	\$ 31,015
		Office Occupancy Expense	\$ 438,813
		Office Operations Expense	\$ 1,394,772
		Advertising and Publicity Expense	\$ 129,921
		Loan Servicing Expense	\$ 173,863
		Professional and Outside Services	\$ 323,081
		Operating Fees	\$ 12,118
		Miscellaneous Operating Expense	\$ 136,660
		<b>TOTAL EXPENSES</b>	<b>\$ 5,257,931</b>
		Dividends	\$ 435,812
		Provision for Loan Loss	\$ 1,164,903
		Interest Paid on Borrowings	\$ 26,338
		Non-Operating Loss	\$ 2,645
		<b>NET INCOME/(LOSS)</b>	<b>\$ 1,038,098</b>
LIABILITIES AND EQUITY			
Liabilities	\$ 1,626,515		
Borrowings	\$ 2,192,431		
Deposits	\$ 94,480,961		
Regular Reserve	\$ 1,543,777		
Undivided Earnings	\$ 9,651,762		
Accum Other Comprehensive Loss	\$ (578,436)		
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 108,917,010</b>		

# Supervisory Committee's Report

The supervisory committee's role is to maintain oversight of the safety and soundness of the credit union. Operating independently of all entities at the credit union, we review practices and procedures followed by staff to verify that management carries out the policies set by the Board. The Department of Business Oversight (DBO) and the National Credit Union Administration (NCUA) examine the credit union on a regular basis; the supervisory committee reviews the results and follows up with senior management on any action items identified in the report to ensure compliance with applicable laws and government regulations.

The committee reviews quarterly financial reports and conducts ongoing operational audits. Annually we engage an independent certified public accounting firm to perform an opinion audit that evaluates accounting controls, financial statements and verification of members' accounts. For the fiscal year ending December 31, 2017, Turner, Warren, Hwang and Conrad conducted the 2017 audit of FICU. After the audit was completed, the CPA firm felt that the credit union followed all accounting rules appropriately and that the financial reports are an accurate representation of our financial condition.

The supervisory committee would like to report that FICU continues to maintain a high level of financial stability. I would like to express my gratitude to our dedicated Supervisory Committee volunteers. On behalf of the Committee, I would like to extend our appreciation to all the employees of First Imperial Credit Union and its Board of Directors, for their ongoing efforts to ensure the safety and soundness of the credit union.



**Steve Escalera**  
**Supervisory Committee**  
**Chairman**

## Supervisory Committee

**Steve Escalera** Chairman

**Luis Hernandez** Committee Member

**Richard Morales** Committee Member

*Experience the FICU Difference*



# President's Report



**Fidel Gonzalez**  
**President/CEO**

2017 was a year of milestones at First Imperial Credit Union. We celebrated 75 years in business and throughout those years we have maintained our service approach of focusing on the needs of our members. We also reached \$100 million in assets and celebrated the reopening of a branch office in the City of Imperial where we previously had our administrative headquarters for many years. Longevity, service and earning your loyalty are the reasons why the above milestones were made possible. At FICU, we committed and remained focus on creating member loyalty by keeping our members at the forefront of our decision-making process. By being member centric, it shapes everything we do; from the strategic direction our volunteers set, to the products and services we offer, to the training we provide our team of employees. Everything we do at FICU is centered on the above principle which in turn will increase the loyalty of our members.

2017 was another great year of growth with strong financial results. We saw an increase in membership by 9%, our deposit growth was 12%, asset growth was 14% and loan growth was 30%. Our loan growth was one of the strongest in many years and this contributed to another great financial year.

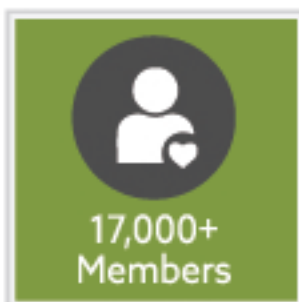
We conducted a member survey in 2017 with a great response rate. We appreciate our members that took the time to provide feedback. We are happy to report that the survey showed that 86% of members agreed that they would recommend FICU to a family or friend. In addition, 90% stated that they consistently receive great service at the branch they frequent.

At FICU, we know that healthy communities are essential to the credit union's success. From raising funds for many non-profits to donating hours to different causes and foundations, our team has continued its legacy of giving back and supporting our local communities.

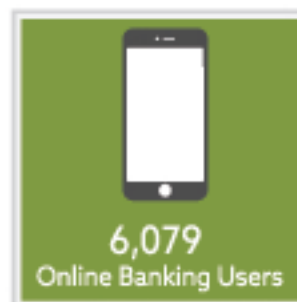
In 2017, our Board of Directors made a strategic decision to expand and build a bigger branch in the City of Calexico. This decision was a commitment to our existing and future members that FICU will remain in this important community. Many financial institutions have closed their offices in Calexico in the last few years and now more than ever it is important to create the convenience local residents need from a true local financial institution.

First Imperial Credit Union's commitment to loyalty and putting its members at the heart of everything we do continues to prove that when we take care of the member, everything else takes care of itself. Thank you for your continued loyal membership.

## Our Members



- 17 and under - 5%
- 18 to 30 - 21%
- 31 to 50 - 37%
- 51 to 64 - 23%
- 65 and over - 14%



# #TeamFICU



February Casual for a Cause donation to IVIC Ace Scholars, program coordinated by IVROP.



Volunteering to collect donations for 2017 Red Shoe Day.



Admin and FICU Board of Directors break ground for the new Calexico Branch in January.



Jocelyn promotes FICU at the Calexico School District Health Expo.



Staff and Board of Directors at MAG Coalition Gap4All Dinner.



CFO, Temo De La Torre delivers pies to Calexico Neighborhood House for their Thanksgiving Day luncheon.



Lending team accept the 2017 Readers' Choice Award for Best Credit Union.



Supporting I.V. Auto during their grand opening ceremony.



We're more than a bank, we're your credit union.

## The Team that puts you First

Fidel Gonzalez *President/CEO*

Cecilia Cuevas *Calexico Branch Manager*

Cuauhtemoc De La Torre *Executive Vice-President/CFO*

Sergio Jimenez *Imperial Branch Manager*

Marlena Rascon *Marketing & Member Engagement Manager*

Evangelina Loya *Human Resources/Compliance Manager*

Dulce Luna *Lending Manager*

Veronica Yee *Accounting Manager*

Micaela R. Pena *El Centro Branch Manager*

Frank Ornelas *Loan Servicing Manager*

Angelina Araujo *Brawley Branch Manager*

Moises Lopez *Information Technology Manager*

Hollie Allison  
 Daniel Arevalo  
 Yvette Baca  
 Christina Barraza  
 Julia Beasley  
 Graciela Bueno  
 Alfonso Cabrera  
 J. Gabby Castanon  
 Gabriel Castillo  
 Cibia Chavez  
 Rosemary Cornejo  
 Felicia Elliott

Zerlina Fernandez  
 Janelle Frazier  
 Jovita Galindo  
 Dayanne Gallo  
 Heriberto Galvan  
 Cesar Gonzalez  
 Jorge Islas  
 Laila Jimenez  
 Ashley Lara  
 S. Edith Lopez  
 Stephanie Lopez  
 Carmelita Mellin

Alicia Murguia  
 Ruth Olivas  
 Jocelyn Peraza  
 M. Alejandra Puentes  
 Lilia Reyes  
 Anna Rodriguez  
 J. David Salazar  
 Ryan Sanchez  
 Julie Singh  
 Aryanna Valenzuela  
 Deanna Villaescusa

[ficu.com](http://ficu.com)

***Brawley | Calexico | El Centro | Imperial | Imperial Valley College***