

THANKS A  
**BILLION**  
to our members

annual report 2015



# CREDIT UNION LEADERSHIP

## Board of Directors

**Donald Pinson**, Chairman (Term: Mar. 2018)

**Rudy Peña**, Vice Chairman (Term: Mar. 2018)

**Ignacio Orozco, Jr.**, Secretary/Treasurer  
(Term: Mar. 2016)

**Redell Ervin**, Director (Term: Mar. 2017)

**Kyle Friesenhahn**, Director (Term: Mar. 2018)

**Clare Coleman**, Director (Term: Mar. 2017)

**Anthony Petri**, Director (Term: Mar. 2017)

**Matthew Ralph**, Director (Term: Mar. 2016)

**Joyce Chamberlain**, Director Emeritus

**Lucille Herndon**, Director Emeritus

## Audit Committee

**Larry Wertheim**, Chairman

**Gilbert Cremar**, Vice Chairman  
(CPA Representative)

**Ronald Kyle**, Member at Large

**Anthony Petri**, Board Member

**Matthew Ralph**, Board Member

## Credit Committee

**Nathanael Tarwasokono**, Chairman

**Jesse Martinez**, Vice Chairman

**Gregg Thorne**, Member

---

*\* The position of SVP/Chief Marketing Officer was held by Fred Hagerman until September 2015. There is an ongoing search to fill this open position.*

---

## Management Team\*

**Nathanael Tarwasokono**, President/CEO  
**Jesse Martinez**, EVP/Chief Operations Officer  
**Andrew Apple**, SVP/Chief Financial Officer  
**Don Jones**, SVP/Chief Information Officer  
**Dawn Sloans**, SVP/Chief Human Resource Officer  
**Gregg Thorne**, SVP/Chief Lending Officer

**Mark Leita**, VP/Corporate Relations  
**Edward Muñoz**, VP/Loan Servicing  
**Michael Poligala**, VP/Lending  
**Tom Pryjowski**, VP/Facilities  
**Adrian Rivera**, VP/Risk Management  
**Veronica Teran**, VP/Finance  
**Traci Wilson**, VP/Learning & Performance

**Michelle Akers**, AVP/Administration  
**Patricia Cadena**, AVP/Employee Relations & Benefits  
**Jessica Guzman**, AVP/Branch Administration  
**Linda Padulo**, AVP/Financial Operations  
**David Puente**, AVP/Branch Administration  
**Linda Sue Serna**, AVP/Member Contact Center  
**T'Pring Wade**, AVP/Risk Management

**Jennifer Alonzo**, Member Contact Center Manager  
**Andrew Denoncour**, Central Processing Manager  
**Jerry Dugas**, Loan Resolution Manager  
**Marisela Garza**, Loan Sales Team Manager  
**Todd Lanier**, Web Communications Manager  
**Anne Llewellyn**, Communications Manager  
**Maria Lozano**, Credit Card Manager  
**Richard Migliore**, Indirect Lending Manager  
**Denise Plourde**, Real Estate Operations Manager  
**Jorge Riojas**, Network Systems Operations Manager  
**Matthew Rojas**, Investment/ALM Manager  
**Angel White**, Branch Operations Manager  
**Robertdon Witwiski**, Digital Marketing Manager

**Diane Bacon**, Gold Canyon Branch Manager  
**Joel Ceguera**, Gulfdale Branch Manager  
**Michelle Gonzales**, S.W. Military Branch Manager  
**Angela Guerra**, Jefferson Branch Manager  
**Melissa Herrera**, Potranco Branch Manager  
**Patricia Luna**, Culebra Branch Manager  
**Christina Mason**, Zarzamora Branch Manager  
**Priscilla Navarro**, Huebner Branch Manager  
**Renee Patterson**, O'Connor Branch Manager  
**Michael Resendez**, Bitters Branch Manager  
**Ashlie Schilling**, Mission Branch Manager  
**Angelica Spinks**, Alamo Ranch Branch Manager  
**Susan Valenzuela**, Bandera Branch Manager  
**Victoria Waits**, DeZavala Branch Manager  
**Darryl Weidenfeller**, Fredericksburg Branch Manager

---

As your new president and chief executive officer, it is a privilege to open this year's annual report with a brief note of thanks to everyone. Since moving my family from Arizona to Texas and assuming my new role in December, I have been overwhelmed by the gracious and welcoming spirit of the San Antonio community and the Firstmark Credit Union family.

In these few short months, I have enjoyed learning the history of our organization, the legacy of my predecessors, the commitment of our staff, and the dedication of our membership. As we reflect on the achievements of 2015, I am both honored and excited to join the continuing journey of Firstmark Credit Union!

*Nathanael Tarwasokono*

**Nathanael Tarwasokono**  
President/CEO

---

# CHAIRMAN & CEO MESSAGE

In 1932, ten teachers pooled their resources and founded San Antonio Teachers Credit Union with the purpose of helping people. By the end of that same year, the credit union had grown to 40 members, \$475 in assets, and \$300 in loans. Eighty-four years later, our name has changed to Firstmark Credit Union, our assets have grown to \$1 billion, and our membership has reached beyond 100,000 people. But despite the changes throughout the years, one constant remains – our commitment to helping our members and giving back to our community. To this day, our common purpose of *people helping people* still exists.

2015 was a landmark year for Firstmark Credit Union! We celebrated the legacy of retiring President/CEO Leon Ewing, mourned the passing of a beloved longtime director, James Muir, and completed our second successful merger. We also delivered a solid fiscal performance. Deposits grew by \$90 million (11.7%) while loans grew by \$96.6 million (14.8%). The credit union netted a profit of \$6.9 million, resulting in year-end capital of \$90.3 million and a healthy capital ratio of 8.8%. In the fourth quarter of 2015, the credit union's assets reached a significant milestone – **\$1 billion**. Clearly this achievement would not have been possible without the guidance of our board and volunteers, the leadership of our former CEO Leon Ewing, and the support of our employees, our communities, and most importantly you – our members.

Last year, we completed the merger of St. Joseph's Credit Union and were excited to extend a warm welcome to over 5,600 new members. We also added two locations – 802 Brooklyn Avenue in San Antonio and 610 West Main Street in Fredericksburg. When two credit unions pool resources, the result is a stronger, more vibrant organization. Healthy growth, both organically and through mergers, allows our credit union to continually improve our value promise to our members over the long-term.

As a cooperative, we have a social responsibility and a natural desire to give back to the communities where we work and live. In 2015, our employees volunteered over 1,900 hours of their time in the community. The credit union also worked hard to raise and donate \$45,000 to the Children's Hospital of San Antonio, as well as provided financial literacy to students at 17 area schools.

We want to thank our Board of Directors and volunteer committee members for their continued dedication to the credit union. As members, you elect these individuals to represent your best interests, and they continue to fulfill this important duty for your financial cooperative. We extend our whole-hearted thanks to our employees for living our shared values and delivering on the credit union's common purpose of *people helping people*. And most importantly, we are grateful that you chose to be a member of Firstmark Credit Union. Because at the end of the day, we exist because of you!

Wishing you and your family the very best!

*Donald Pinson*

**Donald Pinson**  
Board Chairman

*Nathanael Tarwasokono*

**Nathanael Tarwasokono**  
President/CEO

# COMMITTEE REPORTS

## Credit Committee Report

The Credit Committee is appointed by the Board of Directors to regularly review credit union loan policies, ensure the safety and soundness of loan underwriting, and meet the membership's credit needs. The committee is also responsible for ensuring that credit union staff adheres to policies, for taking action on selected loan requests, and for overseeing the manner in which accounts are collected.

In 2015, Firstmark Credit Union successfully funded over \$310 million in new loans for our members, growing our loan portfolio by over \$96 million for the year. During the year, we expanded our auto dealership network to allow members to finance with Firstmark at the dealership of their choice. We continued to refine our online loan application to make applying for loans online much easier, with the experience optimized to mobile phones, tablets, and computers. We also replaced all of our credit cards with new EMV chip cards to provide more security to our members and to reduce fraud losses.

The Credit Committee is committed to protecting the assets of our members while maintaining Firstmark Credit Union as a trustworthy source of affordable credit. We continually strive to improve our members' financial well-being by providing tangible savings opportunities across all of our loan products.

## Audit Committee Report

Appointed by the Board of Directors, the Audit Committee ensures that a comprehensive annual audit of the credit union's books and affairs is conducted in accordance with established principles and Commission rules. The committee is also responsible for ensuring that credit union staff adheres to policies established by the Board of Directors and that a strong internal control system covering daily operations and financial reporting is in place.

In 2015, the committee retained the CPA firm Fisher, Herbst & Kemble, P.C., to perform internal auditing procedures to verify compliance with state and national regulations; verify adherence to the credit union's policies and procedures; and review controls over operations for adequate security. After it reviewed the firm's reports and management's responses, the committee addressed any issues in its monthly meetings.

The committee additionally retained the CPA firm Padgett Stratemann & Co. to conduct the annual independent audit of the statements of financial condition, related statements of income, changes in members' equity, and cash flows for the period ending June 30, 2015. The findings indicate Firstmark Credit Union is in good health both financially and operationally. Members may view a copy of the auditor's report and opinion at any Firstmark Credit Union location.

---

## IMPORTANT NOTICE — Bylaw Amendment

During 2015, the Firstmark Credit Union Board of Directors approved an amendment to credit union bylaw §3.01 – Field of Membership. This amendment added the St. Joseph's Credit Union field of membership acquired during the merger completed on October 31, 2015. All changes were approved by the Credit Union Department of Texas.

Members who wish to view the amended bylaw in its entirety may contact the credit union's executive office at 2023 Gold Canyon Drive, San Antonio, TX 78232 between the hours of 9 a.m. and 4 p.m., Monday through Friday.

# IN SPECIAL HONOR



On December 31, 2015, President/CEO Leon Ewing retired from Firstmark Credit Union, concluding a distinguished career in the credit union industry spanning more than four decades. Recognized for unwavering ethics, sound financial management, and compassionate service, his commitment to bettering the lives of those around him has earned him the trust and respect from industry and community leaders, peers, and numerous past and present employees.

## **President/CEO, Firstmark Credit Union**

Ewing began his career with Firstmark Credit Union in 1981 as vice-president of operations and became president in 1984. Under Ewing's leadership, the credit union's membership grew from 18,000 to over 103,000, while its assets increased from \$54 million to over \$1 billion.

As less than 10% of credit unions nationwide hold the distinction of managed assets of \$1 billion or more, this milestone is a significant achievement for the credit union and was predicated on Ewing's measured and well-managed growth strategies. Throughout his career, he was driven by the singular vision he shared with Firstmark's board of directors: to improve and protect the financial health and well-being of each of Firstmark's members.

While building financial strength was paramount to Ewing's long-range goals, so too was providing products, services, and support that kept pace with the changing needs of Firstmark's membership. To this end, Ewing initiated the adoption of multiple technological enhancements, ranging from the introduction of in-house data technology and the development of an ATM network in the 1980s through the advanced e-commerce tools of the current generation, including one of the first instances of remote deposit capture in San Antonio.

## **Professional Involvement**

Active in many key roles within civic, community, and professional associations, Ewing's list of service is extensive and impressive.

At a national level, Ewing served as chair on the Supervision and Examination and State Legislative subcommittees of the Credit Union National Association, the premier advocacy body of the credit union industry in the United States, and as member and Nominating Committee chairman of the Credit Union Executives Society.

In Texas, he served as director on multiple financial industry boards during his career, including the Credit Union Legislative Coalition of Texas, the Texas Business Lending Group, Cornerstone Credit Union League, and Southwest Corporate Federal Credit Union, where he additionally served as chair of the Audit Committee.

Additionally, Ewing served in numerous capacities for the Texas Credit Union Department (TCUD) as a member of various committees and special task forces, such as Indirect Lending, Statutes Review, and Regulations Review.

A particularly notable accomplishment was the appointment by the governor of Texas in 1992 to serve as a member of the Texas Credit Union Commission, a nine-member body responsible for overseeing the activities of the Credit Union Department. He ultimately served as vice-chairperson for the Commission and later as chairperson of the Commission's Legislative Advisory Committee.

# IN SPECIAL HONOR

Equally notable, Ewing was named the first-ever Professional of the Year in 2000 by the former Texas Credit Union League (now Cornerstone Credit Union League), the south-central division of the Credit Union National Association.

## Civic Involvement

Ewing was also closely involved in multiple community and civic organizations in support of San Antonio and the surrounding areas, including board and specialized committee seats for the San Antonio Chamber of Commerce; Foundation board member and audit committee chair for the Children's Hospital of San Antonio; and program chair and a member of the advisory and steering committees for Credit Unions for Kids (CUFK).

Ewing has stated his proudest achievement as President/CEO was fostering the credit union's relationship with CUFK. With Ewing's encouragement and support, Firstmark was among the first to partner with the start-up organization, raising \$2,500 that first year. Since that time, approximately 3,000 credit unions nationwide have joined the CUFK program to benefit 155 Children's Miracle Network non-profit hospitals throughout the United States.

## Professional Successes

Without a doubt, during his professional lifetime Leon Ewing achieved an extensive and impressive roster of accomplishments within the industry, business and civic communities, and at the helm of Firstmark Credit Union. His influence has been felt both close to home and well beyond. To most, this would define his professional success.

But, if you were to ask him, his success would and could not be found on such a list. Instead, he will measure his success by the positive impact his actions had on the thousands of people in our community. Now and long after his retirement from Firstmark Credit Union, Leon Ewing's legacy will be preserved in the betterment of those whose lives he touched.



# IN MEMORIAM

James W. Muir joined the Firstmark Credit Union Board of Directors in 1951 and held the position of Secretary of the Board from 1984 until his death in 2015.

A life-long educator and WWII veteran, Mr. Muir understood the nobility of sacrifice for the common good and led a life of humble service.

For 64 years, Mr. Muir quietly blessed this institution with his loyal friendship, conservative guidance, and steadfast servant leadership. His dedication and unique voice will be deeply missed by all.

Board of Directors 1951-2015 • Secretary of the Board 1984-2015



# GIVING BACK

Based on the credit union philosophy of people helping people, Firstmark Credit Union is committed to giving back to our community. In 2015, community relations efforts reached an all-time high as our employees volunteered over 1,900 hours in the community and provided financial donations of over \$83,000 to local organizations. This commitment of time and money helps to fill important gaps in our community and makes a difference in the lives of others.

## Credit Unions for Kids

With the help of our members and employees, during 2015 we raised \$45,000 for the Children's Hospital of San Antonio through the Credit Unions for Kids program. Established in San Antonio, Credit Unions for Kids is a partner with the Children's Miracle Network, a non-profit organization that increases awareness of children's health issues and raises funds for children's hospitals and medical research. This donation brings the credit union's total donations to more than \$990,000 since 1986.



> Firstmark staff delivers a \$45,000 check for Credit Unions for Kids.

## Education Support

### Frank Price Cunningham & Helen Shipman Cunningham Scholarships

In 2015, the credit union awarded fifteen \$1,000 Frank Price Cunningham and Helen Shipman Cunningham scholarships to outstanding students enrolled in local high schools. These scholarships may be used at any academically accredited two- or four-year college or university. Applicants are evaluated based on academic achievement, community involvement/leadership, and recommendations.

### Educator Awards

Ten educators were awarded \$500 each to implement innovative projects inside and outside the classroom. The Educator Award program was designed with full-time kindergarten through 12th grade teachers in mind. In 2015, winning project ideas included the production of a play as a way to support interdisciplinary learning, the purchase of a "Kinder Cooks" program that integrates children's literature, math, science, and cultural diversity, and the construction of a butterfly garden to support studies in biology and environmental science.

### Academic Planners

For more than 20 years, Firstmark Credit Union has distributed academic planners to educators in the San Antonio area. In 2015, more than 86,000 planners were delivered to teachers and administrators in public and private schools, as well as area colleges and universities. For the first time, planners were also provided to students in teacher certification programs at The University of Texas at San Antonio and Texas A&M University-San Antonio.



> Firstmark sponsored the digital scoreboard at Alamo Stadium.



> Team Firstmark participates in a 5K run to benefit Northside ISD.



# GIVING BACK

## Community Partnerships

### VITA (Volunteer Income Tax Assistance)

Through VITA, families who earn less than \$60,000 per year have free access to trained volunteers who can help make sure they are claiming important tax credits. During 2015, Firstmark Credit Union hosted the VITA program over five days at the Culebra and Southwest Military branch locations. During that time, volunteers helped 163 families prepare and file their 2014 income taxes for an estimated \$400,000 in refunds.

### Student Aid San Antonio

Firstmark Credit Union partnered with the City of San Antonio, The San Antonio Chamber of Commerce, San Antonio Education Partnership / Café College, and Advise Texas to provide one-on-one assistance with the Free Application for Federal Student Aid (FAFSA) and the Texas Application for State Financial Aid (TASFA) in English and Spanish. In 2015, over 2,000 families were served through this program.

### SAReads

Every summer, Firstmark Credit Union collects new and gently used books at each of our locations. In 2015, SAReads collected more than 10,000 books, which will be provided free of charge to many nonprofit organizations, schools, and other groups in the San Antonio area. Firstmark continues to provide office space at its Gulfdale location that is used by SAReads for the Grade-Level Reading Program Office.

### SAYouth

This organization operates award-winning after-school programs in low-socioeconomic areas of San Antonio. In 2015, SAYouth served 3,600 children in 14 centers. Services include mentoring, fitness and sports, and hot meals. The credit union staff hosted a holiday party for one of the centers, providing food, drinks, goodie bags, and volunteers (including Santa) to distribute gifts for close to 200 children.

SAYouth also helps young adults who have quit school to gain a second chance through high school credit recovery and workforce training. Credit union staff provides financial literacy presentations for students in the "Youth Build" program.

### Friends of the San Antonio Parks Foundation

In 2015, Firstmark celebrated the arrival of spring by sponsoring the Fest of Tails Kite Festival and Dog Fair. This annual event encourages families to get outdoors and have fun together and is free and open to the public. This was the ninth year the credit union has sponsored the fair and thirty-five of our employees volunteered throughout the day. All funds raised go to help maintain, improve, and expand our city's parks.



> Firstmark volunteers provided families with free assistance completing state and federal financial aid forms as part of Student Aid San Antonio.



> Firstmark's 2015 Fiesta Medal. Medals were free to members while supplies lasted.



> SAYouth thanked Firstmark for their Angel Tree gifts and holiday celebration.

# INCOME & EXPENSE

Results as of December 31

2015

2014\*

## INCOME

Interest on Loans to Members	\$ 34,010,707	\$ 31,313,103
Interest on Investments	2,731,634	2,626,881
Miscellaneous Income	16,798,440	15,323,350

<b>TOTAL INCOME</b>	<b>\$ 53,540,781</b>	<b>\$ 49,263,334</b>
---------------------	----------------------	----------------------

## EXPENSES

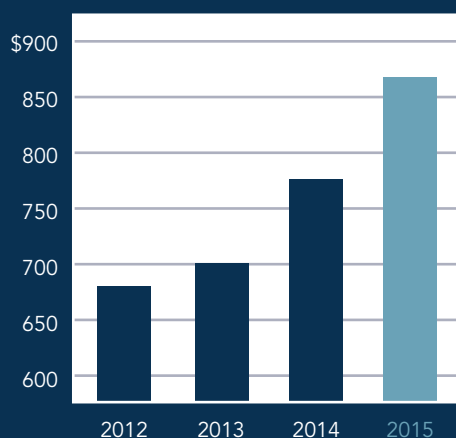
Employee Compensation	15,359,160	14,655,061
Employee Benefits	3,739,715	3,682,755
Meetings and Employee Training	323,412	280,752
Association Dues	142,226	72,152
Office Occupancy	3,938,412	3,659,666
Office Operations	3,105,990	2,765,781
Marketing & Promotion	1,196,034	1,252,345
Member Loan Servicing	2,306,758	2,362,395
Member Services	3,222,444	2,674,841
Communications	1,176,726	1,010,362
Data Processing	3,393,964	3,374,299
Auditing Services	258,018	275,264
Professional/Outside	534,249	481,937
Provision for Loan Loss	3,870,241	2,870,451
NCUSIF Premium Assessment	0	0
Member Insurance	19,715	8,819
Operating Fees	75,150	59,616
Cash Over/Short	809	8,053
Annual Meeting	816	768
Miscellaneous Operating Expense	212,280	176,980

<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 42,876,119</b>	<b>\$ 39,672,297</b>
--------------------------------	----------------------	----------------------

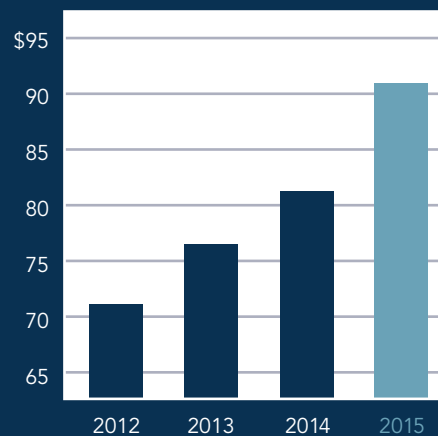
Non-Operating (Gain)/Loss	(1,731,397)	104,548
Dividends and Interest Paid to Members	4,443,680	4,385,277
Interest on Borrowed Funds	1,052,648	771,358
Total Expenses	46,641,050	44,933,480

<b>NET INCOME</b>	<b>\$ 6,899,731</b>	<b>\$ 4,329,854</b>
-------------------	---------------------	---------------------

**Deposits** (in Millions)



**Reserves** (in Millions)



# FINANCIAL CONDITION

Results as of December 31

2015

2014\*

## ASSETS

Loans to Members (Net of Allowance)	\$ 745,922,986	\$ 649,660,877
Accounts Receivable	4,404,293	4,244,136
Cash on Hand in Financial Institutions	9,632,084	10,423,034
Investments	215,604,203	187,778,112
Prepays/Deferreds	2,139,856	2,190,216
Buildings (Net)	15,242,150	14,943,428
Land	8,700,096	7,935,761
Furniture, Fixtures & Equipment (Net)	3,814,933	4,369,517
Leasehold Improvement (Net)	410,466	585,810
Accrued Income	2,154,950	2,019,550
NCUA Deposit Insurance	7,982,419	7,089,634
Other Assets	9,561,793	13,929,863

## TOTAL ASSETS

\$1,025,570,229

\$ 905,169,938

## LIABILITIES AND CAPITAL

Notes Payable	77,059,899	53,045,581
Accounts Payable	9,123,683	8,474,396
Dividends Payable	367,774	386,422
Other Liabilities	2,444,048	4,020,925
Member Deposits	857,109,666	767,151,475
Regular Reserves	16,902,857	15,359,350
Accumulated Comprehensive Income-AFS	(1,509,078)	(180,607)
Accumulated Comprehensive Income-Pension Plan	(9,444,966)	(8,461,947)
Undivided Earnings	73,516,346	65,374,343

## TOTAL LIABILITIES & CAPITAL

\$1,025,570,229

\$ 905,169,938

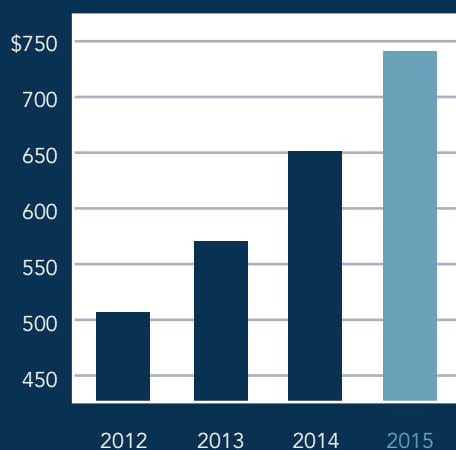
## MEMBERSHIP

104,797

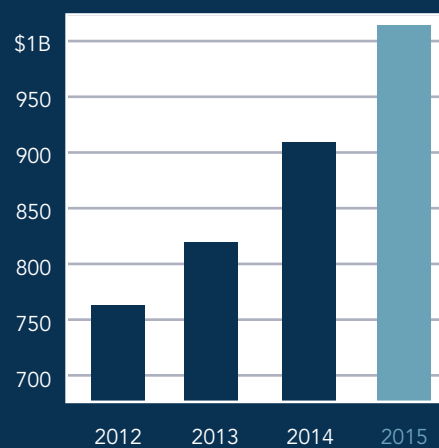
95,250

\* The 2014 reported numbers are revised to reflect the consolidated financials of FMCU Financial Group, LLC.

Net Loans (in Millions)



Assets (in Millions)





FIRSTMARK  
Credit Union®