

# GREAT BASIN FEDERAL CREDIT UNION

## 09 annual report



Dennis Flannigan, President/CEO

**PRESIDENT'S MESSAGE:** Not only am I in the right industry but I'm at a great credit union. My pride has no bounds for the people I work with every day. Early on, we took appropriate steps operationally to ensure the credit union's long term survival. Recognizing the economy's impact on many of our member families, we have also been working personally with many members to help them where we can.

Great Basin Federal Credit Union is special. We are a **not-for-profit financial cooperative** that provides banking services *to* its members, *from* its members. We're like our own little self-help mini-community. It's "people helping people", just like the credit union motto says. Even today we continue to provide low-rate loan services for most purposes. As a result of timely cost reductions we were able to achieve in operating expenses, we are now offering great loan rates for new, used and

refinanced automobiles. This is helping member families reduce their monthly expenses by hundreds of dollars each month. Please tell your family members and neighbors and spread the good news.

Beyond lending, we have been providing loan modifications, where the terms of a loan are temporarily changed to keep people from losing their homes and cars. We have a great staff at the credit union and they continue to display the tremendous attitudes you expect. We have gone to great lengths to have the best trained employees committed to providing the highest level of service and support to our member families.

Over the years, Great Basin had accumulated a high capital ratio to ensure a safe and dependable cooperative financial institution for our members. Now faced with the worst economic environment in 80 years, we will be able to weather it and continue to support our members and their families far into the future. The effects suffered in the Northern Nevada community are being reflected by the members of the credit union. In 2009, Great Basin Federal Credit Union continued to experience elevated loan losses primarily in automobile repossessions and some real estate. Historically, we have been a consumer lender with over 80 percent of our loan dollars in auto and other consumer loans and only a modest percentage in real estate loans. With so much of the losses of other financial institutions coming from larger real estate loan investments, we will

be in a better position to deal with the loss in property values. Even after the increased loan losses, the credit union still finished the year with a Capital Ratio (what the "health" of the credit union is measured by) of 5.5% percent of assets; down, but still reflecting the strength to weather this economic storm.

What has been particularly rewarding to staff and management over the past few years and in 2009, is that the credit union continues to grow member relationships by adding more services to new and existing members. We have seen our multi-service membership growth continue through this recession which is a real testament to the confidence of our membership in the credit union. It is also our conscious effort to reward members with "core" relationships: namely,

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**GREAT BASIN  
FEDERAL CREDIT UNION**

*We're with you for life.*

**EDUCATION CULTURE COMMUNITY  
RELATIONSHIPS EMPOWERMENT**

relationships which include services like checking, money market accounts, certificates, loans, and membership of 10 years and more. It has been the feeling of the board and management that people who use the credit union the most should benefit the most. To this end, "core" members can receive optimum liquidity rates on our Premium Money Market account, preferential loan rates and a rate bump on their certificates. Make sure you are getting the most from your credit union account by contacting your nearest branch or our Telephone Services Department at 775.333.4228.

Another incredible differentiation of credit unions is that Great Basin Federal Credit Union is led by a "volunteer" board and supervisory committee, elected to represent the members. "Volunteer" meaning that they cannot be compensated in any manner...incredibly they receive no pay, no bonus, nor any special shares. They are true volunteers in the best definition of the term. Regretfully, effective with the May 2010 Annual Meeting, we have some retiring board members who have worked closely with staff and management to ensure Great Basin Federal Credit Union is the strong member-centered credit union we are. Management and staff are tremendously appreciative of the collective contribution of the 50+ years of Patricia Downs from Northern Nevada Medical Center, Jim Dickey from Western Nevada Supply and Mike Kelly retired from Nevada Bell.

We are particularly proud of our commitment to providing our community and membership with practical, everyday financial education through our local high schools and community groups on topics ranging from retirement, budgeting, credit/debt management, home financing, and how to use a checking account. Our motto of "we're with you for life" is more than a nice phrase: it's how we truly feel.

As we move forward, it is our desire to retain the very best of what you have come to expect from Great Basin Federal Credit Union; a uniquely Northern Nevada not-for-profit financial institution committed to supporting you, our members, into the future with your best interests in mind. Thank you for your continued support of the credit union.

*Dennis Flanagan*

## 2009 Financial Statement

STATEMENT OF FINANCIAL CONDITION			STATEMENT OF EARNINGS		
	2008	2009		2008	2009
<b>ASSETS</b>			<b>INCOME</b>		
Cash on Hand & on Deposit	\$ 3,253,441	\$ 2,545,226	Loan Interest Income	\$ 8,130,094	\$ 6,597,068
Personal Loans	\$ 100,023,416	\$ 88,299,519	Income from Investments	\$ 156,551	\$ 51,126
Business Loans	\$ 0	\$ 1,979,434	Other Income	\$ 1,475,740	\$ 1,632,220
Allowance for Loan Losses	\$ (2,486,933)	\$ (4,029,543)	Total Income	\$ 9,762,385	\$ 8,280,414
Investments	\$ 7,329,607	\$ 11,983,929			
Fixed Assets	\$ 4,151,897	\$ 3,950,513	<b>EXPENSE</b>		
Other Assets	\$ 3,994,658	\$ 3,742,238	Operating Expense	\$ 5,223,463	\$ 4,229,080
Total Assets	\$ 116,266,085	108,471,316	Provision for Loan Losses	\$ 3,976,288	\$ 5,587,362
			Interest/Borrowed Money	\$ 14	\$ 0
<b>LIABILITIES</b>			(Inc.)/Exp. Sale Fixed Assets	\$ 3,539	\$ 0
Other Liabilities	\$ 743,954	\$ 1,304,197	Non Operating Income	(91,049)	254,384
Notes Payable	\$ 0	\$ 0	Gain/Loss Sale of Investments	\$ 0	\$ 0
Total Liabilities	\$ 743,954	\$ 1,304,197	Total Expense	\$ 9,112,254	\$ 10,070,826
			<b>NET INCOME</b>	\$ 650,131	\$ (1,790,412)
<b>EQUITY</b>					
Shares held by Members	\$ 105,994,317	\$ 101,220,381	<b>DISTRIBUTION OF NET INCOME</b>		
Regular Reserve	\$ 1,082,722	\$ 1,082,722	Dividends to Members	\$ 2,991,738	\$ 1,826,410
Undivided Earnings	\$ 8,511,707	\$ 4,894,885	To Reserve and Undivided Earnings	\$ (2,341,607)	\$ (3,616,822)
Unrealized Gains (Losses)	\$ (66,616)	\$ (30,869)			
Total Equity	\$ 115,522,130	\$ 107,167,119			
<b>TOTAL LIABILITIES &amp; EQUITY</b>	\$ 116,266,085	\$ 108,471,316			