

2010 ANNUAL REPORT



GREAT BASIN
FEDERAL CREDIT UNION

We're with you for life.

CHAIRMAN'S MESSAGE



Alfred Stoess
Board Chairman

2010 was a year of mixed results, there is no question. We have seen first-hand that our member-owners have suffered a great deal in this troubling economy, but we also observed that the outcome improved as the year progressed. Although the economic picture has not resulted in the full upturn desired, it **is** expected that Great Basin Federal Credit Union will experience a continued improvement in all areas to the benefit of the members. The board and management work proactively and diligently to ensure we maintain the service, pricing and stability that you rely upon; that which we have delivered over the last 60 years. Our commitment to educating and improving the lives of our member-owners continues to be our top priority. We appreciate the trust you place in us to serve the financial needs of you and your family and we look forward to working with you as we move past these trying times to come out more successful than ever.

PRESIDENT'S MESSAGE

There is no illusion that Northern Nevada has a ways to go until we can actually use the hoped for word, RECOVERY. Early in 2011 our area was still experiencing continued job losses, though at a much reduced rate. Foreclosures still lead the nation and a stagnant real estate and construction market hinders job expansion.

In 2010 the credit union made significant progress in profitability by continued vigilance on cost controls and reduced vehicle loan losses as the year progressed. Expense ratios continued to decline even though we reduced our asset size. The reduction in vehicle loan losses after the first half of the year reflected a stabilization of sorts in the local economy and a slowing of the rate of employment loss experienced for the prior year and a half.

The credit union operated close to breakeven for the year as \$252,700 of the \$464,845 we recognized as a loss was for the credit union insurance fund for the losses at other credit unions. Most people aren't aware that while other financial institutions received direct financial aid from the federal government and depleted their insurance fund, credit unions were forbidden from TARP participation and directly maintained their insurance fund to 100% without cost to the tax payers.

We continue to offer low rate vehicle loans as the primary investment of member funds. Though we also offer first mortgages to the members, we were less affected by the down turn because we had half as much in mortgages (as a percentage of all our loans) as other financial institutions.

The core relationship concept the CU has been promoting, to reward the members who use us the most, must be working as we experienced strong growth in numbers and deposits in our Core Membership. Many new members came from the large retail banks as their fees went up and the value went down. At Great Basin Core Members are able to avoid many fees and also receive preferential rates on loans and deposits.

I continue to be amazed and proud of our staff in their desire to serve the membership. They understand the place credit unions hold in the community as the few remaining locally owned and operated financial institutions and the importance of being fair and providing the best value for every family during these troubled times. They are our front line, and our best ambassadors.

Thank you for your continued support of the credit union.



Dennis Flannigan
President/CEO

Through our core values, we are your loyal partner throughout life's adventure.

www.greatbasin.org • 775.333.4228

2010 FINANCIAL REPORT

STATEMENT OF FINANCIAL CONDITION			STATEMENT OF EARNINGS		
	2009	2010		2009	2010
ASSETS			INCOME		
Cash on Hand & on Deposit	\$ 2,545,226	\$ 3,546,623	Loan Interest Income	\$ 6,597,068	\$ 5,955,341
Personal Loans	\$ 88,299,519	\$ 83,958,396	Income from Investments	\$ 51,126	\$ 34,715
Business Loans	\$ 1,979,434	\$ 1,956,574	Other Income	\$ 1,632,220	\$ 1,525,778
Allowance for Loan Losses	\$ (4,029,543)	\$ (4,068,282)	Total Income	\$ 8,280,414	\$ 7,515,834
Investments	\$ 11,983,929	\$ 8,156,404	EXPENSE		
Fixed Assets	\$ 3,950,513	\$ 3,752,186	Operating Expense	\$ 4,229,080	\$ 3,924,122
Other Assets	\$ 3,742,238	\$ 2,535,897	Provision for Loan Losses	\$ 5,587,362	\$ 3,094,670
TOTAL ASSETS	\$ 108,471,316	\$ 99,837,799	Interest/Borrowed Money	\$ 0	\$ 0
LIABILITIES			(Inc./)Exp. Sale Fixed Assets	\$ 0	\$ 0
Other Liabilities	\$ 1,304,197	\$ 226,809	Non Operating Income	\$ 254,384	\$ 0
Notes Payable	\$ 0	\$ 0	Gain/Loss Sale of Investments	\$ 0	\$ 0
Total Liabilities	\$ 1,304,197	\$ 226,809	Total Expense	\$ 10,070,826	\$ 7,018,792
EQUITY			NET INCOME		
Shares held by Members	\$ 101,220,381	\$ 94,089,323		\$ (1,790,412)	\$ 497,043
Regular Reserve	\$ 1,082,722	\$ 1,182,560	DISTRIBUTION OF NET INCOME		
Undivided Earnings	\$ 4,894,885	\$ 4,330,202	Dividends to Members	\$ 1,826,410	\$ 961,888
Unrealized Gains (Losses)	\$ (30,869)	\$ 8,906	To Reserve and Undivided Earnings	\$ (3,616,822)	\$ (464,845)
Total Equity	\$ 107,167,119	\$ 99,610,991			
TOTAL LIABILITIES & EQUITY	\$ 108,471,316	\$ 99,837,799			

Credit unions are not-for-profit financial cooperatives run by volunteer boards of directors and supervisory committees that are elected by and from the membership. We are lucky to have this outstanding group of volunteers dedicated to the success of our credit union.

BOARD OF DIRECTORS



Alfred Stoess
Chairman



Jan Gilbert
Vice Chairman



Carol Ingalls
Secretary



Mike Cassingham
Member



Nick Barainca
Member

SUPERVISORY COMMITTEE



Jessica Younger
Chairwoman



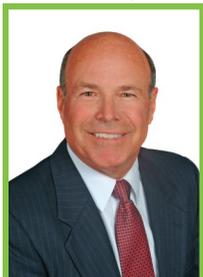
Mike Eliopoulos
Member



Tiffany Williamson
Member

Your executive management include the following individuals:

EXECUTIVE MANAGEMENT



Dennis Flannigan
President/CEO



Tony Lopez
VP/CFO



Jennifer Denoo
VP/COO



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