



Great Basin
FEDERAL CREDIT UNION

GREAT BASIN'S 2014 Annual Report



A Message from Dennis Flannigan, President & CEO:

Coming out of the recession, the staff and management of Great Basin Federal Credit Union have emerged more focused and energized to fulfill the mission and live the values that direct our growth and development. Our mission is to, "enrich the lives of our member-owners and community through education and financial excellence." Our values are to support our **community**; **empower** people to take control of their lives; enrich the lives of others through **education**; nurture a **culture** of belonging and personal growth; and develop and reward **relationships** through mutual loyalty.

Oftentimes these type of reports wade through all the numbers that prove "a job well done" or justify an organization's existence; on some level that type of discussion is appropriate. Strength and security are no longer taken for granted and our members want to be sure. And yet, we do expect more from a credit union; something about personal service, something local about community.

With that said, Great Basin had another excellent year and saw our Net Worth, the primary measure of our strength, approach a near all-time high of 10.05%. Member growth continues strong. Loan delinquencies and loan losses have return to pre-recession levels or lower. In the last few months we are finally seeing some consumer confidence return and more families buying cars, houses, making home improvements, and starting more businesses. We continue to invest in the latest technological services for our members to be able to access their accounts and financial information from essentially...anywhere. Recently, we added the capability to make remote check deposits by taking a picture with your smartphone and get it into your account without having to visit a branch. We have also released substantial capabilities to open new accounts and apply for new loans and, in many cases, have them approved immediately without visiting a branch. *This is a brave new world*, and the technology must keep pace with the lifestyles of our members.

When members come into a branch they want to be served by a well-trained and professional staff that understand the people side of life; that understand that relationships are important to a sense of belonging and community. Our Core Account concept provides rewards to members as they extend their relationship with the credit union. We think it's appropriate to reward those who engage the most; a mutually beneficial relationship is the basis of a non-profit financial cooperative, a credit union. Sometimes we need to be reminded that the credit union is where people come together to share and support one another; an essential part of any community. I know people refer to us as their "bank", but we are here to provide real value, minimize fees, lower loan rates and yes...when we can, higher deposit rates. Remember that banks are in business to maximize profit to their owners. We seek to minimize profit; it's a not-for profit thing.

Our staff continues to provide financial literacy programs in local middle and high schools. We offer various workshops monthly to all our members from understanding Social Security, home buying essentials, estate planning and understanding online and mobile banking. This past year we started a Small Business Seminar Series, a monthly event our members can attend for free, that has included how to form your business, understanding intellectual property issues, marketing your business, and the like.

Data breaches at many large retailers like Home Depot, Target, Raley's, Michael's and many others continue to cause the credit union and its members tens of thousands of dollars in fraud losses and card replacement costs. Retailers are failing to protect the data they store on their computers and are not held responsible for the losses and the cost of replacing the cards implicated. The chip technology that is being released provides some protection at the point of transaction, but if they don't protect their computers, the losses will continue. The management and board of the credit union ask all its members to support efforts in this area and encourage their legislative representatives to address this problem.

With all the new large financial competitors that have entered our community over the past few years, Great Basin is proud to be focused and dedicated to the Reno/Sparks community. Big is nice, but if it's not about your community, it's probably not local.

As always, thank you for your continued confidence in and loyalty to Great Basin Federal Credit Union.

2014 Financial Report



STATEMENT OF FINANCIAL CONDITION	2013	2014
ASSETS		
Cash on Hand & on Deposit	\$ 7,259,790	\$ 6,952,142
Personal Loans	\$ 76,838,593	\$ 77,769,867
Business Loans	\$ 1,657,575	\$ 3,588,363
Allowance for Loan Losses	\$ (1,315,560)	\$ (1,149,208)
Investments	\$ 36,032,821	\$ 36,210,848
Fixed Assets	\$ 3,709,487	\$ 3,659,038
Other Assets	\$ 3,185,075	\$ 3,079,329
Total Assets	\$ 127,367,780	\$ 130,110,379
LIABILITIES		
Other Liabilities	\$ 780,561	\$ 919,992
Notes Payable	\$ 0	\$ 0
Total Liabilities	\$ 780,561	\$ 919,992
EQUITY		
Shares held by Members	\$ 114,423,026	\$ 116,117,459
Regular Reserve	\$ 1,730,725	\$ 1,730,725
Undivided Earnings	\$ 10,507,706	\$ 11,349,072
Unrealized Gains (Losses)	\$ (74,238)	\$ (6,870)
Total Equity	\$ 126,587,219	\$ 129,190,387
TOTAL LIABILITIES & EQUITY	\$ 127,367,780	\$ 130,110,379

STATEMENT OF EARNINGS	2013	2014
INCOME		
Loan Interest Income	\$ 4,198,262	\$ 3,852,962
Income from Investments	\$ 232,108	\$ 295,962
Other Income	\$ 1,641,974	\$ 1,639,086
Total Income	\$ 6,072,345	\$ 5,788,010
EXPENSE		
Operating Expense	\$ 4,192,170	\$ 4,396,699
Provision for Loan Losses	\$ (254,504)	\$ 325,233
Interest/Borrowed Money	\$ 0	\$ 0
(Inc.)/Exp. Sale Fixed Assets	\$ 0	\$ (9,091)
Non Operating Income	\$ 51,331	\$ 51,331
Gain/Loss Sale of Investments	\$ 0	\$ 1,960
Gain From Bargain Purchase	\$ 0	\$ 0
Total Expense	\$ 3,988,997	\$ 4,766,133
NET INCOME	\$ 2,083,348	\$ 1,021,877
DISTRIBUTION OF NET INCOME		
Dividends to Members	\$ 223,830	\$ 180,511
To Reserve & Undivided Earnings	\$ 1,859,518	\$ 841,366

Other GB Happenings...

Our 2015-2016 Scholarship Winner. We're proud to announce Tiffany Hoffman as the recipient of the 2015-2016 Great Basin Scholarship. Tiffany is pursuing a certification in Midwifery. She wrote in her essay that she, "understands the gravity of our choices, the impact of our passion, and difference we make when we finally find what we were put here to do." Tiffany's plans to "pay it forward" upon completion of her certification and return home to help and empower other families with her knowledge.

Financial Literacy Education. In 2014, Great Basin Federal Credit Union helped provide financial literacy education to over 1,000 students in dozens of middle and high schools in Washoe County. It's through the credit union's sponsorship of the Banzai Financial Literacy Program that we were able to team with teachers to provide this much needed education to our community's youth.

Saving Members Money. As stated in the President's message, Great Basin FCU has a great duty and passion for returning as much value as possible to our member-owners and to this community. We take great pride in the fact that we've saved members over **\$1.4 million dollars** in 2014 by refinancing their auto loans from their "other banks". We thank all of our members for giving us the opportunity to help you and your family.

A Message from the Chairman:

It's my honor to represent the membership as a volunteer on the Board of Directors all these years. The stability of the board, supervisory committee members, and senior management - with over 200 years of combined service to Great Basin FCU - has unquestionably contributed to the amazing success of the credit union.

We came out of the recession and are stronger than ever. Our future is bright and we will continue our dedication to serving our members and the Reno-Sparks community. We are proud to be your superior **local** choice. Thank you for the opportunity to serve you and for your continued loyalty.



Jan Gilbert
Chairman of the Board

WHY JUST BANK WHEN YOU CAN BELONG.