

Excellent Member Service and  
Financial Solutions – for Life!

**ANNUAL REPORT**  
**2008**

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# Chairman's Report

Mitch Fox



## “Excellent Member Service and Financial Solutions – for Life!”

2008 was a year marked by financial challenges for many and yet reflected successes for Silver State Schools Credit Union. The values that guide our decisions — honesty and integrity, passion for excellence, and commitment to service — have remained strong, and validated the way

Silver State Schools Credit Union does business. And it is during challenging times that the need to adhere to these basic values becomes even more important.

Through good times and during times of economic downturn Silver State Schools Credit Union is here for our members, including those experiencing financial difficulties. From managing the credit union's operational expenses to meeting members' needs for credit, while providing a safe haven for members' funds — we conduct business as usual with our core purpose in mind: to deliver “Excellent Member Service and Financial Solutions – for Life!”

And business as usual means following the traditional credit union model — taking in deposits and lending against those deposits. Every member

receives the lowest rates we can diligently give on loans and the highest dividends we can diligently pay on deposits.

There is no need to worry when you invest with us. Your funds on deposit are backed not only by our safety and soundness (which includes more than \$80 million in reserves), but also by insurance of up to \$250,000 per account (not just per accountholder) from American Share Insurance (ASI), the nation's largest private deposit insurance provider. ASI has been in business since 1974, and only insures state chartered credit unions that can meet its strict underwriting standards.

Bucking the national trend, our entire loan growth was very robust, growing over \$111 million (more than 15%). And while some of the biggest mortgage companies failed this year, our prudent lending strategies resulted in a very strong year for our mortgage center as we loaned out over \$86 million for home loans. And loan losses were kept under \$650,000 on our total mortgage loan portfolio of \$438 million; that's less than 0.15%.

And we did it by sticking to our principles, which we derive from our unique membership.

## 58 Years Strong

Silver State Schools Credit Union was chartered in January 1951 when seven individuals working as Clark County teachers saw the need for their own credit union. Over the next 58 years, SSSCU's commitment to excellent member service, safety and soundness, competitive rates and fees, and generations of loyal members have helped us grow into a full-service... now a billion-dollar... financial institution.

It's going to be another challenging year in 2009. But we're prepared for it. Through sensible business practices, we plan to continue delivering “Excellent Member Service and Financial Solutions – for Life!” for our members and their families.

“And we did it by sticking to our principles, which we derive from our unique membership.”

## 2008 Highlights

### Financial

- Assets increased \$115 million, a 13% growth
- Deposits grew over \$7 million
- Loans grew over \$111 million; more than 15%
- Over 8,000 new members joined the Credit Union
- Net worth ratio ended the year at 8.03%

### Branch Development

- August opening of our University of Nevada, Reno campus branch
- Cheyenne Branch replaces Tenaya; with state-of-the-art 'no envelope required' ATM technology
- Completed first year of operations for the Anthem (Albertsons), Aliante (Smith's), Lake Mead, Desert Foothills (Albertsons) and Damonte (Reno) branches

### New and Improved Member Services

- SSSCU's Member Advantage program to reward member loyalty and product usage with higher yield for increased savings and checking balances
- MY Account electronic financial program designed exclusively for members age 18 to 25
- MEMBER'S CHOICE Loan Protection Plan allows members to cancel loan payments if involuntarily unemployed, sick or injured
- Extended Auto Service to protect a member's vehicle investment from costly mechanical breakdowns
- SSSCU approved to offer State of Nevada First Time Homebuyer loans, FHA and VA home loans
- Deluxe ID TheftBlock® Plus protects members from becoming victims of identity theft
- New online services; e-Notices and e-Alerts
- Finding the nearest CO-OP ATM has become easier. Now you can call, go online, or text your location (address, intersection, or zip code) to 692667 (MYCOOP).

# Supervisory Committee's Report

Charlotte Conger, Chair



The volunteer Supervisory Committee is appointed by the Board of Directors and is charged with the audit function of the Credit Union to ensure the effectiveness of internal controls and adherence to policies and procedures.

The committee meets regularly to oversee the internal and external auditors who make sure the Credit Union is sound and functioning within the mandated guidelines.

External audits were conducted by representatives from the CPA firm of McGladrey & Pullen, LLP, as well as auditors from the State of Nevada Department of Financial Institutions, and American Share Insurance, our private deposit insurer.

These examinations of Silver State Schools Credit Union's financial statements and practices have revealed the Credit Union to be in sound condition, both financially and administratively.

## Treasurer's Report

Joyce Woodhouse



The financial statements reflect the financial condition and operational results of Silver State Schools Credit Union.

Following generally accepted accounting principles, these financial statements are prepared and reviewed monthly and shared with members regularly.

In the credit union's 58-year history, this is the worst financial crisis the country has faced. But our responsible members and our foundation of strength and stability ensure our ability to weather this downturn.

In fact, in 2008 our assets increased 13%, resulting in the celebration of a new milestone—**that of becoming a billion dollar Credit Union**. Starkly contrasting what has happened nationally, our loans to members grew by more than 15% or \$111 million. And member share deposits grew over \$7 million to \$762 million. Our home mortgage program remained strong due to our prudent lending practices with losses under \$650,000 on a \$438 million portfolio.

While net income was a modest \$37,782, we were able to increase our allowance for potential loan loss by \$5 million, a forward-thinking strategy to help act as buffer for the difficult economic times that our members may experience.

And it was a banner year for membership growth for the Credit Union, with 8,206 new members (an increase of 11.3%)—proof positive that we are viewed as a financial institution that is a "safe haven" in the economic storm.

A good deal of our success is simply a result of our members knowing us and trusting us.

We pledge to always be worthy of that trust... and we thank you for placing it in us.

"In 2008 our assets increased 13%, resulting in the celebration of a new milestone—that of becoming a billion dollar Credit Union."

## Committed to our Community

At Silver State Schools Credit Union, we're committed to the growth and enrichment of our community in more than just a business sense. We pride ourselves on community involvement and participation in community events. Here are some examples of how we have been able to give back to our community of members and partners who have supported us.

- Credit Union supports *Clark County READS* during Nevada Reading Week
- Gold sponsor of *Reno's Tune in to Kids*
- \$12,000 in college scholarships to six H.S. seniors
- \$25,000 in scholarships to members pursuing new teacher certification or masters degrees in education
- \$16,000 donated to Children's Miracle Network to support the pediatric intensive care unit at St. Rose Dominican. Donations raised in 2008 by Credit Union staff and members
- Credit Union donates 11 Laptops to Clark County School District Library Services' *Laptop for Books* project
- Major sponsor of CBS Radio's *Save our Schools* Supply Drive; resulting in the collection of 14 carloads of school supplies for 45 high risk schools
- Contributor to Clark County Education Association's STEP UP (Student to Teacher Enlistment Program)
- Major sponsor for 7th consecutive year of *Reading Rocks!* literacy challenge
- Silver Sponsor of the Washoe County School District's Educational Collaborative's *Run for Education*
- Student Teachers' Scholarships at University of Nevada Reno, University of Nevada Las Vegas, and Nevada State College
- In 2008, we ventured into many public and private Nevada schools to offer our Financial Literacy Programs; impacting the lives of some 2,032 students from Kindergarten through 12th grade
- Continued support of primary sponsors, adopted schools, *Spread the Word, Learning for Life...* and many more organizational and charitable programs



# Statement of Financial Condition

<b>ASSETS</b>	<b>Dec. 2007</b>	<b>Dec. 2008</b>
Cash	\$7,881,400	\$7,889,331
Investment	101,183,505	98,422,104
Net Loans to Members	738,456,683	849,580,569
Accrued Income	3,165,672	2,771,490
Fixed Assets	16,925,137	15,579,599
Other Assets	18,981,040	27,634,417
<b>TOTAL ASSETS</b>	<b>\$886,593,437</b>	<b>\$1,001,877,510</b>
<b>LIABILITIES AND EQUITY</b>		
Other Liabilities	\$50,618,941	\$158,621,316
Member Share Deposits	755,464,853	762,852,514
Retained Earnings	80,509,643	80,403,680
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$886,593,437</b>	<b>\$1,001,877,510</b>

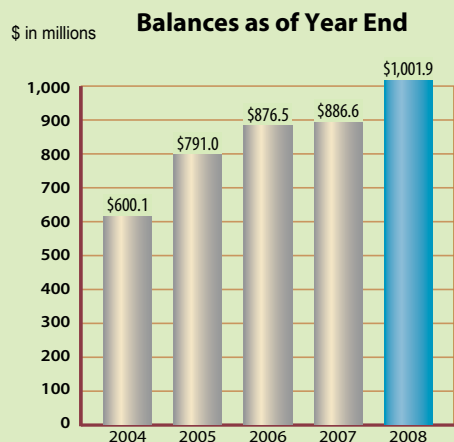
# Statement of Income and Expense

<b>INCOME</b>	<b>Dec. 2007</b>	<b>Dec. 2008</b>
Interest on Loans to Members	\$ 42,583,339	52,266,894
Investment Income	4,697,442	2,776,498
Other Income	12,895,925	14,311,519
<b>TOTAL INCOME</b>	<b>60,176,706</b>	<b>69,354,911</b>
<b>TOTAL EXPENSES</b>	<b>\$55,331,741</b>	<b>\$69,315,128</b>
<b>TOTAL NET INCOME</b>	<b>\$ 4,844,965</b>	<b>\$39,783</b>
<b>RETURN ON ASSETS</b>	<b>0.55%</b>	<b>0.003%</b>

*Year-end financials are unaudited*



## Asset Growth



## Membership Growth

