



SERVING MEMBERS SINCE **1953**

2015 ANNUAL REPORT

We hope you enjoyed
our 2015 Gesa Story.
We can't wait to write
our 2016 story with you.

Gesa
CREDIT UNION
2015 ANNUAL REPORT



We want to tell you about the amazing year we had in 2015. Here's our story...



A STORY FROM OUR PRESIDENT & CEO

I have a story to tell you. Twenty-eight years ago I was a young college graduate and I accepted my first job at a small credit union in Richland, Washington named Gesa. Little did I know that my first job would turn into a lifelong career of growing with Gesa and that it would take me from my junior accountant's desk all the way to the President and CEO's office. This is my "Gesa Story." If you have seen our television commercials over the past year, you know that each member of our credit union has a story to share and that we have featured some of those stories in our advertising. Each story is as different as the member telling it, but they all speak to the unique relationship that a member has with their credit union; a relationship that would be very difficult to have with a traditional bank.

As your President & CEO, I have committed to listening to you and I continue to make that a top priority. I read every comment card, I visit with members in our Member Service Centers (MSC), and I've participated in breakfast meetings with members to discuss their experiences interacting with Gesa. This member feedback is incorporated into the decisions we make pertaining to products and services and how we serve our members. I do hear your concerns, and I appreciate your feedback.

During 2015 we continued investing in the future of our credit union. The primary investment was through the expansion of our MSC network to provide additional convenience for existing members and to provide membership opportunity to individuals in other communities. Additionally, we invested in maintaining a modern technology infrastructure to store, protect, and transact member information.

When I began my career in 1987, there were approximately 16,000 credit unions in the United States; and today, there are approximately 6,000. Certainly, the financial industry has faced many changes and challenges, but I am proud to say that your credit union's strategic investments have placed Gesa in the top 150 credit unions in the country. Ongoing strategic investments help ensure Gesa remains financially strong and relevant for our members. In 2015, we also achieved some significant milestones and accomplishments. For the first time in Gesa's history, we grew our total assets to exceed \$1.5 billion. With this growth in assets and our expanded network of MSCs, Gesa is truly becoming Eastern Washington's premier credit union.

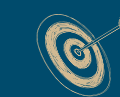
In addition to expanding your access to Gesa's convenient network of MSCs, we also want to make a real impact in your financial life. In late 2015, we commissioned a third party to study how being a member of our credit union provided concrete financial benefits. I'm proud to say, that Gesa Credit Union members experienced savings of over \$43 million in 2015 just by being a credit union member. Because of our higher rates on certificate and money market accounts, our lower loan rates, and our competitive and limited fees, you are able to keep more money in your wallet—where it belongs.

2015 was also spent providing tangible support to the communities where our members live and work. We partnered with over 60 community organizations to provide over \$600,000 in donations, sponsorships, and gifts to the organizations working to improve the quality of life for many.

We have an exciting 2016 planned that is filled with new improvements to make your finances more convenient, easier to access, and more secure. In the year ahead, we will make significant updates to our Mobile Banking application to allow you faster access to your money; no matter where you are. We are also launching debit cards that will contain EMV security chips to keep your accounts safe and secure. We will also look to continue to find ways to make your overall experience with your credit union more pleasant and more rewarding.

I'm excited to see Gesa's continued growth in 2016. As we grow, I am confident that we will continue to be the best choice to meet all of your banking needs. At Gesa Credit Union, our mission is to help members prosper by providing access to a broad range of valued and cost effective financial products and services. We want you to be the author of your own, very exciting, "Gesa Story."

Thank you for including us in your story and we look forward to many more chapters about your success.



"At Gesa Credit Union, we work every day to meet our mission of providing access to a broad range of valued and cost-effective financial products and services in order to help you, our members, prosper."

**—Don Miller
President & CEO**

DON MILLER
President & CEO

MEMBER SINCE 1987





A STORY FROM OUR BOARD CHAIRPERSON

My own “Gesa Story” began in 1992 when I moved to the Tri-Cities, opened my first Gesa account, and became a member of the credit union. Since that day, I have enjoyed the benefits of our credit union growing in size and expanding the number of services available to every member. In 1997 I started volunteering for one of the credit union’s committees; and in 2008, I was elected to serve on our all-volunteer Board of Directors. Today, I proudly serve as the Chairperson.

As Chairperson of Gesa’s Board of Directors, I take the responsibilities assigned to our Board seriously. The Board’s primary functions are to direct, control, and inspire the organization. These functions are shaped by our mission to help our members prosper. Every member brings a unique story to his or her relationship with our credit union, and while each story is unique, our philosophy remains the same: People Helping People. Our credit union philosophy compels us to offer products, services, and convenience to create a lifetime of “Gesa Stories” as you live, work, and play in the communities we serve.

In 2015 Gesa staff worked behind the scenes to streamline processes to improve the experience of interacting with your credit union whether in person or online. We upgraded technology, trained our staff, and analyzed hundreds of member satisfaction surveys to understand your perspective. The past year helped us establish a solid groundwork for years of future growth and success that will enable our members to prosper. Working to serve you better is what drives what we do.



IRIS ANDERSON
Board Chairperson

MEMBER SINCE 1992

VISION STATEMENT

Members choose Gesa as their trusted lifelong financial partner.

MISSION STATEMENT

Gesa Credit Union’s mission is to help members prosper by providing access to a broad range of valued and cost effective financial products and services.

OFFICERS OF THE CREDIT UNION

Don Miller
President & Chief Executive Officer

Brett Jorgenson
Chief Lending Officer

Raj Bandaru
Chief Information/Operating Officer

We grew our Member Service Center (MSC) network to serve new communities in 2015, and welcomed the members of Northland Credit Union to the Gesa family in October. The growth of this MSC has outpaced our expectations. We now look forward to becoming an active participant of the Spokane community. In addition to a MSC in Spokane, the credit union also opened a MSC in Moses Lake to serve the significant number of Gesa members living and working in the greater Grant County region.

We are an organization that is dedicated to giving back in order to benefit communities where our members live. I am proud of the fact that Gesa is making positive impacts and changes in those communities by working with organizations that make a difference. In 2015 Gesa Credit Union staff and members engaged in supporting over 60 community and non-profit organizations through volunteerism and donations. We also expanded the availability of our college scholarship programs to more students in 2015. We have continued to stand firm on our commitment to our communities.

In closing, I would like to thank my fellow board members for their time, commitment, and dedication to guiding our credit union on a path of financial soundness and purpose. I thank the Supervisory Committee members for their dedicated efforts in monitoring the financial integrity of the credit union. I thank our CEO and employees for their leadership in pushing our organization forward and for their integrity that has built an organization that does the right thing for the right reasons. And thank you to our members for entrusting Gesa to play a lead role in the writing of your “financial story.” We know that in today’s marketplace, you have a lot of choices and we’re honored that you have chosen Gesa as your financial partner.



A STORY FROM OUR SUPERVISORY COMMITTEE CHAIRPERSON

It is the responsibility of the Supervisory Committee of Gesa Credit Union to monitor the financial safety and soundness of the credit union and to oversee compliance with various financial and regulatory requirements.

In the Committee’s opinion, Gesa Credit Union has conducted business in a fiscally sound manner in accordance with applicable federal regulations, and Washington State law relating to credit unions and the Gesa Credit Union bylaws.

In the process of reaching this opinion, we engaged the services of the independent public accounting firm of CliftonLarsonAllen LLP. They performed an audit of Gesa Credit Union’s financial statements as of September 30, 2015. In their opinion, the financial statements are presented fairly in all material respects and in accordance with accounting principles generally accepted in the United States of America.

Another key component of Gesa’s internal control is the internal auditors team. The internal auditors meet with the Supervisory Committee monthly to review internal and external audit reports, financial statement trends, information protection status, potential fraud issues, risk assessments, and internal control practices. The Committee also closely monitors the results of the regular state examination.

The support and cooperation from the Board of Directors, management, and staff, has assisted us in the performance of our duties and is greatly appreciated. It has been a privilege to serve as the Supervisory Committee Chairperson.



KARA ROHRIG
Supervisory Committee Chairperson

MEMBER SINCE 2011

BOARD OF DIRECTORS

Iris Anderson, Chairperson

Robert Follett, Vice Chairperson

William Melberg, Secretary

Gregg Andrews, Director

Manuel Chavallo, Director

Paul Korstad, Director

William Roberts, Jr., Director

Peter Smith, Director

Martin Valadez Torres, Director

Robert Schumacher, Emeritus Board Member

Brett Spooner, Associate Board Member

SUPERVISORY COMMITTEE

Kara Rohrig, Chairperson

Kelsey Pate, Secretary

Kevin Sullivan, Committee Member

Kyle Kraemer, Committee Member



“Our credit union philosophy compels us to offer products, services, and convenience to create a lifetime of Gesa Stories as you live, work, and play in the communities we serve.”

—IRIS ANDERSON
Board Chairperson



“It is the responsibility of the Supervisory Committee of Gesa Credit Union to monitor the financial safety and soundness of the credit union and to oversee compliance with various financial and regulatory requirements.”

—KARA ROHRIG
Supervisory Committee Chairperson

Gesa MEMBER STORIES

At Gesa Credit Union, the most meaningful stories come from our members. Whether they were financing their growing business, walking to their local Member Service Center to complete transactions, or setting up an account to help benefit their child with cancer, they all had an important story to share. Here are a few highlights of our most memorable member stories of 2015.



"We use Gesa because they are a part of our community."

LISA & MIETTE N. MEMBERS SINCE 2006



"The financial side of owning your own business is stressful and it's nice to have a support system like Gesa around you to help get a small business off the ground."

GREG & SHAE F. MEMBERS SINCE 2014



"When I walked into my local Gesa branch, they wanted to know me."

MELISSA R. MEMBER SINCE 2015



"It's fun that Gesa is right by my house. It's half a block from my house and it's part of our neighborhood."

SARA V. MEMBER SINCE 2000



"Kate and I decided to turn to Gesa to get our business loan. My experience has been great. Try Gesa out."

PORTER & KATIE K. MEMBERS SINCE 1999



OUR STORY ABOUT HOW Gesa Gives Back

Gesa is **COMMITTED** to making a *positive impact* in the communities we serve.

We work closely with organizations that *make a* **DIFFERENCE** locally through financial education, entertainment, beautification projects, and the arts. *Giving back* to our communities is just one way we follow the credit union motto of

"PEOPLE HELPING PEOPLE."

In 2015 Gesa Credit Union provided

\$610,065

in support to community-based organizations that seek to improve the quality of life in the communities where our members live and work.



School Supplies Drives

Gesa members and staff donated backpacks and school supplies to help less fortunate children start school with the necessary supplies. A total of over 400 pounds of supplies were distributed to the Walla Walla, Yakima, Moses Lake and Wenatchee School Districts. Additionally, Gesa supported this cause by donating over 300 backpacks to support the Tri-Cities Union Gospel Mission, who distribute the backpacks and supplies to children in the Tri-Cities area.



Junior Achievement

Gesa was proud to once again be a major sponsor of Junior Achievement's (JA) annual bowling event, The Galaxy Bowl! Fourteen Gesa teams spent a fun evening bowling and helped raise over \$14,000 for JA of the Greater Tri-Cities! With this donation, JA was able to spread the message of financial wellness to over 10,000 children in the Tri-Cities and Walla Walla regions.



Gesa College Scholarships

Gesa is proud to have offered scholarships to college students for more than two decades. Our scholarships provide educational assistance to both entering freshmen, and current college students continuing their education. Since 1987 Gesa has awarded \$260,000 in scholarships to deserving local students.



Gesa Carousel of Dreams

Gesa is honored to partner with the Gesa Carousel of Dreams to bring family entertainment and memories to local families. To date, the carousel has seen 185,000 riders, generated \$400,000 in revenue, and hosted more than 350 special events. With Gesa's partnership, the carousel is nearly debt free. For \$1 visitors can enjoy a ride on one of the 45 horses, 3 chariots, a cougar, or a husky.



Gesa Stadium

Gesa continued our partnership with the Tri-Cities Dust Devils in 2015 marking the 8 year anniversary. A total of 89,674 fans attended Dust Devils' games and a total of 290 groups utilized Gesa Stadium for events and picnics. In addition to the regularly scheduled games, outside events, such as the Cougar Diamond Classic, Camp Patriot Fun Run, and the City of Pasco's Grand Old 4th Celebration were also held at Gesa Stadium.



Gesa Powerhouse Theatre

The Gesa Powerhouse Theatre is a world-class, 368-seat performing arts theatre located in downtown Walla Walla, Washington. In 2015, 17,557 people attended over 70 events and performances. Gesa's support of the theatre also includes special events, such as the Day of the Dead celebration, in partnership with Shakespeare Walla Walla.



OUR STORY ABOUT SUPPORTING FINANCIAL EDUCATION



Energy Efficiency Seminar



Small Business Success Series



Gesa Seminars



Pasco HSCU



Richland HSCU



Kennewick HSCU



Kennewick School District
Gesa Visa® Cards

Free Member Seminars

Providing financial education so members can make informed financial decisions is one of the many ways we give back. All courses are offered free of charge and are supported by Gesa's marketing and charitable giving budget.

3,554 Financial Education Attendees in 2015

High School Credit Unions

Our High School Credit Union Program provides hands-on, real life financial industry experience for high school students. In 2015 we operated credit unions in seven high schools within the Tri-Cities area. In early 2016 we opened another branch in Delta High School. We plan to grow and expand this program into other communities in 2016 and beyond.

Kennewick School District

In 2015 Gesa announced a partnership allowing members to select Gesa Visa® debit cards depicting high school logos from Kennewick, Kamiakin, or Southridge High Schools. For every purchase, Gesa donates directly to the school district. These donations are used to fund important student activities.

EIGHT
PROUDLY SERVING 8 HIGH SCHOOLS



OUR STORY ABOUT EXPANSION AND GROWTH

In 2015 we expanded our presence across Eastern Washington. In July 2015 we broke ground on a new Member Service Center (MSC) in Yakima. The new location will open in April 2016 at 1825 S. 1st Street. In August 2015, we opened our first MSC in Moses Lake. The grand opening was a great success, and we are thrilled to enter this new market. In August 2015 we merged with Northland Credit Union in Spokane, and we also completed a renovation of our Pasco MSC. We are excited to expand into the Spokane market, and are happy to offer our members, who frequent the Pasco MSC, a new and updated place to bank.



16
Member Service Centers



403 Gesa CU Employees



135,417
Gesa CU Members

Loans to Members



\$1,261,489,520



Total Assets

\$1,536,347,708

Net Income



\$14,972,056



OUR FINANCIAL HIGHLIGHT STORY

	2015	2014
Loans to Members	\$1,261,489,520	\$1,128,327,593
Total Assets	\$1,536,347,708	\$1,376,613,682
Members' Share & Savings Accounts	\$1,340,242,415	\$1,192,775,554
Total Members' Equity	\$144,631,125	\$128,548,838
Total Interest Income	\$55,124,021	\$50,734,696
Total Interest Expense	\$6,788,509	\$5,599,445
Provision for Loan Losses	\$7,984,809	\$8,303,272
Total Non-Interest Income	\$19,947,537	\$16,916,642
Total Non-Interest Expense	\$45,326,184	\$42,327,866
Net Income	\$14,972,056	\$11,420,755

As of September 30, 2015 and 2014



OUR STORIES IN THE NEWS

In 2015, several exciting things happened at Gesa Credit Union that made the news. This is a great way to share our stories with the communities we serve and our members.

Gesa Credit Union Named People's Choice for Best Credit Union

TRI-CITY HERALD – MAY 15, 2015

Gesa Credit Union was voted by Tri-Cities' residents as the "People's Choice for Best Credit Union" for the third year in a row and one of the "People's Choice for Best Place to Work."

Gesa Credit Union Pledges to Match Donations to Assist Wenatchee Fire Survivors

KEPRTV.COM – JULY 7, 2015

Gesa Credit Union announced today that it will match community members' donations—dollar for dollar; up to a total of \$10,000—to support the survivors of the devastating wildfires in North Central Washington.

Gesa Partners with Kennewick School District to Offer School Branded High School Debit Cards

KENNEWICK SCHOOL DISTRICT NEWS – OCTOBER 2, 2015

The Kennewick School District and Gesa Credit Union launched a new program this year that offers community members the opportunity to raise funds for students while also showing pride for their favorite Kennewick-area high school on their Gesa VISA debit card.

"People Helping People" Heart Shines on International Credit Union Day

ANTHEM NEWS – OCTOBER 16, 2015

Gesa Credit Union's CEO started the day by serving up free Krispy Kremes as his team spread out across the communities they serve to deliver school supplies to students at public schools. They also cleaned and winterized Safe Harbor, a shelter to homeless teens.

Gesa Hosts 12th Annual Turkey Trot in Partnership with Red Cross

REDCROSS.ORG – NOVEMBER 26, 2015

Gesa Credit Union partnered with the Red Cross to host the 2015 Turkey Trot at Columbia Park Trail in Kennewick, Washington. Nearly 3,400 people attended this annual event.



OUR STORIES IN SOCIAL MEDIA



/GesaCU



@GesaCU



@GesaCU

"We have been with Gesa for as long as I can remember and they have helped us in good times and tough times. They are the BEST!"

–Jerry & Kinda

Gesa Facebook Followers

"Superman saves people, but @GesaCU saves my money... Who's the real hero here?"

–@fishua98

Gesa Twitter Follower

"To the great people that work at Gesa, thank you!! I really appreciated your help when my debit card was compromised. Your fraud department, tellers, and customer service is top notch."

–Kelly

Gesa Facebook Follower

"I love Gesa Credit Union because of their passion for helping others and giving back."

–Melissa

Gesa Facebook Follower

5,697

FACEBOOK LIKES



229

INSTAGRAM FOLLOWERS



1,719

Twitter Followers



OUR MEMBER SERVICE CENTER LOCATIONS

South Richland

51 Gage Blvd. | Richland WA 99352

Richland

825 Goethals Dr. | Richland, WA 99352

North Richland

808 Dalton St. | Richland, WA 99354

West Richland

4755 Paradise Way | West Richland, WA 99353

Kennewick

100 N. Huntington St. | Kennewick, WA 99336

South Kennewick

4500 W. 27th Ave. | Kennewick, WA 99338

Queensgate

2951 Duportail St. | Richland, WA 99352

Pasco

2202 W. Sylvester St. | Pasco, WA 99301

West Pasco

7421 Sandifur Parkway | Pasco, WA 99301

Walla Walla Poplar

1355 W. Poplar St. | Walla Walla, WA 99362

Walla Walla Tietan

1603 Penny Ln. | Walla Walla, WA 99362

Moses Lake

721 S. Pioneer Way | Moses Lake, WA 98837

East Wenatchee

303 Valley Mall Parkway | East Wenatchee, WA 98802

Wenatchee

1005 N. Wenatchee Ave. | Wenatchee, WA 98801

North Spokane

9625 N. Newport Hwy. | Spokane, WA 99218

Yakima North 40th Ave.

901 Triple Crown Way | Yakima, WA 98908

16 
Gesa
Member
Service Centers

to
Serve
You



Call
888.946.4372



Click
gesa.com



Drop by one of our
convenient locations



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