



ANNUAL REPORT

2019

Chairman's Report



Bill Hart
Chair

Goldenwest has remained true to the credit union philosophy of “people helping people”. We hold firm to the belief that the greater the number of members who are actively using the products and services offered by the Credit Union, the stronger we are as a not-for-profit financial cooperative.

The member-elected Board of Directors is committed to rewarding members for their loyalty to the Credit Union. In 2019, we returned more than \$2 million to our members with the year-end dividend. Furthermore, Goldenwest’s financial strength has allowed us to expand our branch network, develop new services,

and invest in technology that our members need to keep up with the rapid pace of life.

Goldenwest members should feel good about the Credit Union’s contributions in the communities we serve. Our employees are your neighbors, our contractors are based in Utah, and our lending decisions are made by experienced professionals who understand the local economic environment. Together, we are making Utah stronger.

I am grateful to serve among the highly-qualified individuals on the Board of Directors. We are fortunate to have dedicated and talented professionals on our Executive Team who work diligently on a daily basis to ensure the security and longevity of our Credit Union. We have full faith and confidence in their leadership as we venture forth into the new decade.

On behalf of the Board of Directors, I thank you for your ongoing membership and participation in Goldenwest Credit Union.

A handwritten signature in black ink that reads "Bill Hart". The signature is fluid and cursive.

Bill Hart
Chairman of the Board

GOLDENWEST #5K FOR SCHOOLS 2017



President's Report



Kerry Wahlen
President
Chief Executive Officer

As I write the 2019 Annual Report, we are immersed in the worldwide COVID-19 virus outbreak. In our local communities, across our nation, and around the globe, almost every facet of our lives has drastically changed in a matter of weeks.

The Credit Union's compelling financial performances in 2019 and in the years approaching 2020 have led to a strong return on assets and net capital ratio. At this defining moment in time, we are keenly aware that consistently practicing sound financial principles will help provide stability through unexpected economic turbulence.

The final year of the decade was noteworthy, from record-breaking mortgage originations to the introduction of many new products and services. Here is a review of some of our proudest moments in 2019.

- Members collectively earned \$2 million in a year-end Bonus Dividend.
- Total assets grew by 12.07% or \$188.5 million growth to \$1,740,656,469.
- Mortgage originators posted a record-high \$460 million in secondary-market mortgages.
- Consumer loans grew by \$125.7 million, for a 10.36% annual increase.
- Return on assets reached 1.66% and \$27.8 million.
- Net capital ratio increased to 14.08%.
- Delinquency dropped to 0.20% and net charge-offs remained low at 0.33%.
- Membership increased by 4.51% to 143,695.
- Goldenwest Insurance Services wrote \$2.2 million in new home and auto insurance, and an additional \$1 million in commercial insurance – saving our members hundreds of thousands of dollars in premiums.
- New branch opening and regional office on St George Boulevard in Utah's Dixie.
- New branch opening in Eden, in the beautiful Ogden Valley.
- Online and mobile account openings for savings accounts, checking accounts, certificates, and money market accounts.
- Credit card photo balance transfers within the mobile app.

- Online Quick Quotes for home and auto insurance.
- Alignment of the debit card rewards program with the popular credit card rewards program.
- Introduction of Reward Yourself Checking for better rates on personal loans and bonus rewards points on credit and debit cards.
- Dozens of Medicare Seminars for our seniors across the state, including in-branch Medicare plan enrollment services.
- Multiple awards and recognitions, including “Best of State” in the Credit Union category, “Best Companies To Work For” by *Utah Business* magazine, and an A+ health rating by DepositAccounts.com.

Goldenwest's success would not be possible without our talented employees. I am extremely proud of their efforts and performance. Furthermore, I am thankful to the members who offer their time and expertise on behalf of the entire Credit Union as volunteers on the Board of Directors and Supervisory Committee.

As we move forward to the next decade, and to the challenges immediately before us in 2020, I am grateful for every Goldenwest member who readily lends their support and resources to our Credit Union family. It is my distinct honor to serve you.



Kerry H. Wahlen
President/CEO

2019 Key Accomplishments

- Members collectively earned \$2 million with a year-end bonus dividend.
- Consumer loans grew by \$125.7 million, for a 10.36% annual increase.
- Total assets grew by \$188.5 million to \$1.741 billion.
- Return on assets posted at 1.66% and \$27.8 million in net income.
- Net capital ratio increased to 14.08% of assets in reserve.
- Delinquency remained low at 0.20% and net-charge offs at 0.33%.
- Net membership increased by 4.51% to 143,695.
- New branch locations opened in the cities of St George and Eden.
- Product launches for online/mobile account openings and Reward Yourself Checking.

Supervisory Committee's Report



The Supervisory Committee is appointed by Goldenwest's Board of Directors to ensure the safety and soundness of the Credit Union. In fulfilling our duties and obligations, the Supervisory Committee engaged the certified public accounting firm of Eide Bailly to audit the Credit Union's financial statements and records.

On behalf of the Supervisory Committee, I am pleased to report to the Board of Directors and the membership of Goldenwest Credit Union that the financial statements presented in the 2019 Annual Report are fair and accurate. The certified audits and reviews concluded that the financial position of Goldenwest remains strong, and the assets of the Credit Union are being effectively safeguarded.

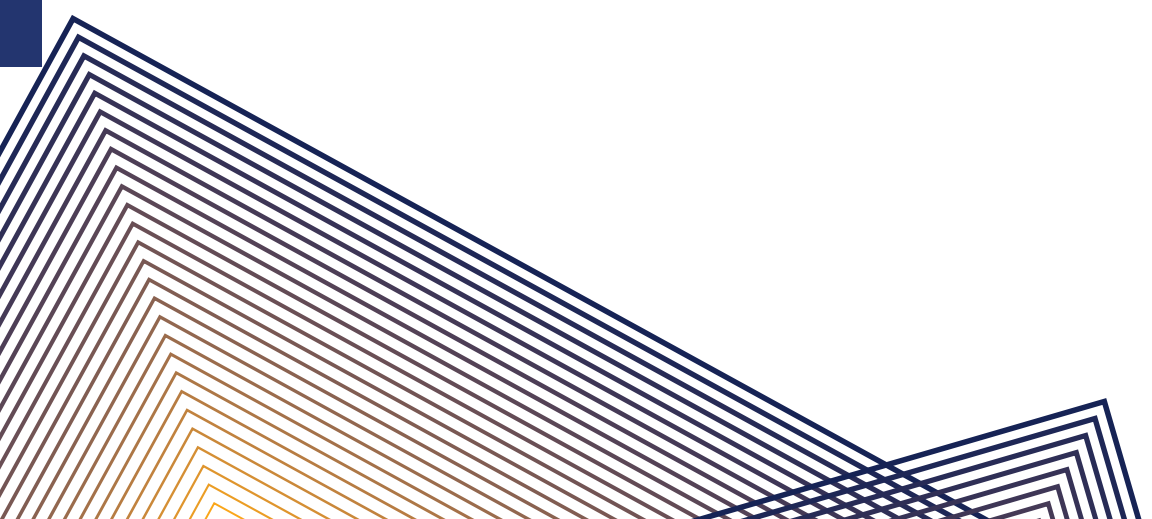
As we journey through 2020, we will continue to work closely with internal and external auditors to make certain the Credit Union is safe, stable, and secure.

The Supervisory Committee acknowledges and thanks the volunteers and employees who devote their time and talents to the success of the Credit Union.

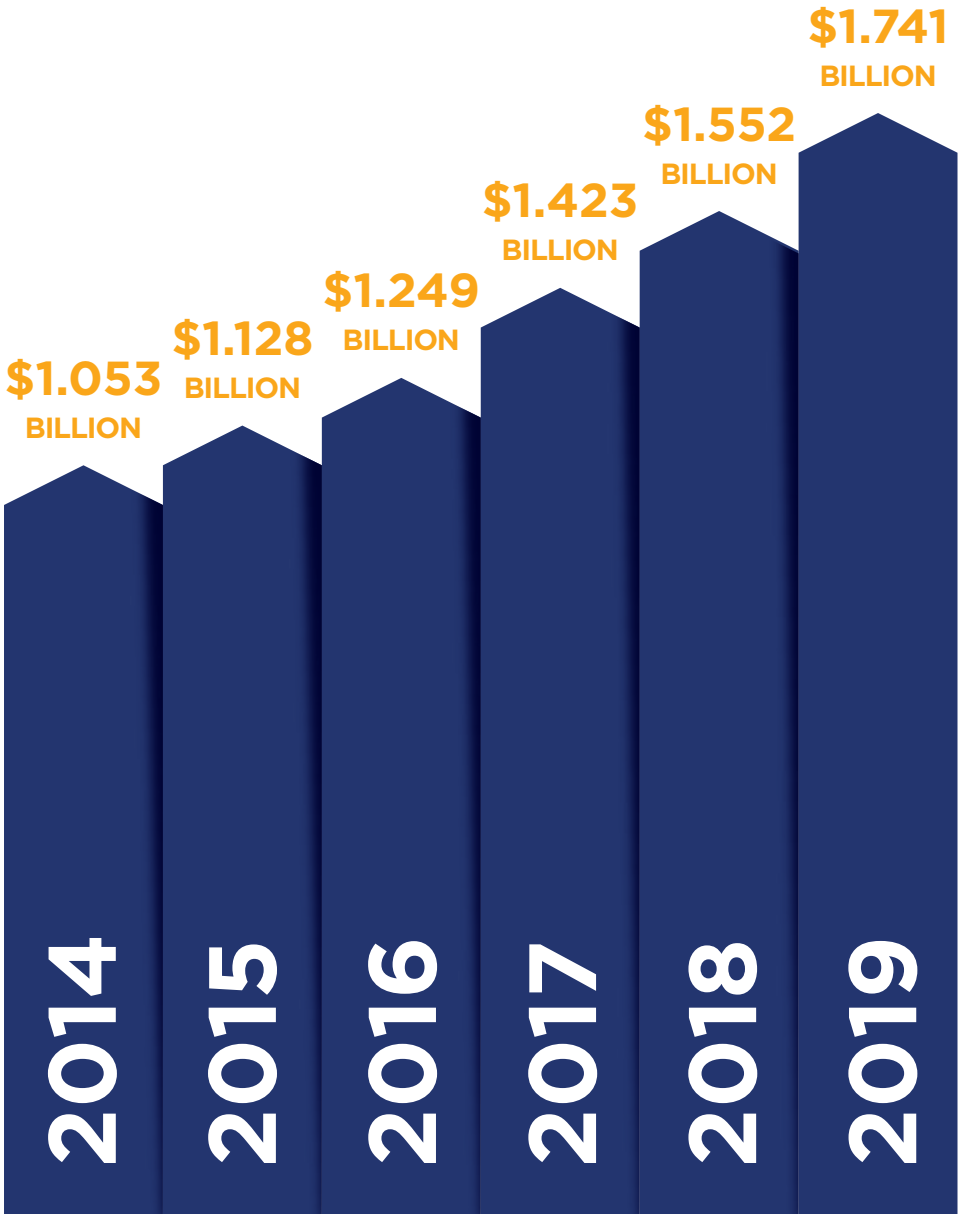
We are honored to serve you.

A stylized, handwritten signature in dark ink, consisting of a large, flowing initial 'B' followed by a horizontal line extending to the right.

Chair, Supervisory Committee



Asset Growth



Statement of Financial Position

Balance Sheet

Assets	2019	2018
Cash On Hand Or In Bank	\$28,119,984	\$29,426,076
Loans To Members - Net	\$1,334,860,050	\$1,202,604,341
Investments	\$278,353,314	\$229,524,282
Property & Equipment - Net	\$59,701,812	\$54,150,700
Accrued Interest	\$4,696,268	\$4,148,222
Other Assets	\$34,925,041	\$32,298,654
Total Assets	\$1,740,656,469	\$1,552,152,275
Liabilities		
Share Savings	\$530,349,632	\$525,384,340
Deposit Accounts	\$940,993,892	\$787,478,989
Accrued And Other Liabilities	\$23,522,217	\$22,252,323
Total Liabilities	\$1,494,865,741	\$1,335,115,652
Member Equity		
Regulatory And Other Reserves	\$245,790,728	\$217,036,623
Total Member Equity	\$245,790,728	\$217,036,623
Total Liabilities and Member Equity	\$1,740,656,469	\$1,552,152,275

Earnings Statement

Income	2019	2018
Loan Interest	\$65,994,296	\$55,750,315
Investment Interest	\$6,253,075	\$4,045,465
Other Revenue	\$39,277,859	\$32,098,052
Total Earnings	\$111,525,230	\$91,893,832
Expense		
Dividends On Share Savings	\$2,530,550	\$2,455,500
Dividend Expense	\$12,556,066	\$6,614,043
Operating Expense	\$63,026,263	\$57,036,132
Provision for Loan Loss	\$5,901,388	\$5,098,806
Total Expenses	\$84,014,267	\$71,204,481
Net Earnings From Operations	\$27,510,963	\$20,689,351
Other Non-Operating Gain (Loss)	\$266,755	\$19,993
Net Earnings	\$27,777,718	\$20,709,344

Board of Directors



Bill Hart
Chair



Brandon Hendrickson
Vice Chair



Jeanette Smyth
Secretary



Tad Neuenswander
Director



Stoney Wayment
Director



Dan Musgrave
Director



Steve Carroll
Director



Dave Adams
Director



Noé Vázquez
Director



Supervisory Committee



Ron Gebhardt
Chair



Noé Vázquez
Liaison



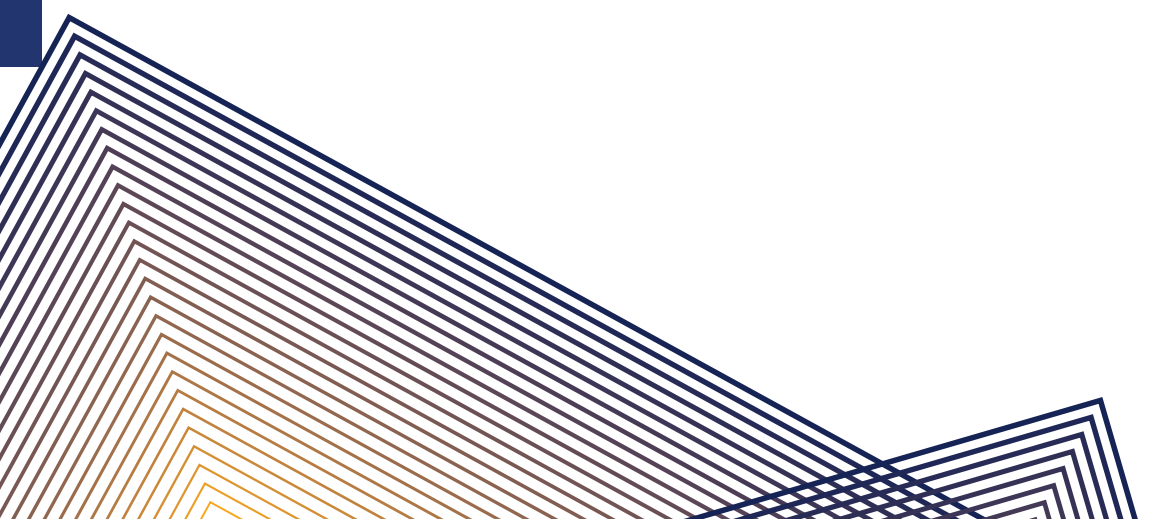
Andrew Blackburn
Committee Member



Mike Liptrot
Committee Member



Dan Stober
Committee Member



Executives



Kerry Wahlen
President
Chief Executive Officer



Darren Godfrey
Executive Vice President
Chief Financial Officer



Mark Turner
Executive Vice President
Chief Revenue Officer



David Butterfield
Executive Vice President
Chief Operating Officer
Division President USU Credit Union



Senior Vice Presidents



Mike DeGroot
Senior Vice President



Tonya Froerer
Senior Vice President



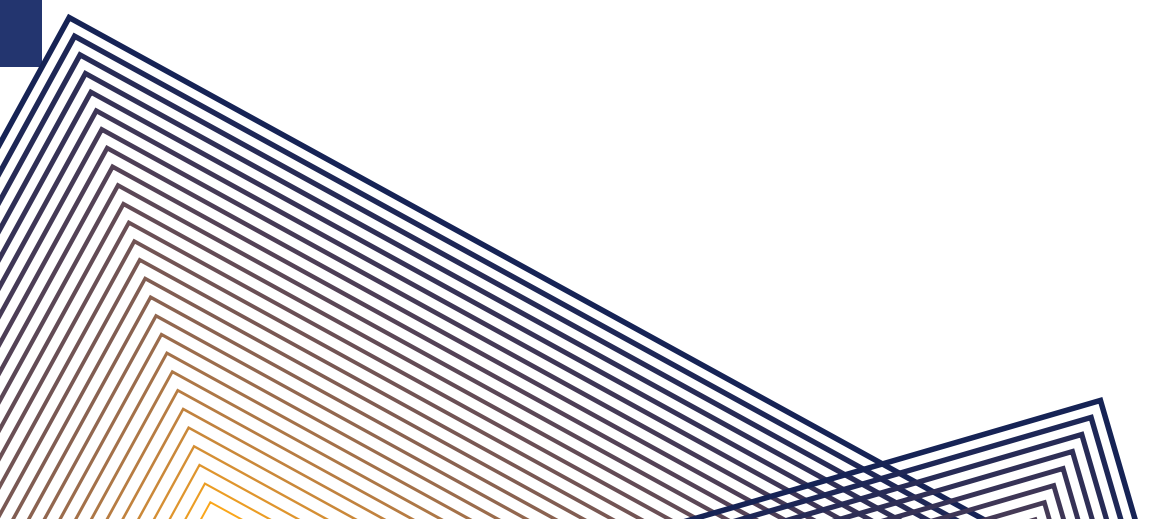
Louise Hilliard
Senior Vice President



Laurie Stuart
Senior Vice President



Diana Windley
Senior Vice President



Minutes of the 83rd Annual Meeting of Goldenwest Credit Union

Held Tuesday, April 9, 2019

At the Union Station, 2501 Wall Ave, Ogden, Utah.

Chairman Hart welcomed members and called the meeting to order at 6:30 p.m. A reception had been held from 6:00 - 6:30 p.m. He asked the audience to stand for the National Anthem sang by Jessica Haacke followed by the Pledge of Allegiance led by Reese Campbell. Brandon Hendrickson offered the invocation.

The Supervisory Committee was introduced: Chairman Ron Gebhardt and members Andy Blackburn, Mike Liptrout and Dan Stober. Chairman Hart introduced the Officers of Goldenwest: President/CEO Kerry Wahlen, Executive Vice President Darren Godfrey, Executive Vice President Mark Turner and USU Credit Union Division President David Butterfield. The ticket for the grand-prize was drawn and set aside, as the winner would be announced at the end of the meeting. This year's grand prize was a four-day, three-night stay in Southern California with tickets to Disneyland or Sea World and \$200 cash.

The business meeting was called to order at 6:45 p.m. Board Members were asked to stand as they were introduced: Chairman Bill Hart, Vice-Chairman Dan Musgrave, Secretary Jeanette Smyth, and Board Members Stoney Wayment, Tad Neuenswander, Steve Carroll, Brandon Hendrickson, Dave Adams and Noé Vázquez. A quorum was determined present. Joseph Sigety was appointed Parliamentarian and Marie Cavalcanti appointed Recording Secretary. A motion to approve last year's minutes was called for, it was moved by Ms. Heather Cragun, seconded by Mrs. Dorothy Fielding, unanimously voted and so ordered to approve the minutes of the 82nd Annual Meeting held April 10, 2018.

REPORT OF THE CHAIRMAN OF THE BOARD: Chairman Hart thanked everyone for attending the meeting and expressed his honor to serve as Chairman with the exceptional men and women of the Board of Directors. He stated that in 2018 with the credit union's financial strength, we increased dividend yields on Certificates and Insured Money Market accounts. He also noted that we invested in branch growth, product development and enhanced systems to better serve our members. Chairman Hart noted that in 2019, Utah will celebrate 150 years since the completion of the transcontinental railroad when a golden spike was driven at Promontory, Utah. The railroad through northern Utah is an important piece of Goldenwest's history and heritage. Our

Credit Union founding fathers established the Ogden Railway and Depot Company Employees Federal Credit Union in 1936 with seven men who jointly deposited \$10.50. Today, 83 years later, we have more than 139,000 members and close to \$1.7 billion in assets. Chairman Hart stated that he looks forward to another strong year of growth and service.

REPORT OF THE PRESIDENT: President Wahlen thanked all who came and expressed his pleasure at being there. He gratefully reported that he has been President/CEO for eight years and it has been a pleasure to work with such a supportive board of directors. President Wahlen noted that his full report can be found in the 2018 Annual Report booklet that was handed out tonight. He will only review the highlights now. He stated that there was a reorganization of the executive leadership of the Credit Union. Rich Evans, Senior Vice President retired at the end of 2018. With his retirement, we created three new Senior Vice President positions allowing us to have four Senior Vice Presidents who include: Mike DeGroot, Louise Hilliard, Laurie Stuart and Diana Windley. In 2018 we were able to give back to you, our members, with a bonus dividend of just under \$2 million collectively. We anticipate to provide close to the same amount or greater for 2019. Other exciting items include the expansion of our brokerage department to include Medicare with the top carriers. Members will now be able to sign up and manage their Medicare account through the Credit Union. President Wahlen announced the purchase of a building in St George that will allow us to grow and expand our services in Washington County. He also announced the building of a new branch in Weber County, Eden, Utah. He closed his remarks with a pledge of commitment to the Credit Union and its members and to do everything in his power to help it grow and prosper in the future.

SUPERVISORY COMMITTEE REPORT: Mr. Gebhardt noted that the supervisory committee consists of board-appointed individuals who volunteer their time to assess the safety and security of the Credit Union's assets. He stated that to fulfill their duties, the committee contracted with the accounting firm of Eide Bailly to conduct an independent audit of the Credit Union's records. Mr. Gebhardt was happy to report that the committee has determined Goldenwest Credit Union is operating in accordance with governing rules and regulations and he certifies that the statements presented in the 2018 Annual Report accurately represent the financial position of the Credit Union.

GOVERNANCE COMMITTEE REPORT: Mr. Neuenswander, appointed Chairman of the Governance Committee, reported that the duty of the Governance Committee is to oversee the Board of Directors election and delegate further responsibility to the Supervisory Committee.

The Governance Committee received Statements of Qualification from four nominees for the three open Board of Directors positions in the 2019 election. The four nominations were received from Mr. Steve Carroll, incumbent; Ms. Karen Kagie; Mr. Dan Musgrave, incumbent; and Mr. Stoney Wayment, incumbent. Credit Union members had the opportunity to vote in the Board of Directors election beginning March 29th through April 1st. Chairman Hart will announce the election results for the open Board of Directors positions.

ANNOUNCE ELECTION RESULTS: Chairman Hart announced that Mr. Dan Musgrave, Mr. Steve Carroll and Mr. Stoney Wayment were elected as Board of Directors. He thanked Ms. Karen Kagie for her interest in serving.

UNFINISHED BUSINESS: None.

NEW BUSINESS: None.

Chairman Hart turned the meeting over to Mr. Turner for the drawing and awarding of prizes.

Chairman Hart then announced the grand-prize winner. He thanked everyone for coming and the meeting was adjourned at approximately 7:03 p.m.



Goldenwest

CREDIT UNION

USU Credit Union
a division of  Goldenwest

Healthcare
Credit Union
a Goldenwest  Company


Goldenwest
INSURANCE SERVICES


Goldenwest Financial Services dba
Goldenwest
HEALTH INSURANCE