



# **ANNUAL REPORT**

## 2020

# Chairman's Report



Bill Hart  
Chair

As with most businesses, the COVID-19 global pandemic delivered unprecedented challenges to Goldenwest Credit Union in 2020. I could not be more proud of how our Board of Directors, executive leadership team, and employees responded and adapted to the extraordinary circumstances. Our focus remains on providing governance that allows Credit Union staff to serve members in an efficient, convenient, and safe environment.

Our members have always been our greatest asset. As such, the Board of Directors is working diligently with senior leadership to continue providing significant value to the member-owners of the Credit Union. Helping members aim higher and achieve their financial dreams are the reasons that Goldenwest exists.

We stand in solidarity with our members to protect and grow Goldenwest's assets in a responsible and rewarding manner. In 2020 we hit a new milestone with the highest Bonus Dividend paid in Goldenwest's history. The year-end dividend returned more than \$2.2 million to our members. Over the past 17 years, the Bonus Dividend program has delivered \$17.4 million in earnings to the Credit Union's membership. Goldenwest's long history of Bonus Dividends uniquely distinguishes our not-for-profit financial cooperative in the communities we serve.

The future looks bright for Goldenwest Credit Union. I express my gratitude to our esteemed Board of Directors, and the support of our loyal members. It is our distinct honor to serve you.

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

Bill Hart  
Chairman of the Board



# President's Report



**Kerry Wahlen**  
President  
Chief Executive Officer

In early 2020, we found ourselves immersed in a global pandemic resulting from the COVID-19 virus. We quickly implemented our company-wide disaster plan to protect the health and safety of our employees and members while doing everything possible to provide uninterrupted service.

I am pleased to report that Goldenwest Credit Union experienced a remarkable year in terms of learning to serve our members in unique and innovative ways. In spite of the uncertainty brought about by the pandemic, Goldenwest finished strong in 2020 with record accomplishments.

Members collectively earned more than \$2.2 million with the Bonus Dividend paid in December. Our commitment to provide loans with competitive rates and low fees resulted in \$207 million in loans, for a 15.41% annual increase. The secondary-market mortgage team originated more than \$927 million in mortgages during the year – a new record for the Credit Union. We processed more than 1,000 SBA Paycheck Protection Program (PPP) Loans for close to \$100 million as part of the CARES Act. Assets grew by \$444 million to \$2,184,619,620 for a 25.66% increase over the previous year.

We are proud of how we are helping our members save money and achieve their financial goals. Likewise, we are pleased with the strength of the Credit Union. Return on assets reached 1.56% at year-end. Our net capital ratio posted at a strong 12.8%. Delinquency remained steady at 0.20% and net charge-offs decreased to 0.20%.

Our team of local insurance agents wrote more than \$2.8 million in new home and auto insurance, and an additional \$1.5 million in commercial insurance. Furthermore, Goldenwest Insurance Services was named as the provider for the Utah State University Alumni Association's affinity group auto, homeowners', and renters' insurance program.

We opened a new branch in the beautiful Ogden Valley, and relocated our branches in Orem and North Logan out of grocery stores into full-service, free-standing offices. In addition, we rebranded two Healthcare Credit Union branches to Goldenwest Credit Union in downtown Salt Lake City and Murray.

A new online and mobile account opening system was launched, along with a significant upgrade to our online loan application platform. We introduced "tap-to-pay" contactless Visa cards, which are available by instant issue in all of our branches. In addition, we partnered with local experts to provide estate planning services (wills and trusts) for our members. Commercial services expanded

its product line to include Business Reward Yourself Checking and a new Visa Purchase Card program.

In 2020 our development team commenced the groundwork to launch a single, unified platform for online and mobile banking services that will be consistent across all electronic devices. The new, modern features will be more efficient, convenient, and secure for our members. We are committed to a high level of preparation for this launch to ensure a smooth transition for our members in the third quarter of 2021.

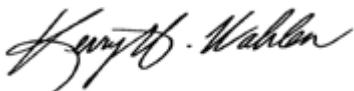
In addition, we are continuing to develop remote yet personable communication by expanding our digital member service channels to include online video chat as well as improving our text (SMS) chat abilities with our live, locally-based member service representatives.

In May 2021, we will celebrate the 85th anniversary of the founding of our credit union. As we reflect on our rich legacy, we have renewed our emphasis on member service and engagement. Meeting your expectations in every way is how we fulfill our mission as your family's credit union.

I have the utmost confidence in the leadership provided by our member-elected Board of Directors. Their steady guidance has supported and strengthened our credit union's objectives for enhanced member service, healthy financial performance, and strategic growth.

I could not be more proud of our employees for their perseverance. None of us have ever experienced a year like 2020, and our team has risen to meet the challenges placed before us. I believe the adversity of the past year has made us a stronger financial institution, and we are carrying that resilience into 2021.

Thanks for your continued loyalty and support – we are grateful for the opportunity to take care of you!

A handwritten signature in black ink, reading "Kerry H. Wahlen". The signature is fluid and cursive, with the first name "Kerry" being more prominent and the last name "Wahlen" following in a similar style.

Kerry H. Wahlen  
President/CEO

# Supervisory Committee's Report



Ron Gebhardt  
Chair

Goldenwest's Supervisory Committee is accountable for verifying that credit union policies, procedures, and internal controls are designed and implemented to protect the assets of our members. We understand it is important to our members to have a safe institution to conduct your financial business. The Supervisory Committee remains steadfast in maintaining Goldenwest's proven history of a strong and financially-healthy credit union.

The Supervisory Committee consists of dedicated volunteers who are appointed by the Board of Directors.

In fulfilling our responsibilities, we work closely with the Credit Union's internal auditors. In addition, we contracted with the certified public accounting firm of Mayer, Hoffman, McCann (MHM) to conduct an independent audit of Goldenwest's operations and to issue a report on their findings.

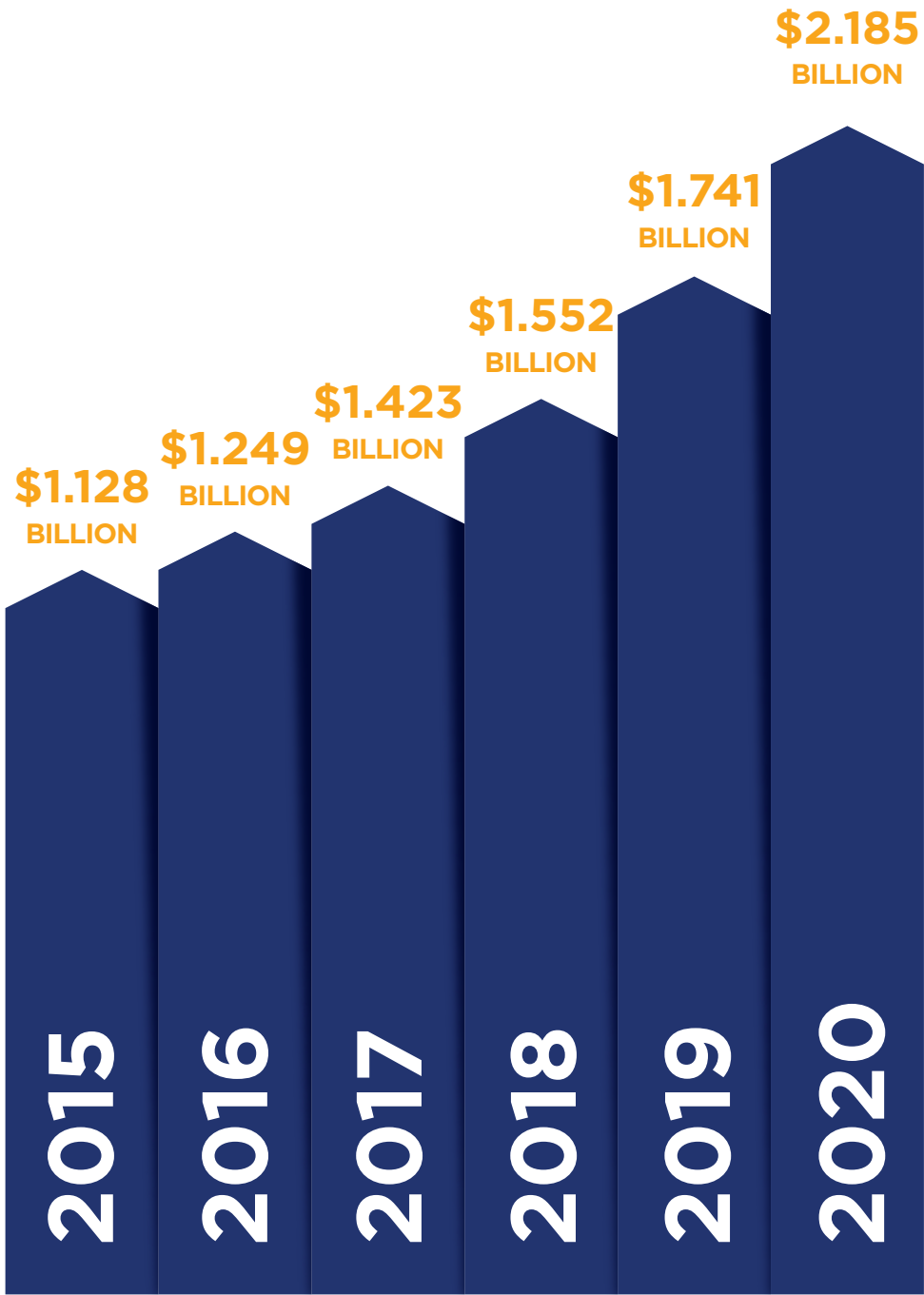
Based on the results of audits and examinations conducted in the past year, the Supervisory Committee has concluded that the Credit Union's financial statements presented to the membership in this Annual Report are fair and accurate. Furthermore, we are confident in our assessment that Goldenwest Credit Union continues to operate in a responsible and secure manner.

Respectfully submitted,

A stylized, handwritten signature in dark ink, consisting of a large, flowing 'R' followed by a series of loops and a trailing line.

Ron Gebhardt  
Chair, Supervisory Committee

# Asset Growth



# Statement of Financial Position

## Balance Sheet

<b>Assets</b>	<b>2020</b>	<b>2019</b>
Cash On Hand Or In Bank	\$56,888,935	\$28,119,984
Loans To Members - Net	\$1,545,943,737	\$1,334,860,050
Investments	\$469,680,903	\$278,353,314
Property & Equipment - Net	\$68,739,887	\$59,701,812
Accrued Interest	\$4,791,395	\$4,696,268
Other Assets	\$38,574,763	\$34,925,041
<b>Total Assets</b>	<b>\$2,184,619,620</b>	<b>\$1,740,656,469</b>
<b>Liabilities</b>		
Share Savings	\$743,826,931	\$530,349,632
Deposit Accounts	\$1,106,114,953	\$940,993,892
Accrued And Other Liabilities	\$59,054,474	\$23,522,217
<b>Total Liabilities</b>	<b>\$1,908,996,358</b>	<b>\$1,494,865,741</b>
<b>Member Equity</b>		
Regulatory And Other Reserves	\$275,623,262	\$245,790,728
<b>Total Member Equity</b>	<b>\$275,623,262</b>	<b>\$245,790,728</b>
<b>Total Liabilities and Member Equity</b>	<b>\$2,184,619,620</b>	<b>\$1,740,656,469</b>

## Earnings Statement

<b>Income</b>	<b>2020</b>	<b>2019</b>
Loan Interest	\$67,110,126	\$65,994,296
Investment Interest	\$4,300,574	\$6,253,075
Other Revenue	\$55,728,506	\$39,277,859
<b>Total Earnings</b>	<b>\$127,139,206</b>	<b>\$111,525,230</b>
<b>Expense</b>		
Dividends On Share Savings	\$2,751,138	\$2,530,550
Dividend Expense	\$11,031,961	\$12,556,066
Operating Expense	\$72,868,875	\$63,026,263
Provision for Loan Loss	\$9,745,353	\$5,901,388
<b>Total Expenses</b>	<b>\$96,397,327</b>	<b>\$84,014,267</b>
Net Earnings From Operations	\$30,741,879	\$27,510,963
Other Non-Operating Gain (Loss)	\$157,799	\$266,755
<b>Net Earnings</b>	<b>\$30,899,678</b>	<b>\$27,777,718</b>



# 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

# Senior Leadership Team



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



Mike DeGroot  
Senior Vice President



Tonya Froerer  
Senior Vice President



Carol Nyman  
Senior Vice President



Ashley Shreeve  
Senior Vice President



Laurie Stuart  
Senior Vice President



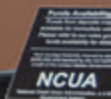
Diana Windley  
Senior Vice President



# Goldenwest

Credit Union

We'll take care of you.



# Minutes of the 84<sup>th</sup> Annual Meeting of Goldenwest Credit Union

**Held Tuesday, April 21, 2020  
by Vidyo Conference.**

Chairman Hart welcomed members and called the business meeting to order at 4:30 p.m.

Board Members were introduced: Chairman Bill Hart, Vice-Chairman Brandon Hendrickson, Secretary Jeanette Smyth, and Board Members Stoney Wayment, Tad Neuenswander, Dan Musgrave, Steve Carroll, 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 Mrs. Jeanette Smyth, seconded by Mr. Tad Neuenswander, unanimously voted and so ordered to approve the minutes of the 83rd Annual Meeting held April 9, 2019.

**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 his report is included in the 2019 Annual Report.

Chairman Hart's report in the 2019 Annual Report:

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.

**REPORT OF THE PRESIDENT:** President Wahlen thanked all who came and expressed his pleasure at being there. He noted that his report is included in the 2019 Annual Report.

President Wahlen's report in the 2019 Annual Report:

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.

**SUPERVISORY COMMITTEE REPORT:** Mr. Gebhardt stated that his report is included in the 2019 Annual report.

Mr. Gephardt's report in the 2019 Annual 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.

**GOVERNANCE COMMITTEE REPORT:** Mr. Steve Carroll, appointed Chairman of the Governance Committee, reported that the duty of the Governance Committee is to oversee the Board of Directors election.


The Governance Committee received Statements of Qualification from four nominees for the three open Board of Directors positions in the 2020 election. The four nominations were received from Mr. Brandon Hendrickson, incumbent; Mr. Noé Vázquez, incumbent; Mr. Tad Neuenswander, incumbent; and Mr. Roland Whitesides. Credit Union members had the opportunity to vote in the Board of Directors election beginning April 3rd through April 6th. Chairman Hart will announce the election results for the open Board of Directors positions.

**ANNOUNCE ELECTION RESULTS:** Chairman Hart announced that Mr. Brandon Hendrickson, Mr. Noé Vázquez and Mr. Tad Neuenswander were elected as Board of Directors. He thanked Mr. Roland Whitesides for his interest in serving.

**UNFINISHED BUSINESS:** None.

**NEW BUSINESS:** None.

Chairman Hart thanked everyone for coming and the meeting was adjourned at approximately 4:55 p.m.





**USU** Credit Union  
a division of  Goldenwest

**Healthcare**  
Credit Union  
a Goldenwest  Company

  
**Goldenwest**  
INSURANCE SERVICES

  
Goldenwest Financial Services dba  
**Goldenwest**  
HEALTH INSURANCE