

# 2017 Annual Report



**Goldenwest**  
CREDIT UNION

# Chairman's Report



Bill Hart  
Chair

On behalf of the Board of Directors, I thank each of you for the loyalty and support you have shown Goldenwest Credit Union. We are now completing our 82nd year of member service. Goldenwest was founded originally as the Ogden Railway and Depot Company Employees Federal Credit Union. On the organizational date of May 13, 1936, assets were \$10.50. It was touch and go for the first few years with savings coming in slowly and members being told they would need to wait for loans. One of the stories from the spring of 1939 relates the Credit Union was in danger of shutting down due to lack of funds. A member walked in to make a \$200 deposit and saved the day.

An early officer is recorded as saying, "it seemed like a million dollars," and the Credit Union was once more alive.

Today, Goldenwest Credit Union is a strong and vibrant organization that serves thousands of members each day in our 38 branches locations, and through our online and mobile branches. Not only do members not need to wait for loans like they did in 1939, they can complete the entire loan process from applications to closing with their mobile devices and personal computers.

As your volunteer Board of Directors, we are always looking for ways to improve the value of your Goldenwest membership. It was with great satisfaction we declared a year-end bonus dividend for the 14th consecutive year, returning more than \$1.75 million to members in 2017. Since 2004, Goldenwest members have earned more than \$11 million through the bonus dividend program.

Goldenwest is your credit union! We encourage each member to take advantage of the many money-saving products, services and benefits available to you. As we support each other as members of this not-for-profit cooperative, we will strengthen our families, businesses and communities.

It has been our privilege to serve you. We appreciate your allegiance to Goldenwest, and look forward to serving our members for generations to come.

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

2017 Annual

# 5k for Schools

# President's Report



**Kerry Wahlen**  
President  
Chief Executive Officer

2017 proved to be a year of extraordinary accomplishments and opportunities for Goldenwest Credit Union. Under the direction of the member-elected Board of Directors, we have strengthened our financial position, attracted new members, added branch locations, expanded product offerings, upgraded security measures, and enriched the communities we serve.

## **Financial Strength**

Total assets increased by \$173.2 million to \$1,422,511,560 with return on assets at 1.31% or \$17.6 million in net income. Our loan portfolio grew by \$172.7 million, netting an overall 19.8% increase over 2016. Delinquency remained low at 0.24% and net charge-offs were 0.38%. The capital ratio increased to 14.1%.

## **Bonus Dividend**

Continuing our long-standing tradition of paying Bonus Dividends, members collectively earned \$1,750,000 on December 31, 2017. For 14 consecutive years, Goldenwest has returned a total of \$11,225,000 to members through the Bonus Dividend program.

## **Membership**

Our field of membership expanded considerably to include individuals and families who live, work, volunteer, and/or attend school in Salt Lake County. Total membership was 127,840 at year-end, representing 12.7% net growth.

## **Healthcare Credit Union Merger**

The successful completion of the operating system merger provided Healthcare Credit Union members with full account access at Goldenwest and USU Credit Union retail, online, and mobile branches. Two full-service locations and six satellite offices, all located in Salt Lake County, were added to the Goldenwest branch network through the merger.

## **Branch Expansion**

Goldenwest opened the West Jordan and Marriott-Slaterville branches in areas experiencing high residential and commercial growth. In addition, the Providence and Centerville branches were relocated to better serve members and gain greater exposure to local residents and businesses. New branches in Farmington and North Salt Lake are scheduled to open in 2018. In addition, we are in the midst of several improvement projects for our well-established branches.

## **Security**

In the past year, we have invested significant time and resources to keep your personal information private and protected. We will continue our long-standing policy to protect the confidentiality, security and accuracy of your accounts with the Credit Union.

### **Product Offerings**

As we develop and expand product offerings for our members, we strive to keep as much money in your pockets as possible. In recent years, Goldenwest has provided thousands of members with significant savings on insurance premiums. Last spring, the Credit Union acquired Benefit Management Services, a 30 year-old healthcare insurance brokerage based in Salt Lake City. With the brokerage, Goldenwest Insurance Services now provides group health, dental, vision and life insurance plans to Utah businesses.

### **Community Impact**

In staying true to our mission of people helping people, Goldenwest supported many organizations, schools, projects and events in 2017. While every community outreach activity is impactful and appreciated, some of our notable charitable and volunteer efforts included the Goldenwest 5K For Schools, Catholic Community Services, Utah PTA, the Cystic Fibrosis Foundation, and the USU Alumni Association.

Goldenwest is thriving! Our strength and growth have provided us opportunities to expand operations, innovate in an industry driven by technology, and add products that are attractive across our diverse membership. But what matters most is how well Goldenwest stays true to our mission as a not-for-profit cooperative, and the role we play in the financial lives of each member. Your individual success matters to us, and we will do our best to continue earning your business.

Thank you for placing your trust and confidence in Goldenwest Credit Union.



Kerry H. Wahlen  
President/CEO

## **2017 Key Accomplishments**

- Members collectively earned \$1,750,000 with a year-end bonus dividend.
- Consumer loans grew by \$172.7 million, for a 19.8% annual increase.
- Total assets grew by \$173.2 million to \$1,422,511,560.
- Return on assets posted at 1.31% and \$17.6 million in net income.
- Net capital ratio increased to 14.1% of assets in reserve.
- Delinquency remained low at 0.24% and net charge-offs at 0.38%.
- Net membership increased by 12.7% from 113,395 to 127,840.
- New branch locations opened in West Jordan and Marriott-Slaterville; existing branches relocated in Providence and Centerville.
- Healthcare Credit Union operating system merger completion on May 1, 2017.
- Goldenwest Insurance Services acquired Benefit Management Services, a 30-year-old healthcare insurance brokerage and began offering group health insurance to local businesses.

# Supervisory Committee's Report



Ron Gebhardt  
Chair

The Supervisory Committee is a statutorily-required committee for all federally-chartered credit unions. It consists of Board-appointed members who ensure the Credit Union's financial statements are accurately represented, and the assets of the Credit Union are protected. The Supervisory Committee monitors the Credit Union's adherence to strong internal controls, and ensures the Credit Union remains in compliance with all applicable laws and regulations. We work closely with the internal audit team, and contract with the certified public accounting firm of Eide Bailly to audit the Credit Union's records.

It is the opinion of the Supervisory Committee that Goldenwest Credit Union remains safe and sound, and continues to operate in compliance with governing laws and regulations. The financial statements presented in the Annual Report to the membership accurately represent the strong financial position of the Credit Union.

We express our gratitude to the Board of Directors, management team and staff for their attentiveness and cooperation in performing their duties on behalf of Goldenwest Credit Union members.

A handwritten signature in black ink, appearing to be 'R. Gebhardt', written in a cursive style.

Ron Gebhardt  
Chair, Supervisory Committee

# Goldenwest Asset Growth





Providence



West Jordan

## New Branch Locations



Centerville



Marriott-Slaterville

# Statement of Financial Position

## Balance Sheet

<b>Assets</b>	<b>2017</b>	<b>2016</b>
Cash On Hand Or In Bank	\$32,960,995	\$33,158,963
Loans To Members - Net	\$1,040,313,617	\$872,356,603
Investments	\$267,542,936	\$274,140,058
Property & Equipment - Net	\$49,871,351	\$41,652,005
Accrued Interest	\$3,251,211	\$2,497,791
Other Assets	\$28,571,450	\$25,503,716
<b>Total Assets</b>	<b>\$1,422,511,560</b>	<b>\$1,249,309,136</b>
<b>Liabilities</b>		
Share Savings	\$503,200,583	\$424,342,302
Deposit Accounts	\$703,431,783	\$637,531,498
Accrued And Other Liabilities	\$18,788,474	\$17,093,609
<b>Total Liabilities</b>	<b>\$1,225,420,840</b>	<b>\$1,078,967,409</b>
<b>Member Equity</b>		
Regulatory And Other Reserves	\$196,087,814	\$169,338,821
Undivided Earnings	\$1,002,906	\$1,002,906
<b>Total Member Equity</b>	<b>\$197,090,720</b>	<b>\$170,341,727</b>
<b>Total Liabilities and Member Equity</b>	<b>\$1,422,511,560</b>	<b>\$1,249,309,136</b>

## Earnings Statement

<b>Income</b>	<b>2017</b>	<b>2016</b>
Loan Interest	\$44,627,868	\$36,855,153
Investment Interest	\$3,916,573	\$2,800,340
Other Revenue	\$28,169,150	\$26,709,099
<b>Total Earnings</b>	<b>\$76,713,591</b>	<b>\$66,364,592</b>
<b>Expense</b>		
Dividends On Share Savings	\$2,240,268	\$1,813,370
Dividend Expense	\$4,695,894	\$3,835,434
Operating Expense	\$51,273,035	\$43,907,518
Provision for Loan Loss	\$2,740,793	\$1,402,787
<b>Total Expenses</b>	<b>\$60,949,990</b>	<b>\$50,959,109</b>
Net Earnings From Operations	\$15,763,601	\$15,405,483
Other Non Operating Gain (Loss)	\$1,801,686	\$1,319,728
<b>Net Earnings</b>	<b>\$17,565,287</b>	<b>\$16,725,211</b>

# Board of Directors



Bill Hart  
Chair



Steve Carroll  
Vice Chair



Jeanette Smyth  
Secretary



Tad Neuenswander  
Director



Stoney Wayment  
Director



Dan Musgrave  
Director



Brandon Hendrickson  
Director



Dave Adams  
Director



Noé Vázquez  
Director

# Supervisory Committee



Ron Gebhardt  
Chair



Dan Musgrave  
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



Mark Turner  
Executive Vice President



Richard Evans  
Senior Vice President



David Butterfield  
Division President  
USU Credit Union



# of The 81<sup>st</sup> Annual Meeting of Goldenwest Credit Union

**Held Tuesday, April 11, 2017**

**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 Abe and Landon Weeks followed by the Pledge of Allegiance lead by Elise Holbrook. Diana Windley offered the invocation.

The Supervisory Committee was introduced: Chairman Ron Gebhardt, Board Liaison Karen Kagie, and members Noé Vázquez and Mike Liptrot. Andy Blackburn was excused. Chairman Hart introduced the Officers of Goldenwest: President/CEO Kerry Wahlen, Executive Vice President Darren Godfrey, Executive Vice President Mark Turner, Senior Vice President Richard Evans, 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 Steve Carroll, Secretary Stoney Wayment, and Board Members Jeanette Smyth, Tad Neuenswander, Karen Kagie, Dan Musgrave, Brandon Hendrickson and Dave Adams. 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 Mr. Mark Heiner, seconded by Mr. Pritchett, unanimously voted and so ordered to approve the minutes of the 80th Annual Meeting held April 12, 2016.

**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 noted that the main goal of the credit union is to make sure the members are served well and their needs are met. He welcomed the Healthcare Credit Union members and stated that the merger provides a great growth opportunity for Goldenwest across the state of Utah. He mentioned that it was fitting to hold the meeting at the Union Station where the credit union began over eighty years ago. It was a vibrant building that saw thousands of people come through Ogden, including troops during WWII. It now holds several museums and is a great reminder of our heritage.

**REPORT OF THE PRESIDENT:** President Wahlen thanked all who came and expressed his pleasure at being there. He gratefully reported that Goldenwest has experienced another year of remarkable growth and achievements. He noted the successful merger three and a half years ago with Utah State University Credit Union. He reviewed the merger with Healthcare Credit Union that was finalized January 1, 2017. With the merger, eight offices located in Salt Lake County have been added to our branch network. Mr. Wahlen stated that collectively Goldenwest members earned \$1.4 million with a year-end bonus dividend. He noted that if you were to Google the strength of Goldenwest Credit Union you would find that we are rated a five star credit union by Bauer Financial. We have been listed Best of State for businesses and have recently expanded our services to include a Health Insurance Brokerage.

**GOVERNANCE COMMITTEE REPORT:** Mrs. Smyth, 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. Mrs. Smyth noted the importance of the volunteers who are elected to the Board of Directors and encouraged everyone to be more involved and active in the Credit Union.

The Governance Committee received Statements of Qualification from five nominees for the three open Board of Directors positions in the 2017 election. The five nominations were received from Mr. Tad Neuenswander, incumbent; Ms. Karen Kagie, incumbent; Mr. Brandon Hendrickson, incumbent; Mr. Noé Vázquez and Norrine Gardiner.

Mrs. Smyth noted that the credit union members had the opportunity to vote in the Board of Directors election beginning March 31, 2017 through April 3, 2017. She turned the time over to Chairman Hart to announce the election results for the open Board of Directors positions.

**ELECTION RESULTS:** Chairman Hart announced the results for the Board of Director election as follows:

- Tad Neuenswander
- Brandon Hendrickson
- Noé Vázquez

He thanked Ms. Karen Kagie for her service and welcomed Noé Vázquez as the newest member of the Board of Directors.

**SUPERVISORY COMMITTEE REPORT:** Mr. Gebhardt reported the audits conducted by the accounting firm Eide Bailly, and the reviews completed by the Supervisory Committee, concluded that Goldenwest is in excellent financial condition and the credit union's assets are safe and secure. He stated that Goldenwest remains in compliance with all National Credit Union Administration (NCUA) regulations and guidelines. He thanked the members of the Supervisory Committee for their willingness to serve. He concluded his remarks commending Goldenwest management, staff and volunteers for a successful year.

**UNFINISHED BUSINESS:** None.

**NEW BUSINESS:** None.

Chairman Hart turned the meeting over to any members who wished to address the Board of Directors and/or Administration. No comments were made at this time.

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 7:00 p.m.



Bill Hart

Chairman of the Board



**USU** Credit Union  
a division of  Goldenwest

**Healthcare**  
Credit Union  
a Goldenwest  Company



**Goldenwest**  
CREDIT UNION



**Goldenwest**  
INSURANCE SERVICES



Goldenwest Financial Services dba  
**Goldenwest**  
HEALTH INSURANCE