

ANNUAL REPORT

2018

**Goldenwest**  
CREDIT UNION



# Chairman's Report



Bill Hart  
Chair

It is my responsibility and privilege to report Goldenwest's financial standing to our membership. I'm pleased to share with you the Board of Directors remains confident that Goldenwest Credit Union is well-positioned for continued growth and enhanced member service for years to come.

Throughout 2018, as the Credit Union's Board and Administration evaluated the Credit Union's financial strength, we increased dividend yields on Certificates and Insured Money Market accounts. Declaring the \$1.975 million year-end Bonus Dividend was among our most gratifying actions as a Board. We also invest-

ed in branch growth, product development, and enhanced systems to better serve our members.

In 2019, Utah will celebrate 150 years since the completion of the transcontinental railroad when a golden spike was driven at Promontory. 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.

On behalf of the Board of Directors, I express my appreciation for your confidence and support. Our membership numbers and deposit amounts may have changed since 1936, but our purpose has remained the same - to serve our members and enhance their financial lives. We are proud of our accomplishments in 2018, and look forward to another strong year of growth and service.

Thank you for choosing Goldenwest Credit Union as your trusted financial partner.

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

We recently completed another noteworthy year for our not-for-profit financial cooperative. Goldenwest continues to provide significant value to members through our growing branch network and enhanced product offerings. The Credit Union has invested significant resources in technology, providing you with convenient and secure digital access to your accounts. Our competitive rates on loan, deposit, and insurance products, have helped our members find greater financial security. Without question, Goldenwest's financial strength is attributed to our loyal members, committed employees, and steadfast Board of Directors.

I'm pleased to report to you highlights from 2018:

## **Financial Strength**

Total assets increased by \$129.6 million to \$1.552 billion with return on assets at 1.39% or \$20.7 million in net income. Our loan portfolio grew by \$169.7 million, netting an overall 16.24% increase over 2017. Delinquency remained low at 0.26% and net charge-offs were 0.22%. The capital ratio increased to 14.3%.

## **Bonus Dividend**

Continuing our long-standing tradition of paying Bonus Dividends, members collectively earned \$1.975 million on December 31, 2018. For 15 consecutive years, Goldenwest has returned more than \$13 million 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 137,495 at year-end, representing 7.55% net growth.

## **Branch Expansion**

In 2018 we opened two branches in Davis County, with new offices in the cities of Farmington and North Salt Lake. In addition, we upgraded the location of our Sandy branch. Recently, we announced plans to open new offices in St George and Eden.

## **New Product Offerings**

After more than a year in development, we launched the Goldenwest Visa Signature card with unlimited 1.5% cash back on all purchases. At the request of our Baby Boomer members, we added Medicare enrollment

through Goldenwest Insurance Services as a no-fee service. For our high-deposit members, we modified the President's Club to increase yields on Certificates up to 0.25% beginning January 1, 2019.

### **Community Impact**

We participate in community outreach activities whenever possible, encouraging our employees and members to voluntarily take part in projects that are in-line with the credit union philosophy of 'People Helping People'. Goldenwest is proud to support and partner with organizations such as Catholic Community Services, Utah PTA, Cystic Fibrosis Foundation, Weber Education Foundation, Davis Education Foundation, Weber Human Services, and the USU Alumni Association to strengthen our communities.

I express my gratitude to our member-elected Directors for their leadership and service to all of us. Likewise, thanks to our Supervisory Committee members who contribute to the Credit Union in a significant manner, ensuring our financial audits and internal controls are protecting the assets of our vast membership. We depend on and are grateful for Goldenwest's employees for bringing their expertise and commitment to work every day. Finally, with much appreciation, we acknowledge our active and participating members for your ongoing support.

Thank you for placing your trust in Goldenwest Credit Union. Building on the success of 2018, we look forward to a bright future in 2019 and beyond.



Kerry H. Wahlen  
President/CEO

## **2018 Key Accomplishments**

- Members collectively earned \$1.975 million with a year-end bonus dividend.
- Consumer loans grew by \$169.7 million, for a 16.24% annual increase.
- Total assets grew by \$129.6 million to \$1.552 billion.
- Return on assets posted at 1.39% and \$20.7 million in net income.
- Net capital ratio increased to 14.3% of assets in reserve.
- Delinquency remained low at 0.26% and net-charge offs at 0.22%.
- Net membership increased by 7.55% from 127,840 to 137,795.
- New branch locations opened in the cities of Farmington and North Salt Lake; the Sandy branch was relocated to more favorable office space.
- Product launches for the Visa Signature Card and Medicare enrollment services.



# Supervisory Committee's Report



Ron Gebhardt  
Chair

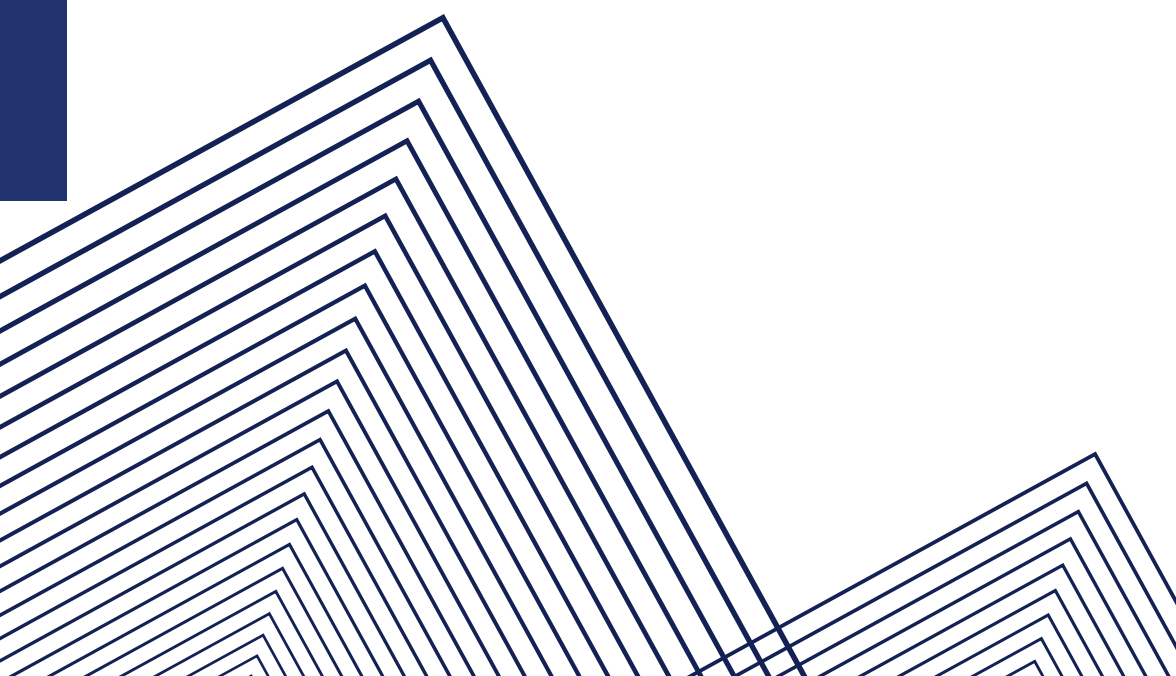
The Supervisory Committee is accountable to the membership for Goldenwest's adherence to established practices and procedures that properly safeguard the Credit Union's assets. In addition, we are responsible for the annual financial statement audit from a licensed, independent auditor. The Supervisory Committee selected the highly-reputable certified public accounting firm of Eide Bailly to audit the Credit Union's 2018 records.

Based on the audits and reviews conducted in the past year, it is the unanimous conclusion of all Supervisory Committee members that Goldenwest continues to operate in a manner that upholds the Credit Union's high standards and interests. The financial statements presented in the Annual Report accurately portray the safety and soundness of the Credit Union.

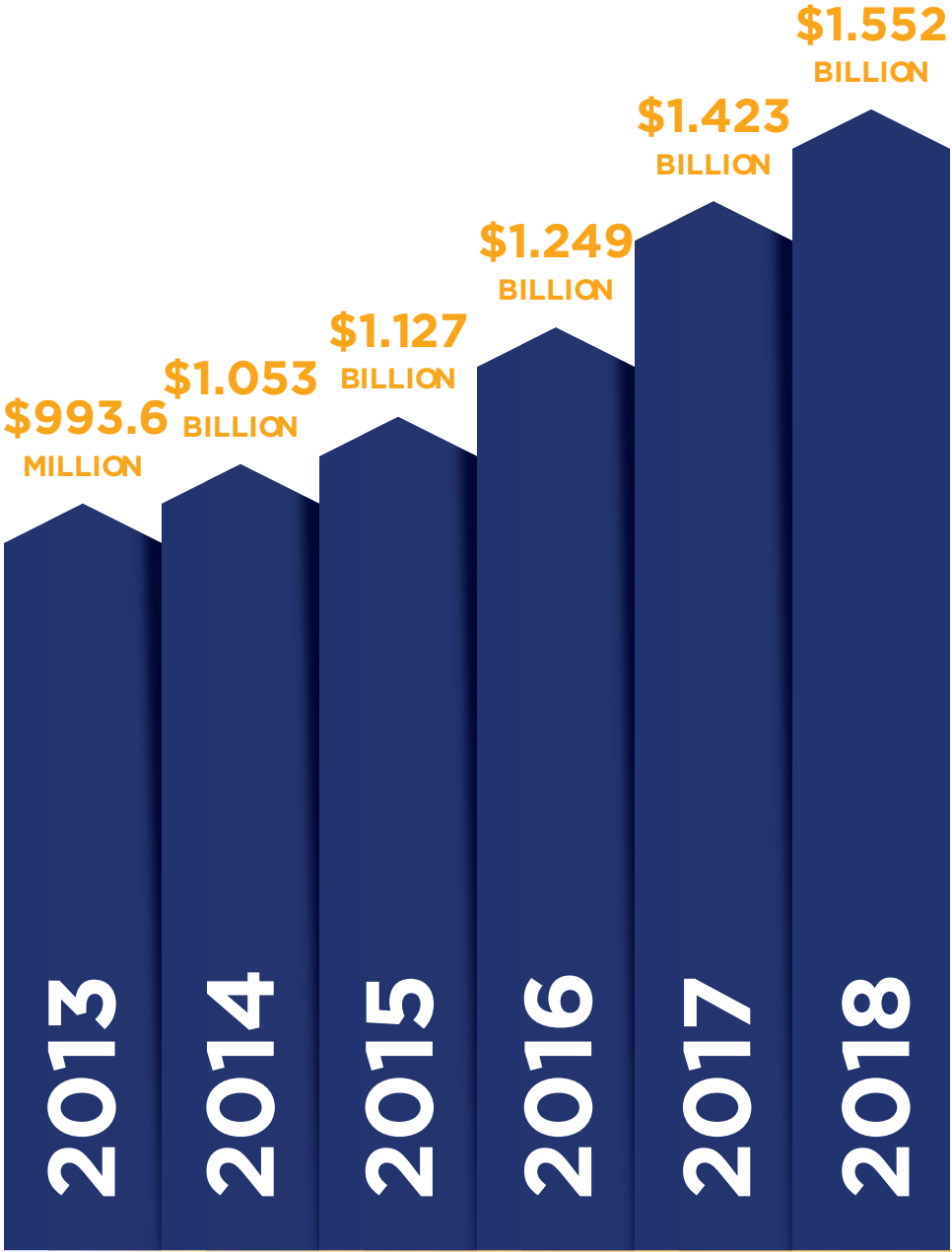
The Supervisory Committee acknowledges and thanks the volunteers, employees, and members who devote their time and talents to the success of the Credit Union.

A stylized, handwritten signature in dark blue ink, consisting of a large, flowing 'R' and 'G'.

Ron Gebhardt  
Chair, Supervisory Committee



# Asset Growth



# Statement of Financial Position

## Balance Sheet

<b>Assets</b>	<b>2018</b>	<b>2017</b>
Cash On Hand Or In Bank	\$29,426,076	\$32,960,995
Loans To Members - Net	\$1,202,604,341	\$1,040,313,617
Investments	\$229,524,282	\$267,542,936
Property & Equipment - Net	\$54,150,700	\$49,871,351
Accrued Interest	\$4,148,222	\$3,251,211
Other Assets	\$32,298,654	\$28,571,450
<b>Total Assets</b>	<b>\$1,552,152,275</b>	<b>\$1,422,511,560</b>

## Liabilities

Share Savings	\$525,384,340	\$503,200,583
Deposit Accounts	\$787,478,989	\$703,431,783
Accrued And Other Liabilities	\$22,252,323	\$18,788,474
<b>Total Liabilities</b>	<b>\$1,335,115,652</b>	<b>\$1,225,420,840</b>

## Member Equity

Regulatory And Other Reserves	\$217,036,623	\$197,090,720
<b>Total Member Equity</b>	<b>\$217,036,623</b>	<b>\$197,090,720</b>

<b>Total Liabilities and Member Equity</b>	<b>\$1,552,152,275</b>	<b>\$1,422,511,560</b>
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## Earnings Statement

<b>Income</b>	<b>2018</b>	<b>2017</b>
Loan Interest	\$55,750,315	\$44,627,868
Investment Interest	\$4,045,465	\$3,916,573
Other Revenue	\$32,098,052	\$28,169,150
<b>Total Earnings</b>	<b>\$91,893,832</b>	<b>\$76,713,591</b>

## Expense

Dividends On Share Savings	\$2,455,500	\$2,240,268
Dividend Expense	\$6,614,043	\$4,695,894
Operating Expense	\$57,036,132	\$51,273,035
Provision for Loan Loss	\$5,098,806	\$2,740,793
<b>Total Expenses</b>	<b>\$71,204,481</b>	<b>\$60,949,990</b>

Net Earnings From Operations	\$20,689,351	\$15,763,601
Other Non Operating Gain (Loss)	\$19,993	\$1,801,686
<b>Net Earnings</b>	<b>\$20,709,344</b>	<b>\$17,565,287</b>



# Board of Directors



Bill Hart  
Chair



Dan Musgrave  
Vice Chair



Jeanette Smyth  
Secretary



Tad Neuenswander  
Director



Stoney Wayment  
Director



Steve Carroll  
Director



Brandon Hendrickson  
Director



Dave Adams  
Director



Noé Vázquez  
Director

# Supervisory Committee



Ron Gebhardt  
Chair



Steve Carroll  
Liaison



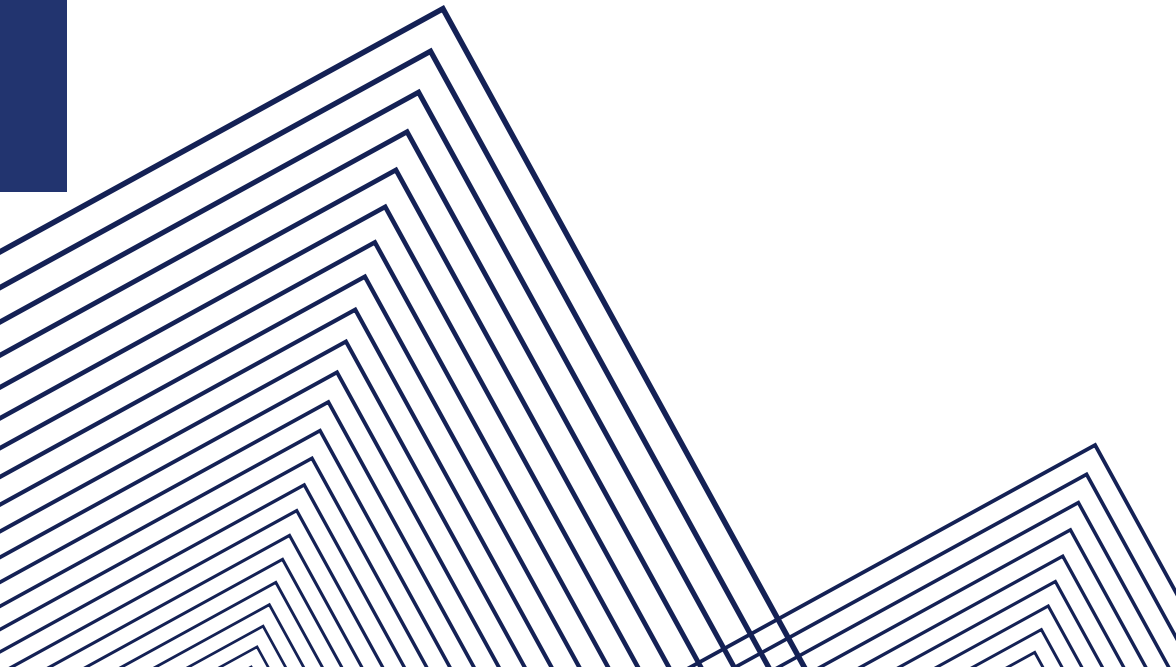
Andrew Blackburn  
Committee Member



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



**David Butterfield**  
Division President  
USU Credit Union



# Senior Vice Presidents



Mike DeGroot  
Senior Vice President



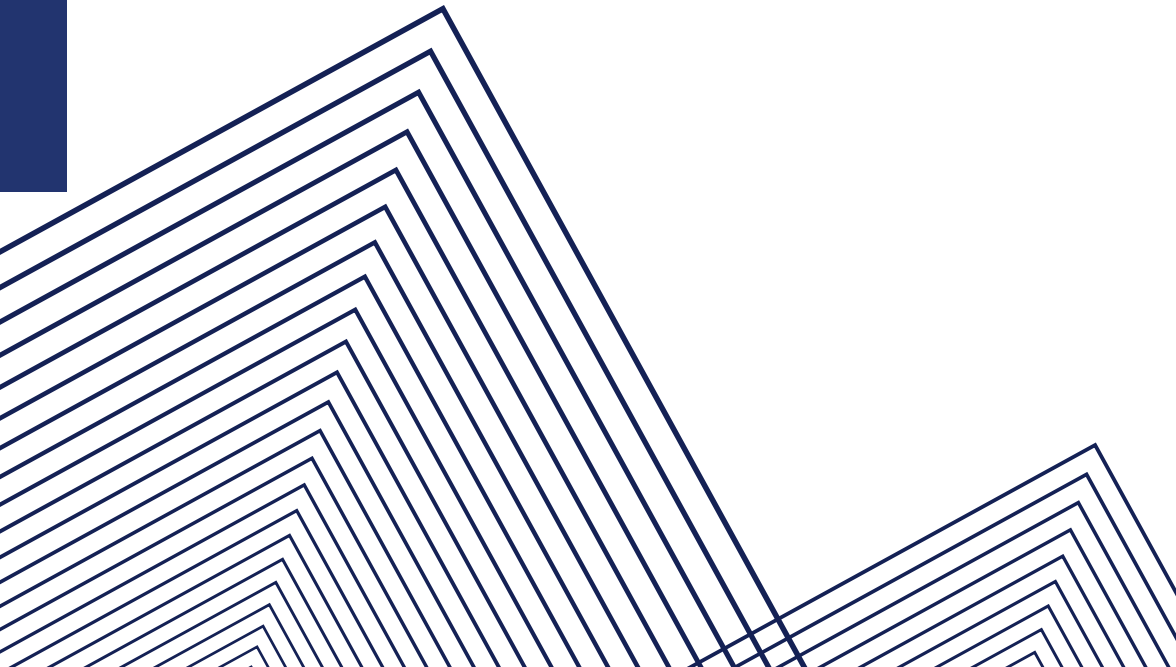
Louise Hilliard  
Senior Vice President



Laurie Stuart  
Senior Vice President



Diana Windley  
Senior Vice President



# Minutes of the 82<sup>nd</sup> Annual Meeting of Goldenwest Credit Union

**Held Tuesday, April 10, 2018**

**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 Abby Fisher followed by the Pledge of Allegiance lead by Audrey Jensen. Tad Neuenswander offered the invocation.

The Supervisory Committee was introduced: Chairman Ron Gebhardt and members Andy Blackburn, Noé Vázquez and Mike Liptrot. 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 Jeanette Smyth, and Board Members Stoney Wayment, Tad Neuenswander, Dan Musgrave, 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. Brianna Green, seconded by Mr. Dustin Hodges, unanimously voted and so ordered to approve the minutes of the 81st Annual Meeting held April 11, 2017.

**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 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. He noted that he is pleased to announce that the Credit Union pay a Bonus Dividend of \$1.75 million dollars to our membership. Chairman Hart stated that Goldenwest members have collectively earned more than \$11 million since 2004 through the Bonus Dividend program. On behalf of the Board, he thanked the more

than 500 employees throughout the Goldenwest branch network and back-office operations for demonstrating tremendous commitment to our members. He congratulated President Kerry Wahlen and the administrative team for another successful year and thanked our members for the confidence they have placed in the board of directors.

**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 seven years and it has been a pleasure to work with such a supportive board of directors. President Wahlen shared many highlights from 2017. He noted that as a member owned non-profit co-op, Goldenwest Credit Union was created 82 years ago and has grown today to include 130,000 members. We are one of the strongest credit unions in Utah and therefore the nation. Utah has the strongest support for credit unions nationwide. President Wahlen announced the purchase of eight acres in Weber County as a twenty year growth plan to ensure the credit union will have the capacity to grow and continue to reside in Weber County. He also announced the merger with Health Care Credit Union which brought a very strong affiliation with Intermountain Health Care. President Wahlen noted that the Credit Union purchased a health insurance brokerage and we currently insure over 3,000 lives. He noted the new branches for 2017 include West Jordan, Marriott-Slaterville, Centerville and Providence with two new branches slated for 2018, Farmington and North Salt Lake. He noted that the Credit Union was voted Best in State in Credit Unions and received the honor of being included in the Top 200 Healthiest Credit Unions ranking 27 in the United States. He is very proud to be a part of Goldenwest Credit Union and looks forward to serving the members.

**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 2017 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. Mr. Neuenswander 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 three nominees for the three open Board of Directors positions in the 2018 election. The three nominations were received from Mr. Bill Hart, incumbent; Mrs. Jeanette Smyth, incumbent; Mr. Dave Adams, incumbent.

Mr. Neuenswander noted that the three nominees are running unopposed and in accordance with the Goldenwest bylaws, Mr. Bill Hart, Mrs. Jeanette Smyth and Mr. Dave Adams will be elected by acclamation to the Board of Directors during this meeting.

A motion to re-elect Mr. Bill Hart, Mrs. Jeanette Smyth and Mr. Dave Adams to the Board of Directors by acclamation was called for, it was moved by Mr. Paul Naegle, seconded by Mrs. Me'Chel Musgrave, unanimously voted and so ordered to approve the re-election of Mr. Bill Hart, Mrs. Jeanette Smyth and Mr. Dave Adams to the Board of Directors.

**UNFINISHED BUSINESS:** None.

**NEW BUSINESS:** None.

Chairman Hart turned the meeting over to Mr. Godfrey 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.



# 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