

2019 Annual Report
Utah Credit Union Association





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86th Annual Business Meeting Agenda

June 24, 2020

Call to Order	Dean Hirabayashi
Introduction of Board and Guests	Dean Hirabayashi
Reading of the Minutes of the 85th Annual Meeting (unless dispensed with by motion) and all action thereon	René Clarke
Committee Reports	
Report of the Nomination Committee	
Other Business	Dean Hirabayashi
CUNA Mutual Report	Joe Rode
Alloya Report	Todd Adams
Report of the Board Chair	Dean Hirabayashi
Report of the President	Scott Simpson
Adjournment	Dean Hirabayashi

Message from the Board Chair

It was difficult to write this chairman's message knowing that it is supposed to reflect the 2019 period, when we are in the midst of an historic pandemic as well as a generational awakening of racial hope for change. Only time will tell how either of these will affect credit unions or if credit unions will affect it. We only know that our motto of "People Helping People" has endured and benefited members in Utah for many decades and that motto will carry us through these times as well.

Since becoming a board member of the Utah Credit Union Association, I have been lucky to collaborate and communicate with many Utah credit union leaders and volunteers, which has strengthened my resolve, that credit union members are fortunate to have great leaders within each of our credit unions.

Utah credit unions have been there for our members in good times and bad, that won't change, because of the leadership and the great staff who work at each of our credit unions. We will always be there for our members best interest.

Utah Credit Union Association members are also very lucky to have a capable Association staff to look out for our industry. Through their training and education, political action, regulatory and compliance information, as well as other resources, many credit unions are able to achieve things that would normally require additional staffing, but instead can rely on the Association staff to compliment the credit unions' processes.

Financial success of members and all Utahns is what credit unions strive for, and that is what your Association board continually works toward.

Thank you for allowing me to serve as your Association chair, I wish you all health and safety for the future.



Sincerely,

Dean Hirabayashi

Utah Credit Union Association Board Chair

Message from the President

Here we are, friends, squarely in the middle of the second global financial crisis of my time at the Utah Credit Union Association. It's amazing to think that.

I remember as a kid looking back on the first half of the last century wondering how on earth our forebears made it through what I thought to be an impossible sequence of calamity. The wars, the illness, the economic destruction was then unthinkable too.

I saw their effort as amazing and historic, because it was amazing and historic.

Here's my more recent observation. You are living through an unthinkable series of events. It is amazing to me that in a 13-year span we've had one catastrophic financial meltdown followed by the longest period of economic expansion followed by an unprecedented global pandemic and resultant financial collapse.

I've now seen you and your credit union step up in amazing and historic ways to help your members— your neighbors and friends— navigate this seemingly impossible time. You've deployed your talent, energy, and resource to stay with your members when they need you most.

Time will tell another incredible story of the good that blessed people because credit unions were there.

We're not out of the woods yet but I've seen enough of this industry's metal to know that Utah's Credit Unions are fully equipped to meet the challenges of today and tomorrow's brighter future.

We will do everything we can you help you fulfill that vital purpose.



Scott Simpson

President/CEO,
Utah Credit Union Association

Legal Counsel Report

We are pleased to report on the status of legal matters affecting the Utah Credit Union Association and its subsidiary, Credit Union Service Corporation (CU-Serve). The Association and CU-Serve are not parties to any adverse litigation nor are there any claims pending against either entity.

2019 continued the trend of lower delinquencies and charge offs at credit unions. Bankruptcy filings in Utah remained constant in 2019 with 5,805 Chapter 7 cases and 3,860 Chapter 13 cases for a total of 9,665 cases. Case filings in 2020 total 2,681 through April. The effect of COVID-19 on case filings has not started.

Credit Unions have been helpful to businesses applying for Payroll Protection Program Small Business Administration loans. The forgiveness phase of this program is just now beginning. The forgiveness phase will present some challenges for borrowers and Credit Unions.

Operations of Credit Unions are beginning to return to close to normal. Credit Unions should be congratulated for the way they have worked through the pandemic.

We appreciate our opportunity to represent the Utah Credit Union Association, CU-Serve and many credit unions. We stand ready to assist Credit Unions in meeting the challenges cause by COVID-19.

Bruce L. Richards
Bruce L. Richards & Associates

Karl S. Little Foundation Report

Graduates of Western CUNA Management School are well aware of the value provided at this annual (except, of course, this year) educational opportunity. As is the case with many events this year, WCMS was cancelled due to the ongoing pandemic. Hopefully WCMS will return in 2021, and with its return the experiences that have helped many in the credit union family further develop their skills and knowledge. Designed to prepare individuals for a management position in a credit union, WCMS includes topics such as Strategic Planning, Business Law and Ethics, Leadership, Communications, and many more.

Scholarship funds from the Karl S. Little Foundation are available to member credit union employees to attend WCMS. Member credit unions who want to send an employee to WCMS in coming years, and who have assets of \$150 million or less, are encouraged to apply for a KSL scholarship. Notices about WCMS registration and KSL Scholarship applications will be sent in the spring of 2021.

The financial condition of the Foundation is sound, with assets totaling \$101,539.

With the pandemic still affecting every aspect of our lives, we hope and pray that all those in our communities can be safe.

Respectfully Submitted,

Thomas R. Gourdin
Karl S. Little Foundation Chair

Education Committee Report

The education of credit unions is a priority of the Utah Credit Union Association. The staff, along with the education committee, invest a considerable amount of time and effort to provide a wide variety of programs and training options for member credit unions.

The popular pre-purchased training certificates and e-Webinar packages provide education and training of solid quality and value, while keeping costs at a minimum, thus maximizing your education dollars. It is exciting to be able to work with so many capable, experienced people from credit unions throughout the state as they lend their expertise in structuring these training opportunities in our behalf.

I want to extend a huge thanks to them for the many Association sponsored trainings we have had throughout 2019. Please take the opportunity to thank an Association staff member, and a special thanks to Marilyn Pearson who works hard to make each and every training opportunity a great experience!

As we continue to hone our Zoom meeting skills and adjust to this 'new normal' it's important that learning continues, even if it can't happen in person. For updates on scheduled training, e-Webinars and compliance training contact any Association staff member.

If you have suggestions or ideas for future training options, we would love to receive your feed-back. We want to be sure the training you receive is top notch and worthwhile.

René Clarke
Education Committee Chair



Consolidated Statements of Financial Position

Utah League of Credit Unions and Subsidiary

December 31, 2019 and 2018

ASSETS

	2019	2018
Current assets:		
Cash and cash equivalents	\$ 1,813,622	\$ 1,648,060
Accounts receivable	173,660	226,872
Accounts receivable - related party	164,535	126,550
Prepaid expenses	60,181	84,308
Total current assets	2,211,998	2,085,790
Property and equipment, net	136,968	152,572
Board-designated cash	1,319,177	1,267,783
Deferred tax asset	32,790	32,790
Club membership	7,500	7,500
Prepaid expenses	203,769	237,527
Investment in affiliates, at cost	229,348	265,661
Total assets	\$ 4,141,550	\$ 4,049,623

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued liabilities	\$ 209,179	\$ 224,487
Grants payable	27,445	27,445
Total current liabilities	236,624	251,932
Pension liability	491,983	434,335
Total liabilities	728,607	686,267
Commitments	—	—
Net assets:		
Undesignated unrestricted	2,093,766	2,095,573
Board-designated unrestricted	1,319,177	1,267,783
Total net assets	3,412,943	3,363,356
Total liabilities and net assets	\$ 4,141,550	\$ 4,049,623

Consolidated Statements of Activities

Utah League of Credit Unions and Subsidiary

For the Years December 31, 2019 and 2018

	2019	2018
Support and revenues:		
Membership dues	\$ 1,787,225	\$ 1,672,267
Service fees	317,034	412,253
Communications and marketing	389,371	388,203
Interest income	35,687	27,290
Rent income	37,632	37,907
Other income	9,767	—
Total support and revenues	2,576,716	2,537,920
Expenses:		
Direct costs:		
Direct service cost	69,353	86,537
Program expenses:		
Marketing and service cost	232,188	222,434
Legislation and political action	761,503	781,195
Communications	171,105	161,221
Education	249,054	261,479
General supporting expenses	1,037,789	976,945
Total expenses	2,520,992	2,489,811
Change in net assets before income taxes	55,724	48,109
Provision for income tax	(6,137)	(8,259)
Change in net assets	49,587	39,850
Net assets, beginning of year	3,363,356	3,323,506
Net assets, end of year	\$ 3,412,943	\$ 3,363,356

2019 Year End Statistics

Credit Union	CEO	Year-end assets	Members	Charter
Alpine	Paul Atkinson	\$226,039,971	23,303	State
America First	John Lund	\$11,712,643,978	1,089,451	Federal
American United	Michelle Thorne	\$266,007,372	23,069	Federal
Ascent	Vickie Van Der Have	\$130,309,522	10,096	Federal
Beckstrand and Associates	Janelle Christofferson	\$214,292	15	State
Chartway*	Brian Schools	\$2,173,635,710	191,194	Federal
Chevron*	Jon Berlin	\$3,575,300,786	114,886	Federal
CUP	Lin Thompson	\$5,935,283	1,257	Federal
Cyprus	Todd Adamson	\$1,149,914,569	117,207	Federal
Delta Community*	Hank Halter	\$6,051,859,736	414,624	State
Deseret First	Shane London	\$712,986,289	71,158	Federal
Desert Rivers	Sam Crane	\$41,441,874	5,787	State
Desertview	Michael Nelson	\$35,036,148	4,316	Federal
Devils Slide	Jill Carrigan	\$14,658,296	1,417	Federal
Eastern Utah Community	Bruce Yost	\$137,643,898	11,679	Federal
Education 1st	Kent Greenfield	\$34,604,039	2,687	State
Elevate	Scott Webre	\$145,675,398	12,739	Federal
Employees First	Craig Russell	\$1,594,163	610	State
Firefighters	Thomas Gourdin	\$44,964,006	3,650	State
Freedom	Ken Payne	\$41,653,443	3,788	State
Gibbons and Reed Employees	Bill Christopherson	\$5,863,135	1,573	Federal
Goldenwest	Kerry Wahlen	\$1,742,042,034	143,695	Federal
Granite	Lynn Kuehne	\$512,788,239	29,227	Federal
Granite Furniture Employees	Ralph Jenkins	\$1,146,387	195	Federal
Hercules First	Brett Blackburn	\$101,570,835	7,719	Federal
Hi-land	Blair Asay	\$51,066,373	2,818	State
Hollyfrontier Employee's	Meagan Nattress	\$6,068,431	824	State
Horizon Utah	Randy Gailey	\$141,993,869	13,255	Federal
Jordan	Lindsey Merritt	\$291,676,659	26,889	Federal
Kings Peak	Ryan Reynolds	\$18,839,099	2,245	State
Local Union 354 IBEW	Linda Perschon	\$28,223,343	2,677	Federal
Logan Cache Rich	Ann Godfrey	\$26,193,102	2,553	Federal
Logan Medical	Dale Howe	\$25,014,883	2,279	Federal

Credit Union	CEO	Year-end assets	Members	Charter
Meadow Gold Employees	Lynn Nelson	\$4,635,682	529	State
Members First	Brad Barber	\$136,273,489	13,150	State
Millard County	Steve Shiner	\$41,711,243	5,683	State
Mountain America	Sterling Nielsen	\$9,348,807,708	879,651	Federal
National JACL	Dean Hirabayashi	\$30,018,576	3,551	State
Nebo	Dale Phelps	\$102,424,937	12,211	State
Nephi Western Employees	Judy Truscott	\$34,007,399	3,680	Federal
North Sanpete	Jessica Clare	\$944,078	440	Federal
Operating Engineers Local Union #3*	Mike Donohue	\$1,181,089,150	86,281	Federal
Orem City Employees	Thomas Phelps	\$3,295,755	718	Federal
P&S	Stewart Mouritsen	\$14,751,189	1,739	State
Pacific Horizon	Steve Clayson	\$75,305,096	7,623	State
Presto Lewiston Employees	Gaylene Stone	\$349,944	147	State
Provo Police & Fire Dept.	Sheldon Lindsay	\$2,501,565	918	State
San Juan	Sherrill Patterson	\$23,177,490	5,282	State
SEA	Will Jolley	\$4,632,848	872	State
Security Service*	Jim Laffoon	\$9,823,931,274	788,628	Federal
South Sanpete	Jake Hill	\$943,405	189	State
Tanner Employees	Kevin Louder	\$5,784,423	1,000	State
Transwest	Bret Rigby	\$146,975,587	13,197	State
Tri-County	Nick Reynolds	\$173,800	76	State
Uintah	Dan Olsen	\$3,329,889	1,041	State
UNIFY Financial*	Gordon Howe	\$3,052,780,791	261,263	Federal
University	Jack Buttars	\$1,174,153,999	100,056	Federal
Utah	Doug Huntsman	\$20,882,764	1,975	Federal
Utah Community	Bret Vanausdal	\$1,679,503,115	205,470	Federal
Utah First	Darin Moody	\$501,691,986	23,942	Federal
Utah Heritage	Donald Watson	\$83,075,134	8,014	State
Utah Power	Ryan Pollick	\$726,236,730	27,118	State
Utah Prison Employees	Kristine Argyle	\$3,034,118	1,337	State
Valley Wide	Monica Marchant	\$440,087	163	Federal
Varex	Tammy Phillips	\$16,055,637	1,308	Federal
Wasatch Peaks	Blake Burrell	\$349,133,315	33,013	Federal

* Denotes a credit union not domiciled in Utah, but that operates branches in Utah. As with all credit unions on this list, data given is for the entire credit union, not just the credit union's operations in Utah.

Minutes of the 85th Annual Business Meeting

Utah Credit Union Association

Utah Credit Union Association
April 24, 2019

Chairman Randy Gailey welcomed all attendees to the 8th Annual Business Meeting of the Utah Credit Union Association at a 11:00 a.m.

Chairman Gailey called the meeting to order at 11:01 a.m.

Stephen Nelson led a Pledge of Allegiance.

Report of the Credentials Committee

Shule Bishop served on the credentials committee. The committee reported that there were 25 registered delegates with 25 credit unions represented.

Chairman Gailey asked that if any delegates had items of business to bring before the group during the course of the meeting, that they raise their hand and state their name and credit union. He then introduced Bruce Richards, legal counsel, who had agreed to assist with parliamentary procedure in this meeting. Liz White, in the absence of objection, was appointed recording secretary.

Chairman Gailey introduced the members of the board.

Board members present:

- Dean Hirabayashi, National JAAC Credit Union
- Ken Payne, Freedom Credit Union
- Randy Gailey, Horizon Credit Union
- Todd Adamson, Cyprus Credit Union
- René Clarke, Eastern Utah Community Credit Union
- Thomas Gourdin, Firefighters Credit Union
- Shane London, Deseret First Credit Union
- John Lund, America First Credit Union
- Tammy Phillips, Varex Credit Union
- Brad Barber, Members First Credit Union.
- Excused Sterling Nielson, Mountain America Credit Union

Chairman Gailey recognized the guests:

- Representatives from Alloya Corporate Credit Union (via Skype) and CUNA Mutual Group.

Approval of minutes

Chairman Gailey presented the minutes of the 84th Annual Business Meeting, which were contained in the 2018 Annual Report for review. There were no objections, additions, deletions, or corrections.

Brett Rigby with Transwest Credit Union, motioned to accept and dispense with reading.

Doug Huntsman with Utah Federal Credit Union, seconded. Motion carried.

Included in the Annual Report was a report from each committee chair. Chairman Gailey thanked the committee members and chairs for their work and dedication throughout the past year. Without objection, the reports are filed as received.

Report of the Election Committee

Chairman Gailey gave the time to Shane London chairman of the election committee. He reported that the board had four seats up for re-election this year, all of the seats had only incumbents as the properly filed candidates. They were: John Lund, Sterling Nielsen, Tammy Phillips and René Clarke. Shane asked for a motion to elect these four candidates by acclamation.

Blaine Goodell with Wasatch Peaks Credit Union, moved to accept the candidates by acclamation.

Paige Bennett with Horizon Credit Union, seconded. Motion carried.

Report of Alloya

Chairman Gailey asked Tim Bruculere to speak via Skype. Tim thanked Cindy Maxwell for all the hard work she does for Utah's Credit Union. He also thanked the Alloya Board Members from Utah for their service. He reported that Alloya is doing very well, they have recently sold the investment business to McQueen Financial Advisors. He feels that by partnering with them, Alloya will be able to offer more products and services.

Report of Chairman of the Board

Chairman Gailey thanked everyone for participating in the meeting today. He thanked Scott Simpson and the Association's staff for their work. Chairman spoke about some of the things that are changing in the industry.

He turned the time over to Scott Simpson.

Report of the President

Scott Simpson thanked Randy Gailey for his two year service as the Board Chairman. When you look at the numbers, the credit union industry in Utah is doing very well. The credit unions avoided a significant tax battle in 2018, with the sweeping tax reform.

Scott gave a review of the 2019 Legislative Session.

The Association has spent some one on one time with Utah's new elected officials, Ben McAdams and Mitt Romney.

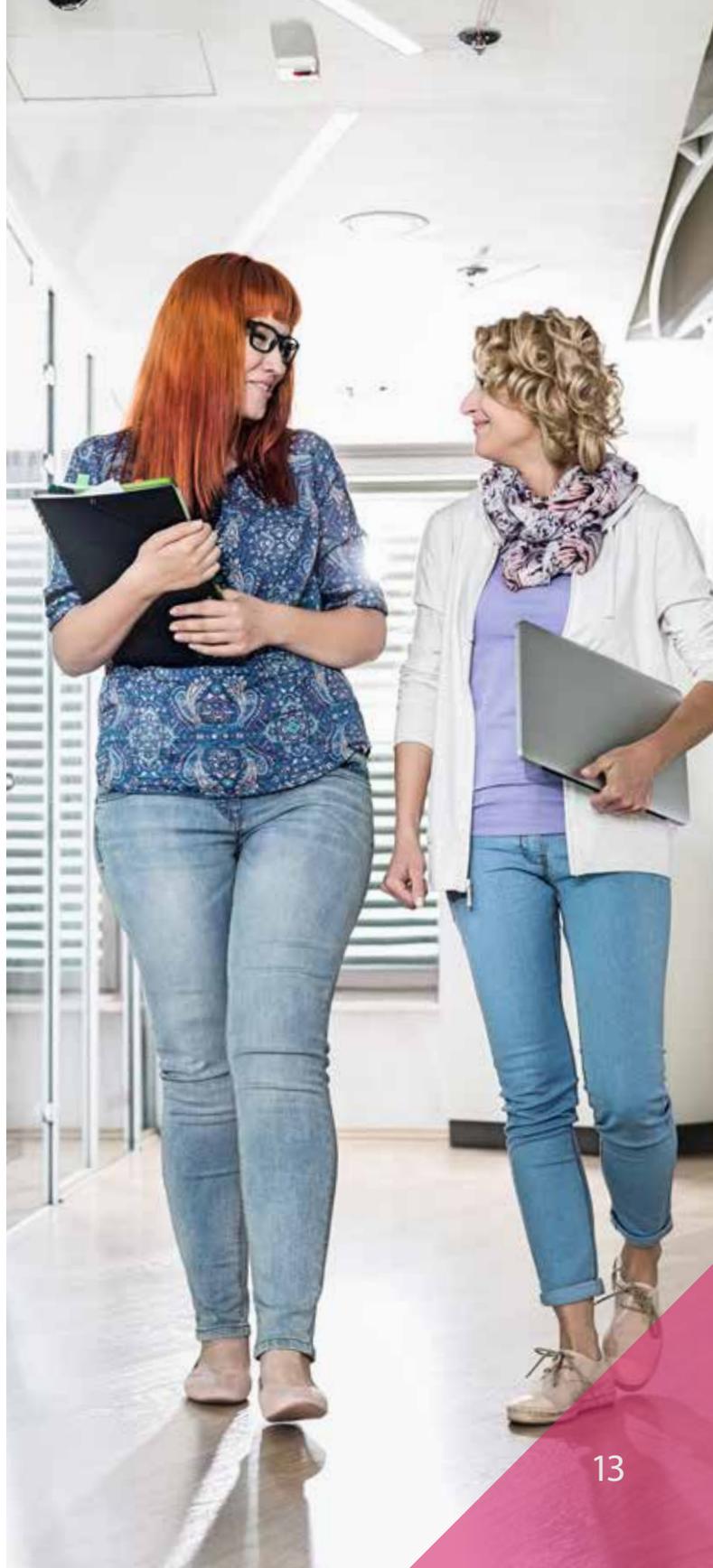
Scott recently came back from a trip with CUNA and World Credit Union Council to Australia. They learned about the credit union industry in Australia and its history. Australia's credit unions lost the tax exemption, it was important to Scott to learn how the industry changed and how they continued the movement.

Other Business

Chairman Gailey called for a discussion of unfinished business. No other business.

Meeting adjournment

Chairman Gailey concluded the meeting at 11:46 a.m.



Board of Directors

Board Chair



Dean Hirabayashi
National J.A.C.L. CU
At-Large category

Vice Chair



Sterling Nielsen
Mountain America CU
Large asset size category

Secretary



René Clarke
Eastern Utah Community CU
Medium asset size category



Todd Adamson
Cyprus CU
Large asset size category



Paul Atkinson
Alpine Credit Union
Medium asset size category



Brad Barber
Members First CU
At-Large category



Thomas Gourdin
Firefighters CU
At-Large category



Shane London
Deseret First CU
Large asset size category



John Lund
America First CU
\$2 billion+ asset size category



Ken Payne
Freedom FCU
Small asset size category



Tammy Phillips
Varex CU
Small asset size category





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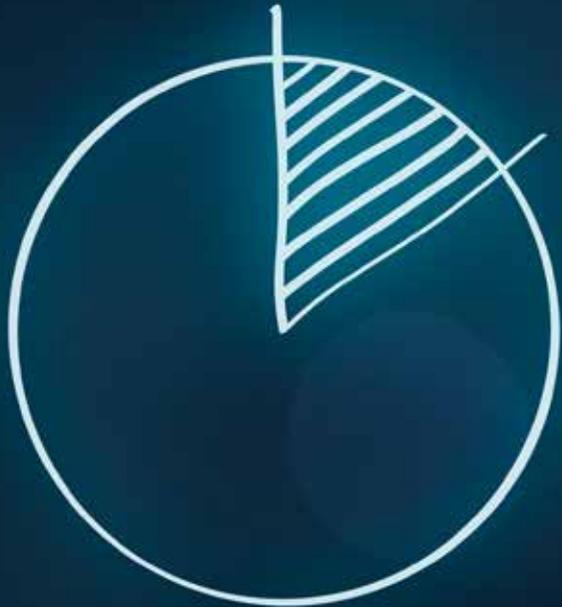
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