







**Ben Ungricht**  
*Chairman of the Board*

On behalf of the Board of Directors, I am pleased to report that 2020 was another exceptional year. One could suppose with the uncertainty of a global pandemic, a presidential election, and political unrest, it could be a down year for Granite Credit Union. Gratefully, due to a great management team, employees, volunteers, and members, we reached some new positive milestones.

Following are just a few areas in which we excelled in 2020:

- + Assets increased over **\$90 million**. Our year end assets totaled over **\$600 million**.
- + Loan growth was over **\$56 million**.
- + Earned income was over **\$7 million**.
- + Loan losses were exceptionally low, coming in at **\$157,615**. It has been over **20 years** since our bad debt write-offs have been this low.

All of these past year's achievements have been reached due to years of intentional, strategic and sound policies. Our diligent and prudent fiscal management over a long period of time has afforded us advantages to look toward any future economic storms with confidence. We continue to be well-capitalized to facilitate future growth and to increase the services we provide to our members.

As we look to the future, I know more than ever, that management and our employees are up to any challenge given them. Our focus is to continue to serve our members, and to be *always there* for all of your financial decisions.







**Lynn Kuehne**

*President / CEO*

As we began 2020, we were anticipating a potential slow-down in the U.S. economy and, of course, a vigorous U.S. Presidential campaign. We could hardly anticipate the events that actually occurred in both of these areas.

COVID-19 became the prime economic catalyst and played a role in the Presidential election.

The economic impact on the nation has been dramatic. Fortunately, Utah has fared much better than the nation as a whole. Still, many of our own friends and neighbors have suffered financially and health-wise.

Early on, Granite Credit Union members observed the economic impact COVID-19 could have on their personal finances and responded in a thoughtful manner. With so much uncertainty, members turned to a safe and trusted place – their credit union.

During 2020, members added over \$83 million dollars to their saving accounts, resulting in a nearly 19% increase in total member deposits. This reflects the largest one-year increase in member deposits. As a result, credit union assets exceed \$600,000,000. Our staff and volunteers are proud of this growth and recognize the faith that members have placed in each of us. Despite this unprecedented growth, we were able to maintain a very strong net worth position of 10.59%. This is our way of protecting each member's savings.



In addition to our normal savings and loan offerings, the credit union participated in several special assistance programs, including **SBA PPP loans** to small businesses and some **internal programs** that assisted members in their efforts to keep their loans current while working through financial challenges.

NCUSIF ensures that each member can have at least **\$250,000** of insured savings. There are ways that this amount can be doubled or tripled, depending on how the accounts are set up. While this governmental insurance should give each member added peace of mind, Granite Credit Union has **built its own** strong level of protection.

Our members have noticed the dramatic decline in dividends paid on savings, as this reflects the nation's economic condition. At the same time, members who wish to borrow are finding the lowest rates of a lifetime. While we would hope for an uptick in rates in order to provide members a better return, we anticipate 2021 to be a year in which historically low interest rates will continue to prevail.

The credit union was organized to be a consistent and safe place to save. We don't speculate or take undue risks when investing our members' savings. As always, our preference is to reinvest member savings back into the lives of our fellow members, for homes, automobiles and other necessities and pleasures of everyday living.

As members make financial choices, we encourage patience and good judgment. Granite Credit Union is intent on offering our members “always competitive rates” on all savings and lending products.

I join with our entire staff and volunteers in expressing thanks for your trust and look forward to a repeat of this success in 2021.



# SUPERVISORY COMMITTEE REPORT





**Paul Edmunds**  
*Chairman, Supervisory Committee*

In a challenging year overshadowed by pandemic conditions and economic concerns, Granite Credit Union has flourished. As a Supervisory Committee, we commend Granite leadership for navigating this unprecedented period with wisdom and foresight, resulting in increased assets while continuing strong financial stability. Through careful and considered implementation of, and adherence to safety procedures, Granite created a safe environment for employees to work in and in which shareholders could conduct their financial affairs.

Internal Auditor Laura Wall provided **excellent review** and oversight of Granite processes during this past year. We commend her for the fine work she performs for Granite.

We said goodbye to several of our committee members in 2020 and welcomed others. Our **sincere thanks** to Don Johnson, who served as our Chairman, and to Misty Shafer and Sara Ashcraft. They served well and we miss their contributions.

At the end of the year, **we welcomed** Paul Budd, Scott Jurges and Austin Summers, who are all well-qualified and eager to serve Granite, which we all truly appreciate.

It is with pleasure that we report that our financial statements were examined this year by Moss Adams CPA's with no significant findings. After reviewing the audits performed, the Supervisory Committee agrees with the assessment that financial statements prepared by Management and approved by the Board and Supervisory Committee are accurate with no material errors or miscalculations.



# BALANCE SHEET

| <b>Assets</b>                          | <b>December 31, 2020</b> | <b>December 31, 2019</b> |
|--|--------------------------|--------------------------|
| Loans to Members                       | \$ 398,131,752           | \$ 342,012,936           |
| Allowance for Loan Losses              | \$ (2,481,751)           | \$ (2,419,430)           |
| Investments                            | \$ 169,876,847           | \$ 150,931,855           |
| Cash in Banks                          | \$ 27,822,009            | \$ 5,320,374             |
| Other Assets                           | \$ 5,336,888             | \$ 10,395,884            |
| Fixed Assets                           | \$ 6,261,806             | \$ 6,546,620             |
| <b>Total Assets</b>                    | <b>\$ 604,947,551</b>    | <b>\$ 512,788,239</b>    |
| <b>Liabilities &amp; Capital</b>       | <b>December 31, 2020</b> | <b>December 31, 2019</b> |
| Shares/Deposits                        | \$ 526,796,186           | \$ 443,238,694           |
| Other Liabilities                      | \$ 10,239,761            | \$ 12,022,057            |
| Total Reserves & Capital               | \$ 56,778,088            | \$ 50,349,534            |
| Net Income                             | \$ 7,269,463             | \$ 6,428,552             |
| Unrealized Gains (Losses)              | \$ 3,864,053             | \$ 749,402               |
| <b>Total Liabilities &amp; Capital</b> | <b>\$ 604,947,551</b>    | <b>\$ 512,788,239</b>    |



# INCOME STATEMENT

| <b>Income</b>                        | <b>December 31, 2020</b> | <b>December 31, 2019</b> |
|--------------------------------------|--------------------------|--------------------------|
| Loan Income                          | \$ 15,391,211            | \$ 15,261,022            |
| Investment Income                    | \$ 4,304,416             | \$ 3,280,455             |
| Fees & Other Income                  | \$ 5,922,155             | \$ 5,195,030             |
| <b>Total Income</b>                  | <b>\$ 25,617,782</b>     | <b>\$ 23,736,507</b>     |
| <b>Expenses</b>                      | <b>December 31, 2020</b> | <b>December 31, 2019</b> |
| Salary & Benefits                    | \$ 7,955,353             | \$ 7,099,064             |
| Insurance Marketing & Ed             | \$ 1,109,361             | \$ 739,517               |
| Office Operations                    | \$ 5,967,465             | \$ 5,839,716             |
| Cost of Funds                        | \$ 3,158,676             | \$ 3,630,652             |
| <b>Total Expenses</b>                | <b>\$ 18,190,855</b>     | <b>\$ 17,308,949</b>     |
| <b>Non-Operating Income/Expenses</b> | <b>December 31, 2020</b> | <b>December 31, 2019</b> |
| Loan Loss Expense                    | \$ 220,000               | \$ 51,656                |
| Non-Operating Income (Expense)       | \$ 62,536                | \$ 52,650                |
| <b>Total Net Income (Loss)</b>       | <b>\$ 7,269,463</b>      | <b>\$ 6,428,552</b>      |



**VOLUNTEERS AND MANAGEMENT** 

## BOARD OF DIRECTORS

**Ben Ungricht** Chair  
**Maxine Babalis**  
**Don Johnson**  
**Doug Millward**

**Mitch Robison**  
**Lon Tibbitts**  
**Richard Welch**

## SUPERVISORY COMMITTEE

**Paul Edmunds** Chair  
**Paul Budd**  
**Scott Jorges**

**Rob Nish**  
**Austin Summers**

## MANAGEMENT TEAM

**Lynn Kuehne** President / CEO  
**Jim Davis** Senior VP / Lending  
**Paul Metcalf** VP / CFO

**Julie Morgan** VP / Risk Management  
**Mary Woodard** VP / Operations  
**Mark Young** VP / Human Resources

