

2021 *annual report*





Our **MISSION**

We believe in providing sound financial opportunities to help pave the way for life's biggest moments. At Granite Credit Union, we aspire to be a constant in our members' lives; a trusted partner in both good times and challenging ones. We're committed to doing whatever it takes to make it easy for our members to *make life happen.*



Our **VISION IN ACTION**

- 📍 Trusted provider of financial opportunities since 1935 so you can have peace of mind and security
- 📍 Helping find the best financial solutions for your circumstances so you can confidently make educated financial decisions
- 📍 Easiest onboarding credit union so you can become a member easily and conveniently
- 📍 Relationships matter - because you are more than an account number, we work to meet your unique and individual needs
- 📍 We look for innovative ways to improve doing business with us so you can focus on creating meaningful and lifelong memories



As Chairperson for the Board of Directors, I am pleased to report that Granite Credit Union is doing very well and had an exceptional year as reflected on our 2021 financial statements. The NCUA, which oversees all credit unions, insists that each credit union have a very strong reserve as an indicator of financial strength. This reserve is known as the net worth ratio and NCUA defines credit unions with a net worth ratio of 7% as well-capitalized. Granite is very strong at over 10%.

In order to maintain this ratio, we must have a good net income especially as our assets continue to grow each year. Granite Credit Union's assets are approaching \$700 Million which you our members have entrusted to the credit union. We are appreciative of your continuing confidence to save, borrow and bring in new members. One reason for our great net income was that our loan

losses were exceptionally low. Our loan specialists do a commendable job of meeting the borrowing needs of our members while appropriately

managing the risk to the credit union. This past year was the lowest total loan losses we have experienced since the 1980s, that I am aware of.

This past year we remodeled the Taylorsville Branch and relocated the Sugar House Branch to 21st South and 15th East. The feedback from members who use those two branches has been overwhelmingly positive. They are very pleased with the new model and the much faster help they receive.

This past year saw our very good friend and Granite Credit Union's CEO/ President, Lynn Kuehne retire after 12 years of serving us well.

Lynn promised us 5 years when we hired him and

we're grateful for the additional time he served. During his tenure, Lynn



Granite Credit Union had an exceptional year in 2021.



did an exceptional job of putting together a supportive and experienced executive staff to lead the credit union. Because of that, the Board of Directors felt confident in hiring the next CEO from among that group. We are pleased to have Mark Young as the new CEO and are excited for the new chapter he and the executive team are opening at Granite. We appreciate Mark and all our staff for the work they do daily to serve our members and grow the credit union. 📍





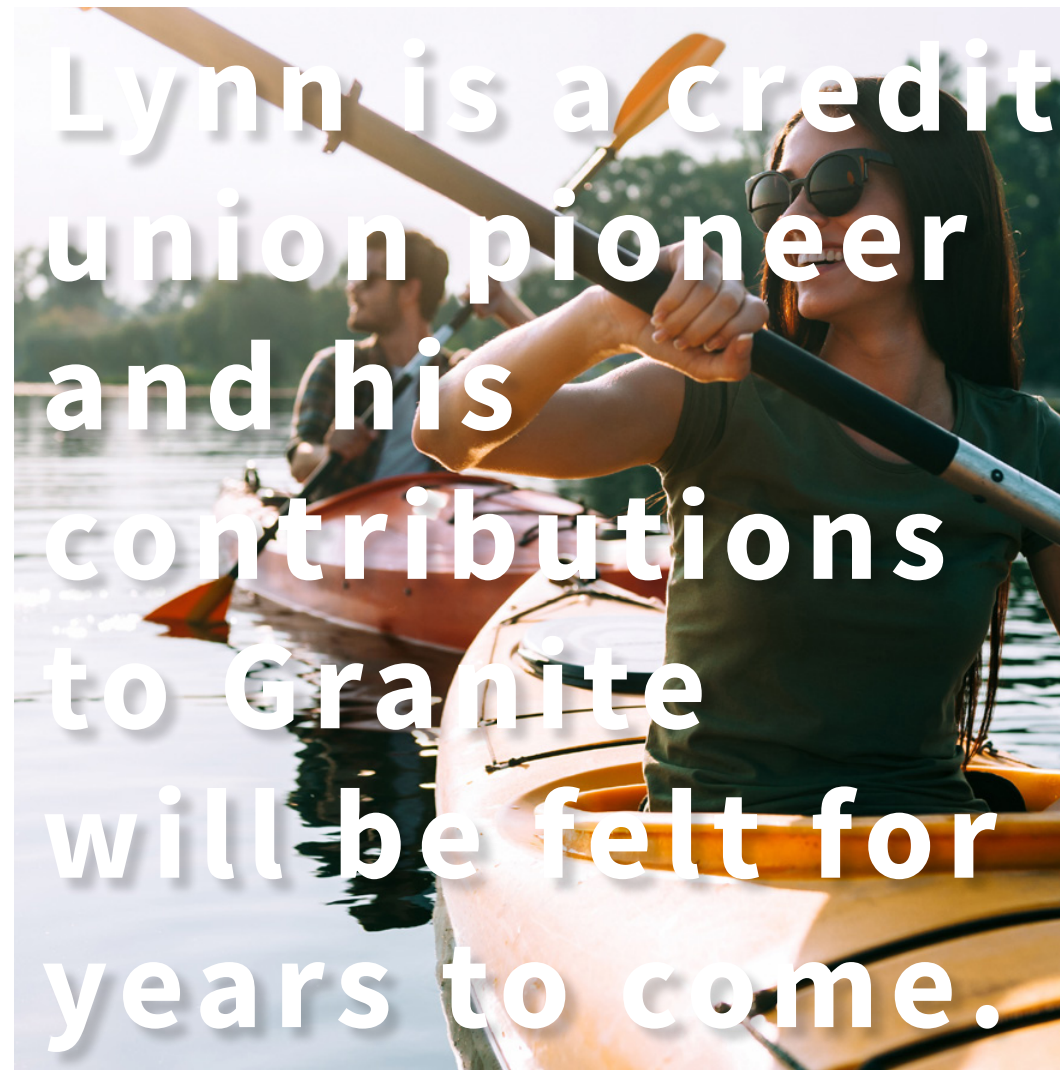
With the passing of each year, we look back and see the significant events that impacted our lives. Granite Credit Union experienced many significant events in 2021 that will shape the way we do business going forward.

In June of 2021 our President and CEO, Lynn Kuehne, announced that he would be retiring by year end. Lynn began his credit union journey as a volunteer member of the Supervisory Committee of Utah CV Credit Union (now Utah First Credit Union) in 1968. He was named President and CEO of Utah CV in 1975. In 1992 Lynn joined the Utah Credit Union Association. He was a voice in advocating for credit unions on both the local and national levels while at the Association. He was relentless in fighting for and educating others on the benefits of credit union membership. At the age of 65, Lynn became the President and CEO of Granite Credit Union. His passion for credit union

principles and philosophy aided him in strengthening Granite Credit Union over the past 12 years. Lynn's service in the credit union movement spans 7 decades. He is a credit union pioneer and his contributions to

Granite and the credit union movement will be felt for years to come.

In August of 2021, we held a grand re-opening event to celebrate the remodel of our Taylorsville Branch. We have been in the same building in Taylorsville for 34 years and it was time for updates to the interior and exterior. In September 2021, we opened a new branch in Sugar House. This was our first new branch in 13 years. The significance of the Taylorsville Branch remodel and the new Sugar House Branch is that they reflect our philosophy of creating a branch that is a "billboard" externally and a space for consultation internally. The building should stand out, due to colors and signage, to all who pass by. Internally we





have removed the barrier of the traditional teller line and moved towards a concept where employees greet our members at the door and take them to the appropriate space to consult on their financial needs. The interior is designed to be warm and friendly to facilitate the relationships we value with our members. We hope you like the changes and we look forward to continued branch updates to match our philosophy of building relationships as your trusted financial partner.

Another significant event that we all continue to navigate is the shaping economic and financial conditions from COVID 19. We are extremely appreciative of the trust our members have put into Granite Credit Union over the last two years. In 2021, we grew \$74 million in assets and that was after \$92 million in asset growth in 2020. That is a 32% increase in assets in two years! Granite Credit Union continues to be a 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. Despite this unprecedented growth, we were able to maintain a strong net worth position of 10.58%. Again, we value the trust our members have in us and we are pleased to report that during these unprecedented times Granite has continued to build a strong financial foundation.

Over the last year the Utah economy has proved to be very diverse and resilient. According to the Economic Report to the Governor from the Utah Economic Council, Utah has one of the top five most diverse economies. We are also one of only two states to have more jobs in 2021 than 2019. According to the U.S. Bureau of Labor Statistics, Utah unemployment finished 2021 at 1.9%. Net in-migration





reached a 16-year high in 2021, with nearly 35,000 new residents moving in from out of state. The strength of the Utah economy also comes with some challenges. The labor shortage, vehicle shortage and increase in housing costs are areas that have affected Granite Credit Union in 2021. We have increased our efforts in employee development in an effort to retain employees and provide our members with an outstanding experience. We value our member relationships, and we are committed to providing you an outstanding experience at every interaction. To assist our members in challenging auto and home buying times, Granite has continued to offer some of the lowest rates in our market. We continue to offer products with flexibility that give you choices to meet your lending needs. We are dedicated to being always there in offering you products and services that allow you to continue to make life happen!



As we look back on the significant events of 2021, we look forward to the opportunities that lie ahead in 2022. We are committed to building on the experiences of the past to provide great outcomes for our members in the future. I cannot express enough gratitude to our GCU Team, our volunteer Board of Directors and Supervisory Committee, and our Members for all that is being done to create the amazing Credit Union that we all get to be a part of! Thank you for being a Granite Credit Union Member and a part of the Credit Union movement! 

Warm Regards,




Through continuing pandemic conditions and economic concerns, Granite Credit Union has remained strong in its security and growth. As a Supervisory Committee, we commend the credit union leadership for seamlessly navigating the leadership change when Mark Young succeeded Lynn Kuehne as CEO. We wish to thank Lynn for his many years of dedicated service to the credit union. Mark retained the existing executive staff and added new staff to the group, creating a strong new leadership team.

Granite opened a successful branch in the Sugar House area and completed a remodeling project at the Taylorsville branch. Both buildings are beautifully designed and very functional for the shareholders who come in to take care of their financial needs.

Laura Wall, Director of Risk Management, provided excellent review and oversight of the credit union processes during this past year. Her

monthly reports were thorough, inclusive, and kept us well-informed. We commend her for the fine work she performs for Granite.



It is with pleasure we report that our financial statements were examined this year by Moss Adams CPAs 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. 

VOLUNTEERS



Board of Directors & Supervisory Committee

Board of Directors



Don Johnson
Chair



Richard Welch
Vice-Chair



Lon Tibbitts
Secretary



Maxine Babalis



Paul Edmunds



Mitch Robison



Ben Ungricht

Supervisory Committee



Paul Edmunds
Chair



Rob Nish
Vice-Chair



Paul Budd



Scott Jurges



Austin Summers



In memory of
Douglas Millward
1944-2021

The staff and volunteers of Granite Credit Union extend our condolences to the family of Doug Millward. Doug's 40+ years of volunteer service to the credit union stand as a testament of his dedication to people helping people. We hold a deep gratitude to him for the influence he had on our lives and our credit union.



Mark Young
President/CEO

Promoted to CEO in October 2021, Mark has spent the previous 9 years with Granite as the VP of Human Resources. He holds a bachelor degree from the University of Utah and is a graduate of Western CUNA Management School. Mark has over 25 years experience in the credit union industry including Operations, Compliance, Branching, Training and Lending.



Julie Morgan
Executive VP

Julie is a 25+ year veteran of Granite with experience leading in a variety of roles. She earned a bachelor's degree and an MBA from Utah State University. Julie's umbrella of leadership encompasses the branch operations, Risk Management and Human Resources.



Jim Davis
Senior VP Lending

Jim is a self-described "recovering banker" having spent 20+ years as bank branch manager and commercial lender. He earned a bachelor's degree from University of Utah and an MBA from Westminster College. Jim's "recovery" includes spending the last 12+ years leading the Business and Consumer lending efforts for Granite.



Mary Woodard
VP Business Development

Mary started as a teller at Granite and has spent the last 30+ years learning everything there is to know about credit unions. She holds a bachelor's degree from Westminster College and is a graduate of Western CUNA Management School. Mary now directs Business Development, Card Services and the call center for the credit union.



Paul Metcalf
VP IT & Facilities

As a product of Granite High School, Paul developed an interest in the "members first" credit union mentality from an early age. He holds a bachelor's degree in finance from the University of Utah and is a graduate of Western CUNA Management School. Paul has over 40 years in credit unions managing IT and Finance. In his 12+ years at Granite, Paul has been the CFO and now manages facilities and IT.



David Borsos
VP Finance

David is a CPA who has spent the past 11 years as Controller for Granite. He has a bachelor's and a Master of Accounting degree from the University of Utah. David currently oversees the finances and project management for the credit union.



Garrett Laws
VP Member Experience

Garrett has been with Granite for 10 years as the head of the Marketing Department. He has a bachelor's degree from the University of Phoenix and is a graduate of Western CUNA Management School. Garrett presently guides Marketing, Training and Product Development.



Balance Sheet as of December 31, 2021

| Assets | 2021 | 2020 |
|--|----------------------|----------------------|
| Loans to Members | \$449,975,515 | \$398,131,752 |
| Allowance for Loan Losses | \$(2,533,244) | \$(2,481,751) |
| Investments | \$201,737,238 | \$169,876,847 |
| Cash in Banks | \$18,049,089 | \$27,822,009 |
| Other Assets | \$3,980,068 | \$5,336,888 |
| Fixed Assets | \$8,040,467 | \$6,261,806 |
| Total Assets | \$679,249,133 | \$604,947,551 |
| | | |
| Liabilities & Capital | 2021 | 2020 |
| Shares/Deposits | \$600,190,981 | \$526,796,186 |
| Other Liabilities | \$6,740,558 | \$10,239,761 |
| Total Reserves & Capital | \$64,047,551 | \$56,778,088 |
| Net Income | \$7,830,013 | \$7,269,463 |
| Unrealized Gains (Losses) | \$440,030 | \$3,864,053 |
| Total Liabilities & Capital | \$679,249,133 | \$604,947,551 |



Income Statement as of December 31, 2021

| Income | 2021 | 2020 |
|---------------------|---------------------|---------------------|
| Loan Income | \$15,648,288 | \$15,391,211 |
| Investment Income | \$4,523,161 | \$4,304,416 |
| Fees & Other Income | \$5,742,668 | \$5,922,155 |
| Total Income | \$25,914,117 | \$25,617,782 |

| Expenses | 2021 | 2020 |
|-----------------------------------|---------------------|---------------------|
| Salary & Benefits | \$8,555,270 | \$7,955,353 |
| Insurance, Marketing, & Education | \$1,072,242 | \$1,109,361 |
| Office Operations | \$6,335,070 | \$5,967,465 |
| Cost of Funds | \$2,064,208 | \$3,158,676 |
| Total Expenses | \$18,026,790 | \$18,190,855 |

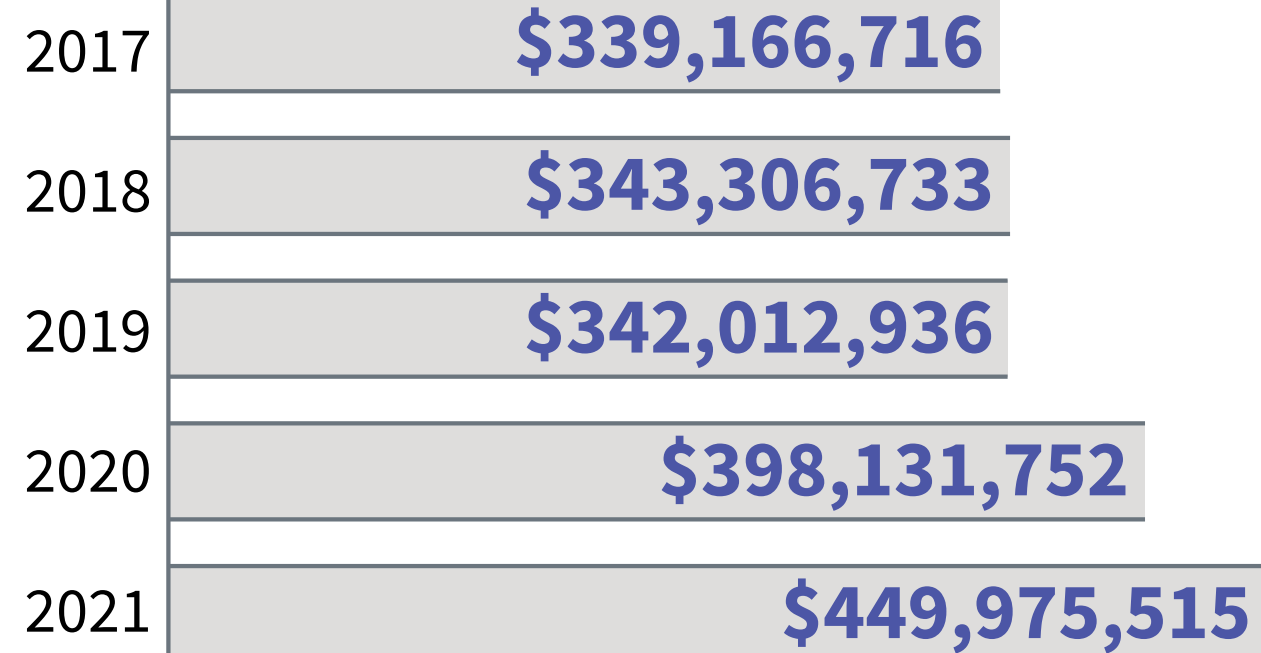
| Non-Operating Income/Expenses | 2021 | 2020 |
|--------------------------------|--------------------|--------------------|
| Loan Loss Expense | \$55,000 | \$220,000 |
| Non-Operating Income (Expense) | \$(2,314) | \$62,536 |
| Total Net Income (Loss) | \$7,830,013 | \$7,269,463 |

FINANCIAL HIGHLIGHTS

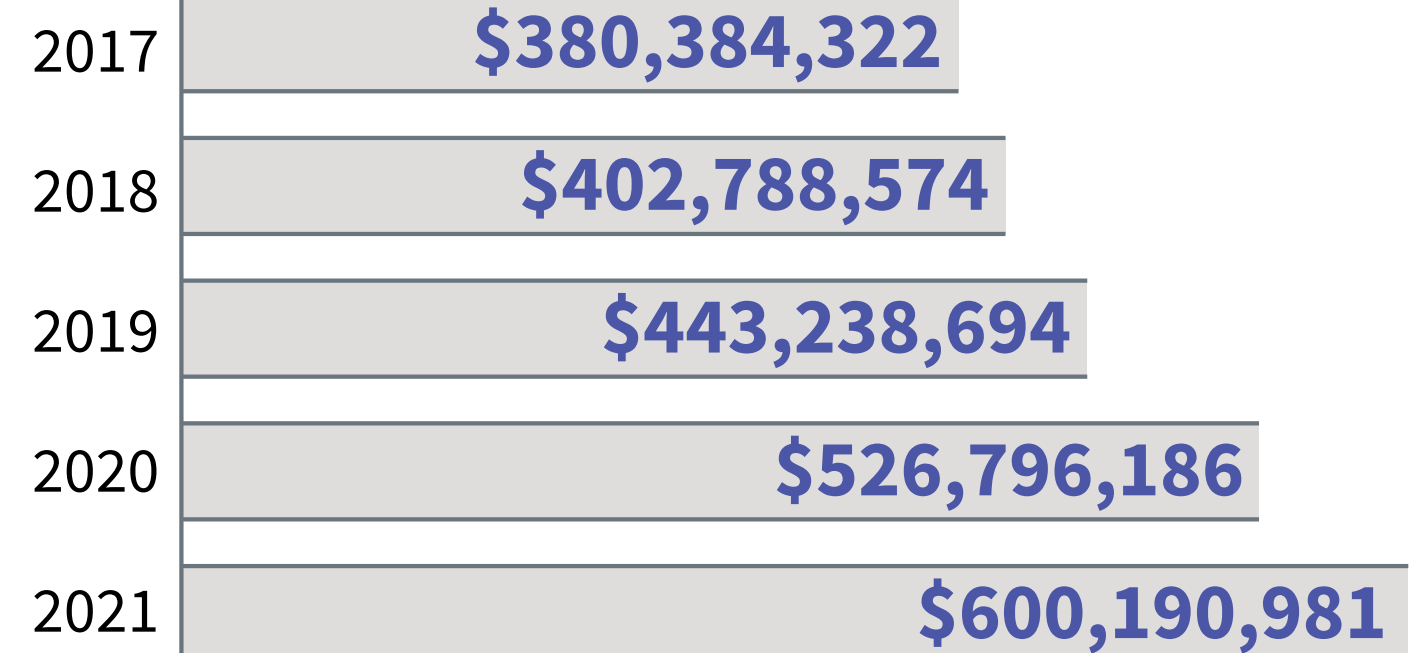


At-a-Glance Comparison

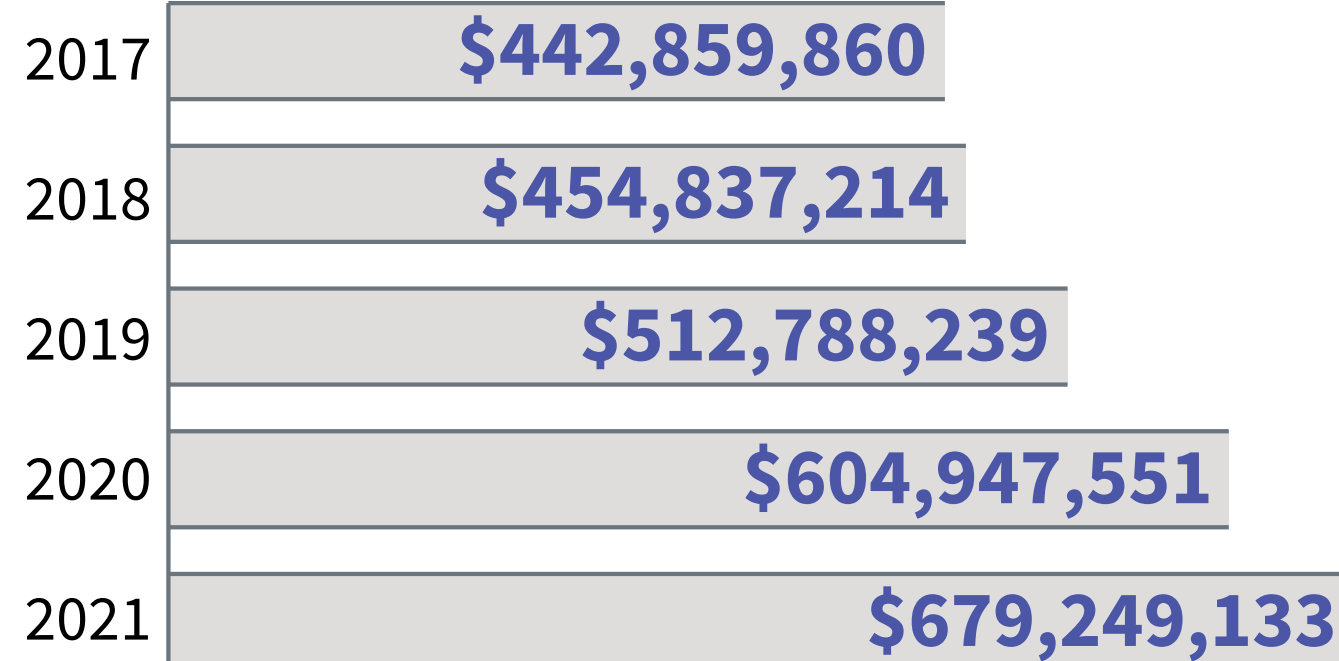
Loans



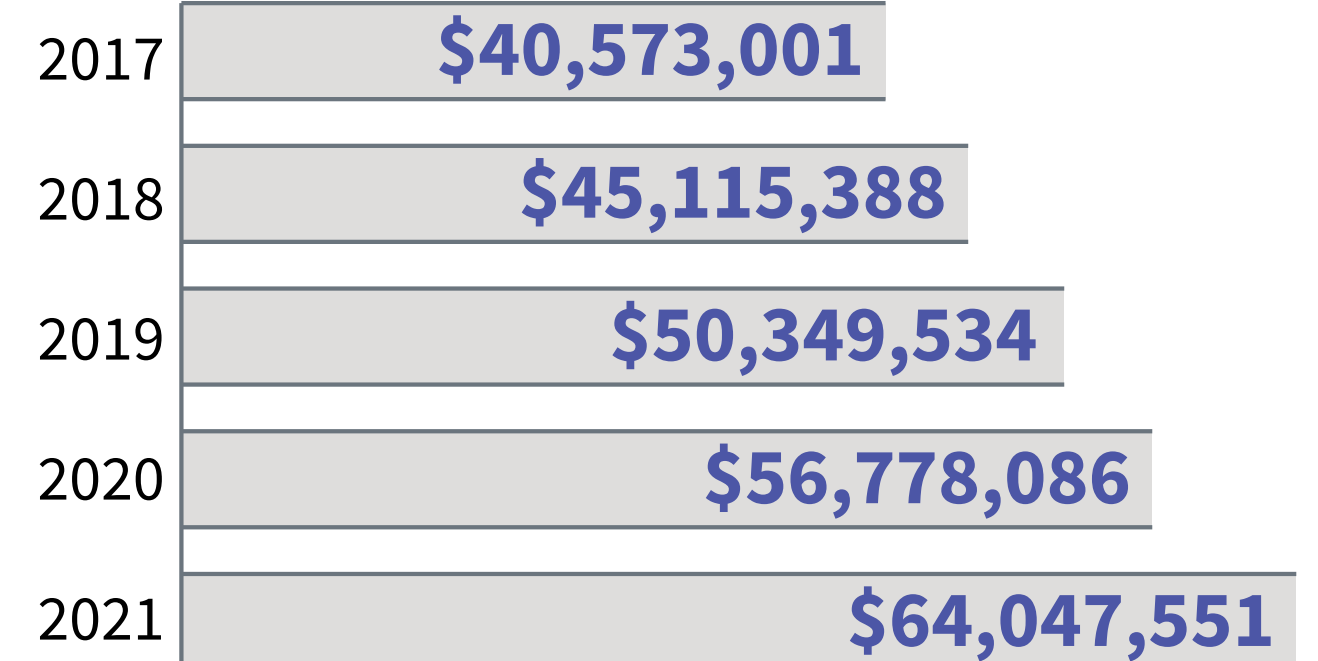
Deposits



Assets



Net Worth





ALWAYS THERE SO YOU CAN...

make life happen