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*2024 Annual Report*

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## Chairperson's Report



Greetings,

A change occurred in the Executive Committee of Utah Power Credit Union's Board of Directors this past year. On March 27, 2024, I was elected Chairman of the Board of Directors, Chris Spencer was elected Vice-Chair, and Esther Giezendanner was re-elected Secretary. Russ Johnson decided to step away from the Chair role after serving for 18 years. While I'm new in the role of Chairman, I'm not new to the Board. I served

as Vice-Chair alongside both Russ Johnson and Dennis Hymas.

I am happy to report that 2024 was a very good year for the Credit Union. At year end, assets totaled \$993 million, an 8% increase over 2023. Solid, sustained, and moderate growth is beneficial to UPCU and to all of us as members. In 2024, UPCU gave back the highest amount of interest on deposits to member-owners in our history. This was reported by Mr. Pollick in the winter edition of "The Spark." We have maintained the same favorable dividend rate for the past 16 quarters. The net capital ratio is strong at 13.63%, and the loan delinquency rate ended the year at 0.151%. On December 31, there were 30,398 member-owners of UPCU. These key statistics indicate that Utah Power Credit Union is financially strong and healthy. The question I'm asked most often regarding the Credit Union is whether my money is safe? I'm happy to report the answer is yes!

Looking back through 2024, the US economy showed strong performance. Annual inflation at the end of the year was approaching the Federal Reserve's target 2%, unemployment maintained a downward trend, and consumer spending continued to exceed expectations. Reduced inflationary pressures led the FED to make three interest rate cuts in 2024. A change in direction after several years of interest rate hikes by the FED following Covid-19. Against this backdrop of favorable economic news, however, prices for goods, services, and housing remain high. This, unfortunately, continues to put a strain on many member's households as well as households across the country.

A chief reason for the health of Utah Power Credit Union is the quality of member-owners. When members use the products and services offered, and faithfully honor their obligations, the Credit Union flourishes. Thank you for using UPCU products and services and for being willing to advocate for the Credit Union. We are excited to see young children continue to join UPCU. This past year 18% of new members were under the age of ten. We hope to be your financial institution of choice for life! June 5, 2025, marks the 90th anniversary of Utah Power Credit Union. It is remarkable to note that we have consistently served members for 90 years. For many of you, we have been with you throughout your lifetime, and we feel privileged to have been here for the many major events in your life. Thank you for letting us serve you! We look forward to celebrating this 90-year achievement throughout 2025.

*Steve Hastings*  
*Chairman*

## President's Report



Many are surprised to learn that there is no growth goal (nor has there ever been) at Utah Power Credit Union. Instead, strategic objectives are set and measured based on creating the most value for member-owners of our cooperative. The fact that UPCU has grown, nearing \$1 billion in assets at the end of 2024, validates that simply focusing on the needs of people is not only the right thing to do, but doing so also makes good business sense.

All Board-adopted strategic objectives were exceeded in 2024 and when compared to Utah peers, a striking contrast is illustrated:

Our 13.63% capital ratio was in the 99th percentile (the highest and best).

Our operating expense ratio of 1.24% was in the 1st percentile (the lowest and best).

Fee income/assets (which we want to keep as low as possible) was 0.11% and in the 1st percentile (the lowest and best).

We paid \$22,583,949 in interest in 2024 and 63% more than in 2023. Our cost of funds was in the 93rd percentile and 10.38% higher than the peer average.

The average rate on our loan portfolio was in the 1st percentile (the lowest and best). Even better, we funded 97.44% of all loan requests received, and loan delinquency was in the 1st percentile (the lowest and best).

Finding other investment opportunities for cash not used for loans helps us return more value to all member-owners of the Credit Union. UPCU's cash to assets ratio was in the 1st percentile (the lowest and best). If we had the same cash/asset ratio as our peers, \$80.7 million would have gone uninvested as a non-earning asset.

Lastly, and while not measurable with numbers or ratios, significant work was done, and accomplishments made, to continue to strengthen relationships with our sponsor employer groups.

All these successes are attributable to our solid membership, dedicated volunteers, and exceptional employees who work hard every day to ensure that we not only deliver value in your wallet, but also in your heart. They took 113,017 calls from you, processed over \$229 million in loans for you, and completed 326,084 of your transactions. Wow!

One of my Credit Union mentors once told me, "If there is question, err on the side of the member." So, while it's quite an honor to report such outstanding results, achieving them is what allows us to always (and only) be focused on doing the very best for you. And that is the highest honor, and a great privilege.

*Ryan Pollick*  
*President & CEO*

*Membership Means Financial Power*

# Report of the Supervisory Committee



The Supervisory Committee is composed of dedicated member volunteers who are appointed by the Board of Directors in accordance with state and federal regulations. Serving independently of the Board, our primary responsibility is to ensure that Utah Power Credit Union is managed soundly and that assets are safeguarded. We work closely with management and the internal auditor of the Credit Union to fulfill these responsibilities.

As a committee, our key duties include:

- ☞ Monitoring the actions of the Board of Directors
- ☞ Overseeing external and internal audits of operations and financial statements
- ☞ Reporting audit findings to the Board

To carry out these responsibilities effectively, we meet regularly with management and the internal auditor to review the results of external and internal audits. We also provide updates during Board meetings and attend Board Committee meetings to observe the efforts of both the Board and management in upholding their responsibilities.

As part of our annual audit plan, we engaged the independent CPA firm Doeren Mayhew to conduct an audit of financial statements and performed

the required compliance review of the Bank Secrecy Act (BSA). Both audits were completed with positive results.

In accordance with state and federal regulations, UPCU undergoes regular examinations by the Utah Department of Financial Institutions (UDFI) and the National Credit Union Administration (NCUA). These examinations assess the Credit Union's financial condition, management practices, and volunteer performance. A recent UDFI examination was successfully completed and yielded positive results.

Based on the review of external and internal audits, as well as regulatory examinations, we affirm that the Credit Union continues to operate in full compliance with its bylaws and regulatory obligations.

As a member-owned financial cooperative, UPCU stands apart. Our unique history and philosophy prioritize maximizing member returns while maintaining minimal operating costs. Even as we reach new milestones in total assets, the dedicated employees remain steadfast in upholding the Mission, Vision, and Values. This unwavering commitment ensures that our legacy of service and financial strength endures.

We take great pride in the membership and remain committed to growing stronger together.

## *Supervisory Committee*

*Lloyd Ukena - Chairman*

*Jeanine Thomson - Secretary*

*Jim Bean*

*George Humbert*

*Todd Lindley*

*Jonathan Moulton*

# *Minutes of the Annual Meeting | March 26, 2024*

Utah Power Credit Union's Annual Meeting of Members was held virtually and in-person at the Mountain America Expo Center in Sandy, Utah on Tuesday, March 26, 2024 at 6:00PM.

There were 282 members of the Credit Union in-person and 814 attended virtually.

Chairperson of the Board of Directors, Russell Johnson, welcomed Credit Union members to the Annual Meeting. Chairperson Johnson spoke of the considerable effort given to employee training and asked members to inform management if anything is ever left unresolved. He thanked the technology team for keeping the members' investment in the Credit Union safe and secure. He shared that UPCU members continue to repay their loans better than our peers and expressed his appreciation. He then thanked the management and staff of the Credit Union for their hard work and dedication.

Chairperson Johnson introduced the Board of Directors, Alternate Directors, and members of the Supervisory Committee.

President & CEO, Ryan Pollick, said he hoped that the value of the Credit Union is evident, not just in the numbers, but in the relationships created by the Credit Union. Mr. Pollick then gave a presentation of the financial results for 2023 that included industry peer comparisons for key financial ratios. Mr. Pollick reported that total assets had a steady and manageable increase of 3% and total loans increased \$32.6 million. He added that total deposits increased \$4.3 million, and net worth increased \$4.4 million. He shared that the unrealized gain or loss on the investment portfolio improved by \$15.7 million. He reported that there were 29,518 members, a 2% increase, and \$816.7 million total deposits, of which 94% were federally insured by the NCUA. He reported that total loans increased 5% and delinquency and charge offs remained low in comparison to peers. He shared that the

Credit Union boasts a 96.73% loan approval ratio. Mr. Pollick shared other highlights from 2023. He stated that \$13.9 million in total interest was paid to members, which was a 79% increase over 2022. Mr. Pollick said that he was excited to introduce an in-house developed mobile app. He also reminded members of the new member referral program which provided a 1% interest rate advantage for both the referring member and the new member, which ran through May 1. Mr. Pollick then reviewed strategic objectives and reported that all objectives were exceeded. Mr. Pollick thanked the membership for their continued support of the Credit Union.

Susan Simkins, Nominating Committee Chairperson, explained that voting for the Board of Directors election took place electronically and by mail-in ballot prior to the meeting. She said that Article Four of the Credit Union Bylaws states that nine members are elected for three-year terms, with an equal number of terms expiring at each Annual Meeting.

Ms. Simkins reported that the nominees for the Board election were: Jason Beane, Larry Ellertson, Tamuna Kobelashvili, Todd Lindley, Cindy Nagasawa-Cruz, and Michael Parkin. Ms. Simkins announced that the following nominees were elected to fill the three expiring terms on the Board: Jason Beane, Larry Ellertson, and Cindy Nagasawa-Cruz. Ms. Simkins thanked the nominees, and recognized their qualifications and desire to direct the Credit Union in its continued success.

Prize drawings were held, and cash envelopes were given to all who participated in the meeting.

*Crystal Dorrell, Acting Secretary*

*Membership Means Financial Power*

## Year-End Balance Sheet

<b>ASSETS</b>	<b>2023</b>	<b>2024</b>
Cash & Cash Equivalents	32,328,926	12,259,200
Investments - Net	425,427,899	481,682,507
Loans - Net	443,447,973	473,604,438
Buildings & Land - Net	6,688,551	6,532,418
Furniture & Equipment - Net	698,566	991,353
NCUSIF Placement	6,704,660	6,935,938
Accrued Loan Interest Receivable	970,643	1,148,996
Accrued Investment Interest Receivable	2,343,361	3,418,035
Accounts Receivable & Prepayments	497,435	711,891
Shared Branching & PowerTrust CUSO	610,132	610,132
Other	3,658,133	5,241,246
<b>Total Assets</b>	<b>923,376,279</b>	<b>993,136,154</b>

<b>LIABILITIES &amp; EQUITY</b>	<b>2023</b>	<b>2024</b>
Deposits	816,676,895	872,454,498
Borrowed Funds	—	—
Dividends & Interest Payable	601,032	536,678
Accounts Payable	304,752	683,534
Accrued Expenses	773,908	788,515
Other Liabilities	2,576,342	1,927,557
Retained Earnings	105,972,459	106,681,721
Regular Reserves	26,716,916	28,658,783
Unrealized Gains/(Losses)	(30,246,023)	(18,595,131)
<b>Total Liabilities &amp; Equity</b>	<b>923,376,279</b>	<b>993,136,154</b>

### Key Financial Ratios

Loans/Assets	47.69%
Capital/Assets (Net)	13.63%
Income/Assets	3.91%
Expense/Assets	1.24%
Loan Delinquency	0.15%

## Year-End Income Statement

INCOME	2023	2024
Interest Income – Loans	18,388,240	23,022,724
Interest Income – Investments	7,168,558	10,276,124
Fees	1,133,181	1,024,985
Other Income	3,126,510	3,187,194
<b>Total Income</b>	<b>29,816,489</b>	<b>37,511,028</b>
<b>EXPENSE</b>		
Salaries, Benefits	5,763,130	5,996,389
Travel, Meeting & Training	134,792	178,933
Office Occupancy	1,011,488	1,081,339
Office Operations	641,280	659,098
Data Processing	507,399	661,709
Shared Branching & PowerTrust CUSO	511,806	475,857
Marketing Promotions	69,000	84,736
Loan Servicing	406,252	397,404
Debit/Credit Card	1,995,413	1,848,453
Provision for Loan Loss	23,410	425,000
Regulatory, Audit & Professional Services	258,579	271,708
Other Operating Expense	196,929	194,792
<b>Total Expense</b>	<b>11,519,477</b>	<b>12,275,420</b>
Gains/(Losses)	—	—
Dividend/Interest Expense	13,885,924	22,584,478
<b>NET INCOME</b>	<b>4,411,088</b>	<b>2,651,130</b>

### Statistical Information

Number of Members	30,398
Number of Loans	17,853
New Loans Disbursed	229,212,911
Average Rate on Loans	5.08%
Average Rate on Investments	2.10%

# Volunteers & Staff

## BOARD OF DIRECTORS

Stephen Hastings, Chair  
Chris Spencer, Vice-Chair  
Esther Giezendanner, Secretary  
Jason Beane  
Larry Ellertson  
Russell Johnson  
Bruce Larsen  
Jason Moffat  
Cindy Nagasawa-Cruz  
Joe Juliano, Alternate  
Susan Simkins, Alternate

## SUPERVISORY COMMITTEE

Lloyd Ukena, Chair  
Jeanine Thomson, Secretary  
Jim Bean  
George Humbert  
Todd Lindley  
Jonathan Moulton

## MANAGEMENT

Ryan Pollick, President & CEO  
Christopher Brems, Technology & Strategy  
Crystal Dorrell, Administration  
Danette Fox, Operations  
Russell Payne, Accounting  
Pamela Schumacher, Lending

## MAIN OFFICE

Alisha Abramovitz | Accounting  
Melonie Carson | Mortgages  
Mike Christensen | Branch Manager  
Aaron Cleverley | Technology  
CJ Frampton | Technology  
Marilyn Hernandez | Loans  
Gale Hickman | Loans

Tyler Kay | Accounting  
Merrilee Landon | Financial Support  
Emily Miller | Marketing  
Tracy Nieves | Accounting  
Morgan Norr | Service & Relationships  
Drake Olds | Service & Relationships  
Hailey Olson | Training  
Paul Packard | Audit & Compliance  
Hunter Richards | Service & Relationships  
Cameryn Robinson | Mortgages  
Beau Sovinsky | Loans  
Richard Stark | Mortgages  
Eva Tafoya | Service & Relationships  
Bonnie Taylor | Financial Support  
Rachel Teran | People & Culture  
Jonni Wallin | Fraud & Risk  
Zachary Wilhelmsen | Technology  
Renae Woodard | Financial Support

## PRICE OFFICE

Lizbeth Acosta | Service & Relationships  
Ginger Basso | Branch Manager  
Brandi D'Ambrosio | Loans  
Mindy Fausett | Mortgages  
Kyrie Gardner | Service & Relationships  
Amy Gluesing | Service & Relationships  
Denise Hansen | Service & Relationships  
Andrea Hofer | Mortgages  
Tanika Reid | Assistant Branch Manager  
Aubry Ward | Service & Relationships

## HELPER OFFICE

Emma Allred | Service & Relationships  
Serena Draper | Service & Relationships  
Amanda Larsen | Mortgages  
Teresa Leautaud | Service & Relationships  
Jordan Madsen | Loans

## NORTH TEMPLE OFFICE

Israel Becerra | Loans  
Kat Carrasco | Service & Relationships  
Megan Madsen | Service & Relationships  
Larisabel Vongthongchit | Branch Manager

## OGDEN OFFICE

Amy Gonzales | Service & Relationships  
Robyn Skeen | Branch Manager

## HUNTINGTON OFFICE

Angela Farrer | Service & Relationships  
Jennifer Hollar | Service & Relationships  
Trea Hurst | Service & Relationships  
Shantelle Kay | Fraud & Risk  
Brandy Leyba | Loans  
Miranda Lofley | Assistant Branch Manager  
Noula Lowe | Mortgages  
KayDee Rasmussen | Service & Relationships

## ROOSEVELT OFFICE

Andrew Ercanbrack | Branch Manager

## VERNAL OFFICE

Kendra Blunt | Service & Relationships  
Nathan Rich | Service & Relationships  
Kacie Richards | Branch Manager  
Kamrie Shupe | Service & Relationships

## POWERTRUST CUSO, WYOMING

Candice Berry | Branch Manager  
Nicole Chatterton | Service & Relationships  
Janet Green | Loans  
Cherie Howell | Service & Relationships  
Krissy Kelsey | Assistant Branch Manager  
Jade Pacheco | Service & Relationships  
Annette Speicher | Service & Relationships  
Mandy Zuehlsdorff | Loans