

A scenic view of a lake under a bright blue sky with scattered white clouds. In the foreground, a wooden dock extends from the bottom center towards the middle of the frame. To the left of the dock, a small red and green boat with a black outboard motor is moored. The water is calm, reflecting the sky and the surrounding green forest on the far shore.

## Building Trades Credit Union 2013 Annual Report

**The right tools for  
building a better life.**

## A MESSAGE TO OUR MEMBERS



**Bill Daehn**  
President & CEO

After enduring a deeper economic recession than any the current generation of workers has experienced, Building Trades Credit Union (BTCU) members can finally see the light at the end of the tunnel.

Construction projects will soon be in high gear and all signs indicate that the future is bright for the building and construction trades.

At BTCU, our goal is to continue our partnership with each of our members so that the improving economy translates into prosperity for each BTCU member.

We've got big plans for 2014 and beyond. But before we get to that, let's review the past year.

BTCU remains "safe and sound" with conservative financial practices and sensible business decisions:

- > Despite the continued low interest rate environment, member share dollars continued to flow into the Credit Union unabated. This resulted in our assets growing to \$118 million by year end—up from \$104 million at the end of 2012.
- > Members continue to be wary of taking on new debt, and the mortgage refinance boom has slowed. As a result, loan growth remained modest.
- > The Credit Union remained profitable and well-capitalized. Despite the hardships experienced by members in recent years, loan losses have remained very low. This is a testament to the high level of responsibility and resilience displayed by our loyal members.

The safety and soundness of the Credit Union is always a priority, and we're pleased to report that your Credit Union has weathered the economic storm in excellent financial health. You'll find the rest of the financial picture in the accompanying financial statements.

Now let's get to the heart of what BTCU is really here for.

## Helping You Build a Better Life.

Here's how we help:

**We continually strive to innovate and simplify - creating better products and more convenient services for our members.**

- > In 2013, we introduced our new Mobile App featuring Mobile Deposit. This new service gives members 24/7 access to BTCU on their smartphone. It's easier than ever to check balances, view transactions, deposit checks, transfer money, apply for a loan, contact BTCU and more! BTCU's Mobile App is a huge time saver.
- > If you have a BTCU Debit Card, you received a new card in the fall. Why? Great new features! Members now have access to surcharge-free MoneyPass ATMs. Our card now has a rewards program, called Prewards, that automatically provides discounts on products and services when you shop at select merchants. And our new program enhances the fraud controls that we use to keep your accounts and data safe from cyber-thieves and card fraudsters.
- > If you have a BTCU Visa Credit Card, we sent you a new one in October. Why? Again, our new card program gives you better online access, and now mobile

access to your credit card information. You can check balances, view transactions, or make payments—with new payment options. All from your phone or home PC. And the card now has a new Rewards! program and improved fraud controls too (of course).

**We are dedicated to financial education outreach that is truly helpful to union members - from apprentices to journeymen.**

- > As the unions we serve added new members in 2013, some for the first time in several years, we continued our program of speaking to new apprentices about the smart use of financial services and the basics of managing credit. In 2013, we spoke with more than 300 apprentices. And we'll expand this outreach in 2014 as our unions add apprentices.
- > We continued to improve and expand our participation in the Pro-10 program, presenting Personal Economics to 150 union workers across a variety of trades. This program brings important information on personal budgeting, the responsible use of credit, understanding credit scores and credit bureau reports, and introduces workers to several online tools to make it all easy to do.

- > Late in the year, we introduced investment services to our members. With an on-site investment specialist dedicated to serving BTCU members, we can now provide the full range of investment services for everyone—from beginning investors to retirees looking for a better way to manage their money.

**We go the extra mile to save our members money on the products and services they need and use every day.**

- > We still offer a checking account with no monthly fee. (FINE PRINT: Debit Card and eStatements are required).
- > We have one of the lowest-rate Visa credit cards available anywhere— with Rewards!
- > We keep our loan rates low, and our terms flexible. And we run a tight ship to control costs (just ask our staff!).
- > We still offer many free services including Debit Cards, Online Banking, Bill Pay, Mobile Banking and check cashing.

**We've got big plans for 2014!**

Our plans are simple.  
(At least they're simple to say, but considerably harder to do.)

We plan to grow. We want to bring what we've got to those who don't know about us yet. Why? So all of the men and women in the building and construction trades and their families can enjoy "The Good Life."

Let me challenge you to help. This is your Credit Union. Help us to grow by spreading the word. Tell a co-workers or family member about BTCU tomorrow. And then, tell another one the next day. And keep it going. We need you to help us grow through word of mouth. Oh, we'll advertise and promote all we can. But you are our most effective advertising. You already know how we have helped you build a better life. Now do your friends and family a favor and let them in on the secret.

We thank you for the trust you have placed in us and for your continued support. This is your Credit Union. Let us know how we're doing in helping you build a better life.

Sincerely,

**Bill Daehn** President & CEO and  
**Al Gibney**, Chairman of the Board

# FINANCIAL REPORT

## STATEMENT OF INCOME

(Unaudited for the year ended December 31)

2013

2012

### INTEREST INCOME

Interest income on loans	\$ 3,348,715	\$ 3,639,848
Interest income on investments	624,315	520,435
Total interest income	\$ 3,973,030	\$ 4,160,283

### Interest Expense

Net interest income	\$ 3,686,713	\$ 3,830,672
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### Provision for Loan Losses

Net interest income after provision	\$ 3,519,463	\$ 3,392,672
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### NON INTEREST INCOME

Fee income	\$ 630,119	\$ 684,566
Other income	577,243	529,210
Total non interest income	\$ 1,207,362	\$ 1,213,776

### NON INTEREST EXPENSE

Salaries and benefits	\$ 1,954,000	\$ 1,787,082
Other operating expense	2,186,988	2,088,896
Total non interest expense	\$ 4,140,988	\$ 3,875,978
Net income before non operating income	\$ 585,837	\$ 730,470

### NON OPERATING INCOME (EXPENSE)

Net non operating income (expense)	\$ 68,107	\$ (30,219)
Net income	\$ 653,944	\$ 700,251

## KEY STATISTICS

2013

2012

Return on Average Assets	0.59%	0.68%
Net Capital/Assets	11.96%	12.94%
Loans/Shares	63.22%	70.19%
Loans Delinquent 60+days/Loans	0.27%	0.54%
Allowance/Ending Loans	1.55%	1.53%

# FINANCIAL REPORT

## STATEMENT OF CONDITION

(Unaudited at December 31)

2013

2012

### ASSETS

Cash & cash equivalents	\$ 6,817,725	\$ 5,054,348
Investments	44,333,050	33,523,763
Loans, net	64,385,380	62,637,885
Other assets	2,961,306	3,232,417
Total assets	<u>\$ 118,497,461</u>	<u>\$ 104,448,413</u>

### LIABILITIES & MEMBER'S EQUITY

Members' shares	\$ 103,278,810	\$ 89,894,522
Dividends payable & other liabilities	1,044,256	1,033,439
Total equity	<u>14,174,395</u>	<u>13,520,452</u>
Total liabilities & member's equity	<u>\$ 118,497,461</u>	<u>\$ 104,448,413</u>

## KEY STATISTICS

2013

2012

Share Growth	14.89%	2.18%
Loan Growth	3.48%	2.87%
Asset Growth	13.45%	2.90%
Number of Members	15,023	14,480

## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is responsible for verifying the accounts of members, meeting the audit requirements specified in regulations, and making recommendations to the Board of Directors for improving operations within the Credit Union.

In that respect, the Committee engaged the CPA firm Wipfli LLP to conduct an independent compliance audit and a Supervisory Committee Guide audit which includes reviewing internal controls. Recommendations for improvements identified during the audits have been properly addressed by management.

The Committee also reviewed Credit Union procedures and internal controls throughout the year. The Committee believes controls are adequate, member accounts are accurate, and the Credit Union is being managed in a safe and sound manner.

**Tom Reger**, Chairman, Supervisory Committee

# ABOUT BUILDING TRADES CREDIT UNION

Everyone has their own definition of “The Good Life.” But nothing is more satisfying or more honorable than building things that last. Like roads and bridges. Stadiums and streets. Office towers and schools.

Our members use their brains and their brawn to help build a good life for the rest of us. That’s why we do our best to honor their contributions.

Our loyalty is to you, our members. Not to stockholders. But to those of you in the building and construction trades. Our people!

So if you’re not feeling the love from your big bank, come to us. BTCU can offer you everything your big bank can, but with better rates, more personal service and creative solutions if you hit a rough patch. (Would a big bank bend over backwards for you? We kind of doubt it.)

So hey, stop reading and start making the most of your membership. BTCU has the tools to take better care of your family, your money and your future. Thank you for your time and welcome to a better experience with a better financial institution.

We’re BTCU. And we’re ready to help you build a better life!

## VOLUNTEERS & MANAGEMENT

### BOARD OF DIRECTORS

**Al Gibney**  
Chairman

**Jamie Hermansen**  
Vice Chairman

**Frank Vento**  
Financial Secretary

**Tim Bruhjell**  
Recording Secretary

**Russ Scherber**

**Jack Hettwer**

**Stan Theis**

### SUPERVISORY COMMITTEE

**Tom Reger**  
Chairman

**Rick Gale**

**Rick Eilers**

### MANAGEMENT

**Bill Daehn**  
President & CEO

**Maureen Daehn**  
Vice President – Finance

**Andrea Ferkingstad**  
Vice President – Marketing

**Barb Klein**  
Branch Manager

**Brad Benson**  
Mortgage Lending Manager



# Building Trades Credit Union

[www.buildingtradesCU.com](http://www.buildingtradesCU.com)

## HOURS & LOCATIONS

### MAPLE GROVE

12080 73rd Avenue North  
Maple Grove, MN 55369

Lobby & Drive Up  
Monday – Friday: 9am – 5pm

### SHOREVIEW

3353 North Rice Street  
Shoreview, MN 55126

Lobby & Drive Up  
Monday – Friday: 9am – 5pm

### BLOOMINGTON

9741 Lyndale Avenue South  
Bloomington, MN 55420

Lobby  
Monday – Friday: 9am – 5pm

## CONTACT US

### MEMBER SERVICE CENTER

Monday – Friday: 7am – 7pm  
Saturdays: 7am – 4pm

763.315.3888  
Toll-Free 1.800.496.2460

## 24/7 ACCESS

Visit us online at  
[www.buildingtradesCU.com](http://www.buildingtradesCU.com)  
or download our Mobile App.



Connect with us on Facebook