



**Building Trades  
Credit Union**

## **2014 Annual Report**

**build a better life with**



YOUR

**Building Trades  
Credit Union**

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

## A MESSAGE TO OUR MEMBERS

2014 was another momentous year for Building Trades Credit Union. Much of the Midwest is again undergoing a commercial construction boom, putting most of our members back to work. A healthy construction economy is always good news for the Credit Union and its members. Yet we know it will take additional time for the Credit Union's loan portfolio, our main source of revenue, to return to a growth phase.



**Bill Daehn, President & CEO**

The long and deep recession took its toll on our members' financial health, and it will take time for them to rebuild savings and regain the financial confidence they need before making large asset purchases such as cars, trucks, and homes. Therefore, despite the return to high levels of employment, the demand for loans remained modest during 2014.

But this lack of growth did not deter us from our efforts to build a better credit union for our members. Some of our accomplishments were:

- > We modified several lending policies to make it easier for members who struggled during the recession to re-build their credit and get the loans they need.
- > We introduced Free Checking, with "no strings attached"—no hoops to jump through to qualify.
- > We opened a new office in Bloomington to better serve our members in the south metro area.
- > We continued to bring basic financial education to union workers through our outreach to union apprenticeship programs in Minnesota and participation in the unions' Pro-10 educational programs. In 2014, we led twelve seminars, reaching over 400 workers in a dozen different trades.
- > We continued our support of events in the union community. We expanded our support of Working Partnerships, a program of the Minneapolis Regional Labor Federation and the Greater Twin Cities United Way. Working Partnerships provides emergency financial assistance, food assistance,

referrals, and advocacy for families of union workers. In 2014, we once again held a holiday fundraising campaign in our branches. Through this effort, we solicited donations from our employees and from our members. The Credit Union matched those donations dollar-for-dollar, resulting in a donation approaching \$5000 to this worthy cause. Also in 2014, we increased our level of sponsorship of the Working Partnerships fund-raising golf tournament. We are proud to continue our support of this important organization.

- > We launched an extensive and innovative campaign to increase awareness of Building Trades Credit Union beyond the members we're already serving. This multi-year effort includes:

**Billboards near the stadium site in downtown Minneapolis, targeting the stadium workers.** This all-union construction project of historical proportions gives us the opportunity to communicate with hundreds of union building trades workers every day, many of whom do not yet know about the Credit Union.

**Our "Salute to Union Workers" video series.** These professional short videos promote the amazing accomplishments of union labor in building the infrastructure of our communities, highlighting the pride that union workers take in their jobs, and tying-in the ways that Building Trades Credit Union helps our members to build better lives for themselves along the way. In 2014, we released videos saluting Bricklayers Local 1, Cement Masons Local 633, and Laborers Local 563. Coming soon will be our salute to Ironworkers Local 512, and later this year, a salute to Operating Engineers Local 49.

**The use of "real members" in our marketing materials.** We're letting our members do the talking in our postcard mailings, our advertisements in the union newspapers, our lobby posters, and in our ads in various Union Local newsletters. No one can tell the story of BTCU better than the loyal members who use our services every day.

The coming year will see a deeper foray into the modern age of digital marketing, using technology to allow us to better connect with our members online.

### **Challenges for the Future**

We remain confident that the improving economy will allow our members to rebuild their finances. That, combined with our marketing efforts, will return the Credit Union to a path of growth. But that growth will bring additional challenges.

To compete in today's financial marketplace, BTCU must remain efficient. This is what allows us to offer superior interest rates on loans, free checking, and other economical service choices for our members. Yet a growing membership places an ever-increasing demand on the Credit Union and our staff. Your credit union currently employs just 30 people to staff three offices, and serve more than 15,000 members with an ever-growing array of financial products and online and mobile services. This makes it critical that our members choose efficient ways to use our services, and we'll continue to incent our members to do so.

No one wants to wait on hold when they call the credit union. But with 15,000 members and a limited staff available to take their calls, waiting on hold is sometimes unavoidable. The good news is that members no longer have to call us. Our investments in automated, online, and remote-access technologies mean that members have better access to their accounts and more self-service options than ever before—all without calling the credit union.

And in 2014, our members took great strides in adopting these new methods of service:

- > The number of members using our smartphone **Mobile App** increased 159%. Nearly one out of every four members is now using our Mobile App to meet their banking needs.
- > The number of members using our **Mobile Check Deposit** increased 86%.
- > The number of members using **Online Banking** services from their home computers increased 23%.
- > The number of members receiving **eStatements**, rather than paper statements, increased 43%. This alone will save the credit union many thousands of dollars in postage and printing costs, while providing our members with fast, safer and easier access to their account statements.

The competitive landscape for financial services continues to change at a fast pace. And your credit union is committed, not just to keeping pace, but to remaining on the leading edge of innovative financial services.

We look forward to serving you in the years to come.

Sincerely,

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

# FINANCIAL REPORT

## STATEMENT OF INCOME

(Unaudited for the year ended December 31)

2014

2013

### INTEREST INCOME

Interest income on loans	\$ 3,181,038	\$ 3,348,715
Interest income on investments	629,503	624,315
Total interest income	\$ 3,810,541	\$ 3,973,030

### Interest Expense

Net interest income	233,201	286,317
	\$ 3,577,340	\$ 3,686,713

### Provision for Loan Losses

Net interest income after provision	30,000	167,250
	\$ 3,547,340	\$ 3,519,463

### NON INTEREST INCOME

Fee income	\$ 613,463	\$ 630,119
Other income	595,073	577,243
Total non interest income	\$ 1,208,536	\$ 1,207,362

### NON INTEREST EXPENSE

Salaries and benefits	\$ 1,913,354	\$ 1,954,000
Other operating expense	2,377,977	2,186,988
Total non interest expense	\$ 4,291,331	\$ 4,140,988
Net income before non operating income	\$ 464,545	\$ 585,837

### NON OPERATING INCOME (EXPENSE)

Net non operating income (expense)	\$ (387)	\$ 68,107
Net income	\$ 464,178	\$ 653,944

## KEY STATISTICS

2014

2013

Return on Average Assets	0.39%	0.59%
Net Capital/Assets	12.34%	11.96%
Loans/Shares	62.77%	63.22%
Loans Delinquent 60+days/Loans	0.13%	0.27%
Allowance/Ending Loans	1.53%	1.55%

# FINANCIAL REPORT

## STATEMENT OF CONDITION

(Unaudited at December 31)

2014

2013

### ASSETS

Cash & cash equivalents	\$ 3,070,646	\$ 6,817,725
Investments	48,726,275	44,333,050
Loans, net	63,379,334	64,385,380
Other assets	3,184,298	2,961,306
Total assets	<u>\$ 118,360,553</u>	<u>\$ 118,497,461</u>

### LIABILITIES & NET WORTH

Members' shares	\$ 101,411,677	\$ 103,278,810
Dividends payable & other liabilities	2,310,304	1,044,256
Total net worth	<u>14,638,573</u>	<u>14,174,395</u>
Total liabilities & net worth	<u>\$ 118,360,554</u>	<u>\$ 118,497,461</u>

## KEY STATISTICS

2014

2013

Share Growth	-1.81%	14.89%
Loan Growth	-1.56%	2.79%
Asset Growth	-0.12%	13.45%
Number of Membership Accounts	15,282	15,023

## 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 Supervisory Committee Guide Audit, an internal controls review and a compliance audit. Recommendations for improvements identified during the audits have been properly addressed by management.

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!

Whether you’re new to BTCU or have been with us for years, we encourage you to make the most of your membership and check out our better rates, personal service and creative solutions (if you hit a rough patch.)

So hey, stop reading and start using the tools we have to help you take better care of your family, your money and your future.

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**  
**Tom Reger**

### SUPERVISORY COMMITTEE

**Tom Reger**, Chairman  
**Rick Gale**  
**Rick Eilers**  
**Dave Schutta**  
**Joe Lane**

### MANAGEMENT

**Bill Daehn**  
President & CEO  
**Maureen Daehn**  
Vice President Finance  
**Andrea Ferkingstad**  
Vice President Marketing  
**Barb Klein**  
Vice President Compliance  
& Operations  
**Jay Stevens**  
Vice President Business Services  
& Branch Manager  
**Brad Benson**  
Mortgage Lending Manager  
**Kristie McCurdy**  
Branch Manager  
**Chris Knutson**  
Branch 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.



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