



**Building Trades
Credit Union**

2015 Annual Report

build a better life with



YOUR

**Building Trades
Credit Union**

www.buildingtradesCU.com

A MESSAGE TO OUR MEMBERS

The commercial construction economy continued on a strong path in 2015. Most of the union trades continued to experience strong employment and the unions we serve are again growing. Your credit union is directly impacted by these industry trends. During 2015, our membership grew by nearly 2000 members, and the dollar amount of loans outstanding grew by nearly \$4 million. This is a strong sign that our members continue to recover from the recent recession that hit the trades very hard.



Bill Daehn
President & CEO

Because so many of our members were negatively impacted by economic conditions over the past eight years, we took some important steps in 2015 to ensure that our members continue to have access to affordable loans. Our Board of Directors approved numerous policy amendments during the year to make it easier for our members to borrow, while maintaining appropriate safeguards for the credit union. Our members benefited by expanded access to credit and enjoyed the savings that comes from our interest rates—rates that are consistently lower than those charged by the banks.

The growth in loans, coupled with a continued emphasis on expense control, resulted in a small increase in the credit union's Net Income in 2015 when compared with 2014. Unlike a bank, your credit union does not operate with the primary goal of increasing profits. Nonetheless, earning a modest Net Income is required to enable our capital levels to remain strong as the credit union grows. And we did grow in 2015, from \$118.6 million in assets to \$127.2 million. This growth is evidence of the trust and support that we continue to earn from our members.

I'd like to highlight some of the changes that happened in 2015, as well as some of our accomplishments:

- > We began servicing the payroll savings plan for Painters Locals 61 and 386. This brought BTCU approximately 1600 new members during the year.

- > We made changes to lending policies which:
 - allow members to borrow up to 100% of the equity in their homes;
 - allow members with lower credit scores to borrow again as they recover from the effects of the past recession;
 - make it easier for members who suffered through a bankruptcy to reestablish credit.
- > We hired a new Branch Manager, Chantelle McClure, for our Shoreview office (stop in and meet her when you're in the northeast metro area).
- > Our former Shoreview manager, Jay Stevens, is now focusing on expanding lending to our business and union organizations and assisting them in fully utilizing our services.
- > We introduced a new, easy-to-use, web-based Remote Deposit Capture system for our labor union organizations, making it easier for them to deposit checks.
- > We expanded our program of member financial education. In 2015, we offered two sessions: Mortgages and the Home Buying Process, and Auto Buying Made Easy.
- > We completed our "Salute to Union Workers" video series by releasing salutes to Iron Workers Local 512 and Operating Engineers Local 49. This series of short videos promotes the accomplishments of union labor in building the infrastructure of our communities and highlights the pride that union workers take in their jobs.
- > We continued our support for the union labor community through:
 - our scholarship program which awarded \$10,000 to members in support of post-secondary education,
 - donations to union locals in support of their events and charitable causes, and
 - on-going support to Working Partnerships through our holiday fund drive, sponsorship of their fund-raising events, and through direct donations. This organization provides emergency financial assistance, food assistance, referrals, and advocacy for union families.

As we continue to aggressively improve our service to our members, watch for these developments in 2016:

- > We'll host member education sessions on Repairing Your Credit Rating, and Keeping Your Home Computers and Mobile Devices Safe.
- > An expansion of our Bloomington office is now underway. The expanded space will house our First Mortgage department and our Business Services & Commercial Lending department.
- > We'll launch a new smart online search tool which will allow members to find easy answers to all their questions on our products and services. And our staff will use a version of that tool to assist them in providing fast, accurate answers to member questions.
- > We're getting ready to launch a revised website, featuring a modern "responsive" design that will adapt for proper display and improved usability, regardless of whether you are using a home computer, a tablet, or a mobile phone.

Innovation and change cannot happen without strong leadership. So we'd like to take this opportunity to thank Al Gibney, Chairman of BTCU's Board of Directors since 2010, who will be stepping down from the Board upon the election of directors in 2016. Al, a retired member of Painters Local 386, has served on the credit union's Board of Directors for more than twenty years. His guidance and leadership will be missed.

Financial strength and stability have been the hallmarks of BTCU for nearly 60 years. Technological innovation has been, and will continue to be, a vital element of our service to members. But the personal relationships that we build with our members will remain the foundation upon which Building Trades Credit Union will stand.

Sincerely,

Bill Daehn President & CEO

FINANCIAL REPORT

STATEMENT OF INCOME

(Unaudited for the year ended December 31)

2015

2014

INTEREST INCOME

Interest income on loans	\$ 3,098,624	\$ 3,168,465
Interest income on investments	670,701	629,503
Total interest income	\$ 3,769,325	\$ 3,797,968

Interest Expense

Net interest income	173,069	233,201
	\$ 3,596,256	\$ 3,564,767

Provision for Loan Losses

	-	30,000
Net interest income after provision	\$ 3,596,256	\$ 3,534,767

NON INTEREST INCOME

Fee income	\$ 553,084	\$ 476,835
Other income	849,196	747,521
Total non interest income	\$ 1,402,280	\$ 1,224,356

NON INTEREST EXPENSE

Salaries and benefits	\$ 2,156,401	\$ 1,913,353
Other operating expense	2,403,770	2,377,978
Total non interest expense	\$ 4,560,171	\$ 4,291,331
Net income before non operating income	\$ 438,365	\$ 467,792

NON OPERATING INCOME (EXPENSE)

Net non operating income (expense)	\$ 37,863	\$ (3,614)
Net income	\$ 476,228	\$ 464,178

(Some amounts for 2014 have been reclassified to conform to NCUA regulatory reports.)

KEY STATISTICS

2015

2014

Return on Average Assets	0.39%	0.39%
Net Capital/Assets	11.88%	12.34%
Loans/Shares	60.96%	62.77%
Loans Delinquent 60+ days/Loans	0.24%	0.13%

FINANCIAL REPORT

STATEMENT OF CONDITION

(Unaudited at December 31)

2015

2014

ASSETS

Cash & cash equivalents	\$ 5,118,905	\$ 3,460,991
Investments	47,122,225	45,245,368
Loans, net of allowance	67,055,528	63,070,582
Other assets	7,906,125	6,826,934
Total assets	<u>\$ 127,202,783</u>	<u>\$ 118,603,875</u>

LIABILITIES & NET WORTH

Members' shares	\$ 111,038,491	\$ 101,415,729
Dividends payable & other liabilities	1,086,884	2,549,573
Total net worth	<u>15,077,408</u>	<u>14,638,573</u>
Total liabilities & net worth	<u>\$ 127,202,783</u>	<u>\$ 118,603,875</u>

(Some amounts for 2014 have been reclassified to conform to NCUA regulatory reports.)

KEY STATISTICS

2015

2014

Share Growth	9.49%	-1.81%
Loan Growth	6.32%	-2.51%
Asset Growth	7.25%	0.09%
Number of Membership Accounts	17,254	15,282

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.

Rick Gale, 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.

MANAGEMENT TEAM

Bill Daehn, President & CEO

Mark Kotzer, CFO

Andrea Ferkingstad, Vice President Marketing & Operations

Barb Klein, Vice President Compliance

Jay Stevens, Vice President Commercial Lending, Business & Union Services

Brad Benson, Mortgage Lending Manager

Kristie McCurdy, Branch Manager Bloomington

Chris Knutson, Branch Manager Maple Grove

Chantelle McClure, Branch Manager Shoreview

VOLUNTEERS

BOARD OF DIRECTORS

Al Gibney, Chairman
Painters Local 386

Jamie Hermansen, Vice Chairman
Operating Engineers Local 49

Frank Vento, Financial Secretary
Ironworkers Local 512

Tim Bruhjell, Recording Secretary
Spinkler Fitters Local 417

Russ Scherber
Pipefitters Local 539

Jack Hettwer
Plumbers Local 15 JATC

Tom Reger
Cement Masons Local 633 JATC

SUPERVISORY COMMITTEE

Rick Gale, Chairman
Plumbers Local 34 JATC

Rick Eilers
Plumbers Local 15

Dave Schutta
Cement Masons Local 633 JATC

Joe Lane
Plumbers Local 15

Charlie Roberts
Ironworkers Local 512



Building Trades Credit Union

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

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www.buildingtradesCU.com
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