



**Building Trades
Credit Union**

2022 **ANNUAL REPORT**

SUPERVISORY COMMITTEE REPORT



Dear Members,

I am pleased to present to you the annual report of the Supervisory Committee for 2022. The Supervisory Committee is responsible for ensuring the overall safety and soundness of the credit union and protecting the interests of its members.

Throughout the year, the committee has closely monitored the operations and financial performance of the credit union. We are happy to report that the credit union has continued to grow

and remain financially stable, while continuing to provide its members with the high-quality service they have come to expect.

In addition to its ongoing monitoring activities, the National Credit Union Administration (NCUA) conducted an external audit to identify any areas of weakness or potential risk. We are pleased to report that the audit did not uncover any significant issues, and that the credit union remains well-positioned for continued growth and success.

In conclusion, on behalf of the Supervisory Committee, I would like to thank the credit union's management team for their hard work and dedication throughout the year. We would also like to express our appreciation to the members for their continued support of the credit union. We look forward to serving you in the coming year.

Sincerely,

Mark Pothén, Local 49
Supervisory Committee Chairman

STATEMENT OF INCOME

(Unaudited for the year ended December 31)

	2022	2021
TOTAL INTEREST INCOME ON LOANS	\$4,105,961	\$4,051,426
TOTAL INTEREST EXPENSE	(\$267,792)	(\$270,595)
TOTAL INTEREST INCOME ON INVESTMENTS	\$1,715,791	\$1,124,318
NET INTEREST INCOME BEFORE PROVISION	\$5,553,960	\$4,905,149
TOTAL LOSS PROVISION	(\$56,514)	(\$55,120)
NET INTEREST INCOME AFTER PROVISION	\$5,497,446	\$4,850,029
OPERATIONS EXPENSES	(\$6,301,353)	(\$6,007,088)
TOTAL OTHER INCOME & FEES	\$1,731,194	\$1,711,710
NET INCOME BEFORE EXTRAORDINARY ITEMS	\$927,287	\$554,651
EXTRAORDINARY ITEMS (NET)	(\$46,424)	\$818,008
NET INCOME	<u>\$880,863</u>	<u>\$1,372,659</u>

STATEMENT OF CONDITION

(Unaudited for the year ended December 31)

	2022	2021
ASSETS		
CASH & CASH EQUIVALENTS	\$11,866,775	\$12,583,296
INVESTMENTS	\$85,416,158	\$82,237,562
LOANS, NET OF ALLOWANCE	\$99,226,694	\$97,401,337
OTHER ASSETS	\$14,918,879	\$10,165,265
TOTAL ASSETS	<u>\$211,428,506</u>	<u>\$202,387,460</u>
LIABILITIES & NET WORTH		
MEMBERS' SHARES	\$187,675,742	\$179,733,255
DIVIDENDS PAYABLE & OTHER ASSETS	\$1,919,171	\$1,701,270
TOTAL NET WORTH	<u>\$21,833,593</u>	<u>\$20,952,935</u>
TOTAL LIABILITIES & NET WORTH	<u>\$211,428,506</u>	<u>\$202,387,460</u>

EXECUTIVE TEAM

Rick Odenthal <i>President & CEO</i>	Kristie McCurdy <i>VP Stewardship</i>
Mark Dysthe <i>Chief Financial Officer</i>	Barb Klein <i>VP Compliance</i>
Matt Maslowski <i>Chief Operations Officer</i>	Lori Carbajal <i>VP Human Resources</i>
Jens Nestingen <i>VP Business Banking Development</i>	

BOARD OF DIRECTORS

Tom Reger, <i>Chairman</i> Cement Masons 633 JATC-Retired	Jake Pettit Pipefitters Local 539
Barry Davies, <i>Vice Chairman</i> Iron Workers Local 512	Doug Schroeder Bricklayers and Allied Craftworkers Local 1
Rick Gale, <i>Treasurer</i> Plumbers Local 34 JATC	Dave Schutta Cement Masons Local 633
Joe Lane, <i>Secretary</i> Plumbers Local 15	

SUPERVISORY COMMITTEE

Mark Pothén, <i>Chairman</i> Operating Engineers Local 49	Dan Ferguson Electrical Workers Local 292
Craig Bistodeau Sprinkler Fitters Local 417	Andrew Richmond Roofers Local 96
Tim House Plasterers Local 265	

CEO STATEMENT

Hello, everyone. Building Trades Credit Union has experienced another successful year of performance and achievements. 2022 was anything but typical, as untypical has seemed to have become the norm over these past few years. Who would have imagined that interest rates would move from nothing to a level that has not been seen in decades in just a few short months? Indications are that rates will continue to rise in 2023. If you are a depositor, this is great news, but for those of you that are borrowers, maybe not so much. The increase in rates will undoubtedly affect the building trades industry in the residential and commercial markets, with additional costs affecting affordability and business cash flows.

BTCU has taken a very moderate approach with these rate increases by not reacting too quickly. We have attempted to slow our loan rate increases while remaining competitive on the deposit rates. BTCU has been busy assisting our members in finding the right mix of deposit products for their needs, as members are moving from stocks and bonds into less volatile and safer credit union deposit accounts. Needless to say, rates have been a moving target, but we have been hitting our mark. With the increasing loan rates, our team members have been working with our members to craft a loan program that fits their needs and won't break the bank. Likewise, we recognize and are prepared to assist those members that may be experiencing hard times, layoffs, or slowdowns. So, whatever the need, I would encourage you to stop in and see what your credit union can do for you.

Should you find yourself in the Shoreview area, I would encourage you to stop in at our new Rice Street branch, which was recently completed on the same site as our old branch. You will find a 24-hour drive-up ATM and wider and taller drive-up lanes to accommodate trucks and trailers. Inside, you will find a unique, member-friendly atmosphere that showcases the trades and union locals. Best of all, it was 100% union built, from the footings to the roof, I cannot adequately express how pleased we are with the level of pride, quality, and craftsmanship that was put into this project. It truly is a statement about union quality.

Looking into 2023, BTCU is prepared to meet all the challenges ahead. Be assured that we will be working hard to be the best financial steward and advocate that we can be for our members. Remember, as a member-owned financial institution, we work for you and are committed to you and your financial well-being.

Thank you,

Rick Odenthal



A MESSAGE FROM OUR NEW CHIEF OPERATIONS OFFICER

I am excited about the future, this new role, and where BTCU is going. I was immediately drawn to this opportunity by the people in credit union leadership and the hardworking membership we serve, where we get to help people meet financial goals. I was born and raised in North Dakota and have spent over eight total years in the Twin Cities metro area. My background consists of over 15 years in leadership, starting out of college, and 10 years spent in leadership in financial services. I attended the University of Mary in North Dakota, where I earned both a bachelor's degree in business and an MBA. My passion is coaching and leveraging everyone's unique talents and gifts to provide a cohesive team culture that spans out into member service delivery, where all members leave with a positive experience. Outside of work, I spend a lot of time with my nieces and nephews and attend their sporting events.

Matt Maslowski



CHAIRMAN STATEMENT

2022 was another solid year for BTCU, as we remained profitable and on solid financial footings. Over the last year, we have achieved positive ratings from our auditors and examiners regarding our financial and compliance results. These outcomes did not come easy, but BTCU has some very highly qualified individuals that are dedicated to our success and serving the members in the best possible way.

In addition to financial success, BTCU has been making a sincere effort to improve upon the service we provide to our members. In addition to having a full-time IT professional on-site, we have made a considerable investment in technology to support internet, mobile, and text banking services. We have more capabilities to connect with our members on social media channels than we did in the past. Cyber security has been a constant threat that we continuously deal with in order to stay one step ahead of the bad guys. The BTCU team members continue to work with their hands, and like always, an in-person handshake still means something.

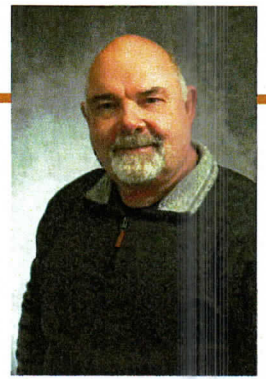
I am pleased to announce that as of December 28, 2022, we completed the new branch in Shoreview. It is a new, efficient building designed to better serve our membership and provide a first-class workspace for our team members. In addition to a 24-hour drive-up ATM, it includes wider and higher drive-up lanes. There is a space that recognizes the union locals that we serve with a display of their logos. There will be a display of old tools of the trades, which we hope will spark some conversations and bring back some memories of the old days and the old way of doing things.

Speaking of old, I have served on BTCU's Board for the last 15-plus years. It has been an honor to serve you as Chairman, but I will be stepping down this year. As I turn my position over to another capable Board member, I am proud to say that I leave this job just like I have left every other one, in better shape than when I started, laying it on a little thick, but smooth, flat, and on solid footings.

I would like to thank you all for your continued support over these many years, and I wish you all the best.

Sincerely,

Tom Reger



**Building Trades
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