



Building Trades
Credit Union

A STRONGER FOUNDATION



Built Together

2023 ANNUAL REPORT

SUPERVISORY COMMITTEE REPORT



Dear Members,

I am pleased to present the annual report of the Supervisory Committee for Building Trades Credit Union for the fiscal year ending December 31, 2023.

Our role is to ensure the financial integrity, compliance, and soundness of the credit union, representing the interest of its members. We have diligently fulfilled our responsibilities by overseeing various aspects of the

credit union's operations, which include the following:

Financial Oversight: Reviewing financial statements for accuracy and compliance.

Internal Controls: Assessing the effectiveness of internal controls for risk management, as well as conducting audits to identify and address operational inefficiencies.

Risk Management: Evaluating potential risks and providing guidance on mitigation

strategies. Monitoring cybersecurity measures to safeguard member data and assets.

Compliance and Governance: Ensuring adherence to regulatory requirements and industry standards. Reviewing governance practices for transparency and accountability.

Member Advocacy: Addressing member inquiries and concerns with transparency and diligence. Advocating for member interests in decision-making processes.

We are proud to report that Building Trades Credit Union remains committed to its mission of serving members with excellence and integrity. We extend our gratitude to the members, Board of Directors, management, and staff for their dedication and contributions to the success of our credit union.

Respectfully,

Mark Pothen, IUOE Local 49

Supervisory Committee Chairman

STATEMENT OF INCOME

(Unaudited for the year ended December 31)

	2023	2022
TOTAL INTEREST INCOME ON LOANS	\$4,666,168	\$4,105,961
TOTAL INTEREST EXPENSE	[\$928,872]	[\$267,792]
TOTAL INTEREST INCOME ON INVESTMENTS	\$2,660,056	\$1,715,791
NET INTEREST INCOME BEFORE PROVISION	\$6,397,352	\$5,553,960
TOTAL LOSS PROVISION	\$36,360	[\$56,514]
NET INTEREST INCOME AFTER PROVISION	\$6,433,712	\$5,497,446
OPERATIONS EXPENSES	[\$7,404,756]	[\$6,301,353]
TOTAL OTHER INCOME & FEES	\$1,810,294	\$1,731,194
NET INCOME BEFORE EXTRAORDINARY ITEMS	\$839,250	\$927,287
EXTRAORDINARY ITEMS (NET)	-	[\$46,424]
NET INCOME	<u>\$839,250</u>	<u>\$880,863</u>

STATEMENT OF CONDITION

(Unaudited for the year ended December 31)

	2023	2022
ASSETS		
CASH & CASH EQUIVALENTS	\$30,197,306	\$11,866,775
INVESTMENTS	\$78,889,728	\$85,416,158
LOANS, NET OF ALLOWANCE	\$99,774,174	\$99,226,694
OTHER ASSETS	\$15,637,767	\$14,918,879
TOTAL ASSETS	<u>\$224,498,975</u>	<u>\$211,428,506</u>
LIABILITIES & NET WORTH		
MEMBERS' SHARES	\$194,954,156	\$187,675,742
DIVIDENDS PAYABLE & OTHER ASSETS	\$6,837,267	\$1,919,171
TOTAL NET WORTH	<u>\$22,707,552</u>	<u>\$21,833,593</u>
TOTAL LIABILITIES & NET WORTH	<u>\$224,498,975</u>	<u>\$211,428,506</u>

EXECUTIVE TEAM

Rick Odenthal
President & CEO

Kristie McCurdy
VP Stewardship

Mark Dysthe
Chief Financial Officer

Barb Klein
VP Compliance

Andrew Rihm
Chief Lending Officer

Jeff Andrews
*VP Information Technology
& Facilities*

BOARD OF DIRECTORS

Joe Lane, *Chairman*
Plumbers Local 15

Jake Pettit
Pipefitters Local 539

Barry Davies, *Vice Chairman*
Iron Workers Local 512

Doug Schroeder
Bricklayers and Allied
Craftworkers Local 1

Rick Gale, *Treasurer*
Plumbers Local 34 JATC

Mark Pothen, *Director*
Operating Engineers Local 49

Dave Schutta, *Secretary*
Cement Masons Local 633 - Retired

SUPERVISORY COMMITTEE

Mark Pothen, *Chairman*
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 - Retired

CEO STATEMENT



I am happy to present you all with Building Trades Credit Union's 2023 annual report. From an economic standpoint, 2023 was anything but normal. Who would have ever thought interest rates would take off like they have? We always prepare for normal and plan for the unexpected, thinking it will never happen, but this was the year. I am pleased to report we were prepared and ready to meet these economic challenges and take advantage of some opportunities. Many organizations were forced to change their planning and focus in 2023, and in some cases, several financial institutions are no longer around because of their lack of preparedness. BTCU, on the other hand, was able to stay true to our members and be the financial steward that our members expect and rely on.

BTCU was able to provide our members with some incredibly attractive deposit rates that we have not experienced in many years. There was a level of concern with the safety and soundness of financial institutions, but in addition to having a solid financial statement, BTCU has maintained a relationship with an institution that provides excess deposit insurance over and above our current \$250,000 guaranty by the NCUA. With this additional insurance coverage, our members can get a better night's sleep knowing their deposits are being managed with care and have another level of safety.

On the lending side of the credit union, BTCU intentionally slowed loan rate increases to soften the impact of such rapid increases on our members. As a result, we were able to offer more competitive loan rates and terms to our members and make their purchases more affordable. BTCU was able to enjoy another strong year with respect to loans as many members took advantage of our loan rates.

From a member service perspective, the new branch in Shoreview has been a fantastic addition in our efforts to have a quality facility to support operations and service our membership. In addition to upgrades to mobile and internet banking platforms, we have installed drive-up ATMs at our Shoreview and Maple Grove locations for 24-hour cash availability. BTCU has increased staffing levels to provide additional personalized service to our members with real people answering the phones and helping members with any needs or concerns they may have.

As your CEO, I look forward to a successful partnering with you in 2024, as we continue to enjoy continued success. I invite you to call, stop in, or reach out to us electronically for anything you may need. If nothing else, stop in and say hello!

Thank you,

Rick Odenthal

New EXECUTIVE TEAM MEMBER

Building Trades Credit Union is pleased to announce a new member of the executive team, Andrew Rihm. Andrew recently joined Building Trades Credit Union as the new Chief Lending Officer and brings a breadth of experience in senior leadership within a credit union. He has had hands-on experience leading branch teams, was head of lending, and has combined roles leading both frontline and lending departments. Andrew will have oversight of the consumer, mortgage, business, and commercial lending areas of the credit union.

"We welcome Andrew as he joins our stewardship family at Building Trades Credit Union and know his experience will take our lending department to the next level," said Rick Odenthal, President and Chief Executive Officer at Building Trades Credit Union. "Andrew will bring his vast experience to continue to build out our lending department to ensure we meet all our members' financial needs."

Andrew said, "I am excited to be a part of an organization that values its employees and members. I'm grateful to be surrounded by strong leadership. Their level of knowledge is impressive. I look forward to a robust offering of lending solutions that can assist our members in all stages of their lives."

Beyond the Yellow Ribbon SIGNATURE SPONSOR

BTCU was a proud Signature Sponsor of the first MN Building Trades Beyond the Yellow Ribbon Ribfest this past September. All proceeds benefit Minnesota service members, veterans, and military families. BTCU is committed to supporting our veterans, and we look forward to participating again in 2024. We were pleasantly surprised to take 2nd place in the rib contest, and we encourage everyone to stop by the event in 2024 to give support to such a wonderful cause and look for our "Smokin' Returns" booth.



CHAIRMAN STATEMENT



As the Chairperson of Building Trades Credit Union, I would like to thank you for your continued support and confidence in your credit union over this past year. As part of a member-owned financial cooperative, you can take pride in the fact that the board, management, and all the team members of BTCU put you, the members, first in our mission to be your financial steward. There were many challenges over this past year, but BTCU worked hard to help soften the blow of rising interest rates for our borrowers, and to take advantage of the increased rates to help our depositing members.

BTCU continues to service many of the union vacation accounts and offers a full line of deposit and loan products and services. I would like to welcome the members of Cement Masons Local 633 to BTCU, as they recently transferred their vacation fund servicing over to us, increasing our membership by approximately 1,200 members. Our total loans have grown to over \$100 million, and our deposits have increased to over \$194 million. BTCU has received positive results in our internal and external reviews, audits, and examinations, as we remain a growing, safe, and sound financial organization.

However, we've been doing more than just loans and deposits, as BTCU continues to partner with the union locals through donations and volunteering with time and talent to charitable fundraisers for injured apprentices, veterans organizations, and retired union members. BTCU has provided donations for union-based sponsorships, golf tournaments, trap shoots, holiday parties, summer picnics, and apprentice graduation celebrations. BTCU is active in financial education for our membership as we partner with locals by offering free financial education opportunities.

As we head into 2024, our focus will continue to be to provide you, the members, with an even higher degree of service and attention, as we strive to be your primary financial steward. We will continue to offer competitive products and services with competitive rates, terms, and fees. Again, I would like to thank you and the staff of BTCU for your continued support, and I look forward to partnering with you all this next year.

Sincerely,

Joe Lane, Plumbers Local 15

Farewell, Cindy! Thank You for 27 Years.

We would like to wish Cindy Guettler from our Shoreview branch a wonderful retirement! For over 27 years, Cindy has demonstrated stewardship to our members through unwavering dedication, exceptional service, countless memories, and friendship to all. She has been the model for excellence in financial stewardship and member service as a frontline teller. Her warm smile, genuine care, and unwavering professionalism has touched the lives of countless members who have walked through our doors seeking financial guidance and support.

Cindy's ability to listen attentively, empathize, and offer solutions has made a significant difference in our members' lives and contributed to the success of BTCU and our members. She has taught us all that even the little things we do have a big impact on others. Her legacy extends far beyond the transactions she processed – it resides in the hearts of those she has served and the lives she has touched. Her dedication to our credit union's mission and values has left a permanent mark on our organization, and her presence in the Shoreview branch will be missed by all.

As Cindy begins a new chapter in her journey, her contributions will not be forgotten, and her impact will continue to echo within our credit union for years to come as she has helped build BTCU into the credit union it is today.

We wish Cindy and her family all the best, as she has given her best to the BTCU family!

Warmest regards,

Your BTCU Family



**Building Trades
Credit Union**



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