

# 2016 ANNUAL REPORT

## PRESIDENT'S REPORT



DAREL AKER

Teamsters Credit Union entered a new chapter of its history in 2016, when Mark Freels retired as manager after 30 years of service. We hired from within, naming Marilyn Coomber, previously head of accounting, as our new manager.

At the same time, TCU embarked on a renewed mission to build the Teamster family and provide members with financial services that help make banking easier. A big example

of that is a return to the fundamental service that credit unions were originally formed to offer: affordable loans.

During 2016 we focused on autos and other types of consumer loans, lowering loan rates to be even more competitive with other lenders. Now it's tougher than ever to beat a TCU auto loan! If you manage to find a better deal, we'll do our best to meet or beat it!

The same applies to boats, RVs, and motorcycles, as well as home equity loans and personal loans. The key is that we're all in this together! The more that members turn to TCU for loans, the lower we can make our rates—and that benefits all of our Teamster members!

Remember, TCU is owned by our Teamster members, managed and operated by Teamsters, and serves only Teamsters and their families. That's why it's worth reminding every Teamster that their relatives by blood or marriage are eligible to join TCU and take advantage of our low cost financial services, from free checking and online services to hard working MasterCard credit cards to some of the best auto loans around, and much more.

Your relatives can do their banking with us from wherever they are. Over 40% of our membership now uses online banking. Members can deposit checks using their smart phones, and get cash at most supermarkets and thousands of ATMs. There's much more, so have them check us out at [tcu37.com](http://tcu37.com).

Looking back to 2016, the Board would like to applaud the staff and management for their first rate service to TCU members. And, as always, we thank you, the members, for choosing TCU!

## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee acts as a "watchdog" on behalf of all Credit Union members, making sure that all regulations, procedures, and policies are properly followed as defined by the National Credit Union Administration (NCUA). The committee is appointed by the Board of Directors and is comprised entirely of volunteers from the membership.

One of the most important functions of the Supervisory Committee is to arrange and oversee an annual audit of the Credit Union's financial condition and internal accounting procedures. Stephanie S. Willis, CPA, CFE of Aloha, Oregon was retained to conduct the 2016 audit.

The Supervisory Committee has carefully reviewed the auditors' report and found Teamsters Council #37 Federal Credit Union to be in compliance with the requirements and regulations of the Federal Credit Union Act, with no exceptions or adverse findings. Any

## MANAGER'S REPORT



MARILYN COOMBER

First of all, as the new manager of TCU, I would like say I am very excited about the future of the credit union and the promise it holds for improving the financial outlook of every member! As Darel acknowledges in his report, we're all in this together—and success through solidarity is the bedrock of the Teamster movement.

2016 saw the low rate environment of the past several years continue, but Teamsters Credit Union ended the year with more than double the net income of the previous year, along with growth in other key indicators.

- Our focus on autos and other consumer loans resulted in slight growth from just under \$23 million to just over that figure at year end. Our loan portfolio is gradually shifting toward a higher percentage of loans that reduce the credit union's exposure to long term changes in interest rates.

- On the other side of the coin, members grew their savings in 2016. Combined savings in 2016 hit a new high of \$49.4 million, up from \$48.3 million. Members' accounts are federally insured and continue to offer competitive rates.

- Reflecting the growth in members' combined savings, TCU's total assets rose to \$56.8 million at year end, up from \$55.5 million in 2015. Financial institutions are commonly ranked by total assets, so your credit union continues to grow and thrive!

- Our bottom line in 2016 was net income of \$277,507, more than doubling the previous year. TCU is member owned, so all of our net income goes to members' equity in the credit union. This capital secures our financial institution, as shown in our capital-to-asset ratio of 13.0%. Banks typically operate at much lower ratios and are lobbying for even lower capital requirements.

Management and staff thanks the Board, comprised of volunteers elected by their fellow TCU members, for steering the credit union to new heights in 2016. Our appreciation also goes to the members for their ongoing support. Thank you for letting us serve you!

member can view a complete copy of the report at the Credit Union's Main Office in Portland.

It continues to be the opinion of the Supervisory Committee that the policies established by the Board of Directors contribute to sound management practices, and that Credit Union staff and management are operating effectively, efficiently, and in a manner consistent with safeguarding the membership's interests.

The Supervisory Committee acknowledges and thanks all members and others who have devoted time and effort to the welfare of the Credit Union. Any member with concerns about the Credit Union is encouraged to contact anyone on the Supervisory Committee.

Steve Pickle, Chairperson  
Quinn Webb



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## CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

December 31, 2016 & 2015

	2016	2015
<b>ASSETS</b>		
Loans receivable, net of allowance for losses	\$23,050,571	\$22,999,597
Cash & cash equivalents	6,740,893	6,922,400
Investments held to maturity	26,373,990	24,875,980
Accrued interest receivable	46,901	46,347
Property and equipment, net	19,594	36,210
National Credit Union Share Insurance Fund deposit	461,886	460,786
All other assets	117,087	123,228
<b>Total assets</b>	<b>\$ 56,810,922</b>	<b>\$ 55,464,548</b>
<b>LIABILITIES &amp; MEMBERS' EQUITY</b>		
Members' share & savings accounts	\$49,335,993	\$48,228,847
Accounts payable & other liabilities	62,940	101,219
<b>Total liabilities</b>	<b>49,398,933</b>	<b>48,330,066</b>
Commitments & contingent liabilities	—	—
Members' equity, substantially restricted	7,411,989	7,134,482
<b>Total liabilities &amp; members' equity</b>	<b>\$ 56,810,922</b>	<b>\$ 55,464,548</b>

## CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

Years ended December 31, 2016 & 2015

	Appropriated Regular Reserve	Unappropriated Earnings	Total
Balance December 31, 2014	\$ 856,938	\$6,167,641	\$7,024,579
Net income	—	109,903	109,903
Transfers, net	—	—	—
Balance December 31, 2015	\$ 856,938	\$6,277,544	\$7,134,482
Net income	—	277,507	277,507
Transfers, net	—	—	—
Balance December 31, 2016	<u>\$ 856,938</u>	<u>\$6,555,051</u>	<u>\$7,411,989</u>

Any member of Teamsters Council #37 Federal Credit Union can view a complete copy of the financial report at the Credit Union's Main Office in Portland.

## CONSOLIDATED STATEMENT OF OPERATION

Years ended December 31, 2016 & 2015

	2016	2015
<b>INTEREST INCOME</b>		
Loans	\$1,288,913	\$ 1,265,080
Investments	290,274	235,072
<b>Total interest income</b>	<u>1,579,187</u>	<u>1,500,152</u>
<b>INTEREST EXPENSE ON MEMBERS' DEPOSITS</b>		
Net interest income	1,476,649	1,393,610
<b>PROVISION FOR LOAN LOSSES</b>		
Net interest income after provision for loan losses	1,407,173	1,351,445
<b>NON-INTEREST INCOME</b>		
Service charges & fees	346,984	350,223
Operating income	1,754,157	1,701,668
<b>NON-INTEREST EXPENSE</b>		
Compensation & benefits	787,544	903,890
General & administrative	689,106	687,875
<b>Total non-interest expense</b>	<u>1,476,650</u>	<u>1,591,765</u>
Net income from operations	277,507	109,903
NCUSIF special assessment	—	—
<b>Net Income (Loss)</b>	<u>\$ 277,507</u>	<u>\$ 109,903</u>



**TEAMSTERS COUNCIL #37  
FEDERAL CREDIT UNION**

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Federally Insured by NCUA