

2017 ANNUAL REPORT

PRESIDENT'S REPORT



DAREL AKER

2017 saw Teamsters Credit Union continue to do what we do best: put our Teamster members and their families first. This means that unlike a bank, whose ongoing mission is to profit from its customers, your credit union can offer affordable loans, secure savings, and low cost financial services without trying to please outside shareholders.

To illustrate this, our lending in 2017 didn't quite match up with 2016, which in turn limited net income, as Manager Marilyn Coomber explains in her report. Despite some middling numbers for 2017, our financial position is strong enough that we have declared a 10% bonus dividend on all members' savings accounts, paid quarterly starting March 31 of 2018.

Looking ahead, your credit union will continue its renewed focus on consumer loans, which primarily includes auto loans, boat loans, RV loans, and home equity loans. Our rates are usually the lowest TCU members can find, there are no loan fees for most consumer loans, and we love saying "Yes!"

In the case of auto loans, you can get a "Yes!" for a low cost TCU loan right at the auto dealer. Be sure to tell your family that most auto dealers participate in Credit Union Direct Lending (CUDL), so all they have to do is ask!

We also offer affordable home loans through our partnership with Consolidated FCU. You'll get a great mortgage and be treated to famous credit union service every step of the way.

When we talk about solidarity, it's not just talk. We walk the walk. As a financial cooperative, we're all in this together. The more you choose to do your borrowing and banking at TCU, the better it is for all members. Pass it on to your co-workers and family members!

On behalf of the rest of the Board, I would like to thank our friendly and professional TCU staff for their ongoing service to members. I would also like to thank all of our members for their ongoing support of their credit union.

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 2017 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

2017 was both a challenging and rewarding year for Teamsters Credit Union. Overall, the credit union's financial performance was solid in a relatively modest year.

- Low loan rates continued to be a good thing for members, but also continued to squeeze income earned by TCU. Our loan portfolio ended 2017 at \$22.3 million.

- Members' savings held steady in 2017, closing up slightly at \$49.5 million. Between strong capitalization and federal deposit insurance, your credit union remains a safe and secure place to save while also earning a competitive rate.

- Total assets, a common measure of a financial institution's size, rose from \$56.8 million to \$57.3 million at the end of 2017. This reflects the growth in members' savings and means we are well positioned to keep making very competitive loans.

- Consistent with the slight reduction in loans outstanding, net income slipped from \$277,507 in 2016 to \$255,884 in 2017. This translates to a capital-to-asset ratio of 13.3% and means TCU is very well capitalized. (Most banks operate at a much lower level.)

- Our strong capital position led to the Board's decision to introduce a 10% bonus dividend in March of 2018 that will benefit our savers, as noted in Chairperson Darel Aker's report.

A more favorable interest rate climate, or more members turning to TCU for loans in 2018, would boost net income. Helping make our loans even more accessible, we will be upgrading the TCU website in the spring of 2018 to look and work better on all devices.

I encourage all members to think of TCU when they need a loan, and to encourage their family members to do the same. You'll do better at TCU, and TCU will do better, too! We truly appreciate the chance to help you out and would love to do even more!

I'd like to thank the Board, all of whom are elected volunteers from our Teamster membership, for their insights and guidance in serving their fellow TCU members. That is, after all, why we are here!

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

Michael Beranbaum



2017 ANNUAL REPORT

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

December 31, 2017 & 2016

	2017	2016
ASSETS		
Loans receivable, net of allowance for losses	\$22,325,756	\$23,050,571
Cash & cash equivalents	6,427,242	6,740,893
Investments held to maturity	27,851,000	26,373,990
Accrued interest receivable	45,869	46,901
Property and equipment, net	8,919	19,594
National Credit Union Share Insurance Fund deposit	461,854	461,886
All other assets	160,513	117,087
Total assets	\$ 57,281,153	\$ 56,810,922
LIABILITIES & MEMBERS' EQUITY		
Members' share & savings accounts	\$49,544,978	\$49,335,993
Accounts payable & other liabilities	68,302	62,940
Total liabilities	49,613,280	49,398,933
Commitments & contingent liabilities	—	—
Members' equity, substantially restricted	7,667,873	7,411,989
Total liabilities & members' equity	\$ 57,281,153	\$ 56,810,922

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

Years ended December 31, 2017 & 2016

	Appropriated Regular Reserve	Unappropriated Earnings	Total
Balance December 31, 2015	\$ 856,938	\$6,277,544	\$7,134,482
Net income	—	277,507	277,507
Transfers, net	—	—	—
Balance December 31, 2016	\$ 856,938	\$6,555,051	\$7,411,989
Net income	—	255,884	255,884
Transfers, net	—	—	—
Balance December 31, 2017	\$ 856,938	\$6,810,935	\$7,667,873

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, 2017 & 2016

	2017	2016
INTEREST INCOME		
Loans	\$1,159,427	\$1,288,913
Investments	398,502	290,274
Total interest income	1,557,929	1,579,187
INTEREST EXPENSE ON MEMBERS' DEPOSITS		
Net interest income	104,900	102,538
PROVISION FOR LOAN LOSSES	16,971	69,476
Net interest income after provision for loan losses	1,436,058	1,407,173
NON-INTEREST INCOME		
Service charges & fees	324,362	346,984
Operating income	1,760,420	1,754,157
NON-INTEREST EXPENSE		
Compensation & benefits	808,688	787,544
General & administrative	695,848	689,106
Total non-interest expense	1,504,536	1,476,650
Net income from operations	255,884	277,507
NCUSIF special assessment	—	—
Net Income (Loss)	\$ 255,884	\$ 277,507



**TEAMSTERS COUNCIL #37
FEDERAL CREDIT UNION**

1866 NE 162nd Ave
Portland, OR 97230
www.tcu37.com
503-251-2390 • 800-547-7657

