

# Consolidated Statements of Financial Condition

December 31, 2007 & 2006

	2007	2006
<b>ASSETS</b>		
Cash & cash equivalents	\$ 6,910,902	\$ 6,814,675
Interest bearing deposits at other institutions	12,465,191	10,144,149
Loans receivable, net of allowance for losses	23,572,433	24,417,752
Accrued interest receivable	84,335	124,378
Property and equipment (net)	53,421	77,495
Prepaid expense & other assets	108,587	59,897
NCUSIF deposit	343,489	341,755
<b>Total assets</b>	<b>\$ 43,538,358</b>	<b>\$ 41,980,101</b>
<b>LIABILITIES &amp; MEMBERS' EQUITY</b>		
Liabilities		
Members' share and savings accounts	\$ 37,052,420	\$ 35,884,025
Accrued interest payable	48,732	40,031
Accrued expenses and other liabilities	90,616	104,720
Total liabilities	37,191,768	36,028,776
Members' equity, substantially restricted		
Appropriated regular reserves	856,938	856,938
Unappropriated earnings	5,489,653	5,094,387
Total members' equity	6,346,590	5,951,325
<b>Total liabilities and members' equity</b>	<b>\$ 43,538,358</b>	<b>\$ 41,980,101</b>

# Consolidated Statements of Income

Years ended December 31, 2007 & 2006

	2007	2006
<b>INTEREST INCOME</b>		
Loans receivable	\$ 1,728,053	\$ 1,638,041
Investment securities	863,076	728,401
Total interest income	2,591,129	2,366,442
<b>INTEREST EXPENSE</b>		
Members' share & savings accounts	881,245	762,358
Borrowed funds	70	159
Total interest expense	881,315	762,517
Net interest income	1,709,814	1,603,925
<b>PROVISION FOR LOAN LOSSES</b>		
	84,744	18,863
Net interest income after provision for loan losses	1,625,070	1,585,062
<b>NON-INTEREST INCOME</b>		
CUSO insurance commissions	111,115	107,079
Loss on disposition of property & equipment	(277)	(12,111)
Fees, charges & other operating income	300,334	267,845
Total non-interest income	411,172	362,813
<b>NON-INTEREST EXPENSE</b>		
Compensation and benefits	988,391	966,196
Occupancy	111,410	127,915
Other operating expense	541,176	540,312
Total non-interest expense	1,640,977	1,634,423
Consolidated net income	\$ 395,265	\$ 313,452

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 Statements of Members' Equity

Years ended December 31, 2007 & 2006

	Appropriated Regular Reserve	Unappropriated Earnings	Total
Balance December 31, 2005	\$ 856,938	\$ 4,780,935	\$ 5,637,873
Net income	—	313,452	313,452
Balance December 31, 2006	\$ 856,938	\$ 5,094,387	\$ 5,951,325
Net income	—	395,265	395,265
Balance December 31, 2007	\$ 856,938	\$ 5,489,652	\$ 6,346,590



## Teamsters Council #37 Federal Credit Union

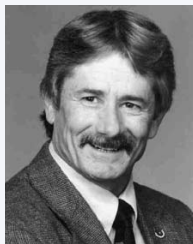
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Teamsters Council #37 Federal Credit Union

# 2007 Annual Report



# President's Report

*Darel Aker*

In spite of increased competition in the marketplace, Teamsters Council #37 Federal Credit Union had a very good year during 2007. Our members are choosing to use more and more of our services, which shows that we are continuing to anticipate and meet their financial needs. Better rates on loans and savings, together with a wide selection of free and low cost services, help explain our success, but it is our unwavering commitment to the financial well being of our fellow Teamsters that makes us their first and best choice.

For most members, TCU is their best bet for finding the financing they need to buy a car, boat, or RV; make home improvements; send the kids to college; or afford nearly any other kind of life goal. We specialize in making loans tailored to the financial circumstances and credit scores of most Teamsters. That means we not only say "yes" to four out of five applications, we also offer a better rate. In fact, we invite members to comparison shop, and if they find a lower rate on a comparable loan, we'll do what we can to offer a better deal.

Our commitment to serving Teamsters extends to savings, too. Our rates on regular and special savings, Hi-Yield Money Market, Certificates, and IRAs are consistently among the best in the market. That means our members can relax when they save with us, because they don't have to constantly shop rates to achieve solid earnings.

We are also making it easier for members to do their banking from home, at work, out shopping, and on the road.

• In late 2007 we made online bill paying free to members who have Free Checking or a Hi-Yield Money Market account. Unlike many other money market accounts, ours has no restriction on withdrawals, which makes it more appealing than most interest checking accounts.

• We also joined forces with the MoneyPass network, making thousands of ATMs free to TCU members, including all of the ATMs at US Bank branch locations.

• Real-time processing was implemented across all TCU services, culminating in a redesigned debit card being issued after the end of the year. Real time processing provides members with immediate credit for deposits, transfers, and payments, and allows them to view up-to-the-second account activity through TeamNet, our free online banking service.

During 2007, we also introduced or continued several special programs and services tailored to Teamster needs:

- Participation in DRIVE, an independent, non-partisan program that speaks for the working people of our nation, by allowing members to voluntarily contribute \$1 or \$2 per month.
- Overdraft TeamPay, which honors most overdrafts up to \$300. (The usual NSF fee and other restrictions apply.)
- Annual \$1,000 scholarship awarded to a TCU member or member's child.
- Skip-a-Loan-Payment and special Holiday Loans for members feeling a financial pinch during the holiday season.
- Visa gift cards that are more secure than giving money and can be used nearly anywhere.

In the future, TCU will continue to meet members' needs through a combination of new and enhanced services, an experienced staff that knows many members by name, and careful stewardship of the deposits entrusted to us.

As always, we would like to extend our thanks to our professional management and staff for their exemplary personal service to members through the year. We also thank you, our fellow members, for supporting your credit union. We urge you to tell your family members and co-workers why you use TCU. Becoming a member would not only benefit each of them individually, it would help strengthen the credit union by growing our pooled resources. We look forward to serving you, your family, and our fellow Teamsters through 2008 and for many years to come.



# Manager's Report

*Mark Freels*

The national economy took a downturn in 2007, but Teamsters Council #37 Federal Credit Union turned in another strong performance, with most measures showing continued growth.

Americans as a whole spent more than they saved during the year, but while many financial institutions struggled to retain deposits, TCU saw members' savings grow by over \$1.1 million in 2007, totaling more than \$37 million. This is a credit both to the credit union, for offering attractive rates, and to our members, for taking advantage of them. TCU paid over \$880,000 in dividends to members, an increase of more than 18% and an all-time high for the credit union.

Total assets also grew during 2007, by more than \$1.5 million, to reach \$45.5 million, another all-time high. Of this figure, loans to members totaled over \$23.5 million, a decrease of about 3.5% from the previous year and indicative of more difficult economic times when consumers borrow less. Even so, interest income rose by some \$225,000, which together with low loan losses and a tight rein on expenses generated net income of nearly \$400,000, up from \$313,000 in 2006.

Net income added to members' total equity to produce a capital-to-asset ratio of 14.58%, up from 14.18% the previous year. This ratio is a measure of a financial institution's solidity, with a ratio above 10% considered strong. TCU members can feel very secure about their credit union.

A worsening economic climate in 2008 will pose challenges for consumers and businesses alike, but TCU members can continue to look to us for outstanding rates on savings, as well as affordable loans. The management and staff of TCU thank the board and committees, which are comprised of volunteer members, for their dedication and guidance, and for their ongoing commitment to meeting the financial needs of Teamsters. We also thank you, the members, for the opportunity to serve you.

# 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. Daren B. Tanner, P.C., Certified Public Accountant, of Portland was retained to conduct the 2007 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 serious exceptions or adverse findings. Any 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*

*George Sittner*

*Karen Ward*