



Photo by: Richard M. | Member Since 2018

# ANNUAL REPORT 2021

**OE FEDERAL**  
CREDIT UNION



# OUR MISSION

is to build lifelong financial partnerships with our **union members and their families.**

## EXECUTIVE TEAM

Mike Donohue, President/Chief Executive Officer  
Jeff Hampton, EVP/Chief Operating Officer  
Deepak Godhwani, Chief Financial Officer  
Ron Poff, SVP Business Development

Mike Miller, VP Information Technology  
Christina Boyd, VP Member Services  
Jenna Anderson, VP Marketing & Training  
Gabriel Ybarrolaza, VP Lending



# BOARD CHAIR'S MESSAGE

Dear Members,

As Chair of the Board, I am pleased to report that 2021 was a good year for OE Federal Credit Union. In the past 12 months, members accessed more than \$374 million in low-cost loans while \$5.6 million was returned to members through deposit dividends and loan bonuses. This credit union continues to be one of the most financially strong in the industry.

In 2022, we are committed to maintaining the same principled goals: Provide members with the products, services, and guidance necessary to help them prosper financially. We understand that the financial well-being of our membership has a direct correlation to the well-being of OE Federal Credit Union, and that's why we are committed to partnering with each of our 88,453 members to provide a positive impact on their financial health and stability.

On behalf of all the Directors, I want to thank you for your patronage and your confidence and support in our stewardship of OE Federal Credit Union.

Sincerely,

*Dan Reding*

Dan Reding, Chair

# CEO'S MESSAGE

To Our Valued Members,

What an extraordinary time we are living in today. As we move through year two of the global pandemic I have witnessed first-hand the speed and capacity of human adaptability and perseverance. With just a few more months left in 2021, I'm confident we are beginning to see a light at the end of this pandemic tunnel. Does this mean we, as a credit union, will go back to "normal"? Not if we want to continue to succeed.

This past year has showed me how fortunate I am to work with a team that refuses to give anything less than 100%. With all the challenges and changes we have encountered, I saw our team embrace these as opportunities. They adjusted for the benefit of each other, this credit union and our membership.

I would like to take this opportunity to thank and acknowledge all OE Federal team members for their commitment and resilience. I am proud of the unparalleled financial service they continue to offer to our unique and very exclusive membership.

Additionally, a thank you to our Board of Directors and our Supervisory Committee for their support and guidance.

Most importantly, I want to thank each and every member and Union partner of OE Federal. You are the reason we show up every day. You are the reason we do what we do. You inspire us, encourage us and give us purpose. Thank you for the trust you put in OE Federal.

As I look forward to 2022, I'm excited to announce that after a two-year search, design and internal training process, we are ready to implement our new Core Processing Operating System. Our "Go-Live" date is May 1, 2022. The time and investment we're making in this new system, along with many other digital enhancements, represents our ongoing commitment to provide greater financial value for you and your family.

We know continued change is on the horizon...both planned and unplanned. As circumstances require us to change, we will adapt and continue to charge forward. This is our commitment to you. Let's all continue to welcome change as the rule...not the ruler.

On behalf of all of us at OE Federal, I wish you health, happiness, and success.

Sincerely,

*Mike Donohue*

Mike Donohue, President/Chief Executive Officer



Photo by: Matt S. | Member Since 2005



## Comparative Statements-Assets, Liabilities, Capital

for years ending in June 2019, 2020 and 2021

	2021	2020	2019
<b>ASSETS</b>			
Cash and Cash Equivalents	137,122,785.80	88,523,285.07	32,154,411.81
Loans Outstanding	781,055,112.39	801,091,103.18	701,695,036.84
Allowance for Loan Losses	(10,870,434.14)	(11,047,908.00)	(7,416,658.38)
Investments	450,225,683.03	318,948,492.77	383,535,096.87
Land and Building	17,464,000.18	18,986,624.39	19,082,507.41
NCUA Share Insurance	9,496,898.43	8,197,775.39	7,801,762.75
Other Assets	6,673,052.92	7,759,041.71	8,655,436.20
<b>Total Assets</b>	<b>1,391,167,098.61</b>	<b>1,232,458,414.51</b>	<b>1,145,507,593.50</b>
<b>LIABILITIES AND CAPITAL</b>			
Share Accounts	518,038,567.27	422,763,131.16	379,143,355.47
Money Market Share Accounts	180,512,491.73	143,892,489.20	137,288,887.56
Share Draft Accounts	164,820,545.37	138,681,281.69	118,374,862.46
Share Certificate of Deposit	238,379,931.63	237,422,791.73	220,681,150.00
Individual Retirement Accounts	59,425,034.21	55,716,185.77	54,998,461.01
<b>Total Shares and Member Deposits</b>	<b>1,161,176,570.21</b>	<b>998,475,879.55</b>	<b>910,486,716.50</b>
Total Borrowings	27,641,802.00	41,937,639.00	49,538,759.00
Other Liabilities	7,948,213.90	6,276,159.07	12,034,292.16
Undivided Earnings	172,674,139.93	160,803,579.64	153,362,054.10
Unrealized Gain or (loss)	2,218,690.70	5,457,475.38	578,089.87
Regular Reserve	19,507,681.87	19,507,681.87	19,507,681.87
<b>Total Capital</b>	<b>194,400,512.50</b>	<b>185,768,736.89</b>	<b>173,447,825.84</b>
<b>Total Liabilities and Capital</b>	<b>1,391,167,098.61</b>	<b>1,232,458,414.51</b>	<b>1,145,507,593.50</b>

## Comparative Income Statement

for years ending in June 2019, 2020 and 2021

	2021	2020	2019
<b>Income</b>			
Interest on Loans	36,464,795.47	37,795,811.59	34,102,330.43
Interest on Investments	5,388,849.12	8,368,220.46	10,692,492.08
Fee Income	4,423,465.64	4,912,327.77	4,794,634.38
Other Income	6,993,944.64	6,306,061.59	6,175,800.15
Non-Operating Gains (losses)	717,545.24	259,201.16	171,663.53
<b>Total Income</b>	<b>53,988,600.11</b>	<b>57,641,622.57</b>	<b>55,936,920.57</b>
<b>Operating Expenses</b>			
Employee Compensation and Benefits	19,831,166.71	19,577,362.61	18,082,469.50
Organizational Development Expense	203,644.32	398,929.50	436,022.75
Office Occupancy Expense	2,213,562.68	2,189,717.11	1,934,429.50
Office Operations Expense	9,779,145.93	9,643,610.61	8,908,394.59
Educational and Promotional Expense	710,905.97	1,044,727.98	1,006,973.39
Loan Servicing Expense	1,018,754.53	1,254,553.16	1,323,356.78
Professional and Outside Services Expense	776,670.12	1,195,368.53	1,158,252.76
Provision for Loan Losses	1,399,414.59	6,843,387.70	3,994,927.77
Member Insurance Expense	13,337.27	24,461.92	26,542.25
NCUA Operating Expense	295,917.90	314,385.66	295,839.48
Miscellaneous Operating Expense	157,955.68	157,539.02	210,508.57
<b>Total Operating Expense</b>	<b>36,400,475.70</b>	<b>42,644,043.80</b>	<b>37,377,717.34</b>
<b>Cost of Funds</b>			
Dividends Paid to Members	5,625,922.23	6,842,935.09	5,249,353.73
Interest on Borrowed Money	91,641.89	713,118.14	1,251,264.49
<b>Total Cost of Funds</b>	<b>5,717,564.12</b>	<b>7,556,053.23</b>	<b>6,500,618.22</b>
<b>Net Income</b>	<b>11,870,560.29</b>	<b>7,441,525.54</b>	<b>12,058,585.01</b>

Photo by: Scott K. I Member Since 2019





TURNER, WARREN, HWANG & CONRAD AC  
Certified Public Accountants & Consultants

## INDEPENDENT AUDITORS REPORT

Board of Directors and Supervisory Committee  
Operating Engineers Local Union No. 3 Federal Credit Union

We have audited the accompanying financial statements of Operating Engineers Local Union No. 3 Federal Credit Union (the credit union), which comprise the statements of financial condition as of June 30, 2021 and 2020, the statements of income, comprehensive income, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the credit union's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the credit union's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Operating Engineers Local Union No. 3 Federal Credit Union as of June 30, 2021 and 2020, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Turner, Warren, Hwang & Conrad*

Burbank, California  
November 5, 2021





# SUPERVISORY COMMITTEE

The OE Federal Credit Union Supervisory Committee is responsible for monitoring operations and ensuring compliance with federal regulatory requirements and internal policies and procedures to guarantee financial integrity. The Committee's goal is to help maintain OE Federal Credit Union's finances and safeguard member assets through fair and accurate representation.

At the conclusion of the audited year, June 2021, OE Federal Credit Union's financial records were audited by Turner, Warren, Hwang & Conrad, AC, Certified Public Accounts & Consultants. The Supervisory Committee is pleased to report that OE Federal Credit Union continues to maintain a healthy and financially strong position. In addition, OE Federal Credit Union continues to follow the guidelines of the National Credit Union Administration (NCUA), the government agency that oversees the financial strength of credit unions, to safeguard member and credit union assets.

The Supervisory Committee would like to extend a special thank you to the Board of Directors, Management Team, and Employees for their continued support in our mission to be fiscally sound. And a big thank you goes to our members. It's always a pleasure to serve you.

*Yu-Ju Wu*

Yu-Ju Wu, Chair Supervisory Committee





# BOARD OF DIRECTORS

Dan Reding, Chair

Steve Ingersoll, Vice Chair

Bruce Noel, Secretary

David Harrison,  
Financial Officer

Justin Diston

Nate Tucker

Cynthia Guerzon

David Daneluz

Ron Kultti

James Spain

Mario Giovannetti

Bryan Dorton

Frank Rojas

Daniel Henry

Jerry Seiff

Korey Wygal

Frank Fuller

Larry Watson

Steve Nichols

Justin Pentz

Jamie Harvest-Silva

# SUPERVISORY COMMITTEE

Yu-Ju Wu, Chair

Charles Lavery

Tanisha Williams

**OE FEDERAL**

CREDIT  UNION

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