



 **FEDERAL**

20 **6** *years* **24**

ANNUAL REPORT

CREDIT UNION



OUR MISSION

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



[EXECUTIVE TEAM]

Jeff Hampton, Chief Executive Officer/President

Laura Guerrero, Chief Operations Officer

John Green, AVP of Finance

Ron Poff, Chief Business Development Officer

Mike Miller, Chief Information Officer

Christina Boyd, Chief Member Operations Officer

Kevin Considine, Chief Marketing Officer

Gabriel Ybarrolaza, Chief Lending Officer

Lance Hauptmeier, AVP of Digital Channels

Marshetta Nelson, AVP of Human Resources

Albert Leung, VP of Information Security/Information Security Officer

[BOARD CHAIR'S MESSAGE]

Dear Members,

As Chair of the Board, I am proud to report that 2024 was another remarkable year for OE Federal Credit Union. Our members accessed over \$269 million in low-cost loans, and \$15 million was returned to them through deposit dividends and loan bonuses, solidifying our position as one of the industry's most financially sound credit unions. In 2025, our commitment to providing exceptional products, services, and financial guidance remains unwavering as we strive to enhance the financial health and well-being of our 109,318 members.

On behalf of all the Directors, thank you for your continued support and trust in our stewardship of OE Federal Credit Union. We look forward to another year of mutual success and prosperity.

Sincerely,

Dan Reding

Dan Reding, Chair

[CEO'S MESSAGE]

Dear Members,

As we close out 2024, I want to take a moment to reflect on the events and milestones that have defined the year. In 2024 we celebrated our 60th anniversary, honoring six decades of unwavering dedication to construction trade unions and reflecting on a proud history built on trust, service and shared success with our owner members. During the year, we also surpassed \$1.5 billion in assets for the first time in our history. This is a testament to the support that our members have shown over the years to our mission.

While 2024 was a year for celebration, it also continued to present significant challenges to our membership. Interest rates remained elevated, which was a boon for depositors, but a challenge for borrowers. While inflationary pressures were reduced over the course of the year, high rates on auto, credit card and mortgage loans made it difficult for many members to access the money they needed to fund larger purchases. To help address these challenges, we continued to offer some of the lowest loan rates available to our borrowers, while also offering competitive deposit rates to our depositors.

At OE Federal, one of our core principals is helping members achieve their dreams. This is done by offering products and services that are affordable and help our member grow their financial well-being. Our commitment to putting people over profits is not just a slogan; it's a guiding principle that shapes every decision we make. This past year, we introduced new services, enhanced digital tools, and expanded our support programs to ensure that our credit union remains a financial partner you can count on. Our investments in both our branch network and secure, convenient technology allow us to meet the evolving needs of our membership while preserving our hallmark of personalized service.

Looking ahead, we remain optimistic about the opportunities to enhance our services even further. We are exploring new ways to make banking with us even more accessible, convenient, and rewarding. Whether you're saving for the future, financing a dream, or managing day-to-day expenses, we're here to support you with products and advice that make a difference.

Thank you for your business, loyalty, and trust. It is truly an honor to serve you, and we are excited about the opportunities that lie ahead in 2025 and beyond. Your partnership inspires us to keep improving, innovating, and supporting the union communities we serve.

On behalf of everyone at OE Federal Credit Union, I wish you and your families a happy and prosperous new year.

With deepest appreciation,

Jeff Hampton

Jeff Hampton, President/Chief Executive Officer

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

Opinion

We have audited the financial statements of Operating Engineers Local Union No. 3 Federal Credit Union, which comprise the statements of financial condition as of June 30, 2024 and 2023, the statements of income, comprehensive income, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Notes 1 and 3 to the financial statements, Operating Engineers Local Union No. 3 Federal Credit Union changed its method of accounting for the recognition and measurement of credit losses as of July 1, 2023 due to the adoption of Accounting Standards Codification (ASC) 326, Financial Instruments - Credit Losses.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Operating Engineers Local Union No. 3 Federal Credit Union and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Operating Engineers Local Union No. 3 Federal Credit Union's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Operating Engineers Local Union No. 3 Federal Credit Union's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Operating Engineers Local Union No. 3 Federal Credit Union's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Burbank, California
November 22, 2024

Comparative Statements-Assets, Liabilities, Capital
for years ending in June 2024, 2023 and 2022

	2024	2023	2022
ASSETS			
Cash and Cash Equivalents	71,026,921.40	68,369,755.05	38,363,596.43
Loans Outstanding	861,980,118.48	892,757,579.49	834,367,491.09
Allowance for Loan Losses	(11,068,523.00)	(9,170,191.37)	(6,098,764.16)
Investments	503,127,102.44	452,760,893.70	524,451,064.42
Land and Building	15,698,217.41	16,216,432.96	17,122,697.26
NCUA Share Insurance	10,653,939.78	10,637,233.50	10,447,179.01
Other Assets	14,613,481.76	12,251,506.94	9,364,944.02
Total Assets	1,466,031,258.27	1,443,823,210.27	1,428,018,208.07
LIABILITIES AND CAPITAL			
Share Accounts	490,092,169.29	542,509,034.20	560,357,177.73
Money Market Share Accounts	128,233,520.92	155,103,345.43	209,288,789.72
Share Draft Accounts	194,663,622.95	201,597,525.11	177,097,702.60
Share Certificate of Deposit	392,023,352.40	302,863,662.39	238,561,270.67
Individual Retirement Accounts	60,262,133.94	61,150,168.16	61,853,176.26
Total Shares and Member Deposits	1,265,274,799.50	1,263,223,735.29	1,247,158,116.98
Total Borrowings	-	-	-
Other Liabilities	18,003,191.31	15,026,038.22	11,174,542.12
Undivided Earnings	203,997,440.94	193,356,006.38	185,340,102.78
Unrealized Gain or (loss)	(40,751,855.35)	(47,290,251.49)	(35,162,235.68)
Regular Reserve	19,507,681.87	19,507,681.87	19,507,681.87
Total Capital	182,753,267.46	165,573,436.76	169,685,548.97
Total Liabilities and Capital	1,466,031,258.27	1,443,823,210.27	1,428,018,208.07

Comparative Income Statement
for years ending in June 2024, 2023 and 2022

	2024	2023	2022
Income			
Interest on Loans	44,965,217.38	38,794,796.41	34,025,845.87
Interest on Investments	15,800,835.21	10,800,086.60	6,496,354.70
Fee Income	5,495,156.63	5,835,332.79	5,001,081.69
Other Income	8,392,191.23	7,960,651.80	8,168,590.85
Non-Operating Gains (losses)	2,584,861.21	164,625.06	170,372.61
Total Income	77,238,261.66	63,555,492.66	53,862,245.72
Operating Expenses			
Employee Compensation and Benefits	24,619,694.95	22,457,542.82	21,000,967.02
Organizational Development Expense	480,012.15	451,477.30	308,117.13
Office Occupancy Expense	2,678,917.31	2,487,342.73	2,371,781.08
Office Operations Expense	12,615,323.08	12,493,976.14	11,489,322.61
Educational and Promotional Expense	829,504.04	1,121,661.82	1,120,337.75
Loan Servicing Expense	626,349.40	706,807.99	812,254.44
Professional and Outside Services Expense	1,349,234.91	1,393,278.94	1,518,725.10
Provision for Loan Losses	5,699,930.17	7,664,268.74	(2,388,963.58)
Member Insurance Expense	0.00	0.00	0.00
NCUA Operating Expense	255,497.48	230,889.80	249,222.68
Miscellaneous Operating Expense	804,605.73	212,713.42	155,468.33
Total Operating Expense	49,959,069.22	49,219,959.70	36,637,232.56
Cost of Funds			
Dividends Paid to Members	15,039,104.80	6,319,607.10	4,530,486.80
Interest on Borrowed Money	15.45	22.26	28,563.51
Total Cost of Funds	15,039,120.25	6,319,629.36	4,559,050.31
Net Income	12,240,072.19	8,015,903.60	12,665,962.85

[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. Our goal is to maintain OE Federal's finances and safeguard member assets through accurate and fair representation.

For the audited year ending June 2024, Turner, Warren, Hwang & Conrad, AC, Certified Public Accountants & Consultants, reviewed our financial records. We are pleased to report that OE Federal continues to maintain a strong financial position. It also closely adheres to the guidelines of the National Credit Union Administration (NCUA), the government agency that oversees the financial strength of credit unions, to protect member and credit union assets.

The Supervisory Committee extends a special thank you to the Board of Directors, Management Team, and Employees for their support in maintaining fiscal health. Our deepest gratitude goes to our members—it's always a pleasure to serve you.



Yu-Ju Wu, Chair Supervisory Committee

[BOARD OF DIRECTORS]

Dan Reding, Chair

Justin Diston, Vice Chair

Dave Harrison, Secretary

Nate Tucker, Financial Officer

Bruce Noel

Jim Jacobs

Gening Liao

Kyle Alger

Ron Kultti

James Spain

Mario Giovannetti

Bryan Dorton

Frank Rojas

Danny Henry

Wyatt Swinney

Pat Billington

Frank Fuller

Christopher Rosas

Steve Nichols

Justin Pentz

Jamie Harvest-Silva

[SUPERVISORY COMMITTEE]

Yu-Ju Wu, Chair

Charles Lavery

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