



KANSAS BLUE CROSS BLUE SHIELD CREDIT UNION
53rd Annual Meeting
Tuesday, April 10, 2007
4:45 p.m.

Blue's Café Dining Room

Business Meeting - Election of Officers

AGENDA

- Welcome Barb Leeper
- Determination of a Quorum Barb Leeper
- Minutes of the Last MeetingCathy Holmes
- Manager’s Report Lisa Berke
- President’s ReportBarb Leeper
- Treasurer’s Report Bebo Lowery-Born
- Credit Committee Report Barbara Salyer
- Supervisory Committee Report.Becky Eigenman
- Service Recognition Awards (for outgoing officers):
 Becky Eigenman, Supervisory Committee
- Election of Officers:
 - Board of Directors – Mary Smith – one year unexpired term
 - Mary Beth Klecan – four year term
 - Supervisory Committee – Cindy Glenn
 - Mark Zillinger
- Drawing for Door Prizes
- Adjournment

**KANSAS BLUE CROSS AND BLUE SHIELD CREDIT UNION
ANNUAL MEETING MINUTES
APRIL 10, 2007**

- CALL TO ORDER** The Annual Credit Union Meeting was called to order by Barb Leeper at 4:55pm. It was confirmed that 12 members were present which constituted a quorum.
- MINUTES** Cathy Holmes referred members to the minutes from last year's meeting in the annual report. A motion was made and seconded to approve the minutes as written. Motion carried.
- MANAGER'S REPORT** Lisa Berke introduced all staff members and thanked them for their good work during 2006. She went on to point out the highlights of 2006 which were increased data security (member select passwords, dual authentication on online services, firewalls and security software installation) online loan approval capability, and partnering with Sentry Insurance to offer discounts to CU members. So far in 2007, lobby hours have been extended to 5:00 pm on Fridays and we have partnered with Accel Financial Services to offer free credit counseling services to all credit union members. National Credit Union Youth Week is coming up April 23-27. During the second quarter of 2007, the CU is offering special rates on auto loans and a 6 month certificate rate of 4.3% APY.
- PRESIDENT'S REPORT** Barb Leeper reported the CU successfully passed 3 audits during 2006, two performed by the Supervisory Committee and one by the Kansas Department of Credit Unions. The CU again sponsored MoneySmart Financial Camp for middle school age students, changed the field of membership to include Wheatlands employees, created a job description for board members, moved the ATM from Building C breakroom to Building B lobby, and continued the scholarship program.
- TREASURER'S REPORT** Bebo Lowery-Born asked the members to reference the center two pages of the annual report for the 2006 financial reports. The Credit Union returned 61% of total income back to members in dividends
- CREDIT COMMITTEE REPORT** Barbara Salyer recognized the other members of the Committee, Larry Beam and Dean Wilson. Barbara reported recent policy changes reduced the number of meetings required. During 2006, 572 loans were approved, totaling \$4,198,467. Barbara encouraged everyone in attendance to consider volunteering for the board or committee positions and spread the word about credit union services to other employees.
- SUPERVISORY COMMITTEE REPORT** Becky Eigenman recognized the other members of the Committee, Connie Thonen, Janet Blakesley, Pete DiDio, and Bill Davisson. She reviewed the audits conducted each year and reported no significant findings on any of these occasions.
- SERVICE RECOGNITION AWARDS ELECTIONS** Ron Revelle presented Becky Eigenman, as the only outgoing volunteer, with a certificate of appreciation and thanked her for all her hard work on the Supervisory Committee. Ron reviewed the criteria for Board and Committee nominees. The Board of Directors as the nominating committee have submitted Mary Beth Klecan and Mary Smith for the open Board positions, and Cindy Glenn and Mark Zillinger for the open Supervisory Committee positions. Ron requested a motion to cease nominations and elect these nominees. The motion was made, seconded, and approved.
- DOOR PRIZES** The winning prize tickets were drawn from all entries of members present for a \$50 VISA gift card, a child's picnic table with umbrella, and 37" LCD HDTV.
- ADJOURNMENT** With no further business, the meeting was adjourned at 5:21pm.

COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	<u>12/31/05</u>	<u>12/31/06</u>
Loans	\$15,182,388	\$14,024,795
Allowance for Loan Loss	(73,988)	(85,500)
Prepaid Expenses	234,739	225,769
Fixed Assets	26,216	20,048
Investments & Cash	3,530,785	4,695,415
Total Assets	\$18,900,141	\$18,880,527
<u>LIABILITIES & EQUITY</u>		
Shares	10,740,149	9,901,898
Share Draft/Checking	846,986	860,713
Share Certificates	4,161,248	4,736,168
Regular Reserve	952,477	952,477
Contingency Reserve	2,181,006	2,418,117
Total Equity	\$18,881,867	\$18,869,373
Accounts Payable	18,274	11,155
Total Liabilities & Equity	\$18,900,141	\$18,880,527

2 STATISTICS

Assets Decreased	\$ (19,614)	-0.10%
Loans Decreased	\$ (1,157,593)	-7.62%
Deposits Decreased	\$ (249,605)	-1.58%
Membership Decreased	(4)	-0.11%
Reserves Increased	\$ 237,111	7.57%

0 LOAN PORTFOLIO

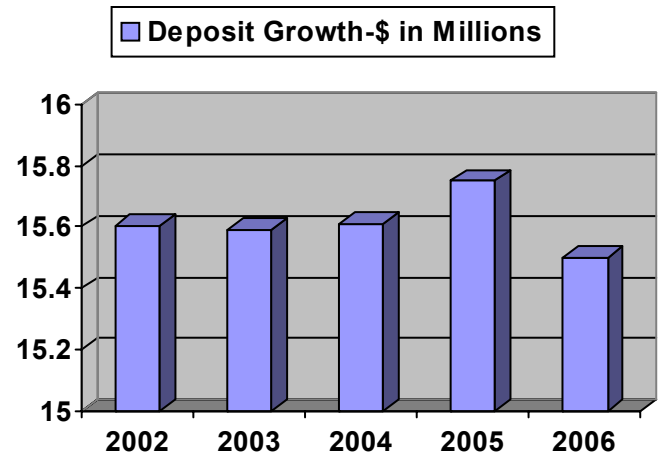
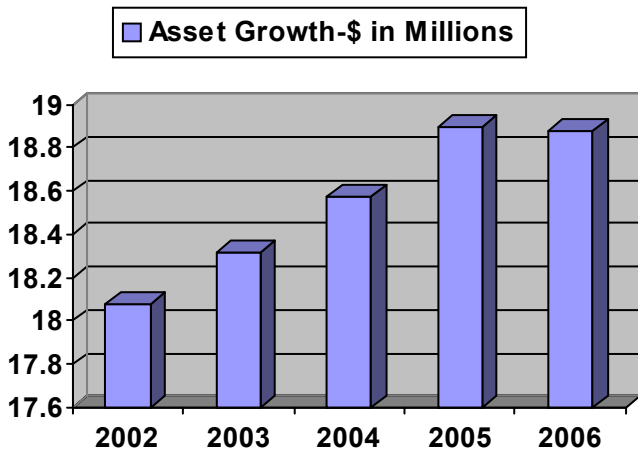
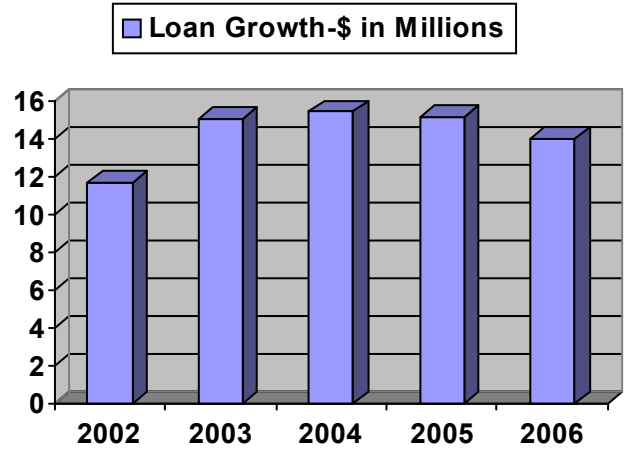
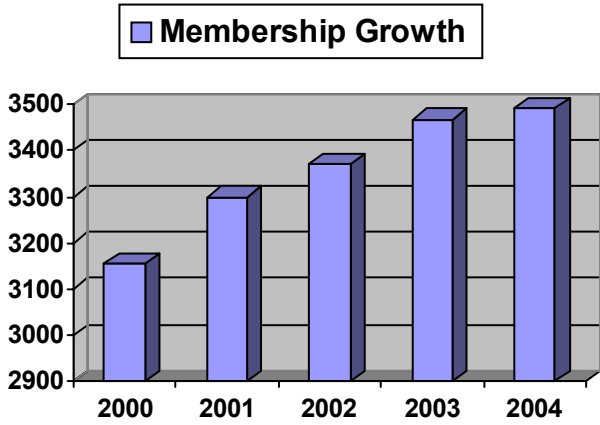
	# Outstanding	\$ Amount
Consumer Loans	1,349	9,096,006
Real Estate Loans	66	3,700,076
VISA Loans	693	1,115,729
Leases	7	112,984
TOTAL	2,115	\$ 14,024,795

OPERATING STATEMENT

<u>INCOME</u>	Y/E 12/31/05	Y/E 12/31/06
Interest on Loans	\$ 926,899	\$ 949,716
Investment Income	89,992	202,594
Fee Income	134,880	145,243
Net Income	\$1,151,771	\$1,297,553
<u>EXPENSES</u>		
Contract Services	\$ 359,088	\$ 391,797
Marketing & Education	11,051	15,409
Association & Chapter Dues	15,028	15,166
Supplies	13,853	10,515
Bond/Officer & Staff Insurance	12,158	13,019
Bank Service Charges	83,166	76,942
Loan Servicing Expenses	24,901	22,149
Provision for Loan Losses	99,833	62,941
Life Savings Insurance	12,437	21,573
Loan Protection Insurance	(2,025)	4,883
Examination Fees	7,467	7,361
Annual Meeting Expense	2,516	1,285
Professional & Outside Services	43,671	42,998
Miscellaneous	5,467	7,821
Total Operating Expenses	<u>\$688,612</u>	<u>\$693,857</u>
Net Operating Income Before Dividends	\$463,159	\$603,696
Dividends Paid to Members	<u>(282,628)</u>	<u>(366,585)</u>
Net Income After Dividends	<u>\$180,531</u>	<u>\$237,111</u>

MEMBERSHIP STATISTICS

	<u>12/31/05</u>	<u>12/31/06</u>
Employees	1,436	1,356
Employees' Spouses	258	253
Employees' Children	1,138	1,142
Employees' Grandchildren	141	153
Retirees	240	281
Former Employees	281	305
Total Membership	<u>3,494</u>	<u>3,490</u>
Employee Membership	1,436	1,356
Total Employees	1,841	1,821
Percentage of Employees	78%	74%



CREDIT UNION OFFICIALS AND STAFF

BOARD OF DIRECTORS

Barb Leeper - President
Char Richards - Vice President
Cathy Holmes - Secretary
Beryl Lowery-Born - Treasurer
Mary Beth Chambers - Board Member
Mary Beth Klecan - Board Member

SUPERVISORY COMMITTEE

Becky Eigenman - Chair
Janet Blakesley
Bill Davisson
Pete DiDio
Connie Thonen

CREDIT COMMITTEE

Barbara Salyer - Chair
Larry Beam
Dean Wilson

CREDIT UNION STAFF

Lisa Berke - Manager
Ron Revelle - Assistant Manager
Stacy Montgomery - Senior Financial Analyst
Jerry Lee – Financial Analyst
Angie Treinen - Loan & Member Service Representative
Anica Jones - Member Service Representative
Debbie Morgan - Member Service Representative
Tammy Lister - Member Service Representative
Kristin Heinz - Member Service Representative
Deb Eamigh - Member Service Representative