



KANSAS BLUE CROSS BLUE SHIELD CREDIT UNION

54th Annual Meeting

Tuesday, April 8, 2008

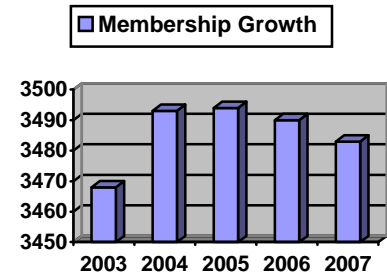
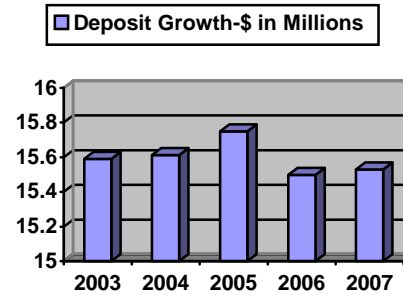
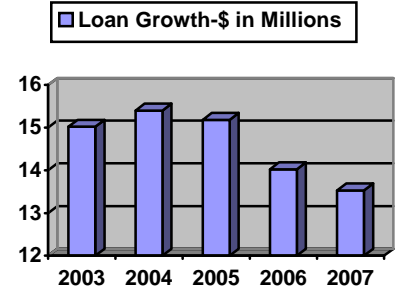
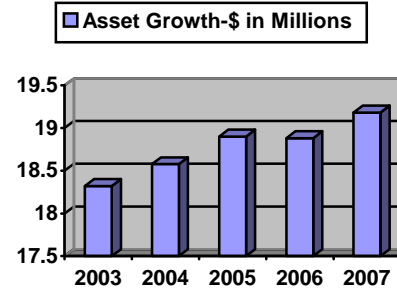
5:00 p.m.

Blue's Café Dining Room

Business Meeting - Election of Officers

AGENDA

Welcome	Cathy Holmes
Determination of a Quorum	Cathy Holmes
Minutes of the Last Meeting	Mary Beth Chambers
Manager's Report	Lisa Berke
President's Report	Cathy Holmes
Treasurer's Report	Bebo Lowery-Born
Credit Committee Report	Barbara Salyer
Supervisory Committee Report.	Pete DiDio
Service Recognition Awards (for outgoing officers): Barbara Salyer, Credit Committee	
Election of Officers:	
Board of Directors –	Barb Leeper – 1 year unexpired term Louie Smith – 4 year term
Credit Committee –	Suzanne Morgan - 2 year unexpired term Erin Harries - 4 year term
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 Money\$mart 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 of 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.

CREDIT UNION OFFICIALS AND STAFF

BOARD OF DIRECTORS

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

SUPERVISORY COMMITTEE

Pete DiDio - Chair
Janet Blakesley
Cindy Glenn
Connie Thonen
Mark Zillinger

CREDIT COMMITTEE

Barbara Salyer – Chair
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
Deb Mannen - Member Service Representative

COMPARATIVE BALANCE SHEET

ASSETS	12/31/06	12/31/07
Loans	\$14,024,795	\$13,534,271
Allowance for Loan Loss	(85,500)	(79,686)
Prepaid Expenses	225,769	218,622
Fixed Assets	20,048	13,879
Investments & Cash	4,695,415	5,496,197
Total Assets	<u>\$18,880,527</u>	<u>\$19,183,282</u>
LIABILITIES & EQUITY		
Shares	9,901,898	9,151,567
Share Draft/Checking	860,713	1,021,769
Share Certificates	4,736,168	5,358,662
Regular Reserve	952,477	952,477
Contingency Reserve	2,418,117	2,685,295
Total Equity	\$18,869,373	\$19,169,770
Accounts Payable	11,155	13,513
Total Liabilities & Equity	<u>\$18,880,527</u>	<u>\$19,183,282</u>

2 STATISTICS

Assets Increased	\$ 302,755	1.60%
Loans Decreased	\$ (490,525)	-3.50%
Deposits Increased	\$ 33,219	0.21%
Membership Decreased	(7)	-0.20%
Reserves Increased	\$ 267,178	7.93%

0 LOAN PORTFOLIO

	# Outstanding	\$ Amount
Consumer Loans	1,340	8,566,203
Real Estate Loans	70	3,812,917
VISA Loans	705	1,092,772
Leases	5	62,379
TOTAL	<u>2,120</u>	<u>\$ 13,534,271</u>

OPERATING STATEMENT

INCOME	Y/E 12/31/06	Y/E 12/31/07
Interest on Loans	\$ 949,716	\$ 979,970
Investment Income	202,594	285,516
Fee Income	145,243	150,766
Net Income	\$1,297,553	\$1,416,251
EXPENSES		
Contract Services	\$ 391,797	\$ 411,156
Marketing & Education	15,409	16,038
Association & Chapter Dues	15,166	15,976
Supplies	10,515	6,957
Bond/Officer & Staff Insurance	13,019	15,416
Bank Service Charges	76,942	79,448
Loan Servicing Expenses	22,149	31,389
Provision for Loan Losses	62,941	47,538
Life Savings Insurance	21,573	11,268
Loan Protection Insurance	4,883	(2,919)
Examination Fees	7,361	7,407
Annual Meeting Expense	1,285	1,552
Professional & Outside Services	42,998	44,368
Miscellaneous	7,821	1,471
Total Operating Expenses	<u>\$693,857</u>	<u>\$687,064</u>
Net Operating Income Before Dividends	\$603,696	\$729,187
Dividends Paid to Members	(366,585)	(462,009)
Net Income After Dividends	<u>\$237,111</u>	<u>\$267,178</u>

MEMBERSHIP STATISTICS

	12/31/06	12/31/07
Employees	1,356	1,325
Employees' Spouses	253	255
Employees' Children	1,142	1,146
Employees' Grandchildren	153	152
Retirees	281	313
Former Employees	305	292
Total Membership	<u>3,490</u>	<u>3,483</u>
Employee Membership	1,356	1,325
Total Employees	1,821	1,699
Percentage of Employees	74%	78%