KANSAS BLUE CROSS BLUE SHIELD CREDIT UNION
55th Annual Meeting
Tuesday, April 14, 2009
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 . . . . . .Pete DiDio

President's Report . . . . . .Cathy Holmes

Treasurer's Report . . . . . .Bebo Lowery-Born

Credit Committee Report . . . . . Dean Wilson

Supervisory Committee Report. . . . . .Janet Blakesley

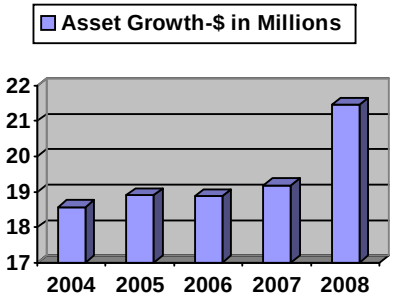
Service Recognition Awards (for outgoing officers):
- Cathy Holmes, Board of Directors
- Barb Leeper, Board of Directors
- Connie Thonen, Supervisory Committee
- Dean Wilson, Credit Committee

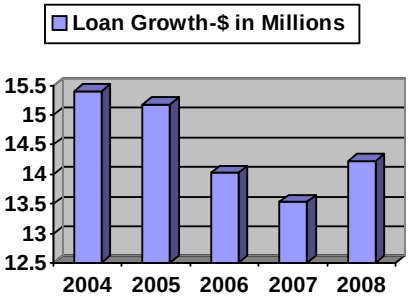
Election of Officers:

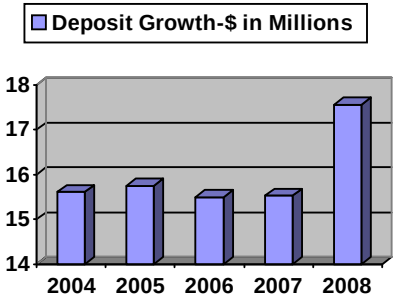
Board of Directors –	Randy Lambrecht – 4 year term
	Ron Simmons – 4 year term
Credit Committee –	CG Varble – 4 year term
Supervisory Committee -	Karen Real – 4 year term

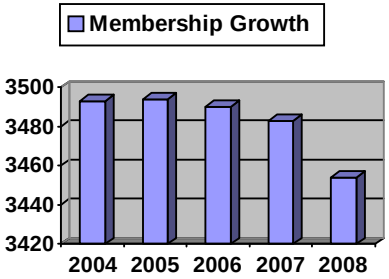
Drawing for Door Prizes

Adjournment









KANSAS BLUE CROSS AND BLUE SHIELD CREDIT UNION
ANNUAL MEETING MINUTES
APRIL 8, 2008

CALL TO ORDER The Annual Credit Union Meeting was called to order by Mary Beth Chambers at 5:05pm. It was confirmed that 12 members were present which constituted a quorum.

MINUTES Mary Beth 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 2007. She went on to comment on the often-changing rate environment and the Credit Union's work to react to changes and stay competitive. Loan rates have recently been reduced and all current rates are on the web. In March, the Credit Union completed a long-term project to convert the ATM process from batch to online, real-time. This conversion will improve service to members by making deposits available immediately at the ATM, as well as reduce risk of loss to the Credit Union. Credit Union Youth Week is coming up April 21-26.

PRESIDENT'S REPORT Cathy Holmes reviewed 2007 accomplishments which included ongoing awareness and improvements to data security, successful completion of an external IT intrusion audit, and implementation of fraud alert programs for all plastic card programs. Two new programs began during 2007 are the Accel Members Financial Counseling, a free counseling service available to all CU members, and Sentry Insurance discount program. Frequent BlueConnect articles and a switch kit were part of the marketing efforts. Financially, the CU secured another 1 rating from state regulators on the annual audit and set a new net income record.

TREASURER'S REPORT Bebo Lowery-Born took a moment to recognize Lisa Berke for her work with the Credit Union. She then referred attendees to the center of the annual report for the 2007 financial reports. The Credit Union returned 63% of total income back to members in dividends. She also pointed out the CU has only lost 7 members during a time when BCBSKS employment has declined.

CREDIT COMMITTEE REPORT Barbara Salyer recognized the other members of the Committee, Larry Beam and Dean Wilson. During 2007, 654 loans were approved, totaling $4,369,879. Barbara also reported delinquency statistics at 12/31/2007, .45% of all loans were 60 days or more past due, which is much better than state and national peer credit unions and positive results in a time of many reports of foreclosures and a credit crisis in the news.

SUPERVISORY COMMITTEE REPORT Pete DiDio recognized the other members of the Committee, Connie Thonen, Janet Blakesley, Cindy Glenn, and Mark Zillinger. He reviewed the audits conducted each year, which include a financial statement audit, ACH audit, and Bank Secrecy Act compliance audit, and reported no significant findings on any of these occasions.

SERVICE RECOGNITION AWARDS Ron Revelle presented Barbara Salyer, as the only outgoing volunteer, with a certificate of appreciation and thanked her for all her hard work on the Credit Committee. He also thanked all Board and Committee members for their hard work and time commitment to serving as volunteers for the Credit Union.

ELECTIONS Ron reviewed the criteria for Board and Committee nominees. The Board of Directors as the nominating committee have submitted Barb Leeper and Louie Smith for the open Board positions, and Suzanne Morgan and Erin Harries for the open Credit 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 Dell laptop PC and an Apple Ipod Nano. Cheryl Farmer won the Ipod and Phyllis Hughes won the laptop.

ADJOURNMENT With no further business, the meeting was adjourned at 5:30pm.

CREDIT UNION OFFICIALS AND STAFF

BOARD OF DIRECTORS

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

SUPERVISORY COMMITTEE

Janet Blakesley - Chair
Cindy Glenn
Velma Lohmeyer
Connie Thonen
Mark Zillinger

CREDIT COMMITTEE

Dean Wilson - Chair
Erin Harries
Suzanne Morgan

CREDIT UNION STAFF

Pete DiDio – Manager
Ron Revelle – Assistant Manager
Stacy Montgomery – Senior Financial Analyst
Jerry Lee – Financial Analyst
Angie Treinen – Loan & Member Service Representative
Debbie Morgan – Member Service Representative
Deb Mannen – Member Service Representative
Bernadette Smith – Member Service Representative
Allyson Scott – Member Service Representative (part-time)

COMPARATIVE BALANCE SHEET

ASSETS	12/31/07	12/31/08
Loans	$13,534,271	$14,224,015
Allowance for Loan Loss	(79,686)	(70,719)
Prepaid Expenses	218,622	232,888
Fixed Assets	13,879	7,711
Investments & Cash	5,496,197	7,057,315
Total Assets	$19,183,282	$21,451,210
LIABILITIES & EQUITY		
Shares	9,151,567	9,729,311
Share Draft/Checking	1,021,769	1,012,027
Share Certificates	5,358,662	6,807,003
Regular Reserve	952,477	952,477
Contingency Reserve	2,685,295	2,926,802
Total Equity	$19,169,770	$21,427,620
Accounts Payable	13,513	23,590
Total Liabilities & Equity	$19,183,282	$21,451,210

2 STATISTICS 0

Assets Increased	$ 2,267,927	11.82%
Loans Increased	$ 689,745	5.10%
Deposits Increased	$ 2,016,343	12.98%
Membership Decreased	(29)	-0.83%
Reserves Increased	$ 241,507	6.64%

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	# Outstanding	$ Amount
Consumer Loans	1,268	8,721,376
Real Estate Loans	77	4,351,063
VISA Loans	673	1,109,435
Leases	4	42,141
TOTAL	2,022	$ 14,224,015

OPERATING STATEMENT

INCOME	Y/E 12/31/07	Y/E 12/31/08
Interest on Loans	$ 979,970	$ 960,822
Investment Income	285,516	239,196
Fee Income	150,766	158,631
Net Income	$1,416,251	$1,358,649
EXPENSES		
Contract Services	$ 411,156	$ 425,300
Marketing & Education	16,038	15,802
Association & Chapter Dues	15,976	17,564
Supplies	6,957	7,267
Bond/Officer & Staff Insurance	15,416	12,485
Bank Service Charges	79,448	83,748
Loan Servicing Expenses	31,389	20,349
Provision for Loan Losses	47,538	34,226
Life Savings Insurance	11,268	12,791
Loan Protection Insurance	(2,919)	(1,200)
Examination Fees	7,407	7,863
Annual Meeting Expense	1,552	1,548
Professional & Outside Services	44,368	46,646
Miscellaneous	1,471	2,824
Total Operating Expenses	$687,064	$687,213
Net Operating Income Before Dividends	$729,187	$671,436
Dividends Paid to Members	(462,009)	(429,929)
Net Income After Dividends	$267,178	$241,507

MEMBERSHIP STATISTICS

	12/31/07	12/31/08
Employees	1,325	1,197
Employees' Spouses	255	239
Employees' Children	1,146	1,113
Employees' Grandchildren	152	145
Retirees	313	319
Former Employees	292	441
Total Membership	3,483	3,454
Employee Membership	1,325	1,197
Total Employees	1,699	1,472
Percentage of Employees	78%	81%