KANSAS BLUE CROSS BLUE SHIELD CREDIT UNION
56th Annual Meeting
Tuesday, April 13, 2010
5:00 p.m.

Blue's Café Dining Room

Business Meeting - Election of Officers

AGENDA

Welcome	Mary Beth Chambers
Determination of a Quorum	Mary Beth Chambers
Minutes of the Last Meeting	Mary Smith
President's Report	Mary Beth Chambers
Manager's Report	Pete DiDio
Treasurer's Report	Bebo Lowery-Born
Credit Committee Report	Suzanne Morgan
Supervisory Committee Report	Janet Blakesley
Service Recognition Awards (for outgoing officers): Board of Directors – Bebo Lowery-Born and Mary Beth Chambers Credit Committee – Suzanne Morgan Supervisory Committee – Janet Blakesley and Velma Lohmeyer	Ron Revelle
Election of Officers: Board of Directors – Mayflor Dageforde and Barbara Moore Credit Committee – Marcia Henderson Supervisory Committee – Jodi Harkin and Marguerite Mzhickteno	Ron Revelle
Announcement of Grand Prize Winner	
Adjournment	

KANSAS BLUE CROSS BLUE SHIELD CREDIT UNION
ANNUAL MEETING MINUTES
APRIL 14, 2009

CALL TO ORDER The Annual Credit Union Meeting was called to order by Cathy Holmes at 5:09pm. It was confirmed that 12 members were present which constituted a quorum.

MINUTES Mary Beth Klecan 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 Pete DiDio welcomed everyone and introduced all CU staff members. Some of the accomplishments for 2008 included the Visa TravelMoney card program to replace American Express traveler's checks, a new statement vendor beginning with the 4th quarter statements, implemented an updated consumer lending policy which rewards members for using other services with a discount of up to .25%, awarded 2 college scholarships, introduced a new logo, and maintained historical low delinquency levels even during difficult economic times. Goals for 2009 include conducting a member survey, upgrading PAT (the Personal Audio Teller), and enhancing the website. Pete wrapped up by thanking the members and staff for a very successful 2008. Pete's report was followed immediately with a demonstration of the new website by Stacy Montgomery.

PRESIDENT'S REPORT Cathy Holmes reviewed 2008 accomplishments which included rallies at the Capital, moving the ATM from Building E to K, participating in a planning session, celebrating the 55th birthday of the Credit Union with a birthday party in July, and responding to the ever-changing state and federal regulations which apply to financial institutions.

TREASURER'S REPORT Bebo Lowery-Born referred attendees to the center section of the annual report for the 2008 financial reports. She reviewed the Statistics section which highlighted the growth the Credit Union experienced in 2008. Bebo also commented on the fact the Credit Union lost less than 30 members, during a time when BCBSKS employment declined by 128. She then discussed the recent NCUSIF developments, including the increase in insured deposits to $250K, and the unanticipated contribution the Credit Union will have to make to keep the fund stable. Even with this unexpected expense, the Credit Union is still projecting a positive bottom line for the year.

CREDIT COMMITTEE REPORT Suzanne Morgan recognized the other members of the Committee, Erin Harries and Dean Wilson. During 2008, the significant activities of the Credit Committee included participating in the review of all the lending policies during the 3rd quarter. She also pointed out the solid loan growth of 5.1% the Credit Union experienced during 2008.

SUPERVISORY COMMITTEE REPORT Janet Blakesley recognized the other members of the Committee – Connie Thonen, Cindy Glenn, Velma Lohmeyer, and Mark Zillinger. The Committee performed 3 surprise cash counts, 2 ATM counts, a loan review, membership verification, the ACH audit, and Bank Secrecy Act compliance audit, and reported no significant findings on any of these occasions.

SERVICE RECOGNITION AWARDS Ron Revelle presented Connie Thonen and Cathy Holmes with a certificate of appreciation and thanked them for all their hard work. He also recognized Barb Leeper and Dean Wilson, who were unable to attend the meeting.

ELECTIONS Ron reviewed the criteria for Board and Committee nominees. The Board of Directors as the nominating committee has submitted Randy Lambrecht and Ron Simmons for the open Board positions, and CG Varble for the open Credit Committee position, and Karen Real for the open Supervisory Committee position. 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 Wii and Wii Fit set, and a Samsung 32" HDTV. Stephanie Smith won the Wii/Wii Fit set and Cheryl Corwin won the TV.

ADJOURNMENT With no further business, the meeting was adjourned at 5:40pm.

CREDIT UNION OFFICIALS AND STAFF

BOARD OF DIRECTORS

Mary Beth Chambers – President
Mary Beth Klecan – Vice President
Mary Smith – Secretary
Beryl Lowery-Born – Treasurer
Randy Lambrecht – Board Member
Ron Simmons – Board Member
Louie Smith – Board Member

SUPERVISORY COMMITTEE

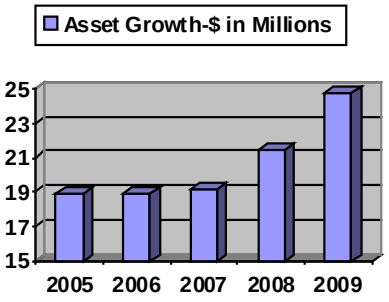
Janet Blakesley - Chair
Velma Lohmeyer
Karen Real
Connie Thonen
Mark Zillinger

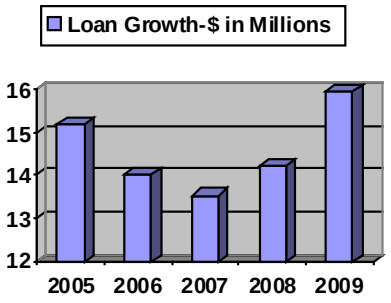
CREDIT COMMITTEE

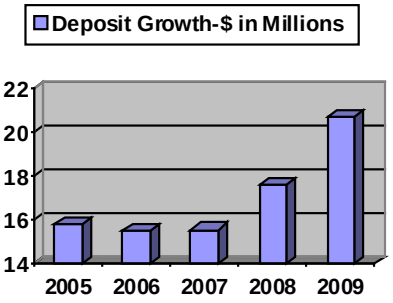
Erin Harries
Suzanne Morgan
CG Varble

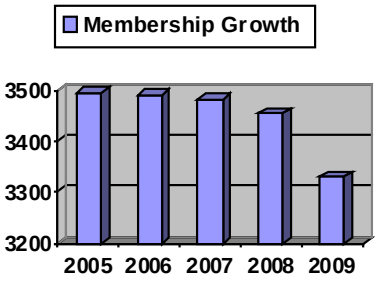
CREDIT UNION STAFF

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


Asset Growth-$ in Millions
25
23
21
19
17
15
2005
2006
2007
2008
2009


Loan Growth-$ in Millions
16
15
14
13
12
2005
2006
2007
2008
2009


Deposit Growth-$ in Millions
22
20
18
16
14
2005
2006
2007
2008
2009


Membership Growth
3500
3400
3300
3200
2005
2006
2007
2008
2009

COMPARATIVE BALANCE SHEET

ASSETS	12/31/08	12/31/09
Loans	$14,224,015	$15,959,737
Allowance for Loan Loss	(70,719)	(80,901)
Prepaid Expenses	232,888	270,272
Fixed Assets	7,711	1,542
Investments & Cash	7,057,315	8,576,237
Total Assets	$21,451,210	$24,726,887
LIABILITIES & EQUITY		
Shares	9,729,311	11,063,243
Share Draft/Checking	1,012,027	1,561,725
Share Certificates	6,807,003	8,113,864
Regular Reserve	952,477	956,634
Contingency Reserve	2,926,802	3,005,655
Total Equity	$21,427,620	$24,701,121
Accounts Payable	23,590	25,766
Total Liabilities & Equity	$21,451,210	$24,726,887

2009 STATISTICS

Assets Increased	$ 3,275,677	15.27%
Loans Increased	$ 1,735,721	12.20%
Deposits Increased	$ 3,190,490	18.18%
Membership Decreased	(125)	-3.62%
Reserves Increased	$ 83,010	2.14%

2009 LOAN PORTFOLIO

	# Outstanding	$ Amount
Consumer Loans	1,253	9,011,027
Real Estate Loans	92	5,678,891
VISA Loans	813	1,269,818
TOTAL	2,158	$ 15,959,737

OPERATING STATEMENT

INCOME	Y/E 12/31/08	Y/E 12/31/09
Interest on Loans	$ 960,822	$ 1,016,320
Investment Income	239,196	249,437
Fee Income	158,631	158,683
Total Income	$1,358,649	$1,424,440
EXPENSES		
Contract Services	$ 425,300	$ 425,198
Marketing & Education	15,802	13,237
Association & Chapter Dues	17,564	17,045
Supplies	7,267	9,020
Bond/Officer & Staff Insurance	12,485	15,065
Bank Service Charges	83,748	74,859
Loan Servicing Expenses	20,349	18,294
Provision for Loan Losses	34,226	77,799
Life Savings & Loan Protection Insurance	11,591	28,624
NCUSIF Share Insurance		127,010
Examination Fees	7,863	8,989
Annual Meeting Expense	1,548	1,228
Professional & Outside Services	46,646	80,066
Miscellaneous	2,824	1,528
Total Operating Expenses	$687,213	$897,960
Net Operating Income Before Dividends	$671,436	$526,480
Dividends Paid to Members	(429,929)	(334,664)
Net Income After Dividends	$241,507	$191,815
Non-Operating Loss on Investment		(108,805)
Net Income		83,010

MEMBERSHIP STATISTICS

	12/31/08	12/31/09
Employees	1,197	1,242
Employees' Spouses	239	219
Employees' Children	1,113	1,039
Employees' Grandchildren	145	145
Retirees	319	298
Former Employees	441	386
Total Membership	3,454	3,329
Employee Membership	1,197	1,242
Total Employees	1,472	1,455
Percentage of Employees	81%	85%