

# KANSAS BLUE CROSS BLUE SHIELD CREDIT UNION

## ANNUAL MEETING MINUTES — APRIL 23, 2019

### CALL TO ORDER

The Annual Credit Union Meeting was called to order by Christie Mugler at 5:02 p.m. It was confirmed that 12 members were present which constituted a quorum. She reviewed the agenda and drew the Grand Prize winning ticket, which was set aside until the end of the meeting.

### MINUTES

Randy Lambrecht 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.

### PRESIDENT'S REPORT

Christie welcomed everyone to the 65th Annual Meeting. She shared with the group a few things she has learned serving on the CU Board and encouraged attendees to visit the CU website frequently to keep up with the many products and services available. Christie reminded attendees of the bonus dividends and loan interest rebates paid to members at 12/31/18. She invited Paul Feist and Randy Lambrecht forward to help announce the 2019 scholarship winners, Hailey Droge and Nathan Pickereil. Both students were congratulated with a round of applause. At the conclusion of Christie's remarks, she drew and announced the first door prize winner, Glenda McCanliss.

### MANAGER'S REPORT

Steve Morris opened his remarks by introducing the credit union staff. Some of the accomplishments for 2018 included growth in members, checking accounts, and loans, all of which were goals for staff during the year. Steve encouraged members to check with the CU for their auto financing needs. Additional accomplishments in 2018 were the introduction of e-signing loan documents, Credit Sense, a free credit monitoring tool, and plastic card security enhancements – MyMobileMoney for debit cards and Card Valet for credit cards. The CU participates in two different ATM networks to provide members the maximum availability of surcharge free ATMs. Both networks have apps available for your smart phone to help you find a free ATM wherever you might be. Mobile Money continues to be a popular service and Mobile Deposit usage continues to increase. The goals for staff in 2019 include increasing members, services per member, and loans outstanding while also refreshing the CU website and online tools, enhancing member communication, and exploring additional mobile capabilities. CU staff has recommended an update to the mission statement which was approved by the Board in March. Our mission is to enhance members financial wellness by providing exceptional products and services. Steve then shared an image of the new web home page. The full updated website is projected to go live in June. Finally, he reminded attendees of the changes coming to shared branch locations in Topeka, when Ervista branches are removed from the network in late May. He then drew the next winning ticket which belonged to Robert McCanliss.

### TREASURER'S REPORT

Ann Shelton reviewed the 2018 financial highlights detailed on the screen and in the Annual Report. Loans outstanding increased by \$1.01 million or 4.3% while reserves grew by almost \$506,000. The credit union ended the year with 2,053 loans outstanding, equaling \$24.5 million. During 2018, the credit union paid over \$294,000 in dividends to members or 37% of total operating income. Total employee membership stands at 67% of BCBSKS employees as members of the credit union, demonstrating the valuable benefit the credit union offers to our members. Total membership as of 12/31/18 stood at 3,531, with 8,223 open accounts. Ann then drew the next door prize winner, Armie Brown.

### CREDIT COMMITTEE REPORT

Kevin Jones recognized the other members of the Committee, Roxanne Huhs and Tina Henderson. During 2018, the credit union granted 631 loans for a total of more than \$8.6 million. He also pointed out the low loan delinquency ratio at 12/31/2018 was .52%, compared to a state-wide average of 1.29% and national average of 1.13%. The Committee reviewed 19 loans during 2018, approving 17 and denying 2. He drew the next winning ticket, which belonged to Karen Pickerell.

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### **SUPERVISORY COMMITTEE REPORT**

Amie Brown recognized the other members of the Committee – Molly Coplen, Aimee Craig, and Malesa Kinder. The Supervisory Committee's role is to provide assurance to the members by affirming the credit union financial statements are presented fairly and by conducting reviews of the practices, procedures, and controls of credit union activities to safeguard member's assets. The Committee performed 4 surprise cash counts (including the ATMs) and quarterly loan file reviews. In addition, they oversaw the agreed upon procedures audit, the ACH audit, the Bank Secrecy Act compliance audit and the SAFE Act audit completed by J Tenbrink and Associates. As a result of the reviews and audits conducted by or on behalf of the Committee, they affirm the credit union's financial condition, position, and operations are fairly presented in the financial statements and there are no material issues regarding the credit union's practices, procedures, and control activities. The last door prize ticket was drawn and awarded to Sheila Summers.

### **SERVICE RECOGNITION AWARDS**

Stacy Montgomery presented Christie Mugler, Alex Dakin, and Amie Brown with a certificate of appreciation and thanked them for all their hard work.

### **ELECTIONS**

The Board of Directors as the nominating committee has submitted Amie Brown and Jovonna Funnell for the open Board positions, and Jared Bryant and Jackie Welsh for the open Supervisory Committee positions. Stacy made a motion to cease nominations and elect these nominees. The motion was seconded and approved.

### **DOOR PRIZE**

The winning prize ticket drawn at the beginning of the meeting was announced. Karen Gibbs was the lucky winner of the \$500 cash grand prize.

### **ADJOURNMENT**

With no further business, the meeting was adjourned at 5:25 p.m.

## CREDIT UNION OFFICIALS AND STAFF

### **CREDIT UNION STAFF**

Amber Korbe – Manager

Stacy Montgomery – Assistant Manager

Angie Treinen – Loan & Member Service Representative

Deb Mannen – Member Service Representative

Bernadette Smith – Member Service Representative

Shelby Bengtson – Member Service Representative

Charlotte Heberling – Member Service Representative

Andy Hulse – Member Service Representative

### **SUPERVISORY COMMITTEE**

Jared Bryant

Aimee Craig

Malesa Kinder

Jackie Welsh

### **BOARD OF DIRECTORS**

Randy Lambrecht – President

Donna Pashman – Vice President

Tish Hermann – Secretary

Pete DiDio – Treasurer

Amie Brown – Board Member

Jovonna Funnell – Board Member

Cathy Holmes – Board Member

### **CREDIT COMMITTEE**

Roxanne Huhs – Chair

Tina Henderson

Lisa Hinterweger

## Operating Statement

	Y/E 12/31/19	Y/E 12/31/20
<b>INCOME</b>		
Interest on Loans	\$1,203,548	\$1,263,986
Investment Income	358,625	275,827
Fee Income	318,570	321,870
Total Income	\$1,882,743	\$1,861,683
<b>EXPENSES</b>		
Contract Services	\$542,479	\$576,705
Marketing & Education	16,298	15,408
Association & Chapter Dues	19,399	18,589
Supplies	13,385	11,322
Bond/Officer & Staff Insurance	17,499	16,393
Bank Service Charges	176,137	185,535
Loan Servicing Expenses	45,829	45,795
Provision for Loan Losses	(218)	(6,374)
NCUSIF Share Insurance	0	0
Examination Fees	8,078	8,603
Annual Meeting Expense	1,161	947
Professional & Outside Services	143,804	123,139
Miscellaneous	310	614
Total Operating Expenses	\$984,161	\$996,676
Net Operating Income Before Dividends	\$898,582	\$865,007
Dividends Paid to Members	(346,385)	(375,007)
Net Income After Dividends	\$552,197	\$490,000
Non-Operating Gain on Sale of Assets		
Net Income	\$552,197	490,000

## Comparative Balance Sheet

	12/31/19	12/31/20
<b>ASSETS</b>		
Loans	\$25,859,574	\$28,964,964
Allowance for Loan Loss	(93,621)	(70,152)
Prepaid Expenses	427,266	110,880
Fixed Assets	4,658	3,358
Investments & Cash	14,089,965	17,971,209
Total Assets	\$40,287,843	\$46,980,259
<b>LIABILITIES &amp; EQUITY</b>		
Shares	19,498,358	22,703,956
Share Draft/Checking	3,175,860	4,730,234
Share Certificates	10,286,666	11,767,954
Regular Reserve	1,551,574	1,717,211
Contingency Reserve	5,674,312	5,998,675
Total Equity	40,186,770	46,918,030
Accounts Payable	101,073	62,229
Total Liabilities & Equity	\$40,287,843	\$46,980,259

## Statistics

Assets Increased	\$6,692,416	16.61%
Loans Increased	\$3,105,390	12.01%
Deposits Increased	\$6,241,260	18.94%
Membership Increased	(20)	-0.56%
Reserves Increased	\$490,000	6.78%

## Loan Portfolio

	# Outstanding	\$ Amount
Consumer Loans	1,302	15,255,112
Real Estate Loans	149	12,292,371
VISA Loans	518	1,417,481
TOTAL	1,969	\$28,964,964

## Membership Statistics

	12/31/19	12/31/20
Employees	1,055	1,034
Employees' Spouses	238	234
Employees' Children	11,123	1,105
Employees' Grandchildren	323	337
Retirees	428	449
Former Employees	374	362
Total Membership	3,541	3,521
Employee Membership	1,055	1,034
Total Employees	1,590	1,612
Percentage of Employees	66%	64%