THIRTEENTH ANNUAL MEETING

of the

HUTCHINSON TEACHERS CREDIT UNION

October 22, 1959

McCandless School 7:30 p.m.

OFFICERS

DIRECTORS

Geo. P. Foster, President

Don Michael, Vice President

Ross Herron, Secretary

*Clyde Burk, Treasurer

Charles Oyler (Deceased)

Mrs. Clyde Burk, Ass't Treasurer

J. B. Garrison

*Term expires this year

COMMITTEES

Credit Committee

*Mary Hope Morris, Chairman
A. B. Cameron
Tom Kelly

Supervisory Committee

*Bruce McClure, Chairman
Forrest Hardacre
Hilda Peckham

Education Committee
(Appointed)

Elocile Hoffman, Chairman
Lena Shelton
Augusta Seefeldt

AGENDA

1. Call to order by President George Foster
2. Roll call
3. Reading of minutes of last annual meeting
4. Report of Directors
    - a. President
    - b. Managing Director
    - c. Other directors
5. Report of Treasurer
6. Report of Credit Committee
7. Report of Supervisory Committee
8. Introduction of Guest League Director
9. Unfinished business
10. New business
    - a. Amendments to the By-laws
    - b. Other recommendation by the Board
    - c. Questions from members
    - d. Declarations of dividends
11. Election -- 2 directors

    1 Credit Committee member

    1 Supervisory Committee member
12. Door prizes
13. Adjournment

TREASURER'S REPORT

FINANCIAL STATEMENT
September 30, 1959

OUR CREDIT UNION OWNS

LOANS to 295 Members		$ 241,360.
INVESTMENTS		
Shares of other Credit Unions	$ 5,005.	
U.S. Bonds	38,520.	43,525.
CASH		6,766.
FURNITURE AND FIXTURES		433.
OTHER ASSETS (Prepaid Surety Bond, Accrued Interest on U.S. Bond, and Acc't Receivable)		574.
TOTAL ASSETS		$ 292,658.

OUR CREDIT UNION OWES

SAVINGS of 605 Members	$ 274,313.
ACCOUNTS PAYABLE	132.
TOTAL LIABILITIES	$ 274,445.

OUR CREDIT UNION'S NET WORTH

RESERVE FUND	$ 10,405.
UNDIVIDED PROFITS	7,808.
TOTAL NET WORTH	$ 18,213.

OUR CREDIT UNION'S OPERATING STATEMENT 1959

GROSS INCOME		
Interest from Loans	$ 14,561	
Other Income	1,406	$ 15,967
OPERATING EXPENSE		$ 6,912
NET INCOME		9,055
TRANSFER TO RESERVE		1,811
BALANCE TO UNDIVIDED INCOME		$ 7,244

MORE FACTS

Potential Members	1200
Actual Members	605
Per cent actual members	50%
Average Size Loan Granted	$ 512.
Amount Loans Delinquent end 1959	$13,439.
Net Amount Loans Charged Off Since Organizing	$ 367.

OUR CREDIT UNION'S OPERATING EXPENSE

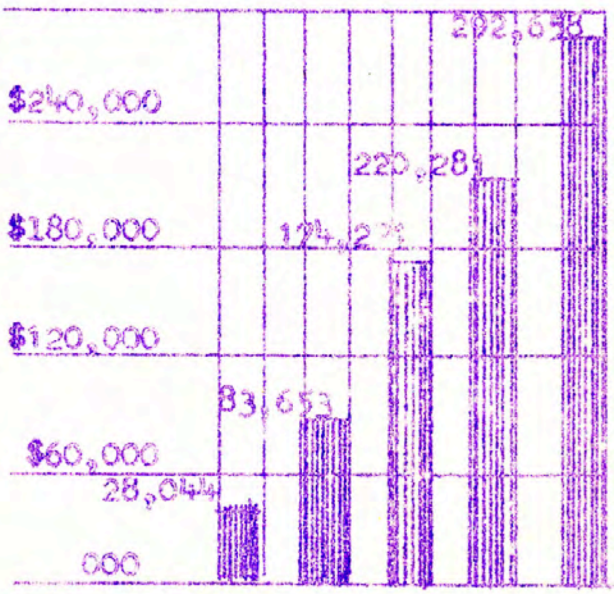
FOR YEAR 1959

Stationery and Supplies	$ 206.22
Rent	277.00
Depreciation of Furniture and Fixtures	107.72
Treasurer's Bond	270.00
Examination Fee	356.38
Recording Fees	63.00
Assistant Treas. Salary	1,575.00
Mgr. Director's Salary	635.36
Advertising and Information (Educ.)	491.57
Borrower's Insurance	1,031.00
Life Saving Insurance	1,017.22
State League Dues	540.00
Telephone	94.97
Loss on Sale of U.S Bond	81.25
Bank Charges	39.50
Mileage (Mgr. Dir.)	36.10
Social Security Tax	55.28
Local Chapter Dues	5.40
Miscellaneous	30.42
TOTAL EXPENSE	6,911.92

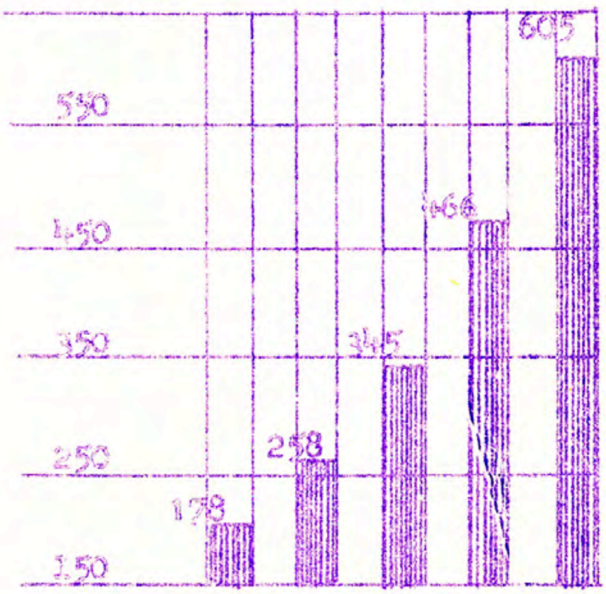
[illegible], Treasurer

THE PROGRESS OF OUR CREDIT UNION

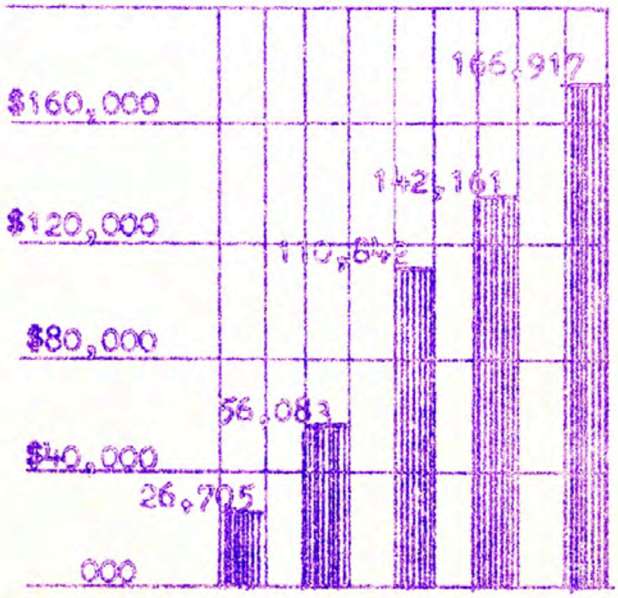
ASSET GROWTH



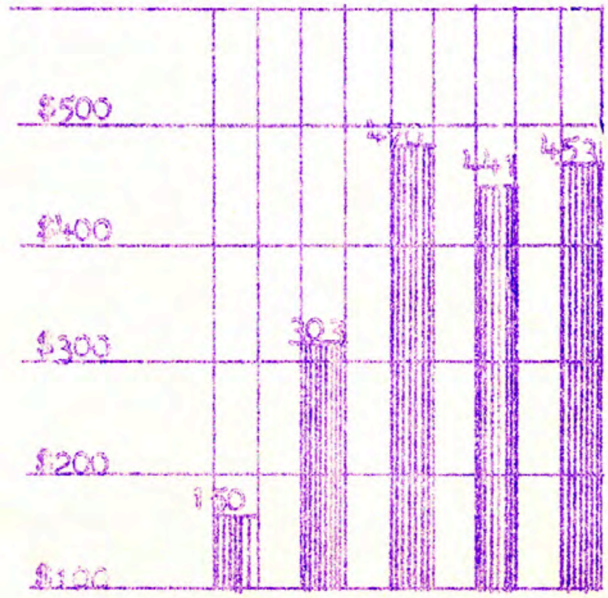
MEMBERSHIP PROGRESS



AMOUNT LOANED EACH YEAR



AVERAGE YEARLY SAVINGS



REPORT OF CREDIT COMMITTEE

Month	Number of loans	Number refinanced or extended	Amt. Loaned	Amt. re-financed
Jan.	34	3	$21,576.13	$1,555.65
Feb.	30	1	12,784.43	1,101.91
March	32	1	19,737.67	245.92
April	32	1	22,654.51	900.00
May	33	2	22,605.26	1,825.91
June	58	1	41,914.45	7,500.00
July	23		12,454.12	
August	39		18,460.00	
September	30	1	15,823.13	300.00
Totals	311	10	$188,099.42	$13,429.42

This represents the loan approved, not necessarily the one completed.

The Credit Committee has met almost daily to transact the business as it was needed.

It is our suggestion that the approval of loans can be expedited if the application is complete. We need the date of the chattel, especially the model of cars and the serial numbers. Also the "Applicant's Statement" on the back of the application needs to be complete.

Respectfully submitted,

The Credit Committee,

Mary Hope Morrism Chair.
Tom Kelly, Sec.
A. B. Cameron.

ANNUAL REPORT OF THE SUPERVISORY COMMITTEE
Hutchinson Teachers Credit Union
1959

The Supervisory Committee met three (3) times during the shortened year of 1959. The Committee has :

1. Checked the treasurer's books at two of these meetings.
2. Checked all notes and applications for loans.
3. Audited 315 pass books, which is 52% of the membership.
4. Checked all chattels.

We have found the treasurer's books in good order at all times.

Submitted by,
The Supervisory Committee
Bruce McClure
Hilda Peckham
Forrest Hardacre

AMENDMENTS TO BY-LAWS

Proposals:

(1) That Article IV, Section 1 and 7, of the by-laws be amended to read as follows:

SECTION 1 - The Annual Meeting of the members shall be held within the first ninety (90) days of the fiscal year.

SECTION 7 - The fiscal year of the Credit Union shall end on the 30th day of September in each year.

Votes for approval ________

Votes for disapproval ______

(2) That Article VII, be amended by adding Section 4 to read as follows:

SECTION 4 - The Credit Committee may appoint one or more loan officers, who may be treasurer or an assistant treasurer, and delegate to him or them, power to approve loans up to the unsecured limit or in excess of such limit if such excess is fully secured by unpledged shares.

Each loan officer shall furnish to the Credit Committee a record of each loan approved or not approved by him within seven (7) days of the date of the filing of the application therefore. All such loans not approved by the loan officer shall be acted upon by the Credit Committee.

Votes for approval ________

Votes for disapproval ______

(3) That Article XIV, Section 2 and 4, of the by-laws be amended to read as follows:

SECTION 2 - Security must be taken for any loan in excess of five hundred dollars ($500).

SECTION 4 - No loan shall be made in excess of five hundred ($500) or ten per cent (10%) of the credit unions assets, which ever amount is greater.

Votes for approval ________

Votes for disapproval ______

(4) That Article XVII, be amended by adding Section 4 to read as follows:

SECTION 4 - Credit for the month may be accrued on shares which are or become fully paid during the first five (5) days of the month.

Votes for approval ________

Votes for disapproval ______

THE LOSS ON ONE-HALF OF ONE PERCENT LOANS

The member who has $1,000 in shares and has $1,000 borrowed at 1% on the unpaid balance and pays it in one year will have a transaction like this:

Interest that he would pay to Credit Union		$65.00
The Credit Union would have these expenses against that account:		
Insurance premium on the shares	$ 7.80	
Insurance premium on the loan	3.60	
League dues for the member	1.00	
Dividend @ 3 3/4%	37.50	
Expense to Credit Union	$49.90	49.90
Net profit		$15.10

This $15.10 could have been used to help pay higher dividends or interest refunds.

But if he pays only $\frac{1}{2}$ of 1% he would pay in $32.50. The Credit Union has the same $49.90 expense and only $32.50 with which to pay it, hence a loss of $17.40. So it does not quite pay his own dividends let alone helping to pay any higher dividends or any interest refunds.

THOSE TRICKY INTEREST RATES

How many times we, in the credit union movement, have advised our members and everybody else for that matter, to "add all the charges, when shopping for credit." It's the best advice there is for somebody lost in the maze of interest charges, discount rates, and "service" costs. Yet we all know that we still hear our members say, "Why should I borrow from you at 12% when the bank gives it to me for 6%?"

To show our members exactly why not, a study was made by a Minnesota Credit Union (we presume it will not be different in Kansas), of a number of competing lending agencies in their area, as well as a number of banks, and found out the charges on representative loans, and added all the charges. Here is what they discovered:

On a $300 loan for 15 months, from four finance companies:

Lending Agency	Interest Rate	Interest Cost	Life Insurance	Disability Insurance	Monthly Payment	Total Cost
Company A	8% & $8 fee	$44.45	$9.11	$10.94	$24.30	$64.50
Company B	8% & $7 fee	$41.43	$4.32	None	$23.05	$45.75
Company C	8%	$44.52	Included	None	$23.00	$44.52
Company D	8% & $8 fee	$44.45	$9.11	$10.94	$24.30	$64.50
CREDIT UNION	12%	$24.00	Included	Included	$21.60	$24.00

On a $300 loan for 24 months, from five banks:

Bank A	6%	$36.00	$6.00	None	$14.25	$42.00
Bank B	6%	$36.00	$6.75	None	$14.28	$42.75
Bank C	6%	$36.00	$7.68	None	$14.32	$43.68
Bank D	6%	$36.00	$6.00	$6.00	$14.50	$48.00
Bank E	6%	$36.81	$6.87	$7.03	$14.61	$50.71
CREDIT UNION	12%	$37.50	Included	Included	$14.06	$37.50

LOANS MADE BY THE MONTH

Month	1948 (9 mo.)	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959 (9 mo.)
Jan.		500.00	1,665.00	2,050.00	3,045.13	6,038.00	5,775.00	2,513.00	8,095.00	13,475.00	14,404.29	16,079.38
Feb.		335.00	260.00	2,036.00	2,760.10	1,575.00	5,500.00	2,795.00	8,372.00	4,110.00	9,345.00	13,214.72
March		750.00	1,750.00	2,080.00	4,618.00	7,346.28	4,325.00	7,650.00	14,462.93	11,120.30	14,315.71	14,769.50
April	105.25	1,100.00	1,300.00	1,950.00	2,972.00	5,990.00	8,498.17	11,264.00	4,268.93	15,222.72	7,961.00	20,068.28
May	950.00	1,150.00	1,825.00	4,612.00	6,192.60	4,130.15	13,278.35	6,230.00	5,525.00	10,135.00	19,365.00	25,534.64
June		545.00	630.00	3,348.56	2,350.00	6,710.00	12,931.52	25,103.50	15,551.75	11,738.00	17,637.82	24,974.45
July		1,260.00	575.00	1,432.00	1,855.00	2,310.00	6,896.95	15,115.00	8,656.26	8,457.10	10,277.00	18,144.12
Aug.		805.00	1,080.00	2,530.00	2,150.00	5,340.00	5,440.90	6,861.99	13,506.60	8,355.25	5,068.85	16,860.11
Sept.	255.00	578.58	1,290.00	650.00	2,745.00	6,245.00	10,178.00	8,190.00	6,090.00	20,285.00	16,738.41	17,273.13
Oct.	70.00	520.00	1,550.00	2,125.00	7,755.00	1,630.00	4,380.00	15,540.50	7,500.00	10,626.42	24,305.95	
Nov.	850.00	100.00	1,100.00	1,474.25	4,400.00	4,040.00	4,985.00	7,490.50	4,840.00	9,374.22	18,391.44	
Dec.	60.00	125.00	625.00	2,417.20	3,235.00	4,729.00	11,220.00	2,088.68	6,290.00	19,262.75	13,250.25	
Totals	2,290.25	7,768.58	13,650.00	26,705.01	44,077.83	56,083.43	93,408.89	110,842.17	103,158.47	142,161.76	171,060.72	166,918.33
% of total by years	.24%	.83%	1.5%	2.84%	4.69%	5.98%	9.96%	11.82%	10.99%	15.15%	18.23%	17.79%

Total amount loaned since 1948 -- $938,125.44