Member Services

Look what your full service credit union can do for you:

VISA
Money Orders
IRA Accounts
Low Interest Rate Loans
Loans By Mail
Second Mortgage Loans
Direct Deposit
Payroll Deduction
Travelers' Checks
Safe Deposit Boxes
Pre-Approved Loans
Free Notary Service
Drive-up Facilities
Financial Counseling
Savings Certificates
Hi Yield Accounts
Reduced Loan Rates
Redemption of Bonds
After-hours Depository
Christmas Club Accounts
On-Line Computer Service
New & Used Car Cost Guides
Consumer Information Center
Interest Bearing Checking Accounts with
  Overdraft Protection
CU-Card, for access to Automated Teller Machines
  (ATM) all over the USA
First Mortgage Loans

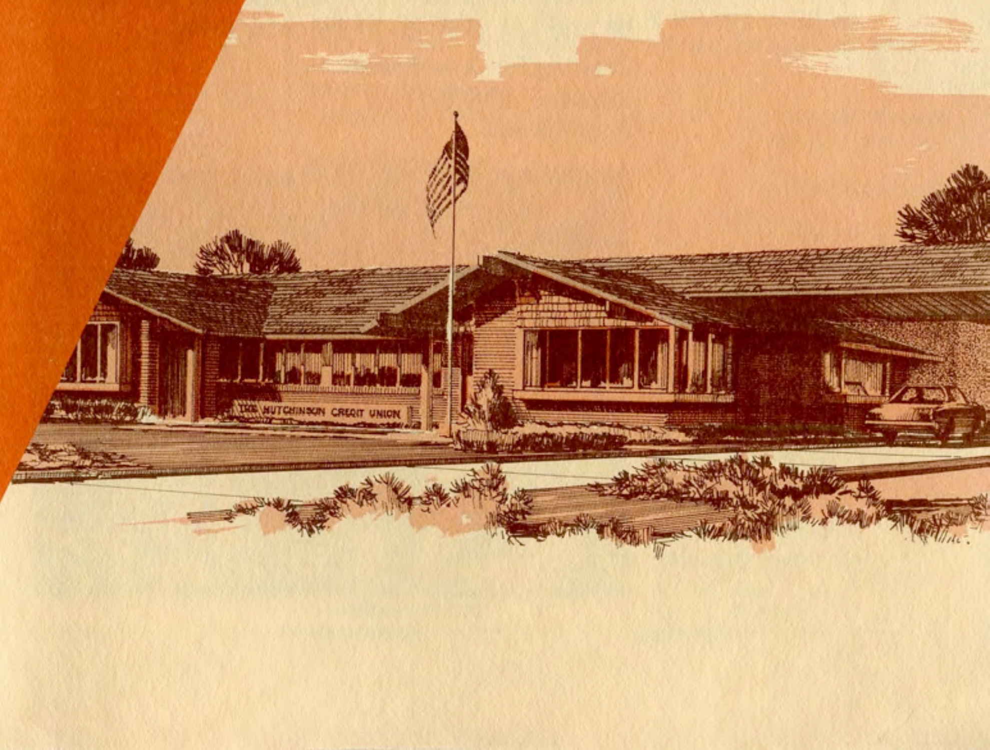
New:
Home Equity Line of Credit

NCUA

THE Hutchinson CREDIT UNION

Annual Report 1985

THE Hutchinson CREDIT UNION



Report of the Chairman

Greetings to each of you who are members of The Hutchinson Credit Union. Another successful year has been completed within your credit union, and it is only through your support we continue to grow and supply you with the services you seek and need. Our newest service is Home Equity Line of Credit. This service provides a preapproved line of credit using the equity of your home as security. It is simple to use, attractive in cost (rates), and there when you need it.

There have been some physical changes at the office building this year. We have redesigned the interior, using some of the extra space to provide additional offices for more productive staff use. The basement was finished to provide an area for Board or special meetings, additional work space, and future expansion needs. A new teller station and reception area were added — all to help us serve you more completely. We appreciate your tolerance of the inconveniences experienced during the construction period.

The financial picture is strong, in spite of the local economic conditions. Caution is exercised in both the loan and investment areas. We are constantly reviewing our position as your primary financial institution to provide you with the best service possible and to maintain the credibility of The Hutchinson Credit Union. This credit union is owned by you, the member. We strive to provide good services with a personal touch for you. We invite you to use all of these services to your advantage.

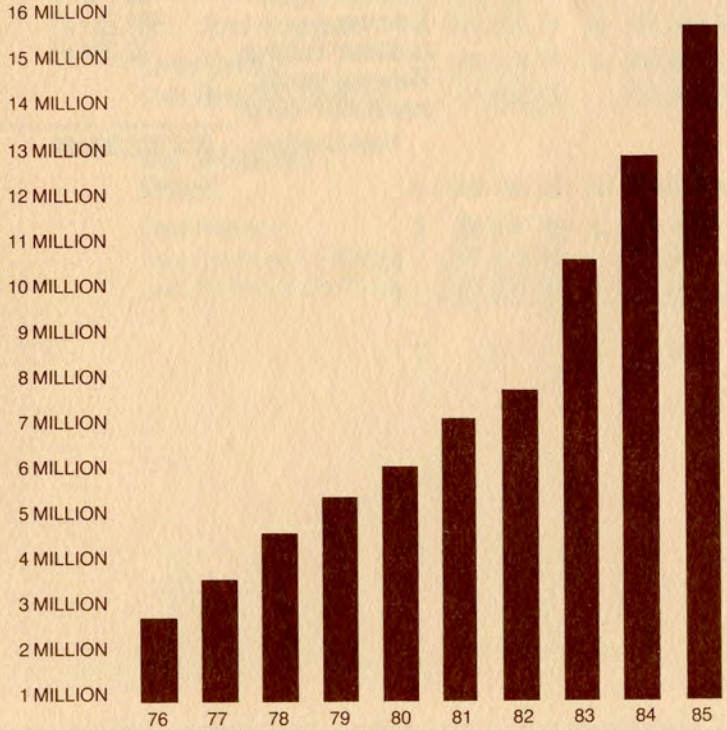
Submitted by
James E. Woods
Chairman

Report of the Treasurer

The officials and staff of The Hutchinson Credit Union have a commitment to keep your credit union safe, sound, strong, and progressive.

Through good lending policies and wise investment strategy, it has been possible to return to the membership over one million dollars in interest and dividends; $96,345 was placed in reserves to continue to build a strong foundation for the credit union's financial condition. Assets on December 31, 1985, show $15,861,156.71. This is a growth of 22.7% over 1984. This credit union continues to be a leader in the industry, dedicated to service to the membership.

Respectfully submitted,
Loretta Fletchall
Secretary-Treasurer



Financial Statement

ASSETS	YEAR-END CLOSINGS December 31, 1984	December 31, 1985
Cash Accounts	$ 526,968.94	$ 366,204.68
Loans to Members	8,042,834.92	10,932,886.70
Investments	3,909,088.22	4,036,292.22
Building and Land	347,941.51	425,690.85
Furniture and Fixtures	46,656.51	57,616.01
Prepaid Expenses	33,070.49	37,676.84
Accounts Receivable	1,148.00	449.90
Accrued Income	16,220.37	4,339.51
Total Assets	$12,923,928.96	$15,861,156.71

LIABILITIES		
Total Shares	$ 5,292,091.02	$ 8,041,712.59
(Regular Shares)		
(Christmas Club)		
(Club Shares)		
(High Yield)		
(IRA)		
Share Certificates	5,533,168.80	5,388,489.52
Expandachek	1,467,040.98	1,500,103.74
Accounts Payable	38,142.27	27,078.37
Reserves	561,251.21	619,995.28
Undivided Earnings	32,234.68	117,147.73
Unearned Interest		168,814.60
Interbranch Shares		(2,185.12)
Total Liabilities	$12,923,928.96	$15,861,156.71

Distribution of Income

INCOME	1984	1985
Interest on Loans	$1,044,128.60	$1,390,352.39
Income from Investments	393,098.50	384,706.76
Other Income	66,231.63	151,842.36
Total Income	$1,503,458.73	$1,926,901.51

OPERATING EXPENSES		
Compensation	$ 181,887.87	$ 221,717.46
Employee Benefits	30,790.57	35,518.77
Travel and Conference Expense	7,891.97	9,304.08
Association Dues	11,011.47	13,364.63
Office Occupance and Operations	72,593.75	166,018.97
Education and Promotion	22,318.50	32,107.43
Loan Servicing	5,377.10	7,823.03
Professional Expense	82,781.01	87,337.14
Provision for Loan Losses	24,601.79	81,260.01
Members Insurance	57,457.62	49,734.02
Supervisory Expense	4,559.87	7,508.38
Interest on Borrowed Money	944.98	356.17
Annual Meeting Expense	4,006.78	6,952.58
Miscellaneous Expense	8,129.43	6,845.70
Total Expenses	$ 514,352.71	$ 725,848.37
Gross Earnings	$1,503,458.73	$1,926,901.51
Less Operating Expenses	(514,352.71)	(725,848.37)
NET OPERATING INCOME	$ 989,106.02	$1,201,053.14
Less Reserves	$ (86,840.75)	$ (114,479.97)
Less Dividends on Shares	(392,973.58)	(497,913.15)
Less Certificate Dividends	(509,291.69)	(588,660.02)
	$ - 0 -	$ - 0 -

Report of the Supervisory Committee

A professional firm of Certified Public Accountants has conducted the annual audit of all credit union accounts. In accordance with generally accepted auditing standards, each asset, liability, income, and expense account was tested. The required verification of member accounts was performed. The final report indicates all records are in good order.

The annual audit by the Kansas State Department of Credit Unions was conducted, focusing primarily on loan accounts. All documentation was found to be in good order.

The Supervisory Committee meets annually with the accountants to review procedures and results. Both audits indicate the records are correct and the operational procedures and policies proper, indicating the excellent condition of the credit union.

Respectfully submitted,
Ed Switzer
Chairman

Supervisory Committee
Maggie Mullins;
Ed Switzer, *Chairman;*
Warren Peterson

Report of the Credit Committee

During the fiscal year ending December 31, 1985, members received 3,961 loan advances for a total of $8,129,663. Since the organization of the credit union in 1948, over $46 million have been loaned to members. Of this amount, only $135,833 has been uncollected.

With the decline of investments rates, the cost to the credit union for member investments has been reduced which directly affects interest rates on loans.

During 1985, loan rates have been reduced, thus providing further low cost credit for the members.

Visa loans, overdraft protection loans, personal consumer loans, first and second mortgage loans, home equity line of credit loans, and home improvement loans all combined make your credit union a full service lending institution for you.

Always, check with The Hutchinson Credit Union before borrowing for your needs.

Respectfully submitted,
Kendall Griggs
Chairman

Credit Committee
Maggie Hollinger;
Kendall Griggs, *Chairman;*
George Sanders

Staff

Garth Strand,
Vice President

Wanda Hatcher,
Vice President

Office Staff
Sheri Taylor,
Helen Moreland,
Mildred Weaver

Eric Walsten,
Greg Shelton

Connie Sandstrom,
Jane Rank,
Roger Schmidt,
Michelle Barnes

Janet Ridgway,
Kel Tate,
Rhonda French

From Margaret

First of all, a big "THANK YOU" for the kindness and consideration you demonstrated to us as you patiently tolerated the inconvenience our remodeling project caused you. It was just super to have you boost our morale with your understanding of the problems in our efforts to continue good service. It was not easy, but it is finished and is well worth the inconvenience. If you did not get by for Open House, be sure to come by and get a personal tour. It is *your* financial institution and you can be very proud of it.

You are to be commended for your commitment to the credit union. Because of you, this has always been and remains a very effective financial institution for your use.

Your presence here tonight demonstrates your belief in the democratic controls necessary and the guidance we receive from our elected officials.

It is a pleasure to work for you and with you. January 2, 1986, marked my 20th year with the credit union. I am glad I am here.

Margaret Banker
President