Our Catalog of Services

Share Savings, plus:
- Savings Certificates
- High Yield Accounts
- Christmas Club Accounts
- IRA Accounts

Favorable Loans:
- Loans by Mail
- Preapproved Loans
- First Mortgage Loans
- Second Mortgage Loans
- Home Equity Line of Credit
- Car Loans, Personal Loans

Checking:
- Interest-bearing Accounts
- Overdraft Protection

VISA

CU-Card for ATM use

Discount Brokerage

Self-directed IRA's

US Savings Bonds
- Sell & redeem

On-Line Computer Service

Convenience Services:
- Direct Deposit
- Payroll Deduction
- Automatic Transfers
- Travelers Checks
- Money Orders

Transfers:
- Western Union Transfers
- Wire Transfers
- Telephone Transfers (limited by Regulation D to 3 per month)

Free Notary Service

Financial Counseling

New & Used Car Cost Guides

Consumer Information

At Hutchinson Only:
- Safe Deposit Boxes
- Drive-up Facilities
- After-hours Depository

HUTCHINSON
CREDIT UNION

Hutchinson Office
900 East 23rd
P.O. Box 1645
Hutchinson, KS 67504-1645
316-669-0177

Wichita Downtown Office
245 North Waco, Suite T-600
Wichita, Kansas 67202
316-266-5141

1987 ANNUAL REPORT

HUTCHINSON
CREDIT UNION

Agenda

Annual Meeting / March 26, 1988

Hospitality Hour
Call to Order
- Roll Call
- Introduction of Guests
- Approval of Minutes and Agenda .... James Woods
- Report of Board of Directors .... James Woods
- Report of Treasurer .... Loretta Fletchall
- Report of Supervisory Committee .... Ed Switzer
- Report of Credit Committee .... Kendall Griggs

Unfinished Business
New Business
Election of Officers
Program .... Margaret Banker
President, Hutchinson Credit Union

"Our Future Begins at Forty"
A glance backward as we face the future with confidence.

Board of Directors


James E. Woods
Chairman


Richard Westphal
Vice Chairman


Loretta Fletchall
Secretary-Treasurer


James Hayes


LeRoy Broxterman


Lynn Rogers
Wichita Office


James Guy
Wichita Office

Minutes of the Annual Meeting

Annual Meeting / March 14, 1987

The thirty-eighth annual meeting of The Hutchinson Credit Union was held March 14, 1987 at The Hutchinson Holidome. About 350 persons attended.

The meeting began with a social time, an hors d'oeuvre buffet and music.

Chairman James Woods called the meeting to order. The following special guests were introduced: Clyde and Lela Burk, the first managers of the credit union. Linda Epley and John McCannon from Farm Credit Bank Employees Credit Union, and Ariel Perrill, a charter member of the credit union.

Chairman Woods presented the agenda for the meeting. Duane Anstine moved the minutes of the 1986 annual meeting be approved as presented. After a second by Meryl Billingsley, the motion was approved.

The treasurer's report was given by Loretta Fletchall, Secretary-Treasurer. An increase in assets of 11% was noted as well as the return of over $1,000,000 to members in dividends. A motion for the approval of her report was made by Loretta. Following a second by Dan McNeely, the motion was approved.

Chairman James Woods reviewed the past year. He noted that in spite of the impact of the local economy, the credit union has continued to hold a strong financial position.

The report of the credit committee was given by Lee Spence. A total of 3697 loans were made in 1986 for a total of $6,536,656. Lee moved the report of the credit committee be accepted as printed. A second was made by Del Ruff and the motion carried.

Ed Switzer, as chairman of the supervisory committee, reported on the activity of his committee. They have reviewed the audit conducted by Pierce, Faris & Co. and all records were found to be in good order. The state examiners have not yet arrived to conduct their annual audit. A motion for the approval of the supervisory committee report as printed was made by Ed Switzer. After a second by Ariel Perrill, the motion carried.

Margaret Banker, President, introduced the credit union staff. She commented on many services available from the credit union, where the credit union has come from and the direction it is headed.

There was no unfinished business from the previous year.

As chairman of the nominating committee Sam Butterfield presented the slate of nominees for the various openings. They were as follows:

	Nominees
Board of Directors	
Two to be elected - 3 year term	James Hayes, James Woods
Credit Committee	
One to be elected - 3 year term	Lee Spence
Supervisory Committee	
One to be elected - 3 year term	Ed Switzer

Mr. Butterfield called for nominations from the floor. Lou Carter moved the nominations cease and the nominees be elected by a unanimous ballot. A second was made by Meryl Billingsley. Motion carried.

James Woods introduced the speaker for the evening, Dr. Robert Smith, Dean of Liberal Arts and Science, Wichita State University. He spoke about our individual lives, where we are now and where we can go.

Garth Strand conducted the drawing for door prizes.

There being no further business, the meeting was adjourned.

Loretta Fletchall
Loretta Fletchall
Secretary - Treasurer

James E. Woods
James E. Woods
Chairman

Report of the Chairman

Welcome to the 40th birthday of Hutchinson Credit Union. On April 1, 1948, Hutchinson Teachers Credit Union was formed with 14 members and $315.00. Today we have 7,719 members and just over $20,000,000 in assets. A perfect example of what *people helping people* can do.

People helping people is exactly the theme which directs the day-to-day activities of your credit union. We strive to make your financial life as convenient and cost effective as possible. We want to be your full-service financial institution by providing services such as VISA credit cards, ATM access, IRA's, mortgage loans and many more.

The year 1987 held another "first" for your credit union. A merger was completed with the former Farm Credit Bank Employees Credit Union. This was a merger by choice of two healthy institutions. The merger provides a broader membership base over which operating costs may be spread and income opportunities enhanced.

Progressive actions such as the merger and a responsive menu of services are only half of the success formula. The other half is the most important. That other half is your support. Without that, actions and services become silent. This progressive, responsive and supportive combination has helped us grow and prosper through the past 40 years. It will be this same combination which will carry us into the future, developing new ways to meet the needs of our membership.

James Woods
Chairman

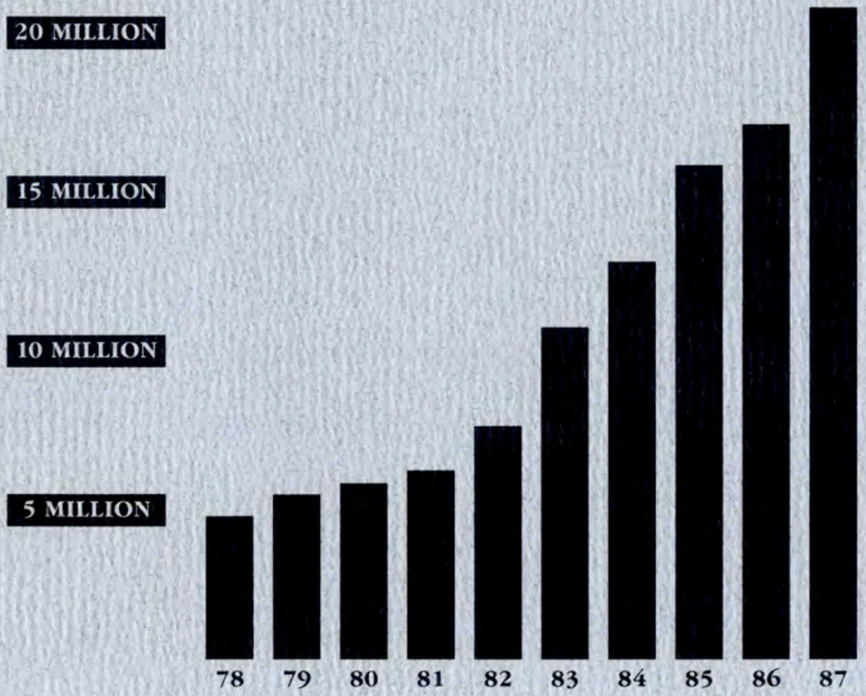
Report of the Treasurer

A milestone was reached this year as your credit union passed the 20 million dollar mark in assets. This represents quite an accomplishment for an organization which began 40 years ago with just $315.00 in assets!

The actual asset, liability, income and expense figures are shown on the following pages. From $1,208,510.43 in net operating income, $1,060,136.69 was returned to members in the form of dividends. The remaining $148,373.74 was placed in reserves to meet state and federal requirements.

The Board, Committee and Staff members, both past and present have maintained a commitment to keep your credit union a safe, strong and sound institution dedicated to service to the membership.

Loretta Fletchall
Secretary - Treasurer



Financial Statement

YEAR END CLOSINGS

ASSETS	December 31, 1986	December 31, 1987
Cash Accounts	$ 306,674.08	$ 386,063.48
Loans to Members	10,964,395.61	13,545,994.46
Investments	5,792,630.11	5,821,921.82
Building and Land	445,794.76	428,000.76
Furniture and Fixtures	72,998.68	92,592.76
Prepaid Expenses	38,494.47	58,398.16
Accounts Receivable	390.99	-0-
Accrued Income	6,996.77	27,902.40
Total Assets	$17,628,375.47	$20,360,873.84
LIABILITIES		
Total Shares	$ 9,234,306.52	$10,754,095.32
(Regular Shares)		
(Christmas Club)		
(Club Shares)		
(High Yield)		
(IRA)		
Share Certificates	5,724,235.81	6,559,866.46
Expandachek	1,714,546.28	1,848,980.01
Accounts Payable	27,517.46	22,649.71
*Reserves	751,545.32	842,028.50
*Undivided Earnings	49,741.61	218,079.30
Unearned Interest	127,913.64	115,174.54
Interbranch Shares	(1,431.17)	-0-
Total Liabilities	$17,628,375.47	$20,360,873.84

*The increase in reserves and undivided earnings includes $110,603.12 from the merger with Farm Credit Bank Employees Credit Union.

Distribution of Income

INCOME	1986	1987
Interest of Loans	$1,507,338.24	$1,421,849.03
Income from Investments	338,886.55	406,423.05
Other Income	160,815.14	190,761.25
Total Operating Income	$2,007,039.93	$2,019,033.33
OPERATING EXPENSES		
Compensation	$ 280,268.61	$ 292,035.52
Employee Benefits	45,258.44	53,416.47
Travel and Conference Expense	7,365.62	6,397.83
Association Dues	15,974.56	16,870.83
Office Occupance and Operations	224,479.50	222,644.74
Education and Promotion	35,508.23	29,088.79
Loan Servicing	13,576.42	12,502.70
Professional Expense	89,924.75	107,138.05
Provision for Loan Losses	79,566.68	81,200.00
Members Insurance	46,046.59	20,616.78
Supervisory Expense	8,124.48	6,270.99
Interest of Borrowed Money	271.02	1,915.44
Annual Meeting Expense	9,377.74	9,761.92
Miscellaneous Expense	15,364.77	10,013.10
Total Expenses	$ 871,107.41	$ 869,873.16
Gross Earnings	$2,007,039.93	$2,019,033.33
Less Operating Expense	(871,107.41)	(869,873.16)
NET OPERATING INCOME	$1,135,932.52	$1,149,160.17
Non-Operating Income	-0-	59,350.26
NET INCOME BEFORE DIVIDENDS	$1,135,932.52	$1,208,510.43
Less Reserves	$ (51,890.95)	$ (103,919.17)
Less Dividends on Shares	(533,249.10)	(575,816.09)
Less Certificate Dividends	(550,792.47)	(484,320.60)
Balance to Undivided Earnings	$ -0-	$ 44,454.57

Report of the Supervisory Committee

A professional firm of Certified Public accounts was again employed to conduct an audit of all credit union records. In accordance with generally accepted auditing standards, each asset, liability, income and expense account was tested. The final report indicates all records and documentations are accurate.

The annual audit conducted by the Kansas State Department of Credit Unions has not yet been conducted for 1987. The 1986 audit conducted in 1987, however, was completed and again indicated all accounts to be in good order.

This tradition of high standards over the past 40 years is indeed a major reason for the continued growth and success of your credit union.

Ed Switzer,
Chairman

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

Report of the Credit Committee

Total number of loans in 1987	4,707
Dollar volume of loans in 1987	$8,048,901
Total number of loans made since April 1, 1948	44,552
Dollar volume of loans made since April 1, 1948	$61,569,335

One of the basic purposes of a credit union is to provide a stable, fairly priced source of funds to meet the members' credit needs. It is the duty of the credit committee to monitor the availability and use of this fund. This is accomplished by periodic meetings to review loan advances and documentation for compliance with policies established by the board of directors.

There are many different loans and credit accounts available today. Competition for your credit dollar is strong and sometimes hard to compare. Be sure to check with your credit union to find out the true cost of any credit transaction.

Kendall Griggs,
Chairman

Credit Committee
Kendall Griggs, *Chairman;* George Sanders; Lee Spence

Forty Years of Volunteers

Board

Phil Schrader
Vern Hoglund
Brooke Simpson
Calvin Burns
David Hildebrand
Dan Robison
Donna Showalter
Ron Schrag
Edna Anderson
James Farley
Jay Coffey
Paul Hinckley
George Foster
Will Billingsley
Don Michael
Clyde Burk
Major McCoy
Ross Herron
Doris Roberts
Meryl Billingsley
Carl Wanasek
Harold Jones
Marian Brookover
Edith Clarkson
Charles Oyler
James E. Woods
Richard Westphal
Loretta Fletchall
James Hayes
LeRoy Broxterman
Lynn Rogers
James Guy

Charter Members

Vaden Stroud
John Payne
Leo Wicoff
J. B. Garrison
Robert Hollwell
Ariell Perrill
Reba Anderson

Credit Committee

Margaret Hollinger
Phil Schrader
Montie Battershell
Chris Opdycke
David Babcock
Myron Hermes
Vinita Hoffman
Carl Raguse
Claude Parks
Ruth Bowron
Les Phillips
M. J. Thompson
Willie Morgan
Ariell Perrill
Roscoe Coyne
Vera Rhue
Carl Shoch
A. B. Cameron
Dorothy Lauver
A. R. Elliott
Tom Kelley
Jim Mclaine
Fred Elliott
Charles Sesher
James Stringer
Kendall Griggs
George Sanders
Lee Spence

Managers

Clyde Burk
J. B. Garrison
A. W. Miller
Margaret Banker

Supervisory Committee

Jan Strecker
Don Newell
Ruthe Eash
John Showalter
Bruce McClure
Warren Peterson
Ed Switzer
Margaret Mullins
Walter Rinehart
R. L. Stienheimer
Mary Hope Morris
James Owens
Ruth Jones
Elizabeth Haines
Hilda Peckham
Forrest Hardacre
Russell Kingsley
Vetray Hahn
Chester Regier

From Margaret

Forty years—and we are facing a bright future. Who would have foreseen the effect that a dream, born in 1948, would have upon the financial picture of Hutchinson, Kansas, in 1988.

Conceived in the minds of a few concerned educators of the Hutchinson Public Schools, the idea of a credit union—a union of people pooling their funds to help people—has grown from an organization of a few people and a few dollars in assets to a major financial institution.

Credit unions throughout the United States, Canada and the world have gained respect. Our legislators, both in our state and on the national level, recognize and respect credit unions as unique financial organizations dedicated to serving their members.

We *are* different. As members, we are owners of the credit union. Your shares are known as equity, not liability. We have our own share insurance fund to protect our shares. Never has a member of a credit union lost one dollar from a failed credit union. There have been mergers, there have been liquidations, but always the member's money is safe—insured.

As you can see from our Treasurer's report, our assets are now over $20 million and still growing. We have only scratched the surface. With the branch office in Wichita, the serving of many payroll groups in the Hutchinson area, and with your support, this credit union will continue to be strong, healthy and ready to serve you.

Throughout these 40 years, the volunteers who have guided the destiny of HCU, those people serving as directors and committee members have been faithful and tireless in their efforts to support staff and render the good decisions which have brought us to this position. People helping people—that's what we are all about.

Our future begins at forty. And *you are* a part of the past, but more importantly, *you are a part of our future.*

Margaret Banker
President