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
- Issue & 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

1990 ANNUAL REPORT

HUTCHINSON
CREDIT UNION

Agenda

Annual Meeting / March 4, 1991

Hospitality Hour
Call to Order
- Roll Call
- Introduction of Guests
- Approval of Minutes and Agenda .... Loretta Fletchall
- Report of Board of Directors .... Loretta Fletchall
- Report of Treasurer .... LeRoy Broxterman
- Report of Supervisory Committee .... Lee Spence
- Report of Credit Committee .... George Sanders
- Report of the President .... Garth Strand
- Unfinished Business

New Business
Election of Officers
Speaker .... Michael Culbertson, President, Kansas Credit Union League

Board of Directors


Loretta Fletchall
Chairman


James E. Woods
Vice Chairman


LeRoy Broxterman
Secretary-Treas.


Ed Switzer


Lynn Rogers


Mark Woleslagel


John McCannon

Minutes of the Annual Meeting

Annual Meeting / March 17, 1990

The forty-second annual meeting of the Hutchinson Credit Union was held March 17, 1990 at the Hutchinson Holidome. Approximately 300 members attended.

The meeting began with an hors d'oeuvre buffet and music. Chairman James Woods called the meeting to order. Reverend Thomas Powers gave the invocation. Roll call was taken by members signing their tickets.

Chairman Woods presented the agenda for the meeting. Ross Herron moved to accept the minutes of the 1989 Annual Meeting as printed. After a second by John Summervill, the motion carried.

Chairman Woods' report reviewed the events of the past year and future events. Woods announced that this would be his last year as Chairman but will continue to serve as a board member.

The treasurer's report was presented by Dennis Blick. A motion for approval of the report was made by Mr. Blick, seconded by Rod Dietz. Motion carried.

Lee Spence, Supervisory Committee Chairman, reported on both the State Department audit and the independent supervisory audit done by the certified public accounting firm of Pierce-Faris & Company. Mr. Spence made a motion for the acceptance of the report. Second by Melvin Schrieber. Motion carried.

George Sanders, Credit Committee Chairman, gave his report. Ninety-two percent of the credit union deposits were used on loans back to members. Mr. Sanders made a motion for the acceptance of the report. Second by Dan McNeely. Motion carried.

As chairman of the Nominating Committee, Dale Keller presented the slate of nominees for various committees as follows:

Board of Directors	**Nominees**
Two to be elected - 3 year term	Jim Woods, Ed Switzer
Credit Committee	
One to be elected - 3 year term	Kendall Griggs
Supervisory Committee	
One to be elected - 3 year term	Lee Spence

Mr. Keller called for nominations from the floor. Hearing none, Mr. Keller moved the nominations cease and the nominees be elected by a unanimous ballot. Second by Ruby Munzer. Motion carried.

Garth Strand, expressed his appreciation for the opportunity to serve the membership. Mr. Strand presented a plaque to Chairman Woods for the 13 years of dedicated service.

A video was reviewed that addressed the issues and challenges ahead for all credit unions.

Speaker Joe Lieber, Executive Vice-President of the Kansas Cooperative Council, reiterated the importance for everybody to rally behind the effort to save our financial cooperative.

Greg Shelton conducted the drawing for door prizes.

There being no further business the meeting was adjourned.

James E. Woods
James E. Woods
Chairman

Dennis L. Blick
Dennis Blick
Secretary/Treasurer

Report of the Chairman

Your Credit Union has completed a good year, experiencing its strongest financial performance ever. This is truly significant in a time filled with financial failures, bailouts and other economic uncertainty. This performance is a tribute to our volunteers, staff and most of all to you, the members, for your continued support of credit union ideals and services.

In keeping with the credit union principles of equality and not for profit, a special 1% interest refund and bonus dividend was declared for the first time. This action served a dual purpose. First, it provided an equitable vehicle to financially reward members for support of the credit union services. Second, and most important, it carries a strong message that our credit union is functioning as it is intended to function – for you, the members.

Your Credit Union has completed a good year! This made possible the facility improvement now in progress. Phase I, the new drive-thru, will soon be at your service. Phase II is yet but a sketch on the drawing board. However, the progressive history and strong member support will no doubt bring it to reality.

Your support of Operation Grassroots has indeed focused attention on the importance and uniqueness of credit unions. Operation Grassroots has been you – the individual members, signing petitions and writing letters. You have made a difference.

Your Credit Union has completed a good year! This should be a significant source of pride for you as a member-owner. Thank you for your confidence, participation and suppport of the credit union.

Loretta Fletchall,
Chairman

Mission Statement

The Mission Statement of Hutchinson Credit Union IS . . .

TO insure the future viability of Hutchinson Credit Union.

TO offer optimum financial service equitably while maintaining safe and sound operational practices and financial conditions.

TO nurture an environment of democratic control and member orientation as a cooperative financial institution.

TO encourage sound money management through education and counseling.

Report of the Treasurer

The actual asset, liability, income and expense totals comparing 1989 and 1990 are shown on the following pages. Key measurements are as follows:

Asset Growth	18.34%	Loan Growth	4.36%
Savings Growth	18.36%	Capital Growth	17.21%

A direct return to the members of $1,488,095.78 was made in the form of share and certificate dividends. To meet state and federal reserve requirements, $151,300.44 was placed in reserves and $85,197.30 was placed in undivided earnings. Reserves and undivided earnings are the "savings account" of the credit union and help to insure its future viability.

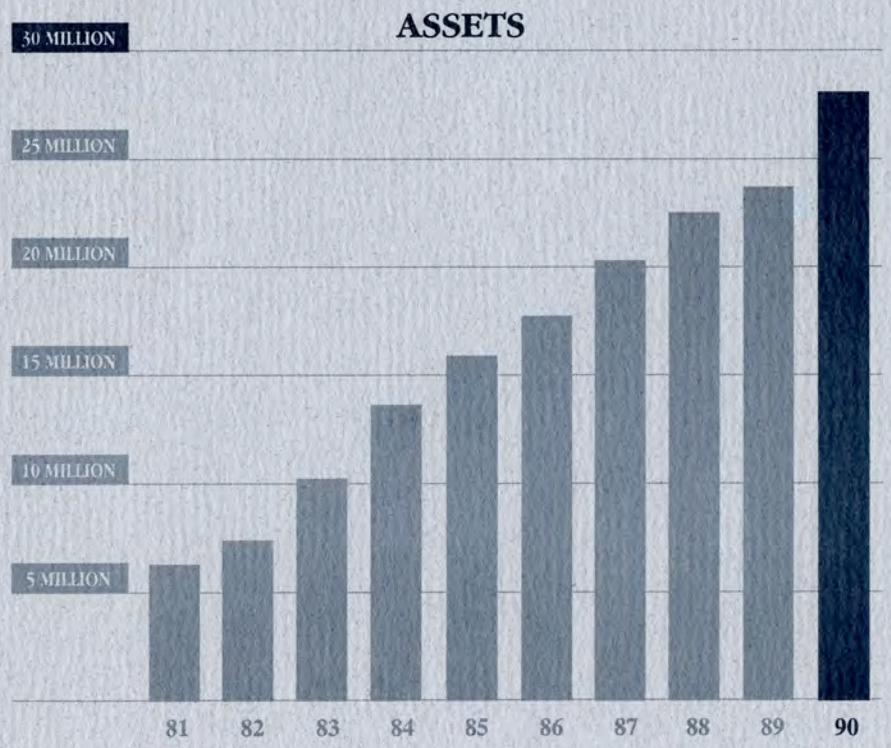
A special transfer from gross income was made this year for $35,495.02 as a bonus, 1% return to both saving and borrowing members.

The balance of our income, $72,483.67, was placed in a special reserve account to help provide for anticipated changes in our facility requirements.

The Board of Directors believes your credit union is financially sound, well-managed and capable of continuing to fulfill its mission of offering financial services in a safe and sound manner.

As member-owners, your continued support is vital to the sustained success of your credit union.

LeRoy Broxterman
Secretary-Treasurer



YEAR END CLOSINGS

ASSETS	December 31, 1989	December 31, 1990
Cash Accounts	$ 627,123.04	$ 747,908.14
Loans to Members	20,282,462.49	21,166.966.09
Investments	2,152,613.31	5,253,120.62
Building and Land	391,953.96	373,964.41
Furniture and Fixtures	53,856.89	75,238.64
Prepaid Expenses	112,255.13	302.096.35
Accounts Receivable	0.00	279.41
Accrued Income	10,124.52	43,632.98
Total Assets	$ 23,630,389.34	$ 27,963,206.64

LIABILITIES		
Total Shares	$ 10,968,529.70	$ 12,042,537.79
(Regular Shares)		
(Christmas Club)		
(Club Shares)		
(High Yield)		
(IRA)		
Shares Certificates	8,318,519.60	10,721,070.23
Expandachek	2,781,387.00	3,358,327.03
Accounts Payable	142,639.44	127,052.67
Reserves	1,000,416.32	1,139,580.42
Undivided Earnings	362,311.96	532,129.27
Unearned Interest	56,585.32	42,509.23
Total Liabilities	$ 23,630,389.34	$ 27,963,206.64

INCOME	1989	1990
Interest on Loans	$ 2,131,671.45	$ 2,407,295.63
Income from Investments	247,822.46	359,417.36
Other Income	239,684.06	279,996.07
Less Interest Refunds		(20,700.40)
Total Operating Income	$ 2,619,177.97	$ 3,026,008.66

OPERATING EXPENSES		
Compensation	$ 381,224.53	$ 438,421.14
Employee Benefits	63,089.34	78,654.70
Travel and Conference Expense	10,184.65	12,904.19
Association Dues	16,920.06	17,238.01
Office Occupance and Operations	276,684.24	298,264.17
Education and Promotion	37,930.51	41,261.20
Loan Servicing	19,777.95	19,555.84
Professional Expense	144,052.37	140,430.33
Provision for Loan Losses	77,280.00	84,600.00
Member Insurance	43,003.65	42,596.37
Supervisory Expense	7,572.71	8,872.03
Interest on Borrowed Money	17,948.90	2,721.50
Annual Meeting Expense	15,503.34	12,084.86
Miscellaneous Expense	12,960.14	16,532.51
Total Expenses	$ 1,124,132.39	$ 1,214,136.85
Gross Earnings	$ 2,619,177.97	$ 3,026,008.66
Less Operating Expense	(1,124,132.39)	(1,214,136.85)
NET INCOME BEFORE DIVIDENDS	$ 1,495,045.58	$ 1,811,871.81
Less Dividends on Shares	(710,442.37)	(753,926.99)
Less Certificate Dividends	(591,638.63)	(734,168.79)
Less Dividend Bonus		(14,794.62)
Balance to Undivided Earnings	$ 192,964.58	$ 308,981.41

Report of the Supervisory Committee

The supervisory committee's primary responsibilities are to ensure the effectiveness of internal checks and balances, adherence to established policies and procedures, and the overall safety and soundness of the Credit Union. With the Credit Union programs and services becoming more complex, and internal operations more sophisticated, your committee again voted to employ a Professional Certified Public Accounting Firm to perform the Annual Audit. In accordance with generally accepted auditing standards, each asset, liability, income and expense account is tested. The final report is pending, due to the audit process not being completed by printing time of this report.

This year a second audit was performed by the Kansas State Department of Credit Unions. The State Examiners Report indicated that all books were in balance, loan portfolios were accurate and up to date and the financial status of the Credit Union was well above average.

It is important to our committee that each member's account is handled with professionalism and to ensure that every member is treated fairly and questions resolved.

It is gratifying to report to all members that, with these proper checks and balances, the Credit Union is again in a position to move forward into the coming year.

Lee A. Spence,
Chairman

Supervisory Committee
Lee Spence, Maggie Mullins, Warren Peterson

Report of the Credit Committee

	1989	1990
Total Number of Loans	9,103	9,429
Total Dollar Volume of Loans Made	$12,257,529	$12,649,842
Number of Loans Made Since April 1, 1948	62,617	72,046
Total Dollar Volume of Loans Since April 1, 1948	$86,266,632	$98,915,811
Loans Charged-Off Since 1948	$296,133	$414,053
Recoveries From Charged-Off Loans	$26,253	$26,863

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. These funds are used to meet a variety of needs as members strive to improve their standard of living and achieve financial success. At year end, 82% of credit union deposits were on loan back to our own members.

The credit committee's basic function is to monitor the lending process, checking for loan quality, proper documentation, adherence to loan policy and procedure, competitive rates and the types of credit our members need.

The increasing complexity of credit instruments and regulation increases our dependence on the professional staff. However, the credit union system gives each member a unique opportunity for input via the credit committee.

George Sanders,
Chairman

Feb 100,000.00

Credit Committee

Kendal Pulliam,
Casey Garten,
Mark Payne

George Sanders,
Charlene Lind,
Kendall Griggs

Credit Unions

Which type of financial institution is not for profit, not for charity, but for member service?

A. Savings and Loans
B. Credit Unions
C. Banks

Which type of financial institution is insured by NCUSIF, the strongest federal insurance fund?

A. Savings and Loans
B. Credit Unions
C. Banks

Which type of financial institution do you belong to as a member, not a customer?

A. Savings and Loans
B. Credit Unions
C. Banks

Which financial institution returned over $35,000 to it's members in 1990 in the form of interest refunds and dividend bonuses?

A. Hutchinson Credit Union
B. Your credit union
C. Both of the above

Due in great part to member loyalty, your credit union experienced an exceptional year in 1990. In order to share this good fortune with each member, the Board of Directors declared a 1% interest refund and a 1% dividend bonus based on all interest paid and dividends earned in 1990.

The interest refund was paid to your share account on 12-31-90. The dividend bonus was paid to your share account on 1-16-91.

Over **$35,000** was returned to members as a way of saying "Thank You" for your loyalty and patronage. This action is consistent with the credit union "Not For Profit" philosophy and represents the very essence of what credit unions are all about.

Your credit union once again enjoyed a successful year. Assets are now over 28 million dollars – about twice that of five years ago. While our primary mission is not growth, the strong historical growth pattern indicates a healthy, responsive organization that offers its members a good value in the marketplace.

Good value – consumer access to essential financial services at reasonable rates is what credit unions are all about. That's how we got started. I would like to thank our volunteers, past and present for their faithful and tireless service which has rendered the good decisions year after year, to keep the good value available. Thanks, also to the staff, who in an increasingly complex arena of technology and regulations, work every day to keep that good value accessible. Most of all, thanks to you, the member for your support of our credit union, the services we offer and the cooperative spirit and ideals we represent.

Thanks to all of you, for the 43rd year of success for Hutchinson Credit Union! We must work hard and work together to insure continued success. I sincerely look forward to working with and for each one of you.

Garth Strand,
President

International Credit Union Operating Principles

- Open and Voluntary Membership
- Democratic Control
- Non-Discrimination
- Service to Members
- Distribution to Members
- Building Financial Stability
- On-Going Education
- Cooperation Among Cooperatives
- Social Responsibility