

2013 Annual Report



Building to the Future.

- **23rd Avenue branch** - 900 E. 23rd Avenue, Hutchinson, KS 67502
- **Avenue A branch** - 129 W. Avenue A, Hutchinson, KS 67501
- **Haven branch** - 103 S. Kansas Avenue, Haven, KS 67543
- **Newton branch** - 2201 S. Kansas, Newton, KS 67114
- **Wichita branch** - 245 North Waco, Wichita, KS 67202
- **HCU Support Center** - 4000 N. Monroe, Hutchinson, KS 67502

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Where **people** are worth more than money



AGENDA- ANNUAL MEETING / MARCH 25, 2014

Call to Order

Determination of a Quorum	
Approval of Minutes and Agenda	Mark Woleslagel pg 2
Report of Chair	Mark Woleslagel pg 3
Report of Supervisory Committee	Ed Howard pg 3
Report of Treasurer	Kendal Pulliam pg 4
Report of Credit Committee	Jim Ewert pg 5
Report of the President	Garth Strand pg 8
Report of Election	Mark Woleslagel

Unfinished Business

New Business

Adjournment

HCU VOLUNTEERS

BOARD OF DIRECTORS



Mark Woleslagel
Chair



Lee Spence
Vice-Chair



Kendal Pulliam
Sec-Treasurer



John McCannon



Richard Carlisle



Roy Broxterman



James Woods

CREDIT COMMITTEE



Jim Ewert
Chair



Leila Emack



Patsy Johnson



Rex Christner

SUPERVISORY COMMITTEE



Ed Howard
Chair



Marvin Schmucker



Mike Juby



Lori Blakesly



Caroline Phelps

The 65th Annual Meeting of the Hutchinson Credit Union was held March 26th, 2013 at the HCU Support Center in Hutchinson, Kansas.

Vice Chair Lee Spence called the meeting to order. A quorum was declared with forty-six members in attendance.

Pat Falter moved to accept the minutes of the 2012 Annual Meeting as presented. Seconded by Jim Woods. Motion Carried.

Vice Chair Lee Spence presented the Report of the Chair as Chairman Mark Woleslagel was out of town. Vice Chair Spence reminisced about what life was like 65 years ago when HCU was chartered in 1948. He also covered the highlights of Chairman Woleslagel's written report including bonus dividends paid totaling nearly \$90,000 bringing the total bonus dividends paid over the last five years to approximately \$350,000. Assets at year end were \$195.3 million and net income for the year was \$2.7 million. Vice Chair Spence also discussed benchmarks for an annual business check up.

Marvin Schmucker presented the Report of the Supervisory Committee. Audits completed in 2012 found HCU's records to be in good order and conforming to Generally Accepted Accounting Principals. MemberSource records are also in good standing. Member's Mortgage Services audit was pending as of the Annual Meeting date. The committee received the annual examination report from the Kansas Department of Credit Unions and followed up on noted opportunities for improvement.

The Supervisory Committee reports that funds and records are being maintained in a safe, sound and confidential manner. Kendal Pulliam moved to accept the report of the Supervisory Committee. John McCannon seconded. Motion Carried.

Secretary-Treasurer Kendal Pulliam presented the Treasurer's Report. The report shows excellent growth of assets, loans, shares and capital. Direct return to members in the form of share and certificate dividends was \$2,159,896.

Net income of \$2,711,063 was placed in reserves and undivided earnings. Net income included \$1,135,694 from Members Mortgage Services. HCU I&I had its best year ever which contributed \$36,484 to HCU net income.

The Board of Directors believes the credit union is financially sound, well maintained and continuing to fulfill its mission of offering financial services in a safe and sound manner. Caroline Phelps moved to accept the Treasurer's report. Jim Woods seconded. Motion Carried.

Pat Falter gave the report of the Credit Committee. Loans for the year grew \$10.8 million for total loans outstanding to members of \$141,566,456. Mortgage rates continued at near-record lows and during 2012 HCU originated and sold \$51 million in mortgage loans through MMS. HCU is the number one

mortgage lender in Reno County.

Delinquency decreased from 1.226% at year-end 2011 to .955% at 2012 year-end. Charged off loans have been essentially unchanged for three years at .18%.

77% of member shares were reinvested in member loans at year end. Roy Broxterman moved to accept the Credit Committee report. Lori Blakesley seconded. Motion Carried.

Garth Strand, President discussed the concept of co-opportunity which stems from the thought that "Banks use people to make money. Credit unions use money to help people."

As a cooperative organization, HCU should leverage its assets and resources to intentionally create co-opportunity. Current examples of co-opportunity at HCU were reviewed. The HCU brand promise of "Fairness. Cooperation. Possibilities." was also discussed along with the power of possibility thinking.

Garth challenged HCU volunteers, staff and members to pursue the creation of co-opportunity with the intentional pursuit of possibility thinking; to be mindful of the concept of "enough" when managing cooperative profit and to be willing to discuss new ideas.

There was no new business.

Report of Election

There were no contested elections. Roy Broxterman and John McCannon were elected to new terms on the Board of Directors. Caroline Phelps and Lori Blakesley were elected to new terms on Supervisory Committee. Garth Strand recognized volunteer anniversaries:

Jim Ewert – 5 years
Leila Emack – 10 years
Marvin Schmucker – 15 years
Pat Falter – 20 years
Jim Woods – 35 years

There was no unfinished business to report.

Jim Woods moved to adjourn the meeting. Caroline Phelps seconded. Motion carried.



Thanks to our qualified staff, volunteers, and Hutchinson Credit Union members, 2013 was another positive and productive year ending with total assets of \$207 million an increase of 5.96 % since 12/31/2012. Hutchinson Credit Union posted net income of \$2,574,729 for 2013.

Some important highlights include:

- During 2013, "In our national peer group of over 700 credit unions, HCU ranked #3 in terms of "Return to the member" as calculated by Callahan & Associates."
- The 15 largest credit unions in Kansas had an average margin of 4.88%. HCU's margin is 3.85% giving HCU members a \$115 per member value advantage. The next closest to HCU was a margin of 4.21% which still gave HCU members a \$40 per member advantage.
- At year end, HCU was made up of 18,526 members, 22 volunteers, and 93 employees. HCU I&I has 2 employees and MMS has 23 employees.
- HCU is #10 in asset size out of 98 credit unions in Kansas. HCU is # 858 in asset size out of 6,619 U.S. credit unions.
- Successful joint regulatory examination by the Kansas Department of Credit Unions and NCUA.
- Successful audit by Nearman, Maynard & Vallez, CPAs.
- Positive contributions by both HCU I&I Services and Members Mortgage Services.

We are fortunate to have one of the best financial institutions in the area and I thank each of you for your continued support.

Mark Wolesslagel, Chair

The Supervisory Committee is charged with ensuring that Members' assets are safeguarded. They accomplish this through the following:

- Oversight of the Internal Audit Program
- Reviewing Policies and Procedures
- Evaluating and Reviewing the Credit Union's Financial Condition
- Interacting with Credit Union Management
- Cooperating with Regulatory Agencies
- Reviewing Activities of the Board of Directors and Other Committees

In order to fulfill these responsibilities and provide an objective view of the financial strengths and weaknesses of your Credit Union, the Supervisory Committee relies on and uses a variety of resources, including an Internal Auditor. This allows the Supervisory Committee to proactively monitor the high risk areas of the credit union on a regular basis.

The Certified Public Accounting Firm of Nearman, Maynard, Vallez, P.A. was employed to conduct the Annual Audit as of 9-30-13. Their report concluded that our records represent fairly and accurately the financial position of your credit union and conform to Generally Accepted Accounting Principles. Nearman, Maynard, Vallez, P.A. also audits the records of MemberSource (MS) in conjunction with the HCU audit and MS was found to be in good order. Our other CUSO, Members Mortgage Services, is being audited as of 12-31-13 and is still pending as of this writing.

In addition, the committee cooperates fully with regulatory examinations by the Kansas Department of Credit Unions and the National Credit Union Administration. Any records of action are followed up by the Supervisory Committee. The most recent exam covered transactions up to the close of business on March 31, 2013. There were no material deficiencies cited.

Finally, the Supervisory Committee relies on its own activities and findings:

- The Committee met several times during 2013 to conduct reviews of various policies, procedures, accounts and reports.
- Staff members from various areas report to us about their operations in their respective departments.
- Committee members take turns attending Board of Directors meetings.

In summary, the Supervisory Committee is glad to report to members that your funds and records are being maintained in a safe, sound and confidential manner.

Ed Howard, Chair

Thanks to you, 2013 was another great year for HCU. Your continued support allowed us to surpass the \$200 million mark. In addition, we paid over \$1.8 million in dividends and were able to place almost \$2.6 million of net income into our reserves. This enables us to continue offering cutting edge technologies at better than market rates while maintaining our high level of efficient and friendly service.

Included in 2013 net income was almost \$1.7 million from Members Mortgages Services (MMS), representing earnings from HCU's 44.9% ownership. The total net income for MMS was over \$3.4 million and included income from mark-to-market adjustments from the valuation of mortgage servicing rights of over \$2.1 million which is primarily driven by mortgage rates. As mortgage rates continue to rise, we expect to see additional mark-to-market adjustments, which will increase MMS's and HCU's bottom lines; however these increases are far from certain and could also go negative if rates decline.

HCU's investment in MMS of \$450,000 has grown to over \$4.5 million in the last 10 years. This substantial income has enabled us to continue

offering exceptional value in our loan and share rates despite the increasing pressure on margins.

2013 marked the year that HCU moved the operations of MemberSource, Inc., which is known as HCU Investments and Insurance Services (HCU I&I), back under the HCU corporate umbrella. This move allows us to better serve your needs in this area and also will save substantial money in the long-term due to income tax savings.

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. Thank you for your support.

Kendal Pulliam
Secretary- Treasurer

Asset Growth
5.96 %

Loan Growth
12.40 %

Savings Growth
5.75 %

Capital Growth
14.52 %

RATIO COMPARISON

	HUTCHINSON CREDIT UNION					National Peer	Kansas Peer
	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	12/31/2013	12/31/2013
Capital Adequacy:							
Net Worth/Assets	9.35%	9.25%	9.70%	9.37%	10.10%	10.79%	11.22%
Asset Quality:							
Delinquent Loans/Loans	0.96%	0.73%	0.83%	0.64%	1.28%	1.06%	0.93%
Net Charge Off/Loans	0.19%	0.05%	0.07%	0.08%	0.10%	0.53%	0.61%
Earnings:*							
Yield on Average Loans	5.30%	5.00%	4.89%	4.82%	4.78%	5.14%	5.51%
Yield on Average Investments	1.20%	0.76%	0.86%	0.86%	0.99%	1.12%	1.22%
Cost of Funds/Avg Assets	1.17%	1.04%	1.06%	0.99%	0.93%	0.47%	0.69%
Net Interest Margin/Avg Assets	2.76%	2.50%	2.50%	2.55%	2.68%	2.95%	3.27%
Other Income/Avg Assets	3.02%	3.01%	3.24%	2.64%	2.98%	1.52%	1.54%
Operating Expense/Avg Assets	4.10%	3.68%	3.99%	4.02%	4.12%	3.63%	3.62%
PLL/Average Assets	0.24%	0.08%	0.22%	0.16%	0.26%	0.25%	0.44%
ROA	1.45%	1.75%	1.53%	1.01%	1.28%	0.59%	0.75%
ALM:							
Loans/Share	77.22%	73.21%	76.87%	78.05%	82.08%	68.39%	77.38%
Loans/Assets	68.97%	65.58%	68.72%	70.04%	73.16%	59.88%	67.03%
RE Loans/Loans	59.65%	59.01%	57.90%	58.05%	57.93%	49.94%	30.24%
RE Loans/Assets	41.14%	38.69%	39.79%	40.66%	42.38%	29.91%	20.27%
Fixed RE Loans/Net Worth	136.58%	134.71%	144.34%	149.80%	137.75%	181.43%	126.62%
Cash+Short-term Inv./Assets	12.03%	13.99%	8.79%	10.16%	7.85%	14.46%	12.85%
Fixed Assets / Assets	2.62%	2.41%	2.48%	2.31%	2.33%	2.97%	2.56%
Growth:*							
Asset Growth	9.64%	23.83%	8.97%	10.96%	5.96%	-0.11%	7.73%
Net Worth Growth	17.43%	19.30%	16.76%	11.28%	14.52%	2.22%	9.58%
Share Growth	9.00%	25.06%	9.18%	11.64%	5.75%	-0.20%	8.16%
Loan Growth	8.64%	2.97%	8.22%	13.19%	12.40%	2.93%	12.42%
Investment Growth	5.59%	151.17%	21.42%	23.25%	-1.26%	-5.16%	0.35%
Membership Growth	0.69%	3.52%	5.57%	7.55%	7.19%	-0.94%	5.40%
Asset/Liability Model Test							
NEV - Up 300bp Rate Shock	-26.82%	-32.40%	-36.83%	-29.64%	-27.40%		
NCUA 17/4 Gross Test							
NW Ratio - RE Deval	6.25%	6.28%	6.51%	6.13%	6.80%		
NW Ratio - RE & Inv Deval	5.41%	4.93%	5.12%	4.81%	5.55%		
Change from BV NW after RE & Inv Deval	44.59%	49.16%	49.79%	51.12%	47.52%		

	2012	2013
Total Number of Loans Made	22,999	25,114
Total Dollar Volume of Loans Made	\$111,803,584	\$126,080,024
Number of Loans Made Since April 1, 1948	366,656	391,625
Total Dollar Volume of Loans Since April 1, 1948	1,208,498,196	\$1,350,041,454
Loans Charged-off Since April 1, 1948	\$3,598,924	\$3,786,377
Recoveries From Charged-off Loans	\$369,603	\$414,478

Purpose of the Credit Committee:

To represent the membership by maintaining a safe, sound, fair and responsive credit system.

The credit committee is responsible for insuring lending policies of the credit union, as established by the Board of Directors, are carried out by the loan officers. The committee meets periodically to review reports of new loans, delinquencies, charge-offs and randomly review loan files to insure compliance. Types of loans, portfolio changes, the overall loan pricing structure as well as new products and services are also reviewed.

Notable information and actions in the lending area during 2013 include:

- ⇒ Loans for the year grew \$16.6 million or 12.4% to a total outstanding loans to members of \$151,418,209.
- ⇒ The mortgage activity is transitioning from primarily refinancing to a more normal purchase money market. During 2013, HCU originated and sold 360 mortgage loans totaling \$38.9 million to the secondary market. These numbers are down from 463 and \$51 million in 2012. The latest figures available show HCU ranks #280 out of some 6,600 credit unions nationwide for mortgage originations.
- ⇒ At year end, HCU member business loans totaled \$26.6 million, up approximately 6.8%. In 2013, HCU qualified for the NCUA low income credit union designation which eliminated the business lending cap we have been struggling with. The low income designation means that over 50% of HCU members have an address that meets the federal definition of low income.
- ⇒ Delinquency at year-end was at 1.281% which is up slightly. Our credit union peer average at year-end 2013 was 1.06%.

The increase was mostly due to a lingering conversion of a large construction loan to permanent financing. The transaction has since been completed. Delinquency at month end February, 2014 was .36%.

- ⇒ Charged off loans for 2013 as a percentage of outstanding loans was .099% which is the lowest in at least 20 years. Our credit union peer average at year-end 2013 was .53%. To put that in perspective, if the HCU charge-off ratio was the same as our peers for 2013, we would have taken an additional \$652,000 in loan losses. Another interesting fact: If you calculate our charge off ratio since 1948 from the numbers above you'll get .249% which is a very respectable 66-year track record.
- ⇒ The Allowance for Loan Loss account is fully funded at \$1.7 million which is 1.13% of loans.
- ⇒ At year end, 82% of member shares are currently reinvested in member loans compared to our peer number of 68%, a great sign of a healthy credit program especially with our low rates of delinquency and charge-off.
- ⇒ The credit card program was revamped during the year and now offers several new options to members including the new Diamond Awards and Blue Dragon cards.
- ⇒ The Credit Committee hosted a focus group in February 2014 to learn about the financial needs and expectations of younger generations.

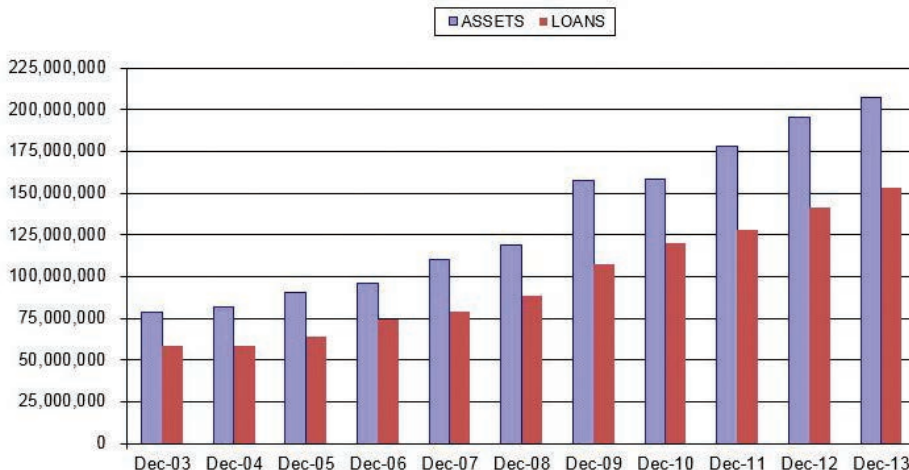
Jim Ewert,
Chair

LOAN QUALITY

Loan Quality Trend

Year-End	Delinquency	Net Charge-offs
Dec 02	1.405%	0.109%
Dec 03	1.142%	0.278%
Dec 04	1.013%	0.116%
Dec 05	0.862%	0.164%
Dec 06	1.092%	0.108%
Dec 07	1.899%	0.189%
Dec 08	0.792%	0.311%
Dec 09	1.423%	0.217%
Dec 10	0.884%	0.172%
Dec 11	1.226%	0.172%
Dec 12	0.955%	0.180%
Dec 13	1.281%	0.099%

ASSET/LOAN GROWTH



Year End Closings:

Assets	12/31/2012	12/31/2013
Cash Accounts	\$4,976,238	\$4,936,718
Real Estate Loans	62,917,610	63,823,282
Business/Agricultural Loans	25,600,130	27,185,764
Consumer Loans	53,058,639	62,167,544
Loan Loss Allowance	(1,321,564)	(1,711,176)
Investments	41,887,497	43,025,459
Building & Land (Net)	4,208,869	4,056,926
Furniture & Fixtures (Net)	760,597	687,700
Prepaid Expenses	269,615	295,576
Accrued Income	392,834	412,327
NCUSIF Deposit	1,569,025	1,671,747
Other Assets	988,218	389,523

Total Assets **\$195,307,706** **\$206,941,390**

Liabilities & Equity

Miscellaneous	\$ 2,426,008	\$ 1,870,610
Share Deposits	174,439,038	184,467,543
Reserves and Undivided Earnings	18,442,661	20,603,237

Total Liabilities and Equity **195,307,706** **206,941,390**

INCOME STATEMENT

Income	2012	2013
Income on Loans	\$6,860,012	\$6,843,769
Income on Investments	489,748	409,069
Other Income	4,516,650	4,300,649
Total Operating Income	\$11,866,409	\$11,553,487

Operating Expenses

Compensation	\$3,505,667	\$3,958,868
Employee Benefits	704,688	725,154
Travel & Conference Expense	151,590	168,712
Association Dues	49,159	57,234
Office Occupancy & Operations	2,348,303	2,499,845
Education & Promotion	300,112	294,228
Loan Servicing	232,764	287,083
Professional Expense	82,120	128,099
Provision for Loan Losses	445,000	532,189
Member Insurance	132,049	(4,194)
Regulatory Expense	38,372	41,794
Interest on Borrowed Money	32,990	32,082
Member Relations	20,693	4,908
Miscellaneous Expense	83,219	116,101

Total Expenses **\$8,126,728** **\$8,842,196**

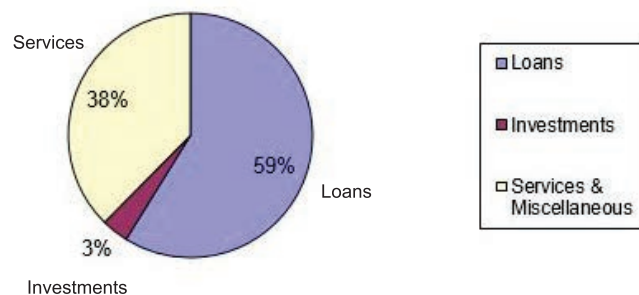
Operating Income	\$11,866,409	\$11,553,487
Less Operating Expenses	(8,126,728)	(8,842,196)
Non-Operating Income /(Expense)	1,131,278	1,702,536

Net Income Before Dividends **\$4,870,959** **\$4,413,828**

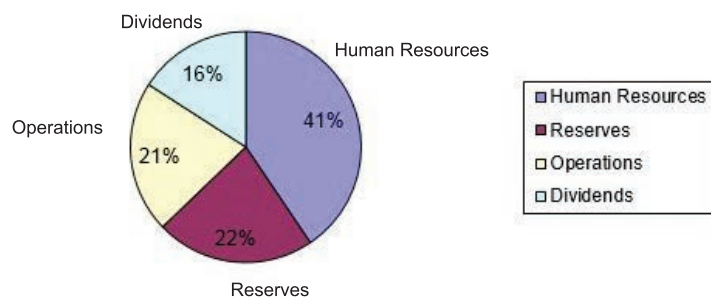
Less Dividends (2,159,896) (1,839,099)

Balance to Reserves **\$ 2,711,063** **\$ 2,574,729**

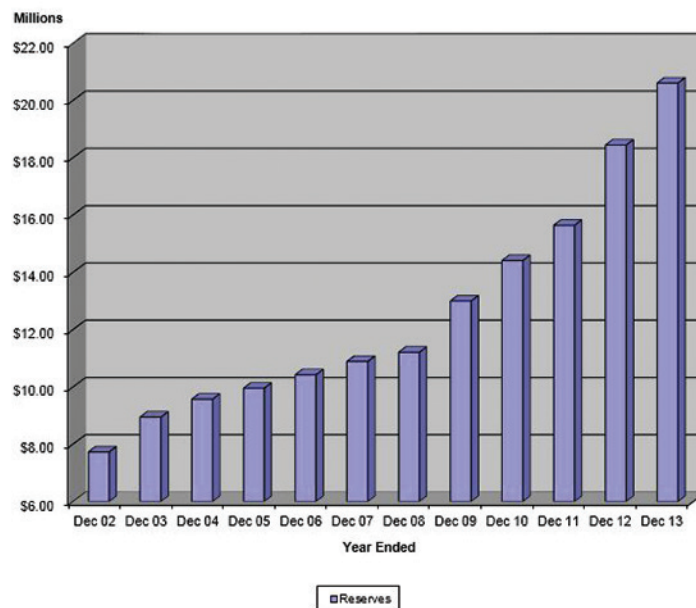
INCOME SOURCES



INCOME DISTRIBUTION



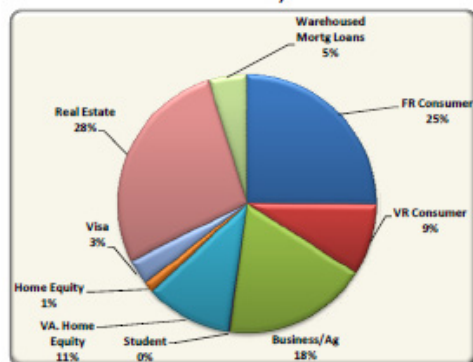
TREND OF RESERVES



DISTRIBUTION OF LOANS

HUTCHINSON

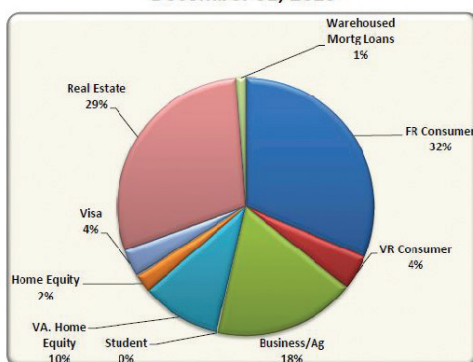
December 31, 2012



Loan Type	Balance
FR Consumer	\$ 35,567,922
VR Consumer	\$ 12,559,542
Bus/Ag	\$ 25,600,130
Student	\$ 295,977
VA Home Equity	\$ 15,272,376
Home Equity	\$ 1,909,165
VISA	\$ 4,538,680
Real Estate	\$ 38,941,972
Warehs Mtg Lns	\$ 6,794,097
TOTAL Loans	\$ 141,479,861

HUTCHINSON

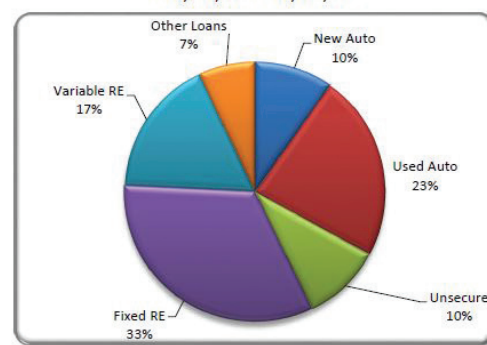
December 31, 2013



Graph Color	Loan Type	Balance	Year Change	%
Blue	FR Consumer	\$ 48,003,403	\$ 12,435,481	34.96
Red	VR Consumer	\$ 6,677,868	\$ (5,881,674)	-46.83
Green	Bus/Ag	\$ 27,185,764	\$ 1,585,634	6.91
Line	Student	\$ 264,367	\$ (31,610)	-10.68
Cyan	VA Home Equity	\$ 15,368,530	\$ 96,154	.63
Orange	Home Equity	\$ 3,529,657	\$ 1,620,492	84.88
Light Blue	VISA	\$ 5,277,771	\$ 739,091	16.28
Pink	Real Estate	\$ 44,925,095	\$ 5,983,123	15.36
Light Green	Warehs Mtg Lns	\$ 1,810,783	\$ (4,983,314)	-73.35
	TOTAL Loans	\$ 153,043,238	11,563,377	8.17

National Peer

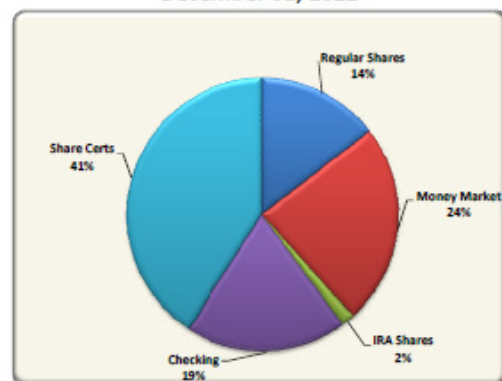
September 30, 2013
100,000,000 - 500,000,000



DISTRIBUTION OF SHARES

HUTCHINSON

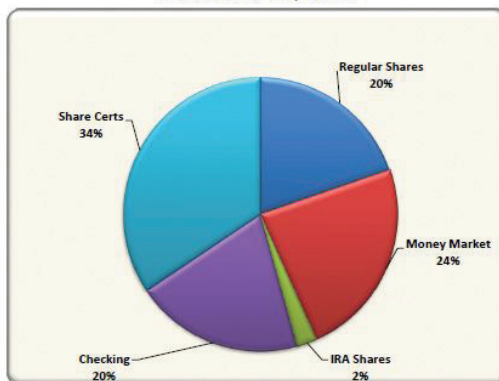
December 31, 2012



Share type	Balance
Regular Shares	\$ 25,301,622
Money Market	\$ 41,627,125
IRA Shares	\$ 2,713,155
Checking	\$ 33,602,024
Share Certs	\$ 71,195,112
TOTAL SHARES	\$ 174,439,038

HUTCHINSON

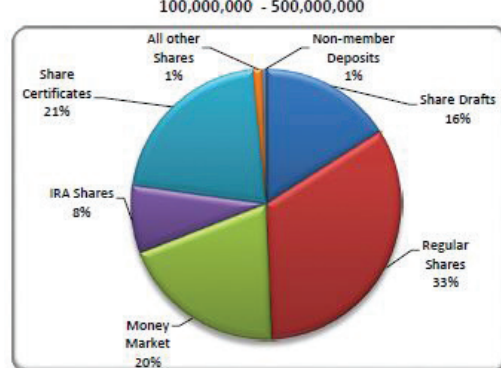
December 31, 2013



Graph Color	Share type	Balance	Year Change	%
Blue	Regular Shares	\$ 36,360,877	\$ 11,059,255	43.71%
Red	Money Market	\$ 43,473,836	\$ 1,846,711	4.44%
Green	IRA Shares	\$ 4,335,913	\$ 1,622,758	59.81%
Purple	Checking	\$ 36,850,329	\$ 3,248,305	9.67%
Cyan	Share Certs	\$ 63,446,588	\$ (7,748,524)	-10.88%
	TOTAL Shares	\$ 184,467,543	\$ 10,028,505	5.75%

National Peer

September 30, 2013
100,000,000 - 500,000,000



Sailing The Seas of Change*

The year was 1977. Gas was 62 cents a gallon and a postage stamp cost 13 cents. The Dow was at 831 and the average income per year was \$15,000. Apple introduced its state of the art, Apple II computer and the Internet as we know it, wasn't to be born for another 5 years.

In Hutchinson, Kansas at the corner of 23rd & Severance, the Hutchinson Teachers Credit Union was getting settled into its new headquarters, just finished in 1973. Assets were \$3.4 million and the credit union staff consisted of six people. Services provided at the time were share accounts, certificates and consumer loans. At the annual meeting, October 27, 1977, Jim Woods was elected to his first term on the Board of Directors.

37 years later, HCU has grown to nearly \$220 million in assets, a full offering of financial services, 95 employees, soon to be seven locations and an established mortgage CUSO with 23 employees servicing almost \$900 million in mortgage loans.

All this change took the efforts of many. However, the leadership efforts of Jim Woods' 37 years on the Board of Directors shines as bright as any. Always a good steward of credit union resources. Always thinking of service to members. Both a cheerleader and a doer. The right combination of boldness and compassion. Respectful of change yet willing to take calculated risks.

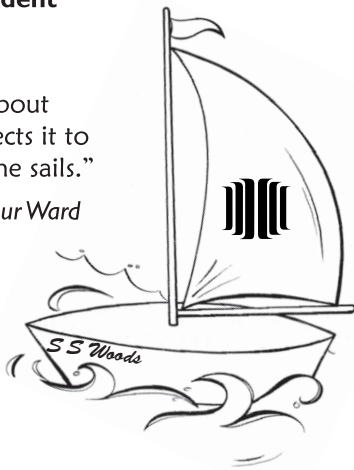
On behalf of past, present and future members, thank you, Jim Woods, for 37 years of adjusting the sails of HCU to keep it on course.

Garth Strand, President

*

"The pessimist complains about the wind; the optimist expects it to change; the realist adjusts the sails."

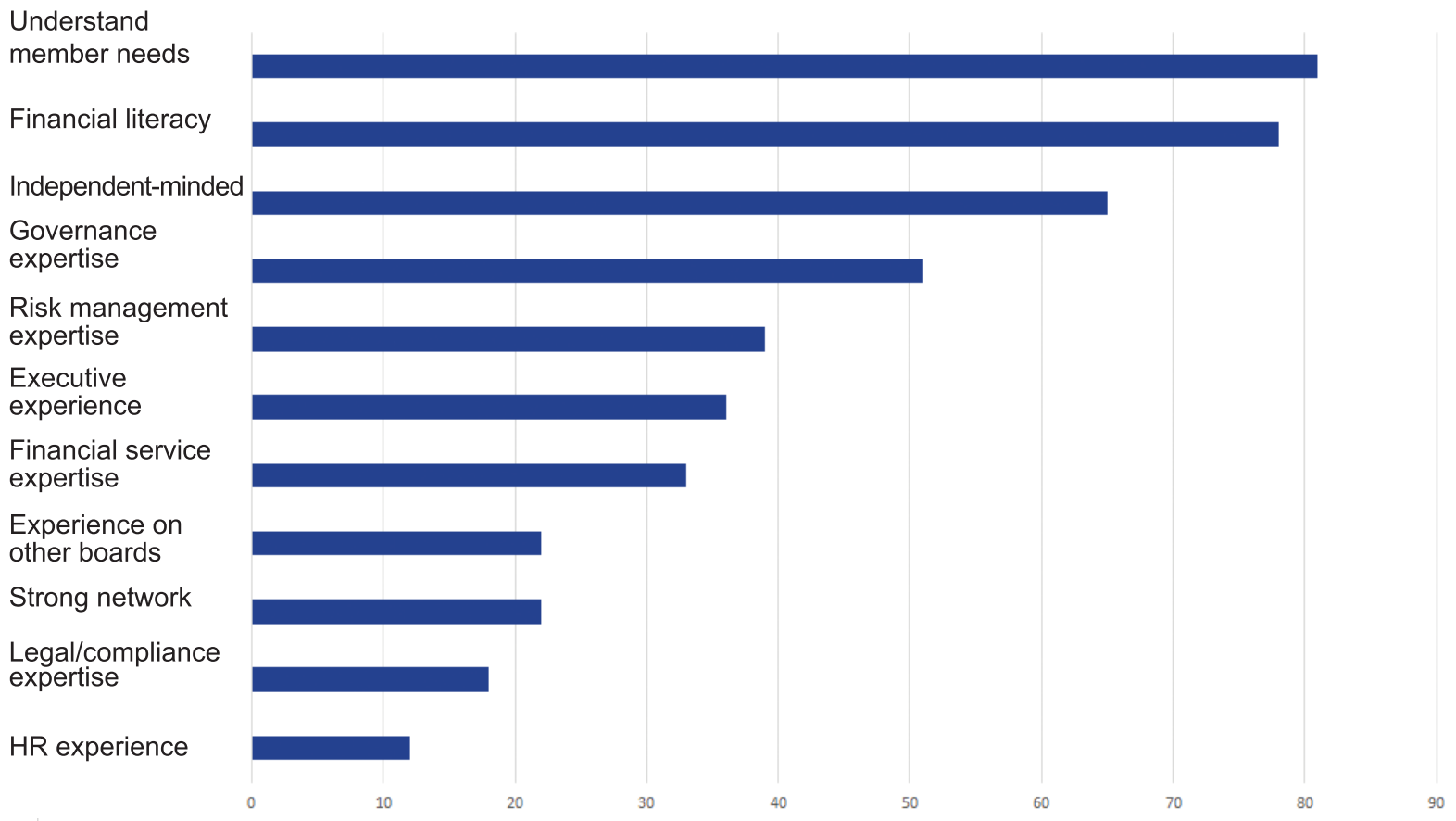
William Arthur Ward



James Woods
HCU Volunteer
Board of Directors
1977-2014



MOST IMPORTANT SKILLS FOR AN EFFECTIVE CREDIT UNION BOARD



INTERNATIONAL COOPERATIVES PRINCIPLES

Definition • A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Values • Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles

1. Voluntary and Open Membership: Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control: Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

3. Member Economic Participation: Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership.

Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4. Autonomy and Independence: Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5. Education, Training and Information: Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public — particularly young people and opinion leaders — about the nature and benefits of cooperation.

6. Cooperation among Cooperatives: Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. Concern for Community: While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

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Juli Preisser, Mortgage Officer
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Angie Davenport, Loan Officer
Troy Lambert, Loan Officer

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Brooke VanDegrift, Teller
Judy Miller, Teller

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Gleysha Mendez-Rosario, Teller
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Katie Maley, Teller
Leslie Alfaro, Teller

Julie Caffrey, Haven Branch Manager

Christie Nienstedt, Loan Officer
Kristi Chamberlain, Teller

Janell Mendenhall, Newton Branch Manager

Aimee Sieber, Loan Officer
Jenny Guhrke, Advisor III
Lindsay Abrahams, Loan Officer
Laith Hasan, Teller

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Dustin White, Technical Support
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TODD BRUNNER,

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