2014 Annual Report



- 23rd Avenue branch 900 E. 23rd Avenue, Hutchinson, KS 67502
- 29th & Main branch 2900 N. Main, 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



AGENDA- ANNUAL MEETING / APRIL 23, 2015

Call to Order

Unfinished Business

New Business

Adjournment

HCU VOLUNTEERS





Mark Woleslagel



Kendal Pulliam Sec-Treasurer



John McCannon



Richard Carlisle



Roy Broxterman



Caroline Phelps

Supervisory COMMITTEE



Ed Howard Chair



Marvin Schmucker



Mike Juby



Lori Blakesley



Dave Suhler

CREDIT COMMITTE



Jim Ewert Chair



Leila Emack



Patsy Johnson



Rex Christner



Karen Maness

MINUTES OF THE ANNUAL MEETING

The 66th Annual Meeting of the Hutchinson Credit Union was held March 25th, 2014 at the HCU Support Center in Hutchinson, Kansas.

Chairman Mark Woleslagel called the meeting to order at 6:30 p.m. A quorum was declared with 52 members in attendance.

Kendal Pulliam moved to accept the minutes of the 2013 Annual Meeting as presented in the Annual Report Book. Seconded by Jim Woods. Motion Carried.

Chairman Woleslagel presented the Report of the Chair. His report highlighted the value that HCU members are receiving in comparison to Kansas peers and as validated by a #3 ranking of HCU with its national peers in "Return to the member". HCU is the 10th largest credit union in Kansas and #858 nationally out of some 6,600 credit unions. The Chairman thanked the members, staff and volunteers for working together to produce such winning results.

Ed Howard presented the Report of the Supervisory Committee. The CPA audit completed 9-30-13, found HCU's records to be in good order and conforming to Generally Accepted Accounting Principles. MemberSource records are also in good standing. An initial draft of the Member's Mortgage Services audit has been received and indicates no items of concern. The committee received the annual examination report from the Kansas Department of Credit Unions which was conducted as of 3-31-2013. There were not material deficiencies cited. Supervisory Committee reports that funds and records are being maintained in a safe, sound and confidential manner. Caroline Phelps moved to accept the report of the Supervisory Committee. Lori Blakesley 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 \$1.8 million. Net income of \$2.6 million was placed in reserves and undivided earnings. Net income included \$1.7 million from Members Mortgage Services. 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.

HCU's CUSO

MEMBERS MORTGAGE SERVICES

Jim Ewert gave the report of the Credit Committee. Prior to the Credit Committee details, Mr. Ewert commented on his involvement in the recent Governmental Affairs Conference in Washington and the importance of being politically involved. Loans for the year grew \$16.6 million for total loans outstanding to members of \$151,418,209. Delinquency at year-end was 1.06% but has since dropped to .36%. Charged off loans for 2013 were .099%, the lowest level in many years. 82% of member shares were reinvested in member loans at year end.

Garth Strand, President recapped the history of HCU in terms of branch locations followed by a brief overview of construction projects slated for the coming months: addition to the Support Center, a new branch on Main Street and a remodel of the 23rd Street branch. Other major projects on tap are a remodel of the web branch, consideration of a name change and acquisition of land in the Wichita market for a future branch. Strand recognized the 37-year HCU Board of Directors career of Jim Woods as Mr. Woods has opted to not seek another term. A plaque and an iPad were presented to Mr. Woods in honor of his long tenure and dedicated service.

Report of Election

Lee Spence administered the Oath of Credit Union Volunteers to the following that were elected:

Board of Directors—Caroline Phelps and Richard Carlisle Supervisory Committee—Mike Juby and David Suhler Credit Committee—Leila Emack and Karen Maness

There was no unfinished business to report.

Chairman Woleslagel adjourned the meeting at 7:35 p.m.



REPORT OF THE CHAIR

Thanks to our qualified staff, volunteers, and Heartland Credit Union members, 2014 was another positive and productive year ending with total assets of \$243 million, an increase of 17.6% since 12/31/2013. Heartland Credit Union posted net income of \$1,371,800 for 2014.

Some important highlights include:

- At year end, HCU was made up of 20,559 members, 22 volunteers, and 105 employees. Members Mortgage Services has another 24 employees.
- During 2014, in our national peer group of over 700 credit unions, HCU ranked #7 in terms of "Return to the member" as calculated by Callahan & Associates. Even better, for this same "Return to the member" calculation, HCU ranked #31 out of all 6,273 U.S. credit unions.
- HCU is #8 in asset size out of 93 credit unions in Kansas. HCU is #806 in asset size out of 6.273 U.S. credit unions.
- The 15 largest credit unions in Kansas had an average margin of 4.63%. HCU's margin is 4.11% giving HCU a \$1,263,000 advantage or an additional value of \$61 per member.
- Our credit union took on a new name in 2014 to better reflect the growing geographical diversity in our membership. In early 2014, data indicated that 53% of HCU members live outside of Hutchinson and 45% live outside of Reno County.
- A new branch has been added in Hutchinson at 29th & Main to give HCU a Main Street location and to better serve members in the growing Northwest quadrant.
- \bullet The 23^{rd} & Severance branch had not been updated in 20 years. A major remodel is just now being completed at that location in a style that reflects the changing ways in which financial services are being offered.
- Property was acquired at 37th & Maize Road in Wichita for the purpose of locating a branch in Northwest Wichita. There is not yet a formal time line for construction.
- Successful joint regulatory examination by the Kansas Department of Credit Unions and NCUA.
- Successful audit by Nearman, Maynard & Vallez, CPA's.

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 Woleslagel, Chair

REPORT OF THE SUPERVISORY COMMITTEE

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 9-30-14. 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 HCU Investment & Insurance Services in conjunction with the HCU audit and HCU Investment and Insurance Services was found to be in good order. Our other CUSO, Members Mortgage Services, audited as of 12-31-14, also received a clean audit.

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, 2014. There were no material deficiencies cited.

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

- The Committee met several times during 2014 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

REPORT OF THE TREASURER

Thanks to you, 2014 was another great year for HCU. Your continued support allowed us to surpass \$243 million in total assets. A short 10 years ago, we were at \$81 million in total assets. This past year we paid over \$1.5 million in dividends to members, and placed almost \$1.4 million income reserves. During the past 10 years HCU has paid \$20.9 million in cumulative dividends and placed \$12.6 million into reserves. These results enable HCU to continue offering cutting edge technologies, at better than market rates, while maintaining our high level of efficient and friendly service. Again, thanks to our members.

Included in HCU's 2014 \$1.37 million net income was a loss of \$76,000 from our 43.5% ownership of Members Mortgage Services, LLC (MMS). While MMS had positive core operating income of over \$900,000, this was offset by a negative adjustment to mortgage servicing rights of over \$1 million. As mortgage rates rise, we will realize positive adjustments to income, although increases are far from certain, and negative adjustments could also go further if mortgage rates decline.

HCU's \$450,000 investment in MMS, since 2004 inception, has grown to over \$4.5 million today. This substantial income has enabled us to continue offering exceptional value in our loan and share rates despite increasing pressure on margins.

HCU Investment and Insurance Services (HCU I&I), had another strong year, with a positive contribution to the HCU bottom line of \$52,000. More importantly, we are able to serve increasing needs in this arena, with lower cost solutions for members on financial products which are alternatives to traditional credit union products.

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 17.62 %

Loan Growth 21.990 %

Share Growth 11.02 %

Net Worth Growth 6.56 %

		Heartland Credit Union National Peer ² 12/31/2014						Kansas Peer**	
	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	Avg.	Trend	Percentile	12/31/2014
CAPITAL ADEQUACY									
Net Worth/Total Assets	10.10%	9.64%	9.60%	9.38%	9.15%	10.93%		30 🔳	11.33%
ASSET QUALITY									
Delinquent Loans / Total Loans	1.28%	0.31%	0.38%	0.47%	0.64%	0.93%	<u> </u>	30 🔳	0.71%
Net Charge-Offs / Average Loans	0.10%	0.01%	0.15%	0.12%	0.17%	0.46%	\	14 ▮	0.59%
ARNINGS									
Yield on Average Loans	4.78%	4.73%	4.73%	4.71%	4.82%	4.91%		32 🔳	5.12%
Yield on Average Investments	0.99%	1.00%	1.16%	1.21%	1.17%	1.20%		61	1.26%
Cost of Funds / Avg. Assets	0.93%	0.68%	0.68%	0.68%	0.71%	0.41%	<u> </u>	90	0.58%
Net Interest Margin/Avg. Assets	2.68%	2.96%	3.04%	3.09%	3.10%	2.97%	<u> </u>	57	3.23%
Other Income / Avg. Assets	2.98%	1.47%	1.64%	1.75%	1.81%	1.41%	<u></u>	72	1.38%
Operating Exp./ Avg. Assets	4.12%	3.86%	4.05%	4.05%	4.14%	3.55%	\	67	3.51%
PLL / Avg. Assets	0.26%	-0.18%	-0.02%	0.05%	0.16%	0.25%		19 ■	0.40%
Return On Average Assets	1.28%	0.74%	0.65%	0.73%	0.61%	0.60%		65	0.71%
ASSET / LIABILITY MANAGEMENT								\vdash	
Net Long-Term Assets / Total Assets	36.72%	36.69%	35.97%	36.84%	35.57%	34.55%		58	27.53%
Total Loans / Total Shares	82.08%	80.07%	85.24%	90.44%	90.18%	70.74%	<u> </u>	86	79.96%
Total Loans / Total Assets	73.16%	71.73%	74.83%	77.36%	75.88%	61.57%	<u></u>	84	68.68%
RE Loans/Total Assets	42.38%	40.73%	41.25%	42.57%	41.40%	29.82%	$\overline{}$	1 1	20.69%
RE Loans/Total Loans	57.93%	56.79%	55.12%	55.03%	54.56%	48.43%		1 1	30.13%
Cash + Short-Term Investments / Assets	7.85%	9.28%	6.36%	4.98%	6.65%	13.72%	<u></u>	9	11.42%
Borrowings / Total Shares & Net Worth	0.50%	0.42%	2.24%	5.00%	6.77%	1.33%	$\overline{}$	69	2.05%
SIRRT Ratio	389.02%	392.50%	399.93%	424.74%	424.64%	240.79%		89	177.25%
Fixed Assets / Assets	2.33%	2.23%	2.39%	2.45%	3.01%	2.93%	\	41	2.52%
GROWTH RATIOS									
Net Worth Growth	14.52%	7.53%	6.67%	7.77%	6.56%	1.64%	<u> </u>	70	5.82%
* Market (Share) Growth	5.75%	29.23%	14.30%	12.48%	11.02%	-0.36%		95	3.90%
Loan Growth	12.40%	18.75%	22.55%	27.33%	21.99%	3.11%		96	7.37%
* Asset Growth	5.96%	27.12%	1 <i>7.</i> 59%	18.61%	17.62%	0.23%		97	4.79%
* Investment Growth	-1.26%	70.75%	-1.56%	-12.18%	-1.82%	-5.38%	$\overline{}$	25	-1.92%
Membership Growth	7.19%	9.98%	11.64%	12.38%	10.97%	-1.81%		96	-0.71%
NEV & 17/4 Test									
Net Worth w/ RE Devaluation	6.69%	6.50%	6.53%	6.32%	6.18%	6.93%			8.63%
Net Worth w/ RE & Inv Devaluation	5.43%	5.17%	5.32%	5.19%	5.14%	5.37%			7.46%
Change From Book Value Net Worth	48.06%	48.30%	47.04%	46.73%	45.95%	53.03%			36.35%
Rate Shocks									
NEV +300 Rate Shock	-27.40%	-28.99%	-23.78%	-29.06%	-27.65%				
NII +300 Rate Shock	-10.41%	-13.53%	-15.59%	-19.71%	-17.38%				
17/4 Test									
Net Worth w/ RE Devaluation	6.80%	6.50%	6.53%	6.32%	6.18%				
Net Worth w/ RE & Inv Devaluation	5.55%	5.17%	5.32%	5.19%	5.14%				
Change From Book Value Net Worth	47.52%	48.30%	47.04%	46.73%	45.95%		I		

REPORT OF THE CREDIT COMMITTEE

	2013	2014
Total Number of Loans Made	25,114	27,349
Total Dollar Volume of Loans Made	\$126,080,024	\$127,661,991
Number of Loans Made Since April 1, 1948	391,625	418,974
Total Dollar Volume of Loans Since April 1, 1948	\$1,350,041,454	1,447,703,445
Loans Charged-off Since April 1, 1948	\$3,786,377	\$4,106,000
Recoveries From Charged-off Loans	\$414,478	\$449,100

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 2014 include:

⇒ Loans for the year grew \$33.4 million or 22%, total outstanding loans to members is \$184,777,605.

- ⇒ The mortgage activity continued to transition from primarily refinancing to a more normal purchase money market. During 2014, HCU originated 317 mortgage loans for \$34.1 million. 177 of those loans totaling \$18.1 million were sold to the secondary market.
- ⇒ At year end, HCU member business loans totaled \$39,087,201 or approximately 21% of total loans.
- Delinquency at year-end was at .690%, down significantly from 2013. Our credit union peer average at year-end 2014 was .93%.

- ⇒ Charged off loans for 2014 as a percentage of outstanding loans was .168%, up just a bit from 2013's 20-year low. Our credit union peer average at year-end 2014 was .46%.
- ⇒The Allowance for Loan Loss account is fully funded at \$1.78 million which is just under 1% of total loans.
- ⇒At year end, 90% of member shares are currently reinvested in member loans compared to our peer number of 71%, a great sign of a healthy credit program especially with our low rates of delinquency and charge-off.
- ⇒The Credit Committee hosted a second focus group study with Hutchinson Community College honor students to further learn how younger generations view and deal with financial matters.

Jim Ewert, Chair

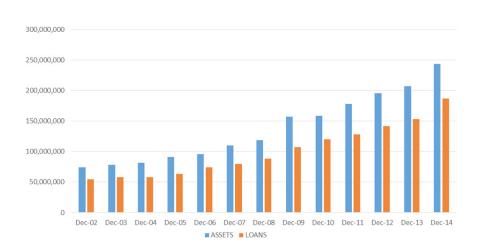
LOAN QUALITY

Loan Quality Trend

	,	ittet entarge ente
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%
Dec 14	0.690%	0.168%

Year-End Delinquency Net Charge-offs

Asset/Loan Growth

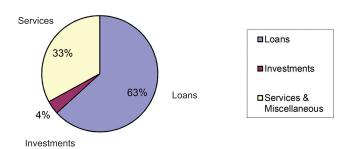


BALANCE SHEET

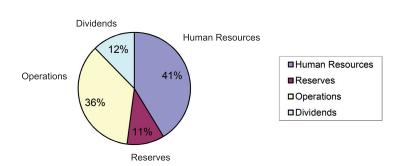
Year End Closings:

Assets	12/31/2013	12/31/2014
Cash Accounts	\$4,936,718	\$4,810,541
Real Estate Loans	63,823,282	69,510,905
Business/Agricultural Loans	27,185,764	37,241,543
Consumer Loans	62,167,544	80,305,198
Loan Loss Allowance	(1,711,176)	(1,781,936)
Investments	43,025,459	42,673,654
Building & Land (Net)	4,056,926	6,144,613
Furniture & Fixtures (Net)	687,700	961,807
Prepaid Expenses	295,576	345,685
Accrued Income	412,327	561,978
NCUSIF Deposit	1,671,747	1,792,955
Other Assets	389,523	837,266
Total Assets	\$206,941,390	\$243,404,207
	4200,041,000	Ψ2-10,-10-1,201
Liabilities & Equity	\$ 843.550	\$ 1,063,863
Miscellaneous	\$ 843,550 1,027,060	15,366,445
Borrowings Share Deposits		204,793,892
Reserves and Undivided Earnings	184,467,543 20,603,237	22,180,007
Total Liabilities and Equity		, ,
	206,941,390	243,404,207
INCOME STATEMENT	0040	0044
Income	2013	2014
Income on Loans	\$6,843,769	\$8,104,970
Income on Investments	409,069	479,816
Other Income	4,300,649	4,158,098
Total Operating Income	\$11,553,487	\$12,742,884
Operating Expenses	***	* -
Compensation	\$3,958,868	\$4,347,408
Employee Benefits	725,154	917,210
Travel & Conference Expense	168,712	192,862
Association Dues	57,324	64,368
Office Occupancy & Operations	2,499,845	2,701,084
Education & Promotion	294,228	358,520
Loan Servicing	287,083	373,541
Professional Expense	128,099	175,918
Provision for Loan Losses	532,189	355,761
Member Insurance	(4,192)	33,715
Regulatory Expense	41,794	43,532
Interest on Borrowed Money	32,082	41,893
Member Relations	4,908	6,969
Miscellaneous Expense	116,101	107,543
Total Expenses	\$8,842,196	\$9,720,323
Operating Income	\$11,553,487	\$12,742,884
Less Operating Expenses	(8,842,196)	(9,720,323)
Non-Operating Income /(Expense)	1,702,536	(86,142)
Net Income Before Dividends	\$ \$4,413,828	\$2,936,419
Less Dividends	(1,839,099)	(1,564,618)
Balance to Reserves	\$ 2,574,729	\$ 1,371,801

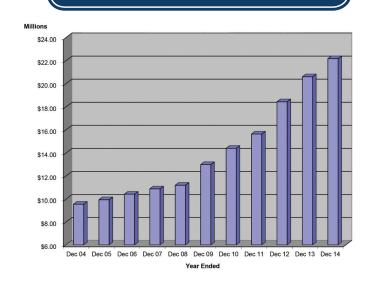
INCOME SOURCES



INCOME DISTRIBUTION



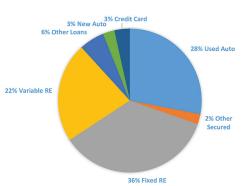
TREND OF RESERVES



DISTRIBUTION OF LOANS

HEARTLAND CREDIT UNION

2013 LOANS



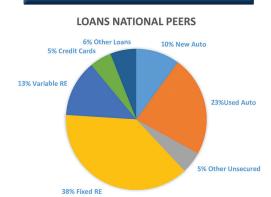
	50% Tixed NE			
Loan Type	Balance			
Used Auto	\$ 42,476,203			
Other Unsecured	\$ 3,397,935			
Fixed RE	\$ 53,722,875			
Variable RE	\$ 33,985,383			
Other Loans	\$ 8,609,945			
New Auto	\$ 3,956,703			
Credit Cards	\$ 5,256,465			
TOTAL Loans	\$ 151,405,509			

HEARTLAND CREDIT UNION

2014 LOANS 3% Credit Cards 3% New Auto 5% Other Loans 32% Used Auto 20% Variable RE 3% Other Unsecured

34% Fixed RE

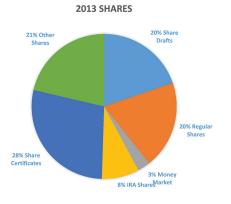
NATIONAL PEERS



Graph Color	Loan Type	Balance		Year Change		%
Cyan Blue	Used Auto	\$	59,057,229	\$	16,581,026	39.04 %
Orange	Other Unsecured	\$	5,824,502	\$	2,426,567	71.41 %
Grey	Fixed RE	\$	63,056,153	\$	9,333,278	17.37 %
Gold	Variable RE	\$	37,709,340	\$	3,723,957	10.96 %
Blue	Other Loans	\$	8,871,675	\$	261,730	3.04 %
Green	New Auto	\$	4,780,214	\$	823,511	20.81 %
Navy	Credit Cards	\$	5,393,606	\$	137,141	2.60 %
	TOTAL Loans	\$	184,692,719		33,287,210	21.99 %

DISTRIBUTION OF SHARES

HEARTLAND CREDIT UNION



Share type	Balance			
Shares Drafts	\$	36,454,037		
Regular Shares	\$	36,140,223		
Money Market	\$	5,186,996		
IRA Shares	\$	15,438,904		
Share Certs	\$	51,983,912		
Other Shares	\$	39,370,827,		
TOTAL SHARES	\$	184,574,899		

HEARTLAND CREDIT UNION



NATIONAL PEERS



Graph Color	Share type	Balance		Year Change		%
Cyan Blue	Shares Drafts	\$	42,578,351,	\$	6,124,314	16.80%
Orange	Regular Shares	\$	41,476,470	\$	5,336,247	14.77%
Grey	Money Market	\$	5,061,377,	\$	(125,619)	- 2.42%
Gold	IRA Shares	\$	16,778,742	\$	1,339,838	8.68%
Blue	Share Certs	\$	57,282,517	\$	5,298,605	10.19%
Green	Other Shares	\$	41,720,911,	\$	2,350,084	5.96%
	TOTAL Shares	\$	204,898,368	\$	20,323,469	11.01%

HEY, THERE'S NO TELLERS!

We know that change is all around us.

That technology has and is, absolutely changing the way we live. For example: When is the last time you used a public telephone? Can you remember someone actually pumping gas into your car for you? Have you had any camera

better than mine!

film developed lately? There's also many examples of change in progress.



THEN, Upper Left: **NOW**, Lower Right

Yes, you can still get airline tickets from a travel agent but about 50% of tickets are purchased online. And when you get to the airport, you can stand in line to check in or use a handy self-check terminal and walk right past those long waiting lines. Have a few grocery items? You can check yourself out or try to pick what looks like the fastest

You might have experienced a technology driven tram at an amusement park or airport. And what about all the possibilities for pilotless drones? More astonishing, just this month, a driverless car completed a 3,400-mile trip across the country! There's one more. When I googled '50 things we don't do anymore due to technology' guess what? Number 19 is, "Go to the bank to conduct your business." No, really...just google it! Here's what that looks like at HCU. For the last three months members have conducted an average

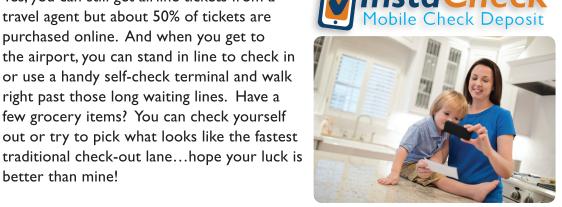
of 82,700 transactions each month. 32,500 were

done by traditional tellers while 50,200 were completed using an ATM, web branch or mobile app.

All of the above points to a clear direction...members are choosing technology for routine transactions because it is more convenient plus saves them time and money.

That's what a cooperative is all about, creating value for members. This thought and the direction

> of current technology, drove the plans for the new branch at 29th & Main. If you haven't been there yet, yes, there are no tellers! However, there is plenty of human assistance to provide members an optimum balance of "High-tech and High-touch"...that is, help with the things you really need help with.



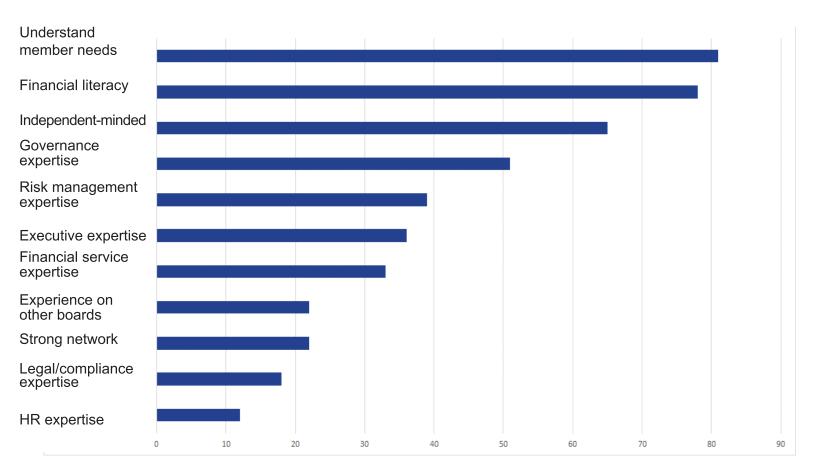
HOWEVER...that scenario is not for all members, all the time. That's the reason we still have tellers at every other branch. It's the reason we have 7 staff in the HCU phone center taking calls from 8 a.m. to 7 p.m. (5 p.m. on Saturday).

It will be exciting to see how fast and how far technology takes us. Be assured that HCU will always be striving to deliver the best possible value to members.

HCU Connect.com

Garth Strand, President

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

- **I. 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.

• HCU STAFF CHART

GARTH STRAND- President

Kim Binford, Executive Assistant

DAN MCFADDEN, VP of Lending

Jacquie Miller, Mortgage Manager

Joe Ackerman, Mortgage Officer Juli Preisser, Mortgage Officer Lydie Terry, Mortgage Officer Kelly Johnston, Mortgage Loan Processor

Kara Simmons, Mortgage Loan Processor

April Chastain, Mortgage Closing Processor

Pat Falter, Commercial Lending Manager

Chad Venters, Commercial Loan Officer Andrea Rumler. Business Loan Assistant

Kevin Wiens, Underwriting Manager

Korey Maldonado, Credit Analyst Tanner McConnell, Credit Analyst

CC Mayberry, Special Accounts Manager

Heather Cape, Special Accounts Assistant Monica Cullens, Special Accounts Assistant

Brandy Princ-Petermann, Loan Processing Manager

Debbie Zook, Loan Processor Janet Woolsey, Loan Processor Leah Alfaro, Loan Processor

DAN SPRINGER, Executive Vice President/CFO

Jennifer Wright, Internal Auditor/Compliance Officer

Kristi Nuest, EFT Manager

Becca Rayburn, EFT Coordinator Elaine Marquez, Fraud Specialist Kyle Parks, Data Entry Lisa Gamber, ACH/EFT Project Coordinator Teresa Meyer, Card Production Specialist Yvonne Yearout, Credit Card Coordinator

Sandy Rush, Accounting Manager

Dana Hase, Accounting Assistant Sheryll Suarez, Accounting Assistant

Joel Andrew, Financial Analyst

DARREN WERTH, AVP of Marketing & Sales

Shelby Dryden Indirect Lending Manager Joy Ann Jeffers, Indirect Loan Processor Cadey Snedeker, Indirect Lending Assistant Ellen Dugan, Marketing Specialist James Tyree, Remote Delivery Specialist

ZACK CLOBES, VP of Technology

Thomas Henning, Network Admin/Tech Support Ryan Sperling, Senior Programmer Travis Petersheim, Programmer / Developer

Angie Mielke, Data Processing & IT Ops Manager

Aaron Keller, Technical Support Carol Kemp, Records Manager Colton Schmucker, Technical Support Scott Matthews, Programmer Wendy Hildebrand, Technical Support

Bambi Stewart, Project Manager

Mike Armbruster, Building & Grounds Technician

Johnny Likes, B&G Technician

MICHELLE WALN, VP of HR & Retail Operations

Tasha Erickson, HR & Education Director

Cindy Nolte, Education Specialist Stephanie Dreiling, HR Assistant

Debbie Ridpath, Deposit Services Manager

JEREMY STAUFFACHER, AVP of Retail Branch Operations

Donna Miller, 23rd Ave. Branch Manager

Margaret Sebastian, FSR Supervisor Gleysha Mendez-Rosario, Advisor III Arika Graber, Advisor III Kasey Thiessen, Loan Officer Troy Lambert, Loan Officer

Laura O'Neal, Teller Supervisor

Brenda Knox, Teller Brooke VanDegrift, Teller Judy Miller, Teller Morgan Blackim, Teller Morgan Sanders, Teller Shelly Anderson, Teller Shelby Willems, Teller

Alexis Rhodenbaugh, 29th & Main Branch Manager

Peytan Phemister, FSA/Advisor III Kirk Zahn, Advisor III

Jasmine Hurlbut, Loan Officer Angie Davenport, Ave. A Branch Manager

Amanda Barr, Loan Officer

Marva Terrell, Ave. A Assistant Branch Manager

Angela White, Assistant Vault Teller Brittany Willis, Teller Lisa Willm, Teller TeRyssa Belling Teller Sierra Castor, Teller Stephen Rhoades, Teller

Julie Caffrey, Haven Branch Manager

Christie Nienstedt, Loan Officer Kristi Chamberlain, Teller

Janell Mendenhall, Newton Branch Manager

Aimee Monares, Loan Officer Jenny Siemens, Advisor III Laith Hasan, Loan Officer Erick Lujano, Teller

Dee Lemen, Wichita Branch Manager

Char Bigger, Advisor II Teresa L. Dover, Advisor III

Tracy Ryan, Phone Center Manager

Allison Ashford, Phone Center Advisor III Brittney Carey, Phone Center Advisor III Cloé Bengston, Phone Center Advisor IV Lynn Prado, Phone Center Advisor III Tammy Nachtigal, Phone Center Advisor IV Shaunna Geils, Phone Center Advisor III

HCU I&I SERVICES

Monte W. Cross

HCU INVESTMENT & INSURANCE SERVICES MANAGER

Becky Goering, Financial Consultant Gaylon Miller, Insurance Specialist Jenny Boggs, Administrative Assistant

• HCU CUSO STAFF CHART •



TODD BRUNNER,

MEMBERS MORTGAGE SERVICES PRESIDENT /CEO

Michael Harms, Vice President Finance

Mike J. Smith Jr., *IT Specialist*Angie Wiehl, *Accounting Manager*Jen Layne, *Accounting Assistant*

Zack Lake, Sales & Service Consultant

Jerry Grinstead, Vice President Production

Kathleen Tolbert, *Underwriter*Amanda Springs, *Mortgage Servicing*Ann Schrick, *Loan consultant*Evelyn Dohm, *Loan consultant*Jennifer Nuest, *Loan consultant*

Pam Beshears, Vice President Servicing

Shelly Duncan, Servicing Manager
Angie Veatch, CSR/Servicing Specialist
Brandi Caywood, CSR/Servicing Specialist
Nancy Bieberly CSR/Servicing Specialist
Olivia Askren, Receptionist/Document Manager

Scott Cooley, Loss Mitigation Manager

Brittany Shipley, Loss Mitigation Advisor Grace Harding, Loss Mitigation Advisor

LaShauna Kempel, Director of Training & Quality Control

Jody McClure, *Quality Control Manager*Kimberly Smith, *Quality Control Specialist*

Heartland way. TM

Dependable . . .

