

## Supervisory Committee Report

The Supervisory Committee meets on a monthly basis to execute our Annual Work Plan. This plan is evaluated yearly and includes monitoring activities such as review of policies, loan files, transaction edits and account changes. Performing these activities helps provide confidence that management is following the policies and procedures put in place by the Board of Directors to safeguard your assets. The Supervisory Committee also reviews examination and audit findings and follow up on the findings to ensure corrective action takes place. Finally, we research any formal member complaints. Our ultimate goal is to ensure the Credit Union's financial statements and filings are accurate.

Harrington Hein, LLP, Certified Public Accountants of Huron, SD audited the **Healthcare Plus Federal Credit Union's** financial statements as of September 30, 2008 and 2007. They reported no significant problems. As in previous years, the auditors are pleased with the staff for their efforts and success, as well as the dedication of the volunteers. The audited financial statements and compliance reports are available upon request from the Credit Union for anyone who is interested.

Please accept our thanks for the opportunity to serve the Credit Union and its members.

Respectfully submitted,  
*Amy Buechler, Chair*  
Belle Rae Sieber, Secretary  
Natalie Malsam, Member  
Carolyn Schaunaman, Member  
Kayla Schmidt, Member

### Staff

Guy Trenhaile, President  
Carrie VanOrman, VP of Operations  
Nicole Crawford, Loan Manager  
Michelle Clemens, Loan Officer  
Heidi Zeller-Crawford, Marketing Specialist

### Member Services Representatives

Denise Auske  
Pam Helling  
Kim McComsey  
LyBecca Schaunaman  
Sarah Thorpe

### Healthcare Plus Federal Credit Union Board of Directors

Truman Henry, Chair  
Harold Miller, Vice-Chair  
Rodney Schoen, Treasurer  
Carla Van Dyke, Secretary  
Nancy Clark-North  
Jimmy Johnson  
Pam Lindner

## Marketing Committee Report

The Japanese have a term call "kaizen," which means continual improvement. It is a never-ending quest to do better. That is what we strive to do for you our members and our owners every day. We do better by continually changing and evolving our products and services for you. Standing still allows our competitors to get ahead of us. One of our major projects in 2008 was the possibility of changing our name. It was determined that our name did not best reflect who we could serve as members and what services we provide. While the name change suggestion was voted down, many of you understand and agree with the importance of changing our name for the future of the credit union. This is an evolving process and we continue to welcome your suggestions. Having said that it was then determined we need to update our image. From this came our new logo and our new look. You will be seeing this phased in throughout the summer months. During this time you may also see our old logo too as we make smart and prudent choices during these times. Our hope is that in six to nine months, and by the time our new addition/remodeling project is done, that our logo will be in full use.

At HCPFCU, we were born from our members. We are owned by our members. Any success we have is not owned by us – but rather, it is in direct proportion to the success of our members. It is owned by the collective "us." We will never forget the reason we're here: to work along side you, to guide you forward, to help you grow. Because your goals are our beliefs. And ultimately, your prosperity is our success.

If you would like to be considered to serve on the Marketing Committee please contact me.

Respectfully submitted,  
*Heidi Zeller-Crawford, Marketing Specialist*

## Nominating Committee Report

We, the Nominating Committee, place the following names in nomination for the **Health Care Plus Federal Credit Union** Board of Directors:

Angie Comstock  
Justin Feickert  
Michael Paul Helms  
Brad Reecy  
Belle Rae Sieber

Two positions will be elected, each for three year terms.

Nominations from the floor may be made with prior approval from the nominee.

Respectfully submitted by the Nominating Committee,

*Truman Henry*  
*Carla VanDyke*  
*Carrie VanOrman*

For a full list of services offered by **Healthcare Plus Federal Credit Union**, Please visit our website at **www.hcpfcu.coop** and click on *Products & Services* at the top of the page.

## Board Chair & President's Joint Report

### 30 years of progress!

Thank you for helping us celebrate thirty years at **Healthcare Plus Federal Credit Union**. This report is a bit different as it comes from both the board chair and the president of the credit union. The majority of the past reports said similar things, so they have been combined.

A big thank you goes out to all for attending the Annual Meeting and/or reading this booklet. Please ask any of the staff or volunteers about any questions that you may have. As you know, we are a member-owned financial cooperative and we hope we are your primary financial institution of choice!

Be sure to check our website at [www.hcpfcu.coop](http://www.hcpfcu.coop) for all of the services we offer. We encourage you to use as many as are possibly feasible for your individual situation. The more members who use our services, the more cost effective the services can become. With more service usage normally comes more profitability and that allows us to add products and/or services. Our goal is to provide you with great products, great service, great rates and a great deal when you use your credit union! You may also qualify for discounts on your loan rates by using more services.

Our building plans are progressing nicely and you will begin seeing movement on the lot to the north of the current building on Dakota Street. Our plans are to add to our exiting building and move our drive-up, lobby area and most offices to that end. Other additions will be a new sign, self service coin counter and safe deposit boxes. The teller line will not look like a traditional teller line as it is a new, more user friendly concept. We're very excited about this opportunity to build a credit union facility that will better serve you.

We became a \$25 million credit union in 2008 and currently exceed \$27 million!! We feel this is an accomplishment that members, volunteers and staff together have achieved. At last year's annual meeting, we told you we would be looking at a name change. We continue to explore this option, but the "perfect" name has just not jumped out at us yet. Hopefully, you have seen our new, colorful logo already.

Truman and I would both like to extend our heartfelt thanks to the volunteers and staff for their dedication during 2008. All staff and volunteers continue to educate themselves in this ever changing financial world. This allows them to serve our member-owners in the manner that they deserve to be served! 2009 and beyond will be a challenging year in many ways, but it will also be a new beginning of products and service delivery.

## Annual Meeting

April 25, 2008

Time and Place: The annual meeting of the **Healthcare Plus Federal Credit Union** was held at 6:30 p.m. on Friday, April 25, 2008 at the Ramada Inn, Aberdeen, South Dakota.

Presiding: Truman Henry, Board Chair and Guy Trenhaile, **Healthcare Plus Federal Credit Union** President.

Attendance: A quorum was declared.

Scholarships: The credit union awarded two \$500.00 scholarships. Heidi Zeller-Crawford and Guy Trenhaile presented one \$500.00 scholarship to Amanda Randall. The second scholarship was awarded to Robyn Krage who could not attend. Amanda read her essay on the subject: "College graduates are often faced with thousands of dollars in student loans and major credit card debt upon graduation from college. "How do you plan to prepare yourself for the financial road ahead? In what ways could your credit union help you prepare?" Heidi then read Robyn's essay on the same topic.

Entertainment: Remily and Parks were this year's entertainment with humor and a variety of songs!

Minutes: The minutes of the April 27<sup>th</sup>, 2007 Annual Meeting were presented. There were no questions or additions. A motion was made by Ron Van Dyke and seconded by Joseph Gelling to accept the minutes. Motion carried.

Reports: The Treasurer's Report was presented. A copy is included in the Annual Report Booklet. A motion was made by Lil Weigel and seconded by Joy Mammenga to accept the Treasurer's Report. Motion carried.  
The Supervisory Committee Report was presented as written in the Annual Report Booklet. There were no questions or comments.

President's Report: Guy thanked everyone in attendance for his or her confidence and support. He reviewed the credit union's growth in assets, loans and membership, and noted that it was a positive year. The President's report is submitted in the 2007 Annual Report Booklet.  
Guy recognized volunteers for years of service: Jim Kuch – 5 years, Belle Rae Sieber – 5 years, and Pam Lindner – 10 years.  
Guy presented Carrie VanOrman, Vice President Operations, with a 15-year service award.  
Guy thanked the Credit Union Staff for their performance throughout the year. He also thanked the Board of Directors and all volunteers, (especially Kathy Franz, Gary Heier and Tracy Vogel for all their work on the Annual Report Book and throughout the year) the Supervisory Committee and Avera St. Luke's for their continued support of the Credit Union this past year.  
There were approximately 100 prizes to give away. Guy thanked all who donated. This year's large door prizes were one \$100.00 Discover Gift Card won by Geneva Uttermark and a one night stay at the Ramkota Inn won by Tom VanOrman.

Old Business: None

New Business: None

Nominating Committee Report: See the Nominating Committee Report included in the Annual Report Booklet. Three were duly elected to three-year Board of Directors terms:  
Carla Van Dyke, James Johnson, Nancy Clark-North

Adjournment: The meeting was adjourned.

Carla Van Dyke, Secretary Truman Henry, President

## Balance Sheet

December 31

<b>Liabilities and Assets:</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Loans	\$ 21,209,695	\$ 16,755,922	\$ 16,209,150
Allowance for Loan Losses	(172,353)	(193,294)	(196,474)
Cash	717,567	645,915	561,455
Corporate Accounts	558,862	360,581	632,411
Investments	1,798,000	850,000	315,000
Accrued Income	100,348	79,143	65,376
Prepays	14,225	21,679	22,017
Land	441,809	441,809	116,809
Building	502,495	492,474	492,474
Less Depreciation	(180,321)	(154,933)	(129,546)
Other Fixed Assets	397,338	391,312	374,229
Less Depreciation	(353,990)	(307,480)	(259,683)
All Other Assets	225,145	217,514	135,657
<b>Total Assets</b>	<b>\$25,258,819</b>	<b>\$19,600,639</b>	<b>\$18,338,876</b>

Share Deposits	\$ 3,445,237	\$ 3,156,640	\$ 2,707,020
Super Shares (Money Market)	3,827,710	2,597,621	2,432,091
IRAs	1,058,114	1,400,373	1,452,190
Share Drafts	2,135,472	1,675,205	1,429,200
Share Certificates	11,990,708	8,237,766	7,232,364
Non-Member Deposits	268,000	200,000	200,000
Accounts Payable	105,258	117,353	92,732
Dividends Payable	209,865	180,488	156,496
Loans Payable	105,672	192,711	1,001,484
Regular Reserves	643,853	643,853	643,853
Undivided Earnings	1,468,932	1,198,630	991,446

<b>Total Liabilities &amp; Equity</b>	<b>\$25,258,819</b>	<b>\$19,600,639</b>	<b>\$ 15,805,998</b>
---------------------------------------	---------------------	---------------------	----------------------

Members	2,865	2,733	2,698
---------	-------	-------	-------

## Statement of Financial Condition:

<b>Income:</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Interest on Loans	\$ 1,430,387	\$ 1,253,927	\$ 1,118,172
Income from Investments	64,626	96,639	29,027
Other Income	248,046	246,331	270,898
<b>Total Income</b>	<b>\$ 1,743,059</b>	<b>\$ 1,596,898</b>	<b>\$ 1,418,097</b>

<b>Expenses:</b>			
Compensation	329,602	313,541	280,559
Employee Benefits	99,908	89,271	75,856
Travel & Conference	12,293	12,330	12,175
Association Dues	12,867	12,400	11,634
Office Occupancy Expense	77,255	67,686	63,036
Office Operations Expense	203,163	185,586	191,702
Education and Promotion	40,044	31,862	18,680
Loan Servicing Expense	16,020	5,435	4,983
Professional & Outside Service	15,224	21,058	9,367
Provision for Loan Losses	1,930	21,699	41,878
Federal Supervision/Exam Fees	4,370	3,722	3,577
Interest on Borrowed Money	8,082	31,977	38,130
Annual Meeting Expense	5,225	3,875	3,600
Misc. Operating Expenses	651	567	1,031

<b>Operating Expenses</b>	<b>\$ 826,632</b>	<b>\$ 801,008</b>	<b>\$ 756,214</b>
Dividend/Interest Expense	\$ 646,126	\$ 588,706	\$ 457,888
<b>Total Expenses</b>	<b>\$ 1,472,757</b>	<b>\$ 1,389,714</b>	<b>\$ 1,214,102</b>

<b>Net Earnings</b>	<b>\$ 270,302</b>	<b>\$ 207,183</b>	<b>\$ 203,995</b>
---------------------	-------------------	-------------------	-------------------

## 2008 Annual Report

Serving you and your future



Annual Meeting

April 24, 2009

## Our Mission Statement:

To promote quality financial products and services to best meet the needs of our current and future members.