

## 70th Annual Meeting Minutes

The 70th Annual Meeting of the BP Federal Credit Union was held on February 21, 2007. Bill Mills, Chairman of the Board, chaired the meeting.

It was determined that a quorum was present with 55 members in attendance. The minutes from last year's meeting were included in the Annual Report brochure and the motion carried to approve them as written.

Bill Mills proceeded with the overview of 2006 from the Board of Directors:

The BP Federal Credit Union understands you have a choice of financial service providers and we are honored you have chosen us. BP Federal Credit Union has experienced another solid year of growth and service to our members.

In 2006, several of our members took advantage of our CU Member Mortgage loan program. Since the purchase of a home is one of the most important financial investments you can make, we have tried to make that process easier and more affordable with educational seminars and an affordable mortgage loan program. New mortgage loans in the amount of \$1,447,000 were funded in 2006. One goal in 2006 was to make it more convenient and secure for you to do business with us electronically. We offer paperless e-statements and also send e-notes so you can stay current on the status of your account. Another added convenience for our members is the Allpoint ATM Network. This service allows members' access to over 32,000 Surcharge Free ATMs across the nation. Our Senior Trips continued to be extremely popular in 2006. In March we plan to offer our members age 50 and over with a trip to visit Galveston's Historical Homes. We will also be offering educational seminars on topics such as "Second Home Financing" and "Buying a New Car". In 2007, we will strive to provide new services to simplify your life without losing our focus of providing quality service. We are looking forward to opening our Westlake One Branch in Spring 2007. This will offer our member's greater access and convenience to the Credit Union. We are very concerned with confidentiality and security of your personal information. One new program planned to kick off in the spring is the Multi-Factor Authentication which is an added security feature for Home Banking. Multi-Factor Authentication is a new security feature that works 24/7 to protect your Home Banking account and will help guard against fraudulent logon attempts like "Phishing" and identity theft. 2007 is a New Year and your Credit Union will have a New Look. The dawn of a new year brings the promise of fresh starts and hopeful outlooks. BP Federal Credit Union is proud to say we have gotten into the spirit with a revamped look. Over the course of 2007, you will see our look slowly transform. From our newsletter to our website, changes are in store. Don't worry, our service and products will still remain the same. As we move into 2007 we will continue to work hard to achieve our financial goals while continuing to provide our members with quality service. As your not-for-profit cooperative, our mission is to help our members meet their financial needs. The Board of Directors is proud to be associated with BP Federal Credit Union and we are honored to have the privilege to serve you. Together we can make 2007 the best for you and your family.

The Board and Advisory Directors were introduced.

Delton Carter continued with the President's report. 2006 was another great year for BP Federal Credit Union as we continued to grow not only in size but in financial strength. We continued to add services and see members take advantage of many of the products that we have added in the past several years. We have seen increased transactions in our CU World Wide home banking product, Bill Payment and Bill Payment Plus topping 1400 transactions monthly. More members are taking advantage of the Allpoint Fee Free ATM Network, as well as ART, our Audio Response Teller that was upgraded in November. Additionally, we have added Multi Factor Authentication to our online services as an added layer of security when conducting transactions over the internet. E-statements and E-Notices were added during the year so members could receive their statement and notices electronically, thus reducing delays caused by mail delivery.

A review of financial performance for the past year shows the year ended with Loans - \$33,602,266; Investments - \$26,176,598; Total Deposits - \$55,616,820; Capital - \$6,544,583; Total Assets - \$62,619,404. Our 2006 Income statement shows that we had Total Income - \$3,382,060; Operating Expenses - \$2,150,094; Dividend Expense - \$778,165; Net After Dividends - \$453,801; Gain/Loss on Sale of Assets - (\$25,810); Gain/Loss of Sale of Investments - \$0; Transfer to Undivided Earnings - \$427,991. Your Credit Union remains strong and well capitalized. We continue to be highly rated by NCUA, our federal regulator. Our last audit by the Texas Credit Union League found no exceptions.

The staff was introduced.

The report of the Supervisory Committee is included in the brochure; therefore, reading of the report was dispensed.

Sheree Fournerat, Nominating Committee Chairman, recognized the nominating committee members and announced along with the assistance of committee member, Lynn Williams, the slate of officers for re-election. They were: Kimery Bagwell, Janiece Andrus and Ray Cox. Nominations from the floor were solicited and none were received. The motion carried to elect the above named directors by acclamation.

There was no additional unfinished or new business.

Door prize drawings were held.

The meeting adjourned.

*Bill Mills*  
Chairman

*Janiece Andrus*  
Secretary

## 2007 Report to Members

71st Annual Meeting



federal credit union

[www.bpfcu.org](http://www.bpfcu.org)



## Supervisory Committee

The Supervisory Committee is composed of fellow Credit Union members who serve the membership by providing assurances regarding compliance with policies, regulations and laws governing the operation of the BP Federal Credit Union. Committee responsibilities include:

**Annual Audit** - The records of BPFCU, including the balance sheet and related statements were reviewed by the audit division of the Texas Credit Union League, under the direction of the Supervisory Committee.

**Federal Exam** - The examination was performed by the National Credit Union Administration in accordance with financial performance standards by NCUA and mandated by the Federal Credit Union Act.

**Cash Audits** - The Supervisory Committee periodically verifies all cash on premises to protect Credit Union assets.

Both the audit and federal exam found BPFCU to be in excellent fiscal condition. Our financial fitness is attributed to safety and soundness of operations, recordkeeping, compliance and earnings. We appreciate the opportunity to serve you.

Bob Baer  
Chairman

*Your First Choice  
in Financial Services*

## BPFCU ANNUAL REPORT 2008 CHAIRMAN'S MESSAGE

BP Federal Credit Union is honored to have you as one of our members. We know that you have a tremendous amount of options when it comes to choosing your financial institution and we are thrilled you have chosen us! On behalf of your Board of Directors, I am pleased to provide you with a recap of the activities of last year and a glance at our future plans. I am happy to report that BP Federal Credit Union has experienced another solid year of growth and service to our members.

In March 2007, we were delighted to open our second branch inside the Westlake One building. After a 20 year absence, members can now enjoy the convenience of making their credit union transactions in this second, full-service, location. You can even use our DART box to make quick or after-hour deposits.

BP Federal Credit Union is dedicated to financing your mortgage loans at a low-rate. Throughout this year-round commitment and a successful Mortgage Loan promotion, 2007 resulted in a great wealth of low-rate funding. We financed 15 mortgage loans for a total of \$2.3 million. Please continue to allow us to help you with funding the purchase of your next home and experience the credit union difference.

In 2007, we switched to an electronic storage of member receipts. This has allowed us to greatly reduce the amount of paper used, aiding in our strive to make the environment better today and for the future. We encourage the use of our E-Notifications and E-Statements as a way for you, too, to help contribute to making this earth more "green." Look for more environment-friendly changes coming to the credit union in 2008.

Soon, our website will undergo some great changes. There will be more information, easier navigation, and many more exciting new features. This is just one way we are making your membership at BPFCU more convenient. We are committed to continuing to serve you better. Therefore, we welcome, and encourage, your feedback in order to accomplish these goals.

Remember, as a member at BP Federal Credit Union, you are our number one priority. As we move into 2008, we will continue to work hard to achieve our financial goals, while continuing to provide our members with the quality service they deserve. As your not-for-profit cooperative, our mission is to help our members meet their financial needs. The Board of Directors is pleased to be associated with BP Federal Credit Union and we are honored to have the privilege to serve you. Together, lets make 2008 the best for you and your family!

Bill Mills  
Chairman of the Board

## Statement of Financial Conditions

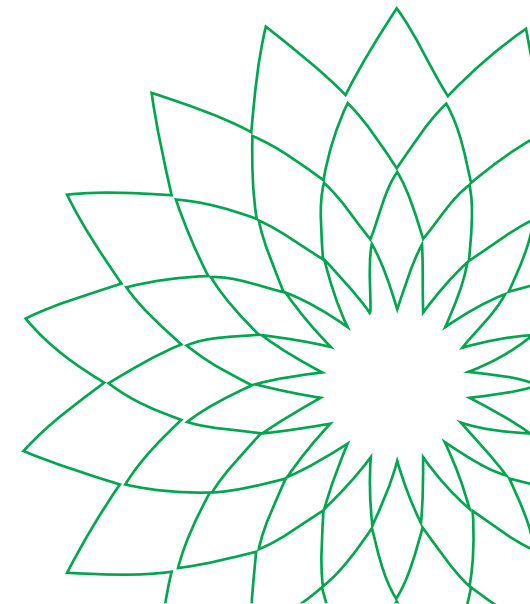
	December 31, 2006	December 31, 2007
<b>Assets</b>		
Total Loans	\$33,602,266	\$31,965,392
Allowance for Loan Loss	(\$152,289)	(\$196,273)
Cash Accounts	\$1,555,597	\$1,576,662
Investments	\$26,176,598	\$31,545,568
NCUSIF	\$524,928	\$569,428
Fixed Assets	\$45,097	\$114,394
Other Assets	\$867,207	\$698,107
<b>TOTAL ASSETS</b>	<b>\$62,619,404</b>	<b>\$66,273,278</b>
<b>LIABILITIES</b>		
Accounts/Dividends Payable	\$458,001	\$248,683
Total Liabilities	\$458,001	\$248,683
<b>EQUITY</b>		
Shares	\$22,104,886	\$20,515,929
Checking	\$15,322,101	\$17,240,424
Money Markets	\$10,399,772	\$10,802,982
Certificate Accounts	\$7,790,061	\$10,019,891
Total Deposits	\$55,616,820	\$58,579,226
Regular Reserves	\$824,124	\$824,124
Undivided Earnings	\$5,720,459	\$6,621,245
Total Member Capital	\$6,544,583	\$7,445,369
<b>TOTAL EQUITY</b>	<b>\$62,161,403</b>	<b>\$66,024,595</b>
<b>LIABILITIES &amp; EQUITY</b>	<b>\$62,619,404</b>	<b>\$66,273,278</b>

## Income Statement

<b>OPERATING INCOME</b>		
Total Operating	\$3,382,060	\$3,890,417
<b>OPERATING EXPENSES</b>		
Total Expenses	\$2,150,094	\$2,052,257
Total Income	\$3,382,060	\$3,890,417
Total Expenses	\$2,150,094	\$2,052,527
Total Dividend Expense	\$778,165	\$965,668
<b>Net Income</b>	<b>\$453,801</b>	<b>\$872,222</b>
Gain /Loss Disposition of Assets	(\$25,810)	\$2,144
Gain /Loss Sale of Investments	\$0	\$0
Change to Undivided Earnings	\$427,991	\$874,366

## Board of Directors

Bill Mills, Chairman  
 Kimery Bagwell, Vice Chairman  
 Janiece Andrus, Secretary  
 Steve Reinert, Treasurer  
 Bob Baer, Supervisory Committee  
 Chairman  
 Roger Golden, Director  
 Ray Cox, Director  
 Lynn Williams, Director  
 Brent Hill, Advisory Director  
 Ken George, Advisory Director/  
 Retirement Plan Trustee



**Our Mission is to Help Our Members Achieve Financial Success!**