



**The 54th
ANNUAL
MEETING**



Welcome To

The 54th Annual Meeting

of



February 17, 2007

10 a.m.

at

Clayton E. Hutcheson Exhibition Hall

559 N. Military Trail

West Palm Beach, Florida



OUR PROUD HISTORY

PBC Credit Union has been fortunate to have had the following people serve as president and on the official family:

President - Year First Involved

Jean Simmons	1953
Gertrude Plummer	1959
John D. Deese	1978

Official Family - Year First Involved

R. B. McKee	1953	Jean Simmons	1960	Elizabeth Mulford	1974
Thelma P. Plant	1953	Park Wells	1960	Elizabeth A Daniel	1976
Sara Horton	1953	Rita Kohl	1960	Ruth Thornhill	1976
Marie M. Pearce	1953	Iris Shambough	1961	John D. Deese	1978
R.L. Stephens	1953	Beverly Baker	1961	Herb Kahlert	1979
Dorothy M. Winchester	1953	John DeNeen	1961	Henry (Bill) Walker	1979
Floy Kelley	1953	Atlon Murray	1961	Paul Ammann	1979
T. Harold Williams	1953	Julius P. Icard	1962	Jerome Nolan	1980
Harry A. Johnston	1953	Richard Held	1962	John W. Dame	1980
Fred Moorish	1953	Ebert Van Kessel	1962	Susan L. Rousseau	1980
Dan Heady	1953	Bertha Gibson	1962	Stella Testa	1980
Lily Roberts	1953	Carol Gallagher	1962	Tom Shea	1980
Nina Cherry	1954	Martha Jane Murray	1962	Jean B. Reed	1981
Don O. Heady	1954	Joseph Steelman	1963	Carolyn S. Heffner	1981
H. H. Peerson	1954	Robert Harlow	1963	Theresa B. Panozzo	1981
Thaddie Plant	1954	Lewis T. Creech	1963	James L. Snelgrove	1983
Sara Lawler	1955	Dennis Hoerber	1964	David D. Wood	1983
Edwina Henderson	1955	Milton Bower	1964	Grady Swann	1984
Ben. F. Sundy	1956	Tom McCarthy, Jr.	1964	Frank D. Robinson	1984
George Smart	1956	Blain Williamson	1964	Ed Merkel	1987
Mildred Mathews	1956	Roy Roseke	1965	Thomas E. Duane	1988
Gertrude Plummer	1957	Vernon W. Allen	1966	Darrell Evans	1988
Elmer Baker	1957	George Panos	1966	David J. Panozzo	1988
Louis Lynch	1957	Robert Cain	1966	Marjorie Knight	1989
T. R. Hoskinson	1957	William E. Hill	1967	James Davis	1989
Jewel Large	1957	Mike McPhail	1968	Siggi Helmes	1989
Blanch Webb	1958	Anna Lee Nye	1968	Dennis Wetzel	1990
Irene J. Bocher	1958	Lillian V. Balle	1968	Vince Bonvento	1992
Lake Lytal	1959	Stephen Zabey	1969	Ralph Irwin	1992
Robert England	1959	Ruth Beuter	1969	Patricia Langston	1994
Mildred Brinson	1959	Karl Lindner	1971	Sandra K. Wyant	1996
Layra Jenkins	1959	Nora I. Ammann	1974	Michael Thomas	1997
		W. E. Hewes	1974		



54th Annual Meeting Saturday February 17, 2007

AGENDA

- I. Pledge of Allegiance and Invocation
- II. Determination of Quorum
- III. Minutes of Previous Annual Meeting - Barbara Lozoski
- IV. Treasurer's Report
- V. Committee Reports
 - A. Supervisory Committee – Carol Heffner
- VI. Board of Directors' Report - James Snelgrove, Chairman
- VII. Operations Comments - Robert Spanier
- VIII. Marketing Comments - Shannon Duran
- IX. Unfinished Business
- X. New Business
 - A. Nominating Committee Report – Carol Heffner, Chairperson
 - B. Election of Official Family
- XI. President's Report – John D. Deese
 - A. Staff Recognition
 - B. Presentations
- XII. Adjournment
- XIII. Door Prizes



STAFF 2006/2007

Daniel Alfonso.....	Information Technology
Joe Alicea.....	Information Technology
Mary Casas.....	Teller Service
Gale Coletta.....	Member Service
Ramon Concepcion.....	Member Service
Angelita Coronel.....	Teller Service
John D. Deese.....	Administration
Valeska Duff.....	Member Service
Judith Dugo.....	Teller Service
Shannon Duran.....	Marketing
Sandra Enrique.....	Teller Service
Janette Estrella.....	Teller Service
Chana Figueroa.....	Teller Service
Deanna Frame.....	Accounting
Jose Garcia.....	Marketing
Patricia Gelsinan.....	Member Service
Leticia Gomez.....	Teller Service
Anne Grady.....	Administration
Megan Grimsley.....	Member Service
Lucie Ihle.....	Member Service
Jennifer Kottke.....	Teller Service
Daniel Kurek.....	Marketing
Christine Lamb.....	Teller Service
Joann Langella.....	Member Service
Janet Lewis.....	Member Service
Ana Maria Lopez.....	Teller Service
Barbara Lozoski.....	Administration
Jeanne McCaffrey.....	Teller Service
Jean McCormick.....	Teller Service
Edward Meredith.....	Information Technology
Francia Moreno.....	Member Service
Karen Murphy.....	Teller Service
Fareeda Murrell.....	Member Service
Sue Nelson.....	Accounting
Janet Norton.....	Member Service
Christian Olivares.....	Teller Service
Cristian Osegueda.....	Member Service
Maritza Patino.....	Teller Service
Magda Pulido.....	Member Service
Doreen Riley.....	Member Service
Fred Rosa.....	Member Service
Martha Schwind.....	Accounting
Christine Selhorst.....	Member Service
Patrick Shandorf.....	Marketing
Phyllis Sieberg.....	Member Service
Laurel Smikle.....	Member Service
Robert Spanier.....	Member Service
Jacquelyn Sutton.....	Administration
Minire Sylva.....	Accounting
Janet Taylor.....	Teller Service
Barbara Tosto.....	Member Service
Marge Urso.....	Member Service
Milady Vavoso.....	Teller Service
Kimberley Veach.....	Teller Service
Sheri Vick.....	Member Service
Hyacinth Welsh.....	Member Service
Laura Wills.....	Member Service
Donna Wilson.....	Accounting





OFFICIAL FAMILY

BOARD OF DIRECTORS

James Snelgrove.....	Chairman
Jerome Nolan.....	Vice Chairman
John D. Deese.....	Secretary/Treasurer
Ruth Beuter.....	Member
Herbert Kahlert.....	Member
Thomas Shea.....	Member
Stella Testa.....	Member

AUDIT COMMITTEE

Carol Heffner.....	Chairman
Ralph Irwin.....	Vice Chairman
James Davis.....	Member

GOVERNMENTAL AFFAIRS COMMITTEE

Thomas Shea.....	Chairman
Vince Bonvento.....	Member
Theresa Panozzo.....	Member



ASSETS:

December 31, 2006

Total Loans to Members	\$	71,608,373.33
Less: Allowance for Loan Losses	\$	(467,636.18)
Net Loans to Members	\$	71,140,737.15
Cash on Hand & Due from Banks (Includes Vault & Petty Cash)	\$	3,097,474.06
Other Investments	\$	1,451,264.76
Savings Deposits in Banks	\$	-
Deposits in Savings & Loan Associations	\$	-
Investments in the National Credit Union Share Insurance Fund	\$	836,048.74
Deposits in Other Credit Unions	\$	9,904,104.96
Shares in Other Credit Unions	\$	-
Furniture Fixtures & Equipment (Net)	\$	754,901.02
Building and Land	\$	1,582,520.82
Accounts Receivable	\$	68,005.02
Prepaid Expenses	\$	271,189.40
Accrued Income	\$	426,575.00
Other Assets	\$	70,000.00

TOTAL ASSETS \$ 89,602,820.93

LIABILITIES & CAPITAL:

Accounts Payable	\$	1,860,341.54
Accrued Expenses	\$	295,604.05
Dividends Payable	\$	4,000.00
Deposit Accounts	\$	35,190,951.27
Share Accounts	\$	27,090,452.91
Share Draft Accounts	\$	14,380,850.10
Regular Reserve	\$	1,369,656.53
Undivided Earnings	\$	9,410,964.53
Net Gain (Loss)	\$	-

TOTAL LIABILITIES AND CAPITAL \$ 89,602,820.93

*These financials have been sent to Nearman, Maynard, Vallez CPAs & Consultants, P.A. for our 2006 audit. Results forthcoming.





**Statement of Income and Expenses
December 31, 2006**

	YEAR TO DATE
INCOME:	
Income From Loans	\$ 4,826,657.68
Income From Investments	\$ 644,716.60
Other Income	\$ 2,854,071.92
Non-Operating Income	\$ -
TOTAL INCOME	\$ 8,325,446.20
EXPENSES:	
Salaries	\$ 1,561,290.53
Benefits	\$ 515,659.30
Travel/Conf	\$ 61,560.94
Dues/Sub.	\$ 32,523.51
Utilities	\$ 49,911.79
Telephone	\$ 49,978.48
Rent	\$ 139,986.85
Prop. Taxes	\$ 30,000.00
Postage	\$ 69,875.65
Supplies	\$ 97,731.32
Repairs/Maint.	\$ 102,256.21
Depreciation	\$ 278,534.20
Miscellaneous	\$ 2,945.50
Marketing/Training	\$ 261,221.71
Collections	\$ 68,826.00
Credit Bureau	\$ 24,209.98
Visa/Loan	\$ 16,143.19
Data Proc.	\$ 392,559.00
Attorney/Legal	\$ 19,129.81
ATM Support	\$ 615,870.85
CU Center	\$ 15,548.19
Share Drafts Support	\$ 27,293.62
Bank Service	\$ 141,977.98
Surety Bond	\$ 34,262.44
Insurances	\$ 29,627.74
Examination	\$ 37,224.73
Audit	\$ 40,100.26
(Over)/Short	\$ 6,077.80
Annual Meeting	\$ 4,008.00
Board/Comm.	\$ 94,213.23
Member Excess Share Insurance	\$ -
TOTAL OPERATING EXPENSES	\$ 4,820,548.81
Dividends	\$ 1,085,773.86
Loan Loss Prov.	\$ 177,961.01
Interest on Borrowed Funds	
TOTAL OPERATING AND NON-OPERATING EXPENSES	\$ 6,084,283.68
NET GAIN OR (LOSS)	\$ 2,241,162.52

*These financials have been sent to Nearman, Maynard, Vallez CPAs & Consultants, P.A. for our 2006 audit. Results forthcoming.



NOMINATING COMMITTEE REPORT

The following individuals, whose terms of office are expiring, have expressed a desire and willingness to continue in their respective positions in the credit union for an additional term.

Nominations for the Board of Directors are as follows:

<u>NOMINEE</u>	<u>TERM OF OFFICE</u>
James Snelgrove	3 Years
M. Stella Testa	3 Years

No nominations by petition were received.

Respectfully submitted,

Nominating Committee

Carol Heffner – Chairperson

Ralph Irwin – Committee Member

Ruth Beuter – Committee Member





MESSAGE FROM THE CHIEF MARKETING OFFICER

Congratulations! 2006 was an amazing year for your credit union. It was a privilege to communicate the benefits of credit union membership and the wide variety of products and services available both to you, our valued member-owners, and to potential member-owners.

A major marketing focus in 2006 was the fortunate merger with St. Lucie Community Credit Union in Fort Pierce. This merger was mutually beneficial for both credit unions. We look forward to our future in this market.

An additional marketing focus in 2006 was to promote special product and service offerings through various quarterly and monthly promotions, all of which were successful due to effective target marketing and member service support. Here is a brief outline of the results:

- \$26,052 was spent to conduct internal campaigns in 2006 that resulted in \$5,211,064 in additional balances.
- Our new member matrix mailings cost \$27,439 and brought in \$616,881 in additional balances
- Marketing to prospective members in our eligible zip codes resulted in acquiring 442 new members

Also in 2006, marketing's business development team kept very busy communicating the benefits of membership to our Select Employer Groups (SEGs) in effort to increase awareness and membership. We did so through various membership drives, employee orientations and community service events. Your team participated in 84 of these types of events in 2006. We are also proud to share that 54 new SEGs were added to our field of membership, 29 of which had over 25 employees. In addition, much focus was placed on building and improving upon relations with our existing groups. We increased our member penetration at our second largest SEG, Palm Beach County Sheriff's Office, by one percent to 44%.

In 2007, we pledge to continue doing our best in meeting your needs and exceeding your expectations. We have started 2007 with a brand new name, PBC Credit Union. Although our name had changed to better reflect who we are, the quality service you've come to expect from the credit union you own will never change. As always, thank you for your membership and the opportunity to serve you.

Respectfully submitted,

Shannon J. Duran
Chief Marketing Officer



SUPERVISORY COMMITTEE REPORT

The Supervisory Committee was actively involved in all aspects of the operation of PBC Credit Union in 2006. Representatives of the committee attended all monthly Board of Director's meetings, many chapter meetings, the Florida Credit Union League's Annual Meeting, and the annual planning session.

We worked diligently with staff on the changing roles we faced due to state and federal requirements that prompted our auditing program to expand. As a result, we hired separate auditing firms to perform annual and quarterly audits.

After interviewing several auditing firms, we chose to hire Nearman, Maynard and Vallez, CPAs & Consultants, P.A., based in Atlanta. We worked with their Miami staff. They were hired to perform our annual audit required by the Bank Secrecy Act and Customer Identification Program Compliance Review.

We also hired Sanders, Sanders, & Holloway, P.A., CPAs, based in Tallahassee. They handled our quarterly audits. These included cash, loans, currency transaction reports, suspicious activity reports, compliance with the Bank Secrecy Act/Office of Foreign Assets Control, investments and expenses.

We also met with staff and the Florida state examiners on the recent examination and expect to receive that report in the very near future.

Due to the many changes and growth we experienced in addition to the need for more complex auditing, the Board of Directors decided that the Supervisory Committee, formerly made up of eight representatives, would change to an Audit Committee made up of three representatives from the original committee. The Board of Directors appointed the Audit Committee representatives and will choose replacements as needed.

The Audit Committee will meet with staff as necessary to see that all requirements are being met to have all auditing functions performed and filed in a timely manner.

I personally want to thank those who have previously served on the committee for their valued service and dedication. They are Ed Merkel, Marge Knight, Darrell Evans, Michael Thomas and David Panozzo. I also want to thank the staff members who work closely with us as advisors.

Respectfully submitted,
Audit Committee

Carol Heffner, Chairperson
Ralph Irwin, Vice Chairperson
James Davis, Member





MESSAGE FROM THE CHAIRMAN AND CEO

Dear Members:

Congratulations on another outstanding year for your credit union! 2006 was by far the most successful year financially this organization has ever achieved. As a result of this success, we were able to substantially increase our rates on the asset and certificate accounts. We were also able to eliminate the \$5 monthly membership fee. This fee elimination will be officially announced to all members soon. We are proud to be at the top in competitive loan and savings rates. All of this was only possible because of our committed and dedicated official family and staff and of course, our loyal members. THANK YOU for your support and trust.

2006 was also a year of growth due to our merger with St. Lucie Community Credit Union located in Fort Pierce. As a result of that merger, we can now serve anyone living or working in St. Lucie County. This opens up a significant opportunity to expand in that area. We welcome those members into our credit union family. We trust this transition will be beneficial to them.

Our commitment to serve has always been noted in prior annual meeting messages. This year is no exception. We are proud that our level of service to our members has been maintained at the very top level as indicated by our annual survey. We take the survey seriously and use it to improve in the areas that you indicate are needed. It is a valuable tool for our marketing and executive teams. Thank you for being candid and for giving us such high marks. We will continue to strive to improve our service to you.

In closing, we want to express our appreciation to our members for being a part of a financial cooperative that is only here to provide you with better services and more competitive products and rates. Your commitment to this organization is very important because we are owned by you. Best wishes to our OWNERS for continued success in 2007.

Sincerely,

James E. Snelgrove
Chairman

John D. Deese, CCUE
CEO



MESSAGE FROM THE CHIEF OPERATIONS OFFICER

2006 will be remembered as a year of continued growth and fulfillment of many credit union goals. Assets exceeded \$89,000,000 and loan growth topped 22%. The credit union's loan to share ratio eclipsed our peer group average of 74%!

This financial strength enabled us to pursue, and ultimately consummate, a merger with St. Lucie Community Credit Union. Our joined forces have opened up the possibility of substantial growth in all of St. Lucie County. The employees of the former St. Lucie Community Credit Union are a wonderful addition to our family.

In general, the United States economic growth has been quite strong and it is likely to continue into 2007. In spite of this, the real estate market did reflect a gradual cooling and a market correction is currently occurring. The Wall Street Journal Prime Rate, our home equity line of credit index, has changed dramatically throughout 2006. This has been a double-edged sword. While the rate increase from 7.25% to 8.25% provided a substantial increase in interest income, it also was the main factor causing our real estate portfolio growth to slow down.

A profitable institution is critical and we should be proud of our accomplishments. Equally as important is our desire to create an environment that provides a memorable experience for members and employees. 2007 will bring an increased emphasis upon the quality of our members' experience and interaction with our employees. We will be holding ourselves accountable for improving the member experience and our members will have new ways to provide us continuous feedback.

I look forward to upcoming restructuring and aligning our work force to position ourselves for future growth and service delivery.

I thank the entire Official Family of volunteers for the continued devotion of your valuable time. Our successes are a direct result of your support and knowledge.

Respectfully submitted,

Robert J. Spanier
Chief Operations Officer

