

2007

Annual Report



On behalf of the entire Board of Directors of Farm Bureau Credit Union, it is my pleasure to write the 76th annual report. At this time, it is fitting to honor the memory of the late Louis Eby, who served as an employee, manager and board member. We miss his dedication to Farm Bureau Credit Union and his insightful contributions.

Late last year, David Myers was appointed to fill the unexpired board seat. He joins the other six FBCU board members, including Richard Snider, Paul Whirlledge, Elroy Miller, Linda Garber, Kathy Brewton and myself. You will be pleased to know that we work very well together, representing you – the members of FBCU. We welcome and encourage your input at any time. On your behalf, the board works to set a course and direction that will help create opportunities for a better future for the credit union and the communities in which we do business.

I can report to you the confidence the directors have had in the name change process. We were committed to find a name that both honored the legacy and traditions that have served this credit union so well for the last 76 years, while at the same time offering the ability to set the tone for an optimistic and progressive future. We have succeeded with the name “Interra” and look forward to the roll-out this year.

As we represent you, the members, you can be assured that the FBCU Board of Directors and credit union management work diligently to develop new and innovative ideas, and products and services to meet the needs of an ever-changing world. However, you can also be assured that we are committed to providing you with personal service along with new technologies.

You have once again benefited from the plan we implemented last year to make the election process accessible to more of the member base of Farm Bureau Credit Union, as evidenced in the in-branch and online voting opportunities prior to the Annual Meeting. We celebrate the cooperative principles on which credit unions stand. The practice of democratic member control, as exemplified in the election process, truly sets the credit union apart from for-profit financial institutions in a meaningful way to our members.

It is our goal to, on your behalf, support the mission of this credit union, “To be our Members Most Trusted and Valued Financial Resource.”

Thank you for the continued trust and confidence you place in YOUR credit union.

Steve Warner
Chairman of the Board

As we close our 75th Anniversary Year, the usual report to members is bookmarked by two significant events.

First, the usual report to members about noteworthy highlights from 2007 includes:

- An increase in members, deposits, loans and net income;
- Member deposits led the group with an increase of 7%;
- The low delinquency rate of .59% and low charge-off rate of .07% were well below the credit union peer group;
- Members now have access to more than 3,125 outlet and shared branches nationwide;
- Members continue to exercise their democratic control by voting for the Board of Directors and Supervisory Committee through the internet and in-branch voting;
- More members are participating in financial services as many have opted for innovative services like the “Sign and Save” account;
- A record number of members took advantage of our “signature” financial education programs; and
- Members continued to benefit from services set up through our CUSO – Credit Union Service Organization.

Now, the significant. Louis Eby, long time manager/president of the credit union from 1947 through 1987, and director from 1963 through 2007, died in an automobile accident on September 11. Louis is considered a “Titan” at FBCU. He initiated the “brand” early in his career at FBCU – that of trust and service to members – and it is a brand that will continue. The management team and board of directors will miss Louis.

The second significant event is that of replacing the credit union’s current name with a new one. The credit union responded to a request from the American Farm Bureau Federation (AFBF) that “Farm Bureau” and “FB” be eliminated from our name, as AFBF holds the trademarks to both. After weighing all the options, our management and board determined it would be best to change the name.

I’m happy to announce that the Naming Committee and Board of Directors have selected a new name, one that is relevant to our history and our members. Interra Credit Union has been brought forward as our new name. Interra can be literally interpreted as “Indiana land,” with ‘In’ representing Indiana and ‘terra’ meaning land. The new name has been presented to members to review and accept at this historical Annual Meeting.

In closing, thank you, members, for choosing FBCU as your financial institution. Thank you to our volunteers and staff for making 2007 another good year at FBCU. Thank you, Louis Eby, for sharing 60 years of your life with FBCU. I appreciate serving as the President/CEO of this credit union.

Jack A. Sheets
President

The Executive Loan Committee met on a weekly basis in 2007 to review real estate, commercial and agricultural loans. Committee members are Andy Gangwer, Sanford Miller and Leon Yoder.

In 2007 the Executive Loan Committee approved 937 loans for a total of \$81,619,622 and the FBCU loan officers approved 4,247 loans totaling \$39,992,546. The credit union realized an increase in fixed rate first mortgages as well as an increase in second mortgage loans. However, we experienced a decline in the number of vehicle loans in 2007. Our loan growth was 2.0% for the year. There is no question that the economy had a direct impact on our short term consumer lending area.

As we look ahead for 2008, we see the need to market our real estate programs to those members who may have been adversely impacted by an adjustable rate mortgage loan or some type of related products. Within the first quarter of 2008, our goal is to have a web based mortgage application system in place. When accomplished, members can apply for a mortgage 24/7 via a PC. Also in the first quarter of 2008, we will be improving our delivery channel for vehicle loans with our indirect dealer network, which will provide our members with more efficient service. Finally in 2008, emphasis will be placed on enhancing the credit union's credit card programs, looking at features that may be of value to our members.

Andy Gangwer
Executive Vice President

The Supervisory Committee was created by law to act as the members' representative in monitoring and guiding operations of the Credit Union. The Supervisory Committee's objective is to assure each member of the Credit Union's financial strength and stability.

BDK, LLC, was retained to perform an audit of Elkhart County Farm Bureau Credit Union's financial statements for the fiscal year ending March 31, 2007. The audit was performed in accordance with Generally Accepted Accounting Principals. The results of the audit determined the financial statements accurately represent the financial condition of the Credit Union. The Credit Union continues to remain financially strong.

BDK, LLC, reviewed the internal controls of the Credit Union as part of the audit of the financial statements. Management responded quickly and thoroughly addressed each item listed in BDK, LLC's management letter. The Credit Union continues to demonstrate effective internal controls, follows established policies and procedures and is in compliance with federal and state laws and regulations to keep the Credit Union's assets secure.

The Supervisory Committee met throughout the year to review internal and external audit results. The Committee works independently on behalf of the Credit Union members to ensure that questions or issues pertaining to individual member accounts are resolved. As part of this function, the Committee mailed confirmations to each member to verify balances as of March 31, 2007. A small number of discrepancies were reported and promptly resolved.

The committee wishes to express our sincere appreciation to the Board of Directors, management and staff for their cooperation and assistance throughout the year.

Tony Miller, Chairman
Crystal Hooley
Darin Short

Last year significantly more members took advantage of the financial planning services offered through MEMBERS Financial Services, located at FBCU. During 2007 insurance policies grew by 72%, investment sales grew by 54% and total assets under management increased by 14%.

You will be pleased to know that two of our registered member services representatives (RMSRs) ranked in the top 20 nationwide for CUNA Brokerage Services production. Sue Purdue finished fourth at year-end, and was at second place during the year. Eva Parcell was in nineteenth place at the end of 2007. The reason I am so proud of their accomplishments is the way in which they attain these levels – by building trust through relationships, taking time to listen, and helping members understand their options and make good choices for their particular circumstances. Eva and Sue speak our members' language.

We believe this growth and success means that we heard members' stories, understood their needs, and provided them with real solutions. That's what makes us unique. Our representatives truly value the time they spend with members, working hard to understand their goals and helping them put plans in place to reach them. Members can benefit from our emphasis on service. We want to exceed expectations every time... with every member.

You may have noticed new initiatives to help create awareness of the products and services available at MEMBERS Financial Services. The success of the 401(k) Rollover campaign last year led to plans for 2008 programs, including IRA investment options, insurance, program awareness and continuing with 401(k) rollovers.

Yet another strategy to interact with more members is team availability at the FBCU offices not served by a full time investment representative. Both Paul Gayler and Sue Purdue are scheduling weekly office hours at our branch offices. This represents our efforts to increase the number of members we can assist this year with long-term financial planning.

On another front, CU Title Services (CUTS) was our first large-scale collaborative effort. A joint venture with Teachers Credit Union, it has allowed us to gain some control over the title process and improve the overall experience for our members. CUTS has been well accepted, exceeding projections several times over. It exemplifies our members' willingness to embrace a new service when it's delivered in a fair and honest manner, typical of credit union offerings. The CUTS program is the first of many cooperative ventures that FBCU will be exploring this year.

Please keep this in mind – you can count on the skilled professionals at MEMBERS Financial Services to help you navigate through volatile markets and work with you to design a plan to assist in achieving long-term financial goals.

David W. Birky
President, MEMBERS Financial Services

- Susie Adkins**
Teller
- Kristie Baker**
Records & Research
- Becky Baumgartner**
Call Center Representative
- Larry Bayless**
Loan Review Specialist
- Marcile Beard**
Teller
- Alisa Bender**
Call Center Representative
- Jessica Biller**
Branch Float
- David Birky**
President - MEMBERS
Financial Services
- Mike Blosser**
Branch Manager
- Sarah Bontrager**
ATM Coordinator
- Donna Borkholder**
Teller
- Liz Bortrager**
Branch Manager
- Theresa Botwinski**
Teller
- Elta Bradford**
Teller
- Kathy Brovont**
Lead Teller
- Allison Burkholder**
Branch Float
- Peg Burnworth**
Teller
- Odalis Chacon**
Administrative Assistant
- Angie Clem**
Lead Teller
- Becky Coppens**
Teller
- Misty Damron**
Branch Manager
- Stacey Darr**
Systems Coordinator
- Diane Dearth**
Accounting Clerk

- David Dekker**
Member Services Manager
- Saferina DeLeon**
Receptionist
- Terri Dewald**
Training Coordinator
- Tiffany Dickess**
Teller
- Helen Dickinson**
Lead Teller
- Bob Donegan**
Maintenance
- Dawn Douma**
Lead Teller
- Alesya Dzhus**
Teller
- Rachel Ely**
Loan Officer
- Eric Erlenwein**
Collector
- Rhonda Eslinger**
Director of Human Resources
- Jon Flickinger**
Loan Officer
- Michael Galinowski**
Systems Programmer
- Cici Gallegos**
Member Services
Representative
- Peggy Ganger**
Teller
- Andy Gangwer**
Executive Vice President
- Deb Garman**
Director of Operations
- Paul Gayler**
Financial Services
Representative
- Jason Golden**
Loan Officer
- Carmen Gonzalez**
Loan Receptionist
- Staci Goss**
Loan Officer
- Claudia Granados**
Teller

- Angie Hahn**
Financial Services
Coordinator
- Liz Hall**
Summer Teller Float
- Joyce Hamilton**
Teller
- Bev Harman**
Float (Teller, MS, Loans)
- Leanne Heckaman**
Teller Supervisor
- Teresa Hendricks**
Member Education Specialist
- Greicy Hernandez**
Teller
- Jeanette Hess**
Teller
- Rex Hochstedler**
Chief Financial Officer
- Joyce Hofer**
Branch Float
- Sue Holdeman**
Teller
- Nancy Hoover**
Loan Clerk
- Lucy Hostetler**
Teller
- Michelle Huddleston**
Loan Department
Coordinator
- Dan Hulse**
Help Desk Technician
- Tonya Jaberg**
Mortgage Processor
- Cara Jeeves**
Marketing Coordinator
- Blair Juarez**
Loan Clerk
- Vickie Kauffman**
Records & Research
- Pam Kemmerling**
Mortgage Processor
- Jeanette Keyser**
Teller
- Lori Kimpel**
Call Center Representative

FBCU Investment Services is a service of Members' Financial Management Center. Representatives are also licensed insurance representatives of CUNA Mutual Life Insurance Company. The products and services of FBCU Investment Services 1) are not insured by NCUSIF or any agency in your state or the federal government; 2) are not deposits; 3) are not obligations of the credit union; 4) are not guaranteed by the credit union or any affiliated entity; and 5) involve investment risks, including the possible loss of principal. Securities are offered through CUNA Brokerage Services, Inc., 5910 Mineral Point Road, Madison, WI 53705. Member NASD, SIPC.

Kathy Kinnison
Teller

Becky Kirkdorffer
Teller

Tara Lambert
Collector

Randy Lehman
Management Trainee

Katie Lindzy
Administrative Assistant

Debbie Madlem
Vault Teller/Main

Tosha Maran
Electronic Services Representative

Jill Martin
Teller

Lupe Martinez
Hispanic Services Specialist

Fern Mast
Accounting Clerk

Liz Mast
Member Services Representative

Tracy Mast
Branch Float

Marilyn Mathews
Branch Float

Kari Mauck
Teller

Judy Maurer
Network Coordinator

Maria Mendoza
Teller

Tatyana Merezsko
Teller

Amber Miller
Branch Float

Charlie Miller
Teller

Cherry Miller
Records & Research & Electronic Services Float

Darla Miller
Business Services Specialist

Janet Miller
Special Projects

Jody Miller
Director of IS

Kylene Miller
Member Services Representative

Sanford Miller
Vice President of Branch Administration

Willie Miller
Courier

Stephanie Mishler
Marketing Assistant

Dawn Morey
Teller

Becca Mullet
Records & Research

Bethany Neumann
Teller Float

Pam Oberlin
Teller

Carla Oplinger
Special Projects

Deb Ott
Loan Clerk

Martha Packer
Director of Loss Prevention

Eva Parcell
Registered Member Service Representative

David Parsons
Branch Manager

Anzhelika Pavlenko
Float (Teller, MS, Loans)

Ruth Peshina
Loan Clerk

JoAnne Pickens
Trust Specialist

Christin Pinckert
Recruiter

Brandi Plank
Call Center Representative

Angie Pletcher
Compliance Officer

Sue Purdue
Senior Investment Representative

Robin Rader
Teller

Tane Reed
Branch Manager

Joel Richard
Management Trainee

Tyler Roth
Loan Officer

Myriam Ruano
Branch Float

Vera Rudolph
Loan Officer

Janet Rugg
Lead Teller

Natalie Rummel
Teller Float

Lucy Sanchez
Call Center Representative

Millie Sanchez
Branch Manager

Cici Sandoval
Member Services Representative

Eileen Schneider
Float (Teller, MS, Loans)

Erin Schrader
Branch Float

Kallie Schuetz
Call Center Representative

Jennifer Shearer
Summer Teller Float

Jack Sheets
President

Cindy Shepherd
Teller Trainer

Jamie Shepherd
Teller Float

Brenda Sherman
Branch Float

Gynelle Slayton
Administrative Assistant

Sue Snider
Teller

Annette Stauffer
Float (Teller, MS, Loans)

Karen Steffensen
Director of Marketing

Janet Stone
Float (Teller, MS, Loans)

Waneta Stutzman
Mortgage Clerk

Martha Swartzentruber
Teller

Wanda Taylor
Teller

Dan Temple
Registered Member Service Representative

Norma Terrazas
Member Services Representative

Liz Thompson
Loan Officer

Sandi Trenshaw
Float (Teller, MS, Loans)

Melanie Truex
Loan Clerk

Janet VanderMeer
Human Resources Representative

Heather Vargas
Teller

Mariya Voytyuk
Teller

Debra Walsh
Administrative Assistant

Rajesh Wankhade
Teller

Brenda Weatherton
Branch Manager

Sherry Wenger
Internal Auditor

Sherrie Wert
Records & Research Supervisor

Carl Westerbeek
Facilities Manager

Nancy Westrich
Teller Float

Phil Wiens
Commercial Loan Officer

Char Willett
Executive Administrative Assistant

Erin Wilson
Director of Accounting

Jim Wise
Courier

Wongel Worabo
IRA Specialist

Sherrie Wright
Teller

Brandon Yoder
Branch Manager

Leon Yoder
Loan Officer

Richelle Yoder
Administrative Assistant

Stan Yoder
Loan Officer

Tammy Yoder
Administrative Assistant

Emili Zahner
Help Desk Technician

Alan Zimmerman
Financial Analyst

OUR MISSION

To be Our Members' Most Trusted and Valued Financial Resource

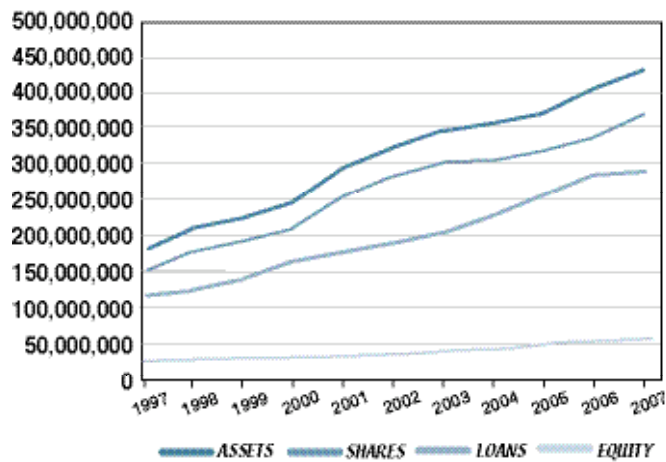
COMMITTED TO EXCELLENCE

- We are committed to provide you with an exceptional level of service.
- We are committed to make it easy for you to do business with us.
- We are committed to treat you with the highest standards of respect and professionalism.
- We are committed to identify your financial needs and offer solutions that will improve your financial life.
- We are committed to deliver accuracy in all of our work.

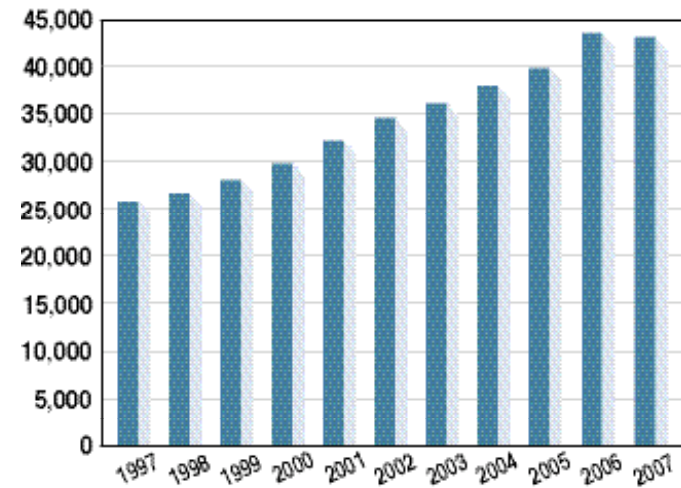
	2007	2006
Income		
Interest Income-Loans	\$ 18,758,183	\$ 16,928,049
Interest Income-Investments	4,610,854	3,088,685
Other Income	4,856,123	4,161,721
Total Income	28,225,160	24,178,455
Expenses		
Payroll & Benefit Expense	\$ 6,779,347	\$ 6,069,909
Office Occupancy	2,227,859	1,974,114
Office Operations	1,747,507	1,680,957
Members Services	1,261,860	1,207,935
Other Expenses	2,235,834	1,653,530
Total Expense	14,252,407	12,586,445
Net Income	\$ 13,972,753	\$ 11,592,010
Distribution of Earnings		
Dividends	\$ 10,075,499	\$ 8,233,205
General Reserve Fund	1,620,277	1,270,259
Undivided Earnings	2,276,977	2,088,546
Net Income Distributed	\$ 13,972,753	\$ 11,592,010

	2007	2006
Assets		
Cash and Investments	\$ 118,560,995	\$ 95,094,015
Loans, net	287,349,985	281,694,064
Property & Equipment	17,730,008	18,405,903
Other Assets	7,167,359	6,812,929
Total Assets	\$ 430,808,347	\$ 402,006,911
Liabilities & Members' Equity		
Liabilities		
Share Accounts	\$ 369,673,158	\$ 344,943,639
Other Liabilities	1,689,926	1,515,247
Total Liabilities	371,363,084	346,458,886
Members' Equity	59,445,263	55,548,025
Total Liabilities & Equity	\$ 430,808,347	\$ 402,006,911

Asset, Share, Loan & Members' Equity



Membership Growth



FARM BUREAU CREDIT UNION'S FINANCIAL HISTORY

YEAR	SHARES	LOANS	ASSETS	MEMBERS' EQUITY
1932	\$ 1,058	\$ 1,052	\$ 1,125	\$ n/a
1935	6,821	6,787	7,308	413
1940	27,611	29,416	29,542	1,116
1945	322,887	258,346	330,663	5,121
1950	692,044	771,210	811,929	43,893
1955	1,491,641	1,394,259	1,622,387	130,548
1960	1,558,785	1,544,366	1,769,045	209,839
1965	2,737,217	2,309,238	3,059,388	321,553
1970	4,764,550	4,075,969	5,309,992	544,885
1975	11,719,658	9,091,286	12,999,668	1,179,694
1980	24,369,270	17,041,302	26,680,810	2,311,033
1985	46,928,194	29,183,086	52,317,176	5,384,936
1990	84,777,576	55,798,447	98,097,786	13,024,693
1995	137,658,854	92,379,738	160,603,903	22,543,035
2000	210,230,940	163,563,506	244,752,408	33,954,117
2005	317,688,468	259,857,319	370,000,738	50,845,212
2006	344,943,639	281,694,064	402,006,911	55,548,025
2007	369,673,158	287,349,985	430,808,347	59,445,263