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An ended

Form 990

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2008 calendar year, or tax year beginning 2008, and ending 20

B Check if applicable: Address change, Name change, Initial return, Termination, Amended return, Application pending

C Name of organization: Kansas Blue Cross Blue Shield of Kansas
Doing Business As: [blank]
Number and street (or P.O. box if mail is not delivered to street address): 1010 SW Tyler Ave.
City or town, state or country, and ZIP + 4: Topeka KS 66612

D Employer identification number: 48-6109080

E Telephone number: (785) 291-8774

G Gross receipts \$: 1,358,649

F Name and address of principal officer: See attachment #1

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
If "No," attach a list (see instructions)

I Tax-exempt status: 501(c)(14) (insert no.) 4947(a)(1) or 527

J Website: www.ksbcbcsu.org

K Type of organization: Corporation Trust Association Other

L Year of formation: 1953

M State of legal domicile: KS

Part I Summary

1 Briefly describe the organization's mission or most significant activities: See attachment #2

2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its assets

3 Number of voting members of the governing body (Part VI, line 1a) 3 7

4 Number of independent voting members of the governing body (Part VI, line 1b) 4 7

5 Total number of employees (Part V, line 2a) 5

6 Total number of volunteers (estimate if necessary) 6 15

7a Total gross unrelated business revenue from Part VIII, line 12 7a 3,484

7b Net unrelated business taxable income from Form 990-T, line 28 7b -10,636

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)		
9 Program service revenue (Part VIII, line 2g)	1,130,736	1,119,453
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	285,516	239,196
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
12 Total revenue -- add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,416,252	1,358,649
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
14 Benefits paid to or for members (Part IX, column (A), line 4)		
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		
16a Professional fundraising fees (Part IX, column (A), line 11e)		
b Total fundraising expenses (Part IX, column (D), line 25)		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	1,149,074	1,117,142
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	1,149,074	1,117,142
19 Revenue less expenses. Subtract line 18 from line 12	267,178	241,507
20 Total assets (Part X, line 16)	19,183,282	21,451,210
21 Total liabilities (Part X, line 26)	15,545,510	17,571,931
22 Net assets or fund balances. Subtract line 21 from line 20	3,637,772	3,879,279

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, this return is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here: Beryl Lowery-Born, Treasurer, Date: 8/6/09

Preparer's signature: [blank], Date: [blank], Check if self-employed: ☐, Preparer's identifying number (see instr.): [blank]

Paid Preparer's Use Only: Firm's name (or yours if self-employed), address, and ZIP + 4: [blank], EIN: 1, Phone no.: [blank]

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2008)

5

PART III - STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENT

Attachment 4: page 3 - 990 Page 2, Part III

Open to Public Inspection	For calendar year 2008, or tax period beginning , and ending
Name of Organization Kansas Blue Cross Blue Shield CU	Employer Identification Number 48-6108090
Part III - Statement of Program Service Accomplishments	
Code:	Expenses: including Grants of: Revenue
Exempt Purpose Achievements	
To provide a source of credit to 3,454 members.	

BOOKS ARE IN CARE OF

Attachment 5 - 990 Page 6, Part VI, Section C, Line 20

	For calendar year 2008 or tax period beginning	, and ending
Name of Organization	Employer Identification Number	
Kansas Blue Cross Blue Shield CU	48-6108090	
Part VI - Line 91a		

Individual Name
or
Business Name:
Kansas Blue Cross Blue Shield Credit Union

Street Address 1010 Tyler Ave.

U S Address:

Zip code 66612 City Topeka State KS
or

Foreign Address

City

Province or State

Country

Postal code

Phone Number (785) 291-8774

Fax Number (785) 291-6398

SCHEDULE OF DEPRECIATION AND DEPLETION

Attachment 6: page 1 - 990 Page 2, Part II, Line 42

Open to Public

For Calendar year 2008, or tax year period beginning

and ending

Name of Organization

Kansas Blue Cross Blue Shield CU

Employer Identification Number

48-6108090

Description of Property	Date Acquired	Cost or Other Basis	Prior Year Depreciation	Method of Computation	Rate (%) or Life (Years)	Depreciation This Year
						6,169
Total						6,169

SCHEDULE D, PART IX - OTHER ASSETS

Attachment 7: page 1 - Sch D, Part IX - Other Assets

Open to Public Inspection	For calendar year 2008 or tax period beginning , and ending
Name of Organization Kansas Blue Cross Blue Shield CU	Employer Identification Number 48-6108090
(a) Description	(b) Book value
ATM Network CUSO	40,000
MemServ, LLC CUSO	500
Insurance Reserve	38,205
NCUA SHA INS	148,223
Total	226,928

SCHEDULE D, PART X – OTHER LIABILITIES

Attachment 8: page 1 - Sch D, Part X - Other Liabilities

	Open to Public
For calendar year 2008 or tax period beginning , and ending	Inspection
Name of Organization Kansas Blue Cross Blue Shield CU	Employer Identification Number 48-6108090
(a) Description of liability	(b) Amount
Shares Payable	17,548,341
Miscellaneous payable	5,397
	17,553,738

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► **Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization

Kansas Blue Cross Blue Shield CU

Employer identification number

48-6108090

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☒ No		
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☒ No		

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or pleasure)	☐ Preservation of an historically important land area
☐ Protection of natural habitat	☐ Preservation of certified historic structure
☐ Preservation of open space	

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► _____

4 Number of states where property subject to conservation easement is located ► _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☒ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ► _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ► \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☒ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items.

(i) Revenues included in Form 990, Part VIII, line 1	► \$ _____
(ii) Assets included in Form 990, Part X	► \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1	► \$ _____
b Assets included in Form 990, Part X	► \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply).

a ☐ Public exhibition

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☒ No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☒ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☒ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earning or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ☐ %

b Permanent endowment ☐ %

c Term endowment ☐ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations

(ii) related organizations

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

	Yes	No
3a(i)		☒
3a(ii)		☒
3b		☒

Part VI Investments -- Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		30,843	23,132	7,711
e Other				

Total. Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ☐ 7,711

Part VII Investments -- Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. (Column (b) should equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments -- Program Related. See Form 990, Part X, line 13

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
See attachment #7	
Total. (Column (b) should equal Form 990, Part X, col. (B) line 15.) ▶	226,928

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
Federal income taxes	
See attachment #8	
Total. (Column (b) should equal Form 990, Part X, col. (B) line 25.) ▶	17,553,738

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,358,649
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,117,142
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	241,507
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4-8	9	
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9.	10	241,507

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4, Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

► Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public
Inspection

Name of the organization

Kansas Blue Cross Blue Shield CU

Employer identification number

48-6108090

Financial statements are available on NCUA websites.

The completed form 990 and 990T are reviewed by the Board at the scheduled quarterly meeting after completion of the forms.

PRIMARY EXEMPT PURPOSE

Attachment 3: page 0 - 990 Page 2, Part III

Open to Public Inspection	For calendar year 2008 or tax period beginning	, and ending
Name of Organization Kansas Blue Cross Blue Shield CU	Employer Identification Number 48-6108090	

Primary Purpose

Extending credit to members is the primary function of the credit union. Distributing services to participating members and enabling such services to be offered without undue expense to whole membership. Member deposits that exceed member loans are invested to pay dividends on deposits.

PART III - STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENT

Attachment 4: page 1 - 990 Page 2, Part III

Open to Public Inspection	For calendar year 2008, or tax period beginning , and ending		
Name of Organization Kansas Blue Cross Blue Shield CU		Employer Identification Number 48-6108090	
Part III - Statement of Program Service Accomplishments			
Code:	Expenses:	Including Grants of:	Revenue:
Exempt Purpose Achievements			
To provide financial related services to 3,454 members.			

PART III - STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENT

Attachment 4: page 2 - 990 Page 2, Part III

Open to Public Inspection	For calendar year 2008, or tax period beginning , and ending .
Name of Organization Kansas Blue Cross Blue Shield CU	Employer Identification Number 48-6108090
Part III - Statement of Program Service Accomplishments	
Code:	Expenses: including Grants of: Revenue:
Exempt Purpose Achievements	
To provide deposit services to 3,454 members.	