

Uniquely Yours

We're committed to creating an individual experience that is unique to you and your financial needs.

Over the past 59 years, Dort Federal has stood behind each of our members, cultivating their deposits, providing financing for their homes, vehicles, educations and much more. With every member, and every community, we take pride in delivering quality financial products and services to meet growing and changing demands.

In 2010, Dort Federal launched our new automated telephone system, Dort By Phone. Featuring voice recognition technology, Dort By Phone outpaced our antiquated system by offering members the option to use the telephone keypad, or voice command—a safe alternative for hands-free driving, and efficient to use on any mobile device. Members easily adopted Dort By Phone and conduct more than 57,000 calls to the system each month.

Providing our members with easy to use remote service channels is critical to our success. We allocate significant resources to the credit union's Dort Online Banking site to bring our members a friendly and reliable online banking experience. In 2010, more than 19,000 members logged in each month to online banking, and paid nearly 243,000 bills totaling \$63.7 million using our Bill Payer. In September, we proudly rolled out Dort Federal's mobile banking site for web enabled devices. Along with this mobile site, Dort Federal released SMS text messages for current account balances, alerts, and more.

Dort Federal Credit Union keeps a watchful eye on federal changes that may affect consumer savings, lending, and the overall well being of our members' financial health. To that end, our management team swiftly responded to the increasing shortage of student aid for post secondary education. In April 2010, Dort Federal was able to begin offering a high quality student loan product that has an easy online-only application process and provides funding for not only tuition, but other education related expenses like room and board, books, and computers. While still a "young" product, our student loan portfolio had a very successful first year and continues to steadily grow each semester.



Our Business Services continue to flourish. In 2010, more than 718 area businesses identified Dort Federal as their financial institution. Our business lending program continues to exceed expectations for growth—a sign of stability and renewal in Greater Flint. From restaurants and retail stores to assisted living centers and churches, Dort Federal is helping our community grow by funding the strategic visions of our local businessmen and women. Because of our investment in local business, Dort Federal was recognized by Callahan & Associates as one of the nation's top 50 credit unions in their Member Business Loan Leader Table in 2010.

Dort Federal believes in doing more than just giving the best rates and exceptional service to our members. When we say that we're proud to be a part of the Greater Flint community, and more importantly, proud to serve the residents and workforce of Mid-Michigan, we mean it.



Vicki Hawkins
President/CEO



Harry Awdish
Chairman

In August 2010, more than 12,000 Dort Federal members and their guests saw firsthand how much we value their membership at Dort Federal's 5th Annual Membership Appreciation Movie Day. In October, Dort Federal offices hosted free, professional shredding services for our members, along with several other week long activities during our Member Appreciation Week. The credit union is always looking for new and innovative ways to add value for members and show our appreciation for their business.

Over the next year, Dort Federal will be taking bold steps towards innovative financing programs to meet our members' unique needs. From exciting new offers on some of our most popular lending products to more efficient lending processes that offer more financing options for credit challenged members, we continue to strive to meet the needs of all of our members and value the uniqueness of each and every one.



Dort Federal Locations

- 2845 Davison Road
- 5091 W. Pierson Road
- 1091 W. Hill Road
- 1441 S. State Road
- 9050 Holly Road
- 14265 Fenton Road
- 1724 DeMille Road

810.767.8390
800.521.3796
www.dortonline.org

Lasting Impressions

Every Member. Every Community.



Report from the Treasurer

As a member-owned credit union, our financials are transparent to our members, our regulators, and our community. This annual report gives all of us an opportunity to review and thoroughly analyze the credit union's financial position. As your Treasurer, it is my pleasure to share the credit union's 2010 financial status.

If 2010 was an indication for what the near future holds, recovery is definitely happening! Our continued careful management led to strong earnings and an overall outstanding year for the credit union despite the slight drop in outstanding loans that ended the year at \$288.5 million—a 1.99% decrease over 2009. Members seeking the safety of the credit union fueled growth in shares by 12.42%, while increasing assets by 9.42%. Our total income increased by 2.97%, with net earnings also growing 31.52% in 2010. The credit union saw a respectable return on assets (ROA) of 0.51%, stabilizing our strong capital position of 17.81%—more than 2.5 times the capital ratio required by the National Credit Union Administration (NCUA), our government regulator.

As we wrap-up 2010, we look ahead to 2011 with great anticipation for another successful year. We remain confident that our prudent planning and conservative fiscal approach is a key to our continued steady growth.

We value your trust in us, and we thank you for choosing Dort Federal Credit Union to be your financial institution. We look forward to many more years of serving you.

Douglas Kidd
Treasurer



Statement of Income

December 31, 2009 and December 31, 2010

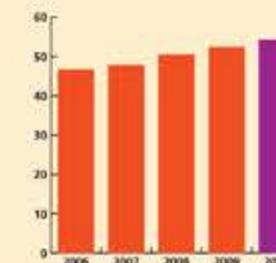
	2010	2009
INTEREST INCOME		
Loans to Members	\$ 18,654,578	\$ 18,788,491
Investments	<u>2,618,692</u>	<u>2,481,724</u>
Total Interest Income	21,273,270	21,270,215
INTEREST EXPENSE		
Members' Shares and Savings Accounts	<u>3,712,140</u>	<u>4,315,003</u>
Net Interest Income	17,561,130	16,955,212
PROVISION FOR LOAN LOSSES		
Net Interest Income	<u>4,491,071</u>	<u>3,303,900</u>
after Provision for Loan Losses	<u>13,070,059</u>	<u>13,651,312</u>
NON-INTEREST INCOME		
Fees and Service Charges	3,483,195	3,480,811
Other Income	4,144,982	3,316,149
Income from NCUSIF	—	1,965,287
Total Non-Interest Income	<u>7,628,177</u>	<u>8,762,247</u>
	20,698,236	22,413,559
NON-INTEREST EXPENSE		
Compensation and Benefits	8,740,811	9,026,561
Office Operating Costs	7,916,930	7,807,719
Impairment of NCUSIF Deposit	—	1,965,287
Impairment and Write Down of Central Corporate Credit Union Membership Capital Shares	—	700,000
NCUSIF Insurance Premium Assessment	918,350	477,980
Professional and Outside Services	391,615	354,670
Other Expenses	328,465	339,714
Loss on Sale of Assets	<u>140,113</u>	<u>21,718</u>
Total Non-Interest Expenses	<u>18,436,284</u>	<u>20,693,649</u>
NET INCOME	\$ 2,261,952	\$ 1,719,910

Statement of Financial Condition

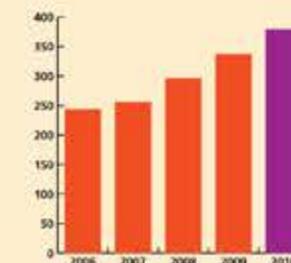
December 31, 2009 and December 31, 2010

	2010	2009
ASSETS		
Cash	\$ 26,775,308	\$ 32,891,023
Other Receivables	1,851,340	1,327,530
Investments		
Available-for-Sale	55,328,901	15,399,061
Held-to-Maturity	39,928,847	25,028,734
Other	37,716,835	41,877,270
Loans Held for Sale	1,859,811	—
Loans to Members, net of Allowance for Loan Losses	\$ 284,810,454	\$ 291,755,056
Accrued Interest Receivable		
Investments	425,243	452,090
Loans	1,152,686	1,262,292
Prepaid and Other Assets	1,909,163	1,897,846
Property and Equipment	11,106,047	11,406,410
Other Real Estate Owned	483,880	305,106
NCUSIF Deposit	<u>3,638,811</u>	<u>3,186,534</u>
TOTAL ASSETS	<u>\$ 466,987,326</u>	<u>\$ 426,788,952</u>
LIABILITIES AND MEMBERS EQUITY		
LIABILITIES		
Members' Shares and Savings Accounts	\$ 379,183,977	\$ 337,288,403
Interest Payable	432,593	679,214
Accounts Payable	91,024	4,030,723
Other Accrued Liabilities	<u>4,134,114</u>	<u>4,150,045</u>
Total Liabilities	<u>383,841,708</u>	<u>346,148,385</u>
Commitments and Contingent Liabilities	—	—
MEMBERS EQUITY		
Regular Shares	7,340,206	7,340,206
Undivided Earnings	75,823,997	73,562,045
Accumulated Other Comprehensive Income (Loss)	<u>-18,585</u>	<u>-261,684</u>
TOTAL MEMBERS EQUITY	83,145,618	80,640,567
TOTAL LIABILITIES AND MEMBERS EQUITY	\$ 466,987,326	\$ 426,788,952

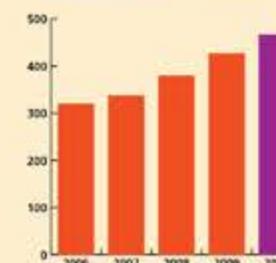
Financial Highlights



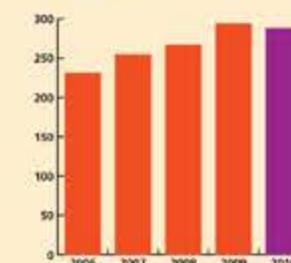
Memberships (in thousands)



Shares (in millions)



Assets (in millions)



Loans (in millions)

