

Powered by Community Minded Members

Message from the Chairman and President/CEO

Throughout our years of service, we've listened and learned from our members. We've anticipated their needs and we've evolved our service delivery to meet trends and changes through the decades. The financial landscape and the tools we've used to run our organization have significantly changed over the years just as ATMs, online banking, and now mobile banking have played a significant role in shaping our organization and members' behaviors.

As time and technology have influenced our institution, so have the voices of our members. In 2014, we reached out to thousands of members asking poignant questions and receiving thoughtful answers. Their responses to our detailed membership survey revealed some surprising facts and affirmed our belief in member loyalty.

Among the many highlights, we learned that our consistent year-over-year membership growth is directly in-line with other high performing credit unions. We also know that we're attracting new members through member referrals. In fact, 56% of respondents said that they learned about Dort Federal through a friend or family member. Through those referrals and strong brand awareness, we grew to 69,059 members in 2014, a net increase of nearly 4,000 members. It's no wonder then, our results put us in the 87th percentile for members "extremely likely to recommend" their credit union.

We were also delighted to find that more than three quarters of our members consider Dort Federal Credit Union their primary financial institution (PFI). While that's a terrific start, we continue to look for ways to grow the number of members calling us their PFI. This indicates the depth of our relationships with our members and gives a solid nod to member loyalty. This is where

we truly shine as an institution. The survey provider measures member loyalty using an index. On this Member Loyalty Index, high performing credit unions have a score of 55. Dort Federal Credit Union's index score is 90, putting our credit union in the 95th percentile. This data affirms what we've known all along, based on the longevity of our memberships and the number of products and services each member holds with us.

While our statistical results were impressive, the hand-written comments we received were equally refreshing. While many members noted their satisfaction with Dort Federal, some hit on areas where we can grow. We take each comment seriously and we are using this invaluable feedback as a springboard for change and improvements.

Expansion was on some members' minds, inquiring about Dort Federal expanding our physical footprint with the addition of locations around Genesee, Shiawassee, Lapeer, and Northern Livingston Counties. A plan for future development has been underway and we look forward to sharing more details in 2015.

With expansion comes opportunities for growth—and we're ready! Our lending growth continued to be strong in 2014. Our lending portfolio grew by 9.62% in 2014 with a year-over-year increase of \$35 million—capping the year with a total lending portfolio of just below \$400 million.

Vehicle lending remains the credit union's backbone. In 2014 we financed 6,828 new and used vehicles for \$844 million. We worked hard to build our mortgage portfolio as well in this historically low rate environment. We financed 357 new first mortgages totaling \$355 million in 2014. We ranked seventh in Genesee County for lending volume in the same year. While this recognition is notable, our goal is to continue to move up the rankings. The competition is tough, but our competitive low rates, array of mortgage offerings, and our quality service will help us achieve our goals.

Service. Lending. Expansion. Our goals for 2015 are clear. We're excited to welcome the year ahead and we're glad you're sharing in our journey.



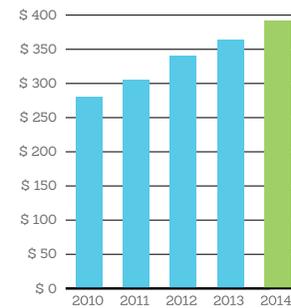
Douglas Kidd
Chairman, Board
of Directors



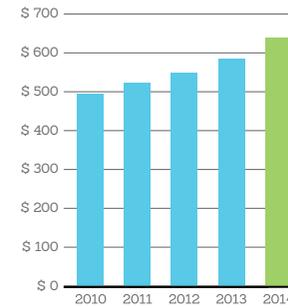
Vicki Hawkins
President/CEO

Financial Highlights

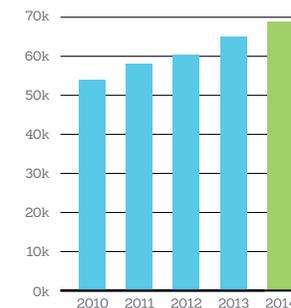
Loans in millions



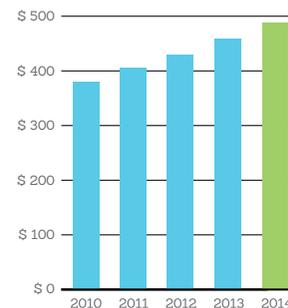
Assets in millions



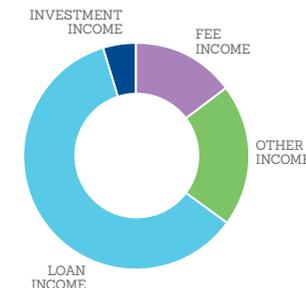
Membership Growth



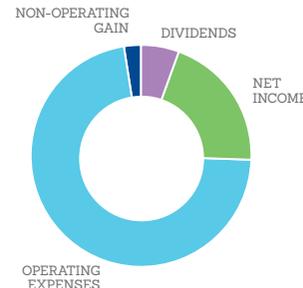
Shares in millions



Sources of Income



Uses of Income



Member feedback featured throughout this report were received from the Dort Federal member survey of 2014. Member responses were anonymous.

2014 ANNUAL REPORT



Our mission is our
Members



Dort Federal
CREDIT UNION

Dort **df** **Federal**
CREDIT UNION

www.dortonline.org

“What a great company to be a part of. Caring, understanding, forgiving, just a **all around great place**. I rave to others about Dort Federal and **urge them to make the transition or join.**”

— MEMBER FEEDBACK 2014

Strong Growth

Report from the Treasurer



Harry Awdish
Treasurer

On behalf of the Board of Directors, it is my privilege to share Dort Federal Credit Union's 2014 financial status report. In overview, the credit union realized strong gains in assets, lending, and capital.

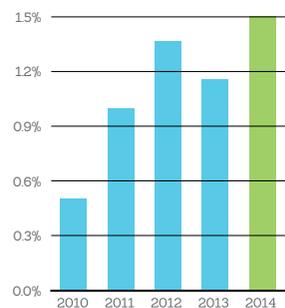
We ended 2014 as a fiscally sound and secure financial institution. At year end, our assets totaled \$610 million, an increase of 7.6%, or \$43 million. Our total income increased by 6.6% and our Return on Assets increased to a very respectable

1.50%, up from 1.18% in 2013. The credit union's capital position also improved to a very strong 18.11%. Dort Federal Credit Union is proud to maintain a higher capital ratio than required by the National Credit Union Administration (NCUA), our government regulatory agency.

On par with our asset, income, and capital gains, our lending growth also carried over momentum from 2013. The credit union realized \$35 million in new loans, ending the year with outstanding loan balances of \$398 million. With our consistently strong lending growth, we continue to emphasize the importance of credit quality. Our dedication to this area helped us achieve a five-year low delinquency rate of 1.17%.

Dort Federal Credit Union remains a leader among our peer institutions for consistently strong financial performance. We are poised for growth and look forward to delivering a broad array quality financial services to our members both current and future.

Return on Assets



“ I tell all my family and friends to become members because they look out for all of us. ”

– MEMBER FEEDBACK 2014

Statement of Income

December 31, 2013 and December 31, 2014

	2014	2013
INTEREST INCOME		
Loans to Members	\$21,152,215	\$19,597,880
Investments	1,574,138	1,493,275
Total Interest Income	22,726,353	21,091,155
INTEREST EXPENSE		
Member's Shares and Savings Accounts	1,994,303	1,888,197
Net Interest Income	20,732,050	19,202,958
PROVISION FOR LOAN LOSSES	733,689	2,523,228
Net Interest Income after Provision for Loan Losses	19,998,361	16,679,730
NON-INTEREST INCOME		
Fees and Service Charges	4,786,712	4,549,384
Other Income	6,976,092	6,179,531
Gain on Sale of Loans	241,500	754,886
Gain on Sale of Other Real Estate Owned	176,259	116,028
Total Non-Interest Income	12,180,563	11,599,829
NON-INTEREST EXPENSE		
Compensation and Benefits	11,032,993	10,248,846
Office Operating Costs	11,297,814	10,089,952
Professional and Outside Services	588,015	575,420
Temporary Corporate Credit Union Stabilization	0	357,123
Other Expenses	426,986	456,587
Total Non-Interest Expenses	23,345,808	21,727,928
NET INCOME	8,833,116	6,551,631

Statement of Financial Condition

December 31, 2013 and December 31, 2014

	2014	2013
ASSETS		
Cash	\$66,247,972	\$40,385,571
Other Receivables	2,363,282	2,225,468
Investments		
Available-for-Sale	40,620,038	42,125,529
Held-to-Maturity	67,994,802	92,041,938
Other	13,481,000	10,872,700
Loans Held for Sale	466,908	0
Loans to Members, net of Allowance for Loan Losses	394,940,756	358,839,233
Accrued Interest Receivable		
Investments	261,503	328,776
Loans	1,618,717	1,475,702
Prepaid and Other Assets	4,215,964	3,490,686
Property and Equipment	12,949,495	10,554,733
Other Real Estate Owned	551,430	574,602
NCUSIF Deposit	4,660,896	4,464,037
TOTAL ASSETS	610,372,763	567,378,975
LIABILITIES & MEMBERS EQUITY		
LIABILITIES		
Member's Shares and Savings Accounts	492,582,729	459,164,737
Interest Payable	323,153	306,682
Accounts Payable	307,439	223,376
Other Accrued Liabilities	6,684,692	5,683,987
Total Liabilities	499,898,013	465,378,782
MEMBERS EQUITY		
Regular Shares	7,340,206	7,340,206
Undivided Earnings	103,143,609	94,310,493
Accumulated Other Comprehensive Income (Loss)	- 9,065	349,494
TOTAL MEMBERS EQUITY	110,474,750	102,000,193
TOTAL LIABILITIES & MEMBERS EQUITY	610,372,763	567,378,975

Stable & Secure

Supervisory Committee Report

Dort Federal Credit Union's Supervisory Committee is the members' committee in place to ensure member assets are appropriately safeguarded. The committee carries out this objective through duties that include: oversight of the credit union's financial activities, conducting independent audits, confirming member accounts, protecting financial confidentiality, response to any unusual activity, and ensuring the safety and integrity of our credit union.

Assisting the committee with our 2014 annual audit and providing fiscal advice, the Supervisory Committee retained the services of Certified Public Accounting firm, Plante & Moran, PLLC.



Diane Piercy
Chairperson of the Supervisory Committee

As the Chairperson of the Supervisory Committee, I am pleased to report Dort Federal Credit Union is stable and secure. Our institution is operating in accordance with the regulations established by the National Credit Union Administration (NCUA) as well as the professional standards prescribed by our Board of Directors.

On behalf of the 2014 Supervisory Committee, we are honored to serve you. We invite you to share any questions or concerns regarding regulatory

compliance or credit union policy. Thank you for your trust in our supervision. We are committed to maintaining your confidence in Dort Federal Credit Union.

“ I always see smiling helpful faces when dealing with Dort Federal. They gave us a second chance to re-establish ourselves after suffering from the recession. ”

– MEMBER FEEDBACK 2014