

# **It's All About You.**

**Dort Federal Credit Union 2005 Annual Report**





**If's all about you**  
*At Dort Federal Credit Union*

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That's the unique thing about our financial cooperative. As a member of Dort Federal, you're the owner and the beneficiary of all we do. You have a voice, a vote, a stake in our activities, and a share of our success.

It's been that way from day one, when a group of local citizens launched Dort Federal to serve the Flint area's hard-working people.

In the 55 years since we began, the idea of a member-owned financial service institution has proven to be a winning concept. Our dynamic organization has grown, our assets have steadily increased, our products have evolved, and our geographic footprint has expanded to three counties and two townships in the heart of Michigan.

Today, the Dort Federal family includes more than 46,000 members who count on us for the financial services they need in life—from mortgages and money management, to auto loans, ATMs, and automated bill paying.

More than ever, our Credit Union is helping members maximize their earnings and make smart financial choices. When you're part of Dort Federal, it really is all about you.

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# A message to our members

Every year, we see more and more people make the most of their Dort Federal membership – and this year was no exception.

The collective power of our member-owned Credit Union is fueling great rates, more loans, and a wide range of convenient, affordable products and services to help manage all matters financial.

Our Visa credit card reward options introduced in 2004 really took off in 2005, as more members realized the benefits of Cash Back rewards. More than \$118,500 in Cash Back rewards were earned during the year while other members tallied up points for gifts and travel rewards.

Our home equity program grew in popularity too, allowing our members to borrow for home improvement projects or other important needs quickly and easily. And more members than ever took advantage of Dort Online, our award-winning Website that's making all our services and personal financial transactions point-and-click convenient.

But the real growth occurred in Dort Federal's mortgage lending. This year, we made a concentrated effort to enhance our mortgage products and mortgage services. Dort introduced a host of new Adjustable Rate Mortgage options to help our members move in or move up with greater affordability. Our ARMs join a full array of mortgage products – from fixed-rate to jumbo, vacant land

financing to bridge loans – one suited to every budget and every need.

During the year, our mantra was "We love to lend!" More than a slogan, it's a real expression of our dedication to Dort Federal members, and our genuine desire to help them achieve their hopes and dreams.

This year, you'll see our new ad campaign introducing our theme, *Opening Doors*, and emphasizing our lending programs. We continue to believe that's the most important role of our financial cooperative. By joining together and sharing our resources, we're empowering members, strengthening communities, and improving life for all of us.

In closing, let us affirm our gratitude to all of you – our dedicated staff, the directors who guide this Credit Union, the volunteers who serve on our committees, and all our members. In placing your trust in Dort Federal and believing in the value of a cooperatively owned financial institution, you are directly responsible for our growth and success. It's all about you.



**Martin R. Smith**  
President & CEO



**Harry Awdish**  
Chairman of the Board

**It's all about good leadership**



**Harry Awdish**  
Chairman

**Wayne Natzke**  
First Vice Chair

**Dana Stoddard**  
Secretary

**Douglas Kidd**  
Supervisory  
Committee Chair

**Bruce Allan**  
Second Vice Chair

**Leroy Nesbit, Jr.**  
Director

**Rosemary Brown**  
Director

**G. Bruce Hardenbrook**  
Director

**Diane Coleman**  
Treasurer

(Ben Mata - Director  
Not Pictured)

*The Board of Directors serves as our governing voice and links our members to Dort Federal Credit Union in a unique way. Elected by the entire membership, these dedicated individuals provide the insight, guidance, and leadership that help us remain responsive to your financial needs.*

***It's all about me***





# Amy Lubeski

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"As a first-time homebuyer, I had heard obtaining a mortgage could be a complex and challenging experience. But Dort Federal personally walked me through the whole process, explaining each step along the way.

I attended their Home Buying & Selling IOI Seminar, which provided a solid knowledge base and gave me the information I needed to understand the issues, learn the jargon, compare the options, and choose the best financial plan for my own budgetary needs.

After reviewing options offered by competitive mortgage brokers, I sat down with a Dort Federal mortgage specialist. We compared Dort's closing costs with my best proposal from a rival firm, going over each plan on a line-item basis. There was no question: Dort Federal offered the best loan. What's more, I received immediate responses to last-minute questions that surfaced during my closing.

The attention I received really proved to me that I'm a valued Dort Federal member."

*Amy is a sales account manager at Bosal Delphi Complete Exhaust Systems*

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## It's all about partnership

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Corporate Partners open the door to Credit Union members throughout the area. By making our services easy and convenient for their employees, these local businesses and organizations demonstrate their commitment to helping more hard-working people enjoy the benefits of belonging to Dort Federal. We're grateful for their participation and support.

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A PLUS ELECTRIC	BRADY'S
ACE ASPHALT & PAVING CO	BUSINESS SYSTEMS
ACS TECHNICAL -	BRIGHTON ELECTRIC
HYDRECLAIM	BROWN & BROWN
ACTIONWEB SERVICES.COM	INSURANCE
ACUTECH	BROWN & SONS
ADAPTIVE PACKAGING	BROWN'S DO-IT CENTER
ADECCO/SMITH-SCHOEBER	BUBBA O'MALLEY'S
ADKISSON & SONS	BURKLAND TEXTRON
ADVENTURE RV	BURTON INDUSTRIES
SALES & SERVICE	C - M AMBULANCE, INC.
AEROTEK	C & L WARD BROS.
AL SERRA	C & S MOTORS
BUICK GMC TRUCK	C H M P, INC.
AL SERRA AUTO PLAZA	CAL FARMS
ALBERT CHEVROLET	CALVIN & COMPANY, INC.
ALEXANDER	CANADIAN AMERICAN CORP.
WEIDER & ASSOC.	CASTLES BROTHERS, INC.
ALLEN FUNERAL HOME, INC.	CENTRAL INTERIORS, INC.
ALLIED REAL ESTATE	CENTRAL WATER
APPRAISERS	TREATMENT
ALTERNATIVES	CHAMPION BUS, INC.
FOR CHILDREN	CHARTER TWP OF FLUSHING
AMERICAN BODY	CHARTER TWP OF GENESEE
APCO - AIR PUMP, INC.	CHILDREN'S MUSEUM
ATLAS TOWNSHIP OFFICES	CLIO CHRYSLER
ATTORNEY KATHLEEN MAIN	PLYMOUTH DODGE
AUTO PRIDE COLLISION	CLIO FOOD MART
AUTO SALVAGE AUCTION	COLE'S MACHINE, INC.
AUTO TRADER - SWAPPER	COMPLETE DESIGN SERVICE
AVALON HOSPICE	COMPLETE FINANCIAL
AVERILL WASTE, INC.	CONDON & SONS, INC.
B & B BOAT	CONLEY'S COLLISION
B & B PAINT	CONTOUR FABRICATORS, INC.
B.T. EXPRESS	CONVENIENT FAMILY
BARRETT DONUT MIXES	DENTISTRY
BARTECH TECHNICAL	COOGANS
SERVICES	FAMILY RESTAURANT
BENNETT PHONE SERVICE	CORNERSTONE
BILLING DATA	BAPTIST CHURCH
MANAGEMENT	COUNTRY FRESH DAIRY
BLESSING CO.	COURTYARD BY MARRIOTT

**It's all about me**



# David Brown, Jr.

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“Being an hourly worker and part-time contractor in the construction business, it isn’t always easy to find a lender who’s willing to make a loan for vacant land with attractive rates and terms.

But Dort Federal isn’t like other financial institutions.

When I identified land with good potential, the folks at Dort Federal’s mortgage department really came through for me.

Within weeks, I had a loan that was perfectly structured to meet my needs—and a beautiful building lot that’s well suited for a future home.

I’ve learned to count on Dort Federal to handle land contracts, mortgages, and all my financial concerns.

Thanks, Dort Federal. I’m glad I’m a member.”

*Dave works at Siweck Construction*

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CREATIVE CATERING  
CREATIVE PRINTING  
CREATIVE WOOD PRODUCTS  
CREEKWOOD ARCHITECTURE  
DAIRY QUEEN/BRAZIER  
DATA2LOGISTICS  
DAVISON ATHLETIC CLUB  
DAVISON COUNTRY CLUB  
DAVISON INSURANCE CENTRE  
DAVISON LAND SURVEY  
DAVISON TOWNSHIP  
DELEHANTY PONTIAC DELPHI  
DIEBOLD  
DIPLOMAT PHARMACY  
DOAN'S QUALITY LAWN  
DOG HOUSE LOUNGE INC.  
DOMESTIC LINEN SUPPLY  
DOTTY'S PET CENTER  
DOUG JAMESON & ASSOC.  
DR. JAMAL HAMMOUD  
DR. JITENDRA KATNENI  
DR. JON S. BUXTON, DDS  
DR. KEITH DANIELS  
DR. MARVIN LATCHANA  
DR. PARDEE, HABERHEHL & INGHAM  
DR. PRASAD KOMMAREDDI  
DR. RAJAKUMARI SWAMY  
DR. RICHARD W. PLYMALE  
DR. ROBERT M. HALE, DDS  
DR. WALTER M. LUCAS, DDS  
DRESS BARN  
DUKE'S CAR STEREO INC.  
DUTCHMAN'S CAFE & CATERING  
EL. HOLLINGSWORTH GROUP  
EAST MICHIGAN EYE CENTER  
EDS  
EKOS COMPUTERS  
EMPOWERMENT TRAINING  
ENERGY SAVING SYSTEMS  
ENVIRONMENTAL RESOURCE  
EVANS EQUIPMENT CO. INC.  
FARAH KHOURI MKT.  
FEDEX  
FENTON ROAD MED CENTER  
FERNCO  
FIRST AMERICAN TITLE CO.  
FIRST INERTIA SWITCH  
FIRST WESLEYAN CHURCH  
FLEXTEMPS  
FLINT AREA CONVENTION AND VISITORS BUREAU  
FLINT BUILDING CO.  
FLINT CLINICAL PATHOLOGISTS  
FLINT CULTURAL CENTER  
FLINT FED. MUSICIANS  
FLINT HOUSING COMMISSION  
FLINT MEDICAL LABORATORY  
FLINT MOTION PROJECTION  
FLINT ORTHOPEDIC ASSOC.  
FLINT RECYCLING  
FLINT TEEN CHALLENGE  
FLINT WELDING SUPPLY  
FOODBANK OF EASTERN MI  
FOSTRIAN COURT  
FROMHOLZ, PAAUWE, BAKER  
GAINES TOWNSHIP HALL  
GCARC  
GENESEE CERAMIC TILE  
GENESEE PACKAGING  
GENESEE POLYMERS CORP.  
GENESEE RECYCLING  
GENESEE TWP POLICE DEPT  
GENESEE VALLEY AUTO MALL  
GENESEE VENDING  
GENTIVA HEALTH CARE  
GILL-ROY'S HARDWARE  
GLORIA DEI EV. LUTHERAN  
GRANT HAMADY REALTY  
GRANVILLE AUKER BUILDERS  
GRAPHIC PRESS  
GRAYBAR ELECTRIC CO.  
GRAY'S TOWING SERVICE  
GREAT LAKES AERO PRODUCTS  
GREAT LAKES POWERSPORT  
GREATER FLINT IMAGING  
GUARANTY TITLE CO.  
HENSLEY MFG. INC.  
HEYTEK CONTRACTING, INC.  
HHCC - HEARTLAND  
FOSTRIAN  
HILL STREET HOMES  
HINTERMAN ELECTRIC, INC.  
HOLIDAY INN GATEWAY CNTR  
HSS INC. EMP. UNLIMITED  
HUBBARD INDUSTRIAL SUPPLY  
HUMANE SOCIETY  
I.T.I.  
INDIAN HILLS VET. CLINIC



INDUSTRIAL SUPPLY  
INTERCONNECT TECHNICAL  
INTOUCH  
COMMUNICATIONS  
ITALIA GARDEN  
J. B. SUPPLY CO.  
JAMES LUMBER  
JAN'S SPORT SHOP, INC.  
JOHN BENJAMIN  
FINANCIAL  
JOSEPH PONTIAC  
KEARSLEY ELECTRIC, INC.  
KEN HARDIN  
REFRIGERATION  
KERR HOLIDAY TOURS  
KOERTS GLASS  
LEWIS & KNOPF, CPA  
LIFESTYLE  
MOBILE HOMES  
LIFESTYLES FLINT POOL  
LINDEN ROAD IMAGING  
LOCAL 651  
LONGWAY BODY SHOP  
LORAMENDI, INC.  
LORBEC METALS-USA LTD  
LUIGI'S RESTAURANT  
MACARTHUR CORPORATION  
MANYAM & ASSOC.  
MAPLEBROOK  
MARKO METALS, LTD.  
MCLAREN  
FAMILY PRACTICE  
MCLR, INC  
MDE  
INTERNATIONAL, INC.  
MEHRA TUBE, INC.  
METAMORA PRODUCTS  
METRO  
FABRICATORS, INC.  
MICHIGAN  
CHURCH SUPPLY  
MICHIGAN  
EYE INSTITUTE  
MICHIGAN FLEET REPAIR  
MICHIGAN  
HOUSE & WINDOW  
MID-AMERICA PLASTICS  
MID-MICHIGAN  
LOCK & SAFE  
MINTO BROS.  
CONSTRUCTION  
MORGAN'S  
EARLY LEARNING  
MR. BROWNS  
RESTAURANT  
MRS. ANTHONY'S FLOWERS

MT. MORRIS TOWNSHIP  
MARTIN  
TRANSPORTATION SYS.  
MUNDY TOWNSHIP HALL  
NATIONAL  
ABATEMENT CO.  
NILES CONSTRUCTION  
NORDLIE  
NORMALIZED SERVICES  
NORTHWEST  
TIRE & SERVICE  
OIL CHEM  
OMNI-TECH CORPORATION  
OSMUN'S TRUCKING CO.  
PARAGON  
REPRODUCTIONS  
PARAMOUNT  
WINDOW MFG  
PARIS & ASSOCIATES  
APPRAISERS  
PARK PLAZA RADIOLOGY  
PARR-DAVIS MEDIA  
PARTY TIME ICE CO.  
PATRICK  
COMMUNITY LIVING  
PEOPLES FURNITURE  
PIONEER CABINETS CO.  
PIP PRINTING  
PLACEMENT  
MGMT CENTER  
POWERTECH  
SERVICES, INC.  
PREMIERE  
PACKAGING, INC.  
PRINTCOMM  
PRIORITY STAFFING  
& ASSOC.  
PRO-CLEAN  
PRO-TECH INDUSTRIES  
QUALIFIED  
STAFFING SERVICES  
QUALITY TEMP. SERVICES  
QUICK TRACKER  
R. BELL ASSOCIATES  
R.S. FIELD GROUP  
RE/MAX GRANDE  
REDWOOD  
BREWING CO, INC.  
REHABITAT SYSTEMS  
OF MICHIGAN  
RESIDENT ADVANCEMENT  
RICHFIELD  
CHURCH NAZARENE  
RICHFIELD IRON WORKS  
RICO MARKETING CORP.  
RIPKA BOROSKI & ASSOC.

RON JAMES & ASSOC.  
ROSE HILL CENTER  
ROSS PROPERTIES  
ROWE INCORPORATED  
SALVATION ARMY  
SAM'S WHOLESALE CLUB  
SCHULTZ PRINTING CO.  
SECURITY FIRST  
BENEFITS CORP.  
SECURITY FIRST  
INSURANCE  
SECURITY PKG, INC.  
SHAP'S  
FAMILY RESTAURANT  
SHARP'S ACADEMY  
SHELTER OF FLINT  
SKAFF CARPET  
& FURNITURE  
SONITROL  
SOUTHCREEK VILLAGE  
SOUTHWEST  
BRAKE & PARTS  
ST. MATTHEW'S PARISH  
STATE FARM INSURANCE  
STRUCTURAL PLASTICS  
SUMMERS  
LIVING SYSTEMS  
SUPERIOR  
CONEY ISLAND  
SUPPLY PRO  
SWARTZ  
FUNERAL HOME, INC.  
SYCRON  
TACKEBURY -  
EDWARDS, INC.  
TACO BELL -  
GENESEE CO.  
TALL PINE COUNCIL  
TECHNICAL EDGE, INC.  
TES - TELEPHONE  
ENG. SERVICE  
TGI DIRECT  
THA ARCHITECT  
ENGINEERS  
THE COFFEE BEANERY  
THE COLOR RITZ  
THE UNIVERSITY CLUB  
THOMAS APPLIANCE CO.  
TOWNLIN  
LAWN & GARDEN  
TRAVEL BROKERS  
TRIALON CORP.  
TRI-MED GROUP  
TROY CLEANERS  
TRU GREEN / CHEMLAWN  
TRW

TUCOWS  
UNION  
PRINTING CO. INC.  
UNITARIAN  
UNIVERS. CHURCH  
UNITY CONSTRUCTION  
UPS STORE  
UROLOGICAL SERVICES  
US FENCE  
VENTURE INDUSTRIES  
VERN'S COLLISION, INC.  
VIENNA  
INVESTMENT CORP.  
WAGNER INSURANCE  
WAL-MART no. 2273  
WILL HALL  
CONSTRUCTION  
WILLING GLASS  
WINAN'S  
ELECTRIC MOTOR  
WIN'S  
ELECTRICAL SUPPLY  
WJRT-TV 12  
WKMF CARS 108  
WORLDWIDE  
LIMOUSINES, INC  
WSMH-TV CHANNEL 66  
WWCK 105.5 FM RADIO  
XPEDX  
ZITO CONSTRUCTION CO.



# It's all about Community

Our Credit Union was started by local people, and our roots are firmly planted here. So it's only natural that we want to see our communities thrive and our residents succeed. That's why you'll find Dört Federal supporting a variety of civic projects and charitable initiatives that make our cities, townships, and neighborhoods vibrant. Whether through financial contributions or volunteer efforts, we're all pitching in to get things done. Here are a few of the programs we helped this year.

GENESEE COUNTY ASSOC. FOR  
RETARDED CITIZENS  
SAM DUNCAN MEMORIAL  
SCHOLARSHIP FUND  
AMERICAN CANCER SOCIETY  
CARMAN AINSWORTH HS  
MARCHING BAND  
FLINT INSTITUTE OF MUSIC  
AMERICAN CANCER SOCIETY –  
RELAY FOR LIFE  
KETTERING PI TAU SIGMA  
CATHOLIC CHARITIES –  
BUILDING A FOUNDATION OF HOPE  
MUSCULAR DYSTROPHY ASSOCIATION  
FOOD BANK OF EASTERN MICHIGAN  
ALZHEIMER'S ASSOCIATION  
WESTON ELEMENTARY SCHOOL  
FLINT ART FAIR  
CROSSROAD'S VILLAGE  
UAW REGION 1-C  
UM TRANSPLANT CENTER  
WELLNESS AIDS SERVICES  
DAVISON AREA CHAMBER  
OF COMMERCE  
CARRIAGE TOWN MINISTRIES –  
THANKSGIVING MEAL DRIVE  
VIETNAM VETERANS OF AMERICA  
GENESEE COUNTY  
ITS (INTERNAL TRAINING SERVICES)  
GOODRICH SCHOOLS FINE ARTS  
MAINSTREAM IN EDUCATION  
THE DISABILITY NETWORK  
RECOGNITION LUNCH  
PRIORITY CHILDREN –  
CHILDREN'S CHAMPION  
FLINT INSTITUTE OF ARTS –  
CAPITAL CAMPAIGN  
FLINT CULTURAL CENTER CORP –  
ANNUAL FUND  
FLINT CHAMBER – ATHENA AWARDS  
RIVERLAND CREDIT UNION –  
HURRICANE RELIEF  
MICHIGAN CREDIT UNION  
FOUNDATION (MCUF)  
CARRIAGE TOWN MINISTRIES –  
MATCHING FUNDS PROGRAM  
FOOD BANK OF EASTERN MICHIGAN  
WHALEY CHILDREN'S CENTER  
NEW CENTURY CHORALE  
FRATERNAL ORDER OF POLICE – FLINT  
VISITING NURSES OF MICHIGAN  
SALVATION ARMY – GENESEE COUNTY  
SHELTER OF FLINT  
FLINT CULTURAL CENTER CORPORATION  
FOOD BANK OF EASTERN MICHIGAN

# Supervisory Committee Report

The Supervisory Committee acts as a steward of Credit Union assets. In that important role, we provide oversight of all the organization's financial activities, conduct independent audits, confirm member accounts, protect financial confidentiality, respond to any unusual activity, and ensure the safety and integrity of our financial cooperative.

To assist us with our annual audit and advise us in thoroughly carrying out our responsibilities, we retain the services of a Certified Public Accounting firm—Cindrich, Mahalak & Company.

Supervisory committees are unique to credit unions, and serve as a vital component of member-owned financial institutions. Our committee is accountable to you—our members—and links you to the leadership and governance of Dørt Federal. We invite you to share any questions or concerns regarding regulatory compliance or credit union policy, and assure you we will maintain your confidence.

As Chairman of the Supervisory Committee, I'm pleased to report that Dørt Federal Credit Union is in excellent financial condition, and that it operates in accordance with the regulations established by the National Credit Union Administration as well as those professional standards prescribed by our Board of Directors.

All of us are honored to serve you and grateful for your trust. You may be assured that we will continue to maintain the strength and stability of Dørt Federal now, and in the coming years.

**Douglas Kidd, Chairman**

# Treasurer's Report

On behalf of your Board of Directors, I'm pleased to provide this update on Dørt Federal Credit Union's financial status for 2005.

Tight interest margins, consumer caution, and competition among local financial service providers continued to challenge us throughout the year. Yet, despite those factors, the credit union posted solid results and made considerable gains.

Demand for loans picked up and, at year end, our loans outstanding stood at \$198.3 million—a 16% increase over 2004. Assets grew by 4.16%, resulting in a 6.56% increase in our total income. Although our net earnings decreased by 30%, the Credit Union turned in a sound 1.03% return on assets, and maintained a strong capital position of 22.88%.

Our local economy will face ongoing hurdles as the automotive industry goes through transition and our area's workforce changes. But the solid foundation we have built over the past 55 years, and the can-do spirit of our people, are certain to sustain this organization. We expect our performance to continue on course, enhancing service to our members and our communities.

We value the trust you place in our Credit Union and appreciate the opportunity to help you manage your finances and achieve your goals. Thank you for being a member of Dørt Federal.

**Diane Coleman, Treasurer**

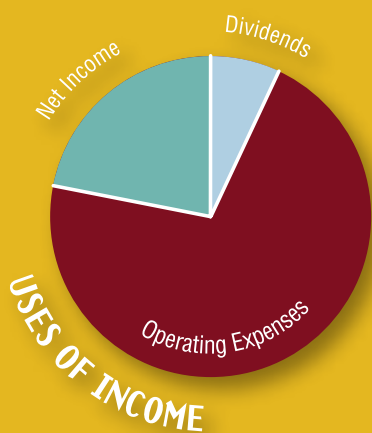
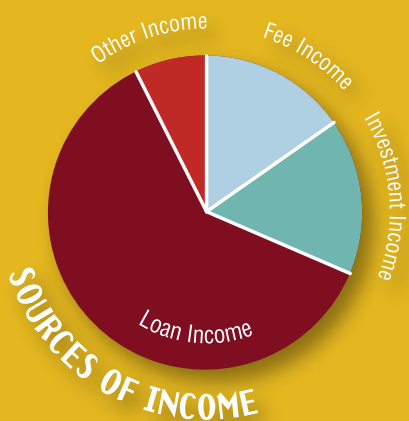
## Financial Statement

December 31, 2005, and December 31, 2004

	2005	2004
Assets		
Cash and Cash Equivalents	\$ 8,451,192	\$ 25,917,406
Investment Securities		
Securities Available-for-Sale	15,751,420	18,869,750
Securities Held-to-Maturity	38,363,187	28,238,107
Other Investments	36,022,100	40,987,600
Loans Receivable, Net of Allowance for Loan Losses	197,242,917	169,837,136
Accrued Interest Receivable	1,396,973	1,270,329
Property and Equipment	4,876,202	4,863,676
Prepaid Expenses	276,784	260,145
NCUSIF Deposit	2,229,434	2,266,813
Other Assets	1,167,866	1,000,690
Other Real Estate Owned	<u>85,775</u>	<u>124,037</u>
Total Assets	<u>305,863,850</u>	<u>293,635,689</u>

### LIABILITIES AND EQUITY

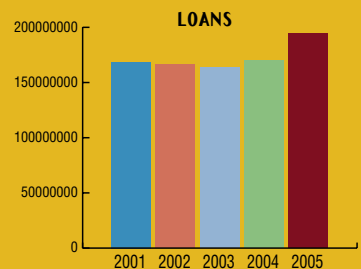
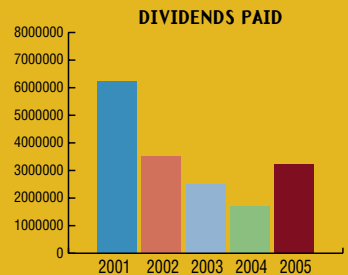
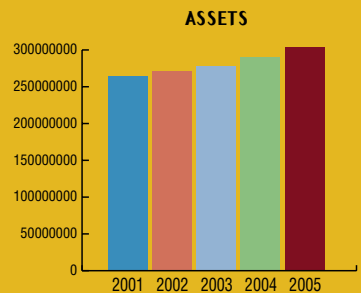
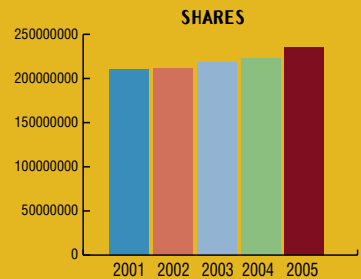
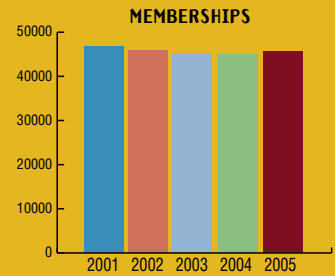
Members' Shares	232,793,723	224,279,368
Dividends and Interest Payable	556,951	367,504
Accounts Payable and Other Liabilities	578,980	382,048
Accrued Expenses	2,184,971	1,809,480
Commitments and Contingent Liabilities		
Members Equity, Substantially Restricted	<u>69,749,225</u>	<u>66,797,289</u>
TOTAL LIABILITIES AND EQUITY	<u>\$305,863,850</u>	<u>\$293,635,689</u>



# Statement of Income

Years ended December 31, 2005, and December 31, 2004

	2005	2004
<b>INTEREST INCOME</b>		
Loans Receivable	\$11,669,002	\$11,244,987
Investment Securities	<u>3,515,934</u>	<u>3,139,320</u>
<b>TOTAL INTEREST INCOME</b>	<b>15,184,936</b>	<b>14,384,307</b>
<b>INTEREST EXPENSE</b>		
Members' Shares	3,227,595	1,881,824
Borrowed Funds	<u>4,833</u>	<u>0</u>
<b>TOTAL INTEREST EXPENSE</b>	<b>3,232,428</b>	<b>1,881,824</b>
<b>NET INTEREST INCOME</b>	<b>11,952,508</b>	<b>12,502,483</b>
Provision for Loan Losses	<u>883,023</u>	<u>464,326</u>
Net Interest Income		
After Provision for Loan Losses	11,069,485	12,038,157
<b>NON-INTEREST INCOME</b>		
Loss on Sale of Assets	(14,163)	(58,126)
Fees	3,135,853	2,940,588
Other	<u>1,851,857</u>	<u>1,606,696</u>
<b>TOTAL NON-INTEREST INCOME</b>	<b>4,973,547</b>	<b>4,489,158</b>
<b>NON-INTEREST EXPENSE</b>		
Compensation and Benefits	6,673,678	6,225,661
Occupancy	583,496	566,009
Operations	2,517,871	2,516,191
Loan Servicing	1,493,925	1,393,605
Professional Services	227,137	216,526
Other	<u>1,465,793</u>	<u>1,206,900</u>
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>12,961,900</b>	<b>12,124,892</b>
<b>NET INCOME</b>	<b><u>\$3,081,132</u></b>	<b><u>\$4,402,423</u></b>





# Independent Auditor's Report

We have audited the accompanying Statements of Financial Condition of Dort Federal Credit Union as of December 31, 2005, and December 31, 2004, and the related Statements of Income, Changes in Members Equity, and Cash Flows for the years then ended. These Financial Statements are the responsibility of the credit union's management. Our responsibility is to express an opinion on these Financial Statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the Financial Statements referred to above present fairly, in all material respects, the financial position of the Dort Federal Credit Union as of December 31, 2005, and December 31, 2004, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Cindrich, Mahalak & Co., P.C.  
St. Clair Shores, Michigan  
February 18, 2005





## **LOCATIONS**

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