



*Membership Incentives*



*'06*

*Annual Report*

***Putting Plans in Motion***

*Dort Federal Credit union*



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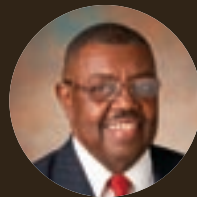
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**Harry Awdish**, Chairman



**Wayne Natzke**, First Vice Chairman



**Bruce Allan**, Second Vice Chairman



**Dana Stoddard**, Secretary



**Bruce Hardenbrook**, Treasurer



**Rosemary Brown**, Director



**Diane Coleman**, Director

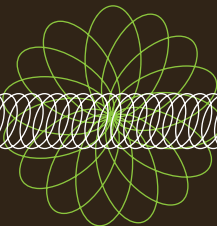


**Douglas Kidd**, Director



**Lercy Nesbit, Jr.**, Director

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.



# *Are you ready?*

You can feel the excitement wherever you go at Dort Federal Credit Union. We're making plans. Picking up speed. Moving ahead with new products, new services, new offices, and new members as well.

It's all part of our ongoing commitment to you—and to all our members—to keep pace with your changing financial needs and offer the choices you want to manage your money.

That's the benefit of being a part of our member-owned credit union. You set the direction and shape the future. You have a voice, a vote, a stake in our operations, and a share in our success.

## *And you're doing a great job!*

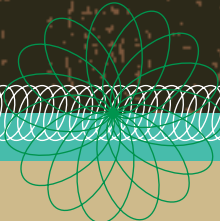
Since we began more than 56 years ago, Dort Federal has grown to become one of our region's most dynamic financial service institutions. Today, we're 47,000 members strong, our assets top \$300 million, and our reach is extending to more communities.

Take a minute to review the year's activities and reflect on all you've helped accomplish. Because of you, we're expanding, improving, and rolling out more convenient services. Our pipeline is full of innovative ideas and solutions. More than ever, we're putting plans in motion.

*Let's keep the momentum going.*

# Putting plans in motion

A MESSAGE TO OUR MEMBERS



**I**t's so gratifying to review the progress your credit union has made as we prepare our annual report to members.

## *This was a very good year.*

A look at 2006 confirms the collective power of our jointly owned financial cooperative. In spite of an uncertain economy, we rolled out innovative new services, welcomed new members, and completed another profitable year.

During the past 12 months, we saw our mortgage business continue to boom. With the addition of our new Home Equity Line of Credit, an online mortgage application, and expanded 24/7 mortgage service, Dort Federal is fast becoming a preferred real estate lender in our region.

Our menu of services was further enhanced in 2006 through a formal relationship with Financial Network, Inc., linking our members to a certified financial consultant and a host of tools to help realize personal goals—from college funding and retirement savings, to wills and estate planning.

It's all part of our commitment to offer more options, great rates, and all of the products and services our members need to manage their finances and make the most of every dollar earned.

But the real affirmation of that commitment—and a concrete expression of our financial strength—arrived in the fourth quarter, when members shared in an unprecedented \$1 million bonus dividend.



As this report goes to press, things are buzzing here at Dort Federal. Our title, "Putting Plans in Motion," pretty much describes the energy and excitement that surround the opening of our new Holly Road office, slated for completion this summer. Soon after that, we'll launch offices in Fenton and Lapeer, too.

More than bricks-and-mortar, these new branches will offer state-of-the-art services and amenities—including remote teller systems for greater privacy and efficiency, and cool cyber cafes, where members can conduct online financial transactions.

Watch for other changes as the year unfolds. A fresh, new logo, redesigned signage, more online capabilities, and additional services for our membership—all add up to better-than-ever benefits to belonging.

In closing, we want to thank our hard-working staff, and our dedicated board of directors, whose thoughtful guidance allow us to continue on track. Most of all, we're grateful to you—our member-owners—for the confidence you place in your credit union. Because you have chosen to join together to save, invest, and borrow, you've helped Dort Federal become the strong financial cooperative it is today. We look forward to serving you well into the future.



**Harry Awdish**  
Chairman of the Board



**Martin R. Smith**  
President & CEO

# Building speed

## CORPORATE PARTNERS PAVE THE WAY

In many ways, our Corporate Partners are the engine that drives this credit union. By linking us to their employees, and making our financial services accessible, easy, and convenient, 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.

A Plus Electric  
Ace Asphalt & Paving Co.  
ACS Technical-Hydreclaim  
Acutech  
Adaptive Packaging  
Adecco/Smith-Schoeber  
Adkisson Air 1 H & C  
Adventure RV Sales & Service  
Aerotek  
Al Serra Auto Plaza  
Al Serra Buick GMC Truck  
Albert Chevrolet  
Alexander Weider & Assoc.  
Allen Funeral Home, Inc.  
Allied Real Estate Araisers  
Alternatives for Children  
American Body  
APCO - Air Pump, Inc.  
Atlas Township Offices  
Attorney Kathleen Main  
Auto Pride Collision  
Auto Salvage Auction  
Auto Trader - Swapper  
Automotive Component Car  
Avalon Hospice  
Averill Waste, Inc.  
B & B Boat  
B&B Paint  
B.T. Express  
Barrett Donut Mixes  
Bartech Technical Services  
Bennett Phone Service

Billing Data Management  
Blessing Co.  
Brady's Business Systems  
Brighton Electric  
Brown & Brown Insurance  
Brown & Sons  
Brown's Do-It Center  
Bubba O'Malley's  
Burkland Textron  
Burton Industries  
C & L Ward Bros.  
C & S Motors  
C - M Ambulance, Inc.  
C H M P, Inc.  
Cal Farms  
Calvin & Company  
Canadian American Corp.  
Castles Brothers, Inc.  
Central Interiors, Inc.  
Central Water Treatment  
Champion Bus Inc.  
Champion Enterprises  
Charter Twp Of Flushing  
Charter Twp of Genesee  
City of Burton  
Clio Chrysler Plym Dodge  
Clio Food Mart  
Cole's Machine, Inc.  
Complete Design Service  
Complete Financial  
Condon & Sons, Inc.  
Conley's Collision

Consolidated Construction  
Contour Fabricators, Inc.  
Convenient Family Dentistry  
Coogans Family Restaurant  
Cornerstone Baptist Church  
Country Fresh Dairy  
Courtyard by Marriott  
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. Julian A. Moore  
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  
E L 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 Medical Center  
Fernco  
First American Title  
First American Title Co.  
First Inertia Switch  
First Wesleyan Church  
Flextemps  
Flint Area Convention & Visitors Bureau  
Flint Building Co.  
Flint Children's Museum  
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  
Gray's Towing Service  
Graybar Electric Co.  
Great Lakes Aero Products  
Great Lakes Powersport  
Greater Flint Imaging  
Guaranty Title Co.  
Hehr International, Inc.  
Hensley Mfg., Inc.  
Heystek Contracting, Inc.  
HHCC - Heartland Fostrian  
Hill Street Homes  
Hinterman Electric, Inc.  
Holiday Inn  
HSS, Inc. Emp. Unlimited  
Hubbard Industrial Supply  
Humane Society  
I.T.I  
Industrial Supply  
Interconnect Technical  
Intouch Communications  
Italia Garden  
J. B. Supply Co.

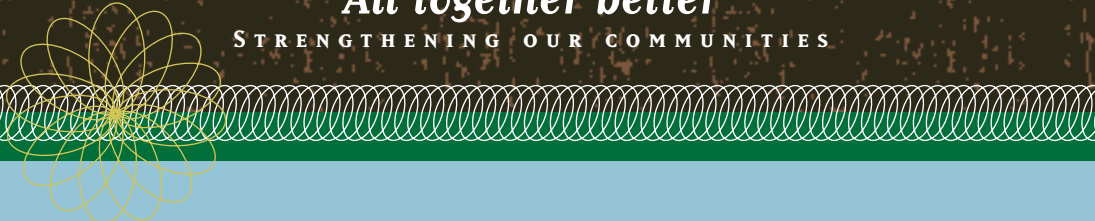
James Engineering  
James Lumber  
Jan's Sport Shop, Inc.  
John Benjamin Financial  
Joseph Pontiac  
Karen's Carpets  
Kearsley Electric, Inc.  
Ken Hardin Refrigeration  
Kerr Holiday Tours  
Koerts Glass  
Lewis & Knopf, CPA  
Lifestyle Mobile Homes  
Lifestyles Flint Pool  
Linden Road Imaging  
Local 651  
Longway Body Shop  
Loramendi, Inc.  
Lorbac Metals-USA Ltd.  
Luigi's Restauratr  
Mac Arthur Corporation  
Manyam & Assoc.  
Maplebrook  
Marko Metals, Ltd.  
McLaren Family Practice  
MCLR, Inc.  
MDE International, Inc.  
Mehra Tube, Inc.  
Meijer, 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  
MTS (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 Media  
Party Time Ice Co.  
Patrick Community Living  
Peoples Furniture  
Pioneer Cabinetry 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 Mi.  
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  
Thomas Appliance Co.  
Thompson & Lively  
Thompson IG  
Townline Lawn & Garden  
Travel Brokers  
Tri-Med Group  
Trialon Corp.  
Troy Cleaners  
Tru Green/Chemlawn  
TRW  
Tucows  
Union Printing Co., Inc.  
Unitarian Univers. Church  
Unity Construction  
UPS Store  
Urological Services  
US Fence  
Vern's Collision, Inc.  
Vienna Investment Corp.  
Wagner Insurance  
Wal-Mart no. 2273  
Will Hall Construction  
Willing Glass  
Win's Electric Supply  
Winan's Electric Motor  
WJRT-TV 12  
WKMF Cars 108  
WSMH-TV Channel 66  
WWCK 105.5 FM Radio  
Xpedex  
Zito Construction Co.

# All together better

STRENGTHENING OUR COMMUNITIES



**I**t only makes sense: when our communities and neighbors do well, our credit union will flourish too. In that spirit, we are committed to sharing our success and investing in the towns and cities we serve. Through volunteer efforts and financial contributions, Dort Federal supports a number of nonprofit programs, civic projects and charitable events that improve life and help make our communities the best they can be. Here are the programs we helped this year.

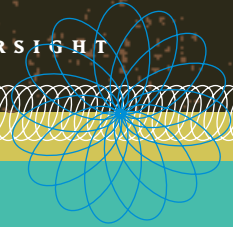
*Alzheimer's Association Memory Walk*  
*American Cancer Society*  
*Big Brothers Big Sisters of Greater Flint*  
*Boys and Girls Club of Greater Flint*  
*Carriage Town Ministries - Back to School Campaign & Great Thanksgiving Banquet*  
*Davison-Richfield Fire Department*  
*Delphi UAW 651*  
*Family Service Agency of Mid-Michigan (Foster Grandparent Program)*  
*Flint Art Fair Flagship Sponsor*  
*Flint International Dream Center*  
*Genesee County Association for Retarded Citizens*  
*Genesee Regional Chamber of Commerce*  
*Genesys Hospice*

*Humane Society of Genesee County*  
*Junior Achievement of Genesee Valley*  
*March of Dimes*  
*Mundy Township Fire Department*  
*New Century Chorale*  
*Old News Boys*  
*Priority Children*  
*Salvation Army*  
*Shelter of Flint*  
*Special Olympics of Michigan*  
*UAW Region 1-C*  
*Univeristy of Michigan Transplant Center*  
*Valley Agency on Aging*  
*Visually Impaired Center of Flint*  
*Wellness AIDS Services, Inc.*  
*Whaley Children's Center*  
*World Outreach Center, Davison - Community Safe Night*



# Making progress

SUPERVISORY COMMITTEE PROVIDES OVERSIGHT



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 Dort 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 Dort 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 Dort Federal now, and in the coming years.

*Douglas Kidd, Chairman*

# Affirming financial strength

TREASURER REVIEWS THE YEAR



On behalf of your Board of Directors, I'm pleased to provide this update on Dort Federal Credit Union's financial status for 2006.

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 \$231.2 million—a 16.56% increase over 2005. Assets grew by 4.83%, resulting in a 12.08% increase in our total income. Our net earnings increased by 13.75%, and the Credit Union turned in a sound 1.12% return on assets, and maintained a strong capital position of 22.92%.

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 56 years, and the can-do spirit of our people, are certain to sustain this organization. We expect our performance to continue on course, enhancing our 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 Dort Federal.

*Bruce Hardenbrook, Treasurer*

# Sound and solid

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying Statements of Financial Condition of Dort Federal Credit Union as of December 31, 2006 and December 31, 2005, 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 Dort Federal Credit Union as of December 31, 2006 and December 31, 2005 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.



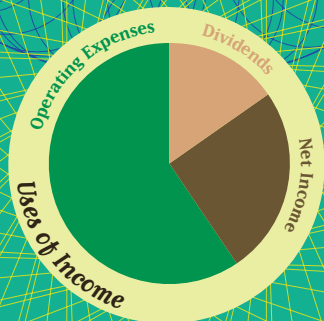
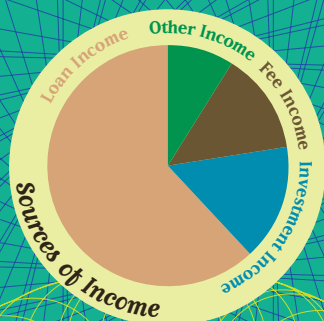
**Cindrich, Mahalak & Co., P.C.**

St. Clair Shores, Michigan

February 26, 2007

## Financial Statement

December 31, 2006, and December 31, 2005

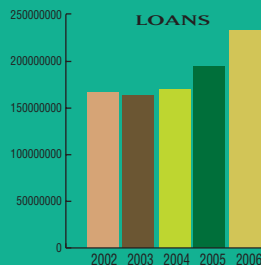
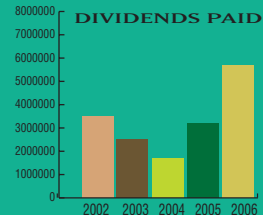
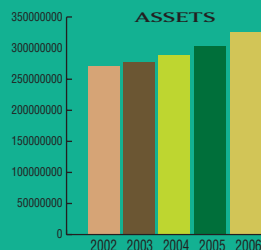
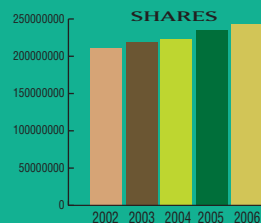
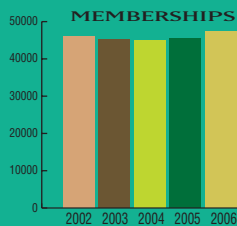


	2006	2005
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 17,924,411	\$ 8,451,192
Investment Securities		
Securities Available-for-Sale	15,828,620	15,751,420
Securities Held-to-Maturity	22,887,263	38,363,187
Other Investments	21,402,769	36,022,100
Loans Receivable, Net of Allowance for Loan Losses	230,016,466	197,242,917
Accrued Interest Receivable	1,393,051	1,396,973
Property and Equipment	6,943,876	4,876,202
Prepaid Expenses	475,336	276,784
NCUSIF Deposit	2,358,013	2,229,434
Other Assets	1,104,460	1,167,866
Other Real Estate Owned	288,203	85,775
<b>TOTAL ASSETS</b>	<u>320,622,468</u>	<u>305,863,850</u>
<b>LIABILITIES AND EQUITY</b>		
Members' Shares	243,776,622	232,793,723
Dividends and Interest Payable	795,420	556,951
Accounts Payable and Other Liabilities	360,652	578,980
Accrued Expenses	2,367,076	2,184,971
Commitments and Contingent Liabilities		
Members Equity, Substantially Restricted	73,322,698	69,749,225
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$320,622,468</u>	<u>\$305,863,850</u>

## Statement of Income

Years ended December 31, 2006, and December 31, 2005

	2006	2005
<b>INTEREST INCOME</b>		
Loans Receivable	\$13,974,496	\$11,669,002
Investment Securities	3,512,143	3,515,934
<b>TOTAL INTEREST INCOME</b>	<u>17,486,639</u>	<u>15,184,936</u>
<b>INTEREST EXPENSE</b>		
Members' Shares	5,678,567	3,227,594
Borrowed Funds	2,894	4,833
<b>TOTAL INTEREST EXPENSE</b>	<u>5,681,461</u>	<u>3,232,427</u>
<b>NET INTEREST INCOME</b>	11,805,178	11,952,509
Provision for Loan Losses	642,294	883,023
Net Interest Income		
After Provision for Loan Losses	11,162,884	11,069,486
<b>NON-INTEREST INCOME</b>		
Loss on Sale of Assets	(46,724)	(14,163)
Fees	3,053,275	3,135,853
Other	2,068,992	1,851,857
<b>TOTAL NON-INTEREST INCOME</b>	<u>5,075,543</u>	<u>4,973,547</u>
<b>NON-INTEREST EXPENSE</b>		
Compensation and Benefits	6,710,217	6,673,678
Occupancy	611,950	583,496
Operations	2,348,762	2,517,871
Loan Servicing	1,536,321	1,493,925
Professional Services	291,783	227,137
Other	1,234,689	1,465,794
<b>TOTAL NON-INTEREST EXPENSE</b>	<u>12,733,722</u>	<u>12,961,901</u>
<b>NET INCOME</b>	<u>\$3,504,705</u>	<u>\$3,081,132</u>







Locations: 2845 Davison Road • 5091 West Pierson Road • 1091 West Hill Road • 1441 South State Road



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