

The background of the entire page is a repeating pattern of teal diamonds on a brown background. The diamonds are arranged in a grid, with each diamond pointing up and down. A solid orange horizontal banner runs across the center of the page, containing the text.

DORT FEDERAL CREDIT UNION ♦ 2008 ANNUAL REPORT

EXPANDING

FROM NEW OFFICES
TO INNOVATIVE ONLINE
PROGRAMS,

COMPREHENSIVE BUSINESS SERVICES
TO BETTER-THAN-EVER RATES
AND REWARDS,

DORT FEDERAL IS EXPANDING
TO BRING MORE VALUE
TO EACH AND EVERY MEMBER.



GOING & GROWING

A Message to Our Members

As you well know, the past year has been full of downbeat headlines and discouraging economic reports—many of them focused on the financial industry.

Here's some good news.

In spite of all that uncertainty and upheaval, Dort Federal Credit Union completed another year of progress and growth. We welcomed new members, launched new programs, and achieved our targeted goals. In fact, deposits exceeded expectations, and our loan portfolio increased as well.

Your credit union is expanding to serve you better.

Early in the year, we opened two new offices, bringing our services to the busy Lapeer and Fenton communities. With the addition of these financial centers, Dort Federal now offers members a choice of seven convenient locations throughout Genesee and Lapeer counties.

But convenience is more than nearby buildings. Many of our members are enjoying the speed and flexibility of our new online, self-service program—IndiGO. Introduced in June 2008, this electronic savings and checking option rewards members with high-yield earnings. By year's end, IndiGO had already attracted almost 200 new accounts and increased our balance sheet by nearly \$1 million.


We mean business.

For 58 years, Dort Federal has served thousands of families and individuals who depend on us for competitive rates, great financial products, and personal attention. Now, our area's businesses are discovering the benefits of belonging, too.

In October, we rolled out our first-ever suite of special business services. Tailored to meet the unique needs of commercial customers both large and small, the program includes deposit, checking, and a variety of lending options. The response has been terrific—and we expect to see more growth in our commercial membership.

We're rewarding our members.

We know that times are tough for many of the families in our area. Credit is tight. But at Dort Federal, we're doing all we can to help our members manage their finances—and that includes making sure we have money to lend.



As a member-owned financial cooperative, we've always followed prudent lending practices and maintained a strong capital ratio. That solid, stable position means we can continue to respond to the needs of our members and offer loans at attractive rates.

As an example, we began providing a one percent Vehicle Financing Rebate in 2008 to stimulate our area's economy and reward members for choosing Dort Federal. We'll continue to explore other opportunities to boost our local economies by giving members the tools they need to make needed purchases.

More than ever, we're investing in our communities.

Our part of Michigan has been hit hard by the auto industry's decline. But Dort Federal's commitment to the residents and working people of this area is as strong as ever.

This year, as in the past, we demonstrated that commitment in countless ways—offering financial support to worthy charities and civic groups, and volunteering time to help make our communities healthy and vibrant.

That dedication was most evident as 2008 drew to a close and we announced the recipients of our *Home for the Holidays Home Giveaway*. This Dort Federal initiative gave mortgage-free renovated homes to two deserving local families—one in Flint, and one in Davison. We're especially pleased to carry on our credit union's tradition of "people helping people" in such a meaningful way.

Thanks to you, we're going strong.

We're most grateful to our Board of Directors, our more than 150 employees, and—most of all—to you, and all our members for choosing Dort Federal for your financial services. Today, our credit union is one of this region's strongest cooperatives, with a membership of more than 50,000, assets in excess of \$380 million, and a capital ratio three times what is required by the National Credit Union Association (NCUA). We're confident that the future will bring a brighter economy and better times for Mid-Michigan. And you can be certain that Dort Federal will be a driving force behind that recovery.



Harry Awdish
Chairman of the Board

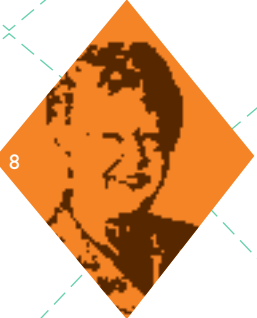
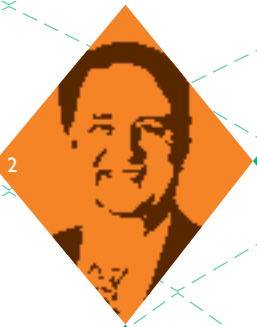


Vicki Hawkins
President/CEO

GUIDING OUR EXPANSION

Meet your Board of Directors

Our growth would not have been possible without the oversight of these hardworking volunteers. Elected from our membership, by our membership, they share a firm commitment to Dort Federal, and bring knowledge and insight to their leadership role.



1 Harry Awdish
Chairman

3 Bruce Allan
Second Vice
Chairman

5 Douglas Kidd
Treasurer

7 Leroy Nesbit, Jr.
Director

2 Wayne Natzke
First Vice Chairman

4 Dana Stoddard
Secretary

6 G. Bruce
Hardenbrook
Director

8 Rosemary Brown
Director Emeritus

PARTNERS IN PROGRESS

Our Link to Members

Corporate Partners are a critical part of what makes our credit union successful. These local businesses and organizations serve as a link, connecting their employees to Dort Federal. By offering direct deposit and other convenient services, they help to make financial services faster, easier and more affordable for working people in our communities. We're grateful for their participation.

A.H.S. Commercial Services

ACE Asphalt

Adaptive Packaging

Adkinson & Sons

Advanced Engineering

Aerotek

Al Serra Auto Plaza

Albert Chevrolet

Allen Funeral Home, Inc.

Allied Real Estate Appraisers, Inc.

Alternatives for Children

American Body

American Medical Response

APCO

Atlas Township Offices

Attorney Kathleen Main

Auto Salvage Auction

Auto Trader - Swapper

B & B Boat

B & B Paint

Barrett Donut Mixes

Belsay Enterprises, Inc.

Bennett Communication
Solutions

Brady's Business Systems

Brown's Do It Center

Burton Industries

C-M Ambulance, Inc.

C & S Farms

Calvin & Company, Inc.

Canadian American Co.

Castles Brothers, Inc.

Central Interiors, Inc.

Central Paint Co.

Central Water Treatment

Champion Bus. Inc.

Clio Chrysler Plymouth Dodge

Complete Financial

Condon & Sons, Inc.

Conley's Collision

Coogans

Cornerstone Baptist

Creative Catering

Creative Printing

Creekwood Architecture

Dairy Queen/Brazier

Davison Athletic Club

Davison Insurance Centre

Davison Township

Delphi Automotive

Diebold

Diplomat Pharmacy

Doan's Quality Lawn

Dog House Lounge, Inc.

Dotty's Pet Center

Dr. Jitendra Katneni

Dr. Jon S. Buxton, DDS

Dr. Keith Daniels

Dr. Marvin Latchana

Drs. Pardee, Haberhehl &
Ingham

Dr. Prasad Kommarenddi

Dr. Richard W. Plymale

Dr. Robert M. Hale, DDS

Dr. Julian A. Moore

Dress Barn

Duke's Car Stereo, Inc.

East Michigan Eye Center

Environmental Resource

Evans Equipment Co., Inc.

Farah Khouri Mkt.

FedEx

Fernco

First American Title Co.

First Inertia Switch

Flint Area Convention and
Visitors Bureau

Flint Building Co.

Flint Children's Museum

Flint Cultural Center

Flint Ed. Musicians

Flint Medical Laboratory

Flint Orthopedic Associates

Flint Recycling

Flint Welding Supply

Foodbank of Eastern Michigan

Fromholz, Paauwe, Baker

GCARC

Genesee Ceramic Tile

Genesee Packaging

Genesee Polymers Corp.

Genesee Recycling

Genesee Twp. Police Dept.

Gentiva Health Care

Gill-Roy's Hardware

Gloria Dei Ev. Lutheran

Graybar Electric Co.

Gray's Towing Service

Great Lakes Aero

Greater Flint Imaging

Guaranty Title Co.

HHCC - Fostrian

Hensley Mfg., Inc.

Heystek Contracting, Inc.

Hill Street Homes

Hinterman Electric, Inc.

Holiday Inn

Howell's Flowers

Humane Society
Hydreclaim
I.T.I.
Industrial Supply
Interconnect Technical
Intouch Communications
Italia Gardens
J.B. Supply Co.
Ken Hardin Refrigeration
Kerr Holiday Tours
Linden Road Imaging
Local 651
Lorbeck Metals-USA Ltd.
Luigi's Restaurant
Mac Arthur Corporation
Marko Metals, Ltd.
Martec Products Int'l
McCloy Paper Co.
Country Fresh
McLaren Family Practice
Mechanical Design &
Engineering
Mehra Tube, Inc.
Metro Fabricators, Inc.
Michigan Church Supply
Michigan Eye Institute
Michigan Fleet Repair
Michigan House & Window
Supply Pro
Mid Michigan Medical Billing Co.
Mid-Michigan Lock & Safe
Minto Bros. Construction
Modern Metal Processing
Monarch Travel Network
Morgan's Early Learning Center
Mr. Browns Restaurant
Mt. Morris Township
Mundy Township Hall
Nordlie, Inc.
Normalized Services
Northwest Clinic
Omni-Tech Corporation
Osmun's Trucking Co.
Paragon Reproductions
Centech Window Mfg.
Park Plaza Radiology

People's Furniture
Pioneer Cabinetry Co.
Pioneer Cleaning
PIP Printing
Plastics Research Corp.
PMC Placement
Powertech Services, Inc.
Premier Packaging, Inc.
Primedica-Aeromed
PrintComm
Pro-Clean
Pro-tech Industries
Q-Temps
Quality Temp. Services
R. Bell Associates
Re/Max Realty
Redwood Brewing Co., Inc.
Rehabitat Systems of MI
Resident Advancement
Richfield Church of the Nazarene
Richfield Iron Works
Rico Marketing Corp.
Ripka Boroski & Associates
Ron James & Associates
Ross Properties
Salvation Army
Sam's Wholesale Club
Schultz Printing Co.
Security First Benefits Corp.
Security First Insurance
Security Packaging, Inc.
Self Serve Lumber
Shap's Family Restaurant
Sharp's Academy
Skaff Carpet & Furniture
Sonitrol
Southcreek Village
Southwest Brake & Parts
SSOE
State Farm Insurance
Structural Plastics
Summers Living Systems
Superior Coney Island
Swartz Funeral Home, Inc.
Sycron
CIS Agency

Taco Bell
Tall Pine Council
Technical Edge Inc.
TGI - Tuar Grimbac, Inc.
THA Architect Engineers
The Coffee Beanery
The Hollingsworth Group
Thomas Appliance Co.
Townline Lawn & Garden
Transportation Unlimited
Trialon Corp.
Tri-Med Group
Troy Cleaners
Tru Green/Chemlawn
Tucows
Union Printing Co., Inc.
Unitarian Univers. Church
Unity Construction
Urological Services
Vern's Collision, Inc.
Vienna Investment Corp.
Wagner Insurance
Wal-Mart #2273
White, Eby & Rajala
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
XPEDEX
Your Answering Service
Zito Construction Co.

A HELPING HAND

Sharing Resources and Building Better Communities

As a member-owned financial cooperative, our credit union is all about people. We have a keen interest in seeing that our members, neighbors, organizations, and businesses do well and prosper—because their success is our success too. Each year, Dort Federal's financial support and volunteer efforts help strengthen our communities. Here are just some of the initiatives that received our help this year:

BIG BROTHERS BIG SISTERS OF MICHIGAN

JUNIOR ACHIEVEMENT OF GREATER GENESEE VALLEY

VALLEY AREA AGENCY ON AGING

MUNDY TOWNSHIP FIRE DEPARTMENT

AMERICAN HEART ASSOCIATION

AMERICAN LUNG ASSOCIATION OF MICHIGAN

FLINT INSTITUTE OF MUSIC

FOOD BANK OF EASTERN MICHIGAN

HABITAT FOR HUMANITY

FLINT NEIGHBORHOOD IMPROVEMENT PROJECTS (NIPP)

SLAM YOUTH TEEN OUTREACH

RKT MEMORIAL FOUNDATION (RICHARD TREVITHICK)

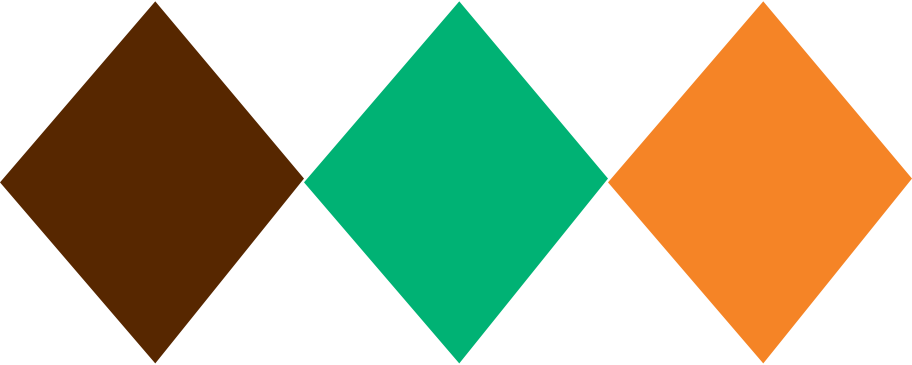
AMERICAN CANCER SOCIETY

NATIONAL KIDNEY FOUNDATION OF MICHIGAN

GIRL SCOUTS FAIR WINDS COUNCIL

OLD NEWSBOYS

FRIENDS OF MODERN ART (FOMA)



BOYS AND GIRLS CLUB OF GREATER FLINT

SPECIAL OLYMPICS OF GENESEE COUNTY

MOTT COLLEGE LABOR DAY PICNIC

WHALEY CHILDREN'S CENTER

WELLNESS AIDS SERVICES

GENESEE REGIONAL CHAMBER OF COMMERCE

FLINT CHILDREN'S MUSEUM

MARCH OF DIMES FLINT DIVISION

LAPEER COUNTY HABITAT FOR HUMANITY

MOTHERLY INTERCESSION

FLINT INSTITUTE OF ART

HUMANE SOCIETY

ALTERNATIVES FOR CHILDREN

PRIORITY CHILDREN

GENESEE COUNTY ASSOC. FOR RETARDED CHILDREN

**DORT FEDERAL SNOWMAN SALES - REUNION WITH A
CAUSE - BOYS & GIRLS CLUB OF FLINT**

CAREFUL STEWARDSHIP

A Report from the Supervisory Committee

Supervisory committees are unique to credit unions, and serve as a vital component of member-owned financial institutions. As stewards of Dort Federal's assets, we oversee 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 this financial cooperative.

To assist us with our annual audit and provide fiscal advice, we retain the services of a Certified Public Accounting firm—Orth, Chakler, Murnane & Company.

Members of the Supervisory Committee are accountable to you, linking you to the governance of your Credit Union. 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 are grateful for your trust. We will continue to work hard on your behalf to maintain the financial strength of Dort Federal now, and in years to come.

Diane Piercy

Chairman



SOLID & STRONG

A Report from the Treasurer

One important characteristic of member-owned credit unions like Dort Federal is the full and open disclosure of our financial status. This annual report gives all of us an opportunity to inspect the organization inside and out.

As your Treasurer, I'm pleased to provide this look at Dort Federal Credit Union's financial status for 2008.

This was a year that tested many financial institutions. An uncertain economy and the sub-prime lending fallout caused concern in all markets—particularly here in Michigan, where downturns are felt more keenly. Add to that narrow interest margins, belt tightening, and heightened competition among local financial service providers.

Yet prudent lending practices and careful management resulted in positive gains for Dort Federal Credit Union.

Demand for loans picked up and, at year end, our loans outstanding stood at \$267.2 million—a 4.93% increase over 2007. Assets grew by 12.86%, resulting in a 6.76% increase in our total income. Although our net earnings decreased by 36.62%, the Credit Union turned in a 0.62% return on assets, and maintained a strong capital position of 20.82%—nearly three times the capital ratio required by the NCUA, our government regulator.

There can be no doubt that our local economy will face challenges as we work to replace jobs lost in the automotive industry and diversify. But we remain confident that the solid foundation we have built, coupled with capable leadership and a resourceful membership, will continue to make Dort Federal a dynamic, successful financial cooperative.

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

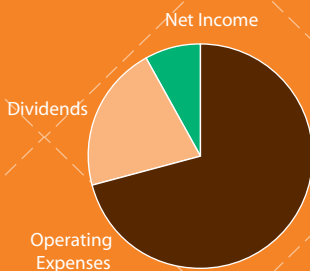
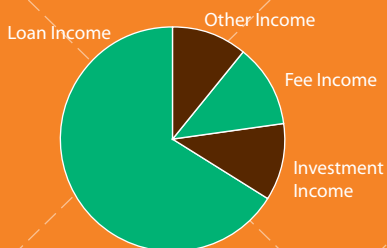
Douglas Kidd

Treasurer

STATEMENT OF INCOME

December 31, 2007, and December 31, 2008

	2008	2007
INTEREST INCOME		
Loans to members	\$17,945,230	\$16,473,560
Investments	3,056,424	3,426,256
Total interest income	<u>21,001,654</u>	<u>19,899,816</u>
INTEREST EXPENSE		
Members' Shares and savings accounts	5,733,343	7,137,538
Net Interest Income	15,268,311	12,762,278
PROVISION FOR LOAN LOSSES		
Net Interest Income	2,711,704	853,475
After Provision for Loan Losses	<u>12,556,607</u>	<u>11,908,803</u>
NON-INTEREST INCOME		
Fees and service charges	3,355,939	3,129,058
Other Income	2,827,379	2,434,206
Gain on sale of assets	277,293	---
Total non-interest income	<u>6,460,611</u>	<u>5,563,264</u>
	19,017,218	17,472,067
NON-INTEREST EXPENSE		
Compensation and Benefits	8,530,684	7,114,100
Office operating costs	7,379,996	6,171,696
Professional and outside services	414,321	315,061
Other expenses	482,482	272,435
Loss on sale of assets	---	112,515
Total non-interest expense	<u>16,807,483</u>	<u>13,985,807</u>
NET INCOME	<u>\$2,209,735</u>	<u>\$3,486,260</u>

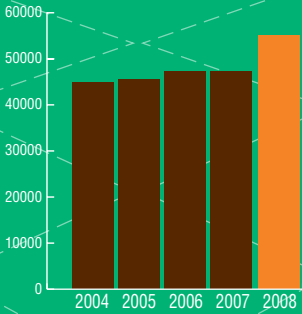


A FINANCIAL REVIEW

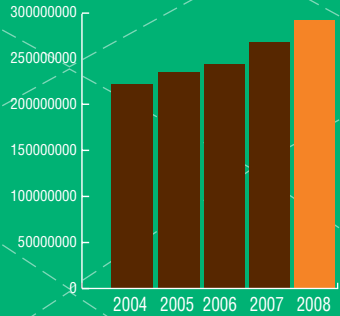
December 31, 2007, and December 31, 2008

	2008	2007
ASSETS		
Cash	\$ 25,793,183	\$ 16,626,153
Other receivables	1,392,437	513,527
Investments		
Available-for-Sale	18,352,060	10,123,520
Held-to-Maturity	10,690,357	16,690,379
Other	40,409,729	21,314,441
Loans to members, net of Allowance for Loan Losses	265,385,908	253,638,830
Accrued Interest Receivable		
Investments	484,515	389,306
Loans	1,199,887	1,123,510
Prepaid and other assets	1,899,366	2,883,596
Property and Equipment	11,905,293	10,997,011
Other Real Estate Owned	151,000	268,065
NCUSIF deposit	2,690,174	2,453,531
Total Assets	<u>\$380,353,909</u>	<u>\$337,021,869</u>
LIABILITIES AND members EQUITY		
LIABILITIES		
Members' Share and savings accounts	296,412,829	255,972,163
Interest Payable	868,815	996,120
Accounts Payable	43,678	23,708
Other accrued liabilities	3,494,072	2,933,513
Total Liabilities	<u>300,819,394</u>	<u>259,925,504</u>
Commitments and Contingent Liabilities	---	---
MEMBERS EQUITY		
Regular reserve	7,340,206	7,340,206
Undivided earnings	71,842,135	69,632,400
Accumulated other comprehensive income/(loss)	352,174	123,759
TOTAL MEMBER EQUITY	<u>79,534,515</u>	<u>77,096,365</u>
TOTAL LIABILITIES AND MEMBER EQUITY	<u>\$380,353,909</u>	<u>\$337,021,869</u>

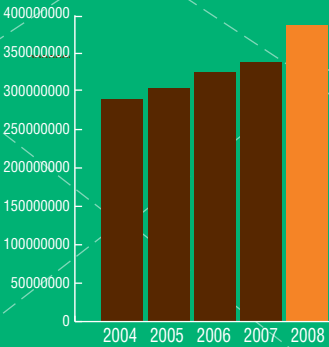
MEMBERSHIPS



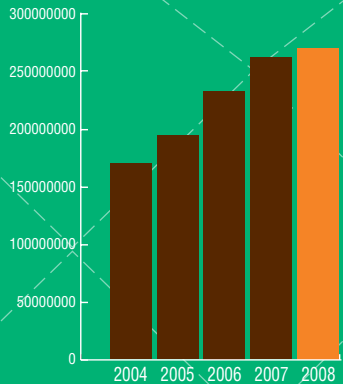
SHARES



ASSETS



LOANS



FINANCIAL POSITION

A Report from the Independent Auditors

We have audited the accompanying statements of financial condition of Dort Federal Credit Union as of December 31, 2008 and 2007, and the related statements of income, comprehensive income, 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 audits 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, 2008 and 2007, 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.

Orth, Chakler, Murnane & Co.
Orth, Chakler, Murnane & Company
Certified Public Accountants





Dort Federal

CREDIT UNION

Dort Federal Locations

2845 Davison Road
5091 West Pierson Road
1091 West Hill Road
1441 South State Road
9050 Holly Road
14265 Fenton Road
1724 DeMille Road

810.767.8390 or 800.521.3796

www.dortonline.org

PRODUCTS ♦ SERVICES ♦ LOCATIONS ♦ PROGRAMS

EXPAND your horizons.
EXPLORE your opportunities.
ENHANCE your finances.
EXCEED your personal goals.

Count on Dort Federal for the solutions you need.