



Annual Report 2015



Focus on MEMBERS

PrimeTrust
FEDERAL CREDIT UNION

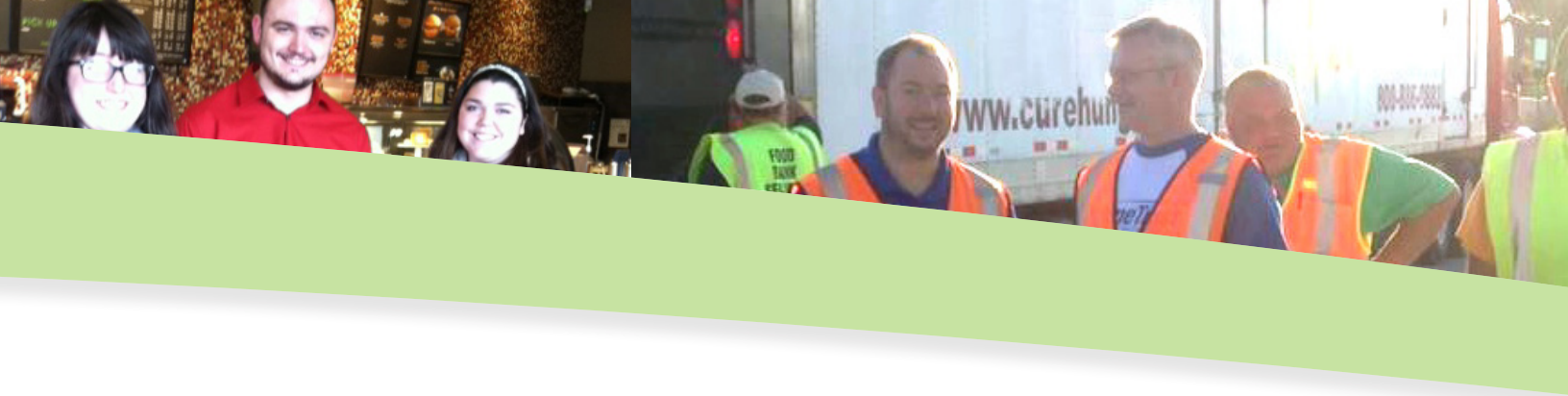


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Meeting Agenda

Call to Order _____ Marilyn Smith, Board Chairman

Establishment of Quorum

Introduction of Directors

Reports to Membership - All reports are available in this Annual Report

Chairman's Report _____ Marilyn Smith

Minutes – 79th Annual Meeting _____ Annette Balfour, Secretary

Treasurer's Report _____ Lora Hildreth, Treasurer

Loan Committee _____ Dana Baker, Senior VP of Finance & Information

Commercial Services Group _____ Lorraine Tomlin, VP of Commercial Services

Supervisory Committee _____ Jason Webber, Supervisory Committee Member

Motion to approve the above reports

Unfinished Business

None for this meeting _____ Marilyn Smith

New Business

Board of Directors Election Results _____ Marilyn Smith

William H. Yohler Memorial Scholarship Award _____ Marilyn Smith

President's Comments _____ Jeffrey E. Sikora, President/CEO

Recognition of Staff _____ Jeffrey E. Sikora

Questions and Answers _____ General Board

Adjournment _____ Marilyn Smith

Motion to adjourn this 80th Annual Meeting of PrimeTrust Financial



Chairman's Report

Within the Credit Union's organizational structure, the directors serve as the representatives of the membership and are accountable to them for its progress. As Chairman, it is my responsibility and duty to provide an annual summary of the Credit Union's well-being. Again this year, it is my pleasure to report that PrimeTrust Federal Credit Union is safe and sound and doing well.

This year, PrimeTrust added a sixth award to the Patronage Award: mobile banking. More than 7,000 members received 10,501 awards totaling over \$138,000 this year. In the past four years, our members have received nearly \$500,000 for making PTF their credit union of choice.

Financial literacy has been a passion of PrimeTrust's for several years. We engage the community and offer free programs to teach financial fitness to people of all ages. In 2015, we offered young adults a new Visa product focused on teaching them how to build good credit. Look for more free financial literacy from PrimeTrust in 2016!

The year 2015 was full of meeting the needs of our members through various channels, especially electronic channels like mobile banking and eBranch. With the full conversion of online banking to eBranch, we focused on the needs of our members by adding additional benefits like MoneyDesktop, the ability to view debit and check holds, applying for a loan through eBranch, and placing the ability to change their address and phone number in the member's hand. Convenience was the key.

We turned the lens even tighter as we honed our mobile banking services by adding fingerprint authentication; quick balance; and viewing check images, check holds and debit holds. All these services put the focus on the needs of the member and where they do their banking, which is everywhere, not just the brick-and-mortar of the credit union.

In closing, I'd like to thank the other directors, members of the Credit Union's official family, and our PTF Staff for their commitment to their focus on people in 2015 and in the future. Additionally, I'd like to thank our members for doing business with us. We appreciate your confidence and trust, and we'll work to earn it every day.

Marilyn Smith, Chairman



Marilyn Smith, Chairman



79th Annual Meeting Minutes

The 79th Annual Meeting was held at the Cornerstone Center for the Arts in Muncie, Indiana, on April 22, 2015.

Call to Order: Chairman Marilyn Smith called the business meeting of PrimeTrust Financial Federal Credit Union to order at 7:05 p.m.

Quorum acknowledged by Secretary, George McKibben.

Board Introduction: Smith introduced the Board of Directors.

Annual Report: Smith identified the lists of reports included in the 2015 Annual Report brochure: Chairman's Report, Minutes of 79th Annual Meeting, Treasurer's Report, Loan Committee Report, Business Services Group Report, and Supervisory Committee Report.

- Motion to accept the reports as printed made by Balfour. Second by McKibben. Motion carried.

Unfinished Business: Smith stated there is no unfinished business.

New Business: No new business from the floor.

Election Report

- Smith reported that the Nominating Committee's slate of officers are: Webber and Mann.
- There were no nominations by petition so the slate is approved by acclamation.
 - Motion to approve slate by acclamation made by Balfour. Second by Mann. Motion carried.
- Smith thanked the Directors for their dedicated volunteer service.

William H. Yohler Memorial Scholarship Award

- Sikora provided details of the Scholarship.
- Sikora announced Ericka Paige Pursley as the recipient of the 2016 William H. Yohler Memorial Scholarship.
- \$24,000 granted to students total.

Recognition of Service: Sikora recognized George McKibben and thanked him for his nine years of service on the Board of Directors.

Recognition of Staff: Sikora recognized the staff in attendance and thanked them for their service.

President's Comments

- Sikora discussed the value and benefits of membership, especially the commitment to member service.
- Sikora announced in 2014 there was a return to qualifying members of \$115,000 in Patronage Awards.

Questions from the Floor: Smith asked for questions from the floor; none were presented.

Adjournment: McKibben made motion to adjourn at 7:22 p.m. Second by Balfour. Motion carried.



Treasurer's Report

As Treasurer of the Board, it is my pleasure to report on PrimeTrust Federal Credit Union's financial performance for 2015. Here are a few highlights:

- A new award was added this year to the PTF Patronage Award – mobile banking. Members using mobile banking received an additional \$5. Over 10,500 awards were paid this year totaling more than \$138,000. It really does pay to be a member at PrimeTrust!
- Loan production for all types of loans exceeded \$38,500,000. Included in this total was \$28,329,584 in consumer loans, over \$4,800,000 in real estate loans, and more than \$3,300,000 in commercial loans.
- Year-End Assets were almost \$5 million for the year. That's a 3.37% increase!
- Charge-offs and delinquencies dropped in 2015. Delinquency finished the year at .72% compared to 1.09% in 2014.



Lora Hildreth, Treasurer

PrimeTrust promises to stay focused on people as we move into 2016; bringing more products and services to help our members save time and money. We are introducing a new checking account focused on meeting the needs of young adults. This account will help teach teenagers good financial habits and prepare them for a fit financial future.

In closing, PrimeTrust FCU continues to be a strong, well-capitalized, member-owned cooperative. PTF's mission is to provide financial benefit to our members by offering a complete line of personal and commercial services. We work hard to focus on our members and our community.

Lora Hildreth, Treasurer

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Loan Committee Report

PrimeTrust FCU strives to be a resource for its members. Our focus each and every day is the people we serve.

By focusing on people, we can provide products and services that are tailored to fit individual needs.

PrimeTrust continues to offer a full line of competitive consumer, mortgage, and commercial products to fit the needs of all our members.

When you need a loan, think of your credit union.

Dana Baker, Senior VP of Finance and Information



Dana Baker, Senior VP of Finance and Information

Loan Production for 2015

- \$4,842,175 - Real Estate Loans
 - \$28,329,584 - Consumer Loans
 - \$2,000,850 - Credit Cards
 - \$3,340,234 - Commercial
- for total loan production of \$38,511,843

Overall Loan Portfolio Composition

- \$35,380,315 - Real Estate Loans
 - \$45,477,567 - Consumer Loans
 - \$11,398,437 - Credit Cards
 - \$12,089,051 - Commercial
- for a total loan portfolio of \$104,345,370



Commercial Services Report

The past year proved to be a stimulating year for the Commercial Department. In a tough market and with the uncertainty of the economy, we managed to grow commercial loans by 20% and deposits by 250%. Many new contacts were made as Vickie Copley and Lorraine Tomlin called on 367 business prospects and 50 centers of influence. Through those efforts, 24 new business members now call PrimeTrust home and 57 new loans were generated.

In addition to the portfolio growth achieved during 2015, the Commercial Team “focused on people.” Each member of the team shared their talents with a variety of not-for-profit and community organizations to help Muncie and Delaware County be a better place to live and work. It is through these activities that the team embodies the vision and values of PrimeTrust.

The Commercial Services Team and Business Development Team look to the future by not only helping businesses grow and prosper in 2016, but also by helping the community become a better place and the members we serve become financially healthy.

Lorraine Tomlin, VP of Commercial Services



Lorraine Tomlin, VP of Commercial Services

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2015 Financial Statement

Assets

Home Equity Loans	\$ 7,195,482.41
Real Estate Loans	\$ 28,177,958.18
Member Business Loans	\$ 12,113,405.61
Share Secured Loans	\$ 403,443.16
All Other Loans	\$ 45,030,686.23
VISA® Gold	\$ 3,971,183.65
VISA® Classic	\$ 1,398,449.14
VISA® Platinum	\$ 6,028,804.49
Total Loans	\$ 104,319,412.87
Allowance for Loan Losses	\$ (907,647.93)
Net Loans Outstanding	\$ 103,348,764.94
Cash	\$ 3,575,246.72
Corporate Investments	\$ 6,786,595.95
Bank CDs	\$ 27,788,005.00
NCUSIF	\$ 1,267,145.50
All Other Investments	\$ 5,214,766.35
Total Investments	\$ 41,056,512.80
Land & Buildings	\$ 2,481,883.89
Furniture & Fixtures	\$ 1,175,473.95
All Other Assets	\$ 620,474.36
TOTAL ASSETS	\$ 152,258,356.66

Liabilities

Accounts Payable	\$ 519,092.03
Dividends Payable	\$ 20,414.34
Unapplied DP Exceptions	\$ 1,454,124.72
All Other Liabilities	\$ 2,461,905.22
Share Certificates	\$ 23,813,149.22
Share Draft Accounts	\$ 25,631,460.88
Regular Shares	\$ 45,538,587.42
Money Market Shares	\$ 25,194,013.30
IRA Accounts	\$ 13,020,815.51
Total Shares	\$ 133,198,026.33
Regular Reserves	\$ 3,147,530.33
Undivided Earnings	\$ 13,163,452.69
Other Comprehensive Income	\$ (1,706,189.00)
Total Equity	\$ 14,604,794.02
TOTAL LIABILITIES & EQUITY	\$ 152,258,356.66



2015 Income and Expenses

	2015	2014
Income		
Interest Income on Loans	\$ 5,975,438.55	\$ 5,855,974.09
Investment Income	\$ 426,574.22	\$ 377,823.85
Other Operating Income	\$ 3,429,490.80	\$ 3,067,774.51
Total Income	\$ 9,831,503.57	\$ 9,301,572.45
Operating Expenses		
Employee Compensation	\$ 3,000,721.40	\$ 2,757,070.97
Employee Benefits	\$ 993,413.84	\$ 913,236.92
Travel & Conference	\$ 16,457.12	\$ 21,053.01
Association Dues	\$ 19,483.80	\$ 19,175.70
Office Occupancy	\$ 445,002.36	\$ 425,410.16
Office Operations	\$ 2,493,567.93	\$ 2,271,508.49
Loan Servicing	\$ 473,802.94	\$ 479,489.16
Professional & Outside Services	\$ 77,250.48	\$ 94,824.42
Member Insurance	\$ 39,833.59	\$ 29,975.47
Supervisory Fees	\$ 26,932.36	\$ 26,618.27
Miscellaneous Expenses	\$ 878,493.95	\$ 845,541.01
Total Operating Expenses	\$ 8,464,959.77	\$ 7,883,993.58
Income from Operations		
	\$ 1,366,543.80	\$ 1,417,578.87
Dividend Expenses	\$ 416,344.01	\$ 482,889.45
Provision for Loan Losses	\$ 479,011.67	\$ 1,034,382.37
Gain/Loss on Investments	\$ 148,879.62	\$ 37,058.96
Gain/Loss on Fixed Assets	\$ (36,890.35)	\$ (30,570.52)
Other Non-Operating Income	\$ 14,490.97	\$ 3,859.45
NET INCOME/(LOSS)	\$ 597,668.36	\$ (89,345.06)

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Supervisory Report

The Supervisory Committee's role within the Credit Union is to ensure the financial records of the Credit Union are in order and comply with Federal Regulations.

In addition to the Supervisory Committee's operational oversight, it also employs the accounting firm, Whiting & Company LLC, to perform the annual audit and quarterly reviews as required by the National Credit Union Administration (NCUA).

They determined that all of PrimeTrust Federal Credit Union's accounts and records were in order and certified that the financial statements accurately reflected the Credit Union's financial position.

The Supervisory Committee also oversees the results of NCUA's annual examination. This examination ensures the Credit Union is operating in a safe and sound manner and qualifies for Federal Share Insurance. The results of the 2015 NCUA Exam determined that PrimeTrust Federal Credit Union was operating in a manner that complies with NCUA regulations and expectations and that it did qualify for Federal Share Insurance.



Jason Webber, Supervisory Committee Member

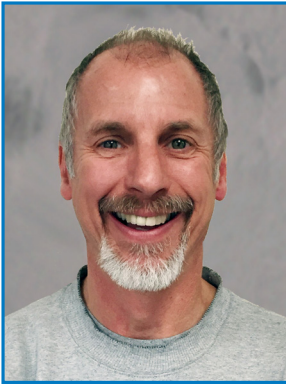
Jason Webber, Supervisory Committee Member



Board Nominees

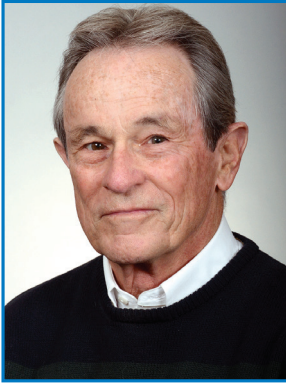
David Baney

David has petitioned to run for the Board of Directors. He has been a member since 1989. David has been a small-business owner and operator of Baney Excavating for over 20 years. He also owns and operates Baney Way Trucking and Contractors Solidfill and Recycling. David graduated from Wapahani and attended Ball State University. David is married to his wife Susan of 17 years and has two children, David and Alexis.



Jeff Carter

Jeff, a current board member, was born and raised in Detroit, Michigan. He was the owner of Jeffrey E Carter Jewelers and was in business for over 44 years before retiring. He's been on the board of Muncie Civic Theatre for over 35 years, and has served on the board of the Muncie Children's Museum. He's a founding member of the Sunrise Rotary and a former member of the Noon Rotary and The Muncie Exchange. He's married to Connie Carter and they have four children and 10 grandchildren.



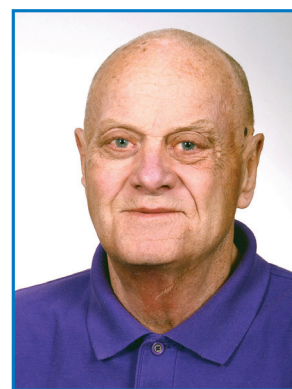
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Board Nominees

LaRue Cross

LaRue, a current board member, is a graduate of Muncie Central High School. He has been involved with Knights of Pythias for many years and served on the Board of Directors for 15 years. He retired from Borg Warner after 44 years of employment. While employed there, he served on the negotiation committee for three contracts and was chairman for two of them.



Lora Hildreth

Lora, a current board member, is serving in the capacity of Treasurer. She is a graduate of Ball State University and is employed at IU Health Ball Memorial Hospital. Lora attends Center Chapel United Methodist Church, and prior to coming on the board, Lora served on the PrimeTrust Supervisory Committee.





2016 Yohler Scholarship

PrimeTrust Federal Credit Union has awarded the 2016 William H. Yohler Memorial Scholarship to Alyssa Mae Mead.

Alyssa, a senior at Cowan High School, is the daughter of Robert and Jackie Mead. Alyssa plans to attend Ball State University to pursue a degree in Art and Music Education. Alyssa's career goal is to teach middle or high school art or music.

Alyssa has been a member of her school's Academic Team and softball team, along with several other teams. She has played in the Marching Band and has been selected for Ball State's Honors Band.

Alyssa has enjoyed traveling abroad and has visited Germany, Italy, Switzerland, France, and Austria.



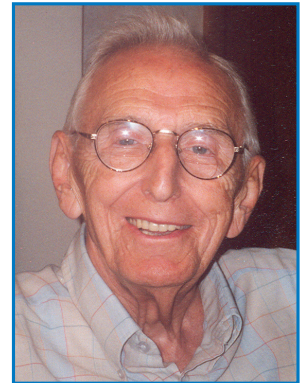
Alyssa Mae Mead

She has been first chair oboe in the Concert Band all four years of high school and has played in the Marching Band. She has been selected for Ball State's Honors Band. Alyssa has been a member of her school's Academic Team and softball team, along with several other teams. Alyssa has enjoyed traveling abroad and has visited Germany, Italy, Switzerland, France, and Austria. Congratulations, Alyssa Mae Mead!

The growth and success of PrimeTrust can be attributed to the many dedicated volunteers who have served over the years. PrimeTrust's longest-serving volunteer was William (Bill) H. Yohler. Bill became a volunteer in 1944 and served for 57 years. In addition to Bill's dedication to the Credit Union, he was also active in the community as a civic and social volunteer.

After Bill's death in September 2001, PrimeTrust established a scholarship in his name. The goal of the scholarship is to recognize a student who shows Bill's dedication and concern for others through their own volunteer efforts.

In 2008, the scholarship was increased to \$4,000 payable in \$1,000 increments over four years. The funds are used for tuition and may be used at any university or college. Last year's scholarship winner was Erika Paige Pursley from Delta High School.



William (Bill) H. Yohler



President's Report

Credit Unions are 'People Institutions'...

The Credit Union industry has two long-standing philosophies: "Not for profit, not for charity, but for service!" and "People helping People." These statements focus on two themes: people and service. At PrimeTrust Federal Credit Union, we are committed to these themes. Our mission is to provide tailored products and personalized services that meet the immediate needs of our members while at the same time positioning them for future financial growth.

Credit unions are "people institutions." Credit Unions are unique among financial institutions because they are financial cooperatives. The cooperative structure means a credit union is owned and operated by its members, acting on behalf of and for the benefit of the unified group. PrimeTrust celebrates member ownership. You, our members, are our owners and because of that our sole purpose is to provide for your financial benefit.

Another cooperative characteristic of credit unions that emphasizes the focus on people is that governance and direction come from within. A credit union features a volunteer board of directors, elected by the membership, which provides strategic direction and guidance. As volunteers, they are not compensated for the long hours and broad responsibilities they shoulder on behalf of the membership.

All of us at PrimeTrust, the board members, official family, and staff, take our commitment to the credit union philosophies and to our membership very seriously. We recognize that each individual member has his or her own story. We say, "Your story matters here" and that's not just a feel-good marketing phrase. It's our pledge to treat members as individuals. You're not just a member at PrimeTrust; you are a member-owner! Our focus is on you!

Jeffrey Sikora, President/CEO



Jeffrey Sikora, President/CEO



Causes We Support

Committed to a Stronger Delaware County

As a non-profit cooperative of people helping people, we're dedicated to ensuring that Delaware County is a strong and vibrant place for our members and employees to live, work, and raise families.

100 Men Who Cook

Altrusa

AMBUCS

Amvets

American Red Cross

Animal Rescue Fund

Ball State AITP

Ball State University Athletics

Back to School Teacher Store

Big Brothers & Big Sisters

Bridges Community Services

Brookside Haven Care Center

Cardinal Greenway

Central High School

College Mentors for Kids

Cornerstone Center for the Arts

Cowan Boys Tri-County Little League

Cowan Elementary School

Crime Stoppers

David Owsley Museum of Art

Day of Kindness

Delaware County Fair Band Contest

Delaware County Sheriff's Department

Delta High School Football

Dog Diggity Community Easter Egg Hunt

Flags of Honor

Forrest Park Senior Care

Habitat for Humanity

Hearts and Hands United

Hillcroft Services

IHOP Veteran's Day Meal

Indiana Premier/Muncie Babe Ruth Baseball

Indiana Public Radio

Indiana Run for the Fallen

Ivy Tech Community College

LifeStream Services

Little Red Door Cancer Services of ECI

March of Dimes

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Masterworks Chorale
Meridian Services
Muncie Central Band
Minnetrista Cultural Center
Muncie Cardinals
Muncie Civic Theater
Muncie Children's Museum Kids Lab
Muncie Community Christmas Sing
Muncie-Delaware County Chamber of Commerce
Muncie-Delaware County Clean & Beautiful
Muncie-Delaware County Indiana Economic
Development Alliance
Muncie Mission
Muncie Symphony Orchestra
Muncie Young Professionals
North Woods of Yorktown Block Party
North Woods of Yorktown Pumpkin Patch
Open Door Services
Phyxtgears

Pride of Indiana
Rialzo
Relay for Life
Second Harvest Food Bank
Southside Middle School Boys Basketball
TEAMwork for Quality Living
Tools for Schools
Walk a Mile In My Shoes
Wes-Del Baseball
Women in Business Unlimited
WIPB
Yorktown Boys Golf
Youth Opportunity Center
YWCA In Her Heels



2016 Board of Directors and Leadership Team

Board of Directors

Chairman: Marilyn Smith
Vice Chairman: Linda Mann
Secretary: Annette Balfour
Treasurer: Lora Hildreth
Director: Jeff Carter
Director: LaRue Cross
Director: Jason Webber

Supervisory Committee

Brad Matheny
Melissa Pease
Jason Webber

Leadership Staff

President & CEO: Jeff Sikora
Senior VP of Finance and Information: Dana Baker
VP of Retail Operations: Kim Rattray
VP of Commercial Services: Lorraine Tomlin
Bethel Branch Manager: Niccole Mansker
Broadway Branch Manager: Jeff Brincefield
Madison Branch Manager: Leslie Timmons
Assistant Branch Manager: Ashley Bandy
Assistant Branch Manager: Brandon Price
System Support Specialist: Jack Welch
IS and Facilities Manager: Matt Kear
Electronic Services Manager: Jackie Kennedy
Accounting Manager: Nicole Terrell
Director of Training and Quality Assurance: Tracy Davis
Sr. Consumer Relationship Manager: Jeremy Allison
Consumer Relationship Manager: Maria Hoyt
Consumer Relationship Manager: Toni Price
Lending Specialist: Greg Wilson
Call Center Manager: Denise Ross
Commercial Relationship Manager: Rhonda Ogle
Commercial Relationship Manager: Vickie Copley
Internal Auditor: Cassie Minch
Trainer/HR Assistant: Sarah Mosier
Marketing Director: Carol Bradshaw
Credit Analyst: Lori Alexander

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Seven Co-Operative Principles for Credit Unions

1. Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4. Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5. Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6. Co-Operation among Co-Operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional, and international structures.

7. Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.



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