

Annual Report
2018

People Helping People.



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People Helping People.





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Meeting Agenda

Call to Order.....Jeff Carter, Chairman

Establishment of Quorum

Introduction of Directors

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

Chairman's Report.....Jeff Carter

Minutes – 82nd AnnualAnnette Balfour, Secretary

Treasurer's Report.....Lora Hildreth, Treasurer

Loan Committee.....Greg Wilson

Commercial Services.....Lorraine Tomlin

Supervisory Committee.....Frank Baldwin

President's Report.....Jeff Sikora

Motion to Approve the Reports Above

Old Business (None for this meeting).....Jeff Carter

New Business

Election of Directors

President's Comments.....Jeff Sikora

Recognition of Staff

Questions & Answers.....General Board

Adjournment.....Jeff Carter



Chairman's Report

Credit Unions are member-owned, democratically controlled financial cooperatives. Within its organizational structure, the Board of Directors serves as the membership's representatives and are accountable to them for its progress. As Chairman, it is my responsibility to provide the membership an annual summary of Prime Trust FCU's well-being. It is my distinct privilege to report that Prime Trust is safe, sound, and doing well.

Our Credit Union continues to evolve; changing in terms of products and services offered and the manner in which they are delivered. Some may question the degree of change we have experienced over recent years. Let me assure you that it's absolutely necessary. An organization that does not change grows irrelevant and dies. Our changes are driven by the changes you make as consumers. Unless we adapt to these changes in behaviors and habits, we will not survive.

One thing that will always remain a constant is our organizational commitment to the Credit Union philosophies of "Not for profit, not for charity, but for service" and "People helping people". It's our dedication to these core philosophies that makes PTF unique.

For the Credit Union to succeed, a high degree of teamwork is required between the Board and Staff. The teamwork at PTF is outstanding. Both groups share a member-focus and commitment to service. Together, we are dedicated to fulfilling our Mission of providing you with financial benefit, however you define it.

In closing, I'd like to thank the other members of the Board, our Official Family, and the PTF Staff for their tireless efforts throughout 2018. In addition, I'd like to thank you, our members, for doing business with us. We appreciate your confidence and trust, and we'll work to earn it every day.

Jeff Carter, Chairman



Jeff Carter, Chairman

Meeting Minutes

The 82nd Annual Meeting was held at the PrimeTrust Financial FCU Annex in Muncie, Indiana on April 18, 2018.

Call to Order: Chairman Jeff Carter called the business meeting of PrimeTrust Financial Federal Credit Union to order at 5:31 p.m.

Quorum: Acknowledged by Secretary, Annette Balfour

Roll Call: By Balfour;

- Motion to accept roll call by Balfour
- Second by Hildreth
- Motion Carried

Board Introduction: Carter introduced the Board of Directors

Annual Report: Carter identified the lists of reports included in the 2018 Annual Report; Chairman's Report, Minutes of 81st 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 Hildreth
- Second by Baney
- Motion carried

Unfinished Business: Carter stated there is none.

New Business: Election Report

- Carter reported that the Nominating Committee's slate of candidates are: Webber, Demaree, Haney
- There were no nominations by petition

- Board was elected by acclamation
 - Motion to approve slate of candidates made by Balfour by acclamation
 - Second by Mann
 - Motion carried

William H. Yohler Memorial Scholarship Award:

- Sikora provided details of the Scholarship
- Sikora announced Madeline Ann Aul as the recipient of the 2018 William H. Yohler Memorial Scholarship

- Linda Mann was recognized for her years of service to the Credit Union Board of Directors

Recognition of Staff

- Sikora recognized the staff in attendance and thanked them for their service

President's Comments

- Sikora discussed the necessity for constant change to continue growth for the credit union

No New Business From the Floor

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

Adjournment: Baney made motion to adjourn at 5:59 p.m.

- Second by Balfour
- Motion carried



Treasurer's Report

One of the major accomplishments for PrimeTrust in 2018 was the improvement in its financial performance. Total revenues were up 5.2% while at the same time, total expenses decreased 11%. This was a winning combination. There were no unusual expenses in 2018 like the Pension Distribution in 2017.

Some of the financial highlights from 2018 included the following:

- Net Income for the year was \$493,620, exceeding our Budget forecast by 14%.
- Total Assets grew to \$158,702,204, an increase over 2017 year end totals of 1.83%. In June, 2018, Assets hit an all-time high of \$167.89 million.
- Total Deposits increased 1.77% in 2018 to \$141,156,987. In March, Total Deposits reached their all-time high at \$149.73 million.
- Total Loans Outstanding grew 4.7% in 2018, ending the year at \$114,454,902. This total was buoyed by \$2.7 million in commercial loan participations.
- Loan production for 2018 topped \$39,600,000.
- Consumer loan production exceeded \$29,000,000.
- Commercial Lending remains a strong business line for PTF. Commercial production in 2018 was \$6.75 million, bringing the Commercial portfolio to \$19,500,000.
- Real estate lending, including first mortgages, topped \$2,200,000 in 2018.
- Home Equity loans totaled \$1.9 million for the year.
- At year end, PTF's Capital Ratio stood at 9.81%, well above the 7% that the NCUA defines as well capitalized.
- Dividends paid to members totaled \$432,821.

Overall, from a financial perspective, 2018 was a solid year for the Credit Union. The combination of new revenue generating initiatives and stronger expense tracking paid dividends. Now the challenge is to sustain the momentum.

Lora Hildreth, Treasurer



Lora Hildreth, Treasurer

People helping people

Loan Committee Report

We focus on providing members with financial benefit that will enhance their quality of life. By providing ready sources of lending, we can meet the immediate needs of our members, while positioning them for future financial success.

PrimeTrust FCU strives to provide products and services that will exceed expectation to our members and membership. Our focus each and every day is the people we serve and creating a member experience that will last a lifetime.

PrimeTrust FCU offers a full line of competitive consumer, mortgage, and commercial products tailored to fit all the needs of our members so that we can be a premier community resource.

We want to be your financial provider of choice by connecting your Family with our Family. "People helping people by providing ready sources of lending"

Greg Wilson, VP of Lending/Internal Sales



Greg Wilson,
VP of Lending/Internal Sales

2018 LENDING SUMMARY

LOAN CATEGORY	LOAN PRODUCTION	LOANS OUTSTANDING
Consumer Loans	\$ 29,235,512.00	\$ 53,086,411.01
Real Estate Loans	\$ 2,200,825.00	\$ 23,390,293.56
VISA Credit Cards	\$ 1,362,950.00	\$ 10,951,886.82
HELOC Loans	\$ 1,212,940.00	\$ 3,055,739.30
Fixed Equity Loans	\$ 706,700.00	\$ 4,470,410.63
Commercial Loans	\$ 4,889,587.00*	\$ 19,500,160.98
Total	\$ 39,608,514.00	\$ 114,454,902.30

*Reflects active balances on lines of credit.



Commercial Services Report

Prime Trust's Commercial Team pulled together for another successful year even through the uncertainty of the local and national economies. The team brought 23 new business relationships to PrimeTrust and wrote 60 new loans in 2018. We increased our loans outstanding to \$19.5 million a 22% increase for the year with a \$6.75 million in total new loan production. This was done through loan participations, SBA partnerships and organic growth. After getting our feet wet with a local financial institution in a loan participation in 2017 we researched and partnered with Loan Street which has enabled us to expand our market through commercial participation loans. We received recognition and an award from the SBA for work done with a local small business in the 504 program.

Our product line expanded to include Merchant Card Services. Through a partnership with Heartland we are able to provide business members the ability to process cards on-line and on-site with local representative and a team of problem solvers just a phone call away. We are looking forward to the roll out of Cash Management Services in mid-2019.

PrimeTrust Financial Awareness/Literacy Program is becoming known as THE program in Delaware County. Presentations to youth and adults at schools and for not-for-profit organizations throughout the community were provided. Over 90 presentations were delivered to 27 organizations. Classes from how to improve your credit score, home buying, saving for college or retirement are all available to our community. These presentations are available to member businesses for employee seminars as well.

The Commercial Services Team looks forward to all that 2019 will bring. We look forward to new partnerships with new businesses and renewed partnerships with member businesses. We are excited about continuing to share our Financial Awareness Program to help educate our members as well as the community at large. It's just one of the ways we can make sure we truly are People Helping People.



Lorraine Tomlin,
VP of Commercial Sales

Lorraine Tomlin , VP of Commercial Services

2018 Financial Statement

ASSETS

Home Equity Loans	\$ 7,526,149.93
Real Estate Loans	\$ 23,390,293.56
Member Business Loans	\$ 19,500,160.98
Share Secured Loans	\$ 337,706.52
All Other Loans	\$ 52,748,704.49
Visa Gold	\$ 3,723,061.61
Visa Classic	\$ 1,389,602.37
Visa Platinum	\$ 5,839,222.84
Total Loans	\$ 114,454,902.30
Allowance for Loan Losses	\$ (1,222,700.10)
Net Loans Outstanding	\$ 113,232,202.20
Cash	\$ 2,545,484.17
Corporate Investments	\$ 4,121,126.70
Bank CDs	\$ 23,288,035.65
NSUSIF	\$ 1,381,643.11
All Other Investments	\$ 9,736,301.65
Total Investments	\$38,527,107.11
Land & Buildings	\$ 2,274,955.05
Furniture & Fixtures	\$ 1,497,995.60
All Other Assets	\$ 624,460.20
TOTAL ASSETS	\$158,702,204.33

LIABILITIES

Accounts Payable	\$ 364,910.02
Dividends Payable	\$ 19,127.48
Unapplied Data Processing	\$ 1,147,491.66
All Other Liabilities	\$ 416,253.91
Total Liabilities	\$ 1,947,783.07
Share Certificates	\$ 23,035,999.62
Share Draft Accounts	\$ 28,752,930.66
Regular Shares	\$ 55,243,576.19
Money Market Shares	\$ 26,530,180.96
IRA Accounts	\$ 4,594,299.42
Total Shares	\$ 141,156,986.85
Regular Reserves	\$ 3,147,530.33
Undivided Earnings	\$ 12,427,424.40
Unrealized Gain/Loss on Investments	\$ 22,479.64
Total Equity	\$ 15,597,434.41
TOTAL LIABILITIES & EQUITY	\$ 158,702,204.33

2018 Income and Expenses

INCOME

	2018	2017
Interest Income on Loans	\$ 6,444,936.82	\$ 6,180,816.27
Investment Income	\$ 643,204.53	\$ 570,241.08
Other Operating Income	\$ 3,683,870.03	\$ 3,505,614.14
TOTAL INCOME	\$ 10,772,011.38	\$10,256,671.49

OPERATING EXPENSES

Employee Compensation	\$ 3,190,823.68	\$ 3,335,652.88
Employee Benefits	\$ 1,081,032.20	\$ 2,152,918.04
Travel & Conference	\$ 9,999.96	\$ 8,314.34
Association Dues	\$ 20,663.20	\$ 19,776.30
Office Occupancy	\$ 471,581.05	\$ 450,203.58
Office Operations	\$ 2,701,728.70	\$ 2,660,219.63
Loan Servicing	\$ 688,613.33	\$ 545,090.40
Professional and Outside Fees	\$ 72,706.35	\$ 115,539.62
Member Insurance	\$ 28,897.05	\$ 33,234.58
Supervisory Fees	\$ 41,163.05	\$ 34,990.54
Miscellaneous Expenses	\$ 671,913.76	\$ 869,715.65
Total Operating Expenses	\$ 8,979,122.23	\$ 10,225,655.56
Income From Operations	\$ 1,792,889.05	\$ 31,015.93
Dividend Expenses	\$ 432,821.53	\$ 399,433.07
Provision for Loan Losses	\$ 940,500.30	\$ 1,007,352.03
Gain/Loss on Investments	\$ 23,849.26	\$ 114,016.41
Gain/Loss on Fixed Assets	\$ 26,036.17	\$ (16,145.24)
Other Non-Operating income	\$ 24,171.24	\$ 21,706.79
NET INCOME/(LOSS)	\$ 493,623.89	\$ (1,256,191.21)

People helping people

Supervisory Committee Report

Just like the Board of Directors, the Supervisory Committee is comprised of volunteers.

The role of the Supervisory Committee is to ensure the credit union's financial records are in order and comply with federal regulations.

In addition to operational oversight, the Committee engages Whiting & Company, LLC to perform the Annual Financial Audit and Quarterly Reviews as required by the National Credit Union Administration (NCUA). Whiting & Company determined that all 2018 accounts and records were in order and certified that the financial statements accurately reflect its financial position.

The Committee also oversees the results of the NCUA's Examination which ensures the credit union is operating in a safe and sound manner and continues to qualify for share insurance through the National Credit Union Share Insurance Fund (NCUSIF). The NCUA performed its periodic examination in January 2019 for the period ending September 30, 2018. The final NCUA report was not complete as of the Annual Report publication.

Frank Baldwin, Chairman



Board Nominees

David Baney

David Baney has been a member of PrimeTrust FCU since 1989 and a member of the Board of Directors since 2016. David has been a small business owner for over 20 years. He owns Baney Excavating and Baney Way Trucking and Contractors Solidfill and Recycling.

He is a graduate of Wapahani High School and attended Ball State University. David is married to his wife Susan of 20 years and has two children, David and Alexis.



Jeff Carter

Jeff Carter is a current board member and a native of Detroit, Michigan. He was the owner of Jeffrey E Carter Jewelers and was in business for over 44 years before retiring. Jeff has been on the board of Muncie Civic Theatre for over 35 years and has also served on the board of the Muncie Children's Museum.

He is a founding member of the Sunrise Rotary and a former member of the Noon Rotary and The Muncie Exchange. Jeff is married to Connie Carter and they have four children and 10 grandchildren.



Sue Dalton

Sue Dalton is a long-time member of PrimeTrust FCU and serves on the Supervisory Committee. She owns Dalton & Co. Professional Cleaning Supply in Muncie and has been in business for over 15 years. Sue is active with the Chamber of Commerce, Women in Business Unlimited, A Better Way, Meridian Services, YWCA and several other nonprofit organizations.

Among other civic awards, she has been the recipient of the Athena and Spirit of Small Business Awards. Sue has four children, 11 grandchildren and 5 great-grandchildren.



President's Report

Tonight, we gather to celebrate the successes and accomplishments that PTF enjoyed in 2018. It was a year that the Credit Union experienced solid Net Income, reduced expense levels, and strong loan growth. If there's a Trifecta in the Credit Union Industry, that's it. But 2018's successes did not come easily; it took a great deal of hard work from many people at all levels of the Credit Union. It was a team effort, and thankfully, the Credit Union fields a strong line-up.

The members of this team deserve recognition for their contributions to the Credit Union's successes. At the top of our order is our Board of Directors. Bear in mind that Directors are volunteers and receive no compensation for their hours of hard work. As representatives of the membership, they are expected to insure that the Credit Union operates in a safe and sound manner. The direction of the organization is their responsibility and they are accountable to the membership.

The middle part of our order is made up of the Credit Union Staff. Staff members are trained to be member advocates, working to provide members with excellent service while saving them time and money. They are expected to bring their A-Game every day. Our members are our owners and deserve our best effort every day.

However, the Heart and Soul of our order is our membership. We are grateful to each of you doing business with us in 2018. It was because of your trust in us that 2018 was the success it was. A special thank you to all our members; we couldn't have done it without you.

We are committed to living the Credit Union's philosophy of "People helping People" every day.

Jeffrey E. Sikora, President



Jeffrey E. Sikora
President



Causes We Support

Committed to a Stronger Delaware County

As a non-profit co-operative of People Helping People, we're dedicated to ensuring that Delaware County is a strong and vibrant place for our employees to live, work, and raise families.

Chamber of Commerce

Child Abuse Awareness Month

Cornerstone Center for the Arts

Economic Development Alliance

Muncie Civic Theater

College Mentors For Kids

Chamber Champions

Relay For Life

Shop with a Cop

100 Men who Cook

A Better Way

YWCA

Young Artists Exhibition

Altrusa

Angel Worx

AITP

Athena Awards

Brookside Haven Care Center

Muncie Mission

ICU Day of Kindness

Forrest Park Senior Center

Life Stream Services

IN Council for Economic Education

Secret Families

Soup Kitchen of Muncie

Second Harvest Food Bank

WIBU

Muncie Gala

Veteran's Day Meals

American Red Cross

AMBUCS

Bridges Community Services

Guardian Scholars Program

Glad Tidings Church

Tools for Schools

Hillcroft Services

MCM PBS Kids Lab

IPR Evening at the Vineyards

Little Red Door Cancer Agency

National Fire & Safety Council

Meridian Services' Fam Fest

YWCA In Her Heels

Soup Crawl

Youth Opportunity Center

YMCA

Ball State University Athletics

Action For Animals

Hearts & Hands United

ARF

Huffer Child Care Resource

Ross Community Center

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2018 Board of Directors

Board of Directors for 2018

Jeff Carter, Chairman
David Haney, Vice Chairman
Lora Hildreth, Treasurer
Annette Balfour, Secretary
David Baney
Gary Demaree
Jason Webber

Supervisory Committee for 2018

Frank Baldwin
Gary Demaree



PTF Staff

Executive Staff

Jeff Sikora Kim Rattray Dana Baker Lorraine Tomlin Greg Wilson

Branch Managers

Niccole Mansker Ashley Bandy Denise Ross

Commercial Services

Lori Alexander Jeremy Allison Vickie Copley Rhonda Ogle Toni Price

IT/IS

Jack Welch Matt Kear Juan Navas Tracy Davis Jackie Kennedy

Support Staff

Sarah Price Maria Hoyt Cassie Minch Nicole Terrell Katie McDowell

Electronic Services

Jackie Clevenger
Lorei Sloan
Beth McCreery

Mortgages

Michelle Turner
Tami Powell

Loan Officers

Joyce Snider
Sheila Kerr
Cathy Creek
Chrissy Rigney

Collections

Michelle Locke
Taylor Hornbeck

Accounting

Kristi Studebaker
Rebecca Nicholson

Tellers

Lisa Ambrosetti
Lisa Stewart
Jessica Helms
Shellee Elliott
Calli Thompson
KiaBeth Berrara
Ashleigh Dickerson
Chris Alexander
Jessica Hines
Brandi Hartman
Sherri Johnson
Austin Powell

MSR/UE

Chris Clevenger
Julie Dobbs
Deanna Helms
Jodie Hatcher
Sherry Miller
Melissa Allen
Cindi Harrold
Shannon Stephenson
Gregg Arbogast
Nathan Hart
Harlie Hershberger
Emerald King
Ewa Payne
Sheila Arleas

Head Tellers

Ryan McVey
Jennifer Johnson
Mikayle Licht
Celia Breeding

Clerks

LeighAnn Kesler
Amanda Vollmar
Dorelle Cheek

Seven Co-Operative Principles of Credit Unions

1. Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all persons who are able to use their services and are 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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