



Make it Happen

Annual Report 2014

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 – 78th Annual Meeting _____ George McKibben, *Secretary*

Treasurer's Report _____ Lora Hildreth, *Treasurer*

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

Business Services Group _____ Lorraine Tomlin, *VP of Commercial Services*

Supervisory Committee _____ Jason Webber, *Supervisory Chairman*

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 79th Annual Meeting of PrimeTrust Financial



78th Annual Meeting Minutes

The 78th Annual Meeting was held at the Cornerstone Center for the Arts in Muncie, Indiana on April 23, 2014.



George McKibben,
Secretary

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 2013 Annual Report brochure: Chairman's Report, Minutes of 77th 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 McKibben.
- Second by Cross
- Motion carried

Unfinished Business: Smith stated there is no unfinished business.

New Business

Election Report

- Smith reported that the Nominating Committee's slate of officers are Smith and Balfour.
- There were no nominations by petition so the slate is approved by acclamation.
 - Motion to approve slate by acclamation made by Hildreth.
 - Second by Cross
 - 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 Robert Glenn Fox as the recipient of the 2014 William H. Yohler Memorial Scholarship.

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 challenged the Staff and Directors to foster relationships with members to "help them find a way."

No New Business from the floor.

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

Adjournment: McKibben made motion to adjourn at 7:18 p.m.

- Second by Cross
- Motion carried

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 distinct privilege to report that PrimeTrust is safe and sound and doing well.



Marilyn Smith,
Chairman

Our theme this year is "making it happen," and throughout 2014, the Staff and Management committed themselves to doing that for all members. Our Credit Union continues to change in terms of products and services offered, as well as the manner in which they are delivered. Some may question the amount and degree of change we've gone through in recent years. Let me assure you that it's absolutely necessary. An organization that does not change grows stale and irrelevant. In order for PrimeTrust to continue to offer financial value to our members, we need to be aware of your changing needs and consumer habits. The market is extremely competitive, and unless we adapt and provide you the products and services you want, we will not survive.

But while the Credit Union continues to evolve, there is one thing that will always remain constant. That constant is our commitment to the Credit Union philosophies of "Not for profit, not for charity, but for service!" and "People helping People." It's this dedication to service that makes PrimeTrust unique.

In order to "make it happen" for our membership, a high degree of teamwork is required between the Board and Staff. The level of teamwork at PrimeTrust is outstanding. Both are member focused and service driven. They are dedicated to fulfilling our Mission of providing you with financial benefit, no matter how you define it.

In closing, I'd like to thank the other Directors, members of the Credit Union's Official Family, and our PTF Staff for their tireless efforts in 2014. Additionally, 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.

Marilyn Smith, Chairman



President's Report



Jeffrey Sikora,
President/CEO

Credit Unions run in my blood. My Father helped found a credit union in the late 1950s, and he was a long-time volunteer. He was also an active member, using the Credit Union for all his financial needs. I remember him saying that “No matter what his need was, the Credit Union found a way to make it happen.”

What great testimony that was to the Credit Union’s service orientation and recognition of Dad as an individual with his own story. Although it’s over 50 years later, and PrimeTrust looks little like the credit union my Dad used, we continue that dedication to our members of “finding a way to make it happen.” Here are some of the ways we tried to “make it happen” for our members in 2014.

First, we set a PTF record for loans disbursed in 2014, closing a total of over \$43,000,000. That amount included car loans, personal loans, credit cards, first and second mortgages, and some business loans. PTF diversified its loan offerings several years ago so that we can provide credit to our members no matter what their need. And as always, your story matters with us.

Another example of “making it happen” for members was our introduction of Peace of Mind Checking, featuring IDProtect, a comprehensive credit and identity monitoring service. This product protects you from fraudulent activity related to unauthorized transactions on your credit history or your personal identification. Given all the retail data breaches and that of a recent medical provider, IDProtect provides a real value to PTF members.

Our final example of “making it happen” for members comes to you as the Patronage Dividend. As a financial co-operative, PTF embraces the concept of “return to the member,” and we do that by rewarding members for doing business with us. For 2014, we returned over \$115,000 to qualifying members through the Patronage Dividend.

In closing, I want to recognize the PTF staff and the members of the Board and Supervisory Committee for all their efforts during the year. Their dedication to “making it happen” is a daily commitment, and PTF couldn’t succeed without them.

Jeffrey Sikora, President/CEO

Treasurer's Report



Lora Hildreth,
Treasurer

As Treasurer of the Board, it is my pleasure to report on PrimeTrust Federal Credit Union's financial performance for 2014. We made things happen – here are a few highlights:

- PTF's Capital Ratio remained strong at 10.67%. (NCUA, our Federal Regulator, defines well-capitalized at 7.0%.)
- Loan production for all types of loans exceeded \$43,000,000. Included in this total was \$33,588,942 in consumer loans, over \$4,189,390 in real estate loans, and \$5,397,821 in commercial loans.
- The PTF Patronage Dividend paid out a record \$116,840 with the total number of awards of 6,655, up almost 21% from the previous year.
- Year-End Assets were \$147,300,143. For the year, Assets grew 2.1%
- Net Loans Outstanding were \$102,054,006. Loans outstanding were up 6.95% from the previous year.

As we move into 2015, PTF wants to continue to make things happen for the community and its members. Providing the services needed for members, such as IDProtect and financial education, as well as providing for the community through service and sponsorship, gives us the footing to remain a pillar in the community.

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 will strive to make it happen for all of our members and the community.

Lora Hildreth, Treasurer



Loan Committee Report



Dana Baker,
Senior VP of Finance
and Information

PrimeTrust FCU always wants to be a resource for its members. One way we strive to help is by finding a way to “make it happen.”

What is “it?” It can be a bigger car for an expanding family. It can be a Home Equity Line of Credit for home improvements. It can be a consolidation loan to help through a tight spot. It can be a credit card for a first-time borrower. It can mean different things to different members.

Whatever the member’s need, PTF can find a way to make “it” happen!

PrimeTrust continues to offer a full line of competitive consumer, mortgage, and commercial products to fit the needs of all borrowers. Especially popular is the Home Equity Line of Credit that is accessible with a VISA card.

When you need a loan, think of your credit union as a way to “make it happen!”

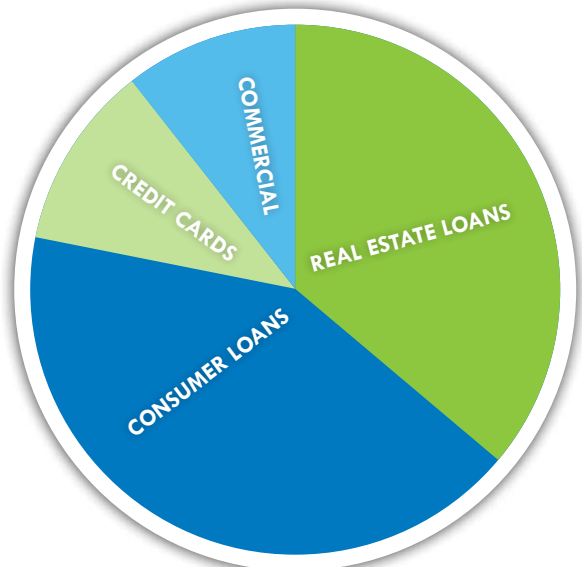
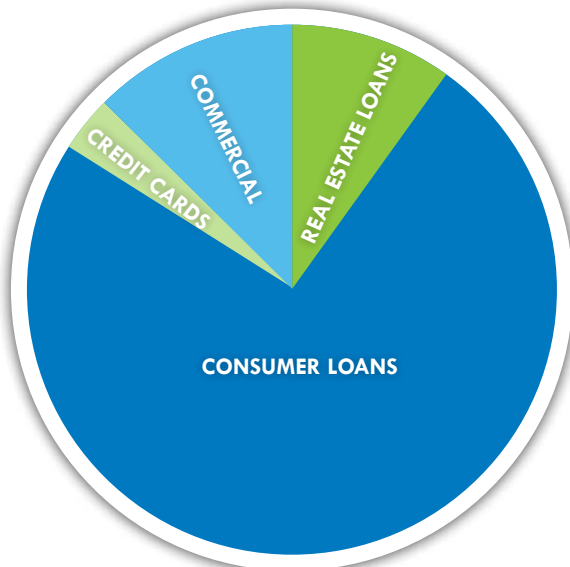
Dana Baker, Senior VP of Finance and Information

The loan production for 2014

- \$4,189,390 Real Estate loans
 - \$32,023,218 Consumer loans
 - \$1,296,025 Credit Cards
 - \$5,493,137 Commercial
- for total loan production of \$43,001,770

Overall Loan portfolio composition

- \$36,992,915 Real Estate loans
 - \$43,976,356 Consumer loans
 - \$11,217,950 Credit Cards
 - \$10,966,365 Commercial
- for a total loan portfolio of \$103,153,586



2014 Financial Statement

Assets

Home Equity Loans	\$ 7,442,582.67
Real Estate Loans	\$ 29,550,332.40
Member Business Loans	\$ 10,966,365.19
Share Secured Loans	\$ 532,533.14
All Other Loans	\$ 43,443,823.04
VISA® Gold	\$ 4,080,738.74
VISA® Classic	\$ 1,437,056.79
VISA® Platinum	\$ 5,700,154.49
Total Loans	\$ 103,153,586.46
Allowance for Loan Losses	\$ (1,099,580.06)
Net Loans Outstanding	\$ 102,054,006.40
Cash	\$ 3,016,924.76
Corporate Investments	\$ 5,867,130.13
Bank CDs	\$ 25,436,005.00
NCUSIF	\$ 1,264,772.50
All Other Investments	\$ 5,290,345.75
Total Investments	\$ 37,858,253.38
Land & Buildings	\$ 2,550,526.17
Furniture & Fixtures	\$ 1,265,461.03
All Other Assets	\$ 554,971.50
TOTAL ASSETS	\$ 147,300,143.24

Liabilities

Accounts Payable	\$ 367,137.89
Dividends Payable	\$ 27,141.79
Unapplied DP Exceptions	\$ 3,716,063.60
All Other Liabilities	\$ 628,887.37
Share Certificates	\$ 24,975,369.15
Share Draft Accounts	\$ 20,858,031.82
Regular Shares	\$ 45,284,045.07
Money Market Shares	\$ 22,681,241.63
IRA Accounts	\$ 13,048,910.26
Total Shares	\$ 126,847,597.93
Regular Reserves	\$ 3,147,530.33
Undivided Earnings	\$ 12,565,784.33
Total Equity	\$ 15,713,314.66
TOTAL LIABILITIES & EQUITY	\$ 147,300,143.24



2014 Income and Expenses

	2014	2013
Income		
Interest Income on Loans	\$ 5,855,974.09	\$ 5,860,350.18
Investment Income	\$ 377,823.85	\$ 377,805.91
Other Operating Income	\$ 3,067,774.51	\$ 2,786,411.57
Total Income	\$ 9,301,572.45	\$ 9,024,567.66
Operating Expenses		
Employee Compensation	\$ 2,757,070.97	\$ 2,631,836.47
Employee Benefits	\$ 913,236.92	\$ 802,866.66
Travel & Conference	\$ 21,053.01	\$ 13,533.05
Association Dues	\$ 19,175.70	\$ 18,963.20
Office Occupancy	\$ 425,410.16	\$ 442,756.34
Office Operations	\$ 2,271,508.49	\$ 2,267,156.03
Loan Servicing	\$ 479,489.16	\$ 469,421.52
Professional & Outside Services	\$ 94,824.42	\$ 114,921.34
Member Insurance	\$ 29,975.47	\$ 32,870.56
Supervisory Fees	\$ 26,618.27	\$ 31,573.76
Miscellaneous Expenses	\$ 845,541.01	\$ 732,409.95
Total Operating Expenses	\$ 7,883,993.58	\$ 7,558,308.88
Income from Operations		
	\$ 1,417,578.87	\$ 1,466,258.78
Dividend Expenses	\$ 482,889.45	\$ 536,320.45
Provision for Loan Losses	\$ 1,034,382.37	\$ 698,371.95
Gain/Loss on Investments	\$ 37,058.96	\$ 42,839.80
Gain/Loss on Fixed Assets	\$ (30,570.52)	\$ -
Other Non-Operating Income	\$ 3,859.45	\$ 3,211.82
NET INCOME/(LOSS)	\$ (89,345.06)	\$ 277,618.00

Commercial Services Report

As a community chartered cooperative financial institution, PrimeTrust Federal Credit Union is member owned and locally managed. When you tell your story to anyone in the Credit Union, you are dealing with your neighbors. And we are dedicated to making good things happen for you!



Lorraine Tomlin,
VP of Commercial
Services

PrimeTrust's Commercial Services Group had a strong year in 2014 and strengthened the Credit Union's position as a committed and viable commercial services provider. The business market in Delaware County is fiercely competitive. However, PrimeTrust's Commercial Group saw significant increase in deposits and loan balances throughout the year. Business deposits grew over 81% during 2014, representing an increase of over \$1 million. PTF's commercial loan portfolio grew over 21%, closing over \$5 million dollars in commercial loans.

Commercial relationships are primarily generated through networking, and our staff of business officers covered a great deal of ground in 2014. In addition to many referrals from our client base, we attended 60 networking events and called on 340 businesses. Our Group members are affiliated with 12 clubs or organizations. The results from these initiatives resulted in 22 new client relationships and nearly 70 new loans.

Our business portfolio is quite diverse and includes office holding companies, religious organizations, real estate leasing companies, food manufacturing and health care. We continue to listen to your unique story so we may provide the best products and services for your specific need. We are dedicated to helping your business grow and prosper.

The Commercial Services Group from PrimeTrust is committed to making good things happen for your business in 2015!

Lorraine Tomlin, VP of Commercial Services



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 of Whiting & Company LLC to perform the Annual Audit and Quarterly Reviews as required by the National Credit Union Administration (NCUA).

In 2014, this audit and quarterly reviews were performed by Whiting & Company LLC. 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 Deposit Insurance. The results of the 2014 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 Deposit Insurance.



Jason Webber,
Supervisory
Committee Member

Jason Webber, Supervisory Committee Member





Board Nominees

Jason Webber

Jason Webber has been an officer with the Muncie Police Department since 1995. Jason holds both his Bachelor of Arts and Master of Public Administration degrees from Ball State University and successfully graduated from Northwestern University's School of Police Staff and Command. Jason currently serves as an adjunct faculty member in the criminal justice department at Ivy Tech Community College of Indiana.



Jason lives in Delaware County with his wife of 14 years, Kate, and their three children. He is a member of Saint Mary Catholic Church. His involvement with the community includes: Chairperson on PrimeTrust's Supervisory Committee, 3rd degree member of the Knights of Columbus (prior Deputy Grand Knight), PL221 Steering Committee member at Northview Elementary School, and has coached youth soccer, baseball, and football locally.

Linda Mann

Linda Mann is semi-retired from Muncie Tool & Manufacturing Inc. and lives in Delaware County with her husband, John. Linda and John will celebrate their 50th wedding anniversary in July. They have two sons, four grandkids and one great-grand son.



Linda enjoys walking and is a member of Glad Tidings Church. She has been a volunteer at Ball Memorial Hospital and does elderly and shut-in visits for her church. She has served on the PrimeTrust Supervisory Board for two years and has been a Board Member for over five years.

2015 Yohler Scholarship

PrimeTrust Federal Credit Union has awarded the 2015 William H. Yohler Memorial Scholarship to Ericka Paige Pursley.



Ericka Paige Pursley

Ericka, a senior at Delta High School, is the daughter of Stacey Delaney and Todd Pursley. Ericka plans on attending University of Indianapolis to pursue a degree in Exercise Science.

Ericka's career goal is to get her doctorate then return to Muncie to obtain a stable job.

She has participated in softball, basketball, and volleyball for four years. She has been a member of National Honor Society and Blue Crew for the past three years.

Ericka has volunteered for Toys for Tots and Walk to End Alzheimer's. She has been a part of several All-Conference and All-County Teams.

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.



William (Bill) H. Yohler

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 Robert (Rob) Glenn Fox from Delta High School.



Causes We Support

PrimeTrust is proud to be part of the Muncie-Delaware community. Here's a list of some of the organizations PrimeTrust supported in 2014.

- | | |
|--|-----------------------------------|
| 100 Men Who Cook | Huffer Little 500 |
| Alpha Phi | IHOP Veterans Day |
| Altrusa | Indiana Premier Baseball |
| Ball State Athletics | IPR Wine Tasting |
| Big Brothers Big Sisters Dance for Kids Sake | LifeStream |
| Boys & Girls Club | Longhorns |
| Burriss Golf Team | Master Gardeners |
| Cardinal Greenway | Minnetrista |
| Chamber After Hours | Muncie Cardinals |
| Chamber Annual Meeting | Muncie Civic Theater |
| Chamber Bowl | Muncie Crime Stoppers |
| Chamber Champions | Muncie Symphony |
| Chamber Cup | Muncie Young Professionals |
| Community Christmas Sing | P3 School |
| Cornerstone - Taste of Muncie | Prevent Child Abuse Golf Outing |
| Cowan Boys Tri-County | Relay for Life |
| Cowan Elementary | Second Harvest |
| Credit Union's Day of Kindness | Selma Blue Bird Days |
| CUNA School | Selma Little League Team |
| Daleville Little League | Sherriff's Dinner |
| Delaware County Fair Hog Wrestling | Upwards Basketball |
| Delta Boosters | Wapahani Wrestling |
| Delta Troupers | Wes-Del Baseball |
| Dunkirk Elks Club | WIBU Catalyst |
| Economic Development Alliance - Vison | WIPB Telesale & Muncie Children's |
| Fallen Heroes Car Show | Museum Kid's Lab |
| Forrest Park Senior Center | YWCA In Her Heels |
| Haunted Forest | |
| Hillcroft | |

The Power of Teamwork



Madison Staff (Above)

Back Row – Chris Kluge, Shellee Elliott, Dana Wyatt, Angie Baker, Amanda Vollmar, Cathy Creek

Sitting – Carolyn Reagan-Mundy, Leslie Timmons, Jodi Hatcher, Lisa Stewart

Commercial Services (Left)

Back Row – Rhonda Ogle, Vickie Copley

Sitting – Lorraine Tomlin, Lori Alexander



Call Center and Recapture

Back Row – Sherry Miller, Joyce Snider, Maria Hoyt

Sitting – Chris Clevenger, Sarah Mosier, Deanna Helms

Not Pictured – Liz Donovan, Denise Ross



Electronic Services and Accounting

Back Row – Rita Tharp, Trina Bowling, Mary Denney, Nichole Terrell

Sitting – Jacki Clevenger, Jackie Kennedy

Not Pictured – Jen Scroggins



Bethel Tellers and Member Service Representatives

Back Row – Ashley Bandy, Chrissy Rigney, Leigh Ann Kesler, Shaina Shroll, Niccole Mansker, Michelle Locke, Rhonda Jordan, Sheila Kerr, Julie Dobbs

Sitting – Barb Pearson, Karen Sanders, Sloane Matheny, Melissa Allen, Shannon Stephenson

Not Pictured – Kristie Collins



Broadway Staff (Above)

Back Row – Beth McCreey, Lorei Sloan, Cindi Harrold, Vicki Hughes, Haley Fullhart

Sitting – Joyce Pierce, Pam Qualkinbush, Lisa Ambrosetti



Mortgage Department and Collections (Right)

Back Row – Tami Powell, Greg Wilson, Michelle Turner

Front Row – Char Everett, Celia Breeding

Board of Directors



Marilyn Smith, Chairman



George McKibben, Secretary



Lora Hildreth, Treasurer



Annette Balfour, Director



Jeff Carter, Director



LaRue Cross, Director



Linda Mann, Director

Leadership Team



Jeffrey Sikora, President/
CEO



Dana Baker, Senior VP of
Finance and Information



Kim Rattray, VP of Retail
Operations



Lori Alexander, Credit
Analyst



Jeremy Allison, Consumer
Relationship Manager



Carol Bradshaw, Director
of Marketing



Vickie Copley, Commercial
Relationship Manager



Tracy Davis, Director of
Training & Quality Assurance



Maria Hoyt, Call Center
Manager



Matt Kear, IS and
Facilities Manager



Jackie Kennedy, Electronic
Services Manager



Nicolle Mansker, Bethel
Branch Manager



Cassie Minch, Internal
Auditor



Rhonda Ogle, Commercial
Relationship Manager



Nicole Terrell, Accounting
Manager



Leslie Timmons, Madison
Branch Manager



Lorraine Tomlin, VP of
Commercial Services



Pam Qualkinbush,
Broadway Branch Manager



Jack Welch, System
Support Specialist



Greg Wilson, Lending
Specialist

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.



Your Story Matters Here...

Federally insured by NCUA

