



# Annual Report 2016



Fort Financial  
Credit Union

# Chairman's Report

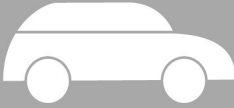
As Chairman of the Board, I would like to thank our members for another great year for Fort Financial Credit Union. We continue see growth in key areas and a very stable future for Fort Financial.

Our key financial indicators once again demonstrated a strong completion to 2016. For the past year, the board and management team have continued to look strategically toward the future by establishing a fresh mobile presence with improved services, a relationship

pricing model which rewards members who trust the credit union with their financial resources, and a refined focus on developing employees who are equipped for, and engaged in, the mission of Fort Financial Credit Union.

The future for the credit union is very bright as this year will continue to bring additional services and support systems to facilitate your financial success at Fort Financial.

Jeff Leichy, Chairperson



**\$70 Million** in New Loans



**\$15 Million** in New Mortgages



**< 1%**  
Loan  
Delinquency



**\$1 Million**  
Saved by Members



**\$10 Million**  
Net Increase  
in Loans &  
Deposits

# Management Report

2016 was an exceptional year that ended even better than projected. We launched several new initiatives that we are very proud of, while continuing to focus on meeting or exceeding our members' needs. Financially, we improved in nearly every category. We continue to be considered in strong and sound financial condition by our auditors and regulators.

We originated nearly \$70 million in new loans. This was a steady increase over each of the past couple of years. The largest growth came directly from our branches. We increased face-to-face lending by over \$2 million from the previous year. Our mortgage department had one of our busiest years this decade and booked approximately \$15 million in first mortgages. These resulted in a growth of \$3.5 million in our loan portfolio.

Loan delinquency fell to less than 1%, and our provision for loan loss expense also decreased to less than \$1 million. The quality of the credit union's loan portfolio is strong and contributes to 60% of the credit union's revenue.

Our improvements in face-to-face lending allowed us to rely less upon indirect loans through auto dealerships and gave us the opportunity to provide rebates directly to our members. We gave our members a 1% cash back incentive for auto loans. This incentive, plus a more favorable interest rate, saved our members over one million dollars!

A significant change in 2016 was implementing relationship levels. This

provided discounts, bonus CD rates and bonus loan rates to members that utilize the credit union more, and the ability to avoid or waive fees. This resulted in a net growth of over \$10,000,000 in loans and deposits. It also increased enrollment in eStatements by over 85%, which reduces expenses and allows us to continue to offer better rates and less fees than most institutions.

We successfully launched a new mobile app. This added new features like the ability to deposit a check into your account or pay a bill from your account simply by taking a picture of it. It also took advantage of some of the newest technologies available in cell phones, like finger print scanning and iPhone's "hard-touch". The functionality continued to grow through 2016 and is being further developed through 2017. We look forward to replacing our current desktop online version by the end of 2017 with a new product that is seamless and fully integrated with our mobile app.

We look forward to the year ahead and pledge to continue to make efforts that will want to make our members choose Fort Financial FIRST for all their financial services, products and advice.

Steve Collins, President & CEO  
Michael Stratton, CFO & VP of Strategic Services  
J. Arnold, VP of Lending  
Tammy Hartman, VP of Sales & Service  
Michael Boker, VP of Information Technology

# Operating Statement

	2016	2015
<b>Income</b>		
Interest on Credit Cards	745,967	584,700
Interest on Other Loans	6,416,384	6,830,841
Income on Investments	192,973	77,557
Miscellaneous Income	5,050,675	4,529,095
Other Gains or Losses	(17,080)	0
<b>Total Income</b>	<b>12,388,919</b>	<b>12,022,193</b>
<b>Expenses</b>		
Salaries (Wages)	3,878,845	3,654,928
Benefits	1,387,946	1,391,109
Travel & Conference	129,451	125,786
Association Dues	7,384	7,232
Office Occupancy	775,066	771,301
Office Operations	2,846,501	2,792,976
Loan Servicing	201,872	280,145
Outside Services	647,267	593,431
Operating Fee (NCUA)	38,289	(40,413)
Miscellaneous	78,162	9,653
<b>Total Operating Expenses</b>	<b>9,990,783</b>	<b>9,586,148</b>
<b>Distribution of Income</b>		
Dividends (All Accounts)	574,115	475,116
Provisions for Loan Losses	993,480	1,168,783
Interest on Borrowed Money	115	719
<b>Net Income to Undistributed Earnings</b>	<b>830,426</b>	<b>791,427</b>

# Financial Statement

	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
Credit Card Loans	11,934,708	10,239,048
Real Estate Loans	39,115,016	45,324,009
All Other Loans	119,620,202	111,602,735
Allowance for Loan Loss	(1,730,148)	(1,826,994)
Cash on Hand	5,355,167	4,291,922
Investments	33,459,505	31,120,902
Land & Building	4,692,808	5,105,707
Other Assets	10,438,717	9,137,241
<b>Total Assets</b>	<b>222,885,975</b>	<b>214,994,570</b>
<b>Deposits</b>		
Liabilities		
Certificates	28,161,973	24,065,430
Share Drafts	38,941,253	39,457,280
IRAs	16,157,370	16,016,610
All Other Deposits	121,141,636	117,661,616
<b>Total Deposits</b>	<b>204,402,232</b>	<b>197,200,936</b>
Other Liabilities	1,233,627	1,077,322
Equity Capital	17,250,116	16,716,312
<b>Total Equity and Liabilities</b>	<b>222,885,975</b>	<b>214,994,570</b>

# Leadership

## Board of Directors

**Jeff Leichty, Chairperson**  
*Indiana Tech, Director of IT*

**Nick Bond, Vice Chairperson**  
*Russ Moore Transmission, CEO*

**Shelly Musolf, Secretary**  
*Indiana Tech, Controller*

**Dave Eckert, Treasurer**  
*ITT Exelis, Retired*

**Scott Beam, Board Member**  
*Taylor Communications, Business Development Manager*

**Steve Collins, Board Member**  
*Fort Financial Credit Union, President & CEO*

**George Eldridge, Board Member**  
*Dana Corporation, Retired*

**Jonathan Ray, Associate Board Member**  
*Fort Wayne Urban League, President & CEO*

## Executive Management

**Steve Collins, President & CEO**

**Michael Stratton, CFO & VP Strategic Services**

**J. Arnold, VP Lending**

**Tammy Hartman, VP Sales & Service**

**Michael Boker, VP Information Technology**

## Supervisory Committee

**Val Eakins, Chairperson**  
*Ivy Tech, Executive Director of Administration*

**Shelly Musolf, Committee Member**  
*Indiana Tech, Controller*

**Christopher Reed, Committee Member**  
*Fort Wayne Police Dept., Police Officer*



## Fort Financial

Credit Union

(260) 432-1561 ★ [fortfinancialcu.org](http://fortfinancialcu.org)

