

Annual Report

2015



Balance Sheet

ASSETS	2014 AMOUNT	2014 % OF ASSETS	2013 AMOUNT	2013 % OF ASSETS	DIFFERENCE
Loans To Members (Net Of Allow For Loan Loss)	\$ 769,717,551	75.45%	\$ 697,972,886	73.46%	\$ 71,744,665
Cash and Cash Equivalents	57,330,031	5.62%	41,965,086	4.42%	15,364,945
Investments	104,475,102	10.24%	133,841,558	14.09%	(29,366,456)
Accrued Income: Loans	1,817,497	0.18%	1,597,088	0.17%	220,409
Accrued Income: Investments	334,597	0.03%	346,453	0.04%	(11,856)
Building/Land (Net)	31,764,254	3.11%	25,170,409	2.65%	6,593,845
Furniture/Fixtures (Net)	6,379,779	0.63%	6,383,094	0.67%	(3,315)
NCUA Deposit	7,990,887	0.78%	7,479,654	0.79%	511,233
Other Assets	40,418,168	3.96%	35,344,259	3.72%	5,073,909
TOTAL ASSETS	\$ 1,020,227,866	100.00%	\$ 950,100,487	100.00%	\$ 70,127,379
LIABILITIES AND EQUITY					
Corporate Drafts Outstanding	\$ 3,072,199	0.30%	\$ 2,997,273	0.32%	\$ 74,926
Regular Shares/Clubs/IRA's	210,103,919	20.59%	186,589,994	19.64%	23,513,925
Money Market	258,450,636	25.33%	235,553,819	24.79%	22,896,817
Certificates	184,313,073	18.07%	202,198,296	21.28%	(17,885,223)
Checking	216,735,397	21.24%	177,900,146	18.72%	38,835,251
Accounts Payable	438,291	0.04%	343,803	0.04%	94,488
Loans Payable	43,690,264	4.28%	46,175,779	4.86%	(2,485,515)
Other Liabilities	8,061,545	0.79%	11,167,419	1.18%	(3,105,874)
TOTAL LIABILITIES	\$ 924,865,324	90.65%	\$ 862,926,529	90.82%	\$ 61,938,795
EQUITY					
Reserves	\$ 19,899,638	1.95%	\$ 19,899,638	2.09%	\$ -
Accumulated Other Comprehensive Loss	(7,630,473)	-0.75%	(8,749,981)	-0.92%	1,119,508
Retained Earnings	83,093,377	8.14%	76,024,301	8.00%	7,069,076
TOTAL EQUITY	\$ 95,362,542	9.35%	\$ 87,173,958	9.18%	\$ 8,188,584
TOTAL LIABILITIES AND EQUITY	\$ 1,020,227,866	100.00%	\$ 950,100,487	100.00%	\$ 70,127,379

Income Statement

INCOME	2014 AMOUNT	2014 % OF GROSS INCOME	2013 AMOUNT	2013 % OF GROSS INCOME	DIFFERENCE
Loan Interest	\$ 30,750,061	65.87%	\$ 29,096,250	67.44%	\$ 1,653,811
Investment Income	2,010,584	4.31%	2,514,668	5.83%	(504,084)
Other Income	13,759,398	29.48%	11,550,485	26.77%	2,208,913
Gain (Loss) On Investments	266,952	0.57%	20,577	0.05%	246,375
Gain (Loss) Disposition Of Assets	(106,734)	-0.23%	(38,766)	-0.09%	(67,968)
TOTAL GROSS INCOME	\$ 46,680,261	100.00%	\$ 43,143,214	100.00%	\$ 3,537,047
EXPENSES					
Staff Compensation/Benefits	\$ 17,269,751	37.00%	\$ 15,570,571	36.09%	\$ 1,699,180
Training/Staff Development	439,169	0.94%	194,399	0.45%	244,770
Association Dues	80,261	0.17%	73,135	0.17%	7,126
Cost of Space	1,396,081	2.99%	1,170,901	2.71%	225,180
Cost of Operations	7,603,634	16.29%	6,451,651	14.95%	1,151,983
Marketing/Promotions	1,262,819	2.71%	1,116,568	2.59%	146,251
Annual Meeting/BOD Election	6,304	0.01%	25,902	0.06%	(19,598)
Provision For Loan Losses	1,655,521	3.55%	2,159,564	5.01%	(504,043)
Professional Services	826,153	1.77%	469,096	1.09%	357,057
Loan Expenses	2,123,649	4.55%	2,037,321	4.72%	86,328
Borrowed Money Expense	1,288,004	2.76%	1,408,827	3.27%	(120,823)
Miscellaneous Expense	393,297	0.84%	377,595	0.88%	15,702
TOTAL OPERATING EXPENSE	\$ 34,344,643	73.57%	\$ 31,055,530	71.98%	\$ 3,289,113
PAID TO MEMBERS					
Certificate Interest	\$ 2,350,197	5.03%	\$ 2,863,196	6.64%	\$ (512,999)
Dividends	3,108,966	6.66%	2,740,395	6.35%	368,571
TOTAL PAID TO MEMBERS	\$ 5,459,163	11.69%	\$ 5,603,591	12.99%	\$ (144,428)
ADDED TO EQUITY	\$ 6,876,455	14.73%	\$ 6,484,093	15.03%	\$ 392,362

Board of Directors

DCCU's Board of Directors is comprised of members who volunteer their time and expertise to the membership by overseeing the management of the credit union. Board members serve three-year terms and are elected by the members.

Everett J. Campbell, Jr. *Chairman*

Maurice Gresham *Vice Chairman*

Leslie E. Ramsey *Treasurer*

Lynn Wagner *Secretary*

Timothy M. Simmons *Director*

Daniel L. Bowman *Director*

Michael Blinn *Associate Director*

Gerald B. Hershey *President/CEO*

Governance Committee

Responsible for ongoing review and recommendations concerning the governance of the credit union to enhance the leadership quality, effectiveness and strategic impact of the Board and all elements of the governance structure; and, to refresh and renew the Board through a thoughtful Board member nominations and development process:

Maurice Gresham *Director*

Mary Louise Leake *Member*

Ron L. Harlow *Member*



Everett J. Campbell, Jr.
Chairman of the Board

Chairman's Report

DuPont Community Credit Union (DCCU) experienced another positive year in 2015. We enhanced several products, expanded our service to new areas, and increased our investment in the community.

HIGHLIGHTS FROM 2015 INCLUDE:

- Thanks to our continued mortgage focus, we originated \$106 million in real estate lending in 2015. DCCU remains committed to becoming the premier real estate lender in the Shenandoah Valley.
- Additionally, we originated \$72.8 million in auto, credit card and home equity loans, and \$15.2 million in member business loans.
- In 2015, DCCU opened two new branches – our South High Street Member Center in Harrisonburg opened in July, marking our third Harrisonburg location, and our Lexington Member Center opened in November. In addition, we installed a full-service walk-up ATM in Craigs ville in August, and the transformation of our Stuarts Draft Member Center was completed in December.
- DCCU launched several important product enhancements. Additional Checking features were added including: ATM fee refunds, overdraft forgiveness, and new dashboards to track rewards. We also launched a redesigned Mobile App, introduced Apple Pay™, and upgraded our CUREwards® program to now include more flexible options when it comes to travel and the option to redeem points for merchant gift cards or a donation to a local charity.
- DCCU hired its first Community Development Director who will support the credit union's mission of improving the financial well-being of the communities we serve by developing educational and financial programs that will benefit our members and the community at large.
- DCCU's Shred Days program received statewide recognition from the Virginia Credit Union League. DCCU earned a first place Dora Maxwell Social Responsibility Community Service Award, which is given to a credit union for its social responsibility projects within the community.
- Each year, DCCU employees select a corporate charity to support. In 2015, DCCU donated over \$10,000, which benefited CASA for Children and Response, Inc.
- Employees also raised over \$23,700 to benefit the United Way organizations of Greater Augusta, Harrisonburg and Rockingham County, the Northern Shenandoah Valley, and Rockbridge County.

These highlights reflect DCCU's focus on putting our members first, providing quality service, and helping our community. We are excited about 2016 and the many years ahead. On behalf of the Board of Directors and the staff of DuPont Community Credit Union, thank you for your membership and for your continued support of our financial cooperative.

Supervisory Committee Report

The Supervisory Committee is appointed by the Board of Directors to monitor the activities of the credit union and to act as a member advocate. The Committee endeavors to assure that DCCU is operated in a financially safe and sound manner so that member assets are protected.

The Committee is made up of the following members: Bruce Hamrick (Chairman); Ron Harlow (Secretary); Gene Walker (Member); Ken Hawkins (Associate). As in the past, we are ably assisted by the Internal Audit team.

As required by law, an Annual Opinion Audit was performed by an independent CPA firm. The report stated that DCCU's financial statements were prepared in accordance with accepted accounting principles. The auditors noted only minor exceptions that were promptly corrected by DCCU staff.

Also during 2015, a routine joint examination was performed by Virginia and NCUA examiners. That report gave DCCU good ratings for financial safety and soundness. All recommendations in the report were promptly responded to by the Board and management.

DCCU continues to work hard to protect members from fraud. However, an important part of fraud reduction is member vigilance. We urge each member to routinely monitor all DCCU statements and account activity. If you detect anything suspicious, please contact DCCU promptly.

In summary, our credit union is operated in a safe and sound manner and continues to be in excellent financial condition.



Leslie E. Ramsay
Treasurer

Treasurer's Report

The 2015 financial performance and accomplishments are reflected by category in detail below.

GROWTH

Assets grew at a rate of 7.4% or \$70.1MM ending 2015 at \$1.02B. Member savings grew 8.4% or \$67.4MM during 2015. The ratio of our loans to assets increased to 75.5%. Total loans outstanding increased by 10.3% or \$71.7MM. The investment portfolio decreased 21.9% or \$29.4MM during the year. All of our investments are issued by the U.S. Treasury, U.S. Government Sponsored Enterprises, or insured institutions.

Figure 1 Assets, Savings, Loans (Millions of dollars)

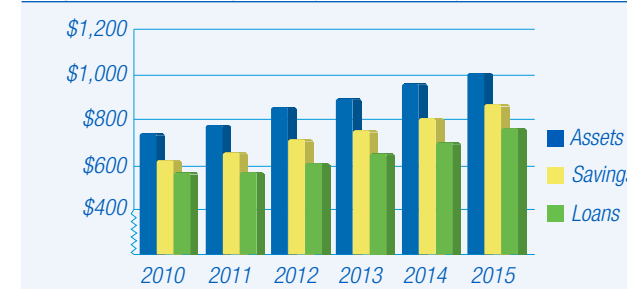
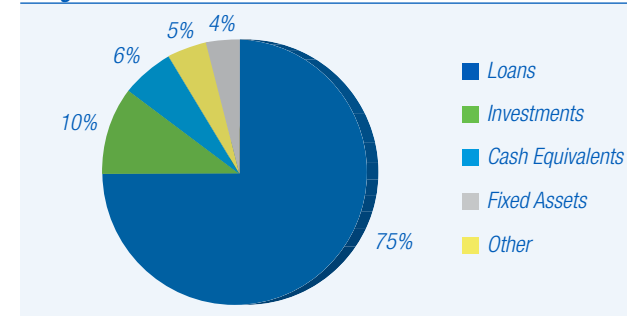


Figure 1 illustrates the 6-year relationship of assets, savings and loans, while Figure 2 shows the distribution of assets.

Figure 2 Asset Distribution



NET INCOME

Net Income for 2015 was \$6.9MM, an increase of \$0.4MM. Dividends and interest paid to members totaled \$5.5MM, a decrease of \$0.1MM or 2.6% compared to 2014.

Figure 3 Distribution of Income

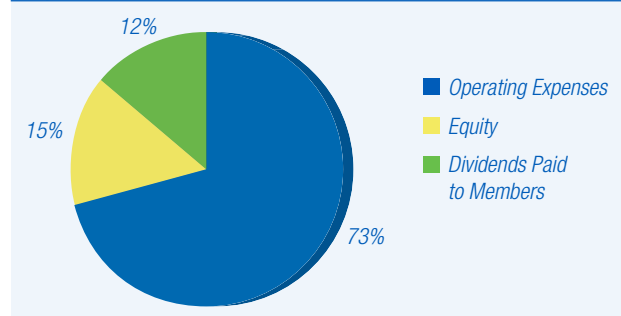


Figure 3 illustrates the distribution of income.

EQUITY (NET WORTH)

Our equity ratio was unchanged at 10.10% of assets at year-end as compared to year-end 2014. The \$95.4MM of equity helps maintain our sound financial position, and benefits both savers and borrowers as it provides a cushion for loan losses and other economic pressures that may arise.

Figure 4 Equity (Millions of dollars)

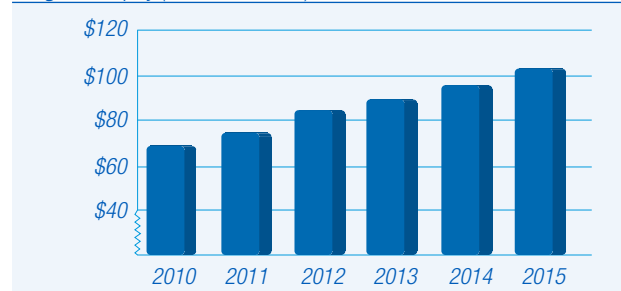


Figure 4 shows equity in dollars for the past 6 years.

LOAN QUALITY

Our delinquency rate (based on all loans) decreased from 0.37% in 2014 to 0.28% in 2015. Net write-offs in 2015 were \$2.0MM or 0.27% of average loans, compared to \$2.0MM or 0.30% in 2014. These ratios continue to outperform industry averages.

SUMMARY

These financial results reflect strong performance and stability in DCCU's Balance Sheet. This strong position will enable DCCU to continue providing various forms of member-giveback and to make investments in our products, services, and delivery channels.

We look forward to another strong year in 2016 and, as always, appreciate your cooperation and support!