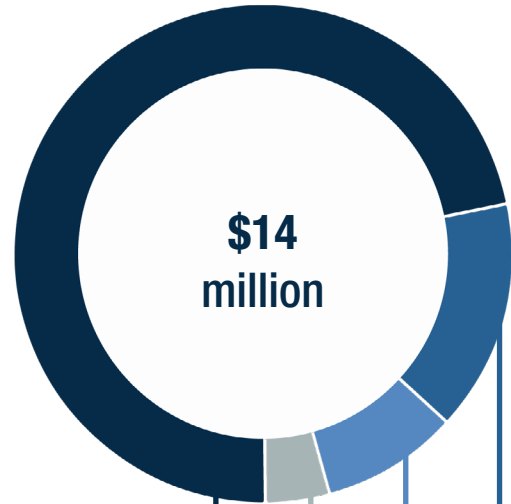


## Member Giveback

DCCU members received earned equity in the form of rewards, refunds, promotions, and dividends is an important part of being a financial cooperative. The highlights below are a few ways members received returned revenue in 2019.



### dividends 72%

A portion of our earnings paid back to our members based on deposit balances - \$10.15MM

### promotions 4%

Special member offers like loan interest rebates or mortgage closing cost credits - \$554M

### refunds 9%

A return or repayment of a fee such as a Foreign ATM fee refund - \$1.24MM

### rewards 15%

Cash and points rewards to members for using their credit and/or debit cards - \$2.11MM

## Balance Sheet

	2019		2018		2018 TO 2019 Difference
	Amount	% of Assets	Amount	% of Assets	
<b>Assets</b>					
Loans To Members (Net of Allow for Loan Loss)	\$934,750,522	73.5%	\$907,357,373	77.1%	\$27,393,149
Cash and Cash Equivalents	\$128,440,676	10.1%	\$58,750,885	5.0%	\$69,689,791
Investments	\$93,882,914	7.4%	\$100,686,447	8.6%	\$(6,803,533)
Accrued Income (Loans)	\$2,630,105	0.2%	\$2,531,221	0.2%	\$98,884
Accrued Income (Investments)	\$312,076	0.0%	\$288,533	0.0%	\$23,543
Building/Land (Net)	\$50,139,755	3.9%	\$48,893,607	4.2%	\$1,246,148
Furniture/Fixtures (Net)	\$7,092,478	0.6%	\$6,210,256	0.5%	\$882,222
NCUA Deposit	\$10,154,064	0.8%	\$9,628,618	0.8%	\$525,446
Other Assets	\$44,595,812	3.5%	\$42,063,973	3.6%	\$2,531,839
<b>Total Assets</b>	<b>\$1,271,998,402</b>	<b>100.0%</b>	<b>\$1,176,410,913</b>	<b>100.0%</b>	<b>\$95,587,489</b>
<b>Liabilities and Equity</b>					
Corporate Drafts Outstanding	\$6,001,053	0.5%	\$4,162,362	0.4%	\$1,838,691
Regular Shares/Clubs/IRA's	\$269,862,793	21.2%	\$272,722,078	23.2%	\$(2,859,285)
Money Market	\$313,413,346	24.6%	\$285,621,511	24.3%	\$27,791,835
Certificates	\$240,663,297	18.9%	\$188,287,291	16.0%	\$52,376,006
Checking	\$286,278,946	22.5%	\$276,100,008	23.5%	\$10,178,938
Accounts Payable	\$478,948	0.0%	\$453,677	0.0%	\$25,271
Loans Payable	\$14,910,850	1.2%	\$22,876,650	1.9%	\$(7,965,800)
Other Liabilities	\$13,424,278	1.0%	\$10,645,585	0.9%	\$2,778,693
<b>Total Liabilities</b>	<b>\$1,145,033,511</b>	<b>89.9%</b>	<b>\$1,060,869,162</b>	<b>90.2%</b>	<b>\$84,164,349</b>
<b>Equity</b>					
Reserves	\$19,899,638	1.6%	\$19,899,638	1.7%	\$-
Accumulated Other Comprehensive Loss (OCL)	\$(6,559,269)	-0.4%	\$(8,539,651)	-0.7%	\$1,980,382
Retained Earnings	\$113,624,522	8.9%	\$104,181,763	8.9%	\$9,442,759
<b>Total Equity</b>	<b>\$126,964,891</b>	<b>10.1%</b>	<b>\$115,541,750</b>	<b>9.8%</b>	<b>\$11,423,141</b>
<b>Total Equity (Excluding OCL)</b>	<b>\$133,524,160</b>	<b>10.5%</b>	<b>\$124,081,401</b>	<b>10.5%</b>	<b>\$9,442,759</b>
<b>Total Liabilities and Equity</b>	<b>\$1,271,998,402</b>	<b>100.0%</b>	<b>\$1,176,410,913</b>	<b>100.0%</b>	<b>\$95,587,489</b>

## Income Statement

	2019		2018		2018 to 2019 Difference
	Amount	% of Gross Income	Amount	% of Gross Income	
<b>Income</b>					
Loan Interest	\$46,131,239	65.3%	\$43,241,112	65.7%	\$2,890,127
Investment Income	\$4,217,767	6.0%	\$3,033,930	4.6%	\$1,183,837
Other Income	\$20,559,866	29.1%	\$19,532,554	29.7%	\$1,027,312
Gain (Loss) On Investments	\$(196,823)	-0.3%	\$(10,993)	0.0%	\$(185,830)
Gain (Loss) Disposition Of Assets	\$(44,423)	-0.1%	\$(10,213)	0.0%	\$(34,210)
<b>Total Gross Income</b>	<b>\$70,667,626</b>	<b>100.0%</b>	<b>\$65,786,390</b>	<b>100.0%</b>	<b>\$4,881,236</b>
<b>Expenses</b>					
Employee Compensation	\$18,040,089	25.5%	\$17,007,621	25.9%	\$1,032,468
Benefits/Training	\$8,354,044	11.8%	\$7,454,003	11.3%	\$900,041
Association Dues	\$145,286	0.2%	\$139,264	0.2%	\$6,022
Cost of Space	\$2,519,010	3.6%	\$2,562,940	3.9%	\$(43,930)
Furniture & Fixtures	\$2,145,460	3.0%	\$2,005,619	3.0%	\$139,841
Debit Cards	\$5,040,374	7.1%	\$3,992,268	6.1%	\$1,048,106
Software Support	\$1,077,748	1.5%	\$1,048,172	1.6%	\$29,576
Cost of Operations - Other	\$4,231,687	6.0%	\$4,019,393	6.1%	\$212,294
Marketing/Promotions	\$1,202,650	1.7%	\$1,388,946	2.1%	\$(186,296)
Provision For Loan Losses	\$2,985,138	4.2%	\$5,971,492	9.1%	\$(2,986,354)
Professional Services	\$756,929	1.1%	\$616,269	0.9%	\$140,660
Loan Expenses	\$1,239,118	1.8%	\$1,128,666	1.7%	\$110,452
Credit Cards	\$2,519,890	3.6%	\$2,136,870	3.2%	\$383,020
Borrowed Money Expense	\$493,975	0.7%	\$813,197	1.2%	\$(319,222)
Other Expenses	\$322,563	0.5%	281,881	0.4%	\$40,682
<b>Total Operating Expense</b>	<b>\$51,073,961</b>	<b>72.3%</b>	<b>\$50,566,601</b>	<b>76.9%</b>	<b>\$507,360</b>
<b>Paid to Members</b>					
Certificate Interest	\$4,419,754	6.3%	\$2,300,830	3.5%	\$2,118,924
Dividends	\$5,731,152	8.1%	\$4,507,250	6.9%	\$1,223,902
<b>Total Paid to Members</b>	<b>\$10,150,906</b>	<b>14.4%</b>	<b>\$6,808,080</b>	<b>10.3%</b>	<b>\$3,342,826</b>
<b>Added To Equity</b>	<b>\$9,442,759</b>	<b>13.3%</b>	<b>\$8,411,709</b>	<b>12.8%</b>	<b>\$1,031,050</b>

## 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 membership.

- Everett J. Campbell, Jr.** Chairman
- Q. Maurice Gresham** Vice Chairman
- Leslie E. Ramsey** Treasurer
- Angela M. Simonetti** Secretary
- Timothy M. Simmons** Director
- Michael P. Blinn** Director
- Drew Ellen Gogian** Director
- Marvin G. Copeland, Jr.** Associate Director
- Janet P. Mangun** Associate Director
- Steve F. Elkins** 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.

- Angela M. Simonetti**
- Drew Ellen Gogian**
- Marvin G. Copeland, Jr.**
- Mary Louise Leake**

# Annual Report

2019



Beth R., Business Owner  
Member since 2017  
Woodstock, VA



Insured by NCUA. Membership required.  
NMLS ID# 609369 | nmlsconsumeraccess.org





Everett J. Campbell, Jr.  
Chairman of the Board

## Chairman's Report

DuPont Community Credit Union (DCCU) experienced another positive year in 2019 as we demonstrated our commitment to the membership and our community.

### Highlights from 2019:

- We originated \$130.1 Million in real estate lending in 2019, and remain committed to becoming the premier real estate lender in the Shenandoah Valley.
- Additionally, we originated \$95.7 Million in auto, credit card, and home equity loans; and \$22 Million in member business loans.
- For the second year in a row, our employees spent the Columbus Day holiday weekend participating in various volunteer projects throughout the Shenandoah Valley. While Credit Union offices were closed on Saturday, October 12 and Monday, October 14, employees spent time with 26 nonprofits from Lexington to Woodstock, contributing nearly 1,000 volunteer hours.
- The Virginia Credit Union League selected DCCU as the winner of the 2019 Dora Maxwell Social Responsibility Community Service Award in the over \$1 Billion asset size category. We received first place for DCCU Cares Day, an organization-wide day of service to the community.
- Each year, our employees select a local non-profit to support through its Corporate Charity campaign. For 2019, they focused their efforts on the American Cancer Society (ACS). We donated a total of \$10,993.05 to local chapters of the ACS. In addition to giving, employees also spent time volunteering at various ACS events including Relay for Life.
- Through fundraisers, pledges, and donations, employees raised \$25,511 to benefit the United Way organizations of Greater Augusta, Harrisonburg and Rockingham County, Northern Shenandoah Valley, and Rockbridge County.
- DCCU was ranked as the top Virginia credit union according to Forbes, who partnered with research firm Statista for their 2019 "Best-In-State Credit Unions" list.
- Shred Days are an open invitation for our members and the entire community to bring personal documents to be shredded for free, and participants are asked to bring a food or monetary donation for the Blue Ridge Area Food Bank. In 2019, not only did we shred over 98,000 pounds of sensitive documents, we collected 7,314 pounds of food and \$5,205 in monetary donations for the food bank, which equates to approximately 26,918 meals for families in need.

These highlights reflect some of the ways we deliver value to our members and help make a difference in our community. We are excited about 2020 and the many years ahead. On behalf of the Board of Directors and the staff of DuPont Community Credit Union, we appreciate your membership and continued support of our financial cooperative.

## Supervisory Committee Report

The Supervisory Committee is appointed by the Board of Directors to oversee the operation of the Credit Union. The Committee acts as your member advocate. It strives to assure members that DCCU is operated in a financially safe and sound manner so that member assets are protected.

During 2019, the Supervisory Committee was composed of the following members: Bruce F. Hamrick (Chairman), Eugene F. Walker (Secretary), Wesley B. Wampler (Member), Jeff Miracle (Associate Member), and Robin Ruleman joined the Committee in August 2019 as an Associate Member. The Committee is assisted by the Internal Audit team, headed by Director, Alan Christopher.

As required by law, DCCU's Annual Opinion Audits are performed by an independent CPA firm. The 2018 CPA report stated that DCCU's financial statements were prepared in accordance with generally accepted accounting principles. Noted exceptions and/or recommendations were promptly addressed by DCCU staff. The audit firm of ElliottDavis, CPAs out of South Carolina, performed the annual opinion audit.

Our most recent routine joint examination was completed in 2019 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. This Committee urges each member to routinely monitor his or her DCCU statements and/or accounts and report any suspicious activity promptly.

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

## Treasurer's Report

The 2019 financial performance and accomplishments are reflected by category in detail below.

### Growth

Assets grew at a rate of 8.1% or \$95.6MM ending 2019 at \$1.27B. Member savings grew 8.6% or \$87.5MM during 2019. The ratio of our loans to assets decreased from 77.1% to 73.5%. Total loans outstanding increased by 3.0% or \$27.4MM. The investment portfolio decreased 6.8% or \$6.8MM during the year. All of our investments are issued by the U.S. Treasury, U.S. Government Sponsored Enterprises, or include credit protection.

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

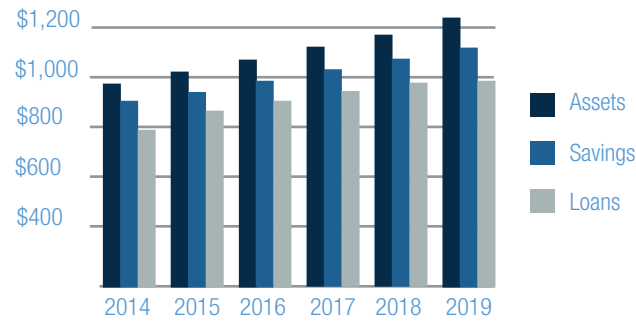
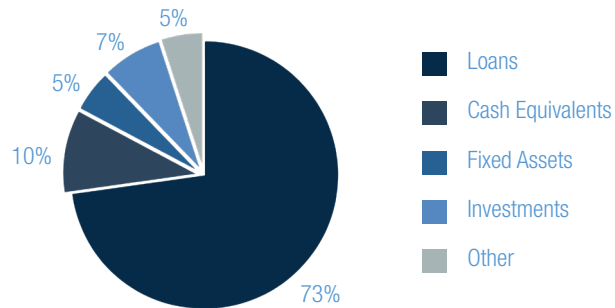


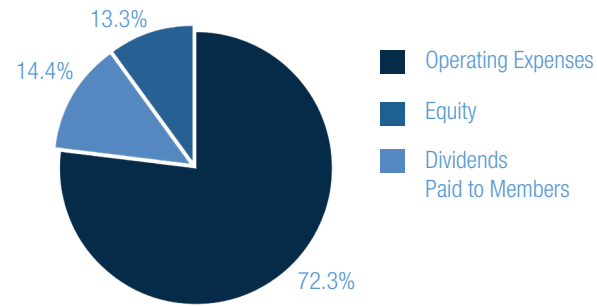
Figure 2 Asset Distribution



### Net Income

Net income for 2019 was \$9.4MM, an increase of \$1.0MM or 12.3% compared to 2018. Dividends and interest paid to members totaled \$10.2MM, an increase of \$3.3MM or 49.1% compared to 2018.

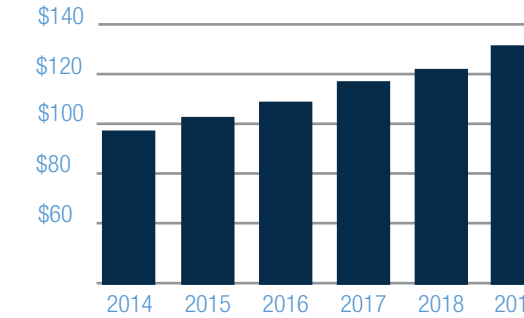
Figure 3 Income Distribution



### Equity (Net Worth)

Our equity ratio decreased to 10.50% of assets at year-end as compared to 10.55% at year-end 2018. The \$127.0MM of equity helps maintain our sound financial position, and benefits both savers and borrowers as it provides additional net worth in case loan losses increase or other economic pressures arise.

Figure 4 Equity (Millions of dollars)



### Loan Quality

Our delinquency rate (based on all loans) for year end 2019 increased to 0.52% from 0.51% at year end 2018. Net write-offs decreased in 2019 to \$4.1MM or 0.45% of average loans, compared to \$6.3MM or 0.71% in 2018.

### 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 2020 and, as always, appreciate your cooperation and support!

## Community Giveback

### Volunteerism

Our employees generously gave their time and talents throughout the year to support many local nonprofits.

**3,017**  
hours volunteered

**\$82,985**  
value of volunteered time\*

### Giving

Employee donations and pledges for the American Cancer Society and the United Way.

**\$36,504**  
funds raised

### Scholarships

In 2019, we awarded \$1,000 in scholarships to 26 deserving students.

 **\$26,000**

### Shred Days

Twice a year, we host free Shred Day events and accept donations for the Blue Ridge Area Food Bank.

**98,220**  
pounds of documents  
shredded



\*Based on state and historical data according to Independent Sector (independentsector.org)