

2023

Annual Report



DuPont Community
CREDIT UNION



REPORT FROM THE CHAIR

DuPont Community Credit Union (DCCU) experienced another positive year in 2023 as we demonstrated our continued commitment to the membership and our community.

Angie M. Simonetti, Chair, Board of Directors

Highlights from 2023:

- We funded \$75.5 Million in real estate loans in 2023, helping 358 members purchase or refinance their homes, including 107 first-time homebuyers. We remain committed to supporting the mortgage needs of our members.
- Additionally, we served 7,693 members as we funded \$79.6 Million in auto loans (3,780), \$13.8 Million in credit card lending (3,400), and \$34.4 Million in home equity loans (513); and \$15.9 Million in member business loans (72).
- DCCU launched an innovative new Rebate Program where members can earn a 10% rebate on their interest paid on a personal credit card, auto, home equity, or personal loans. The rebate is deposited into their DCCU savings account monthly.
- Video Banking was introduced at three drive-up ATM locations – Grottoes, West Staunton, and Windward Pointe. In addition to standard ATM functionality, these ATMs now offer members the opportunity to speak with a DCCU representative by video to ask questions or request assistance.
- DCCU installed self-service Coin Counters at six Member Centers. This free service allows members to exchange their loose change for cash or a deposit into their DCCU account.
- DCCU had another strong year supporting the Blue Ridge Area Food Bank in 2023. Through our Spring and Fall Shred Days, “Shop and Give” credit card campaign, JMU Hometown Home Runs sponsorship,

and employee fundraisers, DCCU donated \$38,903 and 9,535 pounds of food to the Food Bank, which helped them provide over 163,500 meals for families in need.

- DCCU continues to support the United Way and the services they provide to our community. Through Corporate Charity and employee donations, DCCU divided a donation of \$22,125 to the United Way of Northern Shenandoah Valley, the United Way of Harrisonburg, Rockingham, the United Way of Staunton, Augusta, Waynesboro, and the United Way of Lexington, Rockbridge, Buena Vista.
- DCCU donated \$21,000 to Habitat for Humanity affiliates in our community. Various fundraisers were held throughout the year to support the work they do throughout the Valley.
- In October, DCCU employees joined together in support of DCCU Cares Month, a corporate volunteering initiative where employees spent 551 hours supporting local organizations throughout our field of membership.

These highlights reflect some of the ways we deliver value to our members and help make a difference in our community. We look forward to serving you in 2024. 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. This 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 2023, the Supervisory Committee was composed of the following members: Bruce F. Hamrick (Chair), Eugene F. Walker (Secretary), Wesley B. Wampler (Member), Robin W. Ruleman (Member), Marissa S. Helmick (Member), and Pamela B. Adams (Associate Member). The Committee is assisted by the Internal Audit Department, headed by Manager, Leslie Miller, CPA.

As required by law, DCCU’s Annual Opinion Audits are performed by an independent CPA firm. The 2022 end-of-year 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 in 2023 by DCCU staff. The audit firm of Elliott Davis, CPAs, performed the annual opinion audit.

Our most recent routine joint examination was completed in 2023 by Virginia and NCUA examiners. DCCU received good ratings for financial safety and soundness. All recommendations 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 2023 financial performance and accomplishments are reflected by category in detail below.

Michael P. Blinn, Treasurer

Growth

Assets decreased at a rate of -1.2% or -\$21.3MM ending 2023 at \$1.79B. Member savings decreased -2.9% or -\$47.5MM during 2023. With loan demand outpacing savings growth, the ratio of our loans to assets increased from 61.6% to 63.9%. Total loans outstanding increased by 2.4% or \$26.9MM. The investment portfolio decreased -15.1% or -\$71.7MM 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)

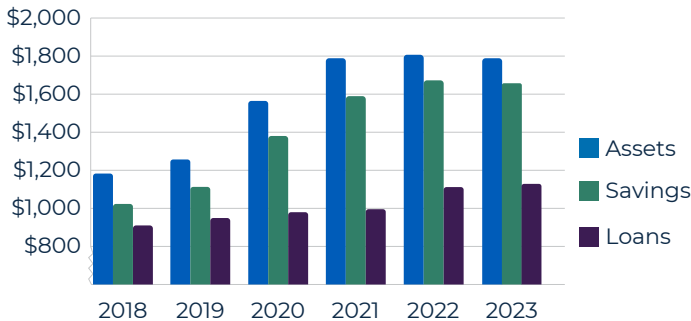
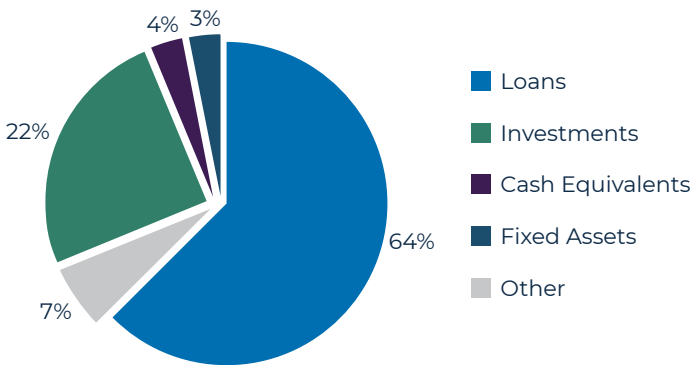


Figure 2 Asset Distribution



Net Income

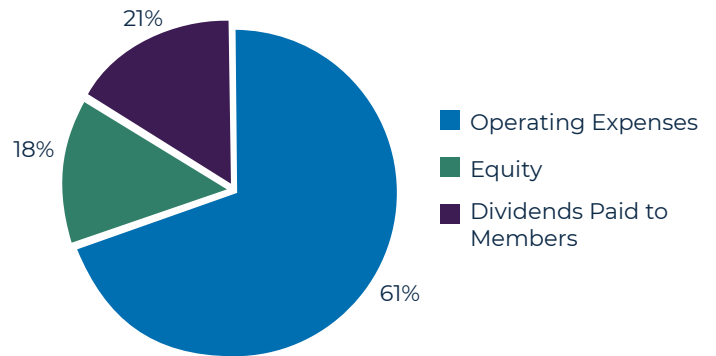
Net income for 2023 was \$18.3MM, a slight decrease of -\$0.4MM or -2.2% compared to 2022. Due to upward moves in interest rates in 2023, dividends and interest paid to members increased significantly by \$14.2MM or 189.5% compared to 2022.

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 2024 and, as always, appreciate your cooperation and support!

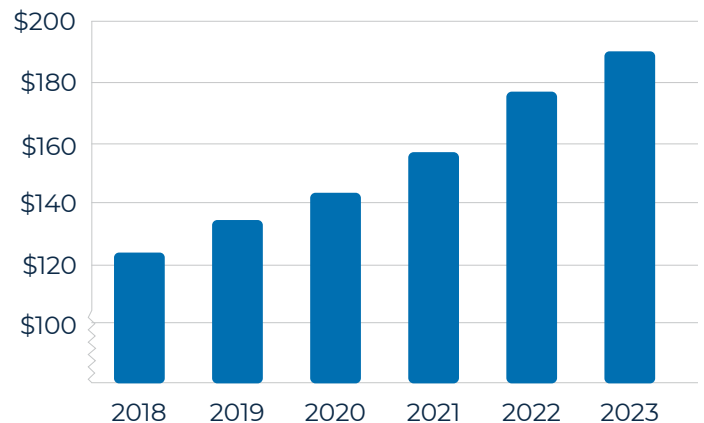
Figure 3 Income Distribution



Equity (Net Worth)

Our equity ratio increased from 9.60% of assets at year-end 2022 to 10.61% at year-end 2023. The \$136.5MM of equity helps maintain our sound financial position.

Figure 4 Equity (Millions of dollars)



Loan Quality

Our delinquency rate (based on all loans in the portfolio) decreased from 0.35% at year-end 2022 to 0.32% at the end of 2023, which is in line with our historical average. Net write-offs increased from \$2.0MM or 0.20% in 2022 to \$2.5MM or 0.22% in 2023.

INCOME STATEMENT

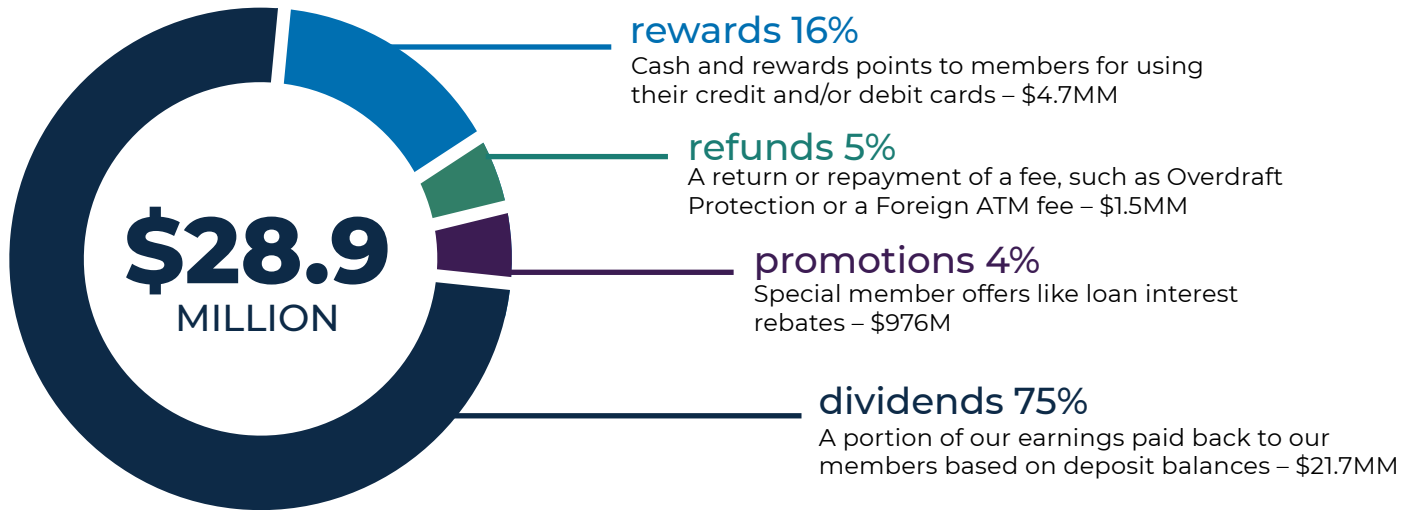
	2023		2022		2022 - 2023
Income	Amount	% of Gross Income	Amount	% of Gross Income	Difference
Loan Interest	\$62,394,161	60.8%	\$45,721,051	53.7%	\$16,673,110
Loan Interest Rebate	(491,920)	-0.5%	-	0.0%	(491,920)
Investment Income	14,097,508	13.7%	10,284,099	12.1%	3,813,409
Other Income	27,056,361	26.4%	29,497,484	34.6%	(2,441,123)
Gain (Loss) On Investments	(415,082)	-0.4%	(410,257)	-0.5%	(4,825)
Gain (Loss) Disposition Of Assets	(34,220)	0.0%	65,039	0.1%	(99,259)
Corporate Stabilization Income	0	0.0%	0	0.0%	-
Total Gross Income	\$102,606,807	100.0%	\$85,157,416	100.0%	\$17,449,391
Expenses					
Employee Compensation	\$22,485,007	21.9%	\$22,203,435	26.1%	\$281,572
Benefits/Training	7,550,085	7.4%	6,131,765	7.2%	1,418,320
Association Dues	159,467	0.2%	154,185	0.2%	5,282
Cost of Space	3,005,014	2.9%	2,995,412	3.5%	9,602
Furniture & Fixtures	2,757,584	2.7%	2,492,975	2.9%	264,609
Debit Cards	7,704,250	7.5%	7,351,242	8.6%	353,007
Software Support	1,735,855	1.7%	1,299,137	1.5%	436,718
Cost of Operations - Other	6,680,623	6.5%	6,260,981	7.4%	419,642
Marketing/Promotions	1,212,392	1.2%	1,200,855	1.4%	11,537
Provision For Loan Losses	2,393,785	2.3%	2,266,863	2.7%	126,922
Professional Services	814,115	0.8%	793,141	0.9%	20,974
Loan Expenses	1,447,177	1.4%	1,637,563	1.9%	(190,386)
Credit Cards	3,903,859	3.8%	3,428,203	4.0%	475,656
Borrowed Money Expense	307,771	0.3%	344,674	0.4%	(36,903)
Other Expenses	424,096	0.4%	395,312	0.5%	28,784
Total Operating Expense	\$62,581,080	61.0%	\$58,955,743	69.2%	\$3,625,337
Paid to Members					
Certificate Interest	\$11,983,731	11.7%	\$3,868,308	4.5%	\$8,115,423
Dividends	9,752,643	9.5%	3,640,665	4.3%	6,111,978
Total Paid to Members	\$21,736,374	21.2%	\$7,508,973	8.8%	\$14,227,401
Net Income	\$18,289,353	17.8%	\$18,692,700	22%	\$(403,347)
Current Expected Credit Loss	\$2,349,300	2.3%	-	0.0%	\$2,349,300
One-time Adoption Expense					
Added To Equity	\$15,940,053	15.5%	\$18,692,700	22.0%	\$(2,752,647)

BALANCE SHEET

	2023		2022		2022 - 2023
Assets	Amount	% of Assets	Amount	% of Assets	Difference
Loans To Members (Net of Allow for Loan Loss)	\$1,143,336,584	63.9%	\$1,116,408,121	61.6%	\$26,928,463
Cash and Cash Equivalents	75,546,259	4.2%	65,674,453	3.6%	9,871,806
Investments	400,377,104	22.4%	471,671,927	26.0%	(71,294,823)
Accrued Income (Loans)	3,137,857	0.2%	2,814,853	0.2%	323,004
Accrued Income (Investments)	1,569,139	0.1%	1,691,735	0.1%	(122,596)
Building/Land (Net)	48,171,442	2.7%	46,328,511	2.6%	1,842,931
Furniture/Fixtures (Net)	7,256,924	0.4%	8,526,479	0.5%	(1,269,555)
NCUA Deposit	15,294,482	0.9%	15,222,214	0.8%	72,268
Other Assets	95,484,979	5.3%	83,176,878	4.6%	12,308,101
Total Assets	\$1,790,174,770	100.0%	\$1,811,515,171	100.0%	\$(21,340,401)
Liabilities and Equity					
Corporate Drafts Outstanding	\$5,316,247	0.3%	\$6,972,702	0.4%	\$(1,656,455)
Regular Shares/Clubs/IRA's	367,421,672	20.5%	442,207,654	24.4%	(74,785,982)
Money Market	356,850,946	19.9%	452,719,068	25.0%	(95,868,122)
Certificates	428,387,992	23.9%	321,172,940	17.7%	107,215,052
Checking	465,103,217	26.0%	449,210,511	24.8%	15,892,706
Accounts Payable	828,547	0.0%	705,106	0.0%	123,441
Loans Payable	7,640,000	0.4%	8,037,200	0.4%	(397,200)
Other Liabilities	22,138,868	1.2%	21,018,050	1.2%	1,120,818
Total Liabilities	\$1,653,687,489	92.4%	\$1,702,043,231	94.0%	\$(48,355,742)
Equity					
Reserves	\$19,899,638	1.1%	\$19,899,638	1.1%	\$-
Accumulated Other Comprehensive Loss (OCL)	(53,380,749)	-3.0%	(64,456,037)	-3.6%	11,075,288
Retained Earnings	169,968,392	9.5%	154,028,339	8.5%	15,940,053
Total Equity	\$136,487,281	7.6%	\$109,471,940	6.0%	\$27,015,341
Total Equity (Excluding OCL)	\$189,868,030	10.6%	\$173,927,977	9.6%	\$15,940,053
Total Liabilities and Equity	\$1,790,174,770	100.0%	\$1,811,515,171	100.0%	\$(21,340,401)

MEMBER GIVEBACK

Providing a return to the membership 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 DCCU members benefited in 2023, most notably in dividends due to significant interest rate increases for our Grow Checking, Certificates, and Money Market accounts.



COMMUNITY GIVEBACK

Giving back to the communities we serve is a big part of what makes us a credit union. Here are a few of the ways we supported the community in 2023:

Blue Ridge Area Food Bank

DCCU had another strong year supporting the Blue Ridge Area Food Bank through our Spring and Fall Shred Days, "Shop and Give" credit card campaign, JMU Hometown Home Runs sponsorship, and employee fundraisers.



Corporate Charity Donations

DCCU employees worked together to raise funds for local affiliates for these organizations as part of its Corporate Charity Campaign.

UNITED WAY
\$22,125

HABITAT FOR HUMANITY
\$21,000

Scholarships

In 2023, we awarded \$1,000 in scholarships to 28 deserving students.



\$28,000



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. Directors serve three-year terms and are elected by the membership. Associate Directors are appointed by the Board and serve one-year terms.

Angie M. Simonetti *Chair*

Everett J. Campbell, Jr. *Vice Chair*

Drew Ellen Gogian *Secretary*

Michael P. Blinn *Treasurer*

Marvin G. Copeland, Jr. *Director*

David A. Kirby *Director*

Janet P. Mangun *Director*

Christopher D. Terry *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. In addition, the Governance Committee is responsible for the development process and thoughtful nomination of Board members.

Marvin G. Copeland, Jr. *Board Director, Committee Chair*

Drew Ellen Gogian *Board Director*

Everett J. Campbell, Jr. *Board Director*

Mary Louise Yates *Member*

David D. Passmore *Member*



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