



2021

Annual Report



DuPont Community
CREDIT UNION



CHAIRMAN'S REPORT

DuPont Community Credit Union (DCCU) experienced another positive year in 2021. Even in the midst of a pandemic, we demonstrated our continued commitment to the membership and our community.

from **Everett J. Campbell, Jr., Chairman of the Board**

Highlights from 2021:

- We funded \$214.2 Million in real estate loans in 2021, helping 1,159 members purchase or refinance their homes. We remain committed to supporting the mortgage needs of our members and becoming the premier real estate lender in the Shenandoah Valley.
- Additionally, we served 9,792 members as we funded \$129.2 Million in auto (5,041), credit card (3,972), and home equity loans (779); and \$49.2 Million in member business loans (407).
- The Paycheck Protection Program (PPP) is a forgivable loan program delivered through the Small Business Administration (SBA) that offers financial support to businesses. The program continued into 2021 with a second round of funding and an emphasis on helping business members request and obtain loan forgiveness. In 2021, DCCU made 305 loans totaling \$8.3 Million during the second round of funding. Additionally, 608 PPP borrowers had their loans forgiven in 2021.
- DCCU donated \$44,408 to Habitat for Humanity, which was equally distributed to four Habitat for Humanity affiliates in our community. Various campaigns and fundraisers were held throughout the year to provide this donation, including our Corporate Charity, Make a Difference when you DIY credit card campaign, and our DCCU Cares Virtual 5K/10K for employees.
- DCCU had another strong year supporting the Blue Ridge Area Food Bank in 2021. During our Spring and Fall Shred Days, we shredded documents from our members and the community while collecting food and monetary donations. We shredded over 89,520 pounds of sensitive documents, collected 8,564 pounds of food, and received \$6,685 in monetary donations. Additionally, employees collected \$6,970 in donations as part of our Corporate Charity campaign. Through food and monetary donations, we helped the food bank provide approximately 61,595 meals for families in need.
- DCCU launched a new Online Banking platform that helps make banking even more convenient by offering a secure, personalized interaction that complements the consultative service our members receive from our branches and Service Center.
- The Virginia Credit Union League selected DCCU as the winner of the 2021 Louise Herring Philosophy In Action Award in the over \$1 Billion asset size category. We received first place for our unique community campaign – Dine Out and Make a Difference, which supported local restaurants and the Blue Ridge Area Food Bank at a time when restaurants were severely impacted by the pandemic and food insecurity was on the rise. Our first place entry went on to be considered for the Credit Union National Association's National Award, where we placed second in the nation.
- DCCU also received Mastercard's Doing Well by Doing Good award for the Dine Out and Make a Difference campaign.
- For the third year in a row, DCCU was ranked as the top Virginia credit union according to Forbes, who partnered with research firm Statista for their annual look at the Best Credit Unions in each State.

These highlights reflect some of the ways we deliver value to our members and help make a difference in our community. We are encouraged about 2022 and excited for 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. 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 2021, the Supervisory Committee was composed of the following members: Bruce F. Hamrick (Chairman), Eugene F. Walker (Secretary), Robin Ruleman (Member), Jeff Miracle (Member), and Wesley B. Wampler (Member). The Committee is assisted by the Internal Audit team, headed by Director, Alan Christopher, CPA.

As required by law, DCCU's Annual Opinion Audits are performed by an independent CPA firm. The 2020 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 2021 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 2021 by Virginia and NCUA examiners. DCCU received good ratings for financial safety and soundness. All recommendations are 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 2021 financial performance and accomplishments are reflected by category in detail below.

from Michael P. Blinn, Treasurer

Growth

Assets grew at a rate of 14.7% or \$227MM ending 2021 at \$1.77B. Member savings grew 15.8% or \$216.8MM during 2021. With continued savings growth outpacing loan demand, the ratio of our loans to assets decreased from 61.7% to 55.8%. Total loans outstanding increased by 3.8% or \$35.6MM. The investment portfolio increased 86.6% or \$185.6MM 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)

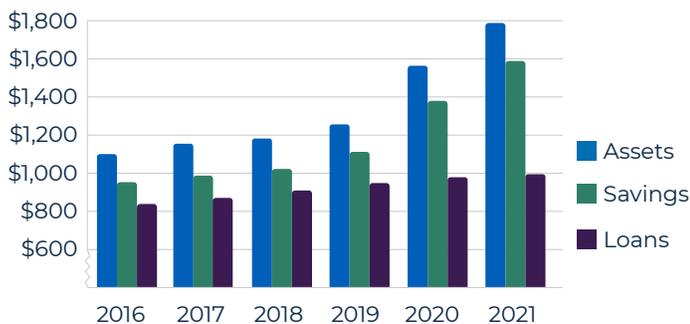
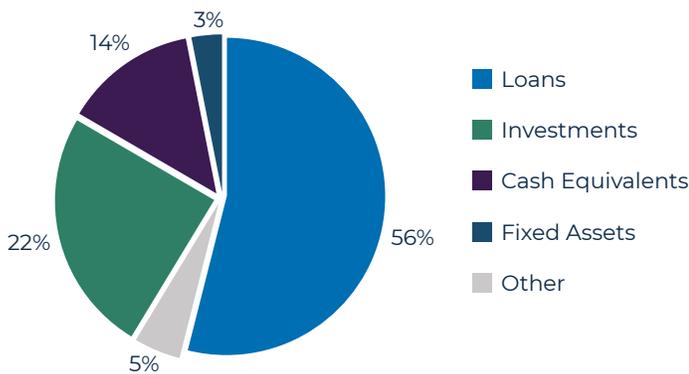


Figure 2 Asset Distribution



Net Income

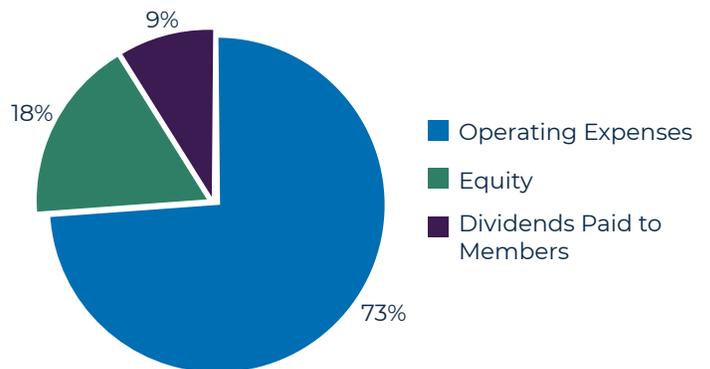
Net income for 2021 was \$12.7MM, an increase of \$3.8MM or 41.9% compared to 2020. Due to continued downward moves in all interest rates (loans, investments, and savings) in 2021, dividends and interest paid to members totaled \$6.8MM, a decrease of \$2.6MM or -27.2% compared to 2020.

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 2022 and, as always, appreciate your cooperation and support!

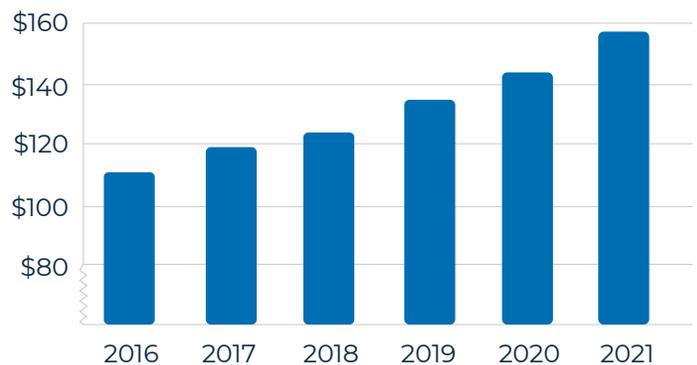
Figure 3 Income Distribution



Equity (Net Worth)

As a result of a continued high rate of savings growth, which contributed to the high rate of growth in assets, our equity ratio decreased from 9.26% of assets at year-end 2020 to 8.79% at year-end 2021. The \$144.9MM of equity helps maintain our sound financial position.

Figure 4 Equity (Millions of dollars)



Loan Quality

Our delinquency rate (based on all loans) for year end 2021 decreased from 0.24% at year-end 2020 to 0.22%. Net write-offs decreased from \$2.7MM or 0.24% in 2020 to \$1.2MM or 0.12% in 2021.

INCOME STATEMENT

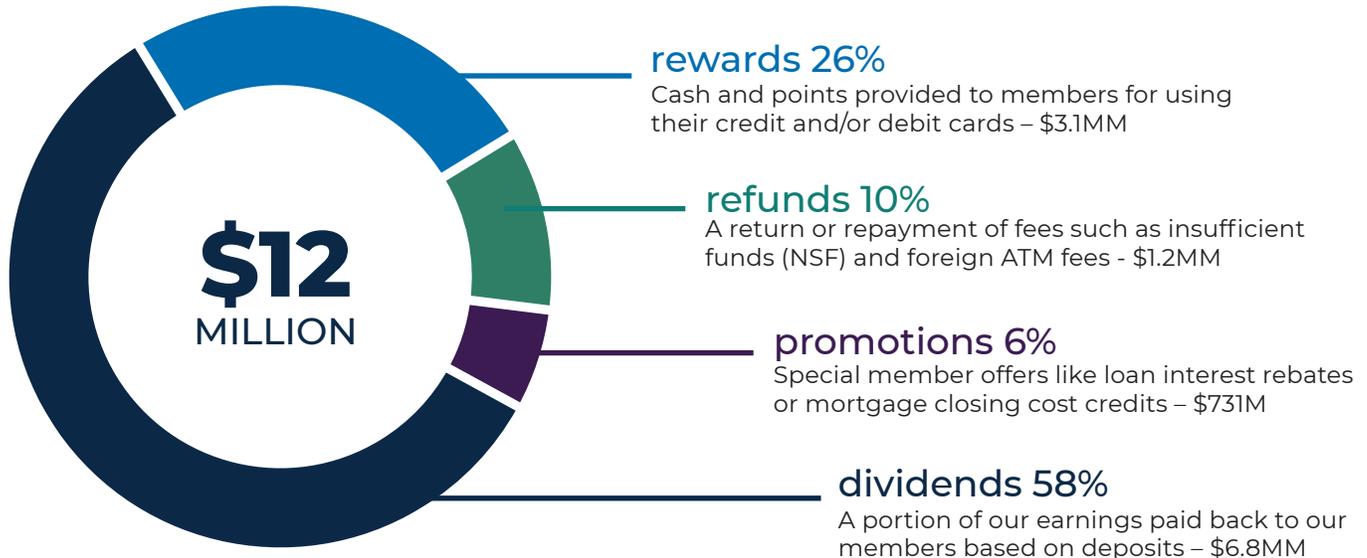
Income	2021		2020		2020 - 2021
	Amount	% of Gross Income	Amount	% of Gross Income	Difference
Loan Interest	\$42,201,706	57.8%	\$43,397,273	62.3%	\$(1,195,567)
Investment Income	3,544,677	4.9%	2,725,034	3.9%	819,643
Other Income	26,632,477	36.5%	23,564,459	33.8%	3,068,018
Gain (Loss) On Investments	314,364	0.4%	-	0.0%	314,364
Gain (Loss) Disposition Of Assets	(164,789)	-0.2%	(6,898)	0.0%	(157,891)
Corporate Stabilization Income	464,958	0.6%	-	0.0%	464,958
Total Gross Income	\$72,993,393	100.0%	\$69,679,868	100.0%	\$3,313,525
Expenses					
Employee Compensation	\$21,270,675	29.1%	\$18,507,035	26.6%	\$2,763,640
Benefits/Training	6,476,265	8.9%	7,380,918	10.6%	(904,653)
Association Dues	148,053	0.2%	151,181	0.2%	(3,128)
Cost of Space	2,859,460	3.9%	2,644,976	3.8%	214,484
Furniture & Fixtures	2,197,770	3.0%	2,402,072	3.4%	(204,302)
Debit Cards	6,486,840	8.9%	5,564,589	8.0%	922,251
Software Support	1,571,948	2.2%	1,248,176	1.8%	323,772
Cost of Operations - Other	5,175,349	7.1%	4,392,081	6.3%	783,268
Marketing/Promotions	934,140	1.3%	985,484	1.4%	(51,344)
Provision For Loan Losses	229,440	0.3%	2,338,716	3.4%	(2,109,276)
Professional Services	681,918	0.9%	812,536	1.2%	(130,618)
Loan Expenses	1,572,088	2.2%	1,425,577	2.0%	146,511
Credit Cards	3,174,537	4.3%	2,626,810	3.8%	547,727
Borrowed Money Expense	342,096	0.5%	453,328	0.7%	(111,232)
Other Expenses	314,288	0.4%	400,096	0.6%	(85,808)
Total Operating Expense	\$53,434,867	73.2%	\$51,333,575	73.7%	\$2,101,292
Paid to Members					
Certificate Interest	\$3,985,938	5.5%	\$5,070,833	7.3%	\$(1,084,895)
Dividends	2,835,900	3.9%	4,301,032	6.2%	(1,465,132)
Total Paid to Members	\$6,821,838	9.3%	\$9,371,865	13.4%	\$(2,550,027)
Added To Equity	\$12,736,688	17.4%	\$8,974,428	12.9%	\$3,762,260

BALANCE SHEET

Assets	2021		2020		Difference
	Amount	% of Assets	Amount	% of Assets	
Loans To Members (Net of Allow for Loan Loss)	\$986,146,017	55.8%	\$950,498,589	61.7%	\$35,647,428
Cash and Cash Equivalents	242,294,114	13.7%	253,695,159	16.5%	(11,401,045)
Investments	400,003,021	22.6%	214,396,421	13.9%	185,606,600
Accrued Income (Loans)	2,297,838	0.1%	2,420,030	0.2%	(122,192)
Accrued Income (Investments)	1,008,196	0.1%	560,439	0.0%	447,757
Building/Land (Net)	48,273,334	2.7%	49,049,075	3.2%	(775,741)
Furniture/Fixtures (Net)	6,442,154	0.4%	7,327,496	0.5%	(885,342)
NCUA Deposit	13,945,729	0.8%	11,908,027	0.8%	2,037,702
Other Assets	65,726,413	3.7%	49,716,217	3.2%	16,010,196
Total Assets	\$1,766,136,816	100.0%	\$1,539,571,454	100.0%	\$226,565,362
Liabilities and Equity					
Corporate Drafts Outstanding	\$5,875,747	0.3%	\$5,446,742	0.4%	\$429,005
Regular Shares/Clubs/IRA's	427,676,555	24.2%	346,349,625	22.5%	81,326,930
Money Market	489,355,887	27.7%	395,091,851	25.7%	94,264,036
Certificates	229,415,123	13.0%	247,263,880	16.1%	(17,848,757)
Checking	441,112,249	25.0%	382,074,957	24.8%	59,037,292
Accounts Payable	622,920	0.0%	692,286	0.0%	(69,366)
Loans Payable	9,850,500	0.6%	12,640,050	0.8%	(2,789,550)
Other Liabilities	17,303,282	1.0%	13,662,568	0.9%	3,640,714
Total Liabilities	\$1,621,212,263	91.8%	\$1,403,221,959	91.1%	\$217,990,304
Equity					
Reserves	\$19,899,638	1.1%	\$19,899,638	1.3%	\$-
Accumulated Other Comprehensive Loss (OCL)	(10,310,723)	-0.6%	(6,149,093)	-0.4%	(4,161,630)
Retained Earnings	135,335,638	7.7%	122,598,950	8.0%	12,736,688
Total Equity	\$144,924,553	8.2%	\$136,349,495	8.9%	\$8,575,058
Total Equity (Excluding OCL)	\$155,235,276	8.8%	\$142,498,588	9.3%	\$12,736,688
Total Liabilities and Equity	\$1,766,136,816	100.0%	\$1,539,571,454	100.0%	\$226,565,362

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 the members of DCCU benefited in 2021.



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 2021:

Habitat for Humanity

Various campaigns and fundraisers were held throughout the year to provide this donation to Habitat for Humanity, including our Corporate Charity campaign, Make a Difference when you DIY credit card campaign, and our DCCU Cares Virtual 5K/10K for employees.

\$44,408
FUNDS RAISED

Blue Ridge Area Food Bank

DCCU supported the Blue Ridge Area Food Bank at our spring and fall Shred Days where we accepted food and monetary donations. We also collected funds through employee fundraisers and donations as part of our Corporate Charity campaign.

8,564 pounds of food
\$13,654 monetary donation



Scholarships

In 2021, we awarded \$1,000 in scholarships to 29 deserving students.



\$29,000



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. Board members serve three-year terms and are elected by the membership.

Everett J. Campbell, Jr. *Chairman*

Angela M. Simonetti *Vice Chairman*

Janet P. Mangun *Secretary*

Michael P. Blinn *Treasurer*

Drew Ellen Gogian *Director*

Marvin G. Copeland, Jr. *Director*

Connie A. Fahey *Associate Director*

David A. Kirby *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 *Committee Chair*

Drew Ellen Gogian *Board Director*

Marvin G. Copeland, Jr. *Board Director*

Mary Louise Leake *Member*

David A. Passmore *Member*



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