



DuPont Community
CREDIT UNION

2022

Annual Report



CHAIRMAN'S REPORT

DuPont Community Credit Union (DCCU) experienced another positive year in 2022 as we demonstrated our continued commitment to the membership and our community.

from Everett J. Campbell, Jr., Chair, Board of Directors

Highlights from 2022:

- We funded \$140.7 Million in real estate loans in 2022, helping 663 members purchase or refinance their homes, including 174 first-time homebuyers. We remain committed to supporting the mortgage needs of our members.
- Additionally, we served 9,888 members as we funded \$106 Million in auto loans (4,940), \$17.0 Million in credit cards (3,788), \$76.3 Million in home equity loans (1,042), and \$80.7 Million in member business loans (118).
- DCCU launched a new and improved website that provides a consultative online experience and complements the personal service our members are accustomed to receiving when interacting with us in our branches or by phone.
- Windward Pointe, DCCU's 14th Member Center, opened in the Summer of 2022. Located in Fishersville, this branch introduced Personal Teller Machines (PTMs) as a new service. In addition to having an experienced retail team for consultative requests such as new accounts or loans, PTMs operate as a traditional ATM for routine transactions with added video capabilities that allow members to speak with a DCCU representative by video.
- DCCU launched an enhanced Business Online Banking service to help our business members manage their finances more efficiently.
- DCCU donated \$32,125 to Habitat for Humanity affiliates in our community. Various campaigns and fundraisers were held throughout the year, including our Corporate Charity and our DCCU Cares Virtual 5K/10K for employees.
- DCCU had another strong year supporting the Blue Ridge Area Food Bank in 2022. Through our Spring and Fall Shred Days, "Shop and Give" credit card campaign, and employee fundraisers, DCCU donated \$29,699 and 7,448 pounds of food to the Food Bank, which helped them provide approximately 125,000 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 and pledges, DCCU divided a donation of \$21,500 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.
- The Virginia Credit Union League selected DCCU as the winner of the 2022 Louise Herring Philosophy In Action Award in the over \$1 Billion asset size category. We received first place for our 2021 "Make a Difference When You DIY" campaign, which encouraged DCCU credit card holders to use their DCCU credit card for DIY purchases and a portion of the dollars spent was donated to local Habitat for Humanity affiliates.

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 2023 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 2022, 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), Jeff A. Miracle (Member through September 2022) and Marissa S. Helmick (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 2021 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 2022 by DCCU staff. The audit firm of ElliottDavis, CPAs, performed the annual opinion audit.

Our most recent routine joint examination was completed in 2022 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 2022 financial performance and accomplishments are reflected by category in detail below.

from Michael P. Blinn, Treasurer

Growth

Assets grew at a rate of 2.6% or \$45.4MM ending 2022 at \$1.81B. Member savings grew 4.7% or \$77.8MM during 2022. With loan demand outpacing savings growth, the ratio of our loans to assets increased from 55.8% to 61.6%. Total loans outstanding increased by 13.2% or \$130.3MM. The investment portfolio increased 17.9% 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)

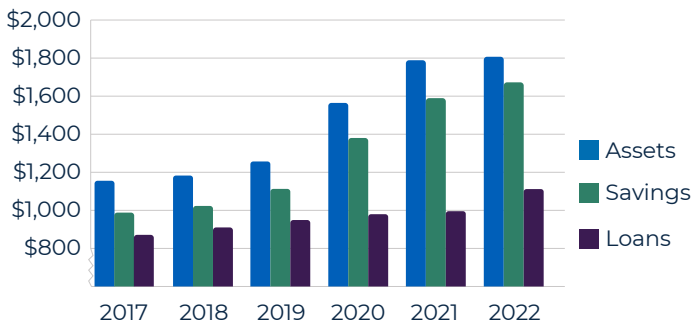
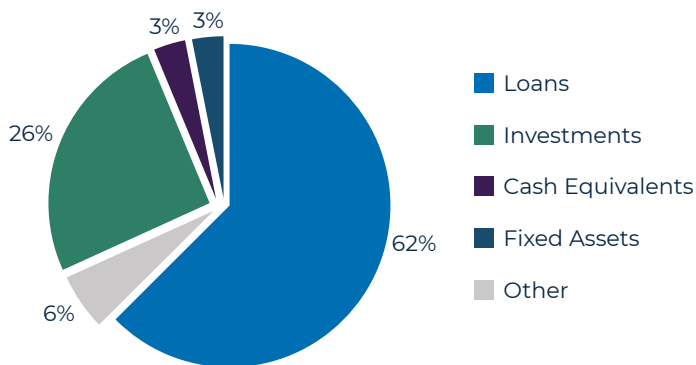


Figure 2 Asset Distribution



Net Income

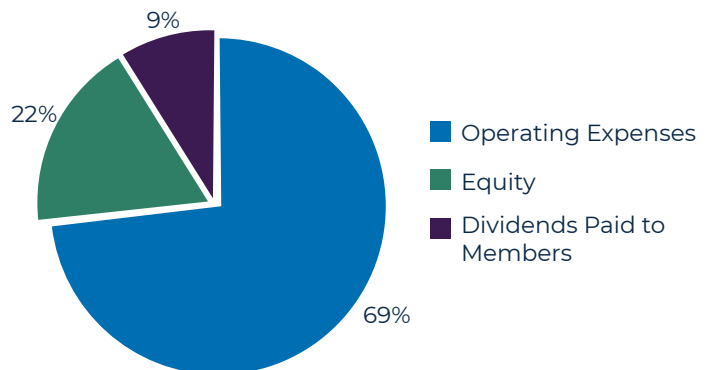
Net income for 2022 was \$18.7MM, an increase of \$6.0MM or 46.8% compared to 2021. Due to upward moves in interest rates in 2022, dividends and interest paid to members increased \$687M or 10.1% compared to 2021.

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 2023 and, as always, appreciate your cooperation and support!

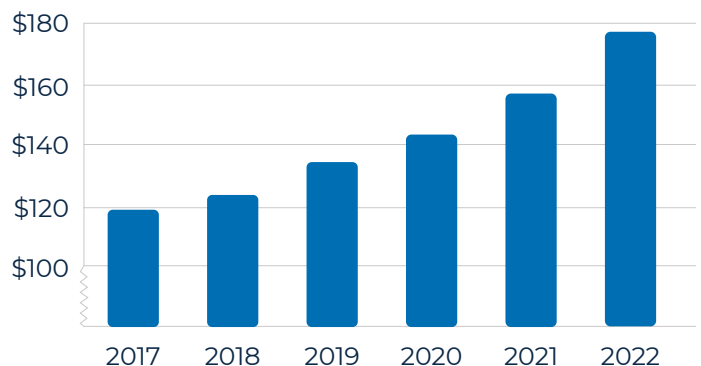
Figure 3 Income Distribution



Equity (Net Worth)

As a result of a reduced rate of savings growth and a corresponding lower rate of growth in assets, our equity ratio increased from 8.79% of assets at year-end 2021 to 9.60% at year-end 2022. The \$109.5MM 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) increased from 0.22% at year-end 2021 to 0.35% at the end of 2022, which is in line with our historical average. Net write-offs increased from \$1.2MM or 0.12% in 2021 to \$2.0MM or 0.20% in 2022.

INCOME STATEMENT

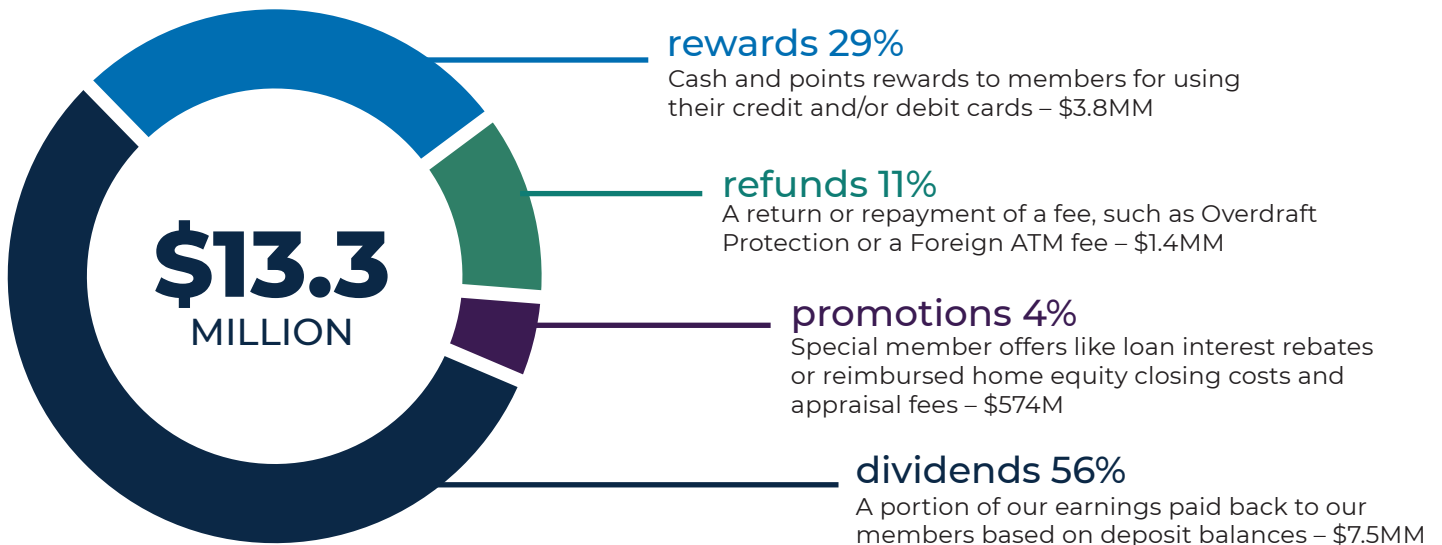
	2022		2021		2021 - 2022
	Amount	% of Gross Income	Amount	% of Gross Income	Difference
Income					
Loan Interest	\$45,721,051	53.7%	\$42,201,706	57.8%	\$3,519,345
Investment Income	10,284,099	12.1%	3,544,677	4.9%	6,739,422
Other Income	29,497,484	34.6%	26,632,477	36.5%	2,865,007
Gain (Loss) On Investments	(410,257)	-0.5%	314,364	0.4%	(724,621)
Gain (Loss) Disposition Of Assets	65,039	0.1%	(164,789)	-0.2%	229,828
Corporate Stabilization Income	0	0.0%	464,958	0.6%	(464,958)
Total Gross Income	\$85,157,416	100.0%	\$72,993,393	100.0%	\$12,164,023
Expenses					
Employee Compensation	\$22,203,435	26.1%	\$21,270,675	29.1%	\$932,760
Benefits/Training	6,131,765	7.2%	6,476,265	8.9%	(344,500)
Association Dues	154,185	0.2%	148,053	0.2%	6,132
Cost of Space	2,995,412	3.5%	2,859,460	3.9%	135,952
Furniture & Fixtures	2,492,975	2.9%	2,197,770	3.0%	295,205
Debit Cards	7,351,242	8.6%	6,486,840	8.9%	864,402
Software Support	1,299,137	1.5%	1,571,948	2.2%	(272,811)
Cost of Operations - Other	6,260,981	7.4%	5,175,349	7.1%	1,085,632
Marketing/Promotions	1,200,855	1.4%	934,140	1.3%	266,715
Provision For Loan Losses	2,266,863	2.7%	229,440	0.3%	2,037,423
Professional Services	793,141	0.9%	681,918	0.9%	111,223
Loan Expenses	1,637,563	1.9%	1,572,088	2.2%	65,475
Credit Cards	3,428,203	4.0%	3,174,537	4.3%	253,666
Borrowed Money Expense	344,674	0.4%	342,096	0.5%	2,578
Other Expenses	395,312	0.5%	314,288	0.4%	81,024
Total Operating Expense	\$58,955,743	69.2%	\$53,434,867	73.2%	\$5,520,876
Paid to Members					
Certificate Interest	\$3,868,308	4.5%	\$3,985,938	5.5%	\$(117,630)
Dividends	3,640,665	4.3%	2,835,900	3.9%	804,765
Total Paid to Members	\$7,508,973	8.8%	\$6,821,838	9.3%	\$687,135
Added To Equity	\$18,692,700	22.0%	\$12,736,688	17.4%	\$5,956,012

BALANCE SHEET

	2022		2021		2021 - 2022
	Amount	% of Assets	Amount	% of Assets	Difference
Assets					
Loans To Members (Net of Allow for Loan Loss)	\$1,116,408,121	61.6%	\$986,146,017	55.8%	\$130,262,104
Cash and Cash Equivalents	65,674,453	3.6%	242,294,114	13.7%	(176,619,661)
Investments	471,671,927	26.0%	400,003,021	22.6%	71,668,906
Accrued Income (Loans)	2,814,853	0.2%	2,297,838	0.1%	517,015
Accrued Income (Investments)	1,691,735	0.1%	1,008,196	0.1%	683,539
Building/Land (Net)	46,328,511	2.6%	48,273,334	2.7%	(1,944,823)
Furniture/Fixtures (Net)	8,526,479	0.5%	6,442,154	0.4%	2,084,325
NCUA Deposit	15,222,214	0.8%	13,945,729	0.8%	1,276,485
Other Assets	83,176,878	4.6%	65,726,413	3.7%	17,450,465
Total Assets	\$1,811,515,171	100.0%	\$1,766,136,816	100.0%	\$45,378,355
Liabilities and Equity					
Corporate Drafts Outstanding	\$6,972,702	0.4%	\$5,875,747	0.3%	\$1,096,955
Regular Shares/Clubs/IRA's	442,207,654	24.4%	427,676,555	24.2%	14,531,099
Money Market	452,719,068	25.0%	489,355,887	27.7%	(36,636,819)
Certificates	321,172,940	17.7%	229,415,123	13.0%	91,757,817
Checking	449,210,511	24.8%	441,112,249	25.0%	8,098,262
Accounts Payable	702,106	0.0%	622,920	0.0%	79,186
Loans Payable	8,037,200	0.4%	9,850,500	0.6%	(1,813,300)
Other Liabilities	21,018,050	1.2%	17,303,282	1.0%	3,714,768
Total Liabilities	\$1,702,040,231	94.0%	\$1,621,212,263	91.8%	\$80,827,968
Equity					
Reserves	\$19,899,638	1.1%	\$19,899,638	1.1%	\$-
Accumulated Other Comprehensive Loss (OCL)	(64,456,037)	-3.6%	(10,310,723)	-0.6%	(54,145,314)
Retained Earnings	154,028,339	8.5%	135,335,638	7.7%	18,692,701
Total Equity	\$109,471,940	6.0%	\$144,924,553	8.2%	\$(35,452,613)
Total Equity (Excluding OCL)	\$173,927,977	9.6%	\$155,235,276	8.8%	\$18,692,701
Total Liabilities and Equity	\$1,811,512,171	100.0%	\$1,766,136,816	100.0%	\$45,375,355

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 2022.



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 2022:

Habitat for Humanity

Various campaigns and fundraisers were held throughout the year to provide this donation, including our Corporate Charity and our DCCU Cares Virtual 5K/10K for employees.

\$32,125
FUNDS RAISED

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, and employee fundraisers.

7,448 pounds of food
\$29,699 monetary donation



Scholarships

In 2022, 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.

Everett J. Campbell, Jr. *Chair*

Angela M. Simonetti *Vice Chair*

Janet P. Mangun *Secretary*

Michael P. Blinn *Treasurer*

Drew Ellen Gogian *Director*

Marvin G. Copeland, Jr. *Director*

David A. Kirby *Director*

Connie A. Fahey *Associate 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; 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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