

- > Security
- > Strength
- > Growth
- > Community



# Table of Contents

A Message from the President	3
A Message from the Board Chair	4
Supervisory Committee Report	6
2018 Financial Statements	8

## Our Commitment To Serve

We're a Member-owned financial institution. Unlike the big banks, we work for our Members, not stockholders. We operate by the guiding philosophy of the credit union movement: people helping people.

We are proud to serve over 35,000 Members and 7 counties. Your story matters and our Team is committed to making every experience memorable.

DuPage Credit Union | Banking Inspired®

## Core Values



### Dedication

To embrace the spirit of the credit union movement.



### Service

To exceed expectations through service excellence.



### Integrity

To be trustworthy and sincere in all interactions.



### Care

To demonstrate genuine concern for the community.

# A Message from the President

**Diane M. Shelton**

President/CEO



## Evolving with Agility & Innovation

More than just a bank. We're a Member-owned financial institution united by a common spirit.

The last words of our Promise echo the guiding principle of the credit union movement. Although we may come from many different walks of life, we all desire the same opportunity to pursue our dreams of financial growth and security.

By reinvesting in technology and developing agile strategies for an ever-changing environment, we are able to offer our Members better ways to bank. To that end, in 2018, we introduced new products and initiatives to help Members improve their financial standing while also strengthening the Credit Union.

The first initiative involved upgrading our customer relationship management (CRM) system. This new 360-degree view allows our team to better assist Members and to tailor recommendations for every financial situation.

On the product side, we introduced two money-earning checking accounts. Offering 3.04% APY\* on balances up to \$5,000, High-Yield Checking is one of the highest dividend-earning checking accounts in the nation. The other, Cash Back Checking, offers 1% cash back on all debit card purchases up to \$300 per year. With no service fees and no minimum balance requirements, Members who upgraded their checking

accounts have already begun reaping the benefits.

Whether looking for a home or planning for a vacation or retirement, we want to help grow our Members' savings. Now Members can earn up to 2.02% APY\* with the newly added Jumbo Money Market account.

In addition, we expanded our home loan options to include FHA, VA, and out of state mortgages so that Members can purchase a home anywhere in the United States and enjoy great rates and service.

Having started as a teacher's credit union, we believe the foundation of a strong community starts with local schools. In 2018, we awarded 25 grants to fund local educators' classroom projects. We were also overjoyed with the response to our *We've Got Your Back* and *Relay for Life* fundraisers, raising tens of thousands of dollars for local students in need and the American Cancer Society, respectively.

As we look towards 2019 and beyond, we do so with great optimism. The Credit Union is strong, and it is in large part because of you, our Members.

Best Wishes,

Diane M. Shelton  
President/CEO

# A Message from the Board Chair

**Gary Saake**

Chairman



The year 2018 brought a continuation of the cycle of positive financial results your Credit Union has enjoyed in recent years. This continuing success made it possible to not only improve the financial standing of the organization, but also to help our Members improve their own financial well-being.

This success resulted in another improvement in our capital base which makes the institution stronger and more financially sound despite the constant challenge of the ever-changing regulatory environment. Our efforts to serve our Members in the thoughtful and considerate manner to which they have become accustomed will always be our primary focus. Maintaining this level of service would not be possible without the exceptional efforts of our very capable and dedicated Team.

There would, of course, be no success for this organization without you, our loyal and devoted Members. The faith and confidence you express in us, makes our success possible year after year and also creates a fertile environment that allows us to explore the possibilities created by the ever-evolving financial technologies. To our Members, we vow to be a financial institution which you can take great pride, while also being an organization that is dedicated to the future of financial services.

---

## Improving Member Experience

In 2018 we continued the never-ending quest of providing our Members with a superior financial service experience. This experience must not only be of unsurpassed quality, it must also be consistent across all platforms. With this in mind, we undertook a major renovation of our Wheaton Branch Office, began offering instant issue debit and credit cards in all of our branch offices, and expanded the use and acceptance of electronic signatures.

While these changes were apparent to all, we also undertook projects to improve Member experience from behind the scenes. Two examples of these projects include the implementation of same-day electronic financial transactions and the beginning stages of a complete rebuild of our website.

## New Products and Services

The financial services industry has become more and more dynamic and innovative over the years and nowhere is that more true than at DuPage Credit Union. This evolution has not only created new technological advances, it has also resulted in an expansion of

the products and services that we can make available to our Members. In 2018, we introduced two new checking accounts: Cash Back Checking and High-Yield Checking. These two accounts offer all of the usual features of a traditional checking account, while also allowing Members to earn distinct, but equally valuable rewards for being an accountholder. And, coming in 2019, a new service that will make upgrading to one of these new accounts easier than ever before.

We also found ways to make existing products even better by improving the benefits of the Visa® Inspire Cash Back Signature Credit Card, expanding the types of mortgages we offer, and bringing on Samsung Pay and Google Pay™ for Members.

With all of these new products and services, we made certain that we did not forget to create special programs to benefit our communities such as the PERKS program and our Community Heroes Lending program.

## Team Member Tools

We also realized that we could not effectively and efficiently deliver these products without a competent and talented team armed with the tools necessary to do the job. To better equip

our team, we began building a data warehouse so they are able to more effectively serve our Members. We are also in the process of implementing a new appointment scheduling system that will make it easier for Members to make appointments and easier for the Team to manage those appointments.

## Disaster Recovery and Fraud Prevention

Protection against fraud and an interruption in service are two things the Credit Union is acutely aware of. We are also committed to being prepared to address and mitigate these nefarious activities in the best and most current ways possible. To address these issues, we continue working to create a new, comprehensive disaster recovery plan that will better prepare the Credit Union to overcome any event that could potentially cause a disruption in service to our Members. We are also aware of the pervasive, harmful effect that fraud is having on the financial services industry. To address this, we have added additional programs to our already extensive credit card fraud detection infrastructure and will remain vigilant in our quest to identify and manage risk throughout the organization.

## Conclusion

It has been a great honor to serve you, our wonderful Members, as the Chairman of the Board of Directors. The Board of Directors is comprised of a group of Credit Union Members who serve as volunteers and receive no compensation in return for their efforts. They are elected by the Credit Union Membership to represent their interests in the operation of this organization. These volunteers dedicate their time, energy, and talents with the common goal of maintaining a thriving cooperative financial institution that is operated to serve the Membership in the best way possible.

On behalf of the Board of Directors, Committee Members, and the DuPage Credit Union Team, I thank you for the confidence that you have shown in us and hope that you continue to provide us with the opportunity to be your financial partner in 2019 and into the future.

Sincerely,

Gary Saake, Chairperson  
On Behalf of the Board of Directors

# Supervisory Committee Report

**Judy Lyons**

Chairperson



## Earning Member Trust & Confidence For 62 Years

The Supervisory Committee consists of five Members of the Credit Union who are appointed annually by the Board of Directors of DuPage Credit Union. The Committee has oversight responsibility for monitoring the business affairs of the Credit Union. In that capacity, the Committee met quarterly during the 2018 term year and also attended various Board of Directors meetings and strategic planning sessions. The Committee also met with regulatory examiners, share insurance examiners, and independent auditors to review their findings in relation to audits and exams of the Credit Union's operations and internal control.

DuPage Credit Union is an Illinois state-chartered credit union, governed by the Illinois Credit Union Act with regulatory oversight by the Illinois Department of Financial and Professional Regulation's (IDFPR) Division of Financial Institutions, Credit Union Section. By law, the Credit Union is required to undergo an annual internal audit and external audit of its books and business affairs. An independent public accountant, engaged by the Supervisory Committee, performs the external audit and participates in the completion of the internal audit.

---

## Annual External Audit

Selden Fox, Ltd. performed the external audit and then presented to the Committee their independent auditor's unqualified report. This audit included a review of the Credit Unions' statement of financial condition, income statement, and Members' equity and cash flows as of September 30, 2018. Selden Fox, Ltd. also thoroughly reviews all lending and collections reports, as well as all balance sheet account reconciliations. The audit results were submitted in December of 2018 to the IDFPR's Credit Union Section and American Share Insurance (ASI), the Credit Union's share savings insurer.

The reports were also thoroughly reviewed by DuPage Credit Union's Board of Directors and Management Team. The Credit Union Team was enthusiastically commended by the auditors for its cooperation and conscientiousness in the maintenance of the books and records of the Credit Union. As has been the case for the past several years, there were no financial or accounting audit adjustments.

## Regulatory Exam

DuPage Credit Union is also required by law to undergo a regulatory examination. The IDFPR's Credit Union Section and ASI conducted a joint examination during the year. The full examination was conducted in April of 2018 and was based on March 31, 2018 operational and financial results. The examination report was reviewed and discussed with the Board of Directors, Management, and Supervisory Committee Members at the May 2018 meeting.

## Internal Audit

In addition to the annual audit and regulatory examination, the Credit Union's Internal Auditor and Compliance Manager conducted numerous compliance, internal, and quality control reviews during the year. Their reports and findings were reviewed quarterly by the Committee. These reviews, and the corrective action taken when appropriate, are repeatedly lauded for their effectiveness by external auditors and regulators. The Internal Auditor also conducted security reviews at each Credit Union location at various times throughout the year.

## Internal and External Data and Infrastructure Security Audits

Internal and external data and infrastructure security audits were performed in 2018 by an independent firm specializing in data processing security. These included manual reviews of information handling processes and user practices, automated processes that scanned the financial institution's computer systems and network for commonly exploited vulnerabilities, and simulated attacks on the computer systems with the intention of identifying security weaknesses. The Credit Union received an excellent report for its technology security systems and processes as it has for many years. Members can be assured that their personal information is secure and protected from those with nefarious intent.

I would like to thank my fellow Committee Members: William Hicks, Deborah Lange, James Martner, and John Patterson, for their time and commitment throughout the year. On behalf of the Committee, I would also like to commend the Board of Directors, Management, and the entire DuPage Credit Union Team for continuing to provide extraordinary value to Members.

Sincerely,

Judy Lyons  
Supervisory Committee Chairperson

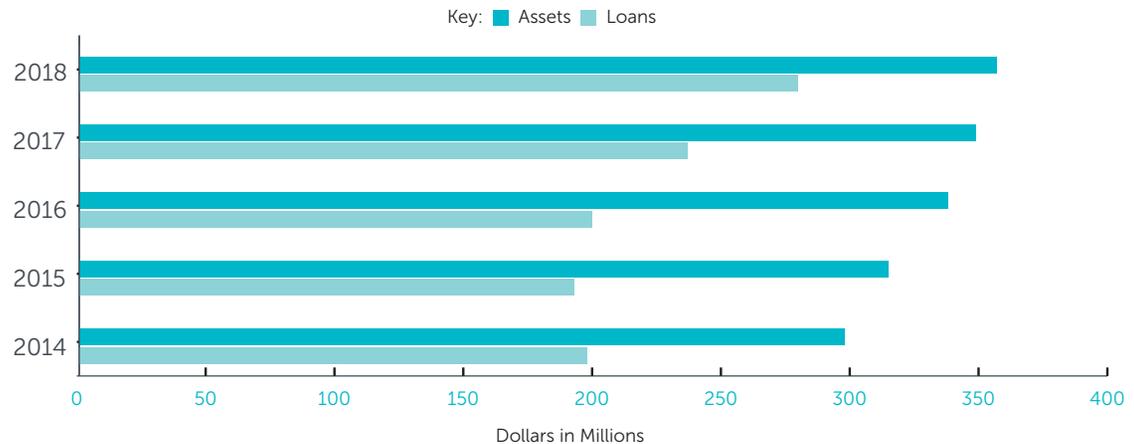
# 2018 Financial Statements

## Balance Sheet

Assets	2018	2017
Cash & Cash Equivalents	\$1,563,657	\$5,062,900
Investments	\$49,194,133	\$82,495,097
Loans to Members	\$279,320,838	\$236,560,901
Allowance For Loan Loss	-\$1,535,044	-\$1,615,690
Building & Land	\$7,482,944	\$7,524,386
Other Fixed Assets	\$1,191,684	\$1,073,186
Accrued Interest on Loans	\$919,823	\$781,300
Other Assets	\$17,862,463	\$17,057,981
<b>TOTAL ASSETS</b>	<b>\$356,000,498</b>	<b>\$348,940,061</b>

Liabilities & Member Equity	2018	2017
Accounts Payable	\$1,378,223	\$1,176,030
Other Liabilities	\$1,950,245	\$2,330,687
Member Savings	\$322,156,328	\$316,500,609
Reserves & Undivided Earnings	\$30,515,702	\$28,932,735
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$356,000,498</b>	<b>\$348,940,061</b>

2014-2018 Total Assets and Loans to Members



# Income & Expenses

Income	2018	2017
Interest on Loans	\$12,835,200	\$10,558,494
Interest on Investments	\$2,013,228	\$1,869,844
Operating Fees & Other Income	\$5,500,688	\$6,656,893
<b>TOTAL INCOME</b>	<b>\$20,349,116</b>	<b>\$19,085,231</b>



**63%** Interest on Loans  
**27%** Other Income  
**10%** Interest on Investments

Expense	2018	2017
Dividends on Member Savings	\$119,643	\$52,187
Interest on Borrowed Funds	\$162,764	\$2,985
Provision for Loan Loss	\$855,587	\$655,291
Employee Compensation & Benefits	\$8,305,275	\$7,686,531
Travel & Conference	\$80,794	\$56,102
Office Occupancy	\$734,278	\$797,443
Office Operations	\$3,767,489	\$3,745,131
Education & Marketing	\$448,405	\$471,190
Loan Servicing	\$2,683,068	\$2,804,110
Professional & Outside Services	\$261,974	\$108,285
Regulatory Fees	\$47,500	\$72,000
Misc. Operating	\$763,503	\$221,937
<b>TOTAL EXPENSE</b>	<b>\$18,230,280</b>	<b>\$16,673,192</b>
<b>NET INCOME</b>	<b>\$2,118,836</b>	<b>\$2,412,039</b>



**49%** Employee Compensation & Benefits  
**22%** Office Operations  
**16%** Loan Servicing  
**4%** Office Occupancy  
**3%** Education & Marketing  
**6%** Other Operating Expenses

# 2018 Board of Directors & Committee Members

## Board Members

Gary Saake, Chairman  
Debra Ragusa, Vice Chairman  
Kaitlin Plucinski, Treasurer  
Martin Bourke, Secretary  
Marc DesMarteau  
William Hicks  
Gretchen Lewis

## Executive Committee

Gary Saake, Chairman  
Kaitlin Plucinski, Alternate  
Debra Ragusa  
Martin Bourke

## Supervisory Committee

Judy Lyons, Chairperson  
William Hicks  
Deborah Lange  
James Martner  
John Patterson

## Asset Liability Management Committee (ALCO)

Frank Sposito, Chairman  
Amy Brandt  
John Dumas  
Roberta Kozlowicz  
Diane Shelton  
Gail Mosher, First Alternate  
Diana Hughes, Second Alternate

# Contact Us

## Branches & ATMS

### Downers Grove

725 Ogden Avenue  
Downers Grove, IL 60515

### Naperville

790 Royal St. George Drive  
Naperville, IL 60563

### Wheaton

625 E. Roosevelt Road  
Wheaton, IL 60187

## Nationwide Shared Branches & ATMs

Find locations at [dupagecu.com](http://dupagecu.com)

## Call Us

### Phone Center

630-428-3440 / 800-323-2611

### 24-Hour Loan Center

Apply for a loan 24 hours a day  
630-428-3440 / 800-323-2611

## Online

[dupagecu.com](http://dupagecu.com)

## Routing/Transit Number

2719-9019-8

Samsung Pay is only compatible with supported cards, carriers, and Samsung devices.  
See [Samsung.com/pay](http://Samsung.com/pay) for compatibility. Google Pay is a trademark of Google LLC.



YOUR SAVINGS INSURED TO \$250,000 PER ACCOUNT  
AMERICAN SHARE INSURANCE  
By members' choice, this institution is not federally insured.

NMLS #445096