



## 2019 ANNUAL REPORT



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## 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 36,000 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

The success of the Credit Union is a tribute to generations of loyal members who continue to share their positive experiences with family and friends. In fact, with your help our membership increased by over 1,500 people this past year—the most in over a decade. The credit union movement is growing, and we're excited for what the future holds.

Over the course of 2019, we enhanced existing products, introduced a number of new products and services, and charted the course for a better future. A future focused on delivering cutting-edge technology and service that improves the member experience every step of the way.

## Helping Members Get the Most Out of Their Money

In April 2019, we introduced the High-Yield Savings account exclusive to members who have a Cash Back or High-Yield Checking account. This gives them access to a High-Yield Savings account which boasts one of the nation's highest dividend rates. We also added a Jumbo Money Market account allowing members the opportunity to earn a higher dividend rate on balances of \$250,000 or more.

In the few short months after their launch, members with Cash Back and High-Yield Checking accounts earned over \$342,000, additionally, members with a High-Yield Savings account earned \$83,286 in dividends, while members with a Jumbo Money Market account earned \$1,010,654.

To make it even easier for members to take advantage of these money-earning options, we introduced ClickSWITCH®, a service that moves direct deposits and payments from other financial institutions to the Credit Union.

Because we believe you shouldn't have to pay to get cash when you need it, we also reimbursed \$26,764 in other bank's ATM fees to Cash Back and High-Yield Checking account holders. We truly believe that, especially when paired together, these checking and savings accounts are some of the best in the nation.

## The New dupagecu.com

In September 2019, we unveiled the new dupagecu.com. We know you have options when it comes to banking, and our goal was to simplify the decision-making process as much as possible with product comparison tools, an enriched search, and full transparency. If you're looking to upgrade your credit card, for instance, we list our fees (or lack thereof) right upfront—no digging through disclosures.

Sometimes you need to meet with an experienced

professional to discuss what's best for you, and to that end, we introduced an online scheduling tool. Simply select "Schedule Appointment" from the top toolbar and in many instances, you can make a same-day appointment—on the phone or in-person—with one of our experts.

## A Powerful Digital Mortgage Experience

In the last quarter of 2019, the credit union launched an enhanced mortgage origination platform. This new platform offers a more digital mortgage experience giving our Members the ability to upload and import documents, track mortgage status and electronically sign mortgage disclosures—all from the comfort of your own home.

## Giving Back to Our Communities

As a credit union founded by educators, giving back to the community is very important to us. In 2019, we raised \$8,100 through *Relay for Life* for the American Cancer Society, distributed \$14,638 worth of school supplies to DuPage County students in need, and awarded 25 grants for a total of \$10,000 to fund local teacher's classroom projects.

As we reflect on 2019 and all that we were able to accomplish, 2020 promises to be a year of filled with great growth and innovation. With the help of our membership and our community, there isn't anything that we can't do.

Sincerely,



Diane M. Shelton  
President/CEO

# A MESSAGE FROM THE BOARD CHAIR



**Gary Saake**

Chairman

## Overseeing the Interests of Members

This past year was certainly busy and productive for DuPage Credit Union. As is always the case, ensuring the financial strength and security of the organization has been the primary focus of management, our team, and the Board of Directors. We continued to focus our attention on growing our capital to provide financial stability as we face future challenges.

We believe the future is very bright for DuPage Credit Union. We're grateful for your loyalty and enthusiasm in the credit union movement as we continue to provide you with a level of service that will make you proud.

## New Products

In our never-ending quest to provide our members with the best products available in the marketplace, we added two new savings products in 2019.

Introduced in April, our High-Yield Savings account offers members a handsome dividend with no minimum balance requirements or service fees and no minimum to start earning. Funds deposited in this account are completely liquid and can be withdrawn at any time without penalty.

The Jumbo Money Market account also debuted in 2019 and is a way for members with larger balances to earn higher dividend rates.

Both of these savings products have proven to be quality additions to our savings product suite and are very popular with our members.

## Website

We were very proud to introduce our newly designed website in 2019. The site has a fresh, new look and features intuitive functionality such as an enhanced search, product comparison tools, and an online appointment-scheduling tool so that you can talk to any expert at your convenience.

## Technology

Technology in the financial services industry moves quickly. That's why we have a Strategic Plan that allows us to be agile in order to meet the needs of our membership.

This year we continued our focus on technologies that improve both member experience and operations.

To that end, I am proud of the work our Marketing and Technology teams did to launch a new, user-friendly

website, and of the work our Residential Lending team did in introducing a new mortgage origination platform that speeds up the home buying process.

Behind the scenes, we continued to work with consultants and vendors on larger initiatives that we are excited to bring forward to our membership as these big ideas come to fruition.

## Conclusion

The DuPage Credit Union Board of Directors is a dedicated group that is focused on representing your interest and assuring that the organization is operated in a secure and sound manner. The Board is elected by you, our members, and is committed to dedicating our time, talent, and energy to make this the best financial institution possible. It's been a great honor to serve as the Chairman of the Board of Directors over the past several years. On behalf of the Board of Directors, Committee Members, and the DuPage Credit Union team, I thank you for your support and for the confidence that you have shown in us throughout the year. We sincerely hope that you continue to honor us with the privilege of being your financial partner in 2020 and into the future.

Sincerely,

Gary Saake, Chairman  
On Behalf of the Board of Directors

# SUPERVISORY COMMITTEE REPORT



**James Martner**

Supervisory Committee Chairman

## Earning Member Trust & Confidence For 63 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 2019 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 controls.

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, 2019. 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 2019 to the IDFP'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 IDFP's Credit Union Section and ASI conducted a joint examination during the year. The full examination was conducted in April of 2019 and was based on March 31, 2019 operational and financial results. The examination report was reviewed and discussed with the Board of Directors, Management, and Supervisory Committee Members at the May 2019 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 2019 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: Deborah Lange, Gretchen Lewis, Robert O'Kelly 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,

James Martner  
Supervisory Committee Chairman

# 2019 FINANCIAL STATEMENTS

## BALANCE SHEET

| <b>Assets</b>             | <b>2019</b>          | <b>2018</b>          | <b>Liabilities &amp; Member Equity</b> | <b>2019</b>          | <b>2018</b>          |
|---------------------------|----------------------|----------------------|--|----------------------|----------------------|
| Cash & Cash Equivalents   | \$3,777,752          | \$1,563,657          | Accounts Payable                       | \$1,450,684          | \$1,378,223          |
| Investments               | \$36,018,438         | \$49,194,133         | Other Liabilities                      | \$2,461,272          | \$1,950,245          |
| Loans to Members          | \$318,652,690        | \$279,320,838        | Member Savings                         | \$347,808,051        | \$322,156,328        |
| Allowance For Loan Loss   | -\$1,694,151         | -\$1,535,044         | Reserves & Undivided Earnings          | \$33,776,467         | \$30,515,702         |
| Building & Land           | \$7,251,317          | \$7,482,944          | <b>TOTAL LIABILITIES &amp; EQUITY</b>  | <b>\$385,496,474</b> | <b>\$356,000,498</b> |
| Other Fixed Assets        | \$1,114,471          | \$1,191,684          |  |                      |                      |
| Accrued Interest on Loans | \$985,782            | \$919,823            |  |                      |                      |
| Other Assets              | \$19,390,176         | \$17,862,463         |  |                      |                      |
| <b>TOTAL ASSETS</b>       | <b>\$385,496,474</b> | <b>\$356,000,498</b> |  |                      |                      |

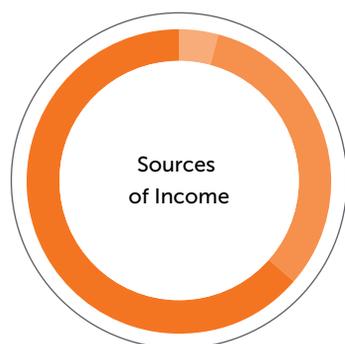
### 2015-2019 Total Assets and Loans to Members



## Income & Expenses

| Income                        | 2019                | 2018                |
|-------------------------------|---------------------|---------------------|
| Interest on Loans             | \$15,307,186        | \$12,835,200        |
| Interest on Investments       | \$957,542           | \$2,013,228         |
| Operating Fees & Other Income | \$7,737,230         | \$5,500,688         |
| <b>TOTAL INCOME</b>           | <b>\$24,001,958</b> | <b>\$20,349,116</b> |

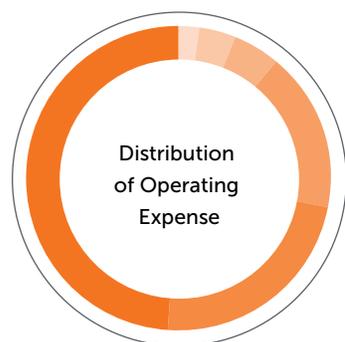
| Expense                          | 2019                | 2018                |
|----------------------------------|---------------------|---------------------|
| Dividends on Member Savings      | \$1,320,110         | \$119,643           |
| Interest on Borrowed Funds       | \$57,231            | \$162,764           |
| Provision for Loan Loss          | \$995,671           | \$855,587           |
| Employee Compensation & Benefits | \$9,251,864         | \$8,305,275         |
| Travel & Conference              | \$55,897            | \$80,794            |
| Office Occupancy                 | \$741,655           | \$734,278           |
| Office Operations                | \$4,417,833         | \$3,767,489         |
| Education & Marketing            | \$429,080           | \$448,405           |
| Loan Servicing                   | \$3,111,001         | \$2,683,068         |
| Professional & Outside Services  | \$308,571           | \$261,974           |
| Regulatory Fees                  | \$81,800            | \$47,500            |
| Misc. Operating                  | \$441,858           | \$763,503           |
| <b>TOTAL EXPENSE</b>             | <b>\$21,212,571</b> | <b>\$18,230,280</b> |
| <b>NET INCOME</b>                | <b>\$2,789,387</b>  | <b>\$2,118,836</b>  |



64% Interest on Loans

32% Other Income

4% Interest on Investments



49% Employee Compensation & Benefits

23% Office Operations

17% Loan Servicing

5% Other Operating Expenses

4% Office Occupancy

2% Education & Marketing

# 2019 BOARD OF DIRECTORS & COMMITTEE MEMBERS

## Board Members

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

## Executive Committee

Gary Saake, Chairman  
Debra Ragusa, Vice Chairman  
Kaitlin Plucinski, Treasurer  
Martin Bourke, Secretary

## Supervisory Committee

James Martner, Chairman  
Deborah Lange  
Gretchen Lewis  
Robert O'Kelly  
John Patterson

## Asset Liability Management Committee (ALCO)

John Dumas, Chairman  
Amy Brandt  
Roberta Kozlowicz  
Diane Shelton  
Frank Sposito  
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 Number

271990198



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

NMLS #445096