



**Banking Inspired.**

2015 Annual Report



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# Banking Inspired.



## Our Promise

More than just a bank, we're a Member-owned financial institution united by a common spirit, energized to create a memorable banking experience to help you with life's events – big and small.

Joined by our Members. Supported by our Members. Inspired by our Members.

DuPage Credit Union | Banking Inspired.

## Our Core Values



### Dedication

To embrace the spirit of the credit union movement.



### Integrity

To be trustworthy and sincere in all interactions.



### Service

To exceed expectations through service excellence.



### Care

To demonstrate genuine concern for the community.

# Inspiration

In 2015, we asked our Members to describe DuPage Credit Union in three words or less. Your responses inspired us to craft our new Brand Promise: *Banking Inspired*. **Here are some highlights from 2015:**



## New Brand Promise

United by a common spirit, we are energized to create a memorable banking experience to help you with life's events, big and small.



## New Look & Feel

Inspired by you, our new look & feel is reflective of our motivation to help you and give back to the communities we call home.



## New Website

Our new website is easier to navigate and features engaging infographics, informative videos and additional insight into what makes us more than just a bank.



## New Feature

As we were inspired by your thoughtful sentiments, we hope you will be inspired to share your voice by leaving reviews at [dupagecu.com](http://dupagecu.com) to help others.

# Community

Giving back to the community is an integral part of who we are and who we have been for 60 years. **Here are some highlights from 2015:**



## We've Got Your Back

Thanks to your continued support, we raised over \$16,000 during our second annual backpack fundraiser and helped over 2,600 students in need by providing backpacks filled with essential supplies.



## Drive, Drop & Donate

During our annual event, hundreds of eco-conscious Members and neighbors dropped off over 14,500 pounds of recyclable documents and electronics and donated over \$2,000 to help with our backpack fundraising.



## Relay for Life

Nearly a dozen Team Members and their families took part in American Cancer Society's 2015 Relay for Life. Through various activities and personal fundraising efforts, we raised over \$3,900.



## Lee National Denim Day

In October, our Team raised over \$300 for breast cancer research by taking part in Lee's National Denim Day.

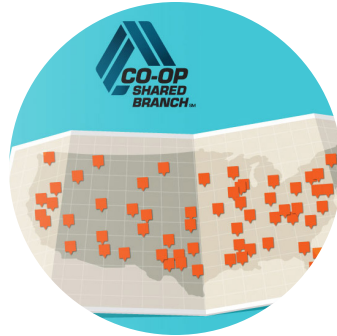
# Innovation

By embracing and reinvesting in innovative services, we are able to provide you with a variety of banking options that fit your lifestyle. **Here are some highlights from 2015:**



## Responsive Technology

Our new website easily formats to any device, presenting you with a clean and easy way to access your accounts, apply for loans and more.



## Shared Branching

We partnered with thousands of credit unions nationwide to offer Members over 5,000 locations to make DuPage Credit Union payments, deposits, get cash and more.



## Apple Pay™

This wallet-less payment system provides you an extra layer of encrypted security each time you make a payment with your Apple® mobile device.

Apple Pay is a trademark of Apple Inc., Apple is a trademark of Apple Inc., registered in the U.S. and other countries.



## Quick Online Loan Approval

We have significantly reduced loan approval times with our new online loan application and approval system.

# Security

Our security continually evolves to stay ahead of today's threats to safeguard your personal and account information at all times. **Here are some highlights from 2015:**



## Chip-Enabled Credit Cards

We began issuing chip-enabled Visa® Credit Cards to add an additional layer of security. Each time a Member uses their card a unique transaction code is created.



## Secure Document Transfer

Through encrypted email, we can expedite Members' Home Loans by securely transferring documents online.



## Electronic Signatures

We've streamlined the Member & loan application process, while at the same time providing an additional layer of security with the introduction of eSign.



## Transaction Alerts

Members can keep an eye on their credit card transactions by choosing to receive text or email alerts every time their card is used.

# Message From the President



**Diane M. Shelton**  
President/CEO

## Banking Inspired

Early in 2015, we asked our Members to describe DuPage Credit Union in three words or less. *Inspired, energized, generous*...these are some of the sentiments that echoed in your responses, inspiring us to craft our re-imagined brand promise: *Banking Inspired*. What does *Banking Inspired* mean to us? It means that we are energized to create a memorable banking experience to help you with life's events, big and small. It also means that we are united in a common spirit to help those in our community.

Your inspiration helped us attain unprecedented heights in 2015. Here's a look back:

## Inspired to Give Back

In 1956, DuPage Credit Union was founded by a group of educators on the principle of people helping people—of giving back to the community. Today we continue this tradition of giving back by fostering the education of young people in our community. In 2015, we raised over \$20,000 toward causes near and dear to our hearts.

## We've Got Your Back Backpack Campaign –

Thanks to the generous support of Members, business partners, Team Members, the community at large and a \$500 Illinois Credit Union Foundation Community Involvement Grant; we raised \$16,200 to provide local students in need with backpacks filled with essential supplies for the 2015-2016 school year. In all, we handed out over 2,600 backpacks during the 25th Annual Back-to-School Fair hosted by Catholic Charities and the DuPage Regional Office of Education.

For our ongoing efforts to provide assistance to students in DuPage County, we were honored with the prestigious Friend of the DuPage Illinois Principals Association Award.

When presenting the award to the Credit Union, DuPage IPA Region Director Ryan Anderson remarked, "This very generous work from the Credit Union allowed for many students and families to be supported at a time that frankly can be filled with a lot of stress and anxiety for those children as they may be worrying about being prepared to learn."

We were also honored to receive the 2015 Illinois Dora Maxwell Social Responsibility Community Service Award by the Credit Union National Association (CUNA) at our Annual Meeting. This esteemed award was established to recognize credit unions for their social responsibility projects within their communities. As a first-place winner at the state level, we will now compete nationally against other credit unions in our asset-size for the top honor; which will be announced in April 2016.

**Relay for Life** – Over \$3,900 was raised by Team Members and our Membership for the American Cancer Society's Relay for Life. Vice President of Loan Sales, Gail Mosher, was also recognized for personally raising over \$1,000.

**Breast Cancer Charities** – Our Team once again participated in Lee National Denim Day and donated \$330 to help support breast cancer research.

We invite you to visit [dupagecu.com/community](http://dupagecu.com/community) for updates on all of our current fundraising efforts.

## Inspired to Serve

As the housing market continued to rebound in 2015, we remained diligent in our efforts to provide alternative home financing solutions, such as our Low Down Payment Mortgage to help homebuyers purchase their first home; as well as competitive loan rates, home financing seminars and exemplary personalized service. The Credit Union's efforts were honored with the following recognitions:

**No. 1 Ranking** – DuPage Credit Union is ranked the number one credit union mortgage lender in DuPage, Kane and Kendall Counties by the FFIEC according to data collected in 2014 through the Home Mortgage Disclosure Act.

**Five Star Mortgage Professional Award** – Senior Residential Lending Specialist Nora Hickey received a Five Star Professional Award for her excellent service in the mortgage industry, which was featured in *Chicago* magazine last fall. The award is presented each year to less than three-percent of mortgage professionals in our metropolitan area.

## Inspired to Innovate

DuPage Credit Union experienced another strong year of financial growth. In 2015, we increased our net equity ratio from 6.88% to 7.50%, an increase driven by near record-breaking net earnings totaling more than \$3.1 million for the year. This financial achievement provides us with the resources necessary to continue reinvesting in the Member experience. Some of the products and services we invested in include:

**Website** – In an effort to cater to our Members' growing online and mobile banking needs, [dupagecu.com](http://dupagecu.com) received a complete makeover in the summer of 2015. Its responsive design allows Members to easily access their accounts, apply for loans, leave & read reviews and more, conveniently from any device.

**Apple Pay™** – You asked for this popular wallet-less payment system and in August we delivered. Apple Pay provides an extra layer of security by encrypting and securely storing your DuPage Credit Union Visa® Credit and/or Debit Card information within your Apple® device. This ensures your card number is never shared with merchants or transmitted with payments, thus lessening the chance of fraud.

**Chip-Enabled Visa Credit Cards** – In response to recent increases in merchant data breaches, we began issuing chip-enabled Visa Credit Cards in 2015. These cards are

equipped with the latest microchip technology, which makes the theft of confidential card information much more difficult when compared to magnetic stripe cards. In 2016, we began issuing debit cards with the same chip-enabled technology.

**Shared Branching Network** – By partnering with other credit unions nationwide, we now offer over 5,000 locations across the country to do your banking. If you've moved or are traveling, you can now access your DuPage Credit Union accounts to deposit checks, make loan payments and get cash by visiting one of our credit union partners.

**Online Loan Approval** – We launched a new online loan application and approval system in July to provide a quicker and more convenient way to apply for credit cards, as well as, vehicle and personal loans. As a result of updating this process, approval times have been significantly reduced.

## Thank You

I would like to personally acknowledge retiring Supervisory Chair Keith Olson for his 25 years of service, Board Chair Deb Ragusa for her 15 years of service and Mike Dzugan, who is retiring from the Board after 8 years of service to the Credit Union. We wish you success in all of your future endeavors.

I would also like to extend a very sincere thank you to our Board of Directors and to the Supervisory Committee for their willing-

ness to serve and for the many hours they devote to their duties.

The success of the Credit Union begins with our leadership and is further strengthened and inspired by the dedication they demonstrate on a continuing basis to our Team and our Members.

And finally, I would like to thank you, our Members. Your suggestions and dedication to the Credit Union and to the greater community continue to inspire us.

Best Wishes,



Diane M. Shelton  
President/CEO

Apple Pay is a trademark of Apple Inc. Apple is a trademark of Apple Inc., registered in the U.S. and other countries.

Popmoney is a registered trademark of Fiserv, Inc., or its affiliates. Terms and conditions apply.

1. DuPage Credit Union ranked the number one credit union mortgage lender in DuPage, Kane and Kendall Counties according to the 2014 HMDA data (Home Mortgage Disclosure Act).

# Message From the Board Chair



**Debra Ragusa**  
Chairperson

In 2015, your Credit Union continued to add to its streak of consecutive years with outstanding financial performance. We continued to travel down the path of increasing capital through strong profitability and contained asset growth. This success is constantly being challenged by a seemingly endless evolution in our regulatory environment which makes this success an even more significant accomplishment. As always, the success we have enjoyed was achieved as a result of the effort put forth by our very talented and dedicated Team. However, even the efforts of our outstanding Team would mean nothing without our Members, who

have continued to extend to us the trust and confidence that sustains and motivates us. To you, our Members, we pledge that we will put forth our best effort to continue to be a strong and vibrant financial partner.

## **Regulatory Challenges**

In 2015, the National Credit Union Administration released the final version of their risk-based capital rule. This new rule will significantly change the way a credit union must calculate and report its capital position by requiring credit unions to classify their various assets according to the risk inherent in each asset and then measure them against

the dollars in the capital account. There will also be a change in the way the Credit Union must calculate the reserves it maintains to cover future loan losses. This new method, which is called Current Expected Credit Loss, will require financial institutions to use historical information, current conditions and sound forecasts to estimate expected future loan loss. These changes along with expected new rules on overdrafts, the ever-evolving world of mortgage lending and other regulatory issues unknown to us at this time, will continue to provide challenges in 2016 and beyond.

## New Look, New Experience

In 2015, DuPage Credit Union undertook a complete re-branding initiative. A new logo was designed and a new color palate was selected to more accurately reflect the spirit and dedication of the Credit Union and its Team Members. This new look was also designed to allow us to more effectively communicate our message in future years. At the same time, our website was completely redesigned to take advantage of new technological opportunities and provide our Members with a much more positive online experience.

## Evolving Facilities

While we were sad to say goodbye to our Bloomingdale office in 2015, we were thrilled to offer our Members the opportunity to conduct their business at credit union branches all throughout the country through participation in the shared branching network. This network makes it possible for our Members to conduct their business at the branch offices of other participating credit unions throughout the country. The addition of this network provides our Members with an unparalleled network of branch offices and provides unique access to the products and services of DuPage Credit Union.

## Expanded Financial Services

In 2015, we finalized plans to offer DuPage Financial Advisors as a resource to provide our Members with expanded financial services through the impressive lineup of investment

and insurance products available through our service partner, CUNA Mutual. If you are interested in gaining assistance with your personal financial planning, estate planning and risk management, all through an organization you know and trust, keep on the lookout for the debut of DuPage Financial Advisors coming in 2016.

## Improved Online Banking Platform

In our quest to continue to provide our Members with the best financial experience possible, we migrated our Online Banking, Mobile Banking and Bill Pay services to a new platform in February 2016. This new platform provides a much more vibrant and efficient Online Banking experience by providing more robust transaction capabilities and expanding technologies that will allow us to provide our Members with the most robust menu of services available online.

## Member Commitment

As has been the case in prior years, the Board of Directors of DuPage Credit Union and its Committees continue to meet on a regular basis in an effort to fulfill their fiduciary responsibilities. We also hosted the 58th Annual Meeting of Members in March and thank everyone who was in attendance. The Organizational Meeting of the Board of Directors was also held immediately following the Membership meeting and the Board met on a monthly basis throughout the year. The Executive Committee also met on a monthly basis while the Asset Liability Management

Committee met on average twice per month throughout the year. The Supervisory Committee met quarterly, which included meetings with our Certified Public Accountants and Regulatory Examiners.

## Conclusion

I consider it an honor to serve the Members of this Credit Union as Chairman of the Board of Directors. The Board of Directors is an assembly of volunteers who come together to represent the interests of all Members. These volunteers must be willing to dedicate their time, energy and talents toward the common goal of assuring a successful credit union operation. On behalf of the Board of Directors, I thank you for supporting DuPage Credit Union and hope that you will continue to be a part of our continued success in 2016 and beyond.

Sincerely,

Debra Ragusa, Chairperson  
On Behalf of the Board of Directors

# Supervisory Committee Report



**Keith Olson**

Supervisory Committee Chairperson

## Earning Member Trust & Confidence For Six Decades

The Supervisory Committee consists of five Members of the Credit Union who are appointed annually by the Board of Directors. The Committee has oversight responsibility for monitoring the business affairs of the Credit Union. In that capacity, the Committee met quarterly during the 2015 term year with Credit Union Team Members and attended various board and strategic planning meetings. The Committee also met with independent auditors, regulatory and share insurance examiners to review reports of 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 have an annual internal audit and external audit of its books and business affairs. An independent public accountant, engaged by the Supervisory Committee, performed these two audits of the Credit Union's operations.

### **Annual External Audit**

Selden Fox, Ltd. performed the external audit and then prepared an independent auditor's unqualified report after auditing the statements of financial condition, income, Members' equity and cash flows as of September 30, 2015. Selden Fox, Ltd. thoroughly reviewed all lending and collections reports, as well as all balance sheet account reconciliations.

Both reports were submitted in December of 2015 to the IDFP's Credit Union Section and American Share Insurance (ASI) of Ohio. ASI is the Credit Union's share savings insurer.

The reports were also reviewed in depth by DuPage Credit Union's Board of Directors and Management Team. The firm's audit personnel highly commended the Credit Union's Team for its exceptional cooperation and continued conscientiousness in maintaining the books and records of the Credit Union and related operations. As in 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 full examination and one follow-up during the year. A review examination was conducted in May and the results were discussed with the Credit Union's Board of Directors, Management and Supervisory Committee members. The full examination conducted in October 2015 was based on September 30, 2015 operational and financial results. The examination report was reviewed and discussed with the Board of Directors, Management and Supervisory Committee members at the January 2016 meeting.

### Internal Audit

In addition to the annual audit and regulatory examination, the Internal Specialist and Compliance Manager on staff at the Credit Union

conducted various compliance, internal and quality control reviews of operations. Their reports and findings were reviewed quarterly by the Committee. Internal audit and compliance reviews of the numerous lending and savings regulations and data security were performed monthly. The independent auditors repeatedly commended the effectiveness of the reviews and corrective action taken. Security reviews were also conducted throughout the year at each Credit Union location by the Internal Control Specialist.

### Internal and External Data and Infrastructure Security Audits

Internal and external data and infrastructure security audits were performed in 2015 by an independent firm specializing in technology security. These included automated processes that scanned the financial institution's systems and network for commonly exploited vulnerabilities, simulated attacks on the computer systems with the intention of finding security weaknesses, and manual reviews of information handling processes and user practices. The Credit Union again received an excellent report for its technology security systems and processes. Members can be assured that their data and information are well-protected from outside sources.

I would like to thank my fellow Committee Members: Katy Rush, Vincent Morris and Kaitlin Plucinski, for their time and commitment throughout the term 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,



Keith Olson  
Supervisory Committee Chairperson

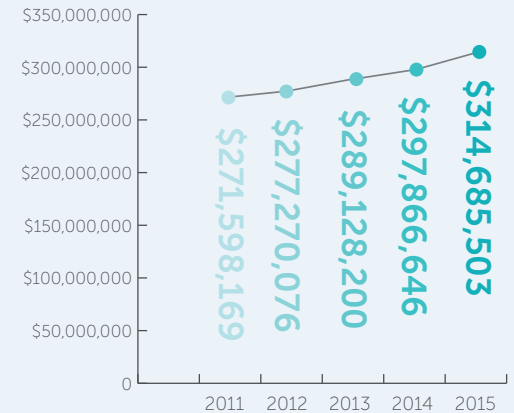
# 2015 Financial Statements

## Balance Sheet

Assets	2015	2014
Cash & Cash Equivalents	\$55,693,880	\$56,030,172
Investments	\$49,165,761	\$27,599,731
Loans to Members	\$192,020,067	\$197,205,096
Allowance For Loan Loss	-\$2,145,176	-\$3,266,319
Building & Land	\$7,759,464	\$8,059,644
Other Fixed Assets	\$830,766	\$733,093
Accrued Interest on Loans	\$681,042	\$669,068
Other Assets	\$10,083,899	\$10,856,161
<b>TOTAL ASSETS</b>	<b>\$314,685,503</b>	<b>\$297,886,646</b>

Liabilities & Member Equity	2015	2014
Accounts Payable	\$1,163,112	\$1,276,483
Other Liabilities	\$1,836,054	\$1,595,906
Member Savings	\$288,074,036	\$274,507,757
Reserves & Undivided Earnings	\$23,612,302	\$20,506,500
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$314,685,503</b>	<b>\$297,886,646</b>

2011-2015 Total Assets



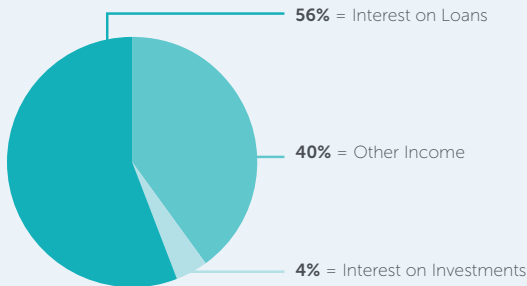
2011-2015 Total Loans to Members



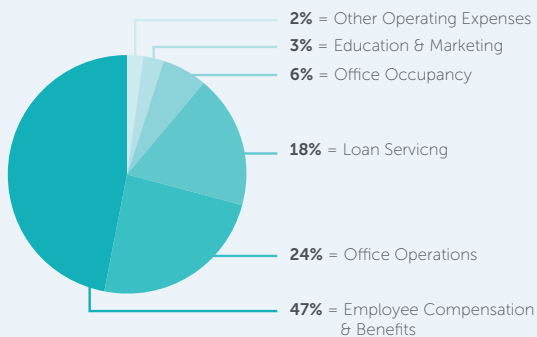
# 2015 Financial Statements

## Income & Expenses

### Sources of Income



### Distribution of Operating Expenses



Income	2015	2014
Interest on Loans	\$9,548,193	\$9,766,856
Interest on Investments	\$665,291	\$340,932
Operating Fees & Other Income	\$6,724,563	\$5,602,173
<b>TOTAL INCOME</b>	<b>\$16,938,048</b>	<b>\$15,709,960</b>

Expense	2015	2014
Dividends on Member Savings	\$72,615	\$135,557
Provision for Loan Loss	-\$523,379	-\$673,097
Employee Compensation & Benefits	\$6,708,390	\$6,802,187
Travel & Conference	\$45,707	\$8,150
Office Occupancy	\$806,926	\$823,352
Office Operations	\$3,456,659	\$3,090,347
Education & Marketing	\$425,977	\$455,641
Loan Servicing	\$2,533,995	\$2,446,239
Professional & Outside Services	\$184,377	\$140,616
Regulatory Fees	\$58,268	\$53,561
Misc. Operating	\$62,711	-\$1,511
<b>TOTAL EXPENSE</b>	<b>\$13,832,246</b>	<b>\$13,281,043</b>
<b>NET INCOME</b>	<b>\$3,105,801</b>	<b>\$2,428,917</b>

## Board of Directors & Committee Members

### BOARD MEMBERS

Debra Ragusa, Chairperson  
Lawrence Kammes, Vice Chairperson  
Gretchen Lewis, Secretary  
Michael Dzugan, Treasurer  
William Hicks  
Kathleen Rush  
Gary Saake

### EXECUTIVE COMMITTEE

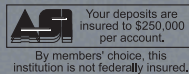
Debra Ragusa, Chairperson  
Lawrence Kammes  
Gretchen Lewis  
Michael Dzugan, Alternate

### SUPERVISORY COMMITTEE

Keith Olson, Chairperson  
Vincent Morris  
Kaitlin Plucinski  
Kathleen Rush

### ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

Frank Sposito, Chairperson  
Amy Brandt  
John Dumas  
Roberta Kozlowicz  
Jennifer Stauber  
Gail Mosher, First Alternate  
Diane Shelton, 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

### NMLS NUMBER

445096

### MOBILE BANKING APP

