



2017 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 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



## United by a Common Spirit

Since the beginning, it's been DuPage Credit Union's vision to help Members finance and save for life's events, big and small.

In 2017, we delivered on that promise with the launch of new products like the Inspire Cash Back Visa® Signature Card, the Future Value Home Equity Loan and the reinvestment of profits to enhance service offerings like Instant Issue Debit Cards and a better Online and Mobile Banking user experience. I invite you to peruse the following pages to learn more about these enhancements and additional initiatives the Credit Union undertook in 2017. It truly was an inspiring year.

On behalf of the entire Credit Union, I would like to offer a sincere thank you to our volunteer Board of Directors and to the Supervisory

Committee for their commitment to serve and for the many hours they devote.

I would also like to acknowledge the commitment our Team displays when serving our Members and upholding the credit union philosophy of "people helping people."

Lastly, I would like to show my appreciation to our Members. Thank you for all that you have done to inspire us. It is with this common spirit that we look forward to serving your financial needs in 2018.

Sincerely,

A handwritten signature in black ink that reads "Diane Shelton".

Diane M. Shelton  
President/CEO

## Inspired to Offer a Premier Cash Back Credit Card

No detail was overlooked in creating a signature card for Members who desired premium benefits and unrivaled cash back.



In November 2017, we debuted the **Inspire Cash Back Visa® Signature Card**. The Inspire Cash Back Signature Card was created to reward Members for doing more of what they love by offering 3% cash back on travel with no foreign transaction fee, 3% back on dining and entertainment 2% back at grocery stores, wholesale stores, and the largest online retailer and 1% back on everything else.

The Inspire Cash Back Signature Card also offers one of the largest anniversary bonuses in the market: \$250 for Members who spend \$50,000 in a given year.<sup>1</sup> We also offer a \$250 Welcome Bonus for Members who spend \$5,000 in their first 90 days.<sup>2</sup> We even waive the annual fee the first year and any year that a cardholder spends over \$25,000.<sup>3</sup>

At home or abroad, Members are covered 24/7 with a range of protection and emergency services, as well as exclusive Visa Signature perks like Special guest status at 900+ Visa Signature Luxury Hotel properties.

We're excited to share the Inspire Cash Back Signature Card experience with Members. To learn more, visit [dupagecu.com/inspire](http://dupagecu.com/inspire).

Cash back is earned in net dollars on qualifying credit card purchases from participating merchants. Refer to Truth-In-Lending Terms and Conditions Disclosures for complete details.

1. A \$250 Anniversary Bonus statement credit will be applied each year on the anniversary date of your account opening once net spend of \$50,000 is achieved.

2. A \$250 Welcome Bonus statement credit will be applied once net spend of \$5,000 is achieved within the first 90 days of account opening. Current Platinum Rewards Cardholders who upgrade to the Inspire Cash Back Signature Card are not eligible for this bonus.

3. \$95 annual fee is waived the first year and every year you spend \$25,000 or more.



## Inspired to Enhance Online & Mobile Banking

You asked and we delivered. Throughout 2017 we updated Online Banking and the Mobile Banking App with new functionality and an enhanced user experience.



Inspired to enhance the user experience, we added responsive functionality to **Online Banking** – giving Members the same online banking experience whether they are managing accounts from a computer, tablet or mobile device. We also made it easier for Members to locate important information such as loan payoff amounts and *Online Statements*.

We made a number of enhancements to the **Mobile Banking App** as well. *Bill Capture* allows Members to use their mobile device's camera to upload and manage bills. We also introduced fingerprint login capability for iPhone® and Android™ devices.

Other enhancements included the ability to make *External Transfers*,

add new Payees and contacts, and on-device enrollment which allows Members to download our Mobile Banking App and immediately register their Credit Union Account.



## Inspired to Create Memorable Banking Experiences

We are driven to offer innovative and time-saving solutions to help our Members succeed financially.



In the spring of 2017, we introduced our groundbreaking **Future Value Home Equity Loan** to help Members achieve their home renovation dreams. Based on the home's expected value after renovations, Members can borrow the money they need now to complete renovations.



Thanks to a **responsive mobile application** with enhanced functionality, Members applying for a vehicle loan, personal loan or credit card can quickly enter information by simply snapping a picture of their driver's license with their mobile device's camera.



For Members opening a new checking account and need their debit card quickly, we introduced **Instant Issue Visa Debit Cards**. With Instant Issue, Members can be issued a debit card on the spot – no more waiting for the card to arrive in the mail.





## Inspired to Help Others

Since our beginning, the philosophy of “people helping people” has been a part of who we are as we extend a hand to those in need in our community.



### We've Got Your Back

Thanks to the generous support of our Members, business partners and Team Members, we raised over **\$14,000** and filled over 1,250 backpacks with school supplies for DuPage County students in need.



### American Cancer Society Relay for Life

Our Relay for Life team raised over **\$8,400** and reached the platinum fundraising level for our efforts to help find a cure for cancer.



### Local Teacher Contests and Giveaways

We awarded nearly **\$4,000** to local educators who participated in our contests and giveaways. Award money was used to provide much needed resources for local classrooms while inspiring the next generation with a love of learning.



In 2017, we held over a dozen seminars to educate Members of the community on a range of topics, from home buying to planning for retirement. Hundreds of seminar attendees walked away with answers to their questions, knowledge of what to expect and the tools necessary to reach their financial

goals. We also took these free seminars on the road to our valued business partners to help them enhance their employee benefits.

## 2017 Seminars

### Membership

- 7** Mortgage Seminars
- 4** Retirement Seminars
- 1** Vehicle Seminar
- 1** Credit Score Seminar

### Business Partners

- 10** Credit Score Seminars
- 6** Mortgage Seminars
- 1** Vehicle Seminar
- 1** Identity Theft Seminar
- 1** Budget & Debt Seminar



## Inspired Service Earns Recognition

Our Residential Lending Team consistently earns five-star reviews from Members who appreciate their exceptional personalized service.



For the fourth-consecutive year, the Credit Union was ranked the **number one credit union mortgage lender** in DuPage, Kane and Kendall counties by the Home Mortgage Disclosure Act (HMDA)<sup>1</sup>. We could not have earned this recognition without the attention to detail, personalized service and dedication that our Residential Lending Team provides to Members.

We would also like to acknowledge the accomplishments of our own Nora Hickey who earned her **third-straight Five Star Mortgage Professional Award**. She continues to be recognized for her passion, integrity and exemplary service in helping Members finance their homes. This award was given out to less than one-percent of mortgage professionals in the Chicago metropolitan area.

Recognized for her leadership skills and exuberance, Nora was also selected by her peers to serve on the 2018 Illinois Youth Council Advisory Committee to the Credit Union National Association (CUNA). And, as such, she was chosen to represent Illinois at the CUNA Young Professionals Advocacy Leaders Training event in Washington D.C.

1. DuPage Credit Union ranked the number one credit union mortgage lender in DuPage, Kane and Kendall Counties according to the 2013, 2014, 2015 & 2016 HMDA data (Home Mortgage Disclosure Act).

# A Message from the Board Chair

**Gary Saake**

Chairperson



## Overseeing the Interests of Members

2017 was another busy and productive year for DuPage Credit Union. As in years past, assuring the continued strength and security of the organization was a primary focus of the Board and Team Members on every level. We continued to expand and bolster our capital base in an effort to fortify our defenses against dangers that have derailed other financial institutions such as interest rate risk and credit risk. While regulatory relief failed to emerge to the extent we thought possible, we remain hopeful that our government will recognize the onerous and often crushing burden the

current regulatory environment presents to credit unions of all sizes. Despite the challenges that face us, we are supremely confident that 2018 will be another momentous year that will result in not only a stronger credit union, but will create an environment conducive to improving the strength of the relationship we enjoy with our remarkable Members. We thank you for your loyalty and your enthusiasm as we strive to be the kind of credit union whose Members are proud to participate and share in its success.

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## New Lending Products

In 2017 we continued our longstanding practice of presenting to our Members a portfolio of the best loan products available in the marketplace. This year we introduced a new credit card program that immediately caught the attention of our Members. The DuPage Credit Union Inspire Cash Back Credit Card is a Visa® Signature card that allows the cardholder to earn cash back for their purchases at a level not possible with a conventional credit card. We also created a new home equity loan product called the Future Value Home Equity Loan. This loan makes it possible for a homeowner to borrow against the future value of their home to fund remodeling and renovation projects. And finally in 2017 we introduced our Credit Union to a whole new market through our Indirect Lending Program. This program brings DuPage Credit Union

vehicle lending products into car dealerships, exposing non-members to the advantages of credit union Membership.

## Technology Upgrades

As we have all, no doubt, experienced in our own lives, technological advances are happening at a faster rate than ever before. Nowadays most of us carry a computer in our pocket or purse that is more powerful than the large desktop units we had in our homes and businesses only 10 years ago. The credit union industry has certainly not been immune to these very rapid advances. In 2017 we implemented a major UNIX upgrade to our core computer system and added multiple new features to our online and mobile banking platforms, all in an effort to reach and serve our Members more efficiently and effectively. Cybersecurity continues

to be a focus for all conscientious companies and DuPage Credit Union is certainly no exception. Despite receiving risk ratings at the very top of the industry, we are tireless in our efforts to protect the financial records and identities of our Members. As part of these continuing efforts, we made significant improvements to our firewall and added another layer of protection to our already solid email security protocol.

## Facilities

As our business has grown, so has our need for additional staff. In 2017 we finally outgrew our Operations Center and as a result, we found it necessary to lease more office space just down the street. This has bought us some time, but we can see that, not too far down the road, additional growth will present the same need for additional space. Also, our new

brand, introduced in 2016, has caused us to reevaluate our current retail locations and in the future we will be looking for opportunities to update and enhance the facilities as part of our continuing effort to provide our Members with the best service possible.

## Team Training

We realized that providing our Members with an unequalled experience is directly dependent on the investment we make in our employee team. As a result we have made a commitment to create a dynamic and comprehensive training program designed to provide our employee Team Members with the tools they need to serve our Members at a higher level than previously possible. This need can never be fully satisfied, so training is an ongoing concern and will be a continuing focus in 2018.



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## Regulatory Challenges

The challenges associated with regulatory oversight are never far from the top of our list. The most recent economic recession brought to light many inadequacies in our financial and banking systems. However, the acts that brought the economy down were almost exclusively perpetrated by the systemically largest banks. Credit unions had literally no part in this recklessness and as a result, could not be blamed for the dreadful outcome. Unfortunately, the stringent regulatory environment that emerged in response to the recession was created in such a way that all financial institutions have felt its sting, regardless of how innocent they may have been. This past presidential election brought much talk of regulatory reform but unfortunately we have seen little substantive action taken. As has always been the case, we will continue to run the Credit Union in the way that best benefits our Members and work with our regulators to assure compliance with the appropriate rules and regulations.

## Bankers Challenges

The banking industry has continued their onslaught of lies and exaggerations concerning the credit union industry's tax exemption. We know they are capable of understanding the concept of the cooperative model of business, but they choose to ignore it and demand that our government take action. This fight will no doubt continue and the credit union industry is not about to back down in the defense of our right to operate in the same manner we have since the first credit union was created in the United States almost 170 years ago. Banks will no doubt benefit nicely from the recent corporate tax breaks and as a result will have more resources than ever to throw at this unjust cause. But credit unions will be ready for them and we know that you, our loyal Members, will be ready to join us in our cause.

## Member Commitment

The financial health and well-being of our Members is, and has been, a

focus of this credit union since its creation in 1956. On March 23, 2017, we hosted our 60th Annual Meeting of Members at our Operations Center in Naperville, IL. The Annual Meeting provides our Members with the opportunity to meet the Board of Directors, committee Members and many Members of the management team. In order to meet the terms of their fiduciary responsibilities, the Board and its committees meet regularly throughout the year. We pledge to continue our commitment to our Membership in 2018 and in the years to come.

## Conclusion

Your Board of Directors is made up of a group of volunteers who are elected by you, our Members, as representatives of your interests in the sound operation of this financial institution. The individuals who volunteer to serve dedicate their energy, talents and time in an effort to reach the common goal of providing our Members with an unsurpassed level of service, while operating the credit union in a safe

and secure manner. It has been an honor to serve as the Chairman of the Board of Directors of this fine organization over the past year. On behalf of the Board of Directors, Committee Members and the DuPage Credit Union employee 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 2018 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 61 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 2017 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.

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## 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, 2017. 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 2017 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 2017 and was based on March 31, 2017 operational and financial results. The examination report was reviewed and discussed with the Board of Directors, Management and Supervisory Committee Members at the May 2017 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 2017 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: Marc DesMarteau, William Hicks, Deborah Lange and James Martner, 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



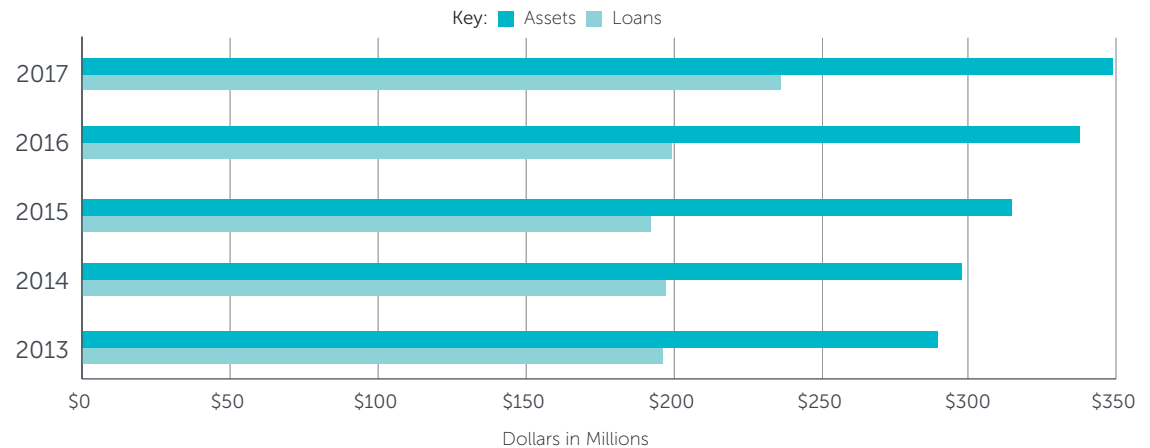
# 2017 Financial Statements

## Balance Sheet

Assets	2017	2016
Cash & Cash Equivalents	\$5,062,400	\$59,340,165
Investments	\$82,495,097	\$60,881,556
Loans to Members	\$236,560,901	\$199,614,744
Allowance For Loan Loss	-\$1,615,690	-\$1,632,848
Building & Land	\$7,524,386	\$7,597,905
Other Fixed Assets	\$1,073,186	\$874,757
Accrued Interest on Loans	\$781,300	\$667,259
Other Assets	\$17,058,481	\$10,603,375
<b>TOTAL ASSETS</b>	<b>\$348,940,061</b>	<b>\$337,946,913</b>

Liabilities & Member Equity	2017	2016
Accounts Payable	\$1,176,030	\$1,407,591
Other Liabilities	\$2,330,687	\$2,525,761
Member Savings	\$316,500,609	\$307,492,866
Reserves & Undivided Earnings	\$28,932,735	\$26,520,696
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$348,940,061</b>	<b>\$337,946,913</b>

2013-2017 Total Assets and Loans to Members



# Income & Expenses

Income	2017	2016
Interest on Loans	\$10,558,494	\$9,494,641
Interest on Investments	\$1,869,844	\$1,207,365
Operating Fees & Other Income	\$6,656,893	\$6,902,803
<b>TOTAL INCOME</b>	<b>\$19,085,231</b>	<b>\$17,604,808</b>



**55%** Interest on Loans  
**35%** Other Income  
**10%** Interest on Investments

Expense	2017	2016
Dividends on Member Savings	\$52,187	\$52,789
Interest on Borrowed Funds	\$2,985	\$0
Provision for Loan Loss	\$655,291	-\$279,372
Employee Compensation & Benefits	\$7,686,531	\$7,318,772
Travel & Conference	\$56,102	\$44,820
Office Occupancy	\$797,443	\$712,164
Office Operations	\$3,745,131	\$3,569,866
Education & Marketing	\$471,190	\$434,227
Loan Servicing	\$2,804,110	\$2,572,575
Professional & Outside Services	\$108,285	\$107,726
Regulatory Fees	\$72,000	\$72,000
Misc. Operating	\$221,937	\$90,846
<b>TOTAL EXPENSE</b>	<b>\$16,673,192</b>	<b>\$14,696,414</b>
<b>NET INCOME</b>	<b>\$2,412,039</b>	<b>\$2,908,394</b>



**48%** Employee Compensation & Benefits  
**23%** Office Operations  
**18%** Loan Servicing  
**5%** Office Occupancy  
**3%** Education & Marketing  
**3%** Other Operating Expenses

# 2017 Board of Directors & Committee Members

## Board Members

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

## Executive Committee

Gary Saake, Chairman  
Kaitlin Plucinski, Alternate  
Debra Ragusa  
Kathleen Rush

## Supervisory Committee

Judy Lyons, Chairman  
James Martner  
Deborah Lange  
William Hicks  
Marc DesMarteau

## Asset Liability Management Committee (ALCO)

Frank Sposito, Chairperson  
Amy Brandt  
John Dumas  
Roberta Kozlownic  
Jennifer Sheldon  
Gail Mosher, First Alternate  
Diane Zbilski, Second Alternate  
Diane Shelton, Third 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



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

NMLS #445096