

FINANCIAL INCLUSION & EQUITY

2019 IMPACT REPORT



DC
Credit Union

HUMAN TALENT

FINANCIAL PRODUCTS & SERVICES

**COMMUNITY COLLABORATION
& ENGAGEMENT**





CHAIRMAN'S REPORT

During last year's Annual Membership Meeting, we celebrated our Credit Union's work and impact on financial inclusion. We presented our ABCs of Impact scorecard and documented how through our financial products, services and financial coaching, our member-owners can better participate in and benefit from living in our great city!

At that time, we were deep into pursuing a strategic plan that would continue to increase Access to banking services, that would continue to Build Sustainability and family wealth through responsible and productive credit, and that leveraged public and private partnerships in support of our Concern for Community. We said then, and continue to hold, that it requires investment, focus and care from a cross section of civil society to build and maintain a strong city for ALL.

We headed into 2020 with great hope and aspirations and, evidenced by our Treasurer's Report, with a strong financial position. The Board collaborated with management to ensure that we strategically focus on the pursuit of goals aimed at Increasing Member Participation, Maximizing Technology and Building a Strong Succession framework for both staff and volunteer leaders.

Then came the health emergency, the economic crisis and the domestic and international response protesting racial inequities in our country.

As stewards of your money, financial transactions and well-being, we embraced our role as providers of essential services, modified our operations to meet health safety protocols, and remained OPEN.

We also leveraged our strong Capital position to be helpful and responsive to members' needs, be it through new credit, modifying existing credit or waiving fees. Over the course of the same period, we have created informational emails to promote our digital services. We continue to look for ways to make further improvements so that everyone can bank safely.

While our strategic goals remain unchanged, it was also important, in this year of multiple crises, that we affirm our credit union's commitment to economic justice through the work that we do every day. To demonstrate our vision of Financial Equity as a Right not a Privilege, the Board is resolved to guide our Credit Union's intentional & renewed commitment to diversity, fairness, equity and inclusion with actionable items in three strategic pillars: Human Talent, Financial Products and Services, and Community Collaboration and Engagement.

These are trying times for all. But through our collective impact, we can create a more level playing field for the opportunities that result in financial equity, help build wealth and change lives.

On behalf of the Board of Directors, Committee Members and Staff, I thank you for the opportunity to serve. And to our staff that have remained vigilant as we remained open to serve our members during this time, our continued thanks to you for all that you do to ensure that Financial Equity is a Right, not a Privilege.

Sincerely,

Charlotte Ducksworth

Charlotte Ducksworth
Chairman of the Board of Directors



FEATURED SPEAKER

Renée Sattiewhite is the President and CEO of the African-American Credit Union Coalition (AACUC) and is responsible for the execution of the strategic vision of the Board of Directors.

With over 30 years in the world of finance, she started her career as a Teller Trainee for City National Bank in Beverly Hills, California. She quickly moved up the ranks with various positions including Bank Officer. She has been associated with credit unions for over 25 years and was the first Internship Program Director for the AACUC.



Renee Sattiewhite

Renee's background is in training and marketing, specializing in Customer Service, Effective Communication, Board Development, Team Building and Strategic Planning. Renée is a former Instructor for Spelman College's Continuing Education Department, a Facilitator for United Way of Greater Atlanta's VIP Board Development Program and a graduate of Oglethorpe University with a B.A. in Communications. She is credited for giving organizations a "new look" in the areas of customer satisfaction, employee relations, and marketing materials.

Renée is a certified diversity professional, a credit union development educator, a motivational speaker, an executive coach, a mentoring trainer and assists organizations with marketing campaigns.



TREASURER'S REPORT

I am pleased to present the financial condition reports for DC Credit Union at Year End 2019, and to report that the Credit Union began 2020 with a strong Capital position that now allows us to both weather uncertain times and to support our Members' financial well-being during the economic crisis resulting from the health pandemic.

Strong participation in deposits and borrowings by our members, translated in the growth of our financial co-operative. As a result, Total Assets increased by approximately \$3 million to \$65,132,228.

Strong member participation, also resulted in increased sustainability. In our financial cooperative, Capital is built from retained net earnings. In 2019, your Credit Union generated net earnings of \$952,310. This amount included important financial backing from the Community Development Financial Institution (CDFI) Fund which granted us \$709,998 to support development activities, like free tax preparation services, one-on-one coaching, and loan alternatives to higher cost predatory products that advance our mission of financial inclusion.

The infusion of net earnings or Net Income resulted in Member's Equity of almost \$8 million and a Capital position of 12.94%. This ratio is well above the 7% Capital ratio required to be considered Well Capitalized by our federal regulator.

In closing, I would like to thank all in the Board, Committees and Staff who have worked towards accomplishing the financial and strategic goals we have set forth and, most importantly, my thanks to the Members who with their participation and support continue to make DC Credit Union a safe and sound financial institution for all in the District.

Respectfully submitted,

A handwritten signature in teal ink that reads "Joseph Goosby".

Joseph Goosby

Treasurer

SUPERVISORY COMMITTEE REPORT

Members of this Supervisory Committee are appointed by the Board of Directors, and serve, in accordance with the Federal Credit Union Act and the by-laws of DC FCU (DC Credit Union). Specifically, the Supervisory Committee is tasked with ensuring that the financial condition of the Credit Union is accurately and fairly represented in its financial statements. The Committee is also charged with ensuring that management's practices and operating procedures are adequate to safeguard our members' assets. To meet those responsibilities, the Committee performs various compliance reviews throughout the year. Those reviews are designed to confirm that the necessary controls are in place to ensure a safe and sound operation.

In 2019, the Committee engaged the CPA firm of DeLeon & Stang CPAs to perform an independent audit of DC Credit Union's financial statements. We are proud to announce that the audit results yielded an unqualified or clean opinion on the 2019 financial statements of your credit union.

On an ongoing basis, the Committee also looks into individual member concerns, providing independent oversight and review to ensure quality and accurate service is extended to the entire membership. To request assistance from the Committee, please e-mail sc@dccreditunion.coop or write to:

DCFCU Supervisory Committee
P. O. Box 73588
Washington, DC 20009

Committee members are firm in their resolve to uphold the safety and soundness of your Credit Union.

Sincerely,



Deborah Cunningham
Chair



INDEPENDENT AUDITOR'S REPORT



April 29, 2020

To the Board of Directors and Supervisory Committee of DC Federal Credit Union

We have audited, in accordance with auditing standards generally accepted in the United States of America the statements of financial condition of DC Federal Credit Union as of December 31, 2019 and 2018, and the related statements of comprehensive income, members' equity, and cash flows for the years then ended (not presented herein); and in our report dated April 29, 2020, we expressed an unmodified opinion on those financial statements.

In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

DeLeon & Stang, CPAs

DeLeon & Stang, CPAs and Advisors
Gaithersburg, Maryland
April 29, 2020

STATEMENTS OF FINANCIAL CONDITION

December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$9,803,664	\$4,796,619
Investments:		
Available-for-sale, at fair value	8,145,618	9,477,051
Other investments, at cost	513,470	513,470
Loan to members, net of allowance for loan losses	45,349,053	45,320,890
Accrued interest receivable:		
Loans	133,621	171,070
Investments	\$57,470	26,996
Grants receivable	319,998	630,000
Prepaid and other assets	183,879	342,259
Premises and equipment, net	103,473	142,182
NCUSIF deposit	521,982	520,160
TOTAL ASSETS	\$65,132,228	\$61,940,697
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' share and savings accounts	\$55,976,396	\$54,323,916
Borrowed funds, secondary capital	500,000	500,000
Accounts payable and other accrued liabilities	727,699	140,958
TOTAL LIABILITIES	57,204,095	54,964,874
Members' Equity		
Regular reserve	458,299	458,299
Undivided earnings	7,452,949	6,655,832
Accumulated other comprehensive income (loss)	16,885	(138,308)
TOTAL MEMBERS' EQUITY	7,928,133	6,975,823
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$65,132,228	61,940,697

These condensed financial statements do not constitute a complete presentation. The complete set of audited financial statements, including the statements of changes in members' equity, cash flows and the notes to the financial statements are available at the Credit Union office during normal hours of operations.

STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2019 and 2018

	2019	2018
INTEREST INCOME		
Loans to members	\$3,391,461	\$3,130,498
Investments	382,717	307,357
TOTAL INTEREST INCOME	3,774,178	3,437,855
INTEREST EXPENSE		
Members' share and savings accounts	285,605	249,671
Borrowed funds	45,600	18,310
Total interest expense	331,205	267,981
Net interest income	3,442,973	3,169,874
Less Provisions for Loan Losses	839,813	738,000
Net interest income, after provision for loan losses	2,603,160	2,431,874
NON-INTEREST INCOME		
Service charges and fees	1,169,616	1,297,057
Grant revenue	709,998	776,500
TOTAL NON-INTEREST INCOME	1,879,614	2,073,557
NON-INTEREST EXPENSE		
Compensation and employee benefits	1,372,819	1,401,874
Office operating expenses	1,627,993	1,609,551
Office occupancy and operations	676,539	464,625
Other non-interest expense	8,306	33,640
Loss on sale of repossessed assets	-	79,472
TOTAL NON-INTEREST EXPENSES	3,685,657	3,589,162
Net Income	797,117	916,269
OTHER COMPREHENSIVE INCOME (LOSS)		
Net unrealized gains (losses) on investments classified as available-for-sale	155,193	(70,297)
Total other comprehensive income (loss)	155,193	(70,297)
COMPREHENSIVE INCOME	\$952,310	\$845,972

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DC
Credit Union

Reeves Center Main Office

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Municipal Center Branch Office

3000 Indiana Avenue, NW, Room 1128

ACCESO Branch Office

3059 Mount Pleasant Street, NW

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Federally Insured by NCUA

