



Our  
**ABCs**  
in Impact



**2018**  
Impact Report



 **DC**  
Credit Union  
**65<sup>th</sup>** Anniversary

Federally Insured by NCUA



## Chairman's Report

It is my pleasure to report that DC Credit Union enters its 65th Anniversary year as a strong, well-capitalized and well-managed Community Development Financial Institution. I am equally pleased to report that the Board, Volunteers and Staff are aligned and driven by the belief that our Credit Union's mission of financial inclusion contributes to a society where people matter, where voices are heard and where we all count. That work is particularly important at a time when income and wealth disparities grow, and when there is little equity in how or who benefits from years of increased economic expansion.

On this milestone year and to celebrate the outcome of our collective work and dedication, we present you the 2018 Impact Report. We utilize the Urban Institute's framework presented in the December 2018 publication titled "The ABCs of Co-op Impact" to begin evaluating how our work advances our Credit Union's mission "to improve the social and economic conditions of minority and low-income populations in, and surrounding, DC."

Specifically, we consider impact in the following three areas:

### A is for ACCESS

We strive to create inclusion through ease of access of financial services and credit. We are interested in measuring the extent to which we can expand account and financial product availability, offer more flexible underwriting standards, charge lower rates and fees, provide higher-quality and more personalized service, result in decreased consumer use of higher cost alternative financial services, and improve our members' financial health.

### B is for Business Sustainability and Stability

We believe all members are stewards in ensuring that DC Credit Union is around for generations to come. We measure sustainability in terms of organizational growth (in financial assets) that is accompanied by sustained growth in net worth so that we can further invest in infrastructure, technology and people to continue to serve our members in productive ways. Measuring members' participation in the loan offerings of our co-operative is one way to illustrate the Credit Union's ongoing relevance and long-term viability.



## Chairman's Report *(continued)*

### **C is for Community Commitment**

Based on a collective commitment to our city, DC government employees, and all who make up our co-operative family, our Credit Union is an integral part of the fabric of our community. We contribute to our community by providing education, financial coaching and assistance. In 2018, for instance, we merged Peoples' Neighborhood Federal Credit Union, a minority-owned faith-based credit union in DC, to preserve that membership's ability to bank with a financial institution that they own and control. We also formed the DC Credit Union Foundation, a 501(c)(3) public charity, to promote and sustain our work in free tax preparation services and financial coaching activities for low to moderate income families.

Fellow members, I invite you to consider our 2018 Impact Report and urge you to remain steadfast in your participation and support of DC Credit Union.

Together, we build a stronger community!

Sincerely,



Charlotte Ducksworth  
*Chairman of the Board of Directors*

*"We believe that financial equity is a right, not a privilege."*

## Treasurer's Report

DC Federal Credit Union had another successful year in 2018. I am pleased to report that in 2018, the Credit Union again received a grant from the U.S. Department of Treasury's CDFI Fund. The grant recognizes the important role your Credit Union has in generating economic growth and opportunity in our community and provides support for our lending and financial education activities. Accounting for the grant dollars, the Credit Union ended the fiscal year with Net Income of \$845,972 and increased Net Worth to 12.11%.

True to its mission as a community development financial institution, the Credit Union increased loan balances to \$45,320,980 while members' savings grew to \$54,323,916.

Increased economic participation by our members, translated in growth of our financial co-operative. Total Assets increased by \$3 million to \$61,940,697 – another milestone in the 65 years of your Credit Union.

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,



Joseph Goosby  
*Treasurer*



## Supervisory Committee's Report

We are pleased to present this Report to the Members of DC Federal Credit Union (DC Credit Union). Supervisory Committee Members are appointed by the Board of Directors in accordance with the Federal Credit Union Act and our Credit Union's by-laws to ensure that the financial condition of the Credit Union is accurately and fairly represented in its financial statements. The Supervisory Committee is also charged with confirming that management's practices and operational procedures are adequate to safeguard our members' assets.

To meet those responsibilities, the Committee performs various compliance reviews throughout the year. The Committee also engaged the accounting firm of DeLeon & Stang, CPAs to perform an independent audit of DC Credit Union's financial statements. It is with pleasure that we announce that the audit results yielded an unqualified or clean opinion on the year-end 2018 financial statements.

A final and critical charge of the Supervisory Committee is to review individual member concerns. Committee members provide 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](mailto:sc@dccreditunion.coop) or write to:

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

Your fellow members, appointed to the Supervisory Committee, are firm in their resolve to uphold the safety and soundness of your Credit Union.

Sincerely,

*Deborah Cunningham*

Deborah Cunningham  
Chairman

## Independent Auditor's Report



April 26, 2019

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, 2018 and 2017, 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 26, 2019, 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 26, 2019

## Statements of Financial Condition

December 31, 2018 and 2017

	2018	2017
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,796,619	\$ 5,419,382
Deposits in other financial institutions	—	593,000
Investments:		
Available-for-sale, at fair value	9,477,051	8,792,833
Other investments, at cost	513,470	555,970
Loan to members, net of allowance for loan losses	45,320,890	40,752,753
Accrued interest receivable:		
Loans	171,070	166,763
Investments	26,996	27,895
Grants receivable	630,000	630,000
Prepaid and other assets	342,259	1,200,852
Premises and equipment, net	142,182	197,758
NCUSIF deposit	520,160	487,907
<b>TOTAL ASSETS</b>	<b>\$ 61,940,697</b>	<b>\$ 58,825,113</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Liabilities:</b>		
Members' share and savings accounts	\$ 54,323,916	\$ 51,982,269
Borrowed funds, secondary capital	500,000	500,000
Accounts payable and other accrued liabilities	140,958	226,308
Total liabilities	54,964,874	52,708,577
<b>Members' Equity:</b>		
Regular reserve	458,299	458,299
Undivided earnings	6,655,832	5,726,248
Accumulated other comprehensive loss	(138,308)	(68,011)
Total members' equity	6,975,823	6,116,536
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 61,940,697</b>	<b>\$ 58,825,113</b>

## Statements of Comprehensive Income

For the Years Ending December 31, 2018 and 2017

	2018	2017
<b>INTEREST INCOME</b>		
Loans to members	\$ 3,130,498	\$ 3,001,199
Investments	307,357	249,830
Total interest income	3,437,855	3,251,029
<b>INTEREST EXPENSE</b>		
Members' shares and savings accounts	249,671	198,488
Borrowed funds	18,310	10,015
Total interest expense	267,981	208,503
Net interest income	3,169,874	3,042,526
<b>LESS PROVISION FOR LOAN LOSSES</b>	<b>738,000</b>	<b>749,833</b>
Net interest income, after provision for loan losses	2,431,874	2,292,693
<b>NON-INTEREST INCOME</b>		
Service charges and fees	1,297,057	1,195,905
Grant revenue	776,500	1,389,750
Gain on sale of investments	—	1,738
Total non-interest income	2,073,557	2,587,393
<b>NON-INTEREST EXPENSE</b>		
Compensation and employee benefits	1,401,874	1,308,733
Office operating expenses	1,609,551	1,413,704
Office occupancy and operation	464,625	406,173
Other non-interest expense	33,640	10,172
Loss on sale of repossessed assets	79,472	150,326
Total non-interest expense	3,589,162	3,289,108
Net income	916,269	1,590,978
<b>OTHER COMPREHENSIVE LOSS</b>		
Net unrealized losses on investments classified as available-for-sale	(70,297)	(20,486)
Reclassification adjustment for investment gains included in net income	—	(1,738)
Total other comprehensive loss	(70,297)	(22,224)
<b>Comprehensive income</b>	<b>\$ 845,972</b>	<b>\$ 1,568,754</b>

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.

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.

# A is for ACCESS

**OUR MISSION** is to actively and purposefully seek to improve the social and economic conditions of minority and low income populations in and surrounding DC through financial inclusion.



## BRANCHES & SERVICES

**50,000+** fee-free ATMs  
+ fee-free ATM access at Citibank branches

**3** full service branches  
Bilingual, evening & Saturday hours at our ACCESO branch

More than **5,000** shared branches nationwide

Online & Mobile banking

**MORTGAGES & HOME EQUITIES**

**UP 25.6%**  
2017: \$12,235,523  
2018: \$15,365,106

---

**AUTO LOANS**

**UP 9.3%**  
2017: \$14,285,455  
2018: \$15,615,493

# B is for BUSINESS Sustainability and Stability

**ESTABLISHED IN 1954**  
65th Anniversary and Growing More Every Year

Total Assets  
**\$61.9M**

## NEW MEMBERS

**2,000** signed up for membership in the last **2 years!**



291 participants of the city's Summer Youth Employment Program (SYEP)

**ALL LOANS UP 11.2%**  
2017: \$40,752,753  
2018: \$45,320,890

**1,334 LOANS** made in 2018  
**984** loans to low and moderate income members

**CAPITAL**  
2016 - \$4,547,783  
2017 - \$6,116,536  
2018 - \$6,975,823

# C is for COMMUNITY Commitment

## FREE TAX PREPARATION SERVICES



**526** tax payers assisted in 2017-2018 tax season

Average Adjusted Gross Income (AGI)  
**\$24,463**  
Average Federal Refund  
**\$1,664**  
Average Local Refund  
**\$964**

Male **38%**  
Female **62%**

Latino **65%**  
African American **32%**  
Other **3%**  
Older than 65 **35%**



Proud **PARTNER** to many community organizations



**DC**  
Credit Union

**Reeves Center Main Office**

2000 14th Street, NW  
2nd Floor

**Municipal Center Branch Office**

300 Indiana Avenue, NW  
Room 1128

**ACCESO Branch Office**

3059 Mount Pleasant Street, NW

[www.dccreditunion.coop](http://www.dccreditunion.coop)

877-784-5551

Federally Insured by NCUA



Printed on recycled paper with soy ink

designed & printed by visions ink. 390494 6/19



EQUAL HOUSING  
LENDER