

2023 Annual Report

Member Focused. Community Driven.



Why?
Choose



Del-One
Federal Credit Union

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Nominating Committee Report

The members of the Nominating Committee for 2024 are Nancy J. Shevock, Chairperson, and members Steve Smith, Bill Pfaffenhauser, and Dan McCarthy.

For three open positions of three-year terms on the Board of Directors, the Nominating Committee unanimously approved the following applicants as nominees to be placed on the ballot for Del-One Federal Credit Union's Board of Directors: Dr. Courtney Stewart, Dr. Lisa Strusowski and Howell F. (Trey) Wallace III.

Respectfully submitted,

Nancy J. Shevock
Chairperson of the Nominating Committee



Volunteer Board of Directors

Steven Smith

Chairman

Trey Wallace

Vice Chairman

Gerard McNesby

Treasurer

Bill Pfaffenhauser

Secretary

Robert Baldwin

Director

Lisa Strusowski

Director

Kevin Mitten

Director

Courtney Stewart

Director

Diana Farrell

Director

Nancy Shevock

Chairman Emeritus

R. Bryce Breezy Brown

Director Emeritus

Adam Gerber

Associate Director

Volunteer Supervisory Committee

Wesley T. Stefanick

Chairman

Bill Hufnal

Member

Lisa Strusowski

Member

Senior Management

Daniel McCarthy

President/Chief Executive Officer

Kellie Rychwalski

Chief Financial Officer

Marc Kidwell

Chief Information Officer

John Chartrand

Chief Banking Officer

Carrie Green

Director of Accounting & Ops Support

Shallon Poulson

Director of Compliance

Brian Kaye

Director of Consumer Lending

Amy Draper

Director of Enterprise Solutions

Ryan Bowman

Director of Human Resources

Justin Smith

Director of Information Technology

Edward Mason

Director of Internal Audit

Amy Resh

Director of Marketing

Horacio Garcia-Korosec

Director of Member Experience and Strategy

Lori Savage

Legal Counsel

Lisa Connors

Executive Office Manager

2023 Annual Report

On behalf of the Board of Directors and Teammates of Del-One Federal Credit Union, we are pleased to report that 2023 was another successful year and your credit union remains financially strong and well positioned to meet any future challenges. Substantial technology investments, a continued focus on a frictionless member experience, and an expanded footprint throughout all of Delaware are just a few of our highlights for 2023.

Del-One works diligently to continuously improve the member experience. In 2023 Del-One implemented several technologies, all aligned with our north star of being the easiest place to do business with in all interactions. A few examples include:

- Breezy, our virtual assistant powered by artificial intelligence, that is available 24/7 via chat and our phone system;
- Several automated tools that have sped up and enhanced the quality of the loan processing and approval process;
- Personalized overdraft limits that put our members in a better financial position;
- Numerous loan and deposit products that make us more attractive to our members as their primary financial institution, and;
- Our new, and more convenient, branch location in Wilmington on Germay Drive.

Del-One continues to support the communities we serve. In 2023, we:

- Provided a record \$212 million in loans to our members;
- Raised and donated a record \$62,000 to local charities through the Del-One Foundation;

- Deepened our impact with the Hispanic communities with the introduction of our ITIN lending program and our relationships with La Central, La Esperanza, and the Latin American Community Center. We also were accepted as a Juntos Avanzamos (Together We Advance) designated credit union, which recognized the groundbreaking work Del-One has done to “meet the needs of low-income consumers in general and of the Hispanic community in particular;”

- Established a stronger relationship with the Delaware Black Chamber of Commerce, providing us an opportunity to impact more minority business owners;

- Focused on financial wellness throughout the communities we serve, with 86 visits to organizations such as the Pallet Village in Georgetown, the New Castle County Hope Center, and various schools and other locations to provide workshops and one-on-one financial coaching;

- Celebrated our 2nd Annual Del-One Community Service Day on October 9th, where our teammates donated over 1,200 hours of their time, muscle, and skills to twelve different organizations across Delaware, and;

- Hosted three Community Appreciation Days, one in each county, to say thank you and show our members how much we value them.

2023 was also a year of achievement and recognition, as Del-One won Top Workplace in Delaware, as well as Forbes’ Best-in-State Credit Union. We are proud to say the above are just a few of our accomplishments in 2023, and we are energized in knowing that we are just getting started.

We are also excited to report we will open a Lewes branch in the Summer of 2024! Visit our website and social media pages for more information coming soon.

Del-One continues to perform strong financially, as is captured on the income statement and balance sheet in this program. We are proud to say that over 5,000 new members joined the credit union during 2023, equating to almost 7% membership growth. This is nearly double the industry standard and a testament to what we offer, how we treat members, and the amazing teammates that represent us every day.

The entire Del-One family knows that you have countless financial institutions to choose from and we are humbled that you trust us. We promise to do everything we can to re-earn your business every day and to continue working toward the north star of being the easiest place to do business with in all interactions.


Respectfully,



D. Steven Smith, Board Chairman



Daniel McCarthy, President & CEO



Gerard McNesby, Treasurer



Wesley Stefanick,
Supervisory Committee Chair



Minutes of the 2022 Annual Meeting

Modern Maturity Center & Virtual Tuesday, April 25, 2023 at 5:30 PM

Board Chairman Steve Smith welcomed member-owners to the 2023 Annual Meeting. Chairman Smith took the opportunity to individually recognize the Board of Directors, Supervisory Committee and Insurance Committee members. Chairman Smith elaborated Del-One is very fortunate to have these amazing groups of individuals that volunteer their time and consistently work hard on behalf of the member-owners of Del-One. Lastly, Chairman Smith recognized CEO Ronald Baron, the management team and all employees for an outstanding job serving our member-owners.

With a quorum being present the meeting was called to order by Board Chairman Smith at 5:33pm.

Motion made by Kellie Rychwalski and second by Marc Kidwell to dispense with the reading of the minutes from the 2022 Annual Meeting. Motion carried.

Chairman Smith then introduced President and CEO, Ronald Baron.

CEO Baron welcomed member-owners to the 62nd Annual Membership Meeting. CEO Baron commented that similar to last year, the meeting is being held at the Modern Maturity Center and also live streamed through the Credit Union's YouTube channel. CEO Baron expressed his gratitude to everyone attending the meeting.

CEO Baron commented this year he will not rattle off a host of numbers like previous years, however, encouraged everyone to please pick up a copy of the 2022 Annual Report for reference. CEO Baron reported 2022 was a remarkable year as membership numbers continue to grow, our

net income was the highest it has been in any of the last ten years and asset quality remained very strong. That said, Del-One is poised to continue to be the beacon of hope when it comes to guiding every Delawarean on their financial journey.

CEO Baron highlighted Del-One Teammates are the ones who make our Credit Union what it is today. The Credit Union was recognized in 2022 as one of the Best Workplaces in Delaware. While this is an honor, having a great work culture doesn't happen by accident. Del-One staffers are not employees, they are teammates and we like to think of ourselves as family. Our focus, every day, is to treat our members as we would want our mom or dad to be treated.

CEO Baron expressed Del-One teammates have plenty of energy and passion to go around, and we are ready to welcome many more members to Del-One.

Additionally, serving our communities is something that is part of our teammates DNA. On October 10, 2022, Del-One celebrated its first annual Community Service Day. Over 170 teammates donated approximately 1300 hours of their time, talent, and muscle to fourteen different organizations throughout Delaware. Afterwards our teammates shared how they loved being able to connect with the community, and their experiences were both humbling and invigorating.

CEO Baron mentioned that in January of this year, Del-One signed an agreement with The Springboard Collaborative of Georgetown, the organization that operates the Pallet Village that houses homeless individuals until they are able to get back on their feet. In addition to providing financial literacy workshops, the Credit Union was able to donate \$50,000 towards the building of the Community Center for the Village.

CEO Baron noted that nearly four years into its existence, Del-One's Banking Desert Initiative is making tremendous progress in helping to provide banking services to the unbanked and under-banked in what is the Route 9 Banking Desert in New Castle County. Not only has the Credit Union helped individuals, but we are seeing a lot of need for financial guidance by small businesses. CEO Baron introduced both Dr. Rosie Tooley and Ron Handy, Sr. as an important part of the Banking Desert Initiative. Dr. Tooley and Mr. Handy are members of the Banking Desert Initiative Advisory Council. Dr. Tooley is the Executive Director of Lazarus Educational Services, Inc. Mr. Handy is a co-founder of the Banking Desert Coalition, which is part of the initiative. The Banking Desert Initiative is another example of Del-One making a big difference in our communities. CEO Baron encouraged member-owners to visit the Del-One website and look for the "About Us" tab to learn more about BDI, LESI and other community activities that we do.

CEO Baron stressed that financial literacy is significant to every one of us. According to a recent survey conducted by Standard & Poor's, only 57% of adults are financially literate, which means that 43% lack the knowledge to be successful financially. That said, last fall Del-One introduced the FUEL Program. FUEL stands for Financial Understanding at Every Level. The FUEL program has two versions, one for students and another for adults. Both versions are available on the Credit Union's website under the "Services" tab.

FUEL for adults provides learning about financial basics, how to invest wisely, retirement planning, growing your small business, and financial caregiving, which helps someone understand their responsibilities when caring for another person's finances. Del-One offers the FUEL 12 program that has been rolled out to three school systems and is free of charge. The program provides age-appro-

priate learning for grades 3 through 12 and programming is available in English and Spanish.

Del-One continues to be member-focused and member driven. The technology investment Del-One has made in recent years has been to enhance member experience. CEO Baron commented that it is possible that members can conduct their banking with less friction. Del-One is looking at every aspect of the processes that you, as a member go through, and we are looking at making these processes easier on the devices you use every day.

CEO Baron commented Del-One just rolled out the Express Auto Loan product. You simply apply online or in a branch, get approved, pick up your blank check then go to the dealership.

Del-One will soon be rolling out our new artificial intelligence technology. It will be coming to you in phases and will be fully introduced by the third quarter of 2023. This technology allows us to be available to you 24/7, and it will be capable of answering simple questions and process member transactions. This is an enhancement to our current capabilities and does not replace any of our teammates, all of whom will still be there to answer any of your questions.

CEO Baron mentioned the Del-One Foundation raised and donated a record \$58,000 in 2022. The Foundation is a nonprofit corporation that raises funds for charitable purposes to benefit the residents of Delaware. Some of the local charities the Foundation benefited last year include the Central Delaware Habitat for Humanity, Autism Delaware, the Delaware Breast Coalition, and the Delaware Center for Homeless Veterans.

CEO Baron recognized the passing of two teammates in 2022. Nathan Kinsey was a Contact Center Representative joining Del-One in 2020.

He passed away in August 2022 after being with the Credit Union for nearly two years. Brad Benson was a Member Business Loan Officer that joined Del-One November 2017. Brad passed away on August 29, 2022. Both teammates left us too early and he asked for a moment of silence in their remembrance.

CEO Baron noted this concludes the 2022 Report of Credit Union Condition.

CEO Baron presented the Nominating Committee Report.

The members of the 2023 Nominating Committee are Chairman Nancy Shevock, Member Bill Hufnal and Member Ronald Baron. There were three positions available for 3-year terms on the Board of Directors. The Committee unanimously approved the following as nominees to be placed on the ballot for Del-One Federal Credit Union's Board of Directors: William Pfaffenhauser, Gerard McNesby, and Diana Farrell. All three individuals are incumbent candidates.

With there being no old business or new business for the annual meeting, CEO Baron requested a motion to adjourn.

Motion by Dan McCarthy and second by John Chartrand to adjourn the 2022 Annual Meeting. Meeting adjourned at 5:57pm.



D. Steven Smith, Board Chairman



Bill Pfaffenhauser, Board Secretary



Lisa Connors, Executive Office Manager

2022 Teammate of the Year



Jason Coulter
Systems Administrator



2022 Branch of the Year Georgetown



2022 Department of the Year Marketing



**Helping
Members
Reach Their Goals
Since 1960**



**Member
Focused.
Community
Driven.**



Condensed Statement of Financial Condition

At December 31,

2023

2022

Assets

Cash and cash equivalents	12,204,444	13,241,827
Interest-bearing accounts	40,984,148	111,216,702
Investment securities, net	48,668,103	56,969,169
Other Investments	2,867,602	1,623,202
Loans held for sale	348,750	-
Loans to members, net	531,372,170	438,307,392
Accrued interest receivable	1,865,404	1,355,087
Property and equipment, net	16,941,591	17,431,727
NCUA share insurance fund deposit	5,904,867	6,128,933
Prepaid expenses and other assets	9,476,152	11,055,925
Total Assets	670,633,231	657,329,965

Liabilities and Members' Equity

Members' share accounts	572,399,252	598,355,453
Borrowed funds	35,000,000	-
Accrued expenses and other liabilities	12,345,043	12,214,652
Total Liabilities	619,744,295	610,570,105

Members' Equity

Regular reserve	3,126,687	3,126,687
Undivided earnings	52,688,423	49,690,062
Equity acquired in merger	2,830,646	2,830,646
Accumulated other comprehensive loss	(7,756,820)	(8,887,535)
Total Members' Equity	50,888,936	46,759,860

Total Liabilities and Members' Equity

670,633,231

657,329,965

Condensed Statement of Members' Equity

	Regular Reserves	Undivided Earnings	Equity Acquired in Merger	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2021	3,126,687	45,833,075	2,830,646	(669,535)	51,120,873
Net income		3,856,987			3,856,987
Unrealized gains on investment securities				(8,218,000)	(8,218,000)
Balance at December 31, 2022	3,126,687	49,690,062	2,830,646	(8,887,535)	46,759,860
Adoption of ASU 2016-13		436,627			436,627
Net income		2,561,734			2,561,734
Other comprehensive income				1,130,715	1,130,715
Balance at December 31, 2023	3,126,687	52,688,423	2,830,646	(7,756,820)	50,888,936

Condensed Statement of Income

Years Ended December 31,

2023

2022

Interest Income	25,109,480	18,419,916
Interest on loans	4,099,922	3,515,148
Interest on investments	29,209,402	21,935,064
 Interest expense		
Dividends on members' shares	4,054,486	1,294,375
Interest on borrowed funds	590,876	70
Net Interest Income	24,564,040	20,640,619
 Less: Provision for credit losses	3,346,700	1,107,852
Net Interest Income after Provision for Credit Losses	21,217,340	19,532,767
 Non-Interest Income		
Fee income	6,359,315	6,430,507
Other operating income	7,641,286	7,631,304
Loss on sale of available for sale securities, net	(198,507)	0
Loss on disposition of assets	(314)	(290,348)
	13,801,780	13,771,463
 Non-Interest Expense		
Employee compensation and benefits	14,094,915	13,384,331
Travel and conference expense	283,269	204,711
Office occupancy expense	1,924,279	1,857,358
Office operations expense	11,772,215	11,119,556
Advertising and promotional expenses	971,016	1,032,114
Loan servicing expense	1,429,108	1,043,756
Professional and outside services	1,660,841	564,086
Miscellaneous operating	321,743	241,331
	32,457,386	29,447,243
 Net Income	2,561,734	3,856,987

These condensed financial statements do not constitute a complete presentation. The complete set of audited financial statements, including the statements of comprehensive income and cash flows, and notes to the financial statements, are available at the Credit Union office during normal hours of operation.

Empowering our Teammates 2023

**Branch of the Year
Smyrna**



**Department of the Year
Asset Management**



Teammate of the year
Charles Wolfe, Systems Analyst



Del-One Locations

Wilmington Branch

1 Germay Drive
Wilmington, DE 19804

New Castle Branch

80 Christiana Road
New Castle, DE 19720

Fox Run Branch

100 Fox Hunt Drive
Bear, DE 19701

Middletown Branch

751 Middletown Warwick Rd.
Middletown, DE 19709

Smyrna Branch

201 Pharmacy Drive
Smyrna, DE 19977

West Dover Branch

270 Beiser Blvd.
Dover, DE 19904

Downtown Dover Branch

150 E. Water St.
Dover, DE 19901

Milford Branch

100 Credit Union Way
Milford, DE 19963

Georgetown Branch

30 Georgetown Plaza
Georgetown, DE 19947

Seaford Branch

24488 Sussex Hwy.
Seaford, DE 19973

Dagsboro Branch

30650 Dupont Blvd.
Dagsboro, DE 19939

Lewes Branch

24120 Zinfandel Lane
Lewes, DE 19958
(Opening Summer 2024)



Del-One

Federal Credit Union

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