

You're the

STAR!

ANNUAL REPORT 2018



Always here for you.

MWRD Employees'
Credit Union

Board Chairman's Report

Every great screenplay starts with strong characters and a compelling setting. The **STARS** of this financial community are the member-owners of MWRD Employees' Credit Union. And I am honored to report that MWRD Employees' Credit Union enjoyed another bright and memorable year. Beyond income or asset size, success is measured by how our Credit Union benefits the membership. With over \$17 million of low cost financing, our institution remains very well capitalized and a strong financial home for our **STARS**.

A Few Highlights from 2018

- ★ Early in the year, information was posted on the Credit Union website about volunteer opportunities and how to serve on the Board of Directors — allowing new members the chance to help run the show.
- ★ Members enjoyed sparkling spring and summer specials for auto refinancing, home equity lines of credit and Visa balance transfers.
- ★ Enhanced educational assets from our valued partners at GreenPath Financial Wellness (formerly Accel Services) empowered members to better manage their personal finances, credit history and more.
- ★ The development of New Share Certificate rate specials and a new Money Market Account (*launched early this year*) helped members build financial strength with more spectacular savings options.

Each individual's financial well-being directly affects the strength of our Credit Union community. Moving forward, our goal is to provide members with the products, services, and guidance needed to prosper — your Credit Union membership is the ticket to your financial health and the lifestyle you deserve.

On behalf of all the Directors, I want to thank our dedicated staff and especially you, the member-owners, for supporting our stewardship of your MWRD Employees' Credit Union.

Kari K. Steele
Chairman

— *Life is art. Live yours in color.*

Credit Review Committee Report

MWRD Employees' Credit Union offers low interest, low cost financing to all of our talented **STAR** members. The Credit Union's primary source of income — over 65% — is the interest earned on members' loans. Along with income from investments, it is used to pay Credit Union operating costs and member dividends.

The Credit Review Committee is dedicated to its responsibilities. As a Committee we:

- review loan applications for approval
- recommend changes in lending and collection policies to the Board of Directors
- appoint loan officer(s) to expedite prompt loan processing
- work with the Board of Directors to offer new or improved loan programs
- monitor loan losses, and
- aggressively pursue monies owed.

On December 31, 2018 the Credit Union had **\$17,314,702** in loans, continuing our momentum of year-over-year increases in our total loan portfolio. With little to no delinquency, this helps virtually every member of the Credit Union.

The Credit Review Committee promotes auto, home loan and credit card programs to spark growth and help our members enjoy the lifestyle they've earned. Our secure online process simplifies the application process, and even the critics can't dismiss the benefits of your Credit Union's low-cost lending options over those of for-profit institutions. Please share your dramatic credit union success stories with your co-workers. And as always, watch for featured loan specials in 2019!

Anthony Balich, Chairman
Glenn Miller

Supervisory Committee Report

The Supervisory Committee oversees the financial management of the Credit Union. The Committee meets regularly to review monthly financial statements and reports, to analyze financial trends, to monitor the Credit Union's overall performance, and to act as the human resource department for the Credit Union.

A major task of the Supervisory Committee is to see that thorough internal audits of the Credit Union are performed. The Committee has engaged Selden Fox, Ltd, Certified Public Accountants, to conduct annual and quarterly audits. This work by Selden Fox is designed to ensure that:

1. Financial reports accurately reflect the operations of the Credit Union and are prepared in a timely fashion.
2. The Credit Union's internal controls are reviewed and effectively maintained, and the Credit Union, its members, management and employees are adequately protected.
3. Elected officials and employees perform their responsibilities in a proper manner.

We welcome all performance notes from the **STARS** in our membership — you help us approach our work with integrity and creativity. Please submit concerns regarding Credit Union operations and management directly to this Committee at the main office address, or through the "Contact Us" form on our website.

Nathaniel Thomas Jr., Chairman
Jacqueline Torres
Brian Deitz

Treasurer's Report

It is the responsibility of the Treasurer of the MWRD Employees' Credit Union to ensure that the Board of Directors is presented with a true and accurate picture of the Credit Union's financial position. The Treasurer oversees the accounting functions to maintain an adherence to generally accepted accounting principles; and reviews and presents to the Board of Directors a variety of financial reports including a statement of condition, an income and expense report, and an investment report.

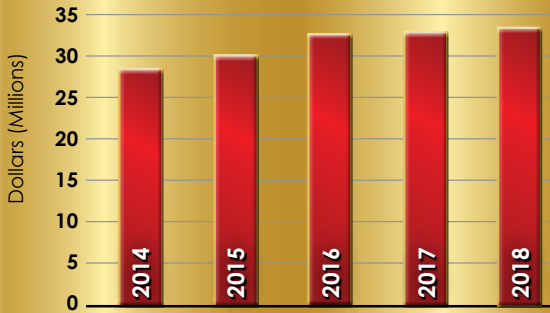
Your Credit Union finished 2018 with a net worth ratio of **14.37%**, well above the 7% net worth ratio that federal and state regulators consider very well capitalized. We continue to be an extremely strong and sound financial institution. You can save and borrow here with confidence, and invite others to join our financial cooperative.

As always, the credit for MWRD Employees' Credit Union's solid financial position goes to the true **STARS** that make up our membership. Thanks also to the dedication behind-the-scenes of our Sponsor, the Metropolitan Water Reclamation District of Greater Chicago, and the solid direction from our Board. Our staff rolls out the red carpet every day to improve products, services and security.

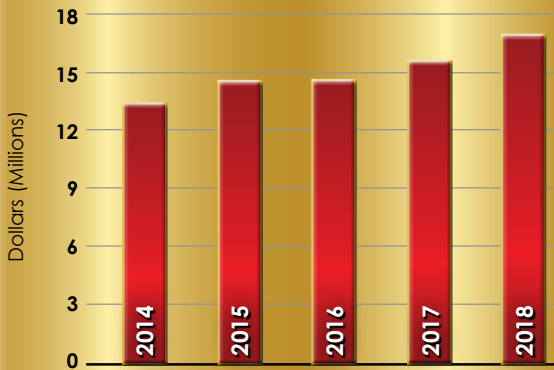
You are cordially invited to review the 2018 financial and statistical data that follows.

Beverly Sanders, Treasurer

ASSET GROWTH



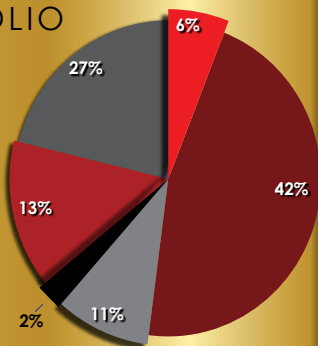
MEMBER LOANS



LOAN PORTFOLIO

Breakdown by Type

- VEHICLE
- UNSECURED
- SHARE SECURED & SPECIAL PROGRAM
- HOME EQUITY
- FIRST MORTGAGES
- VISA



STATEMENT of Financial Condition

ASSETS (We Own)	12/31/18	12/31/17
Loans to Members	17,314,702	15,778,784
Less Allowance for Loan Losses	(115,924)	(148,347)
Net Loans	17,198,778	15,630,437
Cash and Cash Equivalents	916,300	1,252,642
Investments	14,692,277	14,700,130
NCUSIF Deposit	282,092	281,285
Other Assets	392,718	1,103,585
Total Assets	33,482,165	32,968,079

LIABILITIES SAVINGS & EQUITY (We Owe)	12/31/18	12/31/17
Shares of Members	28,783,242	28,355,980
Regular Reserves	846,907	846,907
Undivided Earnings	3,963,559	3,806,218
Other Liabilities and Equity	(111,543)	(41,026)
Total Liabilities and Equity	33,482,165	32,968,079

STATEMENT of Income & Expenses


Operating Income (We Received)	12/31/18	12/31/17
Interest on Loans	850,262	808,830
Income from Investments	329,500	270,925
Other Income	94,101	90,673
Total Income	1,273,863	1,170,428

EXPENSES (We Distributed)	12/31/18	12/31/17
Dividends on Member Shares	37,589	30,510
Compensation and Benefits	549,234	554,009
Office Operations	374,784	386,037
Loan Servicing	53,344	54,079
Member Insurance	-	-
Other	21,202	9,576
Total Expenses	1,036,153	1,034,211

NET INCOME	237,710	136,217
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OTHER EXPENSES	12/31/18	12/31/17
Allowance for Loan Losses	85,000	25,000

NET INCOME	152,710	111,217
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MISSION STATEMENT

To be our members' primary financial institution of choice by providing competitive financial services in a secure environment and meeting their changing needs while maintaining our financial stability.

Credit Union President/CEO

Linda S. Geers

Financial Analyst

Marty Mitchell

Lending Department

Glenda J. Lahori

E-Services

Jewell Hobbs

Member Service Department

John Van Keulen

Joanne M. Shinnick

2018 Board of Directors

Kari K. Steele, Chairman

Beverly Sanders, Treasurer

Anthony Balich, Credit Committee Chairman

Nathaniel Thomas, Jr., Supervisory Committee Chairman

Glenn Miller, Credit Committee

Brian Deitz, Supervisory Committee

Jacqueline Torres, Supervisory Committee

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