

MECU's Commitment to Its Members and Its Community

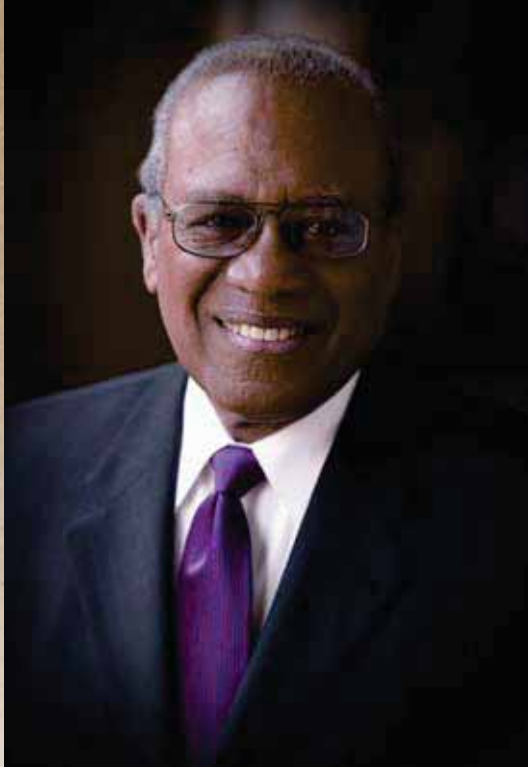
"Not for charity, not for profit,  
but for **service**"



Annual Report 2009



## Message from the Chairman of the Board



Dear Valued Members,

**O**n behalf of the Board of Directors, the Credit Union's Management Team, staff and volunteers, it is my privilege to present MECU's 2009 Annual Report.

As I look back at the past year, I'm aware of the difficult times that many people faced with the tough economy in our country, our state and our City. But, I'm glad that I can report that it was a good year for MECU. You, our members, have given us your support. We know you have choices, but we work hard to provide you with great products and services. Year in and year out, we offer you the best rates around. We also have returned money to you every year since 1981 through the extraordinary dividend and the loan interest rebate. Just this past year we returned over \$4 million to you.

We accomplished a lot during 2009 at MECU. Our largest project, the upgrade to a new computer system, was the culmination of three years of work. While we are quite aware that there were problems in certain areas, I can assure you that all necessary steps are being taken to correct issues that came up during the upgrade and that may develop. But we know that this new system will enhance the way that you, our members, will conduct your business with MECU.

When I look back at the past year, I am proud of the outreach activities that MECU has developed to give back to our community. You will read about several of them in this Annual Report and see the personal involvement of our MECU team members. Some of the commitments and partnerships go back years.

I am even more proud of the activities we've developed that called on our members to help us. Most recently, we've asked for your support for the earthquake victims in Haiti when you come into the branches. One young member commented on Twitter that every time he came into the branch he put \$5 into the box. He said that was all he could do but at least it was something. Actually, it was a lot! He showed his commitment to helping people in real need, and he was sharing that commitment with his friends.

A couple of examples where our members supported MECU sponsored activities include the Holiday Harvest that benefited the Bea Gaddy Thanksgiving Dinner. The call went out over radio station Heaven 600, and many of you brought canned goods and donations to ensure that the neediest in our community had a wonderful Thanksgiving.

You also supported Warm Holiday Wishes and brought warm coats and winter clothing into the MECU branches to go to St. Vincent's Mobile Clothing Bank. This worthwhile program helps the people living in Baltimore's shelters or on the streets have the warm clothing needed to make it through the winter. Others brought clothes to Fox 45 on the morning that we promoted the clothing drive on the air. We look for opportunities to partner with other companies and organizations in the community that let us accomplish more than we can alone. It's even better when our members have the opportunity to join us and show their support of the community. I encourage you to listen for messages from MECU that will bring us together to serve others.

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MECU has developed a number of activities to help our young people in the community – possibly your sons or daughters. We've worked with partners to sponsor activities to help children from pre-kindergarten through college learn about managing money, and hopefully having fun at the same time. These activities especially warm my heart.

For the youngest in our community, we work with the City of Baltimore to host the Pee Wee Preakness, where children from the ages of three to six race each other on bouncy balls. MECU brings combination coin-saver coloring books that teach the young children how to save money. We give them to all the teachers to take back to the classrooms. The teachers are then able to use the books to teach about saving money and sharing part of the money saved.

To help children a little older, our branches have formed partnerships with six elementary schools in Baltimore City. The branch staffs visit to the schools regularly to give that extra one-on-one support that can help a student better understand a lesson. The MECU team also takes the fifth grade from one of the schools to Junior Achievement's Biz Town every year. But we don't forget the rest of the students. MECU holds a yearly book drive so that every student in all the partner schools has a book to take home at

the end of the school year. In 2009, we collected over 4,900 books to distribute.

We work with the CollegeBound Foundation to help high school students learn about managing their money – a skill they will need to have when they start the next phase of their lives. To make sure that these students have the funds to go to college, MECU's Board of Directors and Committee members, started the Annual MECU Charity Golf Tournament. For the past five years, we have raised funds to provide ten scholarships through CollegeBound.

MECU opened the first student-run credit union in Baltimore City last year. The high school students that run the branch receive the same training as the regular MECU tellers. They open accounts for their fellow students and handle transactions for the teachers. And, several of the student-tellers have summer jobs as tellers in the regular MECU branches.

One of the most exciting programs we have is for college students. Through the African-American Credit Union Coalition, we have up to five students intern at MECU every summer. These students add a great deal to our work environment, and many of the students come to work for MECU after graduation.

I hope you enjoy reading about MECU's outreach activities in this Annual Report and we invite you to join us when we reach out to our members. With the tough economic times that many people have faced this past year, including some of our members, it has been even more important to give back to our community. The more we can help our community be strong, the more we are helping MECU be strong.

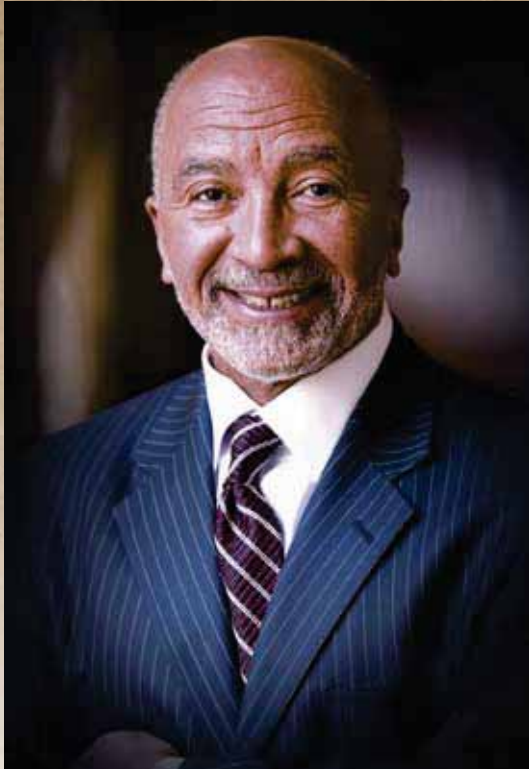
Thank you for your support of MECU and we look forward to serving you in the years to come.

Sincerely,



Herman Williams Jr.  
Chair

# President's Management Report 2009



I am pleased to present the 2009 Management Report for MECU – your credit union. MECU had a successful year, but, we are well aware that it was a difficult year for some of our members. MECU has worked to keep the lines of communications open with members so we can help them weather the changes to their financial situation.

I want to thank everyone who contributed to MECU's success in 2009: our loyal members; the strategic volunteer leadership of our Board of Directors, Supervisory and Credit Committees; and the tireless work of MECU's Management and Team Members.

## Financial highlights

This past year, MECU reached an impressive plateau. We attained the \$1 billion in assets mark. Our continued strength and stability are anchored in our members' loyalty. MECU was able to share that success with our members by paying cash bonuses of over \$4 million as extraordinary dividends and loan interest rebates.

MECU did see changes that reflect what was happening in the overall economy. People are saving more and are paying off their

long-term debt. MECU saw its deposits increase by over \$102 million and loan balances decrease by \$33 million, primarily due to a sale of loans valued at \$37 million. Our increased deposits were in all product areas, particularly in Money Markets (over \$38 million) Share Accounts (over \$25 million) and Certificates of Deposit and IRA CDs (over \$26 million).

Last year, interest rates continued at record lows. The Federal Open Market Committee (FOMC), which sets the rates for federal funds, held rates to a range of 0.00% and .25% for the entire year. Many experts feel the Fed will raise short term interest rates by August 2010. Members thinking about buying a new house, refinancing an existing home, or buying a car should consider doing it in the first half of the year to take advantage of the current low rates. Locking in a MECU mortgage at today's rates could save you thousands of dollars over the lifetime of the loan.

This past year, many of the national credit card companies raised rates and reduced credit lines offered to their customers, even those with excellent payment history and credit scores. Many of these bank customers signed up for a MECU VISA® credit card or for one with another credit union in their location. MECU has always offered excellent rates and no annual fee on its credit cards and we want to increase their availability. Many of our new members, and those of other credit unions, learned about our great rates through national financial publications and reporters as diverse as the Wall Street Journal and Suzi Orman, a nationally recognized expert on personal finance. These national media outlets explained the benefit of being a member of a credit union and encouraged people to switch.

## Organizational and financial stability

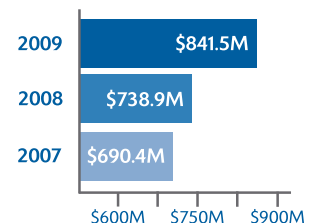
The independent public accounting firm of McGladrey and Pullen, LLC, performed an annual audit for the year 2009. A summary can be found at the end of this annual report. MECU's Supervisory Committee and internal audit and compliance areas provided on-going oversight to ensure proper controls were in place.

MECU, like all federally insured credit unions, was assessed additional insurance premiums by the National Credit Union Share Insurance Fund to help cover some losses in the credit union industry. Over the next couple of years, we will continue to pay additional premiums and support the National Credit

## 2009 Highlights

### TOTAL DEPOSITS

Financial Statistics for 3 Year Period



Union Administration while it helps stabilize the credit union industry.

As a result of the economic decline, there has been discussion about the need for regulatory reform in the financial services area. While there may be a need to reform previously unregulated areas of financial services, our current economic situation was created by these unregulated companies and specific people within those companies. Most banks and credit unions are already subject to a great deal of regulation. We encourage our lawmakers to be prudent in their examination of financial services regulation. Increased regulation of credit unions would mean higher expenses, which would prevent us from passing the benefits that come from our non-profit status to our members.

MECU is a strong, financially sound organization. We make prudent financial decisions and will continue to operate the credit union in a way to ensure its stability and profitability for our members.

### Strategic outlook

The economic downturn of the last couple of years has touched the lives of every person in our community in one way or another. Economists tell us that we have hit the bottom of this economic slump, but it will be a slow recovery. We started seeing job growth in November, and when all the numbers are in for the last quarter of 2009, they will hopefully continue to show growth.

The slow recovery has improved the housing market for buyers, with more homes available at better prices. The federal stimulus package for first-time homebuyers continues through April 2010, offering new homebuyers incentives to buy now. Congress also expanded the program to provide some incentives for current homeowners. With MECU's rates at an all time low, this is an excellent time to buy or refinance a home.

As we pull out of this economic slowdown, MECU members are getting their financial goals back on target. We offer several educational opportunities to help our members develop their personal knowledge so they can achieve those goals.

We hold monthly workshops on Credit Repair and Buying a Home that help people improve their credit and be in a better

position to buy a home. These workshops give members a chance to talk with MECU staff and receive specific advice on steps they should take. We also offer members free access to the Accel® financial counseling services. Accel provides one-on-one, confidential financial advice over the phone. Their counselors can help with everything from basic questions to negotiating with creditors and establishing a repayment plan if needed.

As the economy starts to show signs of new growth, I am rewarded by the strength and soundness of our credit union. While this strength is based on time-proven management values, our long-term stability is rooted in the loyalty of our members.

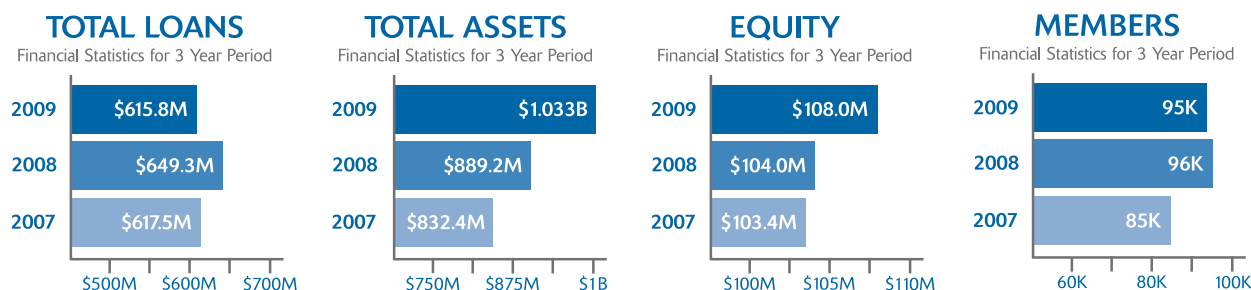
I am excited about MECU's plans for the future and how they will benefit our members. This past year MECU converted to a new data processing system. Initially, there have been a few challenges for us and our members. But this system offers us great opportunities to provide better products and services, and will allow us to be more competitive and to expand in the community.

We know that member service is important to you. Currently, MECU serves more members per branch than most other credit unions. Many of our members prefer to do their banking directly at the branches, which places demand on our tellers. Our tellers rank in the top ten percent of credit unions nationally for transactions per teller, and we know you expect friendly, efficient service every time you are in the branch. The growth we are planning for MECU will let us be more efficient and provide you with that better service.

For almost 75 years, MECU has served members diligently. We have taken our responsibilities seriously and know full-well the impact we have in your life. Our mission remains to provide you with high quality financial services through sound management and innovation. Each day it is our privilege to serve you and to be a caring and committed part of your community.

Thank you for being a member of MECU, Baltimore's Credit Union.

Bert J. Hash Jr.  
President and Chief Executive Officer



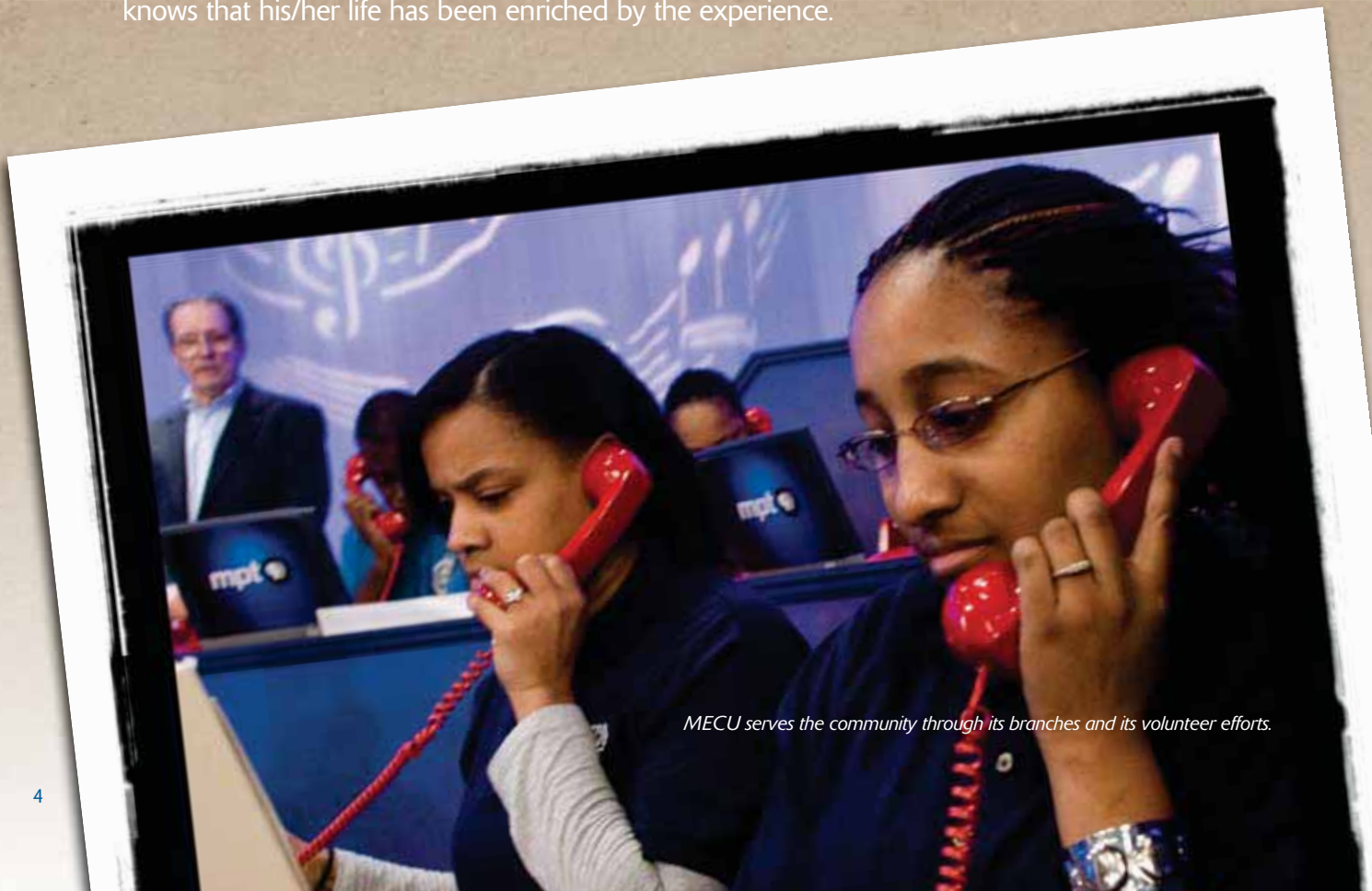
*MECU — Baltimore's Credit Union — A Sound Financial Partner for Members*

# and a Strong Partner for the Community.

**F**or almost 75 years, MECU has provided its members with financial services developed to help them reach their goals in a safe and sound manner. That approach helped us guide our members through the Great Depression, just as we safely lead our members to financial stability in today's economic upheaval.

We have learned that the economic stability of our community has an impact on our members' lives. MECU can only be as strong as the community in which we all live. That is why MECU's Outreach Committee works to develop long-term relationships with organizations serving different people in our community. By helping improve the lives of individuals, MECU makes our community stronger.

In the following pages, we share with you our experiences of serving the community. While we know that our efforts help brighten the lives of the people we meet, every MECU team member knows that his/her life has been enriched by the experience.



*MECU serves the community through its branches and its volunteer efforts.*

## Our Daily Bread

For the homeless, for families struggling to stay together, and for folks having to choose between buying food and paying their rent, a nutritious, hot meal served with a warm smile is a wonderful thing.

Our Daily Bread, run by Catholic Charities, serves over 250,000 such meals every year.

Every other month a dozen MECU team members spend a half day serving Our Daily Bread clients. We help prepare and serve the food, and make sure that everything is clean and inviting when one client leaves and the next one comes to fill the space. And we pass out bread and food wrap so clients can make a sandwich to take with them.

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*“We are reminded of the many individual faces of hunger.”*

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MECU’s LaChele McBroom says, “When we put on the Our Daily Bread apron, we’re reminded that every individual should be treated with respect. We are reminded that each



client is an individual facing their own individual problems. We are reminded of the many individual faces of hunger.”

As we help each individual live a little better each day, we make our community a little more welcoming.

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## Christopher Place

Michael, a Christopher Place Alumni, said “Going to Christopher Place has helped me to get back on track as a productive member of society. It has helped me to understand who I am and to be okay with it. With reasonable goals, I can improve my quality of life,”

Catholic Charities’ Christopher Place Employment Academy was created as an intensive residential program. It provides education and training as well as emotional, spiritual, and addiction recovery support to formerly homeless men.

Every month a group of MECU men go to Christopher Place to serve as mentors. They prepare dinner for the clients and answer questions. They guide discussions aimed

at helping the clients’ transition from homelessness to permanent, stable living by obtaining employment.

The simple act of sitting and talking with a person can do a lot. It helps develop a sense of worth and a sense of belonging.



## JA BizTown™

A student at JA BizTown recently said, “When I’m working here it’s almost like going into the future and seeing myself as an adult.”

And, that’s why MECU supports Junior Achievement’s BizTown program. We place an emphasis on helping our community’s young people grow and navigate the path to adulthood. When you take students to BizTown, you see the excitement and optimism they have for their future. At MECU we help build our community by nurturing young people and helping them develop goals for their future.

MECU’s Donte Leggett explains, “Elementary school students aren’t old enough to drive, work, vote or be the boss in the real world. But that doesn’t stop them from successfully operating banks, managing restaurants, running a radio station, writing checks and voting for mayor at JA BizTown!”

JA BizTown provides an extraordinary opportunity to help educate and prepare tomorrow’s leaders. “It’s a fun and

important part of MECU’s outreach to promote financial literacy,” adds Leggett.

“Students take home real skills. They know how to write a check and balance their account. And they are often the first in their family to know how to do that.”

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*“It’s a fun and important part of MECU’S outreach to promote financial literacy”*

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MECU has been a part of Junior Achievement’s BizTown for a number of years and we share the opportunity with our partner schools. In 2009, we hosted nearly 200 Ft. Worthington Elementary School students for a day of “trying out” being an adult.



## MECU’s Annual Book Drive

Why is the Book Drive special? “The faces! The excitement on the children’s faces as they search for a book of their own is something that you’ll never forget,” says MECU’s Pat Roberts.

“Our Annual Book Drive is one of our favorite activities. We began the program eight years ago so every student in every one of our partner schools would have a book of their own to take home and read at the end of the school year,” she continues.

In 2009 MECU collected and distributed over 4,900 books to seven schools.

Our annual book drive started with Ft. Worthington Elementary School and has expanded as each of our branches adopted a school in their community. The MECU employees develop new skills to find books for the students in the different grade levels. They scour flea markets, yard sales and Goodwill shops. In addition, employees hold a flea market and a bake sale to help raise funds to purchase books.

MECU employees go to the schools to distribute the books and help students find one that will interest them. Last year when a young student walked into the library and saw all the books spread out on all the tables, his eyes grew wide and he said, “I want a dinosaur book! I want a dinosaur book!” We found him just what he was looking for.



## MECU's Student Branch

In 2008, working with the National Academy of Finance, MECU opened the first student-run credit union branch in Baltimore City. The MECU Student Branch has become a key element in our financial literacy and educational outreach programs.

The National Academy of Finance, one of the academies in the National Academy Foundation, is a perfect fit for our MECU branch. NAF is a highly acclaimed, national network of high school career academies with rigorous, career-themed curricula in business, finance, and industry.

Supervised by a NAF teacher, the students are responsible for performing all transactions including opening accounts, making deposits and withdrawals and providing customer service.

"With over \$950,000 in deposits over the course of the school year, this is hands-on, real-world financial experience that high school students simply cannot get in any other way. For the students preparing for college and a career in finance, working in a fully functioning credit union gives them a tremendous advantage," explains MECU's Pat Roberts.



## Port Discovery

Sometimes young students just need to have fun. And it's better when they learn while having fun. At the end of the school year, MECU takes a group of students to one of Baltimore's museums. This past year we went to Port Discovery.

You know it's been a successful outing — you know you've made a difference — when, at the end of the day, a young student says, "I'm really tired. But, it's a good tired."

From day one, Port Discovery has been a leader in creating financial literacy programs for young children and teaching positive money habits. At MECU, we enjoyed sharing all that Port Discovery has to offer with the young ones.

The more adventurous kids (of all ages) climbed in the three story Kid's Works. They even flew on the zip line.

But the trip to Port Discovery offered much more. We played all the games and explored the other hands-on exhibits before everyone got on the buses to go home. At the end of the day, MECU team members also say, "We're really tired. But, it's a good tired."



## Money Power Day

**M**oney Power Day is a free event for adults, teens and children. In partnership with Baltimore's CASH Campaign and several other community and financial institutions, it's a large part of MECU's highly successful financial literacy outreach program.



*A young participant at MoneyPower Day.*

We host over 1,500 participants who arrive early and stay late for financial counseling, information, and seminars. At Money Power Day, participants receive advice on buying a home, starting a business and smart saving. They can also pull their credit report and get help understanding it.

At Money Power Day, Baltimore CASH provides free tax preparation service, and pro bono attorneys meet with people to help them avoid home foreclosure. But you will also find children answering money questions from people in tall green hats so they can win Power Bucks to spend at the Power Buck Store.

Why is this event so different? MECU's Dorothea Stierhoff explains, "What people are able to do at Money Power Day is so important. It's an opportunity for the little guy to develop the financial tools and make the financial contacts that wealthier people have. It helps to put things on a more level playing field for the people who attend."

A Money Power Day participant told us, as the day wound down, "I came here with nothing. I'm leaving here with hope."

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*"I came here with nothing.  
I'm leaving here with hope."*

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At MECU, we don't think that there can be any higher praise for an event.

## Harborside Nursing Home

**Y**ears ago, the mother of one of MECU's branch managers was a resident at Harborside Nursing Home. One year, she asked us to create an event for all of the residents there to add something fun and different to their day.

Instead of an event, our team members decided to create a tradition. And, that tradition has evolved into MECU's yearly Harborside Birthday Party for Everyone.

We create a different theme for the party each year. One year it was sports and another year it was a luau. We decorate the large common room in the theme and get ready to party! There's food, fun, music, dancing and of course, birthday cake and presents for all.

MECU employees contribute well over one hundred man-hours to this yearly tradition because they've grown to care about this group of seniors.

MECU's Debbie Darr sums up the event like this, "It's so wonderful to see the smiles of the residents when we arrive. And, they remember us from year to year. It's a rewarding feeling to know that you've helped somebody, that you've touched somebody. Even if it's just for an evening, it's a real celebration of life."



*MECU staff has as much fun at the Birthday Party for Everyone as their guests.*

## Maryland Public Television

What makes this fundraising project so popular with the folks at MECU? "Everybody wants to raise money for Maryland Public Television. Everybody wants a little face time on TV," Warren Wilson says with a wink and a smile.

"Over twelve years ago, one of our employees came to us. Her mother worked at MPT and she wondered if we would help man the phones and collect donations. Not being an organization that likes to say no to outreach, we were there and we have been there ever since," Wilson continues.

On a Saturday evening each March, over two dozen of our employees head to MPT in Owings Mills. All of us wearing our MECU shirts and bringing our own donation for the station.

We let our members know we will be there. We let our board members know, and some of them join us. Over the years MECU has set a number of fundraising records during our shift.

In part, MPT's mission and belief is that "Learning advances our society: children succeed, adults are renewed, communities benefit. Through exposition, exploration and discovery, possibilities emerge, people connect and we are transformed."

At MECU, we support that belief.

*Besides helping with the phone-a-thon, MECU contributes to MPT every year.*



## Sandtown Habitat for Humanity

Imagine taking something vacant, a shell of a hundred-year-old row house and creating a new home for a family. That's just part of what MECU does every year. We have a long standing commitment to serve Habitat for Humanity in the Sandtown community because we know it's an extraordinary thing to give people keys to their very own home.

Every month, on a Saturday, MECU volunteers spend the day creating a new home from what was a boarded-up building.

And each June, along with hundreds of volunteers from across the nation, dozens of MECU employees come together to participate in Blitz Week and complete several homes that are under construction.

MECU's Doug Hinkle says, "You can't participate in Blitz Week and not be moved by the whole process and the positive energy and the goodwill. It just speaks volumes about what's possible when people come together with a common goal and purpose to do good."

Frank Ciesla adds, "It all comes down to a handful of days of very hard work. And, those days create the dream of a lifetime."

*Sandtown Habitat has a special place in the hearts of everyone at MECU. We've put something of ourselves into many of the houses in the community.*



*The presents for the Salvation Army Angels decorate the Redwood Street branch.*



## Salvation Army Angel Tree

The Holiday Angel Tree is not just one of the highest profile events for the Salvation Army, it's an event that helps create the holiday spirit at MECU.

Every MECU employee looks forward to the annual Angel Tree program. Departments, individuals and board members clamor to get an angel with the information about a child in our community. The 125 angels we had this year went so fast that next year we are asking for more.

"The Angel Tree program makes us all feel so good. All of us. It's an event that allows us to collect gifts for little Angels at Christmas. Our employees and board members go way

over the top to provide for Baltimore boys and girls who don't have the blessings of so many others. And, it makes the holidays even more warm and special for us. I wish we could do it all year," says MECU's Hope Newton.

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*"The Angel Tree Program makes us all feel so good."*

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There is no better place to get into the holiday spirit than MECU's main branch on Redwood St. The ledge around the mezzanine is filled with bright packages for the children. And when the Salvation Army picks them up, we have a caravan of people carrying bags and filling the truck to the brim.

## MECU Golf Tournament

MECU's Annual Charity Cup Golf Tournament was organized by MECU's Board of Directors five years ago to allow us to raise funds that would take our community giving to a new level. The Board wanted to focus on education and the funds primarily are allocated to provide ten scholarships through the CollegeBound Foundation and to help fund programs at our partner schools. Each year the tournament brings in more money, which lets us fund the end of the year school trips and more.

The participants who come back each year are suppliers and partners who want to support MECU's efforts to strengthen our community. They sponsor tees, provide prizes, and put together foursomes to play in the tournament. Everyone has a lot of fun, but everyone knows why they are there.



*The Golf Tournament raises over \$30,000 every year to help educational organizations in Baltimore.*

"MECU is so committed to outreach because it's giving back. A good majority of our members are Baltimore City residents. They have given so much to us; it's time to give back," states Herman Williams Jr., our Board Chairman.

This past year has been difficult for so many people in our community. Some of them are our members, some are not. But each of us at MECU remembers times when we've been given a helping hand, when someone has been there to give us the encouragement that we needed to try a little harder to reach our goals.

In that spirit, in the spirit of giving back, MECU team members volunteered nearly 3,500 hours in 2009. And, as long as there are people needing support in our community, MECU will reach out to help.

## Board of Directors, Officers and Counsel

### Front row, left to right:

James R. Brown III, Esq.,  
*Counsel*

Peggy A. Peacock,  
*Housing & Community Development*

Charmaine M. Thomas,  
*Police Department*

Harry Deitchman,  
*Director Emeritus*

A. Soula Lambropoulos,  
*Health Department*

### Back row, left to right:

Bert J. Hash Jr.,  
*Treasurer/MECU President & CEO*

Roman L. Clark Sr.,  
*Fire Department*

Loretta Johnson,  
*Baltimore Teachers Union*

Ernest J. Glinka,  
*Vice Chairman/Retired, Employees Retirement Systems*

Gary W. McLhinney,  
*Secretary/Retired, Police Department*

Janet M. Topper,  
*Recording Secretary*

John T. Walker III,  
*Baltimore City Public Schools*

Benjamin I. Meli Jr.,  
*Department of Public Works*

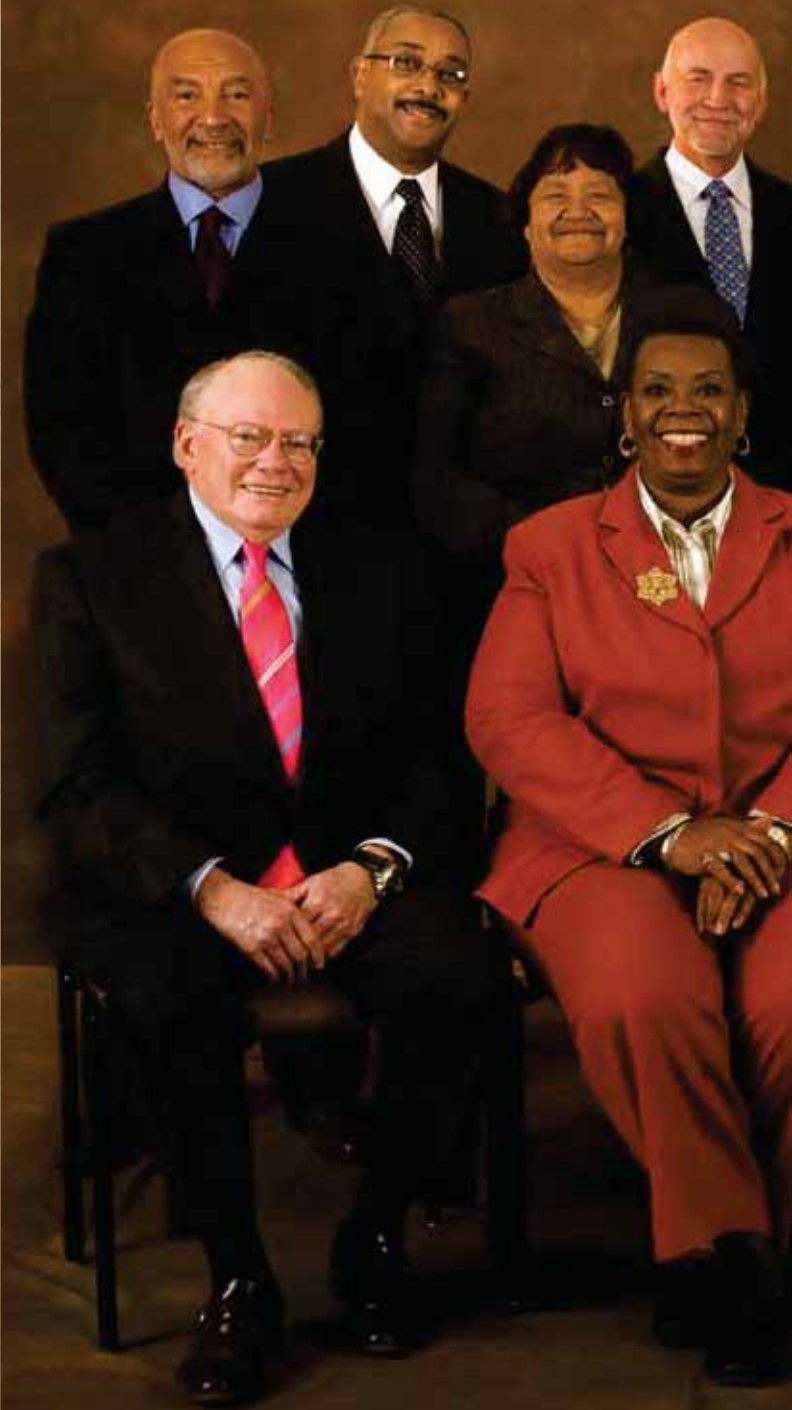
G. Louise Green,  
*Department of Finance*

Andrew Frank,  
*Deputy Mayor, Baltimore City*

Herman Williams Jr.,  
*Chairperson/Retired, Fire Department*

### Not pictured:

John F. Brown, Esq.,  
*Counsel*





## Leadership Team

### Front row, left to right:

Natalie J. Woomer  
*Vice President and Controller*  
Frank G. Richter Jr.  
*Vice President, Operations*  
Warren E. Wilson  
*Vice President, Human Resources and Administration*  
Kathy Day Shelton  
*Vice President, Electronic Services*  
Christina Vaughan  
*Assistant Vice President, Compliance*

### Back row, left to right:

John R. Godwin  
*Vice President, BDSA*  
Patricia A. Roberts  
*Vice President, Member Services and Branch Operations*  
Andrew G. Pataki  
*Executive Vice President and COO*  
Mary Gintling  
*Assistant Vice President, Internal Audit*  
Gary J. Martin  
*Vice President, Lending Center*  
Laurie S. Rush  
*Vice President, Marketing*  
Janet M. Topper  
*Executive Assistant*  
Frank T. Ciesla  
*Vice President, Member Business Services*  
Alan Griffiths  
*Vice President, MIS*  
Adrian S. Johnson  
*Vice President and Treasurer*  
Bert J. Hash Jr.  
*President and CEO*





# Your MECU Team

## Team Members

Michelle Aaron  
Gordon Amey Jr.  
Shawn Anderson  
Bogale Ayano  
Tyshera Bailey  
Mary Balladarsch  
Blondcette Banks  
Leah Banks  
Teerra Battle  
Tridonna Beads  
Vaudna Pauline Bennett  
Cynthia Beverly-Haskins  
Donna F. Biondo  
Donna G. Biondo  
Vincent Biondo  
Keshene Bogle  
Stephanie Bomar  
Alicia Boone  
Jason Boone  
Japera Boyd  
Michael Branagan  
Amber Brandon  
Brijette Brown  
Carolyn Brown  
Latoya Brown  
Tonya Brown  
Tung Bui  
Chris Bumbray  
Anjelina Burnsides  
Brandi Carter  
Dianna Carter-Dudek  
Denae Ceaser  
Shamia Church  
Safiya Codrington  
Leonard Coleman Jr.  
Marquell Coleman-Harris  
Raylene Conroy  
Dominick Cox  
Brandon Craven  
Linda Cyncoski  
Deborah Darr  
Jerna Davis  
Lakeisha Davis  
Mary Dehart  
Jocelyn Dela Cruz  
Ryan Donaldson  
Kendra Downey  
Jennifer Eckels  
Phyllicia Estep  
Lillian Evans  
Tracy Evans  
Samuel Fadojutimi  
Marquetta Felder  
Charlita Fenner-Stevenson  
Adairia Fleet

Carolyn Fleet  
Susy Flores  
Korrelia Foster  
Latoya Funderburk  
Joyce Garbo  
Cierra Garland  
Wayne Garrity  
Aziza Gary  
Myra Gaskins  
Sherita Gilyard  
Ian Godwin  
Carlos Gonzalez  
Roman Goral Jr.  
Crystal Green  
Christeen Hamilton  
Amber Harlee  
Shirley Harlee  
Alicia Harmon  
Pam Harris  
Jean Harris-Brooks  
Robert Harrison  
John Harrison Jr.  
Janeen Harrod  
Sequoia Hayes  
Erica Heath  
Nastacia Hicks  
Charles Hill  
Sharon Hill  
Tierra Hillard  
Tinesha Hines  
Patricia Hobbs  
Jessica Holley  
Kelly Holmes  
Michelline Holmes  
Bridgette House  
Joyce Hughes  
Lisa Irving  
Ana Jackson  
Tina Jackson  
Tracey Jackson  
Sandra James-Mayo  
Barbara Jennings  
Quante' Johnson  
Rosalyn Johnson  
Cheryl Jones  
Devin Jones  
Colleen Jordon  
Deborah Jurkiewicz  
Tyisha Kane  
Linda Kelch  
Antoinette Kellam  
Keshil Kerr  
Carolyn Kilby  
Georgina Klanica  
Kimberlye Lamana

David Lansinger  
Kimberly Lascola  
Linda Lee  
Donte Leggette  
Maria Leis  
Queen Levere  
Sharon Lewis  
George Lewis Jr.  
William Little  
Byron Little II  
Kathleen Litzinger  
Brenda Lobai-Cuffie  
Byron Logan  
Melissia Mackey-Simms  
James Macneal  
Vernon Madairy Jr.  
Latrice Mason  
Zachary Matthews  
Mary Matuk  
La Chele McBroom  
La Nae McCarty  
Aaron McCoy  
Joy McCullough  
John McKay  
Vance McKenney  
Tia McLendon  
Laurie McQuay  
Gary Messman Jr.  
Glenard Middleton Jr.  
Carol Mitchell  
Mary Mitchell  
Martha Mojarro-Maya  
Joye Moore  
Petite Morgan  
Doris Mullaney  
Hope Newton  
Donald Nieberlein  
Michael O'Malley  
Christa Onolfi  
Jean Page  
Tharmon Percell  
Joyce Perry  
Shanell Plunkett  
Aprile Purvis  
Devin Ragsdale  
Kanisha Reese  
Shalee Richardson  
William Ritz  
Latanya Roberts  
Marian Robinson  
Qiana Robinson-Armstrong  
Kevin Rogers Jr.  
Shaunte Roper  
Cynthia Rowan  
Leslie Ruffin

Sheena Scott  
Renee Shanks  
Donna Sherman  
Jaime Shifflett  
Tigist Shikur Beka  
Aimie Shreves  
Teresa Simon  
Montravia Simpson  
Andrew Simpson Jr.  
Christina Smith  
Gladys Smith  
James Snyder  
Yvette Sois  
Anna Soylu  
Rohamma Sprouse  
Korey Stevenson  
Katharine Stierhoff  
Syvonia Streams  
Angela Sturdivant  
Herbert Swinson  
Frederick Sykes  
Shannon Szuba  
Jessica Taylor  
Sharon Taylor  
Tiffany Taylor  
Wendy Taylor  
Lisbette Tejada  
Kevin Telesford  
Stephanie Templeton  
Courtney Thomas  
Katherine Thomas  
Angela Tillery  
Rudy Tovar  
Delores Turpin  
Elsie Vanstony  
Michael Vaughn  
Gloria Walker  
Paul Wancowicz  
Amber Ware  
Althia Warner  
India Webster  
Erin Whidby  
Kierana Wilkerson  
Danielle Williams  
Jessica Wilson  
Tracey Winkler  
Shirley Wood  
Erika Wright  
Kristie Wright  
William Young  
Josephine Zillmann

## Mid-Management Team

Shellae Akers, *Branch Operations Specialist*  
Sharon Bender, *Director Lending*  
Frederick Bosak, *Director Security*  
Cathy Brown, *Director Real Estate Lending*  
Aaron Buffaloe, *Director Member Services*  
Bonita Bush, *Director BDSA*  
Jerita Butler, *Director Lending*  
Lisa Carpenter, *Director Member Services*  
Natalie Cummings, *Associate Director Collections*  
Sara Davidson, *Assistant Director Product Management*  
Janet Doherty, *Sr. Systems Software Analyst*  
Doris Durham, *Associate Director Operations*  
Patricia Hansel, *Assistant Director Operations*  
Pamela Hardy, *Director Member Services*  
Douglas Hinkle, *Assistant Vice President Facilities*  
Jacqueline Johnson, *Director Account Services*  
Sharon Jones, *Assistant Director Lending*  
Eileen Leach-Turner, *Compensation & Benefits Manager*  
Christopher Lumley, *Assistant Vice President MIS*  
Thelma Matthews, *Director Lending*  
Patricia Mattson-Rohlfing, *Director Member Services*  
Bonita Mays, *Associate Director Lending*  
Christine McKnight, *Director Operations*

Jowanda McKoy-Rouse, *Assistant Director Member Services*  
Emily McMahon, *Associate Director Proj. Mgmt/Contract Admin*  
Tenisha McNeil, *Associate Director Member Services*  
Cynthia Moore, *Assistant Director Member Services*  
Ronald Muse, *Associate Director Facilities*  
Erin Newill, *Recruitment Manager*  
Richard Poffel, *Assistant Director Operations*  
Casey Quinn, *Associate Director Employee Development*  
Therese Rafferty, *Assistant Director Internal Audit*  
Kandy Schisler, *Director Member Services*  
Melanie Shows, *Associate Director Member Services*  
Mary Simms, *Assistant Vice President Collections*  
Glenda Smith, *Director Member Services*  
Leslie Smith, *Assistant Director Member Services*  
Nydia Smith, *Director Accounting*  
Desiree' Stafford, *Director Member Services*  
Laura Tote, *Associate Director Member Services*  
Michelle Vaughn, *Associate Director Operations*  
Carl Werkmeister, *Sr. Telecommunications Administrator*  
Christine Williams, *Assistant Vice President Branch Administration*  
Michelle Williams, *Director Employee Development*

## STRETCH Awards



**Pictured left to right are:** LaChele McBroom, Jowanda McKoy, Michelle Williams, Sara Davidson, Jacqueline Johnson, Christine McKnight, Mary Mitchell **Not pictured:** Janet Topper

MECU takes its commitment to its members seriously. We know that the job of every employee impacts our members and we work constantly to improve the service we give you.

In 2001, MECU introduced its employee recognition program with the presentation of the STRETCH Awards. STRETCH is an acronym representing the following qualities: Service (to members and to team mates), Team player, Responsible, Exceeds expectations, Tenacity, Commitment, and Hero.

By recognizing and rewarding these qualities, we encourage all MECU team members to continually strive to do better. We also give equal weight to employees who work directly with our members and those who work behind the scenes. We recognize that excellence at MECU is only possible with each person being aware of the interdependence of all positions.

Candidates are nominated by their peers for the category that best represents the quality they believe the employee exemplifies. After the nominations are closed, the nominees' identities are concealed on the forms and they go through two rounds of judging—one by members of the Management Team, and a final round by members of the Board of Directors.

The winners each year are announced at the annual employee meeting in April. The 2009 STRETCH Award winners in each of the respective categories are:

**Internal Service** — Mary Mitchell

**External Service** — Jowanda McKoy

**Team Player** — LaChele McBroom

**Responsible** — Jacqueline Johnson

**Exceeds Expectations** — Sara Davidson

**Tenacity** — Christine McKnight

**Commitment** — Michelle Williams

**Hero** — Janet Topper

## Combined Charities Campaign

For the 11th consecutive year, MECU exceeded its goal by raising \$73,454.84 for the 2009 Combined Charities Campaign. MECU employees contributed \$7,454.00 more than the prior year.

Employees who pledged a certain percentage of their salary or \$500 are treated to a day off in acknowledgement of their generous gifts.

## Credit Committee



**Seated, left to right:** Dan Fickus; Marietta English; Neetu Dhawan-Gray; Gary Martin

**Standing, left to right:** Robert Sledgeski; Patricia Roberts; Glenard Middleton, Chair; Deborah Moore-Carter, Vice-Chair

The Credit Committee is appointed by the Board of Directors. Its responsibilities include reviewing and recommending MECU loan programs, policies and policy revisions, approving lending authority for qualified staff members, reviewing expelled members' requests for reinstatement, moratorium requests, reviewing the denied loans report and approval of real estate appraisers.

The Committee's primary function is to review member loan applications that don't meet standard underwriting guidelines, such as those for members with credit or debt ratio issues and loan-to-value exceptions. They also review loan requests from credit union officials, Board and Committee members.

The Committee uses a common sense approach and takes it a step beyond ratios and credit scores. It will personally interview members to best understand their situation and may refer them to the credit union's official credit counseling program for assistance.

Its underlying focus is to keep the best interest of MECU and its members in mind. If the committee approves the loan, the expectation is that it will be repaid. The final decision may be that the loan request will be denied if it is determined that the loan does not improve the member's financial situation or that default or bankruptcy is imminent.

The Credit Committee meets weekly and its members are available during the day for consultation.

*Glenard S. Middleton Sr.*

Glenard S. Middleton Sr.  
Chairman

## Supervisory Committee



**Seated, left to right:** Jennell Rogers, Secretary; Margaret Obermeyer; Abraham M. Schwartz, Chairman

**Standing, left to right:** David B. Allen, Vice Chairman; Beatrice L. Tripps; Troy Brogden

The Supervisory Committee is appointed by the Board of Directors. Its responsibilities include ensuring that the financial statements accurately and fairly present the financial condition of the Credit Union and that management practices and procedures safeguard members' assets.

The Committee approves the annual audit plan of the Internal Audit Department. The Committee provides an annual report to the Commissioner of Financial Regulation in accordance with the Maryland Credit Union Act.

The Committee meets periodically with the independent accountants, as well as management, to review accounting issues, regulatory issues, and internal control procedures. The Committee also assists members with their concerns.

The Supervisory Committee engaged McGladrey & Pullen, LLP, an independent public accounting firm as the Credit Union's external auditor. McGladrey & Pullen audited MECU's financial statements in accordance with generally accepted auditing standards, and, in their opinion, the financial statements present fairly, in all material respects, the financial position of MECU as of December 31, 2009.

*Abraham M. Schwartz*

Abraham M. Schwartz  
Chairman

# Independent Auditor's Report

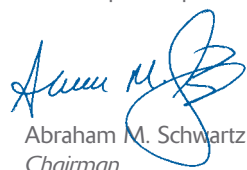
For the years ended December 31, 2009 and 2008

## Supervisory Committee 2009 Report

At the request of the Supervisory Committee, McGladrey & Pullen, LLP, Certified Public Accountants, has performed an audit of MECU's consolidated financial statements for the year ending December 31, 2009.

The audit was conducted in accordance with auditing standards generally accepted in the United States of America. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in MECU's consolidated financial statements, and assessing the accounting principles used and significant estimates made by MECU's management, as well as evaluating overall financial statement presentation. The credit union received an unqualified opinion on the audited consolidated financial statements taken as a whole.

MECU's complete audited consolidated statements, including footnotes and McGladrey & Pullen's report, are available for review upon request.



Abraham M. Schwartz  
Chairman

If you would like a full copy of the financial statements for year 2009, please send your request to:

Audit Department  
MECU  
7 E. Redwood St.  
Baltimore, MD 21202

McGladrey & Pullen, LLP is a member firm of RSM International – an affiliation of separate and independent legal entities.

# Municipal Employees Credit Union of Baltimore, Inc.

## Statements of Financial Condition

December 31, 2009 and 2008

ASSETS	2009	2008
Cash and cash equivalents	\$ 24,291,043	\$ 11,435,916
Investments		
Available-for-sale	244,599,769	141,199,653
Held-to-maturity	73,893,212	16,270,176
Other	26,836,457	31,111,691
Loans to members, net	615,846,429	649,281,521
Accrued interest receivable	3,284,717	2,781,608
Property and equipment, net	5,592,046	5,667,105
National Credit Union Share Insurance Fund (NCUSIF) deposit	6,520,060	1,995,329
Cash surrender value of life insurance	23,963,981	23,054,885
Other assets	7,875,666	6,366,359
	<hr/>	<hr/>
Total assets	\$ 1,032,703,380	\$ 889,164,243
	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Liabilities		
Members' shares and deposit accounts	\$ 841,498,145	\$ 738,932,938
Accrued expenses and other liabilities	16,955,214	13,459,320
Borrowed funds	66,222,222	32,755,556
	<hr/>	<hr/>
Total liabilities	924,675,581	785,147,814
	<hr/>	<hr/>
Commitments and contingent liabilities		
Members' Equity		
Retained earnings, substantially restricted	106,557,879	103,091,998
Accumulated other comprehensive gain	1,469,920	924,431
	<hr/>	<hr/>
Total members' equity	108,027,799	104,016,429
	<hr/>	<hr/>
Total liabilities and members' equity	\$ 1,032,703,380	\$ 889,164,243
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# Municipal Employees Credit Union of Baltimore, Inc.

## Statements of Income

For the Years Ended December 31, 2009 and 2008

	2009	2008
<b>INTEREST INCOME</b>		
Loans to members	\$ 43,270,376	\$ 44,860,457
Investments and cash equivalents	8,583,072	7,955,209
Total interest income	51,853,448	52,815,666
<b>INTEREST EXPENSE</b>		
Members' share and deposit accounts	17,943,345	20,024,858
Bonus dividends and loan interest rebate	5,000,000	4,250,000
Borrowed funds	1,101,033	988,566
Total interest expense	24,004,378	25,263,424
<b>NET INTEREST INCOME</b>	27,809,070	27,552,242
<b>PROVISION FOR LOAN LOSSES</b>	6,804,761	5,753,706
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	21,004,309	21,798,536
<b>NON-INTEREST INCOME</b>		
Net gain on sales of available-for-sale investments	954,918	255,293
Service charges and other fees	10,021,685	9,883,969
Recapitalization gain on NCUSIF deposit	5,288,829	-
Other non-interest income	5,846,066	5,363,413
Total non-interest income	22,111,498	15,502,675
	43,115,807	37,301,211
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Salaries and benefits	19,225,533	16,415,992
Pension plan modification expense	-	1,446,209
Operations expense	8,734,100	8,180,887
Occupancy expense	2,308,827	2,534,842
Educational and promotional expense	1,686,353	1,608,475
Loan servicing expense	1,795,438	1,579,932
Professional and outside services expense	1,627,872	1,507,957
Other expenses	1,921,803	2,046,712
Impairment loss on NCUSIF deposit and members insurance premium	2,350,000	6,454,859
Total general and administrative expenses	39,649,926	41,775,865
<b>NET INCOME (LOSS)</b>	\$ 3,465,881	\$ (4,474,654)

### Corporate Offices

7 E. Redwood Street  
Baltimore, MD 21202

### Elmer Bernhardt Redwood Street Branch

7 E. Redwood Street  
Baltimore, MD 21202

### Fayette Street Branch

401 East Fayette Street  
Baltimore, MD 21202

### Herman Williams Jr. Fallstaff Center Branch

6814 Reisterstown Road  
Baltimore, MD 21215

### John T. O'Mailey Hamilton Center Branch

2337 E. Northern Parkway  
Baltimore, MD 21214

### Charles L. Benton Jr. Westview Center Branch

5910 Baltimore National Pike  
Catonsville, MD 21228

### Harry Deitchman PJM Business Center Branch

312 N. Martin Luther King Jr. Boulevard  
Baltimore, MD 21201

### Loch Ridge Center Branch

8507 Loch Raven Boulevard  
Baltimore, MD 21286

### Dundalk Branch

7220 Holabird Avenue  
Dundalk, MD 21222

**Web Site:** [www.mecu.com](http://www.mecu.com)

**Business office:** 410-752-8313

**Long distance:** 800-248-MECU

**MECU 24-hour Lending Center:** 800-373-2914

**Telephone Teller:** 410-727-6540

**Long distance:** 800-810-MECU

**Visa 24-Hour Customer Service:** 800-654-7728

**Reporting lost/stolen cards:** 800-449-7728

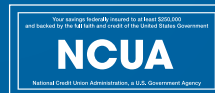
### Mission Statement

To provide members with high quality financial services through sound management and innovation.

### MECU's Privacy Policy

MECU respects the privacy of its members. Protecting the privacy of your personal information, along with your financial assets is at the core of our business. It is our goal to protect your information in every way in which we interact with you. For a copy of MECU's Privacy Disclosure, please contact a MECU representative or visit our website at [www.mecu.com](http://www.mecu.com).

Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government. National Credit Union Administration, a U.S. Government Agency. Additional coverage provided through Excess Share Insurance Corporation to a combined total of at least \$325,000. • Equal Housing Lender – We do business in accordance with Federal Fair Lending laws.



Municipal Employees Credit Union of Baltimore, Inc.  
7 East Redwood Street  
Baltimore, Maryland 21202