



2021 Annual Report



Motor City
community credit union

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We See
What You See

Success by the numbers



687

NEW
Members



10.34%

ASSET
GROWTH



8.30%

RETAIL LOAN
GROWTH



9.89%

COMMERCIAL LOAN
GROWTH



11.80%

ORGANIC DEPOSIT
GROWTH



Board of Directors



Don Fraser
Chair
Term Expires: 2022



Sandra Fischer
Vice Chair
Term Expires: 2022



Wendy Graat
Corporate Secretary
Term Expires: 2022



Jim Angus
Director
Term Expires: 2021



Randy Dupuis
Director
Term Expires: 2022



Stephane Boucher
Director
Term Expires: 2021



Bill Marra
Director
Term Expires: 2021



Marc Moore
Director
Term Expires: 2021



Helga Reidel
Director
Term Expires: 2021



Amy Wolters
Director
Term Expires: 2022

Director Attendance

The Board of Directors mandate is to protect and enhance Motor City's assets and is responsible for ensuring Motor City has a clear strategic direction. The Board of Directors goal is to serve and protect the best interest of the members and stakeholders. It is further responsible for overseeing management to ensure that operations are managed according to sound business standards.

The Board of Directors has determined that "Attendance by Directors" is important to them in achieving their goal of proper oversight of the organization. As such, the Board continues to track attendance on a twelve month basis. The attendance record and percentages of our respective Directors pertaining to the period May 1, 2020 to April 30, 2021 are noted below.

Board of Director Meeting Attendance

Director	Board of Directors		Committee		Total		%
	Attend	Held	Attend	Held	Attend	Held	
Jim Angus	9	9	17	17	26	26	100
Stephane Boucher	9	9	19	19	28	28	100
Randy Dupuis	9	9	13	13	22	22	100
Sandra Fischer	9	9	13	13	22	22	100
Don Fraser	9	9	26	27	35	36	97
Wendy Graat	9	9	22	22	31	31	100
Bill Marra	8	9	7	7	15	16	94
Frank Mocerri	5	5	3	3	8	8	100
Marc Moore	9	9	16	16	25	25	100
Helga Reidel	2	2	2	2	4	4	100
Amy Wolters	8	9	10	11	18	20	90

Message from the CEO & Board Chair

Motor City Community Credit Union's origins began in the year 1940. World War II had started a year earlier in 1939. The founding of a credit union during a global conflict speaks to the commitment our Founders placed on establishing the endeavor. You may know that in 1940 the financial services industry catered largely to a white-collar audience. It would also take Credit Unions across Canada, including Motor City, to become the first financial institutions to lend directly to women. Think on that. Credit Unions have been instrumental in shaping a more accessible banking system.

It was also during the Second World War that a General in the Allied Forces rose to prominence. His name was Dwight D. Eisenhower. He would later become President of the United States of America. While it might seem curious to refer to this leader, please consider a statement he made: "Plans are worthless but planning is essential". At first glance the statement seems to contradict itself. An obvious paradox. Upon further contemplation, though, we might be able to gain insight when we apply the statement to the past fiscal year at Motor City.

Back in January and February 2020 the Board of Directors and staff made the plan for the upcoming fiscal year that would start on April 1, 2020 and would run through until March 31, 2021. The plan was completed. We thought it was a good plan. We were all optimistic about the year that lay ahead. And then the global event happened. It was apparent that the plan we were ready to implement would need to be postponed, adapted, rejigged, or

scrapped altogether. In essence, our plan may have become worthless...but planning in the months to follow would be essential.

The underlying foundation that guided our planning was our stated philosophy of "People Helping People Help Themselves". Here is a small selection of actions we took to help our members.

Firstly, to our commercial members, Motor City Community Credit Union was one of three Credit Unions in Ontario to immediately access much needed funds from the government programs. This speaks to our longstanding reputation with these government agencies, dating back to 2007, who were tasked with distributing the funds.

Secondly, to our individual members. We were the only financial institution in Canada, of which we are aware, that offered a six-month interest free mortgage program. Other financial institutions offered relief, but that relief came with an interest tab. Motor City was different – no interest on the relief.

Thirdly, highlighting the manner in which we receive telephone inquiries – we dedicated additional staff to receive calls in the moment our members were concerned. No on-hold messages, no 30-minute waiting period. Our members called and a live person answered the call. Our members were rightfully concerned. They needed immediate attention.

In the end, as a member of Motor City, it is your assessment of whether we lived up to our philosophy of "people helping people help themselves" that truly matters.

So here we are in 2021. As we did in 2020, we have assembled the plan for the next 12 months. We think it is a good plan, a bold plan. You will see significant

enhancements to our mobile app. You will be able to transact more comprehensively from your home or office. We are expanding our presence with the local business community by adding more resources to our commercial department. Finally, we will be introducing a wealth advisory offering. The goal of this service will be advice driven. It will not be commissioned based.

Finally, we need to salute the staff at Motor City. These front-line essential workers rose to the moment this past year. It was a true test of character. It is a high privilege to work alongside this group of people.

To our members, thank you. We want you to know that we are fiercely committed to surpassing your expectations in 2022 and beyond.

Thank you.



Robert Griffith, CEO



Don Fraser, Chair

IN MEMORIAM

Frank Mocerri

How does one express the amazing essence and spirit of Frank – his selflessness, generosity, and unwavering commitment to Motor City Community Credit Union cannot pay tribute or truly capture the sense of loss that we all feel.

The loss is there, tangible and real within everyone...but Frank exemplified life, love, laughter and an irrepressible belief in the Credit Union.

And so we honor Frank, by profoundly feeling and expressing our loss, but also by remembering him – an amazing person who has played a unique and special role for all who came in contact with Frank at Motor City.

Amazing, unique, special...absolutely!



Deposits

When it comes to deposits at Motor City, we understand that it's our job to keep as much money in your pocket as possible. We continue to strive to offer the best possible rates locally. By doing so, new organic deposits increased by 11.80% while the national average for Credit Unions was 9.10%

As a "buy-local" financial institution, Motor City has also worked with small businesses, community groups, and institutions in Windsor-Essex for over 80 years. We understand the highs and lows that everyone faces on a day-to-day basis and appreciate when the local community chooses to deposit their money with us in this ever-changing economy.



Deposits grew by

11.80%



Photo provided by Rod Denis & Biz X Magazine



Retail Lending

As a result of the low interest environment, Motor City assisted members who obtained their first mortgage with a first-time home buyers special that was advertised mostly online. This resulted in many new members and grew retail loans by 8.30% or four times the national average.

The global event also created opportunities for Motor City to assist members with many renovation projects that were probably not anticipated in the pre-pandemic era. As a result of the various office and educational shutdowns, families required home office space that enabled children to communicate with their teachers and employees with their employers. With everyone spending more time at home, there were also other needs such as an exercise room, a deck, or a swimming pool. We assisted with new mortgage financing, while simplifying the process in order to offer expedient and efficient service.



Retail Loans grew by

8.30%

Commercial Lending

Despite the pandemic, we were able to grow the Commercial loan portfolio by 9.89%. Additionally, we were able to respond quickly to our Business owners challenges caused by the lockdowns by deferring, in some cases complete payments, for periods of 1-9 months as required by the member.

As we are an Export Development of Canada (EDC) approved Financial Institution, one of only three Credit Unions in Ontario, we were able to provide Canada Emergency Business Account (CEBA) loans at the same time as the big banks. We have processed 91 CEBA loans to date, for a total volume of approximately \$4.8 Million. We are excited for the opportunities that will arise in the future and will continue to provide strong member service as part of our "buy local" financial services niche in Windsor-Essex.



Commercial Loans grew by

9.89%





Member Experience

We operate under the philosophy of "people helping people help themselves". This past year has been a wonderful testament to not only the dedication from our staff but also the loyalty from our membership through a pandemic. When the world appeared to be closed, Motor City remained open with little disruption to our ability to deliver service to our members. We are happy to put people before profit because you matter to us.

This past year Motor City was able to gain 687 new members. Many of these new members were between the ages of 19 and 40. This key age demographic will help us continue to grow into the future.



Membership grew by

687

Projects



NEW WEBSITE LAUNCH

We completely re-designed our website from the ground up with a focus on making it mobile friendly and ready to serve you for years to come.

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CUSTOMER RELATIONSHIP MANAGEMENT (CRM) AND LOAN ORIGATION SYSTEM (LOS) UPGRADE

These systems work behind the scenes so we can deliver members exceptional service. We upgraded both systems to newer more modern versions that will introduce new features and enable us to continue to serve you better.

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E-SIGNATURE INTEGRATION

If you have signed a document recently at Motor City you may have done it in your pajamas from the comfort of your own home with our new digital e-signatures. This software allows us to capture your signature securely via an email link that can be signed anywhere you can access your email and is the same as if you signed the document with us at a branch.

Path Forward


Looking forward to the upcoming year, Motor City is busy planning and executing many other exciting projects that will continue to enhance our existing and potential new members' journeys. Some highlights include a refreshed online and mobile banking experience, a new appointment booking solution, enhanced online account opening options, and virtual assistance solutions. Stay tuned throughout the year for exciting announcements!

Community Connection

Community investment remained a priority for Motor City this past year by giving back to the community through financial solutions to local businesses and institutions, supporting youth in our community with scholarships and financial literacy, sponsoring and partnering with non-profit organizations who strengthen our health care system to make a difference in our community.


Throughout this past year we have sponsored and partnered with various organizations like, Maryvale, Windsor Residence for Young Men, House of Sophrosyne, and In Honour of the Ones We Love to name a few. Fundraisers to raise money for much needed mental health programs for young people feeling the effects of this pandemic has been a priority. Right now, the community might not look the same and most organizations, clubs, groups, and business have taken business and communication to an online platform exclusively, but we are optimistic that the year ahead will see a return to normalcy and prosperity.



 **Motor City**
community credit union

DATE: JUNE 2020

PAY TO THE ORDER OF: In Honour of the Ones We Love



\$ 40,000.
FORTY THOUSAND

Audit Committee Report

The Audit Committee supports the Board of Directors through oversight responsibilities relating to the financial information and reporting processes, including the risks and controls related to those processes, which management and the board have established.

As delegated by the board, and as mandated by the Credit Union and Caisse Populaires Act, 1994 and associated Regulations, the committee has primary responsibility for oversight and reporting of the Credit Union's financial statements, internal controls, internal & external audit and compliance with all legislative & professional requirements. The committee must meet at least quarterly and arranges its agenda so that, on an annual basis, its required duties are performed, and appropriate actions are taken, as necessary.

I am pleased to report the audit committee, comprised of five members, has fulfilled its annual mandate over the course of its ten (10) meetings and completed the following significant activities:

- Review of financial statements, accounting policies and reporting procedures;
- Monitored Motor City's financial performance relative to established metrics and ensured the integrity of financial reporting;
- Oversaw the external audit process including reviewing the terms of engagement, scope of the audit, the independence of external auditors, year-end findings report and completed a performance assessment of the auditors to improve the effectiveness of the audit
- Oversaw the Internal audit processes including approval of the audit plan, review of the results, associated actions taken as necessary and completed a performance assessment of the auditors to improve the effectiveness of the audit
- Oversaw compliance with applicable statutory and regulatory requirements and ensured that all regulatory filings were submitted on time;
- Reviewed the policies, procedures and controls, with particular focus on requirements for liquidity, capital adequacy, market risk and interest rate risk management;

- Reviewed the internal controls and reviewed management's quarterly reports, including the disaster recovery plan, FINTRAC report, privacy report and quarterly enterprise risk management report, as well as the bi-annual enterprise risk assessment.
- Ensured that policy guidelines and systems are in place to ensure that enterprise risks throughout are aligned with the board-approved Risk Appetite and ensured a strong process for identifying, assessing, managing and monitoring critical and emerging risks;
- Assessed the effectiveness of the committee and Chair by having completed a self-assessment on the effectiveness of the committee and took the necessary steps to ensure future effectiveness; and,
- Participated in training and development, as necessary.

Based on its findings, the audit committee issues reports and makes recommendations to the board and/or senior management as appropriate with respect to the matters outlined above and follows up to ensure that the recommendations are considered and implemented. During the year, the committee received full co-operation and support from management to enable it to play an effective role in maintaining the quality of financial reporting to the members and enhancing the overall control structure of the Credit Union.

There are no significant recommendations made by the audit committee that have not been either implemented or are in the process of being implemented by management. In addition, there are no matters which the audit committee believes should be reported to the members, other than as described above, nor are there any further matters that are required to be disclosed pursuant to the Act or Regulations.

On behalf of the Audit Committee,



Stephane Boucher
Chair, Audit Committee

Audit Committee:
Randy Dupuis | Marc Moore
Helga Reidel | Amy Wolters

Management Responsibility for Financial Reporting

The accompanying summarized financial statements and all the information in this Annual Report are the responsibility of management and have been approved by the Board of Directors. All financial and operating data included in this Annual Report are consistent with the financial statements.

A system of internal controls has been designed by Motor City Community Credit Union to provide reasonable assurance that its assets are safeguarded; that only valid and authorized transactions are executed; and that the books and records reflect the transactions of Motor City Community Credit Union. The Credit Union's internal audit process monitors this system of internal controls, including ongoing compliance with its established policies and procedures.

Motor City Community Credit Union's Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting, and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee, appointed by the Board. The Committee meets periodically with management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues to satisfy that each party is properly adhering to its responsibilities.

The Committee reports its findings to the Board for consideration when approving the financial statements for issuance to the members. The financial statements have been prepared by management in accordance with International Financial Reporting Standards and have been audited by Baker Tilly Windsor LLP Chartered Professional Accountants, Licensed Public Accountants.



Robert Griffith
Chief Executive Officer



Amanda Kominar
Vice President, Finance

Summary Consolidated Financial Statements

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Members of Motor City Community Credit Union Limited

Opinion

The summary financial statements, which comprise the summary statement of financial position as at March 31, 2021, the summary statement of comprehensive income and summary statement of members' equity for the year then ended are derived from the audited financial statements of Motor City Community Credit Union Limited for the year ended March 31, 2021.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditors' report thereon, therefore is not a substitute for reading the audited financial statements and the auditors' report thereon.

The Audited Financial Statements and Our Report Thereon

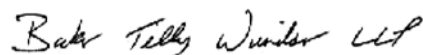
We expressed an unmodified audit opinion on the audited financial statements in our report dated May 17, 2021.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited statements on the basis described above.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."



Chartered Professional Accountants
Licensed Public Accountants
Windsor, Ontario
May 17, 2021



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STATEMENT OF FINANCIAL POSITION

(Audited) March 31, 2021

(in thousands of Canadian dollars)

	2021	2020
Assets		
Cash and cash equivalents	\$ 9,897	\$ 5,232
Liquidity reserve and term deposits	29,520	22,810
Investments	795	1,972
Loans to members	365,164	337,091
Property, plant and equipment	2,596	2,289
Right-of-use assets	488	722
Other assets	1,298	1,258
Total assets	\$ 409,758	\$ 371,374
Liabilities		
Members' deposits	\$ 308,204	\$ 292,035
Mortgage securitization liabilities	60,336	48,927
Other liabilities	12,395	2,846
Lease liabilities	547	786
Share capital	2,248	2,250
Total liabilities	383,730	346,844
Members' equity		
Contributed surplus	1,261	1,261
Share capital	16,199	15,684
Accumulated other comprehensive income	44	-
Members' equity	8,524	7,585
Total members' equity	26,028	24,530
Total liabilities and members' equity	\$409,758	\$371,374

Approved by the Board of Directors



Chair



Vice-Chair

STATEMENT OF COMPREHENSIVE INCOME
(Audited) For the year ended March 31, 2021

(in thousands of Canadian dollars)

	2021	2020
Interest income	\$ 14,123	\$ 13,848
Financial expenses	5,513	6,235
Net interest revenue	8,610	7,613
Provision for impaired loans	703	49
Margin	7,907	7,564
Other income	1,256	1,275
	9,163	8,839
Expenses		
Salaries and employee benefits	3,661	3,641
Administrative expenses	1,420	1,716
Occupancy costs	487	455
Amortization of property, plant and equipment	430	425
Computer services	693	725
Deposit insurance	245	223
Amortization of right-of-use assets	195	224
	7,131	7,409
Income before income taxes	2,032	1,430
Income taxes expense	545	55
Income after income taxes	1,487	1,375
Other comprehensive income (net of tax)		
Items that may be subsequently reclassified to profit or loss		
Change in unrealized gains on available for sale investments	44	-
Other comprehensive income for the year	44	-
Total comprehensive income	\$1,531	\$ 1,375

STATEMENT OF Members' EQUITY
(Audited) For the year ended March 31, 2021

(in thousands of Canadian dollars)	Share capital	Contributed surplus	Accumulated other comprehensive income	Members' equity	Total equity
Balance at April 1, 2019	\$ 15,174	\$ 1,261	\$ –	\$ 6,760	\$ 23,195
Net income	–	–	–	1,375	1,375
Distributions to members	–	–	–	(550)	(550)
Net change in share capital	510	–	–	–	510
Balance at March 31, 2020	15,684	1,261	–	7,585	24,530
Net income	–	–	–	1,487	1,487
Distributions to members	–	–	–	(548)	(548)
Net change in share capital	515	–	–	–	515
Change in unrealized gains on financial instruments	–	–	44	–	44
Balance at March 31, 2021	\$ 16,199	\$ 1,261	\$ 44	\$ 8,524	\$ 26,028



MARKET SQUARE BRANCH
1375 Walker Rd.

TECUMSEH ROAD BRANCH
6701 Tecumseh Rd. E

CITY CENTRE BRANCH
189 City Hall Sq.

COMMERCIAL LENDING CENTRE
420 Kildare, Unit 301

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519-944-7333



CREDIT UNION