



2023

ANNUAL
REPORT



Motor City
community credit union

OUR VALUES

Trust: We will establish an environment that is responsible, innovative and financially sound.

Integrity: We will always provide our products and services with confidence, pride, dignity and a positive attitude focusing on the best interests of our member-owners and the community.

Honesty: We will provide our member-owners and community with open and direct communication.

Accountability: We will be responsible to our member-owners, employees, colleagues and communities for the results of our decisions and actions.

Social Responsibility: We will act to promote environmental sustainability and uphold co-operative principles as responsible corporate citizens.

Loyalty: We will reward our member-owners for their loyalty.



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Board of Directors



Don Fraser
Chair
Term Expires: 2025



Helga Reidel
Vice Chair
Term Expires: 2024



Wendy Graat
Corporate Secretary
Term Expires: 2025



Jim Angus
Director
Term Expires: 2023



Randy Dupuis
Director
Term Expires: 2023



Stephane Boucher
Director
Term Expires: 2024



Sandra Fischer
Director
Term Expires: 2023



Bill Marra
Director
Term Expires: 2024



Marc Moore
Director
Term Expires: 2024



Amy Wolters
Director
Term Expires: 2025

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 Director's 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, 2022 to April 30, 2023 are noted below.

Board of Director Meeting Attendance

Director	Board of Directors		Committee		Total		%
	Attend	Held	Attend	Held	Attend	Held	
Jim Angus	8	8	7	7	15	15	100
Stephane Boucher	8	8	6	6	14	14	100
Randy Dupuis	7	8	6	7	13	15	87
Sandra Fischer	7	8	6	8	13	16	81
Don Fraser	6	8	13	14	19	22	86
Wendy Graat	8	8	9	9	17	17	100
Bill Marra	6	8	6	8	12	16	75
Marc Moore	8	8	5	5	13	13	100
Helga Reidel	7	8	12	13	19	21	90
Amy Wolters	8	8	13	14	21	22	95

Motor City Community Credit Union CEO/ Board Report for Annual Report

The financial health of our Credit Union has never been stronger as an increasing number of our residents embrace doing business with Motor City Community Credit Union.

The future for Windsor-Essex County looks bright and resilient. The recent announcements around the new battery plant has served to reaffirm Windsor's place as the preeminent automotive destination to do business in Canada. As a result of this historic investment many of our residents will begin new careers in this exciting frontier and Motor City Community Credit Union will be right there along side our members. Also on the horizon is the construction of the Gordie Howe International Bridge. Among the top five longest bridges in North America, the bridge will support the increased trade in Windsor. Additionally, the region is also planning a new hospital to support the growth within the county. With our automotive sector legacy for over 80 years, we look forward to supporting them and the rising sectors in the region.

A year ago we promised that we would introduce a new line of business, Motor City Community Credit Union Wealth Management. In November 2022 this went live. The response has been overwhelming. Underpinning

this business is the theme of "Accessible Advice." We believe that all our members and community residents should have access to industry leading advice regardless of portfolio size. The pillar of success is having a sound financial plan and our professionals are here to help every step of the way.

We also saw meaningful upgrades to both our online banking and mobile banking platforms. Our members commented on the usability improvements, including biometric sign on. As we do with everything, the number one priority is the privacy of our member's information. Protecting your information is at the core of everything we do.

Coming in the fall of 2023 will be the new Debit Mastercard. Unlike a traditional credit card there will be no borrowing component. The new card will be accepted at any outlet that accepts Mastercard. This will be a game changer for how our members shop or travel. So, whether you are travelling abroad or attending a Tiger game in Detroit, this card will be a welcome companion for your journeys.

Let me share what is not coming in 2023 – an increase in banking fees. Through prudent operational management, Motor City Community Credit Union has weathered the economic conditions. We have all experienced the biting reality of inflation this past year. Whether it is food or fuel our daily expenditures have risen dramatically. We are proud to say that Motor City Community Credit Union did not follow the trend and we did not increase our fees. Given this, we have made the decision that in fiscal

2024, just like in fiscal 2023, there will be no increase on service fees.

Our ability as a local credit union to have conversations with our members allows us to offer individual solutions based on your specific circumstance. It is through these discussions with you, our members, that we have been able to tailor strategies and offered advice best suited to your needs.

With over a half billion dollars in assets, Motor City Community Credit Union is quickly becoming the local banking alternative in Windsor and Essex County. For those of you who have chosen to do business with us, on behalf of our entire staff and the Board of Directors, I want to thank you for making that choice.

Thank you,



Robert Griffith, CEO



Don Fraser, Chair

Success by the numbers



Member Experience

At Motor City Community Credit Union, we believe that banking should be easy and seamless, an experience you enjoy. Whether walking into a branch, calling in or using our mobile app, our aim is to ensure your needs are met in the easiest way possible.

In the past year, our members further embraced our technological advancements, with 23% of our engagements being booked online directly by the member we also saw our live chat support 523 members with queries, and our Flex Virtual Assistant provided after hours support to 610 members. Members rated this service a 4.65 out of 5. Our launch of mobile wallet was also quickly embraced by members. In the five months since adoption, we saw 2,314 transactions via this platform.

Over the past year we received feedback from our members on their experiences. From commendations for personalized service, to appreciation for understanding each members own circumstances, our staff have been recognized by our members.

'The moral support kindness and amazing customer service, and friendship that Davide gave me, will never be forgotten by me'
– Annette

'I am writing to express my deep appreciation for the outstanding service I received from Ann Marie. I have never experienced this level of personalized service before' – Deja

'I had an appointment with Kailee, so professional, just so pleasant. She knows what she's talking about' – Diane



Membership grew by

521



Retail Banking

The past year brought continued change as our retail membership increased both their in-branch and digital engagements validating that we will continue to nurture our connections through our Omni channel approach.

We also experienced a rapidly escalating interest rate environment as our local communities dealt with an inflationary economy. In light of this environment, we focused on managing our operational costs and are proud that we continued to offer innovative, financially prudent retail banking solutions. As mortgage rates increased, the local real estate market saw a marked decrease in volume while prices continued to trend upward.

From a lending perspective, we maintained differential pricing for residential mortgages in order to meet the obligations of our credit union while also providing pricing flexibility for members. Growth of our retail loan portfolio increased by 7.47%, driven primarily by growth in residential mortgages.



Retail banking grew by

7.47%

Commercial Banking

Commercial Banking Operations at Motor City Community Credit Union experienced another strong year of results with loan portfolio growth of 12.6% year over year. Additionally, over the past three years, total Commercial assets have grown by over 60%, thanks in part to our local decision making, workforce stability and the over 100 years of combined employee financial services experience.

As a local credit union, we continue to support businesses of all types and sizes as we understand the opportunities within our local economy. We have also further strengthened our relationships with credits union outside our market area to further diversify our loan portfolio. We are extremely excited for the opportunities for further growth in the years ahead.



Commercial banking grew by
12.61%

Deposits

Motor City Community Credit Union's member centric approach to deposits served our community well as we continued to offer very attractive rates in what was an atypical interest rate environment this past year. Interest rates escalated at a very rapid pace both domestically and abroad and Motor City was able to stay ahead of the escalating rate environment and ensure our local competitiveness.

With our deposit campaigns attracting significant interest, both existing and new members placed their deposits with Motor City. As a result, our deposit base increased by 7.87% significantly surpassing the national Credit Union average.



Deposits grew by
7.87%



Wealth

Mid way through this past year Motor City Community Credit Union introduced a new Wealth Management division to provide enhanced financial advice to our members and ensure their financial wellness. This exciting development came about as Motor City believes that everyone regardless of ones' income or financial knowledge deserves access to quality financial advice that is customized, comprehensive, and accessible.

It's the central part of our values: **Accessible Advice** through all life stages. Motor City Wealth Management was featured in many publications for our unique approach to financial advice and our experienced and accredited Wealth Advisors conducted over 220 engagements leading to 38 comprehensive financial plans completed and 72 new Wealth members.



New Wealth Members

72



Flex - Virtual Assistant

Please choose from some of our more common topics below.

Or feel free to type in your question and I will do my best to find you an answer!

Online & Mobile Banking

e-Transfers

Reset Password

Lost Debit Card

Book Appointment

Exchange Rate

Hours and Location

Direct Deposit/PAD

Other

Type a message here



Motor City
Member by credit union

Welcome, [User Name] [LOG OUT](#)

Last login: Wed, Oct 19, 2022, 6:25 PM, EDT

Online Banking > My Accounts

Account Summary

Account Name	Balance	Actions
FreeFlex Checking	\$5.00	
Member Share	\$0.00	
Flex 24	\$0.00	
HSA	\$2.00	

Scheduled Bill Payments

Account Name	Amount	Frequency	Next Payment
FreeFlex Checking	\$5.00	Monthly	01-Oct-2022

Scheduled Transfers

Account Name	Amount	Frequency	Next Transfer
FreeFlex Checking	\$5.00	Monthly	19-Oct-2022

Collabria Credit Cards

Link your Collabria credit cards today and view them here.

11:37 Home [LOG OUT](#)

FreeFlex Checking \$5.00

Member Share \$0.00

Flex 24 \$0.00

Last Logged in: Oct 24, 2022 at 11:11 AM EDT

Good Morning Test

Accounts Pay Bills Transfers

Withdrawal & Transfer Deposit Scheduled

Innovation



ONLINE AND MOBILE BANKING UPDATE

We were happy to announce in October that our online banking and mobile banking apps were getting a fresh look. Our refreshed design combined with the introduction of a host of new features such as biometric login for the Android app, appointment booking directly within online banking, mobile device responsiveness, and the introduction of live chat within the mobile app ensured our members continued to have the best experience no matter how they chose to interact with us.

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MOBILE WALLETS: SAMSUNG, APPLE, AND GOOGLE PAY

In July, Motor City Community Credit Union members gained the ability to add their Flex Card Debit Card to a variety of popular mobile wallets. Now members can simply tap their mobile phone at any payment location where Interac Flash is accepted.

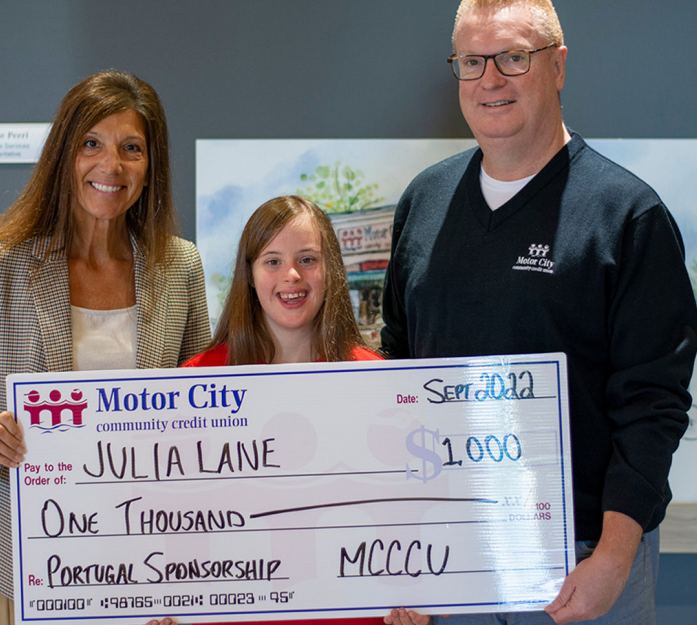
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FLEX VIRTUAL ASSISTANT

If you have utilized our live chat via the chat icon on our platforms this past year, in June you may have noticed that a new support employee joined Motor City. The new employee was Flex, our Virtual Assistant (or as it is more commonly referred to, a chatbot). Flex is able to provide direction and answer many general inquiries that our members may have such as how to reset your online banking password or where you can find the exchange rates on our website. Our Member Assistance team continues to handle more in-depth and detailed queries, but Flex has been a welcomed addition to continue to improve the way we assist our members, especially after-hours and on weekends.





Dear Motor City Community Credit Union
Thank you for your generous
donation in support of my
journey to the podium!
I can't wait to swim and make
Canada proud at the World
Championships

Love Julia



Community Connection

Throughout its history, Motor City Community Credit Union has actively contributed and partnered with organizations that enhance the resiliency and wellness of our communities. These initiatives offer us learning opportunities, community support and community engagement. Highlights from some of our sponsored programs are below.

We were honoured to be invited to open the **House of Sophrosyne** renovated in-treatment house. For 40 years, House of Sophrosyne has been providing programs and services to women and their families battling substance misuse. We stand behind you and your commitment to the community.

In 2022 we also announced our sponsorship with the City of Windsor - Municipal Government **Clairview Bikeway in Riverside**. We hope the community enjoys this 2.1 km stretch of multi-use trail in beautiful Riverside.

In October 2022 we had the opportunity to support our own member, **Julia Lane**, on her journey to the 10th World Down Syndrome Swimming World Championships. Julia performed spectacularly and won six of the seven medals won by Canadian swimmers. Congratulations Julia!

In Honour of the Ones We Love, Inc. is a grassroots charitable organization that makes lasting and meaningful impact by supporting patients with cancer and other life threatening illnesses/disabilities in Windsor/Essex County. This past year In Honour of the Ones We Love celebrated a major milestone with its 25th anniversary and Motor City is proud to be a key partner through much of its history. Since 2016, Motor City has donated a quarter of a million dollars in support of this worthwhile initiative and is proud to be a recipient of the Above and Beyond Award.



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, 2020 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 four members, has fulfilled its annual mandate over the course of its seven (7) 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 Reports, 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 its 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,



Amy Wolters

Chair, Audit Committee

Audit committee:

Helga Reidel | Stephane Boucher | Randy Dupuis

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 Accountants, Licensed Public Accountants.



Robert Griffith
Chief Executive Officer



Drake Reid
Chief Risk & Financial Officer

Summary 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, 2023, 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, 2023.

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

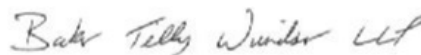
We expressed an unmodified audit opinion on the audited financial statements in our report dated May 16, 2023.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial 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 16, 2023



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STATEMENT OF FINANCIAL POSITION
(Audited) March 31, 2023

(in thousands of Canadian dollars)

	2023	2022
Assets		
Cash and cash equivalents	\$ 11,357	\$ 16,976
Liquidity reserve and term deposits	31,968	30,558
Investments	794	788
Loans to members	467,657	427,885
Property, plant and equipment	2,333	2,261
Right-of-use assets	401	320
Other assets	3,554	2,243
Total assets	\$ 518,064	\$ 481,031
Liabilities		
Members' deposits	\$414,276	\$ 382,502
Mortgage securitization liabilities	67,594	62,911
Other liabilities	2,397	4,369
Lease liabilities	436	367
Share capital	3,028	2,341
Total liabilities	487,731	452,490
Members' equity		
Contributed surplus	1,261	1,261
Share capital	16,581	16,711
Accumulated other comprehensive income	(623)	(627)
Members' equity	13,114	11,196
Total members' equity	30,333	28,541
Total liabilities and members' equity	\$ 518,064	\$ 481,031

Approved by the Board of Directors



Chair



Vice-Chair

STATEMENT OF COMPREHENSIVE INCOME
(Audited) For the year ended March 31, 2023

(in thousands of Canadian dollars)

	2023	2022
Interest income	\$ 18,044	\$ 14,170
Financial expenses	8,281	5,045
Net interest revenue	9,763	9,125
Provision (recovery) for impaired loans	(112)	(157)
Margin	9,875	9,282
Other income	1,424	1,799
	11,299	11,081
Expenses		
Salaries and employee benefits	4,387	3,991
Administrative expenses	1,679	1,417
Occupancy costs	475	494
Amortization of property, plant and equipment	448	461
Computer services	868	698
Deposit insurance	323	260
Amortization of right-of-use assets	181	168
	8,361	7,489
Income before income taxes	2,938	3,592
Income taxes expense	470	379
Income after income taxes	2,468	3,213
Other comprehensive income (loss)(net of tax)		
Items that may be subsequently reclassified to profit or loss		
Change in unrealized gains (losses) on available for sale investments	4	(671)
Other comprehensive income (loss) for the year	4	(671)
Total comprehensive income	\$ 2,472	\$ 2,542

STATEMENT OF MEMBERS' EQUITY
(Audited) For the year ended March 31, 2023

(in thousands of Canadian dollars)	Share capital	Contributed surplus	Accumulated other comprehensive income	Members' equity	Total equity
Balance at April 1, 2021	\$ 16,199	\$ 1,261	\$ 44	\$ 8,524	\$ 26,028
Net income	–	–	–	3,213	3,213
Distributions to members	–	–	–	(541)	(541)
Net change in share capital	512	–	–	–	512
Change in unrealized losses on financial instruments	–	–	(671)	–	(671)
Balance at March 31, 2022	16,711	1,261	(627)	11,196	28,541
Net income	–	–	–	2,468	2,468
Distributions to members	–	–	–	(550)	(550)
Net change in share capital	(130)	–	–	–	(130)
Change in unrealized gains on financial instruments	–	–	4	–	4
Balance at March 31, 2023	\$ 16,581	\$ 1,261	\$ (623)	\$ 13,114	\$ 30,333



Motor City
community credit union

MARKET SQUARE BRANCH
1375 Walker Rd.

TECUMSEH ROAD BRANCH
6701 Tecumseh Rd. E

CITY CENTRE
189 City Hall Sq.

COMMERCIAL BANKING CENTRE
420 Kildare, Unit 301

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CREDIT UNION