



Motor City
community credit union

We See What You See



ANNUAL REPORT

2020



Motor City

community credit union

Mission Statement

Motor City Community Credit Union's Mission is to enhance the quality of life of our community by delivering quality financial products and services effectively, efficiently and with excellence.

Vision Statement

Motor City Community Credit Union strives to be an innovative provider of superior services for the benefit of our member-owners. We operate under the philosophy of “people helping people help themselves”.

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.

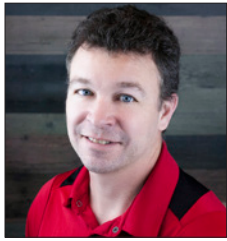
Honesty: We will provide our member-owners and community with open and direct communication.

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 the co-operative principles as responsible corporate citizens.

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

Board of Directors



Don Fraser
Chair

Term Expires: 2022



Sandra Fischer
Vice Chair

Term Expires: 2020



Wendy Graat
Corporate Secretary

Term Expires: 2022



Jim Angus
Director

Term Expires: 2021



Stephane Boucher
Director

Term Expires: 2021



Randy Dupuis
Director

Term Expires: 2020



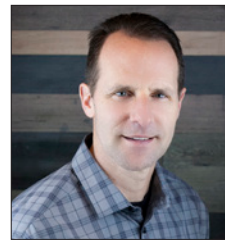
Bill Marra
Director

Term Expires: 2021



Frank Mocerri
Director

Term Expires: 2020



Marc Moore
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, 2019 to April 30, 2020 are noted below.

Board of Directors Meeting Attendance

Director	Board of Directors		Committee		Total		%
	Attend	Held	Attend	Held	Attend	Held	
Jim Angus	11	11	18	18	29	29	100
Stephane Boucher	10	11	14	14	24	25	96
Randy Dupuis	11	11	8	8	19	19	100
Sandra Fischer	11	11	16	16	27	27	100
Wendy Graat	11	11	13	13	24	24	100
Don Fraser	11	11	13	14	24	25	96
Bill Marra	11	11	7	8	18	19	95
Frank Mocerri	11	11	9	9	20	20	100
Marc Moore	11	11	14	14	25	25	100
Amy Wolters	11	11	12	12	23	23	100

CEO + Board of Directors' Report

“What a difference a day makes” is a common expression when there is a radical change in life’s circumstances when comparing today to yesterday. In the case of Motor City Community Credit Union, we can say what a difference a month makes!

The month of March was unlike any other month in our lifetime. The onset of the global pandemic fundamentally changed, and is continuing to change the manner with which Canadians conduct business. Terms such as “social distancing” quickly became part of our regular language. Personal Protective Equipment including hand sanitizer and face masks became highly sought after items. This all happened in one month. March of 2020.

In March our Government leaders defined the term; “essential service.” From the earliest days of the event, our leaders made it clear that the Financial Services sector was an essential service. The Oxford English Dictionary defines essential as; extremely important in a particular situation. Motor City Community Credit Union was designated as being extremely important during the pandemic. The question is; would we be up to the task?

That is a serious question.

We responded in this way to our members and to our employees.

Firstly, to our members, we intentionally remained open albeit with shorter hours of operation and with strict health measures. Perhaps the path of least resistance would have been to shutter our four offices by directing our members to our online banking platforms. Again, we knew that if we had elected to close all of our offices, a significant part of our membership would be disadvantaged. These members have chosen for their own personal reasons to transact their business in one of our offices. We respect their choice of wanting a personal experience and to that end, we deliberately stayed open to service those members in the manner they chose to transact.

To our employees we gave the opportunity to make the best possible decision for their health and for the health of their families. Some needed to be home so we made that seamless. We understood. Other employees did not miss a beat and have showed up to work every day since the arrival of the virus. They have been an inspiration to our membership and to their colleagues, given the level of courage they have evidenced. They matter. They are essential.

Were we up to the task? That was the question. The month of March proved that we were indeed up to the task. All of our members could continue to transact in their preferred way and our staff was afforded the highest level of health protocols to keep them safe.

As you read this report up to this point, you will notice we have only spent time talking about one month and no mention has been made about the preceding eleven months. I do want to touch on a few of those highlights.

We installed a brand new phone system. While that may not appear to be noteworthy in and of itself, there is one distinguishing feature that is in stark contrast to the prevailing sentiment of receiving telephone inquiries. At Motor City, we actually have a real person who answers the phone. A Chat bot, enhanced AI or any other computer-assisted mechanism does not answer your call. An informed Motor City representative in real time answers your call. No endless codes to input. Basically you make the call and we answer. Our members very much appreciate our personalized approach. This approach to member service worked well during the entire year and most critically in the month of March.

Secondly, we have embarked on a complete reinvention of our website and online banking app. As we noted earlier Motor City is here to service each of our members in the manner in which they choose. Many of our members choose our online platforms. For those members they will see a transformative approach to our website and mobile app. There will be new and improved tools and content that is more relevant. This is a big undertaking and it will take the better part of one year to complete. In the end, the experience for our mobile and online members will be significantly enhanced. And rest assured that the same security measures that are currently in place to protect your privacy will be present in the new platforms as well.

Whether you bank online, mobile, or in branch, we support all ways to bank! As a cooperative, banking the credit union way also means “community” which was put in our name for a reason. This past year, we partnered with our member BK Cornerstone Design Build to provide an interest free loan for The Dream Project. This Belle River home was sold with all proceeds going to our community partner, In Honour of the Ones We Love (IHOWL). As Motor City’s main charity partner, IHOWL has given back to this community and made a monumental difference in countless lives in Windsor and Essex County.

Finally, I want to talk about the fiscal health of your Credit Union. The year ended March 31st was an exceptionally strong year. Our Capital levels are the healthiest they have been in many years. Having a solid Capital level, means we are able to withstand storms that come our way. We are in a storm now and we have the financial foundation to navigate through to the other side.

I want to give a final note on the history of Motor City Community Credit Union. This year we celebrated our 80th year of operation. The Credit Union was founded in 1940. Our founding was during WWII. The war would not end until 1945. The founders navigated those troubled waters. Fast forward to the early 1980's when mortgage rates were in excess of 20% and our local auto sector was in jeopardy. Together with our community, Motor City emerged to sunnier days. Fast forward to Black Monday in 1987. Motor City prevailed once again. We move on to the World Financial crisis of 2008 where large and historic banks in the United States failed as a result. Motor City succeeded.

From the brief overview of events, Motor City has demonstrated the ability to overcome troubling external events. While we did not see the pandemic coming, we did (and do) have the resolve to see our Credit Union successfully through this global event.

To the members who have been with Motor City for the long haul, the staff and board thank you for your loyalty and business. For those of you who are newer to Motor City, we trust you will see in time that you have chosen wisely in selecting Motor City Community Credit Union as your financial partner.

In closing, essential can also be defined as "absolutely necessary and extremely important". We do know that our 13,000 members and this community were (and are) essential to achieving 80 years of success!



Robert Griffith

Robert Griffith
Chief Executive Officer



Don Fraser

Don Fraser
Chair of the Board



We See What You See
A Connected Community

**BECOME A MEMBER ONLINE
AT MCCCU.COM**

TECUMSEH ROAD BRANCH
6701 Tecumseh Rd. E

MARKET SQUARE BRANCH
1375 Walker Rd.

CITY CENTRE BRANCH
189 City Hall Sq.

COMMERCIAL LENDING CENTRE
420 Kildare, Unit 301

MCCCU.COM
519-944-7333



Community Connection

We are so grateful to celebrate this special year in Motor City Community Credit Union's history!

Eighty (80) Years – WOW!

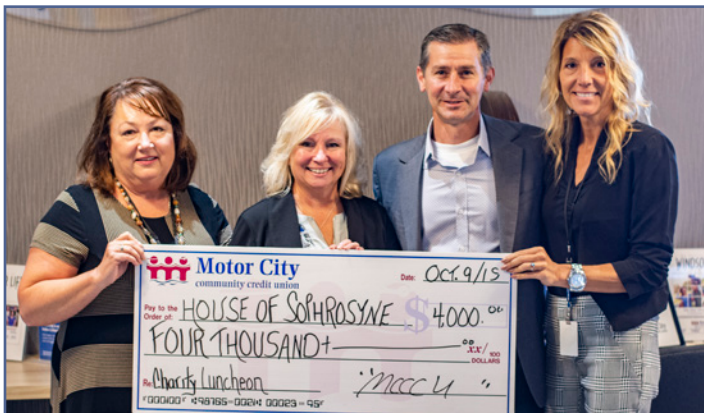
The world has changed so much over the last four months that when we look back at the evolution and progress as a grassroots credit union, it is hard to define what this really means for you, your credit union and this community now in 2020. In short, it means that our focus is our community, and we are here for you. What hasn't changed is how our members, front line staff and community adapt and persevere.



Rob and Becky – Essex County Agriculture Farms and Maps

Our planned celebrations for 2020 have changed, but our involvement, partnerships and support for organizations in the community has grown and strengthened. It may not be in a traditional fashion, but we have adapted. We are proud to be your choice and grateful for your continued business.

“Community” was deliberately placed at the centre of our name to reflect member-owners’ belief that community connects everything.



Becky, Steve, and Sonia – House of Sophrosyne presentation



2019 Ron Bate scholarship recipients

This year we asked members and staff how we could best celebrate our 80th with our members that would show our gratitude to the community. Plans for a community gathering and celebration were in place and then things changed. What will never change is that since 1940, we've put our members first. Now more than ever, we're here to make certain that our communities get the support they need from a financial institution. Your credit union has always stood by our members through previous health crises, floods, wars and a few recessions to say the least. This will continue.



Jim, Don, Becky, Frank, and Bill - BK Cornerstone presentation

Putting people before profits, local co-workers and neighbours have a long, successful history of pooling their resources to help one another. Following the lead of the Windsor Star Printers in 1940, autoworkers, healthcare workers, government staff and many other colleagues formed their own credit unions that they owned and directed democratically. They used their hard-earned wages to enable each other to secure mortgages and loans while saving for their children's education and their own retirement. Over the decades, local mergers unified numerous organizations right here in Windsor, to ultimately form Motor City Community Credit Union (MCCCU). Our future focus will remain to stay and serve in Windsor and Essex County.

MCCCU supports different community groups in various sectors and charities; namely financial literacy in schools, scholarships, health, education, youth and senior sports, non-profits, organizations, unions, small business, new business and new Canadians arts and culture

We want to continue to make a meaningful difference in our community while providing the financial services you need now and for future generations to come for the next 80 years.

Community Connection

2019 Community Partners



Motor City and Concentra present to Kids Beating Cancer



Yearly presentation to In Honour of the Ones We Love



Receiving award from City of Windsor for Open Streets sponsorship

PROUD TO SUPPORT AND PARTNER

In Honour of the Ones We Love

Windsor Chamber of Commerce Pillars of Community Business Excellence Awards

Habitat for Humanity

Ron Bate, CIPBA, St. Clair College, Essex Kent Junior Golf Tournament Scholarships

Youth Sports Teams

Life After Fifty (LAF)

TWEPI

Rotary Club

Unifor Local 200, 444, 2458, 240, 2027, 195

IBEW, LIUNA

Make A Wish Foundation

Windsor Police

Windsor Firefighter's Benefit Fund

We Care for Kids

Unemployed Help Centre

Changing Lives Together Foundation HDGH

Kids Beating Cancer Honourable Little Ninja's Therapeutic Martial Arts Program

John McGivney Centre

Unemployed Help Centre Food Bank & Coats for Kids

Windsor Light Opera

We Care For Kids

Arts Collective Theatre

Architectural Conservancy of Ontario, Doors Open Windsor

Mama Expo

Children's Fest

Windsor Residence for Young Men

Changing Lives Together Foundation

Windsor Historical Society

Windsor Cancer Foundation

Bike Windsor-Essex

Run for Rocky Legacy Project

City of Windsor - Open Streets

Products & Services

Built around the needs of our Members

Our members need to bank anywhere, anytime. Below is a short list of products that we offer. For a full list, please visit a branch of your choice or visit mcccu.com at your convenience.

HISA Saving Account
Flex Chequing Account
Tax-Free Savings Account
YouthSave Account

Investments
Scholar Power Student Line of Credit
Mortgages
Merit Line HELOC

Loans & Lines of Credit
Commercial Flex Account
Community Flex Account



Over 3,300 ATMs on the Exchange Network across Canada!
Use your mobile app or visit theexchangenetwork.ca to find the closest ATM.

Technology Updates

It was a quiet year for technology updates compared to last year when Motor City saw a major technology upgrade with the introduction of our new banking system. But we still introduced some new technology to continue our dedication to serve our members the best we can. During this past year there were two upgrades in our technology.

The first was the update from old numeric passwords to much more secure alpha numeric strong passwords for online and mobile banking. Although this was a bit of an adjustment for many members, this enhancement ensured Motor City members' information was even more secure. We are happy to report that online banking fraud is down compared to previous years before when we had the less secure numeric passwords.

Secondly, we replaced our internal phone system so our staff could better assist our members with more modern hardware. In conjunction with the phone system update, we introduced a more modern and member friendly phone answering process to give the caller clearer options to help them get what they need quicker. In addition, with our new Member Assistance Telephone Line that is part of the new answering process, we aim to always have a live representative answer calls during business hours for those that require a live person for assistance.

Looking ahead to next year, we have some exciting technology changes coming your way. We are in the process of doing a complete overhaul to our public website to ensure our current and potential members have the best possible digital experience, no matter what device they decide to visit us on. We will also be updating our online banking platform and mobile app with more modern versions to continue to serve our members in the best way possible.

Electronic Banking

- Online Banking
- Deposit Anywhere™
- Personal Financial Management
- Motor City Mobile App
- Interac® E-transfers
- Interac Flash®
- Open Anywhere
- ClickSWITCH



Your deposits are protected with unlimited insurance coverage for registered savings plans*

Motor City member deposits held in registered savings plans are separately insured from the deposits held in other accounts. All eligible deposits made to any registered savings plan such as RRSP, RRIF, LIRA, LIF, RESP and TFSA are fully insured with no maximum limit.

Motor City at a Glance



Rob and Sonia at a Golf Tournament



Davide, Misty, Ashley, Wayne, Sonia, Maureen, Nathalie, Carly, and Peter on International Credit Union Day



Matt, Tim, Becky, Melissa, Nikki, Amanda, Rob, and Danielle on International Credit Union Day



In Honour Gala 2019 Sonia, Sue, Rob, Mario, Dawn, and Matt



Vicki being awarded Margaret Galad Award



Steve taking part in Crime Stoppers Bail or Jail



Motor City staff - title sponsor for Windsor Firefighters Benefit Fund Charities at Chili Fest 2019

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 review of the audited financial statements, internal controls, accounting policies and reporting procedures and it has primary contact with both the external and internal auditors. The committee must meet at least quarterly and arranges its agenda so that, on an annual basis, its required duties are performed and appropriate action is 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 8 meetings and completed the following significant activities:

- Reviewed the financial statements and results of the year-end audit with the external auditors prior to the approval by the board for issuance to the members, including serving as the principal communication link between the external auditors and the board of directors and, in particular, reviewing the terms of engagement and scope of the audit;
- Performed an assessment, in conjunction with management, of the performance of the external auditors to improve the effectiveness of the audit;
- Ensured that all regulatory filings were submitted on time;
- Reviewed the policies, procedures and controls, which relate to legislative compliance, with particular focus on requirements for liquidity, capital adequacy, market risk and interest rate risk management;
- Served as the board's liaison with the internal auditors and reviewed the internal audit mandate, work plan and reports;
- Performed an assessment, in conjunction with management, of the performance of the internal auditors to improve the effectiveness of the internal audit;
- Reviewed the internal controls and reviewed management's quarterly reports, including the disaster recovery plan and quarterly enterprise risk management report;
- 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 the committee determined to be appropriate.

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 Committee,



Stephane Boucher
Chair, Audit Committee

Audit Committee:
Jim Angus | Bill Marra | Amy Wolters

Management's 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



Amanda Kominar
Interim Chief Financial Officer



A Look Back: Market Square before renovation



A Look Back: Walker Rd Branch



A Look Back: Cadillac Sign

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, 2020, 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, 2020.

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

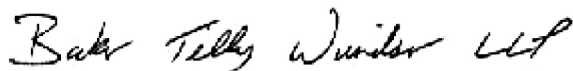
We expressed an unmodified audit opinion on the audited financial statements in our report dated May 19, 2020.

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 19, 2020

Financial Statements

Statement of Financial Position

(Audited)

March 31, 2020

(in thousands of Canadian dollars)

	2020	2019
Assets		
Cash and cash equivalents	\$ 5,232	\$ 6,033
Liquidity reserve and term deposits	22,810	21,633
Investments	1,972	1,952
Loans to members	337,091	330,253
Property, plant and equipment	2,289	2,507
Right-of-use assets	722	-
Other assets	1,258	1,275
Total assets	\$ 371,374	\$ 363,653
Liabilities		
Members' deposits	\$ 292,035	\$ 271,284
Mortgage securitization liabilities	48,927	59,881
Other liabilities	2,846	7,023
Lease liabilities	786	-
Share capital	2,250	2,219
Total liabilities	346,844	340,407
Members' equity		
Contributed surplus	1,261	1,261
Share capital	15,684	15,174
Members' equity	7,585	6,811
Total members' equity	24,530	23,246
Total liabilities and members' equity	\$371,374	\$ 363,653

Approved by the Board of Directors



Chair



Vice-Chair

Financial Statements

Statement of Comprehensive Income

(Audited)

For the year ended March 31, 2020

(in thousands of Canadian dollars)

	2020	2019
Interest income	\$ 13,848	\$ 13,037
Financial expenses	6,235	5,432
Net interest revenue	7,613	7,605
Provision for impaired loans	49	57
Margin	7,564	7,548
Other income	1,275	1,075
	8,839	8,623
Expenses		
Salaries and employee benefits	3,641	3,921
Administrative expenses	1,716	1,827
Occupancy costs	455	662
Amortization of property, plant and equipment	425	394
Computer services	725	683
Deposit insurance	223	205
Amortization of right-of-use assets	224	-
Loss on disposal of property, plant and equipment	-	2
	7,409	7,694
Income before income taxes	1,430	929
Income taxes expense	55	130
Income after income taxes	1,375	799
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	-	7
Change in unrealized losses on the effective portion of cash flow hedges	-	(34)
Other comprehensive loss for the year	-	(27)
Total comprehensive income	\$ 1,375	\$ 772

Financial Statements

Statement of Members' Equity

(Audited)

For the year ended March 31, 2020

(in thousands of Canadian dollars)	Share capital	Contributed surplus	Accumulated other comprehensive income	Members' equity	Total equity
Balance at April 1, 2018	\$ 15,066	\$ 1,261	\$ 27	\$ 6,323	\$ 22,677
Net income	–	–	–	799	799
Distributions to members	–	–	–	(311)	(311)
Net change in share capital	108	–	–	–	108
Change in unrealized losses on financial instruments	–	–	(27)	–	(27)
Balance at March 31, 2019	15,174	1,261	–	6,811	23,246
Changes on initial application of IFRS 16	–	–	–	(51)	(51)
Restated 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



A Look Back: Cadillac Branch



A Look Back: Lauzon Parkway Branch



Motor City
community credit union

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