



Motor City
community credit union

2024 ANNUAL REPORT



#WindsorBorn&Bred



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

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Message from the CEO & Board Chair



Robert Griffith - CEO



Bill Marra - Board Chair

OUR COMMITMENT TO YOU

As we wrap up another year, on behalf of all our employees and our Board of Directors, we want to reaffirm our commitment to our local community in Windsor-Essex. Motor City Community has been here for 86 years. A lot has changed since then, but one thing has not changed; we are as committed to our members and community today just as we were 86 years ago.

Motor City Community is Windsor born and bred.

This past year saw many great advances. Three of these deserve specific mention.

Firstly, we saw the successful rollout of our new Debit Mastercard®. This new card is a game changer for our members. Some of the key benefits this card provides are enhanced security, a superior online shopping experience, modernized cross-border purchasing and simplified real-time budgeting. To those of us who enjoy traveling, whether your travels take you to an exotic location or to a Detroit Tiger baseball game, your new Debit Mastercard® performs seamlessly. This card comes with 3D Secure, an extra layer of protection for online shopping. With specific merchants, you have 2-step authentication on every online purchase — no payments go through unless you authorize them yourself, offering a more secure shopping experience.

Secondly, our Wealth Management division which launched in 2022, has seen unprecedented growth. A key reason for that growth is the theme of “Accessible Advice.” That means providing advice to everyone, regardless of investment knowledge or life stage, customized to meet their comfort level. The uptake in this new division demonstrates that our members are eager for sound, holistic financial guidance. We believe that all our members deserve industry leading financial advice.

Message from the CEO & Board Chair



Thirdly, a drive down Walker Road will show the construction of our new two-story building which furthers our commitment and presence to our local community. This new office will incorporate modern building practices inclusive of appropriate LEED (Leadership in Energy and Environmental Design) principles and will house our Retail branch on the main floor and Commercial and Wealth Management personnel on the second. This will be a facility where truly every financial inquiry can be handled in one convenient and central location.

There have also been significant headwinds in the national economy, some of which had not been seen in a generation. The rise in interest rates was steep and dramatic. This was good news for members of Motor City Community who were rewarded with a 10-month GIC at 6.29% in autumn of 2023. The other side of this rise in interest rates has meant that borrowers were met with a very startling reality. Mortgage rates rose to levels unseen in decades. An additional headwind is inflation. While the rise in interest costs partially fueled the rise in inflation there were additional factors. Everyday goods cost more. Terms like Greedflation and Shrinkflation became part of regular conversation. We are proud to say that Motor City Community did not follow suit. Our service levels didn't shrink and we weren't greedy. This is just one more reason to celebrate the difference of being a member with Motor City Community.

Despite the challenges posed by the Global economic landscape we are pleased to report that Motor City Community has navigated these rough waters quite well. Your Credit Union enjoys financial stability. We are optimistic in the future of our local economy and the resilience of the people of Windsor and Essex County.

We are committed to you, our member, to continue to earn your trust and we thank you for being such an important part of our story.

ROBERT GRIFFITH

BILL MARRA



Our Board of Directors



Bill Marra
Chair
Term Expires: 2024



Don Fraser
Vice Chair
Term Expires: 2025



Wendy Graat
Corporate Secretary
Term Expires: 2025



Stephane Boucher
Director
Term Expires: 2024



Mike Celuch
Director
Term Expires: 2026



Randy Dupuis
Director
Term Expires: 2026



Marc Moore
Director
Term Expires: 2024



Egidio Sovran
Director
Term Expires: 2024



Richard Vennetilli
Director
Term Expires: 2026



Amy Wolters
Director
Term Expires: 2025

As a credit union, Motor City Community is governed by the Credit Unions and Caisses Populaires Act, 2020 as well as Ontario Regulations. As such, we are pleased to report on the gender diversity of our Board of Directors. Post our 2023 Annual General Meeting on June 28, 2023, aligned with our fully democratic election process, Motor City Community's Board gender composition is comprised of 8 males and 2 females.

Director Attendance



The Board of Directors mandate is to protect and enhance Motor City's Community assets and is responsible for ensuring Motor City Community 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 and financial practices.

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, 2023 to April 30, 2024 are noted below.

Director	Board of Directors		Committee		Total		%
	Attend	Held	Attend	Held	Attend	Held	
Amy Wolters	8	8	15	15	23	23	100
Bill Marra	6	8	11	14	17	22	77
Don Fraser	6	8	10	13	16	21	76
Egidio Sovran	5	5	5	5	10	10	100
Marc Moore	8	8	5	5	13	13	100
Michael Celuch	6	6	5	5	11	11	100
Randy Dupuis	6	8	7	7	13	13	86
Richard Vennettilli	6	6	5	5	11	11	100
Stephane Boucher	8	8	8	8	16	16	100
Wendy Graat	8	8	7	7	15	15	100



Our Achievements

We are proud to once again be certified as a **Living Wage Employer** in Ontario



745

New Members



livingwage.ca



11.28%

Asset Growth



8.47%

Retail Growth



19.7%

Commercial Loan Growth



9.1%

Deposit Growth



180

New Wealth Members



645

Live Support Chat Queries

Our Achievements



4.75/5

Satisfaction Rating
for Live Chat



4/5

Google Rating



4.2/5

App Store Rating



2nd

Fastest Growing Credit Union
in our Peer Group



8

Scholarships Dispersed
to Local Students



40%

of Staff Employed for
More Than 10 Years



Our Business



RETAIL

The past year saw a whirlwind of change, with our retail membership surging in both in-branch and digital engagements. This affirms our commitment to complementing traditional services with strong member connections through our omni-channels.

Amidst this dynamic landscape, we grappled with an escalating interest rate environment, navigating the challenges of an inflationary economy in our local communities. Despite these hurdles, we remained steadfast in managing our operational costs, ensuring that we continued to offer innovative and financially prudent retail banking solutions.

As mortgage rates increased, the local real estate market witnessed a noticeable downturn in transaction volume. Through it all, we remained committed to our lending practices, while also affording flexibility to our members.

COMMERCIAL

The success of our commercial banking operations is defined by our service and support to our business members, maintaining and strengthening our member relationships is at our core and one of the many ways we set ourselves apart in the local marketplace.



In an increased world of automation, Motor City Community continues to deliver the human interactions that small and large business owners need and desire. As a local Credit Union, with local decisioning, we are able to quickly respond to our member's needs and deliver a service that exceeds expectations. Our results speak for themselves, with another outstanding year, which saw loan volumes increase by 19.7%



DEPOSITS

This past year highlighted a very mixed year for deposits and deposit investors. There was a significant exodus of deposits within Canadian financial institution as Canadians reversed a trend of rapid deposit growth that began in 2020, as the current state of higher interest rates impacted Canadians borrowing costs. However, that backdrop of rising interest rates provided attractive deposit options with deposit rates not seen in decades.

Motor City Community continued to provide attractive deposit options to our community, partners and members, and as a result our deposit base increased by 9.1% surpassing the national Credit Union average.

WEALTH MANAGEMENT

Fiscal 24 was the first full year of operations for Motor City Community's Wealth Management division and it experienced strong success. Our membership reacted well to our core tenet of providing Accessible Advice to everyone through all life stages regardless of investable assets or investment knowledge. Operating through a model of providing customized financial advice, with a range of investment solutions, allowed our Wealth Management division to build stronger member relationships.



This past year brought significant changes and uncertainty within the interest rate and economic environments. Our members looked to our advisors for guidance on how to successfully navigate the environment, resulting in our advisors conducting over 600 member engagements and 180 new Wealth members.



Our Business



INNOVATION

Launched in December 2023, after much anticipation from our members, our new Flex Debit Mastercard® allows members to take advantage of utilizing their funds in their chequing and savings accounts for online purchases and to transact internationally. With all the same great features of a traditional debit card, but the added advantages of the Mastercard network, members can count on a reliable payment card for many years to come. Motor City Community also invested in extra fraud tools that are both

member-controlled and behind the scenes to ensure security remains a top priority and fraud is mitigated with the new cards.

One of the fraud tools that we invested in that went hand-in-hand with the Debit Mastercard® launch was Lock'N'Block®. This feature, available via online banking or the mobile app, allows members to lock certain transaction types from being performed, or block their card completely. The tool is handy for blocking your card if you think you may have misplaced or lost your debit card and want to try and find it before canceling and replacing it completely. It can also be blocked if you suspect your card was stolen and need some piece of mind before getting in contact with us to cancel the card completely. In addition, you can proactively set locks on transactions you don't perform normally, such as international transactions, to stay one step ahead of the fraudsters. Later this year we are also investing in additional lock features for more transaction types to continue to enhance this product and allow more control and peace of mind for members.

In May 2023, we were pleased to launch Smart Open® (smartopen.mcccu.com), Motor City Community's enhanced fully digital membership and account opening platform. This system allowed applicants to join Motor City Community and open or apply for any of our chequing, savings, GICs, and registered GICs fully online. Existing members can also take advantage of this new system to open additional accounts, but the primary focus of the platform initially is to ensure new members can be on-boarded digitally. A focus on existing members using the platform will come in the near future when we will connect Smart Open directly to online banking for a more seamless member experience.

At Motor City Community we are committed to always looking at new and innovative ways that we can offer you, our members, the best banking experience.

Our Business



OUR PEOPLE



Throughout the fiscal year our focus remained steadfast on nurturing talent and fostering professional growth within our workforce. Key to our success is our staff, who are here to serve you. Through a variety of training sessions, workshops and industry conferences our efforts are directed towards ensuring that our staff remains well-equipped to meet the evolving needs of our members.

Over the past year we also celebrated several large milestones anniversaries of staff, **Lorie Parent** who achieved 40 years of service with Motor City Community; **Anila Qylafku & Rose Catenacci** who achieved 20 years of service; and **Jennifer White** who achieved 15 years of service. Long tenured employees provide Motor City Community an advantage for having a depth of tribal knowledge in our organization to best support you, our members.

MEMBER EXPERIENCE

At Motor City Community, we believe in focusing on you, our member. Whether you prefer to interact with us in-branch, online or via the app, we want you to be satisfied and assured that you are getting the best service from our team.

We thank all our members who have taken the time to recognize the work our team consistently delivers.



Thanks for the outstanding support and attention I received from Ann Marie, she went above and beyond to ensure that my needs were met – Lul E.

They go above and beyond for me. Karen is the most amazing employee and is an all-around wonderful person. Her kindness definitely won't go unnoticed - Michael M.

Taylor is very kind and always takes care of my requests when I call in – Darryl G.

The tellers and the rest of the staff at MCCCUC go beyond to help all their customers out. I will continue with them till the very end of my days – Patricia L.

As we reflect on the achievements of the past year, we also look ahead with optimism and determination. The challenges may be many, but so are the opportunities. With a talented and dedicated team, we are confident in our ability to navigate the road ahead and continue to uphold the values of integrity, service, and excellence that define our Credit Union.



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 five 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;

Audit Committee Report



- 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: **Randy Dupuis | Mike Celuch | Richard Vennettilli | Gid Sovran**



Financial Updates



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 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. 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'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

Drake Reid
Chief Financial & Risk Officer



Summary Financial Statements – Report of the Auditor

Opinion

The summary financial statements, which comprise the summary statement of financial position as at March 31, 2024, 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 for the year ended March 31, 2024.

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 14, 2024.

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."

Baker Tilly Windsor LLP
Chartered Professional Accountants
Licensed Public Accountants
Windsor, Ontario
May 14, 2024



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Financial Updates

Motor City Community Credit Union Limited Statement of Financial Position (Audited)

March 31, 2024

(in thousands of Canadian dollars)

Assets	2024	2023
Cash and Cash Equivalents	\$ 8,610	\$ 11,357
Liquidity Reserve and Term Deposits	\$ 36,057	\$ 31,968
Investments	\$ 806	\$ 794
Loans to Members	\$ 526,945	\$ 467,657
Property, Plant and Equipment	\$ 2,109	\$ 2,333
Right-of-Use Assets	\$ 62	\$ 401
Other Assets	\$ 1,920	\$ 3,554
Total Assets	\$ 576,509	\$ 518,064
Liabilities		
Members' Deposits	\$ 454,763	\$ 414,276
Mortgage Securitization Liabilities	\$ 70,624	\$ 67,594
Other Liabilities	\$ 15,922	\$ 2,397
Lease Liabilities	\$ 73	\$ 436
Share Capital	\$ 3,151	\$ 3,028
Total Liabilities	\$ 544,533	\$ 487,731
Members' Equity		
Contributed Surplus	\$ 1,261	\$ 1,261
Share Capital	\$ 17,331	\$ 16,581
Accumulated Other Comprehensive Income	\$ (367)	\$ (623)
Members' Equity	\$ 13,751	\$ 13,114
Total Members' Equity	\$ 31,976	\$ 30,333
Total Liabilities & Members' Equity	\$ 576,509	\$ 518,064

Approved by the Board of Directors:

Bill Marra - Chair

Don Fraser - Vice Chair

Financial Updates



Motor City Community Credit Union Limited Statement of Comprehensive Income (Audited)

For the year ended March 31, 2024

(in thousands of Canadian dollars)

	2024	2023
Interest income	\$ 25,104	\$ 18,044
Financial expenses	\$ 15,963	\$ 8,281
Net Interest Revenue	\$ 9,141	\$ 9,763
Recovery on impaired loans	\$ (540)	\$ (112)
Margin	\$ 9,681	\$ 9,875
Other income	\$ 1,394	\$ 1,424
Total	\$ 11,075	\$ 11,299
Expenses		
Salaries and Employee Benefits	\$ 5,066	\$ 4,387
Administrative Expenses	\$ 1,714	\$ 1,679
Occupancy Costs	\$ 461	\$ 475
Amortization of Property, Plant and Equipment	\$ 479	\$ 448
Computer Services	\$ 1,074	\$ 868
Deposit Insurance	\$ 373	\$ 323
Amortization of Right-of-Use Assets	\$ 181	\$ 181
Total	\$ 9,348	\$ 8,361
Income before income taxes	\$ 1,727	\$ 2,938
Income taxes expense	\$ 256	\$ 470
Income after income taxes	\$ 1,471	\$ 2,468
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	\$ 256	\$ 4
Other comprehensive income for the year	\$ 256	\$ 4
Total comprehensive income	\$ 1,727	\$ 2,472



Financial Updates

Motor City Community Credit Union Limited Statement of Members' Equity (Audited)

For the year ended March 31, 2024

(in thousands of Canadian dollars)

	Share Capital	Contributed surplus	Accumulated other comprehensive income	Members' Equity	Total Equity
Balance at April 1, 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
Net Income	-	-	-	\$ 1,471	\$ 1,471
Distributions to Members	-	-	-	\$ (834)	\$ (834)
Net Change in Share Capital	\$ 750	-	-	-	\$ 750
Change in Unrealized Gains on Financial Instruments	-	-	\$ 256	-	\$ 256
Balance at March 31, 2024	\$ 17,331	\$ 1,261	\$ (367)	\$ 13,751	\$ 31,976



**“There is no power
for change greater
than a community
discovering what
it cares about.”**

— MARGARET J. WHEATLEY



Our Community



As a community credit union,

we pride ourselves on supporting various local initiatives, charities and sponsorships that help uplift and support our community. Key to our belief is our integration into our community. At Motor City Community we are proud to partner with a range of local initiatives, some of which are highlighted below.

Celebrating yet another **Open Streets Windsor** was a highlight for us. Through supporting the City of Windsor with this interactive community initiative we were excited to take part in this historic year that celebrated the life of local music executive legend, Rosalie Trombley.

In November 2023, we supported Windsorite **Hunter Lee** as he went on his boxing journey to compete for the Olympic Games. While Hunter continues his journey in qualifying, we are proud to continue to support his dream.

Our ongoing relationship with **House of Sophrosyne** saw our support across a range of their fundraisers, as well as a winning nomination to the Concentra Empower Your Community awards, providing them \$10,000 to assist in the renovation of their new addiction treatment centre.

In Honour of the Ones We Love is a charitable organization that supports both patients with cancer and other life-threatening illnesses and disabilities, as well as their families. We are proud to be a long-standing community partner to In Honour of the Ones We Love, supporting them through a variety of initiatives that extend a helping hand across Windsor-Essex.

We are also grateful to have a team of staff who feel committed to their community. Over the Christmas period our staff raised funds to donate towards the **Unemployed Help Centre – Hub of Opportunities**.

Our Community



Open Streets Windsor 2023



Hunter Lee Visiting Motor City Community



Presenting our Donation to the Unemployed Help Centre



The Team Presenting the Donation to House of Sophrosyne



Robert Griffith Presenting an Award at the In Honour of the Ones We Love Gala



Motor City
community credit union



CREDIT UNION