



Motor City
community credit union

Annual
REPORT

2018

We See What You See



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: 2019



Stephane Boucher
Vice Chair

Term Expires: 2018



Wendy Dupuis
Corporate Secretary

Term Expires: 2019



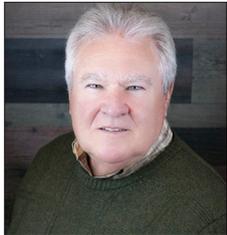
Jim Angus
Director

Term Expires: 2018



Joe Barile
Director

Term Expires: 2018



Randy Dupuis
Director

Term Expires: 2020



Sandra Fischer
Director

Term Expires: 2020



Carl A. Merton
Director

Term Expires: 2019



Frank Mocerri
Director

Term Expires: 2018



Marc Moore
Director

Term Expires: 2018

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, 2017 to April 30, 2018 are noted below.

Board of Directors Meeting Attendance

Director	Board of Directors		Committee		Total		%
	Attend	Held	Attend	Held	Attend	Held	
Jim Angus	8	8	13	13	21	21	100
Joe Barile	6	8	5	8	11	16	69
Stephane Boucher	8	8	13	13	21	21	100
Randy Dupuis	8	8	13	13	21	21	100
Wendy Dupuis	8	8	13	13	21	21	100
Sandra Fischer	8	8	10	10	19	19	100
Don Fraser	7	8	11	11	18	19	95
Carl Merton	7	8	7	7	14	15	93
Frank Mocerri	2	2	1	1	3	3	100
Marc Moore	8	8	11	11	19	19	100

You have to love when a lot of hard work pays off.

The Staff at Motor City have been working very hard for a number of years to make sure that we are meeting your needs, growing our business and putting in place the technology that will propel our Credit Union into the future.

Our efforts paid off last year, in more ways than one.

It all started five years ago with our strategic plan to focus on making banking simple and building closer relationships with our members and the community.

This resulted in streamlining our products, the launch of the Flex family of accounts, as well as process changes that allowed us to meet the “out of the box” needs of our members and the community.

We call these “flexible solutions”. It’s our way of saying that we fit our products around your unique needs, instead of trying to force you into a boxed solution or if you don’t fit, not meeting your needs at all.

This paid off in the form of double digit growth in the three years leading up to 2018. In those three years we experienced so much growth that our regulatory capital was no longer able to keep up and we had to put on the brakes while we increased our capital.

With this in mind, Motor City launched a new share offering in October 2017 and... did you ever respond! This was the largest share offering in Motor City’s history and when we closed it in March 2018 we raised over \$5.6 million in new capital. Capital that will ensure we are able to provide for your needs now and into the future.

The growth that we had experienced in the prior years was also paying off and our bottom line was perhaps the best we have ever seen. Net interest income was strong, our provision for impaired loans was low and we also worked hard to control other costs which all made for a great year financially.

Between our strong financial performance and the faith that you put in Motor City through your investment in the new share offering we increased our regulatory capital by over \$7 million or roughly 40%.

Last year’s success however, wasn’t all about income statements and capital.

We also took significant steps to prepare for the future of our credit union’s technology by investing significant resources in the conversion of our banking system to DNA, a modern system that is shared by over 100 credit unions in Canada. Our team of about a dozen employees are working with Celero, a company owned by credit unions, to make sure everything goes right and there is minimal impact on our members. They are testing everything not just once or twice but three times, looking at every product and every possible scenario to make sure the conversion is a success.

We are doing everything in our power to make sure the conversion goes smoothly because we recognize the risk, as well as the importance of getting this right for our and your future. It is our plan to go live with the new banking system in June 2018.

Motor City would not be Motor City without our community partners and last year was no exception. Even with all the additional time we dedicated to the share offering and the launch of DNA we were still actively involved in our community supporting, sponsoring and attending dozens of events with community partners.

Examples of this can be seen all over our community and we were especially proud to continue to be a partner of In Honour of the Ones We Love, who celebrated 20 years of giving back to our community this year. During that time they have raised almost \$12 million and Motor City has been happy to partner with them since the beginning.

We also collaborated with In Honour, LiUNA and other community partners to bring an accessible playground to John McGivney Children’s Centre and Hôtel-Dieu Grace Healthcare. This exciting, innovative, fully accessible and inclusive space is the perfect place for children and youth with special needs, their families, their friends and the community to play, learn and adventure together.

As we finish last year and look forward to the next, we know that all the hard work of the past years was just the beginning. We have a lot planned for the years to come. Our new banking system will launch in June; we are going to simplify more of our products; plus, we are exploring ways to make our operations even more efficient while better meeting your ever changing needs.

As banking changes and your needs evolve be assured that Motor City, the Credit Union that has served Windsor and Essex County for almost 80 years, is taking the necessary steps to make sure we can continue to serve our community for 80 more. We will continue to offer you the same great service that we always have and at the same time we will work to offer you new ways to bank with us. We will also make sure that what we do and how we do it fits within our Mission and Vision, which means it will help to improve your lives and make banking simple.

I can't tell you how lucky I am to work at Motor City and how great it is every time one of our employees brings forward an idea to make our members lives better. Whether it is someone who is experiencing hard times or a member who has a unique situation that we can help them with, or even a new business that can use our support, our staff are always looking for ways to fulfill Motor City's mission and help improve our member's lives.

As I said in the beginning "You have to love when a lot of hard work pays off" and that hard work is performed by the whole Team at Motor City. From the Board who set the direction five years ago, to the Senior Management Team who developed the plans, to the retail and commercial staff who execute the plans and the back office staff who make sure everything gets completed. It is truly a team effort and everyone has had a part in our success. Especially you, our members, without you there would be no Motor City.

Thank you.




Charles Janisse
CEO




Don Fraser
Chair



We See What You See A Connected Community



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MCCCU.COM



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MARKET SQUARE BRANCH
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519-258-0021

CITY CENTRE BRANCH
189 City Hall Sq.
519-252-0123

COMMERCIAL LENDING CENTRE
420 Kildare, Unit 301
519-977-6939

Community Connection

Moving forward with technology and remaining true to our credit union principles is the balance we aim to achieve when introducing new and flexible ways of banking and building community partnerships. Putting Members first by offering accounts and services you ask for plus giving back to our community go hand in hand. Whether it be supporting the small business at a grassroots level or taking part in a larger initiative with a bigger company, we set our priorities to help those areas of health, education, financial literacy, social justice, civics, youth, small business and entrepreneurs.



Motor City employees and family participate in the annual Big Bike for Heart & Stroke

This year our staff helped out on McHappy Day to raise money for our local Ronald McDonald House, took part in Heart & Stroke Big Bike, participated at events that raised funds for In Honour of the Ones We Love, Make A Wish Foundation and the Miracle Diamond. We have helped those in need by sponsoring a family at Christmas, Windsor Goodfellows and Unemployed Help Centre. Plus, sponsored cultural activities like theatre group Arts Collective Theatre and Windsor Light Opera. We also partnered with IBEW Local 773 to support local MMA fighter T.J. Laramie, as well as a number of youth sports teams to help defer the ever increasing costs of community athletics.



Motor City supports local MMA fighter T.J. Laramie along with IBEW. T.J. won the 145lb belt at TKO in Montreal in December.

Motor City continues to support future leaders of our community by offering \$10,000 in scholarships for post-secondary students – member and non members. Financial Literacy in schools is a focus as we partnered with Junior Achievement again to talk entrepreneurship. Our continued connections with businesses, union groups and organizations who made a conscious decision to support the living wage of our unionized staff continues to grow. The history of Motor City includes many different credit unions and we are pleased to be able to support the numerous community groups that include health and welfare, culture and the arts, sports, education and social justice.

Did you know that Motor City makes 100% of our community investments locally in the Windsor area? We keep our money truly local here where it matters to you and your family and your business. We put our member's deposits to work in the form of lending and providing support to the community we serve to help local businesses succeed. If you believe in buying and banking local, thank you.



Employees and Board Chair with Wayne Bate present the 2017 Ron Bate Scholarship awards.

2018 Ron Bate Scholarship Winners

Motor City staff and Board members wish to congratulate the winners of this year's Ron Bate Scholarship.

Eric Meloche
Olivia Little
Avery King
Kirsten Campana

Zachary Lauzon
Alexander Seguin
Egzona Muriqi
Christopher Iannucci

2017 Community Partners



Motor City donates \$25,000 to In Honour of the Ones We Love at the Annual Charity Golf Tournament, July 11, 2017.



In Honour of the Ones We Love presents John McGivney Centre with \$200,000. Motor City was proud to partner by donating \$30,000



Motor City employees receive a thank you from LiUNA Bluesfest Windsor for our sponsorship.

PROUD TO SUPPORT AND PARTNER

In Honour of the Ones We Love
(Ronald McDonald House Windsor
and
John McGivney Accessible Playground)

Junior Achievement
South Western Ontario
Windsor Youth Centre
Arts Collective Theatre
Life After Fifty

Run for Rocky Legacy Project
City of Windsor – Open Streets
Unemployed Help Centre
Unifor Local 444 & 200
Youth Activities

Canadian Italian Professional
Business Association (CIPBA)

Windsor Regional Hospital
Hotel-Dieu Grace Healthcare

Heart & Stroke Foundation - Big Bike

WE Care for Kids Foundation

House of Sophrosyne

Wounded Warriors Canada

Sport Fest Windsor

Windsor-Essex County Senior
Sports Organization

Windsor Lacrosse

Loan Rangers Baseball

Windsor Minor Hockey

Essex Kent Junior Golf

Children's Aid Society

Épelle-Moi Français

Architectural Conservancy of
Ontario – Doors Open

St. Clair College Scholarship

Windsor Police Association

Windsor Firefighters Benefit Fund

Windsor Residence for Young Men

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 mccu.com at your convenience.

Savings & Chequing Account
Tax-Free Savings Account
Community Flex Account

Student Account & Line of Credit
Mortgage
Merit Line

Loans & Lines of Credit
Investments
Commercial Flex Account



Use one of over 3,300 ATMs on the Exchange Network across Canada!
Use your mobile app to find the closest ATM.

Marketing

Our Member Referral program continues to grow our membership with each referring and new member receiving \$50. We are proud to offer the best day to day youth account, YouthSave, which encourages young people to develop positive savings habits by offering them a premium interest rate of 2% in a full service account. Our accounts are simple to understand and do not have the fine print like others who require minimum balances.

Digital Services

By investing in technology we can continue to meet the needs our members. We continue to utilize social media and last year we launched a series of videos on YouTube entitled, Bad Banking. These videos were very successful in building brand awareness.

Members can also continue to connect with us online on Facebook and Twitter.

Electronic Banking

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



MotorCityCCU



@MotorCityCCU



In 2017, we also launched new enhancements to our website with Open Anywhere and ClickSWITCH. These features give greater flexibility to potential members by allowing anyone to become a member at Motor City by visiting our website. Once the account is created, they can use ClickSWITCH to move any recurring payments and direct deposits over to their new account with just a few clicks.

Digital advice from VirtualWealth®

This year we also launched digital advice, or robo-advice, from VirtualWealth. This platform provides a simple and convenient online investing service that provides you with a professionally managed, low-cost portfolio to match your personal financial goals.

Invest your money, not your time.

A smart, easy way
to build wealth

Digital advice from virtualwealth

A photograph of a woman with her hair in a bun, wearing a striped shirt, sitting at a desk and looking at a laptop.

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.



City Centre staff rock their ugly Christmas sweaters.



Photo courtesy of Snapd Windsor and Simon Wym Edwards Photography

Staff and board at the In Honour of the Ones We Love Golf Tournament.



Charles, Sue and Rob wish Carol a Happy Retirement.



Steve & Becky present Windsor Youth Center with a \$5,000 donation.



Staff take part in a fun paint night.



Photo courtesy of Snapd Windsor and Simon Wym Edwards Photography

Claudia & Sonia at the Windsor Police Association Golf Tournament.



Steve, VP of Commercial Lending visits King Edward School.



Market staff wish Pennie a Happy Retirement.



Aleks and Nathalie wear their ugly Christmas sweaters.



Matt with City of Windsor staff during Open Streets 2017.



Charles & Steve donate the Commercial BBQ proceeds to Anita from IHOWL.



Danielle & Ashley volunteer during McHappy Day.

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 five members, has fulfilled its annual mandate over the course of its nine meetings and completed the following significant activities:

- Reviewed the financial statements and results of the year-end audit with the External Auditor 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,




Carl Merton
Chair, Audit Committee

Audit Committee:
Randy Dupuis | Marc Moore | Sandra Fischer | Frank Mocerri

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 it 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 consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards and have been audited by Collins Barrow Windsor LLP Chartered Accountants, Licensed Public Accountants.



Charles Janisse
Chief Executive Officer



Jane White
Chief Financial Officer



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Report of the Independent Auditor on the Summary Financial Statements

To the Members of Motor City Community Credit Union Limited

The accompanying summary financial statements, which comprise the summary statement of financial position as at March 31, 2018 and the summary statements of comprehensive income and 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, 2018. We expressed an unmodified audit opinion on those financial statements in our report dated May 30, 2018.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Motor City Community Credit Union Limited.

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 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."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Motor City Community Credit Union Limited for the year ended March 31, 2018 are consistent, in all material respects, with the audited financial statements, in accordance with the criteria described above.

Collins Barrow Windsor LLP

Chartered Professional Accountants

Licensed Public Accountants

Windsor, Ontario

May 30, 2018



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Summary Statement of Financial Position**(Audited)****March 31, 2018**

(in thousands of Canadian dollars)

	2018	2017
Assets		
Cash and cash equivalents	\$ 5,247	\$ 2,434
Liquidity reserve and term deposits	20,820	20,999
Investments	1,964	2,138
Loans to members	315,610	320,609
Property, plant and equipment	2,272	1,346
Other assets	1,470	3,470
Total assets	\$ 347,383	\$ 350,996
Liabilities		
Members' deposits	\$ 248,564	\$ 252,349
Mortgage securitization liabilities	67,928	69,458
Other liabilities	6,250	11,571
Share capital	2,213	2,193
Total liabilities	324,955	335,571
Members' equity		
Contributed surplus	1,261	1,261
Share capital	15,066	9,287
Accumulated other comprehensive income	27	340
Members' equity	6,074	4,537
Total members' equity	22,428	15,425
Total liabilities and members' equity	\$ 347,383	\$ 350,996

Approved by the Board of Directors


Chair



Vice-Chair

Summary Statement of Comprehensive Income

(Audited)

For the year ended March 31, 2018

(in thousands of Canadian dollars)

	2018	2017
Interest income	\$ 12,468	\$ 12,322
Financial expenses	4,929	4,837
Net interest revenue	7,539	7,485
Provision for impaired loans	263	761
Margin	7,276	6,724
Other income	1,291	878
	8,567	7,602
Expenses		
Salaries and employee benefits	3,339	3,289
Administrative expenses	1,596	1,540
Occupancy costs	651	655
Amortization of property, plant and equipment	269	218
Computer services	478	596
Deposit insurance	228	216
	6,561	6,514
Income before income taxes	2,006	1,088
Income taxes expense	191	124
Income after income taxes	1,815	964
Other comprehensive income (net of tax)		
Items that may be subsequently reclassified to profit or loss		
Change in unrealized losses on available for sale investments	(66)	(304)
Change in unrealized losses on the effective portion of cash flow hedges	(247)	(284)
Other comprehensive loss for the year	(313)	(588)
Total comprehensive income	\$ 1,502	\$ 376

Summary Statement of Members' Equity**(Audited)****For the year ended March 31, 2018**

(in thousands of Canadian dollars)	Share capital	Contributed surplus	Accumulated other comprehensive income	Members' equity	Total equity
Balance at March 31, 2016	\$ 9,060	\$ 1,261	\$ 928	\$ 3,844	\$ 15,093
Net income	–	–	–	964	964
Distributions to members	–	–	–	(271)	(271)
Net change in share capital	227	–	–	–	227
Change in unrealized losses on financial instruments	–	–	(588)	–	(588)
Balance at March 31, 2017	9,287	1,261	340	4,537	15,425
Net income	–	–	–	1,815	1,815
Distributions to members	–	–	–	(278)	(278)
Net change in share capital	5,779	–	–	–	5,779
Change in unrealized losses on financial instruments	–	–	(313)	–	(313)
Balance at March 31, 2018	\$ 15,066	\$ 1,261	\$ 27	\$ 6,074	\$ 22,428

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and you will
both receive \$50!**

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Motor City

community credit union

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