



# Motor City

community credit union

**Our Focus is On You  
in Everything We Do**

ANNUAL  
REPORT  
**2013**



We love blue and red obviously, but...

**GREEN** is our Favourite Colour!!

did you know



**we're going green**  
to save



308,452 litres 3333 kg 2,192 litres

Last year, your **Motor City Community Credit Union** worked with our members to introduce e-statements, paperless record-keeping, as a way to reduce paper waste, increase privacy and offer more convenience to our members. We are proud to report that not only has less printing led to less paper usage, but we have also reduced costs significantly in that area, which directly benefits our members. A small effort with big results.

But that is what going green is really about. A little effort by all of us can make a big difference in the world we leave our children.

**Rest assured, MCCCUC will continue to look for more ways to go green.**

**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".*

**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 the co-operative principles as responsible, corporate citizens.

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



**Joe Graziano**  
President



**Jim Angus**  
Vice President



**Don Fraser**  
Secretary



**Arunas Januska**  
Director



**Andre Mailloux**  
Director



**Marc Moore**  
Director



**Barb Nahnybida**  
Director



**Margaret Galad**  
Director



**Wayne Lessard**  
Director

BOARD NAME & TITLE	TERM EXPIRES
Joe Graziano - President	2014
Jim Angus - Vice President	2015
Don Fraser - Secretary	2013
Arunas Januska - Director	2014
Andre Mailloux - Director	2014
Marc Moore - Director	2015
Barb Nahnybida - Director	2015
Margaret Galad - Director	2013
Wayne Lessard - Director	2013

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**Three years ago we started rebuilding Motor City by enhancing our focus on you the member and to provide you with the level of advice that you need and deserve to be successful. Our focus was to put the member first and to work with you to help you improve your life.**

As a result of our concerted efforts, and an enhanced focus on you, our members, we saw incredible growth in our balance sheet over the past year. Our total assets grew by over 13%, ending the year at over \$230 million; our loans increased by almost 14% to just under \$205 million; and our deposits increased by a whopping 19% ending the year at \$204 million.

Looking at our balance sheet, we had an incredible year and our member-focused efforts paid off. Unfortunately we can't just look at the balance sheet.

When we put the member first, unlike banks, we try to work with members to help them through hard times. For the most part, this is for the success of everyone. Unfortunately, sometimes this doesn't work out and we all lose. In the past year Motor City tried to work with a number of members who experienced difficulty and were unable to recover. As a consequence of this the Credit Union experienced substantial losses from impaired loans.

As a result of this we have taken a long look at ourselves in the mirror and we have made a number of changes in our policies and procedures to help to mitigate potential future losses.

**At the same time there are a number of things that we won't change.**

We will continue to put our members' needs first. We will continue to focus on improving the lives of our members and the community we live in. These things are fundamental to Motor City. We are not a bank and our members are not just numbers; they are important to us and they are why we continue to exist today.

In the coming year you will continue to see Motor City helping our members improve their lives in two primary ways:

**First we are going to simplify our products and service delivery channels** so that they are easier for our members to understand and use.

From this you will see a number of products being streamlined and service channels being simplified. This will start with our chequing accounts in the beginning of the year and run through our other products as the year progresses. We are also going to redesign our website to make it more accessible and to provide more information to our members about the products and services we offer.

You will be introduced to some new products and service delivery channels. We are looking to add a number of products to our online banking system including: *E-Money Transfers*, which

will allow members to transfer funds online; *MemberDirect Alerts*, which allows members to receive text or email notification of banking activities or other events in their account, like a big purchase or an account balance dropping below a set level; and *E-Post*, which will allow members to receive their bills and pay them all online. In addition to online banking enhancements we are adding a *Mobile Banking Application* that will allow members to make cheque deposits from their mobile device.

All these products and service enhancements will allow members to access their finances in easier and more convenient ways. They will also help with our second focus.

**Second we will create, build and retain stronger connections to our members and the communities we serve.** To further help build and retain these connections we will enhance our social media presence to ensure it complements our other communications.

Once again, we give all the credit for the success we have achieved to our remarkable staff. Over the past three years we have invested in staff training and they have in turn utilized this training to work with our members to achieve their goals. You will see more of this type of investment in the coming years. The better our staff are trained, the better advice and service they can give our members and the more they can help fulfill Motor City's mission of improving our members' lives.

The Board of Directors has also put in a lot of hard work this year. New DICO guidelines have been released that will help Boards improve their skills and ensure that a minimum level is maintained that is in the best interest of the Credit Union and the entire system. In response to this, Motor City's Board has identified key skill areas and established minimum standards. They also completed a self-assessment and are developing training plans to ensure that these standards are met and exceeded. The Board is also developing a nomination process that will better assess potential Board candidates and ensure these individuals meet the needs of the Credit Union while maintaining the cooperative principals under which Motor City was established.

As we move forward, we will continue to put our members first and strive to improve their lives and the lives of people in the communities where we live. Sometimes this will mean we will need to take a loss, but most of the time it means that our members and our community are stronger. This is why Credit Unions were established and this is why we are even more relevant today. We are not a bank - we are your **Motor City Community Credit Union**.



*Charles Janisse*  
Charles Janisse  
CEO



*Joe Graziano*  
Joe Graziano  
President

# COMMUNITY CONNECTIONS

## 2012-2013



### Welcome to the credit union that is not a bank.

At Motor City, we count you in – as a customer, as a member and as an owner. We're known in the Windsor area not only because of our people, products, services, ads and commercials; we are part of the fabric of the grassroots community initiatives. Our commitment is unique.

You may see our banners flying high at the Windsor & District Soccer League youth soccer games. As primary sponsors and also supporting our members, we kick in where needed! Our on-going commitment to keep youth engaged goes well beyond supporting baseball,

hockey, golf, lacrosse, dance, and the arts.



Motor City's facebook page engages not only the youth, but everyone who LIKES FACEBOOK. It has been a lot of fun reaching out through Facebook. Watch for new methods of Motor City reaching out through social media this coming year.



### Our focus is on YOU in everything we do.

Our members, potential members, community partners and community are at the heart of every decision we make. Remaining true to our co-operative principles and growing the business is a delicate balance that Motor City has achieved.

Here are some of the organizations & events we have sponsored, attended, organized and supported this year.

- In Honour of the Ones We Love
- Heart & Stroke Foundation Annual Soup Kitchen and Big Bike Ride
- Windsor Regional and Hotel Dieu Hospital
- Unemployed Help Centre Community Kitchen
- University of Windsor
- Saint Clair College
- Local 444, 200, 195 2458, 240, IBEW
- Big Brothers & Big Sisters
- Rotary Club
- Windsor Firefighter's Benefit Fund
- Essex Kent Youth Golf Tournament
- Centre for Seniors
- Hiatus House
- Raise A Reader
- Windsor Essex County Senior Sports Organization (WECSO)



**BUILT AROUND THE NEEDS OF OUR MEMBERS**

Over the years, *Motor City Community Credit Union* has developed a wide menu of financial services and products based on our Members' needs and requests.

**SAVINGS & CHEQUING ACCOUNT**

- Personal 1
- Net 1
- Plan 24
- Special T
- Net 90
- Tax Free Savings Account (TFSA)
- CUB Package
- U.S. Savings
- Fat Cat
- Head Start
- Strictly Community

**LOANS & LINES OF CREDIT**

- Mortgages
- High Ratio Mortgages
- Meritline Home Equity L.O.C.
- Personal Loans
- Scholar Power
- EducationalLine
- Commercial Loans

*Motor City* partners with Manulife Securities – for financial and estate planning, investment products. Manulife Securities is on site to provide members with the professional advice they seek.

**FULL COMMERCIAL SERVICES**

**ELECTRONIC BANKING**

- Memberline
- Online Banking
- Mobile Banking

**INSURANCE PRODUCTS**

- Home & Auto Insurance
- Travel Insurance
- Life and Disability

**YOUR DEPOSITS ARE PROTECTED - 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, RDSP, RESP and TFSA are fully insured with no maximum limit.

**INVESTMENTS**

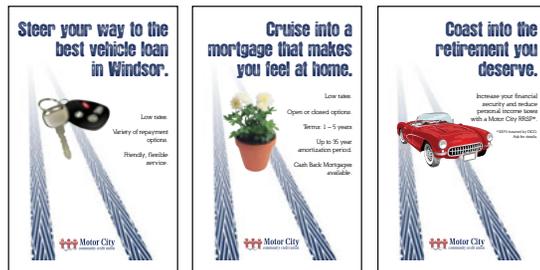
- Short Term Deposit
- Long Term Deposit
- Registered Retirement Savings Plans (RRSP)
- Registered Retirement Investment Fund (RRIF)
- Tax Free Savings Account (TFSA)
- Trust Accounts
- Index Linked Terms

**FREE TO MEMBERS! USE ANY OF OUR ATMs:**

- Tecumseh E & Roseville Gardens
- Market Square
- City Centre Branch
- Windsor Police Station
- 1905 Tecumseh Rd. W.



For free ATM services, look for the Exchange logo at over 2,300 Canadian locations.



*Motor City Community Credit Union's* Audit Committee is a committee of the Board of Directors pursuant to Section 125 of the Credit Union and Caisses Populaires Act, 1994 (Ontario) and Section 27 of Ontario Regulation 237/09. The duties and responsibilities of the Committee, which consists of five directors, are specified in the Regulations of the Act. 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 has fulfilled its annual mandate. During the year the Committee held eight (8) meetings and completed the following significant activities:

- Served as the principal communication link between the external auditors and the Board of Directors and, in particular, reviewed the terms of engagement and scope of the audit, reviewed *Motor City Community Credit Union's* annual financial statements and annual report prior to Board approval for issuance to the members.
- Performed an assessment, in conjunction with management, of the performance of the External Auditors to improve the effectiveness of the audit.
- Reviewed the internal controls and reviewed quarterly reports.
- Served as the Board's liaison with the internal auditors and reviewed the internal audit mandate, work plan and reports.
- Reviewed various reports and policies, including the IT Security Audit, reviewed and recommended to the Board an updated Disaster Recovery Plan.
- Issued a Request for Proposals for external audit services.
- 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.

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,**

Wayne Lessard  
Chair, Audit Committee

**Audit Committee:**

Donald Fraser | Margaret Galad | Arunas Januska | Jim Angus

# 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 itself 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 in accordance with International Financial Reporting Standards (IFRS) and have been audited by Collins Barrow Windsor LLP Chartered Accountants, Licensed Public Accountants.



Charles Janisse  
Chief Executive Officer



Eve Sigfrid  
Chief Financial Officer



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F. 519-256-6152  
email: windsor@collinsbarrow.com  
website: www.collinsbarrow.com

## Report of the Independent Auditor on the Summary Financial Statements

### To the Members of Motor City Community Credit Union

The accompanying summary consolidated financial statements, which comprise the summary consolidated statements of financial position as at March 31, 2013 and the summary consolidated statements of comprehensive income, members' equity and cash flows for the year then ended are derived from the audited consolidated financial statements of Motor City Community Credit Union Limited for the year ended March 31, 2013. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated May 15, 2013.

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

### Management's Responsibility for the Summary Financial Statements

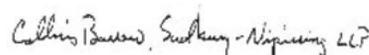
Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis described above.

### Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated 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 consolidated financial statements derived from the audited financial statements of Motor City Community Credit Union Limited for the year ended March 31, 2013 are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the criteria described above.



Licensed Public Accountants  
Sudbury, Ontario  
May 15, 2013



Licensed Public Accountants  
Windsor, Ontario  
May 15, 2013

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and operated by Collins Barrow Windsor LLE  
The Collins Barrow trademarks are  
used under license



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(Audited)

March 31, 2013

(in thousands of dollars)	2013	2012
<b>Assets</b>		
Cash and cash equivalents	\$ 5,674	\$ 5,212
Liquidity reserve	13,660	12,147
Investments	3,419	3,385
Loans to members	204,728	180,193
Property, plant and equipment	2,152	2,223
Other assets	695	612
<b>Total assets</b>	<b>\$ 230,328</b>	<b>\$ 203,772</b>
<b>Liabilities</b>		
Members' deposits	\$ 204,330	\$ 170,979
Other liabilities	11,813	18,027
Share capital	2,081	2,009
<b>Total liabilities</b>	<b>218,224</b>	<b>191,015</b>
<b>Members' equity</b>		
Contributed surplus	1,261	1,261
Share capital	8,398	8,177
Accumulated other comprehensive income	208	45
Members' equity	2,237	3,274
<b>Total members' equity</b>	<b>12,104</b>	<b>12,757</b>
<b>Total liabilities and members' equity</b>	<b>\$ 230,328</b>	<b>\$ 203,772</b>

Approved by the Board of Directors:



President



Vice-President

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(Audited)

For the year ended March 31, 2013

(in thousands of dollars)	2013	2012
Interest income	\$ 9,953	\$ 9,571
Financial expenses	3,539	2,980
<b>Net interest revenue</b>	<b>6,414</b>	<b>6,591</b>
Provision for impaired loans	2,192	551
<b>Margin</b>	<b>4,222</b>	<b>6,040</b>
<b>Other income</b>	<b>1,340</b>	<b>1,425</b>
	<b>5,562</b>	<b>7,465</b>
<b>Expenses</b>		
Salaries and employee benefits	3,431	3,396
Administrative expenses	1,516	1,645
Occupancy costs	648	637
Depreciation of property, plant and equipment	432	448
Computer services	299	346
Deposit insurance	168	160
Loss on disposal of property, plant and equipment	109	18
	<b>6,603</b>	<b>6,650</b>
<b>Income (loss) from operations</b>	<b>(1,041)</b>	<b>815</b>
Recovery of allowance on investment mortgage	(103)	-
Change in unrealized loss on derivatives at fair value	-	261
<b>Income (loss) before income taxes</b>	<b>(938)</b>	<b>554</b>
Income taxes recovery	(165)	(7)
<b>Income (loss) after tax recovery</b>	<b>\$ (773)</b>	<b>\$ 561</b>
<b>Other comprehensive income (net of tax)</b>		
Change in unrealized gains on available for sale investments	\$ 163	\$ 37
<b>Total comprehensive income (loss)</b>	<b>\$ (610)</b>	<b>\$ 598</b>

**CONSOLIDATED STATEMENT OF MEMBERS' EQUITY**

(Audited)

For the year ended March 31, 2013

(in thousands of dollars)	Share capital	Contributed surplus	Accumulated other comprehensive income	Members' equity	Total equity
<b>Balance at April 1, 2011</b>	\$ 7,876	\$ 1,261	\$ 8	\$ 3,030	\$ 12,175
Net income	-	-	-	561	561
Distributions to members	-	-	-	(317)	(317)
Net change in share capital	301	-	-	-	301
Change in unrealized gains on available for sale investments	-	-	37	-	37
<b>Balance at March 31, 2012</b>	8,177	1,261	45	3,274	12,757
Net income	-	-	-	(773)	(773)
Distributions to members	-	-	-	(264)	(264)
Net change in share capital	221	-	-	-	221
Change in unrealized gains on available for sale investments	-	-	163	-	163
<b>Balance at March 31, 2013</b>	\$ 8,398	\$ 1,261	\$ 208	\$ 2,237	\$ 12,104

**NOTES**


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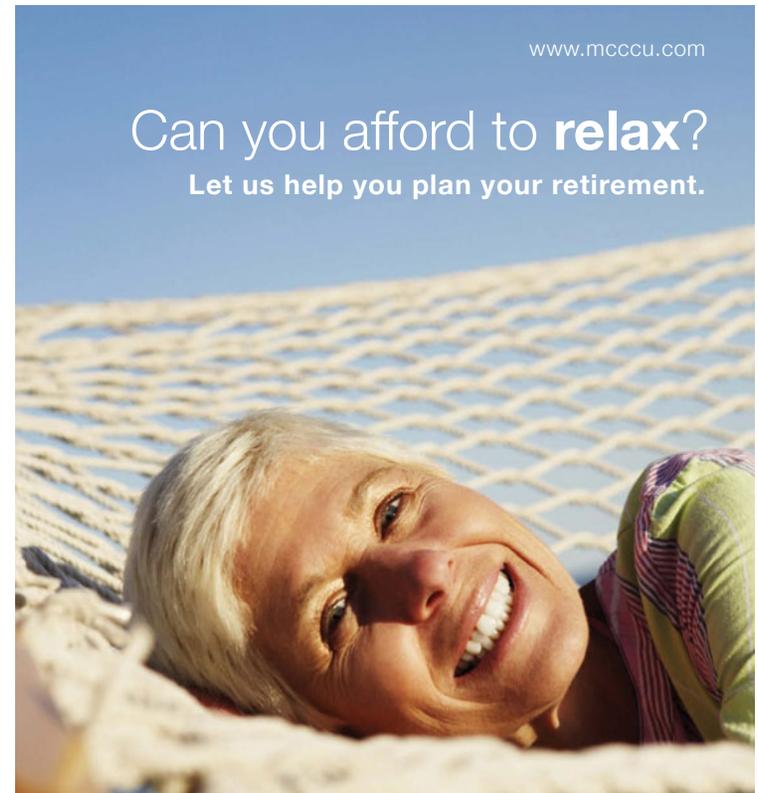
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www.mcccu.com

Can you afford to **relax**?  
Let us help you plan your retirement.



 **Motor City**  
community credit union

6701 Tecumseh Rd. E. 519.944.7333  
895 Erie St. E. 519.977.6939  
1375 Walker Rd. 519.288.0021  
189 City Hall Square 519.252.0123

**6701 TECUMSEH RD. E.**  
519-944-7333

**189 CITY HALL SQ.**  
519-252-0123

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

**1375 WALKER RD.**  
519-258-0021

**TELEPHONE BANKING:**  
519-945-5511

