



**METRO TORONTO WOMEN'S
CREDIT UNION LIMITED**

15 BIRCH AVENUE, TORONTO, ONTARIO M4V 1E1

FOURTH ANNUAL REPORT
as at December 31, 1978

**FOURTH ANNUAL MEETING
METRO TORONTO WOMEN'S CREDIT UNION LIMITED**

March 28, 1979

AGENDA

1. Registration of Members
2. President's Welcome
3. Minutes of Third Annual Meeting
4. Report of the Board of Directors
5. Report of the Auditor
6. Report of the Credit Committee
7. Report of the Supervisory Committee
8. Unfinished Business
9. New Business
 - A. Appointment of the Auditors
 - B. Report of the Nominating Committee
 - C. Election of Officers
 - D. Other Business
10. Adjournment

METRO TORONTO WOMEN'S CREDIT UNION LIMITED

FINANCIAL STATEMENTS, DECEMBER 31, 1978

AUDITORS' REPORT

To The Members

METRO TORONTO WOMEN'S CREDIT UNION LIMITED

We have examined the balance sheet of METRO TORONTO WOMEN'S CREDIT UNION LIMITED as at December 31, 1978, and the statements of undivided earnings, reserve fund, income and changes in cash position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly, included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Credit Union as at December 31, 1978 and the results of its operations and the changes in its cash position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the previous year.

SACKS, FELDMAN & DELANEY
Chartered Accountants

THORNHILL, Ontario
March 12, 1979

METRO TORONTO WOMEN'S CREDIT UNION LIMITED BALANCE SHEET AS AT DECEMBER 31, 1978

ASSETS		
	1978	1977
	\$	\$
Cash (Note 2)	100,905	82,135
Accrued interest	7,264	3,072
Accounts receivable	2,497	—
Loans to members, less allowance for doubtful accounts - \$11,316 (1977 - \$6,590) (Notes 1 & 3)	304,423	194,120
Shares (Note 4)	13,985	1,433
Deposits and investments (Note 5)	44,497	23,054
Furniture and fixtures (Note 1)	103	155
	473,674	303,969

LIABILITIES

Accounts Payable	3,256	694
Accrued interest	10,127	1,425
Deposits, The Co-Operative Trust Company of Canada (Note 7)	6,650	—
Members' deposits - regular	197,877	141,641
Members' deposits - special (Note 6)	246,000	160,000
	463,910	303,760

MEMBERS' EQUITY

Members' shares	5,785	3,725
Reserve fund (Note 1)	3,979	510
Members' deficit	—	(4,026)
	9,764	209
	473,674	303,969

APPROVED ON BEHALF OF THE BOARD:

President

Treasurer

The accompanying notes form an integral part of these financial statements.

METRO TORONTO WOMEN'S CREDIT UNION LIMITED STATEMENT OF UNDIVIDED EARNINGS FOR THE YEAR ENDED DECEMBER 31, 1978

	1978	1977
	\$	\$
Balance (Deficit), beginning of year	(4,026)	216
Add: Net income (loss) for the year	7,495	(3,823)
	3,469	(3,607)
Less: Transfer to reserve fund	(3,469)	(419)
Balance (Deficit), end of year	NIL	(4,026)

The accompanying notes form an integral part of these financial statements.

METRO TORONTO WOMEN'S CREDIT UNION LIMITED STATEMENT OF RESERVE FUND FOR THE YEAR ENDED DECEMBER 31, 1978

	1978	1977
	\$	\$
Balance, beginning of year	510	91
Add: Transfer from undivided earnings	3,469	419
Balance, end of year	3,979	510

The accompanying notes form an integral part of these financial statements.

METRO TORONTO WOMEN'S CREDIT UNION LIMITED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 1978

	1978	1977
	\$	\$
Income		
Interest - investments	10,033	2,694
- personal loans	32,514	17,285
Sundry	1,106	636
	43,653	20,615

Expenses (Note 8)		
Interest on regular and special deposits	27,910	8,662
Salaries and benefits	—	3,358
Insurance	802	460
Collection costs	164	119
Board and committee	106	102
Bank charges	163	209
Bad debts	6,631	9,743

Advertising and promotion	—	258
Credit checks	233	166
General and office	97	1,309
Depreciation - furniture and fixtures	52	52
	<u>36,158</u>	<u>24,438</u>
Net income (loss) for the year	<u>7,495</u>	<u>(3,823)</u>

The accompanying notes form an integral part of these financial statements.

**METRO TORONTO WOMEN'S CREDIT UNION LIMITED
STATEMENT OF CHANGES IN CASH POSITION
FOR THE YEAR ENDED DECEMBER 31, 1978**

	1978	1977
	\$	\$
Source Of Cash		
Net income (loss) for year	7,495	(3,823)
Item not requiring a cash outlay		
Depreciation	52	52
	<u>7,547</u>	<u>(3,771)</u>
Increase in members' deposits and shares	144,296	219,625
Increase in accounts payable and accrued interest	11,264	1,999
Increase in deposits for The Co-Operative Trust Company of Canada	6,650	—
	<u>169,757</u>	<u>217,853</u>
Application Of Cash		
Increase of loans to members	110,303	118,652
Increase in shares, deposits and investments	33,995	23,309
Increase in accounts receivable and accrued interest	6,689	3,072
	<u>150,987</u>	<u>145,033</u>
Increase In Cash Position	18,770	72,820
Cash Position - Beginning Of Year	82,135	9,315
Cash Position - End Of Year	<u>100,905</u>	<u>82,135</u>

The accompanying notes form an integral part of these financial statements.

**METRO TORONTO WOMEN'S CREDIT UNION LIMITED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1978**

1. Summary of Significant Accounting Policies

a) Depreciation

Furniture and fixtures are valued at cost less accumulated depreciation and are depreciated according to the 20% straight-line basis.

b) Allowance For Doubtful Accounts

The allowance for doubtful accounts is calculated in accordance with a formula to determine the total estimated allowance required. This calculation provides for the application of a percentage dependent upon the period of delinquency of each past due account.

c) Reserve Fund

It is a requirement of the credit union that a reserve be maintained as a supplement to the allowance for doubtful accounts as an overall provision for unforeseen losses. Accordingly, the board of directors has determined that the undivided earnings be allocated to this reserve.

2. Cash	1978	1977
	\$	\$
Petty Cash	500	34
Bank balance	405	19,101
Ontario Credit Union League, 30 day, 10%, term deposits	100,000	63,000
	<u>100,905</u>	<u>82,135</u>

3. Loans To Members

The loans to members are generally secured and include 294 loans bearing interest of 12%, 13%, and 13½%, depending on the specific amount of the loan.

4. Shares, At Cost	1978	1977
	\$	\$
Ontario Credit Union League Limited	10,875	433
Co-Operative Trust Company of Canada	3,110	1,000
	<u>13,985</u>	<u>1,433</u>

5. Deposits And Investments

Deposits and investments are recorded at cost and are as follows:

	1978	1977
	\$	\$
Ontario Share and Deposit Insurance Corporation - Stabilization Fund	4,497	3,054
Landmark Savings And Loan Association, 9.00% - 9.25% Debentures, due to 1982	20,000	20,000
Co-Operative Trust Company of Canada, 9.775%, Investment Certificates, due 1983	20,000	—
	<u>44,497</u>	<u>23,054</u>

6. Members' Deposits - Special

These special members' deposits mature within a year and bear interest ranging from 7½% to 10%.

7. Deposits - The Co-Operative Trust Company of Canada

Amounts reflected comprise deposits in respect of members' registered home ownership savings plans.

8. Overhead Reimbursements

Some of the overhead expenses of the credit union are currently funded by a grant from the Government of Canada through the Local Employment Assistance Programme. Accordingly, transactions applicable to this programme are not reflected in the accounts of the credit union.

9. Comparative Figures

Comparative figures have been reclassified to conform with the current year's presentation.

Since the comparative figures have been prepared without audit, the auditors' report is applicable only to the current year.

10. Income Taxes

No provision has been made in these financial statements for income taxes, since the Credit Union has provided for maximum deductions allowable under the Income Tax Act.

THE MTWCU OFFICERS FOR 1977-78

Board of Directors

Louise Hourston, *President*
Sandra Kinsman, *Vice President*
Marilda Antunes, *Treasurer*
Gita Schwartz, *Secretary*
Patricia MacKay (*replaced by Chris Lawrence*)
Leslie Yager (*replaced by Katherine Swann*)

Credit Committee

Marie Prins, *Chairperson*
Ann Bannister (*replaced by Marilyn Reinwald*)
Fern Gaspar
Betty Kelly
M'Alice Neal

Supervisory Committee

Leah Erna, *Chairperson*
Wendy King
Jean Roach

REPORT OF THE BOARD OF DIRECTORS

The Fourth Annual Meeting of the Metro Toronto Women's Credit Union Limited marks another milestone in the history of a credit union established by concerned women for the financial welfare of their sisters. Although this period has not been without growing pains, it is a credit to the founders and many workers, that today we are able to present you, the members, with the following facts.

Since our last meeting our membership has grown from 1000 to over 1600. The overall income growth for 1978 is 108.46%. Major factors in this growth are income from interest on personal loans (up 72.7%) and interest on investments (up 34.5%). Naturally as our income grows so do our expenses. However, with careful budgeting the increase in expenses has been kept to only 48.0%. Another interesting statistic is that our assets have grown a total of 55.8% in 1978. Areas of growth in assets are through personal loans (36.2%) and short term investment (12.1%). Our financial position speaks for itself.

The rather unsettled economic climate in Canada during the past period of time has resulted in the Board of Directors making decisions on term deposits, interest rates and personal loans. As it is the Board's responsibility to oversee the management of members' money, we have tried to act in a responsible and yet profitable manner. To do this we met a minimum of once monthly, usually the third Wednesday of each month.

The Metro Toronto Women's Credit Union is part of the Ontario Credit Union League. In December, 1976, the new Ontario Credit Unions and Caisses Populaire Act came into force. One of its provisions, the setting up of the Ontario Share & Deposit Insurance Corporation (OSDIC), was only implemented in late 1977. Through OSDIC credit unions were initially assessed 1% of their members' shares and deposits. For this, individual members received protection for up to \$20,000 per account against any loss in savings.

We are still receiving some funding under a Local Employment Assistance Programme (LEAP) grant. This allows us to have a training programme at the credit union. In 1977-78 seven trainees worked at the MTWCU. It is hoped that this work experience is sufficiently beneficial to allow these women to enter the work force at their level of capabilities.

At this time I would like to thank my colleagues on the Board and all members of the collective for the excellent job they have done this year. Without the work of this community the credit union would not be possible. It is through their efforts that we can aim to offer better and more efficient service to our customers, you the individual members of the MTWCU.

Respectfully submitted on behalf
of the Board of Directors
Louise Hourston, President

REPORT OF THE CREDIT COMMITTEE

The Credit Committee is the loan granting body of the Credit Union. The Committee meets every Thursday evening to consider the applications which have been received during the prior week. Decisions to approve loans must be unanimous for we are legally responsible for all credit granting decisions made.

Loan policy at the Women's Credit Union is set jointly by the Board of Directors and the Credit Committee. As a women's credit union we try to develop policies which meet the needs of the women who constitute our membership. This means, for example, that marital status is not considered relevant to assessing an applicant's credit worthiness and that baby bonus may be considered legitimate income.

All members to whom we extend credit have been evaluated positively as to their financial responsibility, their character and their capacity to repay. We check into these areas carefully because we feel a special responsibility to our membership when approving loans. Because credit unions are money cooperatives, loans that are slow in being repaid or in default hurt us all by affecting the amount of money available for loan to other members.

Our loan limit is \$7,000. Amounts up to \$4,000 may be secured, depending on the Credit Committee's decision, by ordinary collateral, such as automobiles, furniture, co-signature, wage assignment. Between \$4,000 and \$7,000 security must be in the form of liquid assets, such as savings bonds or term deposits. Emergency loans to a maximum of \$300 may be granted to women in emergency situations, at the discretion of the loans officer.

During 1978 we considered 397 applications and approved 302 with a dollar value of \$381,672. 95 applications were rejected, and 18 were withdrawn by the applicants. Total loans granted and paid out to members was 284. The total amount of money loaned was \$344,428.23. At the end of the year \$315,936.70 was outstanding, and \$229,201.60 had been paid back.

Respectfully submitted on behalf
of the Credit Committee
Marie Prins, Chairperson

REPORT OF THE DELINQUENCY COMMITTEE

The Delinquency Committee was established during our second year of operation for the purpose of monitoring delinquent loan accounts. The Committee consisted of one representative of the Board and one of the Credit Committee. This year the Credit Committee members have added a new dimension to their role, as each member has taken responsibility for contacting delinquent loan recipients.

When loan payments are past due, contact is established with the member. Extenuating circumstances are always given consideration and each situation is approached individually. If requested to do so, the Credit Committee may re-negotiate a loan to accommodate a member's financial situation.

At the year end loans outstanding totalled \$315,936.70, of which \$38,229.28 is reflected on the delinquency list and under close follow-up, for collection. Loans amounting to \$1,706.80 were written off, and the rate of delinquency is 12.10%. This accurately reflects the current economic situation of the country. Many members whose payments are overdue have changed their lifestyles and incomes and now have limited resources for repayment.

Respectfully submitted on behalf
of the Delinquency Committee
Betty Kelly, Chairperson

REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee has met monthly throughout the past year. Our auditors have carried out a detailed audit of the financial records and have found them to be in order and consistent with the guidelines of the Credit Union Act.

The major emphasis of the Supervisory Committee has been the review of loan files and documents. A report has been submitted monthly to meetings of the collective and the Board of Directors.

Respectfully submitted on behalf
of the Supervisory Committee
Leah Erna, Chairperson