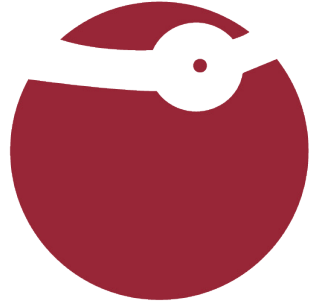
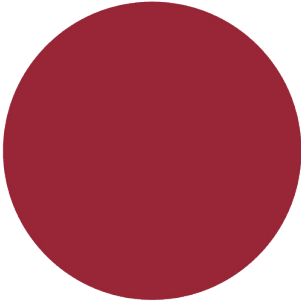


2014 Annual Report



Motor City
community credit union

www.mcccu.com

Membership has meaning...



Motor City Community Credit Union, where 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".

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.

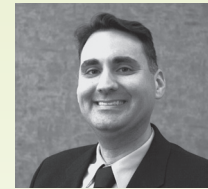
Accountability: We will be responsible to our member-owners, employees, colleagues and communities for the results of our decisions and actions.

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.

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|---|----------------------------------|----|---|
| 3 | Board of Directors | 10 | Management's Responsibility for Financial Reporting |
| 4 | CEO & Board of Directors' Report | 11 | Auditors' Report |
| 6 | Community Connections | 12 | Financial Statements |
| 8 | List of Services | | |
| 9 | Audit Committee Report | | |

Board of Directors



Joe Graziano
Chair



Jim Angus
Vice Chair



Don Fraser
Secretary



Arunas Januska
Director



Andre Mailloux
Director



Marc Moore
Director



Wendy Dupuis
Director



Carl Merton
Director



Joe Barile
Director

BOARD NAME & TITLE	TERM EXPIRES
Joe Graziano - Chair	2014
Jim Angus - Vice Chair	2015
Don Fraser - Secretary	2016
Arunas Januska - Director	2014
Andre Mailloux - Director	2014
Marc Moore - Director	2015
Wendy Dupuis - Director	2016
Carl Merton - Director	2016
Joe Barile - Director	2015

What a difference a year makes. In our last annual report we talked about the incredible growth your Credit Union achieved because of the faith you had in us. I also talked about the losses we incurred because of impaired loans, which had a negative impact on our net income two years ago.

In the current year, you, our member continued to put your faith and trust in your Credit Union. As a result of this we continued to achieve growth targets, although we specifically slowed down the growth to allow us to build the Credit Union's equity and reserves so that we can maintain a strong credit union for you, our members. This also paid off in a very strong bottom line, with Income after taxes of \$833 thousand and Total Comprehensive Income of \$1.25 million.

Financially, last year was Motor City's strongest ever. This is a direct result of the Credit Union putting the needs of our members first and you, our member, putting your trust in us for your financial needs.

Together we have achieved a great deal. Over the past four years we have taken great strides to move the credit union forward so that we can continue to meet and hopefully exceed your needs. Examples of this can be seen in many areas: The introduction of the Financial Services Representative, and the consistent education and training that these and all staff have received. We have also introduced new technology in the branch that allows us to open new membership accounts in a fraction of the time it previously took. Opening and processing new registered accounts for current members is also done in a more efficient and timely manner. These things allow us to focus more on you and your present and future needs as opposed to pushing paper.

Our introduction of new technology was not limited to the branch though. Over the past year alone we introduced *E-money Transfer* and *MemberDirect Alerts* for our members to use in their online banking. We were also the first financial institution in Windsor and Essex County to introduce the technology that enables our member to take a picture of a cheque and deposit it directly into their Motor City account from anywhere in the world. The **Deposit Anywhere™** application for the iPhone was a first in convenience and simplicity for our members. This is the type of innovation that you are coming to expect from your Credit Union and we will deliver.

We are going to keep moving forward. Your needs are constantly changing and because we have achieved so much does not mean that we can sit still. We intend to keep moving forward so that we can keep meeting your needs of today and tomorrow. To do this in the coming year we have a number of advancements planned, both in and outside the branch.

In the branch we are continuing to look at how we meet our members' needs to see what we do right, and identify areas where we can improve. With this in mind, we are continuing to provide a high level of training to our branch staff. We are also going to continue to look at

how we process transactions and deal with member issues to see how we can improve accuracy and further reduce the time we spend pushing paper. This will enable us to spend more time focusing on you and your unique needs.

Outside the branch we are going to expand the success of the **Deposit Anywhere™** application to mobile devices that operate on the Android platform. We are also going to expand the types of alerts members can send themselves through the MemberDirect online banking application. We are also hoping to finally be able to offer our members Personal Financial Management (PFM) through MemberDirect. This will allow members to manage all their personal finances in one convenient location.

All of these advancements are to help improve your life by making it easier for you to manage your finances in more convenient ways. They also allow us to give you better service and more straight forward advice to achieve your goals. Be confident that Motor City will continue to provide you with the options you need so that you can bank the way you choose.

Finally, capital has become a priority with regulators and within the Credit Union System, and with good reason. During the financial meltdown many financial institutions outside of Canada that collapsed were found to be without proper capital to support their businesses. Capital provides the cushion needed to absorb losses in bad times. Motor City had risk weighted capital at year end of 11%, which is well in excess of the current regulatory minimum of 8%. Given recent world events however, your Board of Directors has asked management to come forward with a plan that will increase our capital up to at least 13% of risk weighted assets. The plan will be brought forward to the board in the current year for approval but will most likely take a number of years to accomplish.

Your Board of Directors believes that starting this now before regulators mandate such a change is prudent and in the best interest of the membership. They know that going into our 75th year in 2015 as a strong Credit Union that is dedicated to your success, is the best way for you to achieve your goals and for the Credit Union to achieve its mission.

To enhance the quality of life of our community by delivering quality financial products and services effectively, efficiently and with excellence.

Thank you members for a great year.



Charles Janisse
CEO



Joe Graziano
Chair

Community Connections

2013-2014



At Motor City Community CREDIT UNION, membership has meaning.

Membership means...

- ... a live voice on the telephone when you call
- ... flexibility when you use your money, whether borrowing for your first home or car, saving for retirement or managing your retirement
- ... we still rely on a handshake and decisions are made right here in Windsor and Essex County.
- ... the convenience of services like INTERAC/EXCHANGE network through over 2500 no fee ATMs countrywide and payroll deduction deposits
- ... mobile banking anywhere, anytime
- ... taking a photo of your cheque and depositing into your account
- ... owning your financial institution, having your voice heard and having a vote on who represents you on the Board
- ... making your money work for you and your community.



Staff supporting
Raise a Reader

Ultimately, it means the opportunity to live your dream, no matter where you are on your financial journey.

Because people are at the heart of our credit union, we continue to invest in this community.

We support and sponsor local organizations that focus on health awareness, service, assistance, community activities, helping less fortunate and education. MCCCU reaches out to the young people of our credit union through sponsorships, mentorships, event sponsorships and monetary donations. We are also honoured to speak at youth events, show our support at their functions and listen to their ideas about business.

We know tuition costs have increased and we want to help. The Ron Bate bursary amounts will be increased to \$8,000.00 this coming year. Four \$1000.00 bursaries will be awarded to members and four will now be awarded to non-members in the community. In addition to this, we continue to award ten \$200.00 scholarships to participants of the EK Junior Golf Tournament. We want to extend our reach and help young non-members of Motor City have the opportunity to bank the credit union way at Motor City. We encourage applicants to balance academics, sportsmanship, community involvement and giving back to those less fortunate.

Our main charity continues to be In Honour of the Ones WE Love. The difference they make in this community and our continued partnership is helping so many. Your support of our Charity BBQs, attendance at walkathons, golf tournaments, fashion shows and children's events



Anita, Charles, Becky,
Joe, Tim

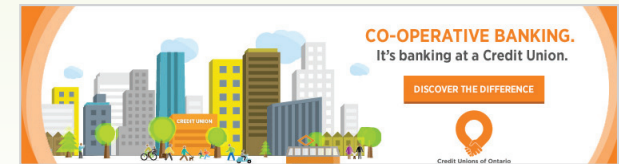
makes a difference as well. In addition to In Honour, we support many of our members' groups and initiatives. What matters to you matters to us. Our BBQ's have raised over \$10,000.00 for charities, with the next one being September 30 at our Tec East Branch.

As a unionized financial institution, it is important to support those who support us. We have supported the Charlie Brooks Tournament and Local 200 Youth Fundraisers. Supporting Local 2458 with Wounded Warriors and various other union groups will continue as we approach our 75th Anniversary in 2015!

Not all credit unions are the same. Bigger is not necessarily better and co-operative banking is just now being really understood.

How we define co-operative

banking: Banking that offers Members all the great financial products, services and the security they need to successfully manage their banking life. But there's one very powerful difference. In co-operative banking, profits have a higher purpose. They should be returned to Members in the form of great rates and better services, and profits should be put back in the community where members live. Motor City Community Credit Union does that.



This year, we made an extra effort to support our members in ways that are meaningful...ways that really help people. Delivering member service and providing new products to members and communities has been the foundation of our success this year and will only grow as we celebrate our upcoming 75th year in 2015.

As a financial institution built around the city's autoworkers, we would like our 75th to be a fitting highlight to our foundation as well as a springboard to a bright future.



Mike Powis

Refer your friends and family and take a moment to explain the credit union difference – the Motor City advantage.

"Our sincerest thanks for your support and commitment to helping us help those in need."
June Muir, CEO
Unemployed Help Centre

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.

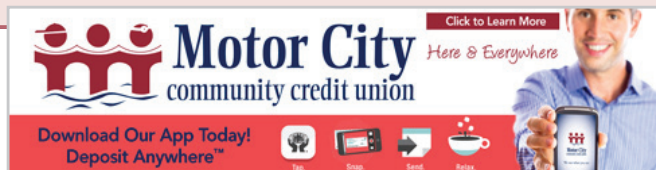
ELECTRONIC BANKING

- Memberline
- Online Banking
- Mobile Banking

Deposit Anywhere™ Mobile App
E-transfers

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.



FULL COMMERCIAL SERVICES

- Loans & Lines of Credit
- US and CDN Accounts

Motor City Community Credit Union's Audit Committee is a committee of 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 five (5) 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 FINTRAC Assessment Audit, reviewed and recommended to the Board the updated Disaster Recovery Plan.
- Reviewed and recommended approval to the Board of a management developed quarterly risk assessment tool and report for use by the Board in assessing the Credit Union's on-going Risk Management System.
- 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,

Carl Merton
Chair, Audit Committee

Audit Committee:

Donald Fraser | Andre Mailloux | Arunas Januska | Jim Angus

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



Eve Sigfrid
Chief Financial Officer



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Windsor, Ontario, Canada
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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, 2014 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, 2014. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated May 28, 2014.

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, 2014 are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the criteria described above.

Collins Barrow, Sudbury - Nipissing LLP
Licensed Public Accountants
Sudbury, Ontario
May 28, 2014

Collins Barrow Windsor LLP
Licensed Public Accountants
Windsor, Ontario
May 28, 2014



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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Audited)

March 31, 2014

(in thousands of dollars)	2014	2013
Assets		
Cash and cash equivalents	\$ 5,326	\$ 5,674
Liquidity reserve and term deposits	14,122	13,660
Investments	3,217	3,419
Loans to members	210,994	204,728
Property, plant and equipment	1,931	2,152
Other assets	1,141	695
Total assets	236,731	\$ 230,328
Liabilities		
Members' deposits	\$ 213,749	\$ 204,330
Mortgage securitization liabilities	3,562	-
Other liabilities	4,018	11,813
Share capital	2,086	2,081
Total liabilities	223,415	218,224
Members' equity		
Contributed surplus	1,261	1,261
Share capital	8,587	8,398
Accumulated other comprehensive income	624	208
Members' equity	2,844	2,237
Total members' equity	13,316	12,104
Total liabilities and members' equity	\$ 236,731	\$ 230,328

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Audited)

For the year ended March 31, 2014

(in thousands of dollars)	2014	2013
Interest income	\$ 10,317	\$ 9,953
Financial expenses	3,820	3,539
Net interest revenue	6,497	6,414
Provision for impaired loans	450	2,192
Margin	6,047	4,222
Other income	1,151	1,340
	7,198	5,562
Expenses		
Salaries and employee benefits	3,365	3,431
Administrative expenses	1,406	1,516
Occupancy costs	617	648
Depreciation of property, plant and equipment	353	432
Computer services	272	299
Deposit insurance	237	168
Loss on disposal of property, plant and equipment	-	109
	6,250	6,603
Income (loss) from operations	948	(1,041)
Recovery of allowance on investment mortgage	-	(103)
Income (loss) before income taxes	948	(938)
Income taxes recovery	115	(165)
Income (loss) after tax recovery	\$833	\$ (773)
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	\$ 103	\$ 163
Change in unrealized gains on the effective portion of cash flow hedges	\$ 313	-
Other comprehensive income for the year	\$ 416	\$ 163
Total comprehensive income (loss)	\$ 1,249	\$ (610)

Approved by the Board of Directors:



Chair



Vice-Chair

CONSOLIDATED STATEMENT OF MEMBERS' EQUITY

(Audited)

For the year ended March 31, 2014

(in thousands of dollars)	Share capital	Contributed surplus	Accumulated other comprehensive income	Members' equity	Total equity
Balance at April 1, 2012	\$ 8,177	\$ 1,261	\$ 45	\$ 3,274	\$ 12,757
Net loss	-	-	-	(773)	(773)
Distributions to members	-	-	-	(264)	(264)
Net change in share capital	221	-	-	-	221
Change in unrealized gains on financial instruments	-	-	163	-	163
Balance at March 31, 2013	8,398	1,261	208	2,237	12,104
Net income	-	-	-	833	833
Distributions to members	-	-	-	(226)	(226)
Net change in share capital	189	-	-	-	189
Change in unrealized gains on financial instruments	-	-	416	-	416
Balance at March 31, 2014	\$ 8,587	\$ 1,261	\$ 624	\$ 2,844	\$ 13,316

NOTES


**Fall into savings!
Invest with those
you trust.**

Keep your money local where it stays and works for you.

**DEPOSIT SPECIAL
22 month GIC
2.2%***

* Rates subject to change. Limited time offer.

Investments are safe, secure and insured.

 **Motor City**
community credit union
www.mcccu.com

6701 Tecumseh Road East
519-944-7333

1375 Walker Road
519-258-0021

189 City Hall Square
519-252-0123

Commercial Lending Centre
420 Kildare Road, Unit 301
519-977-6939



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

www.mcccu.com

