



Credit Unions build a better world.
Proud to celebrate the Year of the Co-operative.



Annual Report
2012

2012





2012 International Year of the Co-operative

Co-operative Enterprises Build A Better World

This is our year. And this is your chance to be a part of it!
The International Year of the Co-operative is a once-in-a-lifetime opportunity to raise public awareness of co-

operatives and their social and economic contributions to society. This is an opportunity to support the growth and development of co-operatives in Canada and around the world. It is an opportunity to begin legacy initiatives that will outlive the International Year and inspire others to support the cooperative movement. Agricultural, housing and educational co-operatives - just to name a few – are right here in Windsor and Essex County, in addition to financial co-ops like Motor City Community Credit Union.

Stay posted throughout the year as we continue to launch our initiatives in support of the Year of the Co-operative!

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.

- | | |
|------------------------------------|--|
| 3 Board of Directors | 11 Management's Responsibility for Financial Reporting |
| 4 CEO & Board of Directors' Report | 12 Auditors' Report |
| 6 Community Connections | 13 Financial Statements |
| 9 List of Services | |
| 10 Audit Committee Report | |

Board of Directors

BOARD NAMES	TITLE	TERM EXPIRES
Joe Graziano	President	2014
Jim Angus	Vice President	2012
Wayne Lessard	Secretary	2013
Charles Pope	Director	2012
Arunas Januska	Director	2014
Andre Mailloux	Director	2014
Marc Moore	Director	2012
Barb Nahnybida	Director	2012
Don Fraser	Director	2013
Margaret Galad	Director	2013



Joe Graziano
President



Jim Angus
Vice President



Wayne Lessard
Secretary



Arunas Januska
Director



Andre Mailloux
Director



Charles Pope
Director



Marc Moore
Director



Barb Nahnybida
Director



Don Fraser
Director



Margaret Galad
Director

CEO & Board of Directors Report

In 1990, Freedom 55 was the thing. People planned to work until they were 55 and then retire comfortably and live off their savings. Many workers had good pensions, and would put in their 30 years by age 55, working the whole time for the same company. People without pensions could rely on their investments in RRSPs to grow so that they could also be comfortable in retirement. The future was bright.

Today people are looking at working past 65 and many pensions are shaky at best. The majority of people working today don't have defined pensions so we have to rely on our investments to grow our savings for retirement; and frankly for the past 3 years that has been pretty scary.

The World has changed and whether we like it or not our plans need to change also. Motor City has been working very hard in the last three years to keep ahead of those changes and the needs of our members. We have invested significant resources in our staff to upgrade their skills to better meet these needs. We have introduced a whole new class of staff within our branches - the Financial Services Representative (FSR). Their priority is to work with Members to help them realize their financial goals, always putting the Member first.

We have renovated two of our branches to better meet our member's needs. These branches are more open and inviting. In the coming year we are going to take this approach with our Tecumseh Road East Branch and renovate it to also be open and inviting.

We have also made changes in our processes to better service our members. We no longer open accounts or renew term deposits at the teller counter. This is now done in an office with an FSR who is specifically trained to meet your needs in this area. By moving these types of transactions away from the teller counter we are also able to speed up the teller line, so tellers are able to see more members.

We have made changes and upgrades to our online banking. We introduced Mobile Banking through a web browser on any smart phone and we have made images of cheques available to members online. In the next few months your statements will be available online, and in the next twelve months you will be able to view all your accounts and transactions from multiple sources, including other financial institutions, insurance and mutual funds, through Motor City's online banking application at www.mcccu.com.

In the coming months we are introducing an automated new member application in our branches. This will allow the FSR's to process an application for a new member and register them on our system in about half the time it currently takes. This application was developed by the staff here at Motor City with input from all levels of the organization. It was recently demonstrated at an Information Technology conference to a number of people from other Credit Unions and the feedback was tremendous.

All these changes are being noticed in our Community and especially by you, our Member. We see this in the renewed faith you are putting in your Credit Union, through loans, mortgages and deposits. In the past 12 months, Motor City has grown its total assets by 7.5%; we have grown our loans to members by 9%; and we have grown our deposits by 5.75%.

For the first time Motor City's assets have ended the year in excess of \$200 million. This is because we have sharpened our focus to better service you, our member. We are doing everything we can to meet your needs and you have responded by doing more business with us.

CEO & Board of Directors Report

There have been some staff changes at Motor City as well and I would like to welcome Robert Griffith and Lisa Lapico to our management team.

Robert brings with him over 25 years of management experience within the financial services field and as Chief Operating Officer he is responsible for ensuring our retail operations are focused on meeting the needs of our members.

Lisa joins our Credit Union in the position of Controller and brings with her 16 years of experience in accounting and finance. She is responsible for completing our financial reporting and managing many of our back office functions.

The success of the past twelve months could not have been possible without the support and hard work of all our staff. They have been repeatedly challenged in the past three years to look for opportunities to better service our members and to make changes to accomplish this. They have responded to this challenge by welcoming change, improving their skills, and positively moving your Credit Union forward in a way that always puts our Members first.

Your Board of Directors has also made changes and is working diligently to ensure that it is living up to its role in the governance and leadership of Motor City. The Board is actively participating in the Credit Union's implementation of an Enterprise Risk Management (ERM) system. This will allow management and the Board to actively identify and monitor risks to the credit union from all areas of our operations. The Board has also updated many of the Credit Union's policies as part of its annual work plan and we are in the process of reviewing our approach to Director training. Our goal here is to ensure that the Directors that represent our Members are able to meet the increasingly complex needs of your Credit Union.

Finally, the one thing that has not changed at Motor City is our dedication to our members and the community. Your Credit Union and its staff and Directors strongly support over 20 community partners and charities including In Honour of the Ones We Love and the annual Essex Kent Junior Golf Tournament. This support takes many forms including direct financial support, lending our expertise by sitting on local boards, giving many hours of volunteer support and taking part in community events in support of our partners.

We may not be the largest financial institution in Windsor but we are the most dedicated to the success of our members and our community. As the world changes our dedication doesn't. Our members know this and it serves them well. As we go forward and continue to make changes to better service our members and meet their needs, they know they can continue to count on us.

After all We See What You See.



Charles Janisse
CEO



Joe Graziano
President

Community Connections 2011-2012

As a financial cooperative, we'll always be true to our roots and are proud to be part of this **International Year of Cooperatives**. Whether you are a member/owner or employee, you can feel good about connecting with a company built on co-operative values.



Every business decision that is made at Motor City is made based on keeping members' interests first. Through marketing we have said: "Invest with those you trust", "We make our decisions locally", "We do normal things exceptionally well"; but at the end of the day whatever tagline we use to increase community awareness, we have to WALK THE TALK. Our advertising, including television commercials, shows real members and employees speaking frankly about their positive banking experiences with Motor City. Providing the level of service that members expect, and having the attitude and staff to do it, is integral to the true meaning of serving the member as a co-operative financial

organization.

Our Members have positive things to say about Motor City, including:

"It is easy to believe in what you do when you know your employer in turn works hard for our members. It's not about selling to members, it's about being of service and recognizing what they need to have a better financial life."
~ Motor City Employee

"Thank you for sponsoring me to attend my senior year at Cooperative Youth Leaders (CYL) Camp. It was an unbelievable experience that allowed me to enhance my leadership skills, meet new people, expand my perspectives and increase my understanding of the co-op system."
~ Georgia LaMarre, Senior B Participant

We support our members, their initiatives and their businesses. We also encourage members to support each other's businesses.

Carrying this commitment into the community means proudly joining forces with local organizations that focus on health, education and poverty. Motor City emphasizes youth and power of education through its increased monetary support and sponsorships.



Motor City Member Mike Kelly accepting his iPod prize from Rob Griffith, Chief Operations Officer, and Tecumseh East Branch Manager, Lisa Montilla.



Having fun at CYL.



Community Connections 2011-2012



Recipients of the 2011 Ron Bate bursaries.

In addition to Ron Bate bursaries, Motor City accepted applications from younger students and awarded educational scholarships at the Sportsfest/Organ Donation High School Girls Baseball Tournament and the Essex Kent Junior Golf Tournament. Motor City encourages applicants to balance academics, sportsmanship, community involvement and giving back to those less fortunate. The youth of this community are the future of this community. Our enthusiasm for community and support of cooperatives is passed to them. We support their activities through sponsorships, mentorships and monetary donations. They are curious about the cooperative principles and want to learn more about benefits of banking with Motor City.



We are so happy when new, little members are born into the Motor City team! Please tell us when a new baby member comes to your family and we will send you a Motor City keepsake mug. Just open an account, it's that simple.



Together, We Do Make A Difference.

That is the motto of In Honour of the Ones We Love and the charity that we strongly support through volunteer hours, providing an office, golf tournament, gala and BBQ's. Their fundraising efforts directly benefit this community. Their goals are aligned with Motor City's where money stays and works here for us in this community.



Community Involvement, keeping your money in your community and local decision making are cornerstones of your credit union. As we continue to be the best that we can be and continue to see *what you see*, we say thank-you for your business, trust and on-going support of Motor City.

A Charitable Organization Helping Cancer Patients in Windsor & Essex County

Motor City Community Credit Union is honoured to have such a strong partnership with In Honour of the Ones We Love. In our community we are all affected by cancer, & In Honour continues to give hope and support to families suffering through their most difficult times.

As a prime sponsor, we proudly support and believe in In Honour for their hard work and continuous efforts. We admire your dedication & commitment & truly appreciate everything you give back to our community.

Thank You,

Together We Can Make A Difference



Motor City community credit union SUGGESTIONS

Here at Motor City, we are constantly looking for ways to improve what we do and stay relevant to our members. One of the ways is to solicit your feedback through a branch suggestion box. Another is to visit www.mcccu.com and e-mail to info@mcccu.com. Look for our upcoming online survey and a chance to win a prize! This helps us measure what we have been doing and provides us with important information on how we can improve.

List of Services

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
EducationLine
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.



Audit Committee Report

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, through an independent control specialist, with respect to any concerns on procedures and controls. The Committee obtained a reasonable understanding of the elements of internal controls that are important to safeguarding the assets of Motor City Community Credit Union and received assurance of the accuracy of the financial reporting and on compliance with policy reporting.
- Served as the Board's liaison with the internal auditors and reviewed the internal audit mandate, work plan and reports.
- Assessed the performance of the independent control specialist, in conjunction with management, to improve the effectiveness of the internal control function.
- 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:

Barb Nahnybida | Charles Pope | Arunas Januska | Jim Angus

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



Charles Janisse
CEO



Eve Sigfrid
Chief Financial Officer

Auditors' Report on Summarized Financial Statements



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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, 2012 and March 31, 2011 and the summary consolidated statements of comprehensive income, members' equity and cash flows for the years then ended are derived from the audited consolidated financial statements of Motor City Community Credit Union for the years ended March 31, 2012 and March 31, 2011. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated May 16, 2012.

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

Management's Responsibility for the Summary Financial Statements

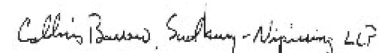
Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis described above.

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 for the years ended March 31, 2012 and March 31, 2011 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 16, 2012



Licensed Public Accountants
Windsor, Ontario
May 16, 2012

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INTERNATIONAL



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Audited)

March 31, 2012

(in thousands of dollars)	March 31, 2012	March 31, 2011
Assets		
Cash and cash equivalents	\$ 5,212	\$ 5,581
Liquidity reserve and term deposits	12,147	11,963
Investments	3,385	3,107
Loans to members	180,193	165,240
Property, plant and equipment	2,222	2,433
Other assets	612	1,239
Total assets	\$ 203,771	\$ 189,563
Liabilities		
Members' deposits	\$ 170,979	\$ 161,690
Other liabilities	18,027	13,715
Share capital	2,009	1,983
Total liabilities	191,015	177,388
Members' equity		
Contributed surplus	1,261	1,261
Share capital	8,177	7,876
Accumulated other comprehensive income	45	8
Members' equity	3,273	3,030
Total members' equity	12,756	12,175
Total liabilities and members' equity	\$ 203,771	\$ 189,563

Approved by the Board of Directors:



President



Vice-President

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Audited)

For the year ended March 31, 2012

(in thousands of dollars)	2012	2011
Interest income	\$ 9,571	\$ 9,604
Financial expenses	2,980	3,207
Net interest revenue	6,591	6,397
Provision for impaired loans	551	642
Margin	6,040	5,755
Other income	1,425	1,305
	7,465	7,060
Expenses		
Salaries and employee benefits	3,396	3,140
Administrative expenses	1,645	1,510
Occupancy costs	638	561
Depreciation of property, plant and equipment	448	452
Computer services	346	337
Deposit insurance	160	151
Loss on disposal of assets	18	-
	6,651	6,151
Income from operations	814	909
Recovery of allowance on investment mortgage	-	(13)
Change in unrealized loss on derivatives at fair value	261	688
Income after changes above	553	234
Income taxes recovery	(7)	(28)
Income after tax recovery	\$ 560	\$ 262
Other comprehensive income (net of tax)		
Change in unrealized gains on available for sale investments	\$ 37	\$ 147
Total comprehensive income	\$ 597	\$ 409

CONSOLIDATED STATEMENT OF MEMBERS' EQUITY

(Audited)

For the year ended March 31, 2012

(in thousands of dollars)	Share capital	Contributed surplus	Accumulated other comprehensive income	Members' equity	Total equity
Balance (deficit) at April 1, 2010	\$ 7,603	\$ 1,261	\$ (139)	\$ 3,094	\$ 11,819
Net income	-	-	-	262	262
Distributions to members	-	-	-	(326)	(326)
Net change in share capital	273	-	-	-	273
Change in unrealized gain on available for sale investments	-	-	147	-	147
Balance at March 31, 2011	7,876	1,261	8	3,030	12,175
Net income	-	-	-	560	560
Distributions to members	-	-	-	(317)	(317)
Net change in share capital	301	-	-	-	301
Change in unrealized gain on available for sale investments	-	-	37	-	37
Balance at March 31, 2012	\$ 8,177	\$ 1,261	\$ 45	\$ 3,273	\$ 12,756

NOTES



Motor City community credit union



Motor City community credit union



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519-944-7333

Commercial Lending Centre
895 Erie St. E.
519-977-6939

189 City Hall Sq.
519-252-0123

1375 Walker Rd.
519-258-0021

Telephone Banking: 519-945-5511

www.mcccu.com