



# 2010 / 2011 Annual Report





The stone sculpture known as an Inukshuk and used by the Inuit has the traditional meaning “you are on the right path.” An Inukshuk can be small or large, a single rock, several rocks balanced on each other, round boulders or flat.

At WFCU we strongly believe that we are on the right path to providing services and a full range of financial products to make our community the best place to live and work. The Inukshuk also symbolizes how we keep on that path.

The strength of the stones represents the financial strength of the credit union, and the strong commitment of our Staff, Management, Board and Members to WFCU. The balancing of the stones represents the balance that WFCU strategically and skillfully preserves as WFCU builds relationships with our members and our community; consistently builds reserves above legislated levels; invests in corporate infrastructure to ensure long-term sustainability; remains profitable all while giving back to our community and striving to make our region the best place to live and work.

## Table Of Contents

Message to our Members	1	Summary Balance Sheet and Summary Statement of Retained Earnings	12
Year In Review	3	Summary Statement of Comprehensive Income	13
Five Year Financial History	11	Management Report and Report of the Audit Committee	14
Auditor’s Report on Summary Financial Statements	11	2012: International Year of Co-operatives	15

# Vision

Windsor Family Credit Union – Quality, Convenience, Innovation, Open to Everyone and Yours To Own.

# Mission Statement

Windsor Family Credit Union will provide services and a full range of highest quality financial products to make our community the best place to live and work.

# Corporate Values

## Ethics

We will conduct business of the organization with the highest standards of honesty and ethics.

## Integrity

We will adhere to high moral actions and will pledge to operate in a straightforward and principled manner.

## Members

Our members and service to our members are our highest priority. Striving to establish long-term relationships will ensure a member focused organization.

## Directors

Our Board of Directors will represent the best interests of our members and ensure that corporate planning, policies and strategic direction is in place to effectively promote the interests of our members.

## Management & Staff

We will provide an atmosphere of co-operation allowing individual input towards the successful achievement of the strategic direction. Personal self-development, a willingness to adapt and eagerness to learn will be of the highest importance.

## Excellence of Service & Quality

We are dedicated to providing a level of quality service which will best assist our membership. All management and staff are committed to understanding our products and services and will conform to job requirements at all times.

## Innovation

We will continuously seek progressive and innovative methods to better service our members and our communities.

# Message To Our Members



Over the last 12 months, Windsor Family Credit Union (WFCU) has witnessed a strong level of economic recovery in Windsor and Essex County. Through effective government leadership at all levels, our region has been fortunate to see a rebranded and repositioned economic strategy. We commend our political leaders for their persistence and foresight to move us toward an economic recovery.

We are pleased to report that with our members' continued support, WFCU had another strong year. During the year, WFCU continued to operate with a solid business plan, remaining true to our vision, mission statement and overall commitment to our community. WFCU implemented initiatives that continued to balance our allocation of resources to our key priorities – investing in our members through competitive pricing and a service charge plan that is industry leading; investing in our long term sustainability through infrastructure changes including branch facilities, training, marketing and community investment; and investing in our financial strength. This is truly our foundation for success.

Our credit union has been serving the financial needs of Essex County communities for over 70 years. This year, we are again very proud to have achieved record levels with respect to on and off book assets, regulatory capital, and membership levels. Our members continue to believe in the strategic direction of the Board of Directors and they truly enjoy the service levels

**Martin D. Gillis**  
*Chair, Board of Directors*

provided by our dedicated and professional staff. We are aware there are many choices of financial organizations that operate in our region. Our continuous growth reflects strong member satisfaction with our range of financial, insurance, trust and investment services and member preference for WFCU over other financial institutions.

WFCU believes strongly in understanding the needs of our members and what better way to learn more from our members but to ask directly. The creation of WFCU Member Advisory Teams allowed WFCU to acquire valuable insight from our members, instrumental to future development plans.

We continued to see intense interest among the larger financial institutions to re-enter the local banking sector in an attempt to gain back lost market share. To offset this, WFCU offered special pricing on mortgages and investments. WFCU launched The Business 1 Free Chequing Account, our market leading product for commercial members. The Professional 1 package of products, the introduction of our Mobile Mortgage Specialists and the rebranding of WFCU Wealth Management were also successfully implemented and all supported our commitment to respond and satisfy our members' needs.

Renovations to enhance the retail service delivery experience continued throughout the year. Two retail location renovations were completed and the third, our 2800 Tecumseh Road East retail location will undergo renovations this upcoming year. In April 2011, we announced

**Martin J. Komsa**  
*President and Chief Executive Officer*





expansion into the Municipality of Leamington with our sixth retail location. Opening in Fall 2011, this will provide new members with a tremendous financial service opportunity and assist our current membership already living in the area.

With our members' continued support, deposits increased 10.9% to \$709 million, loans increased 9.7% to \$672 million and assets under administration increased 9.2% to \$863 million. Our commitment to surpass regulatory capital levels remained strong, with total regulatory capital of over \$62 million or 8.06% of assets. Net income of over \$3.6 million was transferred to retained earnings, enhancing the financial strength of the credit union.

It was also extremely important for WFCU, as a financial organization, to continue to make funds available to our community to meet the borrowing needs of individuals, home owners, entrepreneurs and business owners to make their own personal investment in our community. WFCU made a conscious decision this year to assist in stimulating Windsor and Essex County through various loan initiatives, making available over \$155 million. Our success is also measured by our contribution of over \$605,000 to our community through the Community Investment Program. Enhanced marketing and community investment initiatives, along with support for several community capital projects continued this year.

WFCU is fortunate to have a team of individuals on our Board of Directors who see the continued potential for our credit union. Through their foresight and diligence toward corporate governance they have been instrumental in upholding the integrity of the WFCU brand. A sincere thank you to our Board members who embrace the financial well-being of our members and who recognize the professional and personal well-being of our employees.

Thank you to our exceptional staff. Their enthusiasm for innovation and support of the WFCU brand has taken WFCU to new heights. We are extremely proud of our entire WFCU team. As we continue to build relationships with existing and potential members in Windsor and Essex County, we look forward to many exciting successes. As we close another successful year, we most especially thank our members who continue to believe in WFCU and our vision of being the best financial institution in Windsor and Essex County.



**Martin D. Gillis**  
*Chair, Board of Directors*



**Martin J. Komsa**  
*President and Chief Executive Officer*

## WFCU Board of Directors



**Rick Martinello,**  
*1st Vice-Chair*



**Robert (Bob) Nesbitt,**  
*2nd Vice-Chair*



**Pearl Davies,**  
*Director*



**Kevin Hague,**  
*Director*



**Dr. Gary Ing,**  
*Director*



**Nancy Jammu-Taylor,**  
*Director*



**Vince Marcotte,**  
*Director*



**Cary Wheeler,**  
*Director*

# Year In Review

At Windsor Family Credit Union (WFCU), we remain true to our values and mission statement by operating in the best interest of our members. In 2010-2011, our internal and external processes continued to be monitored, ensuring our service and product offerings remain competitive and our internal operations function efficiently.

This past year, WFCU developed new programs and implemented planned initiatives that continue to support our goal to be the best credit union. Our members continued to support our strategic direction by looking to us for more of their financial business, resulting in another very successful year.

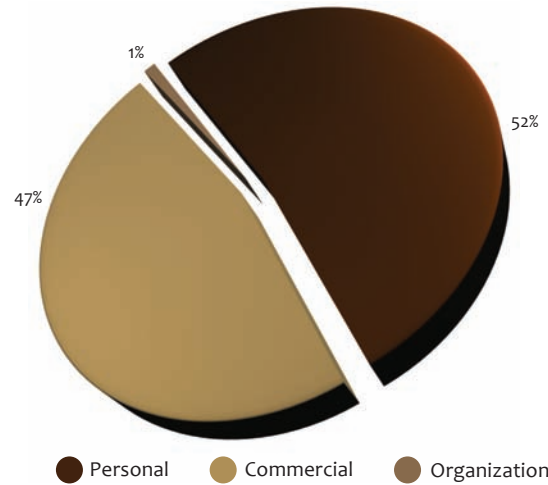
## Member Profile

WFCU serves four identified member segments – Personal, Commercial, Organization and Institutional. We monitor their holdings to ensure they are being serviced professionally and efficiently with products and services designed with their needs in mind.

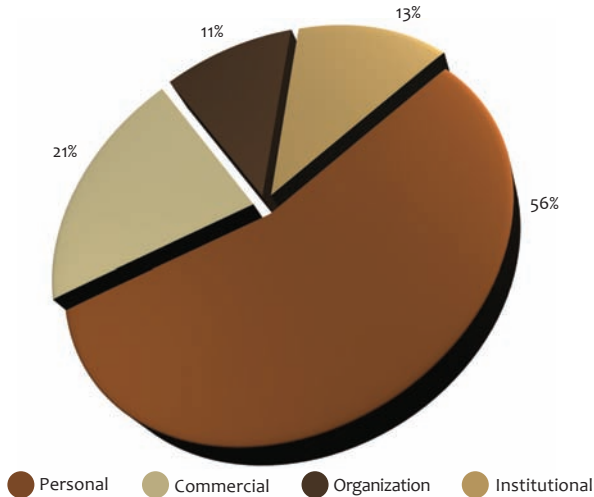
At May 31, 2011, service totals consisting of total loans and deposits held by our members were \$1.4 billion, an increase of \$129.9 million or 10% over last year.

Total loan holdings increased by \$59.7 million, including \$35.9 million growth from Commercial members and \$23.3 million from Personal members.

SERVICE HOLDINGS BY MEMBER SEGMENT  
LOANS



SERVICE HOLDINGS BY MEMBER SEGMENT  
DEPOSITS



Total deposit holdings increased by \$70.2 million, this includes a \$50.5 million growth from Commercial members, \$13.4 million from Personal members and \$7.4 million from Organization members.

## Products and Services

WFCU takes pride in providing our members with a broad range of convenient products and services designed for every life stage.

Our Family of Free Chequing products for Personal, Organization, Institutional and now Commercial members continues to be market leading.

The Business 1 Free Chequing Account and lending products for small business were introduced in August 2010 with positive results.

Packaging of personal and business services for professionals under the program name “The Professional 1” was introduced in May 2011.

Special pricing incentives on investment and lending products were offered to members and included special five year mortgage rates, an introductory rate special on The Business 1 Free Chequing Account on new funds, and interest rate specials for fixed rate investments.

Increasing accessibility to our mortgage product, two Mobile Mortgage Specialists were introduced in March 2011. The Mobile Mortgage Specialists offer anytime, anywhere appointments to discuss mortgage options for every need.

Encouraging members and potential members to move all their financial requirements to WFCU was supported by the new 'WFCU Simple Switch Program'. The program refunds transfer out fees of up to \$20.

Our members' financial well-being is our priority. Through the rebranding of WFCU's Wealth Management program, formerly Credential Financial Services, WFCU's Wealth Consultants continued to deliver full financial planning including investment planning services and insurance planning services.

<b>TOTAL LENDING ACTIVITY AT MAY 31, 2011</b>		
(Amount in thousands of dollars)	Number	Amount
Personal Loans	1,550	\$33,630
Personal Mortgages	619	90,457
Commercial Loans	124	48,171
Commercial Mortgages	20	25,229
<b>Total Approved</b>	<b>2,313</b>	<b>197,486</b>
<b>Total Not Approved</b>	<b>1,071</b>	<b>37,847</b>
<b>Total Above</b>	<b>3,384</b>	<b>\$235,333</b>
Loans In Arrears In Excess Of 90 Days	21	3,553
Mortgages In Arrears In Excess Of 90 Days	41	9,750

At May 31, 2011, holdings in our wealth management programs totaled \$43.3 million.

Our unique partnership with PBL Insurance, established in 1999, continued providing our members with convenient access to a group home and auto insurance program, through PBL offices adjacent to two of our retail locations.

## Technological Enhancements

Enhancements were made to our retail online banking service allowing for convenient access to enhanced statements and cheque images. In December 2010, Mobile web banking was introduced allowing members to access online banking using their mobile device. CHIP Debit Cards were issued, making payments even safer.

Significant improvements were made to our line of ATMs including:

- Introducing electronic bill payment (EBP) functionality on our full service ATMs.
- Upgrading our full service ATMs for CHIP, making safe payments safer.

This year, electronic payment services were expanded to better meet the needs of our large institutional and commercial members.

Streamlining of many back office processes were facilitated through the expanded use of technology.

A focus on technology resulted in a recommendation to utilize a new reporting product in order to streamline the current reporting process and efficiently access information in a timely fashion.

## Access To Services

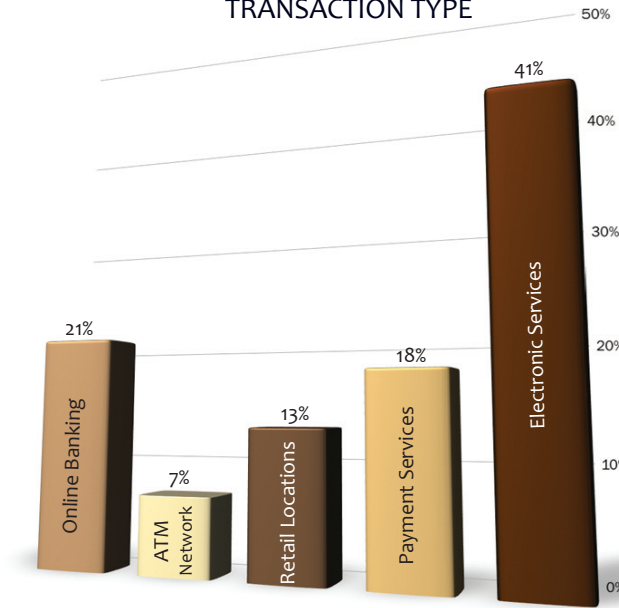
Five retail locations, personal and business online banking, mobile web banking, live and automated telephone banking, ATM access around the world, INTERAC Direct Payment, MasterCard services, pre-authorized debits and credits, chequing and direct deposit services, are all ways our members access their funds, at their convenience.

WFCU retail locations are designed with our unique retail service delivery structure whereby members will be provided sit-down service by our Member Consultants for almost every financial inquiry. This year, three WFCU retail locations underwent renovations to ensure their surroundings facilitate WFCU's retail service delivery structure. Next year, WFCU's Main location (2800 Tecumseh Road East) will be the final retail location to undergo a revitalizing transformation.

After a great deal of research and planning, WFCU announced plans to open WFCU's newest retail location in the Municipality of Leamington, projected for Fall 2011. WFCU is confident that our expansion into the Municipality of Leamington will not only service the financial needs of the region but will continue to assist in making our communities the best place to live. The new location will feature the same service delivery structure offered at all five WFCU retail

locations and will include full service, personalized conveniences including a drive-up teller and sit-down service with no teller line.

MEMBER ACCESS CHANNELS - TRANSACTION TYPE



## Commercial Services

WFCU has long-term roots within our community and our Commercial Services team offers local businesses the benefit of experience and local decision making.

Our Commercial Services team has over 279 years of combined banking and commercial financial services experience, ensuring they support the financial goals of our members, providing personalized, professional and experienced service.

Commercial members receive a customized solution that fits their immediate needs and the business and personal financial services they may require well into the future.

Through strong business development initiatives, including the introduction of The Business 1 Free Chequing Account, the commercial loan portfolio increased by \$23.0 million or 8.5% to \$289.0 million by May 31, 2011.

## Commitment To Quality

WFCU has an ongoing commitment to quality and this is reflected in our Five Star Service Program, our internal quality program which consists of established and documented standards in the five areas of Service, Sales, Surroundings, Strength and Spirit.

Through this program, staff are empowered to review every aspect of our daily dealings with our internal and external members to help identify performance improvements and eliminate non-conformances.

Monthly customer service articles, posted on our internal website, share best practices in member service and highlight departmental and individual success stories.

## Human Resources

WFCU's human resources strategy is simply to "hire the best, treat them well and see them stay". One of our best assets is

our staff. By investing in their WFCU career we develop a team of dedicated, professional and experienced individuals committed to WFCU.

Employees have access to a program of extended health, medical and other benefits designed to promote a productive and healthy workforce, through our "Employee Advantage Program". Over the years, based on employee feedback, unique wellness and other services have been offered, including a WFCU Staff Scholarship Program and Flexible Work Hours.

WFCU's partnership with the Multicultural Council of Windsor continued as we assisted new immigrants with gaining valuable work experience. We were successful in hiring two of the candidates placed with WFCU.

By following a strong and comprehensive communication process, we ensure employees are kept informed and are encouraged to provide feedback. Open communication is maintained through the CEO Staff Advisory Committee, weekly departmental meetings, daily retail staff meetings, full staff meetings and the popular "Inside the Family" monthly employee newsletter. Monthly Management meetings further strengthen our commitment to communication.

To support our current ongoing procedural and service training, a number of innovative human resources programs designed to encourage staff to continue to develop their skills as well as to attract exceptional new talent to the credit union were introduced and included a Management Training Program, Graduate Initiative Program and Talent Maximization Program.



The Commercial Account Manager Trainee Program focused on recruiting an individual to participate in a one year training program which had the individual shadowing and working in all areas of the credit union, from the front line within the retail location to back-of-house at our Corporate and Administration offices.

The Graduate Initiative Program provided an opportunity for employment for one year to a graduate of the University of Windsor. This individual gained valuable work experience while providing WFCU with assistance on a variety of projects in the Human Resources department.

Leadership training sessions were held for our management group through the Management Training Program.

This year, WFCU was proud to once again be included on the Best Small and Medium Employers in Canada list and the Best Workplaces in Canada list.

## Employee Development

Ongoing training and development is a primary focus. Employees are empowered to learn, grow and lead by being provided with the tools and information needed to succeed in their present positions and to be prepared to progress in their career at WFCU.

All new employees are provided with a comprehensive orientation and training program, tailored to their position. Follow-up training sessions are scheduled to ensure new employees continue to provide high quality and knowledgeable service.

Monthly technical and risk management training continued at the retail locations. Sales Managers delivered a schedule of training sessions designed to refresh skills, product and risk management knowledge.

Our popular 'Evening With The Experts' program also continued, providing retail staff the opportunity to hear and learn first-hand from seasoned WFCU 'experts' in various financial topics.

Staff with less than two years of service were provided with the opportunity to improve their knowledge through a new training initiative developed to assist WFCU with market share expansion plans.

To supplement the extensive training opportunities, employees have access to a resource library consisting of articles, books and website references on a wide range of business and personal development topics.

## Employee Relations

This year, informal interviews were held with most employees to assist us in identifying career paths and succession planning.

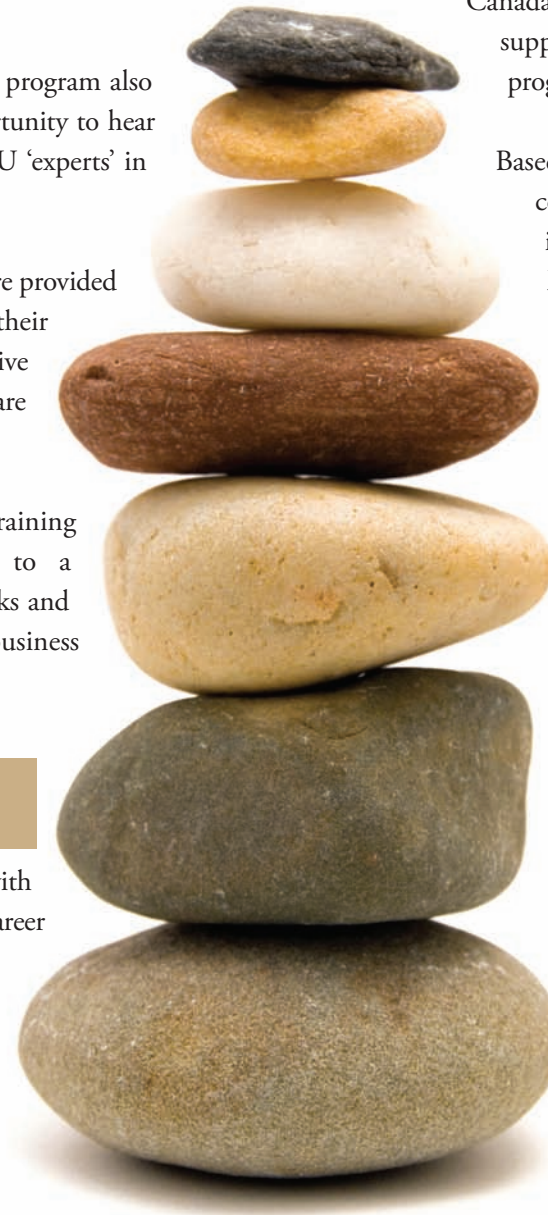
WFCU's total compensation program has been designed to attract, retain and motivate the human resource talent required to lead our organization in the best interests of our members over the

long-term. When setting compensation levels, WFCU reviews compensation provided to other credit unions and the broader financial services sector in Canada to ensure competitiveness in support of its total compensation program.

Based on recent reviews, the total compensation provided to all staff is competitive relative to the large Canadian credit unions. It is also competitive with similar roles adjusting for size, scope and complexity among Canadian financial institutions.

WFCU promotes a performance culture among its employees and manages our total compensation plan to support a pay-for-performance philosophy through salary, comprehensive benefits and variable incentive plans.

Actual compensation levels received by WFCU employees are based on the degree of achievement of various corporate and individual performance goals.



## Marketing & Community Investment

A comprehensive annual Marketing and Community Investment Plan was implemented to continue to broaden WFCU's name recognition as a trusted and respected corporate citizen and to support the overall sales and growth goals of the organization.

Product advertising continued and highlighted mortgages, investments and image related creative. The Business 1 Free Chequing Account was the focus of a large integrated marketing campaign supporting our effort to attract new Commercial members.

Television advertising continued, showcasing WFCU's image driven commercials. The WFCU name was delivered into many homes in our community and continued to increase our visibility and name recognition.

As a result of our marketing efforts, WFCU was awarded three Achievement in Marketing Excellence (AIME) awards from the Marketing Association for Credit Unions (MACU).

A great deal of research was done this year to develop a number of proposed plans that would complement WFCU's goal of encouraging members to do more financial business with WFCU and increase market share.

Marketing provided expertise to other department led project plans as well as completed numerous plans within the department.

Projects approved and implemented this year included online advertising via The Windsor Star website, an e-marketing program targeting members and member prospects through scheduled product and service specific e-messages. WFCU's presence using social media was also diligently investigated.

Over the years, WFCU has been committed to acquiring and conducting as much research as possible in order to support the goals of the organization.

This year, we reviewed and formalized the research process and developed a regular communications tool. To complement our knowledge of the market, we expanded our competitive analysis among the traditional and non-traditional players in the financial industry.

WFCU continued the commitment to lend expertise and support with representation on various boards, committees and attendance at numerous events. Our commitment to remain a responsible corporate citizen and to invest in Windsor and Essex County is reflected in our participation, donations, scholarships, multi-year giving initiatives, The Community 1 Free Chequing Account, free community rooms at each of our retail locations, goods-in-kind and more.

This year, WFCU began providing the use of WFCU logoed tents to organizations for outside events and festivals.

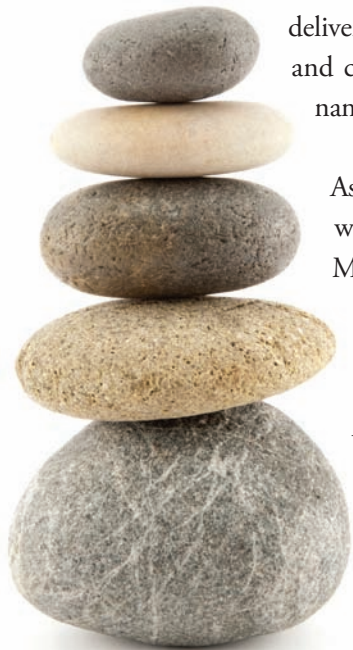
The Harold Hewitt Scholarship (HHS) was presented to

16 local youth who were selected for their essay submission answering the question "What do you like best about living in Windsor and Essex County and why?" Over the past nine years, WFCU has awarded over \$53,000 to 132 youth in post-secondary school scholarships through the HHS program.

Over \$100,000 in additional scholarship programs has been awarded by WFCU, for a grand total of \$153,900 provided in youth scholarships over the past nine years.

Along with expanding WFCU's community support further into Essex County, two new community naming rights partnerships were developed with key community organizations, the Art Gallery of Windsor and the Town of Amherstburg.

WFCU's annual "The Joy of Giving" campaign saw over \$15,000 being contributed to our community. Donations included over \$10,000 worth of non-perishable food items to four surprised local agencies – Drouillard Place, Unemployed Help Centre, Well-come Centre for Human Potential and the Society of Saint Vincent de Paul, over 4,600 non-perishable food items to the 'Cans For A Cause' annual food drive; Adopt-a-Family Programs providing Christmas presents to children and their families in need; City of Windsor Snow Angel program which provides assistance shovelling snow during the winter season; Cinderella's Closet providing gently worn formal dresses to young women in the community who do not have a dress for their graduation or prom; Hat and Mitten collection for the Windsor Essex Community Health Centre Street Health Homeless Program; Refine Fitness Toy Drive; as well as a generous donation to the St. Clair College Goodfellows Fund.



# WFCU Helping The Community

WFCU's Community Investment Program has over the past 5 years, donated over \$4.0 million back to our community! WFCU – helping to make Windsor and Essex County a better place to live and work. Below are some of the organizations WFCU was proud to assist in 2010-2011:



AIDS Committee of Windsor  
Alzheimer Society of Windsor-Essex County  
Art & Soul Music and Wine Festival  
Art by the River Festival  
Art Gallery of Windsor  
Art in the Park  
Art of Eating Festival  
Association for Persons with Physical Disabilities of Windsor and Essex County  
ATHENA  
Autism Ontario Windsor Essex Chapter  
Belle River SunSplash Festival  
Big Brothers Big Sisters of Windsor Essex  
Brentwood Recovery Home  
Bulimia Anorexia Nervosa Association  
Canadian Italian Business and Professional Association  
Canadian Mental Health Association Windsor-Essex Branch  
Care for a Cause  
Centre for Seniors Windsor  
Children's Safety Village  
Children's Fest  
Ciociaro Windsor U9 Select Girls Soccer  
Cops Care for Kids  
Culinary Guild of Windsor  
Do Good Divas  
Drouillard Place  
Easter Seals

Emancipation Festival  
Essex Minor Baseball Association  
Essex Region Conservation Foundation  
Family Services Windsor Essex County  
Glengarda and Child Family Services  
Harmony in Action  
Heart and Stroke Foundation  
Hiatus House  
Hocktoberfest  
Hospice of Windsor and Essex County  
Hotel Dieu Grace Foundation  
House of Sophrosyne  
In Honour of the Ones We Love  
Italian Canadian HandiCapable Association  
Jewish National Fund  
John McGivney Children's Centre  
Kiwanis Music Festival  
LaSalle Business Association  
LaSalle Minor Hockey Association  
LaSalle Police Charity Golf Classic  
LaSalle Sabres Hockey  
LaSalle Santa Claus Parade  
LaSalle Stompers Soccer Club  
LaSalle Strawberry Festival  
Leadership Windsor Essex  
Leamington Chamber of Commerce  
Leamington Tomato Festival  
Make-a-Wish Foundation

Multicultural Council of Windsor-Essex County  
Music Express  
Olde Sandwich Towne Festival  
Ontario Co-operative Young Leaders Program  
Residential Inns and Services  
Riverside Floor Hockey  
Riverside Minor Baseball  
Riverside Minor Hockey Association  
Riverside Royals Baseball  
Rotary Club of Windsor (1918)  
Rotary Club of Windsor Roseland  
Royal Canadian Legion #255  
Royal Canadian Naval Association  
Ruthven Apple Festival  
Shores of Erie International Wine Festival  
South County Bandits Volleyball  
Special Olympics  
St. Clair College  
St. Angela Merici Festival  
Tecumseh Corn Festival  
Tecumseh Minor Baseball Association  
Tecumseh Shoreline Minor Hockey Association  
Teen Health Centre  
Teutonia Club  
The Downtown Mission  
Theatre Alive  
Transition to Betterness

Turtle Club Little League Baseball  
Unemployed Help Centre  
United Way Windsor Essex County  
University of Windsor  
Victim Services of Windsor and Essex County  
W.E. Care for Kids  
Walkerville Homesites Athletic Club  
Well-Come Centre for Human Potential  
Wellness Program for Extended Psychosis  
Windsor Blind Bowlers  
Windsor Central Little League  
Windsor Downtown Lions Club  
Windsor East Little League  
Windsor Essex Chatham Kent Bowling Association  
Windsor Essex Community Foundation  
Windsor Essex County Crime Stoppers  
Windsor Essex County Humane Society  
Windsor Essex Regional Chamber of Commerce  
Windsor Fire & Rescue Services  
Windsor Historical Society  
Windsor Homes Coalition  
Windsor Light Music Theatre  
Windsor Minor Hockey Association  
Windsor Pride Festival  
Windsor Regional Hospital  
and many more...



WFCU is proud to display the Imagine Canada “Caring Company” logo and over the past five years has given back over \$4.0 million to the community to provide support and help maintain economic viability for our community.

This year, we continued to lend expertise and speak to various organizations in the community on a range of topics from Leadership, Human Resources philosophies and hiring practices, Marketing, Financial Operations and Innovation.

Our Naming Rights of the WFCU Centre continued to provide tremendous exposure as we joined in the enthusiasm and excitement as the Windsor Spitfires sought their third consecutive Memorial Cup win. The WFCU Centre continues to grow in use and provides enjoyment for people of all ages.

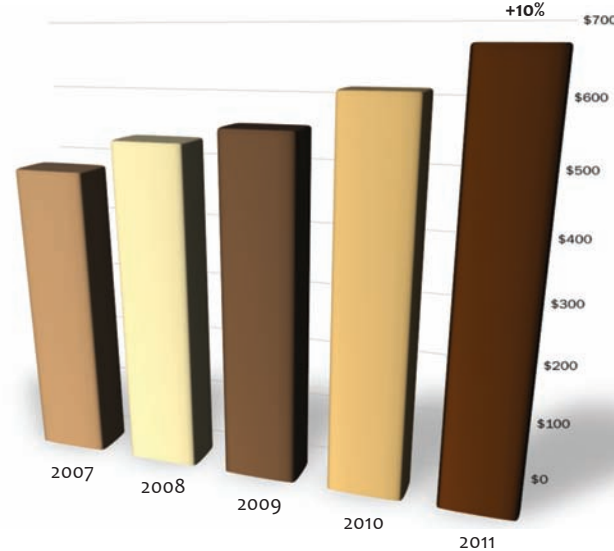
Communication with our local, provincial and federal government representatives remains important. A commitment to this effort was renewed.

## Financial Performance

By many measures, WFCU had a very successful year.

Total Assets Under Administration increased 9.2% to \$863.3 million at May 31, 2011 and Retained Earnings and Equity Shares increased 8.1% to \$61.2 million. Members’ deposits increased 10.9% and at fiscal year-end amounted to \$708.7 million.

MEMBER LOANS  
(\$Millions)



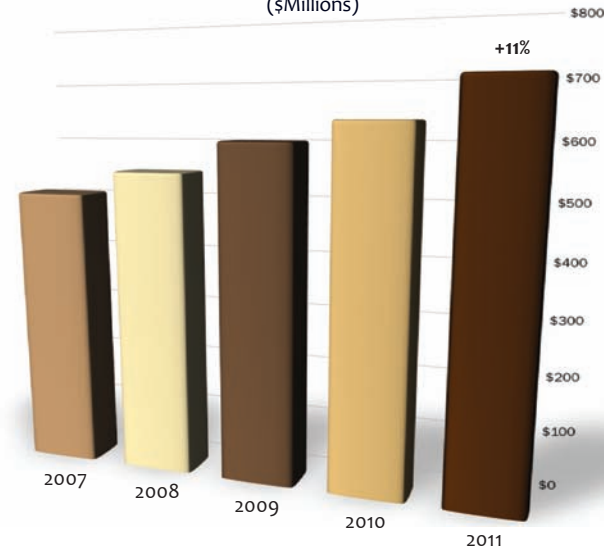
Total loans to members continued to increase with strong growth of \$59.3 million to \$671.9 million.

Residential mortgages remain a large component in the loan category and finished the year at \$331.5 million, an increase of 13.0%. Commercial loans and mortgages increased 8.5% to \$289.0 million.

Operating revenues remained strong at \$36.0 million while financial expenses increased by \$0.3 million compared to last year. This resulted in financial margin of \$18.5 million, increasing by \$0.5 million compared to last year.

Members earned \$16.1 million in interest on deposits. In addition, a dividend of 3.75% was paid to members on Investment Shares Series 1, 2, 3 and 4 held by members.

MEMBER DEPOSITS  
(\$Millions)



This generated strong Net Income of \$3.6 million all of which was transferred to Retained Earnings.

The credit union has remained in compliance with all legal requirements for Regulatory Capital. Regulatory Capital totals \$62.3 million and represents 8.1% of total assets and 14.1% of total risk weighted assets. These ratios exceed legislated regulatory capital levels of 4% of total assets and 8% of total risk weighted assets.

By year-end, total holdings in investments and syndicated loans amounted to \$90.2 million, an increase of \$13.6 million compared to last year.





## Financial Highlights

Since 2007, significant growth has been achieved - Total Loans, which increased by 40% or \$191.5 million, Total Deposits, which increased by 40% or \$200 million, Total Assets and Other Services Under Administration, which increased by 38.5% or \$239.8 million, and a 26.8% or \$12.9 million growth in Retained Earnings and Equity Shares.

Again this year, record levels were achieved in Loans, Deposits and Assets - a tribute to our members believing in us.

# Five Year Financial History

May 31 Year-End Balances (000's)	2011	2010	2009	2008	2007
<b>Balance Sheet</b>					
Personal Loans	\$ 51,723	\$ 52,806	\$ 62,439	\$ 67,821	\$ 63,302
Mortgage Loans	331,533	293,480	264,404	256,492	242,139
Commercial Loans	288,989	266,260	229,426	207,756	175,318
<b>Total Loans*</b>	<b>\$ 672,245</b>	<b>\$ 612,546</b>	<b>\$ 556,269</b>	<b>\$ 532,069</b>	<b>\$ 480,759</b>
Variable Rate Deposits	\$ 263,672	\$ 247,880	\$ 234,794	\$ 212,265	\$ 180,731
Fixed Rate Deposits	440,714	387,349	365,101	333,516	323,630
<b>Total Deposits**</b>	<b>\$ 704,386</b>	<b>\$ 635,229</b>	<b>\$ 599,895</b>	<b>\$ 545,781</b>	<b>\$ 504,361</b>
<b>Assets</b>					
Assets	\$ 773,050	\$ 714,034	\$ 657,644	\$ 612,994	\$ 559,046
Annual % Increase	8.3%	8.6%	7.3%	9.7%	11.6%
Other Services Under Administration	\$ 90,200	\$ 76,600	\$ 61,400	\$ 75,700	\$ 64,400
Annual % Increase (Decrease)	17.8%	24.8%	(18.9)%	17.5%	24.3%
<b>Total Assets And</b>					
Other Services Under Administration	\$ 863,250	\$ 790,634	\$ 719,044	\$ 688,694	\$ 623,446
Annual % Increase	9.2%	10.0%	4.4%	10.5%	12.8%
<b>Statement Of Income</b>					
Net Interest Income	\$ 19,618	\$ 19,105	\$ 15,102	\$ 13,127	\$ 13,270
Other Income	3,820	4,169	4,005	5,009	4,952
<b>Operating Margin</b>	<b>\$ 23,438</b>	<b>\$ 23,274</b>	<b>\$ 19,107</b>	<b>\$ 18,136</b>	<b>\$ 18,222</b>
<b>Operating Expenses</b>	<b>\$ 18,731</b>	<b>\$ 17,791</b>	<b>\$ 18,090</b>	<b>\$ 16,053</b>	<b>\$ 15,166</b>
<b>Income Before Distribution To Members</b>	<b>\$ 4,707</b>	<b>\$ 5,483</b>	<b>\$ 1,017</b>	<b>\$ 2,083</b>	<b>\$ 3,056</b>
<b>Retained Earning And Equity Shares</b>	<b>\$ 61,171</b>	<b>\$ 56,567</b>	<b>\$ 51,215</b>	<b>\$ 50,276</b>	<b>\$ 48,259</b>

\*Excludes accrued interest receivable and allowance for impaired loans. \*\* Excludes accrued interest payable.

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

To Board of Directors of Windsor Family Credit Union Limited

The accompanying summary financial statements of Windsor Family Credit Union Limited which comprise the summary balance sheet as at May 31, 2011, and the summary statements of comprehensive income and retained earnings for the year then ended are derived from the audited financial statements, prepared in accordance with Canadian generally accepted accounting principles, of Windsor Family Credit Union Limited as at and for the year ended May 31, 2011.

We expressed an unmodified audit opinion on those financial statements in our report dated August 16, 2011.

The summary financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles applied in the preparation of the audited financial statements of Windsor Family Credit Union Limited. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Windsor Family 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 in accordance with Canadian generally accepted accounting principles.

*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 Windsor Family Credit Union Limited as at and for the year ended May 31, 2011 are a fair summary of those financial statements, in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

*KPMG LLP*

August 16, 2011  
Windsor, Canada

# Summary Balance Sheet

As at (In thousands of dollars)	May 31, 2011	May 31, 2010
<b>Assets</b>		
Cash and Short-Term Deposits	\$ 26,477	\$ 24,994
Investments	55,072	57,381
Loans to Members	671,904	612,613
Property and Equipment	17,435	16,874
Other Assets	2,144	2,127
Future Income Taxes	18	45
	<u>\$ 773,050</u>	<u>\$ 714,034</u>
<b>Liabilities and Retained Earnings</b>		
Members' Deposits	\$ 708,646	\$ 638,810
Loans Payable	-	15,000
Other Liabilities	3,233	3,657
Equity Shares	28,748	27,765
	<u>740,627</u>	<u>685,232</u>
Retained Earnings	32,423	28,802
	<u>\$ 773,050</u>	<u>\$ 714,034</u>

On behalf of the Board:

*Martin D. Gillis*

**Martin D. Gillis**  
Chair

*Rick Martinello*

**Rick Martinello**  
1st Vice Chair

# Summary Statement Of Retained Earnings

Year-Ended (In thousands of dollars)	May 31, 2011	May 31, 2010
<b>Retained Earnings:</b>		
Balance, beginning of year	\$ 28,802	\$ 24,439
Add: Net income for the year	3,621	4,363
	<u>\$ 32,423</u>	<u>\$ 28,802</u>



# Summary Statement Of Comprehensive Income

Year-Ended (In thousands of dollars)	May 31, 2011	May 31, 2010
<b>Operating revenues:</b>		
Interest on member loans	\$ 34,890	\$ 33,880
Investment income	1,078	1,278
	<u>35,968</u>	<u>35,158</u>
<b>Financial expenses:</b>		
Interest on members' deposits	16,103	15,917
Borrowing costs	247	136
Distributions to members	1,086	1,120
	<u>17,436</u>	<u>17,173</u>
Financial margin	18,532	17,985
Other income	3,820	4,169
Provision for losses on loans	(1,772)	(1,753)
	<u>20,580</u>	<u>20,401</u>
<b>Operating expenses:</b>		
Employee salaries and benefits	9,180	8,263
Administrative	4,596	4,395
Occupancy	1,736	1,606
Data processing	1,128	1,011
Member deposit insurance	345	383
Director and committee	151	112
	<u>17,136</u>	<u>15,770</u>
Operating income	3,444	4,631
<b>Other Items:</b>		
Write up of investments	855	610
Income before income taxes	<u>4,299</u>	<u>5,241</u>
<b>Provision for income taxes:</b>		
Current	651	829
Future	27	49
	<u>678</u>	<u>878</u>
Net income	<u>\$ 3,621</u>	<u>\$ 4,363</u>





# Management Report

Management is responsible for the preparation, presentation and consistency of the accompanying financial statements and other information contained in this Annual Report.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and have been audited by KPMG LLP Chartered Accountants.

Management maintains the necessary system of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded and proper records maintained. This system of internal controls provides reasonable assurance that financial records are reliable and are a proper basis for preparation of the financial statements.

The Audit Committee and the Board of Directors, in carrying out their responsibility, have reviewed and approved the financial statements.



**Martin J. Komsa**

*President and Chief Executive Officer*



**Peter Wasyluk**

*Vice President, Finance*

# Report Of The Audit Committee

Windsor Family Credit Union has maintained an Audit Committee pursuant to Section 125 of the Credit Unions and Caisses Populaires Act, 1994. The Audit Committee which consists of five directors meets at least quarterly and has adopted a mandate that, on an annual basis, covers all of the duties in the Regulations to the Act which are specified to be performed by Audit Committees.

As delegated by the Board, the Audit Committee has primary responsibility for review of audited financial statements, internal controls, accounting policies and reporting procedures and it has primary contact with external and internal auditors.

This past year, the Audit Committee met four times. During the year, a comprehensive risk-based internal audit plan was implemented providing assurance our internal audit process conforms to sound business practice. The Audit Committee received regular written reports on the credit union's progress towards adoption of International Financial Reporting Standards (IFRS) and is positioned to successfully meet the IFRS transition timelines.

The Audit Committee is effectively conducting its affairs in accordance with the Act and the Regulations and has received and continues to receive full co-operation from management. There were no significant recommendations made by the Audit Committee or a previous Audit Committee that have not been implemented or are in the process of being implemented.

As part of the overall plan for enhanced training and development for the Board, the Audit Committee's members have participated in such training and development as the committee considers appropriate.

The Audit Committee is not aware of any other matters that are required to be disclosed pursuant to the Act or the Regulations.



**Robert Nesbitt**

*Chair, Audit Committee*

# 2012: International Year of Co-operatives

The United Nations General Assembly has declared 2012 as the International Year of Co-operatives. Under the theme, 'Credit Unions Build a Better World', co-operatives around the world will undertake initiatives designed to celebrate and inform their communities about the strong, viable organizations co-operatives are and the growth they have achieved through the toughest economic times.

The goal of the International Year of Co-operatives is to increase and in some cases create public awareness about the co-operative business model and engage the public to become involved with co-operatives.

Credit unions and other banking co-operatives are one of nine international co-operative sectors. Co-operative sectors include agriculture, banking and credit, consumer, fisheries, health, housing, industry and services, insurance and other (tourism, utilities, education, etc.). Co-operatives are democratically owned by their members. Financial and other co-operatives, like WFCU, take pride in the values of self-help, self-responsibility, democracy, equality, equity and

solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others. These values and beliefs are clearly stated in WFCU's Vision, Mission Statement and Corporate Values.



There are close to 9,000 co-operatives and credit unions across Canada, with more than 17 million members. Ontario alone has more than 1,300 co-operatives. The

co-operative sector controls over \$275 billion in assets. The world's 300 largest co-operatives, nine of which are Canadian, have an aggregate turnover of \$US 1.1 trillion, the size of the 10th largest economy in the world. According to the International Labour Organization, co-operatives provide more than 100 million jobs, more than all the world's multinational corporations combined.

WFCU is a member-owned, member-driven and member-centric financial organization that has based our business model on the needs of our members and the experience and dedication of our employees.

Working towards providing our members with the accessibility and convenience of quality products and services, while supporting the growth and economic health of our communities, drives WFCU. It is what sets WFCU and banking co-operatives apart from other financial institutions and what WFCU is looking forward to celebrating during the International Year of Co-operatives.

# Access To Services

## **LIVE TELEPHONE BANKING - 519-974-3100** or 1-866-500-WFCU (9328)

Monday - Friday                      8:00 am - 7:00 pm  
Saturday                                9:00 am - 3:00 pm

## **AUTOMATED TELEPHONE BANKING - 519-974-0098**

Access to your account by telephone - check balances, pay bills and more, 24-hours a day, 7 days a week.

## **RETAIL LOCATIONS**

- 2800 Tecumseh Road East, Windsor, ON N8W 1G4
- 1100 Lauzon Road, Windsor, ON N8S 3N1
- 3077 Dougall Avenue, Windsor, ON N9E 1S3
- 5932 Malden Road, LaSalle, ON N9H 1S4
- 1695 Manning Road, Tecumseh, ON N8N 2L9
- OPENING FALL 2011 - 318 Erie Street South, Leamington, ON N8H 3C5

## **MASTERCARD® SERVICES**

MasterCard credit card and MasterCard Global Payment card  
Merchant Services

## **ATM NETWORK SERVICES**

Access your account 24 hours a day at over 262,000 ATMs on THE EXCHANGE® Network throughout North America.

## **ELECTRONIC SERVICES**

Pre-authorized debit & credit access on your account 24 hours a day, 7 days a week.

## **ONLINE BANKING**

Access your account, pay bills, transfer funds with Interac e-Transfer and more through [www.wfcu.ca](http://www.wfcu.ca)

## **MOBILE WEB**

Use *MemberDirect*® Mobile Web to conveniently access your account, pay bills and more using your mobile device with a web browser.

## **MOBILE BANKING**

Use *MemberDirect* Mobile Services to conveniently obtain balances and account activity on your designated accounts using text messaging on your mobile phone.

## **PAYMENT SERVICES**

Interac® Direct Payment, Member Card and Chequing

## WFCU's Leamington Retail Location - Fall 2011





519-974-3100

[wfcu.ca](http://wfcu.ca)

FINANCIAL SERVICES • INVESTMENT SERVICES • INSURANCE SERVICES • TRUST SERVICES