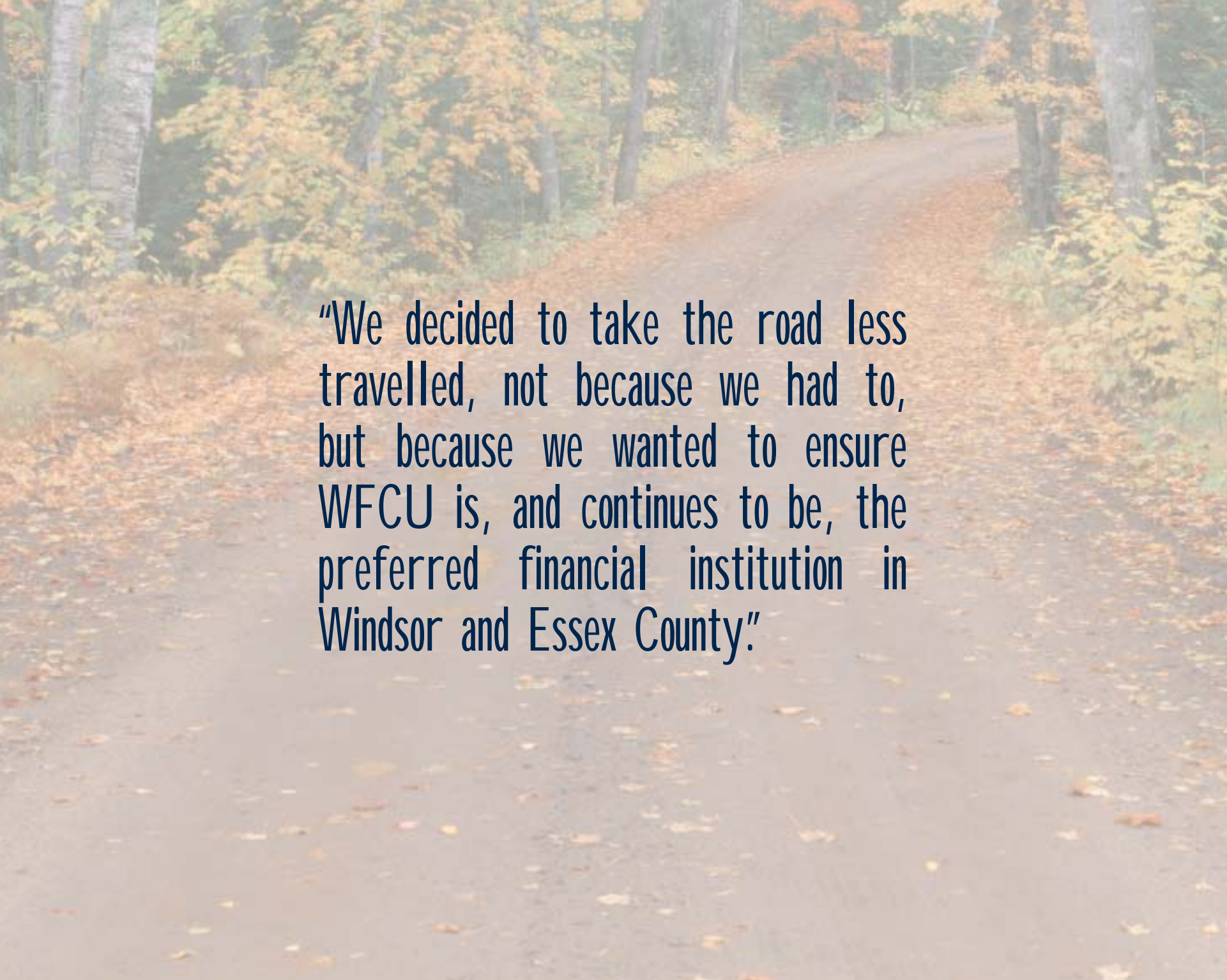




# WFCU

WINDSOR FAMILY CREDIT UNION

Taking the road less travelled

A dirt road winding through a forest with autumn foliage. The road is covered in fallen leaves, and the trees on either side have yellow and orange leaves. The scene is slightly hazy, suggesting a misty or overcast day.

"We decided to take the road less travelled, not because we had to, but because we wanted to ensure WFCU is, and continues to be, the preferred financial institution in Windsor and Essex County."

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# MESSAGE TO OUR MEMBERS



Martin J. Komsa,  
President and  
Chief Executive Officer



Over the last 12 months we have been asked; "Why take a different approach to serving your members?"; "Why change your product and service philosophy?"; "Why would you take such a risk and go down a road less travelled?"; The simple answer to all the above questions is... It was the right thing to do for our existing and future members.

For years, members have received quality service from our staff, competitively priced products and services, and ownership in a co-operative, locally owned financial institution. Members have believed in WFCU and over the past 15 years their belief has grown even stronger. They increased the business they brought to us and took pride in belonging to a local financial institution. As a result, each year our assets have increased significantly and our members remain committed to us.

Our Board and Executive Management knew however, that Windsor and Essex County deserved more.

In June we began implementing our new business model. We re-launched ourselves with a new look and attitude that set the stage for the delivery of a number of new and unique products and services and a new way of providing services in our retail locations.

New products and services were launched including free chequing, high interest savings, low rate loans, low rate mortgages, cashback mortgages, lower rates on lines of credit and overdrafts, better investment rates, on-line loan and mortgage applications and instant loan and mortgage approvals, as well as, a new and improved credit card program with instant approvals. Commercial services lending to small and medium-sized businesses was enhanced and employee group pricing plans introduced. A renewed emphasis was placed on home, auto, and life insurance needs and trust and estate planning services expanded. WFCU also entered the Conditional Sales-Auto Loans market.

A new service structure was introduced in the retail locations that now allows members visiting a retail location the opportunity to be serviced by any member of our WFCU team. Wait times have decreased and member satisfaction has increased tremendously. In only a year, WFCU has already been recognized for this unique retail service structure. Credit Union Central of Ontario (CUCO) awarded WFCU the Innovation (NOVA) Award and the Marketing Association for Credit Unions (MACU) awarded WFCU the Achievement in Marketing (AIM) Award for this new initiative.

Last year's by-law amendment expanded our market into Essex County where we advertised our services to areas not targeted in the past. Increased exposure within Windsor and Essex County resulted in an impressive increase in memberships.

As a result of these positive changes and enhancements, deposits grew to \$504.4

million and loans to \$480.8 million, an increase of 12.0 percent and 13.8 percent respectively. Assets grew by 11.6 percent to \$559.0 million and total Assets Under Administration increased by 12.8 percent ending at a total of \$623.4 million. Our commitment to surpass regulatory capital levels remained solid as total regulatory capital reached \$48.3 million. WFCU again paid dividends to members on their membership and investment shares. Net income of over \$2.0 million was transferred to Financial Reserves, enhancing the financial strength of the credit union.

WFCU has proven again that we are not afraid to take the lead when it comes to providing our members' with the best financial products and services available and if necessary we will take the road less travelled to do it. Competition from the ever expanding non-traditional arena of financial service providers continues to keep things interesting in the marketplace, however WFCU keeps things constant. Our solid foundation of providing competitive financial products and services to meet our members needs never wavers; and the commitment of WFCU staff to provide unique and superior service continues to go unmatched.

Our staff must be applauded for their unwavering co-operation in implementing such dramatic changes. Without their commitment to this process, the results achieved would not have been possible. Their desire to serve our membership and anticipate the continual interest of new members was key to experiencing success.

This is why we are so very proud to be acknowledged in Canadian Business magazine as one of the 'Best Workplaces in Canada' for 2007.

While all these new and exciting things were happening we are also proud to have opened the doors to our new Corporate and Administration Offices now located at 3000 Marentette Avenue. With this new facility we are able to have the proper infrastructure in place to ultimately service the needs of our members more efficiently and effectively.

We are well positioned to deal head-on with our competition. We want to encourage all who live and/or work in Essex County to look to us for all their financial, investment, insurance and trust needs.

Yes, we can proudly say that we have taken a road less travelled and that the right decision was made.



Martin D. Gillis  
*Chair, Board of Directors*



Martin J. Komsa  
*President and Chief Executive Officer*



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

# WFCU BOARD OF DIRECTORS



William Bedore  
*First Vice Chair*



Pearl Davies  
*Director*



Amanda Gellman  
*Director*



Martin D. Gillis  
*Chair*



Tom Jones  
*Director*



Rick Martinello  
*Corporate Secretary*



Federica Nazzani  
*Director*



Bob Nesbitt  
*Director*



David Rowland  
*Second Vice Chair*



John St. Aubin  
*Director*



Cary Wheeler  
*Director*



Keith Wilbur  
*Director*

# FIVE YEAR FINANCIAL HISTORY

May 31 Year-End Balances (000's)	2007	2006	2005	2004	2003
<b>Balance Sheet</b>					
Personal Loans	\$ 63,302	\$ 45,219	\$ 43,578	\$ 40,034	\$ 36,221
Mortgage Loans	242,139	215,173	203,713	181,667	160,505
Commercial Loans	175,318	161,988	147,079	121,487	98,878
<b>Total Loans*</b>	<b>\$ 480,759</b>	<b>\$ 422,380</b>	<b>\$ 394,370</b>	<b>\$ 343,188</b>	<b>\$ 295,604</b>
Variable Rate Deposits	\$ 180,731	\$ 144,699	\$ 132,290	\$ 120,008	\$ 101,997
Fixed Rate Deposits	323,630	305,797	274,054	248,445	215,606
<b>Total Deposits**</b>	<b>\$ 504,361</b>	<b>\$ 450,496</b>	<b>\$ 406,344</b>	<b>\$ 368,453</b>	<b>\$ 317,603</b>
Assets	\$ 559,046	\$ 500,848	\$ 446,736	\$ 405,611	\$ 350,700
Annual % Increase	11.6%	12.1%	10.1%	15.7%	14.6%
Other Services Under Administration	\$ 64,400	\$ 51,800	\$ 54,300	\$ 55,377	\$ 50,455
Annual % Increase (Decrease)	24.3%	(4.6)%	(2.0)%	9.7%	4.3%
<b>Total Assets And Other Services Under Administration</b>	<b>\$ 623,446</b>	<b>\$ 552,648</b>	<b>\$ 501,036</b>	<b>\$ 460,988</b>	<b>\$ 401,155</b>
Annual % Increase	12.8%	10.3%	8.7%	14.9%	13.2%
<b>Statement Of Income</b>					
Net Interest Income	\$ 13,270	\$ 12,600	\$ 11,815	\$ 11,107	\$ 10,125
Other Income	4,952	4,762	4,865	4,700	3,934
<b>Operating Margin</b>	<b>\$ 18,222</b>	<b>\$ 17,362</b>	<b>\$ 16,680</b>	<b>\$ 15,807</b>	<b>\$ 14,059</b>
<b>Operating Expenses</b>	<b>\$ 15,166</b>	<b>\$ 13,510</b>	<b>\$ 13,218</b>	<b>\$ 11,901</b>	<b>\$ 10,457</b>
<b>Income Before Distribution To Members</b>	<b>\$ 3,056</b>	<b>\$ 3,852</b>	<b>\$ 3,462</b>	<b>\$ 3,906</b>	<b>\$ 3,602</b>
<b>Reserves, Undivided Earnings And Equity Shares</b>	<b>\$ 48,259</b>	<b>\$ 45,266</b>	<b>\$ 35,419</b>	<b>\$ 32,017</b>	<b>\$ 28,183</b>

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



# TAKING THE ROAD LESS TRAVELLED...



Gay Chong,  
Executive Vice President,  
Operations

"WFCU members are extremely loyal. This past year, members once again proved it by bringing more of their financial business to us."



Last year we focused on developing a plan to transform WFCU into the preferred financial institution in Essex County. In 2006-2007 the focus was on implementing this plan. While the information collected during WFCU's business model review process was astounding, the implementation plan, along with the support and strength from the staff to put it in place, was truly remarkable.

Growing WFCU's membership base by increasing the products and services used by our members was crucial, as was the need to attract new members. WFCU knew this growth goal could be reached by successfully marketing and selling re-invented and newly developed products and services. But, the only way this could happen was to ensure WFCU staff played the key role in implementing a new retail location service structure that met the needs of our members.

Also critical to a refreshed and unique product line was its presentation. It was important to position ourselves more prominently in the financial services industry with a new look and aggressive advertising plan that supported the image and attitude that we honed through the development of the New Business Model.

With a clear focus on the goals and by putting the above key components in place WFCU created the ideal environment to achieve the result of growing our membership, increasing product and service usage and meeting the needs of our members.

## MEMBER PROFILE.

The start of the 2006-2007 fiscal year had WFCU anticipating how our new image and the product and service line would affect our membership base. At year-end, the number of WFCU members grew to 22,800 or over 15 percent from last year's members of 19,800.

WFCU's four member segments - Personal, Commercial, Organization and Institutional, continued to be monitored to ensure that they were being serviced professionally and efficiently, while also providing them with the products and access to the products they require when they need them. At May 31, 2007, total service holdings were the highest ever recorded at \$983.8 million, an increase of \$112.8 million or 13.0 percent over the past year. Our Personal member segment embraced our new strategic direction, with a \$47.1





million increase in their loans and mortgages holdings and a \$55.8 million increase in their deposits. Personal members now hold \$584.2 million total service holdings, an increase of 21.4 percent. The Commercial member segment grew 6.4 percent and now holds \$263.5 million total service holdings. Service holdings by the Institutional member segment decreased 24.4 percent to \$72.1 million while the Organization member segment increased their total service holdings by 37.4 percent to \$64.1 million.



Steve Deneau  
Vice President,  
Business Development

## PRODUCTS & SERVICES.

2006-2007 was a year of improvements and additions to our line of financial products and services. Our goal to strip away the fluff and hidden requirements so that our products and services appeal to everyone was highly successful. This past year, existing and new members took to new products that included Free Chequing, High Interest Savings, 7-year fixed rate mortgages and Cashback mortgages.

Other new products launched this past year included additional government insured mortgage products and participation in syndicated loans outside of Windsor and Essex County.

This past year, WFCU also successfully entered the Conditional Sales-Auto Loans market and in our first year WFCU disbursed over 230 loans totalling \$5.5 million.

Significant changes were also made to the pricing on products and services,

**"It's always exciting to see the results of so much hard work and dedication. Our Sales Staff once again accepted the challenge of servicing our new and existing members."**



Alistair Fleming,  
Corporate Accountant

"WFCU's commitment to quality service standards has created a benchmark for everything we do. A strong corporate infrastructure will provide stability for the future."

from low rate personal loans and mortgages, to lower rates on lines of credit and overdrafts, to enhanced rates on fixed investments.

The elimination of fees associated with our chequing accounts proved to be very popular. Fees for cheque writing, withdrawals, electronic debits and direct debit transactions, ATM withdrawals around the world, bill payments using any of the credit union's access channels and the internet banking monthly access fee were all eliminated.

We continued to assist our members with their financial well-being through our wealth management program consisting of financial planning services through Credential Financial Strategies Inc. Advisors, access to mutual funds from WFCU licensed staff and access to comprehensive financial planning tools developed by WFCU.



Holdings in our wealth management programs totalled \$38.3 million at May 31, 2007.

### COMMITMENT TO QUALITY.

Our on-going commitment to quality service has ensured our continued compliance to our two core quality service programs: ISO 9001:2000 certification and WFCU's internal Five Star Quality Program. Through these two programs, staff are empowered to review and document every aspect of our everyday dealings with our members to help identify performance improvements and eliminate non-conformances. This past year, the credit union again ensured that processes and procedures were maintained and that service standards exceed expectations.

### TOTAL LENDING ACTIVITY AT MAY 31, 2007

(Amount in thousands of dollars)	Number	Amount
Personal Loans	2,010	\$ 36,663
Personal Mortgages	466	62,063
Commercial Loans	64	32,239
Commercial Mortgages	40	38,081
<b>Total Approved</b>	<b>2,580</b>	<b>169,046</b>
<b>Total Not Approved</b>	<b>724</b>	<b>22,166</b>
<b>Total Above</b>	<b>3,304</b>	<b>191,212</b>
Loans In Arrears In Excess Of 90 Days	84	\$ 1,941

*The table to the left includes the mandatory reporting of lending activity for the year ended May 31, 2007 (as required by Section 25, Regulation 76/95 pursuant to the Credit Union and Caisses Populaires Act 1994).*



## COMMERCIAL SERVICES.

As a credit union with long-term roots within the community, WFCU caters to the financial needs of all local businesses of all sizes. We assist our members with their financial goals and provide them with not only the financial services they need right now, but we offer the services that they will require well into the future for both their business and personal financial needs.

Concentration throughout the 2006-2007 fiscal year was on ensuring we supported our commercial members on all levels including insurance needs, investments, trust services and personal financial services.

Not only was emphasis placed on communicating the personalized, experienced and dedicated service the Commercial Services Team provides, but also on the stable and local decision making environment and the full range of products and services.

## ACCESS CHANNELS.

Five retail locations, live and automated telephone banking, internet banking, ATM access, INTERAC® Direct Payment, MasterCard® Services, and direct deposit services in which members can have all or part of their paycheque, or coordinate regular payments sent to their account, electronically, are all ways our members access their funds any time of day.

This past year, a schedule of system and technology enhancements were made to many existing as well as new access channels offered by WFCU.

### COMMERCIAL MEMBERS RECEIVE:

Personalized, Experienced, Dedicated Service. Combined, our Commercial Services Team has over 120 years of commercial services experience.

Stability. WFCU provides business banking services based on the merits of individual business plans, not on industry type.

Full Range of Products & Services. Loans, mortgages, operating lines and electronic and on-line services.

High Ratios. Up to 75% loan to value ratio on commercial mortgages.

Local Decision Making. Rooted locally, we know the local economy and can provide quick and efficient responses and decisions.



Mike Scott,  
Vice President, Credit &  
Commercial Services

"We operate in an increasingly competitive commercial banking market. Being able to offer business members experienced local decision making is an advantage that our members appreciate. We are proud to service our commercial members."



Chris Malmberg,  
Vice President,  
Systems & Administration

"Streamlining various processes and procedures was a major component to the success of the New Business Model. These efficiencies have made it possible to prepare the credit union for the future."

Instant approvals are now possible on loans and mortgages, on-line and at all retail locations. Enhancements to the existing credit card program now give members the opportunity to be approved on the spot.

### **NEW RETAIL SERVICE STRUCTURE.**

Streamlining the retail service structure for members was a major focus of the New Business Model. Giving our members the opportunity to be serviced by just about anyone in the retail locations reinforced WFCU's commitment to providing convenient and quality service.



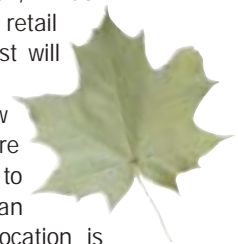
All five WFCU retail branch locations now have their own Manager, Sales and Service and Assistant Manager, Sales and Service, overseeing day-to-day operations while Member Consultants assist members with most every financial inquiry whether at a wicket or in an office. This past year WFCU was proud to accept the Credit Union Central of Ontario Innovation (NOVA) Award for Marketing - Service Delivery Retail Service Structure.

### **NEW CORPORATE AND ADMINISTRATION OFFICES.**

To support the growth of WFCU and to ensure overall efficiency, WFCU opened the doors to our new Corporate and Administration Offices in February 2007. The new offices located at 3000 Marentette Avenue are now home to our Administration, Accounting, Central Office, Call Centre, Commercial Services, Marketing, Community Investment, Human Resources and Information Technology Departments as well as Corporate Offices. Credential Financial Strategies Inc. are also located at 3000 Marentette Avenue adjacent to WFCU.

### **TECUMSEH RE-LOCATION.**

In December 2006, having outgrown the current location, WFCU announced our plans to re-locate the Town of Tecumseh retail location. The current location at 13158 Tecumseh Road East will be re-locating to East Point Trails Plaza located at the northwest corner of Manning Road and the EC Row Expressway in Tecumseh. Along with increased square footage, the highly visible new retail location will be able to accommodate future strategic partners as well as an enhanced service area. Completion date for the re-location is scheduled for April 2008.



## EMPLOYEE DEVELOPMENT.

Training and Development were instrumental in successfully launching an entirely new retail service structure as well as all the planned new products and services. The Human Resources Department (HR) was charged with the task of revamping, developing and implementing a series of training programs for WFCU staff that would provide the key staff involved in the retail location restructure with the essential tools and skills needed for a smooth transition to their new roles.

HR continued to train all new staff beginning their career at WFCU, tailoring the content and duration of new employee orientation to each individual position. Follow-up training sessions are scheduled on a regular basis to ensure new staff continue to provide high quality and knowledgeable service to members.



This past year, existing staff benefited from monthly technical training sessions and the on-going opportunity to request specific personalized training to refresh their skills and knowledge. Management received management/supervisory training, risk management training as well as access to a 'personal development' resource library equipped with articles, websites and magazines featuring a wide range of business topics that include sales, leadership, team building, to name a few.

A new training program was implemented to provide Member Consultants, Sales Assistants, Member Consultant Trainees and Managers an opportunity to build their skills by learning and sharing in the strength, knowledge and experience of WFCU 'Experts' in various financial areas. An 'Evening With The Experts' was launched by HR and each session was built on technical knowledge or provided insight on how to fine tune various skills.

### BEST WORKPLACE IN CANADA!

WFCU Staff are encouraged to offer their thoughts and feelings towards the credit union, their position, their working environment and benefits, so that the credit union can maintain the best possible working environment for all staff. This year, based on a survey through the Great Place to Work® Institute and completed by WFCU staff, WFCU ranked 17th in Canada as one of the Best Workplaces in the country!



Sheila Geddes,  
Vice President,  
Human Resources

"Staff have always taken to challenges head-on. This past year was the biggest challenge we (WFCU) have faced so far and we couldn't be more proud of what we've accomplished."



Susan Stockwell Andrews,  
Vice President, Marketing &  
Community Investment

"This past year has given us (WFCU) the opportunity to showcase the strengths of the credit union like never before. The WFCU name was prominent throughout Essex County and our marketing and community investment is nationally recognized."

## MARKETING & COMMUNITY INVESTMENT.

With so many exciting changes to the products and service delivery at WFCU it was important to have a concentrated launch of the new logo and tag line along with an aggressive marketing campaign. Financial institutions proclaim that they have great products and competitive rates but internal research found that convenient, efficient and knowledgeable service goes a long way to set a company apart from competitors trying to market comparable products. These items became key points highlighted in WFCU marketing initiatives.



Beginning with an exciting launch event for staff and continuing by coordinating planned advertorials, newspaper and magazine articles along with radio, billboard and other advertising, we were able to ensure that WFCU's 'Like a Bank, Only Better!' was visible throughout Windsor and Essex County. The premise behind the aggressive marketing initiative was to grow WFCU's presence in the community and provide a means of promoting WFCU to members and the general public. The campaign was so successful that it caught the attention of marketing experts and WFCU was recognized with a Credit Union Central of Ontario Innovation Award and a Marketing Association for Credit Unions Achievement in Marketing Award.

'Like a Bank, Only Better!' caught on very quickly and without solicitation members cited reasons why the statement is true. There has been a long lasting buzz about WFCU and word of mouth has played an increasing and significant role in spreading the word about WFCU.

With a highly concentrated product and image based marketing plan, increased exposure was also given to the WFCU name at various community events where the WFCU Corporate branded vehicle was prominently displayed. WFCU continued with the commitment to lend expertise and support with representation on various boards, committees and attendance at numerous events. Remaining a responsible corporate citizen and investing in Windsor and Essex County through participation, donations, scholarships, The Community 1 account, community rooms, goods-in-kind and more, community support remains a priority.



WFCU proudly displays the Imagine Canada 'Caring Company' logo and over the past five years has given back over \$3.3 million to the community to provide support and help maintain economic viability for our community.

## FINANCIAL PERFORMANCE.

WFCU's fiscal year ended successfully once again. Members took to the multitude of new products and services offered to them and continued to bring more of their financial business to the credit union. Total Assets Under Administration increased 12.8 percent to \$623.4 million at May 31, 2007 and Reserves increased \$2.0 million to \$23.4 million.

Members' deposits increased 12.0 percent and at fiscal year-end amounted to \$504.4 million. The new High Interest Savings (HIS) Account was well received by our members, growing to \$39.5 million in its first year. This significant growth represented 7.8 percent of total deposits.

Total loans to members continued to increase this year with growth of \$58.4 million to \$480.8 million. Residential mortgages remain the largest component in the category and finished the year at \$242.1 million, an increase of \$26.9 million. Personal loans grew by 40.0 percent, an increase of \$18.1 million to \$63.3 million. Commercial loans and mortgages increased 8.2 percent to \$175.3 million.

Operating revenues increased to \$30.7 million at May 31, 2007 from \$26.9 million at May 31, 2006. Financial margin increased \$0.4 million from last fiscal year and as a result Planned Net Income, all of which is transferred to Reserves, totaled \$2.0 million. As part of the New Business Model a decision was made to provide members with much more competitive pricing along with free service charges. It was also decided to accept a lower profitability target than last year. Having planned this, WFCU was pleased that at year end, Net Income was higher than budgeted.

Members earned over \$17.4 million in interest on deposits. This is an increase of \$3.1 million from the year ended May 31, 2006. In addition, members benefited from share dividends declared. Members holding Series 1, 2, 3 and 4 received dividends totaling \$900,000 and as planned, the Board declared a \$5 membership/patronage dividend totaling \$121,000.

The credit union continues to surpass compliance with all legal requirements for Regulatory Capital. At \$48.3 million or 8.7 percent of Total Assets at year-end, Regulatory Capital exceeded the requirement of 4.5 percent. Regulatory Capital at 15.4 percent of Risk Weighted Assets also exceeded the requirement of 8.0 percent.

Member acceptance of other services offered through our affiliated organizations continued throughout the fiscal year. By year-end, total holdings amounted to \$64.4 million, an increase of over \$12.6 million from the year ended May 31, 2006.



Peter Wasyluk,  
Vice President, Finance

"To have ended the '06-'07 year so successfully is a true testament to the focused approach followed by all WFCU staff members."

# AUDITOR'S REPORT ON SUMMARIZED FINANCIAL STATEMENTS

To the Members:

The accompanying summarized balance sheet and statements of undivided earnings and reserves and operations are derived from the complete financial statements of Windsor Family Credit Union Limited as at May 31, 2007 and for the year then ended on which we expressed an opinion without reservation in our report dated June 29, 2007. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the credit union's financial position, results of operations and cash flows, reference should be made to the related complete financial statements.

KPMG LLP

Chartered Accountants  
Windsor, Canada  
June 29, 2007





# BALANCE SHEET

As at  
(In thousands of dollars)

May 31, 2007

May 31, 2006

## Assets

Cash and short-term deposits	\$ 29,072	\$ 39,744
Investments	29,681	25,778
Loans to members	480,659	422,107
Property and equipment	18,132	12,303
Other assets	1,412	831
Future income taxes	90	85
	<u>\$ 559,046</u>	<u>\$ 500,848</u>

## Liabilities and Undivided Earnings and Reserves

Members' deposits	\$ 508,832	\$ 453,585
Other liabilities	1,955	1,997
Equity shares	24,892	23,934
	<u>535,679</u>	<u>479,516</u>

## Undivided Earnings and Reserves

	23,367	21,332
	<u>\$ 559,046</u>	<u>\$ 500,848</u>

On behalf of the Board:



Martin D. Gillis  
Chair



Rick Martinello  
Corporate Secretary



# STATEMENT OF UNDIVIDED EARNINGS AND RESERVES

Year Ended (In thousands of dollars)	May 31, 2007	May 31, 2006
<hr/>		
Undivided Earnings:		
Balance, beginning of year	\$ 5	\$ 5
Add: Net income for the year	2,035	3,096
	<hr/> 2,040	3,101
Less: Transfer to reserves	2,035	3,096
Balance, end of year	<hr/> 5	5
Reserves:		
Balance, beginning of year	21,327	18,293
Add: Transfer from undivided earnings	2,035	3,096
Deduct: Investment share origination costs (net of income tax)	-	(62)
Balance, end of year	<hr/> 23,362	21,327
	<hr/> \$ 23,367	\$ 21,332
	<hr/>	



# STATEMENT OF OPERATIONS

Year Ended (In thousands of dollars)	May 31, 2007	May 31, 2006
<b>Operating revenues:</b>		
Interest on member loans	\$ 28,971	\$ 25,354
Investment income	1,719	1,532
	<u>30,690</u>	<u>26,886</u>
<b>Financial expenses:</b>		
Interest on members' deposits	17,420	14,286
Distributions to members	1,021	756
	<u>18,441</u>	<u>15,042</u>
Financial margin	12,249	11,844
Other income	4,952	4,762
Provision for losses on loans	(421)	(319)
	<u>16,780</u>	<u>16,287</u>
<b>Operating expenses:</b>		
Employee salaries and benefits	7,569	6,552
Administrative	4,060	3,483
Occupancy	1,236	1,028
Data processing	981	996
Member deposit insurance	250	247
Director and committee	118	165
Loan	59	46
Deposits and loan life insurance	6	17
	<u>14,279</u>	<u>12,534</u>
Income before income taxes	<u>2,501</u>	<u>3,753</u>
<b>Provision for (recovery of) income taxes:</b>		
Current	471	682
Future	(5)	(25)
	<u>466</u>	<u>657</u>
Net income	<u>\$ 2,035</u>	<u>\$ 3,096</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 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.



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 committee consists of eight directors and has adopted a mandate which covers all of the duties which are specified to be performed by audit committees in the Regulations to the Act.

The Audit Committee meets 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. Based on its findings, the Audit Committee issues reports and makes recommendations to the Board of Directors or senior management, as appropriate, with respect to the matters presented to the committee and follows up to ensure that the recommendations are considered and implemented, as appropriate.

The Audit Committee is pleased to report to the members of the credit union that it is functioning pursuant to the requirements of the Act and has made significant progress in fulfilling its annual mandate. The

committee receives full co-operation and support from management to enable it to play an effective role in ensuring 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. There are no matters the Audit Committee believes should be reported to the members, nor are there any matters which are required to be disclosed pursuant to the Act or the Regulations thereto.

Respectfully submitted by the Audit Committee.



David Rowland  
*Chair, Audit Committee*



# FOR THE FUTURE

The re-evolution of WFCU has only just begun. In 2007-2008 we will continue to offer the products and services that have over this past year been so successful in growing our presence and market share within Essex County.

We will continue towards strengthening our financial position while maintaining our commitment to invest in our community. With the growing number of new and worthwhile programs and events dedicated to bettering this community, we must continue to evaluate our contributions in order to ensure that we are best representing our Corporate Values.

Building relationships with our members is a top priority this next year as resources will be dedicated to encouraging our members to bring more of their financial business to us. Our internal database will be mined to ensure that we can offer more specifically the right products and services to every WFCU member.



WFCU respects the importance of corporate governance and has over the years maintained a performance record that is recognized in the top level of our regulators. We have completed a review of the credit union by-laws to reflect our intention to uphold ethical operational standards and will continue to do so throughout the next year.

Being 'Like a Bank, Only Better!' has created a buzz in the area that will continue as we resume our marketing efforts further into Essex County.

The necessity to maintain and upgrade Service Delivery Channels will always be a priority for WFCU. The re-location of the Tecumseh retail location in early 2008 will offer more convenience and accessibility to members residing in the ever-expanding Tecumseh area.

Last but not least, we must once again recognize the people that will see us through this re-evolution. We are confident more than ever that we have the team in place to continue to take on the challenges we need to in order to be the best at what we do. Through the diligent planning of the past years by management and staff, processes have been implemented to allow staff the ability to be leaders in their field and to better service our members. These processes will continue to be reviewed and streamlined to the best of our ability.



This is just the beginning.

A handwritten signature in blue ink that reads "Martin D. Gillis".

Martin D. Gillis  
*Chair, Board of Directors*

A handwritten signature in blue ink that reads "Martin J. Komsa".

Martin J. Komsa  
*President and Chief Executive Officer*

# ACCESS TO SERVICES

Being local doesn't mean there should be limits as to how or where you can access your accounts. Convenient access to all the products and services WFCU has to offer is a commitment that WFCU is dedicated to offering our members. From face-to-face service in the retail locations to live telephone banking to on-line banking, WFCU members have access options for every need or situation.

LIVE TELEPHONE BANKING - 519-974-3100  
Toll Free - 1-866-500-WFCU (9328)  
Monday - Friday 8am - 7pm  
Saturday 9am - 3pm

## RETAIL LOCATIONS

WFCU's retail service plan gives members the opportunity to sit with any of our Member Consultants either at a wicket or at a desk to do just about anything from a simple withdrawal to applying for a loan!

2800 Tecumseh Road East, Windsor  
1100 Lauzon Road, Windsor  
3077 Dougall Avenue, Windsor  
5932 Malden Road, LaSalle  
13158 Tecumseh Road East, Tecumseh

## ELECTRONIC SERVICES

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

## AUTOMATED TELEPHONE BANKING

By calling 519-974-0098, you have 24-hour access to your account by telephone - check balances, pay bills and more.

## ATM NETWORK SERVICES

Access your account 24 hours a day at over 750,000 ATMs around the world.

## INTERNET BANKING

Access your account, pay bills and more through [windsorfamily.com](http://windsorfamily.com).

## PAYMENT SERVICES

Interac Direct Payment  
Member Card  
Chequing

## MASTERCARD® SERVICES

MasterCard® Global Payment & Credit Card  
MasterCard® Credit and Debit Merchant Services

Mutual funds are offered through Credential Asset Management Inc. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Unless otherwise stated, mutual fund securities and cash balances are not insured nor guaranteed, their values change frequently and past performance may not be repeated. ®Credential is a registered mark owned by Credential Financial Inc. and is used under license. ®Ethical Funds is a registered mark owned by Ethical Funds Inc. and is used under license. Ethical Funds® are sold in all provinces and territories in Canada. Credential Financial Strategies Inc. is a member company under Credential Financial Inc., offering financial planning, life insurance and investments to members of credit unions and their communities. ®Credential is a registered mark owned by Credential Financial Inc. and is used under license. ®MasterCard®, ®INTERAC®, ®Member Card®, ®Concentra Trust®, and ®Concentra Financial® are all registered trade or certification marks belonging to various organizations. Windsor Family Credit Union is a registered user of these marks.

