

BOARD HIGHLIGHTS

The Annual General Meeting of your credit union took place on April 28 in Port aux Basques. Although there was a full house, those present represented only a small percentage of the total membership, 6,183. This edition of Board Highlights, therefore, includes an overview of information provided to attendees. You may obtain a full copy of 2014 Annual Report from your local branch. In addition, you are able to access this report at <https://www.lecu.ca/Home/YourCreditUnion/Annual%20Reports/>.

Deposit/Loan Growth

A prime mandate of financial co-operatives is to create a source of credit for members by making loans for provident and productive purposes. Since most of the money our credit union lends out comes from our deposits, it is important that deposits and loans approximately balance. During 2014, loans and deposits matched very well and grew 7% and 5% respectively. Although these transactions occurred on a very competitive basis, they yielded a significant return.

Equity Ratio

The Credit Union Regulations, 2009 require credit unions to maintain a level of equity that is not less than 5% of its assets with not less than 3% of its assets in the form of retained earnings. Your directors proposed to members that LECU pursue an equity objective of 8% of assets, with at least 6% in retained earnings. During 2014 progress toward the goal was more than favourable. At the end of 2014, the equity ratio exceeded 6% and retained earnings exceeded 5%.

As noted in the previous section, our loan rates were both very competitive and quite profitable. This outcome forced your directors to make a choice: pursue the retained earnings goal and increase the tax burden or distribute profits to owners. Your directors recommended to the AGM that members approve the distribution of \$280,000. All branches observed “dividend day” on May 1. All members (owners) received a share of this distribution as patronage and/or dividend.

Service

Through education of employees and members, product suite, services to members, and pricing, our credit union tries to meet all our financial needs. In response to an external survey, almost 98% of members said they would refer their friends or family to LECU! This level of satisfaction is most gratifying to Directors.

Corporate Social Responsibility (CSR)

Without going into detail, the 2014 Annual Report contains an impressive listing of Social Responsibility Testimonials. The CSR Committee of Atlantic Central recognized these efforts by awarding your credit union the esteemed Coady Award. This Atlantic-regional award recognizes “the credit union or caisse populaire that best exemplifies leadership, support and involvement in its community.”

Board Governance

In accordance with Section 9.01 of the by-laws, the term of office of three Members of the Board of Directors ended at the AGM. Two who were eligible for re-election, John Healey and Gary O’Brien, were returned to office and one, Anthony (Tony) Leamon, was elected for the first time. All three are elected for a three-year term.