

Annual **REPORT**  
2012

focused on me



**CREDIT  
UNION**

LEADING EDGE

## Vision, Mission and Table of Contents

### **Vision**

To be the financial service provider of choice for members who are empowered by ownership and community commitment.

### **Mission**

Leading Edge Credit Union provides quality financial services to members and their communities through education and cooperation.

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## Board of Directors and Committees

### Board of Directors

Gary O'Brien	<i>President</i>
John Healey	<i>Vice-President</i>
William H. Coates	<i>Corporate Secretary</i>
Hubert Hall	<i>Director</i>
Lloyd Harnum	<i>Director</i>
Cathy Lomond	<i>Director</i>
Kris Parsons	<i>Director</i>
Daniel Sheaves	<i>Director</i>
Brian Warren	<i>Director</i>
Gary Wiseman	<i>Director</i>

### Executive Committee

Gary O'Brien	<i>President</i>
John Healey	<i>Vice-President</i>
William H. Coates	<i>Corporate Secretary</i>

### Audit Committee

Daniel Sheaves	<i>Chair</i>
Lloyd Harnum	<i>Director</i>
Kris Parsons	<i>Director</i>
Shaun Shea	<i>Member</i>

### Credit Committee

Cory Munden	<i>Chair</i>
Roger Hardy	<i>Employee</i>
Terry Hardy	<i>Employee</i>
Renee Samms	<i>Employee</i>
Trudy Skinner-Keeping	<i>Employee</i>

### Governance Committee

Gary Wiseman	<i>Chair</i>
William H. Coates	<i>Director</i>
Brian Warren	<i>Director</i>

### Human Resources Committee

Cathy Lomond	<i>Chair</i>
Hubert Hall	<i>Director</i>
John Healey	<i>Director</i>

### Social Responsibility Committee

John Healey	<i>Chair</i>
Gary O'Brien	<i>Director</i>
William H. Coates	<i>Director</i>



Board Training



Board Planning Session

## Management and Staff

### Corporate Office

Cory Munden  
*Chief Executive Officer*

Terry Hardy  
*Manager of Accounting Services*

Candace Matthews  
*Executive Assistant*

Randi Alexander  
*Marketing Specialist*

Roger Hardy  
*Manager of Operations*

Trudy Skinner-Keeping  
*Manager of Lending Services*

Renee Samms  
*Compliance & Administration Officer*

Elaine Ingram  
*Accounting Officer*

Jody King  
*Accounting Administrator*

### Corner Brook Branch

Donald Rideout  
*Branch Manager*

Arwilda Brake  
*Financial Services Officer*

Mindy Gillingham  
*Financial Services Officer*

Holley Simmonds  
*Financial Services Representative II*

Roxanne Jacobs  
*Financial Services Representative*

Sandra Brockway  
*Financial Services Representative*

### Doyles Branch

Bruce Billard  
*Branch Manager*

Tracy Keeping  
*Financial Services Officer*

Selma Kilpatrick  
*Financial Services Representative*

Wanda Pope  
*Financial Services Representative*

Christa McIsaac  
*Financial Services Representative (Contract)*

Dale Lomond  
*Financial Services Representative (Casual)*

Bruce Samms  
*Tax Associate*

### Jeffrey's Branch

Rhoda Pumphrey  
*Branch Manager*

Melanie Hulan  
*Financial Services Officer*

Terri MacAuley  
*Financial Services Representative*

Judy Gosse  
*Financial Services Representative*

Amy Quilty  
*Financial Services Representative*

Morley Greening  
*Tax Associate*

### Pasadena Branch

Denise Lawrence  
*Branch Manager*

Bridgette Lavers  
*Financial Services Representative*

Denise Burton  
*Financial Services Representative*

Debra Humber  
*Financial Services Representative (Casual)*

Anne Marie Penney  
*Financial Services Representative (Casual)*

Roy Hutchings  
*Tax Associate*

### Port aux Basques Branch

Geneva Taylor  
*Branch Manager*

Lisa Purchase  
*Financial Services Officer*

Donna Bailey  
*Financial Services Officer*

Martina MacDonald  
*Financial Services Representative*

Vanessa Morris  
*Financial Services Representative*

Kelly Thorne  
*Financial Services Representative*

Michele Maclean  
*Tax Associate*

### St. George's Branch

Sarah Nash  
*Branch Manager*

Jocelyn Deluney  
*Financial Services Officer*

Ruby Bennett  
*Financial Services Representative*

Lydia Bennett  
*Financial Services Representative*

April Dawn Alley  
*Financial Services Representative (Casual)*

Aileen Lushman  
*Financial Services Representative (Casual)*

Roseanna Brake  
*Tax Associate*

**Special Recognition**



**Randi Alexander - 5 years**  
*Marketing Specialist  
Corporate Office*



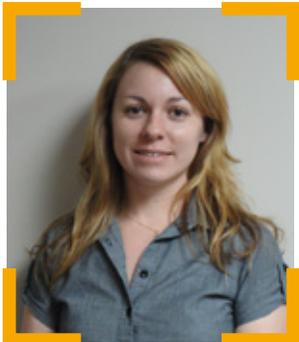
**Lydia Bennett - 5 years**  
*Financial Services Representative  
St. George's Branch*



**Sandra Brockway - 5 years**  
*Financial Services Representative  
Corner Brook Branch*



**Denise Burton - 5 years**  
*Financial Services Representative  
Pasadena Branch*



**Jody King - 5 years**  
*Accounting Administrator  
Corporate Office*

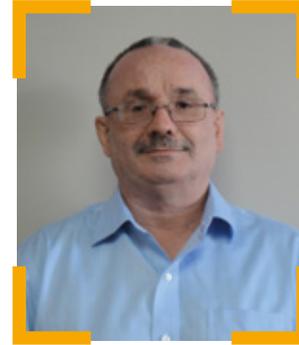


**Sarah Nash - 5 years**  
*Branch Manager  
St. George's Branch*

## Special Recognition



**Geneva Taylor - 5 years**  
*Branch Manager*  
*Port aux Basques Branch*



**Terry Hardy - 10 years**  
*Manager of Accounting Services*  
*Corporate Office*



**Donald Rideout - 20 years**  
*Branch Manager*  
*Corner Brook Branch*



**Cathy Lomond - 5 years**  
*Director*  
*Board of Directors*



**Gary O'Brien - 10 years**  
*President*  
*Board of Directors*



**Hubert Hall - 15 years**  
*Director*  
*Board of Directors*

## Message from the President

It is my privilege to report to you, the owners and members of our Leading Edge Credit Union (LECU), on your Board's performance over the past year. I do so with reference to the context within which we operate.

The financial sector, both domestically and internationally, faces incredible challenges. It is critical that institutions within this sector effectively manage their operations. I feel your Board has been cognisant of these challenges and has consciously developed a plan to maintain a strong financial position for our credit union. Let me reflect on some of the 2012 highlights.

### Strategic Direction of LECU

In 2010, we commenced a process to develop a five-year plan. As of the end of 2012, we have completed two years and, with three to go, we are well along the path to achieve our goals. The most significant goal we set in 2010 was to accumulate as retained earnings for our credit union an amount equal to six percent of liabilities. 'Retained Earnings' is the most critical component of our total equity position. If we are to remain strong in a volatile financial/economic environment, then we must build that strength in retained earnings.

We must make significant sacrifices to achieve this goal. One of the most critical is the non-distribution of dividends and patronage rebates to you, our members. The increasingly positive assessment of the financial strength of your credit union by our regulators, even in today's volatile market place, supports this strategic direction. It is important to note, however, that, though we have not provided rebates in the form of dividends, we have rewarded you with lower fees and interest rates and higher returns on investments. Because shrinking margins, due to low interest rates, and ever-increasing costs associated with doing business will persist in challenging our credit union, we will continue to monitor the financial industry and make adjustments as required. Let me say again how important we feel it is to establish retained earnings at the six percent level. That strength in retained earnings is powerful in assuring you that LECU is strong in such a volatile market place. We will be diligent in the management of LECU, and as a result, we will achieve our financial goal at the end of 2015. I trust we will continue to have your support.

### Social Responsibility

We have been engaged in and committed to the communities we served since we became a credit union. Through financial contributions and the hours the staff and board have volunteered, residents recognize our credit union as a good corporate citizen in the communities we serve. In 2012, your Board went one step further and worked diligently toward the establishment of a not-for-profit corporation to enhance our community social responsibility file. We view this as a mutually beneficial investment. We anticipate recognition as the financial institution on the Southwest and West Coast of Newfoundland that most supports its members and their communities. We are just in the infancy stage with the development of our not-for-profit company. In future reports we hope to have specific examples of our contribution within the realms of social responsibility.

### Governance

As part of our responsibility, your Board of Directors met eight times. In addition to these full board sessions, your directors met numerous times to attend to committee business. Your Board has five active committees: Executive, Audit, Governance, Human Resources, and Social Responsibility. Annually, together with corporate staff, we participate in a strategic planning session. The work we do annually assures that we are reviewing our five-year plan and making appropriate adjustments as required. We are determined to be a strong, well-managed credit union and to be a leader in the Atlantic/Canadian credit union system. This strength will support continued investment in product development and service excellence for you, our members. We believe these enhancements will encourage you to avail more fully of our products and services, and, thereby, prepare us to return future earnings to you and to the communities we serve.

### Board Development

As a Board, we have been extremely active in training. We recognize that such an investment better prepares us for the fiduciary responsibilities we have assumed for our credit union. In 2012, members of your Board completed 24 training courses toward their continued professional development. This is an investment of 52 hours of their time. More than half our directors have met full certification requirements; we anticipate all directors will attain certification by the end of 2014.

## Message from the President (con't)

### LECU Corporate Performance

We, the Board, congratulate our entire team of professional staff for our financial success in 2012. The financial results and growth in our key indicators were quite satisfactory in an environment where contraction was apparent in comparison with past years. I believe this was the ultimate testimony to the dedication, professionalism, and hard work of our entire team. Our CEO, Cory Munden, will share with you more information on the specifics of our financial success in 2012.

We have come a long way since the first deposits made many years ago in the kitchens of our founding credit unions. Farmers, fishers and mill workers decided to cooperate and to help themselves when big banks shied away.

2012 was the second year that Progress Magazine recognized LECU as one of the “Best Places to Work” in Atlantic Canada. This recognition is a direct result of the management team’s leadership, our human resources platform, and the trust and commitment of the Board of Directors. Directors and senior management have collaborated to build an environment of which employees are proud. Our staff felt sufficiently confident to report that LECU is a superior place to work in Atlantic Canada. All of us, staff and Board, are pleased to have received such a prestigious award.

Let me close by saying thank you to every one of our LECU team, employees and directors, for a very successful 2012. Members and shareholders, friends and neighbours, your continued and greater reliance on LECU for your financial needs will enable us to attain greater results for all of us. Let us meet the future fully confident.

Sincerely,

Gary J. O`Brien  
*President*  
*Leading Edge Credit Union*



Cory Munden (CEO), Lydia Bennett (FSR), Lisa Purchase (FSO) accepting award in Halifax.

## Message from the CEO

This year we are celebrating a very special milestone. In 1993, under the leadership of Rhoda Pumphrey, your Credit Union opened its doors to the residents of the communities from Heatherton to Highlands to once again provide local financial services. The support from that day forward has been truly impressive. I vividly recall doing a branch visit when I started at the credit union in 1999. I was greeted by Rhoda and her team in their tiny office that they had modified to suit their needs. It was clear from the start that this was more than just a branch providing financial services; it was a critical part of the community. I realized how important it was for this branch to flourish. Today, this branch is one of Leading Edge Credit Union's proudest flagships. Congratulations to the residents of this area for 20 years of success and support.

In 2012, Leading Edge Credit Union measured success using five key categories. The five key categories were as follows:

1. Financial Success
2. Member Value
3. Human Resources Management
4. Internal Business Process
5. Social Responsibility

These categories would form the foundation of our business plan for 2012. The business plan is a roadmap outlining the strategic direction of your credit union.

### Financial Success

Our financial success goal is to effectively manage the operations to bring true value to membership while ensuring competitiveness. In 2012, the financial industry had become significantly competitive as consumer debt loads soared in response to a reduction in borrowing rates. Your Credit Union remained competitive in all aspects of services and, in some cases, provided even deeper discounts than the competition. The impact of such a move resulted in a stronger member value proposition; however, from a financial perspective, profitability declined from the previous year. The Atlantic Credit Union statistical report identified that Leading Edge Credit Union performed very well in the system, despite a lower than average return.

### Member Value

The goal of member value is to provide a strong value proposition to our members so they are confident in their credit unions ability to deliver them quality financial products and services. In 2012, our member satisfaction survey indicated that 97.4% of respondents were satisfied or very satisfied with Leading Edge Credit Union. 98.4% of respondents indicated that they would refer a friend or family member to the credit union. Approximately 11% of the membership completed this survey, which is higher than the industry average of 4%. The statistics throughout the survey were extremely positive. The results of this survey also reinforced that we needed to focus on standard service delivery models for all branches to ensure consistent service levels. A project was initiated late in 2012 that will see the creation of a standardized "new member welcome" process. This will be the first of many of these types of initiatives.

### Human Resources

Leading Edge Credit Union takes the management of human resources very seriously. The culture of the organization is to ensure that all staff members are well trained and knowledgeable in order to effectively deliver services to members. In 2012, staff completed over 214 courses through the credit union education center, CUSOURCE. Staff also attended numerous webinars, meetings, and conferences and completed other institutional directed courses. Once again in 2012, Leading Edge Credit Union was named one of the "Best Places to Work" in Atlantic Canada by Progress Magazine. When evaluating Leading Edge Credit Union for this award, the staff at Progress Magazine considered our practices and conducted an in-depth survey completed by all staff. The survey indicated an overall employer satisfaction rating of 89%; an increase of 7% from the previous year. These results were also amidst a 35% change in staff in the first quarter of 2012.

## Message from the CEO (con't)

### Internal Business Process

In the past several years, regulatory changes and growth have required the credit union to invest in stronger internal business processes. The impact of 9/11 changed the way financial institutions manage overseas funds and the security of the organization. In 2012, we strengthened our governance compliance by developing more in-depth processes and policies. A Government of Canada FINTRAC audit yielded exceptional results, which solidified our investment in this department. The commercial lending process was completely overhauled and a new policy and procedure manual implemented. As with every year, Leading Edge Credit Union was audited by our regulators, the Credit Union Deposit Guarantee Corporation. In addition, independent auditor Byron Smith performed an internal and external audit. In all cases an audit response was prepared by operations and submitted to the board.

I would like to thank you for supporting your credit union and for continuing to trust us with your financial well-being. The credit union is here for your benefit and we want to ensure that we continuously exceed your expectations. Thank you to our dedicated team of professionals who consistently provide high-quality service to our membership each and every day. Thank you also to our Board of Directors for providing the environment and governance framework to guide Leading Edge Credit Union towards continued success.

Sincerely,

Cory Munden  
*Chief Executive Officer*

### Social Responsibility

Your Credit Union takes great pride in our social responsibility activities. Across all branch locations, Leading Edge Credit Union employees showcase the importance of actively supporting the needs of our communities. This AGM booklet highlights many of the activities and involvement for 2012. In 2013, your credit union will take social responsibility to another level. We have developed a strategy to measure our social responsibility contributions and supports and we will regularly update our membership on our involvement.



LECU staff made an annual trip to the blood donation clinic 215 kms away to donate blood.

## Cooperative Principles

### 1. Voluntary Membership

Credit unions are voluntary, cooperative organizations, offering services to people willing to accept the responsibilities and benefits of membership, without gender, social, racial, political or religious discrimination.

Like credit unions, many cooperatives operate as not-for-profit institutions with volunteer Boards of Directors. In the case of credit unions, directors are drawn from defined fields of membership.

### 2. Democratic Member Control

Cooperatives are democratic organizations; owned and controlled by their members, one member one vote, with equal opportunity for participation in setting policies and making decisions.

### 3. Members' Economic Participation

Members are the owners. As such, they contribute to, and democratically control, the capital of the cooperative. This benefits members in proportion to the transactions with the cooperative rather than on the capital invested.

Credit unions typically offer better rates, fees and service than for-profit financial institutions, and their members recognize benefits in proportion to the extent of their financial transactions and general usage.

### 4. Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If the cooperative enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the cooperative autonomy.

### 5. Education, Training and Information

Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of the cooperative.

Credit unions place particular importance on educational opportunities for their volunteer directors, and financial education for their members and the public, especially the nation's youth. Credit unions also recognize the importance of ensuring the general public and policy makers are informed about the nature, structure and benefits of cooperatives.

### 6. Cooperation Among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, provincial, regional, national, and international structures.

### 7. Concern for Community

While focusing on member needs, cooperatives work for the sustainable development of communities, including people of modest means, through policies developed and accepted by their members.

These seven principles are founded in the philosophy of cooperation and its central values of equality, equity and mutual self-help. They express, around the world, the principles of human development and the brotherhood of man through people working together to achieve a better life for themselves and their community.

## Cooperative Values

### 1. Honest

This value attributes to being trustworthy. The benefit to our members is that you can count on us to meet your financial needs and to have your best interests in mind.

### 2. Passionate

This value attributes to being dedicated. The benefit to our members is that we provide quality products and services.

### 3. Holistic

This value attributes to being balanced. The benefit to our members is that we provide sustainability.

### 4. Spiritual

This value attributes to being centered. The benefit to our members is that we strive to do what's right 100% of the time.

### 5. Evolutionary

This value attributes to being future oriented. The benefit to our members is that we are willing to try new things and we embrace innovation.

### 6. Simplistic

This attributes to being uncomplicated. The benefit to our members is that our products and services are easy to use.

### 7. Inclusive

This attributes to being cooperative. The benefit to our members is a win-win situation; we work to please both sides of the equation.



Cory Munden and Susan Lamunu from the CCA coaching program at the AGM 2011

## Board of Directors



Back Row (L-R): Brian Warren, William H. Coates, Hubert Hall, Gary Wiseman  
 Middle Row (L-R): Gary O'Brien, John Healey  
 Front Row (L-R): Kris Parsons, Lloyd Harnum, Cathy Lomond, Daniel Sheaves

**Table 1. Member Representatives: Participation May 2012 –March 31st, 2013**

Name	Board	Executive	Audit <sup>3</sup>	Governance	HR	Social Responsibility
Coates, W. H.	7/7	8/8		3/3		4/4
Hall, H.	6/7		1/4		2/2	
Harnum, L.	6/7		1/4			
Healey, J.	7/7	8/8			2/2	4/4
Keeping, B. <sup>1</sup>	1/7					
Lomond, C.	5/7		1/4		2/2	
O'Brien, G.	7/7	8/8	1/4			4/4
Parsons, K.	7/7		4/4			
Shea, S. <sup>2</sup>			2/4			
Sheaves, D.	6/7		4/4			
Warren, B.	6/7			3/3		
Wiseman, G.	7/7			3/3		

<sup>1</sup> Resigned from board in June 2012

<sup>2</sup> Audit Committee Member Only. Appointed November 2012

<sup>3</sup> Audit Committee members changed post June meeting.

## Audit Committee Report

To the Members of Leading Edge Credit Union:

The Audit Committee of your Leading Edge Credit Union Limited was active in 2012-2013. The committee met with representatives from the Credit Union Deposit Guarantee Corporation on several occasions during 2012 to review the results of audits performed by them during the year. The Committee also met with Byron Smith C.A., external auditor, to review the results of the external and internal audits for 2012. All reports stemming from these audits have been reviewed by the Audit Committee and presented to the Board.

The Committee continues to work with the management team to address the recommendations provided by the auditors. Internal procedures have been strengthened through increased management oversight. Management has also re-introduced a policy and procedures manual designed to improve internal controls as a means to reduce risk and safeguard the assets of corporation. We would like to commend management and staff for their efforts in this area.

At the time of writing of this report, there were no unresolved issues between the Committee, the Credit Union Deposit Guarantee Corporation and the external auditor. Any concerns we have had from a committee perspective have been addressed and issues are being dealt with in a professional and satisfactory manner by management. The Committee will continue to perform its duties and responsibilities in a timely fashion and would like to take this opportunity to thank the Board of Directors and staff for their cooperation and support.

Kindest Regards,

Daniel Sheaves, B. Comm., C.G.A.  
*Chairperson, Audit Committee  
Leading Edge Credit Union*



## Credit Committee Report

To the Members of Leading Edge Credit Union:

In 2012, the Lending Committee continued to be very active in fulfilling its roles and responsibilities. The Committee delivered six reports to the Board of Directors outlining required disclosure items such as total delinquency, write-off's, loans with total debt service ratio (TDSR) over 40%, and bankruptcies.

The Manager of Lending Services provides critical support to the Lending Committee by ensuring all financial industry trends and best practices are considered for implementation. The monitoring and supervision of the lending portfolio is managed through monthly audits. This position also assists in the management of the delinquency portfolio and collection processes.

The Lending Committee also is responsible for reviewing all credit requests for staff, board and committee members. In 2012, the following credit was approved for these members:

Type of Loan	Total Number Approved	Total Value of Approval
Loan	19	\$339,921
Mortgage	2	\$210,148
Line of Credit	9	\$95,000
	TOTAL	\$645,069

The Committee would like to outline the following loan report for the year ending December 31, 2012:

Type of Loan	Total Number	Total Value
Personal Loans	1833	\$24,195,562
Line of Credit	1206	\$11,127,163
Commercial	10	\$663,663
Mortgages	415	\$32,429,200
Total Loans	3,464	\$68,415,588

We would like to take the opportunity to thank our staff for their cooperation and assistance in performing the mandate of the Lending Committee.

Thank you,

Cory Munden  
*Chairperson, Credit Committee*  
*Leading Edge Credit Union*



## Governance Committee Report

To the Members of Leading Edge Credit Union:

While the Governance Committee as a whole convened on three occasions during 2012-2013, members of the Committee met severally as required to fulfill mandated roles. Generally, the duty of the Committee is to advise the Board of any changes necessary to the constitution, by-laws or policies of the credit union; to comment on contemplated amendments to governance documents under consideration by other stakeholders, and to recommend to the AGM the names of persons suitable for nomination to the Board.

During the year under review, the Committee reviewed the higher-level documents governing the election of directors, paying particular attention to cost and the number of shareholders participating. While it was decided to propose no changes at this time, the committee will continue to seek more efficient ways to encourage greater involvement of owners. The Committee also continued to consider the most appropriate size for the Board of Directors. Members will consider a by-law amendment at this meeting. Finally, the Committee reviewed several subordinate documents pertaining to conference attendance and Board Member remuneration, concerning which Members will consider a resolution at this meeting.

In addition to the foregoing, members of the Committee reviewed policies giving direction to higher order operations and proposed others to define further the intended direction of our credit union. The thrust of these policies is to provide direction to the operations team. At the same time, while ensuring the Board remains responsible for the financial health and ethical operation of the credit union, these policies will more clearly define the parameters within which the CEO and the senior management team perform their duties on a daily basis. Continued contemplation of this governance-operational structure will continue in 2013.

Kindest Regards,

Gary Wiseman  
*Chairperson, Governance Committee  
Leading Edge Credit Union*



## Social Responsibility Committee Report

To the Members of Leading Edge Credit Union:

By definition, Social Responsibility is the principle of considering the interests and community welfare extending well beyond direct business practices. As financial co-operatives, owned and controlled by their member-customers, credit unions bring fresh approaches to social responsibility that is as individual and exceptional as the communities themselves<sup>1</sup>. “Increasingly, credit union social responsibility is less about changing what we do and more about changing how we think”<sup>2</sup>.

Leading Edge Credit Union’s (LECU) Social Responsibility Committee was appointed by the Board and met for the first time on March 14, 2012 with a mandate to discuss, explore and make recommendations to the Board on Corporate Social Responsibility (CSR) within LECU. The recommendation from the committee was to move forward with this initiative. Terms of reference and a budget were developed and approved by the Board. This Committee met on four other occasions to further the work and development of LECU’s CSR strategy.

It is important to note that LECU has been practicing social responsibility in all branches for many years; however, we have never specifically sought to formally plan and measure our socially responsible activities. We are now in the process of formalizing our CSR strategy. This will include the creation of a not-for-profit corporation to deliver social responsibility initiatives. This Corporation will allow LECU to embark on larger projects in our communities and engage community partners.

The Committee will continue to perform its duties and responsibilities in a timely fashion and would like to take this opportunity to thank the Board of Directors and staff for their cooperation and support.

Kindest Regards,

John Healey  
*Chairperson, Social Responsibility Committee*  
*Leading Edge Credit Union*



Geneva Taylor (BM) providing Valerie Clarke, a representative on behalf of the local Lion’s Club, a bag of mittens, hats and scarves that Corporate Office, Port aux Basques Branch and Doyles Branch donated to local children.

<sup>1</sup> ref: <http://www.cucentral.ca> Social Responsibility and Canada’s Credit Unions, pg. 1; 2011

<sup>2</sup> ref: <http://www.cucentral.ca> A Road Map for the Development of a Sustainability Strategy pg. v; April 3, 2011

## History of Heatherton to Highlands

This year celebrates 20 years of history in the Heatherton to Highlands area. To help celebrate this milestone we would like to offer a bit of history on this branch. In 1993, a branch opened up in McKays. This was in response to Bank of Montreal leaving the area. This branch was known as the United Communities branch as it was located in McKays but surrounded by several small communities, all closely connected to each other. The Bank of Montreal closed out in this area as it was not profitable to the overall organization with expenses and overhead costs being more than the overall revenue from citizen's financial business. The bank, while it was operating, was only open two days a week, which did not greatly impact the citizens as most of them travelled to Stephenville Crossing or Stephenville weekly to do their shopping, and were able to do their banking at the Bank of Montreal branch in either of these two locations.

The Bay St. George Development Association, through numerous meetings with government departments, were trying to open a credit union in the Heatherton to Highlands area, but it was concluded that the only way for such a venture to succeed was as a branch of another credit union. Contact was then made with the Codroy Valley Credit Union Board and more meetings were held. A provisional board was put in place and members of the community spent about a year visiting all the homes in the area collecting share deposits from potential members. In fact, over \$5000 was collected before the branch opened. The United Communities branch of the Codroy Valley Credit Union opened its doors to the public on August 2, 1993, with one employee, who is now the Branch Manager, Rhoda Pumphrey. Ms. Pumphrey managed and ran the branch by herself until the second employee was hired in August 1995.

While this was a busy time for the Branch Manager, she credits the patience and understanding of the members with helping her through this busy time. The members, who were very loyal, understood when Ms. Pumphrey had to interrupt a loan appointment to serve someone over the counter. She also feels the community was a great help in initiating the process of getting the credit union in her community. The provisional board was a major factor, and the local service district provided them with the former post office rent-free for one year to help the business prosper.

It was not long before the McKays branch had outgrown their little space, but remained busy and profitable in their workspace. Fifteen years after opening, the General Manager, Mr. Cory Munden, provided the Branch Manager and staff with some good news - they were getting a new building. This building was top notch, and branded in the new branding strategy adopted by credit unions in Atlantic Canada. It not only has benefited the community, but has involved them in the process of building this structure.

### Timeline of significant events

- 1993
  - Branch opens doors with one staff
- 1995
  - Second employee, Financial Services Representative, was hired
  - \$1,000,000 in assets reached
- 2003
  - Cash dispenser was available at the McKay's branch
- 2004
  - First Financial Services Officer was hired
  - Branch was expanded to house two more offices
- 2007
  - \$5,000,000 in assets reached
- 2009
  - New building opened in Jeffrey's complete with:
    - Full Operating ATM
    - Night Deposits
    - Safety Deposit Boxes
- 2012
  - \$10,000,000 in loans reached
- 2013
  - Branch celebrates 20 years in operation from Heatherton to Highlands

## **AGM - Agenda**

**Leading Edge Credit Union Limited  
Annual General Meeting  
April 19, 2013  
Three Rivers Lions Club, Jeffrey's, NL  
7:00 p.m.**

1. Establishment of Quorum
2. Adoption of Agenda
3. Adoption of Minutes of the 3rd Annual General Meeting, dated May 14th, 2012
4. Business Arising from Minutes
5. President's Report
6. Chief Executive Officer's Report
  - Treasurer's Report
  - Presentations
7. Audit Committee Report
8. Governance Committee Report
9. Greetings
10. New Business
11. Adjournment

## AGM Minutes - 2011

MINUTES - ANNUAL GENERAL MEETING, May 14th, 2012, Doyles, NL

ITEM NUMBER	DISCUSSION	ACTION BY
1.0	<p><b><u>Establishment of Quorum</u></b></p> <p>At 6:42 p.m. Daniel Sheaves, President and Chair of the Board, called the Annual General Meeting to order.</p> <p>Of the 72 people in attendance, 67 were eligible to vote; the quorum was established. A copy of Leading Edge Credit Union's Annual Report for 2011, including the minutes of the May 16<sup>th</sup>, 2011 AGM and the Agenda for this, the third AGM, was provided to each attendee upon arriving.</p>	
2.0	<p><b><u>Adoption of the Agenda</u></b></p> <p>No additions were indicated.</p> <p><b>12/05/14-01</b> <b>MOTION:</b> To adopt the agenda of May 14<sup>th</sup>, 2012.  <b>MOVED BY: Gary O'Brien      SECONDED BY: Harry Coates</b>  <b>MOTION CARRIED</b></p>	
3.0	<p><b><u>Adoption of Minutes of 2<sup>nd</sup> Annual General Meeting</u></b></p> <p>Dan asked if there were any errors or omissions in the minutes. None were indicated.</p> <p><b>12/05/14-02</b> <b>MOTION:</b> To adopt the minutes of May 16<sup>th</sup>, 2011.  <b>MOVED BY: John Healey      SECONDED BY: Brian Warren</b>  <b>MOTION CARRIED</b></p>	
4.0	<p><b><u>Business Arising From Minutes</u></b></p> <p>None indicated.</p>	
5.0	<p><b><u>President's Report</u></b></p> <p>Dan Sheaves presented the President's report. He stated that despite the economic climate, 2011 was a successful year. The local economy is booming and the Credit Union has done well despite the challenges we faced. Dan commended Cory and the LECU team on being able to strategically adjust to deal with economic challenges. We remain true to our cooperative principles by continuing to be member oriented.</p> <p>Dan also thanked all board members for their dedication and service in 2011 and commented on the success of the board's strategic planning session in September. An important committee that was formed as a result of the planning session is the Social Responsibility Committee. This committee is currently discussing a number of potential social responsibility initiatives such as low income housing for seniors.</p> <p><b>12/05/14-03</b> <b>MOTION:</b> To adopt the President's Report for 2011, as per the Annual Report book circulated.  <b>MOVED BY: Gary O'Brien      SECONDED BY: Harry Coates</b>  <b>MOTION CARRIED</b></p>	

**AGM Minutes - 2011 (con't)**

<p><b>6.0</b></p>	<p><b><u>Chief Executive Officer's Report</u></b></p> <p>Cory presented his CEO's report. He reviewed the mission and vision statements by which Leading Edge Credit Union operates. It is important to ensure we have a solid core structure in place; one that encompasses the following elements: governance, products and services, social responsibility and human resources.</p> <p><i>Governance:</i> we have a solid policy framework in place. This is important given the increasing reliance on policies and procedures.</p> <p><i>Products and Services:</i> we invested heavily in enhancement in our products and services. We strategically place ourselves to pilot new services so we can always be on the "leading edge" of new offerings and technologies.</p> <p><i>Social Responsibility:</i> we aim to be leaders in this area. We currently practice many different types of social responsibility activities. Through our branches, we have always been committed to socially responsibly activities in our communities. We strive to increase our initiatives from a corporate perspective.</p> <p><i>Financials:</i> despite the economic challenges, we achieved good organic growth in 2011. Cory also noted that we have a \$25 million portfolio with League Savings and Mortgage. That puts us very close to a \$100 million combined portfolio. Cory also noted that our net income has improved. We recorded a drop in 2008 and 2009 but in 2010 and 2011 we rebounded. We are investing our net income in our retained earnings to strengthen our organization. Once we reach that goal, we will return this profit to our membership.</p> <p>Cory spoke about the value that the Doyles branch brings to Leading Edge Credit Union. Doyles is currently a \$14 million operation with \$9.78 million in loans circulating in the general area of the Codroy Valley. Doyles branch also boasts \$12.45 million in their deposit portfolio. It was noted that shareholders reports for the Doyles branch indicated a decline in membership in 2011. However, this is largely due to a legislated dormant accounts cleanup which effectively closed out 71 inactive accounts.</p>	
<p><b>12/05/14-04</b></p>	<p><b>MOTION:</b> To approve the Chief Executive Officer's Report as presented.  <b>MOVED BY: Cathy Lomond      SECONDED BY: Barry Simms</b>  <b>MOTION CARRIED</b></p> <p><b>PRESENTATIONS:</b></p> <p><b>Staff Awards – presented by Cory Munden and Randi Alexander</b></p> <ul style="list-style-type: none"> <li>• Branch Volunteerism Award – Port aux Basques</li> <li>• Training Award – Geneva Taylor, Jody King</li> <li>• Individual Volunteerism Award – Martina MacDonald</li> </ul>	

**AGM Minutes - 2011 (con't)**

	<p><b>Service Awards – presented by Cory Munden and Randi Alexander</b></p> <ul style="list-style-type: none"> <li>• Five Years Recognition – Terri MacAuley, Dan Sheaves, John Healey</li> <li>• Ten Years Recognition – Brendan Doyle</li> </ul>	
<p><b>7.0</b></p> <p><b>12/05/14-05</b></p>	<p><b><u>Audit Committee Report</u></b></p> <p>Dan referred everyone’s attention to the Audit Committee Report in the 2011 Annual Report book.</p> <p><b>MOTION:</b> To adopt the Audit Committee Report as presented. <b>MOVED BY: Cathy Lomond SECONDED BY: Gary O’Brien</b> <b>MOTION CARRIED</b></p>	
<p><b>8.0</b></p> <p><b>8.1</b></p> <p><b>12/05/14-06</b></p> <p><b>12/05/14-07</b></p>	<p><b><u>Governance Committee Report</u></b></p> <p><b><u>Board Elections</u></b></p> <p>Harry Coates presented the following report from the Governance Committee on the election results for the 2012-2013 LECU Board of Directors:</p> <p><i>Mr. Chair, Ladies and Gentlemen, I am pleased to report on the results of the election of Board Members for the three-year term, commencing with this meeting and concluding with the AGM in 2015.</i></p> <p><i>This year, 5,861 ballots were distributed, which was 215 more than in 2011. 283 or 4.8% were returned. This compares favorably with 2011, when 193 ballots or 3.4% were returned. There were two spoiled ballots.</i></p> <p><i>Elected, in alphabetical order, were John Healey, Gary O’Brien and Kris Parsons.</i></p> <p><i>Joining me as scrutinizers were Randi Alexander, Marketing Specialist, and Candace Matthews, Executive Assistant and Privacy Officer.</i></p> <p><b>MOTION:</b> To adopt the report of the Governance Committee. <b>MOVED BY: Harry Coates SECONDED BY: Barry Simms</b> <b>MOTION CARRIED</b></p> <p><b>MOTION:</b> To destroy the ballots. <b>MOVED BY: Harry Coates SECONDED BY: John Healey</b> <b>MOTION CARRIED</b></p>	
<p><b>9.0</b></p>	<p><b><u>Greetings: Address from Clayton Handrigan, CUDGC</u></b></p> <p>Mr. Clayton Handrigan of the Credit Union Deposit Guarantee Corporation (CUDGC) brought warm greetings on behalf of the board of directors and staff of CUDGC, and Hon. Paul Davis, Minister Responsible for Service NL. CUDGC is responsible for deposit protection for all credit union deposits. Mr. Handrigan noted that all Credit Union members’ deposits are insured up to \$250,000. This is amongst the highest coverage in the financial services industry, outpacing the major banks whose coverage is just \$100,000.</p>	

**AGM Minutes - 2011 (con't)**

	Mr. Handrigan reported that there are currently 10 Credit Unions, over 40 branch locations and almost 60,000 credit union members in the province of Newfoundland and Labrador. He noted that Leading Edge Credit Union is a great contributor to the success of the credit union system in this province. He further commended Leading Edge Credit Union for their commitment to social responsibility, noting the impressive variety of social responsibility activities.	
<b>10.0</b>	<b><u>New Business</u></b>  None to report.	
<b>11.0</b> <b>12/05/14-08</b>	<b><u>Adjournment</u></b>  <b>MOTION:</b> To adjourn the meeting. <b>MOVED BY: John Healey</b>  <b>MOTION CARRIED</b>  Meeting adjourned at 7:26 p.m.	

Duly Signed:

\_\_\_\_\_  
Daniel Sheaves  
President

\_\_\_\_\_  
William H. Coates  
Corporate Secretary

## Auditor's Report

To the Members of: Leading Edge Credit Union:

### Report on the Financial Statements

I have audited the accompanying financial statements of the Leading Edge Credit Union Limited, which comprise the statement of financial position as at December 31, 2012, and the statements of comprehensive income, statement of changes in members equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure's selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures

that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Leading Edge Credit Union Limited as at December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Spaniard's Bay, NL  
March 20, 2013

Byron Smith  
*Chartered Accountant*

## Balance Sheet

### Leading Edge Credit Union Limited Statement of Financial Position

As of December 31,	2012	2011
<b>Assets</b>		
Cash	\$ 6,519,898	\$ 2,479,757
Cash – required liquidity	4,684,583	4,268,919
Investments	1,080,000	1,135,610
Income taxes receivable	100,019	
Loans and mortgages receivable	66,801,369	62,234,000
Investment in mortgages under administration	1,989,453	2,513,025
Other assets	219,870	199,359
Property, Plant and Equipment	<u>1,797,856</u>	<u>1,972,079</u>
	<b>\$ 83,193,048</b>	<b>\$ 74,802,749</b>
<b>Liabilities</b>		
Bank indebtedness	\$	\$ 1,012,063
Income taxes payable – current		20,070
Members deposits	78,793,038	69,790,548
Accounts payable and accrued liabilities	369,630	339,832
Dividends payable	11,840	13,255
Future income tax	24,286	16,978
Non-members' deposits	<u>19,855</u>	<u>12,085</u>
	<b>79,218,649</b>	<b>71,204,831</b>
<b>Members' Equity</b>		
Retained earnings	<u>\$ 3,974,399</u>	<u>\$ 3,597,918</u>
	<b><u>\$ 83,193,048</u></b>	<b><u>\$ 74,802,749</u></b>

## Statement of Income and Retained Earnings

### Leading Edge Credit Union Limited Statement of Comprehensive Income

For the Year Ended December 31,	2012	2011
<b>Financial Revenue</b>		
Interest	\$ 4,461,125	\$ 4,382,805
Investment income	<u>169,833</u>	<u>243,876</u>
	<b>4,630,958</b>	<b>4,626,681</b>
<b>Cost of funds</b>		
Interest on members' deposits	1,322,833	1,159,867
Dividends paid to members	<u>11,840</u>	<u>13,255</u>
	<b>1,334,673</b>	<b>1,173,122</b>
Financial margin	3,296,285	3,453,559
Other income	<u>1,359,673</u>	<u>1,451,459</u>
	<b>4,655,958</b>	<b>4,905,018</b>
<b>Operating Expenses</b>		
Members' Security	358,139	511,348
General business	1,772,013	1,806,934
Personnel	<u>2,052,646</u>	<u>1,832,427</u>
	<b>4,182,798</b>	<b>4,150,709</b>
<b>Net income before income taxes</b>	<b>473,160</b>	<b>754,309</b>
<b>Income taxes</b>		
Current tax expense	89,371	168,825
Future tax recovery	<u>7,308</u>	<u>20,311</u>
<b>Net income for the year before other items</b>	<b>376,481</b>	<b>565,173</b>
<b>Other items</b>	<u>NIL</u>	<u>NIL</u>
<b>Total Comprehensive Income</b>	<b>\$ <u>376,481</u></b>	<b>\$ <u>565,173</u></b>

## Social Responsibility Testimonials

We take inspiration from the work of the Credit Union System when defining our own social responsibility platform. There is no question that social responsibility is one of the ways credit unions differentiate themselves from the competition; it is one of our principles. To ensure that we keep abreast of what is happening throughout the credit union world in the area of social responsibility, LECU recently formed a social responsibility committee comprised of members of the board and our corporate staff.

The Credit Union Central of Canada provides the following position statement on Credit Union Social Responsibility:

As part of the social responsibility section in the AGM booklet, we wanted to showcase how each branch feels about social responsibility along with a list of activities that they partake in and a collage of pictures. Please keep in mind, as you go through the following pages, that this is just a sample of LECU's concern for community.

### **Corporate Office:**

From a Corporate Office perspective we feel that LECU demonstrates strong social responsibility initiatives, not only because it's a cooperative principle, but because it's a value which makes up our culture. We take care to hire employees with values that align with credit unions' principles, such as the act of giving and a general caring for community. Practicing social responsibility is genuine, and is not enforced but supported. The fact that our credit union supports employees in assisting others is one of the factors that makes this a great place to work.

### **Corner Brook:**

As a branch, we feel that our year round fundraising efforts enables us to donate to many different causes throughout the year. In the past we have donated to the SPCA, women's shelter, gingerbread house, toy drive, food bank and Japan relief, just to name a few. We also sell tickets throughout the year to help organizations raise funds.

### **Doyles:**

As a member of the Codroy Valley family, the Doyles branch is honoured to support the members that have continued to support us for the past 24 years. Being customer owned, the branch has a responsibility to be involved in our community and lend a hand in any way we can. We're proud to be a part of the Codroy Valley community!

### **Jeffrey's:**

The staff at Jeffrey's Branch of LECU are proud to be sponsors in our communities. Throughout the year we are active with different community organizations and we feel our contribution does make a difference. We support the children in our communities through donations to the school breakfast program, paying for buses for field trips, donating prizes and supplies for school initiatives, and for the Youth Dart League. Last year was our 8th year participating in the "Relay for Life", and the entire community takes part in supporting our fundraising efforts for this cause. You will find members of our staff at any and all events happening throughout the year.

### **St. George's:**

The employees at our St. George's location choose to volunteer in the community to contribute back to the community and show our appreciation to our members. Volunteering in the community makes the employees feel that they have more of a purpose in the community. They also feel that they are able to share their knowledge.

### **Pasadena:**

Pasadena branch is fortunate to have been involved in a wide variety of activities during 2012. We held a charity BBQ in June and the proceeds were donated to the local food bank. Branch staff continue to volunteer for the Breakfast Club at Pasadena Academy. We sell chocolate bars throughout the year and the proceeds have been donated to worthy causes such as the Breakfast Club, Radiothon, and Fireman's Toy Drive. Staff were involved in the Pasadena Winter Carnival and have volunteered at

## Social Responsibility Testimonials (con't)

numerous community events throughout 2012. We arranged a free information session for our members on the topic of "Protect Yourself from Fraud". We have provided local groups with monetary sponsorships and items for prizes. We feel that it is very important to contribute to our community and thank all citizens of Pasadena for their support of our branch over the past seven years.

### Port aux Basques:

The staff of the Port aux Basques branch takes pleasure in not only serving our members at the counter but also interacting and taking part in initiatives outside of the normal work day. In 2012, we volunteered with the Swim for Hope and Race to the Sea, and participated in the Christmas parade. In addition to the donation of our time, we also made countless donations of money and merchandise. On top of this we took part in a Women's Mentoring Exchange and hosted Susan, a female credit union leader from Uganda for 10 days. We feel it is the little things that make the biggest difference to our membership and causes the community's appreciation of the credit union to come full circle.



Corner Brook staff taking part in the Red Shoe Walk fundraiser for Ronald MacDonald House.



Roger Hardy, crossing the finish line at the 10th Annual Relay, Race to the Sea, while Port aux Basques Branch volunteers as time keeper.

## Social Responsibility Activities

### Branch 01 – Doyles

- Canada Day Celebrations – sponsored fireworks, cake for Codroy festivities and the Recreation Committee
- Codroy Seafest – donated jacket and other prizes for fundraising
- Member Appreciation Day – hosted and provided cake, draws, prizes, tea/coffee, music
- Participated and sponsored Port aux Basques and Area Chamber of Commerce golf tournament
- Hosted member information session for retirement savings and investments
- Credit Union Day hosted with cake, prizes, draws, music
- Participated in annual Gateway Business Expo at Bruce II
- Presented first annual LECU Scholarship
- Participated in annual Santa Claus Parade

### Branch 02 – Jeffrey’s

- Library Story Time - donated supplies for crafts and reading
- Member appreciation Day - hosted bbq, provided cake & refreshments, draws
- Come Home Year 2012 - Rhoda was treasurer on committee
- LECU hosted breakfast - proceeds to “Kid’s Eat Smart” program at E A Butler All Grade
- LECU hosted BBQ - proceeds to volunteer Fire Dept.
- Rhoda, Amy and Melanie volunteered at different venues, dances, variety show etc.
- Amy volunteers on our local Library Committee and School Council
- Melanie volunteers on Bay St. George South Local Service District and Area Development Board
- Rhoda volunteers on Bay St. George South Historical Society
- Winter Carnival- Rhoda is on committee
- LECU hosted breakfast - proceeds to “Kid’s Eat Smart” program at E A Butler All Grades
- LECU enters Dart team
- Entered Float in Annual Christmas Parade
- Donated food used for annual CandleLight Supper at E A Butler and Melanie volunteers as server at same
- Donation to Youth Darts - winner (Robin Barnes) in this area has competed as far away as England and Belize, coming Second in North American Championship

- LECU entered a team made up of staff from our branch as well as members for the 8th year at the annual “Relay for Life”.
- Melanie and Judy volunteered at several recycling blitzes at E A Butler
- Rhoda, Melanie, Judy and Terri are regular volunteers at the breakfast program, preparing and serving breakfast to K-6 students twice monthly
- Rhoda was a blood donor for our First LECU Blood Donor Program
- Organized a member investment seminar with our Wealth Management Financial Planner, Lorne Robinson
- Organized a member Fraud/Identity Theft Information Session with our Compliance Officer, Renee Samms

### Branch 03 – St. George’s

- Volunteered as a judge at Our lady of Mercy Elementary for the Historica (Heritage ) Fair
- Purchased medals and awards for Our Lady of Mercy Elementary Math program, and presented at the end of the school year.
- Hosted a Customer Appreciation BBQ for all members of the credit union and community, providing free hot dogs and hamburgers with drinks.
- Took part in a Summer walk, with all employees accepting donations from members of the community, and then completed a walk through St. George’s and donated the funds to the Bay St. George’s Sick Kids Foundation.
- Presented an annual scholarship at the Appalachia High School.
- Various branch promotions where members entered their name to win prizes throughout the year.
- Donated a number of prizes for fundraisers to local organizations in the area.
- Partnered with many local organizations to complete the gazebo and landscaping at Leading Edge Credit Union.

### Branch 04 – Corporate

- Served on committee, entered a team and ran in the 10th Annual Lighthouse Relay, “Race to the Sea”
- Developed and organized annual scholarships for all branches

## Social Responsibility Activities (con't)

- Staff donated to Salvation Army food bank (personal funds)
- Volunteered time to participate in annual radio-thon
- School financial planning presentations
- Participated in Small Business week
- Constructed float and participated in Santa Claus parade
- Participated in Swim for Hope
- Active member of local Chamber of Commerce
- Took part in an exchange hosting a female credit union leader from Uganda for 10 days
- Hosted a local student for “on the job training” program from College of the North Atlantic
- Participated in an Annual Blood Drive of LECU staff
- CEO traveled to Africa for the second consecutive year as part of a mentoring program
- Took part in the Port aux Basques and Area Chamber of Commerce golf tournament.
- Attended Bread and Roses Dinner on behalf of LECU
- Volunteered at the Red Shoe Walk Fundraiser for Ronald MacDonald House

### Branch 05 – Port aux Basques

- Participated in the annual Christmas Parade by building and entering a float
- Hosted a raffle wheel and gave out CU merchandise as prizes during Co-op Week
- Volunteered for the 10th Annual Lighthouse Relay, “Race to the Sea”
- Volunteered and donated money and merchandise for local Radiothon
- Participated in the local tradeshow
- Participated in and donated prizes for Swim for Hope
- Participated in the school savings program weekly, providing prizes/gifts for the kids
- Hosted a seminar on retirement services with Lorne Robinson
- Attended a National Lender’s Conference in Prince Edward Island during October
- Hosted Susan, a credit union leader from Uganda as part of a exchange/learning opportunity and did a presentation at the school with our guest at this time.
- Donated a number of prizes and monetary gifts to various companies and organizations in our area

- Sold tickets on iPad mini and donated proceeds (\$200) to St. James Elementary iPad program
- Participated in an Annual Blood Drive of LECU staff
- Attended Bread and Roses Dinner on behalf of LECU
- Hosted a local student for “on the job training” program from College of the North Atlantic
- Volunteered at the Red Shoe Walk Fundraiser for Ronald MacDonald House

### Branch 06 – Corner Brook

- Participated in Corner Brook Clean up day
- Walked and raised funds for McDonalds red shoe walk.
- Table at City Connections , welcome back students in the park
- Sponsored Corner Brook Winter Carnival
- Sponsored Corner Brook Rotary 50th annual music festival
- Sponsored “Forget-me-Not” Golf Tournament
- Sponsored RCMP Children’s Wish Foundation golf tournament
- Sponsor Corner Brook Fire Fighters golf tournament
- Purchased class room set Drug and Awareness magazine for Corner Brook High School.

### Branch 07 – Pasadena

- BBQ – hosted a community charity BBQ to raise money for Pasadena Food Bank
- Charity – sale of bar at front counter for charity
- Presented an annual scholarship at Pasadena Academy, along with sponsoring four other awards.
- Sponsored poppy campaign
- Donated to Christmas hampers
- Donated to firefighters toy drive
- Sponsored high school breakfast program
- Volunteered at Pasadena Winter Carnival
- Provided a free information session for members
- Sponsored Strawberry Festival/Come Home Year celebrations
- Participated in an Annual Blood Drive of LECU staff

# Social Responsibility Activities (con't)



## Products and Services

### PRODUCTS

#### Lending Products

- Mortgages and Secured Lines of Credit
- Personal Loans
- Lines of Credit
- Vehicle Loans
- Investment Loans
- Student Loans and Lines of Credit

#### Investment Products

- Variable and Fixed Registered Retirement Savings Plans (RRSP)
- Registered Education Savings Plans (RESP)
- Guaranteed Income Certificates (GIC)
- Registered Retirement Income Funds (RRIF)
- Tax Free Savings Accounts (TFSA)

#### Personal Banking

- Personal Savings Accounts
- Variety of Personal Canadian Chequing Accounts
- High Interest Savings Accounts
- US Chequing Accounts

#### Business Banking

- Variety of Business Packages
  - Community/Not-for-Profit Accounts
- #### CREDIT PRODUCTS
- MasterCard Credit Cards
  - Global Payment Cards

#### Protection Products

- Life Insurance
- Overdraft
- Credit Union Deposit Guarantee Corporation (CUDGC)

### SERVICES

#### Online Services

- Email Money Transfers
- Mobile Banking
- Online Banking
- TeleService
- E-Statements
- Bill Payments
- Cheque Imaging
- Stock Imaging

#### In-Branch Services

- Income Tax Preparation and Filing
- Wealth Management Services
- Safety Deposit Boxes
- Bill Payments
- Money Orders
- Foreign Exchange
- Travellers' Cheques
- Payroll Deduction
- Financial Counselling

## Scholarships

### A.E. Walker Scholarship

Leading Edge Credit Union (LECU) administers a scholarship yearly on behalf of A.E. (Gus) Walker. This scholarship commemorates the unique contribution made by Mr. Walker in the creation of Brook Street Credit Union. Gus Walker was a firm believer in the role that the cooperative movement could play in helping people become self reliant. During the more than forty years he worked at the Corner Brook Mill, he held every executive position, including President of the Paper Makers Union. For ten years he was President of the Bowater's Employee Benefit and Welfare Association which imported and sold coal to its members at a significant savings. Through careful management, the association accumulated a surplus of \$80,000.

When oil replaced coal as the preferred heat source, the coal yard went out of business and its two employees faced loss of their jobs. Gus Walker had the idea to use the surplus to start a credit union. Under his leadership, members were signed up. The staff, Walter Simms and James Dingwell, were trained in credit union management at St. Francis Xavier University in Nova Scotia and on November 21, 1963, the Brook Street Credit Union was born.

In July 2009, Brook Street Credit Union amalgamated with Codroy Valley Credit Union to form Leading Edge Credit Union. It was with great pleasure that Mr. Michael Walker extended the scholarship to all members of LECU's six branches on the southwest coast.

The criterion set out by the Walker Family for this scholarship consists of the following:

- Students must be LECU members or children/dependents of members
  - The student must be beginning 1st year post-secondary studies at a recognized institution.
  - Students must be registered in full time studies with a minimum duration of three years.
  - Students must submit final transcript of marks
  - Students must present proof of enrollment in a recognized post-secondary institution.
- Students must complete a brief application form including a brief description of financial needs (specifying other bursaries received for the current school year, contributions from summer employment etc.)
  - Students must provide a 200 - 500 word essay, with their application form, on one of the following topics:
    - A historical view of the credit union Movement in Newfoundland
    - The difference between credit unions and banks
    - A description of the credit union and other cooperative organizations in your community.
  - Award recipients must be willing to have their award acknowledged by LECU and media.

### Leading Edge Credit Union Community Scholarships

In 2011 LECU developed a community scholarship to be presented in the schools in the areas we serve. We wanted to recognize the importance of education. This scholarship is valued at \$250 and is open to all level three students who are continuing their education. This award is selected by the school's scholarship committee, generally made up of level three teachers. The recipient is a student who is pursuing post-secondary education and demonstrates the values and principles of cooperatives. These awards were presented by a LECU representative at the respective ceremonies in December, with the exception of Corner Brook, who holds theirs in June.

# Scholarship Recipients



**Marcus Clarke**  
Doyles  
(Belanger Memorial)



**Ashtyn McLean**  
St. George's  
(Appalachia High)



**Alannah Dawson**  
Walker Scholarship



**Rebecca Hulan**  
Jeffrey's  
(E.A. Butler)



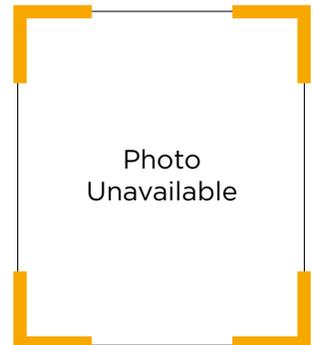
**Julia Skinner**  
Port aux Basques  
(St. James' Regional High)



**Jessica Butt**  
Pasadena  
(Pasadena Academy)



**Sarah Tibbo**  
Corner Brook  
Corner Brook Regional High



**Hillary Keeping**  
Port aux Basques  
(Grandy's River Collegiate)

## History of Leading Edge Credit Union

### 2009

- Codroy Valley Credit Union and Brook Street Credit Union amalgamated to become Leading Edge Credit Union (LECU), July 1st, 2009. Together they started this new entity with a combined membership of 5,155 and an asset size of \$65,000,000. New positions (Manager of Lending Services, Compliance and Administration Officer) were also adopted to serve our members better.
- Named “Business of the Year” by the Port aux Basques and Area Chamber of Commerce.
- Jeffrey’s and Port aux Basques branches reached \$10 million in assets.
- Lorne Robinson was hired to provide Wealth Management and Financial Planning.
- Introduced new business packages.

### 2010

- LECU was pleased to begin offering tax preparation in all six of our locations.
- A new corporate location was constructed that housed all corporate staff together.
- LECU implemented a new Human Resources policy.
- Introduced e-statements via MemberDirect online banking.
- A CEO Blog was started to provide members of LECU with financial tips and more information on products, services and initiatives.
- Increased membership to 5,561 and asset size to \$76,600,000 in the first year of operation.
- Night depository services became available in the Doyles Branch.
- Introduced mobile banking to our membership.

### 2011

- Quarterly newsletters were initiated to keep members informed on the activities of LECU.
- CEO, Cory Munden, made his first trip to Africa as part of the Canadian Cooperative Association mentorship program.
- LECU carried out a “Paperless Campaign” with our statements, encouraging members to access their statements online.
- Introduced email money transfers to our products and services list.
- Named one of the “Best Places to Work” in Atlantic Canada by Progress Magazine.

### 2012

- Celebrated the International Year of Cooperatives along with cooperatives around the world.
- Televisions were installed in all six locations to inform members of promotions, campaigns and news of LECU.
- E-documents were tolled out to help LECU cut back on our printing and be environmentally friendly.
- Safety deposit boxes became available in Doyles branch.
- Port aux Basques branch and Corporate Office hosted a female Credit Union leader from Africa for 10 days showing her how LECU operates.
- CEO, Cory Munden, made his second trip to Africa as part of the Canadian Cooperative Association mentorship program.
- Named one of the “Best Places to Work” in Atlantic Canada by Progress Magazine for the second consecutive year
- Introduced cheque imaging.

## Credential Asset Management

# Credential<sup>®</sup> Financial Strategies



Leading Edge Credit Union (LECU) is constantly seeking ways to add quality products, services and convenience to members' lives. In partnership with two other credit unions, we are pleased to continue to offer the services of Credential Financial Strategies to our members.

**Lorne Robinson**, is your Credential Financial Strategies Wealth Consultant and is available to assist members of LECU on with their insurance and retirement planning needs. Lorne is a Certified Financial Planner and Investment Specialist with twenty years experience. He offers a number of mutual funds products\*, investment planning and analysis, retirement planning and insurance planning to help safeguard your family.

Lorne is a Chartered Life Underwriter (CLU) as well as a Certified Health Insurance Specialist (CHS) and is a member of the Million Dollar Round Table (an international, independent association of the world's leading life insurance and financial services professionals from more than 430 companies in 78 countries). Lorne will work with you at **no charge** to create a personal financial blueprint you can follow to help achieve your monetary objectives.

LECU is thrilled to have Lorne on our team, and is pleased to continue making this much needed service available. You can reach Lorne at:

Leading Edge Credit Union  
2 Herald Ave. Millbrook Mall  
Corner Brook, NL A2H 4B5

709-634-0405  
709-640-8678

***lornerobinson@credential.com***

*\*Mutual funds are offered through Credential Asset Management Inc. 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<sup>®</sup> is a registered mark of Credential Financial Inc. and is used under license.*



**Corporate Office**

27 Grand Bay Road  
Grand Bay Mall, 2nd Floor  
PO Box 70  
Grand Bay East, NL A0N 1K0  
Tel: (709) 695-7065

**Corner Brook Branch**

2 Herald Avenue  
PO Box 713  
Corner Brook, NL A2H 6G7  
Tel: (709) 634-4632

**Doyles Branch**

Route 406, Off TCH  
PO Box 29  
Doyles, NL A0N 1J0  
Tel: (709) 955-2402

**Jeffrey's Branch**

616 Main Road  
PO Box 8  
Jeffrey's, NL A0N 1P0  
Tel: (709) 645-2512

**Pasadena Branch**

1-3 First Avenue  
PO Box 220  
Pasadena, NL A0L 1K0  
Tel: (709) 686-5404

**Port aux Basques Branch**

27 Grand Bay Road  
PO Box 680  
Grand Bay East, NL A0N 1K0  
Tel: (709) 695-7000

**St. George's Branch**

2-10 Steel Mountain Road  
PO Box 315  
St. George's, NL A0N 1Z0  
Tel: (709) 647-2000

[www.lecu.ca](http://www.lecu.ca)

