



2014 Annual **REPORT**



member and community focused...



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 co-operation.

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Management and Staff

Corporate Office

Cory Munden
Chief Executive Officer

Terry Hardy
Manager of Accounting Services

Candace Matthews
Executive Assistant & Privacy Officer

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

Anne Marie Penney
Tax Associate/ Financial Services Representative (Casual)

Doyles Branch

Tracy Keeping
Branch Manager

Terryl McArthur
Financial Services Officer

Selma Kilpatrick
Financial Services Representative

Wanda Pope
Financial Services Representative

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

April-Dawn Alley
Financial Services Representative

Amy Penney
Financial Services Representative (Casual)

Morley Greening
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

Elaine Vautier
Financial Services Representative (Casual)

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

Aileen Lushman
Financial Services Representative (Casual)

Roseanna Brake
Tax Associate

Board of Directors and Committees

Board of Directors

Gary J. O'Brien	<i>President</i>
Daniel Sheaves	<i>Vice-President</i>
William H. Coates	<i>Corporate Secretary</i>
Hubert Hall	<i>Director</i>
John Healey	<i>Director</i>
Kris Parsons	<i>Director</i>
Barry Simms	<i>Director</i>
Janet Willis	<i>Director</i>
Gary Wiseman	<i>Director</i>

Executive Committee

Gary J. O'Brien	<i>President</i>
Daniel Sheaves	<i>Vice-President</i>
William H. Coates	<i>Corporate Secretary</i>

Audit Committee

John Healey	<i>Chair</i>
Kris Parsons	<i>Director</i>
Janet Willis	<i>Director</i>
Gary Wiseman	<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

William H. Coates	<i>Chair</i>
Hubert Hall	<i>Director</i>
Barry Simms	<i>Director</i>
Gary Wiseman	<i>Director</i>

Human Resources Committee

Janet Willis	<i>Chair</i>
Hubert Hall	<i>Director</i>
John Healey	<i>Director</i>
Daniel Sheaves	<i>Director</i>

Social Responsibility Committee

Barry Simms	<i>Chair</i>
William H. Coates	<i>Director</i>
John Healey	<i>Director</i>
Kris Parsons	<i>Director</i>



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Board of Directors (con't)



Back (L-R): H. Hall, K. Parsons, J. Willis, J. Healey, B. Simms
 Front (L-R): W. H. Coates, G. J. O'Brien, D. Sheaves
 Missing: G. Wiseman

Table 1. Meeting Participation May 2014 - March 2015

Name	Board	Executive	Audit	Governance	Human Resources	Social Responsibility
Coates, W. H.	8/8	7/7	-	3/3	-	1/1
Hall, H.	8/8	-	-	3/3	3/4	-
Healey, J.	8/8	-	5/5	-	4/4	1/1
O'Brien, G. J.	8/8	7/7	-	-	-	-
Parsons, K.	4/8	-	2/5	-	-	1/1
Shea, S. ¹	8/8	-	3/5	-	-	-
Sheaves, D.	8/8	6/7	-	-	4/4	-
Simms, B.	8/8	-	-	3/3	-	1/1
Willis, J	8/8	-	5/5	-	4/4	-
Wiseman, G.	7/8	-	5/5	3/3	-	-

¹ Audit Committee Member Only

Special Recognition



Amy Penney - 5 years
Financial Services Representative (Casual)
Jeffrey's



Elaine Ingram - 5 years
Accounting Officer
Corporate Office



Renee Samms - 10 years
Compliance and Administration Officer
Corporate Office



Cory Munden - 15 years
Chief Executive Officer
Corporate Office



William H. Coates - 20 years
Board of Directors



Seven Co-operative Principles

These seven principles are founded in the philosophy of co-operation 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.

1. Voluntary Membership

Credit unions are voluntary, co-operative 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 co-operatives 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

Co-operatives 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 co-operative. This benefits members in proportion to the transactions with the co-operative 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

Co-operatives are autonomous, self-help organizations controlled by their members. If the co-operative 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 co-operative autonomy.

5. Education, Training and Information

Co-operatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of the co-operative.

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 co-operatives.

6. Co-operation Among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, provincial, regional, national, and international structures.

7. Concern for Community

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

Co-operative Values

The International Co-operative Alliance (ICA) has a set of values that help govern all decisions in co-operatives. According to the ICA, co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Social Responsibility Testimonials

In the Credit Union world we define Social Responsibility as 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 responsibilities that are as individual and exceptional as the communities themselves.

“Increasingly, credit union social responsibility is less about changing what we do and more about changing how we think.” Credit Union Central of Canada’s Position Statement on Credit Union Social Responsibility:

- Demonstrating co-operative and sustainable governance
- Promoting social inclusion and diversity
- Fostering economic development
- Encouraging environmental sustainability

The 7th International Co-operative principle is Concern for Community and from the following pages it is quite evident that Leading Edge Credit Union (LECU) cares a great deal for the communities in which we operate. We are very pleased to see such involvement. Although these pages detail activities demonstrated by Leading Edge Credit Union as an organization, many of our employees demonstrate exceptional volunteerism in their personal lives as well.

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 has a social responsibility committee comprised of members of the board and our corporate staff.

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 co-operative 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 wellbeing for their 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 make this a great place to work.

Some of the activities that we participated in 2014 are as follows:

- Served on committee, entered a team and volunteered in the *12th Annual Lighthouse Relay, Race to the Sea*
- Donated to the local Salvation Army in lieu of Christmas gift exchange (personal funds)
- Volunteered time to participate in annual radiothon, school breakfast programs, and teacher appreciation week
- Constructed float and participated in Santa Claus parade
- Active member of local Chamber of Commerce
- Donated supplies and volunteer time to the local Autism support group, Autism Involves Me (AIM)
- Supported many local sports teams through donations, sponsorships and fundraisers
- Held a “VIP for a day” event that allowed high school students to come work for LECU for a day, strategize and present a plan to engage the youth market
- Introduced a music scholarship in the memory of a long time member and supporter, Sears MacArthur, presented at the Folk Festival in the Codroy Valley

Corner Brook:

The staff at Corner Brook branch takes great pride in our year round fundraising efforts which enable us to donate to a number of different organizations. Some of these are: Pasadena Christmas Hampers, Secret Santa for a family in need, and the Breast Cancer Society. We are also proud sponsors of Corner Brook Winter Carnival, and the Corner Brook Rotary Music

Social Responsibility Testimonials (con't)

Festival. We also sell tickets for different organizations in branch and they greatly appreciate our efforts in helping meet their goals. The Junior Achievement program is very important to us and we usually present 2 or 3 sessions each year to various schools in our area.

Some of the activities that we participated in 2014 are as follows:

- Walked and raised funds for McDonalds Red Shoe Walk.
- Sponsor Corner Brook Winter Carnival
- Sponsor Pasadena Days Strawberry Festival
- Sponsor Corner Brook Rotary 51th music festival
- Sponsor Forget-me-not golf tournament
- Sponsor and played in RCMP Children's Wish Foundation golf tournament
- Sponsor and played in Corner Brook Fire Fighters golf tournament
- Staff volunteered in the hospital CFCB radio-thon
- Dressed in Pink and raised \$ 180.00 for Breast cancer awareness day
- Presented scholarships and awards to Corner Brook High and Pasadena Academy
- Supported fundraising efforts for the Corner Brook and Pasadena Fire Departments
- Supported a number of school and recreational sports events throughout the year

Doyles:

The Doyles branch is a proud member of the Codroy Valley family. For over a quarter of a century we have served generations of families, while welcoming many new ones as well. The Doyles branch is honoured to support the members that have continued to support us throughout our illustrious inception. Being customer owned, the branch has a responsibility to be involved in our community and lend a hand in any way we can. We take pride in being there for our members as they have done for us for so long. We're proud to be a part of the Codroy Valley community!

Some of the activities that we participated in 2014 are as follows:

- Canada Day Celebrations – donated fireworks and cake for Codroy Valley festivities
- Member Appreciation Day – hosted and provided cake, draws, prizes and tea/coffee

- Port aux Basques and Area Chamber of Commerce golf tournament – sponsorship and participation
- Winter Carnival – donation of merchandise and prizes
- Member Information Session – student savings
- Credit Union Day - hosted with cake, prizes and draws
- Murray's Beach Development Initiative – participated in beach clean-up and provided BBQ and refreshments.
- Gateway Business Expo at Bruce II - Participation
- LECU Scholarship Presentation
- Kids Fire Hall Christmas Party – Donated fruit and vegetable trays, deserts and hot and cold beverages
- Santa Claus Parade – Entered float
- Supported several local sports programs – provided jerseys and other supplies for the school soccer program
- Participated in a Codroy Valley Community Clean-up initiative
- Donated \$1,500 towards the purchase of a community fire truck for the Codroy Valley
- Sponsored and volunteered for the local school breakfast program.

Jeffrey's:

The staff at Jeffrey's Branch of Leading Edge Credit are proud to be sponsors in our communities. Throughout the year we are active with various community organizations and we feel our contribution does make a difference. We support the children in our communities through donations to the School's "Kid's Eat Smart" breakfast program, we volunteer several mornings a month preparing breakfast at E.A. Butler. We donate prizes and supplies for school initiatives and for the Youth Dart League. This past year we worked with the local Three Rivers Lions Club to put off a free Canada Day Celebration, complete with fireworks for the community, and we sponsored the "WinterFest" in February - a 3 day winter carnival that included sliding, skating, and games night for the children, suppers, bingos and card games for the young at heart. You will find members of our staff at any and all events happening throughout the year.

Social Responsibility Testimonials (con't)

Some of the activities that we participated in 2014 are as follows:

- Staff volunteer on a variety of Boards and organizations in the community
- Staff volunteer at the Breakfast program, preparing and serving breakfast for K-6 twice monthly
- Participated in Winter Carnival 2014
- Supported the "Kid's Eat Smart" foundation at E. A. Butler
- Member Appreciation Day at Branch – hosted BBQ, prizes, cake and draws
- WinterFest – hosted a pizza lunch for students and sponsored a sliding party with fireworks
- Donated turkeys for Graduation Dinner and volunteered as server
- Donated turkeys for annual "CandleLite Supper" at E. A. Butler
- Donated prizes for seniors card games
- Staff did various presentations at the school to parents and teachers
- Farm Days, we took photos, framed photos of kids with Scarecrow - all proceeds to Volunteer Fire Department
- Held three member education sessions on topics including budgeting and credit awareness and fraud awareness for seniors
- Supported Canada Day celebrations by purchasing fireworks for Three Rivers Lions Club
- Donation of \$1,000 towards a community ice rink

Port Aux Basques:

The staff of the Port aux Basques Branch take 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 2014, we volunteered with the Curling Bonspiel, Race to the Sea, Chamber golf tournament and participated in the Santa Claus parade. In addition to the donation of our time, we also made countless donations of money and merchandise to various companies and organizations within our community. We feel it is the little things that make the biggest difference to our membership and cause the community's appreciation of the credit union to come full circle.

Some of the activities that we participated in 2014 are as follows:

- 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 *12th Annual Lighthouse Relay, Race to the Sea*
- Volunteered and donated money and merchandise for local Radio-thon; also the staff donated funds from our "Jeans Day" Money
- Participated in the local tradeshow
- Participated and donated prizes for curling bonspiel
- Participated in the school savings program weekly, with contests and prizes/gifts for the kids
- Hosted a seminar on TFSAs and also one on protecting yourself against fraud
- Donated a number of prizes and monetary gifts to various companies and organizations in our area
- Attended the Gateway Status of Women Council's Bread and Roses Dinner and donated prizes on behalf of LECU
- Supported St. James Elementary through volunteering and donations. For example: Breakfast Programs, Literacy week, the "Kids Eat Smart" program and Teacher Appreciation week
- Attended various meetings/luncheons and the awards ceremony during Small Business week.
- Volunteered on the Salvation Army Kettle
- Attended the Winter Carnival Pageant and presented Roses to the participants
- Port aux Basques and Doyles Branch sponsored a hole in one event at the annual Chamber of Commerce golf tournament
- Contributed towards sponsoring a family for Christmas from our staff account
- Supported a number of events for the students of St. James' Elementary school
- Purchased a new Christmas tree for the Charles L. Legrow Hospital Foundation
- Gold sponsor for the local children's bowling team as they hosted provincial championships

Social Responsibility Testimonials (con't)

- Supported Ann Harvey Days, Margaree/Fox Roost Come Home Year, and the Isle aux Morts and Cape Ray Fire Departments

St. Georges:

We choose to volunteer in our community because we are honored to have our members appreciate us in the community. We consider our community members and their organizations to be part of our extended families. We feel our community contributions impact their views on our staff which enables us to build better relationships in the community.

Some of the organizations supported in 2014 are as follows:

- The local school breakfast program
- Bay St. George Sick Kids Foundation
- Appalachia High School – teacher appreciation week sponsorship
- St. George’s Winter Carnival – donation and volunteer time
- Safe Grad Committee – donation of prizes
- St. Michael’s School – Donation towards sports day activities
- Our Lady of Mercy – Math competition medals and a \$250 GIC
- Barachois Park – supported the 60th anniversary celebrations
- Bay St. George Parks and Recreation Department – sponsored the Blueberry Festival
- Bay St. George Kinsmen
- Flat Bay Indian Band – supported their Annual General Assembly
- St. Stephens High School – school sports uniforms
- Sir Thomas Roddick Hospital Foundation – telethon pledge
- St. Michaels, Our Lady of Mercy - support of annual Christmas dinner

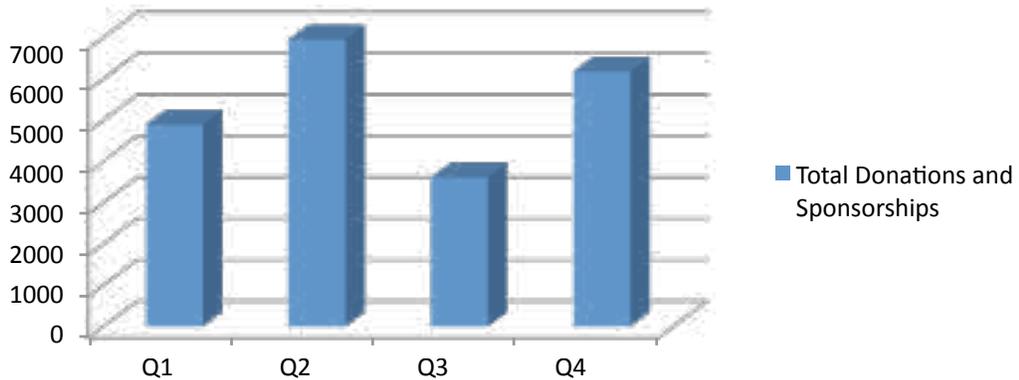


Social Responsibility Performance Tracking

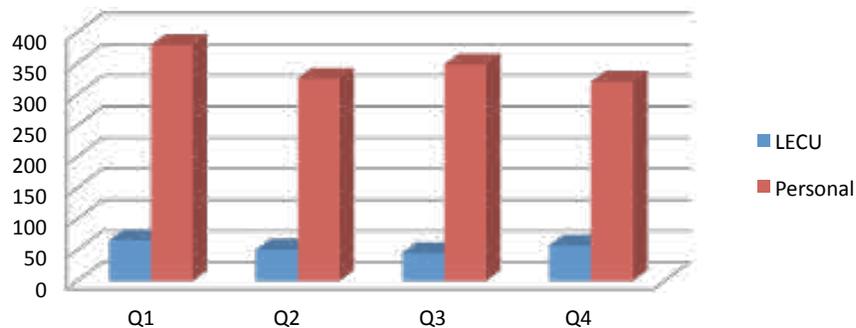
CATEGORY	2014	2013
Total Donations and Sponsorships	\$21,649.91	\$12,146.90
Community Involvement Contributions	\$1,718.90	\$5,140.00
Number of Employee Volunteer Hours - Personal	1,372	1,004
Number of Employee Volunteer Hours - LECU	217	350
Number of School Savings Program Participants*	89	146
Number of Member Education Events	16	7
Small Business Credit Financing	\$1,014,010.00	\$643,450.00
Training Dollars Spent by CU	\$28,512.30	\$31,390.00
Employee Satisfaction	94.00%	96.00%
Number of Members with a Free Banking Package	1206	1159
Number of Non-profit Groups Availing of Free Banking	227	227

* A change in the way school savings program participation was measured was the primary contributor to the drop in numbers.

Donations and Sponsorships



Employee Volunteer Hours



Scholarships



Rebecca AuCoin – Belanger Memorial



Ryley Pumphrey – EA Butler All Grade



Hayley King – Appalachia High School



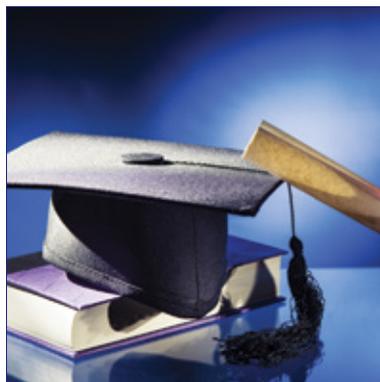
Kyrston Taylor – Pasadena Academy



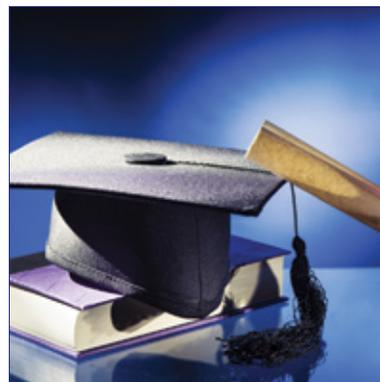
Ryan Antle – Corner Brook Regional High



Donald Rideout – A.E. Walker Scholarship



Haley Billard – St. James Regional High



Tori Hatcher – Grandy's River Collegiate

Products and Services

Products

Lending Products

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

Investment Products

- Variable Registered Retirement Savings Plans (RRSP)
- 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

Credit Products

- MasterCard Credit Cards
- Global Payment Cards

Protection Products

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

Business Banking

- Variety of Business Packages
- Community/Not-for-Profit Accounts
- Business Lines of Credit
- Business Loans

Services

Online Services

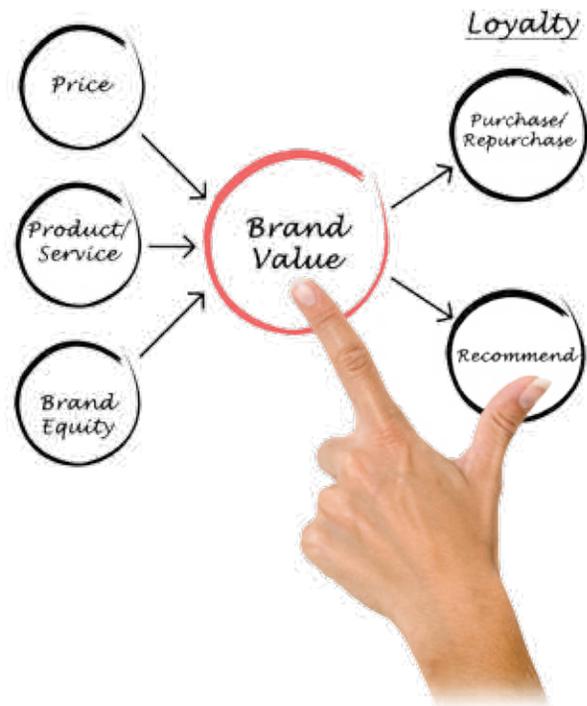
- Email Money Transfers
- Mobile Banking
- Online Banking
- TeleService
- E-Statements
- Bill Payments
- Mobile Apps

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

Programs

- Cash Back Mortgage
- Dealer Financing
- Mortgage Referral Program
- New Member Welcome
- School Savings Program



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 better serve our members.
- 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 Co-operative Association mentorship program.
- LECU carried out a “Paperless Campaign”, 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 Co-operatives along with co-operatives around the world.
- Televisions were installed in all six locations to inform members of promotions, campaigns and news of LECU.
- E-documents were rolled 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 Susan Lamunu, 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 Co-operative Association mentorship program.
- Named one of the “Best Places to Work in Atlantic Canada” by *Progress Magazine* for the second consecutive year.

2013

- Named one of the “Best Places to Work in Atlantic Canada” by *Progress Magazine* for the third consecutive year.
- Port aux Basques Branch and Corporate Office hosted, Solomon Mwongyere a participant of the CCA program from Uganda
- Corner Brook and Pasadena locations were consolidated into a single branch in Corner Brook.
- Adopted an Enterprise Risk Management framework.

2014

- Named one of the “Best Places to Work in Atlantic Canada” by *Progress Magazine* for the fourth consecutive year.
- Launched mobile applications for Apple and Android systems.
- Revamped our personal chequing accounts to be competitive.
- Took ownership of the *Race to the Sea*.

Credential Asset Management



Leading Edge Credit Union (LECU) is constantly seeking ways to add quality products, services and convenience to members' lives. In partnership with one other credit union, 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® is a registered mark of Credential Financial Inc. and is used under license.

Agenda

Leading Edge Credit Union Limited
Annual General Meeting
April 29, 2015
St. Christopher's Hotel, Port aux Basques
7:30 p.m.
Agenda

1. Establishment of Quorum
2. Adoption of Agenda
3. Adoption of Minutes of the 5th Annual General Meeting, April 28, 2014
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 2013 – Minutes

ITEM NUMBER	DISCUSSION	ACTION BY
1.0	<p><u>Establishment of Quorum</u></p> <p>At 7:01 p.m. Gary O’Brien, President and Chair of the Board, called the Annual General Meeting to order. Gary welcomed special guests and representatives from Leading Edge Credit Union’s branches. In particular, he acknowledged the Board members present as well as past board members, Brian Warren and Gordon Aucoin. Gary also acknowledged the St. George’s staff for hosting the AGM.</p> <p>Gary invited Jocelyn Deluney, financial services officer of the local Leading Edge Credit Union branch, to establish a quorum. Jocelyn confirmed that of the 33 people in attendance, 28 were eligible shareholders. Therefore, pursuant to section 8.06 of our by-laws, the meeting was duly constituted.</p> <p>Upon arrival, each attendee received a copy of the Leading Edge Credit Union’s 2013 Annual Report, including the minutes of the 19 April, 2013 AGM and the agenda for this, the fifth, AGM.</p>	
2.0 14/04/28-01	<p><u>Adoption of the Agenda</u> No changes indicated.</p> <p>MOTION: To adopt the agenda of April 28, 2014. MOVED BY: Hubert Hall SECONDED BY: Barry Simms MOTION CARRIED</p>	
3.0 14/04/28-02	<p><u>Adoption of Minutes of 4th Annual General Meeting</u> Gary asked if there were any errors or omissions in the minutes. None was indicated.</p> <p>MOTION: To adopt the minutes of April 19, 2013. MOVED BY: William H. Coates SECONDED BY: John Healey MOTION CARRIED</p>	
4.0	<p><u>Business Arising From Minutes</u> None indicated.</p>	

AGM 2013 – Minutes (con't)

<p>5.0</p>	<p>President's Report</p> <p>Gary O'Brien delivered the President's report. He noted that the report in its entirety is included in the AGM booklet.</p> <p>Gary summarized the 2013 highlights in the following categories:</p> <ul style="list-style-type: none"> - <i>Strategic direction of LECU</i> - <i>Governance</i> - <i>Board Development</i> - <i>LECU Corporate Performance</i> <p>Gary began by noting that LECU is on the right path towards achieving its business plan objectives. He noted that last year, LECU made a very difficult decision that challenged the Board and the staff. The decision to close the Pasadena branch was made with due diligence for the benefit of the membership. We implemented a comprehensive communications plan to ensure that the members affected by the closure were aware of the reasoning behind the decision. Both the community and the membership accepted the closure well received; many Pasadena members had previously chosen to deal with the Corner Brook branch, since Corner Brook is the natural service centre for the Pasadena area. Gary also commented that the modern environment, which the financial industry operates, presents prime opportunities to incorporate new technologies. Pasadena has the potential to be a location in which we can test new technologies to enhance further the services we provide.</p> <p>Gary reported that of our nine Board members, seven have completed the <i>Credit Union Directors' Accreditation (CUDA)</i> program. This outstanding achievement in director education is evidence of your Board's commitment to your credit union. In fact, the Board of Leading Edge Credit Union is one of the few credit union boards that have embraced this training.</p> <p>Having concluded his presentation, Gary invited comments or questions from the attendees. Hubert Hall requested that Gary elaborate on the award from <i>Progress Magazine</i> for the "Best Places to Work in Atlantic Canada". Gary thanked Hubert for the question and explained that the annual Atlantic-province-wide contest <i>Progress Magazine</i> runs recognizes companies whose employees identify as exceptional places to work. Leading Edge Credit Union has earned a place on this list for three years running, having placed 29th in 2011; 13th in 2012; and 4th in 2013.</p>	
<p>14/04/28-03</p>	<p>MOTION: To adopt the President's Report for 2013, as per the Annual Report book circulated.</p> <p>MOVED BY: Cory Munden</p> <p>SECONDED BY: Hubert Hall</p> <p>MOTION CARRIED</p>	

AGM 2013 – Minutes (con't)

<p>6.0</p>	<p>Chief Executive Officer's Report</p> <p>Cory presented the CEO's Report. He began by thanking Mr. Richard McDonnell for attending the AGM; Cory recognized Mr. McDonnell as a member who was instrumental in supporting the St. George's branch start-up and who served on the Audit Committee for a number of years.</p> <p>With the aid of a visual presentation, Cory summarized his report from the AGM booklet.</p> <p><u>The Current Environment:</u></p> <ul style="list-style-type: none"> - <i>Canadian Economy:</i> Consumer debt levels are rising. Currently, the average mortgage is 163% of disposable income. LECU experienced over \$200,000 in write offs in 2013. Low rates on deposits means we are having more issues funding our lending. LECU has adopted a number of solutions to combat these trends: <ul style="list-style-type: none"> • Competitive Mortgage Rates • <i>Lending Audit Benchmarking Project</i>, to measure and adjust our lending parameters. • <i>School Savings Project</i>, to focus on financial literacy for our youth. This will help ensure the youth of tomorrow do not make the mistakes that many borrowers are making today. • <i>Rate Review Project</i>, to adjust our current product pricing to ensure we remain competitive but viable for our members. - <i>Competition:</i> The operating environment for Canadian financial institutions is changing and the pace of change is increasing. Cory noted that 55% of Canadian mortgages are completed through mortgage brokers. We have to compete not only with chartered banks but also with dealer financing and virtual financial institutions. LECU has taken the following steps to remain competitive in today's market: <ul style="list-style-type: none"> • <i>Dealer Project</i> – this included fostering critical partnerships with local dealers; • <i>Real Estate Project</i> – Real Estate agents partnered with LECU to meet their customers' needs; • <i>New Member Welcome Project</i> – LECU boasts a 99% satisfaction rating from new credit union members; • <i>Wealth Management Project</i> – This is a key partnership with Lorne Robinson of Credential Financial; • <i>Cash Back Mortgage Solution</i> – This allows well-qualified buyers to obtain a mortgage for no down payment. - <i>Technology:</i> Business access points are changing. Credit Union members demand more technologically advanced ways to perform their banking transactions. Members across all generations are embracing new banking technologies. This technology has been expensive, but we have placed ourselves in a desirable position to
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AGM 2013 – Minutes (con't)

	<p>take advantage of new advancements. The following new developments are on the horizon:</p> <ul style="list-style-type: none"> • Mobile Banking App; • Cheque Deposit capture; • Website, Facebook and advanced online banking features; • Off-site ATM access through the Exchange Network – we are also researching Personal Assisted Tellers, or PATs, in which a staff person virtually monitors an ATM. <p>– <i>Governance</i>: LECU operates within a strict set of regulatory requirements for privacy, workplace health and safety, FINTRAC, personal and commercial lending, and operational policies and procedures. Compliance with the many different forms of regulation is a challenge. Cory noted that five years ago, the position of Compliance and Administration Officer would not have been required but, in today`s environment, this position saves the credit union hundreds of thousands of dollars. LECU implemented the following with respect to some of these requirements:</p> <ul style="list-style-type: none"> • An enterprise risk management strategy; • A loan audit process; • A full commercial credit review; and • Changes to Board committees` terms of reference. <p><u>Operational Results:</u> <i>Member Value Proposition</i>: According to a survey conducted in 2013, our overall customer satisfaction ranking is 4.71 out of 5. The survey also reported that 96% of membership respondents would refer family or friends to Leading Edge Credit Union.</p> <p>Cory reported that, in 2013, Leading Edge Credit Union ranked 4th in <i>Progress Magazine`s</i> “Best Places to Work in Atlantic Canada”. This was up significantly from our placement of 29th and 13th in 2011 and 2012 respectively. Cory also noted that our staff completed 192 courses in 2013.</p> <p>Cory directed the attention of those in attendance to the social responsibility section in the AGM booklet. He noted that in 2013, LECU began formally tracking social responsibility using key performance indicators (KPIs) to measure progress.</p> <p><u>Financial Effectiveness Results:</u></p> <ul style="list-style-type: none"> – <i>Assets</i>: We are seeing steady growth in assets, which have increased since 2009 by almost 20%. – <i>Loans</i>: We are also seeing steady loan growth. Cory noted, however, that each month, payments bring down the \$72 million in outstanding loans, making it more and more difficult to maintain that growth. – <i>LSM Mortgage Portfolio</i>: This refers to the off-book mortgages 	
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AGM 2013 – Minutes (con't)

<p>14/04/28-04</p>	<p>held with our partner, League Savings and Mortgage. These are either low-rate mortgages or mortgages for out-of-province members.</p> <ul style="list-style-type: none"> - <i>Deposits:</i> We have been very successful in maintaining membership loyalty, and they continue to invest with LECU. - <i>Membership Growth:</i> Compared to the rest of the province, LECU is on par for membership growth. Compared to N.S., we are doing very well. In the western part of the country, however, credit unions are out-pacing chartered banks. - <i>Net Income:</i> Cory noted the spike in income in 2010 and 2011 was largely due to rebates from our central and our mortgage company. He also noted that the expense associated with the closure of the Pasadena branch negatively affected our net income. <p>Cory reported that in the first quarter of 2014, we have already achieved \$186,000 in net income. This is due to a number of factors: re-pricing of our deposit portfolio, savings from the Pasadena closure, and good loan growth.</p> <p><u>St. George's Branch:</u> Cory reported that at year-end 2013, the St. George's Branch of Leading Edge Credit Union had \$11.3 million in assets, \$10.2 million in lending, \$11.6 million in deposits, 828 members, and \$4,741 in net income.</p> <p>Cory stated that it is important to note that the credit union philosophy is "people before profit," and he is pleased to see the branch in a positive financial position. He thanked the town of St. George's for their support of the credit union.</p> <p>MOTION: To approve the Chief Executive Officer's Report as presented. MOVED BY: William H. Coates SECONDED BY: Trudy Skinner-Keeping MOTION CARRIED</p> <p>PRESENTATIONS:</p> <p>Service Awards – presented by Cory Munden and Randi Alexander</p> <p>Staff Service Awards:</p> <ul style="list-style-type: none"> - Five years of service – Melanie Hulan, Martina MacDonald, Roxanne Jacobs, Trudy Skinner-Keeping - Ten years of service – Ruby Bennett, Roger Hardy, Lisa Purchase, Donna Bailey, Arwilda Brake, Holley Simmonds - Twenty years of service – Rhoda Pumphrey <p>Staff Awards – presented by Cory Munden and Randi Alexander</p> <ul style="list-style-type: none"> - Individual Volunteerism Award – Rhoda Pumphrey - Individual Training Award – Martina MacDonald - Branch Volunteerism Award – Jeffrey's Branch 	
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AGM 2013 – Minutes (con't)

<p>14/04/28-07</p>	<p>MOTION: To replace the current bylaw 4.04 <i>4.04</i> A person approved for membership by the Board shall subscribe for at least twenty (20) shares as a condition of membership With the following: <i>4.04</i> A person approved for membership by the Board shall subscribe for at least one (1) share as a condition of membership. MOVED BY: William H. Coates SECONDED BY: Hubert Hall MOTION CARRIED</p> <p>Harry reported that there were four vacant Board seats up for election for 2014 and the membership nominated four individuals for directorship. Therefore, Janet Willis, Daniel Sheaves and William H. Coates have each accepted three-year terms, and Gary Wiseman has accepted a two-year term.</p>	
<p>11.0 14/04/28-08</p>	<p><u>Adjournment</u> MOTION: To adjourn the meeting. MOVED BY: John Healey MOTION CARRIED</p> <p>Meeting adjourned at 8:13 p.m.</p>	

Duly Signed:

 Gary J. O'Brien
 President

 William H. Coates
 Corporate Secretary

 Director

 Director

Message from the President



I'm very proud to report to you, the owners and members of Leading Edge Credit Union (LECU), on the performance of our financial co-operative. The year, 2014, was our most successful fiscal to date—a significant achievement in a volatile financial sector both

domestically, and internationally. Your Board of Directors, collaboratively working with management and making prudent financial decisions, were key factors in this accomplishment. Let me share some thoughts on these successes.

Status of our Strategic Plan

A key component of our plan was to achieve a retained earnings position of at least 6% of assets by the conclusion of fiscal 2015. How are we doing? Quite well, actually. As a board we knew this to be a bold endeavour. A stretch goal when you reflect on the previous four years. However, as a Board, we felt it critical to keep operations focused on this stretch objective and we feel we have achieved commendable results to date. We are in excess of 5% with a full year ahead of us. This achievement, however, presents us with a new financial dilemma: the result achieved can potentially place us in a much higher tax bracket. The first board meeting in the 2015 centered on what options we might consider relative to the financial success of 2014 and its impact on our strategic direction. We did not intend to allow more of your profits to flow to taxes in our quest to achieve a 6% retained earnings position by the end of 2015. As a Board it was decided that we are on a solid path to achieving our retained earnings position, but we felt it was necessary to adjust the time frame.

As a result, your Board, working with senior management, wanted to reflect on the best course of action. We reviewed where we stood within the system and we found our retained earnings position to be above average, a trend that we know will continue. We are currently more than 2% higher than the legislated requirement in NL. Your credit union is doing great!

The loan and deposit portfolios are growing within targets. Membership growth continues to blossom, contrary to the Atlantic system, and most importantly YOU, the owners and members, told us via a 2014 satisfactory survey that we are operating your financial co-operative at a 94% approval rating. Fantastic news! The Board felt rewards were in order for all.

LECU proudly declares its first dividends and patronage

I'm delighted to announce that it has been decided by the Board to recommend the declaration of dividends and patronage from profits to reward you, our owners and members. The Board has declared a total of \$280,000 to be returned to members. This is the very first dividend and patronage declared by LECU. With your continued support and the continued growth of our financial co-operative, I hope to see this trend continuing. Congratulations to all that contributed to this remarkable accomplishment. As a Board, we are honoured to have been part of this fiduciary process on your behalf.

Board Governance

As part of our responsibilities, the Board of Directors met eight (8) times last year. In addition to these all-inclusive board meetings, your Directors met numerous times to attend committee meetings. Each Director had responsibility for at least two of the following committees: Executive, Audit, Governance, Human Resources, and Corporate Social responsibility. Annually, the Board participates in at least one strategic planning session. The 5-year plan is reviewed and updated at this planning session.

I would like to raise with you one area of concern that I have with our board governance: the recruitment of new members that have an interest in the governance of your credit union. We have been very conscious about the need for succession planning for the existing Board members who have served us with the utmost due diligence during their terms. However, due to our existing by-laws, the majority of existing Board members are reaching the end of their allowed terms over the next three years.

It is for this reason that we urge you to seriously contemplate becoming involved in the governance of your credit union. Board service offers excellent personal and professional development opportunities. I am available to discuss this with anyone who is interested; please visit our website or reach out to any members of the current board or senior management team to learn more about this opportunity.

We are determined to remain strong and to be a well-managed Credit Union. We will continue to be a leader in the Atlantic system. As testimony to this leadership, I have been elected by the NL credit unions to be a Director on the Atlantic Central Board. Additionally, the Atlantic Central Board has appointed me to the League Savings and Mortgage Company Board.

Board Development

As a Board, we continue to be extremely active in our professional development. We recognize that such an investment better prepares us for the fiduciary responsibilities we have assumed for our credit union. I want to report to you that seven (7) of your nine (9) Directors have successfully completed the Credit Union Directors Association (CUDA) training program. As a Board, this is an incredible result. The two Directors who have not yet completed the training are new to the Board and have been making great progress towards their training goals. In 2014, members of the Board completed a total of 16 training courses. LECU is well above average in board development in the Atlantic Credit Union system.

LECU Corporate Performance

We, the Board, on your behalf congratulate our entire team of professional staff for a superb performance in fiscal 2014. This has been our best year in our six year history in terms of profitability. Additionally, all other Key Performance Indicators (KPIs) were met or exceeded. This is remarkable considering the volatility of the domestic financial market place. Again, this year's success remains as a true testament to the dedication, professionalism, and hard work of the entire team of employees. Cory, our CEO, will elaborate on the specifics of our corporate success in

2014 with his report to the owners and members. For the fourth year in a row, LECU have been recognized by *Progress Magazine* as one of the "Best Places to Work in Atlantic Canada". This continues to bring pride to all of us who have a stake in LECU. We all (staff/board/members) are humbled by such recognition. It speaks highly of who we are as an organization. Congratulations!

Let me close by saying a huge thank you to our entire LECU team. Employees and Directors can be proud of a very successful 2014 fiscal year. Members and shareholders, friends and neighbors, your patronage of LECU for your financial needs will enable us to attain on-going financial success by achieving all our goals; this ultimately leads to a sharing of that success through dividends and patronage to you, the owner-member. Working together, we can be the community financial institution of choice, meeting your every financial need. Thank you.

Sincerely,

Gary J. O'Brien
President
Leading Edge Credit Union

Message from the CEO



In today's global economy, numerous challenges are impacting every community at rapid rates. The retreat of government from public ownership, social programs, and direct economic intervention signals a decline in the ability to influence social and

economic decisions. Reductions to social programs have reduced the well-being of the middle class and poor Canadians. The income gap is widening as the wealthy continue to influence public policy to ensure their continued accumulation of wealth. The rise of multinational corporations are placing our small businesses in compromised financial positions and reducing disposable income for consumers through price increases on products we have grown to rely on. In short, large corporations are becoming more powerful, more influential, and shaping our lives in a negative manner.

In the 1800's, citizens recognizing the power of multinationals during the industrial revolution sought to identify a different business model that would consider the consumer and community's best interest. The co-operative model was introduced, recognizing that individuals could band together co-operatively to work towards fulfilling their similar need. The co-op model flourished as community capacity was built and individuals recognized the value in being the masters of their own domain. Over time, consumers/creators grew tired of participating in economic development and slowly fell into the trap of capitalism once again. The simple transactionary nature of consumerism trumped the participation in the development of a community-based organization. Interestingly enough, consumers were even willing to pay a premium to support such commerce activity.

Leading Edge Credit Union is an organization that was born of several co-operative banking initiatives with the same goal in mind: to provide access to financial services to members of the community in an effective, affordable manner. Today, citizens have access to an abundance of financial services; they are no longer restricted by geography. A choice can be made to

support large, multinational banking institutions and contribute to their business model objectives, or to support their local credit union and invest in the co-operative model. Banks take local deposits and deploy them to whatever part of the world provides the best short-term profit, while credit unions ensure that the local community comes first. This distinction between the two offerings is not well known by the general public, mostly due to the lack of communication praising the co-operative advantage. So, what is the co-operative advantage? The co-operative model operates on the seven co-operative principles which provide the foundation of decision making and actions of the institution. It is healthy to look at how Leading Edge Credit Union lives the co-operative principles.

Voluntary and open membership is a principle that Leading Edge Credit Union takes seriously. Policies and procedures are designed to ensure equitable treatment of all members. All interactions with the membership are completed with the utmost respect which has been validated with a 94% member satisfaction rating on our annual member survey.

Democratic member control is best demonstrated in the way Leading Edge Credit Union conducts board elections. Every member has an opportunity to participate in the election process either through voting for a nominated director or through becoming a director themselves. In 2014, the Governance Committee recommended a more aggressive campaign to attract new directors and educate our membership about this very important, and transparent, principle.

Member economic participation allows an individual to become a shareholder in the organization by purchasing shares with the understanding that there can be limited share return. Leading Edge Credit Union reduced the required shares investment from \$100 to \$5 in 2014 to ensure that the share price is not a barrier to securing membership. I am also pleased to report that after five years of reinvesting surplus earnings in the credit union, in 2014 a membership dividend and patronage rebate of \$280,000 is being recommended. Members are also realizing, financially, the success of the co-operative.

Autonomy and independence ensures that Leading Edge Credit Union continues to be controlled by its membership regardless of the economic environment. This is a significant difference compared to being a customer of a chartered bank in which you have limited say in the operation as a shareholder and none as a customer. Leading Edge Credit Union consistently supports initiatives that are important to our membership and to the credit union system. In 2014, we actively engaged in the My Credit Union Matters campaign to lobby government to reconsider regulation changes that will unfairly tax credit unions, thereby impacting returns to our membership.

Education, training and information continues to be a principle that Leading Edge Credit Union takes quite seriously. Recognizing the lack of financial literacy in young people and the upward trend of consumer debt loads, we continue to invest in the School Savings Program to educate young people on the value of saving. In 2014, 89 active school savings account holders received numerous tools and educational materials to further develop their financial knowledge. Employees and Board members also received education opportunities to effectively develop our financial co-operative. In 2014, 205 courses were completed by staff and Board members; an investment by Leading Edge Credit Union of \$28,512. The membership also was treated to 16 member education sessions varying from the pitfalls of financial fraud to investment advice.

Co-operation amongst co-operatives is a principle in which the Board of Leading Edge Credit Union chose to invest more time and focus. Similar to the concept of 'people helping people' achieve a common goal, co-operatives can learn and grow in a collaborative arrangement. Leading Edge Credit Union has partnered with the Indian Head co-op and the Baie Verte co-op to seek ways in which we can bring more member value proposition to each of our respective memberships. The goal is to embrace a working relationship in which members can yield additional benefits when they choose to support the co-op model. A working relationship has also been established with the Newfoundland and Labrador Federation of Co-operatives with a goal to stimulate more co-operative activity in the areas in which we operate.

Concern for community is a principle that Leading Edge Credit Union holds to a very high standard. In 2014, over \$21,000 was distributed to our communities through donations and sponsorships. Employees have demonstrated their commitment to their community through 1,589 volunteer hours, 217 of which LECU staff received paid time for. Leading Edge Credit Union has assisted small business by providing over \$1 million in small business lending and reduced service fees. To ensure non-profit organizations utilize their funding to the maximum benefit, Leading Edge Credit Union provided free banking services to 227 non-profit organizations; a total savings to community groups of \$54,480. The paper reduction strategy implemented in 2009 continues to save paper and in 2014 over 104 thousand sheets of paper were saved.

The co-operative model provides people a chance to do something positive, to take action which can improve their lives and communities. I am proud to report that Leading Edge Credit Union is a product of such a united effort. I would like to thank all employees for their commitment to the credit union and for ensuring the co-operative principles are a part of everything that we do. It is great to work with individuals whose values align with that of the organization. I would also like to thank the Board of Directors for ensuring, through investments of time and resources, that Leading Edge Credit Union remains true to its co-operative identity. Thank you to the members of Leading Edge Credit Union for your support and participation in ensuring our communities remain strong in these tough global times. Your decision to choose a co-operative banking model is a significant contribution to the first steps in harnessing our ability to govern and shape our own financial and community well-being.

Sincerely,

Cory Munden
Chief Executive Officer
Leading Edge Credit Union

Audit Committee Report

To the Members of Leading Edge Credit Union:



The Audit Committee of the Leading Edge Credit Union Limited was active over the past year. The Committee members met on five occasions to conduct business on behalf of the Board and to meet their obligations as set out in the terms of reference for the Audit

Committee. Additionally, the Committee met with Byron Smith C.A., auditor, to review the results of the external and internal audits for 2014. All reports stemming from these audits have been reviewed by the Audit Committee and presented to the Board. The 2014 audited financial statements are provided in this AGM booklet and I encourage you to review them.

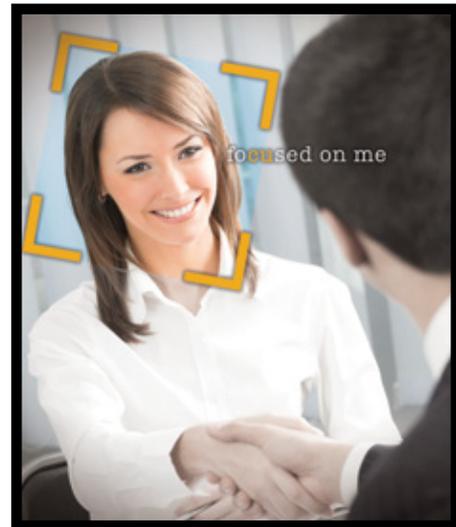
Each year, the Audit Committee works with the management team to address any recommendations provided by the auditors. LECU's internal procedures have been strengthened through increased management oversight and a comprehensive set of policies and procedures designed to improve internal controls as a means to reduce risk and safeguard the assets of corporation. We would like to commend management and staff for their efforts in this area.

The Audit Committee also oversees LECU's Enterprise Risk Management (ERM) strategy. ERM is a framework for managing all risks inherent in our business. Credit unions owe a duty to their members to manage the money that a credit union holds on deposit appropriately. Risk management is about identifying, evaluating and controlling risks in a comprehensive and systematic manner to allow our credit union the opportunity of taking advantage of strategic opportunities without exposing our members to undue risk of loss. Management reports to the Audit Committee quarterly on the top priority risk areas and management completes a full ERM risk assessment, including a reassessment of priority items, at least annually as per the ERM Policy.

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,

John Healey
Chairperson, Audit Committee
Leading Edge Credit Union



Governance Committee Report

To the Members of Leading Edge Credit Union:



During the past year, the Governance Committee met three times. 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.

Specifically related to your credit union, the committee considered three aspects of directorship: succession, recruitment and election. Pertaining to succession, at the formation of your credit union, members adopted a by-law that limited to nine the number of years a director could serve consecutively. In view of the few members offering themselves for election as directors, the Committee reviewed this provision, but deemed it advisable not to propose an amendment. The Committee deemed it more advisable to initiate a more aggressive recruitment for directors. This initiative stimulated more interest among members, who hope to become further involved in future years.

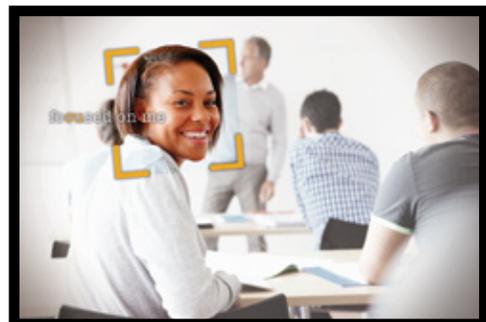
The Committee proposed, and the Board accepted, amendments to our lending policies. These amendments will enable your credit union to provide greater service to two groups, students pursuing further educational opportunities and members intending to enter into long-term contracts with automobile dealers. Directors hope these improvements will entice members to contact their credit union whenever they plan to undertake financial obligations with other institutions.

The Committee also considered the process for distributing to you rewards for using the services your credit union provides and the amounts involved. In this regard, we requested the Superintendent to seek changes in applicable regulations and he agreed to undertake such a review. An appropriate amendment would enable your credit union to make an efficient distribution to you when directors deem such a distribution advisable.

More generally related to the system within which your credit union operates, the Committee contemplated a by-law of Atlantic Central and proposed an amendment, which the general assembly of credit unions in Atlantic Canada accepted. This amendment, at the discretion of their directors, will enable participation in general meetings by way of the internet. It is the hope that this amendment will enable greater and more cost-effective participation, without loss of effectiveness, in system decision-making. The basis of this proposal is the success your credit union has experienced because of using modern means of communication.

Kindest Regards,

William H. Coates
Chairperson, Governance Committee
Leading Edge Credit Union



Lending Committee Report

To the Members of Leading Edge Credit Union:



In 2014, the Lending Committee continued to be very active in fulfilling its roles and responsibilities. The committee delivered a number of 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 committee recommended the write-off of loans in the amount of \$256,970. This is an increase from the previous year's value of \$239, 867.

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 is also responsible for reviewing all credit requests for staff, board and committee members. In 2014, the following credit was approved for these members:

Type of Loan	Total Number Approved	Total Value of Approval
Loan	7	\$158,820
Mortgage	4	\$722,118
Line of Credit	3	\$63,000
	TOTAL	\$943,938

The committee would like to outline the following loan report for the year ending December 31, 2014:

Type of Loan	Total Number	Total Value
Current Loans and Mortgages	2835	\$77,560,896
Impaired Loans and Mortgages	87	\$1,516,647
TOTAL	2922	\$79,077,543

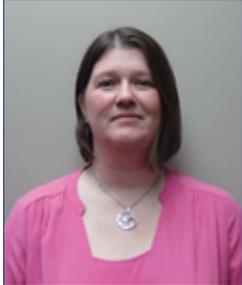
We would like to take the opportunity to thank our staff for their cooperation and assistance in performing the mandate of the Lending Committee.

Thank you,

Cory Munden
 Chairperson, Credit Committee
 Leading Edge Credit Union

Human Resources Committee Report

To the Members of Leading Edge Credit Union:



The Human Resources Committee was active in the past year, having met on four occasions to perform its duties on behalf of the Board of Directors. The core function of the Human Resources Committee is to make recommendations on policy,

plans and compensation relating to the personnel of Leading Edge Credit Union (LECU).

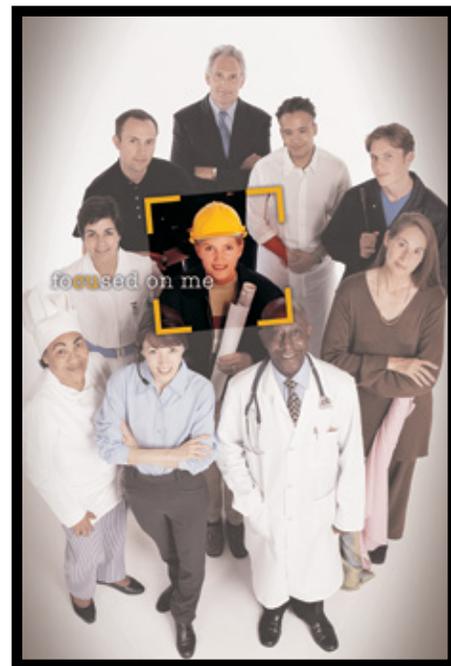
In 2014, the Human Resources Committee provided guidance and advice on a number of important matters including the administration of the Walker scholarship, and a two year plan to fully adopt the Model Salary Scale for employees of LECU. The Human Resources Committee has also started the process of reviewing succession planning to ensure there is a plan in place to cover both planned and unplanned departures within key positions.

As required, a review of the Human Resources Committee's Terms of Reference was completed to ensure its duties and responsibilities remains relevant to credit union operations. All recommendations brought forward to the Board by the Committee were done so professionally and with the due diligence that our members can count on.

I would like to take this opportunity to thank the Board and staff of LECU for your continued support and cooperation in all matters related to Committee work. You continue to show professionalism in all that you do. Thank you, also, to my fellow committee members for their dedication, hard work and support. My first experience as a Chairperson was successful only as a result of our combined efforts and dedication to LECU.

Best Regards,

Janet Willis
*Chairperson, Human Resources Committee
Leading Edge Credit Union*



Social Responsibility Committee Report

To the Members of Leading Edge Credit Union:



Social Responsibility (SR) is the principle of considering the interests and community welfare extending beyond direct business practices; in general terms, this means giving back to our communities. The Social Responsibility Committee governs the

Social Responsibility mandate of Leading Edge Credit Union (LECU). In essence, we have worthy discussions and exercise due diligence when making recommendations to the Board of Leading Edge Credit Union. In 2013, a new Key Performance Indicator (KPI) structure for Social Responsibility reporting was adopted. These KPIs continued to be tracked throughout 2014 and the results are shared in the Social Responsibility section of this AGM booklet. Please take some time to review the report. We report our SR performance on a quarterly basis; these results are posted regularly on LECU's website.

2014 was an outstanding year, both from financial and social responsibility perspectives. During 2014, two words symbolize what Social Responsibility was for LECU: giving and relationships. Accolades go the employees who gave their time, both company and personal, to volunteer activities. Once again, the KPI chart in the social responsibility section shows the unbelievable amount of volunteerism within LECU. A small sampling of the many social responsibility activities is also included within that section.

Leading Edge Credit Union is a financial co-operative, so it is through the Social Responsibility Committee, the Chair of our Board, and the CEO, that we have made great strides in 2014 to foster relationships with other co-operatives in our geographical area. LECU has also taken steps to focus more seriously on the

principle of 'co-operation among co-operatives', and we have engaged the Newfoundland and Labrador Federation of co-operatives to help realize the strength in co-operatives working together for the collective good. Look for more updates on our work with co-operatives in the coming year!

My predecessor as chair reported that social responsibility is "less about changing what we do and more about changing how we think". I couldn't agree more. So, instead of creating something new, we, the Social Responsibility Committee, are going back to the basics. What started us in the beginning was our belief in the co-operative principles. We are putting a renewed effort into bringing forth collaboration and co-operation with existing co-operatives and into establishing new ones.

I am pleased to take the opportunity to thank the Board of Directors and staff for their continued support and cooperation.

Kindest Regards,

Barry Simms
Chairperson, Social Responsibility Committee
Leading Edge Credit Union



Independent 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, 2014, 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 procedures 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, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Spaniard's Bay, NL
February 25, 2015

Byron Smith
Chartered Accountant

Balance Sheet

Leading Edge Credit Union Limited Statement of Financial Position

As of December 31,	2014	2013
Assets		
Cash	\$ 4,409,123	\$ 5,375,439
Cash – required liquidity	5,067,585	4,777,855
Investments	1,162,580	1,149,000
Income taxes receivable		70,909
Loans and mortgages receivable	77,273,635	72,105,461
Investment in mortgages under administration	2,511,813	1,917,644
Other assets	184,848	141,392
Property, Plant and Equipment	<u>1,475,723</u>	<u>1,579,525</u>
	\$ 92,085,307	\$ 87,117,225
Liabilities		
Members deposits	\$ 86,668,883	\$ 82,515,306
Accounts payable and accrued liabilities	386,287	328,109
Dividends payable	279,731	11,154
Current income taxes	4,034	
Future income tax	21,172	17,723
Non-members' deposits	<u>24,850</u>	<u>24,934</u>
	87,384,957	82,897,226
Members' Equity		
Retained earnings	<u>\$ 4,700,350</u>	<u>\$ 4,219,999</u>
	<u>\$ 92,085,307</u>	<u>\$ 87,117,225</u>

Statement of Income and Retained Earnings

Leading Edge Credit Union Limited
Statement of Comprehensive Income

For the Year Ended December 31,	2014	2013
Financial Revenue		
Interest	\$ 4,457,369	\$ 4,464,646
Investment income	<u>197,706</u>	<u>127,284</u>
	4,655,075	4,591,930
Cost of funds		
Interest on members' deposits	1,192,890	1,284,543
Dividends paid to members	<u>280,053</u>	<u>11,147</u>
	1,472,943	1,295,690
Financial margin	3,182,132	3,296,240
Other income	<u>1,490,263</u>	<u>1,345,767</u>
	4,672,395	4,642,007
Operating Expenses		
Members' Security	435,003	451,327
General business	1,719,118	1,835,714
Personnel	<u>1,944,531</u>	<u>2,023,700</u>
	4,098,652	4,310,741
Net income before income taxes	573,743	331,266
Income taxes		
Current tax expense	89,943	49,909
Future tax recovery	<u>3,449</u>	<u>(6,563)</u>
Net income for the year before other items	480,351	287,920
Other items		
Loss on disposal of property plant and equipment	<u>NIL</u>	<u>42,320</u>
Total Comprehensive Income	\$ <u>480,351</u>	\$ <u>245,600</u>



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Credit unions ranked #1 in serving small and medium-sized enterprises (SME), according to a survey by the Canadian Federation of Independent Business (CFIB). Credit unions have been ranked #1 by CFIB members in four of the last five triennial surveys.



CFIB
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Best Places to Work

Six Atlantic credit unions are proud to be included as Best Places to Work by Progress Magazine.

focusedonme.ca

*The Ipsos 2014 Best Banking Awards are based on quarterly Customer Service Index (CSI) survey results. Sample size for the total 2014 CSI program year ended August 2014 was 45,428 completed surveys yielding 68,738 financial institution ratings.



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