

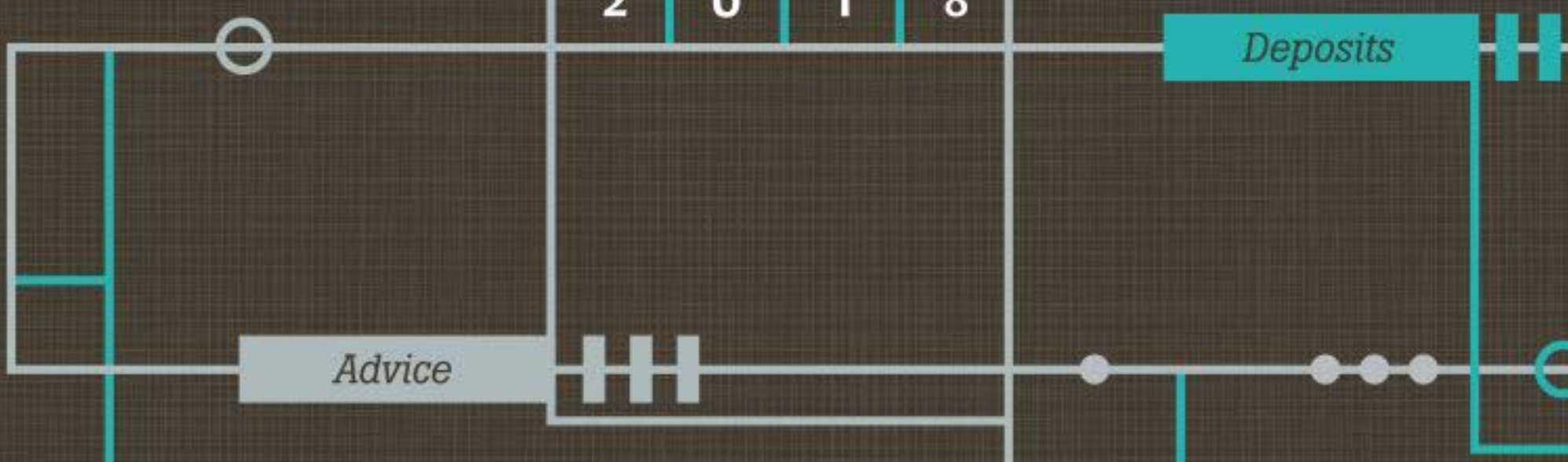


# LAKELAND CREDIT UNION ANNUAL REPORT

2 0 1 8

*Deposits*

*Advice*







### *Our Why*

We provide financial opportunity, choice & lifelong value.

### **How do we do this?**

We partner with our members and our communities to enrich their lives through trusted advice and exceptional service.

### *Our Goal*

We will be the most respected financial institution where; new members seek to join; meaningful careers are nurtured; partners pursue collaboration and our collective community succeeds.

*Our People*

*Our Members*





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2018 marked the 78th year of operation for Lakeland Credit Union – what an achievement! And as a financial co-operative we continue to use our success to add value to our services for our members and to create a positive impact in our community.

Our regional economy continues to be challenged with the downturn and difficulties facing the oil and gas industry. We remain conscious of these issues and are working diligently to ensure the health of our credit union, while also helping our members through their trials as best we can. It remains a problematic climate, but through diligence and creativity we continue to improve ourselves.

Financially, our year was favorable, as you will see through the remainder of our report. We strive to ensure that our other efforts also continue to be first rate.

The people – members, staff, and Board – are the heart and soul of Lakeland Credit Union, for whom we exist, and without whom we could not function. We are therefore pleased to again share profits and opportunities with our members and community in 2018 through initiatives like:

- Profit Sharing;
- Patronage Rebates;
- Re-Investment in our Communities;
- Financial Literacy Lessons for children and adults; and
- Educational scholarships.

Our staff, on their own time, contributed by volunteering 3,910 hours for local outreach to community groups and events.

2018 saw the creation of a new three-year strategic plan, incorporating the vision, goals and objectives that the Board has set as we navigate through these evolving times in our industry. We continue to work with management to ensure there are robust finance and audit frameworks, as well as community and member relations reviews in place to identify and mitigate risk across Lakeland Credit Union. We also continue in partnerships with like-minded credit unions to improve our competitive positions.

I thank my fellow Board members for their commitment in representing our membership. Also, on behalf of the Board, thank you to our CEO, Brian Thorne, and our leadership team for guiding us on the path towards success, and the staff of Lakeland Credit Union for working to serve you each day. And our deepest appreciation to you, our members, for your unwavering trust and support as we guide your financial co-operative into the future. I remain honored to serve.

Here's to an outstanding 2019!



**Charmaine Code**  
Board Chair

## BOARD CHAIR'S MESSAGE TO THE MEMBERSHIP

*Strategy*

*Tactics*



L'année 2018 marque les 78 ans d'existence de la Caisse Populaire Saint-Louis de Bonnyville, devenu Lakeland Credit Union (LCU). Quel accomplissement! Comme Coopérative Financière, nous continuons de bâtir sur cette expérience pour valoriser le service aux membres et l'impact positif dans la communauté.

Le ralentissement et les difficultés de l'industrie pétrolière mettent notre économie régionale au défi. Nous en sommes conscients et nous travaillons diligemment la bonne santé de notre Caisse Populaire en aidant nos membres à surmonter ces défis. Dans un climat incertain, mais avec diligence et de la créativité, nous continuons de nous améliorer. Comme vous le verrez au cours de ce rapport, notre année financière a été positive et nous nous assurons de l'excellence de toutes nos autres implications.

Le cœur et l'âme de LCU, ce sont les gens : membres, employés et administrateurs sans lesquels on ne pourrait fonctionner. Nous sommes heureux de partager les profits et les opportunités avec nos membres et la communauté, par les initiatives suivantes en 2018, :

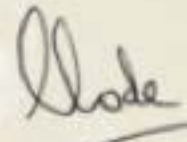
- Partage des profits
- Rabais pour les clients
- Réinvestissement dans la communauté
- Cours d'alphabétisation financière
- Bourses scolaires

Nos employés ont aussi contribué à 3,910 heures de bénévolat en soutien à des groupes et à des événements communautaires.

2018 a vu la création d'un nouveau plan stratégique de 3 ans qui incorpore la vision, les buts et les objectifs proposés par la Direction pour bien gérer les changements que subit notre industrie. Nous travaillons avec l'administration pour qu'il y ait des structures de financement et de vérification robuste, de même que des systèmes de révision en place pour les relations communauté-membres, afin d'atténuer les risques pour LCU. Nous continuons notre partenariat avec d'autres caisses populaires afin de se positionner compétitivement.

Je remercie mes collègues du Bureau de Direction pour leur engagement à représenter nos membres. En leur nom, merci à Brian Thorne, notre gérant, et à notre équipe de leaders qui nous ont guidé sur la voie du succès. Merci aussi à tout le personnel de LCU pour nous servir tous les jours. Notre plus profonde reconnaissance à nos membres, pour leur confiance et leur soutien à leur coopérative financière pour un avenir meilleur. Je suis honoré de vous servir.

Que l'année 2019 soit un succès.



**Charmaine Code**  
Présidente du Conseil

## LAKELAND CREDIT UNION – RAPPORT 2018

*Direction*



When I think of how hard each employee at Lakeland Credit Union (LCU) has worked in 2018 to deliver on our promise to you, our members; to ensure you receive exceptional service and trusted advice, I am quite simply proud of them!

### *Team of Teams*

We have the very best team of teams at LCU! Early in October the staff at LCU was presented with the 2018 Most Outstanding Large Business award from the Bonnyville and District Chamber of Commerce. Our staff worked diligently with every member finding financial solutions and recommendations for them. These efforts grew our member's assets by 7% and our deposit portfolio by 7.34%. Our lending activities increased the loans we funded by 23% over last year. Continued prudent asset and expense management grew our income by more than 11% on a year-over-year basis, funding our \$2.6 million in member profit sharing and \$115,000 in community investment.

### *People Before Profits*

As a member, your voice is key to our success! You continue to confirm that we are focused on you, our members with 92% of you who are likely to recommend LCU as your financial provider of choice to your family or friends. LCU welcomed over 600 new members in 2018 with the help of your referrals. Thank you for your confidence!

Of course this kind of member engagement is driven by all of the staff at LCU. We are so fortunate to have so many happy, engaged and committed employees working diligently to provide financial advice to you. We continue to invest in our staff's learning and development so they have the credentials you expect your advisor to have.

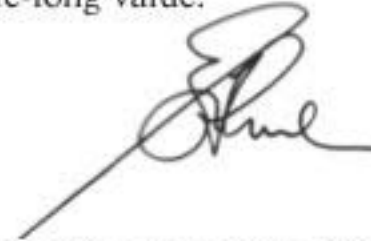
### *One Step Ahead*

I believe that LCU is one-step-ahead in two key areas: Our commitment to small businesses, which are the economic foundation of our communities, and our commitment to making banking easier for you.

Last year we launched our entrepreneurial (small business) loan program called Sparks. We had significant uptick with this program funding 5 new start-ups. We have funded an additional 6 new start-ups this year ranging in business purposes from high-tech digital marketing to industrial gloves to patented products.

To simplify our banking we will be reviewing our processes to open a new account (chequing and savings), or obtain a loan or a new investment. We want to make it as easy as possible for you to bank with us, so we will be investing in digital banking technology to make it easier for you to open these new banking services with us when and where you want to.

We continue to be optimistic about the year ahead. We are committed to partnering with you, our members and our communities to provide financial opportunity, choice and life-long value.



**Brian Thorne** | MBA, CCE, CCD, CIE, PFP  
Chief Executive Officer

## CEO REPORT TO MEMBERS

*Community*

*Collaborative*



Je suis tout simplement fier du travail acharné des employés de la Caisse Lakeland Credit Union en 2018, afin de remplir nos promesses d'offrir un service exceptionnel et des conseils fiables à nos membres.

### Équipe des équipes

Nous avons tout simplement la meilleure des équipes à LCU. Début octobre, le personnel a reçu de la Chambre de Commerce, le prix de l'entreprise de l'année 2018. Nos employés ont travaillé diligemment avec chaque membre, à la recherche de bonnes solutions financières. Ces efforts ont fait augmenter les actifs des membres de 7% et le portefeuille de dépôt de 7.34%. Nos activités de prêts ont augmenté les prêts que nous finançons à 22%, comparé à l'an passé. Une bonne gestion des actifs et des dépenses ont fait augmenter notre revenu de plus de 11% sur une base annuelle, ce qui finance 2.6 millions de partage de profits aux membres et de 115,000\$ en investissement dans la communauté.

### Les gens avant les profits

Le choix de nos membres est la clef de notre succès. 92% sont prêts à recommander LCU comme financier de choix à leur famille et à leurs amis. LCU s'est agrandi de 600 nouveaux membres en 2018, grâce à vous, merci de votre confiance.

Vous confirmez que nous sommes à votre écoute. Cet engagement de nos membres est encouragé par tous les employés de LCU. Pour vos besoins en services financiers, nous avons des employés heureux, engagés, dédiés et nous continuons d'investir dans le développement et l'apprentissage pour obtenir les qualifications que vous exigez d'eux.

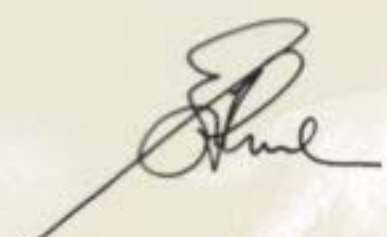
### Un pas d'avance

LCU a un pas d'avance dans 2 secteurs clefs : notre engagement envers les petites entreprises, le fondement économique de nos communautés, et notre engagement à faciliter les opérations bancaires.

L'an dernier, nous avons lancé notre programme de prêts entrepreneurial appelé SPARKS. Nous avons financé 5 nouvelles entreprises de démarrage. Cette année, nous en avons financé 6 autres, dans des domaines allant de la haute technologie, aux gants industriels et autres produits brevetés.

Pour simplifier nos opérations bancaires, nous étudions le processus pour ouvrir un autre compte (chèque ou épargne), ou pour obtenir un prêt ou un nouvel investissement. Nous investissons dans la technologie bancaire digitale pour faciliter les opérations bancaires et l'accès aux nouveaux services.

Nous sommes optimistes pour la prochaine année. Nous sommes vos partenaires, vous nos membres et nos communautés, pour offrir des choix et des avantages financiers, des valeurs pour l'avenir.



**Brian Thorne** | MBA, CCE, CCD, CIE, PFP  
Directeur Général

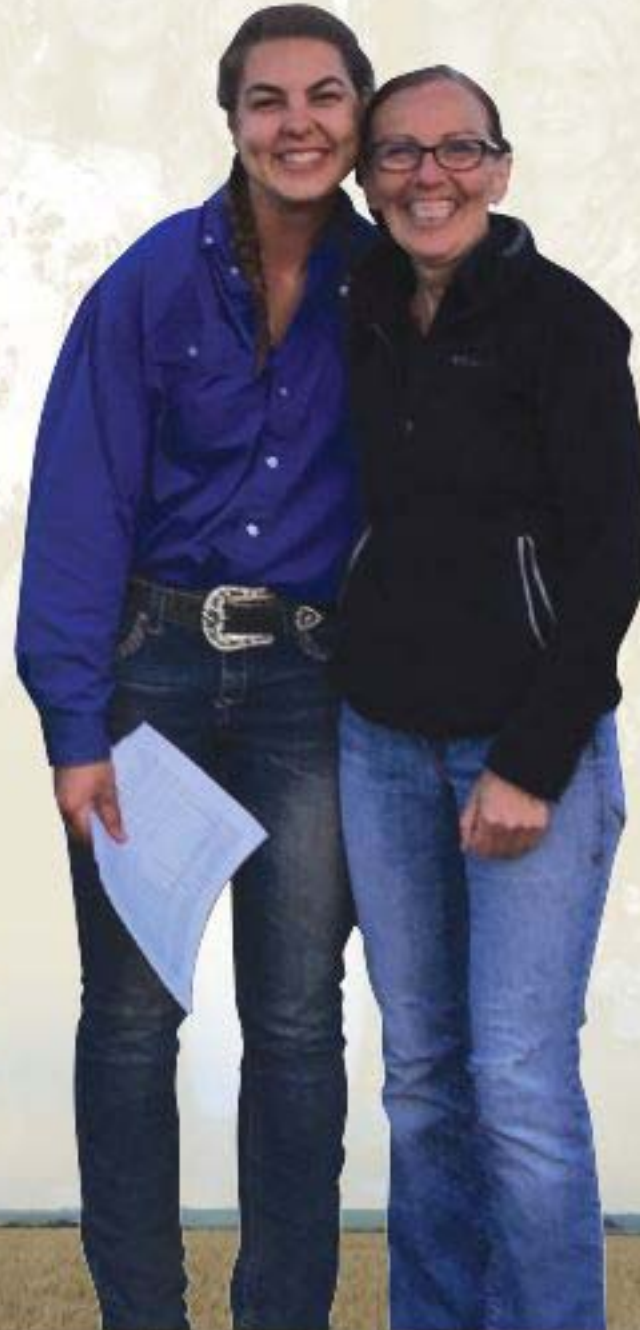
## RAPPORT DU CEO AUX MEMBRES

Excellence





*Volunteering*



## COMMUNITY OUTREACH

*Financial Literacy*

*Sponsorship*

*Events*



### MEMBER SATISFACTION

92%



### SCHOLARSHIPS AWARDED

\$12,000

was given to 12 students in the Lakeland.

12

### SERVICE CHARGE REBATES

\$28,926

### VOLUNTEER HOURS

3,910.50

hours were tracked; we had 100% staff participation.

### CAREWEAR DONATIONS

2018: \$7,622.23 was given to 4 different local not for profits



### DONATIONS & SPONSORSHIPS

\$90,219

was donated or sponsored with more than 61 different events, organizations, etc.

61

### STAFF GRANTS

In 2018 there were 6 staff members that took advantage of the LCU volunteer grants. A total of \$3,000.00 was awarded to the not-for-profit organizations that they have volunteered their time with.



### FINANCIAL LITERACY

We have facilitated 40 Financial Literacy Sessions which included:

- 15 Each One Teach Ones to 4 different high schools and just over 300 students
- 10 Moonjars to 3 different middle schools and just over 200 students
- 2 Women, Wine & Wealth public sessions in both Bonnyville and Cold Lake with 76 members in attendance.



## BOARD OF DIRECTORS

*Charmaine Code*

- **Board Chair**

*Judy Cabay*

- **Vice Chair**

*Dean Dube*

*Paulette Fersovitch*

*Denis Laurin*

*Kurt Richard*

*Chantal Vallee*

## EXECUTIVE

*Brian Thorne, MBA, CCE, CCD, CIE, PFP*

- **CEO**

*Garth Bradley*

- **VP, Credit**

*Shirley Mayowski, FCUIC, CCE*

- **VP, Finance & Risk**

*Ronda Morin, CCE*

- **VP, Member Experience**

*Karen Dows, CLSSGB*

- **AVP, Operational Support**

*Wendy Morrison, GPC.D*

- **AVP, Corporate Governance**

## MANAGEMENT

*Melanie Bossence*

- **Manager, Brand Experience**

*Kassandra Fransen, B.Comm*

- **Manager, Finance**

*Noella Williams*

- **Manager, Member Services**

*Andrea Yaremie, CPHR*

- **Manager, Employee Experience**



## STAFF HIGHLIGHTS

*Dedication*

*Team*

*Leadership*

*Education*



## CERTIFICATIONS/ACCREDITATIONS

Jason Cusack	Certified Associate Project Manager
Crystal Dechaine	MBA
Karen Dows	Lean Six Sigma Green Belt Management CUES Certified Payments Strategist
Crystal Ducharme	Consumer & Residential Mortgage Lender Accreditation
Kassandra Fransen	CFA Level I
Shirley Mayowski	CUES Certified Chief Executive Level III
Ronda Morin	CUES Certified Chief Executive Level III
Wendy Morrison	Governance Professionals Canada (GPC.D)
Brian Thorne	CUES: Strategic Innovation Institute - CIE CUES: Governance Leadership Institute - CCD

### *LCU Financial*

Susanna Crain	Mutual Funds License
Krista Kardash	Chartered Life Underwriter
Bobbi Read	LLQP Certification

## YEARS OF SERVICE

Irene Schurek	30 Years
Renee Bosdorf	15 Years
Isabelle Scoles	10 Years
Carole Beck	5 Years
Garth Bradley	5 Years
Candice Coultis	5 Years
Lise Danyluk	5 Years
Shani Daw	5 Years
Martha Hernandez	5 Years
Andrea Yaremie	5 Years

### *Instride*

Cindy Cusack	5 Years
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**The economic environment in the Lakeland area continues to mirror that of other communities in Alberta where core growth comes from the oil sector. After experiencing several years of extreme reductions, downsizing and cut-backs, economic conditions seem to be stabilizing. Lakeland Credit Union's mission has been to support our members through these "adjustment" years and help position them for better times ahead.**

As an organization we have also been affected by the economy but have managed to improve our performance results from last year. This was largely accomplished through effective expense management and a lift from the rising rate environment. As rates increase we are proactive in

discussing fixed rate mortgage options with our member as well as offering some attractive fixed rate deposit options.

The lagging Lakeland economy is reflected in our loan growth being relatively flat from last year. Total assets realized growth of 7%, largely due to increased investment and deposit activity. Our financial margin improved by close to 6%, with income growth of more than 11%. These positive results enable us to continue sharing our profits with our members, in the form of dividends and patronage; with a 20% cash rebate this gives them "cash "in their pockets, supporting our members and the communities in which they live and work.

## FINANCIAL OVERVIEW

*Profit Sharing*

*Growth*



**LOANS** MILLIONS (\$)



**DEPOSITS** MILLIONS (\$)



**ASSETS** MILLIONS (\$)



**MEMBER EQUITY** MILLIONS (\$) ○ (RE) ● (CS)



**PROFITABILITY** MILLIONS (\$)



**PROFIT SHARING** MILLIONS (\$)





## LET'S BUILD A PLAN TO HELP YOU LIVE LIFE CONFIDENTLY.

You have aspirations – for what and who you care about, for today and for the future. But life is complicated, and figuring out how to make those aspirations a reality can be hard.

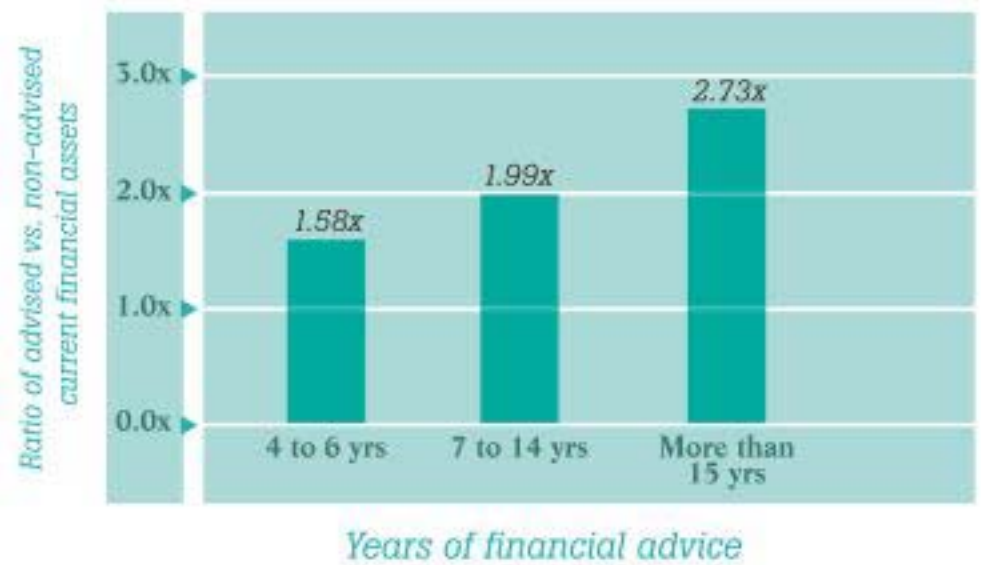
You need a plan – a financial plan. Only CFP professionals see your whole picture, no matter how complex, and work with you to help you understand where you are and where you want to be.

Whether you have a pressing issue or just need some help getting started, CFP professionals have the knowledge, skills, experience and the ethics to help you build the financial plan that will let you live your life confidently.

Schedule your financial checkup with LCU Financial's wealth management team to start building your plan today.

### Getting More for Your Money

An advised household that has worked with a financial advisor for 15 or more years has 2.73 times more assets.



This chart has been adapted from the original chart in the CIRANO research paper. The CIRANO chart included raw data (before removing the influence of the other factors). This chart shows only the econometric data, in which the influence of other factors has been removed.



LCU FINANCIAL

Knowledgable

Wealth Management









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5217-50 Avenue, P.O. Box 1110, Cold Lake, AB T9M 1P3 P: 780.594.4011 F: 780.594.2646  
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