

# HOLY REDEEMER CREDIT UNION LIMITED



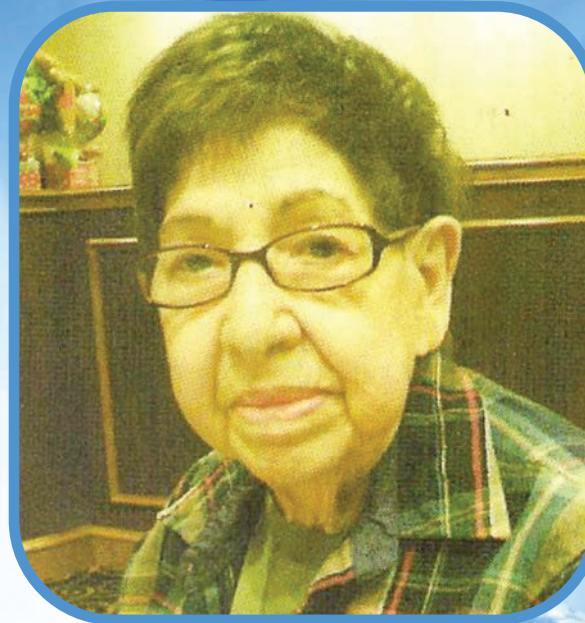
## ANNUAL REPORT 2017

**73** *Years of Service!*





*"Carrie"*



# *Carmen Anita Canton*

*December 20, 1922 - August 1, 2016*

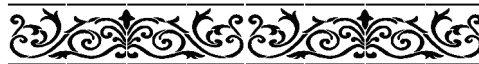
It is with great sadness that we inform member-owners of the passing of Ms. Carmen Canton, one of the three ladies who came forward with their \$.25 cents for the humble beginning of HRCU. Carrie, as she was affectionately known, was the last surviving of the three ladies. She migrated to New Orleans in 1954 with her only daughter, Carol Anne, in search of the American dream of a better life. Before leaving Belize she worked with Cable & Wireless as a telephone operator for many, many years. Her first job in New Orleans was at Sears Department Store. Thereafter she got into the green coffee export and import business where she worked until she retired. Being the workaholic that she was, after retirement Carmen continued to work part-time for Volunteers of America in their adoption program. Carmen never gave up on Belize or her credit union HRCU. She made numerous visits home and upon each visit she would always pass by the office to see how things were progressing. She will be greatly missed, but HRCU will remember her for that important role she played during our formative years.

**May her soul rest in peace!**

# Annual General Meeting Business Agenda

1. **MEETING CALLED TO ORDER BY PRESIDENT**
2. **OPENING PRAYER** (See inside back cover of booklet)
3. **ROLL CALL** (Member-owners in attendance)
4. **APPROVAL OF MINUTES** (Annual General Meeting 2016)
  - a. Matters arising from Minutes
  - b. Confirmation of Minutes
5. **REPORTS**
  - a. Board of Directors
  - b. Credit Committee
  - c. Treasurer's Report (Balance Sheet with Accounts)
  - d. Burial Scheme Program Report
  - e. Supervisory Committee
6. **DISCUSSION AND ACCEPTANCE OF REPORTS**  
(Declaration of Dividends and Rebates)
7. **CHAIRPERSON'S REMARKS**
8. **ELECTION OF OFFICERS:**

Board of Directors	-	1 Vacancy
Credit Committee	-	1 Vacancy
Supervisory Committee	-	3 Vacancies
9. **NEW BUSINESS**
  - a. Confirmation of External Auditors
10. **ADJOURNMENT OF BUSINESS MEETING**
  - a. HRCU Special AGM Raffle



Saturday, April 29, 2017 - SCA Multipurpose Mercy Center  
2:00 p.m. Sharp



**MINUTES OF  
HOLY REDEEMER CREDIT UNION LIMITED  
72nd ANNUAL GENERAL MEETING**

**Held on Saturday, 24 April 2016  
Saint John's College Gymnasium  
Belize City**

**Present**

Mr. Fred Smith	- President, Board of Directors
Mr. Oscar Riveroll	- Vice-President, Board of Directors
Dr. Jane Usher	- Director Emeritus, Treasurer, Board of Directors
Mrs. Elizabeth Zabaneh	- Director, Board of Directors
Mr. Albert Vaughan	- Director, Board of Directors
Ms. Marion Marsden	- Chairperson, Credit Committee
Dr. Carol Babb	- Member, Credit Committee
Ms. Eleanor Gillett	- Member, Credit Committee
Mr. Reynaldo Burgos	- Chairperson, Supervisory Committee
Mr. Marnix Perez	- Member, Supervisory Committee
Mrs. Alice Leal	- Member, Supervisory Committee

**Absent with apology**

Mrs. Wendy Castillo	- Secretary, Board of Directors
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Member-owners in attendance: 2,401 (final count)  
 Mistress of Ceremonies (MC): Dr. Carol Babb  
 Minutes Taker: Ms. Beverly McCoy

**Call to order of 2016 Annual General Meeting**

On Saturday April 24, 2016 at approximately 2:13 p.m. MC, Dr. Carol Babb, called on President Mr. Fred Smith, who declared the 72nd Annual General Meeting (AGM) open.

Committee member, Ms. Eleanor Gillett, led the assembly in the recitation of the Peace Prayer of St. Francis of Assisi “Lord Make me an Instrument of Thy Peace”. The audience remained standing for a moment of silence in observance of the 220 member-owners who passed during the year.



## Approval of Minutes – 2015 Annual General Meeting

The MC asked member-owners to review the minutes of last year's AGM for any corrections. As there were no corrections, the proposed minutes were accepted on a motion by **Mr. Neftali Requena** which was seconded by **Mr. Angel Alpuche Sr.** The MC then called on the president to present the Board of Directors' Report. Before doing so he welcomed and thanked all delegates present from sister credit unions, board and committee members, and the membership for their presence.

### Presentation of Reports

#### Board of Directors Report

The president, Mr. Fred Smith, presented to member-owners the board of director's (BOD) report for the Financial Year April 1, 2015 to March 31, 2016.

President Smith reported that the past year had been a challenging one for HRCU; despite considerable growth the CU continues to operate in an atmosphere inundated by government fiscal policies and other private sector initiatives. He stated that the fiscal year started with the membership electing two new, young, and energetic directors to serve on the board. Shortly after at the inauguration of the first official branch office in Independence, Stann Creek District, member-owners overwhelmingly approved the newly appointed southern director, Mrs. Elizabeth Zabaneh. In keeping with the Credit Union Act, he stated that her appointment will be endorsed at this AGM.

He then made the following proposals which would amend the existing Bylaws. The first was for the membership's approval of the appointment of Mrs. Zabaneh as southern representative, noting that the director will be elected every three years from among member-owners residing in the south. The second amendment proposed was for the removal of the Registrar as being responsible for the election process during the AGMs, and allow for the appointment of a capable individual or the League, to act as the Returning Officer for all future elections.

As a visionary Board and in light of the significant growth of the HRCU, he explained that member-owners now enjoy the expansion of the main office parking lot, and pledged his board's support in acquiring more lots in the area for future development of more parking and office spaces.

President Smith reiterated the growing delinquency problem that the credit union faces and stressed his board's "zero tolerance for those delinquent members". He highlighted the fact that members must be cognizant of the fact that when they are unable to service their loan the entire profit margin of the credit union gets affected. The credit union must then make provision for those loans as mandated by the regulators, the Central Bank of Belize, and the task of recovering



those monies falls on the delinquency department. He urged delinquent members to contact the staff, the board, or the committee members and make adequate arrangement to repay the monies that were entrusted to them.

He mentioned the foreign exchange crisis that the government and the banking sector are now plagued with due to de-risking decisions by correspondent banks, which is hindering the flow of currency into the country. His hope is that this situation will not affect the inflow of funds from member-owners living in the US. The credit union will continue to adhere to the guidelines mandated by the AML/CFT regulations locally and internationally.

He then asked member-owners to refer to the audited financial statements on pages 26 to 35 of the AGM booklet as the following operating and financial highlights were noted:-

- Total assets of \$536.9 million; a 7.1% increase from 2015
- Total investments: \$138.5 million
- Total savings of \$440.7 million; an 8.1% growth over last year
- Total gross profits: \$39.2 million
- Total net profits: \$25.2 million;
- Growth in membership: 2,489 “new” member-owners; 284 at the Branch office alone.
- The year ended with a net total of 52,378 member-owners

The president indicated that of net profits of \$25.2 million, \$22.6 million will be distributed back to member-owners in dividends and rebates. The board recommends dividend payout of five percent (5%) and loan interest rebates of twenty percent (20%) for their approval.

He concluded by saying how truly blessed HRCU had been and asked the Almighty Father to continue watch over the membership going into its 73<sup>rd</sup> year and to protect our country Belize.

### **Credit Committee Report**

The MC then called on Ms. Marion Marsden, chairperson of the credit committee, to present the Credit Committee Report.

Ms. Marsden welcomed all and expressed profound gratitude to the committee for their hard work and dedication in meeting weekly to review and consider loan applications and ensure compliance with the CU Policy and Procedures. In her presentation she said the Financial Year April 1, 2015 to March 31, 2016 was another fruitful year.

She asked member-owners to refer to the detailed breakdown and graphs of loan categories as shown on pages 16 & 17 of the booklet which highlighted the following:-



- Total loan portfolio increased by 4% from \$302.0 million in 2015 to \$314.1 million in 2016
- Total new loan value decreased from \$91.9 million in 2015 to \$82.1 million in 2016
- Dollar value of loans issued to member-owners:-
  - Housing Loans (largest sector) was \$25.8 million
  - Commerce Loans decreased marginally valued \$20.5 million
  - Other loans with largest category being for vehicle purchase and repairs amounting to \$8.3 million (182 new loans with a value of \$896 thousand)

In addressing delinquency, she took the opportunity to educate members by stating that “being a delinquent member does not mean that you've failed to pay off your full balance in a given month, but rather that you did not make the required pledged payment, therefore it is important to understand how delinquency works. When you fall into delinquency it is often hard to get right back and continue as normal”. She advised members “that a loan borrowed is the hard earned savings of the other credit union members and that the loans are given based on their security, equity, history, character, salary and employment status.”

Although provisioning requirements have been fully met for delinquent loans as mandated by the Central Bank, HRCU's delinquency as of March 31, 2016 stood at 13.8%. She encouraged delinquent member-owners to seek the advice of a loans officer and to get back on track with their payment as promised so as to not damage their credit worthiness in the future.

In concluding, she thanked committee members along with the staffers of the loans and delinquency recovery department for their continued reliance and persistent following up on delinquent borrowers. She ended with the quote “blessed be the credit union with one member who wants to make it grow. How wonderful it would be if each and every one of us were that one member”.

### **General Manager/Treasurer Report**

The MC then recognized Dr. Jane's 64 years of commitment and dedication to HRCU's success. The audience responded with a standing ovation after which she presented the General Manager/Treasurer's Report.

In her opening remarks she stated that “figures do speak for themselves” and as the treasurer since 1952, it was her duty and responsibility to present the financials of the credit union. GM/Treasurer Dr. Jane Usher welcomed all true and devoted member-owners to the 72<sup>nd</sup> AGM of HRCU. She summarized both the balance sheet and income and expense analysis and directed member-owners to page 19 of their booklet for highlighted details and pages 24-35 for the audited financial statements.



She reinforced what both the president and the credit committee reported, and highlighted growth in assets of \$35.7 million for a total of \$536.9 million. She stated that liquidity remained at an all time high of \$109.8 million and encouraged member-owners to utilize the loan services of HRCU where the interest costs are most affordable. Allowance for loan losses are fully provided for by HRCU at a total of \$3.3 million and after covering all other operating expenses, HRCU will return a total of \$22.6 million in the form of dividends and loan interest rebate, an increase over last year's \$21.7 million.

During her trip down south for the inauguration of the Independence branch building, she recalled how passionate member-owners were about their credit union. She said that she expects great things will become of HRCU's presence in the south. She reflected on great memories of her visits down south in the late 1950's and 1960's, when she was the president of the British Honduras Credit Union League and her husband was the Registrar of Cooperative & Credit unions.

Reflections have also brought about questions about HRCU's future and concerns about having a succession plan in place for the credit union. She assured all that there is no need for a succession plan since HRCU has an organizational chart in place which clearly addresses the levels of hierarchy with well trained and qualified personnel that can easily fill her shoes.

In concluding, she stated that when the time comes for her departure, she asked that member-owners remember her as someone who wanted to make a difference in people's lives and their financial well being. She thanked God for another year of service to His people and applauded all those members for attending their credit union meeting.

### **Burial Scheme Program Report**

Dr. Carol Babb then called on Mr. Albert Vaughan, director of the board of directors, to present the Burial Scheme Program Report for the Financial Year ended March 31, 2016.

Mr. Vaughan confirmed that the HRCU Burial Scheme Program continues to thrive and bring much needed assistance to member-owners in time of grief. The success of the program was not anticipated when HRCU began administering the Funeral Benefit and the Loan Protection & Life Saving Programmes under one umbrella in 2005.

He reported that with the nominal monthly cost of \$2.00, member owners' funeral benefit increased from \$4,000 to \$5,000 at no additional cost increase to them. Payout over the last six years exceeded what was collected in premiums, with 2016 figures exceeding \$200,000. With advice from the Supervisor of Insurance, a Burial Scheme Catastrophic fund Reserves was established in the event of excessively numerous deaths. The reserve fund assisted in the 2016 shortfall; hence directors and management are in the process of analyzing the growing increase of claims payout to determine if a small rate increase would be inevitable.





Mr. Vaughan then directed members to examine the report on pages 38-39 in the booklet, which detailed payout for the financial year of over \$1.0 million in funeral benefits (FB) and \$1.9 million for loan protection and life savings. These amounts aided the surviving family members of the 220 member-owners that died during the past year. Of the total deaths, 113 persons were female and 107 were male, with the youngest member being a 5 year old female child that died from renal failure and the eldest being 102 years old male with respiratory complication. The prevalent cause of death continues to be heart-related, cancer and respiratory complications. Sixteen member owners lost their lives to violence in the community and 7 persons got the double benefit payment because they died in traffic accidents. Only one claim received maximum payout coverage of \$25,000 in Life Savings and \$125,000 in Loan Protection during the financial year.

He concluded by advising member-owners that HRCU will continue to provide for them but they must likewise do their part by continuing to maintain the \$130.00 in their account to be able to pay the annual \$24 on May 1<sup>st</sup> in order to qualify for the funeral benefit. They MUST also keep their loan payment account up to date to enjoy full benefit coverage.

### **Supervisory Committee Report**

Mr. Reynaldo Burgos, chairman of the supervisory committee, was called to present the Supervisory Committee Report to member-owners.

He reported that pursuant to the instructions contained in the Credit Union Act Chapter 314 of the Laws of Belize, the supervisory committee had during the financial year caused to be examined the books and account records by the accounting firm of Grant Thornton International Ltd. Their report is contained in pages 24- 35 of the AGM booklet.

The Chairman further advised member-owners that the supervisory committee examined on a monthly basis the financial statements and related reports and have obtained all information and explanations that were required.

He concluded by stating that in the opinion of the supervisory committee, based on the independent external audit and monthly review of the financial statements, the balance sheet, together with the statement of income & expenses and the statement of cash receipts and cash disbursements present fairly the state of the credit union's affairs as at March 31, 2016 and for the year then ended.

### **Discussion & Acceptance of Reports (Declaration of Dividends)**

Before opening the floor for the matters arising from the reports that were read, Dr. Babb recognized an award that was given to Dr. Jane Usher by Help Age Belize, honoring her as the oldest person that is currently employed. She encouraged member-owners to be diligent like



Mrs. Jane, as she is always punctual and dedicated to her work at HRCU. The audience applauded her recognition and dedication.

Dr. Babb then called for the acceptance of the reports, the 5% dividend, and 20% interest rebate payment for member-owners who serviced their loan commitments as promised.

The reports and proposed dividend and interest rebate were accepted on a motion from **Mr. Carlo Keith** which was seconded by **Ms. Dorla Munnings**. The reports were subsequently accepted by the majority by a show of hands.

### **Election of Officers**

Dr. Babb then called on the League's Executive Director, Mrs. Corine Robinson-Fuller, to conduct the elections of officers for HRCU and thanked all those officers that served during the past financial year.

Mrs. Fuller congratulated HRCU on yet another successful year of business and asked the respective persons whose term had ended to kindly step down, thanking them for their time and dedication. Before proceeding with the elections, she explained to member-owners the requirements for persons to be nominated to serve on the various committees and the board. As per the provisions of the Statutory Rules and Orders, for each of the three elections, she opened the floor for one (1) minute for additional nominations by member-owners..

- ▶ **Board of Directors:** The term ended for Mr. Oscar Riveroll and Mr. Albert Vaughan.

The nominating committee recommended the re-election of both directors, and they confirmed their interest in serving for another term. There was no other nomination from the floor, and **Ms. Ethel Zuniga** moved that nominations be closed. The majority then voted by a show of hands to re-elect both gentlemen to the board of directors.

They both accepted and were confirmed to serve as director on the board for the next three (3) years.

- ▶ **Credit Committee:** The term ended for Dr. Carol Babb.

The nominating committee recommended the re-election of Dr Babb, and she confirmed her interest in serving for another term. There was no other nomination from the floor, and **Ms. Judy Cano** moved that nomination be closed. The majority then voted by a show of hands to confirm Dr. Babb to serve for another three year term on the credit committee, and she accepted the confirmation.



► **Supervisory Committee:** The term ended for Mr. Reynaldo Burgos, Mr. Marnix Perez, and Mrs. Alice Leal.

The nominating committee recommended the re-election of all three committee members, and they confirmed their interest in serving for another term. There was no other nomination from the floor, and the majority of member-owners voted by a show of hands to re-elect all three officers to serve for one (1) year; they all accepted and were confirmed to the post on the supervisory committee.

### **New Business**

By a show of hands, the majority of members, agreed to the reappointment of Grant Thornton as external auditor for the fiscal year 2016/2017.

### **Adjournment**

At 3:25 p.m., with the final count for voting member-owners in attendance at 2,401 the MC called for a motion to adjourn the 72<sup>nd</sup> Annual General Meeting. The adjournment of the meeting was put forward on a motion from **Mr. Ronald Perez** which was seconded by **Ms. Cynthia Samuels**. After the adjournment, Dr. Babb announced the commencement of the Special AGM Raffle.

### **Other Business (Special AGM Raffle)**

There were a grand total of twenty-five \$1,000.00 dollars prizes to be raffled among HRCU member-owners. The first winner of \$1,000.00 was **Mr. Kerwick Brown**. The other lucky \$1,000.00 prize winners were:

2.	Venice Reynolds	10.	Francisco Zelaya	18.	Golda Martinez
3.	Sharlene Gideon	11.	Shearlette Bennett	19.	Alvin Martinez
4.	Gail McNab	12.	Marquis Rodriguez	20.	Randy Gomez
5.	Emanuel Velasquez	13.	Karen Christian Matute	21.	Norma Sutherland
6.	Donotella Chun	14.	Beulah Hyde	22.	Brenda Douglas
7.	Sandra Stephens	15.	Leonie Figueroa	23.	Hanselma Sutherland
8.	Petron Gillett	16.	Emmanuel Villamil	24.	Marigold Young
9.	Brittney Vernon	17.	Minerva Ochoa	25.	Regan Gomez



After drawing the \$5,000.00 grand prize, the winner was **Ms. Daisy Mae Valencio**, Dr. Babb thanked everyone for attending HRCU's 72<sup>nd</sup> Annual General Meeting. A special thank you was given to the member-owners that attended and the staff of HRCU.

Submitted by:



Fred Smith, President



Wendy Castillo, Secretary



# Board of Directors



**FRED SMITH**  
**(PRESIDENT)**  
SERVING SINCE 1987



**JANE USHER**  
SERVING SINCE 1952



**OSCAR RIVEROLL**  
SERVING SINCE 1998



**WENDY CASTILLO**  
SERVING SINCE 2015



**ALBERT VAUGHAN**  
SERVING SINCE 2015



**ELIZABETH ZABANEH**  
SERVING SINCE 2015

# Credit Committee



**MARION MARSDEN**  
**(CHAIRPERSON)**  
SERVING SINCE 1978



**ELEANOR GILLETT**  
SERVING SINCE 2008

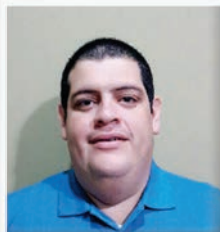


**CAROL BABB**  
SERVING SINCE 2007

# Supervisory Committee



**REYNALDO BURGOS**  
**(CHAIRPERSON)**  
SERVING SINCE 2013



**MARNIX PEREZ**  
SERVING SINCE 2014



**ALICE LEAL**  
SERVING SINCE 2016

## Board of Directors Report (April 1, 2016 to March 31, 2017)

### Distinguished member-owners of HRCU:

Yet another year has passed, as we continue to grow. More Belizeans are seeking the safest place to be during these difficult times - among their credit union family and in your case with HRCU. The problematic part of enrolling more member-owners is that eventually some will fall by the wayside and although we have been working our best with them, there are some who will take advantage. In March 2013 when our regulator, the Central Bank of Belize, introduced new requirements concerning the methods for treating loan delinquency, we were a bit concerned as those provisioning requirements would mean setting aside monies from our current profits to meet these requirements. Now our regulator is saying that we must not only provide for these delinquent loans as per the 2013 requirements BUT, we must remove them from our active loan portfolio meanwhile we continue the process of finding these delinquent borrowers. And HRCU will continue to find these delinquent borrowers who were entrusted with the hard-earned savings of our member-owners.

Our Delinquency and Recovery Department has been working overtime, organizing and strategizing on how best to remove these delinquent loans from our active loan portfolio without causing much havoc and panic for the credit union. Your Board of Directors are calling on these delinquent borrowers to come in and renegotiate new repayment terms in order that these member-owners do not lose the numerous benefits that HRCU has to offer. Once your loan is removed to Recovery for aggressive collection procedures you could very well end up in court or read in the newspapers that your credit union is looking for you. We ask that you spare yourself this embarrassment by getting in touch with your credit union as quickly as possible. I must add here that there is also a move by the Central Bank with the endorsement of most lending institutions, including HRCU, to establish a much needed Credit Reporting Bureau to stop the practice of people owing all over the place and refusing to pay. Why ruin your good name by becoming a “haad” pay!

Having said all this, and on a more positive note, I must admit that HRCU continues to make great strides. Despite the limited investment opportunities in Belize we were able to increase slightly our gross income over last year. For the first time ever when the opportunity came up for us to invest in Treasury Notes your Board was willing to join the bidding process for some \$12 million dollars as you will observe on our financial statement. As a responsible Board we have also made it known that HRCU will be willing to look at any investment opportunities in our local utility companies once they are recommended, endorsed or guaranteed by the government. We must ensure that any new or the selling off of old investment opportunities remain in the hands of Belizeans. After all, HRCU and its 53,759 thousand member-owners continue to make a significant impact on, and contribution to, the development of the economy of this beautiful country we all love and admire - Belize.

In order to reiterate another problem that we are faced with and, as I mentioned in my 2014 AGM report, we continue to witness the pay-off of some of our member-owners loans who are no doubt cajoled into moving their loans to other lending institutions. Member-owners are enticed into leaving their savings at HRCU since it earns prime dividend rates but, to transfer their good paying loans to the



competition since they claim they are offering better lending rates. I said back then that that was hogwash and I continue to say the same today. These good paying loans are the best source of interest income for your credit union and to think that we have been rewarding all of our borrowers with unheard of loan interest rebates. When this is factored in, HRCU's effective interest rate is by far the best lending rate being offered in Belize. Back then we had said that those member-owners who moved their loans must also move their savings but it was not stringently enforced by management. Today, I stand before you again to let both member-owners and management know that this "cherry-picking" of our good loans must stop. Hence, effective immediately, if any member-owner's loan is paid off by another lending institution, savings must automatically be factored into that loan pay off.

Regarding our numbers, our Treasurer, as confirmed by our Supervisory Committee and our External Auditors, will be reporting that at March 31st, 2017 our assets total \$566.0 million, an increase of 5.4% over last year. This growth was not what was anticipated since we had to remove those delinquent loans from our active loan portfolio. Membership has reached 53,759 member-owners, a somewhat positive growth, again affected by the removal of delinquent loans from our active loan portfolio. Fixed Deposit Investments total \$129.0 million and earned around 1.7% per annum since we all know that our local banks have lowered significantly their interest rates on fixed deposits. Savings total \$464.1 million or 82.0% of liabilities; loans total \$326.8 million, 57.7% of assets; and, our equity total \$101.9 million or 18.0% of liabilities. Because we must maintain capital adequacy of 10% of assets, and meanwhile we continue to struggle with delinquency, your Board of Directors has decided to pay a slightly lower dividend rate of 4.0% this year BUT, pay a higher loan interest rebate of 25% to our borrowers whose loan accounts are in good standing, meeting payments as promised. We must reward them for keeping HRCU a formidable force in Belize and within the region. Thanks for your loyalty! Thanks for believing in HRCU's loan service!

Finally, your Board of Directors have begun investigating the possibility of paying a higher interest rate to our senior citizens who depend on interest income for their survival. The CFO and his team have been given this challenge of designing such a special type of savings product. We have also been swamped with new deposits from member-owners which we must refuse to accept due to the excess liquidity situation of the country. However, your Board is currently investigating the possibility of accepting these deposits, not at our prime dividend rate that we pay, but at a much lower rate comparable to what the commercial banks are paying. At least our member-owners will know that their monies are safe and secure at HRCU.

Thanks for attending your very important 73rd AGM and may our Almighty continue to shower His Blessings upon HRCU and all its member-owners. We now officially commence Year 74.

Your Board of Directors:

Fred Smith, CSC/JP, President  
Oscar Riveroll, JP, Vice President  
Wendy Castillo, Secretary

Jane Usher, CBE/JP, Treasurer & Director Emeritus  
Albert Vaughan, JP, Director  
Elizabeth Zabaneh, OBE/CSC/JP, Director



## Credit Committee Report (April 1, 2016 to March 31, 2017)

Good afternoon member–owners, friends from sister credit unions, and distinguished guests:

### Introduction:

This report outlines the activities undertaken during the past year April 1, 2016 to the March 31, 2017. It seeks not only to provide factual information, but also to give you an insight on the credit union's Policies & Procedures.

### Report:

The Credit Committee met on a weekly basis for a total of 47 meetings during the past year. There was a total of 20,331 loans approved during the year amounting to \$ 80.5 million. When you compare 2016 to 2017 there was an overall decrease in both numbers and amounts disbursed. House Repairs and Renovations once again is the largest category of loans amounting to \$ 24.2 million or 30.1%. Investments and Vehicle & Vehicle Repairs followed with \$ 18.2 million and \$8.2 million respectively. Despite the present economic conditions of the country, we are happy to see member-owners still fulfilling their dreams of owning their own homes and becoming entrepreneurs.

For your information and a clearer view of the loans portfolio the following charts and graphs on pages 16 & 17 provide a detailed picture of the category of loans and amounts disbursed over the past year.

### Services:

Your credit union has made possible many services to better assist you. Some of the services include: 24 hours ATM service; 24 hours depository; checking accounts; on-line service where you can have easier access to your account; free parking; and, our office hours have been adjusted to facilitate those who are working. Your credit union sees your needs and constantly upgrades services to facilitate you. There is no need not to take advantage of these services so you can perform better. “If you want light to come into your life, you need to stand where it is shining”.

### Delinquency:

Some members are still not adhering to their commitments or perhaps do not understand delinquency and its consequences. Therefore, I would like to focus the Credit Committee's report on this a bit more in order for you to better understand and perhaps share with others.

At the start of applying for a loan, you must have a job or a source of income that is able to service your loan. You cannot commit your entire income just to get a loan then say you will deal with it at the time of payment.

Some borrowers unfortunately do get into difficulties with their repayments. Their circumstances have possibly changed for the worse since they took out their last loan or indeed, they were so anxious to get their loan that they promised to repay more than they can now afford.

A growing number of members seem to borrow frequently throughout the year. As a result, the difference between their shares and the amount they owe is growing rapidly. One of the greatest concerns that the Credit Committee has when approving a loan is the borrower's ability to repay.





Once you allow your account status to fall into delinquency, it becomes difficult to keep your account on tract. It will then go to Recovery and thereafter end up in foreclosure proceedings. We advise these borrowers to come and see our Credit Control Officers for advice on how to deal with this serious problem. We are here to help!

Recommendations to member-owners applying for a loan:

- In general, it is advisable that a member has an established savings record for a period of time, before applying for a loan.
- The total loan amount should bear a reasonable relationship to the value of a member's shares, the security being offered and previous repayment record or credit history.
- Accounts in arrears will not normally be considered for further loans unless the arrears are cleared.

You must show that your income can meet your payments. Be truthful and proper planning is necessary. Your shares should be increasing, not only for your benefit but, this is how you work to help others. Your need is for today, others may need for tomorrow. Remember the commitment of the three young women whose investment of \$.75 cents, each contributing \$.25 cents, started what is now the Holy Redeemer Credit Union. Don't ruin the dream and goals of these women, build on it instead. "Coming together is a beginning; keeping together is progress; working together is success".

The delinquency at the close of our financial year March 31, 2017 was at 14.7%, higher than last year's 13.8%. Besides our Loans Policy, HRCU is also bound by Central Bank's regulations. These regulations enforce that we must fully provide for delinquent loans even though we may have mortgages and savings which helps to lower the delinquency ratio. Delinquency negatively affects a credit union. By failing to pay, you also fail as a member-owner.

Conclusion:

We ask God for guidance and graces that we may always do our part. Thank you Lord for all your many blessings and mercies.

The Credit Committee would like to thank management and staff of Holy Redeemer Credit Union for their help and courtesies during the year. We look forward to an even better year and want to take this opportunity to thank you, our members-owners, for the opportunity to serve you once again. I want to acknowledge my colleagues on the Board of Directors, our Supervisory Committee and Credit Committee for their dedication and hard work to HRCU for you the member-owners. I want to especially thank my committee for their commitment and support.

It has been a great pleasure in serving you. Let us remember to live the Credit Union Motto of "Saving regularly, borrowing wisely, but most importantly, repaying promptly and as pledged".

For and on behalf of the Credit Committee,  
Thank you!

**Marion Marsden, MBE/JP, Chairperson**

Eleanor Gillett, JP, Secretary

Dr. Carol Babb, JP, Member

*"Balancing your money is the key to having enough."*



## HRCU Loans Disbursed April 1, 2016 - March 31, 2017

PEARLS Codes	Loans by Purpose	AMOUNT TOTALS	AMOUNT %	NUMBERS TOTALS	NUMBERS %
3	Appliance & Household Goods	\$ 1,355,455.00	1.68%	827	4.07%
1	Boat Purchase & Repairs	\$ 450,110.58	0.56%	33	0.16%
4	Christmas & Easter Expenses	\$ 1,490,216.23	1.85%	1,051	5.17%
4	Dental & Medical	\$ 3,393,283.40	4.21%	1,796	8.83%
6	Education (All Levels)	\$ 6,854,279.51	8.51%	3,588	17.65%
4	Funeral Expenses	\$ 342,823.83	0.43%	203	1.00%
4	Government Taxes & Insurance	\$ 391,186.17	0.49%	242	1.19%
5	House Repairs & Renovations	\$ 24,245,424.84	30.10%	3,189	15.69%
2	Investment (Business)	\$ 18,158,542.41	22.55%	1,004	4.94%
1	Fishing & Farming	\$ 76,371.35	0.09%	19	0.09%
7	Consolidation of Debts	\$ 2,428,449.87	3.02%	368	1.81%
5	Legal Fees	\$ 492,166.69	0.61%	111	0.55%
3	Miscellaneous Expenses	\$ 684,814.01	0.85%	302	1.49%
5	Homes & Housing Starts	\$ 554,182.37	0.69%	56	0.28%
1	Outboard Engine & Repairs	\$ 54,480.00	0.07%	12	0.06%
3	Personal Expenses	\$ 4,088,869.59	5.08%	4,145	20.39%
5	Land Purchase	\$ 4,713,827.92	5.85%	189	0.93%
2	Investment (Real Estate)	\$ 57,800.00	0.07%	4	0.02%
3	Sporting Equipment	\$ 500.00	0.00%	1	0.00%
4	Travel & Vacation	\$ 1,541,166.91	1.91%	544	2.68%
4	Utility Bills	\$ 681,125.71	0.85%	1,030	5.07%
1	Vehicle & Vehicle Repairs	\$ 8,205,002.60	10.19%	1,547	7.61%
4	Wedding Expenses	\$ 281,180.94	0.35%	70	0.34%
GRAND TOTALS		\$ 80,541,259.93	100.00%	20,331	100.00%

(PEARLS Categories)

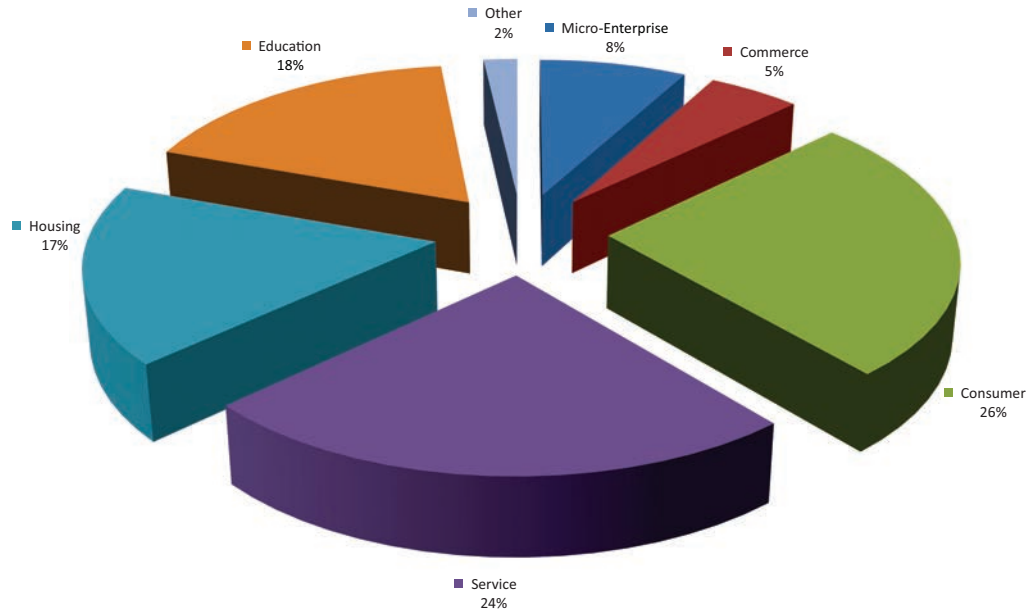
1	Micro-Enterprise	\$ 8,785,964.53	10.91%	1,611	7.92%
2	Commerce	\$ 18,216,342.41	22.62%	1,008	4.96%
3	Consumer	\$ 6,129,628.60	7.61%	5,275	25.95%
4	Service	\$ 8,120,983.19	10.08%	4,936	24.28%
5	Housing	\$ 30,005,601.82	37.25%	3,545	17.44%
6	Education	\$ 6,854,279.51	8.51%	3,588	17.65%
7	Other	\$ 2,428,449.87	3.02%	368	1.81%
GRAND TOTALS		\$ 80,541,249.93	100.00%	20,331	100.00%

*“You must gain control over your money or the lack of it will forever control you.”*

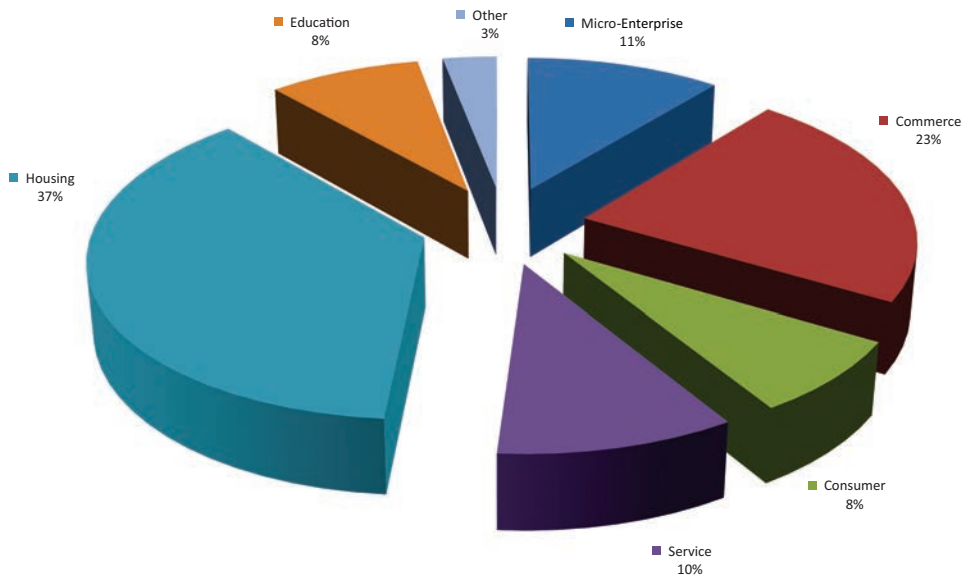
*— Dave Ramsey*



Loans by Numbers (PEARLS Categories)



Loans by \$ Amount (PEARLS Categories)



## General Manager/Treasurer's Report (April 1, 2016 to March 31, 2017)

### To our Faithful and loyal member-owners of HRCU:

It is a pleasure for me to once again be able to share with you the developments over the past financial year. Your credit union, HRCU, has been extremely busy as most of you who stop by the office will agree. Sometimes I wonder what it is that we are doing that causes so many member-owners to queue up from very early in the mornings, at times even before I arrive at work which is normally around 7:00 in the mornings. This makes me feel very good knowing that our decision to open the office at 7:30 a.m. is welcomed by a majority of member-owners. This was a wise decision as you all are now able to conduct your business at your credit union on the way to work and for our junior member-owners, on the way to school.

Today, we are here at this beautiful SCA Multipurpose Mercy Center celebrating our 73rd AGM. This is due to the fact that we have listened to your concerns about the acoustics at the other venue we have been using. The reports presented are so important for you not to be able to hear them when they are being delivered. This is your AGM and it is such a wonderful sight to see so many of our member-owners who have come to listen to these important reports. This Multipurpose Mercy Center is slightly smaller in size so we have erected tents and a projection screen so that member-owners who cannot fit inside can still hear the reports and participate.

Before I proceed any further I would like to welcome the delegates from our sister credit unions some of whom are seated right up here on the platform with us. It is always good to have their support since we are all part of a wider credit union movement that strives to bring a better way of life for those that we serve. Together we are always stronger! We also welcome those officials from the Belize Credit Union League and if they are with us this afternoon, officials from the regulator's office, our Belize Central Bank. Both of these entities play an integral role in helping HRCU to remain on the right track. We must thank them for this!

As we continue to bring new and improved services to our member-owners we do so while assisting those in need in the communities we serve. HRCU takes pride in being a good corporate citizen by supporting the various charities, sporting organizations, schools, and churches. We so wish that we could help everyone but the demands are truly overwhelming!

On the opposite page I have done my usual comparative analysis report to help you to better understand and appreciate the figures that we are presenting to you today. Please study them very carefully and know that I am always here to answer whatever question you may have.

Finally, if you look at the inside front cover of this AGM booklet you will note that we have lost the only remaining lady of the three ladies who came forward to start HRCU. Miss Carmen will be sadly missed but it was through her efforts that today we are all enjoying a better life.

**Jane E.M. Usher, CBE/JP, Treasurer & Director Emeritus**



## Balance Sheet Analysis:

- growth in assets totaled \$29.0 million or 5.4% allowing us to reach \$566.0 million
- growth in savings (all types) totaled \$27.8 million or 6.3% for a total of \$464.1 million
- growth in loans totaled \$12.7 million or 4.0% owed by 10,494 borrowers. Our loan portfolio now makes up 57.7% of our total assets
- financial investments increased to \$152.9 million with new investments in GOB Treasury Notes and our sister credit union, Blue Creek Credit Union, making up 27.0% of our total assets
- our cash & cash equivalents (our real liquidity) remains at an all-time high of \$112.9 million. This is evidence of the excess liquidity in the financial sector. We must encourage member-owners to utilize the loan services of HRCU where the interest costs are the most affordable!
- increases in “net” property, plant & equipment are due mostly to building & parking lot upgrades and purchases in computer, furniture, and related equipment
- Allowance for Loan Losses is what we MUST set aside for doubtful loans. This year we had to set aside an additional \$2.8 million as opposed to \$3.5 million last year. Please know that we remain fully provided for "all" doubtful loans as per Central Bank’s regulations.
- total Equity after the distribution of surpluses for 2017 remains above \$100 million dollars. As in previous years, we are more than satisfying Central Bank’s capital adequacy requirements as per our Credit Union Act of 10% of total assets

## Income and Expense Analysis:

- Interest on Loans amounted to \$34.9 million or 88.9% of total income, a slight increase over 2016
- Interest on Fixed Deposits amounted to \$2.4 million or 6.2% of total income compared to \$3.3 million and 8.6% last year. Imagine, in 2011 we were earning almost \$9.0 million off Fixed Deposits. It is still being recommended by directors that some of our Fixed Deposits be converted into housing developments to provide for affordable housing for member-owners. Our first such project will become a reality very shortly in the Ladyville/Sandhill area. A beautiful project!
- dividends earned on BWS shares increased from \$75,000 to \$112,500; interest earned on BEL Debentures decreased from \$685,000 to \$510,000 due to rate cuts; dividends earned on BEL shares increased from \$10,918.80 to \$29,116.80 with the payment of an extraordinary dividend; our investment in our League's building paid us the usual \$12,000 in dividends; our SCA Mercy Bonds paid the same interest of \$81,250; our Network One company yielded \$7,621.71, up from \$6,163.92 last year; we earned a month’s interest off our combined Treasury Notes for a total of \$29,737.96, this amount will be much greater when we report at March 31, 2018; and, to beef up our income we added a new Burial Scheme Commission of \$480,000 being \$40,000 per month.
- expenses increased overall by just short of \$400,000. Contributing factors were increased salaries for additional staff (we now have 56 full-time staff members); additional premiums for HRCU coverage benefits; and, new expenses to keep the branch office operating satisfactory.
- most other line items of income and expenses came in at budgeted figures or a little over or under what was estimated at the beginning of the financial year
- as a result of all this our income to expense ratio was 36.75% and after removing Interest Costs and Provisioning Costs it takes about \$.20 cents out of each income dollar to run both offices. It is due to this efficiency on the part of your directors and management that we are able to return back to you in the form of dividends and loan interest rebates \$21.4 million dollars. This year we are rewarding those who keep the doors open at our main office and branch office – our borrowers!



# Independence Branch Highlights

	March 31st, 2017	March 31st, 2016	March 31st, 2015
<b>MEMBERSHIP</b>			
# of males	1,722	1,459	1,243
# of females	1,781	1,475	1,281
# of organizations	35	34	28
Total Membership	3,538	2,968	2,552
# of members under Age 50	2,514	2,118	1,824
# of members Age 50 and over	989	816	700
<b>SHARES/SAVINGS</b>			
Total received	\$ 7,160,679.33	\$ 7,382,454.68	\$ 5,750,286.22
Total withdrawn	\$ 7,987,560.27	\$ 4,317,657.23	\$ 3,217,978.07
Total shares/savings	\$ 24,877,771.89	\$ 19,902,656.88	\$ 17,173,855.05
Average shares/savings	\$ 7,031.59	\$ 6,705.75	\$ 6,729.57
<b>LOANS</b>			
Total issued	\$ 5,561,674.50	\$ 6,870,746.11	\$ 4,788,242.41
Total repaid	\$ 4,017,855.45	\$ 4,960,545.68	\$ 3,887,077.91
Total interest collected	\$ 1,624,396.10	\$ 1,535,536.76	\$ 1,232,018.26
# of borrowers	787	627	563
Total loans outstanding	\$ 16,045,502.11	\$ 10,939,851.03	\$ 9,029,650.60
Average loans	\$ 20,388.19	\$ 17,447.93	\$ 16,038.46
<b>INCOME &amp; EXPENSE</b>			
Income	\$ 1,633,192.11	\$ 525,036.30	no branch office
Expenses	\$ 490,012.10	\$ 126,289.80	official opening:
Net Profit/(Loss)	\$ 1,143,180.01	\$ 398,746.50	6-Dec-15
<b>BURIAL SCHEME PROGRAM</b>			
FB claim benefits paid	\$ 65,000.00	\$ 50,000.00	\$ 35,000.00
# of member-owners	13	10	7
LP/LS claim benefits paid	\$ 48,745.16	\$ 181,602.73	\$ 7,961.19
# of member-owners	16	8	6
<b>HENRY "EAGLES" USHER GRANTS AWARDED</b>			
# of Tertiary School grants	7	5	3
# of Secondary School grants	30	25	17
# of Primary School grants	15	18	10
Total grants awarded	52	48	30
Dollar value of grants	\$ 24,400.00	\$ 21,400.00	\$ 19,700.00

***Come experience the Credit Union Difference - join HRCU today!!***



*OUR DIRECTOR EMERITUS RECEIVING MORE HONORS FOR HER OUTSTANDING SERVICE!*

**Order of Distinction**  
from the Government of Belize

Presented by  
His Excellency Sir Colville Young  
Governor General of Belize  
during the Tribute to Belizean Patriots  
on September 16, 2016



**Woman of the Year**  
from the United States Embassy of Belize

Presented during Outstanding  
Women Awards Ceremony  
on March 29, 2017



A workplace filled with and driven by **employees with positive attitude**— vibrates continually to the tune of service excellence and passionate team success.







# HRCU STAFF





# Grant Thornton

An instinct for growth™

## INDEPENDENT AUDITORS' REPORT

**To the Board of Directors and Members of:  
Holy Redeemer Credit Union Limited**

**Grant Thornton, LLP**  
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### **Opinion**

We have audited the financial statements of Holy Redeemer Credit Union Limited, which comprise the statements of financial position as at March 31, 2017 and 2016, and the statements of income and expenses, statements of cash receipts and cash disbursements and statements of changes in fund balances for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Holy Redeemer Credit Union Limited as at March 31, 2017 and 2016, and of its financial performance and its cash flows for the years then ended in accordance with the modified cash basis of accounting and financial reporting provisions of the Credit Unions Act Chapter 314 of the Substantive Laws of Belize.

### **Basis for Opinion**

We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Holy Redeemer Credit Union Limited in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Basis of Accounting**

Without modifying our opinion, we draw attention to Note 2A to the financial statements, which describes the modified cash basis of accounting used to prepare the financial statements.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified basis of accounting and financial reporting provisions of the Credit Unions Act Chapter 314 of the Substantive Laws of Belize, 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.

In preparing the financial statements, management is responsible for assessing the ability of Holy Redeemer Credit Union Limited to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Holy Redeemer Credit Union Limited or to cease operations, or has no realistic alternative but to do so.



## Independent Auditors' Report

### Page 2

Those charged with governance are responsible for overseeing the financial reporting process of Holy Redeemer Credit Union Limited.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Holy Redeemer Credit Union Limited to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during the audit.

**Chartered Accountants**

**Belize City, Belize**

**April 12, 2017**

## HOLY REDEEMER CREDIT UNION LIMITED

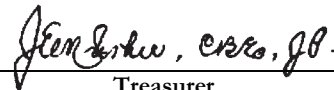
### STATEMENTS OF FINANCIAL POSITION – MODIFIED CASH BASIS MARCH 31, 2017 AND 2016 (IN BELIZE DOLLARS)

<u>ASSETS</u>	<u>Notes</u>	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	2e	\$112,948,620	\$109,830,121
Debentures	2f, 3	8,000,000	8,000,000
Bonds	2f, 4	1,500,000	1,500,000
Fixed deposits	2f	129,000,000	127,000,000
Treasury notes	2f, 5	12,397,468	-
Other investments	2f, 6	2,022,881	2,022,881
Stationery and supplies	2g	21,457	42,917
Members' loans receivable	2h, 7	326,812,671	314,086,501
Less: allowance for loan losses	2i, 7	(32,047,752)	(30,309,282)
Other receivable – PCA line of credit	2j	<u>471,044</u>	<u>9,233</u>
Total current assets		<u>561,126,389</u>	<u>532,182,371</u>
<b>NON-CURRENT ASSETS:</b>			
Property, plant & equipment – net	2k, 8	<u>4,825,449</u>	<u>4,755,509</u>
Total non-current assets		<u>4,825,449</u>	<u>4,755,509</u>
<b>TOTAL ASSETS</b>		<b><u>\$565,951,838</u></b>	<b><u>\$536,937,880</u></b>
 <b><u>LIABILITIES AND EQUITY</u></b>			
<b>CURRENT LIABILITIES:</b>			
Members' deposits, savings and PCA	2L	<u>\$464,081,343</u>	<u>\$436,316,100</u>
Total current liabilities		<u>464,081,343</u>	<u>436,316,100</u>
<b>EQUITY:</b>			
Members' shares – mandatory	2m	1,316,987	1,282,815
Members' shares – voluntary	2m	3,236,475	3,127,875
Burial scheme catastrophic reserve	2o, 9, 10	7,225,242	7,276,975
Contingency and special reserve	2o, 10	10,565,931	10,527,034
Education fund	2o, 10	1,477,912	2,071,629
Guaranty fund	2o, 10	23,394	22,792
Statutory reserve	2n, 10	56,599,047	53,694,314
Undistributed surplus	2o, 10	<u>21,425,507</u>	<u>22,618,346</u>
Total equity		<u>101,870,495</u>	<u>100,621,780</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>\$565,951,838</u></b>	<b><u>\$536,937,880</u></b>

The financial statements on pages 26 to 30 were approved and authorized for issue by the Board of Directors on April 11, 2017 and are signed on its behalf by:



President



Treasurer

The notes on pages 31 to 35 are an integral part of these financial statements.



# HOLY REDEEMER CREDIT UNION LIMITED

## STATEMENTS OF INCOME AND EXPENSES – MODIFIED CASH BASIS YEARS ENDED MARCH 31, 2017 AND 2016 (IN BELIZE DOLLARS)

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
INCOME:	2a, 2p		
Burial scheme commission		\$ 480,000	\$ -
Dividends from BCUL shares		12,000	12,000
Dividends from BEL shares		29,117	10,919
Dividends from BWSL shares		112,500	75,000
Interest from BEL debentures		510,000	685,000
Interest from fixed deposits		2,440,399	3,354,959
Interest from Treasury notes		29,738	-
Interest from members' loans		34,896,008	34,068,417
Interest from SCA Mercy bonds		81,250	81,250
Interest on current accounts		219,208	496,382
Loan mortgage fees		348,104	287,980
Other income		<u>93,540</u>	<u>113,594</u>
<b>TOTAL INCOME</b>		<b><u>39,251,864</u></b>	<b><u>39,185,501</u></b>
OPERATING EXPENSES:	2a, 2p		
Advertising and marketing		37,654	58,836
AML CFT compliance expense		34,476	-
Auditing and supervision fees		60,744	62,488
Bad debt provision		2,835,000	3,500,000
Bank interest and charges		22,180	13,593
Cash shortage		1,629	3,089
Collection charges		76,550	72,578
Committee expense		30,518	31,223
Coverage premiums		2,380,868	2,281,163
Depreciation		595,312	531,319
Fidelity bond coverage		23,600	21,240
Generator/UPS/AC maintenance		65,409	62,456
Insurance – building and equipment		26,810	26,493
Interest expense – deposits/PCA		3,605,863	3,350,958
Loan mortgage expense		45,430	40,285
Office expense		107,833	115,150
Postage and stamps		8,203	8,872
Property taxes		55,392	8,628
Rent expense (DR Center)		74,250	81,000
Security services		380,689	262,743
Social security expense		42,810	35,155
Software systems support		83,743	70,097
Staff salaries/pension/other costs		3,369,576	2,986,718
Stationery and supplies expense		162,136	122,805
Upkeep of office		56,565	51,962
Utilities – electricity		138,942	134,656
– telephone		96,985	85,496
– water		<u>5,923</u>	<u>7,049</u>
<b>TOTAL OPERATING EXPENSES</b>		<b><u>14,425,090</u></b>	<b><u>14,026,052</u></b>
<b>SURPLUS</b>		<b><u>\$24,826,774</u></b>	<b><u>\$25,159,449</u></b>

The notes on pages 31 to 35 are an integral part of these financial statements.



## HOLY REDEEMER CREDIT UNION LIMITED

### STATEMENTS OF CASH RECEIPTS AND CASH DISBURSEMENTS YEARS ENDED MARCH 31, 2017 AND 2016(IN BELIZE DOLLARS)

	<u>2017</u>	<u>2016</u>
CASH RECEIPTS:		
ATM	\$ 8,509	\$ 7,765
BCUL dividend	12,000	12,000
BCUL insurance commission	3,492	3,971
BEL dividend	29,117	10,919
BEL interest	510,000	685,000
Burial Scheme Commission	480,000	-
BWSL dividend	112,500	75,000
Cash overage	1,864	1,281
Contingency and special reserves	1,093	790
Entrance fees	602	620
Education funds (Refunds)	54,789	20,272
FIP commission	-	1,907
Heritage/CU income	7,622	6,164
Interest on authorized LOC	55,351	46,480
Interest on current account	219,208	496,382
Interest on fixed deposits	2,440,399	3,354,959
Interest on GOB treasury notes	50,486	-
Interest on GOB treasury notes - accrued	242,014	-
Interest on loans	34,896,008	34,068,417
Loan loss recovery	458,895	284,812
Loan mortgage fees	348,104	287,980
Loans repaid	66,259,655	69,560,426
Members' deposits/Shares/PCA received	186,447,501	179,333,509
Other income	4,263	35,428
PCA authorized LOC	273,658	1,456,123
PCA income	4,888	3,456
Sale of passbook	7,551	7,142
SCA Mercy bonds interest	<u>81,250</u>	<u>81,250</u>
TOTAL RECEIPTS	293,010,819	289,842,053
BEGINNING CASH AND CASH EQUIVALENTS	<u>109,830,121</u>	<u>83,566,646</u>
	<u>\$402,840,940</u>	<u>\$373,408,699</u>

The notes on pages 31 to 35 are an integral part of these financial statements.



# HOLY REDEEMER CREDIT UNION LIMITED

## STATEMENTS OF CASH RECEIPTS AND CASH DISBURSEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2017 AND 2016 (IN BELIZE DOLLARS)

	2017	2016
CASH DISBURSEMENTS:		
Advertising and marketing	\$ 37,654	\$ 58,836
ATM/computer and accessories	113,398	389,130
AML/CFT Compliance Expenses	34,476	-
Auditing and supervision fees	60,744	62,488
Bank interest and charges	22,180	13,593
Belize Credit Union League dues	177,793	171,344
Building construction/renovations	404,373	1,000,956
Cash shortage	1,629	3,089
Collection charges	76,550	72,578
Committee and upkeep expenses	87,083	83,185
Coverage premiums	2,380,868	2,281,163
Education fund	896,773	786,923
Reserve burial scheme catastrophic	300,000	150,000
Fidelity bond coverage	23,600	21,240
Fixed deposits purchased	2,000,000	-
Furniture and fixtures	-	48,498
Generator/UPS/AC maintenance	65,409	62,456
Generator/UPS/AC system	-	127,457
Insurance and property taxes	82,202	35,121
Interest expense- PCA	127,225	111,020
Interest expense- special/term deposits	3,478,638	3,239,938
Interest on GOB treasury notes - accrued	242,014	-
Land purchased	147,481	-
Loans issued	80,541,250	82,121,339
Loan mortgage expense	45,430	40,285
Members deposits/shares/PCA withdrawn	180,942,235	167,669,457
Office expense and postage	116,036	124,022
PCA Authorized LOC	735,469	1,109,761
Prepaid stationery	-	8,980
Rent expense	74,250	81,000
Security services	380,689	262,743
Social security expense	42,810	35,155
Software system support	83,743	70,097
Staff salaries/pensions/other costs	3,369,576	2,986,718
Stationery and supplies	140,676	122,805
Treasury notes purchased	12,418,216	-
Utilities	<u>241,850</u>	<u>227,201</u>
TOTAL DISBURSEMENTS	<u>289,892,320</u>	<u>263,578,578</u>
ENDING CASH AND CASH EQUIVALENTS	<u>112,948,620</u>	<u>109,830,121</u>
	<u>\$402,840,940</u>	<u>\$373,408,699</u>

The notes on pages 31 to 35 are an integral part of these financial statements.



## HOLY REDEEMER CREDIT UNION LIMITED

### STATEMENTS OF CHANGES IN FUND BALANCES MARCH 31, 2017 AND 2016 (IN BELIZE DOLLARS)

	Burial scheme catastrophe reserve	Contingency and special reserve	Education fund	Guaranty fund	Statutory reserve	Undistributed surplus	Total
Brought forward, March 31, 2015	\$7,276,975	\$10,527,034	\$2,071,629	\$22,792	\$53,694,314	\$22,618,346	\$96,211,090
Transfers:							
League dues	-	204,857	-	-	-	-	204,857
Entrance fees	-	-	-	602	-	-	602
Other adjustments	-	1,093	54,789	-	-	-	55,882
Undistributed surplus	-	10,740	-	-	-	(10,740)	-
Fund Uses:							
Dues: Belize Credit Union League	-	(177,793)	-	-	-	-	(177,793)
Dividends and rebates	-	-	-	-	-	(22,607,606)	(22,607,606)
Donations, AGM, and related expenses	-	-	(896,773)	-	-	-	(896,773)
Other adjustments	(300,000)	-	-	-	-	-	(300,000)
Surplus	248,267	-	248,267	-	2,904,733	21,425,507	24,826,774
<b>Carried forward, March 31, 2016</b>	<b>\$7,225,242</b>	<b>\$10,565,931</b>	<b>\$1,477,912</b>	<b>\$23,394</b>	<b>\$56,599,047</b>	<b>\$21,425,507</b>	<b>\$97,317,033</b>

The notes on pages 31 to 35 are an integral part of these financial statements.





# HOLY REDEEMER CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2017 AND 2016 (IN BELIZE DOLLARS)

### 1. STATUS

Status – Holy Redeemer Credit Union Limited (“HRCU”) was incorporated in 1944 under the Credit Unions Act Chapter 314 of the Substantive Laws of Belize. The main objects of a credit union are to promote thrift among its members, to receive savings of its members either as payment on shares or as deposits, and to make loans to members exclusively for provident or productive purposes. HRCU currently has 53,759 (2016 – 52,378) members. HRCU is supervised by the Registrar of Credit Unions. As per the Credit Unions Act, the Registrar of Credit Unions is the Governor of the Central Bank of Belize.

The registered office is located at Hodapp House, 1 Hyde’s Lane, Belize City.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of Compliance – The financial statements have been prepared from the records maintained in the accounting system of HRCU. HRCU uses a modified cash basis of accounting. On this basis, revenues are recorded when received and expenses recorded when paid while other transactions are recorded as detailed below.
- b. Basis of Presentation – The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.
- c. Functional and Presentation Currency – The financial statements are presented in Belize dollars, which is HRCU’s functional currency. Belize dollars is the currency of the primary economic environment in which HRCU operates.
- d. Foreign Currencies – Transactions in United States dollars during the year are converted into Belize dollars at the rate of Belize dollars \$2 = United States \$1. Balances outstanding at the end of the reporting period are converted at the same rate.
- e. Cash and Cash Equivalents – Cash and cash equivalents include cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.
- f. Investments – HRCU accounts for its equity investments under the cost method. The investment value is only reduced by permanent declines in the investment value. Under this method dividends are treated as income when received.

Investments also include deposits held at the bank with maturity dates of 3 months to 1 year from the date of acquisition. The related interest income is recorded when received.

- g. Stationery and Supplies – Significant expenditures for supplies and stationery are recorded as prepayments and charged to expenses as the supplies are being used. Use of the supplies is analyzed on a regular basis and charges to expenses are increased when necessary.
- h. Members’ Loans Receivable - Loans are recognized when cash is advanced to the borrowers and are initially recognized at fair value. Loans are carried at amortized cost using the effective interest method. The financial assets are derecognized when the rights to receive cash flows from the financial assets have expired.
- i. Allowance for Loan Losses – This account is treated as a contra-asset account to member loans receivable in accordance with the Credit Unions Act (CUA) Requirement No. 2 of 2013. The account is funded through charges to income as a provision expense for charging off loans and other assets or portions of such loans and other assets which have been adversely classified.



# HOLY REDEEMER CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2017 AND 2016 (IN BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- j. Other Receivable – Other receivable includes line of credit offered on PCA accounts.
- k. Property, Plant and Equipment and Depreciation – Property, plant and equipment are carried at cost and, with the exception of land, are depreciated on the straight line basis over their estimated useful lives which, for the major classes of assets, are as follows:

Buildings	20 years
Furniture, fixtures and equipment	10 years
Computer and accessories	5 years
Generator and UPS	5 years

Maintenance and repairs are expensed as incurred. Major asset additions and expenditures that significantly increase value or extend useful asset life are capitalized. The cost and related accumulated depreciation of assets sold or retired are eliminated from the accounts and gains or losses on disposal are included in income for the year.

An item of property, plant and equipment and any significant part recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

- l. Members' Deposits, Savings and PCA – Members' term deposits, special deposits, savings and personal checking accounts (PCA) are treated as current liabilities.
- m. Members' Shares – As per the Credit Unions Act, members' shares in the credit union represent members' capital.
- n. Statutory Reserve – In accordance with the Credit Unions Act, HRCU transfers at least 10% of its surplus prior to any dividend declaration to a statutory reserve. As per the Credit Unions Act, the statutory reserve is to be accumulated until it reaches 10% of total assets and should not be used for any other purpose except upon liquidation of the Credit Union.
- o. Other Reserves – Other Reserves – HRCU on an annual basis transfers a percentage of its surplus before any dividend declaration to an education fund and a catastrophic reserve as determined by the Board of Directors, currently 1.0% (2016 – 1.0%). The education fund is reduced (debited) by donation expenses for sporting, education and charitable purposes and by annual general meeting expenses. It is also used for expenses incurred due to directors, committees, and staff training and other relevant expenses approved by the Board of Directors.

HRCU on an annual basis transfers a percentage of its surplus before any dividend declaration to a contingency and special reserve as determined by the Board of Directors, currently 0% (2016 – 0%). The contingency and special reserve is also increased by members' annual dues and by the remaining undistributed surplus from any previous year after the payment of all dividends. Reductions (debits) are made to the contingency and special reserve by any purposes authorized by the Board of Directors. HRCU utilizes a guaranty fund to set aside \$0.25 of new members' entrance fees.



# HOLY REDEEMER CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2017 AND 2016 (IN BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- p. Income and Expense Recognition – Interest income, dividends and other income are recognized when collected. Interest and other expenses are recognized when paid. Interest on special deposits and personal checking accounts are paid quarterly and monthly, respectively. Interest on term deposits may be paid quarterly or monthly. The interest rates paid on member accounts are determined by the Board of Directors.
- q. Dividends and Rebates – Dividends not exceeding 8% are declared annually on member shares/savings balances. These dividends are credited to the members' shares/savings accounts along with interest rebates given to members who qualify each year. Dividend and rebate rates are recommended by the Board of Directors and approved at the Annual General Meeting.
- r. Taxation – As a registered credit union in Belize, HRCU is exempt from taxes on receipts assessed under the Income and Business Tax Act.

### 3. DEBENTURES

	<u>2017</u>	<u>2016</u>
5 - \$1,000,000 Series 2 Debentures maturing March 31, 2021 earning 9.5% per annum paid quarterly. The debentures are repayable by BEL at the option of the holders on or after April 30, 2008 and may be called by BEL for payment on or after April 30, 2008.	<b>\$5,000,000</b>	\$5,000,000
3 - \$1,000,000 Series 5 Debentures maturing December 31, 2024, earning 7% per annum paid quarterly. The debentures are repayable by BEL at the option of the holders on or after December 31, 2018 and may be called by BEL for payment on or after December 31, 2016.	<b><u>3,000,000</u></b>	<u>3,000,000</u>
	<b><u>\$8,000,000</u></b>	<u>\$8,000,000</u>

### 4. BONDS

	<u>2017</u>	<u>2016</u>
\$500,000 Series 2 SCA Mercy Bonds earning 5.25% per annum until August 1, 2024 and 5.5% per annum thereafter. Interest on the bonds accrues from August 1, 2014 and is payable semi-annually on March 1 and September 1 thereafter until maturity on August 1, 2034.	<b>\$ 500,000</b>	\$ 500,000
\$1,000,000 Series 3 SCA Mercy Bonds earning 5.5% per annum until August 1, 2034 and 6% per annum thereafter. Interest on the bonds accrues from August 1, 2014 and is payable semi-annually on March 1 and September 1 thereafter until maturity on August 1, 2039.	<b><u>1,000,000</u></b>	<u>1,000,000</u>
	<b><u>\$1,500,000</u></b>	<u>\$1,500,000</u>



## HOLY REDEEMER CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEARS ENDED MARCH 31, 2017 AND 2016 (IN BELIZE DOLLARS)

### 3. TREASURY NOTES

	<u>2017</u>	<u>2016</u>
\$6,000,000 GOB Treasury Note from Issue No. 20/2016 earning 4.50% per annum. Interest on the note accrues from July 13, 2016 and is payable semi-annually on January 13 and July 13 thereafter until maturity on July 13, 2023. The note was acquired at a premium of \$181,594 to be amortized over the life of the note.	<b>\$ 6,170,226</b>	\$ -
\$6,000,000 GOB Treasury Note from Issue No. 21/2016 earning 5.25% per annum. Interest on the note accrues from July 13, 2016 and is payable semi-annually on January 13 and July 13 thereafter until maturity on July 13, 2026. The note was acquired at a premium of \$236,622 to be amortized over the life of the note.	<u>6,227,242</u>	-
	<b><u>\$12,397,468</u></b>	<b><u>\$ -</u></b>

### 4. OTHER INVESTMENTS

	<u>2017</u>	<u>2016</u>
72,792 ordinary shares at \$2.00 par in Belize Electricity Limited.	\$ 172,881	\$ 172,881
1,000,000 shares at \$1.50 par in Belize Water Services Limited.	1,500,000	1,500,000
300 redeemable preference shares at \$1,000 par in the Belize Credit Union League Limited.	300,000	300,000
Subscription for ownership interest in Heritage/Credit Unions ATM/POS initiative called Network One.	<u>50,000</u>	<u>50,000</u>
	<b><u>\$2,022,881</u></b>	<b><u>\$2,022,881</u></b>

### 5. MEMBERS' LOANS RECEIVABLE

	<u>2017</u>	<u>2016</u>
Mortgage loans	\$164,378,999	\$165,267,223
Personal and business loans	<u>162,433,672</u>	<u>148,819,278</u>
	326,812,671	314,086,501
Less: allowance for loan losses	<u>(32,047,752)</u>	<u>(30,309,282)</u>
	<b><u>\$294,764,919</u></b>	<b><u>\$283,777,219</u></b>
The allowance for loan losses comprises the following:		
Brought forward April 1	\$ 30,309,282	\$ 27,006,857
Add backs	458,895	284,812
Additional provision for the year	2,835,000	3,500,000
Write-offs	<u>(1,555,425)</u>	<u>(482,387)</u>
Balance as at March 31	<b><u>\$32,047,752</u></b>	<b><u>\$ 30,309,282</u></b>

Write-offs represent the charge off of adversely classified loan balances that are approved on a monthly basis by the Board of Directors. However, collection efforts are still made in respect of these accounts.



# HOLY REDEEMER CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2017 AND 2016 (IN BELIZE DOLLARS)

### 8. PROPERTY, PLANT AND EQUIPMENT

Cost	Land	Buildings	ATM Computer & Accessories	Furniture, Fixtures and equipment	Generator and UPS	Total
Brought forward, April 1, 2016	\$1,096,170	\$6,580,873	\$2,563,284	\$443,275	\$432,286	\$11,115,888
Additions	147,481	404,373	113,398	-	-	665,252
Carried forward, March 31, 2017	<u>1,243,651</u>	<u>6,985,246</u>	<u>2,676,682</u>	<u>443,275</u>	<u>432,286</u>	<u>11,781,140</u>
<b>Accumulated Depreciation</b>						
Brought forward, April 1, 2016	-	3,780,921	1,967,210	331,510	280,738	6,360,379
Additions	-	345,230	198,129	19,634	32,319	595,312
Carried forward, March 31, 2017	-	<u>4,126,151</u>	<u>2,165,339</u>	<u>351,144</u>	<u>313,057</u>	<u>6,955,691</u>
<b>Net Book Value</b>						
<b>March 31, 2017</b>	<u>\$1,243,651</u>	<u>\$2,859,095</u>	<u>\$ 511,343</u>	<u>\$ 92,131</u>	<u>\$119,229</u>	<u>\$4,825,449</u>
March 31, 2016	\$1,096,170	\$2,799,952	\$ 596,074	\$111,765	\$151,548	\$ 4,755,509

### 9. BURIAL SCHEME PROGRAM

Benefits under the Burial Scheme Program comprise both the Funeral Benefits and the Loan Protection & Life Savings coverage.

On January 1, 2005, HRCU initiated the Funeral Benefits Burial Scheme whereby members make an annual contribution of \$24.00. In order for a member to qualify under the scheme, the member must maintain \$100.00 in their account at all times and must have a minimum of \$130.00 in his/her account to be able to pay the annual premium of \$24.00 on May 1, each year. Effective May 1, 2011, the funeral benefit was increased from \$4,000 to \$5,000 at no additional cost to members as approved by the Board of Directors of HRCU.

On June 1, 2005 HRCU also initiated the Loan Protection & Life Savings Scheme. The costs of this scheme are borne by HRCU. Premiums are determined using a flat rate of \$0.50 per \$1,000 on both qualifying loans and savings up to the coverage maximum. Coverage becomes effective immediately upon the member joining HRCU. The scheme offers protection of savings up to a maximum of \$25,000 with set percentages tiered by age and loan protection up to a maximum of \$125,000. Effective May 1st, 2014, the Board of Directors approved an extension of the loan protection coverage from age 75 to age 80.

### 10. DISTRIBUTION OF SURPLUS

	<u>2017</u>	<u>2016</u>
Burial scheme catastrophic reserve	\$ 248,267	\$ 251,594
Education fund	248,267	251,594
Statutory reserve	2,904,733	2,037,915
Undistributed surplus	<u>21,425,507</u>	<u>22,618,346</u>
	<u>\$24,826,774</u>	<u>\$25,159,449</u>

During the year ended March 31, 2017, \$2,900,870 (2016 - \$2,037,389) or 11.68% of the surplus was required to meet the prescribed Statutory Reserve requirement of 10% of assets. The Board of Directors approved an allocation of \$2,904,733 (2016 - \$2,037,915) or 11.70% of the surplus. See also note 2n.

During the year ended March 31, 2017, the undistributed surplus from 2015/2016 totaling \$10,740 (2016 - \$80,813) was allocated to the Contingency and Special Reserve. See also note 2o.

\* \* \* \* \*





## Burial Scheme Program Report (April 1, 2016 to March 31, 2017)

Little did we anticipate what a success our Burial Scheme Program would be when HRCU began administering both the Funeral Benefit and the Loan Protection & Life Savings back in 2005 – some 12 years ago! Luckily our Directors had the foresight to embark on this bold venture and took the necessary steps to provide this much needed service for our members. We have continued to increase benefit coverage over the years – and we continue to do so under one umbrella known as the Burial Scheme Program. Take a look below to see where we were then ... and where we are now!

<b>Year</b>	<b>Funeral Benefit</b>	<b>Loan Protection</b>	<b>Life Savings</b>	<b>Life of Loan</b>	<b>Loan Insured to</b>
2005	BZ\$ 4,000.00	BZ\$ 60,000.00	BZ\$ 10,000.00	20 years	age 75
2017	BZ\$ 5,000.00	BZ\$ 125,000.00	BZ\$ 25,000.00	25 years	age 80

The Funeral Benefit was introduced at a nominal monthly cost of \$2.00 with a Benefit of \$4,000.00 at the time of death. As we increased the Benefit, it has come at NO added cost to the member. Looking back over the past several years, we have noted that due to the increased Benefit and the growth of our membership and hence, more deaths, the monthly premium of \$2.00 seem to no longer satisfy the amounts paid out each year. For the last six years, benefits paid out to member-owners have exceeded what we collected in premiums – this past year alone by over \$300,000.00 dollars. Luckily, we had established a Burial Scheme Catastrophic Reserve in the event there were ever numerous deaths and it is from this reserve fund, that we have covered these shortfalls. Your directors and management have analysed the growing increase in claims and have decided against raising the small premium of \$2.00 monthly at this time. We will, however, closely monitor this current year 2017/2018 to see if we can continue to cover the shortfall without a small increase.

The Loan Protection & Life Savings coverage is provided by HRCU free of cost to all its member-owners. We set aside monthly premiums to cover the claims paid out each month. There were only TWO months that exceeded the premiums set aside, (same as the previous year) even though we increased our Loan coverage to \$125,000.00 and loans for members are now covered up to the day they turn age 80.

In the reports presented on pages 38 and 39 of your AGM booklet you will note that we paid out over \$1.1 million dollars in Funeral Benefits to a total of 235 members (33 more female than males). Both the youngest recipient (16 years) and the oldest (100 years) were female and died of heart related complications. The Loan Protection Coverage was paid to 62 members (half to members 60 years and older) and 9 members benefited from the increase in age from 75 to 80 for the Loan Coverage. The Life Savings coverage was paid to 245 members (half over 60 years old). The main causes of death continue to be heart-related, cancer, and respiratory complications. We lost 12 of our member-owners to the violence in our community (murder), and 4 member-owners got the double benefit on their shares as they lost their lives in traffic accidents. Most of our deceased members were retirees and housewives. THREE claims got the maximum coverage of \$125,000.00 in Loan Protection and THREE the maximum in Life Savings coverage; but no member got the maximum combined benefit of \$150,000.00.

HRCU continues to do its part as we strive to provide the best for both HRCU and its member-owners. BUT you must do yours too! Remember that you must maintain \$130.00 in your account to be able to pay the annual cost of \$24.00 on May 1st and a minimum of \$100.00 at ALL TIMES in the account. And you MUST keep your account up-to-date with loan payments to enjoy full coverage benefits.



# FUNERAL BENEFIT PAID SUMMARY REPORT

*April 1, 2016 to March 31, 2017*

AGE GROUP	FB PAID		AMOUNT TOTAL	%	\$ DOLLAR \$ VALUE PAID	%
	MALE	FEMALE				
UNDER 21	2	2	4	1.70%	\$ 20,000.00	1.72%
21 - 25	2	0	2	0.85%	\$ 10,000.00	0.86%
26 - 30	1	2	3	1.28%	\$ 15,000.00	1.29%
31 - 35	2	1	3	1.28%	\$ 15,000.00	1.29%
36 - 40	7	1	8	3.40%	\$ 40,000.00	3.45%
41 - 45	3	6	9	3.83%	\$ 45,000.00	3.88%
46 - 50	7	5	12	5.11%	\$ 60,000.00	5.17%
51 - 55	1	12	13	5.53%	\$ 64,500.00	5.56%
56 - 60	5	8	13	5.53%	\$ 65,000.00	5.60%
61 - 65	13	13	26	11.06%	\$ 130,000.00	11.21%
66 - 69	10	5	15	6.38%	\$ 75,000.00	6.47%
70 - 74	20	11	31	13.19%	\$ 147,500.00	12.72%
75 - 79	10	18	28	11.91%	\$ 136,500.00	11.77%
80 - 84	4	21	25	10.64%	\$ 122,500.00	10.56%
85 & OVER	14	29	43	18.30%	\$ 214,000.00	18.45%
<b>TOTALS:</b>	<b>101</b>	<b>134</b>	<b>235</b>	<b>100.00%</b>	<b>\$ 1,160,000.00</b>	<b>100.00%</b>

UNDER 21	2	2	4	1.70%	\$ 20,000.00	1.72%
21 - 49	20	14	34	14.47%	\$ 170,000.00	14.66%
50 - 69	31	39	70	29.79%	\$ 349,500.00	30.13%
70 & OVER	48	79	127	54.04%	\$ 620,500.00	53.49%
<b>TOTALS:</b>	<b>101</b>	<b>134</b>	<b>235</b>	<b>100.00%</b>	<b>\$ 1,160,000.00</b>	<b>100.00%</b>

AGE OF YOUNGEST CLAIM PAID: 16  
 AGE OF OLDEST CLAIM PAID: 100  
 CLAIMS PAID AT 50%: 5

*There are so many people out there who will tell you that you can't.  
 What you have to do is turn around and say, "Watch me!"  
 Unknown*





# LP/LS BENEFIT PAID SUMMARY REPORT

April 1, 2016 to March 31, 2017

AGE GROUP	MALE	FEMALE	AMOUNT TOTAL	LS PAID	LP PAID	TOTAL LP/LS	%
UNDER 21	3	1	4	\$ 5,536.27	\$ -	\$ 5,536.27	0.29%
21 - 25	5	0	5	\$ 579.90	\$ -	\$ 579.90	0.03%
26 - 30	2	2	4	\$ 13,700.99	\$ 518.05	\$ 14,219.04	0.75%
31 - 35	3	2	5	\$ 1,359.62	\$ 3,678.51	\$ 5,038.13	0.27%
36 - 40	7	3	10	\$ 44,662.70	\$ 78,434.01	\$ 123,096.71	6.49%
41 - 45	5	6	11	\$ 35,376.82	\$ 54,808.42	\$ 90,185.24	4.76%
46 - 49	6	5	11	\$ 52,088.46	\$ 172,209.17	\$ 224,297.63	11.83%
50 - 54	4	12	16	\$ 62,176.59	\$ 131,087.47	\$ 193,264.06	10.19%
55 - 59	8	5	13	\$ 52,656.19	\$ 24,266.01	\$ 76,922.20	4.06%
60 - 64	15	15	30	\$ 151,760.21	\$ 263,763.09	\$ 415,523.30	21.92%
65 - 69	12	9	21	\$ 66,301.48	\$ 205,893.20	\$ 272,194.68	14.36%
70 - 74	21	12	33	\$ 50,618.76	\$ 154,341.52	\$ 204,960.28	10.81%
75 - 79	10	21	31	\$ 47,859.96	\$ 134,517.76	\$ 182,377.72	9.62%
80 - 84	4	18	22	\$ 44,249.70	\$ -	\$ 44,249.70	2.33%
85 & OVER	10	19	29	\$ 43,579.23	\$ -	\$ 43,579.23	2.30%
<b>TOTALS:</b>	<b>115</b>	<b>130</b>	<b>245</b>	<b>\$ 672,506.88</b>	<b>\$ 1,223,517.21</b>	<b>\$ 1,896,024.09</b>	<b>100.00%</b>

UNDER 21	3	1	4	\$ 5,536.27	\$ -	\$ 5,536.27	0.29%
21 - 49	28	18	46	\$ 147,768.49	\$ 309,648.16	\$ 457,416.65	24.13%
50 - 69	39	41	80	\$ 332,894.47	\$ 625,009.77	\$ 957,904.24	50.52%
70 & OVER	45	70	115	\$ 186,307.65	\$ 288,859.28	\$ 475,166.93	25.06%
<b>TOTALS:</b>	<b>115</b>	<b>130</b>	<b>245</b>	<b>\$ 672,506.88</b>	<b>\$ 1,223,517.21</b>	<b>\$ 1,896,024.09</b>	<b>100.00%</b>

	AGE	TOTAL	LS	LP
AGE OF YOUNGEST CLAIM PAID:	16	\$ 5,050.64	\$ 5,050.64	\$ -
AGE OF OLDEST CLAIM PAID:	100	\$ 33.18	\$ 33.18	\$ -
AVERAGE BENEFITS PAID: (# OF LP BENEFITS PAID)	62	\$ 7,738.87	\$ 2,774.93	\$ 19,734.15
LARGEST BENEFIT PAID:		\$ 143,010.74	\$ 25,000.00	\$ 125,000.00
SMALLEST BENEFIT PAID:		\$ 156.37	\$ 5.94	\$ 16.36

# OF DEATHS BY ACCIDENT:	4	# OF DEATHS FROM HIV-AIDS:	10
# OF DEATHS BY MURDER:	12	# OF DEATHS FROM CANCER:	33
# OF PERMANENT DISABILITY	1	# OF DEATHS FROM CARDIOVASCULAR	59
# OF DEATHS FROM RESPIRATORY			31

*You are never too old to set another goal  
or to dream a new dream.*

*C.S.Lewis*

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## Understanding HRCU's Burial Scheme Program Benefits

LOAN PROTECTION (LP):	Loans are covered up to \$125,000.00 (including six months interest)
LIFE SAVINGS (LS):	Life savings are covered up to \$25,000.00
	MONEY SAVED FROM:
	Birth and under 6 Months of age      25%
	6 Months and under 55Years      100%
	55 and under 60Years      75%
	60 and under 65 Years      50%
	65 and under 70 Years      25%
FUNERAL BENEFITS (FB):	Maximum of \$5,000.00 (Coverage effective date 01/01/2015)

Benefits under Loan Protection cease on the member's 80th Birthday; even though the Loan may have been made before the member's 80th Birthday, all balances owing on that day cease to enjoy benefits.

Money saved after the 70th birthday received no coverage Benefits, but will receive the declared yearly dividend; however the money saved before, continues to receive coverage Benefits if not withdrawn. For example: money saved before the 55th birthday will receive 100% coverage even if the member is 70 years or over at time of death.

Loan receive regular benefits, up to \$125,000.00, but savings get double if death is by accident. For example, if a member has \$100.00 in savings and dies by accident, the beneficiary will receive \$300.00. Your \$100.00 plus \$200.00 from HRCU.

Loans are covered for a period of 25 years only.

Total and Permanent Disability claims up to age 60.

Bad Debt Waiver: member-owners yields right to a portion or all of FB benefit due to non-payment of loan. FB benefit will be applied to delinquent loan & interest not paid by LP benefit. Therefore any remaining balance will go to member-owner's stated beneficiary.

If beneficiary has a delinquent loan, benefits will be applied first to that delinquent loan.



## Comprensión de los Beneficios de HRCU

PROTECCIÓN DE PRÉSTAMOS:	Préstamos son protegidos por el Aseguro hasta la cantidad de \$125,000.00 Dolares. (Incluyendo interés de seis meses)
AHORROS DE VIDA:	Ahorros de Vida son cubiertos hasta \$25,000.00 dolares.
	DINERO AHORRADO DESDE:
	Nacimiento hasta los 6 meses 25%
	6 meses y antes de los 55 años 100%
	55 años y antes de los 60 años 75%
	60 años y antes de los 65 años 50%
	65 años y antes de los 70 años 25%
BENEFICIO FUNERARIO:	Máximo de \$5,000.00 (Fecha efectiva de cobertura: 01/01/2015)

Beneficios bajo la Protección de Préstamos terminan al cumplir el miembro los 80 años de edad; aunque el préstamo fuera hecho antes de los 80 cumpleaños del miembro, todo préstamo con un saldo deja de gozar los beneficios de protección de HRCU ese mismo día.

Todo dinero ahorrado despues de los 70 cumpleaños no recibirá ningun Beneficio de Protección, pero si recibirá el dividendo declarado anualmente. Sin embargo, ahorros depositados antes de los 70 años continúan recibiendo los Beneficios de Protección si no son retirados. Por ejemplo, dinero ahorrado antes de cumplir los 55 años goza 100% de protección, aunque el miembro tenga 70 años o más al momento de su fallecimiento.

Préstamos gozan de beneficios regulares, hasta un máximo de \$125,000.00 dolares, pero los beneficios de ahorros se duplican si la muerte del deudor ocurre en un accidente. Por ejemplo, si un miembro tiene un ahorro de \$100.00 y muere en accidente, el beneficiario recibirá \$300.00. Los \$100.00 de ahorros y \$200.00 de HRCU.

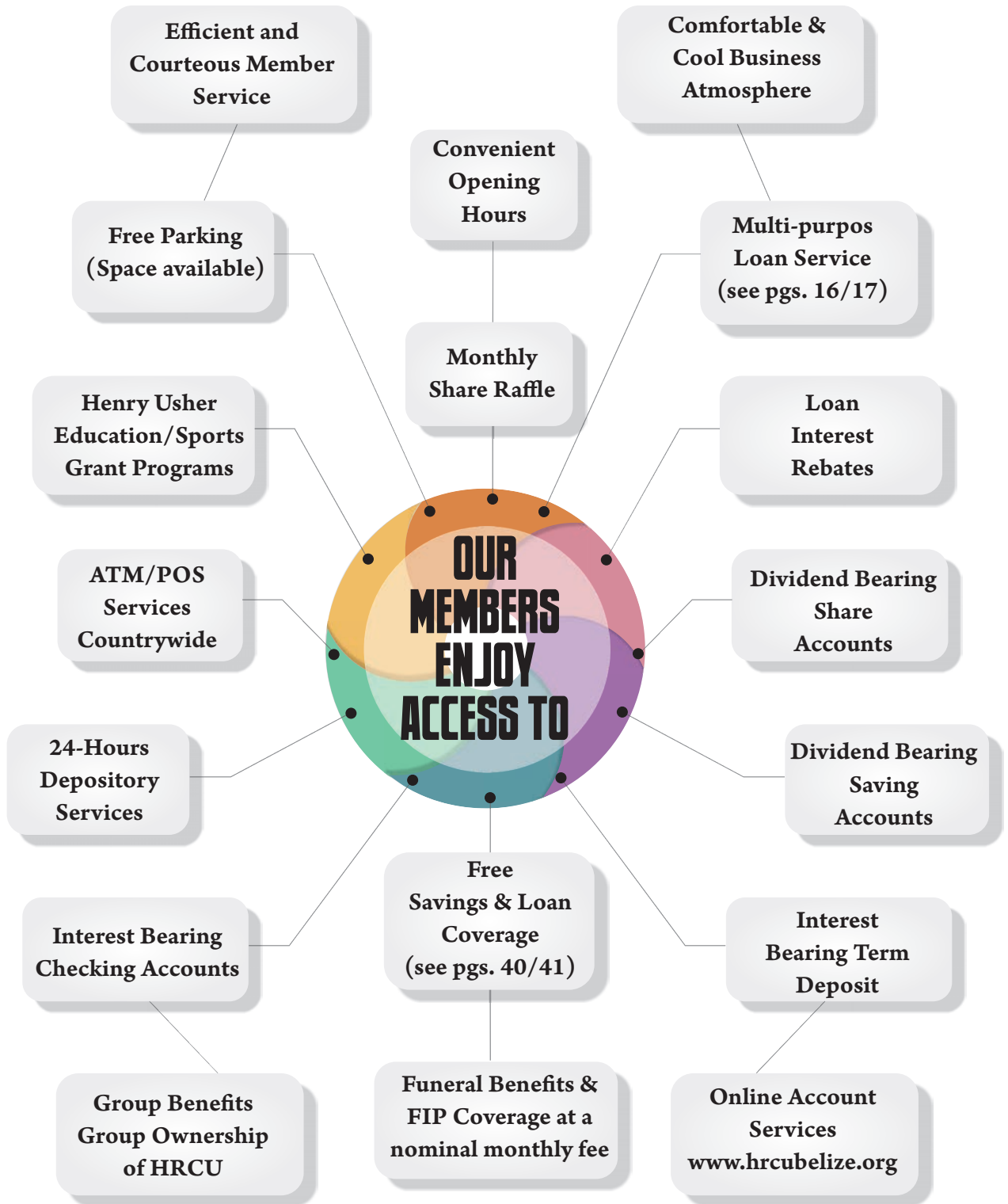
Préstamos gozan de protección solo por un período de 25 años.

Reclamos de incapacidad permanente hasta 60 años.

Renuncia de Derecho: un miembro-dueño con préstamo en delincuencia cede todo derecho a los beneficios del plan de protección para costos de servicios fúnebres. El valor equivalente de tal beneficio será aplicado contra saldos en delincuencia de préstamos e intereses no cancelados por los beneficios del plan de protección a préstamos. Cualquier saldo restante será aplicado a favor del beneficiario declarado de antemano por el miembro-dueño.

Si el beneficiario tiene un préstamo en delincuencia, los beneficios serán aplicados contra tal préstamo antes de que cualquier beneficio sea pagado al beneficiario.





# Supervisory Committee Report

(April 1, 2016 to March 31, 2017)

To the Members of Holy Redeemer Credit Union Limited:

Pursuant to instructions contained in the Credit Union Act, Chapter 314 of the Laws of Belize, we have during the financial year ended March 31, 2017 caused to be examined the books and records of the Holy Redeemer Credit Union Limited. We report that Holy Redeemer Credit Union Limited has provided for the independent external audit of such books of accounts and records by the accounting firm of Grant Thornton whose report is contained in this Annual Report from page 24 through page 35.

We further advise that we reviewed on a monthly basis the financial statements and related reports of Holy Redeemer Credit Union Limited and we have obtained all information and explanations we have required.

In our opinion, based on the independent external audit and monthly review of the financial statements of Holy Redeemer Credit Union Limited, the Balance Sheet, together with the Statement of Income & Expenses and the Statement of Cash Receipts and Cash Disbursements present fairly the state of the Credit Union's affairs as at March 31, 2017 and for the year then ended.

## Respectfully submitted

April 13, 2017

Reynaldo Burgos, B.A. - Chairman  
Alice Leal - Secretary  
Marnix Perez - Member

### PEARLS

Protection

Effective Financial Structure

Asset Quality

Rates of return and costs

Liquidity and

Signs of Growth

**PEARLS** is a financial performance monitoring system designed to offer management guidance for credit unions

**PEARLS** is a set of financial ratios or indicators that help standardize terminology between credit unions.

**PEARLS** is primarily a management tool for credit unions. It should not be confused with prudential accounting standards.



**These are the officers who served you during the past year**  
(April 1, 2016 to March 31, 2017)

**BOARD OF DIRECTORS**

PRESIDENT: FRED SMITH, CSC/JP (term ends today)  
 VICE PRESIDENT: OSCAR R. RIVEROL, JP (serving two more years)  
 TREASURER: JANE E. M. USHER, CBE/JP (Director Emeritus)  
 SECRETARY: WENDY CASTILLO (seving one more year)  
 DIRECTOR: ALBERT VAUGHAN (serving two more years)  
 DIRECTOR: ELIZABETH ZABANEH, OBE/CSC/JP (serving two more year)

**CREDIT COMMITTEE:**

CHAIRPERSON: MARION MARSDEN, MBE/JP (serving one more year)  
 CAROL BABB, JP (serving two more years)  
 ELEANOR GILLETT, JP (term ends today)

**SUPERVISORY COMMITTEE:**

CHAIRPERSON: REYNALDO BURGOS, B.A.  
 MARNIX PEREZ  
 ALICE LEAL

(This Committee is elected yearly by the members present at the Annual General Meeting)



**NETWORKONE**  
 ...a secure  
**ATM and POS network**

- Holy Redeemer Credit Union Ltd.
- St. Francis Xavier Credit Union Ltd.
- St. John's Credit Union Ltd.
- St. Martin's Credit Union Ltd.
- Toledo Teacher's Credit Union Ltd.
- La Inmaculada Credit Union Ltd.
- Heritage Bank Limited



***In order to invoke God's blessings on our gathering today, let us together please pray for PEACE in our world.***



***PEACE PRAYER  
OF  
ST FRANCIS OF ASSISI***

*Lord, make me an instrument  
of Thy peace:  
Where there is hatred,  
let me sow love;  
Where there is injury, pardon;  
Where there is doubt, faith;  
Where there is despair, hope;  
Where there is darkness, light;  
And where there is sadness, joy.  
O divine Master, Grant that  
I may not so much seek to be  
consoled as to console,  
To be understood as to understand,  
To be loved as to love.  
For it is in giving that we receive,  
It is in pardoning that  
we are pardoned,  
And it is in dying that  
we are born to eternal life.*

*Amen*



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Fax: (501) 223-0738  
Email [manager@hrcubelize.org](mailto:manager@hrcubelize.org)

HOLY REDEEMER CREDIT UNION LIMITED  
Cor. Fadden Avenue & Mango Street  
Independence, Mango Creek  
Stann Creek District  
Tel: (501) 523-2593 or 523-2594  
Email [mcmanager@hrcubelize.org](mailto:mcmanager@hrcubelize.org)

Website: [www.hrcubelize.org](http://www.hrcubelize.org)