

HOLY REDEEMER CREDIT UNION LIMITED

79 YEARS OF SERVICE



2023

Annual Report

Board of Directors



OSCAR RIVEROLL
(PRESIDENT)
SERVING SINCE 1998



WENDY CASTILLO
(VICE PRESIDENT)
SERVING SINCE 2015



ALBERT VAUGHAN
(SECRETARY)
SERVING SINCE 2015



CAROL BABB
(EDUCATION DIRECTOR)
SERVING SINCE 2007

ELIZABETH ZABANEH
(TREASURER)
SERVING SINCE 2015



Credit Committee



MARION MARSDEN
(CHAIRPERSON)
SERVING SINCE 1978



ELEANOR GILLETT
(SECRETARY)
SERVING SINCE 2008



JOSE ASEVEDO
(MEMBER)
SERVING SINCE 2020

Supervisory Committee



WARREN COYE
(CHAIRPERSON)
SERVING SINCE 2017



ALICE LEAL
(SECRETARY)
SERVING SINCE 2016



ENGLEBERT PERERA
(MEMBER)
SERVING SINCE 2017

Annual General Meeting Business Agenda

1. **MEETING CALLED TO ORDER BY PRESIDENT**
2. **OPENING PRAYER** (See inside back cover of booklet)
 - a. moment of silence for departed member-owners
3. **BELIZE NATIONAL ANTHEM** (Land of the Free)
4. **ROLL CALL** (Member-owners in attendance)
5. **APPROVAL OF MINUTES** (AGM 2022)
 - a. matters arising from Minutes (if any)
6. **REPORTS**
 - a. Board of Directors
 - b. Credit Committee
 - c. Manager's Report (Balance Sheet with Accounts)
 - d. Burial Scheme Program Report
 - e. Supervisory Committee
7. **DISCUSSION AND ACCEPTANCE OF REPORTS**
 - a. Declaration of Dividends and Rebates
8. **CHAIRPERSON'S REMARKS**
9. **ELECTION OF OFFICERS**

Board of Directors	-	1 Vacancy
Credit Committee	-	1 Vacancy
Supervisory Committee	-	1 Vacancy
10. **NEW BUSINESS**
 - a. Confirmation of External Auditors (CROWE Belize LLP)
11. **ADJOURNMENT OF BUSINESS MEETING**
 - a. Special AGM Raffle (\$30,000 in prizes)



Saturday, May 27, 2023 - Belize Civic Center
2:00 p.m. Sharp



**MINUTES OF
HOLY REDEEMER CREDIT UNION LIMITED
78th ANNUAL GENERAL MEETING**

**Held on Saturday, May 28, 2022
Belize Civic Center, Belize City**

Present:

Mr. Oscar Riveroll	- President, Board of Directors
Mrs. Wendy Castillo	- Vice-President, Board of Directors
Mr. Albert Vaughan	- Secretary, Board of Directors
Dr. Carol Babb	- Education Director
Ms. Marion Marsden	- Chairperson, Credit Committee
Mr. Jose M. Asevedo	- Member, Credit Committee
Mr. Warren Coye	- Chairperson, Supervisory Committee
Mr. Englebert Perera	- Secretary, Supervisory Committee
Mrs. Alice Leal	- Member, Supervisory Committee

Absent with apology:

Mrs. Elizabeth Zabaneh	- Treasurer, Board of Directors
Ms. Eleanor Gillett	- Secretary, Credit Committee

Member-owners in attendance: 1,580 (final count)

Mistress of Ceremonies (MC): Dr. Carol Babb

Minutes Taker: Ms. Beverly McCoy

1. Call to order of 2022 Annual General Meeting

On Saturday, May 28, 2022, at approximately 2:01 p.m. MC, Dr. Carol Babb, called on President Mr. Oscar Riveroll, to declare the 78th Annual General Meeting (AGM) open.

2. Opening Prayer

The MC then called on Mr. Jose Asevedo, Credit Committee Member, to invoke God's blessings on the assembly in the recitation of the Peace Prayer of St. Francis of Assisi “Lord Make me an Instrument of Thy Peace”.

3. Belize National Anthem

The Belize National Anthem was then sung, and Dr. Babb asked all present to observe a moment of silence to honor the memory of all those member-owners who passed during the years (2020 to 2022) especially those untimely deaths due to Covid-19.



4. Roll Call

Dr. Babb introduced all Board and Committees Members that served for the past years. She gave a special welcome to all invited guests including those from sister credit unions (CUs) countrywide, including Blue Creek Credit Union, St. John's Credit Union, St. Martin's Credit Union, St. Francis Xavier Credit Union, La Inmaculada Credit Union, and the Belize Credit Union League (BCUL). A special welcome was also extended to the auditors, the Board of Directors and committee members, staff, and the member-owners of HRCU. She thanked everyone for attending the 78TH Annual General Meeting (AGM).

5. Approval of Minutes (None as AGM 2020 and 2021 were cancelled)

Due to Covid-19 restrictions, AGMs for 2020 and 2021 were cancelled hence the reason for no meeting Minutes for approval.

6. Presentation of Reports

Board of Directors Report

President Oscar Riveroll presented to member-owners the Board of Director's (BOD) report for the Financial Year April 1, 2021 to March 31, 2022.

He stated that after cancelling AGMs for the past two years due to COVID-19, the Board was eager to assemble with and update the credit union members on HRCU performance.

President Riveroll stated that May 22, 2021 marked the grand inauguration of the Jane Usher Building (annex building) erected for better service to the members. HRCU will be expanding the Independence Village Branch building and anticipates the opening of a Belmopan City Branch by 2024. The Belmopan Branch Building, named after former president of the Board and civil servant Mr. Fred C. Smith, will be used to service the growing membership in the City of Belmopan and surrounding villages.

In the spirit of meeting the needs of the members, HRCU has engaged in several beneficial projects. Dr. Carol Babb, Education Director, has been and continues to advocate financial literacy. Moreover, despite construction challenges, 46 member owners are new homeowners through the Eagle JEM Estate affordable housing project in Sandhill Village.

The Board of Directors seeks the support of the membership to absorb Evangel Credit Union assets and membership by means of a Transfer of Engagement. He stated that all due diligence has been concluded and asked the membership's approval.

In spite of the financial struggles the pandemic brought, HRCU managed to see significant growth in both membership and total assets. Moreover, the credit union recognized sufficient profits to meet its financial responsibilities to its shareholders, hence the Board recommends dividend and rebate payouts at 4% and 10%, respectively.

Delving into HRCU's operational and financial performance, he referred member-owners to the audited financial statements on pages 26-43 of the AGM booklet and highlighted the following for the financial year:



- Loans issued during the period totaled \$85.0 Million to 14,822 member-owners.
- Total gross profits amounted to \$39.6 Million, and net profits to \$26.1 Million.
- Assets grew by \$25.7 Million resulting in total assets of \$684.2 Million.
- Membership grew by 2,801 during the year, which now takes HRCU's total member-owners count to 61,194

President Riveroll reported that despite the economic hardship over the past years, HRCU garnered sufficient net profit to give back to member-owners a 4% dividend and a 10% loan interest rebate for those persons that qualified by repaying their loans as promised.

In concluding he thanked the entire Board, committees, staff, and the entire membership for another successful year.

Credit Committee Report

The MC then called on Ms. Marion Marsden, Chairperson of the Credit Committee, to present the Credit Committee Report for the Financial Year April 1, 2021 to March 31, 2022.

Ms. Marsden welcomed all members and distinguished guests and expressed profound gratitude to the hard-working committee members that met every Wednesday during the past year, despite Covid constraints. In meeting member-owner's expectations they worked diligently to examine and consider loan applications, in order to guarantee compliance with the credit union's policies and procedures.

The past financial year showed significant growth as the 14,822 loans issued during the period April 1, 2021 to March 31, 2022 totaled \$85M compared to last year 12,730 loans which totaled \$70.7M. This is because of those faithful and loyal member-owners who use our loan services which means better returns for them and by extension the credit union growth remains solid since it can continue to fulfill the needs of its members. Ms. Marsden then directed member-owners to the detailed breakdown and graphs of loan categories shown on pages 12 & 13 of the booklet which highlighted the following:

- Of the \$85M loan issued to member-owners in 2022, the three largest categories consisted of the following:
 - The largest category being Business Investments amounts to over \$23.9M
 - The second largest sector for debt consolidation which amounts to \$10.7M
 - The third largest being Housing Loans, inclusive of repairs and renovations which was \$10.5M, and represent 12.32% of the loan portfolio

In addressing delinquency, she went on to encourage member-owners to redeem themselves by coming into the office to sort out their loan obligations to the credit union membership. Delinquency has a negative effect on the character of the borrower and their relationship with the credit union. The Central Bank of Belize introduced a forbearance measure during Covid which came to an end and could result in an increase in the delinquency ratio if not properly managed. She thanked the Delinquency Department for working so diligently to combat and stabilize the rate over the past years. The credit union is



exercising any means necessary to encourage its members to make sound financial decisions while stressing the importance of saving.

In concluding, she thanked God and the committee members for all their hard work and commitment to be of service to HRCU membership. She ended with the quote, “A budget is telling your money where to go instead of wondering where it went.”

Manager's Report

The MC then called on Mr. Clement Usher, Chief Financial Officer, to deliver the Manager's Report. The Covid-19 pandemic presented many hardships, but HRCU was quick to make the necessary adjustments to provide quality service and returns to its member-owners via favorable dividends and loan rebates.

Mr. Usher stated that over the past two years new entry-level staff members were employed to ensure that the best possible service is provided and in-keeping with HRCU mission statement. Although staffing increased, HRCU had to bid farewell to Mr. Sonny Meighan, who retired in February 2022 after 61 years of dedicated service to the credit union. CFO thanked him for his contribution to HRCU and to the Credit Union Movement.

Notice was given to HRCU to vacate the school playground, that was used for additional parking space and as such specific customer parking was allotted for member-owners convenience in a neighboring lot.

Both the CFO and the HR Manager attended the launch of the Belize American Credit Union (BACU) in Los Angeles, California during the past year. This breakthrough will assist member-owners who live abroad to send and receive money. Member-owners in the U.S. Diaspora total 6,539 strong residing in 37 of 52 states. Given this membership in the diaspora, BACU certainly will be a beneficial addition to their credit union account.

He asked members to refer to page 16 of the AGM booklet, where detailed information on the CU Balance Sheet and Income and Expenses showed growth trends with its corresponding percentages. Weathering the storm of Covid-19, has been a learning experience for the credit union sustainability and it cannot let its guard down in being always prepared. HRCU has increased its Reserves, as mandated by the Regulator, which put HRCU equity in a better position for future pandemic and any other natural disaster.

He asked member-owners to kindly support and approve the transfer of engagement of Evangel Credit Union, noting that the HRCU Board has done its due diligence for the acquisition. He stated that this is not the first time this has been done, that in the past credit unions have been known to help each other in times of hardship to better the credit union movement's stronghold in the financial sector.

In concluding, he referred members to look at the booklet's centerfold, which highlighted the buildings inauguration day on Saturday, May 22, 2021. This event highlighted the dedication of the new annex building in honor of Mrs. Jane Usher, HRCU pioneer and the longest serving CEO in the country of Belize, who worked up to her 100th birthday. The other building was named after Henry Charles Usher, another HRCU pioneer and Belize's first Registrar of Credit Unions. Mr. Usher then thanked everyone for coming and reminded them that HRCU exists to help member-owners to help themselves.



Burial Scheme Program Report

Dr. Carol Babb then called on Mr. Albert Vaughan, Secretary of the Board, to present the Burial Scheme Program Report for the Financial Year ended March 31, 2022.

Mr. Vaughan then directed member-owners to page 17 of the booklet, reflecting on the challenges of the past year and adopting to new changes of life and for some members this included bidding a loved one goodbye. He noted that unfortunately over 300 members ranging from ages 9 to 101 passed last year, COVID-19 claiming 63 of them. It was a hard time for the membership and staff because of the pandemic rampage. Being member service driven, HRCU was able to provide benefits of the Burial Scheme Program for those who qualified. Benefits include:

1. Funeral Benefit – \$5,000 payout to beneficiaries of the deceased. Insured must be a member for a minimum of one year, maintain an account balance no less than \$100, and pay the \$30 premium within 12 months of membership.
2. Loan Protection and Life Savings Benefit – a maximum payout of \$125,000 to the member's loan and a maximum payout of \$25,000 to the shares they have on account at the time of death.

Director Vaughan then directed members to examine the report on pages 18-19 of the booklet, which report payouts for the financial year of over \$1.5M in funeral benefits (FB) to 313 member-owners (29 more females than males). The loan protection and life savings payout totaled \$2.06M. Of those deceased numbers, 171 were female and 142 were male, with the youngest being a 9-year-old boy who died from kidney complications and the oldest a 101-year-old female dying from heart complications. The prevalent cause of death continues to be heart-related, cancer, and respiratory complications. Covid-19 being the second highest cause of death during the period. Eleven member owners lost their lives to violence in the community and 5 persons got the double benefit payment because they died in traffic accidents. Nine claims received maximum payout coverage of \$25,000 in life savings and 3 members received the maximum \$125,000 in loan protection during the year.

He concluded by advising member-owners that HRCU will continue to provide them with these benefits, but they must do their part by maintaining a minimum of \$130.00 in their account to be able to pay the annual \$30 to qualify for the funeral benefit. To enjoy the DOUBLE payout for Life Saving benefit coverage, member-owners must save \$25,000 before attaining age 55, and their loan account MUST be current.

Supervisory Committee Report

The MC then called on Mr. Warren Coye, chairperson of the Supervisory Committee, to deliver the Supervisory Committee Report to member-owners for the period ended March 31, 2022.

He reported that, pursuant to the instructions contained in the Credit Unions Act Chapter 314 of the Laws of Belize, the Supervisory Committee had caused during the financial year for the examination of the books and account records by the accounting firm of BDO Belize LLP. Their report is contained in pages 26-43 of the AGM booklet.

He further advised member-owners that the Supervisory Committee scrutinized monthly 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 members, based on the independent external audit and monthly review of the financial statements, the balance sheet, together with the statement of cash flows present fairly the state of the credit union's affairs as at March 31, 2022, and for the year then ended.

7. Discussion & Acceptance of Reports (Declaration of Dividends)

Declaration of Dividend and Interest Rebates

Dr. Babb then called for the acceptance of the reports, the 4% dividend, and 10% interest rebate payment for member-owners who serviced their loan commitments as promised.

The report proposed dividend and interest rebate were accepted on a motion from **Ms. Michelle Dolmo** which was seconded by **Ms. Gertrude Flowers**. The reports were subsequently accepted by the majority by a show of hands.

The floor was then opened for the matters arising from the reports that were read, and a few questions and answers followed:

1. **Question 1:** How often do member-owners need to get their accounts updated? As explained by Dr. Babb, all member-owners are advised to update their account every three years or whenever changes are made to their account profile i.e. change of name, address, phone numbers, etc. Account updating is a regulatory requirement for all financial institutions in Belize.
2. **Question 2:** Would the credit union Board consider raising the burial scheme payout, as funeral expenses are now increasing? Dr. Babb stated that this concern is being noted by the Board and will be discussed.

Ratification of Decision from 2020 AGM and 2021 AGM

Vice President, Mrs. Wendy Castillo, noted that since there were no AGM's during the stated period and with permission from the regulators, Central Bank of Belize, several BOD decisions were made during 2020 in absence of the 76th AGM and thereby a ratification of the minutes were amended as such:

- The Board of Directors meeting in 2019, the bylaws were changed to accommodate the holding of the Annual General Meeting on the last Saturday in May 2022 due to the delay in getting the audit completed and AGM preparation.
- Dividends payout at 6% on the first \$10,000.00 of savings and 3.5% on the remaining share balance. Interest rebate stood at 7% for those persons that qualify.
- Bylaws changed to accommodate the elections of members of the Supervisory Committee on a rotational basis for continuity of the credit union operations.
- Re-election of Dr. Carol Babb to the Board of Directors.
- The election of Mr. Jose Asevedo to the Credit Committee.
- Re-election of Mrs. Alice Leal to the Supervisory Committee, taking into effect the recommended bylaws amended above.



- Confirmation of the External Auditor and re-appointment of BDO Belize LLP for the fiscal year 2020/2021.

These were the decisions taken by the Board, in absence of the AGM. Director Castillo then asked that a motion be made, which was accepted by **Mr. Mushea McDonald** and was seconded by **Mrs. Aimee Jex**. All decisions were subsequently accepted by the majority by a show of hands.

In continuing with the ratification, she moved on to financial year 2021, stating that again with the absence of an AGM for this year due to Covid-19 the Board made the following decisions:

- The board approved dividends payout at 4% on Shares and Savings accounts. Interest rebate stood at 5% for those persons that qualify.
- Re-election of Mrs. Wendy Castillo to the Board of Directors.
- Re-election of Ms. Marion Marsden to the Credit Committee.
- Re-election of Mr. Englebert Perera to the Supervisory Committee, taking into consideration the recommended bylaws amended in 2020.
- Confirmation of the Auditors and re-appointment of BDO Belize LLP as external auditors for the fiscal year 2021/2022.

These were the decisions taken by the Board, in absence of an AGM. Director Castillo then asked that a motion be made, which was accepted by **Mr. Joe Lawrence** and was seconded by **Ms. Marigold Escarpeta**. All decisions were subsequently accepted by the majority by a show of hands.

Transfer of Engagement – Evangel Credit Union (see page 44)

Dr. Babb then reiterated the CFO's advising the membership about Evangel Credit Union membership acceptance to be a part of Holy Redeemer Credit Union. She directed member-owners to page 44 as she read the NOTICE to the membership where at a Board of Directors meeting held on Wednesday, January 26, 2022, directors passed a resolution for members to vote on HRCU's undertaking Evangel Credit Union Limited (ECU) Transfer of Engagement.

She went on to state that a Transfer of Engagement is a voluntary process whereby the assets and membership of one credit union are transferred to another credit union.

Mr. Gemayel Babb, new Executive Director of the Belize Credit Union League, then made a brief presentation highlighting the League's facilitation of the transfer of engagement among the Cus. With a little over 900 member-owners and the small asset base of ECU, the Central Bank of Belize asked BCUL to facilitate the transfer. Member-owners of HRCU asked numerous questions pertaining to the process and what this undertaking will mean for those members coming across from ECU. Mr. Babb explained that as a smaller credit union, ECU membership will now have better benefits by voluntarily joining HRCU. The CFO explained that prior to the Board deciding on the Transfer, a working team from the HRCU's Board and management went into ECU to evaluate the assets, liabilities, and net worth of the credit union. The approval will mean an increase in HRCU's membership and assets.

Dr. Babb subsequently asked the membership to stand indicating their approval and the 75% acceptance was confirmed by the League's Executive Director.



8. Chairperson's remarks

The floor was then open for matters arising from the reports that were read. Several questions relating to membership requisites and death benefits came from the floor were answered. The MC then asked for a motion to close this agenda item accepted by **Ms. Nadira Scott** and seconded by **Mr. Gerome Stuart**.

9. Election of Officers

The MC stated that at a special meeting held on May 8, 2022, in Independence, Mrs. Elizabeth Zabaneh, whose term came to end, was unanimously voted to fill the vacant Director seat.

Dr. Babb then called on Mrs. Wendy Castillo to relay the recommendations of the nominating committee. Director Castillo stated that at a Nominating Committee meeting held on April 27, 2022, the re-election of the following persons was recommended:

- Mr. Oscar Riveroll and Mr. Albert Vaughan for the Board of Directors;
- Mr. Jose Asevedo for the Credit Committee; and
- Mr. Warren Coye for the Supervisory Committee member.

All the recommended persons accepted their nomination to serve for another term in their respective capacity.

Dr. Babb then asked those persons whose terms 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, the floor will be open for two (2) minutes for additional nominations by member-owners for each of the three elections.

➤ **Board of Directors:**

The term ended for Mr. Oscar Riveroll and Mr. Albert Vaughan. Mr. Oscar Riveroll and Mr. Albert Vaughan confirmed their willingness to serve again for another term. Since there was no other nomination from the floor after 2 minutes, **Ms. Norma Skeen** moved that nomination be closed, and **Mr. Adrian Bedran** seconded the motion.

The majority then voted by a show of hands to re-elect Mr. Riveroll and Mr. Vaughan to the Board of Directors for another three-year term. Both accepted and were confirmed to serve as Directors on the Board.

➤ **Credit Committee:**

The term ended for Mr. Jose Asevedo. Mr. Jose Asevedo confirmed his willingness to serve again for another term. Since there was no other nomination from the floor after 2 minutes, **Ms. Indira Cayetano** moved that nomination be closed, and the motion was seconded by **Ms. Laura Alvarado**. The majority then voted by a show of hands to confirm Mr. Jose Asevedo to serve for another three-year term on the Credit Committee.



➤ **Supervisory Committee:**

The term ended for Mr. Warren Coye. Mr. Warren Coye confirmed his willingness to serve again for another term. Since there was no other nomination from the floor after two minutes, **Ms. Carrol Martinez** moved that nomination be closed, and **Mr. Amado Cruz** seconded the motion. Majority of member-owners voted by a show of hands to confirm Mr. Warren Coye to serve for another year on the Supervisory Committee.

10. New Business

Based on the Nominating Committee's recommendation to confirm the re-appointment of BDO Belize LLP as external auditors for the fiscal year 2022/2023, the MC asked the membership present to vote. By show of hands, the majority of members indicated they were in favor of the reappointment.

11. Adjournment

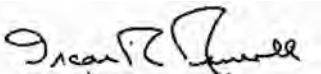
At 3:29 p.m., with the final count for voting member-owners in attendance at 1,580 the MC called for a motion to adjourn the 78th Annual General Meeting. The adjournment of the meeting was put forward on a motion from **Ms. Theresita Moody** and seconded by **Mr. Armando Nunez**. After the adjournment, Dr. Babb announced the commencement of the Special AGM Raffle.

The twenty-five lucky prize winners of \$1,000.00 each were:

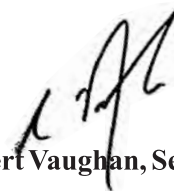
1	Wilbert Bryant	10	Darlene Gladden	19	Loleta Lino
2	Ashli Habet	11	Sade Lopez	20	Audrey Bennett
3	Yma Casey	12	Grace Dena	21	Leonardo Coc
4	Sandra Augustine	13	JamillaChatham	22	Xena Belgrove
5	Olga Nolberto	14	Aurora Balam	23	Kimberly O'Brien
6	Mathilda Tech	15	Carmita Velasquez	24	Natalie Reyes
7	Deonnie Griffith	16	Casserrine Nicholas	25	Nikola Perera
8	Andres Grajalez	17	Junior Colon		
9	Anna Sambula	18	Kenny Lores		

After drawing the \$5,000.00 grand prize winner who was **Ms. Clotilda Santiago**, Dr. Babb thanked everyone for attending HRCU's 78th Annual General Meeting. A special thank you was given to the member-owners and staff members from Independence Branch who were in attendance.

Submitted by:



Oscar Riveroll, President



Albert Vaughan, Secretary



Board of Directors Report (April 1, 2022 to March 31, 2023)

Fellow member-owners of HRCU:

Once again it is a privilege and honor to stand before you as your President. This is the second time that I am getting the opportunity to do so, and it is indeed a wonderful sight to see all you loyal and faithful member-owners who have gathered here today to hear the good news of what is happening at your credit union – HRCU.

Last year we informed you that we were expanding our office building in Independence Village to better serve the people of the South; and, that we were venturing into Belmopan to serve the people of the West and our Capital City. I can proudly say today that the expansion project is well underway and should be completed before the end of this year if all goes according to schedule. Our presence in Belmopan is about to come to fruition with the start of construction of our Fred Smith Building where a state-of-the-art credit union will be housed on the ground floor complete with the latest in technology. See contract signing on page 17.

Our Belize Credit Union League's (BCUL) Shared Services Network (SSN) will soon be hooked into the Central Bank of Belize's National Payment System (APSSS) whereby member-owners will be able to process transactions from the comfort of their home or office between the local commercial banks and their beloved HRCU. A special feature of SSN will allow for sister credit unions to do business with each other without having to use APSSS. Member-owners of all credit unions will be able to send monies all over the country since there are eight credit unions, some with branches, strategically placed throughout Belize. This will be truly awesome!

By means of a Transfer of Engagement we were able to onboard member-owners of Evangel Credit Union (ECU) who are now proud owners of HRCU. Credit unions are all affiliated to the BCUL where, as a Movement, we are 165,713 member-owners strong. We support each other, we work with each other, but what we will never condone is any activity that is contrary to our Credit Union Act or the Rules and Regulations that govern our credit unions.

The following are some important operational and financial highlights:

- dollar value of loans issued: \$65.8 million; number of loans issued: 17,458 loans
- total gross profits: \$39.7 million; total net profits: \$25.9 million
- dollar growth in total assets: \$40.6 million; resulting in total assets of: \$724.8 million
- growth in membership: 4,115; ending the year with: 63,249 member-owners

From the above operations your Board is recommending a dividend of 4% and a Rebate of 10%. With member-owners cooperation and the hard-working efforts of HRCU directors, committees, management, and staff, we will continue to bring to member-owners only the very best!

Your Board of Directors:

Oscar Riveroll, JP - President
Wendy Castillo - Vice President
Albert Vaughan, JP - Secretary

Elizabeth Zabaneh, OBE/CSC/JP - Treasurer
Dr. Carol Babb - Education Director



Credit Committee Report

April 1, 2022 to March 31, 2023

Good afternoon Member–Owners of HRCU:

Another year has gone by, and we are here once again for our Annual General Meeting. It gives me great pleasure, as chairperson of the Credit Committee, to present our 79th Annual Report for the year 2022/2023.

Every Wednesday, the Credit Committee meets to review and consider loan applications presented to us. We ensure that borrowers can satisfy the requirements outlined in our Loans Policy and that the loans are for a productive purpose, have adequate security, and that the borrowers have the capacity to repay amongst other criteria.

At the close of our financial year ended on March 31, 2023, 17,458 loans were disbursed which is an increase from of 14,822 loans disbursed last year. However, in dollar amounts there was a significant decrease totalling \$65,793,490.72 compared to last year, which was \$85,039,105.49. This decrease in loan amounts was mainly due to loan pay offs by other financial institutions; members not using our loan services available to them with very affordable interest rates; or perhaps because of members' financial instability brought on by the recent pandemic or even Hurricane Lisa. Whatever the reason, remember that when you use your credit union's loan facility that is what earns you your dividends and rebates for loans that qualify. HRCU is doing its part to provide the best services to its member-owners, and we encourage you to take full advantage of this. We have even provided very easy access to our loans with the introduction of our Online Loan Application Menu during the time Covid-19 was raging war on the World (see Page 16 of this AGM Booklet). This service still exists, and we encourage those of you who have difficulty in coming by the office to use this online loan service. We even offer appointments now for those who have difficulty due to their busy work schedules.

The prepared table and graphs on pages 14 and 15 provide a pictorial view of the category of loans disbursed over the year. Major loan categories were House Repairs and Renovations totalling \$12.2 million (18.55%) with 1,933 loans; Consolidation of Debt totalling \$8.4 million (12.86%) with 291 loans; Personal Expenses totalling \$7 million (10.68%) with 5,483 loans; and, Vehicle and Vehicle Repairs totalling \$6.8 million (10.32%) with 1,270 loans.

The Credit Committee is pleased to report that your Credit Union continues to have a strong loan portfolio. We are proud to say that HRCU was one of the lending institutions that saw the many needs of its members during the Covid-19 pandemic and Hurricane Lisa. We assisted members to evaluate their present financial situation and found ways to assist them during these crises. This is the reason why we promote the importance of saving for those “rainy days”.



We recommend that when making your loan payment to include something extra for your savings no matter how small. This will increase your equity and it shows consistency. Your shares and payment history are guidelines in considering loan applications. We must remember that our credit union is as strong as we make it; therefore, we must save regularly, we must borrow wisely, and we must repay promptly. Remember money borrowed belongs to member-owners and you must make every effort to repay as promised.

Over the years, we have spoken about delinquency. Some member-owners have taken advantage of our repeated request to come in and talk with us, whilst others remain in bad faith. Those that came in have seen that by resuming payments to their outstanding loan, they are now current and can once again enjoy the benefits their credit union offers. Your credit union understands that circumstances beyond your control sometimes make it difficult to meet your pledged payment obligations. Whenever this happens, inform your credit union immediately. We are here to help and to advise. Your Credit Union loan is a just commitment and payments should be given priority. Your credit union debt is as important as any other debt that you feel obligated to repay!

We thank God for all His many blessings, and we seek His guidance as He continues to watch and protect over all of us. May He bless HRCU and all of us as we continue our service to you our member-owners.

We wish to express our sincere thanks and gratitude to management and staff of HRCU for their support and assistance. Many thanks to our committee members and to you our member-owners for giving us the opportunity to serve you. Special thanks to my colleagues on the Credit Committee for their commitment and support.

Fellow member-owners it has been a great honor and pleasure serving you and we look forward for another successful year!

With God's continued Blessings, once again thank you!

For and on behalf of your Credit Committee:

Marion Marsden MBE, JP Chairperson
 Eleanor Gillett JP, Secretary
 Jose Asevedo MBE, Member

YESTERDAY IS A CANCELLED CHECK,
 TOMORROW IS A PROMISSORY NOTE,
 TODAY IS THE ONLY CASH YOU HAVE,
 SO SPEND IT WISELY. - Kay Lyons

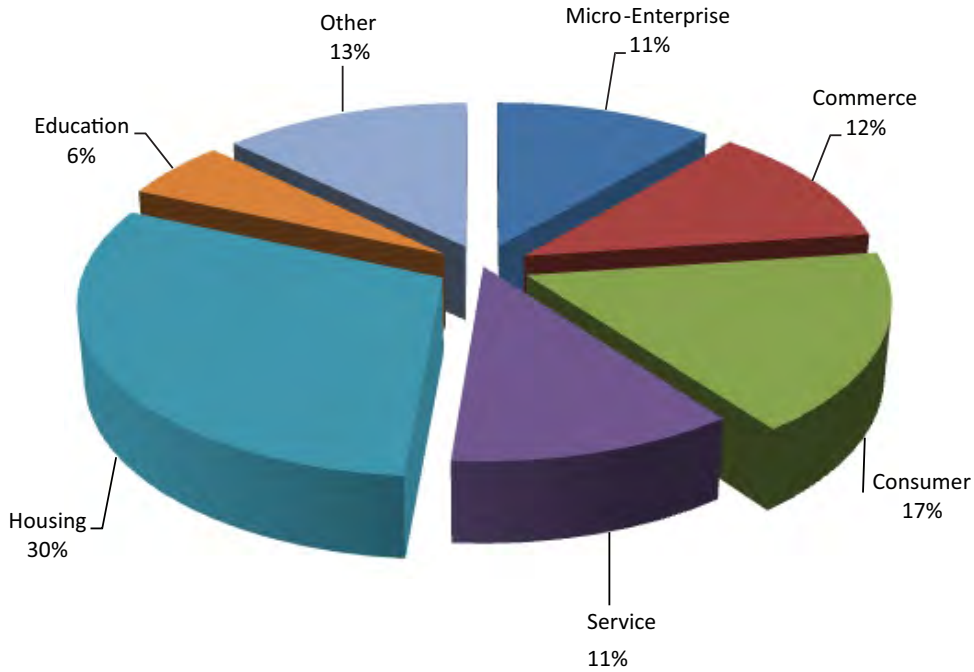


HRCU Loans Disbursed April 1, 2022 - March 31, 2023

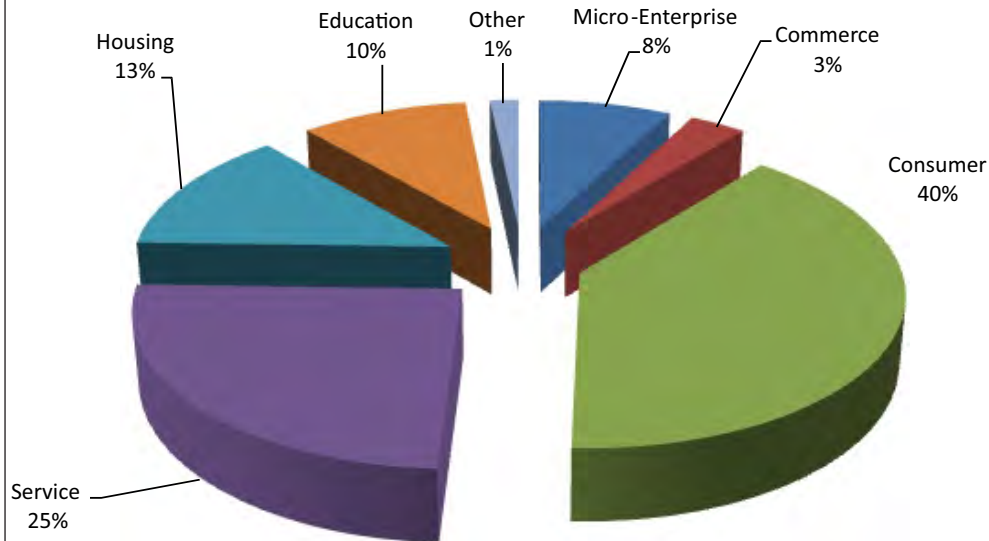
PEARLS Codes	Loans by purpose	Amount		Numbers	
		Totals	%	Total	%
3	Appliance and Household Goods	\$ 2,425,431.52	3.69%	802	4.59%
1	Boat Purchase and Repairs	\$ 96,853.34	0.15%	16	0.09%
4	Christmas Expense	\$ 1,742,049.61	2.65%	1,062	6.08%
4	Dental, Med & Professional service	\$ 2,550,845.01	3.88%	1,403	8.04%
6	Education (All Levels)	\$ 3,639,510.75	5.53%	1,695	9.71%
4	Funeral Expenses	\$ 307,402.73	0.47%	161	0.92%
4	Gov't Taxes and Insurance	\$ 723,478.40	1.10%	371	2.13%
5	House Repairs and Renovations	\$ 12,207,624.56	18.55%	1,933	11.07%
2	Investments (Business)	\$ 6,778,917.16	10.30%	549	3.14%
1	Fishing and Farming	\$ 227,653.52	0.35%	36	0.21%
7	Consolidation of Debts	\$ 8,462,447.61	12.86%	291	1.67%
5	Legal Fees	\$ 131,120.26	0.20%	52	0.30%
3	Miscellaneous Expenses	\$ 1,722,416.15	2.62%	654	3.75%
5	Homes	\$ 3,077,986.68	4.68%	160	0.92%
1	Outboard Engine and Repairs	\$ 299,917.71	0.46%	22	0.13%
3	Personal Expenses	\$ 7,028,643.98	10.68%	5,483	31.41%
5	Land Purchase	\$ 4,555,130.49	6.92%	154	0.88%
2	Real Estate	\$ 850,720.25	1.29%	17	0.10%
3	Sporting Equipment	\$ 9,250.04	0.01%	3	0.02%
4	Travel and Vacation	\$ 1,516,917.88	2.31%	604	3.46%
4	Utility Bills	\$ 497,162.13	0.76%	684	3.92%
1	Vehicle and Vehicle Repairs	\$ 6,789,208.51	10.32%	1,270	7.27%
4	Wedding Expenses	\$ 152,802.43	0.23%	36	0.21%
	GRAND TOTALS	\$ 65,793,490.72	100.00%	17,458	100.00%
	(PEARLS Categories)				
1	Micro-Enterprise	\$ 7,413,633.08	11.27%	1,344	7.70%
2	Commerce	\$ 7,629,637.41	11.60%	566	3.24%
3	Consumer	\$ 11,185,741.69	17.00%	6,942	39.76%
4	Service	\$ 7,490,658.19	11.39%	4,321	24.75%
5	Housing	\$ 19,971,861.99	30.36%	2,299	13.17%
6	Education	\$ 3,639,510.75	5.53%	1,695	9.71%
7	Other	\$ 8,462,447.61	12.86%	291	1.67%
	GRAND TOTALS	\$ 65,793,490.72	100.00%	17,458	100.00%



Loans by \$ Amount (PEARLS Categories)



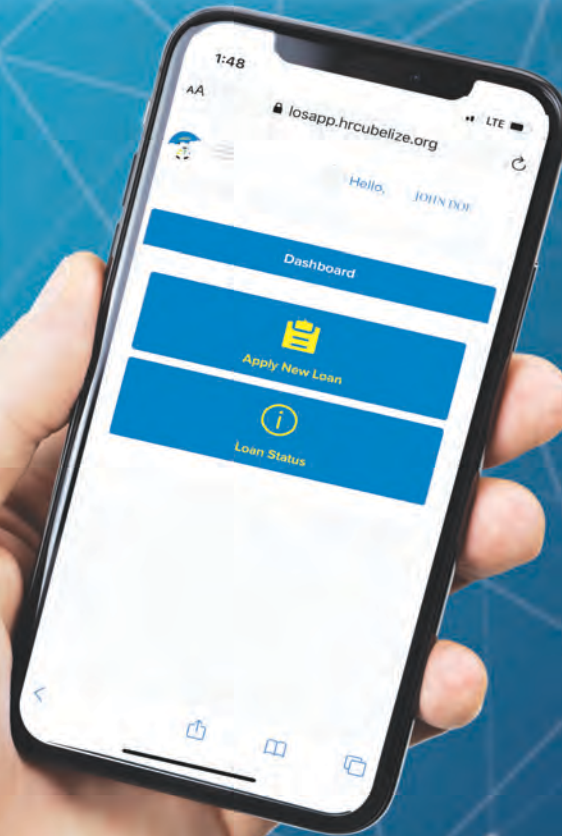
Loans by Numbers (PEARLS Categories)





HRCU LOAN @ FINGERTIP

APPLY FOR A LOAN
CONVENIENTLY FROM YOUR
SMART PHONE OR COMPUTER



VISIT

WWW.HRCUBELIZE.ORG

- ONLINE BANKING
- ONLINE LOAN APPLICATION

NOTE:

- MUST BE A MEMBER
- CELL PHONE NUMBER UPDATED
- SOCIAL SECURITY NUMBER ON FILE



1 HYDES LANE,
BELIZE CITY, BELIZE
(501) 280-4320/5644



COR. FADDEN AVE. & MANGO ST.
INDEPENDENCE, STANN CREEK
(501) 580-4728

AVOID LONG LINES AND UNNECESSARY WAITING



Fred C. Smith Building

Signing of Contract Agreement with
JEBCO Construction Limited of Belmopan
Architect: Anthony Thurton & Associates
(construction works have begun)



Manager's Report:
(April 1, 2022 to March 31, 2023)

Dear faithful & loyal member-owners of HRCU:

Once again, we come before you to report on the past year's activities, particularly on what has been happening within the daily operations of your credit union. Our frontline staff continue to come to work very early in the mornings to begin serving you even before the scheduled time for opening our doors. Many of you have expressed your appreciation for this service since you are able to conduct your business on your way to work or school.

During the past year we increased our staff complement to seventy-six employees to better serve you. We have strengthened our Information Technology (IT) Department because we are aware of how important it is to be able to embrace new technology as it is being introduced. New entry level staff are constantly being hired to replace those who we elevate to new job positions within the credit union or to fill vacancies that occur. In July of last year, we retired our office secretary, Judy Meighan, after faithfully serving us for almost fifty years. Management and staff hosted a retirement function for her on the top floor of our Jane Usher Building in appreciation for her many, many years of service.

In the early morning hours of Monday, September 19, 2022, thieves broke into the credit union's office but when the alarm went off, they made good their escape. Our camera system captured everything and although it is alarming that they were able to penetrate the back-office wall they were not able to steal anything. As our CFO told the press during interviews: **“not even a paperclip was stolen”**. As a result of this incident, we have beefed up our security system and strengthened the building's perimeter.

We are also happy to report that both our building renovation and construction projects are moving along quite nicely. You will notice in your 79TH AGM Booklet that our plans in Independence are well underway and we have signed the Contract Agreement to commence our Branch Office in the capital city of Belmopan.

Last year we reported on the possibility of a Belize American Credit Union in which HRCU was playing a strategic role. Please know that the license application in the state of Florida has been lodged together with the Business, Strategic, and Directional Plans. When this becomes a reality, it will be much easier for our member-owners living in the Diaspora to send and receive monies from HRCU hence the reason we are onboard.

Finally, please refer to page 19 of this 79TH AGM booklet where you will be able to see an analysis of our Balance Sheet and Income and Expense Statement showing growth trends with percentages where applicable. It is important to note that your Board and Management continue to strengthen our Reserves, thereby building HRCU's equity position. In these troublesome and worrisome times for financial institutions, rest assured that: **“your money is safe and secure at HRCU”**.



Francis H Usher, OBE/CSC/JP, Manager

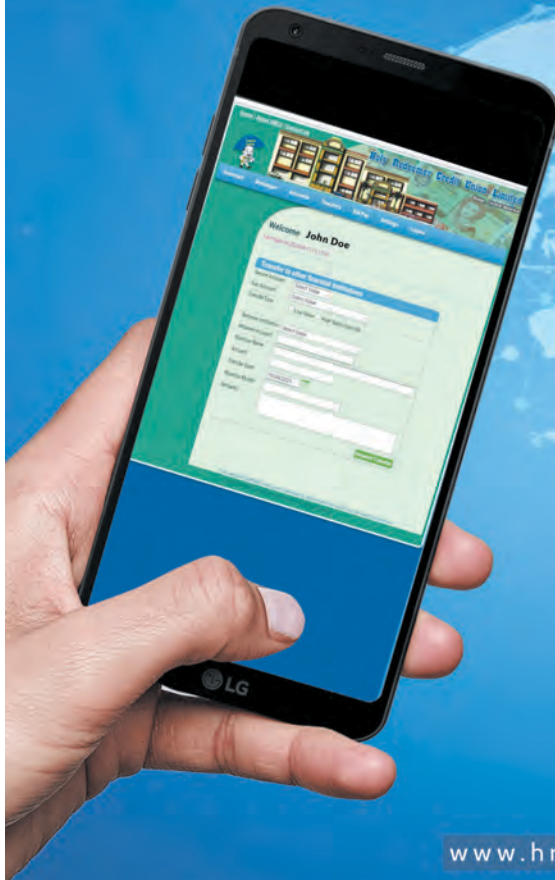


COMING SOON!

HRCU is joining the National Payment System via Shared Services Network



Member-owners will soon enjoy...



Send or receive funds to/from other participating credit unions



Send or receive funds to/from Banks



Receive Government payments directly



Services available 24 hours

www.hrcubelize.org  



Burial Scheme Program Report (April 1, 2022 to March 31, 2023)

Another year has gone by, and as we continue through this journey of life let us stop and reflect on the challenges we faced in the past year and the efforts made to overcome them. Many of us lost family members along the way and are forever grateful that we have our HRCU Burial Scheme Program to provide some financial relief through these very difficult times.

Our HRCU Burial Scheme Program is almost 20 years old, being in existence since back in 2005. The Program provides a \$5,000.00 Funeral Benefit (FB) that is paid immediately to the beneficiary upon presentation of the Death Certificate and once the deceased member-owner's account meets all the necessary requirements. There is also the added Loan Protection (LP) that repays the loan the deceased member may have (up to \$125,000) and the Life Saving (LS) Benefits that may double the shares (up to \$25,000) as long as the money was deposited before the member turned 55 years old. Any deposits made after age 55 but before age 70 also gets some insurance benefits but at a lesser rate. (See details of the LP/LS Benefits on pages 48 and 49 of your AGM booklet.)

Our HRCU family lost OVER 300 of its members-owners during the 2022/2023 year – the second year we lost so many members since the inception of the Program. We paid almost \$1.5 million dollars in Funeral Benefits (FB) to 303 member-owners (33 more females than males) of whom 292 received the full \$5,000 benefit. The total paid to these members in Funeral Benefits exceeded the premiums collected by almost \$300,000 - your credit union once more supplementing the shortfall.

The Loan Protection (LP) and Life Saving (LS) Benefits paid almost \$2 million dollars to 314 member-owners during the year. Keep in mind that this coverage comes at absolutely NO COST to you, our member-owners. Over a million dollars in loans for our deceased member-owners were cleared and almost a million dollars more in savings benefits deposited for their beneficiaries. There was a total of eight (8) accounts that received the maximum savings benefit of \$25,000 but NONE of the 59 accounts that received the Loan Protection benefit got the maximum \$125,000. (The details of the LP/LS Benefits are explained on pages 22 and 23 of the AGM booklets.)

The leading causes of death continues to be heart-related (83), cancer (50) and respiratory complications (31). Last year we lost 63 member-owners to the COVID-19 virus but only 17 this 2022/2023 year. Death by murder remained at 11, but death by accident tripled from five the previous years to 15 this past year. These member-owners all received the accidental benefit in addition to the Life Savings Benefit (the shares in their accounts tripled!) The youngest recipient of the Burial Scheme benefits was a ten-year old boy who lost his life in a road traffic accident, and the eldest was a 99-year old male who died from natural causes.

HRCU continues to look after your financial needs and our Burial Scheme Program is only one way we do so. We strive to provide the best for our member-owners but you too must do your part. It is your responsibility to understand what is required to qualify for the Burial Scheme Benefits and make sure you and your loved ones meet those requirements. The most important requirement is making sure your loan payments are up to date!

We know that the costs to “say farewell” to your loved ones have increased. But remember, in addition to the Funeral Benefit of \$5,000, what you have in your shares can double with the LS Benefit once you meet all the requirements, which can also help with these expenses. So, we encourage you to “save, save, save ...” as much as you can so that those you leave behind can enjoy the full coverage benefits of the Burial Scheme Program!



LP/LS BENEFIT PAID SUMMARY REPORT

April 1, 2022 to March 31, 2023

AGE GROUP	MALE	FEMALE	AMOUNT TOTAL	LS PAID	LP PAID	TOTAL LP/LS	%
UNDER 21	3	2	5	2,047.13	0 \$	2,047.13	0.10%
21 - 25	2	0	2	7,461.74	303.96 \$	7,765.70	0.40%
26 - 30	5	0	5	851.47	0 \$	851.47	0.04%
31 - 35	1	3	4	14,649.79	6,092.25 \$	20,742.04	1.06%
36 - 40	10	6	16	35,080.30	25,153.12 \$	60,233.42	3.06%
41 - 45	4	4	8	20,952.20	34,682.03 \$	55,634.23	2.83%
46 - 49	4	8	12	17,915.18	93,245.44 \$	111,160.62	5.65%
50 - 54	7	4	11	15,033.59	14,863.85 \$	29,897.44	1.52%
55 - 59	12	13	25	118,905.58	98,078.61 \$	216,984.19	11.04%
60 - 64	18	16	34	236,898.77	223,573.06 \$	460,471.83	23.42%
65 - 69	18	22	40	179,690.34	176,126.32 \$	355,816.66	18.10%
70 - 74	21	24	45	190,118.83	313,463.15 \$	503,581.98	25.62%
75 - 79	17	9	26	16,489.90	16,986.51 \$	33,476.41	1.70%
80 - 84	15	20	35	65,999.86	0 \$	65,999.86	3.36%
85 & OVER	13	33	46	41,264.43	0 \$	41,264.43	2.10%
TOTALS:	150	164	314	\$ 963,359.11	\$ 1,002,568.30	\$ 1,965,927.41	100.00%

UNDER 21	3	2	5	\$ 2,047.13	\$ -	\$ 2,047.13	0.10%
21 - 49	26	21	47	\$ 96,910.68	\$ 159,476.80	\$ 256,387.48	13.04%
50 - 69	55	55	110	\$ 550,528.28	\$ 512,641.84	\$ 1,063,170.12	54.08%
70 & OVER	66	86	152	\$ 313,873.02	\$ 330,449.66	\$ 644,322.68	32.77%
TOTALS:	150	164	314	\$ 963,359.11	\$ 1,002,568.30	\$ 1,965,927.41	100.00%

	AGE	TOTAL	LS	LP
AGE OF YOUNGEST CLAIM PAID:	10	\$ 398.00	\$ 398.00	\$ -
AGE OF OLDEST CLAIM PAID:	99	\$ 96.33	\$ 96.33	\$ -
AVERAGE BENEFITS PAID:		\$ 6,260.92	\$ 3,068.02	\$ 16,992.68
(# OF LP BENEFITS PAID)	59			
LARGEST BENEFIT PAID:		\$ 121,069.22	\$ 23,875.96	\$ 97,193.26
SMALLEST BENEFIT PAID:		\$ 485.09	\$ 254.07	\$ 231.02

# OF DEATHS BY ACCIDENT:	15	# OF DEATHS FROM HIV-AIDS:	3
# OF DEATHS BY MURDER:	11	# OF DEATHS FROM CANCER:	50
# OF PERMANENT DISABILITY:	0	# OF DEATHS FROM CARDIOVASCULAR:	83
# OF COVID-19 DEATHS:	17	# OF DEATHS FROM RESPIRATORY:	31



*"If you want light to come into your life,
you need to stand where it is shining."*

Guy Finley

FUNERAL BENEFIT PAID SUMMARY REPORT

April 1, 2022 to March 31, 2023

AGE GROUP	FB PAID		AMOUNT TOTAL	%	\$ DOLLAR \$ VALUE PAID	%
	MALE	FEMALE				
UNDER 21	1	0	1	0.33%	\$ 5,000.00	0.33%
21 - 25	1	0	1	0.33%	\$ 5,000.00	0.33%
26 - 30	2	0	2	0.66%	\$ 10,000.00	0.67%
31 - 35	1	1	2	0.66%	\$ 10,000.00	0.67%
36 - 40	8	4	12	3.96%	\$ 60,000.00	4.01%
41 - 45	4	2	6	1.98%	\$ 30,000.00	2.01%
46 - 50	4	6	10	3.30%	\$ 49,000.00	3.28%
51 - 55	9	4	13	4.29%	\$ 65,000.00	4.35%
56 - 60	10	12	22	7.26%	\$ 104,000.00	6.96%
61 - 65	16	14	30	9.90%	\$ 145,500.00	9.73%
66 - 69	10	22	32	10.56%	\$ 157,500.00	10.54%
70 - 74	18	23	41	13.53%	\$ 199,000.00	13.31%
75 - 79	12	11	23	7.59%	\$ 115,000.00	7.69%
80 - 84	19	23	42	13.86%	\$ 210,000.00	14.05%
85 & OVER	20	46	66	21.78%	\$ 330,000.00	22.07%
TOTALS:	135	168	303	100.00%	\$ 1,495,000.00	100.00%
UNDER 21	1	0	1	0.33%	\$ 5,000.00	0.33%
21 - 49	19	13	32	10.56%	\$ 160,000.00	10.70%
50 - 69	46	52	98	32.34%	\$ 476,000.00	31.84%
70 & OVER	69	103	172	56.77%	\$ 854,000.00	57.12%
TOTALS:	135	168	303	100.00%	\$ 1,495,000.00	100.00%
AGE OF YOUNGEST CLAIM PAID:			20		\$ 5,000.00	
AGE OF OLDEST CLAIM PAID:			99		\$ 5,000.00	
CLAIMS PAID AT 50%:			6		\$ 15,000.00	
CLAIMS PAID AT \$4,000:			5		\$ 20,000.00	

Every day is a chance to begin again. Don't focus on the failures of yesterday, start today with positive thoughts and expectations.

Catherine Pulsifer



Balance Sheet Analysis:

- growth in assets totaled \$40.6 million or 5.93% allowing us to reach \$724.8 million; growth in savings (all types) totaled \$35.0 million or 6.17% for a total of \$602.4 million.
- negative growth in loans totaled (\$8.7) million or (3.3%), owed by 8,925 borrowers or 15% of our membership. The declining trend of negative growth in our Loans Portfolio continued; it is imperative that we take advantage of our affordable loan interest rates.
- investments grew by \$27.9 million or a 10.19% increase; this increase was from purchase of \$15 million BEL Series 10 debentures and a \$10 million Fixed Deposit in Heritage Bank.
- our cash & cash equivalents (our real liquidity) remain at \$142.7 million, an increase from last year's \$122.3 million. There is still excess liquidity in the financial sector; we are offering special rates for larger investment loans and loans for education, medical, MSME, and within shares.
- major increase in "net" property, plant & equipment was from converting our Belmopan Building to a fixed asset since it will soon be a Branch Building in our capital city of Belmopan.
- allowance for Loan Losses is what we MUST set aside for doubtful loans. This year we had to set aside \$0.65 million (2022 - \$1.1 million; 2021 - \$5.8 million). Our Delinquency Department works overtime with borrowers to ensure that pledged payments are met; we continue to meet all the requirements of our Central Bank when it comes to our delinquent loans and provisioning.
- total Equity after the distribution of surpluses for 2023 remained at \$122.4 million; a much larger increase over last year's \$116.8 million due to building our Reserves to strengthen our Equity.

Income and Expense Analysis:

- Interest on Loans amounted to \$25.8 million or 64.9% of total income, less than projected due to the negative growth in our Loan Portfolio. We need to reverse this negative trend.
- Interest on BWS debentures, bonds, fixed deposits remained the same; Interest on Treasury Notes increased from \$3.1 million to \$3.9 due to the \$30 million Floating Rate Treasury Note which is tied to our inflation rate; Interest from BEL debentures increased from \$1.3 million to \$2.0 million as a result of new debenture purchases; and Interest on our Current Accounts increased from \$1.0 million to \$1.4 million due to the large sums held in commercial bank current accounts.
- Overall total income increased slightly from \$39.5 million to \$39.6 million; hopefully next year we can convince member-owners to use the loan services of HRCU so that we can continue to build our Equity and return to member-owners increased dividends and rebates on loans.
- Total operating expenses increased overall from \$13.4 million to \$13.7 million; the chief reason for this increase is due primarily to taking on new entry level staff to meet the demands of our growing membership; Advertising & marketing increased since we now charge off our annual calendars to this line item instead of depleting our Education Fund; AGM expenses increased since we actually were able to hold an AGM last year; and, our Compliance expenses increased since we had the Foodman Group from Miami, Florida, USA, do an assessment of our Internal Audit Department and our Compliance Department plus, the Jamaica League (JCCUL) was onsite helping us to setup our Enterprise Risk Management (ERM) framework.
- most other line items of expenses came in at budgeted figures or a little over or under what was estimated, the overages being because of increased membership, hence increased activity.
- because of all this our income to expense ratio was 34.74%; after removing Provisioning and Interest costs it takes about \$.26 cents out of each income dollar to run our headquarters in Belize City and our Branch Office in Independence. Hardly any financial institution can boast of this remarkable achievement which is due to our management and hardworking staff.



Independence Branch Building Expansion

Chris Construction Limited
Architech: Anthony Thurton & Associates
(construction works well underway)



*Bringing quality financial services to our
member-owners in the South*



Independence Branch Highlights

	March 31,2023	March 31,2022	March 31,2021
MEMBERSHIP			
# of males	4,047	3,731	3,407
# of females	3,586	3,353	3,005
# of organizations	34	37	39
Total Membership	7,667	7,121	6,451
# of members under Age 50	5,680	5,282	4,732
# of members Age 50 and over	1,953	1,802	1,680
SHARES/SAVINGS			
Total received	\$ 19,425,442.27	\$ 18,732,837.49	\$ 16,763,535.04
Total withdrawn	\$ 11,750,752.54	\$ 11,476,282.91	\$ 12,821,868.33
Total shares/savings	\$ 39,196,623.96	\$ 35,684,154.94	\$ 31,550,183.68
Average shares/savings	\$ 5,112.38	\$ 5,011.12	\$ 4,890.74
LOANS			
Total issued	\$ 8,135,937.55	\$ 5,656,039.44	\$ 5,021,799.26
Total repaid	\$ 7,930,860.31	\$ 7,414,375.71	\$ 9,214,730.22
Total interest collected	\$ 2,254,551.63	\$ 2,239,316.79	\$ 2,380,609.71
# of borrowers	1,107	1,023	898
Total loans outstanding	\$ 22,524,477.01	\$ 20,717,253.69	\$ 21,041,208.41
Average loans	\$ 20,347.31	\$ 20,251.47	\$ 23,431.19
INCOME & EXPENSE			
Income	\$ 2,255,597.13	\$ 2,240,457.04	\$ 2,381,440.71
Expense	\$ 554,738.46	\$ 508,070.49	\$ 534,399.07
Net Profit/(Loss)	\$ 1,700,585.67	\$ 1,732,386.55	\$ 1,847,041.64
BURIAL SCHEME PROGRAM			
FB claim benefits paid	\$ 145,000.00	\$ 140,000.00	\$ 75,000.00
# of member-owners	30	29	16
LP/LS claim benefits paid	\$ 58,643.27	\$ 154,673.48	\$ 269,988.59
# of member-owners	34	39	6
HENRY "EAGLE" USHER GRANTS AWARDED			
# of Tertiary School grants	22	24	32
# of Secondary School grants	67	54	61
# of Primary School grants	65	55	62
Total grants awarded	154	133	155
Dollar value of grants	\$ 41,900.00	\$ 36,800.00	\$ 43,500.00

***"Success is the sum of small efforts
repeated day in and day out."***

Robert Collier



WE LOVE OUR LOYAL MEMBER-OWNERS!"



“WE ARE ALWAYS WILLING TO SER



Independent auditor's report to the Board of Directors and Members of Holy Redeemer Credit Union Limited

Opinion

We have audited the accompanying financial statements of Holy Redeemer Credit Union Limited, which comprise of the statement of financial position as at 31 March 2023 and the statements of income and expenses, changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Holy Redeemer Credit Union Limited as at 31 March 2023, and of its financial performance for the year then ended in accordance with the modified cash basis of accounting described in Note 2 to the financial statements, and the 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.

Without modifying our opinion, we draw attention to the following notes to the financial statements:

Note 2 which describes the modified cash basis of accounting used to prepare the financial statements.

Note 16 which states that the financial reporting provisions of the Credit Union Act Chapter 314 of the Substantive Laws of Belize require loans which are collateralized by mortgages be written off within four years after the loan has been classified as "loss", without recognizing expected recoveries from collaterals. Even though Holy Redeemer Credit Union Limited has not formally adopted International Financial Reporting Standards (IFRS), the accounting principles it follows align with IFRS except for using the modified cash basis. IFRS require that in computing the loss resulting from writing off irrecoverable loans, expected recoveries from collaterals should be recognized, unless the collateral constitutes a guarantee or insurance policy provided by a different entity, in which case the collateral should be recognized only if its realization is virtually certain. In accordance with IFRS, Holy Redeemer Credit Union Limited consistently recognizes expected recoveries from collaterals in writing off loans classified as "loss". We were unable to quantify the impact of this matter on the financial statements.

Responsibility of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements 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, 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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process.

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Holy Redeemer Credit Union Limited

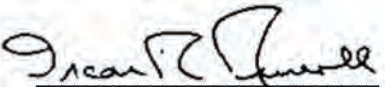
Statement of financial position-modified cash basis

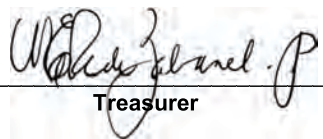
As at 31 March

(In Belize Dollars)

Assets	Notes	2023	2022
Cash and cash equivalents		142,713,557	122,303,630
Debentures	3	55,000,000	40,000,000
Bonds	4	18,500,000	18,500,000
Fixed deposits	5	164,155,312	151,155,312
Treasury notes	6	62,110,402	62,163,529
Other investments	7	2,284,661	2,284,661
Members' loans receivable-net	8	257,384,531	266,078,916
Other receivables-PCA line of credit		426,703	500,022
Property and equipment	9	19,740,048	14,693,269
Investment property	10	2,481,961	6,512,215
Total assets		<u>724,797,175</u>	<u>684,191,554</u>
Liabilities and equity			
Liabilities			
Members' deposits, savings and PCA	11	602,411,159	567,399,192
Total liabilities		<u>602,411,159</u>	<u>567,399,192</u>
Equity			
Members' shares-mandatory		1,580,702	1,526,569
Members' shares –voluntary		4,010,550	3,844,650
Burial scheme catastrophic reserve	12	8,450,272	8,126,813
Contingency and special reserve		13,552,352	12,842,738
Education fund		1,135,472	1,089,891
Guaranty fund		27,821	27,030
Statutory reserve		72,523,323	68,986,476
Undistributed surplus		21,105,524	20,348,195
Total equity		<u>122,386,016</u>	<u>116,792,362</u>
Total liabilities and equity		<u>724,797,175</u>	<u>684,191,554</u>

The financial statements were approved and authorized for issue by the Board of Directors on 15 May 2023 and are signed on its behalf by:


President


Treasurer

The notes are an integral part of these financial statements.



Holy Redeemer Credit Union Limited

Statement of income and expenses-modified cash basis

Year ended 31 March

(In Belize Dollars)

	2023	2022
Income:		
Burial scheme commission	480,000	480,000
Dividends from BCUL shares	6,000	6,000
Dividends from BEL shares	14,558	29,117
Dividends from BWSL shares	75,000	75,000
Interest from BEL debentures	1,983,611	1,305,000
Interest from BWS debentures	625,000	625,000
Interest from bonds	1,032,313	1,005,759
Interest from fixed deposits	3,249,923	3,315,828
Interest from Treasury notes	3,983,017	3,172,476
Interest from members' loans	25,753,007	27,208,434
Interest from SCA Mercy bonds	81,250	81,250
Interest on current accounts	1,411,538	1,034,379
Loan mortgage fees	310,474	232,174
Loan principal recoveries	509,502	808,849
Other income	136,276	187,281
Total income	39,651,469	39,566,547
Operating expense:		
Advertising and marketing	158,411	84,963
Annual general meeting expense	158,217	73,129
Auditing and supervision fees	52,250	81,500
Bad debt provision	650,000	1,104,547
Bank interest and charges	33,502	31,035
Burial scheme assessment fees	24,115	24,575
Collection charges	71,329	96,622
Committee expense	47,638	45,199
Compliance expense	178,847	58,474
Coverage premiums	2,327,438	2,313,201
Depreciation	878,992	779,531
Fidelity bond coverage	40,000	40,000
Financial literacy training expense	31,012	25,730
Generator/UPS/AC maintenance	118,331	122,836
Insurance-building and equipment	67,425	67,334
Interest expense-deposits/PCA	2,906,221	2,862,274
Loan mortgage expense	45,289	44,232
Office expense	190,397	194,498
Postage and stamps	1,149	1,686
Property taxes (includes foreclosed properties)	35,648	48,424
Rent expense	24,800	110,300
Security services	541,644	489,451
Social security expense	106,337	84,060
Software systems support	154,540	126,598
Staff salaries and other benefits	4,337,077	3,990,199
Stationery and supplies expense	195,239	179,436
Upkeep of office	75,541	84,818
Utilities - electricity	191,640	197,766
- telephone	116,944	108,867
- water	14,782	7,832
Total operating expenses	13,774,755	13,479,117
Surplus	25,876,714	26,087,430

The notes are an integral part of these financial statements.



Holy Redeemer Credit Union Limited

Statement of changes in fund balances

Year ended 31 March

(In Belize Dollars)

	Burial scheme catastrophic reserve	Contingency and special reserve	Education fund	Guaranty fund	Statutory reserve	Undistributed surplus	Total
At 1 April 2022	8,126,813	12,842,738	1,089,891	27,030	68,986,476	20,348,195	111,421,143
Transfers:							
League dues	-	238,244	-	-	-	-	238,244
Entrance fees	-	-	-	791	-	-	791
Transfer from ECU	-	36,871	-	-	237,566	16,003	290,440
Other adjustments	-	551,956	-	-	-	-	551,956
Undistributed surplus	-	93,773	-	-	-	(93,773)	-
Fund uses:							
Dues: Belize Credit Union League	-	(238,216)	-	-	-	-	(238,216)
Dividends and rebates	-	-	-	-	-	(20,254,423)	(20,254,423)
Donations and related expenses	-	-	(860,104)	-	-	-	(860,104)
Other adjustments	-	(231,781)	-	-	-	-	(231,781)
Surplus	323,459	258,767	905,685	-	3,299,281	21,089,522	25,876,714
At 31 March 2023	8,450,272	13,552,352	1,135,472	27,821	72,523,323	21,105,524	116,794,764

The notes are an integral part of these financial statements.



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 the financial statements.

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

- (i) exercise professional judgement and maintain professional skepticism throughout the audit.
- (ii) 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.
- (iii) 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 Credit Union's internal control.
- (iv) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (v) 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 Credit Union'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.
- (vi) 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.
- (vii) obtain sufficient audit evidence regarding the financial information of Holy Redeemer Credit Union Limited to express an opinion on the financial statements. We remain solely responsible for our audit opinion.

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.

Crowe Belize LLP

Crowe Belize LLP

4 May 2023



Statement of cash flows

Year ended 31 March

(In Belize Dollars)

	Notes	2023	2022
Cash flow from operating activities			
Net income for the year		25,876,714	26,087,430
Adjustments for items not affecting operating cash:			
Depreciation expense	9	878,992	779,531
Provision for loan losses	8	761,098	1,104,547
Write offs & add backs of loans receivable (net)	8	<u>(2,058,954)</u>	<u>(3,641,794)</u>
Operating profit before working capital changes		25,457,850	24,329,714
Changes in working capital:			
Decrease in members' loans receivable	8	9,992,241	7,799,313
Increase in members' deposits, savings and PCA	11	35,011,967	18,559,888
Decrease in other receivable-PCA line of credit		73,319	184,756
Net cash provided by operating activities		<u>70,535,377</u>	<u>50,873,671</u>
Cash flow from investing activities:			
Purchases of property and equipment	9	(1,994,848)	(2,023,082)
Addition to investment property	10	-	(38,250)
Decrease in investment property	10	99,331	827,795
(Increase) in debentures	3	(15,000,000)	(7,000,000)
(Increase) in fixed deposits	5	(13,000,000)	(15,000,000)
Decrease in treasury notes	6	53,127	50,893
Net cash (used in) investing activities		<u>(29,842,390)</u>	<u>(23,182,644)</u>
Cash flow from financing activities:			
Increase in shares-mandatory		54,133	34,233
Increase in shares-voluntary		165,900	92,025
(Decrease) in burial scheme catastrophic		-	(200,000)
Increase in contingency/special reserve		357,074	620,377
(Decrease) in education fund		(860,104)	(529,255)
Increase in statutory reserve		237,566	-
Increase in guaranty fund		791	700
Increase in Undistributed surplus		16,003	-
Dividends and rebates paid		<u>(20,254,423)</u>	<u>(18,951,696)</u>
Net cash (used in) financing activities		<u>(20,283,060)</u>	<u>(18,933,616)</u>
Net increase in cash and cash equivalents		20,409,927	8,757,411
Cash and cash equivalents at the beginning of the year		122,303,630	113,546,219
Cash and cash equivalents at the end of year		<u>142,713,557</u>	<u>122,303,630</u>

The notes are an integral part of these financial statements.



Notes to the financial statements

(In Belize Dollars)

2. Summary of significant accounting policies (continued)

Investments in financial instruments

HRCU invests in financial instruments consisting of public sector equity interests that management considers to be high-grade and low-risk; in debt securities issued by the public sector and other credit-worthy institutions and corporations; in term deposits held with financial institutions with high credit histories and in high-quality real estate developments for generating rental income and/or capital appreciation.

HRCU accounts for its financial instruments under the cost method net of any impairment that is considered a permanent decline in the recorded amount of the investment. Income from these financial instruments is recognized when received.

Financial instruments are tested for impairment annually using valuation criteria that are prudent in the absence of a ready market for the instruments. In the opinion of management, the estimated fair value of HRCU's financial instruments is not less than their carrying amounts.

Loans receivable from members are carried at amortized cost using the effective interest method less impairment provision. Management measures loan impairment based on a continuing review of the loan portfolio by considering the actual loan loss experience, the present and prospective financial condition of the borrower and the related industry, general economic conditions and the fair value of the related collateral. Allowance for loan losses is determined in compliance with the loan classification methodology mandated by the Regulator and is charged against income in the period impairment is determined.

Cash and cash equivalents include cash on hand, deposits with banks and other short-term highly liquid investments with maturities of three months or less.

Financial assets are derecognized when the right to receive cash flows from the financial assets has expired.

Investment properties

HRCU classifies a property held to earn rentals and/or for capital appreciation as an investment property. Investment properties are measured initially at cost, including transaction costs, less subsequent depreciation and impairment. Land is not depreciated. All other investment properties are depreciated based on the respective asset's estimated useful life using the straight-line method. Estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Other receivables

Other receivables include lines of credit offered on PCA accounts.



Holy Redeemer Credit Union Limited

Notes to the financial statements

(In Belize Dollars)

1. General information

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 objectives 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 63,249 (2022 – 61,194) members. In fiscal 2023, under the Transfer of Engagement Agreement, 857 members were transferred from Evangel Credit Union Limited. HRCU is supervised by the Registrar of Credit Unions. Under 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

Basis of preparation

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. Charges related to depreciation of property and equipment and loan impairment are recognized in the period incurred.

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 and liabilities.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to estimates include the collectability of members’ loans receivable, depreciation of fixed assets and the carrying values of financial instruments. Actual results could differ significantly from those estimates.

Currency translation

The reporting and functional currency used by HRCU is the Belize dollar. Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Transactions in United States currency and balances at the balance sheet date have been converted to Belize currency at the official rate of US\$1.00 equals BZ\$2.00. Currency translation gains and losses are reflected in the statement of income and expenses.



Notes to the financial statements

(In Belize Dollars)

2. Summary of significant accounting policies (continued)

Other reserves

The contingency and special reserve is also increased by members' annual dues, transfer of dormant/inactive accounts and by the remaining undistributed surplus from any previous year after the payment of all dividends. Reductions are made to the contingency and special reserve for any purpose authorized by the Board of Directors. HRCU utilizes a guaranty fund to set aside \$0.25 of new members' entrance fees.

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.

Dividends and rebates

Dividends not exceeding 8% are declared annually on members' shares/savings balances. These dividends are credited to the members' shares/savings accounts along with interest rebates given to members who qualify each year. Dividends and rebates, which are recommended by the Board of Directors and approved at the Annual General Meeting, are paid out of prior year undistributed surplus.

Taxation

As a registered credit union in Belize, HRCU is exempt from taxes on receipts assessed under the Income and Business Tax Act.

Financial risk management

Financial instruments which potentially subject HRCU to concentrations of credit risk principally consist of cash, cash equivalents, deposits with banks and loans to members. HRCU places its cash, cash equivalents, including interest-bearing deposits only with banks or with financial institutions with an acceptable credit rating.

Credit risk related to members' loans is evaluated on a regular basis to ensure that concentrations of credit exposure do not result in unacceptable levels of risk. Credit limits, ongoing credit evaluations, and account-monitoring procedures are utilized to minimize the risk of loss.

Subsequent events

HRCU evaluates subsequent events for recognition and disclosure through 15 May 2023, which is the date the financial statements were available to be issued.



Holy Redeemer Credit Union Limited

Notes to the financial statements

(In Belize Dollars)

2. Summary of significant accounting policies (continued)

Property and equipment

Property 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	40 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 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 de-recognition 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.

Members' shares

Under the Credit Unions Act, members' shares in the credit union represent members' capital.

Statutory reserve

In accordance with the Credit Unions Act, prior to any dividend declaration, HRCU is required to transfer at least 10% of its surplus to a Statutory Reserve fund until it reaches 10% of total assets. The reserve fund shall be held as a legal reserve and shall not be used for any other purpose, except on liquidation or where there is a loss of confidence in which case the reserve fund may be used under the strict supervision of the Registrar.

Other reserves

HRCU on an annual basis transfers a percentage of its surplus before any dividend declaration to an education fund as determined by the Board of Directors, currently 3.5% (2022 – 3.5%). The education fund is reduced by donation expenses for sporting, education and charitable purposes. 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 may transfer a percentage of its surplus before any dividend declaration to a contingency and special reserve as determined by the Board of Directors, currently 1% (2022 – 3%).



Holy Redeemer Credit Union Limited

Notes to the financial statements

(In Belize Dollars)

3. Debentures

	2023	2022
Series 1 unsecured debentures issued by Belize Water Services (BWS) maturing 31 December 2030 with annual interest at 6.25% payable quarterly. The debentures are callable by BWS on or after 30 June 2025 and by HRCU on or after 30 June 2026.	10,000,000	10,000,000
Series 7 unsecured debentures issued by Belize Electricity Limited (BEL) maturing 31 March 2028 with annual interest at 6% payable quarterly. The debentures are callable by BEL on or after 30 April 2008 by giving 30-60 days written notice and by HRCU by giving 12 months written notice.	5,000,000	5,000,000
Series 8 unsecured debentures issued by Belize Electricity Limited (BEL) maturing 30 June 2032 with annual interest at 6% payable quarterly. The debentures are callable by BEL on or after 30 June 2026 by giving 30-60 days written notice and by HRCU on or after 30 June 2026.	15,000,000	15,000,000
Series 9 unsecured BEL debentures maturing 30 June 2034 with annual interest at 4.25% payable quarterly. The debentures are callable by BEL after 30 June 2028 by giving 30-60 days written notice and by HRCU after 30 June 2028 by giving 12 months written notice.	10,000,000	10,000,000
Series 10 unsecured BEL debentures maturing 31 December 2034 with annual interest at 4.50% payable quarterly. The debentures are callable by BEL after 31 December 2028 by giving 30-60 days written notice and by HRCU after 31 December 2031 by giving 12 months written notice.	15,000,000	-
	<u>55,000,000</u>	<u>40,000,000</u>

4. Bonds

	2023	2022
Series 2 unsecured Mercy Bonds issued by St. Catherine Academy (SCA) maturing 1 August 2039 with annual interest at 5.25% payable semi-annually on 1 March and 1 September until 1 August 2024 and at 5.5% thereafter.	500,000	500,000
Series 3 unsecured SCA Mercy Bonds maturing 1 August 2039 with annual interest at 5.5% payable semi-annually on 1 March and 1 September until 1 August 2034 and at 6% thereafter.	1,000,000	1,000,000
Series 1 Tranche 7 Belmopan City Council Bonds maturing 1 February 2025 with annual interest at 5.75% payable semi-annually on 1 February and 1 August.	485,000	485,000
<i>Balance carried forward</i>	<u>1,985,000</u>	<u>1,985,000</u>



Holy Redeemer Credit Union Limited

Notes to the financial statements

(In Belize Dollars)

6. Treasury notes

	2023	2022
\$6,000,000 GOB Treasury Note (Issue No. 20/2016) maturing 13 July 2023 with annual interest at 4.5% payable semi-annually on 13 January and 13 July. The note was acquired at a premium of \$181,594 which is amortized over the life of the note.	6,014,706	6,043,258
\$6,000,000 GOB Treasury Note (Issue No. 21/2016) maturing 13 July 2026 with annual interest at 5.25% payable semi-annually on 13 January and 13 July. The note was acquired at a premium of \$236,622 which is amortized over the life of the note.	6,095,696	6,120,271
\$30,000,000 Floating Rate Treasury Note (Issue No. FRNS 5/2017) maturing 19 May 2027 with interest at 5% + IR payable semi-annually on 19 May and 19 November.	30,000,000	30,000,000
\$10,000,000 GOB Treasury note (Issue No. 32/2020) maturing 3 April 2040 with an annual interest at 5.75% payable semi-annually on 3 April and 3 October.	10,000,000	10,000,000
\$10,000,000 GOB Treasury note (Issue No. 31/2020) maturing 3 April 2030 with an annual interest at 5.25% payable semi-annually on 3 April and 3 October.	10,000,000	10,000,000
	<u>62,110,402</u>	<u>62,163,529</u>

7. Other investments

	2023	2022
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 (BCUL).	300,000	300,000
Subscription for ownership interest in BCUL/Ameya CU Switch	311,780	311,780
	<u>2,284,661</u>	<u>2,284,661</u>



Holy Redeemer Credit Union Limited

Notes to the financial statements

(In Belize Dollars)

8. Members' loans receivable-net

	2023	2022
Mortgage loans	178,613,090	184,972,562
Personal and business loans	77,702,664	82,668,950
Holy Redeemer Credit Union housing loans	4,924,327	4,934,885
Shares secured loans	2,695,883	1,551,793
Medical Loans	67,918	
Education loans	193,771	61,704
	<u>264,197,653</u>	<u>274,189,894</u>
Allowance for loan losses	<u>(6,813,122)</u>	<u>(8,110,978)</u>
	<u>257,384,531</u>	<u>266,078,916</u>
Movements in the allowance for loan losses:		
At 1 April	(8,110,978)	(10,648,225)
Additional provision for the year	(650,000)	(1,104,547)
ECU transfer	(111,098)	
Write-offs	2,058,954	3,641,794
At 31 March	<u>(6,813,122)</u>	<u>(8,110,978)</u>

Write-offs represent the charge off of adversely classified loan balances, in accordance with CUA Requirement No. 2, that are approved on a monthly basis by the Board of Directors. However, collection efforts are still made in respect of these accounts.

9. Property and equipment

	Land	Buildings	ATM computer and accessories	Furniture, fixtures and equipment	Generator and UPS	Total
Cost						
At 1 April 2022	2,652,180	15,945,147	4,243,363	699,030	661,692	24,201,412
Additions	-	1,485,103	451,578	58,167	-	1,994,848
Transfers in	-	4,362,661	-	-	-	4,362,661
At 31 March 2023	<u>2,652,180</u>	<u>21,792,911</u>	<u>4,694,941</u>	<u>757,197</u>	<u>661,692</u>	<u>30,558,921</u>
Accumulated depreciation						
At 1 April 2022	-	5,387,930	3,095,950	443,469	580,794	9,508,143
Charge	-	518,535	275,461	38,543	46,453	878,992
Transfers in	-	431,738	-	-	-	431,738
At 31 March 2023	<u>-</u>	<u>6,338,203</u>	<u>3,371,411</u>	<u>482,012</u>	<u>627,247</u>	<u>10,818,873</u>
Net Book Value						
At 31 March 2023	<u>2,652,180</u>	<u>15,454,708</u>	<u>1,323,530</u>	<u>275,185</u>	<u>34,445</u>	<u>19,740,048</u>
At 31 March 2022	<u>2,652,180</u>	<u>10,557,217</u>	<u>1,147,413</u>	<u>255,561</u>	<u>80,898</u>	<u>14,693,269</u>



Holy Redeemer Credit Union Limited**Notes to the financial statements***(In Belize Dollars)***4. Bonds (continued)**

	2023	2022
<i>Balance brought forward</i>	1,985,000	1,985,000
Series 1 Tranche 8 Belmopan City Council Bonds maturing 1 February 2026 with annual interest at 6% payable semi-annually on 1 February and 1 August.	50,000	50,000
Series 1 Tranche 9 Belmopan City Council Bonds maturing 1 February 2027 with annual interest at 6.25% payable semi-annually on 1 February and 1 August.	550,000	550,000
Series 1 Tranche 10 Belmopan City Council Bonds maturing 1 February 2028 with annual interest at 6.50% payable semi-annually on 1 February and 1 August.	415,000	415,000
Series A senior secured National Gas Company (Belize) Ltd. Bonds maturing 15 May 2029 with annual interest at 7% payable semi-annually on 15 May and 15 November.	10,000,000	10,000,000
Series 3 Tranche 2 Belize City Council Bonds maturing 1 October 2023 with annual interest at 4.5% payable upon maturity.	1,500,000	1,500,000
Series 1 Tranche 3 Belize City Council Municipal Bonds maturing 1 April 2023 with annual interest rate at 4.5% payable upon maturity.	2,000,000	2,000,000
Series 2 Tranche 3 Belize City Council Municipal Bonds maturing 1 July 2023 with annual interest rate at 4.5% payable upon maturity.	2,000,000	2,000,000
	<u>18,500,000</u>	<u>18,500,000</u>

5. Fixed deposits

Fixed deposits at year end were held at the following financial institutions:

	2023	2022
Atlantic Bank Limited	50,000,000	50,000,000
Belize Bank Limited	64,130,312	64,130,312
Heritage Bank Limited	40,025,000	30,025,000
Blue Creek Credit Union Limited	-	2,000,000
National Bank of Belize	5,000,000	5,000,000
Spanish Lookout Credit Union	5,000,000	-
	<u>164,155,312</u>	<u>151,155,312</u>



Holy Redeemer Credit Union Limited

Notes to the financial statements

(In Belize Dollars)

10. Investment property

The investment properties at 31 March are as follows:

	2023	2022
Commercial building in Belmopan ⁽ⁱ⁾	-	3,930,923
Real estate subdivision development-in-progress	475,172	574,503
Real estate subdivision (Phase 2)	2,006,789	2,006,789
	<u>2,481,961</u>	<u>6,512,215</u>

(i) Commercial building in Belmopan

	Total
Cost	
At 1 April 2022	4,362,661
Transfer out	<u>(4,362,661)</u>
At 31 March 2023	-
Accumulated depreciation	
At 1 April 2022	431,738
Transfer out	<u>(431,738)</u>
At 31 March 2023	-
Net Book Value	
At 31 March 2023	-
At 31 March 2022	<u>3,930,923</u>

Rental income earned from investment properties in year ended 31 March 2023 was \$57,695 (2022 - \$81,656). During the year, investment property was transferred to property and equipment.

11. Members' deposits, savings and PCA

	2023	2022
Certificates of deposit	4,480,095	4,425,000
Demand deposits	55,490,321	54,250,666
Savings deposits	537,973,288	504,863,026
PCA	4,467,455	3,860,500
	<u>602,411,159</u>	<u>567,399,192</u>

At 31 March, the maturity distribution of certificates of deposit of \$0.1 million or more are as follows:

	2023	2022
3 months or less	-	-
Over 3 and to 6 months	-	-
Over 6 and to 12 months	4,480,095	4,425,000
Over 12 months	-	-
Deposits less than \$0.1 million	-	-
	<u>4,480,095</u>	<u>4,425,000</u>



Notes to the financial statements

(In Belize Dollars)

12. Burial scheme program

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

On 1 January 2005, HRCU initiated the Funeral Benefits Burial Scheme whereby members make an annual contribution of \$30.00 currently. 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 cover the annual premium of \$30.00, each year.

On 1 June 2005, HRCU also initiated the Loan Protection & Life Savings Scheme, the costs of which 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 1 May 2014, the Board of Directors approved an extension of the loan protection coverage from age 75 to age 80.

13. Distribution of surplus

	2023	2022
Burial scheme catastrophic reserve	323,459	913,060
Education fund	905,685	913,060
Statutory reserve	3,299,281	3,130,492
Contingency and special reserve	258,767	782,623
Undistributed surplus	<u>21,089,522</u>	<u>20,348,195</u>
	<u>25,876,714</u>	<u>26,087,430</u>

During the year ended 31 March 2023, \$3,255,675 (2022 - \$3,130,492) or 12.6% of the surplus was necessary to meet the prescribed Statutory Reserve requirement of 10% of assets. The Board of Directors approved an allocation of \$3,299,281 (2022 - \$3,130,492) or 12.75% of the surplus. See also note 2.

During the year ended 31 March 2023, undistributed surplus of \$93,773 (2022 - \$60,542) was allocated to the Contingency and Special Reserve.

14. Fair value of financial instruments

Fair value is the exchange price receivable for an asset or payable for transferring a liability in the most advantageous market for the asset or liability in an arms-length transaction between market participants on the measurement date. In the absence of a ready market for its financial instruments, HRCU develops its fair value estimates by using significant, reliable inputs that market participants would reasonably be expected to use in pricing an asset or liability.

The amounts reported in the statement of financial position for cash and cash equivalents, including interest-bearing deposits with banks, approximate fair value due to the short-term maturity of these instruments.



Holy Redeemer Credit Union Limited

Notes to the financial statements

(In Belize Dollars)

14. Fair value of financial instruments (continued)

The carrying amounts of loans due from members, net of allowances, are estimated to approximate fair value based on their respective interest rates, repayment terms, collateral consideration and regular monitoring.

The fair value of members' deposit liabilities reflects fair values based on rates offered by other financial institutions for deposits of similar maturities.

HRCU's investments in debt securities are considered investment grade securities issued by credit-worthy institutions. Their carrying amounts approximate fair value based on comparable interest rates and maturity terms offered by banks with acceptable credit ratings.

Investment property was acquired at a price based on a professional appraisal. Its net carrying amount and commercial lease rental arrangement reflect fair value.

In the opinion of management, all other financial instruments reflect current market conditions and their fair value is not expected to differ significantly from the amounts they are recorded at.

15. Commitments, contingent liabilities and regulatory matters

Like other major financial institutions in Belize, HRCU is subject to regulatory oversight, regulations and directives issued by the Registrar of Credit Unions in Belize, who is the Governor of the Central Bank of Belize, and to regulatory inspections, information gathering requests and remedial actions stipulated by the Registrar. Consequently, interaction with the Registrar is ongoing.

As a regulatory matter develops that may have a material effect, the Supervisory Committee of HRCU, in conjunction with the Board of Directors and outside counsel, if necessary, evaluates the matter on an on-going basis in the light of potentially relevant factual developments. It is possible that operational restrictions, fines and/or penalties, which may be material, could result from this regulatory process.

Based on current knowledge and discussions with independent legal counsel, management does not believe that the outcome of any regulatory matter that is unresolved at 31 March 2023 would have a material adverse effect on the financial position or liquidity of HRCU.

16. Write-off of irrecoverable non-performing loans

The financial reporting provisions of the Credit Union Act Chapter 314 of the Substantive Laws of Belize require loans which are collateralized by mortgages be written off within four years after the loan has been classified as "loss" without recognizing any value for related collaterals.

Even though HRCU has not formally adopted International Financial Reporting Standards (IFRS), the accounting principles align with IFRS except for using the modified cash basis. IFRS require that in computing losses from writing off irrecoverable loans, the value of related collaterals should be recognized, unless the collateral constitutes a guarantee or insurance policy provided by a different entity, in which case the collateral should be recognized only if its realization is virtually certain. HRCU recognizes write-offs on loans classified as "loss" after taking into account expected recoveries from collaterals.



Notes to the financial statements*(In Belize Dollars)***17. Acquisition of Evangel Credit Union Limited**

In compliance with Section 63 of the Credit Unions Act (2011), on 1 October 2022, HRCU undertook Evangel Credit Union Limited (ECUL) transfer of engagement whereby the following assets, liability and equity amounts as at 30 September 2022 were transferred to HRCU.

Assets, liability and reserves balances transferred:

Assets

Cash and cash equivalents	949,955
Loans, net of provision	<u>2,017,151</u>
Total assets	<u>2,967,106</u>

Liabilities

Burial scheme deposit account	49,206
Members deposits	<u>2,627,460</u>
Total liabilities	<u>2,676,666</u>

Reserves

Reserves	274,437
Undistributed surplus	<u>16,003</u>
Total equity	<u>290,440</u>
Total liabilities and equity	<u>2,967,106</u>



**BELIZEAN AWARDEE TO ATTEND
THE SICREDI YOUTH SUMMIT IN BRAZIL**

Darren Leal
Deputy Chief Finance Officer
HRCU



Selected among close to 80 nominees worldwide to join
the World Council's Young Credit Union
Professionals Program

WYCUP Scholar (World Young Credit Union Professional)



TEAM HRCU EAGLES





IN LOVING

Memory OF

Charles Alexander Canton



Those we love
DON'T GO AWAY, THEY WALK
BESIDE US *every day.*

We Love You Charles!



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: 01/01/2021)

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 despositados 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.



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 01/01/2021)

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.





Supervisory Committee Report

(April 1, 2022 to March 31, 2023)

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, 2023 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 CROWE Belize LLP whose report is contained in this Annual Report from page 28 through page 45.

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 Flows present fairly the state of the Credit Union's affairs as at March 31, 2023 and for the year then ended.

Respectfully submitted

May 9, 2023

Warren Coye - Chairperson
Alice Leal - Secretary
Englebert Perera - 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, 2022 to March 31, 2023)

BOARD OF DIRECTORS

PRESIDENT

OSCAR R. RIVEROL, JP (serving two more years)

VICE PRESIDENT

WENDY CASTILLO (serving one more year)

TREASURER

ELIZABETH ZABANEH, OBE/CSC/JP (serving two more years)

SECRETARY

ALBERT VAUGHAN (serving two more years)

EDUCATION DIRECTOR

CAROL BABB (term ends today)

CREDIT COMMITTEE

CHAIRPERSON

MARION MARSDEN, MBE/JP (serving one more year)

SECRETARY

ELEANOR GILLETT, JP (term ends today)

MEMBER

JOSE M. ASEVEDO (serving two more years)

SUPERVISORY COMMITTEE

CHAIRPERSON

WARREN COYE (serving two more years)

SECRETARY

ENGLEBERT PERERA (serving one more year)

MEMBER

ALICE LEAL (term ends today)



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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Holy Redeemer Credit Union Limited
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Independence, Mango Creek
Stann Creek District
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