BELIZE CREDIT UNION LEAGUE LIMITED
60th ANNUAL GENERAL MEETING
SAN IGNACIO RESORT HOTEL
SAN IGNACIO, CAYO
18 JUNE 2016 at 9:00a.m.
AGENDA

1. Call to Order and Roll Call…………………………………….President
2. National Anthem……………………………………………..Assembly
3. Prayer………………………………………………………….SMCU
4. Welcome ………………………………………………………..SMCU
5. Confirmation of Minutes of 59th AGM………………….Secretary
6. Matters Arising from Minutes………………………………Secretary
7. Presentation and Acceptance of Reports
   a) Report of the President and Board of Directors……….President
   b) Report of the Supervisory Committee ......................Committee Chair
   c) Report of the Treasurer........................................Treasurer
   d) Executive Director’s Report……………………………..Executive Director
   e) Budget Presentation ............................................Executive Director
   f) Acceptance of Reports and Budget
   f) Affiliates’ Report FY 2015-2016
9. Elections
   a) Board of Directors – 2 Vacancies (HRCU confirmed seats)
   b) Supervisory Committee – 3 Vacancies
9 Appointment of External Auditors ……………………..Executive Director
10. New Business……………………………………………….Executive Director
    a) Donation to WOCCU
    b) Resolution: Capping Interest on preferred shares at 2%
11. Vote of Thanks……………………………………………….Director Michael Riverol
12. Adjournment
13. Raffle
   Lunch
1.0 CALL TO ORDER

The Meeting was called to order at 9:12 am by Mrs. Corine Robinson Fuller, executive director of the Belize Credit Union League (BCUL).

2.0 NATIONAL ANTHEM

Mrs. Nadia Gibson, administrative officer at BCUL led the singing of the National Anthem.

3.0 PRAYER

The opening prayer was done by Mr. David Friesen of Blue Creek Credit Union. This was followed by the Credit Union prayer, the Peace Prayer of St. Francis De Assisi, which was led by Mrs. Fuller and recited in unison with all in attendance. Next, a moment of silence was observed in honor of credit union members who had died in the past year.

4.0 WELCOME AND ROLL CALL

President of the Board, Mr. Clement Usher, welcomed and thanked all present for attending BCUL’s 59th AGM. He noted that next year the League will celebrate 60 years and that calls for a huge celebration. He went on to give a special welcome to invited guests and past presidents. He welcomed members of BCUL’s board, all members of CU’s – boards, committees, especially newly elected committee members, and staff and expressed a special welcome to the Executive Director and staff of BCUL. Two representatives from La Inmaculada Credit union were also welcomed.

A roll call was conducted and the following credit unions indicated by show of hands that they were represented:

- Civil Service Credit Union
- St. John’s Credit Union
- Toledo Teachers Credit Union
- St. Martins Credit Union
- St. Francis Xavier Credit Union
- Blue Creek Credit Union
- Holy Redeemer Credit Union

Absent from the meeting were representatives from:

- Evangel Credit Union
- Citrus Growers and Workers
The Belize Credit Union League represented both Mount Carmel Credit Union and Police Credit Union as both CUs are under its administration.

The floor was turned over to the Executive Director who asked for acceptance, by a show of hands, for the following changes to the Agenda:

1. A change to reflect that there would be elections for two (2) directors
2. Inclusion of an explanation of Audited Financials by the auditors, Baker Tilly Hulse, after the Treasurer’s report
3. Appreciation for past board members added as a ‘new business’ item.

The proposed changes to the Agenda were unanimously accepted.

5.0 APPROVAL OF MINUTES OF THE 58TH AGM

Mrs. Lizbeth Castillo, secretary of the BOD, gave a brief synopsis of last year’s minutes. She then went through the minutes page by page and asked for corrections and questions prior to requesting approval of the minutes.

Mr. Kenneth Garbutt asked for a clarification, on page 4, as to whether the award for ‘most new products’ given at the last AGM was given to both SJCU and ECU. He wanted to know if both CUs received the same award or if there was an error in the reporting. The ED explained that indeed both CUs received the same award last year.

As there were no more questions, Ms. Marion Marsden of HRCU moved for the minutes to be accepted; the move was seconded by Mr. Alvan Haynes of SJCU.

6.0 MATTERS ARISING FROM MINUTES

Mr. Haynes asked for clarification from the ED on Mr. William Tillett’s term of service on BCUL’s Board of Directors as it was stated that his term had expired. The ED apologized to SJCU for not explaining Mr. Tillett’s terms of service earlier, and went on to explain that BCUL’s by-laws state that when elected to fill a vacant position for the unexpired term of a previous board member, the replacement’s (in this case, Mr. Tillett’s) term expires when the unexpired term of the person he or she replaced comes to an end.

Mr. Kenneth Garbutt asked for an update on progress made to encourage La Inmaculada Credit Union to rejoin the League. The ED stated that she and the League’s president planned to meet with LICU’s President at the Caribbean Confederation of Credit Unions (CCCU) conference in Cancun in the upcoming week and they are hopeful that by next year this time LICU would be reunited with the League.
7.0 PRESENTATION AND ACCEPTANCE OF REPORTS

A. President and Board of Directors Report

Mr. Clement Usher, president of the BOD, mentioned that despite the highly liquid financial sector and declining interest rates on savings and deposits, credit unions have recorded increases in membership, loans, savings, assets, and reserves. He clarified that the increase in reserves is mainly due to the Central Bank requiring credit unions to meet the ten percent capital adequacy requirements.

He went on to update attendees on the 2014 CCCU 43rd Annual General Meeting and the 57th Annual International Convention held in Nassau, Bahamas. The convention’s theme was “Credit Unions…Re-engineering for Success and Sustainability” and it was attended by seven hundred and twelve (712) participants from across the region including 18 participants from Belize. He encouraged CUs to attend the conventions as there is a wealth of knowledge to be gained from socializing and fraternizing with people who share the same passion for credit unions.

The President stated that it is was an honor for the League to host the entire Board of Directors of CCCU, while they were in Belize, for their third quarterly board meeting in September 2014. He shared that the CCCU board was impressed with the work of the Movement in Belize. He went on to thank HRCU for its monetary contribution to the special meeting and luncheon held at the Radisson Fort George Hotel for all major stakeholders of the Movement.

The President reported that the Belize Rural Finance Program (BRFP) has entered its sixth year and that through BRFP, the Irish League of Credit Unions Foundation was engaged to assist the League to develop its three year strategic plan and to provide guidance on how best to serve its affiliates.

He thanked Mrs. Fuller and the staff of BCUL for a successful Annual Convention and Awards Banquet which brought together 236 stakeholders from CUs across the country. The President reminded everyone that we are never too old to learn and encouraged CUs to sufficiently budget for annual trainings. He mentioned three significant training opportunities: the Florida International Bankers Association’s Anti-Money Laundering course, the Delinquency Management, Interest Rate Setting and Improving Operations Efficiency training and, a Lobbying and Governmental Affairs Workshop trainings attended by representatives from CUs and BCUL during the last year.

The President ended by encouraging CUs to unite as one credit union movement and to speak with a solitary voice and to be reminded that there is strength in numbers. He said that as a result of the disunity among CUs in Barbados they lost the battle in advocating for keeping credit unions tax free; as a result their large credit unions are now being taxed. He then reminded CUs that it is in the best interest of all to make 2015 the year of reunification.
B. Supervisory Committee Report

Mr. Jose Can, Chairman of the Supervisory Committee reported that the committee has caused the books and records of the Belize Credit Union League Ltd. during the year ended 31 March 2015 to be audited by the independent external auditor, Baker Tilly Hulse.

The committee reported holding quarterly meetings to review the monthly financial statements and minutes of the Board of Directors and conducting bi-annual examinations of the financial procedures of the League to gain assurance of the internal control and efficiency of policies and procedures of the League.

It is the opinion of the Supervisory Committee that all matters arising from those meetings and examinations have been clarified and appropriately satisfied and that the financial statements presented for the year ended 31 March 2015 fairly states the affairs of the League for the year then ended.

C. Treasurer’s Report

Mr. Rene Torres, BCUL’s treasurer, reported that at the end of financial year 2015, audited reports showed 7% increase in total income, due mainly to increases in income from the following non-league dues services: commission income from the insurance agency, administration of the Belize Credit Union Assurance Services Ltd., and sale of ATM cards and stationery. He further reported that total expenses increased by 4% in 2015, as a result of higher dues paid to CCCU, allowances for severance and staff education and training expenses.

Mr. Torres summed up by reporting a 95% increase in net profit and a 4% return on assets for the Belize Credit Union League. He reported that the Balance Sheet as at 31 March 2015 showed that BCUL’s financial position continues to strengthen.

D. Explanation of Audited Financial Statements by Baker Tilly Hulse

Ms. Cassy Blake of Baker Tilly Hulse was asked to give an explanation for the changes in the presentation of the audited financial report. She first explained that the Balance Sheet is presented in a liquidation method and that all the details on current and noncurrent assets could be found in the notes on page seven (7) of the Financials. Secondly, Ms. Blake pointed out that the Financial Statements are longer than in previous reports since additional details have been added to each component presented in order to explain how each component meets the financial standards. Thirdly, she explained that preferred shares that were once presented as equity in previous years are now presented as liabilities, as they are obligations to be paid back to the members, and interest is now reported as expenses. The fourth clarification made by Ms. Blake was that Baker Tilly Hulse has presented their opinion in two paragraphs, one stating that the Financial Statements are presented according to International Financial Standards, and the other stating that the Financial Statements are in accordance with credit union accounting.
E. Executive Director’s Report

Economic Report: Mrs. Fuller started her report with general economic statistics on Belize. She shared the Central Bank of Belize country statistics and statistics from the Statistical Institute of Belize which in summary reported that Belize’s economy grew by 7% in the first quarter of 2015, unemployment fell to 10.1%, and average inflation remained subdued at 1.0%. On the downside she reported that CBB forecasted a slight economic deceleration in 2015 due to lower tourist arrivals, decline in extraction of petroleum, and out-put of electricity, and a fall-off in agriculture. Nevertheless, the CBB expects GDP growth to range between 2.0% and 2.5% which is in line with the economy’s long term growth path.

Affiliates’ Performance: Mrs. Fuller reported that the CU sector experienced growth in the past year, even though it was at a slower pace than the previous year; CUs were able to pay dividends to members ranging from 2%-5%, which was higher than the interest rate on savings being offered by commercial banks in Belize. She also pointed out that aggregate liquidity among affiliates remained high at 22%, there was improvement in the average net institutional capital at the end of the year and delinquency declined to an industry average of 7% with four CUs reporting a ratio of less than 5%. She purported these positive indicators clearly showed strengthening of the movement.

Mrs. Fuller expressed gratitude for the sound advice received from the Central Bank of Belize, GBEST Consulting Company, and the Irish League of Credit Unions Foundation during the past year. She also applauded the managers and directors for their astute decisions which resulted in the strengthening of the movement.

Mrs. Fuller went on to report:

- Total membership of 116,297 at the end of the year which reflected a 5% growth over the previous year. SJCU had the highest number of new accounts;
- The grand total of accounts holders among all CUs in Belize was 157,272 representing 47% of the total population of Belize;
- Growth in savings among affiliates of 9% or $48 million. HRCU led the savings growth with $18 million in new savings;
- $631 million in aggregate savings/shares, including deposits with affiliates as at 31 March 2015;
- 8% growth in loans to members;
- A raise in aggregate savings for some CUs but not all;
- 8% increase in combined total assets, up from 6% the previous year.

Development of BCUL’s 2015-2018 Strategic Plan: Mrs. Fuller informed that at the fiscal year end, the 2010-2014 Strategic Plan expired but activities to renew the plan had commenced through a twinning relationship between Irish League of Credit Unions Foundation and BCUL funded by the Belize Rural Finance Program. She also reported that through consultations with affiliate CUs, along with BCUL’s board and staff, a new vision, a new mission and a new strategic focus for the period 2015-2018 have been decided. These new strategic decisions are as follows:
Vision: To empower the people of Belize through credit unions

Mission: Belize Credit Union League: The umbrella organization that unites, strengthens and advances credit unions by fostering the movement’s growth, stability, and success.

BCUL’s Five Strategic Choices for 2015 – 2018:
1. Monitoring and Stabilization
2. Training and Competency Development
3. Advocacy, Marketing and Communication
4. External Sources of Income
5. Information and Communication Technology

Externally Funded Projects: IDB-MIF: Mrs. Fuller reported that in March 2015, IDB-MIF approved funding for a two-year project entitled “Inclusive Saving with Shared Agents”. The proposed intervention would enhance access to financial services, particularly in rural areas. The project would enable BCUL and participating CUs to adapt technology for improved distribution channel through a national shared branch and agent network system. BCUL was in the process of assembling a steering committee to guide project implementation.

BRFP: She also gave an update on the Belize Rural Finance Program (BRFP) reporting that it was in its 6th year of operations and during the past year it provided, through GBEST, capacity building for BCUL and participating credit unions. BRFP also funded an institutional assessment for BCUL and assessment reports for six CUs along with a strategic marketing seminar, SME lending sessions, and strategic alignment sessions. As of 1 March 2015, GBEST was approved for an additional 20 months of capacity building for CUs.

Regional Affiliation: Caribbean Confederation of Credit Unions: The Belize credit union movement was well represented by eighteen (18) attendees at the 57th Annual CCCU International Convention and AGM held in Nassau, Bahamas in June 2014. The theme was “Re-engineering Credit Unions for Success and Sustainability”. At the AGM, President Aaron Moses reported that the credit union sector in the Caribbean comprised three hundred and ten credit unions and 2.293 million members. He also shared CCCU’s new strategic activities which included growth and development of the regional movement, facilitation of initiatives to create a relevant and resilient CCCU and regional movement, and building awareness and deepening the understanding of the credit union difference.

Caribbean Microfinance Alliance (CMFA): Representative from one CU attended a session on Improving Operation Efficiencies in Microfinance Institutions and Credit Unions held in Barbados in November 2014. Additionally, a total of six credit union loan officers from TTCU, HRCU, SJCU, and SFXCU together attended training on Delinquency Management and Interest Rate Setting held in Jamaica in November 2014.

BCUL Activities: Annual Credit Union Convention & Banquet: The 13th Annual Convention & Awards Banquet was held on Saturday, 18 October in Belize City. Over 236 affiliates attended including, board members, staff, credit, & supervisory committee and credit union members. Mr. Paul Lecky was the guest speaker and Dr. Louis Zabaneh gave the
keynote address. The highest achievement awards for 2013/14 were presented and SJCU, HRCU, SMCU, SFXCU and ECU all received awards. SJCU received awards for highest percentage growth in new membership, highest number of new members, highest percentage growth in loans and assets. HRCU received awards for highest growth in value of savings and for maintenance of capital adequacy; SMCU was awarded for introducing the most number of new products and services, SFXCU for their involvement in community and educational initiatives and ECU for the highest percentage growth in savings.

**Marketing, Training and Education:** Throughout the year, BCUL continued to market the CU difference, conduct training for affiliates, and customize credit administration manuals for various credit unions. Compliance officers from SFXCU, TTCU, and HRCU either became certified professionals in the field of anti-money laundering prevention and/or attended AML training. BCUL’s technical staff participated in training facilitated by GBEST throughout the year.

**Advocacy:** BCUL conducted extensive research on establishing a safety net mechanism for the movement. By this time next year, having already gotten the support of affiliates, it is expected that a safety net mechanism will be established for the Movement.

**Credit Union Monitoring and Administration:** Mrs. Fuller reported that during the last year credit unions’ performance was more closely monitored by BCUL using the PEARLS Monitoring System. The League is now able to provide quarterly reports and analysis to affiliates and calculate net institutional capital for each affiliate to indicate their level of achievement, and thereby providing some guidance on affordability prior to their paying dividends. BCUL continues to administer Police and Mount Carmel Credit Union until liquidation is achieved.

**Insurance Services:** BCUL continues to offer general insurance through RFG Insurance Company, this is a source of increasing income for the League. A League group mortgage cancellation insurance policy for loans exceeding $40,000 continues to be facilitated for SFXCU through Sagicor. Mrs. Fuller informed affiliates that although only one CU has subscribed to the coverage it is open and available for other CUs. She ended by saying that BCUL’s formalizing and commencement of a group funeral benefit program to be managed for small and medium sized credit unions is anticipated in the coming year.

**Information Technology Support:** Mrs. Fuller reported that IT support with various banking platforms, online storage, development of a software program to facilitate collection and reporting of information by credit unions was provided by BCUL during the past year. She commented that the IT working group established with representation from affiliates and BCUL was not active during the year but the proposal to operate a master money transfer agent for RIA was developed and an application submitted to Central Bank of Belize in January 2015.

Mrs. Fuller ended her report by thanking all CUs for supporting the League’s activities and for requesting services from the League. She stated that BCUL’s aim is to deliver the highest
possible level of service to its affiliates. She then thanked the directors, the BCUL staff, and the BRFP staff for their hard work and dedicated service to affiliates.

**BCUL’s Budget for 2015/16:** Mrs. Fuller reported that the budget for the coming year is projecting total income of $664,701, total expenses of $651,392 and net profit of $13,310, after payment of interest on preference shares. She presented a projected increase in income from all line items including affiliate dues, Belize Credit Union Assurance Services, corporate agency and training consultancies and technical support to CUs. She also presented projected minimal increases in expenses for dues to CCCU, personnel expenses, office expenses, meeting costs, consultancy costs, AGM, and anticipated rise in expenses related to marketing and advocacy.

Mrs. Fuller reported that the League is seeking to become better equipped to provide as much support as possible to affiliates and must focus on accomplishing all planned activities from both dues and non-dues income. The budget which was previously circulated to affiliates was already approved by the board and she was now seeking the approval from affiliates.

**F. Affiliates’ Report FY 2014-2015**

1) **Civil Service Credit Union:** Ms. Shellymae Crawford delivered a brief update on behalf of CSCU. She reported that CSCU has 1,677 members, $2.2 million in savings, $2.2 million in loans, and $4.1 million in assets. CSCU continues to seek delinquency collection and has transferred several delinquent mortgages to other institutions. Payday loans have been going good limited only by cash flow restrictions. Ms. Crawford reported that cash flow and debt continue to hinder potential for increases in revenue stream. She thanked BCUL for the support received and also thanked all other sister CUs for willingness to share experiences.

2) **St. John’s Credit Union:** Mrs. Daisy Dawson delivered SJCU’s report. She expressed her pleasure at the double digit growth SJCU experienced in the past year and reported 12.5% increase in membership, 20% increase in assets, 22.7% increase in loans, and 27.6% increase in shares. Ms. Daisy reported that by the end of March 2015, SJCU had fully provisioned for loan loss. She went on to express the pride SJCU felt for having received the annual award at the last Convention and attributed SJCU’s success to the hard work of the staff and the workshops delivered by GBEST through BRFP. Mrs. Dawson went on to report that SJCU changed their By-Laws to increase the Supervisory Committee from 3 to 5 members, one of the new members is from Dangriga and the other from Belmopan. She further reported that the Dangriga branch will soon relocate as they have outgrown the current location. She expressed SJCU’s willingness to work hard to make sure the Movement and League continue to grow and stated that as a team the CU movement must help the smaller, weaker CUs. She ended by reporting that SJCU officers remained
unchanged after their AGM and proceeded to thank them and staff for their continued hard work.

3) **Toledo Teachers Credit Union:** TTCU’s report was delivered by Mr. Carmelo Juarez, President of TTCU Board. He started by acknowledging the Board and Staff of BCUL and thanked Mr. Leopold Romero and the TTCU Staff for their achievements and hard work. He then reported that TTCU had assets of $18.5 mil, a loans portfolio of 14.7 mil, 2.5 % delinquency rate, and that TTCU is fully provisioned for loss. Mr. Juarez further reported that 3% dividends were offered to members and their 9,249 members had total savings of $15.5 mil. He thanked BCUL for IT support and unlimited CU business support, then went on to acknowledge Lorne Solis and GBEST for training provided and thanked TTCU’s management team and staff for a job well done. He ended by expressing TTCU’s undivided support to BCUL.

4) **St Francis Xavier Credit Union:** SFXCU’s report was delivered by Mr. Mike Riverol. He reported that SFXCU ended the year with $71.8 mil in assets, a 7.1 % growth over the previous year, $5.3 mil growth in loans, $4.26 mil growth in savings, and 3.62 % increase in membership bringing total members to 29,946. SFXCU paid 4 % dividend to members. He went on to thank everyone who was present at the AGM and gave special thanks to LICU for being present, while reminding everyone that “we are all one movement”. Mr. Riverol went on to give an update on the trainings SFXCU participated in over the past year, these included, entrepreneurship training in Jamaica and AML training in Miami. He pointed out that TTCU was the only other CU present at that AML training and encouraged other CUs to participate in future training. Next he informed all that SFXCU was fully compliant with nonperforming loans requirements and requirements for net institutional capital. He attributed the achievements made at SFXCU to the hard work of the board, management, and staff.

5) **Blue Creek Credit Union:** Ms. Aganatha Dyck delivered BCCU’s report. She reported an increase of 30 members, 16.1 % increase in total assets, 12.5% increase in loans and that 8% dividends were declared at the last AGM. She went on to share that BCCU charges 10% interest on loans and paid 6.75% interest on savings. She thanked Mrs. Corine Fuller and the BCUL staff for all the assistance provided and thanked all the CUs that attended BCCU’s AGM. She ended by stating that BCCU is looking forward to another good year.

6) **St. Martin Credit Union:** Ms. Debbie Martinez reported on behalf of SMCU. She informed that SMCU recorded $2.24 mil in assets, a 4% growth over the previous year; lending increased by 7.6%, members’ shares increased by 12.7% and 880 new members joined SMCU. She went on to report that delinquency rate was 4% and reserves were being met as legally required. However, SMCU was still not up to mark with institutional capital but hoped to meet requirements in 2016. A 2% dividend was paid to members, this was influenced by the legal requirements for institutional capital which took up a big portion of SMCU’s net income.
7) **Holy Redeemer Credit Union:** Mr. Fred Smith reported on behalf of HRCU. He said that after 72 years of operation, HRCU has 50,564 member/owners and $501.2 mil in assets, which grew by 6.1%. During the past year savings grew by $22.2 mil or 5.8%, and loans by $11.2 mil or 3.8% to 10,170 borrowers. On 1 May 2015, HRCU paid 20% rebate and 5% dividends. Membership grew by a net total of 1,583 persons.

8) **Police Credit Union & Mount Carmel Credit Union:** Ms. Lisa Coleman, BCUL’s Monitoring Officer reported on behalf of PCU and MCCU.

   **PCU:** Ms. Coleman reported that membership declined from 36 to 14 members and total shares declined from $35,000 to $9,450. The credit union continues the winding down process as more members move to other CUs. Ms. Coleman informed that deregistration of Police Credit Union due to insufficient membership, was put on hold pending the appointment of a liquidator by the Central Bank.

   **MCCU:** Ms. Coleman reported that MCCU continues to operate under the administration of the League. It currently has only three staff: an accounts clerk, an officer in charge, and a cashier. MCCU continues to act as an agent for BWS, BEL and the BOOST program and collects loan payments from the few performing loans on its books. It is a challenge for MCCU to meet its monthly expenses as it continues to wait for liquidation instructions from the Central Bank.

The Executive Director opened the floor for questions from delegates. One delegate enquired about the status of credit unions that were not performing and what was holding back their liquidation. Mrs. Fuller explained that the Central Bank makes the decision to liquidate and it has not yet given an indication of when liquidation would occur. Another enquired about whether membership of delinquent borrowers can be terminated, and Mrs. Fuller explained that even if an account is closed a person who has borrowed from the credit union is obligated to repay the debt.

Ms. Fuller asked for acceptance of the budget and all the reports presented. Mr. Kenneth Garbutt moved for acceptance and Mr. Henry Usher seconded the motion.

Mr. Usher went on to make a comment on the $12,000 that was spent on marketing in the previous year and asked that the full $20,000 budget be used on marketing in the coming year.

8.0 **ELECTIONS**

   **A. Board of Directors (2 vacancy)**

In the absence of representatives of the Central Bank of Belize, Mrs. Fuller started the election process by explaining that one guaranteed seat for St. John’s Credit Union was available. Mr. William Tillett, Vice President of the Board, was SJCU’s nominee for the available seat, his nomination was accepted by a show of hands from the delegates.

The second election was for a representative for Stann Creek district. Nominations for persons to fill the available Stann Creek seat were requested and Ms. Elsie Sylvestre from SJCU was nominated along with Mr. Carmelo Juarez of TTCU. Mrs. Fuller referred to the by-laws to
clarify that each district is allowed one representative elected from the delegates representing the credit unions in good standing in that district, with the exception of Belize district which is allowed four representatives. Once it was clarified that Bella Vista is geographically in the Toledo district and not the Stann Creek district, it was confirmed that the only credit union that could put forth a nominee was St John’s Credit Union. Ms. Elsie Sylvestre was accepted, by a show of hands, as the new director on the board representing the credit unions in good standing in the Stann Creek district.

Next, alternates for both Mr. Tillett and Ms. Sylvestre were appointed. Mr. Victor Guerrero is the alternate for Mr. Tillett and Ms. Valerie Jenkins is the alternate for Mrs. Sylvestre.

B. Supervisory Committee (1 vacancy)

Three of the existing members of the Supervisory Committee, Jose Can of HRCU, Neal Wade of SJCU and Andy Johnston of TTCU all expressed willingness to continue serving on the committee for another term. Mr. Benny Hudson, the fourth member, indicated he was no longer able to serve. Therefore, since the committee can operate legally with a minimum of three members and there were no new nominees, Mr. Ruben Gordon made a motion nominating the three members for another term; this was seconded by Ms. Valerie Jenkins. The nomination of all three was accepted by a show of hands from the delegates.

9.0 Appointment of Auditors

Mrs. Fuller shared the Board’s satisfaction with the excellent job done by the auditing firm, Baker Tilly Hulse. Delegates then indicated by a show of hands, their approval for the appointment of Baker Tilly Hulse as the auditor for the year 2015/2016.

10.0 NEW BUSINESS

A. Donation to WOCCU

Prior to asking the CUs to vote on whether they wanted to continue the yearly donation to WOCCU, Mrs. Fuller explained that the CUs would be the ones to pay this donation. The CUs voted by a show of hands to continue supporting the donation of BZ$10,000 to WOCCU.

B. Resolutions

a. Submission of reports and information to the League: The Executive Director proposed a resolution requesting commitment from CUs for the submission of reports and information in an agreed time frame to enable better monitoring by BCUL. She explained that the By-laws and Act already state that CUs should provide these reports to BCUL. The reports requested included: monthly financial statements, monthly PEARLS report with membership on it, quarterly CUR 8 with list of delinquent borrowers, annual statistical reports, examination reports from auditors, annual audited financial statements and management letter and lastly, all other information required
from time to time. There were no objections to proposed resolution from the presidents and delegates present thereby passing the resolution.

b. **Staggering of directors’ term on the League Board:** Mrs. Fuller reported that the by-laws called for election for one third of the Board at each AGM. At the last AGM there were five vacancies on the board, this year there were only two, so, in light of these fluctuations, the Board wanted to regularize the staggering of directors so as to ensure that at no time the majority of the board members are new. The Board believes this is important for the benefit of the manager and continuity of the League.

Mrs. Fuller presented the resolution requesting that the Board of Directors be left to regularize the term a board member serves on the board, be it 1 year or 3 years. She explained this is a one-time action to ensure one third of the Board is up for elections each year as required by the By-laws. Mr. Alvan Haynes, President of SJCU, suggested that the decision on the staggering of the term directors would serve be decided then and there, but it was decided that the BCUL board would be allowed to make that decision.

There were no further suggestions or objections and by a show of hands the delegates agreed to the passing of the resolution.

C. **Other Business**

Mr. Alvan Haynes, President of SJCU, submitted a resolution to request funding from the Government of Belize possibly from Petro Caribe for the stabilization fund. The ED confirmed that the matter had been discussed by the BCUL board at the last meeting on 7 June 2015, where the majority had agreed that such a request should be made. Mrs. Fuller read the resolution and it was accepted by a majority of delegates.

With respect to the submission of resolutions, Mr. Henry Usher, of HRCU, stated that though the resolution from the floor was appreciated, he asked that in the future all resolutions be submitted to the BCUL board first prior to being presented to the membership.

D. **Appreciation for past board members**

Appreciation was extended to Mr. Ernest Raymond, of Citrus Growers Credit Union, in his absence, for having served nine years as a director on the BCUL board, representing the Stann Creek district. Appreciation was also extended to Mr. Ronald Hulse, of St. Martin Credit Union, for his service to the credit union movement and SMCU since 1996. Ms. Nadia Gibson shared special words of appreciation for both Messrs. Raymond and Hulse on behalf of the League. She thanked them for their devotion and dedication to serving the League.
Mr. Hulse in turn thanked the League for the work it has done over the years. He expressed his pleasure in working with and appreciation for all the people he encountered over his years with the Movement.

11.0 VOTE OF THANKS

Mr. Leopold Romero gave the vote of thanks on behalf of the BOD. He started by joining everyone in expressing appreciation and thanks to Mr. Hulse (SMCU) for his years of service. He went on to say that the BOD believes the Movement is going in the right direction and that CUs are adopting to needed change. He further commented that the Board believes the changes CBB and GBEST are requesting of CUs are for the better and therefore they should be embraced.

He made special mention of the welcomed presence of delegates from LICU at the AGM and noted that their presence was a positive sign. Mr. Romero reminded all that competition from commercial banks was intensifying and encouraged CUs to put measures in place for the benefit of current and future members.

Mr. Romero went on to thank the Staff of BCUL, Mr. Lorne Solis of BRFP and GBEST Consulting for their service to CUs. He implored CUs to encourage their board members to attend the trainings being made available and to continue to do the same for their staff. He ended with a final thank you to the board of directors, the staff of BCUL, and everyone who attended BCUL’s 59th AGM.

12.0 ADJOURNMENT

At 12:35 p.m. Mr. Kenneth Garbutt from SJCU moved for adjournment of the meeting and it was seconded by Mrs. Wendy Castillo from HRCU, and accepted by all present.

Submitted by:

Secretary
Mrs. Lizbeth Castillo

President
U. Clement Usher
Belize Credit Union League Limited  
Report of the President and Board of Directors  
1 April 2015 to 31 March 2016

It took me some time to figure out how best to leave my final imprint on our Belize Credit Union League as I prepare to exit the scene after nine (9) consecutive years of serving as a director, four (4) of them as your treasurer and the last five (5) as your president. Then it dawned on me that the best way to do this might be to take a walk down memory lane. So, I took to reviewing past AGM reports of the League going all the way back to 2006 when the League celebrated its 50TH Anniversary at the Radisson’s Fort George Hotel and beyond.

HRCU was not yet onboard the League at that time. We had been making serious overtures to the powers that be that the best place for HRCU was, once again, as a full-fledged member of the League, despite the fact that HRCU was unceremoniously expelled from the League in 1970. However, it took some time to work out a formula that was satisfactory to all parties involved. Thereafter, HRCU was officially welcomed back into the League the following year – in 2007.

No one likes to be reminded of how difficult it was for our League back then having no official place to call home, having to pay huge sums in office rentals, but above all, being saddled with an accumulated deficit of over $1.6 million dollars. In fact a former treasurer of the League, Armando Cowo, in an earlier AGM report had written: “…we will have to come up with certain decisions that will either ensure the survival of our organization or lead to its final dissolution”.

It is a wonder why anyone would want to serve as treasurer of an organization which no doubt found itself caught between the devil and the deep blue sea. When I was nominated by Mr. Karlie to take on that challenge I dutifully said yes not knowing what I was up against but clearly thinking that I did not see how I could do any worse. Together with the then executive director, Mrs. Natalie Goff, the hard-working, dedicated staff of our League and, fellow members of our League’s Executive Committee we set out to do what seemed at that time to be the impossible.

We bargained and negotiated with creditors to whom the League owed burdensome monies having gotten itself into those crippling mortgage loan programs…the dreadful HILP loans (Home Improvement Loan Program) and CHF loans (Cooperative Housing Foundation). Yes, debt restructuring was the order of the day for us in 2007/2008 and when we found ourselves in a position where it was impossible to negotiate any more we pleaded for debt cancellation and debt forgiveness. I can never forget HRCU’s Miss Jane for convincing her Board to pay off the League’s final CHF debt of $142,563 dollars. By the end of my first year as treasurer the League was reporting a surplus of $68,825 dollars after years of deficit reporting. The rest is history and I am proud that we will once again be reporting a surplus of $33.9 thousand for 2015/2016 and that our projected surplus for 2016/2017 will once again be a “positive” figure.

All this would not have been possible without the combined efforts of all our affiliates. Each and every one of you contributed to the success story of our Belize Credit Union League since we
celebrated our 50TH Anniversary. This year, 2016, we are celebrating our 60TH Anniversary. Imagine, our Diamond Jubilee! And, we can do so with much fanfare as we now have our official headquarters at No.88 Victoria Street that we can call home; we have close sister relationships with both Catalyst Corporate and the Irish League of Credit Unions; we’ve been the proud recipients of two IDB projects and two IFAD projects to promote our credit union movement; we’ve been fortunate enough to be able to hire professionals to help us with the day-to-day activities of the League; we are a proud “silver” sponsor of our WOCCU; we’ve been lucky to receive excellent training through our regional body, CCCU, on which your president currently sits as a member of its executive committee; we’ve been debt free for the past nine (9) years; and what’s even more remarkable, we’ve been able to accumulate in excess of $250 thousand dollars in equity as our esteemed treasurer will be reporting to you all later on during this 60TH AGM. Fellow delegates, this certainly deserves a resounding round of applause!

During this recent AGM season where all affiliates must account for their stewardship to their member-owners, I was proud to hear or read about the success stories of all of you. Those AGM’s which I was not able to attend due to prior urgent commitments, I took the time out to review and analyze your reports and financials. As your president I am happy to see growth in every area of your credit unions….in membership; in savings; in loans; in profits; but above all, in new products and services. Our Belize Credit Union Movement sits on a solid foundation. As current and future leaders of this Movement we must ensure that our base is never eroded. We must stand tall and speak with one voice against any challenges that might come our way.

And challenges will come, both internal and external. Therefore our Board of Directors, various Committees, and Management must continue to take a critical look at our existing standards of governance, including our management practices, and methods of record keeping. We need to have documented policies and procedures in place always ensuring that they are updated and in tune with our cooperative principles and values. This has been the cry of our regulator, our Central Bank, and although at times we may believe that they are being too stringent on us, the reality is that they must ensure that our credit unions remain viable and always in compliance with standards which are consistent with international financial industry standards. This is not hard to do, particularly since we have each other to lean on and the resources of our League!

Fellow delegates, ladies and gentlemen, I am leaving with a heavy heart but believe me, I am not going anywhere far. We have good, young, and energetic people among us who can easily fill my shoes and even do a better job. But, if you think I will just sit by idly and watch what took us these past nine (9) years to achieve go down the drain then, you have another thought coming. HRCU is only a stone’s throw away from the League’s office so my successor better know that I will be keeping a close watch on him, or her, and as your immediate past-president I would like to think I can have a say, even if I don’t have a vote.

Finally, I must thank each and every one of you for your support particularly during my tenure as president. It was an uphill struggle at times but then again, life is never easy! My immediate and past colleagues on the League’s boards please know that it was a pleasure serving with you and I trust that you all will remember me as being a good listener. To Corine and the staff of BCUL, do know that I depended entirely on everyone to carry out the decisions and policies set by the Board and in running the day-to-day operations of the League. You guys did a fantastic job! Who knows,
maybe it is because in my throne speech when I became president I promised that I would never micro-manage during my tenure as president and I did keep my promise. God Bless all of you and I now join the ranks of past-presidents which also includes my mother!

U. Clement Usher, BCUL President (June 2011 to June 2016)
REPORT OF THE SUPERVISORY COMMITTEE
BELIZE CREDIT UNION LEAGUE LIMITED
APRIL 1, 2015 TO MARCH 31, 2016

We the Supervisory Committee, have caused to be examined the books and records of the Belize Credit Union League Ltd. during the financial year ended March 31st, 2016 by an independent external audit conducted by the accounting firm of Baker Tilly Hulse.

Furthermore, we have held quarterly meetings in which the monthly financial statements and minutes of the Board of Directors have been reviewed. Additionally, we have conducted examinations of the financial procedures of League from which we have gained assurance as to the internal control and efficiency of the policies and procedures of the League. All matters arising from those meetings and examinations have been clarified and appropriately satisfied.

In our opinion the financial statements of the Belize Credit Union League Limited presented fairly states the affairs of the League as at March 31st, 2016 and for the year then ended.

Respectfully Submitted

June 10, 2016

Jose A. Can
Chairperson

Andy Johnston
Member

Neil Wade
Secretary
Greetings and a warm welcome fellow Credit Unionists and special invited guests. This year our Credit Union League celebrates its 60th Anniversary and I’m happy to give an overview of the financial performance of the League during the last Financial Year ending March 31st 2016, the details of which can be found in your annual report booklet.

**Income Analysis:** At the end of Financial Year 2016, our audited report showed an increase of $63,286 in total income from $604,192 in 2015 to $667,478 in 2016. The key income earning activities of the League are presented below:

Income from League dues increased slightly by 4% from $407,200 in 2015 to $422,855 in 2016; this was a result of membership growth within the sector. Non-league dues income increased by 6% due mainly to higher consultancy and training income, administration income, sales from the ATM cards and stationery, and other miscellaneous service income.

Although we received less interest income this year because of declining bank rates, we continue to keep minimal funds in our Belize Bank Account in order to make our money work for us by earning interest on deposit and shares accounts held with affiliates.

Credit Union week net proceeds increased by 25%, from $19,190 in 2015 to $24,102 in 2016; Despite having to weather a storm that brought about severe flooding on the day of the annual convention and receiving less than stellar service at the venue, the amazing support from affiliates remained unchanged.

Commission income earned from providing property and motor insurance services to affiliates and the general public, decreased by 20% from the previous year due to all the AML requirements that have now become necessary when conducting business with the insurance company. Many RFG/credit union customers still have not updated their information hence the decline in income from this source.

Miscellaneous income increased significantly from facilitating services relating to insurance and external travel for affiliates, payment received from a delinquent home mortgage program borrower, and operations income from the CARSI grant for the Mad City Money stimulations project.

**Expense Analysis:** There was a 12% increase of $67,878 in total expenses during the past year, from $565,642 in 2015 to $633,478 in 2016. While expenditure on some items increased, others decreased as explained below:
Depreciation expenses increased slightly due to acquisition of additional computer equipment and furniture for personnel for the IDB Saving Product project. As our membership exceeded 100,000 persons during the period, the CCCU dues remained capped at $100,000.

Staff education and training expenses increased slightly by 12% from $18,707 in 2015 to $20,917 in 2016 as Management participated in two AML workshops and a WOCCU lobbying workshop; two staff members attended CCCU convention and other staff members attended various workshops in order to expand their knowledge in specific areas.

Salaries and staff related benefits increased marginally as more experience technical staffers were hired to better enhance the training capacity of the League. Since no salary increment had been given since 2014, a Board approved salary incentive will be paid based on staff yearly appraisal and performance for the past two years. Severance provision remained unchanged as the amount was sufficient for the existing staff, since two had resigned during the year, for whom provisions had been made.

Workshop expense for training and development increased significantly by $21,569 due to the facilitation of two large training workshops in Cyber Security and Anti Money Laundering that benefitted affiliates and the general public.

Travel and subsistence increased as staff members shadowed the Gbest consultants, and participated in the various training activities at credit unions countrywide.

Equipment maintenance increased also due mainly to the ATM Card printer which had to be repaired. Total utilities, office supplies, meeting and miscellaneous expenses declined, even with the additional staffing in house, as we continue to maintain and curtail spending as much as possible.

Once again, we are pleased to report a net profit of $33,958 representing a return on assets of 3.3%.

**Balance Sheet and Fund Balance Analysis:** The Balance Sheet as at 31 March 2016 shows that our financial position continues to strengthen. Current assets increased from $447,670 in 2015 to $529,677 in 2016 due mainly to increase of funds at the bank and credit unions from the receipt of league dues; accounts receivable and prepayment of CCCU dues for the coming year are also contributing factors. Accounts receivable is made up of mostly workshop trainings, ATM cards and supplies, manuals and the CCCU hotel and registration fees. The latter is usually paid upon request, in July. Although the value of fixed assets decreased slightly due to annual depreciation, total assets increased by 6% from $978,374 last year to $1,033,593 in 2016.

Total liabilities increased marginally by 3% as a result of the increased accounts payable comprised of amounts owing for software support to Servicos Tecnologicos (MCOOP on behalf of CSCU and ECU), the disaster appeal fund (which will be paid in June at the CCCU Convention), and dividends payable on preference shares as at 31 March 2016. Severance payable for permanent employees, and project funds retained for technological development of the League and Credit Unions are also included.
The fund balance increased by 12% from $294,974 in 2015 to $328,931 in 2016, which records the surplus of $33,958.

Respectfully submitted

Mr. Rene Torres
Treasurer
Belize Credit Union League Ltd
Executive Director’s Report
1 April 2015 to 31 March 2016

General Economic Statistics – Socio-Economic Backdrop

Central Bank of Belize - Country Statistics¹:

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<thead>
<tr>
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<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td><strong>Population (September)</strong></td>
<td>360,838</td>
<td>370,300</td>
</tr>
<tr>
<td><strong>GDP Growth Rate (Q1 2015 / Q4 2015)</strong></td>
<td>7.0%</td>
<td>0.6%</td>
</tr>
<tr>
<td><strong>Infant Mortality (2011)</strong></td>
<td>14/1000</td>
<td>Unchanged</td>
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<tr>
<td><strong>Literacy Rate (2010)</strong></td>
<td>79.7%</td>
<td>Unchanged</td>
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<tr>
<td><strong>Poverty Rate (2009)</strong></td>
<td>41.3%</td>
<td>Unchanged</td>
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<tr>
<td><strong>Life Expectancy (2014)</strong></td>
<td>73.7</td>
<td>Unchanged</td>
</tr>
<tr>
<td><strong>Child Employment Rate (2013)</strong></td>
<td>4.7%</td>
<td>Unchanged</td>
</tr>
<tr>
<td><strong>Child Labour Rate (2013)</strong></td>
<td>3.2%</td>
<td>Unchanged</td>
</tr>
<tr>
<td><strong>Merchandise Imports (Jan - Dec)</strong></td>
<td>BZ$2,005.34 million</td>
<td>BZ$2,059.07 million</td>
</tr>
<tr>
<td><strong>Domestic Exports (Jan – Dec)</strong></td>
<td>BZ$614.42 million</td>
<td>BZ$535.33 million</td>
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**Economic Overview:** Economic growth slowed to 1 percent in 2015, due mainly to falling oil production and contraction in the primary sector, which was evidenced by sharp decline in shrimp output, rice production, and export of sugar cane, banana and papaya. Falling oil production and fewer construction project activities were offset by increased electricity generation, which resulted in marginal growth of 0.8% in the secondary sector. The services sector was the main area of growth in 2015, due to expansion in government services distribution activities, tourism, and transportation. The current account deficit continued to widen as exports fell while imports continued to grow, and the national unemployment rate declined from 12.1 percent in September 2014 to 10.2 percent in September 2015.

The Statistical Institute of Belize² reported that Consumer Price Index for the month of March 2016 was up by 0.1 percent over that of March 2015. The increasing trend was observed since January 2016 when the first increase in the inflation rate was recorded after over a year of decrease. The annual rate at December 2015 was -0.9 percent. For the first quarter of 2016, the prices of food recorded an increase of 1.6 percent, while a 4.7 percent decrease was recorded in the

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¹ http://www.sib.org.bz/statistics/state-of-the-nation
² Statistical institute of Belize CPI March 2016
“Transport” category, and a marginal 0.1 percent increase was recorded in the “Housing, Water, Electricity, Gas, and Other Fuels” category. Price increases were offset by reduction in the prices of electricity and LPG. During the first quarter of 2016, the highest inflation rate was recorded in Corozal (1.7 percent) and Punta Gorda (1.4 percent) Towns while both San Ignacio/Santa Elena Towns and Belize City stood at negative 0.3 percent; Dangriga had the lowest rate of negative 1.0 percent.

The Central Bank\(^3\) reported that the banking sector remained stable, with profits being posted, and improvement shown in capital, and non-performing loans, despite challenges and increased cost associated with loss of correspondent banking relations by some institutions. Government expenditure increased by 16.6 percent, while revenues declined by 0.8 percent. The resulting gap was funded locally by the issuance of new domestic debt instruments. Overall deficit climbed to 8.4% of GDP, the highest since 2003.

**Projections for 2016:** The forecast\(^4\) is for economic growth to decelerate in 2016 to between 0.5 and 1 percent, due mainly to contraction in the primary and secondary sectors. It is anticipated that 2016 will mark the third consecutive year of agriculture reduction, due to declines in citrus, banana and papaya production. Farm shrimp output is projected to remain low, but sugarcane deliveries is expected to increase with the opening of the factory in Cayo. The decline in petroleum extraction and agro-processing will cause the secondary sector to contract, but the services sector is expected to be bolstered with growth in the number of stay-over tourists and cruise ship passenger disembarkation. Anticipated decline in imports by the Commercial Free Zone and export processing zone companies should contribute to a reduction in the current account deficit.

In its end of mission press release, the IMF reported on Belize that “The economic outlook has worsened further since the 2015 Article IV Consultation and is subject to significant downside risks. Growth is projected to decline further to 0.5 percent in 2016 and average less than 2 percent in the medium term. In the absence of fiscal measures, rigid current spending would fuel high fiscal deficits and add to the already high public debt burden. The current account deficit would slowly improve due to recovery of exports, but would still remain high, putting downward pressure on international reserves. These vulnerabilities could be exacerbated by both domestic and external risks, such as the end of Petro Caribe financing, protracted period of weak growth in trading partners, and challenges posed by withdrawal of correspondent banking relationships.”

To return to a sustainable path, the press release suggests that the Government should reduce public debt with a combination of strong revenue and expenditure measures, such as broadening the tax base, introducing tax reforms, containing the public sector wage bill, initiating reform of the public

\(^3\) CBB 2015 Annual Report  
\(^4\) Ibid
pension system, and strengthening controls in multiple areas of public financial management systems.

The press release also said that “the mission supports the authorities’ prudent provisioning requirements and recommends raising them to 100 percent given uncertainties on the collateral values. Further strengthening the Anti-Money Laundering/Combating Financing of Terrorism (AML/CFT) framework may assist in preventing further loss of correspondent relationships with global banks. This particularly includes strengthening AML/CFT risk-based supervision of banks, registered agents, and company service providers, and enhancing the transparency of legal persons and arrangements.”

Doing Business data for 2016, ranked Belize 120 (118 in 2015) out of 189 economies on the overall Ease of Doing Business scale. Other key indicators rankings for Belize out of 189 include 159 (148 in 2015) on starting a new business, 73 on getting electricity, and 162 (160 in 2015) on getting credit.5

AFFILIATES’ PERFORMANCE

The credit union sector performed well overall despite the financial and economic challenges that were faced during the last fiscal year (2015/2016). Affiliates paid dividends to members ranging from 2.5% to 8%, which is considerably better than rates available for savings accounts at the commercial banks. Rebates on loan interest to borrowers ranged from 4% to 20% from three credit unions (SFXCU, SJCU, and HRCU).

The prudential solvency margin was met by six credit unions. As a result, the industry average increased from 114% in 2015 to 115% in 2016. Affiliates continue to face challenges in reducing delinquency to the PEARLS standard of 5% or less. However, regulatory provisioning requirements were met with the exception of one credit union. Great progress has been made in meeting capital adequacy requirements. Four credit unions did not meet the regulatory requirement of 10% or higher but have made great progress since last year. Liquidity remained high with an average of 23% as at the end of March 2016.

Affiliates must be commended for the strategic initiatives undertaken to meet regulatory requirements and strengthen their CUs considering the major challenges that have disrupted the financial industry. There is much work to be done but it is clear that we are heading along the right path.

Membership Growth: Affiliates reported total membership (accounts with above share balances) at 119,382 and total account holders at 137,255 as at the end of March 2016. Total account holders grew by 3% compared to last year’s rate of 5% due to some CUs regularizing their membership data base. The grand total of account holders among all credit unions in Belize was recorded at 160,811 which represent 43% of the total population of Belize. This is a strong indication of the

5 http://www.doingbusiness.org/data/exploreeconomies/belize/
trust and confidence that members have in their credit union and the opportunity that exists to meet the financial needs of the population. HRCU showed the highest growth in the number of accounts with 1,825 new accounts, then SFXCU with 1,130 and SMCU with 811.

**Total Savings:** Savings among affiliates grew by 9% or $53M. The highest percentage growth was recorded by SJCU, SMCU and SFXCU at 13%, 12% and 11% respectively. In terms of dollar value, HRCU grew by approximately $33M, SJCU by $7M and SFXCU by $7M. The total savings/shares (including deposits) of affiliated credit unions was $665M as at March 31, 2016.

**Loans to Members:** Outstanding loans were recorded at $515M compared to $485M last year. This was representative of a growth of 6%. Growth rate ranged from 3% to 14% with three credit unions recording growth of over 10%. HRCU accounted for $12M of the dollar value of loans issued, SFXCU for $9M, SJCU for $4M and BCCU for $3M.
Total Assets:

Total assets reflected growth of 9% at the end of the fiscal year. The total assets for affiliates was $802M up from $739M last year. SMCU recorded growth of 15% or $3M, SFXCU grew by 14% or $10M, SJCU by 14% or $9M and TTCU by 11% or $2M.

The credit union sector showed great improvement in meeting regulatory requirements such as loan loss provisioning and capital adequacy. While growth in membership, savings, and loans progressed at a slower rate compared to last year, affiliates generally performed well in spite of fierce competition in the financial industry.

EXTERNALLY FUNDED PROJECTS

IDB/MIF: The IDB-MIF two-year project entitled “Inclusive Saving with Shared Agents” commenced in September 2015. This project is partially funded by the IDB. A project coordinator and administration coordinator were hired to implement the project, and a project steering committee comprised of representation from most credit unions was established to guide the delivery of project activities. Activities to date include a workshop with credit union frontline practitioners at which nine potential saving products were identified; these will be tested via a focus group survey to determine which two would be most feasible to develop and roll out through credit unions.

Preparations are being made to secure a transactional switch software to facilitate the shared branching part of the project, which would allow members to conduct some credit union business through agents in their areas rather than traveling to the municipalities where their credit unions are located.

Belize Rural Finance Program (BRFP): The BRFP completed its sixth year of operations, during which it facilitated programmes specifically designed to build capacity to enhance management and governance, in participating credit unions. The chart below lists the training activities conducted and the objectives that were to be achieved.
The League’s technical staff was also trained in the above disciplines; they were assigned to a particular credit union and were required to accompany the Gbest Consultants at the sessions, and assist with the training in an effort to promote knowledge transfer. In the coming months, up until 30 September 2016 when the BRFP ends, League staff will continue shadowing Gbest at the training sessions with credit unions. During the past year Gbest also recommended ways to enhance the value of credit union monitoring by the League and dialoguing with the Regulator.

In the coming months, BRFP will fund another consultancy with ILCUF so that they can continue building capacity within the League, in the areas of marketing, strategic planning, monitoring and stabilization, and internal auditing.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Objectives</th>
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<tbody>
<tr>
<td>Small &amp; Medium Size Enterprises (SME) Workshop</td>
<td>To build a sustainable SME Loan Portfolio for their Credit Union.</td>
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<tr>
<td>Operations Training Sessions</td>
<td>To understand Credit Union Systems and Operations</td>
</tr>
<tr>
<td>Credit Management training</td>
<td>To enhance knowledge of credit analysis, credit management and risk based pricing</td>
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<tr>
<td>Leadership Seminar</td>
<td>To enhance board performance with improved governance and leadership skills</td>
</tr>
<tr>
<td>Staff and management training</td>
<td>To enhance team building</td>
</tr>
<tr>
<td>Board and Committees Training</td>
<td>To understand financial intermediation and setting financial goals using PEARLS</td>
</tr>
<tr>
<td>Credit managers and staff</td>
<td>Loan interviewing techniques</td>
</tr>
<tr>
<td>Marketing Seminar</td>
<td>To understand the role of marketing in credit unions, how to monitor the marketing function, and to understand risks associated with short term lending</td>
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<tr>
<td>Customer Service Training</td>
<td>To enhance members experience at their credit unions</td>
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<tr>
<td>Board/Management Relationship</td>
<td>To understand and differentiate between the roles and responsibilities of directors and managers</td>
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<tr>
<td>Human Resources training</td>
<td>To develop effective job descriptions with key performance indicators, linked to strategic plans</td>
</tr>
<tr>
<td>Leadership Development</td>
<td>For directors to understand their responsibility to members as elected officials, and to strengthen their relationship with management</td>
</tr>
<tr>
<td>Supervisory management</td>
<td>To enhance supervisory effectiveness of credit union managers and middle managers</td>
</tr>
<tr>
<td>Strategic Planning</td>
<td>For management and board to develop strategic plans and understand their usefulness</td>
</tr>
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</table>
As at 31 May 2016 a total of 5,832 new eligible members (2,522 males; 3,310 females) of which 1,214 were classified as youth and 2,638 as very poor, were recruited via the Shares Incentive Program of the BRFP. The total number represents an increase of 16% over last March, and 39% of the overall programme target of 15,000. However, it should be noted that total beneficiaries to date does not include other members in the qualifying household who had joined the credit union as a result of the field officer’s activities. Credit unions have reported that approximately $8.257M has been disbursed through 3,842 loans to programme beneficiaries from six participating credit unions. Loans were advanced for agriculture, marine activities, farming, education, housing/real estate, and tourism.

**Mad City Money:** A grant from the US Embassy under its Central America Regional Security Initiative (CARSI) was awarded to BCUL to use the Mad City Money simulation to provide at risk youth with services and education needed for future financial success and personal accomplishment. In collaboration with credit unions and other institutions, BCUL used the simulations to teach high school students and at risk youth to:

- Practice budgeting as an adult with realistic circumstances;
- Identify and experience the consequences of poor financial decisions;
- Develop good judgment regarding spending and making a budget;
- Understand that budgeting is a necessary step in good money management and that it isn’t difficult.

A training of trainers’ workshop on financial literacy, using educational materials from Mad City Money and the Caribbean Microfinance Capacity Building Project financial education curriculum, was conducted to train credit union employees, teachers and other personnel in financial literacy and how to conduct a simulation. Additionally, each participating credit union has reached out to high schools and communities in their areas, to promote the programme, and the products and services of the credit union and the benefits of membership.

**REGIONAL AND OTHER AFFILIATION**

**Caribbean Confederation of Credit Unions (CCCU):** The 2015 Convention was held at the Moon Palace Golf and Spa Resort, Cancun, Mexico, from 19 – 23 June 2015. The League was represented at the Convention by 33 participants from most credit unions, and the ED and compliance officer of the League. Prior to convention activities, managers attended a CEO’s roundtable which delivered sessions on Cyber Security Risk Management, Micro-insurance, Micro-finance and Attitudinal Change.

The theme of the 2015 Convention was “**Cooperatives: Celebrating Success and Embracing New Challenges for Sustainable Development.**” Facilitators made presentations that covered the following topics: The Human Side of Change; Passion on Purpose; Values Innovation –

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6 BRFP May 2016 M&E Report
Cooperatives Business Modeling; Folding Time & Enhancing Productivity: How to Achieve More in Less Time; Developing Emerging Leaders and Promoting Effectiveness in Leadership; Moving at the Speed of Digital: Next Generation Thinking; How do you zap the Multi-generational Gap?; Create Your Own Flight Plan; Becoming a Strategic & Influential Communicator in your Credit Union and Enhancing Financial Literacy & Access to Credit. The event presented an excellent learning experience and the topics were of relevance to credit unions.

At the 2015 AGM the CCCU President reported that as at 31 December 2014, the credit union sector in the Caribbean comprised three hundred and three (303) Credit Unions, with 2.32 million members. Two hundred and twenty-three (223) of these Credit Unions with 2.09 million members were affiliated to the Confederation. Amongst affiliates, loans grew by 8% to US$3.2B, savings and deposits by 12% to US$3.8B, and total assets by 10% to US$4.6B.

Caribbean Microfinance Alliance (CMFA): The League continued to support the CMFA with membership dues. The CMFA’s last forum was held in Miami and was attended by representatives from two credit unions. In January 2016, the League’s business development officer attended a three-day training hosted by the CMFA in Jamaica, to learn about the steps that can be taken to enhance responsible microfinance practices using the Universal Standards for Social Performance Management (SPM). At the end of the sessions, participants were expected to: have a deeper understanding of SPM and its universal standards, be able to convey relevance of SPM to all financial service providers with a social objective, learn how to use the SPI4 social audit tool, learn how to create an action plan for an institution to improve its SPM, become familiar with existing resources and learn how to locate resources that are relevant to the institution’s specific priorities or challenges, and introduce responsible inclusive finance initiatives. Funding to attend the training was provided by the Belize Rural Finance Programme.

World Council of Credit Unions (WOCCU): The League’s president and executive director and a representative from one credit union attended WOCCU’s Advocacy Workshop in Costa Rica, from 21 – 22 May 2015. The objective of the workshop was to learn advocacy best practices, and develop a framework for action by credit union apex bodies. An outcome of the event was the development of an advocacy framework for the League. Activities identified that have been accomplished to date include the League joining the Chamber of Commerce, conducting the Father Ganey National Primary School Credit Union Quiz Competition and Mad City Money simulations, and arranging strategic media coverage to address credit union matters.

Irish League of Credit Unions Foundation (ILCUF): The Irish League Credit Unions Foundation continued its twinning relationship with BCUL during the past year. Although there was no direct funding from the BRFP for their activities ILCUF provided support in internal audit training, and feedback on matters relating to IT, the national payment system, and the stabilization programme. The accountant travelled to Ireland for two weeks on the job training in internal
auditing, and upon her return the League launched its internal audit service to affiliates. Two credit unions have been provided with internal audits to date.

**BCUL ACTIVITIES**

**Annual Credit Union Convention & Banquet:** We held our 14th Annual Convention & Awards Banquet on Saturday 17th October at the Ramada Princess Hotel in Belize City, under the theme “People Helping People”. Over two hundred participants attended from among affiliated credit unions and the Department of Cooperative. It was a day of networking and sharing with educational and team building activities. The guest speaker was Mr. Ishmael Quiroz, representative from the IDB.

Mr. Miguel Usher’s presentation on Micro Insurance sensitized participants about the benefits of micro insurance and the role credit unions can play to channel those benefits to members.

Ms. Melanie Santiago, Sociologist, University of Belize presented on Migration, Remittances, and Family Wellbeing. She informed about the use of remittances as a poverty alleviation strategy for households and what credit unions can do to encourage families to maximize these resources to improve their standard of living.

Information about healthy living and disease prevention was provided by a panel of experts from the Kidney and Diabetes Associations, and the Cancer Society. They enhanced participants’ appreciation for the long term benefits of making healthy choices now, and choosing prevention over cure. The session on Enterprise Risk Management was geared to upper level management, committee members, and directors, and was intended to expose them to methods used to mitigate and manage risks in financial institutions. It was facilitated by Brent Smith from Catalyst Corp in Texas. His visit was partially funded by WOCCU. Attendees in middle management and at the supervisory level, attended the session on conflict management, which was facilitated by Mr. Niall Gillett. They learned how to manage emotions during conflict situations, while working collaboratively toward a win/win resolution.
The session on Fundamentals for a Successful Sales Strategy was facilitated by field officers from several credit unions, and was designed to teach frontline employees—through the sharing of tried and proven strategies—tactics, techniques, and methodologies to shape relationships and negotiate effectively with potential and existing credit union members.

At the Awards Banquet, attendees participated in an auction of donated items in aid of feeding programmes at primary schools. A total of $1,464 was collected, and have been paid out through affiliates, to schools in several municipalities. Credit Unions were recognized for their accomplishments throughout the year and BCUL Awards were presented to credit unions in the following categories:

- **Social Responsibility Award:** to Holy Redeemer Credit Union in recognition of its establishment and administration of the Henry Usher Education Grant Program, which started in 2005 and provides education grants to high school children of needy families.

- **Outreach & Engagement Award:** to St. Martin’s Credit Union for its outstanding outreach programs that promote financial literacy to students and the general public in the Cayo District. The second award in this category was presented to St. Francis Xavier Credit Union in recognition of the work of its Education Committee in the Corozal District. The committee was established in 1998 and has been effective over the years in promoting financial literacy through schools and the local media in the Corozal District.

- **Innovation Award:** to St. John’s Credit Union in recognition of its innovation in developing and aggressively marketing new products and services such as its Smart Cash (pay day loan) and Fast Line, its Christmas loan and for rebranding with a new and improved image.

- **Performance Award:** to St. Francis Xavier Credit Union that did not only increase its capital adequacy ratio, but actually exceeded the minimum and achieved a rate of 12.1% at the end of the financial year. The award was also given to Blue Creek Credit Union for maintaining its delinquency ratio at 0% over the years.
• **Outstanding Young Professional Award:**
  Mr. Armin Cal was recognized for his innovation and creativity in going far beyond his job description, to find ways to improve the services TTCU offer to members in rural Toledo. Ms. Sheryl Tzul was awarded for her delivery of personalized services to CU members in the Cayo district; she spends four days of the week in the field, conducting door to door visits to service loans, and securing new business for SMCU.

**Training and Education:** During the year, the BCUL technical employees were educated through training programmes delivered by Gbest Consulting Company to credit union employees and officers. In addition, technical staff received training from the following agencies, as elaborated elsewhere in this report: CMFA, ILCUF, CCCU, and WOCCU. As well, support staff attended training in Microsoft EXCEL and WORD from the Small Business Development Corporation (SBDC), and all staff participated in training at the annual Convention.

The League hired a consultant to facilitate training in AML/CFT for credit unions, to partially meet the legal requirement for regular training in this discipline.

**Advocacy:** Dialogue with affiliates continued on the establishment of a safety net mechanism for the movement, in the form of a stabilization programme. Rules for the programme were developed and although the target date to launch the programme at the 2016 AGM was not met, the new date is set for Credit Union Week in October 2016.

The Father Ganey Quiz Competition for primary schools was held in collaboration with affiliates and the Ministry of Education under the theme “Elucidate, Educate, Enhance”. Eliminations were held at the district level by credit unions and the National Competition was held in Belize City on 17 October 2015. This quiz competition aimed to empower students through increased awareness of the Credit Union Movement in Belize and to enhance financial literacy at the Primary School Level. The winner was a student from the Eden Seventh Day Adventist School in Santa Elena, Cayo.

**Credit Union Monitoring and Administration:** Monitoring of credit unions using the PEARLS Monitoring System continued with quarterly reports and analysis provided to affiliates at the BCUL Board Meeting. This activity is considered one of the most important service to be provided by the League to affiliates, and therefore, the plan is to improve its delivery by meeting with credit union boards on a regular basis to discuss performance as indicated by PEARLS.

As at the end of March 2016
  • All credit unions reported that they had met the minimum provisioning standard of 100% and 35% for loans delinquent for over 12 months and 90 to 360 days respectively.
However, the charge off of loans is not being practiced by all affiliates. Solvency was greater than the minimum standard of 111% for all credit unions except one.

- Three unions out of seven exceeded the minimum standard set for net institutional capital, which is 10% of total assets.
- Five out of seven credit unions reported delinquency above the prudential standard of 5% of the gross loan portfolio.
- Liquidity among affiliates is high and was recorded at 4 percentage points above the maximum range recommended by PEARLS.
- Other evaluation ratios show that the wages to income ratio is above the recommended rate for all but two credit unions, and only one credit union has met the prudential ratio for expenses to income.

We congratulate credit unions on their progress towards meeting the prudential standards, and look forward to all credit unions achievement of the capital adequacy prudential standard by March 2017.

The liquidation of Mount Carmel, Police and Citrus Growers and Workers Credit Unions did not happen through the League as was anticipated, as Directors agreed that the activity was best done by the authorities. However, our recommendation was submitted to them, and there is great expectation that they would be acted upon in the coming year.

National Payment System (NPS): A work plan to guide the progress towards preparing the League to participate in the NPS on behalf of credit unions is being implemented. The target date is the end of the first quarter in 2017, therefore a lot of attention will be focused on this area in the coming year. Meetings have been held with several software providers who can provide the technology needed for participation; a decision will soon be made on the recommended software to acquire, and the cost. Much work is ahead to establish and prepare the technical, legal and operational requirements for participation. We are confident that given the expertise within the League and among affiliates, that participation will occur as scheduled.

In closing, I must record my deepest appreciation to the BCUL Board for their leadership and vision. Thanks especially to our soon to be Past President, for guiding and supporting the programmes of the League over the past nine years, first as treasurer, then for five years as president. Your quiet confidence in me, speak much louder than words. Thank you, Clement.

We were able to complete a substantial part of our strategic plans for the year due to the commitment of the League staff. I must therefore convey my thanks to the staff for their hard work and dedicated service to affiliates and the League. Appreciation and thanks to the BRFP and IDB project staffs, who also provide unparalleled service to the credit union movement.

Corine Robinson Fuller
Executive Director
The budget for the coming year is projecting total income of $726,091, total expenses of $719,486, and net profit of $6,605 after the payment of interest on preferred shares.

**Income** is budgeted to increase by 5% over actual income earned last year. Dues from affiliates are estimated to increase by $4,370 totaling $427,225. Administrative income earned from the CARSI grant will amount to $14,700, while income from training, consultancies, and support to credit unions is projected to increase by $17,592 from the following sources:

- Training Workshops: AML, Understanding Financial Statements, Enterprise Risk Management, and Disaster Management
- Consultancy Services: IT Support Services which include web and software development, website hosting and maintenance, internal audits and development of manuals.

Income from management of the Belize Credit Union Assurance Services (BCUAS) and the annual convention will remain unchanged at $50,000 and $55,000 per annum respectively. An anticipated new source of income in the coming year will be from providing bulk purchasing of certain items for affiliates.

**Expenses** are budgeted to rise by 9% from $659,445 in the past year to $719,486 in the coming year. Dues paid to CCCU will remain unchanged at the cap of $100,000. However, total personnel expenses are projected to increase by 23% from $310,007 to $381,066 due mainly to severance provision for permanent staff, and the addition of salary for the new business development officer post. In the previous year, salary for this post was paid by the BRFP. Travel and subsistence expense is projected to be $5,165 more than last year, to account for increase in staff travel relating to internal auditing, monitoring, and IT support services.

The 10% rise in office expenses will be as a result of increased spending on maintenance for the generator and other equipment. Utility expenses are expected to increase by $3,000 to account for additional staff to be hired by the IDB project, and anticipated rise in electricity cost.

Total other expenses are comprised of AGM and credit union week expenses, meeting costs, bank charges and consultancies, and are projected to decline to $170,800, from $176,036. The interest on preferred shares is projected to decline by 50% once the resolution is approved.

The presented 2016/17 Budget was endorsed by the Board of Directors at its meeting on 3 June 2016. It is now being submitted for approval by the general membership.

Respectfully submitted

Corine Robinson Fuller
Executive Director
## Proposed Budget Detail 2016/17

<table>
<thead>
<tr>
<th>ITEM</th>
<th>Proposed Budget</th>
<th>Budget</th>
<th>Actual</th>
</tr>
</thead>
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<tr>
<td></td>
<td>2016/17</td>
<td>2015/16</td>
<td>2015/16</td>
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<tr>
<td>Management Fees - Insurance (BCUAS)</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
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<tr>
<td>Interest Income</td>
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<td>9,000</td>
<td>11,967</td>
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<tr>
<td>Administration (Police)</td>
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<td>2,400</td>
<td>4,800</td>
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<tr>
<td>Training, Consultancies &amp; technical support to CUs</td>
<td>87,066</td>
<td>62,244</td>
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<td>Dues From Affiliates</td>
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<td>416,457</td>
<td>422,855</td>
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<td>Credit Union Convention*</td>
<td>55,000</td>
<td>55,000</td>
<td>50,026</td>
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<tr>
<td>Corporate Agency (RFG/Sagicor)</td>
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<td>37,000</td>
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<tr>
<td>Project Income (IDB/Mad City)</td>
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<td>IFAD /CABEI Operations</td>
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<td>18,900</td>
<td>18,900</td>
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<td>Miscellaneous Income</td>
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<td>4,700</td>
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<td>Net Sale of ATM Cards</td>
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<td>Net Stationery &amp; ATM Cards</td>
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<td>Expenses</td>
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<td>CCCU Dues</td>
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<td>Subtotal</td>
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<td>Personnel Expenses</td>
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<td>Salaries</td>
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<td>213,752</td>
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<td>Staff Group Insurance</td>
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<td>11,863</td>
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<td>Travel &amp; Subsistence</td>
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<td>16,435</td>
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<td>Staff Training</td>
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<td>Entertainment</td>
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<td>Severance</td>
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<td>Subtotal</td>
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<td>Office Expenses</td>
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<td>Telephone &amp; Cable</td>
<td>16,000</td>
<td>18,840</td>
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<td>360</td>
<td>360</td>
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<td>Electricity</td>
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<td>Office Stationery &amp; Supplies</td>
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<td>Equipment &amp; AC Maintenance</td>
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<td>Postage &amp; Delivery</td>
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<td>Property Tax</td>
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<td>Office Maintenance (kitchen)</td>
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<td>Garbage Disposal/Yard Maintenance</td>
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<td>Generator Maintenance</td>
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<td></td>
<td>1,200</td>
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<td>56,620</td>
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<td>Other Expenses</td>
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<td>Category</td>
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<td>Year 2</td>
<td>Year 3</td>
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<td>-----------------------------------------</td>
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<td>AGM Expense</td>
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<td>5,200</td>
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<td>ATM Expense</td>
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<td>5,716</td>
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<td>Meeting Expense</td>
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<td>Audit Expense</td>
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<td>10,900</td>
<td>11,363</td>
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<td>Advertising/Promotion/Marketing</td>
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<td>20,000</td>
<td>9,698</td>
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<td>Donation</td>
<td>1,000</td>
<td>1,000</td>
<td>1,400</td>
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<td>Newspapers &amp; Subscription</td>
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<td>1,800</td>
<td>1,066</td>
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<td>General &amp; Miscellaneous</td>
<td>2,500</td>
<td>3,000</td>
<td>2,386</td>
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<td>Bank Charges</td>
<td>2,600</td>
<td>540</td>
<td>1,573</td>
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<tr>
<td>Depreciation</td>
<td>40,000</td>
<td>40,000</td>
<td>38,183</td>
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<tr>
<td>Corporate Agency expenses</td>
<td>7,000</td>
<td>7,000</td>
<td>6,757</td>
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<tr>
<td>Training &amp; Dev Exp</td>
<td>15,000</td>
<td>7,000</td>
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<tr>
<td>Building Upkeep</td>
<td>2,000</td>
<td>3,000</td>
<td>996</td>
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<tr>
<td>Building/Equipment Insurance</td>
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<td>6,000</td>
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<tr>
<td>Bad Debt</td>
<td>1,000</td>
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<td>6,346</td>
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<td>Credit Union Week expenses</td>
<td>30,000</td>
<td>36,000</td>
<td>25,924</td>
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<td>Consultation</td>
<td>28,000</td>
<td>10,000</td>
<td>28,738</td>
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<td>Counterpart Contribution</td>
<td>0</td>
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<td>2,332</td>
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<td>Subtotal</td>
<td>170,800</td>
<td>162,440</td>
<td>176,036</td>
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<tr>
<td>Total Expenses</td>
<td>708,486</td>
<td>628,792</td>
<td>637,274</td>
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<tr>
<td>Interest on Preferred Shares</td>
<td>11,000</td>
<td>22,600</td>
<td>22,171</td>
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<tr>
<td>Net Income after Preferred Share - Profit/(Loss)</td>
<td>6,605</td>
<td>13,310</td>
<td>33,957</td>
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</table>
At the meeting of the board of directors of the Belize Credit Union League (BCUL) held on Friday 3 June 2016, the following resolution was proposed and approved by the directors:

Whereas preference shares with total value of BZ$585,000 were sold to affiliates in 2011 to purchase the League’s headquarters, at a rate of 4% to be paid for the first 4 years until July 2015, and thereafter at a rate of 5% for the next 4 years

And Whereas a resolution was passed at the 2014 AGM to cap the rate at 4% until July 2016

And Whereas the Board of Directors recognizes that the weighted average interest rate on savings accounts has fallen from 5.81% in March 2010 to 1.38% in March 2016, and that a reduction in rate is needed to assist the League to meet its expenses without falling into a deficit position

Be it resolved that:

The rate on preference shares will be capped at 2% for the next 5 years, starting in July 2016.

Secretary, Mrs. Lizbeth Castillo

Mr. Clement Usher, President
BELIZE CREDIT UNION LEAGUE LIMITED

FINANCIAL STATEMENTS

31ST MARCH 2016
BELIZE CREDIT UNION LEAGUE LIMITED

FINANCIAL STATEMENTS
31ST MARCH 2016

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| Statement of financial position | 3 |
| Statement of comprehensive income | 4 |
| Statement of changes in equity | 5 |
| Statement of cash flow | 6 |
| Notes to the financial statements | 7 - 18 |
| Statements of expenses | 19 |
REPORT OF THE INDEPENDENT AUDITOR
TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF
BELIZE CREDIT UNION LEAGUE LIMITED

We have audited the accompanying financial statement of Belize Credit Union League Limited which comprise the statement of financial position as at 31st March 2016 and the related statements of comprehensive income, changes in equity and cash flow for the year then ended, and summary of significant accounting policies and other explanatory notes.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of
REPORT OF THE INDEPENDENT AUDITOR (continued)

accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement present fairly, in all material respects, the financial position of Belize Credit Union League Limited as at 31st March 2016 and of its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards.

Opinion

In our opinion, the financial statement present fairly, in all material respects, the financial position of Belize Credit Union League Limited as at 31st March 2016 and of its financial performance and cash flow for the year then ended in accordance with the Credit Union Act, Chapter 314 of the Laws of Belize (revised 2003), modified by Act No. 34 of 2005 and Act No. 18 of 2007 as specified in note 2 of these financial statement.

Baker Tilly Hulse
Chartered Accountant
3rd June 2016

Belize City,
Belize, C.A.
## STATEMENT OF FINANCIAL POSITION

31ST MARCH 2016

All amounts expressed in Belize dollars

<table>
<thead>
<tr>
<th>Assets:</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>2, 3, 4</td>
<td>263,468</td>
<td>188,287</td>
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<tr>
<td>Investment</td>
<td>2, 3, 5</td>
<td>56,467</td>
<td>55,988</td>
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<td>Accounts receivable</td>
<td>2, 3, 6</td>
<td>42,059</td>
<td>54,998</td>
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<td>Deposits and prepayments</td>
<td>2, 3, 7</td>
<td>161,118</td>
<td>142,581</td>
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<td>Inventories</td>
<td>2, 8</td>
<td>6,565</td>
<td>6,292</td>
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<tr>
<td>Property and equipment</td>
<td>2, 9</td>
<td>503,916</td>
<td>530,228</td>
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<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td><strong>1,033,593</strong></td>
<td><strong>978,374</strong></td>
</tr>
</tbody>
</table>

| Liabilities:                |       |            |            |
| Deferred income             | 2, 3, 10 | 42,180     | 42,180     |
| Accounts payable            | 2, 3, 11 | 46,777     | 24,237     |
| Borrowings - Current        | 2, 3, 13 | 52,871     | 39,150     |
| Severance payable           | 2, 12  | 37,834     | 37,834     |
| Borrowings - Non Current    | 2, 3, 13 | 525,000    | 540,000    |
| **TOTAL LIABILITIES**       |       | **704,662** | **683,401** |

| **NET ASSETS**              |       | **328,931** | **294,973** |

Members' equity (page 5):

| Fund balance                |       | **328,931** | **294,973** |

Approved on behalf of the Board

___________________________Director  ___________________________Director

Dated:

Auditor's report pages 1 & 2.

The notes on pages 7 - 18 form an integral part of these financial statements.
STATEMENT OF COMPREHENSIVE INCOME  
YEAR ENDED 31ST MARCH 2016  

All amounts expressed in Belize dollars

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dues from member credit unions</td>
<td>422,855</td>
<td>407,200</td>
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<tr>
<td>Consultancy</td>
<td>69,474</td>
<td>51,467</td>
</tr>
<tr>
<td>Administration fee from Belize Credit Union Assurance Services Limited</td>
<td>50,000</td>
<td>36,667</td>
</tr>
<tr>
<td>Agent commission income</td>
<td>24,757</td>
<td>30,873</td>
</tr>
<tr>
<td>Net income from Credit Union Week</td>
<td>24,102</td>
<td>19,190</td>
</tr>
<tr>
<td>Income from IFAD related to administration of Belize Rural Finance Program</td>
<td>18,900</td>
<td>18,900</td>
</tr>
<tr>
<td>Interest income</td>
<td>11,967</td>
<td>12,478</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>16,212</td>
<td>7,483</td>
</tr>
<tr>
<td>Mad City Money Project</td>
<td>7,350</td>
<td>-</td>
</tr>
<tr>
<td>Commission and support (Police Credit Union Limited)</td>
<td>4,800</td>
<td>4,800</td>
</tr>
<tr>
<td>Rental Income</td>
<td>901</td>
<td>2,313</td>
</tr>
<tr>
<td>Dividend income - Holy Redeemer Credit Union Limited</td>
<td>-</td>
<td>2,116</td>
</tr>
<tr>
<td>Net income from stationery sales and ATM card sales</td>
<td>16,160</td>
<td>10,705</td>
</tr>
<tr>
<td><strong>Total Operating Income</strong></td>
<td>667,478</td>
<td>604,192</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative (page 19)</td>
<td>627,174</td>
<td>565,642</td>
</tr>
<tr>
<td>Bad debt provision</td>
<td>6,346</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>633,520</td>
<td>565,642</td>
</tr>
<tr>
<td>Net income</td>
<td>33,958</td>
<td>38,550</td>
</tr>
</tbody>
</table>

The notes on pages 7 - 18 form an integral part of these financial statements.
BELIZE CREDIT UNION LEAGUE LIMITED

STATEMENT OF CHANGES IN FUND BALANCE
YEAR ENDED 31ST MARCH 2016

All amounts expressed in Belize dollars

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUND BALANCE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of the year</td>
<td>294,973</td>
<td>256,423</td>
</tr>
<tr>
<td>Income for the year (page 4)</td>
<td>33,958</td>
<td>38,550</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>328,931</td>
<td>294,973</td>
</tr>
</tbody>
</table>

The notes on pages 7 - 18 form an integral part of these financial statements.
<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income for the year</td>
<td>33,958</td>
<td>38,550</td>
</tr>
<tr>
<td>Adjustments for items not affecting operating cash:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>38,183</td>
<td>37,775</td>
</tr>
<tr>
<td>Interest expenses on borrowings</td>
<td>22,171</td>
<td>22,775</td>
</tr>
<tr>
<td></td>
<td>94,312</td>
<td>99,100</td>
</tr>
<tr>
<td>Changes in working capital - add / (deduct)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease / (increase) in accounts receivable</td>
<td>12,939</td>
<td>(88,809)</td>
</tr>
<tr>
<td>(Increase) / decrease in deposits and prepayments</td>
<td>(18,537)</td>
<td>20,381</td>
</tr>
<tr>
<td>Increase in inventory</td>
<td>(273)</td>
<td>(58)</td>
</tr>
<tr>
<td>Increase / (decrease) in accounts payable</td>
<td>22,540</td>
<td>(19,032)</td>
</tr>
<tr>
<td>Increase severance payable</td>
<td>-</td>
<td>9,394</td>
</tr>
<tr>
<td>Net cash flow from operating activities</td>
<td>110,981</td>
<td>20,976</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of fixed asset</td>
<td>-</td>
<td>2,419</td>
</tr>
<tr>
<td>Purchase of property and equipment</td>
<td>(11,871)</td>
<td>(14,633)</td>
</tr>
<tr>
<td>Increase in investments</td>
<td>(479)</td>
<td>(2,241)</td>
</tr>
<tr>
<td>Net cash flow (used by) investing activities</td>
<td>(12,350)</td>
<td>(14,455)</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal payments on borrowings</td>
<td>(15,000)</td>
<td>(20,000)</td>
</tr>
<tr>
<td>Increase / (decrease) in interest payable</td>
<td>13,721</td>
<td>(625)</td>
</tr>
<tr>
<td>Interest expenses on borrowings</td>
<td>(22,171)</td>
<td>(22,775)</td>
</tr>
<tr>
<td>Net cash flow (used by) financing activities</td>
<td>(23,450)</td>
<td>(43,400)</td>
</tr>
<tr>
<td>Increase / (decrease) in cash and cash equivalents</td>
<td>75,181</td>
<td>(36,879)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>188,287</td>
<td>225,166</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year</td>
<td>263,468</td>
<td>188,287</td>
</tr>
</tbody>
</table>
1. GENERAL INFORMATION

Belize Credit Union League Limited (the "League") is a non-profit service organization for its member credit unions. The League is incorporated under and governed by the Credit Union Act, Chapter 314 of the Laws of Belize (Revised 2003) as amended by Act 34 of 2005, and Act 18 of 2007.

The League operates from its principal office at 88 Victoria Street, Belize City, Belize. At 31st March 2016, the League had 7 employees.

The League's primary purpose is to serve the needs of member credit unions. This is achieved by promoting the development of credit unions, improving management and reducing costs. The League advocates for and on behalf of its members with the Government of Belize and other regulatory bodies.

These financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Unless otherwise stated, monetary amounts are stated in Belize dollars. The accounting policies outlined in Note 2 have been consistently applied to all periods presented.

The League also complies with the Credit Union Act Chapter 314 of the Laws of Belize (Revised 2003), modified by Act No. 34 of 2005 and Act No 18 of 2007 as reflected in its policies in Note 2.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS

The significant accounting policies used in the preparation of these financial statements are summarized below. These accounting policies conform, in all material respects, to IFRS.

2.1 General

Use of estimates and assumptions:

In preparing the financial statements, management is required to make subjective estimates and assumptions that affect the reported amount of assets, liabilities, net income, and related disclosures. Estimates made by management are based on historical experience and other assumptions that are believed to be reasonable.

Key sources of estimation uncertainty include: impairment and useful lives of property and equipment, determination of fair value of financial instruments, post-employment benefits, and accrued liabilities. Accordingly, actual results may differ from these and other estimates thereby impacting future financial statements. Refer to the relevant accounting policies in this note 2 for details on our use of estimates and assumptions.
2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS (continued)

2.1 General (continued)

Significant judgements:

In preparation of these financial statements, management is required to make significant judgements that affect the carrying amounts of certain assets and liabilities, and the reported amounts of revenues and expenses recorded during the period. Significant judgements have been made in the following areas and discussed as noted in the financial statements: determination of fair value of financial instruments, impairment and useful lives of property and equipment, post-employment benefits, and accrued liabilities.

2.2 Changes in accounting policies

There were no changes in accounting policies during the year.

2.3 Financial instruments - recognition and measurement

Cash and cash equivalents:

Cash and cash equivalents comprises of cash balances and call deposits held with various financial institutions. All cash and cash equivalents have a term of less than 90 days in compliance with IFRS.

Investments:

Investments in debt instruments are measured at amortised cost if the debt instrument has a contractual term to issue regular cash flows of principal and interest and if the League intends to hold the investment to its contractual maturity. All other investments are initially measured at inception at fair value plus transaction costs and are subsequently measured at fair value with changes recorded through net profit and loss.

At each reporting date, management evaluates investments to determine if there is objective evidence of impairment. Such evidence includes: when an adverse effect on future cash flows from the asset or group of assets can be reliably estimated and when there is a significant or prolonged decline in the fair value of the investment below its cost. The actual amount of future cash flows and their timing may differ from the estimates used by management and consequently may cause a different conclusion as to the recognition of impairment or measurement of impairment loss.

-Continues
2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS (continued)

2.3 Financial instruments - recognition and measurement (continued)

Investments (continued):

When assessing impairment on debt instruments management primarily considers third party information such as external ratings and comparable sales. Significant judgement is required in assessing impairment as management is required to consider all available evidence in determining where objective evidence of impairment exists and whether the principal and interest can be fully recovered.

When the investments are disposed of or impaired, the related gains and losses are included in the statement of comprehensive income as gains and losses from investment securities. All purchases and sales of trading and investment securities are recognized at settlement date, which is the date the League completes the transaction.

Accounts receivables:

Trade receivables are initially recognized at fair value which is represented by the original invoice amount. Trade receivables are subsequently measured at amortized cost using the effective interest method less impairment.

A provision for impairment is established when there is objective evidence that the League will not be able to collect all amounts due according to the original terms of the sale. Evidence for impairment include indications that the debtor is experiencing significant financial difficulty, probability of bankruptcy, and adverse changes in the payment status of the debtor.

Prepayments and deposits:

Prepayments and deposits are initially recognized at fair value which is represented by the original payments advanced or assets exchanged. Subsequently, prepayments and deposits are measured at the statement date using the effective interest rate method.

Accounts payable and project liabilities:

Accounts payable and deferred income are recognized on an accrual basis, when goods or services are received. Liabilities are recognized initially at the transaction price (including transaction costs) and are subsequently measured at the undiscounted amount of cash or other consideration expected to be paid. Project liabilities are recognized as deferred revenue when funds received have not yet been expended for the project. Refer to policy on revenue recognition.

-Continues
BELIZE CREDIT UNION LEAGUE LIMITED
NOTES TO THE FINANCIAL STATEMENT
31ST MARCH 2016

All amounts expressed in Belize dollars

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS
(continued)

2.3 Financial instruments - recognition and measurement (continued)

Borrowings:

All borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings
are subsequently measured using the effective interest rate method.

Determination of fair value:

The fair value of a financial instrument is the price that would be received to sell an asset or paid
to transfer a liability in an orderly transaction between market participants at the measurement
date. Management determines fair value by incorporating all factors that market participants
would consider in setting a price, including commonly accepted valuation approaches. Where
there is no active market and observable prices or inputs are not available, management
judgement is required to determine fair values by assessing other relevant sources of information
such as historical data and information from similar transactions.

Interest:
Interest is recognized in Interest income and Interest expense in the statements of
comprehensive income for all interest bearing financial instruments using the effective interest
method. The effective interest rate is the rate that discounts estimated future cash flows over the
expected life of the financial asset or liability to the net carrying amount upon initial recognition.
Significant judgement is applied in determining the effective interest rate due to uncertainty in the
timing and amounts of future cash flows.

When financial assets bearing interest become doubtful of collection, accrued and uncollected
interest is recorded as impaired.

Offsetting financial assets and financial liabilities:

Financial assets and financial liabilities are offset on the statement of financial position when
there exists both a legally enforceable right to offset the recognized amounts and an intention to
settle on a net basis or realize the assets and settle the liability simultaneously.

De-recognition of financial assets & liabilities:

Financial assets are derecognized on the statement of financial position when the League's
contractual rights to the cash flows from the assets have expired, when the League retains the right
to receive the cash flows of the assets but assume an obligation to pay those League cash flows to
a third party, or when the League has transferred the contractual rights to receive the cash flows

-Continues
2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS (continued)

2.3 Financial instruments - recognition and measurement (continued)

De-recognition of financial assets & liabilities (continued):

Financial liabilities are derecognized on the statement of financial position when the League's obligation specified in the contract expires, is discharged, or is cancelled. The difference between the carrying amount of the financial liability and the consideration paid is recognized in the statement of comprehensive income.

2.4 Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated in Belize dollars at rates prevailing at the date of the statement of financial position. Foreign exchange gains and losses resulting from the translation and settlement of these items are recognized in the statement of comprehensive income. Non-monetary assets and liabilities in foreign denominations are translated into Belize dollars at historical rates.

2.5 Employee benefit obligations

Termination benefit - severance:

The League recognises termination benefits in accordance with the labour laws of Belize and its staff policy document.

2.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less selling costs. The cost of inventories is the acquisition cost plus duties and all landing and handling costs. The cost of inventories is determined using the first-in first-out (FIFO) method. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less selling costs; and the impairment loss is recognised immediately in the statement of comprehensive income.

2.7 Property and equipment

Property and equipment includes land, buildings, furniture, fixtures, and computer equipment. Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use which includes borrowing costs on qualifying assets, and the initial estimate of any disposal costs.
2.7 Property and equipment (continued)

Depreciation is recorded using the straight line method over the estimated useful lives using the following rates:

- Furniture and fixtures: 10%
- Equipment: 20%
- Buildings: 3%

Land is not amortized as the useful life cannot be estimated. Property is not amortized until it is available for use.

Property and equipment is assessed for indicators of impairment at each reporting date. If there is an indication that the asset may be impaired, an impairment test is performed by comparing the asset's carrying amount to its recoverable amount. The recoverable amount is the higher of the asset's value in use or fair value less costs of disposal.

2.8 Provisions

Provisions are liabilities of uncertain timing or amount and are recognized when the League has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured as the best estimate of the consideration required to settle the present obligation at the reporting date. Significant judgement is required to determine whether a present obligation exists and in estimating the probability, timing and amount of any cash outflows. Provisions are recorded on the basis of all available information at the end of the reporting period. In the event that results differ from management expectations, the League may incur expenses in excess of the provisions recognized.

2.9 Leasing

A lease is an agreement in which the lessor grants the lessee the right to use an asset for an agreed upon period of time in return to a payment or series of payments. A finance lease is a lease that transfers substantially all the risk and rewards incidental to ownership of the leased asset to the lessee, where title may or may not eventually be transferred. An operating lease is a lease other than a financing lease.

Operating leases:

In the event that the League is a lessee in an operating lease, the rental payments are recorded on a straight-line basis over the lease term in the statement of comprehensive income.
2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS (continued)

2.9 Leasing (continued)

Finance leases:

In the event that the League is a lessee in a financing lease, the leased asset is recorded to property and equipment and the related lease obligation is recorded as a liability on the statement of financial position. The amount recorded is the lower of the fair value of the leased asset and the minimum lease payments.

2.10 Income recognition

The League occasionally receives donation income from external funders restricted to be used for a specific purpose. Income is comprised of the fair value of consideration received or receivable. Restricted donation income is not recognized until specific services have been rendered or goods delivered in accordance with the donation agreement. Income which has been received but not yet recognized is recorded as deferred income on the statement of financial position.

Interest income is recognized using the effective interest method.

Income from sales of stationery are recognized when goods are delivered to the customer.

Fee income from member credit unions is recorded as income in the period in which it is earned.

All other income is recognized when the amount of income can be reliably measured and it is probable that future economic benefits will flow to the League.

2.11 Expense recognition

Expenses are recognized on the accrual basis in the period the goods are received or services are rendered.

2.12 FINANCIAL RISK MANAGEMENT

The League's activities exposes it to a variety of financial risks, including market risk, credit risk, currency risk, price risk, inventory risk, liquidity risk and cash flow risk. The League's risk management is carried out under the policies established and approved by the Board of Directors. These policies seek to minimize potential adverse effects on the League's financial performance.
2. **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS (continued)**

2.12 **FINANCIAL RISK MANAGEMENT (continued)**

**Market risk:**

The League is exposed to market risk which is the risk that the fair value or cash flows of a financial instrument (such as Borrowings or foreign currencies) will fluctuate due to changes in market prices. The League pays interest on Borrowings and the rate of interest is subject to fluctuations in market prices. To mitigate the risk increases to interest rates on borrowings would place on the liquidity of the League, the League has signed contracts with the credit unions to fix the interest rate over the term of the loan.

The League is exposed to currency risk arising from receipts from foreign funders that are made in foreign currency, which may not be available on demand locally. The League manages this risk by maintaining agreements with the foreign funder and budgeting to ensure projects have sufficient cash inflows.

**Credit risk:**

The League is exposed to credit risk which is the risk that a counterpart will be unable to pay amounts when due. The League has no concentrations of credit risk. The League has policies in place to ensure cash deposits are collected from debtors in advance of contracted services or ordering goods. The League only extends credit to customers which they have long standing relationships and have a history of collectability. Management monitors outstanding receivable balances, if any, and communicates with debtors on a regular basis.

**Liquidity risk and cash flow risk:**

The League is exposed to liquidity risk which is the risk that sufficient cash will not be available to cover normal operating expenses and fixed costs. The League manages this risk with prudent cash management.

**Fraud risk:**

The League is exposed to fraud risks from members as well as employees. The League seeks to minimize these risks through internal controls, authorizations for payments, checks and balances as well as requiring valid identification documents.

3. **CARRYING VALUE AND FAIR VALUE OF SELECTED FINANCIAL**

Management has not observed any material differences between the carrying value of financial instruments and the fair value. Fair value are computed based on quoted prices for similar instruments and directly observable market inputs.
4. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belize Bank Limited</td>
<td>58,490</td>
<td>37,285</td>
</tr>
<tr>
<td>Holy Redeemer Credit Union Limited - Building Fund Account</td>
<td>11,291</td>
<td>9,581</td>
</tr>
<tr>
<td>Holy Redeemer Credit Union Limited - Non-mandatory Share Account</td>
<td>37,834</td>
<td>28,440</td>
</tr>
<tr>
<td>Holy Redeemer Credit Union Limited - Chequing Account</td>
<td>139,457</td>
<td>103,482</td>
</tr>
<tr>
<td>Cash in transit</td>
<td>16,135</td>
<td>9,352</td>
</tr>
<tr>
<td>Petty cash</td>
<td>261</td>
<td>147</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>263,468</td>
<td>188,287</td>
</tr>
</tbody>
</table>

5. **INVESTMENT**

Investment consists of the following:

Term deposit invested at St John's Credit Union Limited, unsecured, which matures September 2016. Interest receivable at the rate of 2% per annum will be paid at the maturity date.

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>56,467</td>
<td>55,988</td>
</tr>
</tbody>
</table>

6. **ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member credit unions</td>
<td>39,097</td>
<td>33,433</td>
</tr>
<tr>
<td>Loans to staff members</td>
<td>1,250</td>
<td>250</td>
</tr>
<tr>
<td>Member credit unions - stationary</td>
<td>926</td>
<td>1,421</td>
</tr>
<tr>
<td>Member credit unions - group health insurance</td>
<td>786</td>
<td>476</td>
</tr>
<tr>
<td>Other receivables</td>
<td>-</td>
<td>18,360</td>
</tr>
<tr>
<td>Dividends receivable from Holy Redeemer Credit Union Limited</td>
<td>-</td>
<td>1,058</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>42,059</td>
<td>54,998</td>
</tr>
</tbody>
</table>

7. **DEPOSITS AND PREPAYMENTS**

Deposits and prepayments consist of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member credit unions - conference registration</td>
<td>82,726</td>
<td>91,452</td>
</tr>
<tr>
<td>Caribbean Confederation of Credit Union (CCCU) annual dues</td>
<td>76,814</td>
<td>49,453</td>
</tr>
<tr>
<td>Waste disposal deposit</td>
<td>169</td>
<td>169</td>
</tr>
<tr>
<td>Property taxes</td>
<td>1,409</td>
<td>1,507</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>161,118</td>
<td>142,581</td>
</tr>
</tbody>
</table>
8. INVENTORIES

Inventory consists of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stationery held for resale</td>
<td>2,815</td>
<td>4,807</td>
</tr>
<tr>
<td>ATM inventory cards</td>
<td>3,750</td>
<td>891</td>
</tr>
<tr>
<td>ATM receipt paper</td>
<td></td>
<td>594</td>
</tr>
<tr>
<td></td>
<td><strong>6,565</strong></td>
<td><strong>6,292</strong></td>
</tr>
</tbody>
</table>

9. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>Land &amp; Buildings</th>
<th>Furniture &amp; Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2016</strong></td>
<td><strong>Cost</strong></td>
<td><strong>Cost</strong></td>
<td><strong>Cost</strong></td>
</tr>
<tr>
<td>At 31st March 2015</td>
<td>486,383</td>
<td>201,274</td>
<td>687,657</td>
</tr>
<tr>
<td>Additions</td>
<td>5,421</td>
<td>6,450</td>
<td>11,871</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 31st March 2016</td>
<td><strong>491,804</strong></td>
<td><strong>207,724</strong></td>
<td><strong>699,528</strong></td>
</tr>
<tr>
<td><strong>Accumulated amortization</strong></td>
<td><strong>Cost</strong></td>
<td><strong>Cost</strong></td>
<td><strong>Cost</strong></td>
</tr>
<tr>
<td>At 31st March 2015</td>
<td>30,842</td>
<td>126,587</td>
<td>157,429</td>
</tr>
<tr>
<td>Additions</td>
<td>11,690</td>
<td>26,493</td>
<td>38,183</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 31st March 2015</td>
<td><strong>42,532</strong></td>
<td><strong>153,080</strong></td>
<td><strong>195,612</strong></td>
</tr>
<tr>
<td><strong>Net book value at 31st March 2016</strong></td>
<td><strong>449,272</strong></td>
<td><strong>54,644</strong></td>
<td><strong>503,916</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Land &amp; Buildings</th>
<th>Furniture &amp; Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2015</strong></td>
<td><strong>Cost</strong></td>
<td><strong>Cost</strong></td>
<td><strong>Cost</strong></td>
</tr>
<tr>
<td>At 31st March 2014</td>
<td>486,383</td>
<td>201,446</td>
<td>687,829</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>12,215</td>
<td>12,215</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(12,387)</td>
<td>(12,387)</td>
</tr>
<tr>
<td>At 31st March 2015</td>
<td><strong>486,383</strong></td>
<td><strong>201,274</strong></td>
<td><strong>687,657</strong></td>
</tr>
<tr>
<td><strong>Accumulated amortization</strong></td>
<td><strong>Cost</strong></td>
<td><strong>Cost</strong></td>
<td><strong>Cost</strong></td>
</tr>
<tr>
<td>At 31st March 2014</td>
<td>21,182</td>
<td>110,858</td>
<td>132,040</td>
</tr>
<tr>
<td>Additions</td>
<td>9,660</td>
<td>28,115</td>
<td>37,775</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(12,386)</td>
<td>(12,386)</td>
</tr>
<tr>
<td>At 31st March 2015</td>
<td><strong>30,842</strong></td>
<td><strong>126,587</strong></td>
<td><strong>157,429</strong></td>
</tr>
<tr>
<td><strong>Net book value at 31st March 2015</strong></td>
<td><strong>455,541</strong></td>
<td><strong>74,687</strong></td>
<td><strong>530,228</strong></td>
</tr>
</tbody>
</table>
10. DEFERRED INCOME

Deferred income had the following movements during the year:

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>42,180</td>
<td>42,180</td>
</tr>
<tr>
<td>Funds received</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disbursements</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>42,180</td>
<td>42,180</td>
</tr>
</tbody>
</table>

Deferred income relates to an agreement with the International Development Bank (IDB) for the League to provide IT development services and to assist in implementing an ATM system for member credit unions. Amounts have not yet been spent for their intended purpose as of 31st March 2016. There is no set date by when the monies need to be spent. If the funds are not used for their intended purpose, they would be required to be reimbursed to the IDB.

11. ACCOUNTS PAYABLE

Accounts payable consist of the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued payables</td>
<td>26,076</td>
<td>17,875</td>
</tr>
<tr>
<td>Other payables</td>
<td>20,701</td>
<td>6,362</td>
</tr>
<tr>
<td>Total</td>
<td>46,777</td>
<td>24,237</td>
</tr>
</tbody>
</table>

12. SEVERANCE PAYABLE

Severance payable consists of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severance payable at beginning of year</td>
<td>37,834</td>
<td>28,440</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>-</td>
<td>9,394</td>
</tr>
<tr>
<td>Payments during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Severance payable at end of year</td>
<td>37,834</td>
<td>37,834</td>
</tr>
</tbody>
</table>
13. BORROWINGS

Loan from member credit unions for operating and building costs issued as preferred shares. Loan is unsecured and has a term of 20 years ending 2030. Interest accrues at the rate of 4% per annum; payable annually. Principal repayment due in full by the maturity date of the loan.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued interest on loan</td>
<td>27,871</td>
<td>14,150</td>
</tr>
<tr>
<td>Less: Current portion of borrowings</td>
<td>(52,871)</td>
<td>(39,150)</td>
</tr>
<tr>
<td>Non-current portion of borrowings</td>
<td>525,000</td>
<td>540,000</td>
</tr>
</tbody>
</table>

Loans are repayable as follows:

- Within one year: 52,871
- Within two to five years: 85,550
- After 5 years: 439,450

Total: 577,871

14. NET INCOME FROM CREDIT UNION WEEK

Net income from Credit Union Week consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Credit Union Week</td>
<td>50,026</td>
<td>53,931</td>
</tr>
<tr>
<td>Expenses from Credit Union Week</td>
<td>(25,924)</td>
<td>(34,741)</td>
</tr>
<tr>
<td>Net proceeds</td>
<td>24,102</td>
<td>19,190</td>
</tr>
</tbody>
</table>

15. NET INCOME FROM STATIONARY AND ATM CARD SALES

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of stationary and ATM cards</td>
<td>37,818</td>
<td>13,351</td>
</tr>
<tr>
<td>Cost of sales:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning inventory</td>
<td>6,292</td>
<td>5,904</td>
</tr>
<tr>
<td>Purchases</td>
<td>21,931</td>
<td>3,034</td>
</tr>
<tr>
<td>Less: ending inventory</td>
<td>(6,565)</td>
<td>(6,292)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>16,160</td>
<td>10,705</td>
</tr>
</tbody>
</table>
STATEMENT OF EXPENSES
YEARS ENDED 31ST MARCH 2016

All amounts expressed in Belize dollars

<table>
<thead>
<tr>
<th>Administrative expenses:</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td></td>
<td>225,398</td>
<td>218,988</td>
</tr>
<tr>
<td>CCCU dues</td>
<td></td>
<td>100,000</td>
<td>99,112</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td>38,183</td>
<td>37,775</td>
</tr>
<tr>
<td>Consultancy expense</td>
<td></td>
<td>28,738</td>
<td>-</td>
</tr>
<tr>
<td>Staff allowance</td>
<td></td>
<td>26,416</td>
<td>22,375</td>
</tr>
<tr>
<td>Interest on borrowings</td>
<td></td>
<td>22,171</td>
<td>22,775</td>
</tr>
<tr>
<td>Workshop expenses - training and development</td>
<td></td>
<td>22,144</td>
<td>575</td>
</tr>
<tr>
<td>Education and training - staff</td>
<td></td>
<td>20,917</td>
<td>18,707</td>
</tr>
<tr>
<td>Travel and subsistence</td>
<td></td>
<td>16,435</td>
<td>13,754</td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td>15,471</td>
<td>15,358</td>
</tr>
<tr>
<td>Electricity</td>
<td></td>
<td>14,295</td>
<td>15,914</td>
</tr>
<tr>
<td>Telephone and internet</td>
<td></td>
<td>13,708</td>
<td>14,307</td>
</tr>
<tr>
<td>Audit and accounting fees</td>
<td></td>
<td>11,361</td>
<td>10,463</td>
</tr>
<tr>
<td>Advertisement</td>
<td></td>
<td>9,698</td>
<td>12,402</td>
</tr>
<tr>
<td>Office supplies</td>
<td></td>
<td>8,039</td>
<td>8,879</td>
</tr>
<tr>
<td>Corporate agency expenses</td>
<td></td>
<td>6,757</td>
<td>6,553</td>
</tr>
<tr>
<td>Social security</td>
<td></td>
<td>6,179</td>
<td>5,312</td>
</tr>
<tr>
<td>Equipment maintenance</td>
<td></td>
<td>5,930</td>
<td>3,765</td>
</tr>
<tr>
<td>ATM card supplies</td>
<td></td>
<td>5,716</td>
<td>3,436</td>
</tr>
<tr>
<td>Annual general meeting</td>
<td></td>
<td>5,451</td>
<td>5,080</td>
</tr>
<tr>
<td>Uniform allowance</td>
<td></td>
<td>2,800</td>
<td>2,400</td>
</tr>
<tr>
<td>Yard maintenance</td>
<td></td>
<td>2,600</td>
<td>2,600</td>
</tr>
<tr>
<td>Postage</td>
<td></td>
<td>2,427</td>
<td>2,136</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td>2,386</td>
<td>2,510</td>
</tr>
<tr>
<td>Meeting expense</td>
<td></td>
<td>2,353</td>
<td>3,315</td>
</tr>
<tr>
<td>Counterpart contribution</td>
<td></td>
<td>2,332</td>
<td>-</td>
</tr>
<tr>
<td>Bank charges</td>
<td></td>
<td>1,573</td>
<td>859</td>
</tr>
<tr>
<td>Property tax</td>
<td></td>
<td>1,507</td>
<td>1,507</td>
</tr>
<tr>
<td>Donation</td>
<td></td>
<td>1,400</td>
<td>650</td>
</tr>
<tr>
<td>Security</td>
<td></td>
<td>1,193</td>
<td>1,181</td>
</tr>
<tr>
<td>Subscriptions</td>
<td></td>
<td>1,066</td>
<td>1,333</td>
</tr>
<tr>
<td>Building maintenance</td>
<td></td>
<td>996</td>
<td>502</td>
</tr>
<tr>
<td>Garbage disposal</td>
<td></td>
<td>810</td>
<td>810</td>
</tr>
<tr>
<td>Gas for generator</td>
<td></td>
<td>403</td>
<td>540</td>
</tr>
<tr>
<td>Water</td>
<td></td>
<td>321</td>
<td>245</td>
</tr>
<tr>
<td>Entertainment expense</td>
<td></td>
<td>-</td>
<td>130</td>
</tr>
<tr>
<td>Severance</td>
<td></td>
<td>-</td>
<td>9,394</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>627,174</strong></td>
<td><strong>565,642</strong></td>
</tr>
</tbody>
</table>
June 2016

BELIZE CREDIT UNION LEAGUE LIMITED

BOARD OF DIRECTORS

Mr. Clement Usher          - Term ends today
Mr. Fred Smith            - Term ends today
Mrs. Elsie Sylvestre      - Two more years
Mr. William Tillett       - Two more years
Mr. Michael Riverol       - One more year
Mrs. Lizbeth Castillo     - One more year
Mr. Rene Torres           - One more year
Mr. David Friesen         - One more year
Mr. Leopoldo Romero       - One more year

SUPERVISORY COMMITTEE

Mr. Jose Can              - Term ends today
Mr. Neil Wade             - Term ends today
Mr. Andy Johnston         - Term ends today