LA INMACULADA CREDIT UNION LTD.

70th AGM

ANNUAL GENERAL MEETING



LICU RESIDENTIAL LOANS





8.5% FIXED ON THE REDUCING BALANCE

HOGAR

Helping Ourselves Gain Access to Residence





- ✓ Free Loan Coverage up to $40,000.00
- ✓ Reduced House Insurance Premiums
- ✓ Reduced land document processing costs
- ✓ Reduced cost for property appraisals
- ✓ Free Life Savings Coverage
- ✓ Member's Life Coverage

UP TO $2,500 FOR 1ST TIME BORROWERS WITH A SALARY ASSIGNMENT OR DEDUCTION...

Some Restrictions Apply.

Affordable Available Accessible Financial Services

LA INMACULADA CREDIT UNION LTD. BELIZE, C.A.





1% Monthly on the Reducing Balance

AGENDA

1. MEETING CALLED TO ORDER BY PRESIDENT

2. NATIONAL ANTHEM

3. OPENING PRAYER

(See inside back cover) – One Minute Silence

4. WELCOME REMARKS

5. MINUTES

a. Confirmation of Minutes of the 69th Annual General Meeting
b. Business Arising from the Minutes of the Last Meeting

6. REPORTS

a. Board of Directors
b. Treasurer's Report
c. Credit Committee
d. Supervisory Committee

7. DISCUSSION AND ACCEPTANCE OF REPORTS

8. DECLARATION OF DIVIDENDS AND REBATES

9. ELECTION OF OFFICERS

a. Board of Directors

10. OTHER BUSINESS

11. NEW BUSINESS

a. Confirmation of External Auditor
b. Resolution – Amendments to By-Laws
c. Resolution – Disaster Recovery Fund

12. ADJOURNMENT OF BUSINESS MEETING

13. REFRESHMENTS AND PRIZES

MINUTES OF THE 69th ANNUAL GENERAL MEETING of the LA INMACULADA CREDIT LIMITED held at The Muffles College Auditorium, Orange Walk Town on Sunday, July 1, 2018

OPENING AND PRELIMINARIES

CALL TO ORDER



The meeting was called to order by the President, Ms. Ena Martinez, at 10:35 a.m. The opening prayer was led by Ms. Ana McLaughlin. The National Anthem was led by Ms. Ena Martinez, while the Welcome address was given in English by Ms. Lisa Carrillo.

The minutes of the 67th Annual General Meeting were accepted as presented on a motion by Mr. Belizario Carballo, and seconded by Mr. Emmanuel Martinez.

Correction to the 68th Annual General Meeting
The winner of the Tablet was Marrely Rosado and not Norely Rosado.

The minutes of the 68th annual General Meeting were accepted as corrected on a motion by Mr. Roman Canul and seconded by Ms. Martha Lopez.

Matters Arising from The Minutes
Mr. Belizario Carballo asked for an update on the court case against LICU. The President gave a brief synopsis of the court case from its commencement on February of 2017, mediation, objection of evidence by Mr. Eamon Courtney, testimony given by LICU witnesses, and leading to the adjournment to October of 2018.

Mr. Angel Jimenez questioned the missing money that was previously reported. Mr. Isael Cajun, Chairman of the Supervisory Committee, informed that the services of two independent firms, Ms. Shawn Mahler and Horwatt Belize Ltd., had been engaged in an effort to account for it. He went on to say that there was no evidence to show theft and that controls have been strengthened at the ATM, vault and with the tellers for the handling of money.

Mr. Emmanuel Martinez asked for an update on membership to the Credit Union League. The President explained that LICU was officially a member of the League as at the beginning of the 2018 fiscal year.

BOARD OF SERVICES REPORT

SERVICES

The Group Term Life Fund – Membership Scheme

The membership scheme has been in effect since 2006 and has assisted 410 families as at March 31, 2018. During the year in review the fund grew by $191,129.24 after paying sixty-five (65) benefits. The fund balance stood at $1,365,333.24 as at the end of March 2018.

Savings and Loans Membership Scheme

This fund grew by $259,599.88 and has a balance of $1,369,278.88 after eight (8) years of existence.

ALLIANCE PARTNERSHIP/NETWORKING

LICU continued to offer the 15% discount on insurance requirements resulting in a total discount of $9,575.26 from coverages processed via LICU's office.

Caribbean Confederation of Credit Unions (CCCU) Convention 2017

The 60th Annual International CCCU Convention was held in Varadero, Cuba from June 16 to June 21, 2017. Ms. Ena Martinez, President, Mr. Belarmino Esquivel, Director, Ms. Cindy Castillo, Director, and Mr. Carlos Contreras, Chair of the Credit Committee, attended.

Sugar Cane Replanting Program (SCRP)

LICU accessed a total of $1,500,000.00 from this program of which $800,000.00 has been repaid and a current balance of $700,000.00 remains.

For the fiscal year in question, LICU approved and disbursed thirty (30) loans with a value of $194,300.00.

Rural Credit Fund (RCF)

This fund financed thirty-one (31) loans totalling $183,375.15.

LICU Star Savers Program

Presently, LICU serves thirteen (13) schools with a total of six hundred and fifty-three (653) students who have saved a cumulative amount of $47,636.70.



Social Entrepreneurship Program (SEP)/Empowerment Fund (EF)

This loan facility was created for visionary and brave entrepreneurs who need funds to move their business forward. Members were invited to make use of this service.

Resilience in the Americas Youth Entrepreneurs Program (RITA – YAP)

In 2016 LICU and the Belize Red Cross Society joined efforts with the objective of establishing a revolving loan facility with the purpose of empowering young entrepreneurs of specific target communities. The Belize Red Cross Society created a guarantee fund of $20,000.00 with LICU.

Sarteneja Alternative Livelihoods Microloans Program (SALMP)

Another targeted guarantee fund revolving credit loan facility was established through the collaboration of the Sarteneja Fisherman Association (SFA) and LICU. This program targets the wives of fishermen. The guarantee fund totalled $14,000.00 and it has assisted fourteen (14) women thus far.

Sugar Fest 2017

LICU participated in the 2017 Sugar Fest where it displayed its services and benefits.

Secure Debit Network – Network One

Network One offers members the opportunity to access cash countrywide at forty-five (45) ATMs and over three hundred and fifty (350) points of sale.

Student Loan Program with Belize Natural Energy Charitable Fund (BNECT)

As at March 31, 2017 LICU and BNECT had assisted two hundred and forty-two (242) students with a total value of $1,250,885.63. Of these students, ninety-two (92) have repaid their loan in full totalling $458,751.00.

Credit Union Week 2017

Credit Union Week was commemorated on the week of October 15 to 22, 2017. On Thursday October 19, International Credit Union Day, LICU held an open day, which saw the participation of The Belize Road Safety Project, The Orange Walk Police Department, Youth for the Future, and The Department of the Environment, among other groups.

Most of the staff attended the Belize Credit Union League Convention held at Belize City on Saturday, October 21.

A Mass of thanksgiving was held at La Inmaculada Church on Sunday, October 22.



EDUCATION AND TRAINING

LICU offered four (4) high school scholarships this year. The recipients are Neideline Chan, Israel Novelo, Lorennie Leon, and Aldair Hobb.

STAFF DEVELOPMENT

Staff & Volunteers Training & Development

In April of 2017 the President, General Manager, and a committee member attended a training entitled How to Conduct Meetings and Preside Over Elections.

The General Manager, Operations Manager, and cashiers attended an Anti-Money Laundering and Counter Terrorism financing training.

The Credit Staff attended a Property Valuation Training and Securities training in November of 2017.

In February 2018, the entire staff and the Board and committees attended a training on LICU's Loan Policy.

Human Resource Complement

LICU's staff was complemented from September 2017 to April 2018 with the addition of twelve (12) staff members, seven (7) for the Orange Walk branch and five (5) for the Belmopan branch.

BELMOPAN BRANCH

A major effort was made to control delinquency and strengthen the branch in all aspects. Ms. Danita Young was appointed Officer in Charge in June 2016.

The membership currently stands at 4,764 members.

A Micro Finance Field Officer has been hired to assist with increasing the loans and membership portfolio.

DECLARATION OF DIVIDENDS

The President declared a 4% dividend and a 2% rebate for the year 2017 – 2018.

TREASURER'S REPORT

Savings increased by $2.81M or 5%. Assets also increased by $3.37M or 5%, while loans decreased by $.65M or -1%. The treasurer attributed the decrease of loans to the migration of long-standing members to other financial institutions. This, she said, is a major concern for LICU.



The membership grew by 1,103 members. This is a growth of 4%. Total membership as at March 31, 2017 stood at 27,034. An intensive review of the membership will be done in an effort to eliminate inactive accounts and accounts that are below mandatory shares.

A depository bin has been acquired in an effort to reduce the long lines at the office. Along with this additional cashiering also took place at the second floor on busy days.

Credit Committee's Report

A total of 6,759 loans with a total value of $37,041,483.23 were approved and disbursed. Of these, 1,619 loans with a value of $9,749,903.53 were issued at the Belmopan branch and 5,140 loans with a value of $27,291,579.70 were given at the Orange Walk branch.

The loans portfolio as at March 31, 2018 stood at $57,298,851.00.

The five top loan purposes were improvement and repairs ($5,603,630.93), business ($4,692,907.66), education ($4,200,108.26), medical ($4,101,828.41), and other/personal ($3,022,211.65).

Delinquency stood at 15.4%. This is reflected in a total of 2,048 loans with a combined value of $8,823,629.56.

Supervisory Committee's Report

The statements of financial position, income and expenses, and cash flows were reviewed and were found to fairly reflect, in all aspects, the financial position of LICU.

Areas of improvement for LICU included reporting, cash management, credit monitoring, expenditure controls and cost decreases.

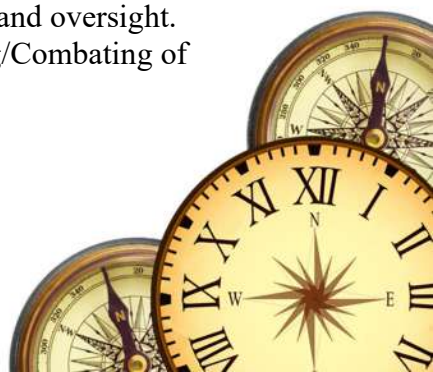
The existence and completeness of cash as at March 31, 2018 were examined and confirmed.

Operational expenses were reduced once more and expenditure was properly approved for recording in expenses.

The usage of the credit card was carried on in compliance with the procedures and policies set in place.

Members' loan balances were verified by contacting the members directly to ensure accurate loan provisioning for delinquency.

An Internal Auditor and a Compliance Officer were hired to improve controls and oversight. This has greatly assisted with the compliance with the Anti-money Laundering/Combating of Financing Terrorism Act and the Financial Intelligence Unit Act.



Discussion of Reports

The Board of Directors' report was accepted as presented by Ms. Cecilia Torres and seconded by Ms. Carmita Yama.

The Treasurer's report was accepted as presented by Mr. Edward Novelo and seconded by Mr. Miguel Cuellar.

The Credit Committee's report was accepted as presented by Mr. Angel Jimenez and seconded by Ms. Marcelina Magaña.

The Supervisory Committee's report was accepted as presented by Mr. Roman Canul and seconded by Ms. Clarita Gentle.

Raffles

Three raffles were held at this time. The winners were as follows:

1 George Foreman Grill	Ticket No. 248552	Ms. Micaela Mai
1 Oster Sandwich/Waffle Maker	Ticket No. 248507	Mr. Jovanny Tejada
1 Samsung 7" WIFI Tablet	Ticket No. 248617	Ms. Ashanty Hyde

Election of Officers

Ms. Corine Fuller, Executive Director of the Belize Credit Union League, conducted elections for two posts in the Credit Committee and two posts in the Supervisory Committee.

The nominating committee, comprising of Ms. Ena Martinez, from the Board, Mr. Isael Cajun, from the Supervisory Committee, and Mr. Carlos Contreras, from the Credit Committee, had nominated Mr. Javier Moreno and Ms. Marcia Tun for the posts in the Credit Committee, both for a full term. The committee had also nominated Mr. Isael Cajun for a full term and Ms. Dorita Herrarte for two years to serve in the Supervisory Committee.

There were no nominations from the floor for the Credit Committee so Ms. Arcelia Leiva moved that nominations be closed. This was seconded by Mr. Gabriel Baeza.

Likewise, there were no further nominations from the floor for the Supervisory Committee so Mr. Ricardo Castillo moved that nominations be closed. This was seconded by Mr. Alvin Tillett.

NEW BUSINESS

Confirmation of External Auditor

The Master of Ceremonies, Mr. Javier Moreno, proposed to the membership that they give the Board the authority to start the process of appointing an external auditor. The membership gave the approval.



Resolutions to Amend the By Laws

The President presented a resolution to amend LICU's By Laws. Mr. Ricardo Castillo strongly opposed the amendment to the section on termination of membership. He said it was too dictatorial. He also spoke against the amendment to the section which spoke on officers or directors who vacate their post if they fail to attend three consecutive meetings.

Mr. Ricardo Escarraga agreed with Mr. Castillo on the wording of the amendment to the section on termination of membership and proposed that the wording of the amendment be changed for clarity purposes.

Mr. Ignacio Moh asked for an example of a reason for someone to be terminated as a member. To this, Mr. Moreno answered that fraud or money laundering could be possible reasons.

Mr. Evaristo Blanco asked for clarification on the 10% income set aside for the reserve fund and the loans loss reserve. Ms. Corine Fuller explained that of the net income, 10% should be allocated for the reserve fund. She also explained that power could be given to the Board to borrow on behalf of the credit union.

Mr. Emmanuel Martinez made a motion that the proposed changes to the By-laws be postponed to the following year's AGM since the proposals were not clear to the membership. This motion was seconded by Ms. Maria Moreno. The motion was put to a vote, and the membership accepted it.

ADJOURNMENT

The meeting was adjourned at 1:26 p.m. on a motion by Ms. Martha Lopez and seconded by Ms. Janine Gillett. At this time food and refreshments were served. Raffles were also drawn. The winners were as follows:

Prize	**Ticket No.**	**Winner**
Shares or Cash	248305	Avimael De La Rosa
" "	24848	Perla Alonzo
" "	449075	Yahir Vallecillos
" "	2448016	Maria Wright
" "	248136	Vicente Witzil
" "	248138	Paulino Chi
" "	248030	Dora Galdamez
" "	248130	Minor Meneses
" "	449058	Alana Sotz
" "	248034	Elizabeth Mendez
Hamilton Beach Stand Mixer	248187	Siomara Ba
Mabe 19Kg Top Load Washer	248489	Rosa Elvira Carnegie
JIVE 5 pc Dining Set	449160	Joy Almendarez
Luxury Pillows/Slippers	248512	Melina Carballo
LG DVD Player	449129	Marelly Rosado



Amparo's Gift Certificate	248622	Melany Stevens

Respectfully Submitted,

Manuel Polanco
Secretary



BOARD OF DIRECTORS
2018 - 2019



Ena A. Martinez
President



Belarmino Esquivel
Vice President



Manuel Polanco
Secretary



David Constanza
Assistant Secretary



Cindy Castillo
Treasurer



Teresita Miranda
Director



Oscar Gutiérrez
Director

BOARD OF DIRECTORS REPORT 2018 - 2019

A warm welcome to our 70th Annual General Meeting!!

We are pleased to stand once more before you to report on the fiscal year 2018-2019. As we all know, LICU is a dynamic institution that is resourced with the right combination of skills, talents and dedication of our committed volunteers, our professional staff and you, our members, who access and use our numerous benefits and services responsibly to ensure our continued success. We wish to extend a heartfelt thank you to everyone who is here demonstrating an active interest in the affairs of our cherished credit union.

We will now be sharing with you the many accomplishments that we have achieved together over the past year and see that we are reaping the rewards because of the time and effort that we have invested in our credit union.

SERVICES

This year we have seen the migration of a number of our members to other financial institutions where many of our benefits are not available to them, mainly, because the focus of these institutions is not on the general welfare of our members; rather, their pursuit is driven principally by their desire to "close the deal" in getting our members to take up a loan with them.

We, on the other hand, are in this movement together as joint owners and our main objective is to ensure that our families and communities are protected at all times, both, financially and socially. We design our benefits and services for challenges and events that are inevitable; such as our Sunrise to Sunset fund, which in a small, yet very important, way contributes to providing peace of mind and reducing the unnecessary distress during the loss of a loved one, with our $2,000.00 and $4,000.00 grants. We also monetarily reward your loyalty in saving regularly by matching your savings up to a maximum of $8,000.00. We even cover all loans up to $40,000.00; this value covers about 90% of all our borrowing members. Your credit union is here for you at all times. Let us be there for our credit union at all times!

At the credit union we also prepare and perfect all our legal documentation and conduct our own land and property valuations internally at more affordable rates, resulting in substantial savings to our members. Over the years, we have provided equity and stability to many of our members who, otherwise, would have found it extremely difficult to

qualify anywhere else, at other rates. We value you and we want to ensure that you benefit from what we can offer - the possibility of a better future and a long-lasting relationship in all aspects.

Let us take some time to expound a bit more on the many ways that our credit union makes our daily lives better:

NEW SERVICES AND BENEFITS

DEPOSITORY BIN SERVICES 24/7



We are fully aware that we all have numerous demands on our limited time and we need to make the most of every second. We value your time and now offer the access and convenience of being able to make your deposits, whether to shares, loan payments or savings, at your leisure and convenience at our office in Orange Walk. It is easy, safe, convenient and free of charge!

We encourage you to take some deposit slips at home and prepare them in the comfort and safety of your home and then simply drop them off in the deposit bin. Kindly take note that your payments done through this medium begin to be processed at 8:30 a.m. on the following business day. Also be informed that relevant requirements apply similarly to over the counter payments.

BILL PAYMENT SERVICES

LICU aims to become your premiere financial institution to meet your every need. We now offer the convenience of being able to make most of your bill payments over the counter. You can also get your Top-ups from both Digicel and SMART at both our Orange Walk and Belmopan offices.



DESIGNATED PARKING AND WHEELCHAIR SERVICES

You are our priority and we want to make your visits to the office as comfortable as possible. We understand that some of our members have specific needs due to special conditions or physical limitations, so we have set aside a specific parking area, as well as resourced a wheel chair, for you to be able to access the office easily in Orange Walk. Feel free to request our complimentary wheel chair assistance from our professional security officers.

MORE BENEFITS TO COME!!

SHARETEC SYSTEM – CORE BANKING CONVERSION

In September of last year, after much deliberation and research, we entered into a contract with Bradford-Scott Data Corporation (BSDC), designers and creators of Sharetec System, a new core banking system for credit unions which we will be adapting and fully migrating to on August 1, 2019.



In recent years, following the streamlining and re-focusing of our credit union, we have come to realize the numerous shortcomings of our current system and its difficulty to adapt quickly to a dynamic and ever-changing banking industry and the high expectations of our membership. Its older technological features made it increasingly difficult for our staff to meet the service demands of our membership as well as our reporting obligations to our regulators; moreover, its high susceptibility to human interference and manipulation, may have at times, compromised the quality and integrity of our reports.



In an effort to guarantee the migration of the best quality data and the most updated information, we have embarked on the cleaning of our entire system, removing unnecessary data such as closed accounts, accounts with negative balances, and accounts of deceased persons. We have also initiated on a complete and comprehensive revamping and re-classification of our entire loan portfolio to better portray to our membership, management and our regulators, a truer picture of our investment, portfolio quality and risk concentrations. You can also expect new features in our system, such as improved home banking and online services, the introduction of e-notices and alerts, improved transaction

recording and receipting, and timely notices of promotions, events and other important information.

Our goal is to be able to convert to this new system starting August 1st, 2019 with as little disruption and discomfort as possible, though we do not completely discard the possibility of occasional glitches and challenges which we hope to resolve on a timely basis with the technical backing of BSDC and our in-house technicians and your continuous and unfailing support and understanding. We will keep you informed as we make progress and approach conversion day.



THE GROUP TERM LIFE FUND – MEMBERSHIP SCHEME



The Membership Scheme – Sunrise to Sunset Fund has been assisting the beneficiaries of our members-owners since 2006 and has assisted 515 entire families as at March 31, 2019.

The assistance provided for this past year totaled $220,000.00 as follows:

1	4,000.00	Ofelia Osorio	39	4,000.00	Delvorine Smith
2	4,000.00	Leoncio Zetina	40	4,000.00	Sharon D. Seguro
3	4,000.00	Pamela Lino	41	4,000.00	Isabel Chi
4	2,000.00	Elidio Munoz	42	4,000.00	Stanley Herrera
5	4,000.00	Annet Rodriguez	43	4,000.00	Jimer Perez
6	4,000.00	Gaspar Vargas	44	2,000.00	Edilberta Requena
7	4,000.00	Magdalena Sabido	45	2,000.00	Hermila Vasquez
8	2,000.00	Eustacia Luna	46	2,000.00	Alejandra Lopez
9	2,000.00	Isabel Jiron	47	4,000.00	George Cummings
10	2,000.00	Tiburcio Baeza	48	4,000.00	Rosario Novelo
11	4,000.00	Lemi Ewan	49	2,000.00	Maria L. Padron
12	4,000.00	Ernesto Ramirez	50	2,000.00	Ana Maria Martinez
13	4,000.00	Catalina Bobadilla	51	2,000.00	Rosario Mencias
14	2,000.00	Alicia Dora Martinez	52	2,000.00	Peter A. Sutherland
15	4,000.00	Clarita Bacab	53	4,000.00	Alfred Barrow
16	2,000.00	Ricardo Melendez	54	2,000.00	Elia Escalante
17	2,000.00	Laura Torres	55	4,000.00	Kenyon Leo Pandy
18	2,000.00	Natividad Sanchez	56	4,000.00	Arcadia Garcia
19	2,000.00	Leandro Castellanos	57	2,000.00	Servano Briceno
20	2,000.00	Reymundo Vallecillo	58	2,000.00	Perfecta Melendez

21	2,000.00	Jose R. Argueta
22	2,000.00	Sofia Alfaro
23	4,000.00	Victor Ayuso
24	4,000.00	Ronnie T. Daly
25	4,000.00	Dorrel Flowers
26	2,000.00	Hermelinda Roberts
27	2,000.00	Basilia Novelo
28	4,000.00	Suleima Celiz
29	2,000.00	Arita Hoy
30	4,000.00	Elena Chun
31	2,000.00	Jose Chacon
32	2,000.00	Baldemar Verde
33	2,000.00	Thomas Arzu
34	4,000.00	Cristobal Mendez
35	4,000.00	Samuel Castro
36	4,000.00	Jose Medina
37	2,000.00	Salvador Nazario
38	4,000.00	Pedro Romero
59	4,000.00	Alfonso Guy
60	4,000.00	Enriqueta Maas
61	4,000.00	Rafaela Yam
62	2,000.00	Vivian Te
63	2,000.00	Sonia Rubio
64	2,000.00	Eluterio Gutierrez
65	2,000.00	Reinaldo Cajun
66	4,000.00	Edwin Castro
67	2,000.00	Enedina Arjona
68	2,000.00	Norma Munoz
69	2,000.00	Althea Chavarria
70	2,000.00	Virginia Flowers
71	2,000.00	John Triminio
72	4,000.00	Ricardo Mayen
73	4,000.00	Sasha Hyde
74	2,000.00	Rita Jimenez
75	2,000.00	Pedro Novelo

Grand Total $ 220,000.00

This past year the fund grew by $169,836.62 after paying seventy-five (75) benefits, in comparison to sixty-five (65) paid out for last year. The fund balance stood at $1,535,169.86 as at March 31, 2019 after expensing out $10,107.00 for a comprehensive actuarial review.

SAVINGS AND LOANS MEMBERSHIP SCHEME



Benefits paid as matched funds to beneficiaries in addition to members' savings.



Additionally, Free Loans Coverage protects the assets acquired by your loans converting them to inheritance.

Our credit union was founded on the premise that we can make our lives better by coming together collectively and investing, borrowing, and repaying our loans to generate a surplus to provide additional benefits to our committed owners. One of those benefits is the coverage on your savings, depending on the age you save, up to a maximum of $8,000.00. This coverage is also extended to all loans up to $40,000.00 once you are in good standing and up to date with your payments. This coverage is automatic and free of charge which results in, oftentimes, unnoticed and unsung savings as our members do not have to pay for additional external protection once it is within the coverage.

The total benefits paid amounted to $460,598.60 and assisted 81 families for this year only.

This fund grew by $124,328.71 and has a balance of $1,493,607.59 after nine (9) years as captured in the audited financial statement.

LICU has indeed assisted countless lives positively with burial grants, the matching of shares and loan payments of our deceased members, our reduced insurance rates, our low service charges and our literacy training – making us the best choice to achieve financial prosperity!!

ALLIANCES/PARTNERSHIP/NETWORKING

RF&G INSURANCE

Members continue to enjoy the 15% discount on insurance coverage which resulted in total earnings discount of $19,924.47 which saw a significant increase in comparison to $9,575.26 from last year. This includes the policies implemented throughout the year and the bulk yearly renewals for all policies at the end of the fiscal year. We also earned $7,622.28 as agents for the implementation of the insurance coverages which increase our income and our returns to you. Both savings mean that you have more in your pockets at implementation and in the yearly renewals.

We wish to commend RF&G for the timely payments that have been made in all our claims. During these trying times is when we can appreciate the importance of having coverage for the unexpected.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS (CCCU) CONVENTION 2018





The CCCU 61st Annual International Convention was held in Port of Spain, Trinidad in June 2018 under the theme Credit Unions: The Power to Change the Future. The conference's main objective was to better equip Credit Unions to be able to overcome apparent changes and difficulties in times ahead. Facilitators from the US and the Caribbean shared their experiences and perspectives in areas such as providing world class customer service, AML/CFT Information Sharing and how to attract young leaders to become a part of your organization. The main focus was mainly on the impacts and implementation of International

Financial Reporting Standards (IFRS-9). These sessions surely equipped us to be more mindful and be able to compete in the global financial landscape and to maintain our uniqueness while we strive to serve our members in good and critical times.

LICU STAR SAVERS PROGRAM

Our outreach activities to our current and potential young members continued with a renewed focus particularly in the last half of the fiscal year with excellent results as it was well received and supported. This is evident in the statistics showing that we continue to serve 13 schools with a total of 721 students that have saved a commendable cumulative amount of $64,738.59. It is impressive to see how these young members have been able to save so much by being committed and consistent. We know that they will be the future driving force of LICU and we will continue to equip them with the skills to differentiate between their needs and wants and how to save to achieve their personal and professional goals.





We are always willing and available to deliver presentations that will foster savings, thrift, entrepreneurship and responsible financing and are open to invitations to functions, fairs, and schools. Education is truly the key to success.

STUDENT LOAN PROGRAM WITH BELIZE NATURAL ENERGY CHARITABLE TRUST (BNECT)



As at March 31, 2019 LICU and BNECT had been able to assist 270 deserving students and their families with a total loan value of $1,548,212.76. It is very encouraging to report that 128 of these responsible students along with their parents and guarantors have repaid their BNECT loans with a total value of $1,157,132.71. This is now serving as a credit history to be able to access additional loans as they move into adulthood and we look forward to continue meeting their needs into adulthood. We look forward to continue assisting our community and country through the empowerment of deserving students.

We thank all students who are repaying as promised or, even better, are repaying from before, and encourage

them to continue doing so as it frees and makes available the funds so that others who are applying can enjoy the same support and assistance from this program. We also reach out to those who are not living up to their commitments, to kindly contact the office so that we can work out an acceptable repayment plan. When you get back on track, it will rebuild your credit history for future needs and will also increase the accessible resources for others.

We are conscious that the job market is flooded with numerous graduates and whilst we have assisted in getting many to this exciting achievment, we also want to support them if they wish to invest in themselves through entrepreneurship. With the era of technology upon us, there are numerous ways to earn an income and we encourage you to visit our offices to see how we can put our resources to work to start you on the best path.

EXTERNAL FUNDING

We utilize the shares from our members as capital to provide loans to our members but we also source and utilize external funding from social partners that have the same focus and objective of improving the lives, sustainability and income of our members. Below are the statistics:

SUGAR CANE REPLANTING PROGRAM (SCRP)

We have a total of $422,893.76 in our SCRP loan portfolio as at March 31, 2019. We should be clearing this external debt with DFC in the coming fiscal year.



SOCIAL ENTREPRENEURSHIP PROGRAM (SEP)

Our SEP loans are through a loan facility obtained from IDB/MIF also for entrepreneurship and income generation. We currently have a loan portfolio of $190,135.01. This loan facility will also be cleared in this coming fiscal year which will leave us free of all external debts.



EMPOWERMENT FUND (EF)

The Empowerment Fund uses the BNECT account as a guarantor for income generating loans but has a very limited uptake to date. We have dialogued with BNECT on reviewing the conditions for approval so as to make it more accessible. We encourage all entrepreneurs to visit us as we can mobilize the available $250,000.00 to grow their business.

EDUCATION AND TRAINING

Scholarship recipient(s) 2018-2022

We eagerly anticipate the receiving and reviewing of applications for our Prosperity Vision Scholarship for the year 2019-2023 and were pleased to receive 28 applications. The Education Committee, comprised of two Board members and an officer from both the Supervisory and Credit Committee, had the challenging but rewarding task of selecting the deserving students. The successful applicants were as follows:



Jesser Uh
O.W. Technical
High School



Graciani Puc
Canaan Seventh
Day Adventist



Daniel Vasquez
Muffles College
High School

We have assisted our young members with scholarships since 2004 and have awarded 34 scholarships which offer each student $4,000.00 to assist them throughout their four years of study. We look forward to increasing the number of scholarships but this will only be possible if all of us do our respective parts in saving, borrowing and repaying responsibly.

STAFF DEVELOPMENT

STAFF AND VOLUNTEERS TRAINING & DEVELOPMENT

The LICU Board, Committees, Management and Staff participated in a series of trainings throughout this past fiscal year to enhance their skills and expertise to better serve our membership.

In the early part of the fiscal year the LICU Board President and several LICU Staff attended a Front-Line Customer Service Training facilitated by the Insurance Institute of Belize.

The LICU Board President, General Manager and LICU Staff attended a training on the Basic Principles of Insurance in June 2018, facilitated by the Insurance Institute of Belize. A Board representative also attended a Seminar on the Food Industry in June 2018 and LICU Accountant attended an International Financial Reporting Standards (IFRS) Training in the latter part of June 2018.

LICU's staff then participated in a Service Excellence Workshop in August, 2018 followed by a workshop in Team Building in September 2018. Both workshops were facilitated by the Institute of Professional Development. Also, in September 2018, LICU Staff attended a National Payment System (NPS) session facilitated by the Belize Credit Union League (BCUL).



The General Manager and a LICU Board Representative attended the Caribbean Micro-Finance Alliance Forum, which was held in Jamaica in October 2018. The General Manager and a Staff Representative also attended a training, 'Communicating with Kindness', in October 2018, facilitated by RF&G & Chamberlain Consulting.



In February 2019, the BOD President, the General Manager and Compliance Officer attended an Introductory Training on Responsible Inclusive Finance. This was then followed by the Annual Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) Training that was held for all employees, officers and directors later in February 2019.

The LICU Board President & General Manager attend monthly Belize Credit Union League (BCUL) Board Meeting for General Credit Union Matters.

During the fiscal year, there was a continuation of a series of in-house training sessions on Enhanced Public Relations and Superior Customer Service as part of a commitment to improve member experience at all levels of contact.





HUMAN RESOURCE COMPLEMENT

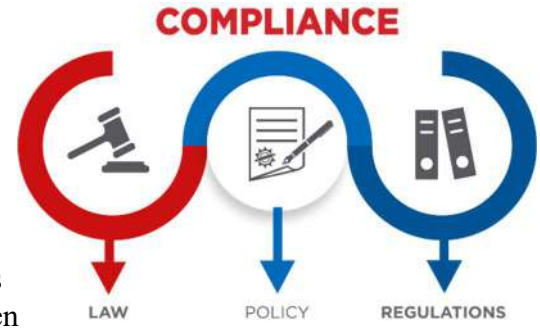
LICU's core staff has once more strived to maintain and excel in the quality of service delivered to our members at both Orange Walk Headquarters and at the Belmopan Branch Office. In this fiscal year, the staff was complemented as follows:

1. Mardo Urbina – Security Officer – Orange Walk (April 2018)
2. Jenny Chi - Messenger/Officer Assistant – Belmopan (April 2018)
3. Shanice Flowers – Credit Advisor – Belmopan (April 2018)
4. Oscar Avila – Information Technology (IT) Officer – Orange Walk (September 2018)
5. Sergio Carrillo – Information Technology (IT) Officer - Orange Walk (October 2018)
6. Maricela Menjivar – Cashier/Public Relations Officer – Belmopan (November 2018)
7. Reuven Gonzalez – Credit Advisor – Belmopan (November 2018)
8. Christian Aguilar – Registry Officer/Office Assistant – Orange Walk (January 2019)
9. Emir Vega – Internal Auditor – Orange Walk (January 2019)

As has now become customary, the new recruits underwent a thorough and educational induction into LICU with an intense three (3) day theoretical orientation and then hands on training for the next two weeks. This newly implemented training process has proven to be a success as they are able to quickly and efficiently integrate themselves into the work flow.

COMPLIANCE AND REGULATION

Regulation undoubtedly affects financial institutions in a variety of challenging ways, increasing the cost of service and sometimes making the delivery of great customer experiences more difficult. This, however, is vitally important as it serves as a traffic officer in the crowded streets of the financial industry. Furthermore, failure to meet these requirements can lead a financial institution to be fined, penalized and even be engaged in costly lawsuits which can jeopardize its members-owners' capital and even put it out of business.



With this in mind, we welcome you to engage with our experienced personnel, at a minimum of once a year, to update your personal records and to become aware of what's new at your credit union. The information gathered is kept highly confidential and stored securely for our business operations only. Ultimately, this important information assists LICU with upgrading its operational processes; increasing its overall efficiencies and delivering a higher quality of service. For us here at LICU, we are not only meeting your needs, but also anticipating new ones. Help us follow the law and we will pave the way for you to meet your future financial needs. Kindly note that the requirements apply to new and existing members and are subject to change as per amendments to the local and international laws.

The following are minimum items you may need to present on your next visit to the credit union:

- **Identification:** a valid Social Security card or passport (adult); Social Security card along with birth certificate (minor);
- **Proof of address**: utility bill in your name (not older than 3 months); employment letter; letter from village chairperson; bank statement or other government issued identification.; and
- **Source of funds declaration**: documentation confirming the origin of the funds deposited to your account if it falls outside of your normal and supported deposit patterns i.e. sale agreement along with copy of vehicle documents; land sale agreement along with copy of title documents or bank reference/ receipts from where funds were withdrawn. The attendant may request additional information subject to the processed transaction.

DELINQUENCY

Delinquency is a major concern for LICU as we strive to secure our members' investments to be able to declare good returns. The collections department has a formal and enforceable policy that entails courtesy calls, reminder letters and, of last resort, court action and foreclosures.

We have implemented monthly schedules where members are visited at their homes by our Loans Monitoring Officers to secure concrete arrangements that are closely monitored for compliance. We have encountered legitimate cases that have resulted in non-payment and we try our best to assist our members until they are able to resume payments. Unfortunately, we have also seen cases where members deliberately refuse to honor their commitments.

We remain committed to our collection and recovery efforts and we ask that our members comply and meet their monthly payments as it benefits them throughout the year to qualify for promotions and future loans, especially when faced with emergencies as well as at payment of dividends and rebates. We reap what we sow.

BELMOPAN BRANCH

The Belmopan Branch has been in operation since October 2013 and remains under the leadership of our current Officer in Charge, Mrs. Danita Young. The branch's membership currently stands at 5136 with over $9.7 M under the loan portfolio. While our number one challenge remains in reducing delinquency, we continue our efforts to control it and with the recent acquisition of a new vehicle, we are hopeful that this will assist us more. Since the last year, we have had changes in our staff complement and are now hiring recruits with more experience and strengths in the financial background. We recently posted another position for Cashier/PR and are hopeful that this will assist the branch in improving efficiency and service to our members. With the launch of our different loan promotions such as the HOGAR, Livestock, Holly Jolly, etc. we are able to offer competitive market rates to assist our members with their needs.

We look forward to continue serving our members with efficiency and friendly customer service and with the Compliance officer now on board, we have had to request necessary documents from our members and ask for their understanding and patience as we comply with the Central Bank

regulations. We will soon embark on a new system with Sharetec and are hopeful that this will assist us as well.

As the branch continues to grow and improve, we remain positive in our efforts and vision and we know as a team we will accomplish this goal to better serve our members.

CONCLUSION

We extend our most cordial appreciation to all our members who have continuously met your commitments in saving and repaying promptly which contributes to our growth and your returns.

We must also highlight that some members have not kept up with their responsibility of repaying their loans and this negatively impacts all of us. We want to reassure you that we will continue to make every effort to recover your hard-earned investments. We know that some members genuinely have challenges and have come in to make arrangements and we are more than pleased to work out a mutually beneficial agreement. However, we do have some members who simply choose not to make payment with total disregard to the fact that they are abusing the trust and confidence of the members who diligently save. It is also most unfortunate that some who are not being responsible and honest choose to try to justify their negligence and lack of responsibility by placing blame on the credit union and our staff simply for doing our jobs. This is unfair and unacceptable as we are simply taking charge of our duty to safeguard your investments. We will continue to follow our full recovery as it is only fair that everyone repays what they have already borrowed.

Our year of countless efforts has resulted in a net surplus of $2,933,363.00 after all statutory allocations have been fully complied with. The Board is pleased to recommend 5% dividend and 6% rebate.

Kindly note that these funds will be available for withdraw to all eligible members for the next 60 days, as is normally done.

For and on behalf of the Board of Directors,



Ena Martinez
President

Board of Directors

Belarmino Esquivel	-	Vice-President
Manuel Polanco	-	Secretary
David Constanza	-	Assistant Secretary
Cindy Castillo	-	Treasurer
Teresita Miranda	-	Director
Oscar Gutierrez Jr.	-	Director

Treasurer's Report

April 1st 2018 to March 31st 2019

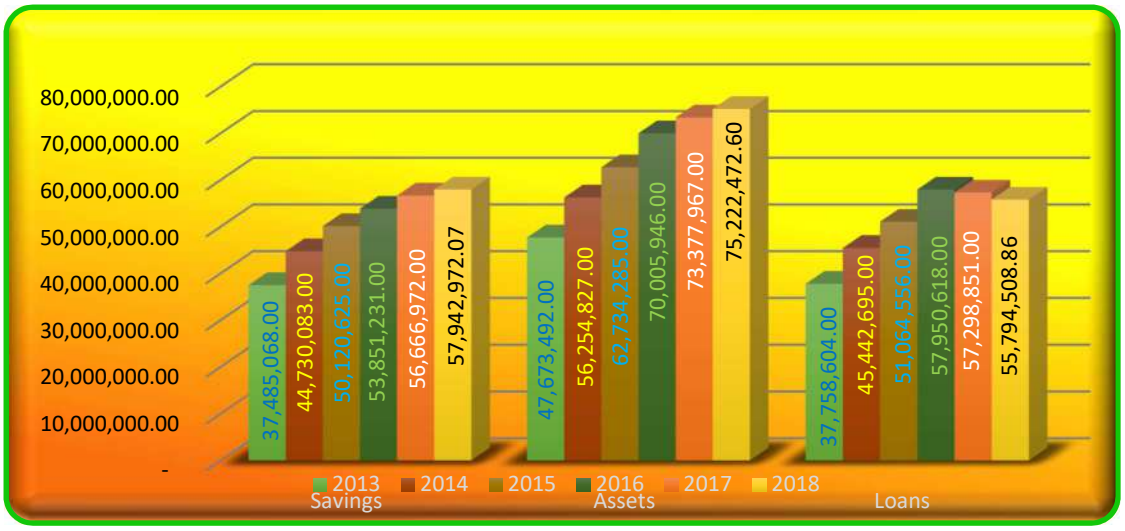
LICU has remained committed to the development of its membership, its community and its country with visionary leadership, professional and committed staff, and with responsible, faithful and wise members, like you.

Every action, project, product or service that we design, develop and offer is driven by one objective – to improve your lives, your access, your convenience and your future. We choose to be deliberate in our actions to promote thrift through personalized loans by offering you the finances that you require for the best results of your project without over-indebting you unnecessarily. We realize that there may be unexpected challenges in the future and we want to be able to assist you in every future need; however we would like to clarify that we are only able to assist you to the extent that you may have the capacity to repay without overburdening you and depriving your family of your basic needs. This is the mantra of social and financial responsibility that underscores the role of LICU in our communities. We also highly encourage you to continue saving consistently to increase your bargaining power.

Our combined efforts for the past fiscal year yielded the following results:

- Savings increased by $1,276,000.07 or 2%
- Assets increased by $1,844,505.60 or 3%
- Loans decreased by $1,504,342.14 or -2.6%

The following table shows our growth trend for the past five years:



Kindly see the net loans in Notes 7 on page 17 of the audited financials that show that our net loans receivable in comparison to last year is almost at par, displaying a decrease of $507,178. The graph above depicts the gross figures without the netting off of the loan loss provisioning. This

means that our active loan portfolio saw a reduction of $507,178.00 in comparison to the stated $1,504,342.14 above.

It is also important to highlight the additional challenges and expenses that we have had to incur in the last four years after we underwent a major restructuring and streamlining of our management in order to bring us into full compliance with the Central Bank of Belize, as required by law. The two required reserves that were brought in line in 2015 were the Loan Loss Provisioning and the Net Institutional Capital.

From the figures below you can clearly see that we were grossly under-provisioning, relative to the year 2014 (not added in the total); however, after repeated and consistent reviews of the loan portfolio, we were able to more accurately quantify and categorize our deteriorating credits accordingly and provide for the required regulatory allocations. As you can appreciate, we have had to expense out $4,654,866.63 for non-performing loans in the last four years as a result of poor credit analysis, negligent securitization and, purposeful manipulation and deliberate misrepresentation of data in the past. This amount expensed out represents funds that could have been used to declare higher dividends and rebates in the last four years – a clear and present setback to our institution and to our individual members.

	LLP Expense
2014	$ 64,870.00
2015	$ 807,716.00
2016	$ 1,915,389.00
2017	$ 1,226,255.00
2018	$ 705,506.63
4 year Total	$ **4,654,866.63**

Additionally, on the advice of our regulators, we removed almost $1.5 million in non-performing loans from our active loans, hence the reduction in the loan portfolio in the same amount, as these deteriorated loans had been too long in our books, at considerable cost. We wish to clearly point out and declare that: the delinquent borrowers are still liable for their debts; that these loans are still fully recoverable, through all available legal mediums; and, that we will actively continue to pursue their eventual recovery. Despite these and many other challenges, such as a large migration of loans to other financial institutions, we have still been able to consistently declare returns comparative and even higher, as with our fixed deposits, than the market.

We can assure you that our comprehensive loan policy is being adhered to and we are overseeing and managing a healthier portfolio that will bring you greater returns. This current portfolio still holds a number of these old accounts that we are actively pursuing to bring into compliance.

We have also consciously provisioned an additional $4,274,859.00 in the last four years to build up our Net Institutional Capital. The total of these two allocations is almost $9 million which we should have been allocating during previous years, but were not complying. Therefore, we had to do so within the last few years. This means that we were over distributing in dividends during the years prior to 2015 as our reported surpluses would have been greatly decreased. We are confident

that we have made the right decisions in ensuring that our funds are allocated to be in compliance as this represents stability and sustainability for all of us.

This year we opened 1,374 accounts between our main and branch office which shows an increase compared to 1,103 for the last fiscal year. As at March 31, 2019 our membership stood at 25,894, which, while appearing to have only a slight increase in our membership in comparison to last year's restated total membership, it shows a true picture of our membership as it now only reports on active members that have the required minimum shares. The figures were also impacted by the removal of some accounts as a result of a general cleanup of information that was embarked on during this fiscal year and is still ongoing.

Kindly see note 1 on page 7 of the audited financials, where the previous year's membership was restated for comparative purposes. This was restated from 27,034 to 25,391 for the year 2017.



Conclusion

We look forward to this coming fiscal year with much expectation, and eager anticipation, as we migrate to our new core banking system that should bring added value and convenience to you. We reiterate that we will continue on our active recovery efforts for all loans in arrears to recover your outstanding investments and will continue providing the best products and services to enhance and complement your busy lives.

We encourage you to take advantage and maximize the use of all our services, including the largest network of ATM's and POS's, Network One, our depository bin in OW, our online services, our outreach service to schools and rural communities, our over-the-counter utility payments and access to our partners in development through our loan programs. This is in addition to our numerous benefits of convenient and tailored loans and free coverages on life savings and loans as well as our burial scheme.

Let us continue working hand in hand; together, we have a formidable institution with the resources, staff, capacity and willingness to continue improving our lives and our future.

Respectfully,



Cindy Castillo
Treasurer

Headquarters Staff (Orange Walk)



Belmopan Branch Staff



The Board of Directors and Committee members take this opportunity to recognize and thank our Management and Staff for their unwavering support, perseverance, and accomplishment. These continuous efforts uplift our Credit Union and its members. They are the gears that propel LICU into the future!

CREDIT COMMITTEE
2018-2019



Javier E. Moreno
Chairperson



Carlos Contreras
Officer



Marcia Tun
Secretary

Credit Committee Report
April 1st 2018 to March 31st 2019

INTRODUCTION

La Inmaculada Credit Union Ltd. (LICU) observed the end of another fiscal year on March 31, 2019. During this year, as the Credit Committee fulfilled its functions on providing proper oversight of LICU's Credit portfolio and department, we were able to note the steady progress of delivering on its services to our members/owners. Despite the challenges and changes underwent, we felt glad to report that LICU came through with its best foot forward. Both employees and volunteers (directors and officers) ensured that they took advantage of every opportunity available to be better trained in the areas of anti-money laundering, credit risk management and others. LICU in its aim to remain the best option in the credit industry saw the successful launch of both Christmas loans and Easter loans promotions. As we report on the status of our loan's portfolio and delinquency, be assured that we have remained steadfast in keeping LICU as the only road to your financial prosperity.

LOAN PORTFOLIO

In the past fiscal year 6,305 loans were approved at a total value of $38,147,338.39. In comparison to last year, we recorded a growth of $1,105,855.16 (3%) in our approved loan portfolio. Our top five loan purposes were namely: *Repairs* - $5,086,922.02, *Christmas* - $4,798,984.60, *Education* - $4,302,724.54, *Medical* - $4,062,106.34 and *Business* - $3,850,163.81 as illustrated in the accompanying pie chart. Noteworthy was the Christmas loan promotion that in a mere three month period generated a whopping **$4,798,984.60, (13%)** of the loan portfolio for the fiscal year 2018 - 2019. Our overall aggregate loan portfolio stood at $55,794,579.30 with our Belmopan branch bearing a value of $9,931,159.79 and our headquarters in Orange Walk with a value of $45,863,419.51.

Whilst our fiscal year recorded a growth of three percent (3%), our overall aggregate loan experienced a decrease from $57,298,851 to $55,794,509, a difference of $1,504,342 which translated to a two point six percent (2.6%) decrease. This was due primarily to the write off of loans in arrears and migration of loans to the banks.

Tables I and II that follow further illustrate the performance of our loan portfolio for the fiscal year 2018-2019.

LICU LOAN PORTFOLIO 2018 - 2019

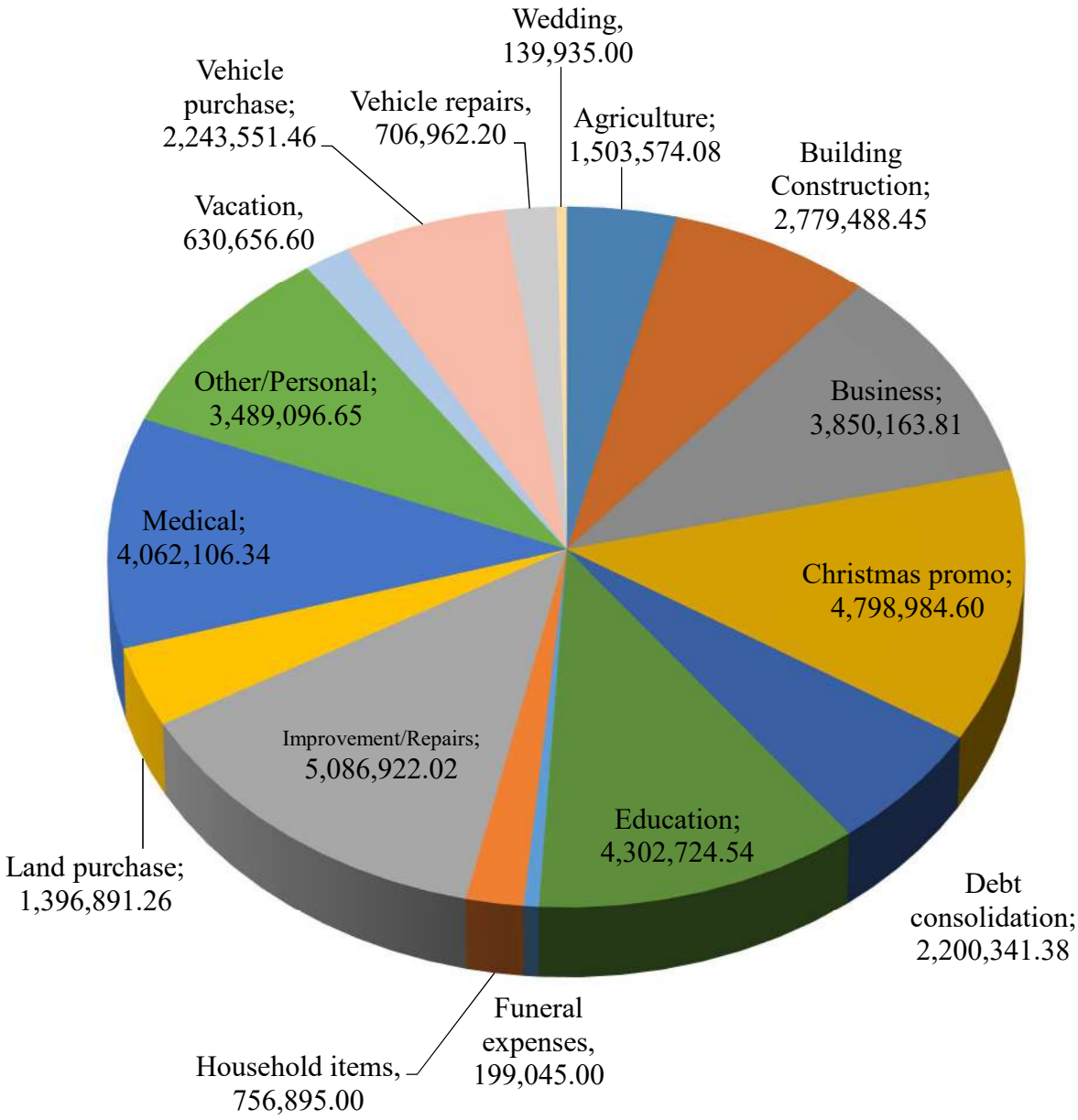


Table I **Loans by purpose for 2018 - 2019**

Agriculture	1,503,574.08
Building construction	2,779,488.45
Business	3,850,163.81
Christmas promo	4,798,984.60
Debt consolidation	2,200,341.38
Education	4,302,724.54
Funeral expenses	199,045
Household items	756,895
Improvement/Repairs	5,086,922.02
Land purchase	1,396,891.26
Medical	4,062,106.34
Other/Personal	3,489,096.65
Vacation	630,656.60
Vehicle purchase	2,243,551.46
Vehicle repairs	706,962.20
Wedding expenses	139,935
Total – loans disbursed	**38,147,338.39**

Table II. **Loans disbursed by branch 2018 – 2019**

Branch	No. of loans	Loans value
Belmopan	1,625	10,134,103.74
Orange Walk	4,680	28,013,234.65
Total	**6,305**	**38,147,338.39**

DELINQUENCY

We need to reclaim the days when a person was true to his/her word and it meant something. Unfortunately, delinquency continues to be a thing of the present here at LICU. In compliance with Central Bank requirements, $1,475,603.50 of loans in arrears has been written off. Loans in arrears are now at a value of $6,804,712.94, (12.2 %) of our aggregate loan portfolio. This write-off is an added unnecessary cost to our good standing members/owners. A write off on loans in arrears denies our upright members/owners better returns on their investments with LICU. Remember that LICU's success and health is dependent on keeping good with our promise to pay. Borrowing wisely along with meeting our debts plus living within our means hardly ever bears any negative consequence. Let us all be part of the good, responsible members that keep LICU strong and going. We applaud our members who are true to their commitments with us for being the bedrock of LICU's success.

CONCLUSION

There is certainly a need for added support and better controls on risk management in our credit sector. We aim to make our credit line more affordable to our members/owners as it certainly generates more returns as experienced with our Christmas loan promotion. Loans are our lifeline; it is of utmost importance that we safeguard it.

In looking back, we have had another successful year. Our committee is thankful to have been privileged to have served you in safeguarding your financial interests here at LICU. We are truly grateful for the healthy partnerships we enjoy with our Board and Management. We commend management and staff for their valued input in delivering on another success story here at LICU. God Almighty has been our beacon and travelling companion; we are fortunate and grateful. We ask for His continuous blessing in the year ahead.

Respectfully yours,



Javier E. Moreno
Chairperson

Marcia Tun - Secretary
Carlos Contreras - Officer

SUPERVISORY COMMITTEE
2018-2019



Lisa Carrillo
Chairperson



Secretary
Dorita Herrarte



Isael Cajun
Officer

SUPERVISORY COMMITTEE REPORT
1 April 2018 – 30 March 2019

INTRODUCTION

Presented to the membership of La Inmaculada Credit Union Limited (LICU) on this 70th Annual General Meeting.

Pursuant to the Credit Union Act of the Laws of Belize, your Supervisory Committee examined the financial statements at LICU and the related reports for the fiscal year ended 31 March 2019. The Supervisory Committee is responsible for examining the controls and systems at La Inmaculada Credit Union Ltd. LICU's management is responsible for the preparation, presentation, and accuracy of the financial reports contained in this Annual Report.

In our opinion, the reports present fairly, in all material respects, the financial position of LICU.

In order for the Supervisory Committee to effectively carry out its functions, the Central Bank of Belize had strongly recommended that we hire an internal auditor. This vacancy was filled by an outsourced internal auditor; however, this arrangement did not prove efficient. The Supervisory committee then opted for hiring a full-time internal auditor. In January 2019, we hired Mr. Emir Vega to fill this post.

During the fiscal year the Supervisory Committee with the assistance of the internal auditor performed the following tasks:

1. Established the internal audit function and developed an internal audit charter at LICU.
2. Assisted with the ongoing supervision and implementation of the new core banking system
3. Reviewed bank reconciliations
4. Reviewed loan files for adherence to policies and procedures
5. Conducted cash counts throughout the year at both branches
6. Engaged a new external auditor for this fiscal year – BDO Belize LLP
7. Conducted along with the internal auditor an institution-wide risk assessment
8. Reviewed minutes of meetings with Board of Directors
9. Reviewed the financial statements
10. Attended training sessions on AML/CFT and roles of Supervisory Committee
11. Reviewed purchases made using the credit card

Having examined and conducted these tasks we conclude that ongoing revision is necessary to safeguard the assets of the credit union. Our risk assessment has revealed several areas where controls need to be revamped. We are committed to the ongoing improvement of our credit union, therefore, the Supervisory Committee pledges to work along with our full-time internal auditor and together ensure that there is transparency, accountability and improved controls. Despite the challenges we have encountered in the process, we continue to plan and work strategically to address every area of concern.

CLOSING REMARKS

The Supervisory Committee offers its appreciation to the Members of LICU for the opportunity to serve this past year. We must mention our gratitude to our General Manager and Board of Directors for their endless support and to the staff for their continuous collaboration in assisting us in fulfilling our roles and responsibilities as the Supervisory Committee. You are encouraged to continue saving and believing that LICU is your Financial Institution. In order for us to become more effective as the Supervisory Committee we ask you to reach out to us with concerns and suggestions. We want to continuously hear from you, so please feel free to contact us at any of the following email addresses:

lisacarballo@licubelize.org
doritaherrarte@licubelize.org
isaelcajun@licubelize.org

Your input and contribution are valuable and necessary to us. We thank the Almighty as He continues to bless this financial institution in so many ways.

Respectfully,



Ms. Lisa Carballo
Chairperson

Ms. Dorita Herrarte - Secretary
Mr. Isael Cajun - Officer

LA INMACULADA

LICU

CREDIT UNION LTD.

BELIZE, C.A.

Your Road to Financial Prosperity!



RESOLUTION TO AMEND BY-LAWS OF
LA INMACULADA CREDIT UNION LIMITED.

WHEREAS the Board of Directors has deemed it necessary to review and update the By-Laws of La Inmaculada Credit Union Limited to reflect the new Credit Union Act 2011.

AND WHEREAS the Board of Directors have complied with provisions required to amend the By-Laws, that is,

a) copies of the proposed amendments have been made available to members,
b) more than seven days required notice has been given,

BE IT RESOLVED THAT THE AMENDMENTS RECOMMENDED BY THE BOARD OF DIRECTORS BE ADOPTED AT THIS MEETING.

Dated this 22nd day of June, 2019

2019 RECOMMENDED AMENDMENTS TO LICU BY-LAWS

Kindly take note that text in green are inclusions and text in red are deletions.

By-laws: Interpretation:

- "Member" shall mean a person or business other than a cooperative, especially if the business has some common bond with the other members of the credit union and is not an undischarged bankrupt.

Proposed amendment June 2019 and as per CBB letter dated May 8, 2008

- "Registrar" shall mean the Registrar of Credit Unions as specified in section 5 of the Act.

Proposed amendment June 2019 and as per CBB letter dated May 13, 2008.

- "Board of Directors" shall mean the governing body of the credit union to whom the management of its affairs is entrusted and which shall be constituted in accordance with the provisions of the By-laws 7 *(change from 27)* herein.

Proposed amendment June 2019 and as per CBB letter dated May 13, 2008. **Section to be deleted.**

By-Law Article I – Name and Objects

- Throughout the document *SOCIETY* IS NOW changed to "CREDIT UNION"

Proposed amendment for June 2019. **Section to be deleted.**

By-Law Article II – Membership and Sphere of Operations

(A member may be expelled by a two-third vote of the Board of Directors at a meeting duly called to consider the matter. An appeal from the action of the Board of Directors may be taken to the next general meeting by the member provided that the written notice of intention to appeal shall be given to the secretary within fifteen days from the date of receipt of notice if expulsion. At such meeting a two-thirds majority of the members present may confirm or rescind the action of the Board of Directors.)

2. The Board of Directors may order the termination of membership of a member by at least a two-thirds majority of the directors present at a meeting called for the purpose, the execution of such order shall be in accordance with the rules.

- Members who fail to pay amount due under a loan.
- Members who fail to provide collected funds to cover account withdrawals or personal drafts or checks.
- Members who fail to provide collected funds to cover Credit Union drafts/checks purchased by the member.
- Members who fail to pay fees or charges due to the Credit Union for any reason.
- Members who engage in check kiting, attempted or actual deposits of counterfeit checks or other non-negotiable items, external transfers between checking and/or savings accounts which result in overdrafts, attempted or actual theft of credit union or other member's funds or activities in which member illegally or fraudulently attempts to obtain funds not due the member.
- Members who are verbally and/or physically abusive or harassing to a credit union employee and/or volunteer.
- Member neglects to pay his/her debts, or otherwise causes financial loss to the credit union
- Members threatening staff who deny loan applications or other services, members who engage in inappropriate conduct or language directed at staff based on sex, race, national origin, marital status, sexual orientation, physical or mental impairment, age, or membership in the uniformed services, or similar activity whereby staff are subjected to verbal or physical abuse
- Members who fail to protect blank personal checks and fail to secure and maintain accounts, cards, i.e. ATM, Debit, Credit, Personal Identification Numbers (PINs), passwords, pass codes and records.
- Members who have misrepresented information.
- Members who engage in fraudulent or criminal activity against the credit union.

Proposed amendment June 2019. **Section to be deleted.**

By-Law Article II – Membership and Sphere of Operations - continued:

3. A person removed from membership as per above may be readmitted to membership only by a two-thirds majority vote of members present and voting at a general meeting.

5. The credit union shall keep a "register" *(not registrar)* to be called the "Register of Members' wherein shall be entered:

d) The beneficiary/ies *(change from nominees)* appointed

e) Valid Social Security or Passport

6. Joint accounts may be held by any two or more adult members. Joint account may be considered under joint tenants or tenants in common

A joint account under joint tenant includes rights of survivorship. This means that when (1) owner dies, all sums in the account will pass to the surviving owner(s). A surviving owner's interest is subject to the Credit Union's statutory lien for the deceased owner's obligation, and to any security interest or pledged granted by a deceased owner, even if the surviving owner did not consent to it. Joint accounts under "tenants-in-common" is where the account is owned in divisible shares. So each of the co-owners has a quantifiable share. They may own the asset equally, as in 50%/50%, or in any other proportion. When one co-owner dies his share passes to his estate and not to the other co-owner (like in the case of the joint tenant).

Proposed amendment June 2019. Section to be deleted.

By- law Article III: Minors

1. Shares may be issued in the name of a minor, or in trust thereof. When shares are so issued in trust, the trustee may *(must)* be a member of this credit union in his own right, and the name of the beneficiary must be stated. Minors may be allowed to enter and pay in on shares or deposits, in their own name.

3. When the minor reaches the age of 18, the individual automatically assumes full rights and accesses to the account.

Proposed amendment June 2019. Section to be deleted.

By- law Article VI: Loans

6. *(A loan application by a minor may be made in his own name with the approval of his/her parents or guardians.)*

6. A loan application using a minor's account as a comaker, due to it being within shares, requires the approval of the trustee/custodian of the account up until the minor becomes eighteen years old.

Proposed amendment June 2019. Section to be deleted.

By- law Article VII: Board of Directors

2. Any vacancy of the board of directors shall be filled within 30 days (*change from 14 days)*

3. If a member of the board fails to unjustifiably attend three regular consecutive monthly meetings, his office may be declared vacant and the vacancy may be filled as herein provided.

5. The order of business at monthly meetings may *(change from shall)* be as follows or as otherwise deemed necessary:

6. Meetings of the Board shall be summoned in writing and the office shall give reminders on the required date. *(at the previous Board Meeting to be recorded in the minutes)*

7. At the first meeting of the Board of Directors, which shall be held within ten (10) days of their election, the board shall elect from their own number, a president, a vice-president, a secretary, and treasurer. The office of the secretary and treasurer may be combined in one person.

Proposed amendment June 2019 and as per CBB letter dated May 13, 2008; Section to be deleted.

10. *f) To determine interest rates on loans and deposits;*

i) To determine *from time to time the interest rates on loans and* the maximum amount that may; be loaned with or without security, to any member within the prescribed law.

m) To authorize the Manager of the Credit Union to borrow money from any source, in a total sum which shall not exceed fifty percent of its assets.

Proposed amendment June 2019 and as per CBB letter dated May 13, 2008. Section to be deleted.

By-Law Article VIII – Credit Committee:

3. If a member of the Credit Committee fails to attend three regular consecutive meetings, his office may be declared vacant and an appointment to fill the post may be made by the Board of Directors *or Credit Committee* from the general membership until the next annual general meeting.

Proposed amendment June 2019 and as per CBB letter dated on May 13, 2008. Section to be deleted.

5. The Credit Committee elected by the shareholders at each annual meeting chooses from their number a chair *(Change from Chairman)* and a secretary. The secretary shall maintain full correct record of all action taken by the said committee.

Proposed amendments June 2019. Section to be deleted.

9. Except for loans approved by a loan officer, no loan application considered by the Credit Committee shall be regarded as approved unless it receives the approval of a every member of the Credit Committee. *present at the meeting at which such application is considered.*

Proposed amendments June 2019. Section to be deleted.

12. he authorized staff *(change from Manager)* shall inquire carefully into the character and financial position of each applicant for a loan and security if any, to ascertain the ability of the borrower to repay fully and promptly the obligations incurred in making a loan, and to determine whether the loan sought is for provident and productive purposes and will be probable benefit to the borrower. *The manager shall endeavor to assist applicants in their financial problems.*

Proposed amendment June 2019. Section to be deleted.

13. The authorized staff *(change from Manager),* subject to the limits imposed by these bylaws and the instructions of the Board of Directors, shall determine the security if any, which shall be required for each loan and the terms on which it shall be repaid.

Proposed amendment June 2019. Section to be deleted.

By-Law Article IX – Supervisory Committee:

1. The Supervisory Committee shall be elected at the annual general meeting of the credit union *(society)* and shall consist of not less than three (3) members, all of whom shall be members

of the credit union *(society)*. Each member shall hold office until his successor is elected and shall be eligible for re-election. If a member of the Supervisory Committee fails to attend three regular unjustified consecutive meetings, his office may be declared vacant and the vacancy may be filled herein as stated by the following sentence. The committee may fill vacancies in its own membership until the next annual general meeting, when successors shall be chosen.

2. The Supervisory Committee shall choose from among their number a chair *(change from Chairman)* and a secretary.

4. The Supervisory Committee shall cause the passbooks of the members and all accounts to be verified with the records of the credit union *(treasurer)* from time to time, not less frequently than once every year.

5. *By a unanimous vote of the Supervisory Committee may suspend until the next meeting of members, any director, officer or member of the Credit Committee. In the event of such suspension, the Supervisory Committee shall call a special meeting of the members to act on the said suspension within fourteen (14) days thereof. The notice of such meeting shall state the purpose for which it is held.*

5. A person who is a member of the Board or Credit Committee or who is an employee of the credit union or was such an employee within the preceding three years shall not become a member of the Supervisory Committee.

8. The Supervisory Committee shall by a majority vote of its members, call a special general meeting of the members to consider any violation of these bylaws or any practice of the society, which in the opinion of the committee is unsafe and unauthorized.

8. The Supervisory Committee shall meet once a month and minutes and reports of these meetings should be submitted to the joint Board of Directors, Credit Committee and Supervisory Committee meetings held every quarter.

9. In the process of their examination, the committee shall examine all applications for loans made during the period under examination and satisfy themselves that for *each* loans made, an application is on file and that each application states the purpose for which the loan is made, the description of the security, if any offered, and that it bears the approval of the Credit Committee.

11. Two members shall constitute a quorum.

Proposed amendment June 2019 and as per CBB letter dated May 8, 2008. Section to be deleted.

By-Law Article X – Board Officers and Duties

ARTICLE X

Board of Directors and Duties

1. The directors of the credit union *(society)* shall be a president, a vice-president, a secretary and a treasurer, all of whom shall be elected by the Board of Directors in accordance with Article 7, Bylaw 7 at the first meeting which shall be held within ten (10) days of their election, and the said officers shall hold office until their successors are elected. Election to the respective posts of

president, vice president, secretary and treasurer may be held at the prerogative of the Board of Directors.

2. **President** : The duties of the president shall be to preside at meetings of the members and of the Board of Directors, to countersign all cheques, notes, drafts and other orders for the disbursements of funds of the credit union *(society),* and shall perform such other duties as customarily appertain to the office of the president or as he/she may be directed to perform by resolution of the board of directors, not inconsistent with the law and these bylaws, and in addition such duties as the Act and Regulations may require to be performed by the chair *(change from Chairman)* of the committee of management.

Proposed amendment – June 2019. Section to be deleted.

3. **Vice-President**: The duties of the vice-president are to perform the duties of the president in case of absence or disability of that director. *(change from officer)*

Proposed amendment June 2019. Section to be deleted.

8. A quarterly joint Board of Directors, Credit and Supervisory Committees meeting shall be held at which meeting the committees' monthly report shall be studied.

Proposed amendment June 2019 and as per CBB letter dated May 13, 2008

By-Law Article XI – Meeting of Members:

5. At any meeting a resolution put to the vote shall be decided by a show of hands unless voting by ballots is demanded by at least fifty (50) *(change from three)* of the members present before declaration of the result by the show of hands, and in such case, voting by ballot shall be taken

6. (b) to approve budget

7. (7) budget

Proposed amendment – June 2019. Section to be deleted.

9. Special general meeting may be called by the Board of Directors upon their own initiatives, and shall be called by them at the request of the Registrar. The purpose of the general meeting shall be set forth in the notice and only such business as is described in the notice may be dealt with at such meetings.

Proposed amendment and as per CBB letter dated May 13, 2008. Section to be deleted

10. If the Board of Directors fail to convene a meeting within fourteen days from the receipt of a demand as aforesaid, *(the Supervisory Committee or the members applying for such a meeting)* the Registrar will have the right to convene the meeting by notice which must contain the object proposed meeting and a statement to the effect that the meeting is convened on the failure of the Board of Directors to convene the meeting demanded.

Proposed amendments and as per CBB letter dated May 13, 2008. Section to be deleted.

12. No political, sectarian, *or* racial or discriminatory discussion shall be raised or resolution proposed, either at any committee, board, or general meeting of the credit union.

Proposed amendment June 2019. Section to be deleted.

14. At annual or special meetings, 5% *(change from 10%)* of the total membership shall constitute a quorum, or 500 *(change from 1,000)* whichever is less.

Proposed amendment June 2019. Section to be deleted.

By-Law Article XII – Elections:

5. Nominations and elections shall be in the following order:
   (a) Nomination of Board of Directors
   (b) Election of Board of Directors

6. Elected board of directors and committee members shall serve a term of three (3) years after which they shall be eligible for re-election and may hold office for three (3) consecutive terms of three (3) years each. *before retiring for a minimum of one (1) year, after which they may be re-elected for another term.*

Proposed amendment June 2019 and as per CBB letter May 8, 2008. Section to be deleted.

By-Law Article XIII – Termination of Office:

1. (a) Resigns by giving notice in writing to the Board, or in the case of other committees, to the chair *(change from Chairman)* of the respective committee.

(h) fails to attend three (3) unjustified consecutive meetings of the Board, the Supervisory Committee or Credit Committee without due excuse and without giving satisfactory explanation to the Board or the relevant committee within seven (7) days of his absence from the third meeting.

2. Directors or committee members who offer themselves as candidates for or who are elected or appointed to political office, must first resign from office or may be removed from *(shall relinquish)* their position on the Board or relevant committee.

Proposed amendment June 2019. Section to be deleted.

By-Law Article XIV – Reserves & Liquidity:

2. The reserve fund shall be indivisible property of the society, and may be applied with the sanction of the Registrar to meet bad debts or losses sustained through extraordinary circumstances over which the society has no control.

Proposed amendment June 2019 and as per CBB letter dated May 13, 2008. Section to be deleted.

By-Law Article XV – Dividends:

1. At the annual general meeting only, on recommendation of the Board of Directors, a dividend may be declared from the current year's net surplus remaining after setting aside the 10% to the reserve fund, if required, and loans loss reserve respectively. Any such dividend shall be paid only on shares fully paid up before March 1, and outstanding on March 31, of the preceding year. *In the case of any share which becomes fully paid up during such year and prior to October 1, thereof, the holder shall be entitled to receive a proportional part of the said dividend calculated from the first day of the month following such payment in full*. Shares withdrawn during the year shall receive no dividend.

Proposed amendments June 2019 and per CBB letter dated May 13, 2008. Section to be deleted.

2. (*Every)* Members who, at the time of the declaration of a dividend, is delinquent, PAR 30 for 6 months , under the Loan Policy shall be deemed to have waived their right to receive or participate in such dividends.

Proposed amendment June 2019. Section to be deleted.

By-Law Article XVI – Banking Accounts:

The Board of Directors shall select Credit Unions and financial institutions in accordance with Section 46 (1) of the Act in which the bank accounts of the Credit Union shall be kept. All cheques shall be signed and endorsed on behalf of the Credit Union as the Board determines.

Proposed amendments and s per CBB letter dated May 13, 2008

By-Law Article XVII – Power to Borrow:

1. Subject to the provisions of the law and regulations the credit union upon a vote of at least three-fourths of the Board of Directors may borrow from any source on such security and terms of repayment as they think fit; provided that the total amount borrowed shall not exceed twenty-five (25) (fifty 50) percent of the credit union 's *(society's)* capital and surplus deposits and may from time to time borrow monies not exceeding in the aggregate fifty (50) percent of its combined capital and surplus deposits, upon a vote of three-fourths of the members present *(or one-third of the total membership whichever is the greater,)* taken at an annual meeting of the credit union or at a special meeting called for the purpose, with those voting in support of the resolution representing a majority of the shares issued. (reserve fund).

Proposed amendment June 2019 and as per CBB letter dated May 13, 2008. Section to be deleted.

By-Law Article XIX – Nomination of Beneficiaries

1. (iii) Such signatures may *(shall)* be witnessed by a Justice of the Peace (JP) or by two authorized officers of the credit union.

Proposed amendment June 2019. Section to be deleted

By-Law Article XXII – Amendment to the By-laws:

1. The by-laws may be amended by the members at an annual or special meeting by a three-fourths vote of the members then present, provided that notice of the said meeting shall have specified the questions to be considered.

Proposed amendment June 2019. Section to be deleted.

RESOLUTION TO ESTABLISH A SPECIAL RESERVE FUND FOR LA INMACULADA CREDIT UNION LIMITED.

WHEREAS the Board of Directors has deemed it prudent to allocate funds to a Special Reserve Fund to be made available to the membership as loans with affordable rates for members in **good standing** to assist in the event of natural disasters.

BE IT RESOLVED THAT THE SPECIAL RESERVE FUND RECOMMENDED BY THE BOARD OF DIRECTORS BE APPROVED AT THIS MEETING.

Dated this 22nd day of June, 2019

LA INMACULADA CREDIT UNION LIMITED
Financial Statements

For the year ended 31 March 2019

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Independent auditor's report to the Board of Directors and Members of La Inmaculada Credit Union Limited

Qualified Opinion

We have audited the accompanying financial statements of La Inmaculada Credit Union Limited which comprise of the statement of financial position as at 31 March 2019 and the statement of comprehensive income, statements of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of La Inmaculada Credit Union Limited as of 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the financial reporting provisions of the Credit Unions Act Chapter 314 of the Substantive Laws of Belize.

Basis for Qualified Opinion

The Credit Union complies with the CUA Requirement No. 1/2013 and No. 2/2013 as issued by the regulator/registrar of credit unions, the Central Bank of Belize, with regards to provisioning for loan losses. The Credit Union's information system and industry data in Belize do not provide sufficient data to be able to approximate the impairment losses based on IFRS 9. As such, we were unable to obtain sufficient audit evidence to assess whether the loan loss provision would be materially different from the IFRS 9, Expected Credit Losses (ECL) model.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor´s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountant`s Code of Ethics for Professionals Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Other Matters

The financial statements of La Inmaculada Credit Union Limited for the year ended 31 March 2018 were audited by another auditor who expressed a qualified opinion on those statements dated 11 October 2018.

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

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

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

Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we:

(i) exercise professional judgement and maintain professional skepticism throughout the audit;

(ii) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(iii) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

(iv) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(v) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we should conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.

(vi) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(vii) obtain sufficient audit evidence regarding the financial information of the Credit Union to express an opinion on the financial statements. We remain solely responsible for our audit opinion.

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

BDO Belize LLP

BDO Belize LLP

18 June 2019

Statement of financial position

As at 31 March

(In Belize Dollars)

Assets	Note	2019	Restated 2018
Cash and cash equivalents		13,666,499	12,979,074
Interest bearing deposits	4	1,546,114	2,525,503
Investments	5	4,798,229	1,807,400
Inventory	6	1,606	3,965
Members' loans receivable	7	55,794,509	57,298,851
Less: loan loss provisions	7	(3,612,039)	(4,609,203)
Other receivables and prepayments	8	986,453	769,843
Property and equipment	9	1,923,369	1,529,484
Total assets		75,104,740	72,304,917
Liabilities			
Members' deposits	10	7,245,970	6,677,539
Shares - non-mandatory	11	51,298,445	49,735,523
Accounts payable and accruals	12	500,633	429,456
Mortgage insurance escrow payable	13	219,654	178,082
Membership scheme - Sunrise to Sunset fund	14	1,535,170	1,365,333
Membership scheme - Life savings and loan protection	15	1,493,608	1,369,279
Borrowings	16	605,587	1,433,056
Severance payable	17	455,452	266,384
Total liabilities		63,354,519	61,454,652
Net assets		11,750,221	10,850,265
Members' equity			
Shares - mandatory		258,940	253,910
Revaluation reserves		77,376	77,376
Special reserves		151,347	151,347
Guaranty fund		7,693,750	7,693,750
Undivided earnings		3,568,808	2,673,882
Total members' equity		11,750,221	10,850,265

The financial statements were approved and authorized for issue by the Board of Directors on 18 June 2019.

Director

Director

The notes are an integral part of these financial statements.

La Inmaculada Credit Union Limited

Statement of comprehensive income

Year ended 31 March

(In Belize Dollars)

	Note	2019	Restated 2018
Income			
Interest income:			
Interest income	18	6,703,054	7,600,426
Less: interest expense	18	(23,922)	(35,269)
Net interest income		6,679,132	7,565,157
Fee and commission income	19	947,768	879,764
Other operating income	20	108,437	53,146
Operating income		7,735,337	8,498,067
Provision for losses	21	(733,788)	(1,527,159)
Other operating expenses	22	(4,068,186)	(3,547,599)
Net income for the year		2,933,363	3,423,309

La Inmaculada Credit Union Limited

Statement of changes in equity
Year ended 31 March
(In Belize Dollars)

	Shares – mandatory	Revaluation reserves	Special reserves	Guaranty fund (other reserves)	Undivided earnings	Total members' equity
At 1 April 2017 (Restated)	241,900	77,376	-	7,070,470	1,868,832	9,258,578
Net increase in shares	12,010	-	-	-	-	12,010
Transfers from undivided earnings	-	-	151,347	623,280	(774,627)	-
Dividend and rebate paid	-	-	-	-	(1,843,632)	(1,843,632)
Net income for the year	-	-	-	-	3,423,309	3,423,309
At 31 March 2018 (Restated)	**253,910**	**77,376**	**151,347**	**7,693,750**	**2,673,882**	**10,850,265**

	Shares – mandatory	Revaluation reserves	Special reserves	Guaranty fund (other reserves)	Undivided earnings	Total members' equity
At 1 April 2018	253,910	77,376	151,347	7,693,750	2,673,882	10,850,265
Net increase in shares	5,030	-	-	-	-	5,030
Dividend and rebate paid	-	-	-	-	(2,038,437)	(2,038,437)
Net income for the year	-	-	-	-	2,933,363	2,933,363
At 31 March 2019	**258,940**	**77,376**	**151,347**	**7,693,750**	**3,568,808**	**11,750,221**

Central Bank of Belize Regulations require that member share accounts are divided into mandatory and non-mandatory shares. Mandatory shares are reflected in equity; non mandatory shares are reflected as current liabilities. The Credit Union requires each member to own two mandatory shares of $5 per share. Total mandatory shares issued as of 31 March 2019 was 25,894 shares (2018 – 25,391 shares).

La Inmaculada Credit Union Limited

Statement of cash flows
Year ended 31 March
(In Belize Dollars)

	Notes	2019	Restated 2018
Cash flow from operating activities:			
Net income for the year		2,933,363	3,423,309
Adjustments for items not affecting operating cash:			
Depreciation expense	9	108,502	103,621
Loss on disposal	9	116	2,820
Provision for loan losses	7	733,788	1,527,159
Write off of loans receivable (net)	7	(1,730,952)	(319,182)
Operating profit before working capital changes		2,044,817	4,737,727
Changes in working capital			
Decrease in members' loans receivable	7	1,504,342	651,767
(Increase) in other receivables and prepayments	8	(216,610)	(680,854)
Decrease/(increase) in inventory	6	2,359	(3,728)
Increase in members' deposits	10	568,431	584,703
Increase in non-mandatory shares	11	1,562,922	1,395,457
Increase/(decrease) in accounts payable and accruals	12	71,177	(1,110,557)
Increase in mortgage escrow payable	13	41,572	39,855
Increase in member scheme – Sunrise to Sunset liability	14	169,837	191,129
Increase in severance payable	17	189,068	11,641
Increase in membership scheme – LS and LP	15	124,329	259,600
Net cash provided by operating activities		6,062,244	6,076,740
Cash flow from investing activities:			
Decrease/(increase) interest bearing deposits	4	979,389	(29,263)
(Increase)/decrease in investments	5	(2,990,829)	25,508
Proceeds from sale of equipment		13,500	5,700
Purchases of furniture and equipment	9	(516,003)	(85,851)
Net cash (used in) investing activities		(2,513,943)	(83,906)
Cash flow from financing activities:			
Increase in shares – members (mandatory)		5,030	12,010
Dividends paid		(2,038,437)	(1,843,632)
(Decrease) in borrowings	16	(827,469)	(664,027)
Net cash (used by) financing activities		(2,860,876)	(2,495,649)
Net increase in cash and cash equivalents		687,425	3,497,185
Cash and cash equivalents at the beginning of the year		12,979,074	9,481,889
Cash and cash equivalents at the end of year		13,666,499	12,979,074

1. General information

La Inmaculada Credit Union Limited (the "Credit Union") was incorporated on 5 June 1949 under and by virtue of the Credit Union Act, Chapter 314 of the Substantive Laws of Belize, Revised Edition 2011. LICU currently has 25,894 (2018 – 25,391) members.

The Credit Union operates from its principal office situated at No. 5 Park Street, Orange Walk Town, Belize. Branch offices are located in Belmopan, Cayo District. As at 31 March 2019, the Credit Union employed 57 (2018 – 44) employees.

The Credit Union promotes savings, enterprise and the cooperative principle among its members to pool members' financial resources and to provide personal and corporate banking, loans, and investments.

2. Summary of significant accounting policies, judgements and estimates

The significant accounting policies used in the preparation of these financial statements, including the accounting requirements prescribed by the Central Bank of Belize (CBB), are summarized below. These accounting policies conform to IFRS and the Substantive Laws of Belize with the exception of:

(1) Provisioning for loan losses is guided by the Credit Union Act Requirement No. 1/2013 and No. 2/2013 issued by the regulator/registrar, the Central Bank of Belize, instead of the Expected Credit Loss model in accordance with IFRS 9.

Basis of preparation

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

The Credit Union also complies with the Credit Union Act Chapter 314 of the Substantive Laws of Belize, Revised Edition 2011 as reflected in its policies below.

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: assessments of impairment to investments, determination of fair value of financial instruments, the allowance for credit losses, 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. Summary of significant accounting policies, judgements and estimates (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:

Investment impairment	Note 2 Note 3 Note 5
Fair value of financial instruments	Note 2 Note 3
Allowance for loan losses	Note 2 Note 7
Severance payable	Note 2 Note 17
Other provisions	Note 2

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
The Credit Union has classified all investments as ***held to maturity***. These are securities which are held with the positive intention of holding them to maturity and are stated at amortized cost less provisions made for any permanent diminution in value. Amortized cost is calculated by taking into account any premium or discounts on acquisition over the period of maturity using the effective interest rate method.

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.

2. Summary of significant accounting policies, judgements and estimates (continued)

Financial instruments - recognition and measurement (continued)

Investments (continued)
When assessing impairment on debt instruments, such as government treasury notes, 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 Credit Union completes the transaction.

Loans receivable
Loans are financial assets with fixed or determinable payments that are not quoted in an active market. Loans are initially recognized at fair value which is represented by the cash advanced to members. Loans are subsequently measured at principal outstanding, net of unearned interest, less provision made for impairment. Provisions for impairment (loan loss reserve) is built based on the Credit Unions Act (CUA), Chapter 314, revised Edition 2011, Requirement No. 2/2013. All loans are recognized when cash is advanced to borrowers.

Loans are assessed at year end for objective evidence that the loans are impaired. Evidence for impairment include indications that the borrower is experiencing significant financial difficulty, probability of bankruptcy, and adverse changes in the payment status of the borrower.

Provision for loan losses
As required by the Credit Unions Act (CUA), Chapter 314, Revised Edition 2011, Requirement No. 2/2013 loans are individually assessed for losses. Provisions for impairment (loan loss reserve) is built based on the Credit Unions Act (CUA), Chapter 314, Revised Edition 2011, Requirement No. 2/2013. The loan loss reserve is increased by the impairment losses recognized and decreased by the amount of write-offs, net of recoveries. All loans are recognized when cash is advanced to borrowers.

Loans and the related loan loss reserve are written off, either partially or in full, when there is no realistic prospect of recovery. Write-offs are reduced by recoveries on property secured on the loan.

The loan loss reserve is management's best estimates, as guided by the Credit Unions Act, Chapter 314, Revised Edition 2011, Requirement No. 2/2013 of losses incurred on the loan portfolio at the statement of financial position date. Management's judgement is required in making assumptions and estimates when calculating allowances on each loan. The underlying assumptions and estimates in management's assessment can change from period to period and may significantly affect the results of the Credit Union's operations.

2. Summary of significant accounting policies, judgements and estimates (continued)

Financial instruments - recognition and measurement (continued)

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.

Members' term deposits
Members' term deposits are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method.

Shares
Mandatory shares are the minimum number of shares a person must have in order to be considered a member of the Credit Union. These are reflected in equity on the statement of financial position. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Non-mandatory shares are additional shares held by members of the credit union. These may require a one-month notice period to be withdrawn at any time and may be used as collateral for loans by members. These are reflected as current liabilities on the statement of financial position.

Accounts payable
Accounts payable is recognized on the accrual basis, when goods have been received or services have been rendered.

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. We determine fair value by incorporating all factors that market participants would consider in setting a price, including commonly accepted valuation approaches. Where an investment does not have an 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.

Borrowings
All borrowings, including current and non-current debt, are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently remeasured using the effective interest rate method. Borrowings are classified as current liabilities unless the Credit Union has the right to defer payment for more than 12 months after the statement of financial position date.

Loan interest income
Interest income on loans receivable is recognized in the statement of comprehensive income on an accrual basis.

2. Summary of significant accounting policies, judgements and estimates (continued)

Financial instruments - recognition and measurement (continued)

Investment interest income
Investment interest income is recognized on the accrual basis using the effective interest rate method.

Loan application/processing/review fee revenue
Loan application/processing and review fees on loans have been recognized as income when received. These fees are non-refundable. They are fully earned by the Credit Union at the outset on the loan application and at the time of review.

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

Financial liabilities are derecognized on the statement of financial position when the Credit Union'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.

Rental income
Rental income from investment property is recognized on the statement of comprehensive income.

Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated in Belize dollars at midday 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. Summary of significant accounting policies, judgements and estimates (continued)

Employee benefit obligations

Termination benefit - severance
The Credit Union has recognized termination benefits in accordance with the labour laws of Belize which states that employees with at least five years or more of continuous employment are entitled to a minimum of one week's pay for each year of service prior to May 2011 and two week's pay for each year of service subsequently.

Termination benefit - pension
The Credit Union has available on a voluntary basis, a defined contribution pension plan for all permanent employees. The pension plan is financially separate from the Credit Union and is funded by contributions from both employees and the Credit Union at a matched fixed rate of 5% of monthly salary. The Credit Union's contributions to the defined contribution plan are expensed monthly. For fiscal 2019, pension costs amounted to $77,528 (2018 - $66,392).

Property and equipment

Property and equipment includes land, building, motor vehicles, furniture, fixtures, computer equipment, generator, and other 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, and the initial estimate of any disposal costs.

Property and equipment are carried at cost and are depreciated using the straight line method at the following rates:

Building	40 years
Furniture and fixtures	20 years
Office, computer, and other equipment	5, 10 and 20 years
Motor vehicle	10 years

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

Leasehold improvements are amortized on a straight-line basis over the lesser of their estimated useful life or the initial lease term.

Property and equipment are 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. Summary of significant accounting policies, judgements and estimates (continued)

Provisions

Provisions are liabilities of uncertain timing or amount and are recognized when the Credit Union 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 related to litigation, future employee benefits, the allowance for off-balance sheet items and other items. 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 Credit Union may incur expenses in excess of the provisions recognized.

Guaranty Fund

The Guaranty Fund is a reserve mandated by the Credit Union Act, Chapter 314 of the Substantive Laws of Belize, Revised Edition 2011. LICU transfers at least 10% of its surplus prior to any dividend declaration to a statutory reserve, which is to be accumulated until it reaches 10% of total assets and should not be used for any other purpose except upon liquidation of the Credit Union.

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
The total payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the termination takes place.

Finance leases
In the event that the Credit Union 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. Summary of significant accounting policies, judgements and estimates (continued)

Financial risk management

By its nature the Credit Union's activities are principally related to the use of financial instruments. The Credit Union accepts cash as deposits and purchase of shares from customers and seeks to earn above average interest margins by investing these funds in high quality assets. The Credit Union seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher interest rates whilst maintaining sufficient liquidity to meet all claims that may fall due.

The Credit Union is also exposed to fraud risks, market risks, cash flow risks, and interest rate risks. The Credit Union's risk management program seeks to minimize potential adverse effects on the overall financial performance. Risk management is executed through policies approved by the Board of Directors and are executed by management who identify and evaluate risks and establish procedures to minimize risks.

Credit risk
The Credit Union takes on exposure to credit risk which is the risk that a counterpart will be unable to pay amounts in full when due. Management structures its credit risk by placing limits on the amount of credit extended in relation to one borrower or group. This is monitored on a revolving basis and subject to annual review. Limits are also regulated by Credit Union Act Chapter 314 of the Substantive Laws of Belize, Revised Edition 2011.

The Credit Union's risk management policies are designed to achieve a balance between risk and return and minimize potential adverse effects of its' financial performance. The Credit Union therefore identifies and analyses these risks, designs internal controls to set appropriate limits, and to monitor these limits through reliable and up to date information systems and reports.

Exposure to credit risk is managed through regular analysis of the borrower’s ability to repay, current exposure to individual customers and the likelihood of default and the recovery ratio on any defaulted obligation. Exposure is also managed in part by obtaining marketable collateral, personal guarantees and authority for salary deductions for instalment payments.

Market risk/interest rate risk
The Credit Union is exposed to market risk, which is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in the market prices. Market risk for the Credit Union arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Credit Union's Board of Directors sets limits on the amount of risk that may be accepted, which is monitored on a daily basis and reviewed by the Board monthly.

The Credit Union takes on interest rate risk in that it pays interest on deposits and that fluctuations in interest rates may affect its capacity to on-lend at competitive rates. The Credit Union manages this risk by maintaining an adequate interest rate spread between interest paid and interest received.

2. Summary of significant accounting policies, judgements and estimates (continued)

Financial risk management (continued)

Market risk/interest rate risk (continued)
The Credit Union takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily.

Liquidity risk
Liquidity risk is the risk that the Credit Union is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The Credit Union manages this risk by closely monitoring customer payments, setting credit limits and by obtaining credit facilities from other sources to ensure cash availability. The Credit Union also maintains highly liquid assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.

Fraud risk
The Credit Union is exposed to fraud risks from customers as well as employees. The Credit Union seeks to minimize these risks by internal controls, authorizations for payments, checks and balances as well as requiring valid identification documents.

Subsequent events

LICU evaluates subsequent events for recognition and disclosure through 18 June 2019, which is the date the financial statements were available to be issued.

3. Carrying value and fair value of selected financial instruments

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 with the exception of unlisted securities. Fair value of unlisted securities has been determined using other inputs such as future cash flows or the audited net assets value since market information and comparable sales information is not available.

4. Interest bearing deposits

	2019	2018
Term deposit held by Belize Bank Limited with term of 12 months ending 10 May. Deposits are unsecured and interest is receivable at 2% per annum.	298,332	293,345
Term deposit held by Belize Bank Limited with term of 6 months ending 13 September. Deposits are unsecured and interest is receivable at 0.84% per annum.	166,309	163,723
Term deposit held by Scotiabank Limited with term of 2 years ending 4 April 2018. Deposits are unsecured and interest is receivable at 2% per annum.	-	1,010,993
Term deposit held by Heritage Bank Limited with term of 6 months ending 11 February. Deposits are unsecured and interest is receivable at 0.5% per annum.	539,062	536,193
Interest bearing deposit account held by Holy Redeemer Credit Union Limited with interest rate of 4% per annum payable quarterly.	542,285	521,125
Shares account at Holy Redeemer Credit Union Limited with dividend rate of 5% per annum.	126	124
Total interest bearing deposits	1,546,114	2,525,503

5. Investments

	2019	2018
Held to Maturity:		
Three $996,943 GOB Treasury Bills with certificate Nos. 31543, 31544, and 31545 (Issue No. 1/2019) maturing 10 April 2019 with interest at 1.23% payable upon maturity. The bills were acquired at a premium of $9,171 which is recognized upon maturity.	2,990,829	-
Belize Electricity Limited Series 7 debentures with interest rate of 6% per annum payable quarterly, maturity date of 31 March 2028.	484,300	484,300
Belize Electricity Limited Series 5 debentures with interest rate of 7% per annum payable quarterly, maturity date of 31 December 2024.	550,000	550,000
Belize Electricity Limited Series 6 debentures with interest rate of 6.5% per annum payable quarterly, maturity date of 31 December 2030.	773,100	773,100
	4,798,229	1,807,400

6. Inventory

	2019	2018
Passbooks and covers	1,606	3,965
	1,606	3,965

7. Members' loans receivable-net

	2019	2018
Total members' loans before provision for loan losses	55,794,509	57,298,851
Allowance for loan losses	(3,612,039)	(4,609,203)
	52,182,470	52,689,648

Allowance for loan impairment

	2019	2018
At the beginning of the year	4,609,203	3,401,226
Provision for the year (principal) (note 20)	733,788	1,527,159
Write offs – net of collections	(1,730,952)	(319,182)
At the end of the year	3,612,039	4,609,203

Maturity of loans

Loans to members, not including accrued interest, mature as follows:

	2019	2018
Under 1 year	2,560,080	3,604,499
1 to 2 years	5,222,603	6,007,886
2 to 3 years	7,739,207	7,975,977
3 to 4 years	8,631,390	7,653,655
Over 4 years	31,641,229	32,056,834
	55,794,509	57,298,851

Loans past due but not impaired

A loan is considered past due when the borrower has not made a payment by the contractual due date. The table that follows presents the carrying value of loans at year ended that are past due but not classified as impaired because they are either i) less than 90 days past due, or ii) fully secured and collection efforts are reasonably expected to result in repayment.

	30-59 days $	60-89 days $	90 days and greater $	Total $
March 31 2019				
Members' receivable	741,796	394,177	2,056,700	3,192,673
March 31 2018				
Members' receivable	1,467,486	838,823	2,622,815	4,929,124

8. Other receivables and prepayments

	2019	2018
Accrued interest receivable	406,956	678,204
HBL ATM/POS Project (see below)	50,000	50,000
National Payment System	100,200	-
Member's legal fees receivable	38,095	31,661
Prepayment - Sharetech	382,345	-
Prepayments and other receivables	8,857	9,978
	986,453	769,843

The Credit Union has entered into a Joint Investment Agreement with the Heritage Bank Limited and five other institutions, called the ATM/POS Project. Since the formation of the new company is still in process, the investment is classified as other receivables and prepayment at 31 March 2019.

9. Property and equipment

	Land and building	Furniture and fixtures	Motor vehicle	Office, computer and other equipment	Total
Cost					
At 1 April 2018	1,350,030	359,289	63,246	568,141	2,340,706
Additions	67,761	20,325	247,500	180,417	516,003
Disposals	-	(23,016)	(60,000)	(8,530)	(91,546)
At 31 March 2019	1,417,791	356,598	250,746	740,028	2,765,163
Accumulated depreciation					
At 1 April 2018	268,854	100,764	60,442	381,162	811,222
Charge for the year	23,135	17,018	4,950	63,399	108,502
Disposals	-	(9,815)	(60,000)	(8,115)	(77,930)
At 31 March 2019	291,989	107,967	5,392	436,446	841,794
Net Book Value					
At 31 March 2019	1,125,802	248,631	245,354	303,582	1,923,369
At 31 March 2018	1,081,176	258,525	2,804	186,979	1,529,484

10. Members' deposits

	2019	2018
Regular deposits	6,385,587	5,791,407
Term deposits	860,383	886,132
	7,245,970	6,677,539

Members' deposits, not including accrued interest, all mature under one year.

11. Non-mandatory shares

	2019	2018
Balance at the beginning of the year	49,735,523	48,452,760
Net increase in shares	1,562,922	1,282,763
Balance at the end of the year	51,298,445	49,735,523

Central Bank of Belize Regulations require that members' share accounts are divided into mandatory and non-mandatory shares. Mandatory shares are reflected in equity; non-mandatory shares are reflected as current liabilities.

12. Accounts payable and accruals

	2019	2018
HBL payable (ATM Settlement)	251,186	125,907
Accrued Interest	659	7,625
Members' mortgage legal fees payable	102,572	158,071
Other accounts payable and accruals	87,222	100,874
Social Security payable	5,528	4,979
Other professional fees payable	53,466	32,000
	500,633	429,456

13. Mortgage insurance escrow payable

	2019	2018
Mortgage insurance escrow payable	219,654	178,082

Members are expected to insure their loans for any loan over LICU's automatic loan protection of $40,000 in order for the member to be protected against any exposed risk. Consequently, LICU assist members by collecting the monthly insurance premium to ensure their payments are made upon the renewal of their policy. Members insurance premiums are recorded as a payable until payment are made at renewal.

14. Membership scheme – Sunrise to Sunset Fund

At the annual General Meeting held on 27 May 2006, a motion was approved by the membership to create an insurance scheme. Consequently, the "Group Term Fund" was initiated whereby members make a monthly contribution of two dollars. The funds of this Membership Scheme are invested according to directives from the Board of Directors. Beneficiaries are awarded a one-time funeral benefit of $4,000. Beneficiaries of these claims can be the same as those initially indicated for the Sunrise to Sunset Scheme or as otherwise stated by member.

	2019	2018
Balance at the beginning of the year	1,365,333	1,174,204
Plus: increase for year	399,944	390,310
Less: claims paid	(220,000)	(199,181)
Less: actuarial cost	(10,107)	-
Balance at the end of the year	1,535,170	1,365,333

15. Membership Scheme – Life savings and loan protection

The Board of Directors made a decision to implement an in house Membership Scheme for Savings and Loan protection with an opening balance of $57,129 allocated from undivided earnings approved by the Board as of January 2011. This fund offers protection for the membership for combined shares and deposits up to a maximum of $8,000 with set percentages tiered by age; and for loans up to a maximum of $40,000. The cost of the coverage is borne by the credit union as 0.55 cents per thousand on total insurable balance.

	2019	2018
Balance at the beginning of the year	1,369,279	1,109,679
Plus: net increase for year	584,928	574,637
Less: claims paid	(460,599)	(315,037)
Balance at end of the year	1,493,608	1,369,279

La Inmaculada Credit Union obtained an actuarial valuation of its Sunrise to Sunset Scheme and Life Savings & Loan Protection Scheme dated 10 July 2018. The opinion of the actuary is the recorded policy liabilities represent a reasonable provision based on the application of actuarial techniques to the available data.

16. Borrowings

	2019	2018
Social Entrepreneurship Program (SEP)		
In March 2013, a loan of $1,500,000 was issued under the Social Entrepreneurship Program with a fixed annual interest rate of 4%. The loan is to be repaid in semiannual installments of $111,111 exclusive of interest. Only $1,000,000 has been disbursed to LICU at 31 March 2019. The loan will mature on 5 March 2020.	205,587	545,556
Rural Credit Fund (RCF)		
In March 2013, a loan of $1,000,000 was issued under the Rural Credit Fund with an annual interest rate of 3.75%. Interest only for three years. Thereafter, quarterly installments of $62,500 exclusive of interest. Only $500,000 have been disbursed to LICU by 31 March 2019. The loan will mature on 31 March 2021.	-	187,500
Sugar Cane Replanting Program (SCRP)		
In December 2013, a loan of $2,000,000 was issued under the Sugar Cane Replanting Program and adjusted to $1,500,000 with an annual interest rate of 1%. Interest only with 3 years grace period. Thereafter, annual installments of $300,000 exclusive of interest. The loan will mature on 30 September 2021.	400,000	700,000
Total Borrowings	605,587	1,433,056

16. Borrowings (continued)

	2019	2018
Repayment of borrowings		
Within 1 year	505,587	772,222
2-5 Years	100,000	660,834
More than 5 Years	-	-
	605,587	1,433,056

Loan covenants

The Sugar Cane Replanting Program (SCRP), the Rural Credit Fund (RCF) and the Social Entrepreneurship Program (SEP) loan agreements require La Inmaculada Credit Union Limited to submit an audited financial statement no less than 30 days after the Credit Union's year end. The Credit Union has requested an extension and was granted the extension to submit financials once it has been completed.

17. Severance payable

	2019	2018
Severance payable at the beginning of the year	266,384	254,743
Additions during the year	196,166	72,660
Payments during the year	(7,098)	(61,019)
Severance payable at end of year	455,452	266,384

18. Interest income/(expense)

	2019	2018
Interest income		
Interest income – personal and business loans	6,534,782	7,437,504
Interest income – fixed deposits and investments	168,272	162,922
	6,703,054	7,600,426
Interest expense		
Members' deposit	(23,922)	(35,269)
Net interest income	6,679,132	7,565,157

19. Fee and commission income

	2019	2018
Service charge	610,083	594,892
Credit related fees	330,063	278,488
Commissions	7,622	6,384
	947,768	879,764

20. Other operating income

	2019	2018
Other income	93,670	35,516
Sale of books and covers	8,517	7,870
Rental income	6,250	9,760
	108,437	53,146

21. Provision for losses

	2019	2018
Provision for loan loss reserve (note 6)	733,788	1,527,159

22. Other operating expenses

	2019	2018
Advertisement and promotion	59,757	49,065
Allowances	-	30,939
Audit fees	52,066	52,927
ATM	6,544	5,934
Bank charges	35,471	28,177
Bond expense	-	-
Cash difference	117	(157)
Credit union week	6,078	3,394
LS/LP Premium expense	584,928	574,638
Depreciation	108,502	103,621
Donations	8,315	4,536
Education	76,129	60,493
Equipment maintenance	125,137	61,484
General maintenance	60,544	72,512
General meeting	60,558	79,540
Insurance	70,863	65,679
Insurance buildings	5,952	8,078
Legal fees	58,794	17,339
Loan interest	32,702	40,320
Loss on disposal	13,616	2,820
Other	60,582	36,484
Property tax	1,569	1,059
Rent expense	36,000	36,000
Registration fee	1,000	1,000
Security service	16,758	16,710
Severance expense	195,603	73,100
Social activities	13,616	17,316
Social security	43,104	38,279
Staff costs	2,058,762	1,812,041
Stationaries, supplies and postage	42,066	50,061
Strategic planning expense	2,812	-

22. Other operating expenses (continued)

	2019	2018
Telephone	67,600	57,427
Travel and subsistence	54,293	43,239
Utilities	59,813	60,126
Vehicle maintenance	48,535	43,418
	4,068,186	3,547,599

23. Taxation

The Credit Union is licensed under the Credit Union Act, Chapter 314 of the Substantive laws of Belize, Revised Edition 2011; the Credit Union is exempted from taxes on profits, gains, interest and dividends earned.

24. Key management compensation

	2019	2018
Key management compensation	391,380	324,207

25. Related party transactions

The Board of Directors and management have loan balances with the Credit Union which are included in the loans receivable balance on the statement of financial position. These loans total the following as of the year end:

	2019	2018
Assets held at year-end with related parties		
Officers' loan receivable	187,942	213,383
Employees' loan receivable	455,457	549,820
	643,399	763,203

	2019	2018
Liabilities held at year-end with related parties		
Officers' deposit	136,638	123,544
Employees' deposit	291,873	268,314
	428,511	391,858

	2019	2018
Transactions with related parties throughout the year:		
Officers' allowance paid	120,027	72,400
Interest income earned from related parties	91,050	114,094
	211,077	186,494

26. Lease commitment

The Credit Union leases a building from Ms. Majorie Ramnarace under an operating lease agreement, subject to annual renewal by way of written notice 2 months before the lease expiration. The lease agreement is for one year ending 30 April 2019, but has extended for another year ending 30 April 2020. Lease payments have a fixed component of $3,000 per month.

The future minimum lease payments under the operating lease are as follows:

Due in next fiscal year	36,000
Due between one and five years	3,000
	39,000

27. Contingent liabilities

Legal matters

In the ordinary course of business, the Credit Union is subject to threatened legal actions.

The attorney's-at-law and the management of LICU is of the view that the outcome of the following litigation matters, which existed at 31 March 2019, would not have a material adverse effect on its financial position:

(i) Supreme Court Claim No. 538 of 2015, Yolanda Gomez vs La Inmaculada Credit Union Limited and the Registrar of Credit Unions (the Governor of the Central Bank).

(ii) Supreme Court Claim No. 723 of 2015, La Inmaculada vs Yolanda Gomez.

In the matter of the claim brought against LICU and the Governor of the Central Bank, the Board of Directors of LICU remain of the firm view that the case is without merit, and it will vigorously contest that claim. It is expected that judgement in the 2 claims will be delivered by the end of fiscal 2020.

28. Contractual commitments

(i) In September 2018 the Credit Union entered into a products and services agreement with Bradford-Scott Data Corporation. The value of the contract agreement is US $363,430, exclusive of maintenance cost, with 50% already paid in current year and the balance payable in fiscal 2020.

(ii) In September 2018 the Board of Directors of the Credit Union committed to Shared Services Network, a company to which it is in process of becoming a shareholder, a capital investment of $167,000. To date the Credit Union has paid $100,200.

28. Contractual commitments (continued)

(iii)The Credit Union has contractual commitments for the provision of software maintenance services with Micro Software Designs extending into fiscal 2020 at an approximate cost of $15K.

29. Prior period correction

The 2018 financial statements have been restated to reflect the following:

Provision for loan loss

In June 2018 the Credit Union recognized a shortfall in its provision for loan losses in the amount of $300,904 in respect of the March 2018 loan loss provisioning account balance. The correction to the loan loss provisioning account was recorded at the end of June 2018 instead of March 2018.

As this error only affects the comparative year of 2018, the statement of financial position and statement of comprehensive income balances as at 31 March 2018 were restated as follows:

- Increase in loan loss provisions by $300,904
- Increase in provision for losses by $300,904
- Decrease in undivided earnings by $300,904

Mandatory Shares

In fiscal 2018, mandatory shares were recorded based on one mandatory share instead of two shares per member. The effect of the restatement on the 2018 financial statements is presented below:

- Increase in Mandatory shares by $119,695
- Decrease in non-mandatory shares by $119,695

Interest Expense

In fiscal 2018, interest expense on fixed deposits related to the year was not accrued. The effect of the restatement on the 2018 financial statements is presented below:

- Increase in interest expense by $8,581
- Increase in Other accounts payable and accruals by $8,581
- Decrease in undivided earnings by $8,581

29. Prior period correction (continued)

Special Reserves

In fiscal 2018, amounts transferred to the special reserves was not recorded. The effect of the restatement on the 2018 financial statements is presented below:

- Increase in Special reserves by $151,347
- Decrease in Undivided earnings by $151,347

Guaranty Fund

In fiscal 2018, additional amounts transferred to the Guaranty fund as required by CBB was not recorded. The effect of the restatement on the 2018 financial statements is presented below:

- Increase in Guaranty Fund by $250,000
- Decrease in Undivided earnings by $250,000

In fiscal 2018, membership fee of $2,148 was recorded under Guaranty fund instead of other income. The effect of the restatement on the 2018 financial statements is presented below:

- Increase in Other Income by $2,148
- Increase in Undivided earnings by $2,148
- Decrease in Guaranty Fund by $2,148

30. Reclassification of accounts

The following accounts have been reclassified to conform to current year presentation:

Investments

Interest bearing deposits was previously categorized under Investments. The effect of the reclassification on the 2018 financial statements is presented below:

- Increase in Interest bearing deposits by $2,525,503
- Decrease in Investments by $2,525,503

30. Reclassification of accounts (continued)

Investments (continued)

Accrued interest on investments of $36,324 was previously included under Investments. The effect of the reclassification on the 2018 financial statements is presented below:

- Increase in Other receivables and prepayments by $36,324
- Decrease in Investments by $36,324

Other Income

Interest income of $1,392 was previously included under Other operating income. The effect of the reclassification on the 2018 financial statements is presented below:

- Increase in Interest income-fixed deposit by $1,392
- Decrease in Other operating income by $1,392

31. Future changes in accounting policies

The Credit Union has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Credit Union:

(i) IFRS 16, Leases, was issued in January 2016 and replaces IAS 17, Leases, and other lease related interpretations. The new standard established the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a lease contract. The new standard is effective for the annual period commencing 1 April 2019, with early adoption permitted only in conjunction with IFRS 15. The Credit Union is assessing the impact of the standard.

(ii) IFRS 17, Insurance Contracts, was issued in May 2017 and replaces IFRS 4, Insurance Contracts. The new standard established the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. It is effective for the annual period commencing 1 April 2021, with early adoption permitted only in conjunction with IFRS 15 and IFRS 9. The Credit Union is assessing the impact of the standard.

Current Directors and Officers and their remaining terms in office as at March 31, 2019:

Board of Directors:

President	Ena Martinez	Vacancy
Vice President	Belarmino Esquivel	One (1) year more
Secretary	Manuel Polanco	Vacancy
Assistant Secretary	David Constanza	One (1) year more
Treasurer	Cindy Castillo	One (1) year more
Director	Teresita Miranda	Vacancy
Director	Oscar Gutierrez	One (1) year more

Supervisory Committee:

Chair	Lisa Carballo	One (1) year more
Secretary	Dorita Herrarte	One (1) year more
Officer	Isael Cajun	Two (2) years more

Credit Committee:

Chair	Javier Moreno	One (2) year more
Secretary	Marcia Tun	One (2) year more
Officer	Carlos Contreras	One (1) year more

Credit Union Prayer

Peace Prayer of St. Francis of Assisi

LA INMACULADA
LICU
CREDIT UNION LTD.
BELIZE, C.A.

LORD, MAKE ME AN INSTRUMENT OF YOUR PEACE:

WHERE THERE IS HATRED, LET ME SOW LOVE
WHERE THERE IS INJURY, PARDON
WHERE THERE IS DOUBT, FAITH
WHERE THERE IS DESPAIR, HOPE
WHERE THERE IS DARKNESS, LIGHT
AND WHERE THERE IS SADNESS, JOY

O DIVINE TEACHER, GRANT THAT I MAY NOT SO MUCH SEEK:

TO BE CONSOLED AS TO CONSOLE,
TO BE UNDERSTOOD AS TO UNDERSTAND,
TO BE LOVED AS TO LOVE.

FOR IT IS IN GIVING THAT WE RECEIVE,

IT IS IN PARDONING THAT WE ARE PARDONED,
AND IT IS IN DYING THAT WE ARE BORN TO ETERNAL LIFE.

AMEN.





LICU gives you:

- Yearly Savings Returns (Dividends/Rebates)
- Free Life Savings Coverage up to $8,000
- Free Loan Protection up to $40,000
- Member's Life Coverage (Burial Grant)
- Free 24 hour Depository Bin for payments and savings
- Free Country-wide Point of Sales Service (swipe & pay)
- Country-wide ATM Access
- Special Discounts on RFG Housing Insurance
- Affordable Processing of Land Documents / Legal Instruments
- Over- the- Counter Utility Bill Payments and Top-up
- As a member/owner you have a voice that counts!

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BELIZE, C.A.

Always at your Service!