LA INMACULADA CREDIT UNION LTD

74th ANNUAL GENERAL MEETING



Muffles College High School Auditorium

May 27, 2023



Coming Soon !

New Location of our Belmopan Building.



LA INMACULADA

LICU

CREDIT UNION LTD.

BELIZE, C.A.

Grow With Us



Visit our Updated Website

www.licu.org

New design made especially to assist the membership from the convenience of your home !



WEBSITE FEATURES

APPLY FOR A LOAN ONLINE

Submit your documents online for pre-screening. Our friendly Credit Advisors will respond within one (1) working day.

UPDATE YOUR ACCOUNT

See the required documents in order to update your account and submit online. We will respond to you within one (1) working day on the date to visit our office. All original documents must be presented when visiting our offices.

ONLINE / MOBILE BANKING

View your account details in your leisure. Make member to member transfers, payments towards your loan and even save towards your shares.

OPEN AN ACCOUNT

Be informed of the minimal requirements to open an account (Minor/Adult/Business) are and submit the documents online.

LOAN CALCULATOR

Choose the type of loan you are interested in and use our loan calculator to find out your estimated loan payment. Note this is an approximate estimation and is subject to change. You will know the actual amount when you meet a Credit Advisor.

FORECLOSURE LISTING

See the latest foreclosures and the purchasing guidlines. Find out dates for Public Auctions and requirements to bid.

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 73rd Annual General
b. Business Arising from the Minutes of the Last Meeting

6. REPORTS

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

7. DISCUSSION AND ACCEPTANCE OF REPORTS

8. DECLARATION OF DIVIDENDS

9. ELECTION OF OFFICERS

a. No elections

10. OTHER BUSINESS

11. NEW BUSINESS

a. No Confirmation of External Auditor as this was approved for two years at AGM held on May 21, 2022

12. ADJOURNMENT OF BUSINESS MEETING

13. REFRESHMENTS AND PRIZES

MINUTES OF THE 73rd ANNUAL GENERAL MEETING of the LA INMACULADA CREDIT LIMITED held at the Muffles College Auditorium, Orange Walk Town on Saturday May 21, 2022

OPENING AND PRELIMINARIES





CALL TO ORDER

The meeting was called to order by the President, Interim Mr. Belarmino Esquivel, at 10:42 a.m. The opening prayer was led by Ms. Ana McLaughlin. The Welcome Address was given by Mr. Belarmino Esquivel.

The membership approved that the agenda be amended by placing point **10.a (Amendment to By-laws)** under point **6.b** after the Board of Directors' Report.

MINUTES (70TH AGM)

CORRECTIONS

The surname "Castillo" was added after the name "Ricardo" on the first paragraph under "**Resolution – Amendment to By-laws"** on page 8.

On pages 8 and 9, the names captured in the minutes were recorded in full with their first name and their surname.

Matters Arising from the Minutes

Ms. Ana Garcia asked about the resolution on the lowering of quorum from 1,000 members to 500 members which was not accepted by the membership. Mr. Polanco responded that the quorum for AGM meetings remain as 1,000.



BOARD OF DIRECTORS REPORT

Mr. Belarmino Esquivel, Interim President of the Board of Directors presented the Board of Directors' report as follows:

SERVICES



As per our strategic plan, LICU's Vision Statement is as follows:

To be the most recognized, socially responsible financial institution that empowers its members to achieve their highest potential.

The Mission Statement is as follows:

To continue to provide affordable financial services adapted to the needs of our members/owners by pooling their resources in a prudent manner towards achieving social and economic well-being.

The new slogan is as follows:

Grow With Us

NEW SERVICE WITH ATLANTIC INSURANCE

A network partnership was initiated with Atlantic Insurance Co. Ltd. with LICU as a policy holder to facilitate the implementation of Credit Life Coverage required for loans above LICU's coverage.

NEW SHARED SERVICES NETWORK (SSN) VIA THE NATIONAL PAYMENT SYSTEM)

It is expected that the implementation of the New Shared Services Network (SSN) will take place during the fiscal year 2022 -2023.

DEPOSITORY BIN SERVICES 24/7

The depository bin service has been in place since 2019. All protocols and requirements apply when accessing the bin including the requirement to have the account updated.

BILL PAYMENT SERVICES

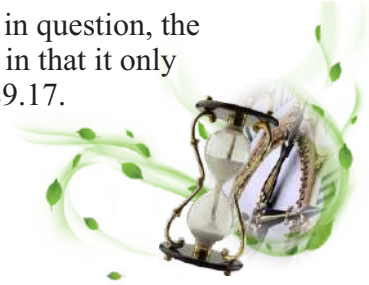
The over-the-counter bill payment service is an additional service that generates a minor commission that contributes to the overall surplus.

SHARETEC SYSTEM

LICU's new core banking system, Sharetec, has been in use since August 2019. This new system can assimilate the requirements for the recently approved Electronic Act.

THE GROUP TERM LIFE FUND – MEMBERSHIP SCHEME

As at March 31, 2022, this fund has assisted 796 families. During the fiscal year in question, the assistance provided totaled $315,333.33. COVID19 affected the fund negatively in that it only grew by $41,122.67. The fund balance stood, as at March 31, 2022, at $1,859,089.17.



SAVINGS AND LOANS MEMBERSHIP SCHEME

A total of 115 families benefitted from this program with a value of $374,860.57. The fund grew by $157,372.00 and has a balance of $2,135,035.00.

RF&G INSURANCE

Members who opt to insure with RF&G automatically get 15% discount on their housing insurance. During the fiscal year in question, the discount resulted in total earnings of $20,315.36. Additionally, LICU earned $9,179.11 in commissions.



LICU STAR SAVERS PROGRAM

This program will resume as soon as schools reopen fully as in pre COVID days.

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

This program assisted 293 students with a total loan value of $1,671,902.76.Of the total number of students, 206 of them have repaid their loan in full with a value of $1,152,834.52. The agreement between BNECT and LICU has been closed upon their request and with the subsequent consensus of both parties after analyzing its functions. The agreement will be completely closed once the current loans are repaid and the account is settled.

EXTERNAL FUNDING

LICU remains debt free from any external agent and is now actively seeking to partner with external agencies in accessing grant funding.

EMPOWERMENT FUND

The Empowerment Fund which was also supported by BNECT was also closed with the BNECT loans as mutually agreed upon.



ECO-MICRO 2021

This project is financed by the Inter-American Development Bank (IDB) and has assisted LICU with technical guidance and tools that will help the MSMEs to be resilient to climate change.

SCHOLARSHIP RECIPIENTS 2021 – 2025

During the year in review, LICU received twenty-six applications for scholarships which were short listed and four of them received a scholarship. To date, a total of forty-six scholarships of $4,000.00 each have been given.



STAFF DEVELOPMENT



LICU continued to provide the staff with necessary training and guidance. The staff also participated in in-house training on AML/CFT, customer service, time management, loan products, LICU benefits, insurance and legal matters.

HUMAN RESOURCE COMPLEMENT

The staff was complemented with five staff for the Headquarter and one staff for the Belmopan branch.

COMPLIANCE AND REGULATION

LICU has managed to review accounts for over 90% of the total membership. Internal training sessions including training for new hires and orientation for senior roles at both branches were conducted.

DELINQUENCY

With great review, assessment and active monitoring, the delinquency rate has reduced slowly but consistently. The aim is to have the delinquency reduce to international standards to below 5%.

BELMOPAN BRANCH

There was an increase in loan approvals for the fiscal year 2021 - 2022. The loan portfolio at the branch stands at over $7.7M with over 1,000 loans. The membership stands at about 5,000 members.

SUPREME COURT UPDATE

In June 2021, Ms. Yolanda Gomez commenced two appeals against LICU and the Registrar of Credit Unions after the Acting Chief Justice, Madam Michelle Arana ruled that Ms. Gomez pay LICU a total of $436,906.34 in damages and legal costs. Ms. Gomez, LICU and the Registrar have all filed their respective legal arguments in the Court of Appeal. The two appeals will be listed for hearing during the June session of the Court of Appeal.

CONCLUSION

Upon the request of Central Bank, a COVID 19 Exit Strategy Assessment was conducted and it resulted in LICU allocating $800,000.00 for loan loss provisioning to ensure that there is additional allocation for those loans that are currently struggling to be updated. After the allocation, retained earnings for the year in question stood at $3,006,786.00. From this, the Board approved that $198,047.94 be allocated to the Contingency Fund. The Board recommended a payment of 5% for dividends for the first $10,000.00 in shares and 3% for any remaining balance in shares. The Board also recommended a rebate of 12.5%.



AMENDMENT TO BY-LAWS

Mr. Belarmino Esquivel, presented the resolution to amend the By-laws so that the composition of the Board of Directors be reduced from seven Directors to five Directors. He went on to give the justifications for such amendment by saying that the amendment is in line with the Credit Union Act which states that the Board could be composed of no less than five, and no more than nine Directors, as long as the number of Directors is an uneven number. He also said that LICU's Board has been composed of five Directors for the past two years with authorization from Central Bank and that other credit unions have Boards with five Directors. Mr. Esquivel went on to read the amendment to the membership.



TREASURER'S REPORT

Mr. Gildardo Cervantes, Treasurer, presented the Treasurer's report as follows:

An overview of the past fiscal year revealed that savings decreased by $217,286.65 or 36%, assets increased by $147,855.67 or 0.0019%, and loans increased by $1,537,731.13 or 0.031%.

The slight decrease in deposits was due to the closure of the partnership with BNECT with both the BNECT loans and the Empowerment Fund.

The minimal growth in assets was also as a result of the closure of the BNECT account and the Empowerment Fund.

The increase in the loans portfolio was due to the introduction of new loan products in both the consumer and business sectors.

From 2015 to 2022, a total of $15,405,785.49 in dividends and rebates was paid to members, $1,827,004.26 was allocated to the Statutory Reserve, $1,000,000.19 was allocated to the Special Reserve Fund, $292,337.03 was allocated to the Disaster Recovery Fund with a grand total of $18,525,126.97.

From 2015 to 2022, a total of 535 payments have been made for the Sunrise to Sunset program with a value of $1,538,333.33 and a total of 588 payments have been made for membership coverage with a value of $2,513,021.25.

Total returns given to members in benefits and stability funds sums up to $22,576,481.55.

For the past fiscal year, 751 new accounts were opened at the Headquarter and the Belmopan branch cumulatively. As at March 31, 2022, LICU's membership stood at 23,715.

CREDIT COMMITTEE'S REPORT



This past fiscal year, the Headquarter disbursed 2,757 loans with a value of $23,733,920.95. The Belmopan branch disbursed 1,040 loans with a value of $8,686,808.00 with a grand total of 3,797 loans with a value of $32,420,728.95.

The top five loan purposes were as follows:

- Personal Loans: $10,599,555.13
- Home Improvement: $6,374,466.00
- Seasonal Loans: $3,916,972.00
- HOGAR loans: $3,656,300.00
- Debt Consolidation: $1,786,262.82

As at March 31, 2022, LICU's loan portfolio stood at $50,253,687.13.
As at March 31, 2022, delinquency rate stood at 11.88% as compared to the year before which was at 14.06%. For the year in question, the number of delinquent loans was at 922, while the previous year it was at 1,105. The principal value of loans during the year in review amounted to $5,969,494.81, while the year before it was at $6,850,018.60.

SUPERVISORY COMMITTEE'S REPORT

During the past fiscal year, the Supervisory Committee performed the following tasks:

- Conducted cash counts and vault checks at the Headquarter and the Belmopan branch.
- Collaborated with the Central Bank of Belize to ensure compliance.
- Engaged in ongoing discussion, planning and implementation of audit plans along with the Internal Auditor.
- Provided quarterly recommendations on procedures.
- Reviewed minutes of the Board of Directors' meetings.
- Amended the Audit Charter.
- Conducted monthly financial statement reviews.
- Engaged management and the accounting department in discussions for improvement.
- Conducted a minimum of two working sessions to discuss plans and prepare reports.
- Conducted and presented a financial statement analysis.

DISCUSSION OF REPORTS

Ms. Aviceli Nah asked for clarification between construction loans and HOGAR loans. Ms. Marcia Tun, Chairlady of the Credit Committee explained that HOGAR is a promotion for construction of houses for first time owners. She said that not all loans for house loans meet the requirements for the HOGAR program so they fall under the ordinary construction loans.

Ms. Irma Briceño asked about the banking system before the migration to Sharetec, the new core banking system and how this new system affects the printing of account books. She also asked whether statements can be provided much like the banks. Ms. Yadeli Urbina, the GM, responded by saying that before Sharetec, the system used was Emortelle and that printing of the books used to be done under that system. She went on to say that the receipt provided for transactions made over the counter provide all the necessary account information. She also mentioned that online banking can be done and statements are available via this platform.

Mr. Otilio Muńoz commended the Supervisory Committee for providing their e-mail addresses to the membership through which they could be reached for members to express concerns. He also asked whether it was effective or not. Ms. Lisa Carballo, Chairlady of the Supervisory Committee said that, yes, members do reach out to them and that they act upon the concerns as soon as they get them.



Mr. Julio Gongora asked for clarification on the different amounts paid for the Group Term Life Membership Fund. The GM explained that the payments fluctuate because some members have more than one beneficiary and not all of them collect their portion at the same time. The report, she said, reflects only what has been disbursed already.

Ms. Shamira Carrillo asked why beneficiaries are not provided with statements giving information as to the amount of money left for them. The GM explained that this is not done since information of accounts is strictly private and confidential and is provided only to the owner of the account.

Ms. Eufemia Gutierrez inquired about the criteria used for the writing off of loans and the GM explained that there is a structure put in place by the Central Bank of Belize. She further explained that Central Bank allows for loans to be in arrears for a specific amount of time. Once this amount is exceeded, such loans need to be written off as per Central Bank's directives. However, explained the GM, even if loans are written off, they are still recoverable and the institution does everything in its power to ensure its recovery. Ms. Gutierrez asked where the recoveries are reported in the financial report. The GM responded by saying that it used to be reported as “Other Income” but that now it is being reported as “Charge Offs”.

Ms. Shajira Wu asked for clarification of the last paragraph under Savings and Loans Membership Scheme (Pg. 16) which stated that this scheme is being monitored and may see amendments in the coming year or years. The GM explained that the program is being reviewed by the Board for sustainability and viability.

Ms. Mariela Ramirez commented that she had been called by the office to inform someone that he needed to update his account, but that such member had passed away. The GM explained that this may have happened due to the updating of all accounts. She asked Ms. Ramirez to visit the office and have this addressed.

Ms. Vilma Teul queried about the LICU scholarship recipient being only from the north, and none from Belmopan. Ms. Urbina responded that the scholarship is advertised at both Orange Walk and Belmopan.

Mr. Otilio Muńoz asked whether LICU won the Supreme case against Ms. Gomez and whether any money has been recovered from her. Ms. Urbina explained that, yes, LICU won the case but that no money had been recovered yet since Ms. Gomez has appealed the case.

Mr. Evaristo Blanco queried as to why the composition of the Board was being limited to five members. Both the President, Mr. Belarmino Esquivel and the GM explained to him that the resolution to amend the composition of the Board did not limit the number of members to five since the wording was “shall consist of not less than five members”.



Ms. Aviceli Nah asked why not all members are paid the maximum $4,000.00 under the Sunrise/Sunset program. The GM explained that the beneficiaries of members who qualify and are over fifty years old receive $2,000.00. The beneficiaries of members who qualify and are below fifty years of age receive $4,000.00.

Ms. Belinda Chan asked when was the cut off point for all members to qualify for $4,000.00. The GM explained that this was on October 31, 2005.

Ms. Lusiola Castillo asked what is the coverage for loans. Ms. Urbina explained that it is $40,000.00. Ms. Castillo asked whether members needed to have that amount in shares. Ms. Urbina explained that the shares required was dependent on the rating criteria of the loan. Ms. Castillo went on to ask when the Board started operating with five members instead of seven. Mr. Esquivel said it was two years ago with Central Bank's interim approval.

Ms. Irma Briceño observed that the figures for savings this year do not match with those of last year. Ms. Urbina explained that this is so because shares and deposits are now reported together as opposed to last year when they were reported separately. The GM said it could be doublechecked for any oversight. Ms. Briceño went on to comment on the processing of deposits made through the depository bin. She said it puts members at a disadvantage because they are charged a late fee when deposits are made over the weekend and are not processed until Monday. She went on to suggest that the bin be put inside the office. The GM clarified that the charge of the late fee is due to the process being a manual one. She also explained that the bin is not placed inside the office for convenience's sake, especially over the weekend.

Mr. Evaristo Blanco questioned whether LICU's insurance covers loss because of delinquent loans. The GM explained that the insurance does not cover such cases.

APPROVAL OF REPORTS

Mr. Javier Moreno asked that the membership approve the reports including the resolution to amend the Bylaws through a raising of hands. The reports were accepted by the majority of the membership by a raising of their hands.

DECLARATION OF DIVIDENDS AND REBATE

The President declared that dividends for the year in question be paid at 5% for the first $10,000.00 in shares and 3% on any remaining balance in shares to qualifying members. He went on to declare a 12.5% rebate to qualifying members.

ELECTION OF OFFICERS

Mr. Gemayel Babb, Executive Director of the Belize Credit Union League, conducted the election of officers for the Board and the other two committees since all volunteers were up for elections except Mr. Manuel Polanco and Ms. Teresita Miranda, both from the Board. Mr. Babb went on to read the guidelines and requirements for volunteers in the Board, Supervisory Committee and Credit Committee. Mr. Babb presented the slate for the Board of Directors as nominated by the Nominating Committee. The slate consisted of Mr. Belarmino Esquivel, Mr. David Constanza, Mr. Gildardo Cervantes, Ms. Lisa Carballo and Mr. Adimir Escalante. He went on to open the floor for nominations for two minutes. There were no nominations from the floor. Ms. Eufemia Gutierrez moved that nominations be closed. This was seconded by Mr. Belizario Carballo. The majority of the membership approved the nominations by a raising of hands.



Mr. Babb continued with the election of officers for the Credit Committee. He went on to read the requirements for members who serve in this committee. He then presented the slate nominated by the Nominating Committee. The slate comprised of Ms. Suzannie Cajun, Mr. Javier Moreno and Ms. Marcia Tun. Mr. Babb asked for nominations from the membership. Ms. Guadalupe Moreira nominated Ms. Shanice Flowers. Mr. Babb explained that Ms. Shanice Flowers is a staff member at the Belmopan branch and as such cannot be elected to serve. Ms. Eufemia Gutierrez moved that nominations be closed. This was seconded by Mr. Dudley Sutherland.

Elections were then held for the Supervisory Committee. Again, Mr. Babb explained the requirements for members in this committee. He then presented the slate as nominated by the Nominating Committee. The slate was made up of Mr. Hector Morales, Mr. Leandro Osgalla, and Ms. Dorita Herrarte. Mr. Babb asked for nominations from the membership. Ms. Aviceli Nah nominated Mr. Otilio Muńoz who accepted nomination. Ms. Monica Cuello nominated Ms. Irma Briceńo who also accepted the nomination. Mr. Oswaldo Moreno moved that nominations be closed. This was seconded by Mr. Byron Usher. The motion was accepted by the membership by a show of hands. Mr. Babb proceeded to ask all the nominees to present themselves to the membership and give a brief biography of themselves both in English and Spanish. Mr. Babb stipulated the rules for the voting process. Mr. Moreno translated it in Spanish. The voting was done through the use of ballot papers provided by the Belize Credit Union League. The result of the elections was as follows:

Hector Moralez	303 votes
Leandro Osgalla	309 votes
Dorita Herrarte	345 votes
Otilio Muńoz	249 votes
Irma Briceńo	187 votes

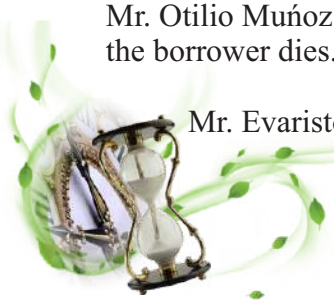
OTHER BUSINESS

Mr. Geovannie Argalles questioned about delinquency and conflict of interest. Ms. Urbina explained that internal controls have been instituted at all levels and that they are functioning very well and they address the issue of conflict of interest. Among these, she said, are the Code of Ethics and Conflict of Interest Policy. She also said that the Central Bank of Belize, the Supervisory Committee and the Internal Auditor ensure that the controls are functional.
Mr. Evaristo Blanco asked that someone from BDO, LICU's auditor, explain the figures in the audited financial report.

Mr. Ricardo Escarraga suggested that names of the founding members of LICU who have died be honoured.

Ms. Cristina Lewis complained about the lack of communication regarding the HOGAR loan program.

Mr. Otilio Muńoz asked that the AGMs start at 8 a.m. He also queried whether loans are cancelled if the borrower dies. Ms. Urbina explained that if the loan is covered, it is paid.



Mr. Evaristo Blanco asked for an explanation for “debentures”. The GM explained that this is a Board approved investment. She said that these investments gain interest which, in turn, are given to the members in the form of dividends. These, she said, are stable investments and are reported at every AGM.

Ms. Alice Myers asked why the staff is shifted at Belmopan branch. The GM explained that this is part of the job cycle.

Ms. Eufemia Gutierrez queried as to whether minors' shares can be used as collateral. Ms. Urbina explained that, in order to safeguard the investment made on the child, his/her shares are not used as collateral. Ms. Gutierrez asked that emergencies such as the child's health, be taken into consideration.

Ms. Edith Ku echoed Ms. Gutierrez's concern and agreed that emergencies should be taken into consideration.

Ms. Belinda Chan also agreed with the issue of using minors' shares as collateral. Ms. Urbina said that LICU has always been receptive to changes and that this issue could be looked at.

Mr. Lauro Ku and Mr. Evaristo Blanco also joined to ask that minors' shares be used as collateral.

Mr. Belarmino Esquivel, Interim President of the Board, assured that this issue will be reviewed by the Board and the membership will be duly informed.

Mr. Blanco went on to state that during COVID19 changes were made to the Bylaws. Ms. Urbina clarified that whatever changes were made at that time, were approved by Central Bank with the agreement that these changes be ratified by the membership at the next AGM.

Mr. David Pech asked that issues discussed under "Other Business" be limited to five or six, since the discussions were being prolonged.

NEW BUSINESS

Mr. Esquivel recommended, on behalf of the Board, that BDO Belize LLP be retained for two more years as LICU's External Auditor. He went on to ask for approval from the membership by the raising of hands. The majority of members gave their approval. BDO Belize LLP, therefore, will be retained for two more years as LICU's External Auditor.

ADJOURNMENT

The Annual General Meeting was adjourned at 3:31 p.m. on a motion made by Mr. Evaristo Blanco and seconded by Ms. Alice Myers. The membership approved the motion. At this time food and refreshments were served. Raffles were also drawn. The winners were as follows:

Respectfully Submitted,

Manuel Polanco
Secretary



KIDS CORNER

Prize	Winner
Headphones	Clarisel Flores
Tablet	Jackeline Guerra
Kids Table Set	Kyana Shante Yah



PUNCTUALITY PRIZES

Prize	Winner	Ticket No.
Shopping Spree	Alma Mendez	513421
55” Television	Narcisa Romero	513551
Blender	Eleodora Reyes	

ATTENDANCE RAFFLES

Prize	Winner	Ticket No.
Iron	Carmela Escalante	513566
Hand Mixer	Angela Janeth Gomez Hernandez	513692
Waffle Maker	Beverly Tejada	513359
Coffee Maker	Julia Vallecillo	513655
Wheeled Hamper-Basket	Jerson Reyes	513549
Hamilton Beach Blender	Wilmer Diaz	513463
Multi Cooker	Shaun Pate	513423
Hamilton Beach Slow Cooker	Orlando Herrera	513400
Roast Oven	Wendy Rodriguez	513769
Pressure Cooker	Alma Alonzo	513582
Toaster	Cruz Oliva	513561
4 piece Lamp Set	Aurelia Coy	513574
Coleman Compact Table	Lucerito Carpio	513222
Brother Sewing Machine	Cesar Teul	513578
Pro Ab Power	Hilaria Burns	513596
Ice box	Claudia Groutsche	513706
Samsung A01	Fabricio Perrera	513269
Microwave	Adalia Botes	513483
LG Stereo	Rosalva Balam	513650
Stove	Hilberto Alpuche	513365
Double Mattress	David Pech	513697
6 piece Table Set	Natalie Cobo	513530
Washing Machine	Isis Mairena	513879
Mabe Refrigerator	Maria Rash	513610
55” Television	Estevan Menensez	513906



BOARD OF DIRECTORS
2022-2023



MR. BELARMINO ESQUIVEL
PRESIDENT



MR. DAVID CONSTANZA
VICE PRESIDENT



MR. GILDARDO CERVANTES
DIRECTOR



MS. LISA CARBALLO
SECRETARY



MR. ADIMIR ESCALANTE
ASSISTANT SECRETARY

BOARD OF DIRECTORS REPORT 2022 - 2023

The Board of Directors, Supervisory Committee, Credit Committee, Management and Staff extend a warm welcome to our valued members at this our 74th Annual General Meeting. We are thankful for your presence, patronage and consistent support throughout the years as together we have made LICU a recognized and respected institution that brings hope, opportunity and possibilities to thousands.

We can proudly say that we have remained committed to being member focused and we have emerged as trendsetters in being accountable and engaged with our members every step of the way.

The global pandemic reached its plateau in the last fiscal year however; the remnants of unemployment, re-opening of businesses now in a new financial landscape and regulatory and technological changes still present a challenge.

Nevertheless, despite the many challenges, with hard work, prudent management, continuous oversight, improved processes and new products and services we have been able to remain relevant and responsive to the needs of our diverse membership. It is with a great satisfaction that we now highlight the accomplishments and the opportunities for growth that we faced and surpassed in our fiscal year 2022-2023. We recognize that this was only possible with our collaborative efforts, unified vision and commitment to excellence.

We believe that our improved processes and policies give guidance on how our staff delivers the most professional services and how the members access these numerous benefits and services. They also provide a platform that promotes respect and courteous dialogue and we invite all members present to abide by them by actively participatig in a meaningful manner in this meeting within the established protocols of which mutual respect and trust is paramount.

We are very pleased to share the highlights of the past fiscal year as we have major accomplishments that will translate into better services to you.

SERVICES AND BENEFITS

We are in a continuous mode of evaluating our services, products and benefits to ensure that we maximize all our resources to be able to provide you with uninterrupted and accessible services for optimum performance at all times. We believe in being supportive of every member with personalized guidance, professional service and inclusive outreach efforts.

ATLANTIC INSURANCE POLICY HOLDERS

Our most recent partnership as a policy holder with Atlantic Insurance Company Limited, which initiated in March 2021, continues to prove to be yet another mutually beneficial partnership. The Creditor Life Policy offers members coverage on their loans in the event that there may be a loss of life during the life of the loan. This coverage covers the remaining loan balance, once the loan is up to date, and ensures that any collateral pledged remains free of encumbrances and safeguards the legacy left for their beneficiaries.

In addition, the coverage offers very affordable premiums and payments can be made to the insurance company directly from the loan funds. It is also an internal process and the policy is automatically assigned to LICU and does not require additional follow up and added documentation.

NEW SHARED SERVICES NETWORK (SSN) VIA THE NATIONAL PAYMENT SYSTEM

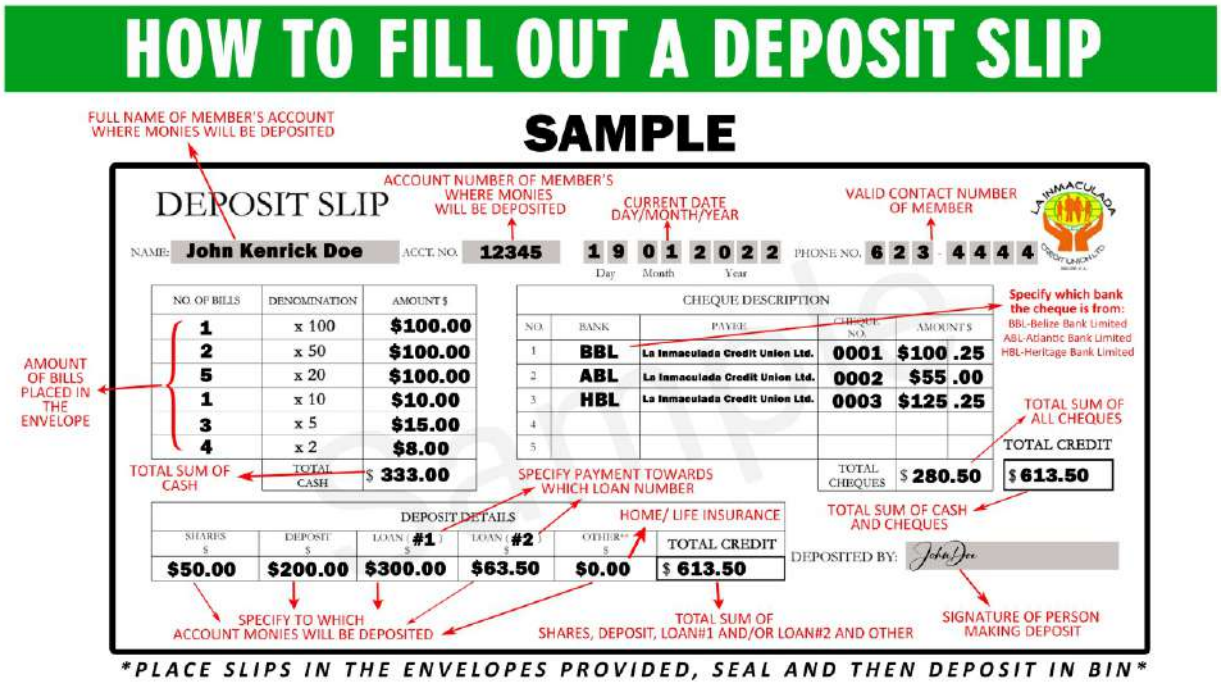
LICU continues to work with Shared Services Network (SSN) under the Belize Credit Union League, to join the National Payment System (NPS) with the Central Bank of Belize. The NPS will allow us to perform automated transfers via non-cash transactions.

The BCUL and all participating credit unions have been in constant communication with the Central Bank of Belize and we are hopeful that the all requirements will be finalized and we will join the NPS this fiscal year 2023-2024. Due to some connectivity challenges, some credit unions may "go live" before others; but hopefully all credit unions, including LICU, should be connected before the end of this fiscal year.

DEPOSITORY BIN SERVICES 24/7

Our membership has enjoyed the 24/7 Depository Bin services since 2019 and it continues to be one of the most convenient and efficient alternatives to ensure that your payments and deposits are made at a time of your convenience. We encourage everyone to use this service as you simply need to fill in the deposit slip as shown below and place it in the deposit bin at your convenience. The deposits are all processed within the next working day without the long lines and waiting. I am sure that once you have made use of this service, you will continue doing so as it saves you time, and time is money.

As we are all aware, all protocols and requirements apply when using this form of payment including the requirement to have the account/s updated.



BILL PAYMENT SERVICES

The over-the-counter bill payment services is another of our additional services that we continue to offer to allow you to maximize your visit to the office and make your saving and/or payments and make other utility bills. This also generates a minor commission that contributes to our overall surplus.

We look forward to the implementation of the National Payment System via SSN to be able to offer the bill payment services via our online and mobile platforms for added convenience.

THE GROUP TERM LIFE FUND – MEMBERSHIP SCHEME

Our Membership Scheme – Sunrise to Sunset Fund is one of our most important benefits even though it comes after a the passing away of a member. Since January 1, 2006 to March 31, 2023, this fund has assisted 899 entire families during one of the most trying times in life, the loss of a loved one.

Many members would mention that they do not need money after their passing, but their families do. We know that the benefits received have alleviated the financial burden and mitigated the unexpected expenses to assist in putting their loved ones to rest with dignity and love.

The assistance provided for this past year totaled $249,666.66 as follows:

1	Saturnina Zapata	$2,000.00	24	Odilia Oretga	$4,000.00	47	Anastacio Blair	$2,000.00	69	Arthur Belazaire	$2,000.00
2	Eumelia Avila	$2,000.00	25	Victor Mex	$4,000.00	48	Javier Roberts	$4,000.00	70	Eulocadia Magana	$666.66
3	Margarita Blair	$4,000.00	26	Jose F Cuellar	$2,000.00	49	Ignacio Cawich	$2,000.00	71	Nimia Escalante	$4,000.00
4	Leobarda Santana	$2,000.00	27	Deodoro Busitllos	$4,000.00	50	Tara Issrani	$2,000.00	72	Alexis Ek	$4,000.00
5	Maria Castillo	$2,000.00	28	Daisy Campos	$2,000.00	51	Rosa Ramirez	$2,000.00	73	Allan Dominguez	$4,000.00
6	Porfilio Chi	$2,000.00	29	Luis Wilfredo Leiva	$2,000.00	52	Blanca Guerrero	$4,000.00	74	Florencio Ocampo	$2,000.00
7	Bernadatte Sentino	$2,000.00	30	Ponciano Reyes	$2,000.00	53	Maria Vasquez	$4,000.00	75	Juliana Herrera	$2,000.00
8	Henry Audenett	$4,000.00	31	Asela Herrera	$2,000.00	54	Macario Chi	$2,000.00	76	Orlando Leiva	$2,000.00
9	Eligia Burke	$2,000.00	32	Fredy Lopez	$4,000.00	55	Ronaldo Cocom	$4,000.00	77	Cecilia Ak	$4,000.00
10	Regina Uh	$2,000.00	33	Santiago Hernandez	$2,000.00	56	Eterlina Viases	$2,000.00	78	Humberto Reyes	$1,000.00
11	Basilia Ordonez	$4,000.00	34	Benita Patt	$4,000.00	57	Chrispino Sho	$4,000.00	79	Isidro Melendez	$4,000.00
12	Edgar G Lopez	$2,000.00	35	Senaida Montejo	$2,000.00	58	Balbina Wicab	$2,000.00	80	Jacobo Catzim	$2,000.00
13	Adelaida Villanueva	$2,000.00	36	Carmelian Cortez	$4,000.00	59	Damiana Sanchez	$4,000.00	81	Justina Coy	$4,000.00
14	Desideria Chable	$2,000.00	37	Argelia Chable	$2,000.00	60	Joseph Morales	$2,000.00	82	Elida Lorena Tzi	$2,000.00
15	Trinidad Cawich	$2,000.00	38	Concepcion Gongora	$2,000.00	61	Carmelita Rosado	$4,000.00	83	Eleonor Escalante	$2,000.00
16	Emilu Carrillo	$4,000.00	39	Anastacia Basto	$2,000.00	62	Amos Rhaburn	$1,000.00	84	Michille Cadle	$4,000.00
17	Saturnina Zapata	$4,000.00	40	Jovita C Pren	$4,000.00	63	Margaret Trapp	$2,000.00	85	Ofelia Batun	$2,000.00
18	Felicitas Coob	$4,000.00	41	Rogelio Salazar	$2,000.00	64	Amos N Rhaburn	$1,000.00	86	Jose Carrillo	$4,000.00
19	Emerciana Moralez	$4,000.00	42	Antonia Cocom	$4,000.00	65	Mario Gonzalez	$2,000.00	87	Josefina Castillo	$2,000.00
20	Jacqueline Harris	$4,000.00	43	Maria Gomez	$2,000.00	66	Andrea Aragon	$2,000.00	88	Loreto Bustillos	$2,000.00
21	Alma Munoz	$4,000.00	44	Sergio Escalante	$4,000.00	67	Clarence Nolberto	$2,000.00	89	Jeannina Tillett	$4,000.00
22	Sergio Azael Ek	$4,000.00	45	Vidal Cajun	$2,000.00	68	Dominga Sedassie	$2,000.00	90	Elvira Leonardo	$2,000.00
23	Lucia Canti	$4,000.00	46	Aldo Perez	$4,000.00						

$ 249,666.66

This fund grew by $96,291.34 which was a welcomed increase as compared to last year when it increased by $41,122.67. This minimal increase was due to a decrease in number of deaths as 90 benefits paid when compared to 111 benefits paid last fiscal year. The total benefits paid for this fiscal year were $249,666.66 compared to $315,333.33 from last year.



The fund balance stood at $1,955,380.51 (Note 13) as at March 31, 2023.

As was indicated in the last year's report, the Board of Directors approved changes to this free coverage in order to ensure its sustainability especially after the drastic increase in mortality rates during the COVID-19 pandemic. The changes include that members joining before 65 years of age will continue to enjoy this benefit and that members are required to disclose any terminal or acute illness, which would exempt them from this coverage. The changes were made as the original intention of our automatic coverage was to assist in time of unexpected loss of life and to ensure the sustainability of the fund.

SAVINGS AND LOANS MEMBERSHIP SCHEME



Benefits paid as additional funds to beneficiaries on top of members' savings.



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

LICU continues to offer support to our members and their beneficiaries with this free coverage on their loans and shares. We are cognizant that finances are a basic need for everyone and the shares of our deceased members is available to the beneficiaries along with the matching grant on the shares. Loan balances are also covered up to their determined amounts depending on the loan type.

This benefit financially assisted the families of 90 members who had passed away which was less when compared to 115 families last fiscal year. The total benefits paid for this fiscal year amounted to $325,496.36 compared to $374,860.57 from last year. We are hoping to see lower number and value of payouts as thankfully COVID-19 is no longer cutting short the lives of those affected.

This fund grew by $206,666.50, which was a welcomed increase when compared to last year's growth of $157,372.00. The fund has a balance of $2,341,701.13 (Note 14) after thirteen (13) years as captured in the audited financial statement.

This benefit was also reviewed and modified to the current financial landscape for sustainability and, similarly to the Membership Group Scheme members, that declare terminal or acute illness, they will be exempted from this coverage.

ALLIANCES/PARTNERSHIP/NETWORKING

RF&G INSURANCE

LICU has consistent added supplementary services for the comfort and ease of business for our members. Our partnership with RF&G Insurance dates back to 2009 and, as LICU being an official RF&G Agent since 2013. This partnership with RF&G in offering the in-house option for insurance coverage, especially for loans in excess of our free coverage, has proven to be a mutually beneficial partnership. Our members continue to enjoy the automatic 15% discount on their housing insurances by simply being a member. Last year this discount resulted in total earnings of $ $16,116.38. This was less lower than the earnings of last fiscal year of $20,315.36.

Additionally, as agents we also earned in commission for the premiums $10,015.54 as compared to $9,179.11 for last fiscal year.

Note that due to the significant increase in consumables and cost of construction, the cost of building a home in today's current market is about +30% higher than in the last ten years. This increase in replacement value invoked the review of all property insurance values, which resulted in an increased valuation of properties that already had coverage resulting in an increase in premiums. This increase ensures that the coverage is adequate for a replacement value in today's market and avoids underinsurance.

Additionally, there was an overall increase in premium costs due to the impact of natural disasters in the region. Both of these factors contributed to the increase in premiums in our coverage on properties. We understand that financial, global and climatic changes affect us in all areas and these increases were necessary to ensure that you continue to enjoy the full protection and coverage to be able to replace your home in the event of any unexpected damage or loss.

LICU STAR SAVERS PROGRAM AND COMMUNITY OUTREACH



Since its launch in 2015, the LICU Star Savers Program continues having great impact in the lives of our members, both in school and in the community, especially in the rural areas. Through this program, our staff has been graciously and warmly welcomed into 15 different communities which shows that our members and potential members are willing and eager to be part of us as a trusted and recognized financial institution to grow with us.

In addition, secondary and tertiary schools have been included in our outreach activities such as Centro Escolar Mexico Junior College (CEMJC), Corozal Community College (CJC), University of Belize (UB), Muffles College, Muffles Junior College (MJC), and Saint John's College (SJC), which proves that La Inmaculada Credit Union Ltd. is first option to many.

Our outreach efforts also commenced in Belmopan with visits to schools such as Belmopan Comprehensive High School, St Michael R.C. School, Belmopan Methodist High school, St. Martin Government Primary School, United Evergreen primary School, and Our Lady of Guadalupe Primary School. Presently, nine schools were visited in the City of Belmopan and neighboring communities establishing an increasingly and long-lasting relationship with the education sector.

Moreover, our outreach efforts have extended to communities such as San Narciso, Concepcion, and Chunox in the Corozal District where we received avid interest in our products and services.

EXTERNAL FUNDING

LICU continues to remain highly liquid and remains debt free from any external agent.

The access of external funding through networking continues and we are hopeful that we will enter into agreement/s this fiscal year with social partners who share our vision to empower, educate and support our members to grow with us!!

Eco-Micro 2022



The two projects financed by IDB (Inter-American Development Bank) culminated on April 2022 giving LICU great insight and preparedness to assist our farmers in the Livestock, Agriculture and Fisheries sector. The two projects were as follows:

- "Improving Livestock Sector Productivity and Climate Resilience in Belize" (BL-T1094)
- "The adaptation of technologies and green methodologies that will build climate resilience and improve overall productivity for the agriculture and fisheries sectors". (BL-T1112)

Both of them have made LICU technically insightful, and prepared to assist our MSMEs with the mitigation and adaptation to climate change. This information gathered through this project and reputation of LICU has resulted in international organizations such as the World Bank, SPTF, CRESAP, CCCCC, EU, and IDB to recognize us and share their interest in working along with us.



La Inmaculada Credit Union Ltd. continues to seek assistance from projects as these, with the main goal of benefitting our members and to better our services for improved guidance and advice. The more involvement in projects as these would only contribute to our members to Grow with Us.

EDUCATION AND TRAINING

Prosperity Vision Scholarships

We are proud to have 46 awarded scholarships of $4,000.00 per student, disbursed $1,000.00 annually, for each recipient to cover their four (4) years of study at the high school of their choice.

We invite all prospective students to apply for this year's scholarships, as we know that there are many deserving students who can take advantage of this wonderful opportunity. We look forward to receiving your applications to have the privilege of making a small contribution to these students' lives, which will also positively impact their families.

STAFF DEVELOPMENT



Our employees are considered one of our most valuable assets. We believe that in order to achieve holistic yearly successes (both staff and corporate), we must stimulate increased staff performance, productivity and improved company culture by involving them in continuous professional training and development. Our empowered staff have resulted in a series of positive effects in the form of:

(1) increased customer satisfaction,
(2) cost savings and productivity gains,
(3) improved employee morale, health and wellbeing
(4) increased revenues.

Our members are more satisfied as they receive better professional services. Our employees are more efficient and are better equipped in decision making. They are less stressed with new knowledge gained and know the to-dos of the job functions and processes. All of this ultimately adds to member loyalty and retention, as our members are also one of our most valuable assets.

Outlined below are some of the trainings taken by our employees:

- Introduction to Fraud Pt. 1, presented by Moore LLP on July 2022
- Digital Marketing Session, presented by RF&G on August 13, 2022
- International Financial Reporting Standards International Standards on Auditing offered by The Institute of Chartered Accountants of Belize on December 5 & 6, 2022
- Business Forum: Belize Companies Act, 2022 offered by Mr. Rodwell Williams on January 21, 2023.
- Caribbean Financial Action Taskforce Pre-Assessment Training offered to representatives of the private sector on January 23, 2023
- Belize First Annual Anti-Money Laundering and Countering the Financing of Terrorism with theme “The Shared Responsibility of Combatting Financial Crimes – There's a Role for Everyone” offered by National Anti-Money Laundering Committee on February 14 & 15, 2023
- Understanding Terrorist Financing Risks for NPO's and Best Practices, For the Non-Governmental Organization (NGO) and Non-Profit Organization (NPO) offered by the FIU on February 20 & 21, 2023

- Annual AML/CFT training on Anti-Money Laundering obligations (Identifying and Reporting suspicious transactions) presented by the FIU in March 2023.
- Annual Agents Forum presented by RF&G on March 25, 2023

Our staff also participates in "In-House" and "Personal Development trainings". In- house trainings consist of Professionalism in the Workplace, Mental Health (Motivational sessions), Social Security Portal sessions, Anti-Money Laundering Regulations, Know your Customer & Customer Due Diligence, and LICU AML-CFT Policy sessions.

The Board of Directors participated in the revision and development of the Loan Policy, Employee handbook, Operations Manual, Accounting Manual and AML/CFT Policy.

The LICU Board President and General Manager continue to attend Credit Union League (BCUL) Board Meetings for General Credit Union matter to find ways to better improve our services to our valued members.

HUMAN RESOURCE COMPLEMENT

We want to extend a big THANK YOU to our staff for their diligence, commitment, and efficiency in providing the daily services in all areas courteously and professionally. Our staff dedicates countless hours in delivering face to face services, over the telephone, via email, WhatsApp and through mobile banking. Additionally they process all transfers from all banks, assist via Facebook, and the website, conduct valuations, prepare and lodge legal instruments, implement house and creditor life insurance, have outreach presentations, prepare report for the regulators, and many more tasks too numerous to mention.

This fiscal year saw the addition of new staff for both the Orange Walk Headquarter and the Belmopan Branch as follows:

➢ Corrina Miranda	Joined LICU on April 4, 2022
➢ Victor Zul	Joined LICU on April 4, 2022
➢ Jamir Chan	Joined LICU on May 3, 2022
➢ Aracely Garcia	Joined LICU on June 13, 2022
➢ Bernaldino Barrientos	Joined LICU on July 4, 2022
➢ Jannai Pech	Joined LICU on July 11, 2022
➢ Glen Cal	Joined LICU on October 3, 2022

The necessary due diligence was carried out to ensure the new hires were fully prepared, with a high level of integrity and drive, all necessary to complement our mission and vision as well as elevate our services to our valued members. The new staff underwent the necessary two weeks of thorough theoretical and practical training with each department. On the second week they were more involved with hands-on to ensure they have fully grasped the functions of their roles. We were very much pleased with this new group as they have indicated their full commitment to providing their class A services to LICU and our members.

COMPLIANCE AND REGULATION

AML-CFT at LICU - Why our members need to be involved.

LICU, as a regulated financial institution, is legally required to take measures to prevent financial crimes, including money laundering, terrorist financing and sanctions violations, against this global threat. LICU recognizes the importance of strengthening its controls to discourage illicit activities in the geographical areas we operate. A major part of our business includes working in partnership with our membership to operate business in a trustworthy, transparent, accountable and respectable environment in compliance with all local and international laws relating to anti-money laundering and terrorist financing.

Regulation can sometimes be seen as intrusive; however, at La Inmaculada Credit Union Limited (LICU), we have balanced this concern with better communication amongst the membership, increased financial literacy programs and ongoing training of its personnel at all levels. This past fiscal year, we had 134 new and existing staff trained via 24 internal and external training sessions in AML-CFT matters. In line with our educational awareness strategy, LICU also had increased outreach activities at schools and several organizations in the Orange Walk and the Belmopan areas. All this was carried out with an effort to improve the member experience and to maintain a compliant culture. Moreover, LICU has offered increased communication opportunities with its membership by providing improved electronic platforms to submit required documentation whilst implementing its updated AML-CFT policies and procedures and an upgraded Membership Term and Conditions.

As the country prepares for its Fourth Round of AML/CFT Mutual Evaluation later this year, the credit union encourages our membership to be aware of the upcoming changes in legislation which could potentially affect policy changes at our credit union. LICU will endeavor in understanding these changes and recommend the best possible outcomes to meet our members' expectations.

We remain steadfast in our commitment to have a strong anti-money laundering and counter the financing of terrorism program. As a European regulator once quoted, “Strong AML culture is about doing the right thing irrespective of regulatory scrutiny or sanctions.” At LICU, we are confident of the measures we have taken since our risk appetite aligns with international banking standards and practices. We count on our members to provide the necessary information to meet the “Know Your Member' requirements and develop a better understanding of “who they are and how they bank with our credit union.” This is instrumental in deterring money-laundering activities and its associated risks which promote an atmosphere of prudent and safe banking.

DELINQUENCY

We have worked diligently with our members who experienced challenges in meeting their payments for their loans, especially during the COVID pandemic. It is easier for a loan to be updated if it is only delayed for a month or two therefore we make every effort to make contact via telephone calls as the first point of contact. If the account is not updated, then we proceed with letters and onsite visits. Our efforts are proving to be fruitful as our delinquency stands at 9.36% as at March 31, 2023 compared to 11.88% last fiscal year.

However, we continue to be challenged by the older loans that have been in arrears for quite

some time. We proceed with recovery for these loans either through Magistrate Court or Supreme Court as it is our mandate to safeguard your funds. We encourage all members to make an arrangement before we get to this stage as this brings automatic added costs due to the legal process.
We have also successfully recovered via the sale of properties. We have some properties still available and have them available on our website. We encourage you to visit our website if you are interested in purchasing a property. We can also offer finance for the purchase once you qualify.

BELMOPAN BRANCH

Our Belmopan Branch is fast approaching its 10th anniversary of serving the Garden City. The branch has grown in members, staff, loans and assets consistently. As was mentioned last year, we were actively pursuing all avenues to offer a more spacious, secure and welcoming environment and we are extremely pleased to inform that we purchased a beautiful and spacious property in Belmopan to house our new office! The achievement of this major milestone further cements our commitment in serving you even better and for many more years in the City of Belmopan and the neighboring villages.



We will be opening the bid for contractors for the design and construction of the building this fiscal year. We know that this will be a welcomed improvement both for our members and our staff.

The loan portfolio stands at $14.46M at the end of this fiscal year. Delinquency is being actively monitored and has reduced in value and percentage but still remains a challenge. Our loans are all highly personalized and we conduct due diligence to assist us in making the best decisions, however loans still fall in arrears. We do understand the situation of some who inform in a timely manner and make arrangements and honor them. However, some members purposely choose not to fulfill their payment obligations and this makes recovery challenging. These delays in payment affect our liquidity and the opportunity to reinvest the funds for other loans to members who can and want to meet their commitments.

SUPREME COURT UPDATE

On or about 16th June, 2021 Mrs. Yolanda Gomez commenced the two appeals against LICU and the Registrar of Credit Unions. Mrs. Gomez lodged the appeal against the decision of the Ag. Chief Justice, Madame Justice Michelle Arana delivered on 11th March, 2021 and entered on 20th May, 2021. Mrs. Gomez was ordered to pay LICU the sum of $436,906.34 she embezzled from the Credit

Union. The Judgment carries interest at the rate of 6% per annum.

Both appeals were heard by the Court of Appeal on 15th June, 2022. Judgment is reserved by the Court.

LICU expects that the Court of Appeal would affirm the decision of the High Court.

CONCLUSION

LICU stands today as one of the most established and recognized financial institutions that has withstood many challenges and has managed to remain resilient and profitable at all times. This commendable achievement is attributed to the countless volunteers who have served well with honor and integrity in the past and present Board of Directors, Credit Committee's, Supervisory Committees, management and staff. Its success has been constrained by the lawless actions of many who did not share the commitment to the institution but, thankfully, a new culture of accountability and transparency is being fostered at all levels.

Our success would not be possible only with the internal structure support and commitment of our volunteers and staff as it relies on the external support of you, our loyal members. We are thankful for your continued patronage and your loyalty to your credit union in making us your first choice to meet all your financial needs. This shows that you have been able to appreciate that collectively our services and benefits are unmatched, especially when you are in good standing.

We have shared our investment in the property at Belmopan and similarly, we also made another significant purchase in Orange Walk in this new fiscal year. We have signed on the purchase of the two-story building located at the corner of Park and Main Street here in Orange Walk Town (previously housed Scotia Bank). This will allow us to be able to serve our members in two strategic central locations in Orange Walk with ample space to accommodate our valued members. We are confident that with these two locations and our soon to come building in Belmopan we will serve you better.

Our audited financial statements for 2022-2023 show a distributable surplus of $3,351,247.00, which shows an increase over last year's net surplus. After a thorough review of our current position, our short term plans for construction in Belmopan and the finalization of property on Main Street in Orange Walk Town to house our second office, the Board approved that $351,000.00 be allocated to the Statutory Reserve to remain compliant and in line with our asset growth.

The Board is thereby recommending that we declare a 5% dividend in the first $10,000.00 in shares and 3% on any remaining balance. The Board is also recommending an 15% rebate to reward our members with loans in good standing as they are direct contributors to our surplus.

As has been established, members in good standing can withdraw their dividends and rebate within the next 60 days with a one-day notice to allow us to assist you efficiently. The withdrawal request forms are available on our website for ease of access.

For and on behalf of the Board of Directors,

Belarmino Esquivel
President

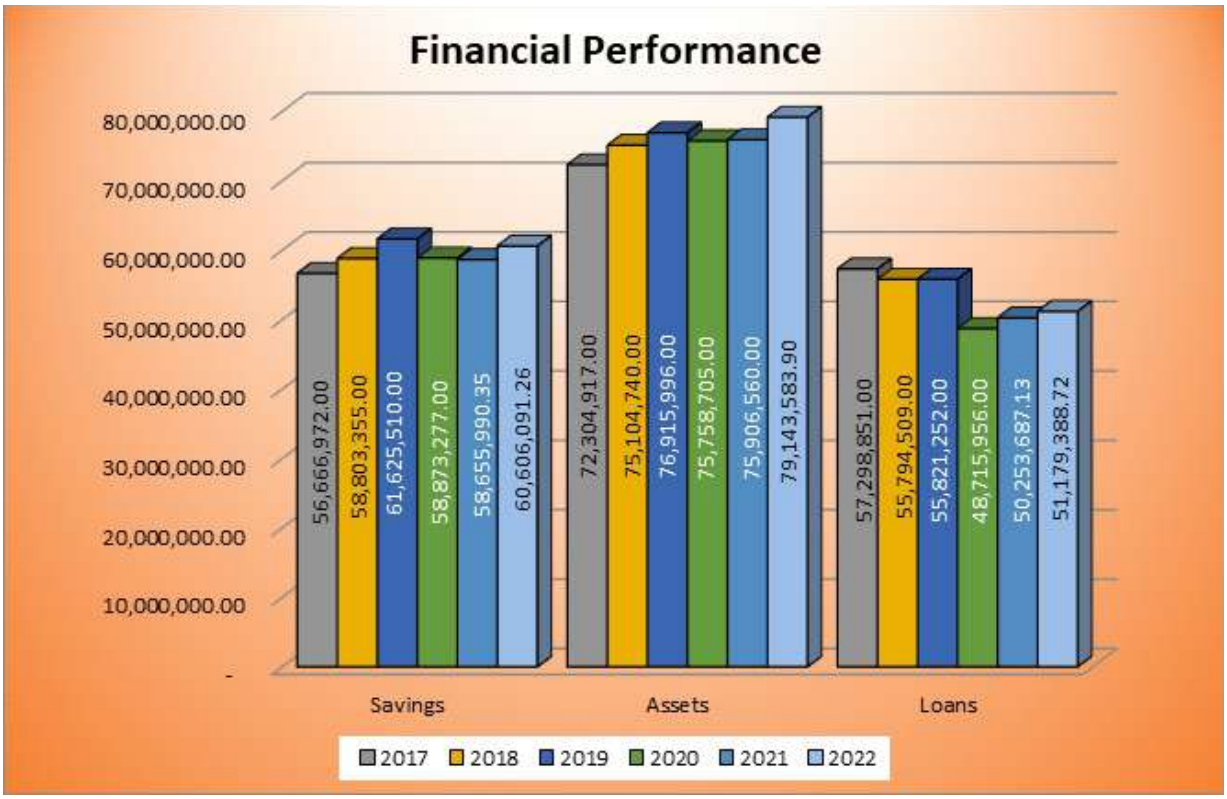
Treasurer's Report
April 1st 2022 to March 31st 2023

The past fiscal year was one of the most challenging ones due to removal of the forbearance measures due to COVID in December 2021 and the gradual increase in activity in the commercial and tourism sectors. Despite this and the added competition offering exorbitant exposures without considering the daily expenses and long term needs of our members, we were still able to increase our loan portfolio. The increase was achieved by educating our members in the many benefits of borrowing prudently, within your budget and careful analysis of their cash flow to ensure that all members have a cushion in case of emergencies. Additionally, our interest rates are all fixed on the reducing balance. Members also get returns yearly with their dividends and rebates, which were recommended at an impressive 15% for the last fiscal year. Loans are also automatically covered once in good standing and dependent on the loan types. Collectively our benefits surpass any individual lower interest rate in the market.

For a quick overview of the past fiscal year, we can show the following results:

- Savings increased by $1,950,100.91 or 3.2%
- Assets increased by $3,237,023.90 or 4.26%
- Loans increased by $925,701.59 or 1.84%

The following table shows our trend for the past six (6) years:



We are confident that we will continue to see positive growth in all major areas in this new fiscal year as we have been in dialogue for a couple of projects that will greatly assist our members, if approved.

LICU – ALWAYS WORKING FOR YOU!!

Last year we highlighted the returns that had been enjoyed by our members during the fiscal years 2015-2022 which amounted to $22,550,009.48 in dividends and rebates, allocation to our Statutory Reserves, and benefits paid to beneficiaries for Sunrise to Sunset and Loan and Savings coverage.

This year an additional $3,322,074.24 has been allocated in dividends and rebates and allocation to two funds, including a new Building Fund as per the table below:

Year	Dividends/Rebates	Statutory Reserve	Special Reserve Fund	Disaster Recovery Fund	GRAND TOTAL
2015-2022	$ 15,379,313.42	$ 1,827,004.26	$ 1,000,000.19	$ 292,337.03	
2022-2023	$ 3,351,249.00*				
TOTAL	**$ 18,730,562.42**	**$ 1,827,004.26**	**$ 1,000,000.19**	**$ 292,337.03**	**$ 21,849,903.90**

*This figure represents the surplus for the fiscal year 2022-2023 yet to be distributed.

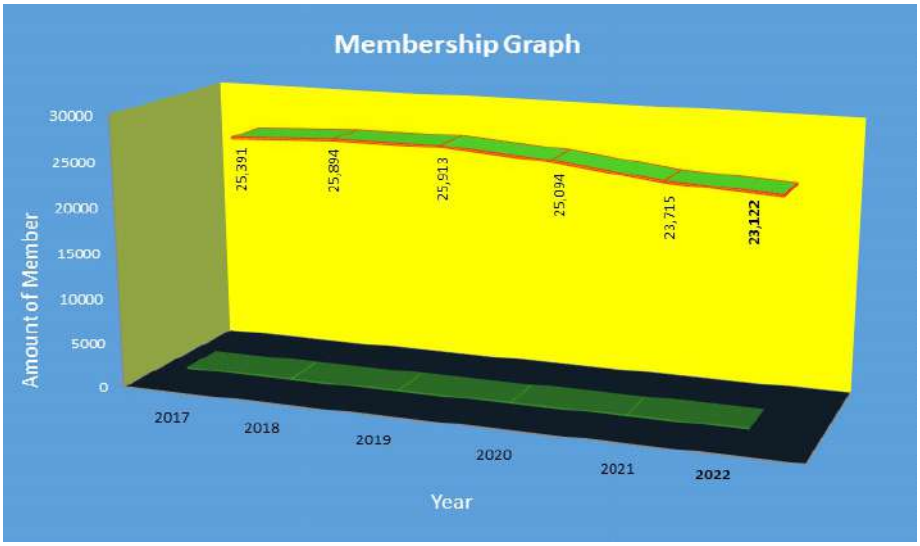
Similarly, the benefits were shared for the same as above and the benefits paid for the fiscal year 2022- 2023 have been aggregated as follows:

Year	Sunrise to Sunset #	Sunrise to Sunset $	Membership Coverage #	Membership Coverage $	GRAND TOTAL
2015-2022	535	$ 1,538,333.33	588	$ 2,513,021.25	
2022-2023	90	$ 249,666.66	90	$ 325,496.36	
TOTAL	**625**	**$ 1,787,999.99**	**678**	**$ 2,838,517.61**	**$ 4,626,517.60**

OVERALL RETURNS $ 26,476,421.50

The overall returns to our members and the stability funds is a commendable $26.476 million, and represents 33.4% percent of our asset base. These figures clearly show that we live our mission and vision that we are truly member and service focused and not profit driven. Our charges are minimal and all the returns are to the membership on a yearly basis. The option to benefit from these yearly returns is available to every member when they save constantly, borrow for productive or necessary reasons to increase their income or quality of life, and when they repay promptly and as agreed. The more you save, the more you earn in dividends. The more you have in shares, the higher loans you can access. The higher loans you HAVE, THE MORE DIVIDENDS YOU ENJOY.

Our outreach efforts assisted in the opening of 917 new accounts at our main and branch office. As at March 31, 2023 our membership stood at 23,122 which is almost the same as last year. The membership remained almost the same despite the increase in new accounts as our project to update our accounts was completed until August 2022 after much effort, time and analysis where all accounts below shares, deceased and with zero balances were removed from the active listing. This new fiscal year should reflect an upward growth as the membership information remains updated on a monthly basis.



*The accurate reflection of membership is seen in the significant growth in our shares which shows that our active members continue to save consistently which increases our capital.

Conclusion

The figures reported above and in the audited financials are the hard earned results of our volunteers in the oversight efforts, the management and staff with the reliable and constant daily delivery of operations, our cooperative partners who share our same social vision and the unwavering support of you, our valued members, with your trust and confidence in us. We know that we have set a strong and dependable foundation on accountability, transparency, efficiency, technology and professionalism that will undoubtedly yield the same, or better results, in many coming years.

We want to thank each and every member who has worked with us in a courteous, respectable and honest manner as all benefits and services are for you once all the required parameters are met to be in full compliance with regulations. We encourage our members who are having difficulties to visit our offices to dialogue on how we can work together to help you to be in good standing as soon as possible. We remain true to our slogan as all our efforts are geared to help every member to GROW WITH US!!

Respectfully,



Gildardo Cervantes
Treasurer

Credit Committee

2022-2023



Mr. Javier E. Moreno
Chairperson



Ms. Marcia Tun
Officer



Ms. Suzannie Cajun
Secretary

Credit Committee Report
April 1st 2022 to March 31st 2023

INTRODUCTION

Even having been through the eye of the pandemic in 2021, in its aftermath, the effects of Covid- 19 on the economy still had to be weathered during the fiscal year 2022- 2023. In addition, the war on Ukraine compounded matters as it made the cost of living almost insufferable.

Fortunately, LICU remained a viable, accessible and affordable option for its members/owners. This resulted due to the Credit committee's proper oversight over the loan portfolio ensuring that the Credit department employed best practices so that our loan products meet the needs of our members/owners.

LOAN PORTFOLIO

In the past fiscal year 3,634 loans were approved at a total value of $30,870,385.68. In comparison to last year, we experienced a decrease of $1,550,343.27 (4.8%) in our approved loan portfolio. Our top five loan purposes were namely: *Personal* - $13,324,257.89, *Home improvement* - $5,710,214.25, *HOGAR* - $3,202,450, S*easonal* - $2,126,907 and V*ehicle* - $1,868,096. The percentages for the loan sectors are illustrated in the accompanying Pie chart.

Our overall aggregate loan portfolio stood at $51,179,388.72 with our Belmopan branch bearing a value of $14,463,314.58 and our headquarters in Orange Walk with a value of $36,716,074.14.
Our fiscal year recorded a decrease of four-point eight (4.8%) in issued loans. Our overall aggregate loan portfolio, however, experienced an increase from $50,253,687.13 to $51,179,388.72, a difference of $925,701.59 which translated to a one-point eight-four percent (1.84%) increase. This was due primarily to the higher retention rate in our portfolio.

Tables I and II that follow further illustrate the performance of our loan portfolio for the fiscal year 2022 – 2023.

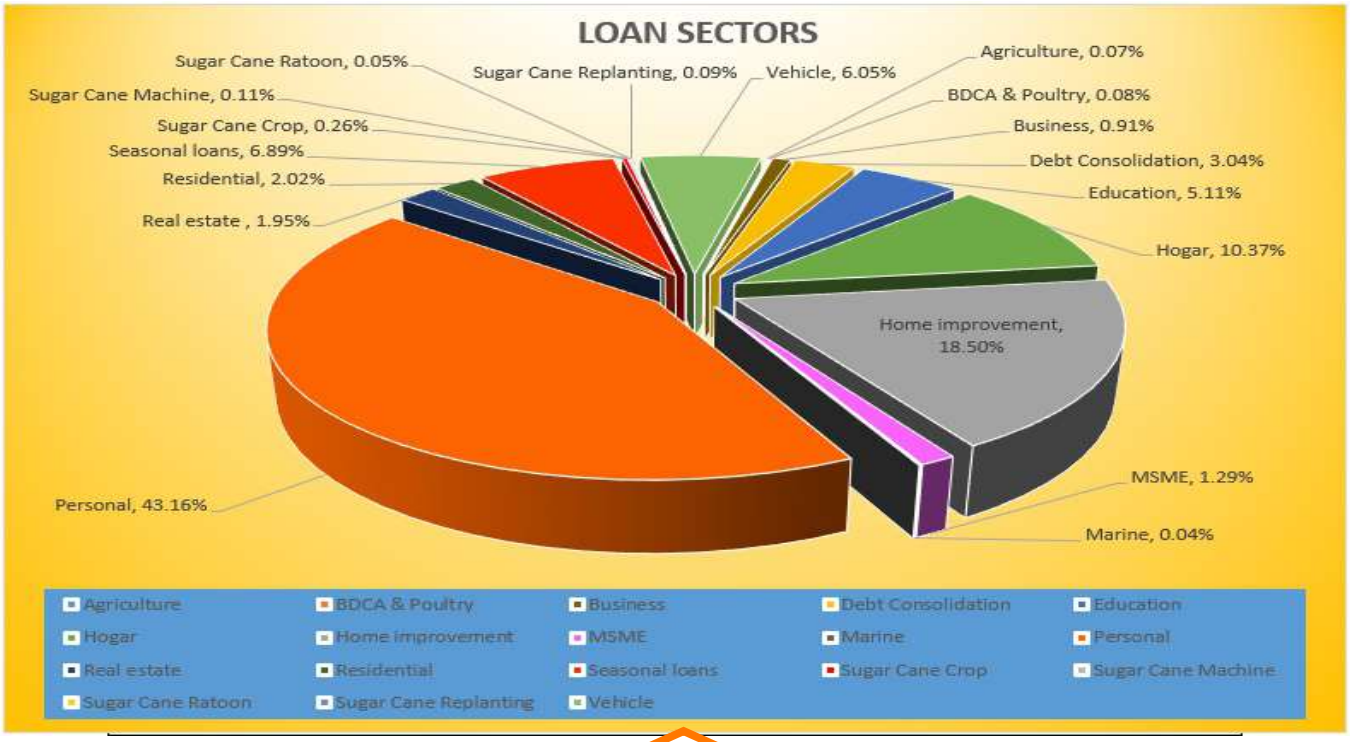


Table I. **Loans by sectors** for 2022 – 2023

Agriculture	$22,050
Beef, Dairy, Cattle & Poultry	$25,700
Business	$279,422
Debt consolidation	$939, 008
Education	$1,576,061.54
HOGAR	$3,202,450
Home improvement	$5,710,214.25
Marine	$13,000
MSME	$398,900
Personal	$13,324,257.89
Real Estate	$602,719
Residential	$622,550
Seasonal	$2,126,907
Sugar-cane crop	$80,250
Sugar-cane machinery	$35,500
Sugar-cane ratoon	$14,100
Sugar cane replanting	$29,200
Vehicle	$1,868,096
TOTAL	**$30,870,385.68**

Table II. **Loans disbursement by branch** 2022 – 2023

Branch	No. of loans	Loans value
Belmopan	913	$8,019,351.49
Orange Walk	2,721	$22,851,034.19
Total	**3,634**	**$30,870,385.68**

DELINQUENCY

At the end of our fiscal year in March, loans in arrears stood at a 9.36% of our loan portfolio. This is a welcomed decrease from the 11.88% of last fiscal year 2022. For fiscal year ending March 2023, a total of 802 loans were found in arrears with a combined value of $4,792,636.80. The leading sector in arrears was once more the personal and consumer loans.

Over this past fiscal year, 298 loans were written off at a combined value of $60,605.66. Efforts to recover on loans written-off generated a combined sum of $71,284.95 derived from 501 loans.

Whilst our Credit department has made notable progress in curbing loans in arrears, loan delinquency still poses a challenge, a challenge that can only be overcome if we work hand in hand. Simply put, we need to ensure that good loans are issued to good paying member/owners. We applaud our members/owners who, during the past fiscal year, have consistently saved and/or met their debt obligations, for they are true partners in: *Grow with us!*

CONCLUSION

We continue on the trend of an uncertain economic climate. We are traversing over uncharted waters. Interestingly yet, the financing industry in Belize has never been this liquid. The competition is fierce amongst lending institutions as they are aggressively courting potential borrowers. At LICU, though, our loyal member/owners are convinced that they certainly grow with us. Not only are they provided with lowered interest rates on our products, but they also receive dividends, rebates, insurance coverage, amongst others.

We urge our members/owners to borrow wisely. Borrow for your needs first, and make every effort to build on your savings. As a cooperative, we pool our shares to be able to provide for loans. So, it is imperative that we remain true to our promise of repaying on time and maintaining stability in our pool of funds.

Our committee is grateful to have had the privilege to serve you in safeguarding your financial interests here at LICU. We commend management and staff for their valued efforts in delivering the needed services 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
Suzannie Cajun, Secretary
Marcia Tun, Officer


LA INMACULADA
CREDIT UNION LTD.
CORN
9%
Become a member
LA INMA
CREDIT U
BELIZ
Grow


EMPOWER
Become a member Now!
COUNSELLING
HELP STUDENTS
DREAM
NOTICE
CULADA
CU
NION LTD.
ZE, C.A.
With Us

SUPERVISORY COMMITTEE

2022-2023



MS. DORITA HERRARTE
CHAIRPERSON



MR. LEANDRO OSGALLA
SECRETARY



MR. HECTOR MORALES
OFFICER

SUPERVISORY COMMITTEE REPORT

1 April 2022– 31 March 2023

Presented to the membership of La Inmaculada Credit Union Limited (LICU) on this 74th 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 2023. In our opinion, the reports present fairly, in all material respects, the financial position of LICU.

We take this opportunity to remind you that your Supervisory Committee is responsible for examining the controls and systems at La Inmaculada Credit Union Ltd. The Internal Auditor is also key to ensuring our role becomes functional and effective. Our full time Internal Auditor concentrates on identifying, testing, and providing recommendations to strengthening the internal control processes within the organization.

During this fiscal year, the Supervisory Committee has performed the following tasks:

1. Conducted cash counts and vault checks at both branches to ensure security and accountability of our assets.
2. Collaborated with the Central Bank of Belize to ensure compliance with requirements and recommendations made during their visits.
3. Engaged in ongoing discussion, planning and implementation of audit plans along with the Internal Auditor.
4. Provided quarterly recommendations on procedures for a more organized testing of major risk areas: members loans, cash and cash equivalent, expenses, and anti-money laundering.
5. Reviewed minutes of Board of Directors meetings to ensure proper guidance.
6. Conducted monthly financial statement reviews to be presented to the Board.
7. Engaged management in discussions for areas to improve.
8. Reviewed the security surveillance system reports to ensure that the surveillance system is functioning adequately.
9. Ensured that a surety bond was in place.
10. New hire of the Internal Auditor, Mr. Glen Cal, following the exit of our former Internal Auditor, Mr. Emir Vega.

Having examined and conducted these tasks we conclude that efforts have been made to ensure compliance and accountability to you, our member owners. We assure you that the Credit Union continues to make great strides in becoming more efficient and productive. This Supervisory Committee is once more willing to continue improving and ensuring transparency, accountability, and improved controls.

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 for her endless support and to the staff for their continued 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. 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:

doritaherrarte@licubelize.org

leandroosgalla@licubelize.org

hectormorales@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. Dorita Herrarte	Mr. Leandro Osgalla	Mr. Hector Morales
Chair	Secretary	Officer

Crowe

LA INMACULADA CREDIT UNION LIMITED

Financial Statements

For the year ended 31 March 2023

La Inmaculada Credit Union Limited

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

Opinion

We have audited the accompanying financial statements of La Inmaculada Credit Union Limited (Credit Union) which comprise of the statement of financial position as at 31 March 2023 and the statements of comprehensive income, 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, the accompanying financial statements present fairly, in all material respects, the financial position of La Inmaculada Credit Union Limited as of 31 March 2023, 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 Opinion

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 Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

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 ability of the Credit Union 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 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.

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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 ability of the Credit Union 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.

Crowe Belize LLP

Crowe Belize LLP

15 May 2023

La Inmaculada Credit Union Limited

Statement of financial position

As at 31 March

(In Belize Dollars)

	Notes	2023	2022
Assets			
Cash and cash equivalents		18,710,467	17,635,654
Interest bearing deposits	4	636,007	611,194
Investments	5	8,257,400	8,257,400
Inventory		337	1,144
Members' loans receivable	6	51,169,735	50,253,687
Less: loan loss provisions	6	(4,112,143)	(4,068,834)
Other receivables and prepayments	7	735,562	767,895
Property and equipment	8	3,699,409	2,448,420
Total assets		79,096,774	75,906,560
Liabilities			
Members' deposits	9	7,651,103	7,029,260
Shares – non-mandatory	10	52,888,445	51,389,580
Accounts payable and accruals	11	803,023	600,879
Mortgage insurance escrow payable	12	205,844	179,068
Membership scheme – Sunrise to Sunset fund	13	1,955,380	1,859,089
Membership scheme – Life savings and loan protection	14	2,341,701	2,135,035
Total liabilities		65,845,496	63,192,911
Net assets		13,251,278	12,713,649
Members' equity			
Shares – mandatory		232,270	237,150
Revaluation reserves		77,376	77,376
Special reserves and contingency fund		1,490,385	1,292,337
Guaranty fund		8,100,000	8,100,000
Undivided earnings		3,351,247	3,006,786
Total members' equity		13,251,278	12,713,649

The financial statements were approved and authorized for issue by the Board of Directors on 15 May 2023.

Director

Director

The accompanying 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)

	Notes	2023	2022
Income			
Interest income:			
Interest income	15	6,026,983	6,177,000
Less: interest expense	15	(1,740)	(3,329)
Net interest income		6,025,243	6,173,671
Fee and commission income	16	828,609	967,630
Other operating income	17	289,298	256,105
Operating income		7,143,150	7,397,406
Provision for losses	18	(52,963)	(800,000)
Other operating expenses	19	(3,777,957)	(3,642,597)
Net income for the year		3,312,230	2,954,809

The accompanying notes are an integral part of these financial statements. 4

La Inmaculada Credit Union Limited

Statement of changes in equity

Year ended 31 March

(In Belize Dollars)

	Shares – mandatory	Revaluation reserves	Special reserves & contingency fund	Guaranty fund (other reserves)	Undivided earnings	Total members' equity
At 1 April 2021	250,940	77,376	779,043	7,868,790	3,812,367	12,788,516
Net decrease in shares	(13,790)	-	-	-	-	(13,790)
Transfers	-	-	513,294	231,210	(744,504)	-
Dividend and rebate paid	-	-	-	-	(3,042,358)	(3,042,358)
Dividend reversals	-	-	-	-	26,472	26,472
Net income for the year	-	-	-	-	2,954,809	2,954,809
At 31 March 2022	**237,150**	**77,376**	**1,292,337**	**8,100,000**	**3,006,786**	**12,713,649**

	Shares – mandatory	Revaluation reserves	Special reserves & contingency fund	Guaranty fund (other reserves)	Undivided earnings	Total members' equity
At 1 April 2022	237,150	77,376	1,292,337	8,100,000	3,006,786	12,713,649
Net decrease in shares	(4,880)	-	-	-	-	(4,880)
Transfers	-	-	198,048	-	(198,048)	-
Dividend and rebate paid	-	-	-	-	(2,806,705)	(2,806,705)
Dividend reversals	-	-	-	-	36,984	36,984
Net income for the year	-	-	-	-	3,312,230	3,312,230
At 31 March 2023	**232,270**	**77,376**	**1,490,385**	**8,100,000**	**3,351,247**	**13,251,278**

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 liabilities. The Credit Union requires each member to own two mandatory shares of $5 per share. Total mandatory shares issued as of 31 March 2023 were 23,227 (2022 – 23,715).

The accompanying notes are an integral part of these financial statements.

La Inmaculada Credit Union Limited

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

	Notes	2023	2022
Cash flow from operating activities:			
Net income for the year		3,312,230	2,954,809
Adjustments for items not affecting operating cash:			
Depreciation expense	8	193,370	180,274
Provision for loan losses	6	52,963	800,000
Loss on disposal		6,065	-
Write off of loans receivable	6	(9,654)	(314,675)
Operating profit before working capital changes		3,554,974	3,620,408
Changes in working capital			
(Increase) in members' loans receivable	6	(916,048)	(1,537,731)
Decrease/(increase) in other receivables and prepayments	7	32,333	(57,249)
Decrease/(increase) in inventory		807	(1,144)
Increase/(decrease) in members' deposits	9	621,843	(301,330)
Increase in non-mandatory shares	10	1,498,865	97,833
Increase in accounts payable and accruals	11	202,144	122,880
Increase in mortgage escrow payable	12	26,776	104,844
Increase in member scheme – Sunrise to Sunset liability	13	96,291	41,123
Increase in membership scheme – LS and LP	14	206,666	157,372
Net cash provided by operating activities		5,324,651	2,247,006
Cash flow from investing activities:			
(Increase) in interest bearing deposits	4	(24,813)	(23,845)
Decrease in investments	5	-	550,000
Purchase of property and equipment	8	(1,450,424)	(103,367)
Net cash (used in)/provided by investing activities		(1,475,237)	422,788
Cash flow from financing activities:			
(Decrease) in shares – members (mandatory)		(4,880)	(13,790)
Dividends paid		(2,806,705)	(3,042,358)
Dividend reversals		36,984	26,472
Net cash (used in) financing activities		(2,774,601)	(3,029,676)
Net increase/(decrease) in cash and cash equivalents		1,074,813	(359,882)
Cash and cash equivalents at the beginning of the year		17,635,654	17,995,536
Cash and cash equivalents at the end of year		18,710,467	17,635,654

The accompanying notes are an integral part of these financial statements. 6



La Inmaculada Credit Union Limited

Notes to the financial statements
Year ended 31 March 2023
(In Belize Dollars)

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. The Credit Union currently has 23,227 (2022 – 23,715) 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 2023, the Credit Union employed 57 (2022 – 54) 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.

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 6
Severance payable	Note 2
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

Debt instruments at amortized cost
The Credit Union assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Credit Union's business model for managing the asset.

For an asset to be classified and measured at amortized cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

The Credit Union recognizes financial assets and liabilities when it becomes a party to the terms of the contract.

Financial assets are classified on the basis of two criteria:

- The business model within which the financial assets are managed;
- The contractual cash flow characteristics (whether the cash flows represent SPPI).



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

Financial instruments - recognition and measurement (continued)

Investments (continued)

Management determines the classification of its investments at initial recognition.

Financial assets are measured at amortized cost if they are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows and their contractual cash flows represent SPPI.

Financial assets will be measured at fair value through other comprehensive income if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and their contractual cash flows represent SPPI.

Other financial assets are measured at fair value through profit or loss.

The Credit Union has recorded all investments 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.

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. All loans are recognized when cash is advanced to borrowers.

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

Financial instruments - recognition and measurement (continued)

Impairment

The Credit Union assesses loss allowances for expected credit losses ("ECLs") on its financial instruments that are not measured at FVTPL. Loss allowances are recognized on loans to members.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECLs that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or

- full lifetime ECL, i.e. lifetime ECLs that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition.

For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL. More details on the determination of a significant increase in credit risk are provided below.

ECLs are an estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows clue to the Credit Union under the contract and the cash flows that the Credit Union expects to receive, discounted at the asset's EIR.

The Credit Union measures ECL on an individual basis. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Measurement of ECL

The key inputs used for measuring ECL are:

- Probability of default ("PD");

- Loss given default ("LGD"); and

- Exposure at default ("EAD").

These figures are generally derived from externally developed statistical models using historical data from the core banking system and adjusted to reflect forward-looking information, where applicable.



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

Financial instruments - recognition and measurement (continued)

Impairment (continued)

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. The calculation is largely based on historical default rates by category of loan product and credit rating. PDs are estimated considering the contractual maturities of exposures. The estimation is based on current conditions, adjusted where applicable to take into account estimates of future conditions that will impact PD.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral. The LGD models for secured assets consider forecasts of future collateral valuation taking into account cost of realization of collateral. LGD models for unsecured assets consider time of recovery and recovery rates. The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original EIR of the loan.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities. The Credit Union's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortization profiles, early repayment or overpayment, and changes in utilization of undrawn commitments. The Credit Union uses EAD models that reflect the characteristics of the portfolios.

The Credit Union measures ECL considering the risk of default over the maximum contractual period over which the entity is exposed to credit risk and not a longer period, even if contract extension or renewal is common business practice. However, for financial instruments such as revolving credit facilities that include both a loan and an undrawn commitment component, the Credit Union's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Credit Union's exposure to credit losses to the contractual notice period.

For such financial instruments the Credit Union measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. These financial instruments do not have a fixed term or repayment structure and have a short contractual cancellation period.

The Credit Union also complies with the Credit Unions Act (CUA), Chapter 314, Revised Edition 2011, Requirement No. 2/2013 which requires that loans are individually assessed for losses. The loan loss reserve is increased by the impairment losses recognized and decreased by the amount of write-offs.

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

Financial instruments - recognition and measurement (continued)

Write-offs

Loans are written off when the Credit Union has no reasonable expectations of recovering the financial asset. This is the case when the Credit Union determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Credit Union may apply enforcement activities to financial assets written off. Recoveries resulting from the Credit Union's enforcement activities will result in impairment gains.

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.



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

Financial instruments - recognition and measurement (continued)

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.

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.

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

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.

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

In fiscal 2023, the Credit Union is in process of registering a new defined contribution pension plan for all permanent employees.

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.

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. The Credit Union 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 period of time in return to a payment or series of payments.

All leases are short-term leases. Lease payments are recognized as an expense on a straight-line basis over the lease term as office expense in the statement of comprehensive income.

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.

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

Financial risk management (continued)

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.

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.



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

Financial risk management (continued)

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.

Reclassification of accounts

Certain prior year accounts have been reclassified for consistency with current period presentation.

Adoption of standards

The Credit Union adopts newly issued International Financial Reporting Standards in the year stipulated for adoption to the extent they are relevant to its operations. The Credit Union may adopt a standard early if early adoption is permitted. The effect of adoption, if material, is disclosed in the financial statements.

Subsequent events

The Credit Union evaluates subsequent events for recognition and disclosure through 15 May 2023, 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

	2023	2022
Interest bearing deposit account held with Holy Redeemer Credit Union Limited with interest rate of 4% per annum payable quarterly.	635,872	611,060
Shares account at Holy Redeemer Credit Union Limited with dividend rate ranging from 3.5% to 5% per annum.	135	134
Total interest bearing deposits	636,007	611,194

La Inmaculada Credit Union Limited

Notes to the financial statements
Year ended 31 March 2023
(In Belize Dollars)

5. Investments

	2023	2022
Held to Maturity:		
One $4,000,000 GOB Treasury note (Issue No.30/2020) maturing 3 April 2025 with interest at 4.50% payable semi-annually.	4,000,000	4,000,000
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 6 debentures with interest rate of 6.5% per annum payable quarterly, maturity date of 31 December 2030.	773,100	773,100
Belize Electricity Limited Series 8 debentures with interest rate of 6% per annum payable quarterly, maturity date of 30 June 2032.	3,000,000	3,000,000
	8,257,400	8,257,400

6. Members' loans receivable-net

	2023	2022
Total members' loans before allowance for loan losses	51,169,735	50,253,687
Allowance for loan losses	(4,112,143)	(4,068,834)
	47,057,592	46,184,853

Allowance for loan losses

	2023	2022
At beginning of the year	4,068,834	3,583,509
Additions (note 18)	52,963	800,000
Write offs	(9,654)	(314,675)
At end of the year	4,112,143	4,068,834

Maturity of loans

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

	2023	2022
Under 1 year	2,865,180	2,105,999
1 to 2 years	5,358,439	4,772,135
2 to 3 years	7,481,038	6,460,551
3 to 4 years	8,153,237	6,971,471
Over 4 years	27,311,841	29,943,531
	51,169,735	50,253,687



6. Members' loans receivable-net (continued)

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 below shows the carrying value of loans at 31 March 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 2023				
Members' receivable	885,076	206,930	938,118	2,030,124
March 31 2022				
Members' receivable	1,314,348	154,246	1,445,234	2,913,828

7. Other receivables and prepayments

	2023	2022
Accrued interest receivable	292,111	352,348
HBL ATM/POS Project (see below)	50,000	50,000
National Payment System	172,962	167,000
Member's legal fees receivable	128,169	116,235
Prepayment - Sharetech	69,081	71,052
Other prepayments and receivables	23,239	11,260
	735,562	767,895

The Credit Union has entered into a Joint Investment Agreement with 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 2023.

8. Property and equipment

	Land and building	Furniture and fixtures	Motor vehicle	Office, computer and other equipment	Total
Cost					
At 1 April 2022	1,452,651	465,532	250,746	1,613,243	3,782,172
Additions	1,339,030	29,418	-	81,976	1,450,424
Disposals	-	-	-	(11,408)	(11,408)
At 31 March 2023	2,791,681	494,950	250,746	1,683,811	5,221,188
Accumulated depreciation					
At 1 April 2022	369,013	164,595	80,701	719,443	1,333,752
Charge for the year	28,257	23,183	25,075	116,855	193,370
Disposals	-	-	-	(5,343)	(5,343)
At 31 March 2023	397,270	187,778	105,776	830,955	1,521,779
Net Book Value					
At 31 March 2023	2,394,411	307,172	144,970	852,856	3,699,409
At 31 March 2022	1,083,638	300,937	170,045	893,800	2,448,420

La Inmaculada Credit Union Limited

Notes to the financial statements
Year ended 31 March 2023
(In Belize Dollars)

9. Members' deposits

	2023	2022
Regular deposits	7,485,377	6,864,448
Term deposits	165,726	164,812
	7,651,103	7,029,260

Members' deposits mature in less than one year.

10. Non-mandatory shares

	2023	2022
At beginning of the year	51,389,580	51,291,747
Net increase in shares	1,498,865	97,833
At end of the year	52,888,445	51,389,580

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.

11. Accounts payable and accruals

	2023	2022
HBL payable (ATM Settlement)	54,181	53,244
Members' mortgage legal fees payable	65,201	63,023
Other accounts payable and accruals	627,661	447,425
Social Security payable	14,480	13,035
Other professional fees payable	41,500	24,152
	803,023	600,879

12. Mortgage insurance escrow payable

	2023	2022
Mortgage insurance escrow payable	205,844	179,068

Members are expected to insure their loan amount in excess of the Credit Union's automatic loan protection of $40,000 as protection against any unknown risk. Consequently, the Credit Union assists members by collecting their monthly insurance premiums to cover the amount payable on renewal of the policy. Members' insurance premiums are recorded as a liability until payment is made at renewal.

13. Membership scheme – Sunrise to Sunset Fund

At the annual General Meeting held on 27 May 2006, a motion was approved by the members to create an insurance scheme. Consequently, the "Group Term Fund" was initiated whereby members make a monthly contribution of two dollars. The contributions are invested as directed by the Board of Directors. Beneficiaries are awarded a one-time funeral benefit of up to a maximum of $4,000 and can be as initially indicated or subsequently selected by the member.



13. Membership scheme – Sunrise to Sunset Fund (continued)

	2023	2022
At beginning of the year	1,859,089	1,817,966
Increase for the year	346,960	356,586
Claims paid	(250,669)	(315,463)
At end of the year	1,955,380	1,859,089

14. 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 to members for their 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 at 0.55 cents per thousand on the total insurable balance.

	2023	2022
At beginning of the year	2,135,035	1,977,663
Net increase for the year	532,162	532,232
Claims paid	(325,496)	(374,860)
At end of the year	2,341,701	2,135,035

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

15. Interest income/(expense)

	2023	2022
Interest income		
Personal and business loans	5,314,227	5,524,922
Fixed deposits and investments	712,756	652,078
	6,026,983	6,177,000
Interest expense		
Members' deposits	(1,740)	(3,329)
Net interest income	6,025,243	6,173,671

16. Fee and commission income

	2023	2022
Service charges	556,095	604,055
Credit related fees	146,150	243,675
Commissions	9,777	9,179
Other	116,587	110,721
	828,609	967,630

La Inmaculada Credit Union Limited

Notes to the financial statements
Year ended 31 March 2023
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17. Other operating income

	2023	2022
Loan recoveries	124,309	133,538
Other	164,989	122,567
	289,298	256,105

18. Provision for losses

	2023	2022
Provision for loan losses (note 6)	52,963	800,000

19. Other operating expenses

	2023	2022
Advertisement and promotion	46,441	48,773
Audit fees	47,139	36,065
ATM	15,819	19,493
Bank charges	34,896	29,203
Credit union week	5,963	3,006
LS/LP Premium expense	532,163	532,232
Depreciation	193,370	180,274
Donations	10,997	11,777
Education	22,209	27,298
Equipment maintenance	263,445	208,450
General maintenance	41,045	74,129
General meeting	98,301	13,279
Insurance	74,488	87,520
Insurance bond	91,815	91,815
Legal fees	9,054	65,763
Other	32,106	45,724
Rent expense	39,000	33,000
Registration fee	1,000	1,000
Security service	20,217	13,826
Severance expense	1,267	-
Social activities	32,375	28,137
Social security	75,277	72,155
Staff costs	1,873,212	1,811,819
Stationaries, supplies and postage	53,886	58,164
Telephone	67,459	56,761
Travel and subsistence	16,911	15,665
Utilities	60,484	63,183
Vehicle maintenance	17,618	14,086
	3,777,957	3,642,597



20. Taxation

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

21. Key management compensation

	2023	2022
Key management compensation	364,298	365,899

22. Related party transactions

At 31 March, the Board of Directors and management have the following transactions and outstanding balances with the Credit Union which are included in members' loans receivable, deposits and shares respectively in the statement of financial position:

	2023	2022
Loans receivable:		
Officers' loans	435,922	530,182
Employees' loans	1,151,922	877,430
	1,587,844	1,407,612

	2023	2022
Deposits:		
Officers' deposits	41,419	33,319
Employees' deposits	72,246	45,384
	113,665	78,703

	2023	2022
Shares:		
Officers' shares	78,118	110,253
Employees' shares	342,371	318,855
	420,489	429,108

	2023	2022
Transactions with related parties:		
Officers' allowance paid	101,325	110,653
Interest income earned from related parties	107,867	80,224
	209,192	190,877

23. Lease commitment

The Credit Union leases a building at $3,000 per month under an annual operating lease agreement which is renewable by written notice 2 months before the lease expires. The lease is for annual periods ending 30 April and has been extended for another year ending 30 April 2023.

23. Lease commitment (continued)

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

	2023	2022
Due in next fiscal year	36,000	36,000
Due between one and five years	3,000	3,000
	39,000	39,000

24. Contingent liabilities and regulatory matters

Legal matters

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

The following litigation matters that existed at 31 March 2020 were consolidated and a decision handed down by the Court on the 11th March 2021 and the Judgment Order perfected on 20 May 2021.

(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 Credit Union vs Yolanda Gomez.

Claim 538 was dismissed and judgment was in favour of La Inmaculada Credit Union in Claim No. 723 of 2015. Ms Gomez is to pay $436,906.34 for loss sustained as well as costs. Both claims have been appealed and are currently awaiting a hearing date.

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

Current Directors and Officers and their remaining terms in office as at March 31, 2023:

Board of Directors:

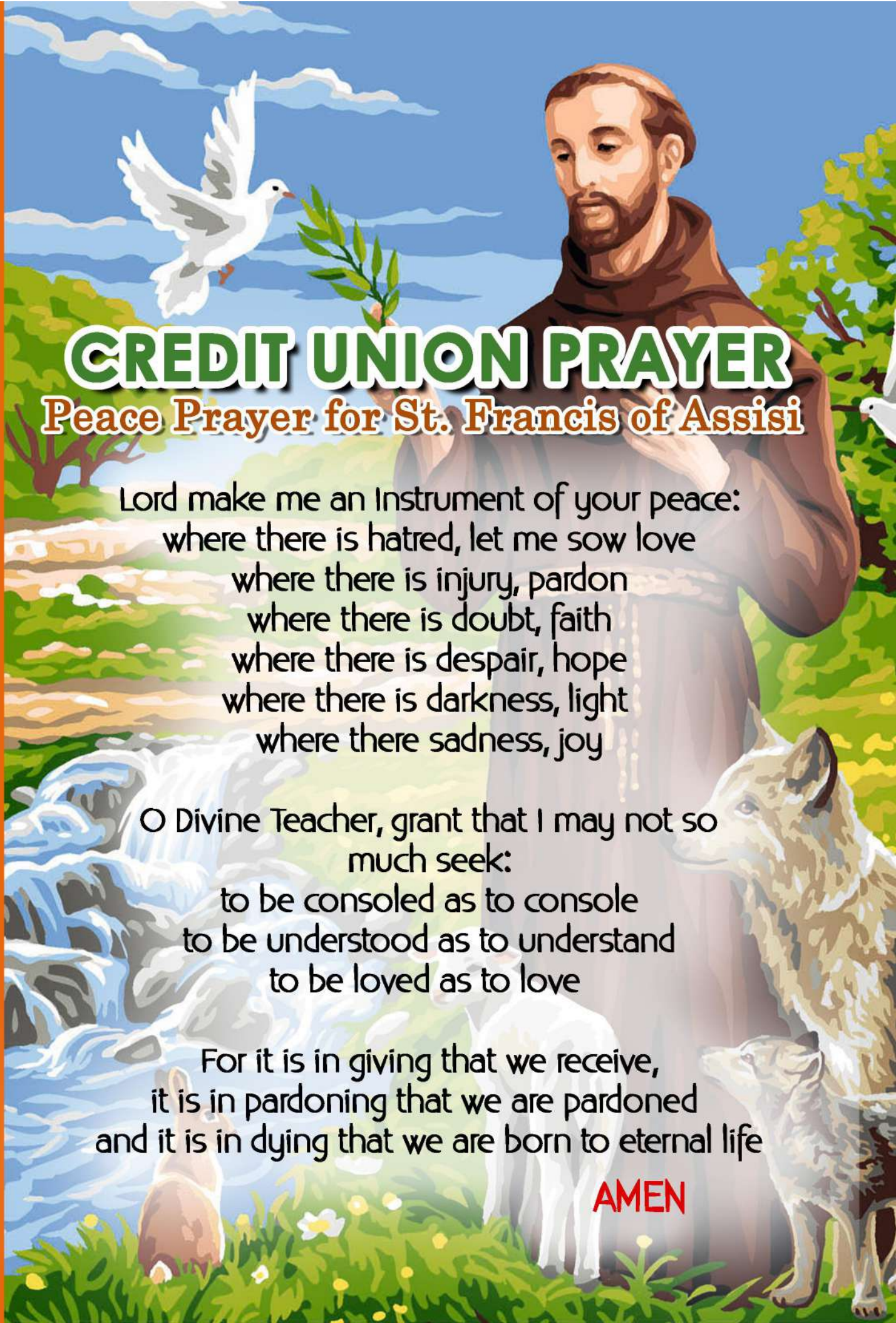
President	Belarmino Esquivel	2 years more
Vice President	David Constanza	2 years more
Secretary	Lisa Carballo	2 years more
Assistant Secretary	Adimir Escalante	2 years more
Treasurer	Gildardo Cervantes	2 years more

Supervisory Committee:

Chair	Dorita Herrarte	2 years more
Secretary	Leandro Osgalla	2 years more
Officer	Hector Morales	2 years more

Credit Committee:

Chair	Javier Moreno	2 years more
Secretary	Suzannie Cajun	2 years more
Officer	Marcia Tun	2 years more



CREDIT UNION PRAYER

Peace Prayer for St. Francis of Assisi

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
where there 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



Benefits of being a member

- DIVIDENDS / REBATES
- BURIAL GRANT
- SHARES COVERAGE
- LOANS COVERAGE
- DEPOSITORY BIN
- 24 HOURS ACCESS ATM
- POINT OF SALE







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