



ADMINISTRATOR'S REPORT

TO MEMBERS/OWNERS OF
ST. FRANCIS XAVIER CREDIT UNION LTD.

JUNE 16, 2024

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

**PEACE PRAYER
OF
ST FRANCIS OF ASSISI**

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

Amen

MEETING AGENDA

1	National Anthem	ESTM Marching Band	9:45 – 10:00 a.m.
2	Credit Union's Prayer Minute of silence for departed members	SFXCU	10:00 – 10:05 a.m.
3	Meeting Called to Order Introduction and Meeting Protocols	Administrator	10:05 – 10:20 a.m.
4	Raffle – 3 prizes	SFXCU	10:20 – 10:30 a.m.
5	Report to Members	Administrator	10:30 – 11:30 a.m.
	a. Risk Management		
	b. Operations		
	c. Financial Performance		
	<i>With Summary Administrator's Report in Spanish</i>	Mr. Elvis Canul	
6	Questions and Answers on the Administrator's Report	SFXCU	11:30 – 12:00 p.m.
7	Raffle – 3 prizes	SFXCU	12:00 – 12:10 p.m.
8	Presentation of dividend and rebate	Administrator	12:10 – 12:20 p.m.
9	Raffle – 4 prizes/Lunch & Refreshments	SFXCU	12:20 – 12:35 p.m.
10	Special Father's Day Raffle – 3 prizes	SFXCU	12:35 – 1:00 p.m.

Introduction and Meeting Protocol

Good morning, and Happy Father's Day. We sincerely appreciate your presence at this special meeting, which is a testament to your commitment to our credit union. Today's gathering, officially sanctioned by the Registrar of Credit Unions under section 61 (8) of the Credit Unions Act, is not an Annual General Meeting (AGM). As such, we will not engage in standard AGM activities like reading reports from the Board of Directors or the General Manager nor elections for Board or committee positions.

The primary purpose of today's Special Meeting is to present a comprehensive update on the significant actions since the administrator's appointment to safeguard your equity and enhance the credit union's management and governance. Your role as member-owners is crucial in this process, and we value your input and understanding.

I request your cooperation in maintaining an orderly and respectful environment during today's agenda. Your respectful conduct is essential to the success of this meeting. Please reserve your questions for the designated Q&A session at the end of the meeting. We all must contribute to a respectful and focused atmosphere. Any disruptive or disrespectful behavior will not be tolerated and may result in the individual being asked to leave, ensuring a

productive meeting for all. Thank you for your understanding and cooperation.

ADMINISTRATOR'S REPORT

TO MEMBER-OWNERS OF
ST. FRANCIS XAVIER CREDIT UNION
LTD.

June 16, 2024

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Administrator's Report to Member-Owners

I. Introduction

This report provides all member-owners comprehensive insights into the Administrator's efforts. While the deficiencies identified in the Central Bank's examinations and special investigations reports guided the Administrator's areas of focus, the Administrator's observations of the credit union's operational efficiency, member service challenges, and competitiveness also informed the initiatives we undertook to enhance the credit union. The report focuses on the critical management areas that require attention. To ensure clarity and accessibility, the report is organized under multiple subheadings that detail these key areas, outlining the changes implemented to rectify deficiencies and inefficiencies.

The work of the Administrator extends beyond addressing immediate concerns; it also involves anticipating the future. As we look ahead, technology will increasingly influence service delivery and member experience. Staying competitive with other financial institutions is imperative in a rapidly evolving financial landscape.

To ensure our continued relevance and competitiveness, the Administrator and staff envision a future landscape to determine how best to position your credit union today to embrace the necessary changes to safeguard its competitive edge. This forward-thinking approach is crucial in guiding operational adjustments and setting the stage for sustainable growth and success.

The report highlights specific actions the Administrator took to enhance the management and governance of the credit union. In compliance with the Credit Unions Act (CUA) requirements, the Administrator regularly updates the Registrar on our progress.

Additionally, the independent audit for the fiscal year 2023/2024 has been completed, with findings and recommendations included in this report. The external auditor has issued a letter of recommendation that corroborates the facts presented herein. This information is detailed below for your review and understanding.

II. Preface

My presentation focuses on solutions and highlights the essential actions taken to address fundamental deficiencies within the credit union rather than rehashing all past challenges. It is designed to inform members about the necessary changes implemented and the reasons behind them. For a comprehensive understanding of the issues previously faced, I recommend referring to the last report from the Administrator, which detailed these challenges extensively.

Furthermore, it is essential to note that we are convened today under the guidance of an Administrator due to the High Court of Belize's affirmation. The High Court upheld the appointment of the Administrator, concluding that the Registrar's concerns about administrative problems that could jeopardize the credit union's stability were reasonable. This was based on special investigative reports, Central Bank's examinations, and correspondence that highlighted serious administrative deficiencies and a consistent refusal or inability by the Board to implement corrective measures as ordered by the Registrar.

III. Operational & Other Changes

A. Risk Management

Risk management is an ongoing process that involves identifying, assessing, monitoring, and mitigating the various risks a business may encounter. Credit unions face numerous risks, including credit, liquidity, capital, regulatory, interest rate, and reputational risks. Each of these can significantly impact the credit union's operations. It is crucial for senior management and the Board to continuously manage these risks to safeguard the business.

i. Cash Management

We introduced improvements to safeguard and enhance the security and efficiency of cash handling within the credit union. We trained cashiers and tellers to address and rectify deficiencies in cash handling. At the same time, we improved other areas, such as the immediate transfer of cash to vaults post-balancing and the centralization of transaction approvals to branch managers and senior loan officers. Security enhancements, including revised access procedures and physical upgrades at branches, further secure our facilities and ensure better management of operational risks.

ii. Petty Cash Disbursement

We implemented a policy to manage the credit union's small expenses under \$100. The procedures require that staff fill out a cash request form, which must be approved. Upon receiving the cash, the staff acknowledges its receipt. Following the purchase, staff must provide receipts and return unused funds. This policy ensures control and oversight by establishing a clear expense threshold and upholds financial integrity within the credit union.

iii. Branch Opening & Closing Procedures

We implemented new branch access and leaving procedures, including a walk-around inspection of premises before opening branches, a thorough sweep of the interior on opening and closing, and regulating late working. Setting protocols for opening and closing a branch is crucial from a risk management perspective. It ensures consistent security measures, reducing vulnerabilities to theft or unauthorized access.

iv. Update of Legal Documents

With the advice of legal counsel, we have updated all the mortgage documents, which include the memorandum accompanying the charge, power of attorney forms, charge forms, and bills of sale. Legal documents securing a loan define the terms and conditions of the loan agreement, ensuring that both lender and borrower understand their obligations and

rights. Updating these legal documents safeguards the credit union's and its members' interests over time. We are happy and must thank members for working with us to update these mortgage documents. We have not had a single instance of members not understanding or refusing to sign these documents again when requested.

v. Training in Legal Documentation

The credit union's attorneys conducted training sessions on the revised legal documents to ensure that staff are well-versed with their content and can effectively communicate their relevance to members, from the loan application process to potential court collections. Additionally, the legal department received specialized training, including one-on-one sessions with the attorneys, to address any procedural or operational queries they might have, ensuring clarity and compliance in all legal matters.

vi. Insurance Coverage on Credit Union Collateral

Our lending policy states that member-borrowers must maintain property insurance against various risks, covering the total value of the insurable property. Our initial review found that only about 25% (in number) of loans maintained some insurance coverage. We thank members for working with us

to protect the credit union's assets and themselves against potential losses due to unforeseen events like fires, natural disasters, or other damages.

vii. Loan disbursement

The Legal Department's role has been expanded to include reviewing and approving all loan documents before disbursement. Previously, loan documentation was checked by the Cashier before disbursement. However, this risk management process requires specific knowledge and skill set.

viii. Revised Loan Refinancing Process

Previously, when members sought to refinance an existing loan to obtain additional funds, we added the new loan amount to the balance of the existing loan. This method, however, posed challenges in monitoring the loan's progression and maintaining clarity in terms and conditions. After careful deliberation and legal consultations, we have changed this process. When members apply for additional funding or wish to refinance, the existing loan will be closed, and a new loan account will be created. This loan account will consolidate the remaining balance of the old loan with the newly requested funds, ensuring more transparent loan terms.

ix. Updated AML Manual

With the help and dedication of the AML compliance team, we have updated the Anti-Money Laundering (AML) Manual, which the Central Bank cited as a deficiency. An updated AML compliance manual is essential for a credit union as it ensures adherence to evolving legal standards and best practices, protecting against financial crimes and regulatory penalties.

x. Corrective Actions – AML Compliance

The Central Bank identified more than thirty-three (33) deficiencies, ranging from critical to non-critical, in this area. We are happy to report that we have addressed each of the thirty-three (33) deficiencies.

B. Operations

i. Organizational & Reporting Structure

The organizational structure outlines how tasks are allocated and assigned to specific job titles, ensuring that clear roles and responsibilities are delineated to enhance operational efficiency and effectiveness. Employees are designated to these roles, and their specific duties and expectations are communicated through job descriptions. These roles are connected to encourage teamwork and collective effort, enabling an organization to meet the needs of its members effectively.

The previous organizational structure, implemented in February 2023, was found to be inadequate for our credit union's needs. It did not effectively cater to the number of branches and the value of assets under management. Moreover, critical functions such as Risk and Human Resources were lacking, and other functions did not receive the necessary prominence as per best practices.

These realities prompted the introducing of a centralized head office that oversees the key management areas of the credit union. This central body will be equipped to furnish management and the Board with detailed reports

evaluating the credit union's operations and offering suggestions for enhancing performance.

The first phase involved recalling specific processes to the Head Office, centralizing branch accounting and audit confirmation functions, and loan disbursements. Phase II will include centralized head office functions to oversee and ensure standard operations across all branches, with functional reporting for accountability and improved communication.

We have discussed this with senior management, introduced the concept of functional reporting to staff, and made several staff moves and changes to support the transition to functional reporting, with more work to be done.

The proposed structure is as follows:



GENERAL MEMBERSHIP

CREDIT
COMMITTEE

SUPERVISORY
COMMITTEE

BOARD OF DIRECTORS
*Strategic Direction and Governance,
Policies, Organizational Growth and
Performance, GM Performance, etc.*

EDUCATION
COMMITTEE

GENERAL MANAGER
*Strategy, Implementaton, Business
Efficiency, Business Development,
Sustainability*

RISK
MANAGEMENT
RISK MANAGER
TBD

AML COMPLIANCE
AML COMPLIANCE
MANAGER

FINANCE
FINANCE MANAGER

OPERATIONS
MEMBER SVCS |
BUSINESS DEV.

HUMAN
RESOURCES
HR MANAGER
TBD

INTERNAL AUDIT
AUDIT MANAGER

INFORMATION
TECHNOLOGY
IT MANAGER

Credit Lending Risk
NP Collections & Arrears
Legal
ERM

Regulatory Reports
Policy Creation
Monitoring Training
Reviews and Advisory

Budget Mgmt. & Analysis
Cost Savings
Fin & Reg. Reporting
Liquidity Management

Cash Custody & Mgmt
Security
Policies & Procedures
Premises & Fleet

Train, Recruit & Retain
Compensation & Benefits
Discipline, Enforcement
Performance MGMT.

Assurance
Risk Mgmt. & Controls
Advisory & Consultation
Regulatory Compliance

System Maint. & Support
Digital Services
New Technology
Cybersecurity & BC.

BRANCHES - FRONT OFFICE OPERATIONS AND MANAGES OUTLETS SUBJECT TO HEAD OFFICE MANAGEMENT AND GUIDANCE

COROZAL

SAN PEDRO

CAYE CAULKER

SARTENEJA

ii. HR Function

The previous Administrator's report highlighted that despite SFXCU's long-standing operation, there was no dedicated Human Resources Department. Although the creation of such a department was considered, no implementation plan was evident, and it was notably absent from the revised organizational structure finalized in February 2023. Establishing a Human Resources Department is crucial for enhancing morale and productivity and fostering a culture of teamwork. It also ensures stability, fairness, and transparency through well-defined policies, procedures, and performance management.

Currently, the HR policy is drafted and awaiting finalization. All job descriptions (JDs) have been updated, and while some staff have already received their revised JDs, others are pending final revisions. The new functional and reporting structure includes an HR Manager, who is expected to be supported initially by one or two assistants. These roles will handle personnel matters and are envisioned to manage the website, marketing, and communications.

iii. Sale of Caye Caulker Property

We sold a property in Caye Caulker that was initially acquired for potential market expansion. After carefully considering the substantial infrastructure costs required for development on the island and the unfavorable market outlook, the branch's limited profitability, and the challenging competitive landscape in that area, it was deemed financially imprudent to retain and develop this asset. Instead, we are exploring options to enhance member services from our existing location through retrofitting and possible expansions. Consequently, we listed and successfully sold the Caye Caulker property to Super Sky Company Ltd for \$815,000, achieving a capital gain from the transaction.

iv. Auction Sale

For the first time in history, the credit union held an auction to recover bad loans. Auctioning properties is crucial for ensuring financial stability, and the proceeds of these sales support ongoing lending activities and dividends to members. We held two (2) auctions and sold three (3) properties, recovering \$125,000. We are preparing more properties to go to auction.

v. Formal Reinstatement of Suspended Staff

Members will recall that the now-deposed board suspended staff one day after being elected and taking office. We viewed these suspensions as

retaliatory and without merit. We commissioned an independent investigation into the suspensions' circumstances, focusing on the legality, justification, and compliance with the credit union's internal policies and Belize's labor laws.

The independent investigation exonerated all affected employees, showing the suspensions were baseless and potentially retaliatory. Consequently, all impacted staff were formally reinstated, received formal apologies, and had all suspension references removed from their records. The investigation cured another very serious deficiency, wherein, because of the baseless accusations and suspensions, questioned the fitness and propriety of our AML Compliance Office (now Manager). With her vindication, we were able to address another serious deficiency.

vi. Core Banking Software

Members will recall that the credit union agreed with a vendor to purchase a new core banking system for \$700,000 in December 2019. A core banking system is software credit unions and other financial institutions use to support their primary operations, such as deposit, loan, and payment processing.

Despite not having a signed contract, the then board of directors approved an advance to the vendor. The project should have lasted no more than 18 months. To date, some five years later, some modules have been delivered, but substantial modifications are needed for operational suitability, and thus these modules remain unaccepted.

Despite this, the vendor sent an invoice that would see us paying nearly eighty percent (80%) of the project cost. We have not and will not pay for this since the system is not eighty percent complete. The vendor has responded, increasing the system's price to \$750,000 and proposing a new annual maintenance fee of approximately \$128,000, or \$10,600 monthly.

We will decide on the way forward after discussing it with counsel.

vii. Website Re-Launch

We have partnered with a local company to redesign and modernize the credit union's website, enhancing its usability and accessibility on desktop and mobile devices. This update aims to simplify online services for members, making it easier and more secure to perform online transactions and access forms and improve the overall user experience. The revamped website is scheduled to launch in the coming months.

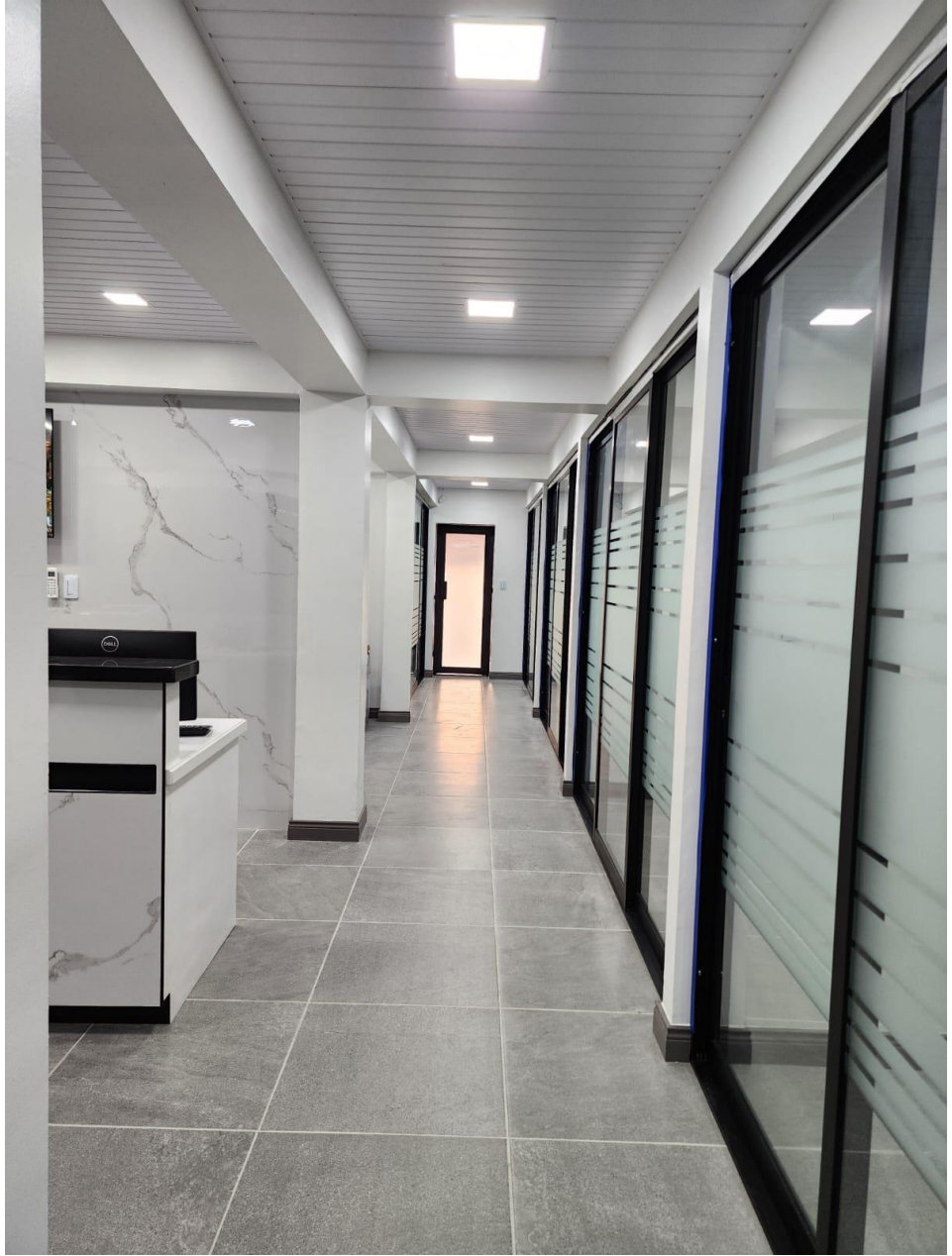
viii. Branch Opening Hours

To stay competitive and better accommodate our valued members, the credit union will no longer close during lunch hours of 12:00 pm to 1:00 pm, allowing members to conduct their transactions with us during this convenient time.

ix. Loan Center Improvements

We have upgraded our loan center to enhance member service and ensure our members' and staff's comfort and privacy. This revamp includes new tiling, redesigned office spaces for confidential discussions about loans, and comfortable waiting areas. We have also retiled the member area at the Corozal Head Office. Altogether, improvements cost \$96,000. For those members that have not yet seen the improvements to your assets, we encourage you to visit our loan center and look out for further improvements to serve you better:







x. Recruiting & Retention of Island Staff

We continue to face challenges in recruiting and retaining staff in San Pedro and Caye Caulker, where competition from the thriving tourism industry and the high cost of living are significant factors. To address this, we have enhanced benefits and provided additional living allowances for staff stationed in the Cayes. It's important to note that these increased allowances are exclusive to positions in the Cayes.

xi. Removal of Suspended General Manager

In my role as the Administrator, I removed Mr. Rafael Dominguez from his position as General Manager in accordance with a directive from the Registrar issued under section 61(6)(d) of the Credit Unions Act. Consequently, his employment contract with the credit union was terminated in May of this year.

C. Financial Performance, Dividend & Rebate Declaration

i. Non-Performing Loans & Loan Provisioning

Loan provisioning involves setting aside a certain amount of money to cover potential losses from loans that are not repaid. Loan provisioning is a legal and accounting requirement. Despite the best efforts of our staff, the credit union is still plagued by poor loan approval decisions from the past. There is a saying that ‘a bad loan is a bad loan from the day it was made.’ Provisions were \$1.9 million during the year, or \$141,000 above budget, as follows:

	COROZAL	SARTENEJA	SAN PEDRO	CAYE CAULKER	TOTAL
Budget	\$1,500,000	\$100,000	\$50,000	\$140,000	\$1,790,000
Q1	\$409,528	\$202,777	\$0	\$0	\$612,304
Q2	\$546,872	\$54,197	\$0	\$51,256	\$652,325
Q3	\$546,107	\$0	\$0	\$0	\$546,107
Q4	\$120,358	\$0	\$0	\$0	\$120,358
Total	\$1,622,865	\$256,973	\$0	\$51,256	\$1,931,095

ii. Non-performing Loans

Despite the best efforts of our staff, the credit union is still plagued by poor loan approval decisions from the past. Total non-performing loans increased by \$2,787,196.49 for the 2023/2024 financial year. The credit union’s total non-performing loan portfolio ended at \$9,868,450.05, representing 11.86% of the loan portfolio.

iii. New Loans During FY 2023/24

We granted loans to 3,947 members totaling \$19.0 million in new loans during the year. Loans categorized as 'Personal' accounted for nearly half of all disbursements:

Categories	Amount Disbursed
Personal	\$9,166,093.34
Residential Construction	\$3,857,957.57
Other	\$1,880,741.20
Cane-Farming	\$1,928,819.06
Business	\$1,364,897.45
Student Loan Program	\$181,222.61
Mortgage Lending Program	\$639,924.87
TOTAL	\$19,019,656.10

Meanwhile, Corozal, the largest and most voluminous branch, accounted for \$14.3 million or about seventy-five percent (75%) of all new loans:

Branch	Disbursed	Loans
Corozal (Head Office)	\$14,258,688.22	3,297
Sarteneja	\$1,160,278.21	252
San Pedro	\$2,353,546.34	307
Caye Caulker	\$1,247,143.33	91

iv. Loans Deferred During FY 2023/24

During the year, we deferred twenty-one (21) loans amounting to \$1.36 million. Notably, two borrowers who sought to borrow approximately \$450,000 each accounted for 67% of all deferments. Excluding these two, the remaining nineteen (19) borrowers had loans not processed or approved totaling \$450,150, with an average deferral of \$23,692.11 each.

It's crucial to understand that a deferment does not necessarily mean rejection but indicates that members did not meet the minimum requirements for the amount they wished to borrow due to factors such as collateral or past credit history with the credit union. Typically, a deferment is conditional; members are often encouraged to meet specific criteria and reapply. At this point, they may be granted the loan if they meet the required conditions.

v. Loan Portfolio & Forecast

The credit union's loan portfolio decreased from \$92.2 million to \$83.2 million, a reduction of \$9.0 million, primarily due to competition from other lenders, payouts, a natural decline in the portfolio, and stricter credit requirements, which enhance our prudence and reduce future losses and provisions. Last year was a transitional period, and looking ahead, we are projecting a 15% increase in the loan portfolio to \$95.7 million for this year. It's important to remember that the portfolio size is not the sole focus; the quality of the loans is equally crucial.

vi. Portfolio Growth & Member Service

We have implemented several strategic changes to enhance portfolio growth and achieve our budgeted loan portfolio forecast. At our head office, our largest and busiest branch, we have restructured the Loans department and increased the number of loan officers by 25%, adding a credit officer to serve our members better. Additionally, we have updated our lending criteria to balance prudent lending and accessibility, aiming for sustainability and improved member service. The Loans department at the Corozal Head Office has been reorganized into two focused areas: Personal Lending and MSME (Micro, Small, and Medium Enterprises) Lending. This division allows us to meet these key sectors' distinct needs more effectively, enhancing the

member experience and strengthening our competitive position. Furthermore, we are pleased to report that our liquid assets have reached an all-time high of just over \$20.0 million, which will be used to provide loans to qualified members.

vii. Collections Strategy

We continue to work closely with the newly appointed Head of Portfolio Recovery to restructure the department for more effective loan collections. This restructure will be supported by additional training for recovery staff, a redistribution of the portfolio among team members, and a new collections policy currently pending final approval. These measures are vital steps toward rectifying past lapses in collections. Despite the magnitude of this task, we are confident these challenges will be successfully addressed.

viii. Member-In-Good-Standing Initiative

We have also enhanced our collections efforts by adding a highly experienced and seasoned credit officer to the recovery unit. This Recovery Credit Officer is focused on identifying loans suitable for restructuring, targeting those either non-performing or on the brink of non-performance. We have found cases where members continue to make payments on unfavorable terms; a strategic restructuring could reconcile their accounts, thus benefiting both

the member and the credit union. This approach helps reduce the credit union's provisioning exposures but also aids members in decreasing their debt and restoring their standing as members in good financial health.

ix. Operational Expenses

Costs increased registered a negligible increase of \$137,072, or by one & three-quarters percent (1.75%), to \$8,012,269.00. Wages and Salaries accounted for \$2,290,302 or close to thirty percent (30%) of total expenses. The next highest expenses are bad debt expenses of \$1,931,094, loan protection (life) fund expenses of \$586,514, administrator's expenses of \$442,694 (being salaries for the Administrator, a full-time Assistant, a Branch Manager, & a Management Consultant, and other costs), and depreciation of \$405,105.

x. Surplus

SFXCU's audited financial figures reported a surplus for March 2024 of \$2,771,169; for the prior year, it was \$3,845,565. This was a decline of \$874,593. Had it not been for provision expense on the legacy portfolio, the surplus would have been the same as last year, and all else would remain equal despite the lower loan portfolio. Current decreases in surplus are due to the provisioning requirements and the decrease in the loan portfolio.

xi. Dividend and Rebate Declaration

With declared dividends of \$2,628,879, the dividend rate remains the same as last year. Dividend and Rebate to be paid out and rates are as follows:

- Dividend - 3.75%, which represents \$2,628,879
- Rebates - 5.50%, which represents \$389,655

xii. Capital requirements.

Based on the total surplus for the current period of March 2024, the credit union opted to distribute the surplus as follows:

- Allocation of \$251,000 to bring the Statutory Reserve Fund to fourteen percent (14.0%), well above the legal requirement of ten percent (10%).
- The Education Fund is fully funded at \$653,511, with no allocation needed.

SFXCU MEMBERSHIP AT A GLANCE

FY 2023/24

Branch	Adult		Total Adults	Minor		Total Minors	Entity	Total
	Male	Female		Male	Female			
Corozal	9,452	9,678	19,130	1,643	1,540	3,183	154	22,467
Sarteneja	799	868	1,667	166	150	316	31	2,014
San Pedro	2,198	2,184	4,382	357	342	699	13	5,094
Caye Caulker	550	495	1,045	99	96	195	14	1,254
Total Membership	12,999	13,225	26,224	2,265	2,128	4,393	212	30,829

[SPANISH VERSION FOLLOWS]

AGENDA DE LA REUNIÓN

1	Himno Nacional	Banda de Marchas ESTM	9:45 – 10:00 a.m.
2	Oración de la Cooperativa de Crédito y Minuto de Silencio por los Miembros Fallecidos	SFXCU	10:00 – 10:05 a.m.
3	Llamada al Orden de la Reunión y Introducción y Protocolos de la Reunión	Administrador	10:05 – 10:20 a.m.
4	Rifa – 3 premios	SFXCU	10:20 – 10:30 a.m.
5	Informe a los Miembros	Administrador	10:30 – 11:30 a.m.
	a. Gestión de Riesgos		
	b. Operaciones		
	c. Rendimiento Financiero		
	Con resumen del Informe del Administrador en español por el	Sr. Elvis Canul	
6	Preguntas y Respuestas sobre el Informe del Administrador	SFXCU	11:30 – 12:00 p.m.
7	Rifa – 3 premios	SFXCU	12:00 – 12:10 p.m.
8	Presentación de dividendos y rebajas	Administrador	12:10 – 12:20 p.m.
9	Rifa – 4 premios/ Almuerzo y Refrescos	SFXCU	12:20 – 12:35 p.m.
10	Rifa Especial del Día del Padre – 3 premios	SFXCU	12:35 – 1:00 p.m.

Introducción y Protocolo de la Reunión

Buenos días y Feliz Día del Padre. Apreciamos sinceramente su presencia en esta reunión especial, que es un testimonio de su compromiso con nuestra cooperativa de crédito. La reunión de hoy, oficialmente autorizada por el Registrador de Cooperativas de Crédito bajo la sección 61 (8) de la Ley de Cooperativas de Crédito, no es una Asamblea General Anual (AGA). Por lo tanto, no realizaremos actividades típicas de una AGA, como la lectura de informes del Consejo de Administración o del Gerente General, ni elecciones para posiciones en el Consejo o comités.

El propósito principal de la reunión especial de hoy es presentar una actualización completa sobre nuestras acciones significativas desde el nombramiento del administrador para proteger su patrimonio y mejorar la gestión y gobernanza de la cooperativa de crédito. Su papel como miembros propietarios es crucial en este proceso, y valoramos su aportación y comprensión.

Solicito su cooperación para mantener un ambiente ordenado y respetuoso durante la agenda de hoy. Su conducta respetuosa es esencial para el éxito de esta reunión. Por favor, reserven sus preguntas para la sesión de preguntas y respuestas designada al final de la reunión. Todos debemos contribuir a un

ambiente respetuoso y enfocado. Cualquier comportamiento disruptivo o irrespetuoso no será tolerado y puede resultar en que se pida al individuo que abandone la reunión, asegurando una reunión productiva para todos. Gracias por su comprensión y cooperación.

INFORME DEL ADMINISTRADOR

A LOS MIEMBROS PROPIETARIOS DE
COOPERATIVA DE CRÉDITO SAN
FRANCISCO XAVIER LTDA.

16 de junio de 2024

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Informe del Administrador a los Miembros Propietarios

I. Introducción

Este informe ofrece a todos los miembros propietarios una visión completa de los esfuerzos del Administrador. Aunque las deficiencias identificadas en los informes de exámenes e investigaciones especiales del Banco Central orientaron las áreas de enfoque del Administrador, las observaciones del Administrador sobre la eficiencia operativa de la cooperativa de crédito, los desafíos en el servicio a los miembros y la competitividad también informaron las iniciativas que emprendimos para mejorar la cooperativa de crédito. Para garantizar la claridad y accesibilidad, el informe está organizado bajo múltiples subencabezados que detallan estas áreas clave, describiendo los cambios implementados para corregir deficiencias e ineficiencias.

El trabajo del Administrador va más allá de abordar preocupaciones inmediatas; también implica anticipar el futuro. Mirando hacia adelante, la tecnología influirá cada vez más en la entrega de servicios y la experiencia del miembro. Mantenerse competitivo con otras instituciones de crédito es imperativo en un paisaje financiero que evoluciona rápidamente.

Para asegurar nuestra relevancia y competitividad continua, el Administrador y el personal visualizan el panorama futuro para determinar cómo posicionar mejor su cooperativa de crédito hoy para adoptar los cambios necesarios y salvaguardar su ventaja competitiva. Este enfoque proactivo es crucial para guiar los ajustes operacionales y establecer las bases para un crecimiento y éxito sostenibles.

El informe destaca acciones específicas que el Administrador tomó para mejorar la gestión y gobernanza de la cooperativa de crédito. En cumplimiento con los requisitos de la Credit Unions Act (CUA), el Administrador actualiza regularmente al Registrador sobre nuestro progreso..

Además, la auditoría independiente para el año fiscal 2023/2024 se ha completado, con hallazgos y recomendaciones incluidas en este informe. El auditor externo ha emitido una carta de recomendación que corrobora los hechos presentados aquí. Esta información se detalla a continuación para su revisión y comprensión.

II. Prefacio

Mi presentación se centra en soluciones y destaca las acciones esenciales tomadas para abordar las deficiencias fundamentales dentro de la cooperativa de crédito en lugar de reiterar todos los desafíos pasados. Está diseñada para informar a los miembros sobre los cambios necesarios implementados y las razones detrás de ellos. Para una comprensión completa de los problemas enfrentados anteriormente, recomiendo referirse al último informe del Administrador, que detalló estos desafíos extensamente.

Además, es esencial señalar que hoy estamos reunidos bajo la dirección de un Administrador debido a la confirmación del Tribunal Superior de Belice. El Tribunal Superior respaldó el nombramiento del Administrador, concluyendo que las preocupaciones del Registrador sobre problemas administrativos que podrían poner en peligro la estabilidad de la cooperativa de crédito eran razonables. Esto se basó en informes de investigaciones especiales, exámenes del Banco Central y correspondencia que destacaron graves deficiencias administrativas y una negativa constante o incapacidad por parte de la Junta para implementar las medidas correctivas ordenadas por el Registrador.

III. Cambios Operacionales y Otros

A. Gestión de Riesgos

La gestión de riesgos es un proceso continuo que implica identificar, evaluar, monitorear y mitigar los diversos riesgos que puede enfrentar un negocio. Las cooperativas de crédito enfrentan numerosos riesgos, incluyendo riesgos de crédito, liquidez, capital, regulatorios, tasas de interés y reputacionales. Cada uno de estos puede impactar significativamente las operaciones de la cooperativa de crédito. Es crucial para la alta dirección y la Junta gestionar continuamente estos riesgos para proteger el negocio.

i. Gestión de Efectivo

Introdujimos mejoras para proteger y aumentar la seguridad y eficiencia del manejo de efectivo dentro de la cooperativa de crédito. Capacitamos a cajeros y empleados de ventanilla para abordar y corregir las deficiencias en el manejo de efectivo. Al mismo tiempo, mejoramos otras áreas, como la transferencia inmediata de efectivo a las bóvedas después del balance y la centralización de las aprobaciones de transacciones a los gerentes de sucursal y oficiales de préstamos senior. Las mejoras en seguridad, incluyendo procedimientos de acceso revisados y actualizaciones físicas en las sucursales, aseguran aún más nuestras instalaciones y garantizan una mejor gestión de los riesgos operativos.

ii. Desembolso de Caja Menuda

Implementamos una política para gestionar los gastos pequeños de la cooperativa de crédito menores de \$100. Los procedimientos requieren que el personal complete un formulario de solicitud de efectivo, el cual debe ser aprobado. Al recibir el efectivo, el personal debe reconocer su recepción. Después de la compra, el personal debe proporcionar los recibos y devolver los fondos no utilizados. Esta política asegura control y supervisión al establecer un umbral claro de gastos y mantiene la integridad financiera dentro de la cooperativa de crédito.

iii. Procedimientos de Apertura y Cierre de Sucursales

Implementamos nuevos procedimientos de acceso y salida para las sucursales, incluyendo una inspección general del local antes de abrir, una revisión completa del interior al abrir y cerrar, y la regulación del trabajo fuera de horario. Establecer protocolos para la apertura y el cierre de una sucursal es crucial desde una perspectiva de gestión de riesgos. Esto asegura medidas de seguridad consistentes, reduciendo vulnerabilidades a robos o accesos no autorizados.

iv. Actualización de Documentos Legales

Con el asesoramiento de nuestros abogados, hemos actualizado todos los documentos hipotecarios, que incluyen el memorando que acompaña al cargo, los formularios de poder notarial, los formularios de cargo y las facturas de venta.

Los documentos legales que aseguran un préstamo definen los términos y condiciones del acuerdo del préstamo, asegurando que tanto el prestamista como el prestatario comprendan sus obligaciones y derechos. La actualización de estos documentos legales protege los intereses de la cooperativa de crédito y de sus miembros a lo largo del tiempo. Estamos contentos y debemos agradecer a los miembros por colaborar con nosotros para actualizar estos documentos hipotecarios en archivo. No hemos tenido ni un solo caso de miembros que no entiendan o se nieguen a firmar de nuevo estos documentos cuando se les ha solicitado.

v. Capacitación en Documentación Legal

Los abogados de la cooperativa de crédito realizaron sesiones de capacitación sobre los documentos legales revisados para asegurar que el personal esté bien informado sobre su contenido y pueda comunicar eficazmente su relevancia a los miembros, desde el proceso de solicitud de préstamo hasta las posibles cobranzas judiciales. Además, el departamento legal recibió capacitación especializada, incluyendo sesiones individuales con los abogados, para abordar cualquier consulta procedimental u operativa que pudieran tener, asegurando claridad y cumplimiento en todos los asuntos legales.

vi. Cobertura de Seguros sobre el Colateral de la Cooperativa de Crédito

Nuestra política de préstamos establece que los miembros prestatarios deben mantener un seguro de propiedad contra diversos riesgos, cubriendo el valor total de la propiedad asegurable. Nuestra revisión inicial encontró que solo alrededor del 25% (en número) de los préstamos mantenían algún tipo de cobertura de seguro. Agradecemos a los miembros por colaborar con nosotros para proteger los activos de la cooperativa de crédito y a sí mismos contra pérdidas potenciales debido a eventos imprevistos como incendios, desastres naturales u otros daños.

vii. Desembolso de Préstamos

El papel del Departamento Legal se ha ampliado para incluir la revisión y aprobación de todos los documentos de préstamos antes de su desembolso. Anteriormente, la documentación del préstamo era revisada por el Cajero antes del desembolso. Sin embargo, este proceso de gestión de riesgos requiere un conocimiento y habilidades específicos.

viii. Proceso Revisado de Refinanciamiento de Préstamos

Anteriormente, cuando los miembros buscaban refinanciar un préstamo existente para obtener fondos adicionales, añadíamos el nuevo monto del préstamo al saldo del préstamo existente. Sin embargo, este método presentaba

desafíos para seguir la progresión del préstamo y mantener claridad en los términos y condiciones. Tras una cuidadosa deliberación y consultas legales, hemos cambiado este proceso. Cuando los miembros solicitan financiación adicional o desean refinanciar, el préstamo existente se cerrará y se creará una nueva cuenta. Esta cuenta consolidará el saldo restante del préstamo antiguo con los fondos recién solicitados, asegurando una gestión más transparente y consistencia en los términos del préstamo.

ix. Manual de AML Actualizado

Con la ayuda y dedicación del equipo de cumplimiento de AML, hemos actualizado el Manual de Prevención de Lavado de Dinero (AML), que el Banco Central había señalado como una deficiencia. Un manual de cumplimiento de AML actualizado es esencial para una cooperativa de crédito, ya que asegura la adherencia a los estándares legales en evolución y las mejores prácticas, protegiendo contra delitos financieros y sanciones regulatorias.

x. Acciones Correctivas – Cumplimiento de AML

El Banco Central identificó más de treinta y tres (33) deficiencias, que van desde críticas hasta no críticas, en esta área. Nos complace informar que hemos abordado cada una de las treinta y tres (33) deficiencias.

B. Operaciones

i. Estructura Organizativa y de Informes

La estructura organizativa define cómo se asignan las tareas y se designan a títulos laborales específicos, asegurando que los roles y responsabilidades estén claramente delineados para mejorar la eficiencia y efectividad operacional. Los empleados son asignados a estos roles, y sus deberes y expectativas específicas se comunican a través de descripciones de trabajo. Estos roles están conectados para fomentar el trabajo en equipo y el esfuerzo colectivo, permitiendo que la organización satisfaga eficazmente las necesidades de sus miembros.

La estructura organizativa anterior, implementada en febrero de 2023, resultó ser inadecuada para las necesidades de nuestra cooperativa de crédito. No atendió eficazmente al número de sucursales ni al valor de los activos bajo gestión. Además, faltaban funciones críticas como Riesgos y Recursos Humanos, y otras funciones no recibieron la prominencia necesaria según las mejores prácticas.

Estas realidades llevaron a la introducción de una oficina centralizada que supervisa las áreas clave de gestión de la cooperativa de crédito. Este órgano central estará equipado para proporcionar a la gerencia y al Consejo informes

detallados que evalúen las operaciones de la cooperativa de crédito y ofrezcan sugerencias para mejorar el rendimiento.

La primera fase involucró la centralización de procesos específicos en la Oficina Central, centralizando funciones de contabilidad de sucursales, confirmación de auditoría y desembolsos de préstamos. La Fase II incluirá funciones de oficina central centralizadas para supervisar y asegurar operaciones estándar en todas las sucursales, con informes funcionales para la responsabilidad y la mejora de la comunicación.

Hemos discutido esto con la alta gerencia, introducido el concepto de informes funcionales al personal y realizado varios cambios de personal para apoyar la transición a informes funcionales, con más trabajo por hacer. La estructura propuesta es la siguiente:



GENERAL MEMBERSHIP

CREDIT
COMMITTEE

SUPERVISORY
COMMITTEE

BOARD OF DIRECTORS
*Strategic Direction and Governance,
Policies, Organizational Growth and
Performance, GM Performance, etc.*

EDUCATION
COMMITTEE

GENERAL MANAGER
*Strategy, Implementaton, Business
Efficiency, Business Development,
Sustainability*

RISK
MANAGEMENT
RISK MANAGER
TBD

AML COMPLIANCE
AML COMPLIANCE
MANAGER

FINANCE
FINANCE MANAGER

OPERATIONS
MEMBER SVCS |
BUSINESS DEV.

HUMAN
RESOURCES
HR MANAGER
TBD

INTERNAL AUDIT
AUDIT MANAGER

INFORMATION
TECHNOLOGY
IT MANAGER

Credit Lending Risk
NP Collections & Arrears
Legal
ERM

Regulatory Reports
Policy Creation
Monitoring Training
Reviews and Advisory

Budget Mgmt. & Analysis
Cost Savings
Fin & Reg. Reporting
Liquidity Management

Cash Custody & Mgmt
Security
Policies & Procedures
Premises & Fleet

Train, Recruit & Retain
Compensation & Benefits
Discipline, Enforcement
Performance MGMT.

Assurance
Risk Mgmt. & Controls
Advisory & Consultation
Regulatory Compliance

System Maint. & Support
Digital Services
New Technology
Cybersecurity & BC.

BRANCHES - FRONT OFFICE OPERATIONS AND MANAGES OUTLETS SUBJECT TO HEAD OFFICE MANAGEMENT AND GUIDANCE

COROZAL

SAN PEDRO

CAYE CAULKER

SARTENEJA

ii. Función de Recursos Humanos

El informe del Administrador anterior destacó que, a pesar de la larga trayectoria de operación de SFXCU, no existía un Departamento de Recursos Humanos dedicado. Aunque se consideró la creación de tal departamento, no se evidenció un plan de implementación, y notablemente faltaba en la estructura organizacional revisada finalizada en febrero de 2023. Establecer un Departamento de Recursos Humanos es crucial para mejorar la moral y la productividad, y fomentar una cultura de trabajo en equipo. También asegura estabilidad, equidad y transparencia a través de políticas, procedimientos y gestión del rendimiento bien definidos.

Actualmente, la política de RRHH está redactada y esperando finalización. Todas las descripciones de trabajo (JDs) han sido actualizadas, y aunque algunos empleados ya han recibido sus JDs revisadas, otras están pendientes de revisiones finales. La nueva estructura funcional y de reporte incluye un Gerente de RRHH, quien inicialmente será apoyado por uno o dos asistentes. Estos roles manejarán asuntos de personal y se prevé que gestionen el sitio web, el marketing y las comunicaciones.

iii. Venta de Propiedad en Caye Caulker

Vendimos una propiedad en Caye Caulker que fue adquirida inicialmente para una posible expansión de mercado. Después de considerar cuidadosamente los sustanciales costos de infraestructura necesarios para el desarrollo en la isla, las limitadas ganancias de la sucursal, la desfavorable perspectiva de mercado y el desafiante entorno competitivo en esa área, se consideró financieramente imprudente retener y desarrollar este activo. En cambio, estamos explorando opciones para mejorar los servicios a los miembros desde nuestras ubicaciones existentes a través de remodelaciones y posibles expansiones. En consecuencia, listamos y vendimos exitosamente la propiedad de Caye Caulker a Super Sky Company Ltd por \$815,000, logrando una ganancia de capital en la transacción.

iv. Venta en Subasta

Por primera vez en la historia, la cooperativa de crédito realizó una subasta para recuperar préstamos malos. Subastar propiedades es crucial para garantizar la estabilidad financiera, y los ingresos de estas ventas apoyan las actividades de préstamo en curso y los dividendos a los miembros. Realizamos dos (2) subastas y vendimos tres (3) propiedades, recuperando \$125,000. Estamos preparando más propiedades para ir a subasta.

v. Reinstalación Formal del Personal Suspendido

Los miembros recordarán que la junta anterior suspendió al personal un día después de ser elegida y asumir el cargo. Consideramos que estas suspensiones fueron retaliativas y sin mérito. Encargamos una investigación independiente sobre las circunstancias de las suspensiones, centrada en la legalidad, justificación y cumplimiento con las políticas internas de la cooperativa de crédito y las leyes laborales de Belice.

La investigación independiente exoneró a todos los empleados afectados, demostrando que las suspensiones fueron infundadas y potencialmente retaliativas. En consecuencia, todo el personal afectado fue formalmente reinstalado, recibió disculpas formales y se eliminaron todas las referencias a suspensiones de sus registros. La investigación también resolvió otra deficiencia muy grave, donde, debido a las acusaciones infundadas y suspensiones, se cuestionó la idoneidad y propiedad de nuestra Oficina de Cumplimiento de AML (ahora Gerente). Con su vindicación, pudimos abordar otra deficiencia grave.

vi. Software de Banca Central

Los miembros recordarán que la cooperativa de crédito acordó con un proveedor la compra de un nuevo sistema bancario central por \$700,000 en

diciembre de 2019. Un sistema de banca central es un software que las cooperativas de crédito y otras instituciones financieras utilizan para apoyar sus operaciones primarias, como procesamiento de depósitos, préstamos y pagos.

A pesar de no tener un contrato firmado, la junta directiva de entonces aprobó un adelanto al proveedor. El proyecto no debería haber durado más de 18 meses. Hasta la fecha, unos cinco años después, se han entregado algunos módulos, pero se necesitan modificaciones sustanciales para la idoneidad operativa, y por lo tanto, estos módulos siguen sin ser aceptados.

A pesar de esto, el proveedor envió una factura que nos haría pagar casi el ochenta por ciento (80%) del costo del proyecto. No hemos pagado ni pagaremos por esto, ya que el sistema no está completo en un ochenta por ciento. El proveedor ha respondido, aumentando el precio del sistema a \$750,000 y proponiendo una nueva tarifa de mantenimiento anual de aproximadamente \$128,000, o \$10,600 mensuales.

Decidiremos cómo proceder después de discutirlo con el asesor legal.

vii. Relanzamiento del Sitio Web

Nos hemos asociado con una empresa local para rediseñar y modernizar el sitio web de la cooperativa de crédito, mejorando su usabilidad y accesibilidad

en dispositivos de escritorio y móviles. Esta actualización tiene como objetivo simplificar los servicios en línea para los miembros, facilitando y asegurando más la realización de transacciones en línea y el acceso a formularios, así como mejorar la experiencia general del usuario. El sitio web renovado está programado para lanzarse en los próximos meses.

viii. Horario de Apertura de Sucursales

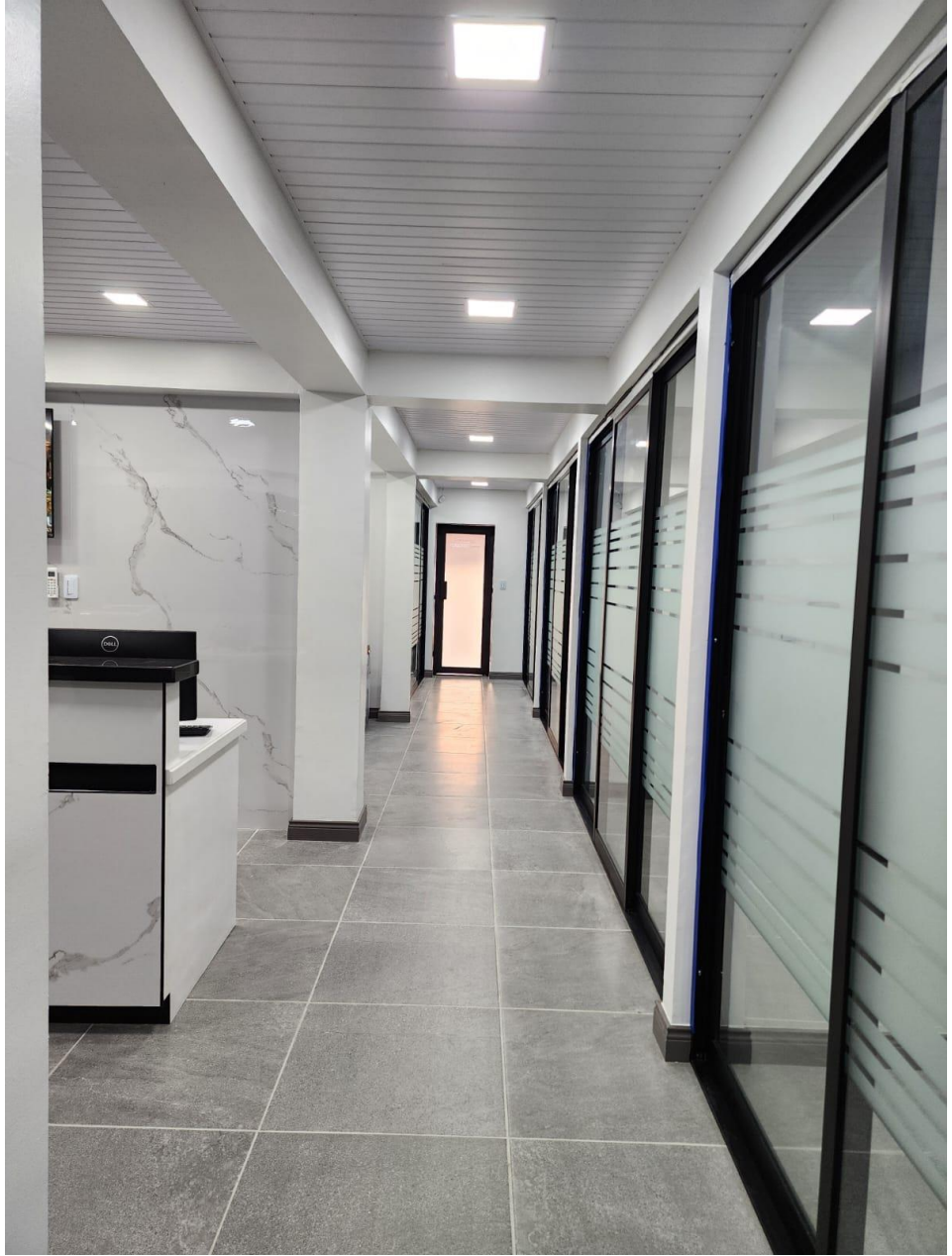
Para mantenernos competitivos y acomodar mejor a nuestros valiosos miembros, la cooperativa de crédito ya no cerrará durante el horario de almuerzo de 12:00 pm a 1:00 pm, permitiendo a los miembros realizar sus transacciones con nosotros durante este horario conveniente.

ix. Mejoras en el Centro de Préstamos

Hemos actualizado nuestro centro de préstamos para mejorar el servicio al miembro y asegurar la comodidad y privacidad de nuestros miembros y personal. Esta renovación incluye nuevas baldosas, espacios de oficina rediseñados para discusiones confidenciales sobre préstamos y áreas de espera cómodas. Además, también hemos cambiado las baldosas en el área de miembros en la sucursal de Corozal. En total, las mejoras costaron \$96,000. Para aquellos miembros que aún no han visto las mejoras en sus activos, les

animamos a visitar nuestro centro de préstamos y estar atentos a futuras mejoras para servirles mejor:







x. Reclutamiento y Retención de Personal en las Islas

Continuamos enfrentando desafíos para reclutar y retener personal en San Pedro y Caye Caulker, donde la competencia de la floreciente industria turística y el alto costo de vida son factores significativos. Para abordar esto, hemos mejorado los beneficios y proporcionado subsidios adicionales de vivienda para el personal estacionado en los Cayos. Es importante destacar que estos incrementos en las asignaciones son exclusivos para las posiciones en los Cayos.

xi. Retiro del Gerente General Suspendido

En mi función como Administrador, retiré al Sr. Rafael Dominguez de su cargo de Gerente General de acuerdo con una directiva del Registrador emitida bajo la sección 61(6)(d) de la Ley de Cooperativas de Crédito. Como consecuencia, su contrato de empleo con la cooperativa de crédito fue terminado en mayo de este año.

C. Desempeño Financiero, Declaración de Dividendos y Rebajas

i. Préstamos No Productivos y Provisiones de Préstamos

La provisión de préstamos implica reservar una cierta cantidad de dinero para cubrir las posibles pérdidas de préstamos que no se pagan. La provisión de préstamos es un requisito legal y contable. A pesar de los mejores esfuerzos de nuestro personal, la cooperativa de crédito sigue siendo afectada por decisiones pobres de aprobación de préstamos del pasado. Hay un dicho que afirma que "un mal préstamo es un mal préstamo desde el día en que se hizo". Las provisiones fueron de \$1.9 millones durante el año, o \$141,000 por encima del presupuesto, como sigue:

	COROZAL	SARTENEJA	SAN PEDRO	CAYE CAULKER	TOTAL
Budget	\$1,500,000	\$100,000	\$50,000	\$140,000	\$1,790,000
Q1	\$409,528	\$202,777	\$0	\$0	\$612,304
Q2	\$546,872	\$54,197	\$0	\$51,256	\$652,325
Q3	\$546,107	\$0	\$0	\$0	\$546,107
Q4	\$120,358	\$0	\$0	\$0	\$120,358
Total	\$1,622,865	\$256,973	\$0	\$51,256	\$1,931,095

ii. Préstamos No Productivos

A pesar de los mejores esfuerzos de nuestro personal, la cooperativa de crédito sigue afectada por decisiones pobres de aprobación de préstamos del

pasado. El total de préstamos no productivos aumentó en \$2,787,196.49 para el año financiero 2023/2024. La cartera total de préstamos no productivos de la cooperativa terminó en \$9,868,450.05, representando el 11.86% de la cartera de préstamos.

iii. Nuevos Préstamos Durante el Año Fiscal 2023/24

Otorgamos préstamos a 3,947 miembros, sumando un total de \$19.0 millones en nuevos préstamos durante el año. Los préstamos categorizados como 'Personales' representaron casi la mitad de todos los desembolsos:

Categories	Amount Disbursed
Personal	\$9,166,093.34
Residential Construction	\$3,857,957.57
Other	\$1,880,741.20
Cane-Farming	\$1,928,819.06
Business	\$1,364,897.45
Student Loan Program	\$181,222.61
Mortgage Lending Program	\$639,924.87
TOTAL	\$19,019,656.10

Mientras tanto, Corozal, la sucursal más grande y más voluminosa, representó \$14.3 millones o aproximadamente el setenta y cinco por ciento (75%) de todos los nuevos préstamos:

Branch	Disbursed	Loans
Corozal (Head Office)	\$14,258,688.22	3,297
Sarteneja	\$1,160,278.21	252
San Pedro	\$2,353,546.34	307
Caye Caulker	\$1,247,143.33	91

iv. Préstamos Diferidos Durante el Año Fiscal 2023/24

Durante el año, diferimos veintiuno (21) préstamos por un total de \$1.36 millones. Notablemente, dos prestatarios que buscaron pedir prestado aproximadamente \$450,000 cada uno, representaron el 67% de todos los aplazamientos. Excluyendo a estos dos, los diecinueve (19) prestatarios restantes tuvieron préstamos que no fueron procesados ni aprobados, sumando un total de \$450,150, con un aplazamiento promedio de \$23,692.11 cada uno.

Es crucial entender que un diferimiento no necesariamente significa un rechazo, sino que indica que los miembros no cumplieron con los requisitos mínimos para la cantidad que deseaban pedir prestada debido a factores como el colateral o la historia crediticia pasada con la cooperativa de crédito. Típicamente, un diferimiento es condicional; se alienta a menudo a los

miembros a cumplir con criterios específicos y volver a solicitar. En este punto, se les puede conceder el préstamo si cumplen con las condiciones requeridas.

v. Cartera de Préstamos y Pronóstico

La cartera de préstamos de la cooperativa de crédito disminuyó de \$92.2 millones a \$83.2 millones, una reducción de \$9.0 millones, principalmente debido a la competencia de otros prestamistas, pagos, una disminución natural de la cartera y requisitos de crédito más estrictos, lo que mejora nuestra prudencia y reduce futuras pérdidas y provisiones. El año pasado fue un período de transición, y mirando hacia adelante, estamos proyectando un aumento del 15% en la cartera de préstamos a \$95.7 millones para este año. Es importante recordar que el tamaño de la cartera no es el único enfoque; la calidad de los préstamos es igualmente crucial.

vi. Crecimiento de la Cartera y Servicio al Miembro

Hemos implementado varios cambios estratégicos para mejorar el crecimiento de la cartera y alcanzar nuestra previsión presupuestada de cartera de préstamos. En nuestra oficina central, nuestra sucursal más grande y concurrida, hemos reestructurado el departamento de Préstamos y aumentado el número de oficiales de préstamos en un 25%, añadiendo un oficial de crédito para servir mejor a nuestros miembros. Además, hemos

actualizado nuestros criterios de préstamo para equilibrar el préstamo prudente y la accesibilidad, apuntando a la sostenibilidad y la mejora del servicio al miembro. El departamento de Préstamos en la Oficina Central de Corozal ha sido reorganizado en dos áreas enfocadas: Préstamos Personales y Préstamos para MSME (Micro, Pequeñas y Medianas Empresas). Esta división nos permite atender de manera más efectiva las necesidades distintas de estos sectores clave, mejorando la experiencia del miembro y fortaleciendo nuestra posición competitiva. Además, nos complace informar que nuestros activos líquidos han alcanzado un máximo histórico de justo más de \$20.0 millones, los cuales serán utilizados para proporcionar préstamos a miembros calificados.

vii. Estrategia de Cobros

Continuamos trabajando estrechamente con el recién nombrado Jefe de Recuperación de Cartera para reestructurar el departamento para cobros de préstamos más efectivos. Esta reestructuración será apoyada por capacitación adicional para el personal de recuperación, una redistribución de la cartera entre los miembros del equipo y una nueva política de cobros actualmente pendiente de aprobación final. Estas medidas son pasos vitales

para corregir lapsos pasados en los cobros. A pesar de la magnitud de esta tarea, estamos seguros de que estos desafíos serán abordados con éxito.

viii. **Iniciativa de Miembro en Buen Estado**

También hemos mejorado nuestros esfuerzos de cobranza añadiendo un oficial de crédito altamente experimentado y veterano a la unidad de recuperación. Este Oficial de Crédito de Recuperación se enfoca en identificar préstamos aptos para reestructuración, apuntando a aquellos que no rinden o están al borde de no rendir. Hemos encontrado casos en los que los miembros continúan haciendo pagos en condiciones desfavorables; una reestructuración estratégica podría reconciliar sus cuentas, beneficiando tanto al miembro como a la cooperativa de crédito. Este enfoque ayuda a reducir las exposiciones a provisiones de la cooperativa de crédito, pero también ayuda a los miembros a disminuir su deuda y restaurar su estatus como miembros en buena salud financiera.

ix. **Gastos Operativos**

Los costos registraron un aumento insignificante de \$137,072, o un uno con tres cuartos por ciento (1.75%), alcanzando \$8,012,269.00. Los salarios y sueldos representan \$2,290,302 o casi el treinta por ciento (30%) del total de gastos. Los siguientes gastos más altos son los gastos por deudas incobrables

de \$1,931,094, gastos del fondo de protección de préstamos (vida) de \$586,514, gastos del administrador de \$442,694 (siendo salarios para el Administrador, un Asistente, un Gerente de Sucursal y un Consultor de Gestión, y otros costos), y depreciación de \$405,105. Para total transparencia y claridad, estoy proporcionando a los miembros un desglose de los costos del administrador:

x. Excedente

Las cifras financieras auditadas de SFXCU reportaron un excedente para marzo de 2024 de \$2,771,169; el año anterior fue de \$3,845,565. Esto representó una disminución de \$874,593. De no haber sido por el gasto de provisión en el portafolio heredado, el superávit habría sido igual al del año pasado, y todo lo demás habría permanecido igual a pesar del menor portafolio de préstamos. Las disminuciones actuales en el excedente se deben a los requisitos de provisionamiento y la disminución en la cartera de préstamos.

xi. Declaración de Dividendos y Rebajas

Se declararon dividendos de \$2,628,879, iguales a los del año pasado. Los dividendos y rebajas a pagar y sus tasas son las siguientes:

- Dividendos - 3.75%, que representa \$2,628,879

- Rebajas - 5.50%, que representa \$389,655

xii. Requisitos de Capital

Basado en el excedente total para el período actual de marzo de 2024, la Cooperativa de Crédito optó por distribuir el excedente de la siguiente manera:

- Asignación de \$251,000 para llevar el Fondo de Reserva Estatutario al catorce por ciento (14.0%), bien por encima del requisito legal del diez por ciento (10%).
- El Fondo de Educación está completamente financiado con \$653,511, sin necesidad de asignación adicional.

MIEMBROS DE SFXCU

AÑO FISCAL 2023/24

Branch	Adult		Total Adults	Minor		Total Minors	Entity	Total
	Male	Female		Male	Female			
Corozal	9,452	9,678	19,130	1,643	1,540	3,183	154	22,467
Sarteneja	799	868	1,667	166	150	316	31	2,014
San Pedro	2,198	2,184	4,382	357	342	699	13	5,094
Caye Caulker	550	495	1,045	99	96	195	14	1,254
Total Membership	12,999	13,225	26,224	2,265	2,128	4,393	212	30,829

[AUDITED FINANCIALS FOLLOWS]

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

Financial Statements for the Years Ended
March 31, 2024 and 2023 and Independent
Auditors' Report



SAINT FRANCIS XAVIER CREDIT UNION LIMITED

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INDEPENDENT AUDITORS' REPORT

**To the Board of Directors and Members of:
Saint Francis Xavier Credit Union Limited**

Opinion

We have audited the financial statements of Saint Francis Xavier Credit Union Limited which comprise the statements of financial position as at March 31, 2024 and 2023 and the statements of income and expenses, statements of changes in fund balances and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Saint Francis Xavier Credit Union Limited as at March 31, 2024 and 2023 and of its financial performance and its cash flows for the years then ended in accordance with the modified cash basis of accounting.

Basis for Opinion

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

Basis of Accounting

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

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

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

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

h1b.bz

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HLB Belize, LLP is an independent member of HLB, the global advisory and accounting network

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

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

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

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

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

HLB, Belize, LLP

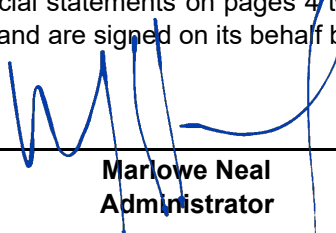
**Chartered Accountants
Belize City, Belize
May 28, 2024**

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

STATEMENTS OF FINANCIAL POSITION – MODIFIED CASH BASIS AS AT MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

<u>ASSETS</u>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Cash and cash equivalents - unrestricted	2f. 3.	\$ 20,597,022	\$ 12,512,522
Cash and cash equivalents - restricted	2f. 4.	2,439,903	-
Fixed deposits	2g. 5.	6,039,078	5,938,348
Interest receivable	2h.	139,526	166,676
Loans receivable	2i. 7.	83,226,138	92,179,448
Less: allowance for loan losses	2j. 7.	(4,016,878)	(3,321,879)
Other receivable	2k. 6.	959,751	62,762
Prepayments	2l.	447,636	404,333
Investments	2m. 9.	3,109,236	3,109,236
Stationery and supplies	2n. 2p.	84,937	82,425
Property, plant and equipment – net	2o. 2p. 8.	5,220,751	6,105,499
Total assets		118,247,100	117,239,370
<u>LIABILITIES</u>			
Accounts payable	2q.	704,615	772,961
Long-term debt	12.	-	600,000
Members' deposits	10.	84,609,725	82,598,730
Severance payable	2r. 11.	1,341,689	1,367,510
Total liabilities		86,656,029	85,339,201
NET ASSETS		\$ 31,591,071	\$ 31,900,169
<u>MEMBERS' EQUITY</u>			
Members' shares – mandatory	2s.	\$ 619,840	\$ 616,500
Members' shares – voluntary	2s.	1,607,520	1,530,320
Burial scheme fund	13.	2,443,857	2,447,017
Education fund	2t. 14.	653,511	820,836
Loan protection (life) fund	2u.	724,235	645,690
Other reserve	2v. 14.	1,066,966	1,067,170
Revaluation reserve	2o. 15.	504,715	504,715
Statutory reserve fund	2w. 14.	15,925,819	15,669,199
Undistributed surplus	2x. 14.	8,044,608	8,598,722
MEMBERS' EQUITY		\$ 31,591,071	\$ 31,900,169

The financial statements on pages 4 to 7 were approved and authorized for issue by the Administrator on May 28, 2024 and are signed on its behalf by:



Marlowe Neal
Administrator

The notes on pages 8 to 19 are an integral part of these financial statements.

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

STATEMENTS OF INCOME AND EXPENSES – MODIFIED CASH BASIS FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
INCOME	2y.		
Interest income on loans		\$ 9,248,904	\$ 10,073,653
Interest income on debentures		51,875	51,875
Investment income		233,861	237,618
Gain on disposal of assets		125,470	-
Other income		549,264	608,504
Passbook sale income		24,606	29,170
Service fees income		549,458	719,942
TOTAL INCOME		10,783,438	11,720,762
EXPENSES	2y.		
Administrator expenses		442,694	-
Advertising		12,834	24,964
Annual general meeting		132,036	214,605
Bad debt		1,931,094	1,665,958
Bank charges and overdraft interest		30,694	40,839
Belize Credit Union League dues		25,244	7,610
Central Bank returns and compliance cost		5,000	5,000
Computer upgrades		117,198	161,477
Delinquency cost		936	2,346
Depreciation		405,105	357,345
Donation		17,501	8,986
Insurance		93,226	90,118
Interest expense - DFC		2,968	9,455
Interest expense - members' term deposits		84,333	83,106
Legal fees		8,882	15,555
Loan protection (life) fund expense		586,514	602,288
Loss on disposal of assets		16,253	13,443
Office supplies		133,687	125,170
Officer allowances		-	94,619
Officer meeting, traveling and miscellaneous costs		6,864	84,698
Other expense		106,638	370,225
Professional fees		213,519	276,529
Property taxes		4,706	3,410
Regulatory penalties and fines		-	7,900
Rent		50,925	70,571
Repairs and maintenance		232,007	196,640
Security		284,049	193,687
Severance		135,737	234,178
Social security		88,587	82,120
Staff allowance		192,472	154,138
Staff social		29,094	47,142
Travelling and subsistence		38,874	57,252
Uniform allowance		57,150	56,259
Utilities		191,068	194,847
Vehicle expense		44,078	55,319
Wages and salaries		2,290,302	2,267,398
TOTAL EXPENSES		8,012,269	7,875,197
SURPLUS		\$ 2,771,169	\$ 3,845,565

The notes on pages 8 to 19 are an integral part of these financial statements.

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

STATEMENTS OF CHANGES IN FUND BALANCES

FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

	Burial scheme fund	Education fund	Loan protection (life) fund	Revaluation reserve	Statutory reserve fund	Other reserve	Undistributed surplus	Total
Balance as at March 31, 2023	\$ 2,447,017	\$ 820,836	\$ 645,690	\$ 504,715	\$ 15,669,199	\$ 1,067,170	\$ 8,598,722	\$ 29,753,349
Burial scheme dues	384,840	-	-	-	-	-	-	384,840
Burial scheme payments	(388,000)	-	-	-	-	-	-	(388,000)
Education expenses	-	(167,325)	-	-	-	-	-	(167,325)
Loan protection provision	-	-	586,514	-	-	-	-	586,514
Loan protection settlement	-	-	(507,969)	-	-	-	-	(507,969)
Entrance fees	-	-	-	-	5,010	-	-	5,010
Cash overs - net	-	-	-	-	610	-	-	610
Other reserves expense	-	-	-	-	-	(204)	-	(204)
Dividends (3.75%)	-	-	-	-	-	-	(2,578,377)	(2,578,377)
Rebate paid (5.5%)	-	-	-	-	-	-	(495,906)	(495,906)
Surplus distribution	-	-	-	-	251,000	-	2,520,169	2,771,169
Balance as at March 31, 2024	\$ 2,443,857	\$ 653,511	\$ 724,235	\$ 504,715	\$ 15,925,819	\$ 1,066,966	\$ 8,044,608	\$ 29,363,711

	Burial scheme fund	Education fund	Loan protection (life) fund	Revaluation reserve	Statutory reserve fund	Other reserve	Undistributed surplus	Total
Balance as at March 31, 2022	\$ 2,293,249	\$ 769,243	\$ 334,233	\$ 504,715	\$ 15,096,918	\$ 1,095,311	\$ 8,579,919	\$ 28,673,588
Burial scheme dues	396,768	-	-	-	-	-	-	396,768
Burial scheme payments	(243,000)	-	-	-	-	-	-	(243,000)
Education, donation and training	-	(140,685)	-	-	-	-	-	(140,685)
Loan protection provision	-	-	602,288	-	-	-	-	602,288
Loan protection settlement	-	-	(290,831)	-	-	-	-	(290,831)
Entrance fees	-	-	-	-	6,430	-	-	6,430
Cash overs - net	-	-	-	-	553	-	-	553
Surplus distribution	-	-	-	-	-	(28,141)	-	(28,141)
Dividends (4%)	-	-	-	-	-	-	(2,610,416)	(2,610,416)
Rebate paid (5%)	-	-	-	-	-	-	(458,770)	(458,770)
Surplus distribution	-	192,278	-	-	565,298	-	3,087,989	3,845,565
Balance as at March 31, 2023	\$ 2,447,017	\$ 820,836	\$ 645,690	\$ 504,715	\$ 15,669,199	\$ 1,067,170	\$ 8,598,722	\$ 29,753,349

The notes on pages 8 to 19 are an integral part of these financial statements.

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Surplus	\$ 2,771,169	\$ 3,845,565
Adjustments for:		
Depreciation	405,105	357,345
Severance expense	135,737	234,178
(Gain) loss on disposal of property, plant and equipment	(109,217)	13,443
Loan protection (life) fund	586,514	602,288
Bad debt expense	1,931,094	1,665,958
Interest income on investments	(285,736)	(289,493)
Interest expense on long term debt	2,968	9,455
Operating surplus before working capital changes	<u>5,437,634</u>	<u>6,438,739</u>
Changes in:		
Other receivable	(896,989)	(3,483)
Prepayments	(43,303)	441,233
Stationery and supplies	(2,512)	5,887
Loans receivable	7,717,215	1,039,691
Accounts payable	(68,346)	358,852
Members' deposits	2,010,995	812,315
Cash provided by operating activities	<u>14,154,694</u>	<u>9,093,234</u>
Severance paid	(161,558)	(208,235)
Net cash provided by operating activities	<u>13,993,136</u>	<u>8,884,999</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received from investments	312,886	244,240
Fixed deposits	(100,730)	(30,535)
Investments	-	25,000
Additions to property, plant and equipment	(249,785)	(498,503)
Proceeds from sale of property, plant and equipment	838,645	675
Net cash provided by (used in) investing activities	<u>801,016</u>	<u>(259,123)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid for long term debt	(2,968)	(9,455)
Change in burial scheme – net	(3,160)	153,768
Change in education fund – net	(167,325)	(140,685)
Loan protection (life) fund settlements	(507,969)	(290,831)
Statutory reserve fund	5,620	6,983
Members' shares – mandatory	3,340	8,952
Members' shares – voluntary	77,200	17,200
Other reserves - net	(204)	(28,141)
Dividends paid	(2,578,377)	(2,610,416)
Rebates paid	(495,906)	(458,770)
Repayments of long term debt	(600,000)	(658,125)
Net cash used in financing activities	<u>(4,269,749)</u>	<u>(4,009,520)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	10,524,403	4,616,356
CASH AND CASH EQUIVALENTS, APRIL 1	12,512,522	7,896,166
NET TRANSFERS TO CASH AND CASH EQUIVALENTS - RESTRICTED	(2,439,903)	-
CASH AND CASH EQUIVALENTS - UNRESTRICTED, MARCH 31	<u>\$ 20,597,022</u>	<u>\$ 12,512,522</u>

The notes on pages 8 to 19 are an integral part of these financial statements.

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

1. STATUS

Saint Francis Xavier Credit Union Limited ("SFXCUL") was incorporated in 1947 under the Credit Unions Act. The Credit Union is currently governed by Credit Unions Act Chapter 314 Revised Edition 2020. Its main objective is to promote thrift among its members, to receive savings of its members either as payment on shares or as deposits, and to make loans to members exclusively for provident or productive purposes.

SFXCUL is supervised by the Registrar of Credit Unions, the Governor of the Central Bank of Belize. On March 10, 2023, the Registrar advised that pursuant to section 61(1) of the Credit Unions Act, Martin Marshalleck was being appointed as an Administrator of the Credit Union. Subsequently, on September 1, 2023 Marlowe Neal was appointed as the new administrator.

SFXCUL's registered office is 79 Corner 5th Avenue & 1st Street North Corozal Town, Belize C.A. As at March 31, 2024 SFXCUL had 30,992 members (2023: 30,863).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of compliance

SFXCUL uses a modified cash basis of accounting which is a comprehensive basis of accounting, other than generally accepted accounting principles. Under this basis, certain revenues are recognized when received rather than when earned and short term expenses are recognized when cash is disbursed rather than when the obligation is incurred.

b. Basis of presentation

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the consideration given in exchange for assets.

c. Functional and presentation currency

The financial statements are presented in Belize dollars, which is SFXCUL's functional currency.

d. Foreign currency translations

Transactions in foreign currencies are converted into Belize dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Gains or losses on ordinary foreign exchange transactions are included in the statements of income and expenses.

e. Changes in accounting policies

No changes to the accounting policies were identified and the comparative information has accordingly remained unchanged since the prior reporting period.

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- f. Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of 3 months or less.

- g. Fixed deposits
Fixed deposits comprise of term deposits held at the bank with maturity dates of 3 months to 2 years from the date of acquisition.

- h. Interest receivable
Interest receivable represents interest earned on fixed deposits that has not yet been received.

- i. Loans receivable
Loans are recognized when cash is advanced to the member borrowers.

- j. Allowance for loan losses
This account is treated as a contra-asset account to member loans receivable in accordance with the Credit Unions Act (CUA) Requirement No. 2 of 2013. The account is funded through charges to income as a provision expense for charging off loans and other assets or portions of such loans and other assets which have been adversely classified.

- k. Other receivable
Other receivable comprises of miscellaneous receivables from members.

- l. Prepayments
Prepayments represent costs paid in advance of their intended use or coverage. Prepayments are expensed in the period the service is received.

- m. Investments
SFXCUL accounts for its minority equity investments at cost. Under this method, dividends are treated as income when received.

- n. Stationery and supplies
Use of stationery and supplies is analyzed on a regular basis and are expensed in the period used.

- o. Property, plant and equipment
Property, plant and equipment are carried at cost, with the exception of land which are carried at revalued amounts. Property and equipment are depreciated on a straight line basis as follows:

Buildings	40 years
Computer hardware & software	5 years
Furniture & fixtures	15 years
Generator	20 years

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o. Property, plant and equipment (Continued)

Office equipment	10 years
Vehicles	7 years

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

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

Assets held under revaluation model

Assets held under the revaluation model are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

The cost and accumulated depreciation accounts are restated proportionately with the revaluation. Any increase arising on the revaluation of such asset is recognised as a transfer in equity under the heading of revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit and loss, in which case the increase is credited to profit and loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such asset is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to undistributed surplus. No transfer is made from the revaluation reserve to undistributed surplus except when an asset is derecognised.

p. Impairment of non-financial asset

SFXCUL assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p. Impairment of non-financial asset (Continued)

An impairment loss is recognised immediately in statement of income and expenses, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

q. Accounts payable

Accounts payable comprises of member deposits and loan payments that have not yet been applied against respective member accounts.

r. Severance payable

Severance payable represents the accrual of salaries payable to employees in the event of their resignation or termination in accordance with the SFXCUL Severance Pay policy. Employees with at least 5 years or more of continuous employment are entitled to a minimum of two week's salary for each year of service. Upon retirement, employees with at least 10 years or more of continuous employment are entitled to up to five weeks salary for each year of service.

s. Members' shares

As per the Credit Unions Act, members' shares in the Credit Union represent members' capital and are presented as mandatory and voluntary shares. Mandatory shares are minimum shares required for a person to be a member of the Credit Union. Mandatory shares are \$20 per member. Voluntary shares are any shares deposited beyond the \$20 minimum share required to obtain membership in the Credit Union.

t. Education fund

In accordance with SFXCUL's by-laws an amount not exceeding 5% of the net surplus, before declaration of dividends is set aside in this fund. The accumulated amount within this fund will be used for purposes such as training of members and staff, promotion campaigns and any other educational purposes as may be deemed by the Administrator.

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u. Loan protection (life) fund

On August 1, 2005 SFXCUL also initiated the Loan Protection & Life Savings Scheme. The costs of this scheme are borne by SFXCUL. The loan protection (life) fund is an internal insurance fund set aside by SFXCUL to be used for write-off of loans and payment of other benefits related to the natural death of a member. Premiums are determined using a flat rate of \$0.32 per \$1,000 for savings and \$0.52 for qualifying loans and savings up to the coverage maximum. Coverage becomes effective immediately upon the member joining SFXCUL. The scheme offers protection of savings up to a maximum of \$20,000 with set percentages tiered by age and loan protection up to a maximum of \$40,000. The maximum age for the loan protection coverage is 70 years.

v. Other reserve

Other reserve is amounts set aside by the Administrator to be used for any purpose that the Credit Union may utilize it for. Allocation of surplus to this reserve is recommended by the Administrator and to be confirmed at annual meetings as permitted by the Credit Unions Act.

w. Statutory reserve fund

Each year, in accordance with the Credit Unions Act, SFXCUL transfers at least 10% of its net surplus, before the declaration of dividends, to the statutory reserve fund. If the reserve equals or is more than 10% of the total assets of the Credit Union, SFXCUL need not set aside all of any portion of the net surplus to the reserve. In addition, all entrance fees and fines collected from members each year are transferred to this fund. This fund cannot be distributed to members.

x. Dividends and rebates

Dividends not exceeding 8% are declared and paid annually on member shares balance. Dividends are calculated based on the average of the lowest share balance during each quarter of the financial year.

Rebates are declared and paid annually to each member in proportion to the volume of loan business done with the Credit Union during the year.

Dividends are credited to the members' shares accounts along with interest rebates given to members who qualify. Dividends and rebates are recommended by the Administrator and approved at SFXCUL's Annual General Meeting.

y. Income and expense recognition

Interest income on loans, dividends and other income are recognized when collected. Interest income on fixed deposits is recognized when earned. Expenses are recognized when incurred. Interest on term deposits and personal checking accounts are paid quarterly and monthly, respectively. Interest on term deposits may be paid quarterly or monthly. The interest rates paid on member accounts are determined by the Administrator.

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

z. Segment Reporting

SFXCUL currently has, in addition to its main branch in Corozal Town, 3 branch offices located in Sarteneja, Caye Caulker and San Pedro Town. Management has considered it necessary to report the operation of these branches independently in supplementary information in an effort to give further detail about the operations of these units. It should be duly noted however, that these units have been reported in the combined totals presented in these financial statements.

3. CASH AND CASH EQUIVALENTS - UNRESTRICTED

	<u>2024</u>	<u>2023</u>
Cash on hand	\$ 2,181,463	\$ 2,143,758
Current and checking accounts	<u>18,415,559</u>	<u>10,368,764</u>
	<u><u>\$ 20,597,022</u></u>	<u><u>\$ 12,512,522</u></u>

4. CASH AND CASH EQUIVALENTS - RESTRICTED

Restricted funds for sending and receiving payments directly to and from participating credit unions, and other financial institutions held at the Shared Service Network (SSN). The SSN, a subsidiary of the Belize Credit Union League Limited, is licensed as a payment system operator for credit unions with direct participation in the Central Bank of Belize's Automated Payment and Securities Settlement System (APS3).

5. FIXED DEPOSITS

Institution	Maturity	Rate	<u>2024</u>	<u>2023</u>
Belize Bank Ltd.	June 13, 2025	1.50%	\$ 845,719	\$ -
Belize Bank Ltd.	April 8, 2025	1.50%	255,215	-
Belize Bank Ltd.	April 8, 2025	1.50%	819,657	-
Belize Bank Ltd.	June 13, 2025	1.50%	801,529	-
Belize Bank Ltd.	April 8, 2025	1.50%	373,136	-
Belize Bank Ltd.	June 14, 2024	1.05%	1,012,461	-
Heritage Bank Limited	September 17, 2024	2.50%	1,931,361	-
Belize Bank Ltd.	June 13, 2023	1.50%	-	821,086
Belize Bank Ltd.	April 8, 2023	1.50%	-	247,782
Belize Bank Ltd.	June 13, 2023	1.50%	-	778,184
Belize Bank Ltd.	June 13, 2023	1.05%	-	1,001,884
Belize Bank Ltd.	April 8, 2023	1.50%	-	362,267
Belize Bank Ltd.	August 29, 2023	1.05%	-	1,931,361
Belize Bank Ltd.	April 8, 2023	1.50%	-	795,784
			<u><u>\$ 6,039,078</u></u>	<u><u>\$ 5,938,348</u></u>

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

6. OTHER RECEIVABLES

	<u>2024</u>	<u>2023</u>
Mortgage fees receivable	\$ 1,448	\$ 3,352
Other receivables	958,303	59,410
	<u>\$ 959,751</u>	<u>\$ 62,762</u>

7. LOANS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Agriculture loans	\$ 4,489,629	\$ 5,251,767
Business loans	8,515,810	9,811,590
Consumer loans	24,269,094	35,900,331
Debt refinancing loans	753,830	977,359
Educational loans	5,400,476	4,450,454
Housing and home improvement loans	28,995,018	23,741,106
Real estate loans	1,754,509	2,239,362
Medical	5,966,342	6,226,769
Staff and related party loans	3,081,430	3,580,710
Total loans receivable - gross	<u>83,226,138</u>	<u>92,179,448</u>
Less: allowance for loan losses	<u>(4,016,878)</u>	<u>(3,321,879)</u>
Total loans receivable - net	<u>\$ 79,209,260</u>	<u>\$ 88,857,569</u>

Allowance for loan losses comprises of:

Balance, beginning of the year	\$ 3,321,879	\$ 2,128,838
Additional provision for the year	1,931,094	1,665,958
Write-offs	<u>(1,236,095)</u>	<u>(472,917)</u>
Balance, end of the year	<u>\$ 4,016,878</u>	<u>\$ 3,321,879</u>

The maturity distribution of loans receivable is as follows:

	<u>2024</u>	<u>2023</u>
Less than 1 year	\$ 556,491	\$ 487,428
1-3 years	6,860,533	7,759,946
More than 3 years	75,809,114	83,932,074
	<u>\$ 83,226,138</u>	<u>\$ 92,179,448</u>

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

8. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Computer hardware & software	Furniture & fixtures	Generator	Office equipment	Vehicles	Work in progress	Total
Cost (c), Valuation (v)	(v)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	
Brought forward, April 1, 2023	\$2,053,485	\$ 3,474,703	\$1,170,599	\$ 621,707	\$ 264,118	\$ 935,008	\$682,050	\$188,927	\$ 9,390,597
Additions	-	23,463	53,763	46,133	-	31,327	95,099	-	249,785
Transfers	-	188,927	-	-	-	-	-	(188,927)	-
Disposals	(434,030)	(300,000)	(39,239)	(58,358)	-	(58,229)	(183,500)	-	(1,073,356)
Carried forward, March 31, 2024	1,619,455	3,387,093	1,185,123	609,482	264,118	908,106	593,649	-	8,567,026
Accumulated Depreciation									
Brought forward, April 1, 2023	-	999,004	668,189	335,660	117,670	596,106	568,469	-	3,285,098
Additions	-	88,436	143,499	39,547	11,340	66,607	55,676	-	405,105
Disposals	-	(22,500)	(39,239)	(44,681)	-	(54,008)	(183,500)	-	(343,928)
Carried forward, March 31, 2024	-	1,064,940	772,449	330,526	129,010	608,705	440,645	-	3,346,275
Net Book Value									
March 31, 2024	\$1,619,455	\$ 2,322,153	\$ 412,674	\$ 278,956	\$ 135,108	\$ 299,401	\$153,004	\$ -	\$ 5,220,751

During the financial year ended March 31, 2020 SFXCUL had an independent qualified appraiser value all land held, revaluation surpluses and loss were incurred. See also Note 2n. and 15.

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land	Building	Computer hardware & software	Furniture & fixtures	Generator	Office equipment	Vehicles	Work in progress	Total
Cost (c), Valuation (v)	(v)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	
Brought forward, April 1, 2022	\$2,053,485	\$ 3,445,930	\$ 844,514	\$ 617,922	\$ 266,600	\$ 969,922	\$682,050	\$154,918	\$ 9,035,341
Additions	-	28,773	392,673	21,156	-	21,892	-	34,009	498,503
Disposals	-	-	(66,588)	(17,371)	(2,482)	(56,806)	-	-	(143,247)
Carried forward, March 31, 2023	2,053,485	3,474,703	1,170,599	621,707	264,118	935,008	682,050	188,927	9,390,597
Accumulated Depreciation									
Brought forward, April 1, 2022	-	912,208	652,183	308,842	107,030	570,658	505,961	-	3,056,882
Additions	-	86,796	81,674	40,786	11,450	74,131	62,508	-	357,345
Disposals	-	-	(65,668)	(13,968)	(810)	(48,683)	-	-	(129,129)
Carried forward, March 31, 2023	-	999,004	668,189	335,660	117,670	596,106	568,469	-	3,285,098
Net Book Value									
March 31, 2023	\$2,053,485	\$ 2,475,699	\$ 502,410	\$ 286,047	\$ 146,448	\$ 338,902	\$113,581	\$188,927	\$ 6,105,499

During the financial year ended March 31, 2020 SFXCUL had an independent qualified appraiser value all land held, revaluation surpluses and loss were incurred. See also Note 2n. and 15.

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

9. INVESTMENTS

	<u>2024</u>	<u>2023</u>
109,152 ordinary shares at par value \$2.00 each in Belize Electricity Limited.	\$ 259,236	\$ 259,236
7.00% National Gas Company (Belize) Ltd. Senior Secured Bonds 2019. Interest is payable in May and November of each year until it's maturity on May 15, 2029.	2,000,000	2,000,000
6.25% Belize Water Services Debenture maturing December 31, 2030, with interest payable semi-annually.	350,000	350,000
6% Belize Electricity Limited Debenture maturing June 30, 2032. With interest payable annually.	500,000	500,000
	<u>\$ 3,109,236</u>	<u>\$ 3,109,236</u>

10. MEMBERS' DEPOSITS

	<u>2024</u>	<u>2023</u>
Savings and demand deposits	\$ 79,817,499	\$ 77,952,958
Term deposits	4,792,226	4,645,772
	<u>\$ 84,609,725</u>	<u>\$ 82,598,730</u>

The maturity distribution of member deposits is as follows:

	<u>2024</u>	<u>2023</u>
Less than 1 year	\$ 79,817,579	\$ 77,952,958
1-3 years	4,792,226	4,645,772
	<u>\$ 84,609,805</u>	<u>\$ 82,598,730</u>

11. SEVERANCE PAYABLE

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 1,367,510	\$ 1,341,567
Additional provision for the year	135,737	234,178
Severance paid	(161,558)	(208,235)
Balance, end of the year	1,341,689	1,367,510
Less: current portion	(108,322)	(161,558)
Long term portion	<u>\$ 1,233,367</u>	<u>\$ 1,205,952</u>

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

12. LONG TERM DEBT

	<u>2024</u>	<u>2023</u>
Development Finance Corporation unsecured loan of \$3,000,000 for a period of 7 years inclusive of a grace period of 2 years on principal balances. Interest is charged at a rate of 1.0% per annum on the outstanding principal balance. Repayment of the loan principal amount of \$3,000,000 is made in 5 equal and consecutive annual installments of \$600,000 each. Loan was paid off on September 28, 2023.	<u>\$ -</u>	<u>\$ 600,000</u>

13. BURIAL SCHEME FUND

The Burial Scheme Program – Womb to the Tomb was approved in the 2003 Annual General Meeting. The program was initiated effective July 1, 2003 through the Burial Scheme Fund whereby members make an annual contribution of \$24.00 deducted from their shares account on July 1 of each year once they meet the eligibility criteria. In order for a member to qualify under the scheme, the member must maintain \$100.00 in their shares account at all times before and after fees are paid and must have a minimum of \$124.00 in their shares account to be able to pay the annual premium of \$24.00 at July 1 of each year. Once proof of death of a member who qualifies under the scheme is presented, a cash settlement of \$4,000.00 or \$2,000.00 (for members who joined after March 31, 2003 and were 50 years or more and meet the requirement) is paid to the beneficiary. The SFXCUL reserves the right to terminate this burial scheme giving 31 days' notice.

14. DISTRIBUTION OF SURPLUS

	<u>2024</u>	<u>2023</u>
Education fund 0% (2023 - 5%)	\$ -	\$ 192,278
Statutory reserve fund 9.06% (2023 - 14.7%)	251,000	565,298
Undistributed surplus 90.94% (2023 - 80.3%)	2,520,169	3,087,989
	<u>\$ 2,771,169</u>	<u>\$ 3,845,565</u>

15. REVALUATION RESERVE

An appraisal of all land held was done during the financial year ended March 31, 2020, by independent appraiser Mr. Walter Flowers, A.Sc. Civil Eng. The resulting increase in the carrying amount of the land was reflected in a revaluation reserve and losses were recognized in the statement of income and expenses.

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

16. COMMITMENTS

Belize Bank Limited overdraft facility in the amount of \$800,000 for 2024 (2023: \$2,500,000) which carries an interest rate of 5.5% and secured by a fixed term deposit. As of March 31, 2024 the balance on the account was not in an overdraft position (2023: nil). See Note 5 for details of security. The overdraft is reviewed annually with the next review being on January 1, 2025.

Belize Bank Limited credit card facility in the amount of \$43,000 which carries an interest rate of 22% per annum and secured by a fixed term deposit. As of March 31, 2024 the balance on the account was not in an credit position (2023: nil). See Note 5 for details of security.

As at March 31, 2024, member loans totaling \$76,505 (2023:\$135,267) had been approved but were not yet disbursed.

17. TAXATION

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

General Sales Tax of 12.5% is a tax on consumer spending that is collected at the point of sale of a business' good or service. SFXCUL pays General Sales Tax as a regular consumer.

18. EVENTS AFTER THE REPORTING PERIOD

There were no adjusting or significant non-adjusting events that occurred between the March 31, 2024 reporting date and the date of authorization for issuance.

Supplemental

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

SUPPLEMENTAL SCHEDULES OF INCOME AND EXPENSES BY BRANCH FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

COROZAL OPERATIONS

INCOME

	<u>2024</u>	<u>2023</u>
Interest income on loans	\$ 6,748,150	\$ 7,471,997
Interest income on debentures	51,875	51,875
Investment income	223,374	227,395
Gain on disposal of assets	112,470	-
Other income	424,622	489,689
Passbook sale income	17,892	21,582
Service fees income	383,563	497,321
GROSS INCOME	<u>7,961,946</u>	<u>8,759,859</u>

EXPENSES

Administrator expenses	442,694	-
Advertising	12,834	20,856
Annual general meeting	118,801	199,453
Bad debt	1,622,865	1,446,102
Bank charges and overdraft interest	30,000	40,172
Belize Credit Union League dues	25,244	7,610
Central Bank returns and compliance cost	5,000	5,000
Computer upgrades	113,698	159,774
Delinquency cost	896	1,407
Depreciation	298,755	247,454
Donation	14,050	5,810
Insurance	69,627	67,729
Interest expense - DFC	2,968	9,455
Interest expense - members term deposits	78,712	76,133
Legal fees	7,375	13,549
Loan protection (life) fund expense	442,393	457,675
Loss on disposal of assets	7,077	4,810
Office supplies	104,044	98,691
Officer allowances	-	94,619
Officer meeting, traveling and miscellaneous costs	6,864	84,698
Other expense	79,325	345,245
Professional fees	213,293	272,237
Property taxes	3,118	2,785
Regulatory penalties and fines	-	7,900
Rent	18,800	1,400
Repairs and maintenance	176,698	129,800
Security	160,504	97,267
Severance	135,737	234,178
Social security	63,917	56,361
Staff allowance	115,540	90,725
Staff social	28,089	44,598
Travelling and subsistence	24,713	19,940
Uniform allowance	39,600	39,159
Utilities	106,245	107,171
Vehicle running	34,101	43,259
Wages and salaries	1,740,281	1,639,067
TOTAL EXPENSES	<u>6,343,858</u>	<u>6,172,089</u>

Surplus Corozal Branch

<u>\$ 1,618,088</u>	<u>\$ 2,587,770</u>
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SAINT FRANCIS XAVIER CREDIT UNION LIMITED

SUPPLEMENTAL SCHEDULES OF INCOME AND EXPENSES BY BRANCH FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

SARTENEJA OPERATIONS

INCOME

	<u>2024</u>	<u>2023</u>
Interest income on loans	\$ 624,536	\$ 628,585
Investment income	4,863	4,804
Gain on disposal of assets	13,000	-
Other income	52,758	44,620
Passbook sale income	1,644	1,734
Service fees income	56,755	64,403
GROSS INCOME	<u>753,556</u>	<u>744,146</u>

EXPENSES

Advertising	-	681
Annual general meeting	4,315	5,382
Bad debt	256,973	68,048
Bank charges and overdraft interest	253	112
Computer upgrades	831	-
Depreciation	38,080	37,156
Donation	1,600	900
Insurance	8,938	7,973
Interest expense - members term deposits	474	1,042
Legal fees	1,193	1,743
Loan protection (life) fund expense	38,079	38,539
Loss on disposal of assets	2,477	2,790
Office supplies	8,417	8,111
Other expense	12,734	6,645
Professional fees	-	220
Rent	10,425	3,996
Repairs and maintenance	17,971	24,468
Security	7,818	2,522
Social security	8,022	6,852
Staff allowance	12,030	9,840
Staff social	-	21
Travelling and subsistence	1,295	3,371
Uniform allowance	4,950	4,500
Utilities	19,440	19,516
Vehicle running	8,017	8,885
Wages and salaries	186,966	169,805
TOTAL EXPENSES	<u>651,298</u>	<u>433,118</u>
Surplus Sarteneja Branch	<u>\$ 102,258</u>	<u>\$ 311,028</u>

SAINT FRANCIS XAVIER CREDIT UNION LIMITED

SUPPLEMENTAL SCHEDULES OF INCOME AND EXPENSES BY BRANCHES FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

SAN PEDRO OPERATIONS

INCOME

	<u>2024</u>	<u>2023</u>
Interest income on loans	\$ 1,385,740	\$ 1,407,687
Investment income	5,624	5,419
Other income	55,673	57,416
Passbook sale income	3,846	4,390
Service fees income	73,649	103,189
GROSS INCOME	<u>1,524,532</u>	<u>1,578,101</u>

EXPENSES

Advertising	-	2,332
Annual general meeting	4,720	4,494
Bad debt	-	5,968
Bank charges and overdraft interest	244	344
Computer upgrades	1,531	1,554
Delinquency cost	-	518
Depreciation	46,162	50,219
Donation	550	800
Insurance	12,050	11,968
Interest expense - member term deposits	5,147	5,931
Legal fees	314	263
Loan protection (life) fund expense	79,702	80,765
Loss on disposal of assets	6,699	5,843
Office supplies	14,310	13,968
Other expense	11,718	14,506
Professional fees	226	2,740
Property taxes	1,250	625
Rent	2,500	31,875
Repairs and maintenance	27,858	31,358
Security	72,859	62,486
Social security	11,756	14,038
Staff allowance	35,782	41,108
Staff social	780	2,195
Travelling and subsistence	6,715	15,711
Uniform allowance	9,000	9,900
Utilities	44,498	48,026
Vehicle running	1,269	2,537
Wages and salaries	245,588	331,009
TOTAL EXPENSES	<u>643,228</u>	<u>793,081</u>

Surplus San Pedro Branch

<u>\$ 881,304</u>	<u>\$ 785,020</u>
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SAINT FRANCIS XAVIER CREDIT UNION LIMITED

SUPPLEMENTAL SCHEDULES OF INCOME AND EXPENSES BY BRANCH FOR THE YEARS ENDED MARCH 31, 2024 AND 2023 (IN BELIZE DOLLARS)

CAYE CAULKER OPERATIONS

INCOME

	<u>2024</u>	<u>2023</u>
Interest income on loans	\$ 490,478	\$ 565,384
Other income	16,211	16,779
Passbook sale income	1,224	1,464
Service fees income	35,491	55,029
GROSS INCOME	<u>543,404</u>	<u>638,656</u>

EXPENSES

Advertising	-	1,095
Annual general meeting	4,200	5,276
Bad debt	51,256	145,840
Bank charges and overdraft interest	197	211
Computer upgrades	1,138	149
Delinquency cost	40	421
Depreciation	22,108	22,516
Donation	1,301	1,476
Insurance	2,611	2,448
Loan protection (life) fund expense	26,340	25,309
Office supplies	6,916	4,400
Other expense	2,861	3,829
Professional fees	-	1,332
Property Taxes	338	-
Rent	19,200	33,300
Repairs and maintenance	9,480	11,014
Security	42,868	31,412
Social security	4,892	4,869
Staff allowance	29,120	12,465
Staff social	225	328
Travelling and subsistence	6,151	18,230
Uniform allowance	3,600	2,700
Utilities	20,885	20,134
Vehicle running	691	638
Wages and salaries	117,467	127,517
TOTAL EXPENSES	<u>373,885</u>	<u>476,909</u>
Surplus Caye Caulker Branch	<u>\$ 169,519</u>	<u>\$ 161,747</u>



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