

Minutes of HRCU's 61ST Annual General Meeting

SJC Landivar Gym, Belize City, Wednesday, April 27TH, 2005

CALL TO ORDER:

With the attendance just short of 2,000 member-owners, but almost twice the quorum requirements set by Law, President Karl H. Menzies, at 8:00 PM sharp, called the 61ST AGM to order. Vice-President, Fred Smith, was asked to lead the gathering in prayer followed by the reciting of the Peace Prayer of St. Francis of Assisi. A moment of silence was observed for the 117 members (the exact same amount as the previous year) who passed away during the financial year April 1ST, 2004 to March 31ST, 2005.

Following the invocation President Menzies proceeded to thank the delegates from our sister Credit Unions throughout Belize and the Belize Credit Union League who were in attendance. He extended special greetings to our visiting delegates from CUNA Mutual Insurance Society, Mr. Christopher Robinson and Mr. Javier Tejada-Vera who took time out of their busy schedules to be with us on this important occasion.

CONFIRMATION OF MINUTES:

President Menzies asked all members to study carefully the Minutes of the 60TH AGM which was published in the AGM Booklet. As in previous years, he asked that the Minutes be accepted without having to be read since it was published in the AGM Booklet. Those present supported the motion, and since there were no corrections or amendments, the Minutes were accepted on a motion from Mrs. Jeanette Bennett and seconded by Mr. Keegan Boyd.

BOARD OF DIRECTORS REPORT:

“Once again it is that time to bring to you our successes and sadly our not-so-successes at HRCU” began President Karl H. Menzies. After wishing everyone present a Happy 61ST Anniversary (1944 to 2005) he proceeded to inform member-owners on the recent developments that were taking place regarding the relocation of Credit Unions under the Ministry of Finance. He informed that HRCU is playing an active roll in all discussions on this important matter and assured that any decisions that were taken must be in the best interest of the entire Credit Union Movement that has brought upliftment to the poor and middle class people of Belize. Continuing with supervision, he mentioned that HRCU had been audited by the international accounting firm of Deloitte and emphasized that accountability and transparency were no problems for management and staff.

He continued by informing members that effective January 1ST, 2005 our coverage benefits with CUNA Mutual were increased to \$10,000 for Shares and \$60,000 for Loans. During the year under review we received benefits for 134 claims submitted, totaling \$489,499.94, and paid in premiums \$986,913.79. Mr. Menzies continued by informing members that HRCU, effective January 1ST, 2005, had taken over the entire administration of our burial scheme “From the Cradle to the Grave”. Some 117 burial claims were settled during the period under review. 97 by CUNA Mutual and following January 1ST, 2005, HRCU paid 20 for a grand total of \$460,000. “Where else can you buy insurance that covers you from birth to death at such a nominal fee?” stated the President.

“We continue to support local charities, churches, schools, and sporting organizations” stated Mr. Menzies. He informed that under the Henry Charles “Eagles” Usher Educational Grant Program some 47 students benefited to the tune of over \$60,000. In addition to HRCU's contribution of \$3,500 USD we also forwarded a check for \$5,000 USD to the Caribbean Confederation of Credit Unions (CCCU) for hurricane relief to our sister Credit Unions in the region devastated by these most unwelcomed storms. Assistance was also given to the

Belize Credit Union League for hosting their 2004 Credit Union Convention during International Credit Union Week.

Regarding the financial standings of HRCU, President Menzies first took great pride in thanking the 37,528 member-owners using the many services currently being offered. HRCU grew in Assets by 10.9% reaching \$227.7 million. A similar growth rate pattern was experienced in just about every area of the Balance Sheet. Savings totaled \$171.6 million, Fixed Assets \$4.2 million, Investments \$39.6 million, but most worthy of mention, Retained Earnings increased to \$56.1 million dollars. After paying all our expenses HRCU would be returning to members a total of \$13.5 million in the form of Dividends & Interest Rebates. The Board of Directors recommended a 7.5% dividend rate and a 10% Interest Rebate which was overwhelmingly approved by all present.

“With improvements to our existing software, and having acquiring the Pearls Software, we are now better able to manage the delinquency problem that continues to plague the Credit Union Movement” stated Mr. Menzies. He informed that after we factor in our cash securities and all other collateral held for loans, our delinquency rate was reduced to within the 5% goal set by the World Council of Credit Unions (WOCCU).

In closing, President Menzies mentioned other accomplishments and achievements during the year under review such as our expanded parking facilities and passbook and ledger card printers to facilitate the tedious updating of records. Among other things he commented on possible future services such as credit and debit cards, line of credit or overdraft facilities on checking accounts carefully challenging member-owners that without their commitment to **“saving regularly, borrowing wisely, and repaying promptly and as promised”** none of this will be possible. He reminded everyone that **“HRCU exists to help you to help yourself financially”**.

CREDIT COMMITTEE REPORT:

Chairman Raymond Barrow informed everyone that with the purchase and installation of the Pearls Software together with improvements to our existing software, many new and informative reports regarding our loan portfolio growth, volume, and quality were now available. Much of the information that he was going to share with us tonight was taken directly from these reports.

Chairman Barrow began by informing member-owners that in his Loans Issued Report the usual 23 categories by purpose was imported into the Pearls categories which were namely, micro-enterprise, commerce, consumer, service, housing, education, and other. Housing was still the No.1 priority of our members. During the year under review we loaned out \$24.7 million for housing amounting to 43.6% of the entire loan portfolio. Overall we disbursed 15,027 loans amounting to \$56.8 million.

According to Chairman Barrow, the outstanding loan balance on the Balance Sheet amounted to \$175.4 million and of this amount women owed \$73.1 million. Of the 10,674 borrowers 5,431 were women with an average outstanding loan balance of \$13,448. He further educated members by reporting that women serviced their loans better at HRCU. Although there is no real supporting evidence of this he reported that Miss Jane says that people who make the smaller incomes pay much better than those who make the big bucks.

On the subject of loan delinquency, Chairman Barrow appealed to those who were in this category to please come into the office and discuss their current financial situation with management. “Don't wait until it is too late to do anything about the situation” continued Mr. Barrow. He reminded members that they are entitled to numerous benefits. “If we are forced to close your account due to its delinquent status, then you will lose all of your benefits” declared Chairman Barrow.

After thanking the other faithful members of his Credit Committee, Chairman Barrow proceeded to congratulate member-owners on another successful year. He ended up by saying that: “HRCU is truly a success story! A true Belizean success story!”

TREASURER'S REPORT:

Treasurer Mrs. Jane Usher in her opening remarks commented on the lovely AGM brochure cover which depicted past AGM Reports going all the way back to the earliest we had on record which was our 15TH Anniversary dating back to 1959. She commented on the great effort which was put into the design and informed member-owners how impressed she was with it. She continued by pointing out that the audited Financial Statements with accompanying Notes could be found on Page 20 through 27 of the AGM Booklet together with the Independent Auditors' Letter from Deloitte printed on Page 19 for all to read and study. As always questions and comments were welcomed on the published figures and she hoped that if there were none tonight that the members would feel free to stop by HRCU at any time for answers or clarifications.

Miss Jane next commented on the beautiful mural that graced the gymnasium behind where she stood. The story behind the mural was a really important one because it depicted from whence we came. "Least we forgot" she reminded everyone "HRCU had very humble beginnings and it is because we have not forgotten this, we have been so successful to date". It took us 15 years before we got our first building, a very small building as you can see on the mural. As we grew we expanded and expanded and expanded and today the fruits of our labors can be seen at No.1 Hydes Lane.

"It is a very warm evening" commented Miss Jane "but I do have some hot news for you". She then proceeded to inform members that tonight, instead of the usual small souvenir gifts, the Board of Directors has decided to increase the amount of prize money to a whopping \$15,000. These prizes will be drawn after the business session of the AGM is completed except for the Punctuality Prize which was drawn at 7:30 PM. This announcement was warmly received and well applauded by member-owners present.

Following this announcement she then proceeded to call to everyone's attention that later tonight when all Reports are approved members would be receiving a 7.5% Dividend based on the Board's recommendation. This Dividend would be credited to accounts on May 1ST along with the 10% Interest Rebates for those who qualify. This is an added incentive for those who have paid their loans as promised. "When this Interest Rebate is factored into your loan interest rate, the interest rate charged at HRCU becomes one of the most attractive in Belize" claimed Miss Jane.

Regarding the Burial Scheme, Miss Jane informed that HRCU had taken over the administration of the Scheme to facilitate the settlement of claims. Permission had been granted by the authorities therefore effective January 1ST, 2005 the Scheme was under HRCU's sole administration. The token quarterly deduction to defray the cost would now be deducted annually following the posting of Dividends on May 1ST.

After commenting on the massive crowd that was in attendance and calling on the adults to please keep their children as quiet as possible, Miss Jane next pointed out to members the two new graphs that were shown in the AGM Report. The first graph showed five consecutive years of membership growth for both women and men clearly pointing out that at HRCU the women outnumbered the men by almost 2,000. The second graph showed five years of financial growth in terms of shares, loan portfolio, savings, and total assets. Both graphs were downloaded from the Pearls software and Miss Jane invited everyone to study them carefully because there was a lot to learn from them.

Miss Jane also mentioned that we enrolled 2,334 new members during the financial year ending up with a total membership of 37,528. She mentioned that although the women outnumbered the men at HRCU, men have always been at the forefront, even in the early pioneer days. Of HRCU's 15 presidents, only 3 have been women; of the 78 directors and Credit Committee members, only 22 have been women; and of the 46 members of the Supervisory Committee, only 6 have been women.

"Missing from tonight's AGM Report" stated Miss Jane "was information on the statistical analysis of our current membership". Since this makes for interesting statistics Miss Jane continued by informing the

gathering that:

Members under Age 50	27,228
Members under Age 18	5,257
Member Age 18 to Age 25	4,093
Members over Age 70	2,351
Members over Age 85	464
Member Age 81 to Age 85	422
Total Females	19,747
Total Males	17,529
Organizational Accounts	252

In concluding Miss Jane called upon members to stop over and visit the office, especially if they were experiencing difficulty in making pledged payments to their loans. "As you were told by the chairman of the Credit Committee" she continued "do not wait until it is too late for your Credit Union to assist you during your difficult financial times". "We are there for you and willing to work with you but you must be completely honest with us" she reiterated. She informed members that HRCU currently offers state-of-the-art financial services and if we do not hear from you regarding the status of your delinquent account we will be forced to seek drastic measures that could prove costly and perhaps interfere with the many benefits that are being offered by HRCU.

SUPERVISORY COMMITTEE REPORT:

Mrs. Maria Ortiz-Perera, deputizing for Chairman Jose Habet, was called upon to deliver this report.

Mrs. Ortiz-Perera reported that the books and records of HRCU were properly maintained pursuant to the Credit Union Act, Chapter 314 of the Laws of Belize. She informed that the books and records were audited by the international accounting firm of Deloitte, stating that the Balance Sheet, together with the Income and Expense Statement and Cash Report, presented fairly the state of HRCU's affairs at March 31ST, 2005.

ACCEPTANCE OF REPORTS:

All four reports, the Board of Directors, the Credit Committee, the Treasurer's, and the Supervisory Committee were all unanimously approved on a motion from Mr. Newton Boyd and seconded by Mr. Maurice Underwood. Everyone present was in favor.

ELECTION OF OFFICERS:

Director Fred Smith 3-year term on the Board of Directors ended but he had previously accepted to continue serving if afforded the opportunity. Since there were no other nominations from the floor, Mr. Stephen Roberts moved that Mr. Fred Smith be reelected. This motion was seconded by Mr. Joseph Duce. All present were in favor.

Supervisory Committee - out-going members Mrs. Maria Ortiz-Perera and Ms. Kathlyn Tillett were nominated together with newcomers Mr. Rene Blanco and Mr. Jose Can. Being there were no other nominations all four were elected to serve by acclamation for a 1-year term on a motion from Mr. Bert Bailey and seconded by Mrs. Elizabeth Zabaneh.

OTHER BUSINESS:

The President then conducted the drawing of prizes. Lucky winners included:

LUCKY RECIPIENT	AMOUNT
Jorge Medrano	\$1,000.00
Roana Robin	\$1,000.00
Alpheus Banner	\$1,000.00
Franiche Dunn	\$1,000.00
Denesia Matura	\$1,000.00
Desha Eljio	\$1,000.00
Xunan Novelo	\$1,000.00
Xux'ck Novelo	\$1,000.00
Angelia Ozaeta	\$1,000.00
Gladys Robinson	\$1,000.00
Indira Cayetano	\$1,000.00
Alice Middleton	\$1,000.00
Florence Thompson	\$1,000.00

At exactly 9:30 PM, the final attendance count being 2,795, the President moved that the 61ST Annual General Meeting be adjourned. This motion was accepted by Mrs. Dorothy Menzies and seconded by Mr. A. Williams.

Karl H. Menzies, CSC/JP - President
Oscar Riveroll, JP - Secretary