

TREASURER'S REPORT

60th Annual General Meeting

Friday 12th June 2009

A pleasant good evening to all members and invited guests.

This past year has been a year filled with many challenges but also with impressive results albeit the economic downturn our country and the greater world is experiencing. It therefore gives me great pleasure in presenting the financial report for the fiscal year 2008-2009.

BALANCE SHEET

Total Assets for 2008/2009 stands at \$12,198,940 which shows an 11.6% (\$1,265,034) increase over the previous year. Deposits or membership shares totals \$8,822,535 which is 14.6% more than the previous year. This shows a decrease in savings by 2.29% which means that we saved less as compared to last year. This may be attributed to the tough financial times that many of our Belizean families are experiencing but the good news is that irrespective of the situation, we are still saving and this helps to build the capital of the credit union.

SMCU's main business is to lend to our members and in 2008/2009 as per our Balance Sheet, we lent out little over \$1.04 million or 11.7% which is a decrease in lending of 3.07% as compared to the previous year. Monies received from loans are what generate income for the credit union and is the life line of the institution.

Investments now total over \$1.6 million dollars which is an increase of 19.2% as compared to the previous year showing a growth of 3.07%. Central Bank regulations required us to maintain a Liquidity Ratio of 10% of Total Assets which is being met. Long term liabilities specifically money borrowed from the DFC and the Social Security to finance our housing and micro enterprise portfolios have also been reduced by 17.4%. Outstanding monies owed to these institutions total little more than \$1.3 million.

STATEMENT OF EARNINGS

Total Income for 2008/2009 stands at over \$1.17 million as compared to the previous year which is a 21.2% increase. Most income accounts met or superseded projected figures however Total Income for the year was short of the projected figure.

Expenses for the year 2008/2009 totaled \$563,754 which is a net increase of only 7.6% as compared to the previous year. This means that our expenses saw an actual decrease of about half overall. Individual expense accounts may be viewed at the end of the report for further details.

Net Income or Operating Income which is the actual profit the credit union made stands at \$607,628 which is 37.3% more than the previous year. This is remarkable since we were able to increase income, decrease expenses and therefore increase the profits the credit union made which directly translate into better dividends for our members.

Provision for bad debt as per Central Bank regulations in the form of a Guaranty Fund (20% of Net Income) has also been met. The SMCU Development Fund that all members contributed to now stands at over \$15,000 as well as allocation for the Education fund which is at little over \$30,000.

GOOD FISCAL MANAGEMENT

From a management stand point, our credit union has done very well. This would not have been possible without the wonderful job that our General Manager and his staff have done over the last financial year. SMCU has seen an overall growth of little more than 11% which is still impressive albeit the current financial constraints. It is just right for us to thank all those who made 2008/2009 the great success it has been. SMCU is little by little improving and working hand in hand with our regulators and the credit union league. With the implementation of the PEARLS management system, the Board as well as management will be better able to meet and even supersede international standards for good fiscal management. With our liquidity and reserves for bad debt, SMCU is on the right track. We must all give ourselves a big pat on the back for a job well done.

OTHER PROJECTS

Over the past year we have been promising our membership the unveiling of an ATM, however the technical and financial challenges that the implementation of such a project entail has not allowed us to go ahead fully with this project. I am cognizant that all members will benefit from such a service and promise to work fervently until we are able to iron out the technical and financial difficulties that this project poses and unveil this service in the near future.

We have also entered into an agreement with Belize Electricity Limited to act as their agent in collecting payment of electricity bills at SMCU. This service will be unveiled in mid June and will be available to both members and non members. So why wait in the heat and long line while you can come to SMCU in a nice, clean and cool environment to pay your light bill.

The renovation of the upper floor has also been completed and now accommodates the Accounts, Loans and Boardroom areas of credit union. Members now have more privacy when going through the loans process and may still do walk in loan requests or they may also call and make an appointment to see a loans officer at a time when is most convenient to the member. We want to encourage our membership to make use of appointments so that you do not have to wait in line.

SMCU has also seen the restructuring of the administrative structure of the credit union to facilitate better efficiency and customer service to you our members. We also want to welcome our two new staff members to the team whom I am sure will provide you the members with the best possible service.

The lower flat of the credit union will also be renovated during the new financial year which will see a brand new image for the credit with more room and space for you to conduct your business.

We have also secured funding through the Belize Natural Energy Charitable Trust for us to provide student loans to students who wish to pursue their education at any tertiary level institution such as Sacred Heart Junior College, Galen University and the University of Belize. This portfolio complements

the student loan program we already have in place for Sacred Heart Junior College. Feel free to approach any of our staff members for more details.

IN CONCLUSION

I would like to thank my fellow Joint Officers, Board members and membership in general for allowing me to serve another year as your Treasurer. My hope is to see this credit union grow and become a flagship institution that provides expanded services to our members; always remembering that the fundamental difference between us and commercial banks is that we are all owners. This is our institution and we are all part of one big family.

Good night and God bless.

Raymond Michael Tzul
Treasurer