



THE
St. John's
ANNUAL
70th
Issue

**PIONEERING
THE WAY FORWARD!**
CELEBRATING 70 YEARS
OF CONTINUED SUCCESS

70th Annual General Meeting
UB Gymnasium, Belmopan City
May 28th, 2016 - 9:00am

CREDIT UNION PRAYER

PRAYER OF ST. FRANCIS DE 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, the 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.

Bless O Lord our deliberations, and grant that
Whatever we may say and do, will have thy
Blissings and guidance
Through Jesus Christ Our Lord,
Amen.

TABLE OF CONTENTS



President Message	01
Minutes of Last AGM	03
Reports:	
Board of Directors	07
Supervisory Committee	11
Credit Committee	13
Treasurer's	15
Auditor's Report	18-42

AGENDA

The 70th Annual General Meeting St. John's Credit Union Limited

- 1. Meeting Called to Order**
- 2. Singing of the National Anthem**
- 3. Opening Prayer** - One moment of silence for deceased members
- 4. Welcome Remarks** - President, Mr. Alvan Haynes
- 5. Confirmation of the Minutes**
- 6. Matters Arising from the Minutes**
- 7. Presentation of Reports**
 - Board of Directors - Mr. Alvan Haynes
 - Supervisory Committee - Mr. Keith Westby
 - Credit Committee - Mr. Victor Guerrero
 - Treasurer/Auditor's Report - Mrs. Elsie Sylvester
- 8. Open Discussion**
 - Declaration of Dividends
 - New Business
 - Other
- 9. Election of Officers**
 - Supervisory Committee - 1 Vacancy
- 10. Drawing of Prizes**
- 11. Adjournment**

MESSAGE FROM THE PRESIDENT



“SJCUC encourages members to continue to save so that, even when they borrow, their assets continue to grow.”

ALVAN HAYNES
President
Board of Directors

Members, prospective members, officers, staff and our special guests - it is my special honour and sincere pleasure to be able to welcome each and every one of you to this, the 70th Annual General Meeting of St. John's Credit Union.

Our catchy jingle says, “St. John's Credit Union ... since 1946.” Imagine all that has changed in our country in the 70 years since 1946. Back in 1946, Belize was the colony of British Honduras; boats and barges were the primary means of transport; the few roads were the so-called “all-weather” dirt roads; there was only one bridge across the river in Belize City; and there was no Belmopan. We are proud to point out how St. John's Credit Union has not only survived the changes, but has ridden them to grow into the strong organization that we now are. In more recent times, not so long ago, the biggest decision was whether to computerize the records of the Credit Union. This decision then helped to make it easier to expand and to operate the branches. Now, we have branches in Belmopan and Dangriga and we can't imagine operating without computerized data and ATMs! Not to mention, living without TV, Websites, on-line banking and Facebook!

SJCU, like other Belizean Financial Institutions, has had to withstand the financial and economic challenges of our local environment and continuing pressure from international sources with regard to Anti-Money Laundering, FATCA and the much talked about “de-risking” which has affected our local banks. Despite these on-going challenges, as the subsequent reports will illustrate, SJCU continued



SAFE SAVING...SMART BORROWING

to show strong overall performance, with 2015/16 being yet another very successful year. We have controlled delinquency, gained thousands of new members, and grown our assets, loans, revenue and profits.

As we have reported at the more recent AGMs, SJCUC has been tasked with increasing our Net Institutional Capital, i.e. our Reserves, to 10% of assets in order to meet accepted standards and to fully strengthen our Credit Union. In 2012, we provided a Restoration Plan to the regulator, the Central Bank of Belize, devised to ensure that we met this target by March 2017. We are pleased to say that, with the implementation of the strategic initiatives from this plan, and especially with the support of you, our valued members, we are well on the way to this target. It has meant that we have had to ask you to accept somewhat lower dividends. The Board also welcomed your support at last AGM to increase the minimum shares to \$150, which has helped as Mandatory shares count as part of the Institutional Capital. Despite having to increase the rates on new mortgage loans, we have continued to show steady growth.

As mentioned above, March 2017 is our deadline to meet the targeted 10% ratio for Net Institutional Capital. Obviously, this gives us one more year. In order to ensure that we achieve this goal, we have revised and updated our Strategic Plan. The Institutional Capital Restoration Committee, comprised of several officers and staff, will continue to guide our strategic initiatives. We therefore beg your continued support for this final year, 2016/17, in which a substantial portion of annual profits will need to be placed to the reserves, which means that dividends will again be somewhat restrained. Despite that, we expect to continue to provide dividends that are still far better than the rates available for savings and

term deposits in the commercial banks. So much so, that a number of members have moved substantial amounts of savings from the banks to place in their shares, showing their confidence in SJCUC and their appreciation for the dividends gained.

Our Supervisory Committee and Internal Auditor continue to monitor and ensure our compliance with regulations, further strengthening our institution. Our Credit Control Department continues to assist those members who have fallen behind with their loans to regain good standing, or where necessary to pursue recovery of overdue amounts. The hard work of this department has resulted in our overall delinquency rate being 6.3% and a mere 1.9% when allowable provisions are factored in. Notably, this position is a vast improvement from the 12% delinquency rate reported in 2012, when we commenced the Restoration process. We are proud to announce that since March 31, 2015, we continue to be fully provisioned for loan losses.

Our new logo, our popular jingle, and our slogan **“safe saving ... smart borrowing”** have been the pillars of our strategic initiatives. Our Marketing Department continues to drive the promotion of our branding and new products. Based on our work in this regard, last October, at the Belize Credit Union League Annual Banquet, SJCUC was awarded for “Best New Innovative product” for our SmartCash Payday loan. I think this, on top of all the previous awards, is deserving of hearty accolades and a big round of applause.

Our Credit Committee and loan officers continue to work diligently to process ever increasing numbers of applications into loans. We are pleased that so many of our

members recognize the credit union advantage and choose us rather than dealing with the financial ‘sharks’. We remind members and the public that those entities take advantage of borrowers and leave them worse off. SJCUC encourages members to continue to save so that, even when they borrow, their assets continue to grow.

I must commend the dedicated efforts of officers, staff and those members who continue to work hard and to save. They all help to ensure that SJCUC continues to be a success, a pillar of strength and a source of financial support to themselves and to so many others. We pledge to continue to make sure that SJCUC is there for you always, through the good times, and, more especially, through the tough times.

Looking to the future, our goal is to provide improved services to more members. We plan to increase our lending and our services. In order to do this, we must strengthen our institutional capacity; in this new financial year, we plan to add a Loans Supervisor, a Compliance Officer and, hopefully, also a north-side sub-branch in Belize City. We also ask your support to encourage all members and prospective members to bring their shares up to at least the \$150 minimum. New members have 2 years to do so, existing members only have one more year.

Once again, thank you for attending; and, members, thank you for your continued support, which is so essential for the continuing success of St. John's Credit Union, our Credit Union.



MINUTES OF THE 69TH AGM

MINUTES OF THE 69TH ANNUAL GENERAL MEETING OF ST. JOHN'S CREDIT UNION LIMITED HELD AT THE PRINCESS HOTEL ON THE 23RD May, 2015

The meeting began at 10:35 am when the Mistress of Ceremonies, Mrs. Daisy Dawson called on Mrs. Brenda Armstrong to lead the meeting in prayer which ended with the recital of the Prayer of St. Francis of Assisi. This was followed by the singing of our National Anthem by Miss Audra Jenkins. The MC then called on the President, Mr. Alvan Haynes, to give his welcoming remarks.

The President welcomed all present, including visiting Credit Unions - Civil Service and Blue Creek, and personnel of the Central Bank of Belize. He commented on the attendance which he thought was very good even though it was a holiday weekend. He spoke of the growth and development of the Credit Union, noting that growth is now in double digits: figures that were impressive enough to earn us several awards from the Credit Union movement last year. At this point he called for a round of applause for SJCU.

Continuing he referred to a number of positive achievements experienced by the Union during the past year. These included: registration and compliance with the US's Foreign Account Tax Compliance Act (FATCA); reducing delinquency and growing our profits; increasing our statutory reserves and becoming compliant with our regulator in respect to Loan Loss Provisioning. He had words of praise for the Su-

pervisory Committee and Credit Control Department for their efforts in getting the delinquency rate down to the 5.9% or about half of what it was two years ago when it was about 12%. He acknowledged that these accomplishments did not just happen, but that they were the results of initiatives and strategic plans implemented by the Restoration Committee – a working group of officers and staff constituted and charged with responsibility of growing the Credit Union's Reserves and Loan Loss Provisioning to their accepted statutory levels.

In closing he commended those good members who choose to use their Credit Union effectively and thanked officers, members and staff of SJCU for their continued cooperation and support which is vital to the future growth and success of St. John's Credit Union.

CONFIRMATION OF MINUTES

The Minutes of the 68th Annual General Meeting of St. John's Credit Union Limited was presented by the Secretary of the Board of Directors, Mr. Reuben Gordon. There were no corrections to these Minutes and motion for acceptance was made by Mr. Ronald Stuart and seconded by Mrs Delcie Young.

MATTERS ARISING FROM MINUTES

There were no matters arising from the Minutes of the 68th Annual General Meeting.



REUBEN GORDON
Secretary
Board of Directors



REPORTS

Board of Directors:

This report was presented by the President, Mr. Alvan Haynes. He began by welcoming members to the 69th Annual General Meeting of St. John's Credit Union Limited and then listed the names of those officers who served on the Board of Directors during the year under review.

Continuing he noted that in spite of the many challenges encountered during the past year SJCUC was able to celebrate another successful year of operation. He explained that this success in growth was the result of aggressive marketing in response to our competitors who had embarked on campaigns to compete against us in the field.

Commenting on growth and development during the past year he cited the rapid increase in membership at the Dangriga Branch; the upgrade of Emortelle (our membership computerized information system); the upgrade of our security (camera) system; and the efforts of the Credit Control Department to reduce the delinquency

rate to a more acceptable figure. He also mentioned the annual retreat which was held at the Biltmore Plaza Hotel in October of 2014, and the mini retreat which was held in February of 2015 at our Basra Street Office when an inward look was taken at the Credit Union's status in respect to reducing delinquency, increasing revenue and strengthening institutional capital.

In the area of Credit Union movement activities the report acknowledged SJCUC's participation in last year's CCCU Conference held in the Bahamas as well as in the local Belize Credit Union League's Convention which was held at the Radisson Hotel and Marina when St. John's received four awards.

On the matter of improvements in operations Mr. Haynes cited the installation of the ATM at the Belmopan Branch as playing an important role in speeding up the delivery of services to members since the teller lines were shortened and cash is made available around the clock.

In regards to staff and training, the report acknowledged the importance of staff training and went on to list eight different areas of training ranging from credit union governance to administration,

in which SJCUC staff participated. It also listed the names of four new staff members that were hired and one that was promoted to Branch Manager. The Belize Rural Financing Program was also mentioned as providing many training opportunities for SJCUC's officers and staff as well as conducting an assessment of the credit union's performance in respect to operations and procedures.

The President concluded his report by touching on Partnership and Outreach, citing the various instances where SJCUC collaborated with other agencies and entities. He listed the Belize Credit Union League as one of the Credit Union's major partners and went on to mention others such as the Police, Red Cross, Schools and the Social Department as in the case of the Boost Program. His closing words were full of thanks to members, staff and officers for their efforts in helping their credit union to realize another profitable year of operation.

Credit Committee:

This report was delivered by Committee Chairman, Mr. Victor Guerrero. He reported that his committee met regularly on Wednesdays throughout the year under review to consider loan applications and counsel members where necessary. He expressed pleasure in informing the meeting that during the past year some fifteen thousand, eight hundred and seventy two (15,872) loans valuing twenty

DURING THE PERIOD 2014-2015

15,872

NEW LOANS APPROVED

\$27,670,000

WERE DISBURSED



MINUTES OF THE 69TH AGM

ty seven million six hundred and seventy thousand dollars (\$27,670,000) were disbursed – a figure which represented an increase of \$9,354,000 over the previous year.

He concluded by encouraging members to maximize the use of their Credit Union by saving regularly and borrowing wisely and thanked the management and staff for their cooperation in facilitating the work of the Credit Committee.

Supervisory Committee:

Committee Chairman, Mr. Keith Westby, presented this report. He described the past year as successful in terms of growth in membership, assets, profit and the loan portfolio. He observed that returns on financial investments were stagnant due to continued falling interest rates among the banks.

In regards to regulatory obligations he noted that SJCU is making every effort to become fully compliant; especially in the areas of Provisioning, the strengthening of our Institutional Capital and the reduction of delinquency. He was pleased to report a reduction in delinquency from 6.34% to 5.8% and that all efforts were being made to bring the delinquency rate in line with the PEARLS standard of 5% or lower.

Continuing, he reported that the Supervisory Committee with the

help of the Internal Auditor, carried out physical inspection of records, transactions and operational procedures at all three branches to ensure regulatory compliance, and concluded that policies and procedures were adhered to and that the records of St. John's Credit Union Limited were found to be properly maintained.

In concluding Mr. Westby commended members, staff and officers for their collaboration and cooperation in helping the Credit Union to achieve its institutional objectives which are crucial to its existence and continued profitability.

Treasurer's Report

The Treasurer's Report was presented by Mrs Elsie Sylvestre. She started by informing members that during the past year the Credit Union continued to strive towards achieving the goals set out in the Restoration Plan which in turn drove the implementation of the institution's Strategic Plan. She went on to speak of the challenges faced in the financial market where the competition is fierce among the banks and other Credit Unions, but noted that in spite of all this St. John's was able to realize a net profit of \$2.3 million after providing for a Loan Loss of \$330,000. This represented an increase

of 28.9 % over last year's figure of \$1.7 million.

She commented on the Burial Scheme which showed a balance of \$275,802 after paying out claims totalling \$127,500 in respect of 26 qualifying claims out of a total of 45 deaths. She added that there was a need to encourage members to make the sacrifice to save enough to enable them to qualify for this benefit, thus easing the financial burden of their loved ones when they pass away.

The report ended with the presentation of a table showing growth at SJCU over the past year. The table showed that:

Membership went up from 22,135 to 24,892.

Assets was up from \$ 54,985,000 to \$66,000,000

Shares was up from \$30,071,000 to \$ 38,363,000

Loans increased from \$46,119,000 to \$50,473,000

Net profit increased from \$1,700,000 to \$2,300,000

Delinquency rate dropped from 6.4% to 5.9%

She also listed some key strategic changes which accounted for the growth and development of the Credit Union over the past year. Among these were:

- Sustained marketing of all loan products
- The operation of ATM's at the Belize City and Belmopan offices
- The upgrading of our IT management system, Emortelle, from Version 8 to Version 9
- Innovations and hard work of the Credit Control Department
- Continuation of additional services such as Western Union and BEL bill pay
- Compliance with statutory regulations: Loan-Loss Provisioning and Building Institutional Capital.

She viewed the strengthening of the Institutional Capital as crucial to the continued success

DURING THE PERIOD 2014-2015, MEMBERSHIP WENT UP FROM

22,135 to 24,892



and sustainability of the Credit Union and called for continued support and promotion of St. John's Credit Union by members, staff and officers in order to make St. John's the premier Credit Union in Belize.

Auditor's Report:

Our audit for fiscal year 2014/2015 was conducted by the auditing firm of Baker-Tilley-Hulse. According to the report, in the auditors' opinion, apart from the absence of provision for Severance Liabilities in its accounts, statements and records examined showed that the operations of St. John's Credit Union Limited were properly managed during the period that was reviewed.

ACCEPTANCE OF REPORTS

Several questions were fielded from the floor and answered to the satisfaction of the members. The acceptance of the reports were made by Mr. Darius Martinez and seconded by Mr. Edmund Zuniga.

RESOLUTIONS

The following resolutions were presented and passed by the membership:

1. That membership on the Supervisory Committee be increased from three (3) to five (5) with at least one member coming from each branch.
2. That the fee to become a member be increased from 25 cents to \$5.00
3. That the Mandatory Shares be increased from \$10.00 to \$150.00 and that existing members who are below the \$150 and new members who don't have this amount at the time of joining be given two (2) years in which to qualify.
4. That an AGM be held in Belmopan in the near future.

DECLARATION OF DIVIDEND

A Dividend of 3% and a Rebate of 5% was declared and accepted after some debate.

OTHER BUSINESS

One member wanted to know when Belmopan members will be able to pay bills at the Belmopan branch while another wanted to know what was happening to the Citrus Growers' Credit Union. A third member wanted to know what happens in the case where a member dies, who had made a loan on his/her child's account?

ELECTIONS

Elections were held to elect officers to the following vacancies on committees:

BOD: 2 persons were elected - Mr. Barry Smith and Mr. Alvan Haynes.

Supervisory Committee: 2 persons were elected - Mr. Haydon Brown for Belmopan Branch, and Miss Gaynor Martinez representing the Dangriga Branch.

Credit Committee: 2 persons were elected - Mr. Victor Guerrero and Mr. William Tillett.

SELECTION OF AUDITOR

It was agreed that the auditing firm of Baker-Tilley-Hulse be contracted to carry out SJCUC's 2015/2016 annual audit.

PRIZES

The following is a record of prizes drawn at the 69th AGM of St. John's Credit Union Limited:

Adults:

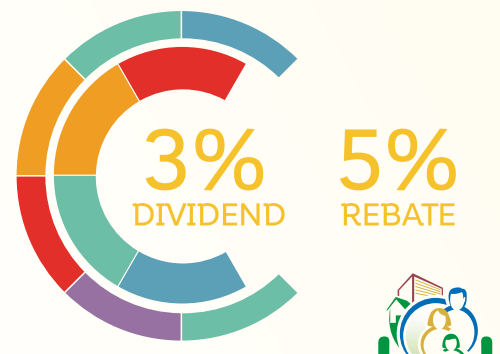
TICKET NUMBER	NAMES	AMOUNT
669154	Carolee Tench	1000.00
669168	Latanya Williams	500.00
668745	Efginia Castellanos	500.00
668629	Shemadine Gentle	500.00
668980	Ercelia Ack	500.00
669393	Nicole James	250.00
669258	Ardeth Rudon	250.00
669019	Joyce Martinez	250.00
669091	Edith McKoy	250.00

Children:

NUMBER	NAMES	AMOUNT
380547	Derron Moody	50.00
380789	Andre Bevans	50.00
380768	Wellington Arana	50.00
380733	Alaysha Carter	50.00
380235	Yaneik Gallego	50.00
380846	Dorian Staine	50.00
380534	Liselly Conoquie	50.00
380769	Jalynne Martinez	50.00
380515	Shyia Godoy	50.00
380553	Dejana Gordon	50.00
380833	Tayshaun Morgan	50.00
380834	Jayden Sacasca	50.00
380216	James Thompson	50.00

ADJOURNMENT

The meeting ended at 1:55 pm on a motion by Mr. Roy Flowers, which was seconded by Mr. Junior Morgan.



REPORT OF THE BOARD OF DIRECTORS

FOR THE PERIOD, 1ST APRIL 2015 TO MARCH 2016

The Board of Directors takes pleasure in welcoming you, our valued members, to our 70th Annual General Meeting of St John's Credit Union Ltd and is please its report for the fiscal year, April 01-2015 - 31 March-2016.

The serving Board members for the 2015/2016 were as follows:

Mr Alvan Haynes - President
Ms Valerie Jenkins - Vice President
Mr Reuben Gordon - Secretary
Mrs Elsie Sylvester - Treasurer
Mr Barrymore Smith - Director
Mr Kenneth Garbutt - Director
Ms Vonetta Burrell - Director/Alt Secretary

The year was quite a challenge, however, SJCUC was able to once again celebrate another successful year in its operations.

Elections were held and the following officers were elected to serve a three year term namely:

Board of Directors:

Mr. Alvan Haynes
Mr. Barry Smith

Supervisory Committee:

Mr. Haydon Brown
Ms. Gaynor Martinez (resigned later during the year)

Credit Committee:

Mr. William Tillett
Mr. Victor Guerrero

At its first Board meeting after the last AGM, the following officers were elected to serve in the various official positions on the Board:

Mr Alvan Haynes- President
Ms Valerie Jenkins- Vice President
Mr Reuben Gordon- Secretary
Ms Elsie Sylvester- Treasurer
Ms Vonetta Burrell /Alt Secretary

MAJOR ACHIEVEMENTS AND CHALLENGES

Our Credit Union continues to experience challenges. These include fierce competition in the financial market; the struggle to further reduce delinquency to a more acceptable rate according to the PEARLS standard (equal to 5% or less), and falling interest rate among other banking institutions. In spite of these challenges, however, your credit union is able to report double digit growth in most areas and realized significant improvement in our profitability this year as can be seen in our financials.

The Dangriga branch continues to perform well. As at March 31, 2016, the membership has grown to 3609 members. This continued growth resulted in demands for additional office space. Our credit union responded to this demand by relocating the office to a more comfortable and spacious building at the Corner of Tubroose and Mahogany Streets in the heart of Dangriga Town in August 2015. We view this move as one of our major achievements of the year under review.

The Credit Control Department continues to work hard to reduce delinquency. While there was a slight increase (6.3%) from the previous year (5.9%), we are pleased to report that we were able to sell several properties during the period under review, thereby resolving some longstanding delinquent accounts.

45

STUDENTS
HAVE BENEFITTED
FROM OUR
SCHOLARSHIP
PROGRAMME



ANNUAL RETREAT

In an effort to reduce expenses, our retreat was curtailed to a one day event and took place at our office building in Belize City. The main focus were the reduction of our operating expenses and revision of our Restoration Plan.

CCCU CONFERENCE

The annual CCCU conference was held in Cancun, Mexico. SJCUC, along with six sister credit unions attended the conference during the period June 19th -23rd, 2015. St John's Credit Union was represented at the four day event by nine delegates which included officers and staff.

TRAINING

Several training events were conducted by The Belize Credit Union League and Belize Rural Finance Project. St John's Credit Union views training for its staff and officers as very important for the capacity building and general development of the Credit Union and therefore took advantage of all relevant trainings that were offered. The table below records a list of trainings from which St John's Credit Union benefitted:

STAFF

There was not much activity in respect to new staff.

- Ms Nijinshi Lopez was hired to be a loan officer and assigned to the new Smart Cash Loan product.
- Mr Gavin Lopez was hired in January 2016 as Office Assistant at the Belmopan Branch to replace Mr Filberto Godinez who resigned.
- Ms Tyra Hernandez was hired as a teller as part of the expansion in the Dangriga Branch.

Training	Period	Sponsored By
Anti-Money Laundering Workshop	Feb 2016	Belize Credit Union League
Small and Micro Enterprise Business	July 2015	Belize Rural Finance Project
Train the Trainers	July 2015	Department of Youth Services
Implementation of the Restoration Plan	July 2015	Belize Rural Finance Project
The Interview Process	July 2015	Belize Rural Finance Project
Improving Human Resources System	Dec 2015	Belize Rural Finance Project
Implementing a Culture of Excellence in Board Leadership and Governance	March 2016	Belize Rural Finance Project
Sexual Harassment Workshop	Oct 2015	Belize Rural Finance Project
Member Service Workshop	Jan 2016	Belize Rural Finance Project
The Implementation of the National Payment System	July 2016	Belize Credit Union League

BELIZE CREDIT UNION LEAGUE

We view the Belize Credit Union League as one of our major partners in development within the Credit Union movement in Belize. We continue to collaborate and participate in all League activities ranging from training to representation on the Board of Directors. Currently two SJCUC officers sit on the Belize Credit Union League Board, namely Mr William Tillett and Mrs Elsie Sylvester.

SJCUC participated in the BCUL annual convention held at the Princess Hotel during the period 10th-16th October 2016. SJCUC was the recipient of the Product Innovation Award.

BELIZE RURAL FINANCE PROGRAMME

SJCUC continues to maintain a good and fruitful relationship with the Belize Rural Finance Programme. Our microfinance field officers continue to create awareness and provide financial services in rural communities in the Cayo and Stann Creek districts. These officers received several training over the past year to strengthen their capacity in credit administration.

It should be noted that while they re-

ceived specialized training peculiar to their field of work, they also benefitted from general training in which other staff and officers of St John's Credit Union participated.

As field officers of SJCUC, they play a very important role in our outreach programmes. They participated in and represented SJCUC in many community events in their respective districts and facilitated educational sessions with organizations such as the YWCA, primary and secondary schools, Women's Department, Youth for the Future and the University of Belize.

NEW PRODUCT

In September 2015, a new product called Smart Cash Loan was launched. This product caters to



REPORT OF THE BOARD OF DIRECTORS

members who want quick short term loan.

PARTNERSHIP AND OUTREACH

St John's Credit Union continues to work closely with other organizations, agencies and institutions. These include the Belize Credit Union League, The Central Bank of Belize, The Belize Rural Finance Programme, primary and secondary schools, the Police Department and the Young Women Christian Association (YWCA).

In cases where SJCUC was not physically involved in projects with these entities, financial assistance was provided from time to time. For example, one of our largest contribution last year was the retrofitting of bath room facilities for the Sister Cecilia Home in Belize City.

We continue to administrate the Boost Programme through our three branches in Belize City, Dangriga and Belmopan.

During the year, SJCUC participated in the Father Marion Ghaney Quiz competition for Primary Schools in which our Marketing Officer was part of the committee responsible for the planning of

the week of activities. Our Dangriga Branch was responsible for the selection of students/participants from the Dangriga area.

As part of our social responsibility, SJCUC continues to support the Government of Belize in meeting its Millennium Development Goal Poverty Alleviation Programme (BOOST) in which we offer services to approximately a thousand (1,000) households at our three branches. We continue to encourage these members to save so they can benefit from the full range of services that the credit union offers.

SCHOLARSHIP PROGRAMME

We are proud to report the continuation of our high school scholarship programme which has been in place for some years now. Currently, there are two students benefitting from this programme: Lexan Flowers is now in Third form at Anglican Cathedral College and Darren Myvette is a first former at St John's College. So far, approximately 45 students have benefitted from this programme.

The Board feels that the support, cooperation and dedication experienced among staff, officers and management during the past year was very instrumental in the achievement of our success and take this opportunity to say thanks.

To all our valued members, we say thanks for your loyalty, dedication and unwavering support to your Credit Union and we invite you to continue to take advantage of the various services the Credit Union will continue to offer you now and in the future.



OUR DANGRIGA BRANCH
HAS GROWN TO

3,609
MEMBERS



BOARD OF DIRECTORS



MR. ALVAN HAYNES
President



MS. VALERIE JENKINS
Vice President



MR. RUEBEN GORDON
Secretary



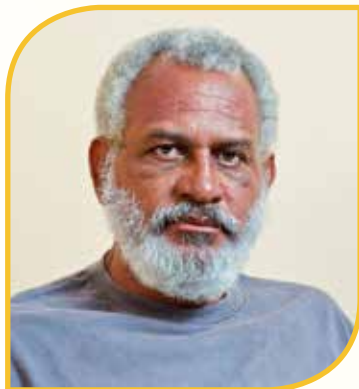
MRS. ELSIE SYLVESTER
Treasurer



MS. VONETTA BURRELL
Director/Alt Secretary



MR. BARRYMORE SMITH
Director



MR. KENNETH GARBUTT
Director

SUPERVISORY COMMITTEE REPORT

ST. JOHN'S CREDIT UNION LTD.
APRIL 1, 2015 TO MARCH 31, 2016

St. John's Credit Union (SJCUC) experienced steady growth in its asset and loan portfolio while coping with challenges during the year. The Central Bank, in its regulatory role of Registrar of Credit Unions, continued to monitor our institution, placing great emphasis on compliance with international money laundering laws. This year, as the world financial sector became aware of the term 'de-risking', SJCUC was faced with the task of implementing the Anti-Money Laundering (AML) matrix for new and existing accounts. This matrix is the new way of regulating the members' deposits, examining risk assessment of each member, the velocity of asset-flow, transaction monitoring and presenting a shift in how accounts are viewed and used by members. SJCUC has made great efforts to comply with the regulator and has risen to the challenge of implementing this new system.

Non-performing loans and the level of delinquency continue to be areas of concern and as a result, the Supervisory Committee in its meet-

ings and reviews continued to monitor the delinquency ratio position. The delinquency rate has not improved and went from 5.9% to 6.3% over the last fiscal year although the Credit Control Department has put great efforts to reduce the delinquency ratio to that of the PEARLS standard of less than 5%. All of us as members are encouraged to push known delinquent members, including ourselves, to visit the branch offices to reinstate loans to good standing.

The Supervisory Committee, with the aid of the Internal Auditor, followed its statutory mandate to examine the affairs of the Credit Union. This included announced and unannounced inspection at all branches, reviews of transactions registers and checks of daily activities to ensure compliance with internal procedures and regulatory controls. Additionally, spot checks of individual transactions such as loan approvals, new member accounts, dormant accounts, disbursements and withdrawals and of cash tills were also conducted.

In general we are pleased to report that policies and procedures were properly adhered to and the records of SJCUC were found to be properly maintained. All required monthly and regulatory reports were prepared and submitted to the Registrar of Credit Unions, and to the Belize Credit Union League. The Supervisory Committee commends the members of SJCUC staff for their hard work over the year in achieving our strategic institutional objectives and thank you to the members, for your unwavering support over the past year. Your continued support is essential in the effort to attain the successes yet to be achieved.

Respectfully submitted,



SUPERVISORY COMMITTEE



KEITH WESTBY
Chairperson



BRENDA J. ARMSTRONG
Secretary/Member



HAYDON BROWN
Member



DALE CAYETANO
Member



CREDIT COMMITTEE REPORT

**FOR THE PERIOD,
1ST APRIL 2015 TO
MARCH 31ST, 2016**

Good Morning everyone,

We encourage all members to consider St John's Credit Union the place to conduct all your financial affairs. Our doors are open, so consider this the place to do your business. During the period April 2015 to March 2016 we issued 10,626

loans with a total value of \$19,511,354. The loan portfolio grew by 6.1% during 2016.

We helped our members' access to go to school, to get married, to buy vehicles and homes, to do business and to consolidate loans to improve their financial

	HEAD OFFICE		BELMOPAN		DANGRIGA	
	Loan	Loan Count	Loan	Loan Count	Loan	Loan Count
Business	\$ 650,041.31	48	\$ 299,265.64	69	\$ 50,100.00	5
Education	\$ 529,685.23	256	\$ 218,301.28	134	\$ 20,371.79	22
Property Purchase/House Repairs/Construction	\$ 3,306,856.04	125	\$ 535,845.06	103	\$ 240,343.67	8
Landfill/Purchase	\$ 84,804.00	6	\$ 119,003.30	13		
Vehicle Purchase/Repairs	\$ 781,550.35	93	\$ 457,276.53	85	\$ 91,000.00	12
Personal	\$ 4,051,404.49	1753	\$ 1,236,589.62	811	\$ 1,097,070.04	760
Christmas	\$ 2,235,981.10	573	\$ 708,901.20	157	\$ 153,290.00	43
Fastline	\$ 1,664,221.54	3560	\$ 762,176.38	1616	\$ 74,009.91	92
Smart Cash	\$ 109,384.50	203	\$ 24,627.50	60	\$ 9,254.00	19
Total	\$ 13,413,928.56	6617	\$ 4,361,986.51	3048	\$ 1,735,439.41	961
Refinance	\$ 24,829,410.34	4225	\$ 6,509,965.57	1109	\$ 2,112,180.88	529
Grand Total	\$ 38,243,338.90	10842	\$ 10,871,952.08	4157	\$ 3,847,620.29	1490

SUMMARY OF LOANS ISSUED APRIL 1ST 2015 TO MARCH 31ST 2016

BELIZE CITY OFFICE	\$ 13,413,928.56	6617			
BELMOPAN BRANCH	\$ 4,361,986.51	3048			
DANGRIGA	\$ 1,735,439.41	961			
TOTALS	\$ 19,511,354.48	10626			

Please note that summarized balances does not include refinance loan values



position. We provide guidance and overall financial advice when necessary.

The Committee meets every Wednesday throughout the year to review credit applications. These reviews include Debt to Income ratios and the 5 C's of Credit (Character, Capacity, Capital, Collateral and Conditions).

The Credit Committee also reviews all loan requests when special considerations are necessary to assist our members in resolving specific financial difficulties. The Credit Committee asks members wishing to borrow to be truthful when submitting required information. When the proper information is presented it makes the Committee's job much easier and speeds up approval. Remember, we are there to try to help members, no matter what their position is.

Please do not be fooled by offers from other lending institutions, whose goal is to maximize their profits. These offers may prove deceptive when your interest is increased after a few months or years. Our loans are geared to help you, interest is always calculated on the reducing bal-

ance, there is no penalty for paying off early and your savings and loans are also insured against death at no cost to you. St. John's Credit Union aim to help you and leave you in a better financial position at the end of the day.

I wish to extend my profound gratitude to Mr. Bill Tillett and Mrs. Lisa James, members of the Credit Committee, who have been invaluable in providing financial counselling to our members even though attending meetings sometimes proved difficult on their schedules, the dedication was always felt. Special thanks to our loans officers who do their best to obtain all relevant information for loan applications thus making our jobs much easier and to the Members of staff for their support throughout the year. Last but not least, we are most grateful to you the members who have shown tremendous support in making St John's Credit Union the first choice for all your financial needs.

Respectfully submitted by,

CREDIT COMMITTEE



VICTOR GUERRERO
Chairman



LISA JAMES
Secretary

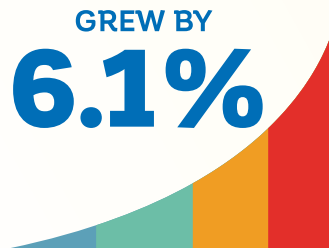


WILLIAM TILLETT
Member

**DURING THE PERIOD APRIL
2015 TO MARCH 2016**

10,626
LOANS WERE ISSUED

**LOAN PORTFOLIO
GREW BY
6.1%**



WITH A TOTAL VALUE OF

\$19,511,354



TREASURER'S REPORT

**FOR THE PERIOD,
1ST APRIL 2015 TO
MARCH 31ST, 2016**

St John's Credit Union is, once again, pleased to report on the progress of the institution during the period 2015-2016. Our Strategic Plan was our main focus in ensuring that we strived toward reaching our key targets, especially our Net Institutional Capital of 10%.

During the fiscal year, 2015-2016, SJCUC's net profit was \$2.508 million after booking the Loan Loss of \$417,118. The net profit is 46.15% higher than the previous year's profit of \$1.716 mil in 2014/2015 after booking loan loss of \$929,000. During the year, the average interest rate on fixed deposit is 1.75%. Excess liquidity continues to be a factor and other financial institutions are aggressively marketing themselves by offering attractive interest rates on different loans. At SJCUC, we are on a continuous media campaign to promote the services offered by the Credit Union.

STRATEGIC CHANGES

1. SJCUC continued the sustained marketing of all loan products, resulting in an increase of 6.1% in loans.
2. Membership is now at 23,731 a decrease of (4.7%) from the previous year. A major cleaning up of the membership data base was carried out during the year. While we gained new members, some were lost in the process. The membership in Dangriga is now at 3,609 compared to 2,991 in the previous year, an increase of 618 members.
3. The ATMs in both Belmopan and Belize City continue to provide the reliable and efficient service for our valued members. During the period 2015-2016, the ATMs serviced 57,040 transactions in Belmopan and Belize City, totalling \$11.0 mil in transactions. (\$8.3 mil in 2014/2015)
4. Fixed deposits rates are now revised periodically as market conditions change. Currently deposits under \$20,000 held for (1) one year will be paid interest rate of 1.50% while amount over \$20,000 held for over one (1) year will be paid interests rate of 1.75%.
5. The process of setting up the Computerized Branch Accounting has started and will soon be finalized. This will allow separating accounting for the main office and the two branches.
6. SJCUC is in discussion with the Belize Credit Union League for the establishment of a Stabilization Fund where participating credit unions will contribute equally and will assist other credit unions financially when faced with difficulties. This fund will ensure the financial stability of all credit unions.
7. SJCUC participated in several sessions at the Belize Credit Union League and Central Bank of Belize on the imple-



MRS. ELSIE SYLVESTER

Treasurer
Board of Directors

SUMMARY OF REPORT

	Mar-14	Mar-15	Mar-16	1 Yr % Change	2 Yr % Change
Membership	22,135	24,892	23,731	-4.7%	7.2%
Assets	\$54,985	\$65,724	\$75,033	14.2%	36.5%
Shares	\$30,071	\$38,363	\$46,838	22.1%	55.8%
Loans	\$41,119	\$50,473	\$53,547	6.1%	30.2%
Delinquency %	6.4%	5.9%	6.3%	0.4%	-0.1%
Delinquency % (CBB)	3.1%	3.3%	1.9%	-1.4%	-1.2%

Figures in BZ\$ '000 except for Membership & Delinquency %

mentation of the National Payment System (NPS) which will eliminate the need for and use of cheques. This online cheque clearing process will link all financial institutions, resulting in real time cheque clearance. The Central Bank of Belize will manage this new initiative.

8. During this year, we continue to make the full provisioning for loan loss. This totalled \$417,118. SJCUC continues to be fully provisioned, as required by our regulators, the Central Bank of Belize.

9. During this year, we were advised by the Central Bank of Belize

that due to our credit union size, a compliance officer will have to be employed. This will be in full compliance with the Anti-Money Laundering Regulations.

10. The Credit Control Department has been working diligently, however, the delinquency rate had a slight increase from 5.9 % to 6.3%. However, based on the methodology agreed by the Registrar, which allows offset where collateral is held, the adjusted figure is presently at 1.9% compared to previous year figure of 3.3 %. We urge members to avoid having their loans from becoming delinquent.

The Burial Scheme:

During the year, seventy five (75) members passed away. However, only forty one (41) were qualified under the insurance/ burial scheme. Belize City, thirty two (32), Belmopan, four (4) and Dangriga, five (5). Based on those numbers, a value of \$ 205,000. , was paid out. The burial scheme reserves now stands at \$416,358. , compared to the previous years balance of \$364,600., an increase of \$51,758.00.

Lastly, SJCUC had another successful year, 2015/2016. The hard work continues, to ensure that the membership is rewarded with attractive dividends. The main focus will be to meet the required PEARLS rate of the Institutional Capital. Our Business Restoration Plan has been revised and updated and will be monitored to ensure we are meeting the targets.

We thank the SJCUC membership for their continued support.

DURING THE PERIOD 2015-2016

57,040

ATM TRANSACTIONS TOTTALLING \$11.0 MIL

\$2.508
MILLION
SJCUC'S NET PROFIT



SJCU Outreach to Schools



CCCU Conference and AGM



Staff Training



SJCU 69th AGM



FINANCIAL STATEMENTS



FOR THE PERIOD,
1ST APRIL 2015 TO
MARCH 31ST, 2016

ST. JOHN'S CREDIT UNION LIMITED

FINANCIAL STATEMENTS
31ST MARCH 2016

INDEX

	Page
Report of the independent auditor to the Board of Directors and Shareholders	1 & 2
Statements of financial position	3
Statements of comprehensive income	4
Statements of changes in equity	5
Statements of cash flows	6
Notes to the financial statements	8 - 24



FINANCIAL STATEMENTS



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Page 1

REPORT OF THE INDEPENDENT AUDITOR TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF ST. JOHN'S CREDIT UNION LIMITED

We have audited the accompanying financial statements of St. John's Credit Union Limited which comprise the statement of financial position as at 31st March 2016 and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of



accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of St. John's Credit Union Limited as at 31st March 2016 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of St. John's Credit Union Limited as at 31st March 2016 and of its financial performance and cash flows for the year then ended in compliance with the Credit Union Act Chapter 34 of the Laws of Belize (revised 2003), modified by Act No. 34 of 2005 and Act No. 18 of 2007 as specified in note 2 of these financial statements.



Baker Tilly Hulse
Chartered Accountant
19th May 2016

Belize City,
Belize, C.A.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

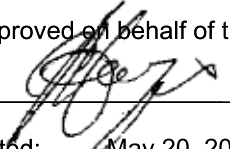
Page 3


STATEMENTS OF FINANCIAL POSITION
31ST MARCH 2016

All amounts expressed in Belize dollars

	Notes	2016	2015 (restated)
Assets:			
Cash and cash equivalents	2, 3	11,964,266	5,541,601
Investments	2, 3, 4	8,241,782	8,247,256
Loans receivable	2, 3, 5	53,546,750	50,473,292
Less: loan loss reserve	2, 3, 5	(1,919,691)	(1,592,639)
Other receivables and prepayments	2, 3, 6	134,091	131,339
Property and equipment	2, 7	2,758,122	2,610,176
Investment property	2, 8	307,814	313,411
Total assets		<u>75,033,134</u>	<u>65,724,436</u>
Liabilities:			
Members' deposits	2, 3, 9	21,608,996	22,287,705
Shares - non-mandatory	2, 3, 10	44,432,637	36,979,099
Accounts payable and accruals	2, 3, 11	70,198	58,460
Pension fund liability	2, 3, 12	414,781	340,394
Other liabilities	2, 3, 13	254,980	268,813
Burial scheme payable	2, 3, 14	416,358	364,600
Borrowings	2, 3, 15	111,212	111,212
Total liabilities		<u>67,309,162</u>	<u>60,410,283</u>
NET ASSETS		<u>7,723,972</u>	<u>5,314,153</u>
Members' equity (page 5):			
Shares - mandatory	2	2,405,652	1,384,370
Undivided earnings		1,410,528	1,224,053
Guarantee funds	2	2,972,892	2,345,777
Revaluation reserves	2	354,953	354,953
Other reserves	2	579,947	5,000
MEMBERS' EQUITY		<u>7,723,972</u>	<u>5,314,153</u>

Approved on behalf of the Board

 Director

 Director

Dated: May 20, 2016

Auditor's report pages 1 - 2.



The notes on pages 8 - 24 form an integral part of these financial statements.

ST. JOHN'S CREDIT UNION LIMITED

Page 4

STATEMENTS OF COMPREHENSIVE INCOME
YEAR ENDED 31ST MARCH 2016

All amounts expressed in Belize dollars

	Notes	2016	2015 (restated)
INCOME:			
Interest income:			
Interest income	2, 16	5,364,654	4,854,943
Less: Interest expense	2, 16	<u>(595,324)</u>	<u>(630,681)</u>
Net interest income		4,769,330	4,224,262
Fee and commission income	2, 17	<u>304,294</u>	<u>413,708</u>
Other operating income	2, 18	<u>863,078</u>	<u>680,076</u>
OPERATING INCOME		5,936,702	5,318,046
Provision for losses	2, 19	(417,118)	(929,000)
Other operating expenses	2, 20	<u>(3,011,126)</u>	<u>(2,672,438)</u>
Operating income before taxes		2,508,458	1,716,608
Less: taxes	2, 21	<u>-</u>	<u>-</u>
Net income for the year		<u><u>2,508,458</u></u>	<u><u>1,716,608</u></u>

The notes on pages 8 - 24 form an integral part of these financial statements.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

Page 5

STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED 31ST MARCH 2016

All amounts expressed in Belize dollars

	Notes	2016	2015 (restated)
SHARES - MANDATORY			
	2.2		
Balance at the beginning of the year		1,384,370	1,208,280
Net increase in shares		1,021,282	176,090
		<u>2,405,652</u>	<u>1,384,370</u>
<p>Central Bank of Belize Regulations require that member share accounts are divided into mandatory and non-mandatory shares. Mandatory shares are reflected in equity; non mandatory shares are reflected as current liabilities. In January 2016, the Credit Union increase required mandatory shares from 2 shares at \$5 per share to 30 shares at \$5 per share. Mandatory shares was 481,130 shares at 31st March 2016 (2015 - 226,874 shares).</p>			
UNDIVIDED EARNINGS			
Balance at the beginning of the year		1,224,053	1,528,357
Prior period errors		-	(330)
Net income for the year (page 4)		2,508,458	1,716,608
Less: Transfers to guarantee fund reserve		(627,115)	(514,984)
Less: Transfers to education fund reserve		(50,169)	-
Less: Transfers to contingency and special reserve		(524,778)	-
Less: dividend paid		(1,119,921)	(1,505,598)
Balance at the end of the year		<u>1,410,528</u>	<u>1,224,053</u>
GUARANTEE FUND			
	2.8		
Balance at the beginning of the year		2,345,777	1,830,793
Transfers from undivided earnings		627,115	514,984
Balance at the end of the year		<u>2,972,892</u>	<u>2,345,777</u>
REVALUATION RESERVE			
The revaluation reserve constitutes surplus arising from the revaluation of fixed assets (land) in 2004.			
Balance at the beginning and end of the year		<u>354,953</u>	<u>354,953</u>
OTHER RESERVES			
	2.9		
<u>Staff fund</u>			
Balance at the beginning and end of the year		<u>5,000</u>	<u>5,000</u>
Fund held for staff activities to be determined by the Board of Directors.			
<u>Education fund</u>			
Balance at the beginning of the year		-	-
Transfers from undivided earnings		50,169	-
Balance at the end of the year		<u>50,169</u>	<u>-</u>
Fund held for educational activities to be determined by the Board of Directors.			
<u>Contingency and special reserve</u>			
Balance at the beginning of the year		-	-
Transfer from undivided earnings		524,778	-
Balance at the end of the year		<u>524,778</u>	<u>-</u>
Fund held for contingencies to be determined by the Board of Directors.			
Total Other Reserves		<u>579,947</u>	<u>5,000</u>
TOTAL MEMBERS' EQUITY		<u>7,723,972</u>	<u>5,314,153</u>

The notes on pages 8 to 24 form an integral part of these financial statements.



ST. JOHN'S CREDIT UNION LIMITED

Page 6

STATEMENTS OF CASH FLOWS
YEAR ENDED 31ST MARCH 2016

All amounts expressed in Belize dollars

	2016	2015 (restated)
Cash flow from operating activities:		
Net income for the year	<u>2,508,458</u>	<u>1,716,608</u>
Adjustments for items not affecting operating cash:		
Depreciation expenses	71,202	80,789
Provision for loan losses	417,118	929,000
Write off of loans receivable (net)	<u>(90,066)</u>	<u>(447,641)</u>
Operating profit before working capital changes	2,906,712	2,278,756
Changes in working capital - add / (deduct)		
(Increase) in loans receivable	(3,073,458)	(9,354,267)
(Increase) / decrease in other receivables and prepayments	(2,752)	56,704
(Decrease) / increase in members' deposits	(678,709)	2,148,086
Increase in non-mandatory shares	7,453,538	8,116,191
Increase in accounts payable and accruals	11,738	27,794
Increase in pension fund liability	74,387	66,813
(Decrease) in other liabilities	(13,833)	(5,921)
Increase in burial scheme payable	<u>51,758</u>	<u>88,797</u>
Net cash provided by operating activities	<u>6,729,381</u>	<u>3,422,953</u>
		-
Cash flow from investing activities:		
Decrease / (increase) in investments	5,474	(982,212)
Purchase of property, furniture and equipment	<u>(342,106)</u>	<u>(139,383)</u>
Net cash (used in) investing activities	<u>(336,632)</u>	<u>(1,121,595)</u>
Cash flow from financing activities:		
Net increase in shares - members (mandatory)	1,021,282	176,090
Dividends paid	(1,119,921)	(1,505,928)
Decrease in borrowings	<u>-</u>	<u>(88,788)</u>
Net cash flow provided by financing activities	<u>(98,639)</u>	<u>(1,418,626)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,294,110	882,732
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	<u>5,442,360</u>	<u>4,559,628</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u><u>11,736,470</u></u>	<u><u>5,442,360</u></u>

The notes on pages 8 to 24 form an integral part of these financial statements.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

Page 7

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

1. GENERAL INFORMATION

St. John's Credit Union Limited (the "Credit Union") was incorporated under and by virtue of the Credit Union Act Chapter 34 of the Laws of Belize (Revised 2003), modified by Act No. 34 of 2005 and Act No. 18 of 2007.

The Credit Union operates from its principal office situated at No. 4 Basra Street, Belize City, Belize. Branch offices are located in Belmopan City and Dangriga Town, Stann Creek District, Belize. As At 31st March 2016, the Credit Union employed 35 employees.

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

These financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Unless otherwise stated, monetary amounts are stated in Belize dollars. The accounting policies outlined in Note 2 have been consistently applied to all periods presented.

The Credit Union also complies with the Credit Union Act Chapter 34 of the Laws of Belize (Revised 2003), modified by Act No. 34 of 2005 and Act No 18 of 2007 as reflected in its policies in Note 2.

2. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS

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

(1) Interest income on loans receivable is recognized when collected instead of using the effective interest rate method in accordance with IFRS. Applying the effective interest rate method for interest income on loans receivable per IFRS would not result in material misstatement of the financial statements since management considers overdue interest income on loans as impaired.

(2) Provisioning for loan losses is guided by local regulations instead of based on management's computation of expected loan losses using a risk model in accordance with IFRS. Applying a risk based model in accordance with IFRS would not result in material misstatement of the financial statements.

2.1 General

Use of estimates and assumptions:

In preparing the financial statements, management is required to make subjective estimates and assumptions that affect the reported amount of assets, liabilities, net income, and related disclosures. Estimates made by management are based on historical experience and other assumptions that are believed to be reasonable.

- continues



NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

2. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS (continued)

2.1 General (continued)

Use of estimates and assumptions (continued):

Key sources of estimation uncertainty include: assessments of impairment to investments, determination of fair value of financial instruments, the allowance for credit losses, post employment benefits, and accrued liabilities. Accordingly, actual results may differ from these and other estimates thereby impacting future financial statements. Refer to the relevant accounting policies in this note 2 for details on our use of estimates and assumptions.

Significant judgements:

In preparation of these financial statements, management is required to make significant judgements that affect the carrying amounts of certain assets and liabilities, and the reported amounts of revenues and expenses recorded during the period. Significant judgements have been made in the following areas and discussed as noted in the financial statements:

Impairment of investments	Note 2.2 Note 3
Fair value of financial instruments	Note 2.2 Note 3
Provision for credit losses	Note 2.2 Note 5
Other provisions	Note 2.8

2.2 Financial instruments - recognition and measurement

Cash and cash equivalents:

Cash and cash equivalents comprises of cash balances and call deposits held with various financial institutions. All cash and cash equivalents have a term of less than 90 days in compliance with IFRS.

Investments:

Investments in debt instruments are measured at amortised cost if the debt instrument has a contractual term to issue regular cash flows of principal and interest and if the Credit Union intends to hold the investment to its contractual maturity. All other investments are initially measured at inception at fair value plus transaction costs and are subsequently measured at fair value with changes recorded through net profit and loss.

- continues



FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

Page 9

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

2. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS (continued)

2.2 Financial instruments - recognition and measurement (continued)

Investments (continued):

At each reporting date, management evaluates investments to determine if there is objective evidence of impairment. Such evidence includes: when an adverse effect on future cash flows from the asset or group of assets can be reliably estimated and when there is a significant or prolonged decline in the fair value of the investment below its cost. The actual amount of future cash flows and their timing may differ from the estimates used by management and consequently may cause a different conclusion as to the recognition of impairment or measurement of impairment loss.

When assessing impairment on debt instruments, such as government treasury notes, management primarily considers third party information such as external ratings and comparable sales. Significant judgement is required in assessing impairment as management is required to consider all available evidence in determining where objective evidence of impairment exists and whether the principal and interest can be fully recovered.

When the investments are disposed of or impaired, the related gains and losses are included in the statement of comprehensive income as gains and losses from investment securities. Dividends received on investments are reported as dividend income. All purchases and sales of trading and investment securities are recognized at settlement date, which is the date the Credit Union completes the transaction.

Loans receivable:

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

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

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

Provision for loan losses:

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

- continues



NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

2. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS (continued)

2.2 Financial instruments - recognition and measurement (continued)

Provision for loan losses (continued):

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

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

Prepayments and deposits:

Prepayments and deposits are initially recognized at fair value which is represented by the original payments advanced or assets exchanged. Subsequently, prepayments and deposits are measured at the statement date using the effective interest rate method.

Members' deposits:

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

Shares:

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

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

Accounts payable:

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

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

Page 11

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

2. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS (continued)

2.2 Financial instruments - recognition and measurement (continued)

Determination of fair value:

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We determine fair value by incorporating all factors that market participants would consider in setting a price, including commonly accepted valuation approaches. Where an investment does not have an active market and observable prices or inputs are not available, management judgement is required to determine fair values by assessing other relevant sources of information such as historical data and information from similar transactions.

Borrowings:

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

Determination of fair value:

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We determine fair value by incorporating all factors that market participants would consider in setting a price, including commonly accepted valuation approaches. Where an investment does not have an active market and observable prices or inputs are not available, management judgement is required to determine fair values by assessing other relevant sources of information such as historical data and information from similar transactions.

Interest:

Interest income on loans receivable is recognized in the statement of comprehensive income at the time of collection. Interest income on term deposit investments is recorded using the effective interest rate method.

Loan application/processing/review fee revenue:

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

Offsetting financial assets and financial liabilities:

Financial assets and financial liabilities are offset on the statement of financial position when there exists both a legally enforceable right to offset the recognized amounts and an intention to settle on a net basis or realize the assets and settle the liability simultaneously.

- continues



NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

2. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS (continued)

2.2 Financial instruments - recognition and measurement (continued)

Derecognition of financial assets & liabilities:

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

Financial liabilities are derecognized on the statement of financial position when the Credit Union's obligation specified in the contract expires, is discharged, or is cancelled. The difference between the carrying amount of the financial liability and the consideration paid is recognized in the statement of comprehensive income.

2.3 Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated in Belize dollars at midday rates prevailing at the date of the statement of financial position. Foreign exchange gains and losses resulting from the translation and settlement of these items are recognized in the statement of comprehensive income. Non-monetary assets and liabilities in foreign denominations are translated into Belize dollars at historical rates.

2.4 Employee benefit obligations

Termination benefit - severance:

The Credit Union has not recognised termination benefits in accordance with the labour laws of Belize which states that employees with at least five years or more of continuous employment are entitled to a minimum of one week's pay for each year of service prior to May 2011 and two week's pay for each year of service subsequently. The Union has decided not to record severance provision.

Termination benefit - pension:

The Credit Union has available on a voluntary basis, a defined contribution pension plan for all permanent employees. The pension plan is not financially separate from the Credit Union and is funded by contributions from both employees and the Credit Union at fixed rates of 3 - 5% of salary respectively.

The Credit Union's contributions to the defined contribution plan are expensed when employees have rendered services in exchange for such contributions.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

Page 13

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

2. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS (continued)

2.5 Property and equipment

Property and equipment includes land, buildings, motor vehicles, furniture, fixtures, computer equipment, and other equipment. Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and the initial estimate of any disposal costs.

Property and equipment are carried at cost and are depreciated using the reducing balance method at the following rates:

Building, driveways & leasehold improvements	5, 25 and 50 years
Furniture and fixtures	5 and 10 years
Computer, equipment and accessories	5 and 10 years
Motor vehicle	5 years

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

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

Property and equipment are assessed for indicators of impairment at each reporting date. If there is an indication that the asset may be impaired, an impairment test is performed by comparing the asset's carrying amount to its recoverable amount. The recoverable amount is the higher of the asset's value in use or fair value less costs of disposal.

2.6 Investment property

Investment property is land and buildings which are held to earn rental income. Investment property is measured using the cost model in accordance with IAS 40. As such it is initially recorded and subsequently amortized using the same policies as Property and equipment (refer to note 2.8).

Investment property is assessed for indicators of impairment at each reporting date. If there is an indication that the asset may be impaired, an impairment test is performed by comparing the asset's carrying amount to its recoverable amount. The recoverable amount is the higher of the asset's value in use or fair value less costs of disposal.

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

- continues



NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

2. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS (continued)

2.7 Provisions

Provisions are liabilities of uncertain timing or amount and are recognized when the Credit Union has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured as the best estimate of the consideration required to settle the present obligation at the reporting date. Significant judgement is required to determine whether a present obligation exists and in estimating the probability, timing and amount of any cash outflows. Provisions are recorded related to litigation, future employee benefits, the allowance for off-balance sheet items and other items. Provisions are recorded on the basis of all available information at the end of the reporting period. In the event that results differ from management expectations, the Credit Union may incur expenses in excess of the provisions recognized.

Dividend income is recognized when the right to receive payment is established such as when the shareholders have approved the dividend for unlisted equity securities.

2.8 Guarantee Fund

The Guarantee Fund is a reserve fund that is mandated by the Credit Union Act, Chapter 314 of the Laws of Belize (Amended 2005) (Revised 2003). The fund consists of entrance fees and fines collected from members and at least 20% of the net earnings of the Credit Union must be added to the fund at the end of each fiscal year. The Guarantee Fund cannot be distributed to members.

2.9 Other reserves

Other reserves are amounts set aside by the Board of Directors to be used for any purpose that the Credit Union may need to utilize it for. They are a portion of equity not available for distributions to members.

2.10 Leasing

A lease is an agreement in which the lessor grants the lessee the right to use an asset for an agreed upon period of time in return to a payment or series of payments. A finance lease is a lease the transfers substantially all the risk and rewards incidental to ownership of the leased asset to the lessee, where title may or may not eventually be transferred. An operating lease is a lease other than a financing lease.

Operating leases:

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

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

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2. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS (continued)

2.10 Leasing (continued)

Finance leases:

In the event that the Credit Union is a lessee in a financing lease, the leased asset is recorded to property and equipment and the related lease obligation is recorded as a liability on the statement of financial position. The amount recorded is the lower of the fair value of the leased asset and the minimum lease payments.

2.11 FINANCIAL RISK MANAGEMENT

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

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

Credit risk:

The Credit Union takes on exposure to credit risk which is the risk that a counterpart will be unable to pay amounts in full when due. Management structures its credit risk by placing limits on the amount of credit extended in relation to one borrower or group. This is monitored on a revolving basis and subject to annual review. Limits are also regulated by Credit Union Act Chapter 34 of the Laws of Belize (Revised 2003).

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

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



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NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

2. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS (continued)

2.11 FINANCIAL RISK MANAGEMENT (continued)

Market risk/interest rate risk:

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

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

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

Liquidity risk:

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

Fraud risk:

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

3. CARRYING VALUE AND FAIR VALUE OF SELECTED FINANCIAL INSTRUMENTS

Management has not observed any material differences between the carrying value of financial instruments and the fair value. Fair value are computed based on quoted prices for similar instruments and directly observable market inputs with the exception of unlisted securities. Fair value of unlisted securities has been determined using other inputs such as expected future cash flows or the audited net asset value since market information and comparable sales information is not available.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

Page 17

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

4. INVESTMENTS	2016	2015
Investments consist of the following:		
<u>Debt instruments (measured at amortized cost):</u>		
Belize Electricity Limited Series 2 debentures with interest rate of 9.5% per annum payable quarterly, maturity date of 31st March 2021.	160,000	160,000
Belize Electricity Limited Series 6 debentures with interest rate of 6.5% per annum payable quarterly, maturity date of 31st July 2022.	2,850,000	2,850,000
Belize Electricity Limited Series 4 debentures with interest rate of 10% per annum payable quarterly, maturity date of 30th September 2027.	1,875,000	1,875,000
Term deposits for terms greater than 90 days ending by April 2017 held with Atlantic Bank Limited; with interest accruing at 1.75% - 3.65% per annum.	1,790,000	1,790,000
Government of Belize Treasury Notes with interest rate of 6% per annum payable by half-yearly installments, maturity date of 10th December 2017.	500,000	500,000
Accrued interest on debt instruments	16,782	22,256
	<u>7,191,782</u>	<u>7,197,256</u>
<u>Unlisted securities (measured at fair value):</u>		
Investment in Belize Credit Union League - 50 redeemable preferred shares	50,000	50,000
Investment in Belize Telemedia Limited - 200,000 common shares (less than 1%	1,000,000	1,000,000
	<u>1,050,000</u>	<u>1,050,000</u>
Total investments	<u>8,241,782</u>	<u>8,247,256</u>



NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

5. LOANS RECEIVABLE	2016	2015
Loans receivable consist of the following:		
Total loans before provision for loan losses	<u>53,546,750</u>	<u>50,473,292</u>
The movements in the loan loss provision for the year are as follows:		
At the beginning of the year	1,592,639	1,111,280
Provision for the year	417,118	929,000
Write offs - net of collections	<u>(90,066)</u>	<u>(447,641)</u>
At the end of the year	<u>1,919,691</u>	<u>1,592,639</u>
Net loans receivable	<u><u>51,627,059</u></u>	<u><u>48,880,653</u></u>

Collateral is held on loans in order to minimize the Credit Union's exposure to credit risk. Collateral includes lands, buildings, and equipment.

Total value of loans which do not have collateral by the Credit Union	<u>1,178,778</u>	<u>900,688</u>
Percentage of loan portfolio of loans which do not have collateral	2%	2%

6. OTHER RECEIVABLES AND PREPAYMENTS

Other receivables and prepayment consist of the following:

Employee loans	2,233	6,645
HBL ATM/POS Project (see below)	50,000	50,000
Belize Credit Union League	-	43,707
Other receivables	51,182	19,293
Prepayments	<u>30,676</u>	<u>11,694</u>
	<u><u>134,091</u></u>	<u><u>131,339</u></u>

The Credit Union has entered into a Joint Investment Agreement with the Heritage Bank Limited and five other institutions, called the ATM/POS Project. Since the formation of the new company is still in process, the initial investment is classified as other receivables and prepayment at 31st March 2016.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

Page 19

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

7. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

2016	Land, driveway, buildings & Leasehold improvements	Furniture & fixtures	Motor vehicle, computer equipment & accessories	Total
Cost:				
At 31st March 2015	2,356,156	340,458	1,168,383	3,864,997
Additions	172,147	35,800	118,454	326,401
Construction in progress	15,705			15,705
At 31st March 2016	2,544,008	376,258	1,286,837	4,207,103
Accumulated Depreciation:				
At 31st March 2015	269,489	222,549	762,783	1,254,821
Additions	68,555	21,636	103,969	194,160
At 31st March 2016	338,044	244,185	866,752	1,448,981
Net Book Value at 31st March 2016	2,205,964	132,073	420,085	2,758,122
Net Book Value at 31st March 2015	2,086,667	117,909	405,600	2,610,176

8. INVESTMENT PROPERTY

Investment property consists of the following:

2016	Land & building
Cost:	
At 31st March 2015	365,000
Additions	-
At 31st March 2016	365,000
Accumulated Depreciation:	
At 31st March 2015	51,589
Additions	5,597
At 31st March 2016	57,186
Net Book Value at 31st March 2016	307,814
Net Book Value at 31st March 2015	313,411

During the year ended 31st March 2016 all investment property generated rental income.



NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

9. MEMBERS' DEPOSITS 2016 2015

Members' deposits consist of the following:

Regular deposits	3,553,251	2,935,247
Term deposits	18,055,745	19,352,458
	21,608,996	22,287,705

10. NON-MANDATORY SHARES

Movement in non mandatory shares is as follows:

Balance at the beginning of the year	36,979,099	28,862,907
Net increase in shares	7,453,538	8,116,192
Balance at the end of the year	44,432,637	36,979,099

Central Bank of Belize Regulations require that members' share accounts are divided into mandatory and non-mandatory shares. Mandatory shares are reflected in equity; non-mandatory shares are reflected as current liabilities. In January 2016, the Credit Union increased required mandatory shares from 2 shares at \$5 per share to 30 shares at \$5 per share per member.

11. ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable consist of the following:

Belize Credit Union Assurance Services	36,170	29,306
Other	34,028	29,154
	70,198	58,460

12. PENSION FUND LIABILITY

Pension liabilities consist of the following:

Balance at the beginning of the year	340,394	273,581
Employee contributions for the year	33,854	29,737
Employer contributions for the year	33,854	29,737
Income earned	8,500	7,339
Withdrawals	(1,821)	-
	414,781	340,394

At 31st March, the pension fund was represented by:

Bank balance (due from SJCU)	156,037	86,272
Investments - Atlantic Bank Limited term deposits	40,000	40,000
Investments - Belize Electricity Limited Series 2 debentures	10,000	10,000
Loan receivable	(205)	(205)
SJCU - fixed deposit held by the Credit Union for the Pension Fund	208,949	204,327
	414,781	340,394

The pension fund bank balance is not completely restricted and segregated to specific bank accounts. The due from SJCU (bank balance) constitutes pension funds included in the operating funds of SJCU.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

Page 21

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

13. OTHER LIABILITIES	2016	2015
Other liabilities consist of the following:		
Beneficiary payable	222,957	192,688
HBL payable (ATM Settlement)	32,023	76,125
	<u>254,980</u>	<u>268,813</u>
14. BURIAL SCHEME PAYABLE		
Balance at the beginning of the year	364,600	275,803
Plus: Net increase for year	51,758	88,797
Balance at end of the year	<u>416,358</u>	<u>364,600</u>

The Burial Scheme is a death benefit of \$5,000 which will be paid to plan member's selected dependant based on their years of membership in the plan. The obligation has been estimated without actuarial information and therefore the Credit Union has accrued for total benefits payable should all eligible members to collect the death benefit in the following year.

15. BORROWINGS

Borrowings consist of the following:

Social Investment Fund

Agreement #1

Social Investment Fund interest-free loan of \$100,000 for a period of 25 years. Loan is to be used for on-lending to eligible borrowers for housing construction or improvement in accordance with agreement dated 19th September 2005.

	11,212	11,212
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Agreement #2

Social Investment Fund interest-free loan of \$100,000 for a period of 25 years. Loan is to be used for on-lending to eligible borrowers for housing construction or improvement in accordance with agreement dated 28th December 2006.

	<u>100,000</u>	<u>100,000</u>
	<u>111,212</u>	<u>111,212</u>



NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

16. INTEREST ON MEMBERS' LOANS	2016	2015
<u>Interest income</u>		
Interest Income - personal and business loans	3,656,583	3,256,464
Interest Income - residential mortgage loans	1,708,071	1,598,479
	<u>5,364,654</u>	<u>4,854,943</u>
<u>Interest expense</u>		
Members' deposits	<u>595,324</u>	<u>630,681</u>
Net interest income	<u>4,769,330</u>	<u>4,224,262</u>
17. FEE AND COMMISSION INCOME		
<u>Fee and commission income</u>		
Credit related fees and commissions	296,538	412,918
Other	7,756	790
	<u>304,294</u>	<u>413,708</u>
18. OTHER OPERATING INCOME		
Other operating income consists of the following:		
Investment income	594,367	563,497
Rental income	30,480	30,480
Loan write off recoveries	149,350	-
Other income	88,881	86,099
	<u>863,078</u>	<u>680,076</u>
19. PROVISION FOR LOSSES		
Provision for losses consists of the following:		
Provision for loan loss reserve (note 5)	<u>417,118</u>	<u>929,000</u>

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

Page 23

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

20. GENERAL AND ADMINISTRATIVE EXPENSE

General and administrative expense consists of the following:

Salaries, wages and allowance	976,221	756,713
BCUAS Insurance	466,667	319,818
Security expense	215,453	186,396
Depreciation expense	199,757	180,030
Utilities	168,518	171,616
Advertising	146,709	141,534
Other expense	131,048	93,015
Repairs & maintenance	107,903	95,753
Office stationery	87,330	90,464
Annual general meeting	78,158	52,979
Software system maintenance	71,202	80,789
Travel and subsistence	49,300	48,779
Christmas expense	44,581	49,068
Rental expense	37,769	13,290
General insurance expense	34,564	59,234
Pension expense	34,354	29,792
Social security expense	27,967	24,735
Professional fees	24,602	24,300
Education expense	19,652	55,299
Donations	16,883	9,854
Credit Union Week	14,267	4,161
Bank service charges	13,507	20,796
Uniform expense	13,065	12,171
Supervision fees	12,000	12,000
Delinquency expenses	9,797	111,433
Committee meetings	8,929	8,840
Property taxes	923	923
Bad debts	-	18,656
	<u>3,011,126</u>	<u>2,672,438</u>

21. TAXATION

As a credit union licensed under the Credit Union Act, the Union is exempted from taxes on profits, gains, interest and dividends earned.

22. KEY MANAGEMENT COMPENSATION

Key management compensation	<u>337,577</u>	<u>345,893</u>
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NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2016

All amounts expressed in Belize dollars

23. RECLASSIFICATION

The 2015 financial statements have been restated to reclassify the burial scheme from other reserves in the statement of changes in equity as this is a liability in accordance with IFRS. (see note 14)

24. RELATED PARTY TRANSACTIONS

2016 2015

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

Assets held at year-end with related parties

<i>Officers' loans receivable</i>	<u>538,514</u>	<u>611,090</u>
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Liabilities held at year-end with related parties

<i>Officers' deposits and shares</i>	<u>283,198</u>	<u>319,454</u>
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Transactions with related parties throughout the year are as follows:

<i>Officers' allowances paid</i>	<u>17,081</u>	<u>35,322</u>
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<i>Interest income earned from related parties</i>	<u>38,642</u>	<u>76,936</u>
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THE BENEFITS OF SAVING

THE BENEFITS OF *safe saving ... smart borrowing*

	SCENARIO 1	SCENARIO 2	SCENARIO 3	SCENARIO 4
Years to Repay/Save	1 Year	2 Years	2 Years	2 Years
Monthly CU Deduction	\$200.00	\$200.00	\$250.00	\$250.00
Loan Summary				
Loan Amount	\$2,000.00	\$3,000.00	\$3,000.00	\$0.00
Mthly Loan Pymt	\$177.70	\$141.22	\$141.22	\$0.00
Total Loan Pymt	\$2,132.40	\$3,389.28	\$3,389.28	\$0.00
Tot. Interest	\$132.40	\$389.28	\$389.28	\$0.00
Eff. Annual Int. Rate	6.62%	6.49%	6.49%	n/a
Savings Summary				
Monthly Savings	\$22.30	\$58.78	\$108.78	\$250.00
Shares at Start	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00
Total New Savings	\$267.60	\$1,410.72	\$2,610.72	\$6,000.00
Estimated Dividends	\$40.01	\$114.32	\$150.32	\$252.00
Total Savings:	\$1,507.61	\$2,725.04	\$3,961.04	\$7,452.00
Increase in Savings:	26%	127%	230%	521%

NB: Analysis uses 1% per month Interest on reducing balance and estimated dividends of 3% annually

Scenario 1: Member borrows \$2,000 for 1 year and commits \$200 monthly, \$22.30 goes to Savings

Scenario 2: Member borrows \$3,000 for 2 years and commits \$200 monthly, \$58.78 goes to Savings

Scenario 3: Member borrows \$3,000 for 2 years and commits \$250 monthly, \$108.78 goes to Savings

Scenario 4: Member commits \$250 monthly with no loan, amount go straight into Share Savings



KNOW ABOUT FATCA

Frequently Asked Questions

1. What is FATCA?

FATCA is the Foreign Account Tax Compliance Act which is part of the Hiring Incentives to Restore Employment Act passed by the United States (US) Congress on March 18, 2010. The US Government has stated that FATCA is geared towards combatting tax evasion by US persons with US sourced income in Foreign Financial Institutions (FFI's) outside of the US.

2. Who is a US person?

The term "United States person" means a U.S. citizen (including dual citizens); a U.S. resident alien for tax purposes; a domestic partnership; a domestic corporation; any estate other than a foreign estate; Trusts:

1. That a court within the United States can exercise primary supervision over the administration of the Trust, and
2. Where one or more United States persons have the authority to control all substantial decisions of the Trust.

3. As a customer, how will FATCA affect me?

All customers will be subject to an electronic perusal of their account information. This perusal seeks to determine which accounts have US indicia. US indicia include whether a customer has US citizenship or permanent residency. It also includes the use of US address, Post Office Boxes and US telephone numbers. If these basic levels of indicia are identified, the customer will be required to disclose their legal name, address, and Tax Information Number (TIN). This information, as well as the account number, the account balance and the gross receipts and gross withdrawals or payments from the account will be sent to the IRS.

4. What is an FFI?

An FFI is a foreign financial institution, which is any non-U.S. entity that:

- Accepts deposits in the ordinary course of a banking or similar business,
- As a substantial portion of its business, holds financial assets for the account of others, or
- Is engaged (or holding itself out as being engaged) primarily in the business of investing, reinvesting, or trading in securities, partnership interests, commodities, or any interest in such securities, partnership interests, or commodities.

5. How will FATCA work?

FFIs would be required to register with the US Internal Revenue Service (IRS) and would be assigned a Global Intermediary Identification Number (GIIN). FFIs would be required to submit information on persons with US indicia who hold accounts with them or own over 10 per cent (10%) of an entity that has an account with the FFI, where the accounts are valued over US\$50,000.00

6. What are the consequences to customers for not disclosing the information required by FATCA?

Customers who do not disclose the requisite information to an FFI will have their accounts flagged as non-compliant. The FFI will be required to eventually close the account if the information is not received within a specified period of time. Until the closure of the account, a 30.0 per cent levy will be applied to any payment of interest, rents, royalties, salaries, wages, annuities, licensing fees, income, and profits derived from sources within the US.

7. When is the commencement date for FATCA?

The implementation of FATCA is slated for 1 July 2014. Customers holding accounts which predate the implementation date will be required to update their account information.

Please contact your financial institution for more information on the implementation of FATCA or visit: [http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-\(FATCA\)](http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-(FATCA))



CENTRAL BANK OF BELIZE

NOTICE

The Central Bank of Belize, in accordance with

Section 81 of the Banks and Financial

Institutions Act, in an effort to

ensure proper customer due

diligence, requires that customers

conducting certain transactions at a bank

or financial institution be identified

by **name, address, government-issued**

identification (passport, ID card) and other relevant information.



Customers may also be required to verify the source of all their funds.

All customers are subject to these requirements.



By Order of the
Governor
Central Bank of Belize



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CREDIT UNION LTD.

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VISION STATEMENT

St. John's Credit Union Ltd: The premiere membership driven, socially conscious financial institution delivering quality services.



MISSION STATEMENT

To be the most effective and efficient credit union, utilizing our human resources, assets, and technology to provide the best services and optimum returns to members while improving the socio-economic conditions in our community.



**Don't swim with the sharks.
Don't drift deeper and
deeper into debt.**

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St. John's Credit Union's new Pay Day loan service.



- ENJOY FLEXIBLE TERMS
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