

73rd

**ANNUAL GENERAL
MEETING**



St. John's
CREDIT UNION LTD.

safe saving ... smart borrowing

**ANNUAL REPORT
May 25th 2019**

**St. Catherine Academy
Multi-Purpose Mercy Center**

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, 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
Blessings and guidance
Through Jesus Christ Our Lord,
Amen.

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AGENDA

The 73rd Annual General Meeting St. John's Credit Union Limited

- 1. Meeting Called to Order**
- 2. Singing of the National Anthem**
- 3. Opening Prayer**
- 4. Recital of the Credit Union Prayer**
- 5. Moment of silence for deceased members**
- 6. Welcome Remarks - Mr. Alvan Haynes, President of Board**
- 7. Confirmation of Minutes - Reuben Gordon - Secretary**
- 8. Matters arising from the minutes**
- 9. Presentation of Reports**
 - Board of Directors
 - Supervisory Committee
 - Credit Committee
 - Treasurer's/Audit Report
- 10. Open Discussion**
 - Declaration of Dividends
 - New Business
 - Other
- 11. Call for Nomination of Officers**
 - Supervisory Committee – 1 Vacancy
- 12. Drawing of Prizes and Adjournment**

MESSAGE FROM THE PRESIDENT



A hearty welcome to all attending the 73rd Annual General Meeting of St. John's Credit Union. It is again my special privilege and great pleasure to welcome each of you – members, invited guests, officers, and staff. Please know that your attendance is really appreciated.

SJCU continued to transform and strengthen during the period from April 01, 2018 to March 31, 2019. I will talk about our achievements shortly, but first I must describe the changing and challenging environment we face.

Members, I want to start out by telling you that our credit union movement is challenged. The challenges come from multiple sources – the liquid commercial banks, the hustlers (payday loans, the loan sharks), large merchandisers (like Courts), powerful international regulations (AML, IFRS), and then, perhaps, worst of all, from some within our own membership.

The first challenge comes from the commercial banks, who having excess liquidity, have been targeting our membership with attractive loan rates and offers where no collateral is needed. They target members who they know have the capacity and established borrowing history. In a few minutes, I will tell you why getting members to accept such offers is a big win for them, but not for us, and definitely not for the members who accept such offers.

Secondly, payday loans and loan sharks have always been sniping at our members, offering quick and easy, but expensive and entrapping loans. Now the merchandisers who offer credit have joined in, trying to attract members by offering quick and easy loans! Members, I urge you to always do the math before agreeing to take on such loans, many of which will result in you paying interest rates well in excess of 25% or even 50% on an annual basis!

Thirdly, with respect to challenges, there seems to be a continuing stream of newer tougher regulations, mostly originating from the world's more powerful nations. On top of the Anti-Money Laundering/Counteracting Financing for Terrorism (AML/CFT) and monthly regulatory reporting requirements, we now have the new International Financial Reporting Standards, in particular IFRS9, which will require much more stringent treatment of delinquent loans. Last year, we reported on the closure of Civil Service Credit Union and the losses and concerns this caused. This year, the Belize financial sector has seen the closure of two international banks, with at least one caused

“We commit to continue growing to be there providing unparalleled services and a financial safety net to our members into the future.”

due to restrictions placed on it by external regulatory agencies. Please note that SJCU supports the implementation of tougher and more rigorous standards to help with protection of members' savings and the credit union movement in general. However, implementing such new regulations come at a significant cost which includes training, additional staff, additional computer software systems and new and more complicated procedures, which often annoy members. Anyone who has tried to move money internationally will know what I am talking about.

Finally, sad to say, the one that hurts us the most is delinquency from our own members which continues to plague us and almost all other credit unions. At March 2019, our delinquency rate was 7.66%. We continue to offer understanding and support to members who experience serious situations and must commend those who come in to inform us of adverse changes which affect their ability to repay; we will

willingly work with such members. The other 'hard-pay' members cost the credit union and reduce the earnings, and therefore the dividends and rebates to all the rest of us. I therefore implore each of you to remind all borrowers of their obligations – a credit union is a cooperative – part of our success is cooperating, which includes living up to our commitments.

Having said all that, please let me reassure you that SJCU, and the credit union movement as a whole, remains strong. I remind you that the Central Bank of Belize, as the Regulator of Credit Unions, publishes quarterly reports on the active credit unions so that everyone can easily verify the stability of these credit unions, your credit union included. Furthermore, the Board of Directors and officers of SJCU continue to be diligent in executing our fiscal and fiduciary responsibilities, including reporting to, and liaising with, the regulator, to ensure that our SJCU meets the required safe operating parameters as defined by both the Central Bank and the World Council of Credit Unions.

Despite all these challenges mentioned, SJCU had another very successful year.

We are pleased to report that SJCU has met and exceeded the required Net Institutional Capital ratio of 10%. Also, we have maintained our full loan loss provisioning throughout the year, even though this has reduced our earnings. However, by ensuring full compliance, we ensure the strength of our credit union and security of members' funds, which we all must realize is of paramount importance.

Our Strategic planning execution continues to expand and develop our credit union. Our new North Side branch has been operating for more than a year. The one sore point was the ATM, which, though received in May last year, appears to be too new and modern to integrate into the network of older ATM's. We are hoping to have this issue solved shortly.

We continue to update our Strategic Plan and execute various strategic initiatives. We continued the strengthening of our institutional capacity, designing new loan products, planning marketing activities, revising policies to better meet your needs, and ensuring operational efficiency. All of



these combined are helping to make us better prepared for further growth and development.

After performing an in-depth analysis of the important changes we need to make, we tackled the most fearsome one – the change-out of our core computerised banking and members system. With really outstanding teamwork and support from officers and staff alike, we achieved this major task in record time, with the change-over occurring at the end of February 2019. This new system will support us in offering many new services and features to you our members, including a much improved on-line interface, and for the first time in Belize for a credit union – mobile banking! I am sure many of you here are already taking advantage of this new feature.

We are pleased to report that for the year 2018/19, we have grown in membership, assets and in loan portfolio; we have maintained profitability, increased institutional capital, controlled delinquency, lowered interest rates and improved dividends.

Apart from helping us to reach the targeted Net Institutional Capital, our strategy has led to continued high growth - in the seven years of execution since 2012, we have increased membership 57.6%, Shares by 134.9%, Assets by 137.7%, and Loans by 173.5%. This year's gross income shows a .30% increase over the previous year's, and an amazing 127.4% higher than the 2012 revenue figure! Staff, Officers and members deserve congratulations for these outstanding results.

The Board of Directors of SJCU continues working, in conjunction with the regulator, to ensure that our SJCU meets all safe operating parameters. Monitoring and compliance continue to be key areas of focus. Our Supervisory Committee, aided by the Compliance Officer and Internal Auditor, continue to monitor operational activities in order to ensure our compliance to regulations and policies to safeguard our institution.

The Loans department and the Credit Committee continue to drive the earnings side of the activities of the credit union, processing an increased number of loans

and analysing member's needs.

We are pleased to have commenced offering lower, more competitive rates on our loan products, including consolidation loans.

Before I close, let me go back to the explanation I promised on why members who switch to other institutions are making a losing decision. It is simply this, with those institutions, you can't have your cake and eat it too. As our own Ms. Brenda Armstrong explains in one of our promotional videos, those other institutions are there with a primary purpose of making money off you. Their evil genius plan is to take as much of your money from you as they can, leaving you worse off at the end of the day.

Well, here is perhaps the world's best kept secret - with the magic of your credit union, you can actually have your cake and eat it too! It's as simple as this – with your credit union, we advise you to continue to save. Rather than withdraw your shares when you need extra funds, you borrow and continue to build up your shares, even if more slowly. Annually, you get back dividends and rebates. At the end of the day, your savings have grown and you have earned additional funds! When you borrow from other institutions, you pay always, earn nothing, and end up with a zero balance! Tell me, which one makes more sense?

Members, I urge you to share this secret with your family, your friends, your co-workers and others. This secret is just one part of the credit union advantage – the other includes the many free and supportive services we offer.

At SJCU, we recognize the critical role that our credit union plays in bringing financial services to many who would not otherwise get such services. Apart from providing banking services and loans to members, we provide a platform for members to save and invest, providing returns in the form of dividends and interest, but more importantly providing many other benefits, including free financial advice and guidance to encourage members to grow their savings and assets. Since our establishment in 1946, SJCU has continued to grow in



Alban L. Haynes
President
Board of Directors

membership, in services, and in attitude, providing **“safe savings ... smart borrowing”** to generations of Belizeans. We commit to continue growing, to be there providing unparalleled services and a financial safety net to our members into the future. We thank those thousands of members who save and utilize the credit union services to their advantage. We especially thank those of you, who continue to be active in participating in the Credit Union – at AGMs, using the various services offered by the credit union, and most importantly, providing feedback, so we can improve further.

As always, I take this opportunity to commend the dedicated efforts of officers and staff. I also take this opportunity to extend a special welcome to all our new staff and all our new members who have joined us since last AGM.

I thank you all for attending. Members, we thank you for your continued support, which helps to guarantee the continuing success of St. John's Credit Union, our Credit Union.

MINUTES OF THE 72ND AGM



MINUTES OF THE 72ND ANNUAL GENERAL MEETING OF ST. JOHN'S CREDIT UNION LIMITED HELD AT THE MERCY MULTIPURPOSE AUDITORIUM IN BELIZE CITY ON 26TH MAY 2018

The meeting was called to order by the Mistress of Ceremonies, Mrs Daisy Dawson at 10:50 am, followed by the singing of the National Anthem. Ms Brenda Armstrong was then called to lead the meeting in prayer. The prayer session ended with the recital of the Prayer of St. Francis of Assisi and the observance of a moment of silence in honour of those members who passed during the last year.

WELCOMING REMARKS

After welcoming all to the 72nd Annual General Meeting of St. John's Credit Union Limited (SJCUC), the Mistress of Ceremonies recognized the presence of personnel from the Belize Credit Union League and sister Credit Unions – HRCU, St. Martin's, La Inmaculada, Blue Creek and SFXCU and introduced the President to make his opening remarks.

The President welcomed all to the 72nd Annual General Meeting of SJCUC and expressed his appreciation to

those members who have made special efforts to attend their credit union's AGM from year to year. He referred to the challenges facing credit unions today in the financial market, citing the commercial banks, loan sharks and short term high interest money lenders as the culprits who are continually trying to entice credit union members away from their credit unions only to offer them a temporary financial fix and nothing else. Alluding to a sister credit union that failed lately he assured members that the status of that credit union was not typical of others in the credit union movement and asserted that the movement remains strong and financially sound under the supervision of its regulator/supervisor, the Central Bank of Belize which extracts and publishes data on credit unions in Belize routinely for public consumption. At this point he noted that St. John's continues to grow and remains strong and viable occupying a prominent position among sister credit unions.

Continuing on the matter of challenges faced by credit unions, the President touched on delinquency and denounced the behaviour of members who borrow from the credit union and refuse to repay. He explained that those are the members who help to break the credit union, not recognizing that they contribute to the demise of their credit union since the institution must take from its earnings to provision for bad debts brought about by delinquent members. He took this opportunity to encourage delinquent members to start repaying their loans, and those experiencing financial difficulties to come in to the office to discuss their situations.

Newer and possibly tougher financial regulations being imposed by the regulator to strengthen credit union operations in Belize were also cited as challenges to the national credit union movement under which all credit unions will have to strive to survive. Those mentioned included the Anti-Money



PROFITS INCREASED BY

214%

Laundering/Countering Financing for Terrorism and monthly regulatory reporting requirements which are already in place; and still to come: International Financial Reporting Standards which will impact the way delinquency is managed.

He was pleased to report that SJCUC has met and maintained the required Net Institutional Capital ratio of 10% as well as full Loan Loss Provisioning throughout the past year even though this has reduced our earnings.

He spoke of the credit union's Strategic Plan which is being implemented, noting the new initiatives in planning, institutional strengthening, marketing and new products designs, and cited the new North- Side Branch which was opened in March, 2018 as the most significant achievement under the Strategic Plan. Commenting on the North-Side Branch he observed that after only six weeks of operation the branch attracted 88 new members with savings totalling \$77,000, processed 521 transactions valuing 1.6 million and disbursed 543 new loans with a value of \$550,000. Speaking of overall achievements of the Strategic Plan since its inception in 2012, he presented the following statistics to illustrate how the credit union has grown and developed:

Membership increased by 50%
Shares increased by 117%
Assets increased by 120%
Loans increased by 167%
Profits increased by 214%

He acknowledged the hard work of the BOD who worked closely with the regulator to ensure compliance and soundness within the operations and overall existence of SJCUC as a viable financial institution which remains strong and capable of meeting the needs of all of its members. He also spoke of the vital role played by the Credit and Supervisory Committees in building

a healthy loan portfolio where the threat of reduced profitability is minimized through deliberate and systematic positive and effective interventions.

Commenting on services provided by SJCUC to its members the President added that members not only get access to loans for the various purposes, but they also get free guidance and financial advice as well as opportunities to save to build their financial assets and to invest and receive returns in the form of interest and dividends.

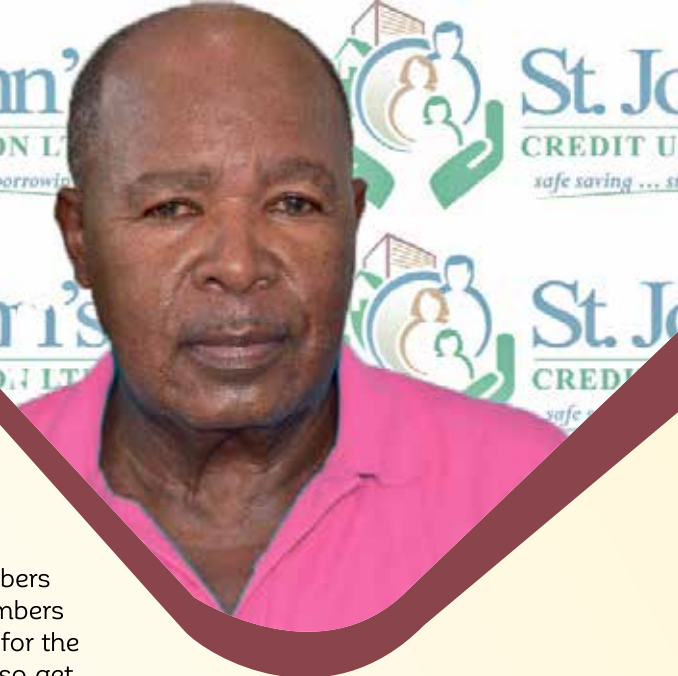
In closing he promised members that SJCUC will continue to grow in stature and services to be there providing unparalleled services and a financial safety net to all our members into the future. He thanked especially those members who utilized the credit union's services and participated in credit union activities. Words of thanks were also extended to staff and officers who were also commended for their dedication. He also thanked those new staff and members who joined SJCUC since the last AGM.

CONFIRMATION OF MINUTES

The Minutes of the 71st Annual General Meeting of St. John's Credit Union Limited held at the Mercy Multipurpose Auditorium in Belize City on the 20th May, 2017 was presented by the BOD Secretary, Mr. Reuben Gordon. There having been no correction to the Minutes Mr Ronald Stuart, seconded by Mr. Barris Savery moved for acceptance of the Minutes as presented.

MATTERS ARISING FROM MINUTES

The presentation of the Minutes drew the following questions/comments



Reuben Gordon
Secretary
Board of Directors

from the floor:

1) "Every year the AGM booklet is late, and as a result members do not have enough time to read and digest the reports."

2) "Meetings are not well attended because enough efforts and interest is not put into publicising the meeting to the membership."

3) "We need to strengthen the Marketing and Services Department."

4) "Do you have a Legal Department? If we don't, it is time to set up one."

5) "The Minutes should be read and not just highlighted, considering that there may be members in the audience who are unable to read."

MINUTES OF THE 72ND AGM

REPORTS

Board of Directors:

This report was presented by the President, Mr. Alvan Haynes, who began by welcoming all to the 72nd Annual General Meeting of St. John's Credit Union Limited and listing the following persons who served on the BOD during the past year:

Mr. Alvan Haynes

President

Mrs. Valerie Jenkins

Vice-President

Mr. Reuben Gordon

Secretary

Mrs. Elsie Sylvester

Treasurer

Ms. Vonetta Burrell

Alt. Secretary

Ms. Brenda Armstrong

Member

Mr. Barry Smith

Member

Looking back on the activities of the past year, he noted that in spite of the many challenges, the hard work of the staff and officers backed by the loyalty and support of our members,

challenges were turned into opportunities and SJCUC was pleased to report another successful year of operation as the figures to be presented later in the meeting would illustrate.

He said that SJCUC was mindful of the challenges within the financial market such as competition from banks and lending agencies, delinquency and demands of new statutory regulations within the industry; and developed and implemented strategies which promoted efficiency and enhanced profit: for example, strengthening our Credit Control Department, revising interest rates, development of new loan products, office expansion and marketing campaigns.

Citing delinquency as the biggest threat to any financial institutions, he noted that our Credit Control Department continued to work hard to maintain delinquency at an acceptable level. He mentioned that last year in spite of the negative impact of delinquency on our profits, operations yielded a net profit of 3.1 million which was 34% more than the previous year after loan loss provisioning which took away a sizable portion of our earnings. He also observed that the credit union's Net Institutional Capital has reached the 10% threshold which is the accepted statutory level. Commenting on the credit union's profitability he listed the saturated money market and falling interest rates as factors which have impeded growth in revenues in respect to the credit union's financial investments.

He presented figures from last year's financial report to illustrate the overall growth of the credit union during the past year:

Assets grew by \$4M or 5% to \$84M

Shares increased by \$3.3M or 6.4% to over \$56.6M

The Loans Portfolio experienced a 3.5% or \$2.1M decline to \$59.3M

Membership stood at 26,259, an increase of 3% or 777

He reminded members that the existence of SJCUC and the continued progress and growth we experience from year to year did not just happen: it came about through the implementation of strategic plans, and deliberate efforts of officers and staff backed by the willingness and loyalty of our members who opted to stay with and do business with their credit union, thus helping it to grow and develop the capacity to provide more and better services to its membership.

Continuing, the President spoke of the activities and the operation of the credit union during the past twelve months.

OUTREACH:

He mentioned two entities which SJCUC continues to recognize as its major partners in development. These are the Belize Credit Union League and the Central Bank of Belize. These two agencies, from year to year played a significant role in the growth and development of credit unions in Belize, providing supervision and guidance in the form of regulating the movement and providing relevant training for personnel who work in the industry. Each year SJCUC and other sister credit unions benefit from the various training programs and sessions offered by the League and the Central Bank. They also look to these institutions for help and guidance during times of difficulties and uncertainty. SJCUC and

others in the credit union movement continues to look forward to the positive working relationship with these bodies, which has been forged over the years.

He added that SJCUC also impacts the wider Belizean community through its High School Scholarship Program which has been in place for some years now, and which currently has under its sponsorship four (4) students enrolled at three high schools in Belize. The credit union also participated in the annual Father Marion Ganey Quiz Competition and made donations to several worthy causes.

TRAINING:

The President described training as crucial to the development and success of the credit union and noted that SJCUC spared no efforts to provide training for staff and officers. Sessions held included in-house training to sharpen work skills and workshops and seminars in Credit Union Operations, Governance, Management and Regulations. SJCUC also participated in the Belize Credit Union League's training sessions conducted at its annual convention held in Belize City last October.

NEW PRODUCT:

In its marketing strategy SJCUC not only runs ads, but constantly researches for new products to try to satisfy members' borrowing needs. A new product soon to be available to members is one that targets members who wish to consolidate their loans and is aimed at softening the burden of loans to members who are servicing more than one loan facility at the credit union at the same time.

STAFFING:

On the matter of staffing he acknowledged that SJCUC had a staff complement of forty three (43) which included a General Manager, Assistant GM and three Branch Managers who supervise some forty other staff members as listed below:

- 1 Accountant**
- 1 Assistant Accountant**
- 1 Credit Control Supervisor**
- 1 Internal Auditor**
- 1 Compliance Officer**
- 2 Member Services Representatives**
- 1 Payroll Officer**
- 3 Office Assistants**
- 8 Loan Officers**
- 1 Loan manager**
- 14 Tellers**
- 3 Credit Control Officers**
- 1 Legal Officer**
- 1 Bailiff**

He added that during the past year there were two new additions to existing staff, which was caused by one resignation in Dangriga and one termination at the Belmopan Branch.

NEW NORTH-SIDE BRANCH:

Commenting on the new North-Side Branch of SJCUC, he rated the credit union as one of Belize's most formidable that has impacted the lives of many Belizeans and one that needed to grow in order to remain competitive. Such growth he said, created demands for additional space and facilities; and as the debate went on over how to grow and develop SJCUC the concept of a North-Side office of SJCUC was born; and this concept became a reality when work began on the remodelling of the old Belize Bank building at the Uno Gas Station compound on the George Price Highway opposite

to Courts in mid-November, 2017. The new North-Side office opened for business on the 19th March, 2018 and held its inaugural ceremonies on the 26th March, 2018 to the delight of members and the general public.

The President viewed the opening of the North-Side office as crucial to the future existence of SJCUC

since it immediately reduced the challenges that were being faced in respect to office and storage spaces ,easy access and most important, the ability of the credit union to generate increased revenues for the benefit of its members.

CONCLUSION:

In closing he told the membership that we could look back to the past year with pride since we have achieved our year-end goal of increased profits and our dream of a brand new North-Side office that is second to none in the business. He then complemented and applauded his fellow BOD members, staff, Officers and Management for their dedication and hard work which helped to see the credit union through another successful year, and the loyal and wonderful members for doing business with their credit union.

SUPERVISORY COMMITTEE:

This report was presented by Committee Chairman, Mr. Keith Westby. He commented on the faithfulness of his committee in carrying out its duties which included the monitoring of the operations of St. John's Credit Union to ensure compliance with policies and procedures and regulations set out by the Regulator, the Central Bank of Belize. He noted that compliance was the main focus of the committee's activities and listed a number of initiatives that was taken along this

MINUTES OF THE 72ND AGM

line: for example, the modifying of SJCU's Membership application Form and the launching of a Know Your Member Campaign.

Speaking on the matter of delinquency he acknowledged that non-performing loans and a delinquency rate at 8.3% was a concern of the Committee which motivated it to work closely with the Credit Control Department in its efforts to try and reduce delinquency to a more acceptable level within the PEARL standards. He took the opportunity to encourage members to push known delinquent members to go into the credit union and redeem themselves by discussing their situations and be advised as how to make good on their payments.

Continuing, he explained the work routine followed by his committee, which included announced and unannounced inspection visits to all branches at which time checks were made on individual transactions as well as on records concerning loans, disbursements, policies and

procedures.

In closing the Chairman was pleased to report that the credit union's records were properly maintained and that policies and procedures were adhered to. He commended the staff and officers of SJCU for their hard work and dedication and thanked members for their unwavering support which was essential to the current and future success of St. John's Credit Union.

CREDIT COMMITTEE:

This report was presented by Committee Chairman, Mr Victor Guerrero. He said that during the year under review a total of 24,713 loans with a total value of \$23.009 million were issued and that this figure represented a deficit of 2.1 million when compared with the performance of the previous year. He observed that among the category of loans disbursed Personal Loans had the highest dollar value followed by Fastline and Christmas Loan in second and third places respectively. A table was presented to illustrate in more details the disbursement of loans throughout the four branches of SJCU.

He spoke of the challenges which the credit union faced during the past year, and cited the main one being the strong competition posed by the banks which were locked in a campaign to entice members to do business with them and benefit from their lower lending rates. Another challenge mentioned was the balancing of the risk factor in lending to members who were on the margin of overexposure but wanted the financial help.

Mr. Guerrero mentioned his other two colleagues, Miss Lisa James and Mr. William Tillett who made up the Credit Committee and informed that they met every Wednesday as a group and sometimes travelled to Belmopan and Dangriga to consider loans when the situation warranted it. He noted that loans were considered in an equitable and objective manner and that they gave counselling to members whom they found to be in need of financial guidance.

In closing, he thanked the other committees of the credit union for their cooperation and support during the past year. He also thanked management and staff, especially the loan officers who were instrumental in the processing of the loans to members in a timely and efficient manner

TREASURER'S REPORT:

The Treasurer's Report was presented by the Treasurer, Mrs. Elsie Sylvester. She said that the financial goal of the past year was to meet targets which included the achievement of our 10% Institutional Capital which was met. She added that SJCU's Operating income for 2017-2018 was \$7.497M which represented an increase of 12% or \$6.674M over the previous year's figure. Gross profit was \$4.041M, 18% more than last year's figure of \$3.345M. Net profit was \$3.131M, an increase of 34% over last year's figure of \$2.336M. Loan Loss expense was \$0.911M compared to \$1.099M of the previous year. She observed that the average interest rate for last year on fixed deposits was 1.8% and that the financial market was experiencing excess liquidity and financial institutions were in aggressive competition for survival.

Commenting on strategic changes she noted that the credit union's loan portfolio showed a

small decrease of about 3.5% while membership increased by 3% to a total of 26,659. The decrease in the loan portfolio she said, was due to the stiff competition in the money market. In other areas of development she informed that SJCUC will participate in the new National Payment System and was in negotiations to purchase and install a new and more efficient core banking system from a supplier in the USA named Sharetec.

ATM services:

She reported that the ATMs in Belize City and Belmopan continued to provide reliable services to members and that a third ATM would soon be in service at the new North-Side office in Belize City. She added that during the year in review our ATMs serviced a total of 101,217 transactions with a total value of \$14.9M which was \$2.7M more than the previous year.

She reported that SJCUC was working hard towards becoming fully compliant with credit union and Central Bank of Belize regulations, and to this end has hired a Compliance Officer. She was happy to announce that SJCUC has reached its set goal of 10% Institutional Capital and was fully provisioned for Loan Loss with a total figure of \$0.911M which was below the previous year's total of \$1.099M.

Burial Scheme:

She reported that during the past year, 55 members died but unfortunately only 43 of those deaths qualified and received insurance benefits. Total benefits paid out from the scheme amounted to \$209,243, leaving a balance of \$531,756 in the fund.

Conclusion:

In closing, the Treasurer pledged that SJCUC would continue the hard

work which has brought the credit union success over the past year and which would continue to bring bigger profits and benefits to members of SJCUC in the years to come as we continue to revise, execute and monitor our Business Restoration Plan to ensure that the union's targets are met and its capacity to grow and survive in the current financial landscape is maintained. Finally she thanked fellow officers, staff and members for their loyalty, hard work and support.

QUESTIONS ON REPORTS:

After the presentation of reports questions from the floor were entertained. Below is a record of the questions and suggestions which came from members:

1. "An access ramp is needed at the North-Side branch".

Response: "This is under consideration and one will be installed."

2. "Is there any plans to provide additional assistance to students besides the High School Scholarship Programme?"

Answer: "SJCUC has in place a special loan product that targets tertiary level students and has recently launched a Back-to School loan product which aims at promoting access to high school. There is also plans to revamp and expand the High School Scholarship Program".

3. "Are we looking at lowering our lending rates in order to better compete with the banks?"

Answer: "This is a major challenge which we have to address immediately."

4. "We need to pursue delinquent members more rigorously."

Response: "There are immediate plans to strengthen and expand our Credit Control Department."

5. "We need to get members involved in the processes of fighting delinquency."

6 "Why do some Business Loans take so long to be processed?"

Answer: "These are usually our bigger loans and according to loan policies, require more time to conduct due diligence before disbursement."

7. "Is there anything being done to keep members from going to the banks for mortgage loans or to discourage members from seeking loan Buy-Over by banks?"

Answer: "We are planning to revise lending rates with a view to lower them to make our current rates competitive with the banks."

8. "SJCUC seems to be increasing interest rates instead of reducing them."

Answer: "Interest rates may vary on some types of loans depending on risk factors and duration or life of the loan."

9. "If the amount paid out as death benefit is an even \$5,000 per claim why do the balances always show an uneven or odd figure?"

Answer: "This is because sometimes the benefit package is shared among multiple beneficiaries."

ACCEPTANCE OF REPORTS:

At the end of the Question/ Answer session motion for acceptance of the reports was made by Mr. Moshae Smith and seconded by Mrs. Margaret Mc. Kenzie.

MINUTES OF THE 72ND AGM

DECLARATION OF DIVIDEND:

Based on the profit derived from the 2017-2018 operations the following dividend was proposed and accepted:

- 2% on Regular Shares**
- 4% on Mandatory Shares**
- 3.5 % Rebate**

Motion for acceptance of the dividend was made by Mr Charles Ramsey and seconded by Mr Moshae Smith.

NEW BUSINESS:

1. It was suggested that the next AGM be held in Dangriga.
2. One member wanted to know the total cost of the North-Side Branch. He was told that the figure was near to \$700,000. The same member wanted to know whether the building contractor selected to do the construction was selected through the tendering process. The answer was “no”, and this was because the contractor hired worked for the credit union before and he was found to be competent, reasonable and skilled in building banks.

ELECTIONS:

Elections were held to fill the following vacancies on committees:

- BOD** 2
- CREDIT** 2
- SUPERVISORY** 1

Elected to the BOD were: Mr. Alvan Haynes and Mr. Barry Smith.

Elected to the Credit Committee were: Mr. William Tillett and Ms. Margaret McKenzie.

Elected to the Supervisory was: Mrs. Sharet Shepherd.

PRIZES:

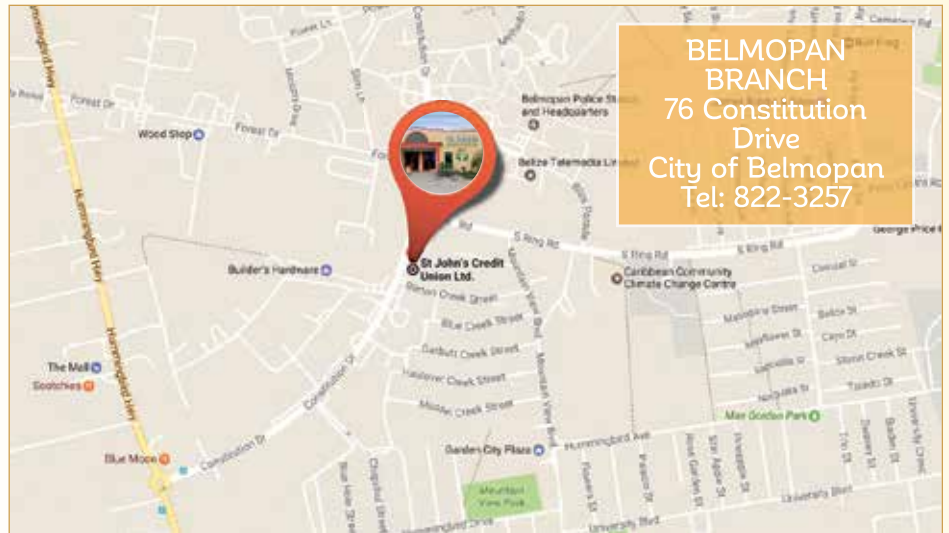
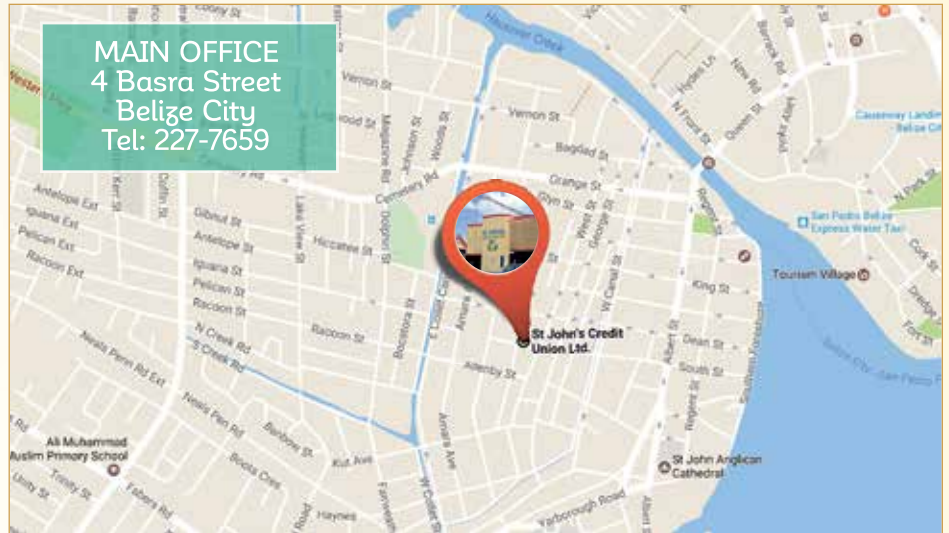
The following is a record of prize winners:

<u>NAME</u>	<u>PRIZE AMOUNT</u>
Yolanda Cain	\$1,000.00
Cathrine Garnett	\$500.00
Kristen Eusey	\$500.00
Faith Flores	\$500.00
Sherlene Gornett	\$250.00
Ramona Horeg	\$250.00
Wilhem White	\$250.00
Rosalina Pixabaj	\$250.00
Landon Smith	\$150.00
Northa Gornett	\$150.00
Francis Merin	\$150.00
Shelmadine Neal	\$150.00
Miesha Brannon	\$150.00
Dahne Fernera	\$150.00
Renita Coleman	\$150.00
Rosita Casimro	\$150.00
Candice Cherrington	\$150.00
Rosita Tait	\$150.00

ADJOURNMENT:

The 72nd Annual General Meeting came to a close at 3:50 p.m. on a motion by Mrs Jean Olivera that was seconded by Mr Arnold Zuniga.





REPORT OF THE BOARD OF DIRECTORS

**FOR THE PERIOD,
APRIL 1st 2018 TO
THE 31st MARCH,
2019**

On behalf of the Board of Directors, a warm welcome is extended to our members, invited guests, sister credit unions and friends to the 73rd Annual General Meeting of St. John's Credit Union Limited and is pleased to present its report for the period: 1st April, 2017 to 31st March, 2018.

Serving on the Board of Directors for the past year were:

Mr. Alvan Haynes - President
Mr. Barry Smith - Vice President
Mrs. Elsie Sylvester - Treasurer
Ms. Brenda Armstrong - Secretary
Ms. Vonetta Burrell - Alt. Secretary
Mr. Reuben Gordon - Director
Mrs. Valerie Jenkins - Director

Despite the increasing intensity of competition in the financial sector during the year under review, St. John's Credit Union (SJCUC) was able to stay on course and emerge successful, as the figures to be presented later in this meeting will attest. This was only possible

because of the combination of hard work, collaboration and good planning among staff and officers on one hand and the loyalty and confidence in SJCUC demonstrated by members on the other. Today, we stand as a proud member of the Credit Union movement to celebrate with you our members, the success of those efforts.

The Board of Directors faithfully met on a monthly basis and focused its efforts on developing sound strategies and guiding the implementation of options which were in the best interest of our members and the growth and development of our Credit Union. Even with the dedicated efforts of our Credit Control Department, one of the primary challenges faced during the year was delinquency, a problem that unfortunately delivers a double punch to our profits. Delinquency affects us first through the loss of revenue from unpaid interest and takes away again when the credit union has to comply with the requirement of making provision for such loans. SJCUC did all of this and we are still able to report a net profit of 2.62 million dollars for the year just ended. This figure represents a decrease of 16% when compared to last year's earnings.

In addition, SJCUC is fully provisioned for loan losses, and our Net Institutional Capital meets the statutory level of 10%. Unfortunately, revenues from our financial investments remained stagnant, since the financial climate is still not encouraging the payment of higher interest rates on fixed deposits. As will be seen from our Financial Report, SJCUC experienced growth in the following categories over the past year: Assets now stand at over \$92 million, an increase of \$8 million or 9.5%, Shares grew by \$4 million or 7.1%, is now \$60.6 million, and membership by 5.2% to 27621.

The existence of SJCUC and the continued progress we experience from year to year did not just happen by magic: it came about through the implementation of strategic plans and deliberate efforts of officers and staff backed by the willingness and loyalty of our members who opted to stay with, and do business with their credit union. Heartfelt appreciation is expressed



**MEMBERSHIP
GREW BY 5.2% TO
27,621**

to all of you, our valued members. The Board encourages each of you to stay loyal and continue to do your business with SJCUC thereby helping your credit union to experience even greater successes and provide more and better services and benefits which only you, its members, can enjoy.

OUTREACH

Having established a good rapport with a number of partners, agencies and institutions, St. John's Credit Union maintained those connections during the past year by continuing to work with these entities in the interest of mutual growth and development. SJCUC recognizes the Belize Credit Union League and the Central Bank of Belize, our regulator, as two of its major partners in development and looked to them for guidance and cooperation. Throughout the year, these two institutions played an important role by facilitating and sponsoring training sessions, workshops and seminars that enhanced the credit union's training and education programs for staff and officers. The credit union also benefitted from the professional advice and wise guidance given by our partners.

SJCUC continued to fulfil its social

responsibility to the wider Belizean community through its High School Scholarship Program which has been ongoing for some years now. Currently there are four students enrolled in three high schools in Belize under this program. The credit union also provided financial support for and participated in Primary School projects such as the annual Father Marion Ganey Quiz competition, a strategy aimed at teaching the importance of saving to Primary School students. The credit union also faithfully made donations to several worthy causes during the year under review.

TRAINING

Your Board of Directors, aware of the positive impacts of training on the development and success of an institution such as ours, spared no effort in investing time and resources in education and training for staff and officers. During the past year, SJCUC personnel attended virtually all the training opportunities which were offered by our partners to expose our staff and officers to relevant professional training. These training events ranged from in-house training to sharpen work skills to workshops and seminars in credit

union operations, governance and management. One of the most popular training events was in Anti-Money Laundering (AML), while other areas of training included Product Development, New Core Banking Systems, Credit Union Operations and Governance. SJCUC also benefitted from full participation in the Belize Credit Union League's training sessions conducted at its annual convention held last October.

MARKETING AND NEW INITIATIVES

One of the departments of the credit union that was given increased prominence during the year was the Marketing Department. In addition to investing in new personnel, SJCUC stepped up its marketing strategies through the use of radio, television and social media. Those who have visited our SJCUC Facebook page were kept abreast of developments at the credit union and have benefitted from sound financial advice, especially the ones delivered by our dynamic duo who host Financial Advice Fridays. A new Consolidated Loan product was launched and many members benefitted from servicing more than one loan facility with the credit union while the lessening of their financial burden in loan payments.



REPORT OF THE BOARD OF DIRECTORS

A major undertaking that was funded by SJCUC and involved our entire organization was the transition to a new core banking system. With effect from the first week of March, SJCUC moved into the use of the Sharetec system, which will afford our institution access to several new technologies including but not limited to mobile banking, branch accounting, online banking and cheque writing. The Board of Directors is indebted to the Sharetec team, under the leadership of the Vice President, Mr. Barry Smith, for their dedication in seeing this initiative through from beginning to end.

STAFFING

SJCUC currently has a staff complement of 48 persons. At the 31st March, 2019 our staff personnel were as follows:

- 1 General Manager
- 1 Assistant General Manager
- 3 Branch Managers
- 1 Accountant
- 1 Assistant Accountant
- 1 Credit Control Supervisor
- 1 Internal Auditor
- 1 Compliance Officer
- 2 Members Services Representatives
- 2 Receptionists
- 1 Records Clerk
- 1 Payroll Officer
- 3 Office Assistants
- 8 Loans Officers
- 1 Loans Manager

- 1 Marketing Officer
- 1 Marketing Assistant
- 13 Tellers
- 3 Credit Control Officers
- 1 Legal Officer
- 1 Bailiff

During the past year, there were several additions to staff as a result of strategic growth, terminations and resignations. New staff included: Credit Control officers – Mr. Elvis Lopez and Mr. Ashton Nicholas, Bailiff – Ms. Carlene Meighan, Marketing Officer – Ms. Tanisia Leslie, Ms. Monisha Stuart – Receptionist, Ms. Monique Francis – Teller, Ms. Elena Sho – Teller, Lashay Bennett – Office Assistant.

CONCLUSION

As we look back at the past year, there is much for us to be thankful for and proud of. The Board of Directors expresses sincere gratitude and appreciation to our competent and dedicated staff at SJCUC who have helped to see our credit union through yet another successful year. For all the little things you do, for going the extra mile, we thank you. Equally significant is the pride we have for you, our faithful members, without whom SJCUC would not be able to claim a successful year. In concluding, we say thanks to our General Manager, Managers and all Officers for overseeing and guiding the union's operations. Together, let us move forward in commitment to the advancement of our beloved St. John's Credit Union.



BOARD OF DIRECTORS



ALVAN HAYNES
President

SERVING TWO MORE YEARS



BARRYMORE SMITH
Vice President

SERVING TWO MORE YEARS



BRENDA ARMSTRONG
Secretary

SERVING ONE MORE YEAR




ELSIE SYLVESTER
Treasurer

SERVING ONE MORE YEAR



VONETTA BURRELL
Director

SERVING ONE MORE YEAR



VALERIE JENKINS
Director

SERVING ONE MORE YEAR



RUEBEN GORDON
Director

SERVING ONE MORE YEAR

SUPERVISORY COMMITTEE REPORT

ST. JOHN'S CREDIT UNION LTD.
APRIL 1, 2018 TO
MARCH 31, 2019

St. John's Credit Union (SJCUC) experienced steady growth of 9.5% in its asset and 2.4% in the loan portfolio while coping with challenges during the year; one of such, transitioning to the new Sharetec core banking system. The Central Bank, in its regulatory role as Registrar of Credit Unions, continued to monitor our institution, placing great emphasis on compliance and sustaining an embedded culture of compliance. During the year 2018-2019 we implemented several compliance initiatives including focussing on sensitization of the Know Your Member (KYM) campaign – a Member Identification Program (MIP), laying out the common reporting standards (CRS) for tax compliance purposes and sensitizing the staff with continued in-house training on practising and adhering to the compliance culture of the institution. These initiatives have allowed member services to easily vet new members and assist with loan applications. With the advent of compliance dictating the order of the day on how we do business with our members, it is imperative that we embed the compliance culture across all aspects of operations whilst interacting with our members. This is the ultimate goal and challenge we aim to achieve not only in compliance but with the addition of the new core banking system from

Sharetec that has brought more efficiency to yield in the combat of delinquency as credit control seeks new strategies to lower the delinquency rate of

the institution.

Non-performing loans and the level of delinquency continue to be areas of concern and as a result, the Supervisory Committee in its meetings and reviews continued to monitor the delinquency ratio position. The delinquency rate has improved and went from 8.3% to 7.7% (964 loans) 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, related parties 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 says 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

SERVING ONE MORE YEAR



SHARETT SHEPHERD
Secretary/
Member

SERVING TWO MORE YEARS



ERNEST SABAL
Member

TERM ENDS TODAY



CANDY BROWN
Member

SERVING ONE MORE YEAR



RASHIDA WILLIAMS-CASTILLO
Member

SERVING ONE MORE YEAR

CREDIT COMMITTEE REPORT

**FOR THE PERIOD,
APRIL 1, 2018 TO
MARCH 31, 2019**

During the period April 1, 2018 to March 31, 2019 loans disbursement amounted to \$29.346 million. The loan portfolio was increased by \$1.181 million as compared to March 2018. These increases were reflected in Residential, Personal and Vehicle loans which represents the highest 3 growth in the portfolio.

In 2019 when the Fiscal year came to an end the Credit Union saw a growth which was good but could have been better. We were challenged when we lost some of our facilities to other lending institutions which offered attractive packages sufficient to provoke our members to choose their institutions to do business. I would like to express our gratitude to those dedicated members who continuously strive to make our Credit Union successful.

The Credit Committee is comprised of 3 members, Ms. Margaret McKenzie who sits as Chair of the Committee, Mr. William Bill Tillet and Mrs. Lisa James.

The Credit Committee met on a regular basis throughout the year to allow members who submitted loan applications an opportunity to be heard. It is through this process we were able to familiarize ourselves with

members and their needs and at the same time sensitize them on our role. Additionally, we were able to give financial guidance and the importance of saving.

The Committee also participated in several trainings and policy revision exercises. These events were sponsored by the Credit Union through its capacity building initiatives.

On behalf of the Committee I would like to express our sincere gratitude to our dedicated President Mr. Alvan Haynes and members of the Board for their continuous support and guidance, our able General Manager Mrs Daisy Dawson, Loans Manager Mr. Andrew Mitchell who is always ready to assist when we have pressing questions and members of the Supervisory Committee. To our Loans and collection officers a big thank you for giving financial counselling to our members.

To our members, thank you for making St. John's Credit Union your number one financial institution, your dedication and commitment is most appreciated. We urge you to continue to help in the growth of the Credit Union by

Loan Disbursement achieved monthly by Branch

LOCATION	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
MAIN OFFICE	\$ 612,263.25	\$ 755,751.82	\$ 992,455.78	\$ 956,067.10	\$ 1,034,689.66	\$ 753,818.57
NORTHSIDE	\$ 363,126.34	\$ 510,132.48	\$ 357,616.23	\$ 444,783.47	\$ 788,185.66	\$ 703,999.21
BELMOPAN	\$ 305,062.71	\$ 434,557.30	\$ 402,375.17	\$ 579,182.68	\$ 589,832.08	\$ 389,772.77
DANGRIGA	\$ 134,565.59	\$ 188,937.96	\$ 145,232.24	\$ 111,468.80	\$ 250,594.68	\$ 140,526.96
Totals	\$ 1,415,017.89	\$1,889,379.56	\$ 1,897,679.42	\$2,091,502.05	\$2,663,302.08	\$ 1,988,117.51

Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	
\$ 1,660,435.42	\$ 1,679,284.17	\$ 1,516,535.15	\$ 556,541.11	\$ 565,628.52	\$ 975,764.71	\$ 12,059,235.26
\$ 926,892.50	\$ 1,145,996.13	\$ 1,362,796.36	\$ 372,333.43	\$ 627,395.96	\$ 312,687.40	\$ 7,915,945.17
\$ 577,885.42	\$ 775,703.88	\$ 767,046.16	\$ 483,386.63	\$ 534,219.77	\$ 1,054,160.81	\$ 6,893,185.38
\$ 180,834.77	\$ 479,043.22	\$ 355,812.37	\$ 144,890.95	\$ 239,078.73	\$ 106,741.37	\$ 2,477,727.64
\$ 3,346,048.11	\$4,080,027.40	\$4,002,190.04	\$ 1,557,152.12	\$1,966,322.98	\$2,449,354.29	\$29,346,093.45

honoring your obligations, be consistent with your payments and dialogue with your loan officers if you are faced with a

challenge for repayment. Let us work as a team for safe saving and smart borrowing .



CREDIT COMMITTEE



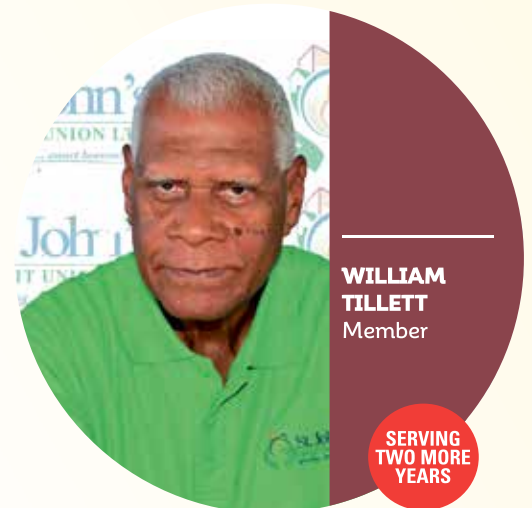
MARGARET MCKENZIE
Chairman

SERVING TWO MORE YEARS



LISA JAMES
Secretary

SERVING ONE MORE YEAR



WILLIAM TILLETT
Member

SERVING TWO MORE YEARS

\$29.346 MILLION

IN LOANS WERE DISBURSED DURING THE PERIOD APRIL 1, 2018 TO MARCH 31, 2019

TREASURER'S REPORT

**FOR THE PERIOD
APRIL 1, 2018 TO
MARCH 31, 2019**

OVERVIEW

St John's Credit Union is happy to report major progress in our financial performance during the period 2018-2019. We were also able to make significant strides in implementing our Strategic Plan.

For fiscal year, 2018-2019, SJCUC's Operating Income was \$7,819M a .26% increase over the previous year's figure of \$7,799M. Gross Profit was \$3,403M, a reduction of 18% from the previous year, which was \$4,042M. During the year, your credit union had to book \$.775M as loan loss expense, a reduction when compared to \$.911M in the previous year. Net profit was \$2,628M, a decrease of 16 % when compared to the previous year's net profit of \$3,131M.

Average Interest rate on fixed deposit during the period 2018/2019 was 1.98 %. Excess liquidity continues to dominate the financial market and other institutions, such as the banks, who are aggressively targeting our members by offering lower interest rates on various loans. SJCUC is responding by continuing

to maintain an aggressive media campaign to promote the services offered by the Credit Union and becoming innovative in introducing new products and services to our membership.

STRATEGIC CHANGES

SJCUC has made several major moves aimed at increasing efficiency and revenues.

1. The Marketing Department has been active promoting SJCUC products and services during the year. Despite the aggressive marketing by other financial institutions, our loan portfolio, increased by 2.4 % from the previous year. During the year, SJCUC experienced a high level of buyouts by the larger institutions who offered our members, loans at reduced rates.

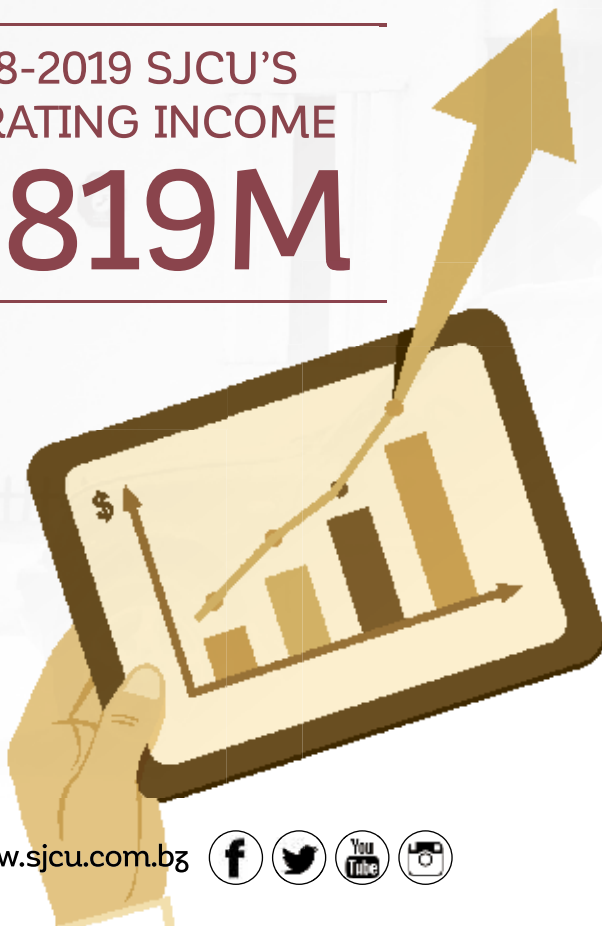
2. Membership is now at 27,621 an increase of 5.2% from the previous year. Dangriga led the way with a 7.6 % increase. This branch's membership is now at 4,802 compared to 4,461 in the previous year, an increase of 341 members. The Northside Branch had 568 new members during the past year.

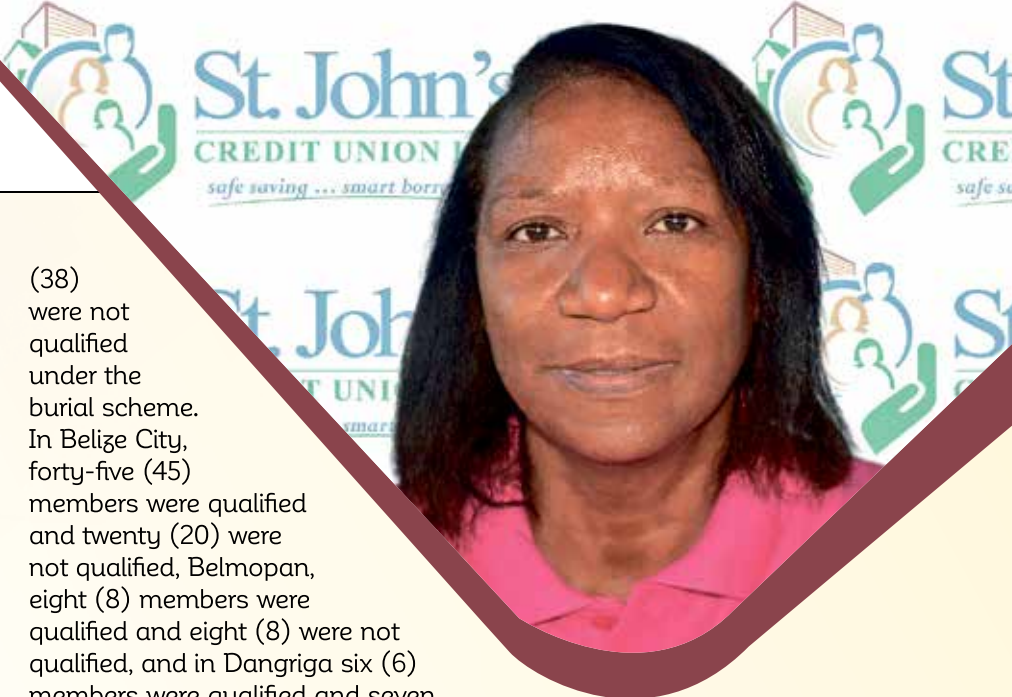
3. The ATM's in both Belmopan and Belize City continue to provide reliable and efficient services for our valued members. The third ATM is already installed at the new Northside Branch; however, we have been experiencing connectivity issues which is expected to be resolved shortly. During the period 2018-2019, the ATMs serviced 1,191,183 transactions in Belmopan and Belize City, totalling \$16.4M transactions. (\$14.9M in 2017/2018).

4. SJCUC is in continuous discussion with the Belize Credit Union League to become proactive with the IFRS (9), which is a new way of accounting for loan loss that will be implemented by all credit unions in the near future. Currently, delinquency is calculated on a historical (cash) basis, The IFRS (9) will require Financial Institutions to employ an expected credit loss (accrual) method to determine the value of the provision.

5. The Belize Credit Union League

**2018-2019 SJCUC'S
OPERATING INCOME
\$7.819M**





Mrs. Elsie Sylvester
Treasurer
Board of Directors

along with the sister credit unions are on target with the implementation of the new National Payment System that is expected to come into effect in January, 2020.

6. During the reporting year, SJCUC continued to make the full provisioning for loan loss. This past year the amount was \$.775M, the previous year's figure was \$.911M. SJCUC continues to be fully provisioned, as required by our regulator, the Central Bank of Belize.

7. SJCUC continue to be in full compliance with the Anti Money Laundering Regulations. The Compliance officer has been very proactive in carrying out the duties and has attended training sessions locally and internationally as it relates to AML to effectively administer her duties and responsibilities.

8. The Credit Control Department has been working diligently and has resulted in the delinquency rate decreasing from 8.29% (March 2018) to 7.66% (March 2019). Based on the new Central Bank Requirement, omitting loans in the 30 -89 days category and taking into consideration, the available provisions, the rate has decreased from 2.48% to 1.67%. We urge members with outstanding loans to visit any of the four branches and sit with our credit control officers to make adequate arrangement to repay their outstanding loans.

BURIAL SCHEME

During the year, 103 members passed away. However, only sixty-five (65) members were qualified and thirty-eight

(38) were not qualified under the burial scheme. In Belize City, forty-five (45) members were qualified and twenty (20) were not qualified, Belmopan, eight (8) members were qualified and eight (8) were not qualified, and in Dangriga six (6) members were qualified and seven (7) were not qualified. Lastly, at the Northside Branch, six (6) members were qualified and three (3) were not qualified for the burial grant. Based on those numbers, a value of \$ 320,975. was paid out. Members are to ensure that their account is in good standing in order to qualify for the funeral grant of \$5,000. The burial scheme reserves now stands at \$1,161,853, compared to the previous year's balance of \$658,823 an increase of \$503,030.

SUMMARY

In closing, SJCUC had another successful year, 2018/2019. The hard work continues as we strive to find innovative ways to improve our reserves and at the same time provide our membership with increased and efficient service. We continue to monitor closely our Strategic Plan which has been revised and continuously updated to ensure that

we are meeting the targets and that our credit union is making the necessary adaptation to new regulations that will affect the credit union movement going forward.

We thank the SJCUC membership for their continued support.

Summary of 8-year Growth Indicators

Description	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	1 Yr % Change	8 Yr % Change
Membership	17,530	19,574	22,135	24,892	23,731	25,482	26,259	27,621	5.2%	57.6%
Assets	\$38,800	\$42,831	\$54,985	\$65,724	\$75,033	\$80,247	\$84,273	\$92,238	9.5%	137.7%
Shares	\$25,819	\$26,823	\$30,071	\$38,363	\$46,838	\$53,231	\$56,625	\$60,643	7.1%	134.9%
Loans	\$22,213	\$27,120	\$41,119	\$50,473	\$53,547	\$61,480	\$59,352	\$60,757	2.4%	173.5%
Delinquency %	12.4%	8.1%	6.4%	5.9%	6.3%	6.7%	8.3%	7.7%	-7.7%	-38.2%
Delinquency % (CBB)	12.4%	5.0%	3.1%	3.3%	1.9%	2.0%	2.5%	1.7%	-33.2%	-86.5%

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



FINANCIAL STATEMENTS



Financial Statements for the Year Ended March 31, 2019 and 2018 and Independent Auditors' Report

ST. JOHN'S CREDIT UNION LIMITED

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Statements of income and expenses	4
Statements of changes in equity	5
Statements of cash flows	6
Notes to financial statements	8 – 15

FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members of:
St. John's Credit Union Limited

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Opinion

We have audited the financial statements of St. John's Credit Union Limited which comprise the statements of financial position as at March 31, 2019, and the statement of income and expense, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of St. John's Credit Union Limited as at March 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with the modified cash basis of accounting.

Basis for Opinion

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

Other Matters

Basis of Accounting

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

Comparative Financial Statements

The financial statements of St. John's Credit Union Limited for the year ended March 31, 2018 were audited by another auditor who expressed a modified opinion on those statements on May 22, 2018.

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

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

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

Partners
Claude Burrell CPA
Giacomo Sanchez CPA

Audit • Tax • Advisory
Member of Grant Thornton International Ltd





Independent Auditors' Report
Page 2

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Chartered Accountants
Belize City, Belize
April 30, 2019

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

STATEMENTS OF FINANCIAL POSITION – MODIFIED CASH BASIS MARCH 31, 2019 AND 2018 (IN BELIZE DOLLARS)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents - unrestricted	2c, 3	\$20,836,362	\$14,638,960
Cash and cash equivalents - restricted	2c, 3	330,219	273,705
Short term investments- unrestricted	2d 4	2,315,835	2,297,241
Short term investments- restricted	2d 4	40,000	40,000
Other receivables and prepayments	5	196,012	166,231
Total current assets		<u>23,718,428</u>	<u>17,416,137</u>
NON-CURRENT ASSETS:			
Loans receivable from members	2c, 6	60,756,937	59,351,519
Less - allowance for loan losses	2f, 6	(3,367,123)	(2,649,373)
Property, plant and equipment - net	2g, 7	4,398,878	3,422,324
Investment property - net	2h, 8	291,025	296,620
Long term investments - unrestricted	9	6,429,561	6,430,433
Long term investments - restricted	9	10,000	10,000
Total non-current assets		<u>68,519,278</u>	<u>66,861,523</u>
TOTAL ASSETS		<u>\$92,237,706</u>	<u>\$84,277,660</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Accounts payables		\$ 183,959	\$ 152,451
Other liabilities		328,909	776,977
Members' deposits	2i, 10	19,341,747	16,902,974
Total current liabilities		<u>19,854,615</u>	<u>17,832,402</u>
NON-CURRENT LIABILITIES:			
Severance payable	2j	260,590	218,615
Pension liability	2k, 11	599,599	541,096
Long term debt	2L, 12	111,212	111,212
Total current liabilities		<u>971,401</u>	<u>870,923</u>
Total liabilities		<u>20,826,016</u>	<u>18,703,325</u>
EQUITY:			
Members' shares- mandatory	2m	3,151,011	3,004,371
Members' shares- voluntary	2m	57,491,760	53,620,828
Burial scheme fund	2n	1,161,853	658,823
Revaluation reserve		354,953	354,953
Statutory reserve fund	2o	6,950,835	6,470,615
Undistributed surplus		2,246,109	1,409,576
Other reserves	2p	55,169	55,169
Total equity		<u>71,411,690</u>	<u>65,574,335</u>
TOTAL LIABILITIES AND EQUITY		<u>\$92,237,706</u>	<u>\$84,277,660</u>

The financial statements on pages 3 to 6 were approved and authorized for issue by the Board of Directors on April 30, 2019 and are signed on its behalf by:



 Director



 Director

The notes on pages 7 to 15 are an integral part of these financial statements.

ST. JOHN'S CREDIT UNION LIMITED

STATEMENTS OF INCOME AND EXPENSES YEARS ENDED MARCH 31, 2019 AND 2018 (IN BELIZE DOLLARS)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
INCOME	2q		
Interest income on loans	13	\$6,657,179	\$6,887,439
Investment income		509,093	513,914
Other income		255,093	180,172
Fees and commission income		397,640	217,845
GROSS INCOME		<u>7,819,005</u>	<u>7,799,370</u>
OPERATING EXPENSES	2q		
Advertising		152,315	64,483
Annual general meeting		66,546	72,135
Bad debt expense		775,000	910,706
Bank charges and overdraft interest		16,123	8,936
BCUAS Insurance		569,198	549,623
Christmas expense		58,737	45,313
Committee meetings		4,398	10,840
Software system maintenance		117,236	135,193
Credit Union Week		5,092	13,774
Depreciation expense		379,300	240,282
Donations		16,069	15,879
Education expense		63,803	28,493
General Insurance expense		59,240	45,877
Interest expense – Members deposits		209,436	302,123
Office supplies expense		93,525	96,422
Other expenses		244,229	132,104
Pension expense		39,788	33,786
Professional fees		22,163	19,635
Property taxes		4,113	3,023
Rental expense		70,275	26,480
Repairs and maintenance		137,327	73,800
Salaries, wages and allowances		1,362,762	1,085,064
Security expense		320,234	231,368
Severance expense		41,975	218,615
Social Security expense		38,015	37,150
Supervision fees		11,000	14,000
Travel and subsistence expense		87,097	76,041
Uniform expense		28,275	2,145
Utilities		197,924	174,913
		<u>5,191,195</u>	<u>4,668,203</u>
SURPLUS		<u>\$2,627,810</u>	<u>\$3,131,167</u>

The notes on pages 7 to 15 are an integral part of these financial statements.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

STATEMENTS OF CHANGES IN EQUITY YEARS ENDED MARCH 31, 2019 AND 2018 (IN BELIZE DOLLARS)

	Burial Scheme Fund	Revaluation reserve	Statutory reserve fund	Undistributed surplus	Other reserves	Total
Balance as at March 31, 2017	\$ 531,756	\$354,953	\$4,697,670	\$1,166,575	\$55,169	\$ 6,801,123
Net increase	127,067	-	-	-	-	127,067
Dividends and rebates declared and paid	-	-	-	(1,115,221)	-	(1,115,221)
Surplus	-	-	-	3,131,167	-	3,131,167
Surplus distribution	-	-	1,772,945	(1,772,945)	-	-
Balance as at March 31, 2018	\$ 658,823	\$354,953	\$6,470,615	\$1,409,576	\$55,169	\$ 8,944,136
Balance as at March 31, 2018	\$ 658,823	\$354,953	\$6,470,615	\$1,409,576	\$55,169	\$ 8,944,136
Net increase	503,030	-	-	-	-	503,030
Dividends and rebates declared and paid	-	-	-	(1,318,277)	-	(1,318,277)
Entrance fees	-	-	7,220	-	-	7,220
Surplus	-	-	-	2,627,810	-	2,627,810
Surplus distribution	-	-	473,000	(473,000)	-	-
Balance as at March 31, 2019	\$1,161,853	\$354,953	\$6,950,835	\$2,246,109	\$55,169	\$10,768,919

The notes on pages 7 to 15 are an integral part of these financial statements.

ST. JOHN'S CREDIT UNION LIMITED

STATEMENTS OF CASH FLOW YEARS ENDED MARCH 31, 2019 AND 2018 (IN BELIZE DOLLARS)

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2019</u>	<u>2018</u>
Surplus	\$ 2,627,810	\$ 3,131,167
Adjustments for:		
- Depreciation expense	379,299	240,282
- Loss on disposal	-	5,232
- Provision for loan losses	<u>775,000</u>	<u>910,706</u>
Operating surplus before working capital changes	3,782,109	4,287,387
Changes in:		
Other receivables and prepayments	(29,781)	189,212
Loans receivable from members	(1,462,668)	1,451,677
Accounts payable	31,508	305,991
Other liabilities	(448,068)	731,303
Members' deposits	2,438,773	(2,402,711)
Severance payable	41,975	(218,615)
Pension liability	<u>58,503</u>	<u>77,653</u>
Net cash provided by operating activities	<u>4,412,351</u>	<u>4,421,897</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Short term investments - unrestricted	(18,594)	(33,660)
Long term investments - unrestricted	872	-
Purchase of property, plant and equipment	<u>(1,350,258)</u>	<u>(678,918)</u>
Net cash used in investing activities	<u>(1,367,980)</u>	<u>(712,578)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in shares - net	4,017,572	3,393,751
Change in burial scheme - net	503,030	127,067
Change in statutory reserve fund – net	7,220	-
Dividends and rebates paid	<u>(1,318,277)</u>	<u>(1,115,221)</u>
Net cash provided by financing activities	<u>3,209,545</u>	<u>2,405,597</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	6,253,916	6,114,916
TRANSFER FROM CASH AND CASH EQUIVALENTS - RESTRICTED	(56,514)	(73,391)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>14,638,960</u>	<u>8,597,435</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$20,836,362</u>	<u>\$14,638,960</u>

The notes on pages 7 to 15 are an integral part of these financial statements.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018 (IN BELIZE DOLLARS)

1. STATUS

St. John's Credit Union Limited ("SJCUC") was incorporated under and by virtue of the Credit Union Act Chapter 314 of the Laws of Belize (Revised 2003), modified by Act No. 34 of 2005 and Act No. 18 of 2007. The Credit Union promoted savings, enterprise and the cooperative principle among its members to pool members' financial resources and to provide personal and corporate banking, loans, and investments.

The Credit Union operates from its principal office situated at No. 4 Basra Street, Belize City, Belize. Apart from a second Belize City branch, offices are located in Belmopan and Dangriga Town. As at March 31, 2019, the Credit Union employed 49 employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a) Basis of presentation – SJCUC uses a cash basis of accounting modified for the presentation of investments at fair value, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis, certain revenues are recognized when received rather than when earned and certain expenses and purchases are recognized when cash is disbursed rather than when the obligation is incurred.
- b) Functional and presentation currency – The financial statements are presented in Belize dollars, which is SJCUC's functional currency.
- c) Cash and cash equivalents – Cash and cash equivalents comprises of cash balances and term deposits held with various financial institutions. All cash and cash equivalents have a term of less than 90 days.
- d) Short term investments – short term investments consist of fixed deposits held at the bank with maturity dates of 3 months to 1 year from the date of acquisition.
- e) Loans receivable from members – Loans are recognized when cash is advanced to the member, and are stated at cost. Loans receivable are derecognized when the rights to receive cash flows from the financial assets have expired or extinguished.
- f) Allowance for loan losses – This account is treated as a contra-asset account to member loans receivable in accordance with the Credit Unions Act (CUA) Requirement No. 2 of 2013. The account is funded through charges to income as a provision expense for charging off loans and other assets or portions of such loans and other assets which have been adversely classified.

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2019 AND 2018 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- g) Property, plant 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 bring 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.

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

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

- h) Investment property – Investment property is land and buildings which are held to earn rental income. Investment property is measured at cost and subsequently amortized using the same policies as property, plant and equipment (refer to note 2g).

Rental income from investment property is recognized on the statement of income and expenses

- i) Members' deposits – Members' deposits, savings and fixed savings are treated as current liabilities and measured at cost.
- j) Severance payable – Severance payable represents the accrual of salaries payable to employees in the event of their resignation or termination. The Credit Union recognizes termination benefits in accordance with the labor laws of Belize which states 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.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Cash and investment balances are held in the name of SJCUC therefore are due to the pension fund.

- l) Long-term debt – Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized costs.
- m) Members' shares – As per the Credit Unions Act, members' shares in SJCUC represent members' capital. Mandatory shares are the minimum number of shares a person must have in order to be considered a member of SJCUC. 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 in equity on the statement of financial position.
- n) Burial scheme fund – The Burial Scheme is a death benefit of \$5,000 which will be paid to plan member's selected dependent based on their years of membership in the plan. The fund balance is reported net of collections and payments during the year.
- o) Statutory reserve fund – The Guarantee Fund is a reserve fund that is mandated by the Credit Union Act, Chapter 314 of the Substantive Law of Belize, Revised Edition 2011. At least 10% of the net earnings of the Credit Union must be added to the fund at the end of each fiscal year. In addition, all entrance fees and fines collected from members each year are transferred to this fund. The Guarantee Fund cannot be distributed to members.
- p) 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.
- q) Income and expense recognition – Interest income on loans, dividends and other income are recognized when collected. Interest income on fixed deposits is recognized when earned. Interest and other expenses are recognized when paid. Interest on special deposits and personal checking accounts are paid quarterly and monthly, respectively. Interest on term deposits may be paid quarterly or monthly. The interest rates paid on member accounts are determined by the Board of Directors.

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2019 AND 2018 (IN BELIZE DOLLARS)

3. CASH AND CASH EQUIVALENTS - UNRESTRICTED

	<u>2019</u>	<u>2018</u>
Cash on hand	\$ 1,016,504	\$ 809,120
Cash at bank	19,819,858	13,829,840
	<u>\$20,836,362</u>	<u>\$14,638,960</u>

4. SHORT TERM INVESTMENTS - UNRESTRICTED

			<u>2019</u>	<u>2018</u>
<u>Financial Institution</u>	<u>Maturity</u>	<u>Rate</u>		
Atlantic Bank Fixed Deposit*	May 12, 2019	3.00%	\$ 200,000	\$ -
Atlantic Bank Fixed Deposit*	March 19, 2020	3.00%	400,000	-
Atlantic Bank Fixed Deposit*	May 8, 2019	3.00%	150,000	-
Atlantic Bank Fixed Deposit	April 2, 2019	1.75%	1,000,000	-
Blue Creek Credit Union Limited Fixed Deposit	January 30, 2020	3.50%	535,613	-
Atlantic Bank Fixed Deposit*	May 12, 2018	3.00%	-	200,000
Atlantic Bank Fixed Deposit*	March 19, 2019	3.00%	-	400,000
Atlantic Bank Fixed Deposit*	May 8, 2018	3.00%	-	150,000
Atlantic Bank Fixed Deposit	April 2, 2018	1.75%	-	1,000,000
Blue Creek Credit Union Limited Fixed Deposit	January 30, 2019	3.50%	-	517,500
Accrued interest			<u>30,222</u>	<u>29,741</u>
			<u>\$2,315,835</u>	<u>\$2,297,241</u>

*Fixed Deposits are held as security for an overdraft facility available to the Credit Union. Overdraft was established on June 5, 2018, and attracts an interest rate of 8.5% of drawn balance. As at March 31, the facility is undrawn.

5. OTHER RECEIVABLES AND PREPAYMENTS

	<u>2019</u>	<u>2018</u>
Heritage Bank Limited ATM/POS Project	\$ 50,000	\$ 50,000
Belize Credit Union League Limited NPS	96,577	51,994
Other receivables	13,476	21,860
Prepayments	<u>35,959</u>	<u>42,377</u>
	<u>\$196,012</u>	<u>\$166,231</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 March 31, 2018.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018 (IN BELIZE DOLLARS)

6. LOANS RECEIVABLE FROM MEMBERS

	<u>2019</u>	<u>2018</u>
Business loans	\$ 2,012,646	\$ 2,246,384
Educational loans	1,721,687	1,877,518
Housing and home improvement loans	19,139,349	18,236,361
Motor vehicle loans	2,535,852	1,982,528
Personal loans	34,548,516	33,929,252
Real Estate loans	<u>798,887</u>	<u>1,079,476</u>
Total loans receivable	<u>60,756,937</u>	<u>59,351,519</u>
Less: allowance for loan losses	<u>(3,367,123)</u>	<u>(2,649,373)</u>
Total loans receivable – net	<u>\$57,389,814</u>	<u>\$56,702,146</u>

The allowance for loan losses comprises the following:

Balance, beginning of year	\$ 2,649,373	\$ 2,415,787
Additional provision for the year	775,000	910,706
Write-offs	<u>(57,250)</u>	<u>(677,120)</u>
Balance, end of year	<u>\$ 3,367,123</u>	<u>\$ 2,649,373</u>

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018 (IN BELIZE DOLLARS)

7. PROPERTY PLANT AND EQUIPMENT

Cost	Land	Building, driveways & leasehold improvements	Furniture & fixtures	Computer, equipment & accessories	Motor Vehicle	Total
Brought forward, April 1, 2018	\$477,687	\$2,575,215	\$541,951	\$1,709,193	\$37,951	\$5,341,997
Additions	160,000	226,055	8,351	955,852	-	1,350,258
Transfer	-	(24,300)	-	24,300	-	-
Carried forward, March 31, 2019	<u>637,687</u>	<u>2,776,970</u>	<u>550,302</u>	<u>2,689,345</u>	<u>37,951</u>	<u>6,692,255</u>
Accumulated Depreciation						
Brought forward, April, 1, 2018	-	479,388	296,022	1,126,749	17,514	1,919,673
Additions	-	147,487	37,011	182,262	6,944	373,704
Carried forward, March 31, 2019	-	<u>626,875</u>	<u>333,033</u>	<u>1,309,011</u>	<u>24,458</u>	<u>2,293,377</u>
Net Book Value						
March 31, 2019	<u>\$637,687</u>	<u>\$2,150,095</u>	<u>\$217,269</u>	<u>\$1,380,334</u>	<u>\$13,493</u>	<u>\$4,398,878</u>

Cost	Land	Building, driveways & leasehold improvements	Furniture & fixtures	Computer, equipment & accessories	Motor Vehicle	Total
Brought forward, April 1, 2017	\$477,687	\$2,218,823	\$426,991	\$1,506,859	\$37,951	\$4,668,311
Additions	-	361,624	114,960	202,334	-	678,918
Disposals	-	(5,232)	-	-	-	(5,232)
Carried forward, March 31, 2018	<u>477,687</u>	<u>2,575,215</u>	<u>541,951</u>	<u>1,709,193</u>	<u>37,951</u>	<u>5,341,997</u>
Accumulated Depreciation						
Brought forward, April, 1, 2017	-	407,573	270,186	996,658	10,570	1,684,987
Additions	-	71,815	25,836	130,091	6,944	234,686
Carried forward, March 31, 2018	-	<u>479,388</u>	<u>296,022</u>	<u>1,126,749</u>	<u>17,514</u>	<u>1,919,673</u>
Net Book Value						
March 31, 2018	<u>\$477,687</u>	<u>\$2,095,827</u>	<u>\$245,929</u>	<u>\$ 582,444</u>	<u>\$20,437</u>	<u>\$3,422,324</u>

Revaluation of land was done in 2004.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018 (IN BELIZE DOLLARS)

8. INVESTMENT PROPERTY

<u>March 31, 2019</u>	Land & Building
Cost	\$365,000
Accumulated Depreciation	
Brought forward, April, 1, 2018	68,380
Additions	<u>5,595</u>
Carried forward, March 31, 2019	<u>73,975</u>
Net Book Value	
March 31, 2019	<u>\$291,025</u>
March 31, 2018	Land & Building
Cost	\$365,000
Accumulated Depreciation	
Brought forward, April, 1, 2017	62,783
Additions	<u>5,597</u>
Carried forward, March 31, 2018	<u>68,380</u>
Net Book Value	
March 31, 2018	<u>\$296,620</u>

9. LONG TERM INVESTMENTS - UNRESTRICTED

	<u>2019</u>	<u>2018</u>
Belize Electricity Limited Series 7 debentures with interest rate of 6.5% per annum payable quarterly, maturing July 31, 2022.	\$2,840,000	\$2,850,000
Belize Electricity Limited Series 7 debentures with interest rate of 10% per annum payable quarterly, maturing September 30, 2027.	2,035,000	2,035,000
Government of Belize Treasury Notes with interest rate of 6% per annum payable by half yearly installments, maturing December 10, 2019.	504,561	505,433
Investment in Belize Credit Union League Limited-50 redeemable preferred shares.	50,000	50,000
Investment in Belize Telemedia Limited - 200,000 common shares.	<u>1,000,000</u>	<u>1,000,000</u>
	<u>\$6,429,561</u>	<u>\$6,430,433</u>

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2019 AND 2018 (IN BELIZE DOLLARS)

10. MEMBER DEPOSITS

	<u>2019</u>	<u>2018</u>
Savings accounts	\$ 6,212,117	\$ 4,437,835
Term deposits	<u>13,129,630</u>	<u>12,465,139</u>
	<u>\$19,341,747</u>	<u>\$16,902,974</u>

11. PENSION FUND LIABILITY

	<u>2019</u>	<u>2018</u>
At March 31, the pension fund was represented by:		
Bank balance (due from SJCUC)	\$330,219	\$273,705
Investments – Atlantic Bank Limited term deposit	40,000	40,000
Investments – Belize Electricity Limited Series 7 debentures	10,000	10,000
SJCUC – fixed deposit held by SJCUC for the pension Fund	<u>219,380</u>	<u>217,391</u>
	<u>\$599,599</u>	<u>\$541,096</u>

The pension fund bank balances are segregated to specific bank accounts. Balances are held in the name of SJCUC therefore are due to the pension fund.

12. LONG TERM DEBT

	<u>2019</u>	<u>2018</u>
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 September 19, 2005.	\$ 11,212	\$ 11,212
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 December 28, 2006.	<u>100,000</u>	<u>100,000</u>
	<u>\$111,212</u>	<u>\$111,212</u>

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED MARCH 31, 2019 AND 2018 (IN BELIZE DOLLARS)

13. INTEREST INCOME ON LOANS

	<u>2019</u>	<u>2018</u>
Business loans	\$ 195,463	\$ 244,301
Educational loans	221,746	220,934
Housing and home improvement loans	1,635,102	1,683,890
Motor vehicle loans	229,598	239,561
Personal loans	4,296,643	4,388,052
Real Estate loans	<u>78,627</u>	<u>110,701</u>
	<u>\$6,657,179</u>	<u>\$6,887,439</u>

14. TAXATION

As a registered credit union in Belize, SJCUC is exempt from taxes on income and receipts assessed, under the Income and Business Tax Act. However, the Credit Union pays 15% on commissions and 3% on rent income.

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

15. POST – REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the March 31 reporting date and the date of authorization for issuance.

* * * * *

Your SJCU Staff



Belize City - Main Office



Dangriga Office



Belmopan Office



North Side Belize



St. John's
CREDIT UNION LTD.
safe saving ... smart borrowing

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.



St. John's
CREDIT UNION LTD.
safe saving ... smart borrowing

HOME *Sweet* LOAN

RATES AS LOW AS

8%

LOW

OR NO

DOWN PAYMENT

BECOME A HOMEOWNER. NOW THAT'S SWEET!

- Low Legal Fees
- Unique wealth builder savings account linked to loan

*SOME CONDITIONS APPLY

MAIN OFFICE

Basra Street,
Belize City

NORTHSIDE BRANCH

Mile 1 Phillip Goldson Highway,
Belize City

BELMOPAN BRANCH

76 Constitution Dr.,
City of Belmopan

DANGRIGA BRANCH

Cor. Tubroose & Mahogany Streets,
Dangriga