

kick WAITING to the curb

THE St John's ANNUAL

68th Issue



NOW OFFERING ...

INSIDE THIS ISSUE:

**CELEBRATING THE
YEAR OF THE
REBRAND!**

**68 YEARS OF SUCCESS
AND THE YEAR OF
PHENOMENAL GROWTH!**

**68th ANNUAL GENERAL MEETING
BELIZE ELEMENTARY AUDITORIUM
31ST MAY 2014 | 1:00 PM**

ACCOUNTS * TRAVEL & SAVINGS * FIXED DEPOSITS * REGULAR DEPOSITS
CENTRAL MORTGAGE * BUSINESS LOANS * PERSONAL LOANS * EDUCATION LOANS
LINE CREDIT * MICRO-FINANCING * ONLINE BANKING
INTERNATIONAL REMITTANCE SERVICES * ATM/POS SERVICES

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 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
Blessing and guidance
Through Jesus Christ Our Lord,**

AMEN

TABLE OF CONTENTS

Agenda.....	1
President Message.....	2
Minutes of Last AGM .	3
Reports:	
Board of Directors ...	9
Supervisory Committee	13
Credit Committee.....	15
Treasurer's.....	17
Auditor's Report	20
Balance Sheet ..	22
Statement of Income and Expenditure	23
Statement of Cash Flow ..	24
Notes to the Financial Statement	25
Operating Income	31
Vision & Mission Statement	34



MESSAGE FROM THE PRESIDENT

It is an honor to welcome you, our members, invited guest and prospective members to this our 68th Annual General Meeting. I stand before you with knowing that once again we have had a successful year. At this moment I would like you all to join me in extending a hearty thank you to our former President and Director, Mr. Eric Eusey who served until December 31st 2013 when he left to take up employment as the head of the Financial Intelligent Unit.

The financial climate in the year under review was the same as the previous year, it was hostile and competitive, resulting in low barrowing and saving. Competition became very intense with new players entering the arena; that coupled with lowering of interest rates on loans and term deposits presented a challenge to our credit union. I hasten to say however that this challenge only brought out the highest level of commitment from staff and officers who were determine to create opportunities from this situation. Heading our strategic move was our Restoration Committee. This committee is comprise of both officers and staff that have the expertise of financial management. Strategies employed included but not limited to change in our loan policy, lowering our residential mortgage rate and offering term deposit at attractive rates.

The efforts of our Credit Control Department also needs to be applauded. The staff worked hard to assist members to regain good standing and renewed their effort to collect monies owing. Their hard work resulted in a reduction in delinquency by 1.6%.

Vital to all our efforts was getting the information out. Our Marketing Department did an excellent job on that. It was this department that spear headed our rebranding so we sport a new logo that truly illustrates what St Johns Credit Union is about, "helping families to realize their full financial potential. Saving for a "rainy day" no longer meets the need of our members in this decade, we must ensure that we have "save saving and smart borrowing".

Members like your selves and even our business partners express confidence in our credit union, recognizing the credit union as strong and continuously growing. Officers were referred to as venerable members of several business and community at large and one cannot forget our General Manager who ably oversees the day to day operation. On the international scene we paint positive picture as we partner with our Government Poverty Alleviation BOOST Program.

How quickly a year has passed, and we now must prepare ourselves for the next year. We the officers and staff take this time to publicly acknowledge that we appreciate your trust and applaud you for your contribution to the growth and success of your credit union. Thank you all for without YOU OUR MEMBERS none of this would have been possible, together we make St Johns Credit Union what it is.



Valerie Jenkins

**MINUTES OF THE 67TH ANNUAL GENERAL
MEETING OF ST. JOHN'S CREDIT UNION LIMITED
HELD AT THE ITVET COMPOUND ON FREETOWN
ROAD IN BELIZE CITY ON SATURDAY, 25th MAY, 2013.**

PRESENT WERE :

Board Of Directors

Mr. Eric Eusey	President
Mrs. Valerie Jenkins	Vice-President
Mr. Reuben Gordon	Secretary
Mrs. Elsie Sylvestre	Alt. Secretary
Mr. Alvan Haynes	Treasurer
Mr. Kenneth Garbutt	Director
Mr. Barrymore Smith	Director
Mrs. Daisy Dawson	General Manager

Credit Committee

Mr. Victor Guerrero	Chairman
Mr. William Tillett	Member

Supervisory Committee

Mr. Dale Cayetano	Chairman
Mr. Keith Westby	Member

ABSENT WERE:

Mr. John Swift	Credit Committee (Secretary, out of country)
Mrs. Brenda Armstrong	Supervisory Committee (Secretary)

The meeting was called to order at 1:45 p.m by the Mistress of Ceremonies, Mrs. Daisy Dawson. The National Anthem was played followed by recital of the prayer of St. Francis of Assisi. A moment of silence in honor of deceased members was then observed.

After welcoming all, including representatives of visiting Credit Unions - Holy Redeemer and Wesley, as well as Central Bank of Belize personnel to the 67th Annual General Meeting of St. John's Credit Union Limited, the President, Mr. Eric Eusey, was called to make his Opening Remarks.

The President warmly welcomed all to the AGM. He noted that St. John's Credit Union had grown and remained strong over the years and that the year in review had strengthened the Union's position in terms of increased assets and a reasonable profit. He recognized that it was a challenge to cost-effectively manage operating costs whilst delivering and extending services to all our members in a satisfactory manner.

He cited the Credit Union as an institution that secures its members against financial distress especially in a time when the world price of goods and services continue to soar while income remains stagnant. He noted that it was credit that has saved the world's economy from collapsing, and listed credit unions as playing a crucial role in bringing credit to local communities, thus securing a future for many of us. Continuing, he reminded members that when they save and borrow from their credit

unions, they invest in themselves and their communities.

He reminded members that among the many other financial institutions offering loan services, the credit union offers the lowest rates along with many other incomparable benefits such as free insurance, low interest rate, Burial Scheme and profit-sharing. Continuing he urged members to examine and explore the credit union difference and reassure themselves that the credit union has the better plan as a member-owned organization which helped its members to develop themselves and their communities.

In closing the President exhorted members to grasp and embrace the financial future which their credit unions hold for them, reminding them that with their Credit Union, many things are possible.

CONFIRMATION OF MINUTES

The Minutes of the 66th Annual General Meeting was presented by the Secretary of the Board of Directors, Mr. Reuben Gordon. Motion for acceptance of the Minutes as presented was made by Mr. Darius Martinez and seconded by Miss Doris Flowers.

MATTERS ARISING FROM MINUTES

There were no matters arising from the Minutes of the 66th Annual General Meeting.

REPORTS

BOARD OF DIRECTORS:

This report was presented by the Secretary of the Board of Directors, Mr. Reuben Gordon. He noted that the year under review was a challenging one for the Credit Union, and cited high delinquency rate, low pace of borrowing and strong competition from competitors as the issues which presented those challenges. He observed that only hard work and sound planning by officers and staff could keep our Credit Union on the forward path to success.

Commenting on the delinquency situation he applauded the efforts of the Credit Control Department under its new Supervisor, for its role in reducing the Union's delinquency rate from 12.4% to 8% by the 31st March, 2013. The Marketing Department was also commended for its diligence and commitment which resulted in reasonable growth both in the Loan Portfolio and Membership with the Loan Portfolio increasing by 4.9 million dollars and Membership by 2000. He attributed the modest profit garnered during the year to efforts and development in the sectors mentioned above.

He spoke of the Annual Retreat which, because of austerity reasons last year, was curtailed to a one day work shop which was used to develop a new logo and tagline for the credit union.

Also reported on was a Capital Restoration Plan which the Credit Union developed to guide its activities towards the restoration of the Guaranty Fund to the accepted statutory level over a five year period.

On the matter of office expansion, he informed that the Belmopan Branch Office has been expanded and relocated to its new address on Constitution Drive in the downtown area of Belmopan where it will be officially opened on the 8th June, 2013. The report went on to explain that for reasons of

prudence the Board of Directors decided to sell the building adjacent to the Belize City office building instead of doing an expansion project which would have entailed the joining of the two buildings.

The Secretary noted that due to austerity last year St. John's did not send any delegates to the CCCU conference which was held in Montego Bay, Jamaica, but added that training at the local level was emphasized and both staff and officers benefitted from a series of training exercises ranging from governance to technical operations.

In the area of new services, mention was made of the popular new loan product called Fast Line, the addition of Western Union services and a number of new services including Bill Pay which all aim at making St. John's Credit Union a "One Stop" financial institution.

Commenting on staff matters the report referred to the hiring of Miss Shawn Welch as Credit Control Supervisor; the promotion of Miss Kristene Eusey and Miss Nellie Waite to Loans Officer and the resignation of Mr. Ronald Stuart.

Continuing , he touched on partnership and outreach activities, making special mention of the following events : St. John's participation in the Belize Credit Union League's annual convention, banquet and awards ceremony and training workshops held throughout the year; the Credit Union's annual community fair held on its compound during Credit Union week; St John's attendance at a Finance Fair sponsored by the Belize Chamber Of Commerce and Industry in March, 2013 and the Credit Union's ongoing high school scholarship program.

The report closed with thanks to members for using the services offered by the Credit Union, and to the staff and officers for their hard work, dedication and cooperation.

SUPERVISORY COMMITTEE:

The Chairman, Mr. Dale Cayetano presented this report. He noted that the year, 2012-13 was fairly successful with the Credit Union realizing growth in assets as well as in the loan portfolio. On the investment side however, he cited the universal drop in interest rates by the banks and other agencies as a factor which negatively affected income.

Continuing he expressed concern over the delinquency situation where the rate stood at an unacceptable proportion basing on the PEARLS standards, but applauded the efforts of the Delinquency Department under its newly appointed Supervisor for reducing the delinquency rate from 12.5% to 8% over the past year. He challenged this department to continue to work hard to achieve the ideal PEARLS ratio of 5% delinquency rate, thus improving the Credit Union's income.

Mr. Cayetano added that his committee's monitoring and reporting mechanisms and efforts have significantly improved over the past year as they collaborated with the Internal Auditor to inspect records and transactions at the three branches of the credit union.

In concluding his report Mr. Cayetano confirmed that the credit union's records were in order and that policies and procedures were adhered to.

CREDIT COMMITTEE:

The report of the Credit Committee was presented by committee Chairman, Mr. Victor Guerrero. Mr. Guerrero began by reminding members of the purpose for which their credit union exist: to build our communities by offering credit to its members to enable them to fulfill their financial needs and dreams.

He noted that although the year 2012-13 was a challenging one for the credit union it was able to disburse eleven thousand, nine hundred and forty nine (11,949) loans under eight different categories, totaling fourteen million, five hundred and seventy five thousand and fifty dollars (\$14,575,050) through its three branches –Belize City, Belmopan and Dangriga. The following figures are extracts from his table of statistics showing a breakdown of the summaries mentioned above:

Belize City office:	7591 loans totaling \$11,465,924
Belmopan office:	4055 loans totaling \$2,948,461
Dangriga office:	303 loans totaling \$160,665
Totals:	11,949 loans totaling \$14,575,050

Continuing, he mentioned the genuine efforts made by the Credit Committee when considering loan applications, to counsel and work with members: especially those members who found themselves in financial difficulties with large loans such as mortgage loans.

In closing, Mr. Guerrero encouraged members to utilize the services of their credit union, striking a balance in saving and borrowing; and thanked and commended management and staff for their continued support and cooperation in delivering quality service to members.

TREASURER'S REPORT:

This report was presented by the Treasurer, Mr. Alvan Haynes who observed that in spite of the hostile economic environment where bank interest rates plummeted from 8 to 3% and where commercial banks were competing outrightly with credit unions for business, St. John's Credit Union was able to realize a net profit of 1.266 million dollars for the year 2012-2013 and increase its loan portfolio by 22%.

He referred to the following strategic changes implemented during the year which aimed at increasing efficiency and revenues:

- a) The introduction of a new loan product called “Fast Line”, which enabled members to access credit up to \$10,000.00 more easily and quickly.
- b) The increase of membership by 14% or 2,420 members.
- c) The shortening of lines at the tellers through the introduction of the ATM which serviced some 26,000 transactions.
- d) The introduction of “Western Union” services.
- e) The reduction in delinquency from 12.4% to 8%.

Commenting on the Burial Scheme he reported that the scheme paid out a total of \$130,000 in claims during the year in review, leaving a balance of \$203,333.00 at 31st March, 2013. He observed that, of the seventy members who died during the year, only 26 qualified for benefits under the scheme due to inadequate savings and he encouraged those members who do not qualify at this time to save so that they might make good their standing for the future.

Mr. Haynes added that the credit union remained strong and vibrant and presented the following figures to describe its growth over the past twelve months:

Assets: \$38,800,000 >\$42,830,000 or 10.4%
Shares: \$25,819,000 >\$26,823,000 or 3.9%
Loans : \$22,213,000 >\$27,120,000 or 22.1%
Delinquency: 12.4% <8.0% or 35.5 %

He then referred to the "Restoration Plan" which has been prepared and which the credit union is pursuing with the aim of eventually reducing delinquency to under 5% and increasing our reserves and revenues.

In closing Mr. Haynes thanked management, staff and officers for their support and dedication; and members for their loyalty and business during the past year.

AUDITOR'S REPORT:

The President, Mr. Eusey, guided the meeting through this report which was prepared by the Auditing firm of Coye and Associates. He explained that while the audit showed that the books and the financial position of St. John's Credit Union were found to be in order for the period 2012-13, the auditor was obliged to give what is known as a Qualified Report. He then proceeded to define the situation which led to this report, noting that it was due to a technical situation which resulted from the credit union not adequately provisioning for loan losses over the years. Continuing, he further explained that the credit union could have taken care of this issue over the past two years and run the risk of not paying a dividend to its members, but did not find such a move to be prudent, choosing instead to stagger the write off over a three years period as set out under its Restoration Plan.

Mr. Eusey ended the presentation by defining the term, Loan Loss Provisioning and reminding members of the negative impact which this situation can have on profits, citing the need for Loan Loss Provisioning as stemming from delinquency.

QUESTIONS FROM THE FLOOR

After the various reports were presented questions were entertained from members. The following is a record of those questions:

1. Mr. Roy Flowers: "How does the ATM work in terms of the availability of funds in members' accounts?"
2. Mr. Ronald Stuart: "Was there any loss in the sale of the adjacent (Habet) building in Belize City?"
- 3 (a) Miss Sheila Samuels: "Have you come to a price on the sale of the old Belmopan credit union office building?"
(b) "What is the cost of the new Belmopan office building?"
4. Miss Bernadine Mendez: "Are you considering a reduction in the rates on Mortgage Loans?"
5. Miss Yvonne Moore: "Why was no one sent to CCCU this year?"
6. Miss Sheila Samuels: "When will we get an ATM at the Belmopan office ?"
7. Miss Sylvia Usher: "How will St. John's Credit Union prepare for the competition from the new National Bank of Belize?"
8. Mrs. Delcia Avilez: "Why doesn't St. John's Credit Union open for business at 8:00 am like other Banks?"
9. Mr. Roy Flowers: "Will transportation be provided for the opening of the Belmopan office?"
10. Mr. Kaden Rodriguez: "What is the cost of the AGM?"
11. "Are good members rewarded for paying their loans promptly?"

ACCEPTANCE OF REPORTS

It was suggested by the meeting that there be one acceptance motion for all the reports after the question session which followed the presentation of the reports. In keeping with this suggestion a motion for acceptance of the reports was made by Mr. Roy Flowers and seconded by Miss Teresita Grajales.

DECLARATION OF DIVIDEND

A dividend of three percent (3%) and a rebate of four percent (5%) was declared and was approved.

OTHER BUSINESS

It was suggested that in order to motivate members to come out to our annual general meeting there be more and better advertisement of the occasion.

PRIZES

The last item on the agenda for that rainy afternoon was the drawing of prizes. The prize winners were:

CHILDREN

1.Chemaun Jones--	\$500.00	Ticket # 845238
2.Shadeen Rowland	\$250.00	# 845182
3.Ashton Livingston	\$75.00	# 805225
4.Jada Augustine	\$75.00	# 845232
5.Kareem Jenkins	\$75.00	# 845210
6. Shameka Jenkins	\$75.00	# 845249
7. Samuel twist	\$75.00	# 845240
8. Andy Coc	\$75.00	# 845243

ADULTS:

1.Sharette York	\$1000.00	Ticket # 379641
2.Gabriel Guerra	\$500.00	# 379771
3.Ervin Cano	\$100.00	# 379978
4.Rose conorque	\$100.00	# 379924
5.Janet White	\$100.00	# 379843
6.Darius Martinez	\$100.00	# 379885
7.Madeline Coleman	\$100.00	# 379765
8. Robelia Lauriano	\$100.00	# 379913

ADJOURNMENT

Motion for adjournment of the 67th Annual General Meeting of St. John's Credit Union Limited was made by Mr. Roy Flowers and seconded by Mr. Raymond Rodriguez at 4:45 pm.

REPORT OF THE BOARD OF DIRECTORS OF ST. JOHN'S CREDIT UNION FOR THE PERIOD, 1ST APRIL, 2013 TO 31ST MARCH, 2014.

The Board of Directors welcomes you, our valued members, to the 68th Annual General Meeting of St. John's Credit Union Limited, and takes pleasure in presenting its report for the fiscal year ending 31st March, 2014.

The serving Board members for the year under review were:

Mr. Eric Eusey	President
Mrs. Valerie Jenkins	Vice-President
Mr. Reuben Gordon	Secretary
Mrs. Elsie Sylvester	Alt. Secretary
Mr. Alvan Haynes	Treasurer
Mr. Barrymore Smith	Member
Mr. Kenneth Garbutt	Member

The year under review was a very dynamic one presenting with challenges that were turned into opportunities after careful analysis.

Reflecting on our stewardship it should be noted that Mr. Eric Eusey resigned as a Director and in so doing relinquished his position as Board President with effect from 31st December, 2014 to take up employment as head of the Financial Intelligent Unit (FIU). Ms. Valerie Jenkins took up the position of President for the last quarter.

Given the general financial climate we, like many other financial institutions, faced challenges of delinquency and low borrowing rate. However, we were able turn these to opportunities, guided by our Strategic Plans and the Restoration Committee as the generator. St John's Credit Union Ltd's officers and staff worked hard to change the negative factors in the financial arena and that hard work has certainly borne good fruits.

Among the changes was the rebranding: as you may have noticed we sport a new logo and tagline. The concept of security and financial prosperity for all is portrayed in our modern look. We no longer talk about saving for a "rainy day" but instead of supporting families to meet their full financial potential. We have looked at the needs of our members especially the upcoming generation and created other services such as the "Fastline". This service affords our members access to quick money as their needs arise. We responded to the housing market by taking a bold step of lowering interest rate on residential mortgage loans to eight percent (8%), for the life of the loan. Other services include Belize Electricity Ltd. bill payment and a favorite with our Dangriga Branch Members, Western Union Money Transfer.

Our Marketing Department reported a boost in the Loan Portfolio which now stands at \$41.1 million, an increase of \$13.9 million or 51%. This coupled with lowering of delinquency translates into an increase in profit enabling us to pay a higher dividend. Membership

increased by 14.8% which equates to 2961 new members. A brainchild of the marketing department, the “Lunch and Learn” meeting, was conducted at various companies such as the Belize Telecommunication Ltd. as well as the Belize Electricity Board to inform and recruit new members with great success. The aggressive strategies of the Credit Control Department resulted in a drastic reduction in the delinquency rate from 8.4 % to 6.34%. Our asset base has now passed the fifty million (50,000.000) dollar mark.

As our various reports and financials will show, your credit union is a financially sound institution with the mission of providing the best services to its members where members can save safely and borrow smartly at all times.

ANNUAL RETREAT

With so much to do last year in our efforts to overcome our challenges in moving forward, we could not overlook the need to pursue our annual retreat. During the weekend of 26th September, 2014 we held our retreat in Placencia at which time officers and staff took time out to analyze our operations and develop new strategies related to the growth and development of our credit union. Included in this was the completion of the update of the By-laws of the Credit Union.

OFFICE EXPANSION

The Belmopan office expansion and relocation project is now completed. The Belmopan branch office opened for business at its new facilities located at #76 Constitution Drive in downtown Belmopan on the 10th June, 2013 after grand opening ceremonies on the 8th June, 2013. The office building is spacious, comfortable and secure with ample parking.

At the Belize City Office the demand for loans created the need for additional staff in the Loans' Department. To accommodate this change additional office space was provided on the upper floor of the office building and a new Loans Officer was put in place. The upper flat also houses the Credit Control Department and legal office.

CCCU CONFERENCE

For the second year in a row our credit union thought prudent not to send delegates to the CCCU.

TRAINING

The Board views training for officers and staff to be critical to growth, development and efficiency in our credit union and therefore took advantage of opportunities presented. The Credit Union continued to work closely with its regulator, The Registrar of Credit Unions and our umbrella institution, the Belize Credit Union League, which provided several training sessions from which our Credit Union benefitted during the past year. Such trainings, of course, are besides the systematic training sessions done in-house for staff development from time to time. The list which follows records the types

of training referred to above: Anti-money Laundering, Micro-financing, Cultivating and Strengthening Relationship with Members, Taking Credit Union Governance to the next level, and Marketing and Sales for Small Business Owners.

STAFF

In order to better serve our membership we had to do some staff reclassification as well as hire additional staff:

- Miss Kristene Eusey was promoted to Loans Officer
- Miss Shantia Rowley was promoted Member Services Representative
- Miss Tiffarah Robinson was promoted to teller
- Mr. Jamie Gillett was promoted to teller (Belmopan)
- Miss Shanelie Eiley was hired as teller (Belmopan)
- Mr. Philberto Godines was hired as Office Assistant (Belmopan) replacing Mr. Jamie Gillett who was promoted
- Mr. Robert Mossiah was hired as additional Teller (Belmopan)
- Miss Miesha Brannon was hired as Clerk/receptionist (Belize City) and was later promoted to teller replacing Miss Shantia Rowley who was promoted to Member Services Representative
- Mr. Zain Gray was hired as Office Assistant (Belize City) to replace Miss Tiffarah Robinson who was promoted to Teller
- Miss Sandykay Morris retired as Manager, Dangriga Branch in January, 2014 and will be replaced by Miss Tricia Pipersburgh.

PARTNERSHIP AND OUTREACH

St John's recognizes the Belize Credit Union League as one of its major partners in the business, and takes this opportunity to publicly thank the League for its continued support and guidance.

During Credit Union Week last November, St. John's participated in the League's Annual Convention and Awards Banquet held in Corozal Town, and benefitted from the one-day workshops offered on the various topics. We are proud to say St Johns Credit Union Ltd. received two awards one for launching more new products and services and the other for acquiring the highest number of new members.

Our Credit Union, in solidarity, joined in the effort to raise cancer awareness through the participation of officers and staff in the "Cancer Walk" on 25th May, 2013 even though our Annual General Meeting was held later that day. We hope to make this an annual event.

On November 8th, 2013, we celebrated our 67th anniversary. This was observed as a Membership Appreciation Day at all our branches when we took the opportunity to share some goodies.

Routinely we continue to support deserving organizations and groups in our community with financial assistance (donations), one of the largest and latest being the newly opened Belize Resource Centre in Belize City.

St John's Credit Union Ltd supports the Government of Belize in meeting its Millennium Development Goal "Poverty Alleviation" BOOST Program, in the service we offer to over seven hundred (700) households at our three branches. In addition to access to the funds we encourage these members to save a little so they can benefit from the full range of services the Credit Union provides.

SCHOLARSHIP PROGRAM

We are proud to report the continuation of our High School Scholarship Program which has been in place for some years now. Currently there are three students benefitting from this program: two at Wesley College and one at Anglican Cathedral College. Two of these scholarship holders are scheduled to graduate at the end of this school year.

This report would not be complete without an expression of thanks to you our members, for giving us the opportunity to serve and for your contribution to the successful year - whether it was through saving, borrowing or just becoming a new member. Together we made it possible therefore a hearty THANK YOU to our officers, staff and YOU, our members.



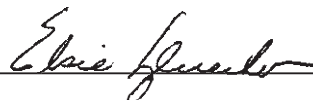
Mrs. Valerie Jenkins
President



Mr. Rueben Gordon
Secretary



Mr. Alvan Haynes
Treasurer



Mrs. Elsie Sylvester
Director



Mr. Barrymore Smith
Director



Mr. Kenneth Garbutt
Director



SUPERVISORY COMMITTEE ANNUAL REPORT ST. JOHN'S CREDIT UNION LTD. APRIL 1, 2013 TO MARCH 31, 2014

The year 2013-2014 was extremely successful in the realization of our growth. Significant strides were made in our loan portfolio and asset growth with the introduction of a lower interest rate on residential mortgages. The returns on financial investments have remained the same especially since the bank interest rate offerings on term deposits were significantly reduced. Furthermore, the Central Bank, in its regulatory role as Registrar of Credit Unions, has been placing even more emphasis on ensuring that all Credit Unions meet the ratios and standards as embodied in the PEARLS system of the World Council of Credit Unions. Throughout the year, St. John's Credit Union continued to ensure our continued growth and development while at the same meeting our objectives, including providing a return on investment to our members.

Non-performing loans and delinquency are of concern but major inroads have been made in reducing this balance. The Supervisory Committee congratulates the Management and staff, and in particular, the Credit Control Department on an excellent job where actions on non-performing loans have been taken. We have a significant reduction in the delinquency rate from 8% to 6.34% and a total of 466 non-performing loans over the last fiscal year. This is an outstanding achievement and our ambition is to reduce the delinquency ratio to within the PEARLS standard of less than 5%. We encourage members to save safely and borrow smartly to reduce delinquency.

The Supervisory Committee is pleased to report our delinquency reporting and monitoring has improved significantly over the year. This major shift in efficient collection of delinquent loans should result in more profit for the Credit Union, which will give us a healthy cash flow and will allow the Credit Union to pay reasonable dividends. Members are encouraged to push known delinquent members, including themselves if they are in that category, to visit the offices to reinstate their loans into good standing.

The Supervisory Committee, with the aid of the Internal Auditor, followed its statutory mandate to examine the affairs of the Credit Union.

Activity included inspection at all branches, reviews of transaction register and checks of daily activities to ensure compliance with procedures and regulatory controls. Additionally spot checks of individual transaction such a loan approvals, disbursement and withdrawals and of cash 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 Union, and to the Belize Credit Union League.



Dale Cayetano
Chairperson



Brenda Armstrong
Member



Keith Westby
Member

ST JOHN'S CREDIT UNION CREDIT COMMITTEE REPORT APRIL 1, 2013 TO MARCH 31, 2014

It is my pleasure that the Credit Committee presents its Annual Report for the year 2013/2014 to the members of St. John's Credit Union Ltd.

The Credit Committee is comprised of three members and meets every Wednesday to facilitate, in a quick and timely manner, the processing of loan applications that exceeds \$10,000 or more. We also review previous loans that may have some issues of concern, which may need more information to be furnished.

On August 1st. of last year we reduced the rate on our residential mortgage loans to 8% which created a flurry of new and existing loans to be processed as this meant valuable savings to our members. It is worth mentioning that our loans offering attracted many members.

At the closing of the financial year 2013/2014, the Committee approved a total of 609 loans to the value of \$7,988,995.00. The size of our existing loan portfolio at March 31st. 2014 is \$41,119,025.00. This represents an increase of 51% or \$13.9 million dollars which reflects growth in loans for areas such as consumer and residential mortgages.

The majority of loan applications were approved. However, we are also equally conscious that we cannot approve loan applications where clear repayment capacity does not exist or, where existing loan repayments are not being met. This is taken into consideration, both to protect the member applying and also to protect the funds of the Credit Union.

Our Board of Directors saw the need to amend the credit policy once more to ensure our assessment of credit applications is of the highest standard and the interest of the members at heart.

The Credit Committee is committed to carry out the responsibility delegated to us and does so in a sensitive manner and within the rules. Members are reminded of the importance of full disclosure on all loan applications as failure to supply the required information could result in delay or even refusal of the loan.

In closing, we would like to thank the Management and Staff for always being there to support and guide us during our weekly meetings. Thanks to our Board for their cooperation which resulted in success. I would like to express great gratitude to my colleagues on the Credit Committee who religiously served during the year. Most importantly, to you, our members, we take this opportunity to say "THANK YOU !!!" for holding your Credit Union's best interest at heart by committing yourselves to punctual repayments and consistently increasing your shares. To those of you, who are not, come, join the ranks, it is never too late to be a member in good standing.

LOANS ISSUED APRIL 1ST 2013 TO MARCH 31ST 2014								
	BZE		BMP		DGA		TOTAL ENTRIES	TOTAL LOANS
BUSINESS	132	\$ 1,710,387	110	\$ 233,336	8	\$ 10,200	250	\$ 1,953,923
EDUCATION	654	\$ 943,198	273	\$ 307,945	92	\$ 57,106	1,019	\$ 1,308,249
HOUSE REPAIRS/CONSTR.	659	\$ 12,003,018	190	\$ 3,471,354	8	\$ 15,085	857	\$ 15,489,457
LANDFILL/PURCHASE	40	\$ 268,368	30	\$ 188,935	1	\$ 1,000	71	\$ 458,303
VEHICLE PURCHASE/REPAIRS	241	\$ 1,082,811	125	\$ 405,103	4	\$ 27,000	370	\$ 1,514,914
PERSONAL	8,136	\$ 9,963,103	3,297	\$ 3,102,895	417	\$ 297,225	11,850	\$ 13,363,223
CHRISTMAS	636	\$ 875,229	147	\$ 259,070	23	\$ 31,700	806	\$ 1,165,999
MICRO-FINANCE	-	\$ -	14	\$ 83,000	0	\$ -	14	\$ 83,000
GRAND TOTALS	10,498	\$ 26,846,115	4,186	\$ 8,051,637	553	\$ 439,316	15,237	\$ 35,337,068

SUMMARY OF LOANS ISSUED APRIL 1ST 2013 TO MARCH 31ST 2014		
BELIZE CITY OFFICE	10,498	\$ 26,846,115
BELMOPAN BRANCH	4,186	\$ 8,051,637
DANGRIGA BRANCH	553	\$ 439,316
GRAND TOTALS	15,237	\$ 35,337,068

John Swift
Chairman

Victor Guerrero
Member

William Tillet
Member



TREASURER'S ANNUAL REPORT APRIL 1, 2013 TO MARCH 31, 2014

St. John's Credit Union Limited is pleased to report major improvement in our financial performance and significant strides in implementing our Strategic Plan, also referred to as our Institutional Capital Restoration Plan. For fiscal year 2013/14, SJCUC netted overall profit of \$2.072 million before bookings of \$300,000 for Loan Loss expense, leaving a net profit \$1.772 million. This net profit is 90% higher than last year's net profit of \$965,553. During the year, due to increased liquidity in the market, interest rates on fixed deposits fell to 2.5%, with the banks very often refusing to accept funds as term deposits. Other lending institutions continued aggressive marketing campaigns, offering lower interest rates on all types of loans.

Strategic Changes:

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

1. Introduced and marketed our new loan products and promoted faster processing of loans resulting in a whopping 52% increase in loans.
2. During 2013/14, membership increased as follows: Belize City-1243, Dangriga 493, and Belmopan 825. This total of 2,561 new members gives a growth of 13.1% in membership.
3. With membership increasing, the ATM has assisted in reducing the bottleneck experienced on pay days. The ATM has serviced some 43,000 transactions valued at a total of \$7.4 million. We are proud to announce that the Belmopan Branch ATM is now installed.
4. We have commenced offering bill payment for BEL and continued to offer Western Union services
5. We reduced residential mortgage rates and continue to look at means to offer attractive and competitive loan and savings products to our members.
6. Our continued efforts have reduced delinquency from 8.1% to 6.4%; based on the methodology agreed by the Registrar, which allow offsets where collateral is held, the adjusted figure is 3.1%!

The burial scheme: even though 70 members passed away only 30 qualified under the scheme. Based on those numbers we paid out a total of \$147,500. The burial scheme reserve has increased from \$203,333 at March 2013 to \$275,802 at March 2014.

Summary of Growth:

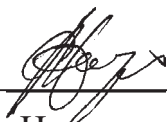
Description	Mar-12	Mar-13	Mar-14	1 Yr % Change	2 Yr % Change
Membership	17,530	19,574	22,135	13.1%	26.3%
Assets	\$38,800	\$42,831	\$54,985	28.4%	41.7%
Shares	\$25,819	\$26,823	\$30,071	12.1%	16.5%
Loans	\$22,213	427,120	\$41,119	51.6%	85.1%
Delinquency %	12.4%	8.1%	6.4%	-20.6%	-48.4%
Delinquency % (CBB)	12.4%	5.0%	3.1%	-38.2%	-75.2%

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

In summary, our Credit Union had an excellent year in 2013/14. Despite tough conditions, we improved performance for every measure; we continued to improve our reserves or Institutional Capital and to bring our delinquency down even further. Our Restoration Plan and strategic initiatives are working well and will be further updated to meet new targets. We ask the continued assistance of you, our members, to help support and promote SJCUCU, our credit union; this in turn will help to bring you even better returns in the upcoming years.

I take this opportunity to thank the Management and Staff as well as the Officers for their support and commitment for the further development of our credit union. And of course, a resounding "THANK YOU !!!" to you our loyal and dedicated members who contributed immensely to the steady success of this financial year.

Respectfully,



Alvan Haynes
 Treasurer

A MEMBER

A MEMBER

Is the most important person in any credit union.

A MEMBER

Is not dependent on us. We are dependent in him/her.

A MEMBER

Is not an interruption of our work. He/she is the purpose for it.

A MEMBER

Does us a favor when he/she comes in. We are not doing him/her a favor by serving him/her.

A MEMBER

Is an owner of our business not an outsider.

A MEMBER

Is not just a statistic. He/she is flesh and blood; human beings with feelings and emotions like us,

A MEMBER

Is deserving of the most courteous and attentive treatment we can give.

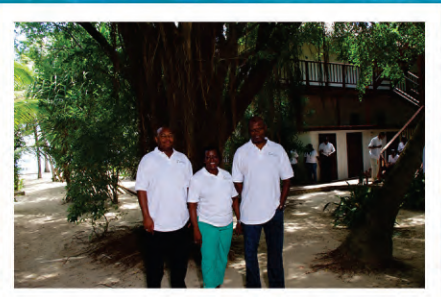
A MEMBER

Is a person who comes to us with his/her needs or wants. It is our job to fill them.

A MEMBER

Is the life blood of ST. JOHN'S CREDIT UNION LTD. and every other credit union. Without him/her we would have to close our doors.





St John's

CREDIT UNION LTD.

safe saving... smart borrowing




CREDIT COMMITTEE



John Swift
CHAIRMAN | CREDIT COMMITTEE



Victor Guerrero
SECRETARY | CREDIT COMMITTEE



William Tillett
MEMBER | CREDIT COMMITTEE

SUPERVISORY COMMITTEE



Dale Cayetano
CHAIRMAN | SUPERVISORY COMMITTEE



Brenda Armstrong
SECRETARY | SUPERVISORY COMMITTEE



Keith Westby
MEMBER | SUPERVISORY COMMITTEE

BOARD OF DIRECTORS




Valerie Jenkins
PRESIDENT | BOARD OF DIRECTORS



Reuben Gordon
SECRETARY | BOARD OF DIRECTORS



Awan Haynes
TREASURER | BOARD OF DIRECTORS



Kenneth Parbatt
DIRECTOR | BOARD OF DIRECTORS



Elsie Sylvestre
DIRECTOR | BOARD OF DIRECTORS



Barrymore Smith
DIRECTOR | BOARD OF DIRECTORS

ST. JOHN'S CREDIT UNION LIMITED

FINANCIAL STATEMENTS 31 MARCH 2014 and 2013

INDEX

	Page
Report of the auditor to the Board of Directors and members	1- 2
Statements of financial position	3
Statements of comprehensive income	4
Statements of changes in equity	5
Statements of cash flows	6
Notes to the financial statements	7 - 15





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Page 1

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

We have audited the accompanying financial statements of St. John's Credit Union Limited which comprise the statements of financial position as at 31st March 2014 and the statements of comprehensive income, statements of changes in equity and cash flows for the year then ended, and summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Credit Union Act Chapter 314 (Revised 2003) of the Laws of Belize, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

An Independent member of Baker Tilly International



REPORT OF THE INDEPENDENT AUDITOR (continued)

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

Explanatory paragraph

The Credit Union's policy is to prepare its financial statements on a modified cash basis as detailed in note 2 to these financial statements.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position - modified cash basis - of St. John's Credit Union Limited as at 31st March 2014 of its financial performance - modified cash basis - and cash flows for the year then ended in accordance with International Financial Reporting Standards and 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 as specified in note 2 of these financial statements. The financial statements for the year ended 31st March 2013 was audited by another auditor who expressed a qualified opinion on those statements.



Baker Tilly Hulse
Chartered Accountant
27th May 2014

Belize City,
Belize, C.A.



ST. JOHN'S CREDIT UNION LIMITED

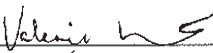
Page 3

STATEMENTS OF FINANCIAL POSITION
 31ST MARCH 2014 AND 2013

All amounts expressed in Belize Dollars

	Notes	2014	2013
Current assets:			
Cash and bank balances	2	5,349,628	6,598,044
Investment	2, 3	6,435,000	6,475,000
Loans receivable	2, 4	41,119,025	27,119,900
Less: loan loss provision	2, 4	(1,111,280)	(863,457)
Other receivables and prepayments	2, 5	228,087	381,721
		<u>52,020,460</u>	<u>39,711,208</u>
Long-term asset:			
Property, furniture and equipment	2, 6	2,964,233	3,120,055
Total assets		<u>54,984,693</u>	<u>42,831,263</u>
Current liabilities:			
Deposits - members	2, 7	20,139,619	12,495,201
Shares - non-mandatory	2, 8	28,862,908	25,898,530
Accounts payable and accruals	2, 9	30,666	72,553
Pension fund liability	10	273,581	-
Other liabilities	2, 11	274,734	264,956
		<u>49,581,508</u>	<u>38,731,240</u>
Long-term liabilities:			
Long-term debt	2, 12	200,000	200,000
Total liabilities		<u>49,781,508</u>	<u>38,931,240</u>
NET ASSETS		<u>5,203,185</u>	<u>3,900,023</u>
Members' interest (page 5):			
Shares - mandatory		1,208,280	924,260
Undivided earnings		1,527,799	851,961
Guaranty funds		1,831,350	1,565,016
Revaluation reserves		354,953	354,953
Other reserves		280,803	203,833
MEMBERS' INTEREST		<u>5,203,185</u>	<u>3,900,023</u>

Approved on behalf of the Board

 Director

 Director

Dated: 27th./05/2014

Auditor's report pages 1 & 2.

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

ST. JOHN'S CREDIT UNION LIMITED

Page 4

STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED 31ST MARCH 2014 AND 2013

All amounts expressed in Belize Dollars

	Notes	2014	2013
Income:			
Interest on members' loans	2,13	3,670,465	2,700,965
Investment income		663,450	826,739
Fee income		371,501	126,501
Rental income		24,660	5,925
Other income		47,667	58,694
		<u>4,777,743</u>	<u>3,718,824</u>
Less:			
Interest expense	2,14	474,724	780,206
General and administrative expense	2,15	2,231,160	1,673,065
Provision for loan losses		300,000	300,000
		<u>3,005,884</u>	<u>2,753,271</u>
Net income		<u><u>1,771,859</u></u>	<u><u>965,553</u></u>

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



ST. JOHN'S CREDIT UNION LIMITED

Page 5

STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED 31ST MARCH 2014 AND 2013

All amounts expressed in Belize dollars

	2014	2013
SHARES - MANDATORY		
Balance at the beginning of the year	924,260	893,180
Net increase in shares	<u>284,020</u>	<u>31,080</u>
	<u>1,208,280</u>	<u>924,260</u>

Central Bank of Belize Regulations require that member share accounts are divided into mandatory and non-mandatory shares. Mandatory shares are reflected in equity; non mandatory shares are reflected as current liabilities.

UNDIVIDED EARNINGS

Balance at the beginning of the year	851,961	601,986
Plus: - 85% of current year surplus (page 4)	1,506,080	772,443
Less: - dividend paid	(830,241)	(522,468)
Rounding (1)	(1)	-
	<u>1,527,799</u>	<u>851,961</u>

GUARANTY FUNDS

Balance at the beginning of the year	1,565,016	1,467,724
Plus: - 15% of current year surplus (page 4)	265,779	96,555
Entrance fees	557	737
Rounding (2)	(2)	-
	<u>1,831,350</u>	<u>1,565,016</u>

REVALUATION RESERVE

The revaluation reserve constitutes surplus arising from the revaluation of fixed assets (land) in 2004.

Balance at the beginning and end of the year	<u>354,953</u>	<u>354,953</u>
--	----------------	----------------

OTHER RESERVES

Staff fund

Balance at the beginning and end of the year	<u>5,000</u>	<u>5,000</u>
--	--------------	--------------

Fund held for staff activities to be determined by the Board of Directors.

Burial scheme

Balance at the beginning of the year	198,833	104,094
Plus: - Net increase for year	<u>76,970</u>	<u>94,739</u>
Balance at end of the year	275,803	198,833

Burial Scheme whereby a member pays \$30 per annum and the beneficiary is entitled to \$5,000 funeral grant. Net increase per year represents collection over funeral grant disbursements.

	<u>280,803</u>	<u>203,833</u>
TOTAL MEMBERS' INTEREST	<u>5,203,185</u>	<u>3,900,023</u>

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

ST. JOHN'S CREDIT UNION LIMITED

Page 6

STATEMENTS OF CASH FLOWS
YEARS ENDED 31ST MARCH 2014 AND 2013

All amounts expressed in Belize dollars

	2014	2013
Cash flow from operating activities:		
Net income for the year	1,771,859	965,553
Add: Adjustments to reconcile net income to net cash provided by operating activities:		
- depreciation	146,405	117,344
- provision for loan losses	300,000	300,000
- disposal of fixed assets	436,800	-
- write off from reserves (net)	(52,178)	-
	<u>2,602,886</u>	<u>1,382,897</u>
Add/(less):		
(Increase) in loans receivable	(13,999,125)	-
Decrease in other receivables and prepayments	203,634	-
(Increase) in receivables and prepayments (prior period)	-	(5,042,608)
Increase in members' deposits	7,644,418	-
Increase in non-mandatory shares	2,964,378	-
(Decrease) in accounts payable	(41,887)	-
Increase in payables (prior period)	-	2,584,131
Increase in pension fund liability	273,581	-
Increase in other liabilities	9,778	-
Net cash flow (used by) operating activities	<u>(342,337)</u>	<u>(1,075,580)</u>
Cash flow from investing activities:		
Increase in debentures	(10,000)	-
Purchase of property, furniture and equipment	(427,386)	(176,035)
Net cash flow (used by) investing activities	<u>(437,386)</u>	<u>(176,035)</u>
Cash flow from financing activities:		
Net increase in shares - members (mandatory)	284,020	1,004,200
Dividends paid	(830,241)	(522,468)
Increase in other reserves	76,971	94,739
Proceeds of entrance fees	557	737
Net cash flow (used by) provided by financing activities	<u>(468,693)</u>	<u>577,208</u>
(Decrease) in cash, investments and bank balances	(1,248,416)	(674,407)
Cash, investments and bank balances at the beginning of the year	<u>6,598,044</u>	<u>7,272,451</u>
Cash, investments and bank balances at the end of the year	<u><u>5,349,628</u></u>	<u><u>6,598,044</u></u>

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

-continues



ST. JOHN'S CREDIT UNION LIMITED

Page 7

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2014 AND 2013

All amounts expressed in Belize Dollars

1. STATUS

St. John's Credit Union Limited is a body corporate duly 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 principal office is situated at No. 4 Basra Street, Belize City, Belize. Branches are located in Belmopan City and Dangriga Town.

At 31st March 2014, the credit union employed 31 people.

The credit union is involved in promoting thrift, enterprise and the cooperative principle among its members and to pool financial resources of its members and to provide needed lending, investment and other financial services to them.

2. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by Internal Accounting Standards Board and the financial reporting provisions 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 principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been applied consistently to all periods presented.

Basis of preparation

The financial statements are presented in Belize dollars. They have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards with the exception of income recognition which is recognized when collected and provisioning for doubtful loans which complies with local regulations. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Cash and cash equivalents and investments

Cash and cash equivalents and investments comprise cash on hand and balances held on call with local financial institutions.

Foreign currency translation:

Foreign currency transactions are translated into Belize dollars using the exchange rates prevailing at the dates of the transactions. Foreign currency balances outstanding at the statement of financial position date are converted at the rates ruling on that date. Gains and losses, both realized and unrealized, are included in the statement of comprehensive income.

Investments

Investments are stated at cost which approximates market value. Interest earned on investments is recognized in income in the period collected.

- continues



NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2014 AND 2013

All amounts expressed in Belize Dollars

2. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Loans receivable

Loans receivable are stated at principal outstanding, net of unearned interest, less provision made for impairment. Provisions for impairment (loan loss reserve) is built in based on the Credit Unions Act (CUA) Requirement No. 2 /2013. All loans are recognized when cash is advanced to borrowers.

Other receivables and prepayments

Other receivables and prepayments are recognized at original amounts paid.

Property, furniture and equipment

Land is not depreciated. Property, furniture and equipment are carried at cost and are depreciated on the straight line basis at the following rates:

Building	2%
Furniture and fixtures	10%
Computer and equipment	10% & 20%
Motor vehicle	20%

Maintenance, repairs and minor renewals are charged against revenue in the period incurred; major renewals and improvements are capitalized.

When property, furniture and equipment are disposed of by sale or scrapping, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the statement of comprehensive income.

Deposits

Deposits consists of amounts held in ordinary deposits and fixed deposits for members. Fixed deposits are stated at principal balance. Interest is calculated at the maturity date and recorded on the cash basis when paid. Interest is paid based on terms of the fixed deposits.

Shares

Mandatory shares are minimum number of shares a person must have in order to be considered a member of the credit union. These are reflected in equity on the statement of financial position.

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

Accounts payable

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

- continues

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2014 AND 2013

All amounts expressed in Belize Dollars

2. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Borrowings

Borrowings are recognized initially at cost, being the issue proceeds inclusive of transaction cost incurred. Borrowings are subsequently stated at amortized cost.

Income recognition

Interest income on loans receivable is calculated and recognized in the statement of comprehensive income at the time of collection.

Dividends

Dividends on shares are recognized in equity in the period in which they are declared.

Fee income

Fees are generally recognized on the cash basis when the service has been provided. Loan fees are recognized when cash is advanced to borrowers.

Guaranty Fund

The Guaranty Fund is a reserve fund that is mandated by the Credit Union Act, Chapter 314 of the Laws of Belize (Revised 2003). The fund consists of entrance fees and fines collected from members and at least 10% of the net earnings of the credit union at the end of each fiscal year. The Union has transferred 15% to Guaranty Funds from Undivided Earnings in 2014 (2013-10%).

The Guaranty Fund is held as a reserve against bad loans or losses and should not be used for any other purpose except on liquidation.

FINANCIAL RISK MANAGEMENT

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

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



NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2014 AND 2013

All amounts expressed in Belize Dollars

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

The credit union takes on exposure to credit risk which is the risk that a counter party will be unable to pay amounts in full when due. The union structures its credit risk by placing limits on the amount of credit extended in relation to one borrower or group. This is monitored on a revolving basis and subject to annual review. Limits are also regulated by Credit Union Act Chapter 314 of the Laws of Belize (Revised 2003).

Exposure to credit risk is managed through regular analysis of the borrowers' ability to repay, current exposure to individual customers and the likelihood of default and the recovery ratio on any defaulted obligation.

Exposure is also managed in part by obtaining marketable collateral, personal guarantees and authority for salary deductions for installment payments.

Fraud risk

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

Market risk

Market risks for the union arise from open positions in interest rate, currency and equity products all of which are exposed to general and specific market movements. The union's Board of Directors set limits on the amount of risk that may be accepted, which is monitored on a regular basis.

Interest rate risk

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

Liquidity risk

The credit union takes on exposure to liquidity risk in that it is a cash based business that provides short-term credit facilities. Liquidity risk is the risk that the credit union may not have enough cash on hand to meet customer demands. The credit union manages this risk by closely monitoring customer payments, setting credit limits and by obtaining credit facilities from other sources to ensure cash availability.

ST. JOHN'S CREDIT UNION LIMITED

Page 11

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2014 AND 2013

All amounts expressed in Belize Dollars

3. INVESTMENT

	2014	2013
Investment consists of the following:		
Belize Electricity Limited Series 2 debentures with interest rate of 9.5% per annum payable quarterly, maturity date of 31st March 2021.	160,000	150,000
Belize Electricity Limited Series 3 debentures with interest rate of 10% per annum payable quarterly, maturity date of 31st July 2022.	2,850,000	2,850,000
Belize Electricity Limited Series 4 debentures with interest rate of 10% per annum payable quarterly, maturity date of 30th September 2027.	1,875,000	1,875,000
Government of Belize Treasury Notes with interest rate of 6% per annum payable by half-yearly installments, maturity date of 10th December 2015.	500,000	500,000
200,000 ordinary shares of \$1 par value in Belize Telemedia Limited.	1,000,000	1,000,000
50 redeemable preferred shares of \$1000 per value in Belize Credit Union League	50,000	50,000
Heritage / Credit Unions ATM/POS - joint investment	-	50,000
	<u>6,435,000</u>	<u>6,475,000</u>

4. LOANS RECEIVABLE

Loans receivable consist of the following:		
Loans receivable - personal and business loans	24,789,754	16,539,724
- residential mortgage loans	<u>16,329,271</u>	<u>10,580,176</u>
	<u>41,119,025</u>	<u>27,119,900</u>
The movement in the provision for loan loss is as follows:		
At the beginning of the year	863,457	524,275
Provision for the year	300,000	300,000
Allocation from current year surplus	-	96,555
Write offs	(54,573)	(57,373)
Reversals of provision	2,396	-
At the end of the year	<u>1,111,280</u>	<u>863,457</u>
Loans receivable net	<u>40,007,745</u>	<u>26,256,443</u>

Based on Central Bank regulation, there is a shortfall in the provision for loan loss of approximately \$500K. Central Bank has agreed to allow SJCUC a grace period of three years to fully comply with the CUA Loan Requirement No. 2 - allowance for loan losses and impaired assets.



ST. JOHN'S CREDIT UNION LIMITED

Page 12

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2014 AND 2013

All amounts expressed in Belize Dollars

	2014	2013
5. OTHER RECEIVABLES AND PREPAYMENTS		
Other receivables and prepayments consist of the following:		
Employees loans	10,684	8,871
Accrued investment income	40,044	236,840
HBL ATM/POS Project	50,000	-
Belize Credit Union League	43,707	44,161
Other receivables	50,004	49,598
Prepaid expenses	33,648	42,251
	<u>228,087</u>	<u>381,721</u>

The Union has entered into a Joint Investment Agreement with Heritage Bank Limited and five other institutions, called the ATM/POS Project. Since the formation of the new company is still in process, the initial investment is classified as other receivables and prepayment at 31st March 2014.

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

2014	Land, driveway Buildings, & Construction in progress	Furniture & Fixtures	Motor Vehicles, Computer, Equipment & Accessories	Total
Cost				
Cost at 31st March 2013	3,066,287	256,994	776,747	4,100,028
Additions	102,153	54,501	270,732	427,386
Disposals	(436,800)	-	-	(436,800)
Cost at 31st March 2014	<u>2,731,640</u>	<u>311,495</u>	<u>1,047,479</u>	<u>4,090,614</u>
Depreciation				
Balance at 31st March 2013	235,190	188,032	556,754	979,976
Additions	42,944	15,811	87,650	146,405
Disposals	-	-	-	-
Balance at 31st March 2014	<u>278,134</u>	<u>203,843</u>	<u>644,404</u>	<u>1,126,381</u>
Net Book Value at 31st March 2014	<u>2,453,506</u>	<u>107,652</u>	<u>403,075</u>	<u>2,964,233</u>
Net Book Value at 31st March 2013	<u>2,831,100</u>	<u>68,962</u>	<u>219,993</u>	<u>3,120,055</u>

7. DEPOSITS - MEMBERS

Deposits - members consist of the following:

Regular deposits	2,143,224	1,990,622
Term deposits	17,996,395	10,504,579
	<u>20,139,619</u>	<u>12,495,201</u>



NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2014 AND 2013

All amounts expressed in Belize Dollars

	2014	2013
8. SHARES - NON-MANDATORY		
Movement in non-mandatory shares is as follows:		
Balance at the beginning of the year	25,898,530	24,925,410
Net increase in shares	2,964,378	973,120
Balance at the end of the year	<u>28,862,908</u>	<u>25,898,530</u>

Central Bank of Belize Regulations require that members' share accounts are divided into mandatory and non-mandatory shares. Mandatory shares are reflected in equity; non-mandatory shares are reflected as current liabilities.

9. ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable consist of the following:

	24,156	-
BCUAS	6,510	72,553
Other	<u>30,666</u>	<u>72,553</u>

10. PENSION FUND LIABILITY

Balance at the beginning of the year	251,674	199,259
Employee contributions for year	25,761	23,921
Employee contributions for year	25,761	23,921
Income earned	16,512	9,150
Withdrawals	(46,127)	(4,577)
	<u>273,581</u>	<u>251,674</u>

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

Bank balance	58,246	242,790
Investments	10,000	-
Loans receivable	6,484	8,884
Due from SJCU (balance)	198,851	-
	<u>273,581</u>	<u>251,674</u>

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

At 31st March 2013, Pension Fund Liability nor the related cash balances were reported in the statement of financial position. These were accounted for separately from the Union's financial statements. The assets and liabilities of the pension fund is incorporated in the 2014 financial statement. In the 2013 financial statements, there was a note disclosure regarding the pension fund.



ST. JOHN'S CREDIT UNION LIMITED

Page 14

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2014 AND 2013

All amounts expressed in Belize Dollars

	2014	2013
11. OTHER LIABILITIES		
Other liabilities consist of the following:		
Beneficiary payable	192,028	187,617
HBL payable (ATM Settlement)	82,706	77,339
	<u>274,734</u>	<u>264,956</u>
12. LONG-TERM DEBT		
Long-term debt consists of the following:		
<u>Social Investment Fund</u>		
<u>Agreement #1</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 19th September 2005.	100,000	100,000
<u>Agreement #2</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 28th December 2006.	100,000	100,000
	<u>200,000</u>	<u>200,000</u>
13. INTEREST ON MEMBERS' LOANS		
Interest on members' loans consists of the following:		
Interest income - personal and business loans	2,403,667	1,529,475
Interest income - residential mortgage loans	1,266,798	1,171,490
	<u>3,670,465</u>	<u>2,700,965</u>
14. INTEREST EXPENSE		
Interest expense consists of the following:		
Bank overdraft expense	27,066	4,095
Members' deposits	447,658	776,111
	<u>474,724</u>	<u>780,206</u>



NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2014 AND 2013

All amounts expressed in Belize Dollars

15. GENERAL AND ADMINISTRATIVE EXPENSE

General and administrative expense consists of the following:

Advertising	116,417	29,475
Salaries, wages and allowance	650,782	557,161
Annual general meeting	33,206	24,157
Bank service charges	21,361	13,732
Christmas expense	37,865	12,199
Committee meetings	12,726	9,062
Credit Union Week	13,527	10,586
BCUAS Insurance	270,164	224,308
Delinquency expense (bad debt recovery)	104,746	74,926
Depreciation expense	146,405	117,344
Donations	8,526	6,056
Education expense	33,426	18,904
General insurance expense	49,041	45,045
Professional fees	10,688	10,713
Office stationery	82,242	77,010
Other expense	72,137	22,734
Pension expense	25,761	23,390
Property taxes	651	3,319
Rental expense	7,540	6,000
Security expense	106,966	90,635
Social security expense	28,703	21,394
Software system maintenance	66,326	43,784
Supervision fees	12,000	12,000
Travel and subsistence	48,857	30,993
Uniform expense	15,152	41
Utilities	164,093	120,793
Repairs & maintenance	91,853	67,304
	<u>2,231,160</u>	<u>1,673,065</u>

16. RELATED PARTY TRANSACTIONS

Officers of the Credit Union maintain balances in the form of shares, deposits, and loans. As at 31st March 2014, shares and deposits totaled \$249,878; loans totaled \$657,875. Officers also received stipend totaling \$27,900.

NOTES



CENTRAL BANK OF BELIZE

NOTICE

The Central Bank of Belize, in accordance with

Section 81 of the Banks and Financial

Institutions Act, in an effort to

ensure proper customer due

diligence, requires that customers

conducting certain transactions at a bank

or financial institution be identified

by name, address, government-issued

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

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

All customers are subject to these requirements.



By Order of the
Governor
Central Bank of Belize

NOTES



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.

KNOW ABOUT FATCA

Frequently Asked Questions

1. What is FATCA?

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

2. Who is a US person?

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

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

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

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

4. What is an FFI?

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

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

5. How will FATCA work?

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

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

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

7. When is the commencement date for FATCA?

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

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

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