



# St. John's

CREDIT UNION LTD.

*safe saving ... smart borrowing*



**“HUMBLE ORIGINS, PROGRESSIVE TRANSFORMATION, SJCU: 75 YEARS OF COMMITMENT TO YOU.”**

Main Office  
#4 Basra Street  
Belize City  
Tel: 227-7659

North Side Branch  
1 mile Philip Goldson HWY  
Belize City  
Tel: 223-7528

Belmopan Branch  
#76 Constitution Dr.  
City of Belmopan  
Tel: 822-3257

Dangriga Branch  
Cor.Tubroose/Mahogany  
Dangriga Town  
Tel: 522-2446



# St. John's

CREDIT UNION LTD.

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1946 - 2001



## ANNUAL REPORT 2021

**“HUMBLE ORIGINS, PROGRESSIVE TRANSFORMATION, SJCU: 75 YEARS OF COMMITMENT TO YOU.”**

# 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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## VISION STATEMENT

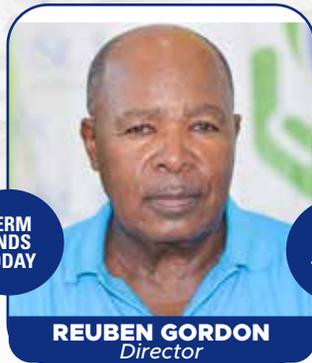
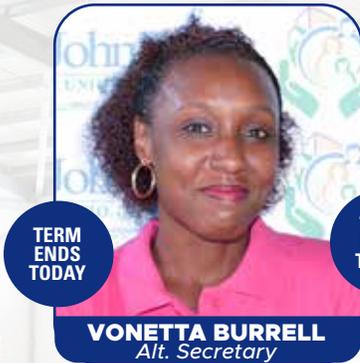
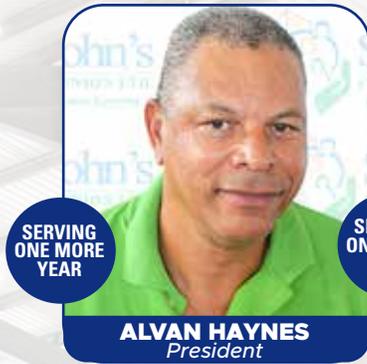
*St. John's Credit Union Ltd: The premiere membership driven, socially conscious financial institution delivering quality services.*



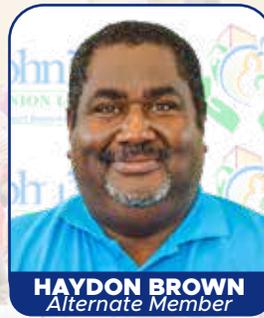
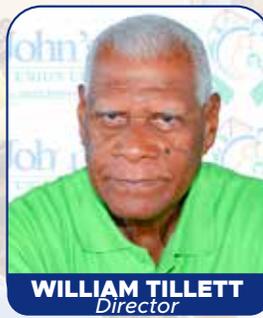
## MISSION STATEMENT

*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.*

## BOARD OF DIRECTORS:



## CREDIT COMMITTEE:



## SUPERVISORY COMMITTEE:





**St. John's**  
**CREDIT UNION LTD.**  
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St. John's  
CREDIT UNION LTD.



**Alvan L.  
HAYNES**  
*President*

## MESSAGE FROM THE PRESIDENT

**I** start by expressing my most sincere appreciation to the entire credit union membership for your understanding and forbearance, especially over the last year with all the hardships and challenges cause by the COVID-19 pandemic. We truly value your membership and your loyalty!

As a result of COVID-19 and the necessary measures implemented to minimize the spread of the disease, we did not have an AGM in 2020 and we will not again in 2021. However, we are reporting to you in the same format as we would have for the 75th Annual General Meeting of St. John's Credit Union Limited, which should have been formally held this year.

Again, thank you, it is indeed with the greatest pleasure that I address you – our members, our invited guests, our officers, and our staff.

As was expected, our credit union's performance for the financial year April 01, 2020, to March 31, 2021, was adversely affected by COVID-19. Furthermore, this pandemic will continue to affect us for many months to come. However, as the more detailed reports will show, the financial performance, though below that of previous years, was surprisingly good, given the circumstances. I am pleased to report that, despite the challenges, our overall assets grew from \$94.5 million at March 2020 to \$97.8 million; and a monumental change when compared to the 2012 figure of \$38.8 million! The other reports will detail the performance of SJCU over the last year, so I will keep my message short and not delve into those details.

SJCU continued to focus on providing improved services and affordable loans to members. During the year, we offered several new financing options, specifically geared to assist those affected by the COVID-19 induced economic downturn.

We also improved on our existing products, while continuing to offer the lowest rates of any credit union in the country.

Our Credit Union has led the way with offering lower interest rates on loans to members. While this is our way of offering competitive loan products to our members, we ask members to realize that lower rates mean that those who borrow get the benefit, but ultimately it means that the returns to the credit union, and therefore the dividends back to you the members, are lower. Regardless, we are proud to say that our dividend rate remains above the market rates on term deposits. However, we must also warn that with these reduced lending rates, we will need to consider reducing or removing interest rebates in the future, as our borrowing members are getting the benefits up front.

Thankfully, our previous investment in the new core banking system, Sharetec, allowed SJCU to support all our online and mobile members without a hitch during the lockdowns and COVID required measures. During the reporting year, our online system hosted tens of thousands of connections, making life easier for our members and our staff.

The Board implemented several innovative options to assist members through these difficult times, while still ensuring the necessary safeguards to protect our shares and savings and the overall integrity of our credit union. We will also look for new and improved ways to deliver services to members and seek viable investment opportunities.

Looking forward, as part of the Credit Union League, we are planning to finalize the electronic system to allow moving funds between any two financial institutions in the country. We are also seeking to implement improved ATM services. We

St. John's  
CREDIT UNION LTD.



**Alvan L.  
HAYNES**  
*President*

## MESSAGE FROM THE PRESIDENT

have advanced plans to construct a new building on Buttonwood Bay Boulevard to house our north side operations, some of the back-office departments from Headquarters, and possibly, provide additional rental income.

I again appeal to you to use the COVID-19 situation as a motive to improve your personal financial position, using our credit union as your pillar of strength. I re-emphasize the importance of SAVING regularly – your savings are your protection against hard times. SJCUC's slogan **“safe savings ... smart borrowing”** is intended to remind members not only to continue to save, but also to borrow wisely – it is our hope that it will become the mantra for each one of our members.

Remember that saving with your credit union is your best investment. It not only earns you money, but also allows you to enjoy a multitude of free or very low-cost benefits, and of course, it builds your financial asset portfolio and facilitates you with borrowing for life's most important needs.

Members, I think that these tough times will have made most of you realize the true benefits and strength of your credit union. Our credit union is here to support those who need help. Those of you who have been steadily saving now know the real comfort and value of having a financial buffer that is your very own safety net; those who have not, we have put programmes in place to help to keep you afloat until things improve – and we are already seeing strong signs of economic recovery. The strength of our credit union provides you reassurance and confidence, a shoulder to lean on in these hard times.

As reported in previous years, the Board of Directors and Officers of SJCUC continue to be diligent in executing our fiscal and fiduciary responsibilities, including reporting to, and liaising with, the regulator, to ensure that our SJCUC meets the required safe operating guidelines as defined by both the Central

Bank and the World Council of Credit Unions.

Monitoring and compliance is now part of our standard operating procedures. Our Supervisory Committee, aided by our Compliance Officer and Internal Auditor, performs continuous monitoring of operations. The active execution of their functions ensures our compliance with regulations and policies and provides the necessary protection and safeguards to our credit union.

On behalf of the Board, Officers, management, and staff of SJCUC, I thank each of our 30,000 members who save and utilize our credit union services. We express special appreciation those of you, who continue to be so active in the Credit Union – using the many services offered, promoting our credit union, and giving us your vital feedback to help us to improve further.

I wish to extend a special welcome to all our new members who have joined us since last year, proving that growth can happen even during the toughest of times.

I am pleased to have this opportunity to commend the dedicated efforts of all directors, officers, managers, and staff.

At this point though, we must sadly recognize the loss of two staff members during the year, one of which was a direct result of COVID-19. We also extend our most sincere condolences for our deceased members and to all members who lost relatives or friends during this unprecedented year.

In closing, I remind you of our commitment to continue growing and strengthening this institution to be there to provide unparalleled services and a financial safety net to you, our members, into the foreseeable future.

We thank all of you for your membership and continued participation which helps to drive the growth and continuing success of our very special institution, **St. John's Credit Union**. Thank you.



**BRENDA  
ARMSTRONG**  
*Secretary*

**REPORT OF THE  
BOARD OF DIRECTORS  
FOR THE PERIOD  
01 APRIL 2020 TO 31  
MARCH 2021**

In the 75th year of the existence of St. John's Credit Union Limited, even in the absence of an Annual General Meeting, the Board of Directors takes pleasure in presenting its report for the period 1st April, 2020 to 31st March, 2021.

The membership of the Board continued the same as the previous year and consisted of:

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

We are more than pleased to report that despite the challenges presented by the economic decline triggered by the Covid-19 Pandemic, our credit union had a fairly productive year of operations as the other reports and financial statements presented are showing.

In an effort to fulfil its fiduciary responsibilities, the Board of Directors met on several occasions during the year, for special meetings as well as our regular monthly meetings. While monitoring the strategic plan, the Board focused on being responsive to the difficulties members were facing in meeting their commitments, as well as providing improved services and attractive interest rates. Our response resulted in the offering of several forbearance measures as well as the introduction of highly competitive interest rates on loans to members. The added benefits such as free insurance on loans up \$40K, insur-

ance on shares, low-cost burial scheme, lower rates on property insurance, tax-free dividends were still maintained. The reminder is restated, however, that only members who maintain the minimum mandatory shares of \$150 are eligible to receive these benefits.

**CHALLENGES AND ACHIEVEMENTS**

Throughout the year, SJCU operated in a competitive and changing environment, so, not surprisingly, the challenges were many. As predicted last year, the negative impact of the pandemic is being felt by our members, and even though every effort has been made to assist members, the bottom line of the credit union has suffered. The institution has also been adversely affected by buyouts of loans by other financial institutions, many of which have included reduction or depletion of shares from the accounts.

The year has also seen increasing levels of delinquency, a reflection of the number of borrowers who are not repaying their loans. We invite all delinquent members, including those affected by Covid-19, to contact our offices and make arrangements to restructure their repayments to make it easier and more affordable to service their loans.

Despite these challenges, we can still boast that the required 10% Net Institutional Capital and full Loan Loss Provisioning have been maintained. Total Reserves remain over \$10 million - our main reserve account, the Guaranty Fund, stands at over \$7 million.

As the Treasurer's report will show, SJCU has experienced decline in its Gross Profit, while un-

fortunately having to book \$.925M in Loan Loss Expense. Net Profit was \$1.825M, a decrease of 10.5% when compared to the previous year. Membership now stands at 29,904, a 3.32% decline from the previous year.

The pandemic has taken its toll on our country, on its population, its medical system and its economy. SJCUC has performed valiantly against all odds and will continue to provide quality service to all its faithful members.

### **OUTREACH**

As has been established, the year under review has been restrictive in many ways. This was especially true of limitations on avenues for outreach. Nonetheless, SJCUC staff sought to encourage members to apply the motto of “safe savings...smart borrowing”. In addition, effort was made to develop attractive loan packages and forbearance measures that would assist members through the difficulties of salary cuts and job losses. Efforts were redoubled to reach out to the membership through monthly raffles and reduced interest rates. We are extremely grateful to those loyal members who remained faithful throughout and contributed in any way to the modest successes of the year past.

The Financial Literacy Program (FLP), which provided lessons on money management and had been undertaken in conjunction with the Ministry of Education, could not be continued because of the modifications made to the school curriculum because of the Pandemic.

SJCUC joined other Credit Unions and the BCUC in observing International Credit Union Day with essay competitions and media appearances. Packages containing a mask, a hand sanitizer and a pack of paper tissue was also distributed to members. On November 8, 2020, the Credit Union celebrated its 74th anniversary with a member’s appreciation day at our offices.

### **TRAINING**

Using the Teams platform, the credit union staff and officers participated in training sessions offered in partnership with Belize Credit Union League and those organized by SJCUC’s Compliance Officer, IT Technician and the Internal Auditor. These training events were on the following topics:

- Cyber Security Awareness
- Shared Services Network System
- Annual Agency Training from Western Union with a focus on Compliance
- Anti-Money Laundering Certified Associate
- Financial Audit Certification

Unfortunately, the Belize Credit Union League’s training sessions normally conducted at their Annual Convention were not available since the Convention was not held last October.

### **MARKETING AND NEW INITIATIVES**

With the challenges to hosting face-to-face activities, SJCUC relied even more on the Marketing Department to keep the institution in the public eye. The department continued to seek innovative and efficient ways to promote the products that the credit union offered, including radio, television, and social media platforms. The CU tried its best to adjust to the needs of the membership. The coronavirus outbreak sent the country on a 3-month lock down. During this time there were no new products being promoted, however Mitigation Packages were developed specifically targeting members who had lost their jobs or suffered reduced income. Information on these packages as well as on the Coronavirus and advisories were posted on the SJCUC Facebook page regularly. Marketing personnel focused efforts on effective communication, on utilizing the right platforms for channelling information and improving members’ experience. This list provides a summary of activities engaged in during the year:

- The home banking and mobile app platform was re-structured and re-introduced to our membership making it more user friendly.
- The CU introduced its Covid-19 Relief Pack-

age 1 which offered its qualified membership an opportunity to consolidate loans, payment deferrals and interest only payment.

- The CU made structural changes to each office to include plexiglass to safeguard its members and its staff.
- Members who followed our social media sites were able to get daily financial advice to help with budgeting and spending.
- Covid-19 precautions were posted on social media sites weekly.
- We launched our back-to-school Insta-Credit Loan after the lockdown.
- The ATM fees at Heritage Bank ATMs was waived.
- Regular updates were made as it relates to abbreviated opening and closing time due to the pandemic.
- The CU contributed to the Belize Community Gardening Project to assist out of work tour operators.
- Raffles were conducted for members who were able to meet their monthly financial obligations to the CU despite economic challenges.
- As part of Credit Union Day activities, the CU was able to issue masks and a small sanitization pouch to its membership.
- The CU participated in an essay competition along with BCUL marking Credit Union Day.
- The Christmas loan was promoted on the communication platforms.

Marketing efforts were quite successful, notwithstanding the numerous limitations faced.

### **STAFFING**

SJCU currently has a staff complement of forty-six (46) persons. At the 31st March, 2021 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
- 1 Marketing Officer
- 1 Marketing Assistant
- 2 Members Services Representatives
- 1 Payroll Officer
- 3 Office Assistants
- 6 Loans Officers
- 1 Loans Manager
- 12 Tellers
- 3 Credit Control Officers
- 1 Legal Officer
- 1 Bailiff
- 1 Human Resource Officer
- 1 Records Clerk
- 2 Receptionists

During the past year, two members of staff transitioned to the next life: Ms Lauren Samuels (Teller) and Ms Kenya Barona (Records Clerk). There was one resignation – Ms Nijinshi Lopez.

### **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 SJCU 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. Appreciation is also extended to all Officers for making the adjustment to virtually overseeing and guiding the union's operations. Equally significant is the pride we have in you, our faithful members, without whom SJCU would not be able to claim a successful year. We look to the next year with new optimism that the worst is behind us and better lies ahead!

St. John's  
CREDIT UNION LTD.



**Keith  
WESTBY**  
*Chairperson*

**SUPERVISORY  
COMMITTEE ANNUAL  
REPORT  
APRIL 1, 2020, TO  
MARCH 31, 2021**

St. John's Credit Union experienced a decline in its asset and loan portfolio for the 2020-2021 fiscal year. The year saw many challenges under the global impact of the COVID-19 pandemic, but we are a resilient institution and managed to assist members in several ways to survive the economic challenges facing Belize.

The Central Bank, in its regulatory role of Registrar of Credit Unions, continued to monitor our institution, placing great emphasis on compliance and risk management. SJCUC recognized the importance of having sound risk management to support achievement of its operational and strategic goals and decided to seek assistance in developing an Enterprise Risk Management (ERM) Policy and Framework for the institution. The ERM Policy would look at key risk indicators, defining a risk appetite statement for the institution, developing a sound risk control framework thereby having a robust AML/CFT assessment tool for St. John's Credit Union. During the year 2020-2021, the work on the Enterprise Risk Assessment was completed with the guidance of PPF Capital Belize, an undertaking that started in February 2020. Overall, the aim of embarking and having an ERM framework during these challenging economic times and for the future of SJCUC is to equip the union with the requisite skills to manage incidents and breaches that may occur with transactions and have risk control and remedial actions in place to combat these risk management activities.

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. Over the last fiscal year, the Credit

Control Department put great efforts into reducing the delinquency ratio to that of the PEARLS standard of less than 5%, but the challenging economic times faced because of the COVID-19 pandemic in Belize, coupled with members losing their jobs, had a negative impact in increasing delinquency from 6.99% to 8.54% (798 loans or 1.55% difference). 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 as best as possible under the restricted circumstances of the past year. While the normal visits could not be conducted, every effort was made to ensure that there was compliance with internal procedures and regulatory controls. When required, the Committee led investigations into irregularities and provided reports on findings to the Board and the regulator.

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. 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 during the pandemic 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,

**Lisa  
JAMES**  
*Chairperson*

**CREDIT COMMITTEE  
ANNUAL REPORT  
APRIL 1, 2020, TO  
MARCH 31, 2021**



For the period April 1, 2020 to March 31, 2021, the Credit Committee comprised five members: the three functional members are the Chairperson, Mrs. Lisa James, Mr. William Bill Tillett and Mr. Victor Guerrero, and our two alternates are Mr. Haydon Brown and Ms. Kendra Hilton.

During the period April 1, 2020, to March 31, 2021, loan disbursement amounted to \$20.790 million. The loan portfolio decreased by \$4.250 million as compared to the previous year. These decreases were reflected in five areas namely Christmas, Vehicle, Business, Fastline and Personal loans which represented the lowest type in the portfolio.

In March 2021 when the fiscal year came to an end, St. John's Credit Union saw a significant decrease despite the forbearance measures. The impact of Covid-19 was felt throughout the fiscal year. Many of our members sought to reduce outstanding loans and monthly debt obligations, despite being offered consolidation of loans. Many members also lost jobs and used their benefits to pay off outstanding obligations.

The Credit Committee met on a regular basis. Meetings were conducted using Microsoft Teams in adherence to the COVID-19 safety protocols and restrictions. This year members were given the opportunity to submit loan applications online. This process allowed us to familiarize ourselves with members and their needs while at the same time sensitizing them about our role. Additionally, we were able to give financial guidance on the impor-

ance of saving.

On behalf of the Credit Committee, I would like to express sincere gratitude to our dedicated President Mr. Alvan Haynes and members of the Board for their continuous support and guidance. A hearty thank you also goes to our very dedicated General Manager, Mrs. Daisy Dawson and our resourceful Loans Manager, Mr. Andrew Mitchell. Both staff members were always ready to assist when we had pressing questions. A thank you also goes to the members of the Supervisory Committee for their support and to our Loans and Collection Officers who continually gave financial counselling to our members. Equally, we would like to extend a big thank you to the frontline workers who continue to serve our institution wholeheartedly.

Hearty thanks go to our members for making St. John's Credit Union their number one financial institution; their dedication and commitment is greatly appreciated. We continued to urge our members to help in the growth of the credit union by honouring obligations and by being consistent with payments. Members were encouraged to maintain continued dialogue with loan officers if they faced challenges or had questions regarding loans and loan payments.

As chairperson, I say thanks to the members of the Credit Committee who worked as a team to uphold our standards of excellence both in service and commitment while working together for safe saving and smart borrowing.



**Elsie  
SYLVESTRE**  
*Treasurer*

**TREASURER'S  
REPORT  
FOR PERIOD 01 APRIL  
2020 – MARCH 31, 2021**

**OVERVIEW**

St John's Credit Union remains committed to ensuring quality service is provided to its loyal membership with strong leadership and committed staff. Throughout the period when the country was experiencing the adverse effects of Covid 19, SJCUC was able to provide full financial and other services to their members who were able to withdraw, deposit and conduct basic banking needs. The Board of Directors, Committee Members, Management Team, and staff remained steadfast in offering uninterrupted services to the membership.

During the past year 2020-2021, SJCUC's operating Gross Income was \$7.1M or an 8% decrease from the previous year's \$7.8M. Gross Profit was \$2.8M (before taking out Loan Loss Provision) a reduction of 3% from the previous year of \$2.9M. During the year, SJCUC had to book \$.925M as Loan Loss Expense, an increase, when compared to \$.890M in the previous year. Net profit was \$1.825M, a decrease of 10.5% when compared to the previous year's Net Profit of \$2.04M.

During the past year, despite the effect of the pandemic, SJCUC continued to experience excess liquidity. The average Interest Rate on Fixed Deposit was 2.25%.

**STRATEGIC CHANGES**

During the past year, SJCUC has been making every effort to enhance efficiency that will benefit our membership.

1) The adverse effect of the Covid pandemic has seriously eroded our Loan Portfolio. During the financial year the portfolio contracted by 7% from the previous year. Beside experiencing buyouts by other financial institution, members were reluctant to borrow due to the uncertainty of the effect of the pandemic.

2) Membership is presently at 29,904 which contracted by 1,003 members or (3.32%) during the previous year. Dangriga Branch membership grew from 5,075 to 5,211 members, an increase of 136 members or 2.7%. North Side Branch membership grew from 931 to 1156 members an increase of 225 members or 24% during the past year.

3) Network One, a payment network system established in collaboration with Heritage Bank and all credit union affiliates, including SJCUC, continues to provide excellent service to our membership throughout the country. In late March 2020, due to the onset of the COVID 19 pandemic, the \$2.00 fee was waived until October 31, 2020. With effect from November 1, 2020, the fee was reduced to .50 per transaction at the ATM.

4) Early into the new Financial Year, SJCUC engaged the services of PPF Capital (Belize) to carry out a Risk Management Assessment. This is to guide the combined operations of SJCUC in compliance with the rules and regulations required by the Central Bank of Belize to effectively manage risks. The ERM was designed to serve the interest of SJCUC and its members.

5) During the past year, SJCUC continued to be fully provisioned as required by our regulator, the Central Bank of Belize. During the period under review an amount of \$.925M was provided for, compared to \$.890M from the previous year, an increase of \$.35M or 4%.

6) The implementation of the Depositor Insurance Act (#2 of 2020) which was scheduled to come into effect in July 2020, was put on hold due to the Covid 19 pandemic. An assessment on the impact of the pandemic on the financial sector will first be completed before attention is turned to implementing the scheme.

**TREASURER'S REPORT  
FOR PERIOD 01 APRIL  
2020 – MARCH 31, 2021**

**BURIAL SCHEME**

Location	Deceased Members	Qualified for Benefit	Not qualified	Percentage Qualified
Head Office/ Belize City	36	32	4	84%
North Side	9	9	0	100%
Belmopan	29	19	10	66%
Dangriga	14	8	6	57%
Total	88	68	20	77%

7) The setting up of the National Payment System is ongoing. Some credit unions are undergoing transaction testing. The Central Bank of Belize is monitoring and evaluating the results of these tests. The expected date for the launching is now scheduled for September 2021.

8) To ease the debt obligation of all borrowers, the Central Bank of Belize issued a notice granting approval for additional forbearance measures to be implemented to assist credit union members because of the economic effects of Covid 19. These measures are in effect until December 2021. Members are encouraged to visit the credit union to get more information.

9) The Credit Control Department continued to monitor the delinquent loans. At the end of March 2021, the delinquency rate increased from 6.99 % to 8.54 %. This is a direct result of the pandemic where many members were adversely impacted by the loss of income and the inability to repay their loans.

Based on the CBB requirement, omitting loans in the 30 to 90 days category, and considering the available position, the rate is 1.31%.

**BURIAL SCHEME**

During the period 2020-2021, eighty-five (85) of our dear members passed away. Unfortunately, only sixty-eight (68) or 77% were qualified under the scheme. Below, see the table by Branches:

Members are reminded that to qualify

under the scheme, one must maintain the mandatory share balance of \$150.00 or more. Additionally, each year the member is charged \$30.00 from their share balance which is their contribution to the Burial Scheme and qualifies them for the grant. The beneficiary is awarded the funeral grant upon the death of the member. Pay-out to beneficiaries from the burial scheme during last year was \$330,050. The Burial Scheme Reserve now stands at \$712,288, compared to the previous balance of \$785,920.

**CONCLUSION**

Despite the many challenges during the year 2020-21, once again SJCUC experienced another successful year. We continue to be steadfast and progressive in making St John's Credit Union a vibrant and prosperous institution of which the membership will be supportive and proud. We thank the management and staff for their steadfast commitment to ensure the continuous growth of our beloved institution, St John's Credit Union.

**SUMMARY OF 9-YEAR GROWTH INDICATOR**

Description	2013	2014	2015	2016	2017	2018	2019	2020	2021	Check and update th	
										1 Yr % Change	8Yr % Change
Membership	19,574	22,135	24,892	23,731	25,482	26,259	27,621	30,207	29,904		
Assets	\$42,831	\$54,985	\$65,724	\$75,033	\$80,247	\$84,273	\$92,238	\$93,314	\$97,797		140.50%
Shares	\$26,823	\$30,071	\$38,363	\$46,838	\$53,231	\$56,625	\$60,463	\$67,807	\$63,474	12.10%	162.60%
Loans	\$27,120	\$41,119	\$50,473	\$53,547	\$61,480	\$59,352	\$60,757	\$63,490	\$57,223	4.50%	185.80%
Profits	\$1,265	\$2,072	\$2,646	\$2,926	\$3,435	\$4,035	\$2,628	\$2,045	\$1,825		
Delinquency %	8.10%	6.40%	5.90%	6.30%	6.70%	8.30%	7.70%	7.00%	8.54%		
Delinquency % (CBB)	5.00%	3.10%	3.30%	1.90%	2.00%	2.50%	1.7	2.10%	1.31%		

# **ST. JOHN'S CREDIT UNION LIMITED**

*Financial Statements for the Years Ended  
March 31, 2021 and 2020 and Independent  
Auditors' Report*

# ST. JOHN'S CREDIT UNION LIMITED

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## INDEPENDENT AUDITORS' REPORT

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

### Opinion

We have audited the financial statements of St. John's Credit Union Limited which comprise the statements of financial position - modified cash basis as at March 31, 2021 and 2020, and the statements of income and expenses - modified cash basis, statements of changes in equity - modified cash basis and statements of cash flows for the years 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, 2021 and 2020, and of its financial performance and its cash flows for the years 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 *Auditors' 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.

### 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.

### 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.

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

### **Auditors' 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 Auditors' 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 Auditors' 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 Auditors' 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**  
**June 28, 2021**

# ST. JOHN'S CREDIT UNION LIMITED

## STATEMENTS OF FINANCIAL POSITION - MODIFIED CASH BASIS AS AT MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)

<b>ASSETS</b>	<b>Notes</b>	<b>2021</b>	<b>2020</b>
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents - unrestricted	2e. 3.	\$ 15,977,566	\$ 12,691,275
Cash and cash equivalents - restricted	2e. 13.	511,440	438,611
Short term investment in financial assets - unrestricted	2f. 4.	9,573,815	4,554,359
Short term investments in financial assets - restricted	2f. 5. 13.	790,000	790,000
Other receivables and prepayments	2g. 6.	769,079	624,423
Current portion loans receivable from members	2h. 7.	2,467,323	3,818,570
Total current assets		30,089,223	22,917,238
<b>NON-CURRENT ASSETS:</b>			
Loans receivable from members	2h. 7.	54,755,529	57,667,127
Less - allowance for loan losses	2i. 7.	(3,740,144)	(2,742,066)
Property, plant and equipment - net	2j. 2l. 9.	3,697,847	4,125,783
Investment property - net	2l. 2m. 8.	1,559,551	1,608,833
Long term investments in financial assets - unrestricted	2f. 10.	11,425,000	11,425,000
Long term investments in financial assets - restricted	2f. 13.	10,000	10,000
Total non - current assets		67,707,783	72,094,677
<b>TOTAL ASSETS</b>		<b>\$ 97,797,006</b>	<b>\$ 95,011,915</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payables	2n.	\$ 287,460	\$ 222,654
Other liabilities	2o.	814,621	602,973
Members' deposits	2p. 11.	18,419,398	17,899,362
Current portion severance payable	2q. 12.	19,441	17,117
Total current liabilities		19,540,920	18,742,106
<b>NON - CURRENT LIABILITIES:</b>			
Severance payable	2q. 12.	304,582	268,163
Pension liability	2r. 13.	790,545	713,224
Long term debt	2s. 14.	111,212	111,212
Total non - current liabilities		1,206,339	1,092,599
Total liabilities		20,747,259	19,834,705
<b>EQUITY:</b>			
Members' shares - mandatory	2t.	3,233,624	3,238,279
Members' shares - voluntary	2t.	63,474,355	61,552,517
Burial scheme fund	2u.	712,288	785,920
Revaluation reserve	2k. 15.	354,953	354,953
Statutory reserve fund	2v.	7,342,763	7,160,255
Undistributed surplus	2x.	1,701,597	1,928,122
Other reserves	2w.	230,167	157,164
Total equity		77,049,747	75,177,210
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 97,797,006</b>	<b>\$ 95,011,915</b>

The financial statements on pages 3 to 6 were approved and authorized for issue by the Board of Directors on June 28, 2021 and are signed on its behalf by:




Director
Director

The notes on pages 7 to 19 are an integral part of these financial statements.

## ST. JOHN'S CREDIT UNION LIMITED

### STATEMENTS OF INCOME AND EXPENSES - MODIFIED CASH BASIS YEARS ENDED MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<b>INCOME</b>			
Interest income on loans	2y. 17.	\$ 5,717,003	\$ 6,527,882
Investment income		896,079	664,514
Other income		167,900	116,206
Fees and commission income		390,930	503,501
GROSS INCOME		<u>7,171,912</u>	<u>7,812,103</u>
<b>OPERATING EXPENSES</b>			
Advertising	2y.	43,505	84,267
Annual general meeting		5,294	48,764
Impairment expense		925,000	890,000
Bank charges and overdraft interest		25,141	23,050
Belize Credit Union Assurance Services Insurance		616,800	646,090
Christmas expense		-	66,327
Committee meetings		10,875	9,787
Software system maintenance		300,562	198,683
Credit Union Week		5,876	14,334
Depreciation expense		562,353	588,966
Donations		5,675	8,890
Education expense		4,121	49,011
General Insurance expense		48,388	48,636
Interest expense – Members deposits		261,215	310,828
Office supplies expense		69,138	84,689
Other expenses		174,269	162,577
Pension expense		48,982	49,517
Professional fees		12,938	16,650
Property taxes		6,043	1,304
Rental expense		71,888	66,900
Repairs and maintenance		161,653	114,234
Salaries, wages and allowances		1,346,692	1,389,218
Security expense		283,613	342,566
Severance expense		40,148	59,196
Social Security expense		52,101	49,954
Supervision fees		7,800	8,150
Travel and subsistence expense		31,031	78,838
Uniform expense		-	15,512
Utilities		225,735	345,269
		<u>5,346,836</u>	<u>5,772,207</u>
<b>SURPLUS</b>		<u>\$ 1,825,076</u>	<u>\$ 2,039,896</u>

The notes on pages 7 to 19 are an integral part of these financial statements.

## ST. JOHN'S CREDIT UNION LIMITED

### STATEMENTS OF CHANGES IN FUND BALANCES - MODIFIED CASH BASIS YEARS ENDED MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)

	Burial Scheme Fund	Revaluation reserve	Statutory reserve fund	Undistributed surplus	Other reserves	Total
<b>Balance as at April 1, 2019</b>	\$ 1,161,853	\$ 354,953	\$ 6,950,835	\$ 2,246,109	\$ 55,169	\$ 10,768,919
Burial scheme payments	(375,933)	-	-	-	-	(375,933)
Dividends and rebates declared and paid (See Note 2x and 16)	-	-	-	(2,051,898)	-	(2,051,898)
Entrance fees	-	-	5,430	-	-	5,430
Surplus	-	-	-	2,039,896	-	2,039,896
Surplus distribution (See Note 20)	-	-	203,990	(305,985)	101,995	-
<b>Balance as at March 31, 2020</b>	<u>\$ 785,920</u>	<u>\$ 354,953</u>	<u>\$ 7,160,255</u>	<u>\$ 1,928,122</u>	<u>\$ 157,164</u>	<u>\$ 10,386,414</u>
<b>Balance as at April 1, 2020</b>	\$ 785,920	\$ 354,953	\$ 7,160,255	\$ 1,928,122	\$ 157,164	\$ 10,386,414
Burial scheme payments	(328,482)	-	-	-	-	-
Burial scheme additions	254,850	-	-	-	-	254,850
Dividends and rebates declared and paid (See Note 2x and 16)	-	-	-	(1,796,090)	-	(1,796,090)
Entrance fees	-	-	-	-	-	-
Surplus	-	-	-	1,825,076	-	1,825,076
Surplus distribution (See Note 20)	-	-	182,508	(255,511)	73,003	-
<b>Balance as at March 31, 2021</b>	<u>\$ 712,288</u>	<u>\$ 354,953</u>	<u>\$ 7,342,763</u>	<u>\$ 1,701,597</u>	<u>\$ 230,167</u>	<u>\$ 10,670,250</u>

The notes on pages 7 to 19 are an integral part of these financial statements.

# ST. JOHN'S CREDIT UNION LIMITED

## STATEMENTS OF CASH FLOWS

**YEARS ENDED MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Surplus	\$ 1,825,076	\$ 2,039,896
Adjustments for:		
- Depreciation expense	562,353	588,966
- Gain on disposal of assets	(17,000)	(3,950)
- Interest income	(896,079)	(664,514)
- Severance expense	40,148	59,196
- Pension expense	48,982	49,517
- Provision for loan losses	925,000	890,000
Operating surplus before working capital changes	<u>2,488,480</u>	<u>2,959,111</u>
Changes in:		
Other receivables and prepayments	44,728	(229,926)
Loans receivable from members	4,335,923	(2,243,817)
Accounts payable	64,806	38,695
Other liabilities	211,648	274,064
Members' deposits	520,036	(1,442,385)
Pension liability	28,339	64,108
Cash provided by (used in) operating activities	<u>7,693,960</u>	<u>(580,150)</u>
Severance paid	(1,405)	(34,506)
Interest received	706,695	496,241
Net cash provided by (used in) operating activities	<u>8,399,250</u>	<u>(118,415)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Short term investments - unrestricted	(5,019,456)	(3,018,746)
Long term investments - unrestricted	-	(4,995,439)
Purchase of property, plant and equipment	(103,135)	(273,129)
Purchase of investment property	-	(1,367,090)
Proceeds from disposal of assets	35,000	10,500
Net cash used in investing activities	<u>(5,087,591)</u>	<u>(9,643,904)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Change in shares - net	1,917,183	4,148,025
Change in burial scheme - net	(73,632)	(375,933)
Change in statutory reserve fund – net	-	5,430
Dividends and rebates paid	(1,796,090)	(2,051,898)
Net cash provided by financing activities	<u>47,461</u>	<u>1,725,624</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>3,359,120</u>	<u>(8,036,695)</u>
TRANSFER TO CASH AND CASH EQUIVALENTS - RESTRICTED	<u>(72,829)</u>	<u>(108,392)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	12,691,275	20,836,362
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 15,977,566</u>	<u>\$ 12,691,275</u>

The notes on pages 7 to 19 are an integral part of these financial statements.

# ST. JOHN'S CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS

### YEARS ENDED MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)

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#### 1. STATUS

St. John's Credit Union Limited ("SJCUC" or "the Credit Union") was incorporated under and by virtue of the Credit Unions 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 promotes savings, enterprise and the cooperative principle among its members to pool members' financial resources and to provide personal and corporate banking, loans, and investments.

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, 2021, the Credit Union had 29,804 members (2020: 30,207).

The Credit Union is supervised by the Registrar of Credit Unions. As per the Credit Unions Act, the Registrar of Credit Unions is the Governor of the Central Bank of Belize.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a. Basis of presentation

SJCUC uses a modified cash basis of accounting, 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.

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets. Historical cost is generally based on the consideration given in exchange for assets.

##### b. Functional and presentation currency

The financial statements are presented in Belize dollars, which is SJCUC's functional currency. The functional currency is the currency of the primary economic environment in which an entity operates.

##### c. Foreign currency transactions

Transactions in foreign currencies are translated into Belize dollars at exchange rates at the dates of the transactions. All differences arising on settlement are taken to the income statement.

##### d. Changes in accounting policies

No changes to the accounting policies were identified and the comparative information has accordingly remained unchanged since the prior reporting period.

##### e. 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.

# ST. JOHN'S CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Investments in financial assets

Investment in financial assets held on a short term basis consist of fixed deposits held at the bank with maturity dates within 1 year from the reporting date. Investments with maturity dates beyond 1 year from the reporting date are classified as long term investments in financial assets. Investments in equity instruments comprise of minority equity investments held at their nominal value.

g. Other receivable and prepayments

Other receivable are miscellaneous receivables. Prepayments represent costs paid in advance of their intended use of coverage. Prepayments are expenses in the period the service is delivered.

h. 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.

i. 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.

j. Property, plant and equipment

Property, plant and equipment are carried at cost except for land which is carried at valuation.

Depreciable assets are held at cost less accumulated depreciation and accumulated impairment losses. Depreciation is determined by using the straight-line method at the following rates:

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

Land is not depreciated as the useful life cannot be estimated. Other classes of assets commence depreciation when they are 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.

# ST. JOHN'S CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### YEARS ENDED MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Property, plant and equipment (Continued)

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.

k. Revaluation

Assets held under the revaluation model are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated impairment losses. Revaluations are performed with such regularity that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

The cost and accumulated depreciation accounts are restated proportionately with the revaluation. Any increase arising on the revaluation of such asset is recognised as a transfer in equity under the heading of revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit and loss, in which case the increase is credited to profit and loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such asset is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to undistributable surplus except when an asset is derecognised.

l. Impairment of non-financial assets

The Credit Union assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

An impairment loss is recognised immediately in the statement of income and expenses, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation.

# ST. JOHN'S CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### YEARS ENDED MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l. Impairment of non-financial assets (Continued)

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

m. Investment property

Investment property is land and building 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 2j).

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

n. Accounts payable

Accounts payable comprises of miscellaneous payable balances held at their nominal values.

o. Other liabilities

Represent beneficiaries payable and accrued interest payable on members' fixed deposits.

p. Members' deposits

Members' deposits, savings and fixed savings are treated as current liabilities and measured at cost.

q. Severance payable

Severance payable represents the accrual of salaries payable to employees in the event of their resignation or termination. SJCU recognizes termination benefits in accordance with the Labour Act Chapter 297 of the Laws of Belize Revised Edition 2011.

r. 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% and 5% of salary respectively.

# ST. JOHN'S CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s. Long-term debt

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized costs.

t. 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.

u. 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.

v. Statutory reserve fund

The Statutory reserve fund is a reserve fund that is mandated by the Credit Unions 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 Statutory reserve fund cannot be distributed to members.

w. 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. Allocation of surplus to these reserves are recommended by the Board of Directors and to be confirmed at the annual meetings as permitted by the Credit Unions Act.

x. Dividends and rebates

Dividends not exceeding 8% are declared and paid annually on member shares/deposit balances. Dividends are calculated based on the average of the lowest share balance during each quarter of the financial year.

Rebates are declared and paid annually to each member in proportion to the volume of loan business done with the Credit Union during the year.

These dividends are credited to the members' shares/deposit accounts along with interest rebates given to members who qualify. Dividends and rebates are recommended by the Board of Directors and approved at SJCUC's Annual General Meeting.

# ST. JOHN'S CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### y. 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.

#### z. Taxes

Management evaluates situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of the amounts expected to be paid to the tax authorities.

### 3. CASH AND CASH EQUIVALENTS - UNRESTRICTED

	<u>2021</u>	<u>2020</u>
Cash on hand	\$ 727,026	\$ 913,716
Cash at bank	<u>15,250,540</u>	<u>11,777,559</u>
	<u>\$ 15,977,566</u>	<u>\$ 12,691,275</u>

### 4. SHORT TERM INVESTMENT IN FINANCIAL ASSETS - UNRESTRICTED

<u>Financial Institution</u>	<u>Maturity</u>	<u>Rate</u>	<u>2021</u>	<u>2020</u>
Atlantic Bank Limited	August 23, 2021	3.00%	\$ 3,000,000	\$ -
Atlantic Bank Limited	August 23, 2021	3.00%	2,000,000	-
Atlantic Bank Limited	August 24, 2021	2.50%	2,000,000	-
Atlantic Bank Limited	August 24, 2021	2.50%	1,000,000	-
Atlantic Bank Limited	April 2, 2021	1.75%	1,000,000	-
Blue Creek Credit Union Ltd.	January 30, 2021	3.50%	573,815	-
Atlantic Bank Limited	August 24, 2020	2.50%	-	2,000,000
Atlantic Bank Limited	August 24, 2020	2.50%	-	1,000,000
Atlantic Bank Limited	April 2, 2020	1.75%	-	1,000,000
Blue Creek Credit Union Ltd.	March 31, 2020	3.50%	-	554,359
			<u>\$ 9,573,815</u>	<u>\$ 4,554,359</u>

### 5. SHORT TERM INVESTMENT IN FINANCIAL ASSETS - RESTRICTED

The following are held on behalf of the pension fund. See also Note 13.

<u>Financial Institution</u>	<u>Maturity</u>	<u>Rate</u>	<u>2021</u>	<u>2020</u>
Atlantic Bank Limited	May 14, 2021	3.25%	\$ 40,000	\$ -
Atlantic Bank Limited	May 14, 2020	3.25%	-	40,000
			<u>\$ 40,000</u>	<u>\$ 40,000</u>

# ST. JOHN'S CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)

### 5. SHORT TERM INVESTMENT IN FINANCIAL ASSETS - RESTRICTED (CONTINUED)

The following are held as security for an overdraft facility available to the Credit Union. See also Note 18.

<u>Financial Institution</u>	<u>Maturity</u>	<u>Rate</u>	<u>2021</u>	<u>2020</u>
Atlantic Bank Limited	March 19, 2022	3.00%	\$ 400,000	\$ -
Atlantic Bank Limited	May 8, 2021	3.00%	200,000	-
Atlantic Bank Limited	May 12, 2021	3.00%	150,000	-
Atlantic Bank Limited	March 19, 2021	3.00%	-	400,000
Atlantic Bank Limited	May 8, 2020	3.00%	-	200,000
Atlantic Bank Limited	May 12, 2020	3.00%	-	150,000
			<u>750,000</u>	<u>750,000</u>
Total short term investment in financial assets - restricted			<u>\$ 790,000</u>	<u>\$ 790,000</u>

### 6. OTHER RECEIVABLES AND PREPAYMENTS

	<u>2021</u>	<u>2020</u>
Heritage Bank Limited ATM/POS Project	\$ 50,000	\$ 50,000
Belize Credit Union League Limited NPS	126,299	126,299
Other receivables	43,779	116,057
Prepayments	188,322	160,772
Accrued interest	360,679	171,295
	<u>\$ 769,079</u>	<u>\$ 624,423</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 project is still in process of being finalized, the initial investment is classified as other receivables and prepayment at March 31, 2021.

### 7. LOANS RECEIVABLE FROM MEMBERS

	<u>2021</u>	<u>2020</u>
Business loans	\$ 4,257,927	\$ 5,002,778
Educational loans	1,252,565	1,474,464
Housing and home improvement loans	20,695,551	20,180,706
Motor vehicle loans	1,871,134	2,351,587
Personal loans	28,172,743	31,763,771
Real estate loans	972,932	712,391
Total loans receivable	<u>57,222,852</u>	<u>61,485,697</u>
Less - allowance for loan losses	<u>(3,740,144)</u>	<u>(2,742,066)</u>
Total loans receivable – net	<u>\$ 53,482,708</u>	<u>\$ 58,743,631</u>

# ST. JOHN'S CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### YEARS ENDED MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)

#### 7. LOANS RECEIVABLE FROM MEMBERS (CONTINUED)

	<u>2021</u>	<u>2020</u>
Total loans receivable – net	\$ 53,482,708	\$ 58,743,631
Less: current portion	<u>(2,467,323)</u>	<u>(3,818,570)</u>
Long term portion	<u>\$ 51,015,385</u>	<u>\$ 54,925,061</u>

The allowance for loan losses comprises the following:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 2,742,066	\$ 3,367,123
Impairment expense	925,000	890,000
Write-offs	(945)	(1,515,057)
Recoveries	74,023	-
Balance, end of year	<u>\$ 3,740,144</u>	<u>\$ 2,742,066</u>

#### 8. INVESTMENT PROPERTY

	<b>Land &amp; Building</b>	
	<u>2021</u>	<u>2020</u>
<b>Cost</b>		
Balance, beginning of year	\$ 1,732,090	\$ 365,000
Additions	-	1,367,090
Balance, end of year	<u>1,732,090</u>	<u>1,732,090</u>
<b>Accumulated Depreciation</b>		
Balance, beginning of year	123,257	73,975
Additions	49,282	49,282
Balance, end of year	<u>172,539</u>	<u>123,257</u>
<b>Net Book Value</b>		
<b>March 31, 2021</b>	<u>\$ 1,559,551</u>	<u>\$ 1,608,833</u>

# ST. JOHN'S CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)

### 9. PROPERTY PLANT AND EQUIPMENT

	Land (c), (v)	Building, driveways & leasehold improvements (c)	Furniture & fixtures (c)	Computer, equipment & accessories (c)	Motor Vehicle (c)	Total
<b>Brought forward, April 1, 2020</b>	\$ 653,217	\$ 2,776,970	\$ 559,602	\$ 2,934,577	\$ 5,035	\$ 6,929,401
Additions	-	-	-	103,135	-	103,135
Disposals	(18,000)	-	-	-	-	(18,000)
Carried forward, March 31, 2021	635,217	2,776,970	559,602	3,037,712	5,035	7,014,536
<b>Accumulated Depreciation</b>						
<b>Brought forward, April 1, 2020</b>	-	779,556	369,232	1,652,248	2,582	2,803,618
Additions	-	108,372	35,271	368,815	613	513,071
Carried forward, March 31, 2021	-	887,928	404,503	2,021,063	3,195	3,316,689
<b>Net Book Value</b>						
<b>March 31, 2021</b>	\$ 635,217	\$ 1,889,042	\$ 155,099	\$ 1,016,649	\$ 1,840	\$ 3,697,847
See also Note 15.						
<b>Cost (c) / Valuation (v)</b>						
<b>Brought forward, April 1, 2019</b>	\$ 637,687	\$ 2,776,970	\$ 550,302	\$ 2,689,345	\$ 37,951	\$ 6,692,255
Additions	15,530	-	9,300	245,232	3,067	273,129
Disposals	-	-	-	-	(35,983)	(35,983)
Carried forward, March 31, 2020	653,217	2,776,970	559,602	2,934,577	5,035	6,929,401
<b>Accumulated Depreciation</b>						
<b>Brought forward, April 1, 2019</b>	-	626,875	333,033	1,309,011	24,458	2,293,377
Additions	-	152,681	36,199	343,237	7,557	539,674
Disposals	-	-	-	-	(29,433)	(29,433)
Carried forward, March 31, 2020	-	779,556	369,232	1,652,248	2,582	2,803,618
<b>Net Book Value</b>						
<b>March 31, 2020</b>	\$ 653,217	\$ 1,997,414	\$ 190,370	\$ 1,282,329	\$ 2,453	\$ 4,125,783

See also Note 15.

# ST. JOHN'S CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)

### 10. LONG TERM INVESTMENTS IN FINANCIAL ASSETS - UNRESTRICTED

	<u>2021</u>	<u>2020</u>
Belize Electricity Limited Series 6 debentures with interest rate of 6.5% per annum payable quarterly, maturing December 31, 2030.	\$ 2,850,000	\$ 2,840,000
Belize Electricity Limited Series 7 debentures with interest rate of 6% per annum payable quarterly, maturing March 31, 2028.	2,025,000	2,035,000
Belize Electricity Limited Series 8 debentures with interest rate of 6% per annum payable quarterly, maturing June 30, 2032.	2,500,000	-
Belize Water Services Limited Series 1 debentures with interest rate of 6.25% per annum payable semi-annually, maturing December 31, 2030.	2,500,000	-
Investment in Belize Credit Union League Limited - 50 redeemable preferred shares.	50,000	50,000
Investment in Belize Telemedia Limited - 200,000 common shares with par value of \$1.00.	1,000,000	1,000,000
3.00% Atlantic Bank Limited Fixed Deposit maturing August 31, 2021. Balance reclassified to short term as investments will mature within 12 months of reporting period.	-	2,000,000
3.00% Atlantic Bank Limited Fixed Deposit maturing August 31, 2021. Reclassified as above.	-	3,000,000
Government of Belize Treasury Notes with interest rate of 6% per annum payable by half yearly installments, maturing December 10, 2021.	500,000	500,000
	<u>\$ 11,425,000</u>	<u>\$ 11,425,000</u>

### 11. MEMBERS' DEPOSITS

	<u>2021</u>	<u>2020</u>
Savings accounts	\$ 7,280,737	\$ 6,477,114
Term deposits	11,138,661	11,422,248
	<u>\$ 18,419,398</u>	<u>\$ 17,899,362</u>

# ST. JOHN'S CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)

12. SEVERANCE PAYABLE	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 285,280	\$ 260,590
Additional provision	40,148	59,196
Benefits paid	<u>(1,405)</u>	<u>(34,506)</u>
Balance, end of year	324,023	285,280
Less: current portion	<u>(19,441)</u>	<u>(17,117)</u>
Long term portion	<u>\$ 304,582</u>	<u>\$ 268,163</u>
13. PENSION FUND LIABILITY	<u>2021</u>	<u>2020</u>
<b>At March 31, the pension fund was represented by:</b>		
<b>Pension fund assets</b>		
Cash and cash equivalents - restricted	\$ 511,440	\$ 438,611
Short term investments in financial assets - restricted	40,000	40,000
Long term investments in financial assets - restricted	10,000	10,000
SJCU - fixed deposit managed by SJCU for the pension fund	<u>229,105</u>	<u>224,613</u>
	<u>\$ 790,545</u>	<u>\$ 713,224</u>
<b>Pension fund liability</b>	<u>\$ 790,545</u>	<u>\$ 713,224</u>
14. LONG TERM DEBT	<u>2021</u>	<u>2020</u>
Social Investment Fund interest-free loan of \$100,000 for a period of 25 years with no fixed repayment terms. 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 with no fixed repayment terms. Loan is to be used for on-lending to eligible borrowers for housing construction or improvement in accordance with agreement dated December 28, 2006.	100,000	100,000
	<u>\$ 111,212</u>	<u>\$ 111,212</u>

# ST. JOHN'S CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)

### 15. REVALUATION RESERVE

During the financial year ended March 31, 2004, the Credit Union had an independent appraiser value its lands. The resulting increase in value was recorded as a revaluation reserve.

### 16. DIVIDEND AND REBATES

After consultation with the Central Bank of Belize, distribution of surplus for fiscal year ended March 31, 2020 dividends of 2.5% on regular shares and 4.5% on mandatory shares and rebates of 4% were proposed and accepted. Previously at the 73rd Annual General Meeting, distribution of surplus for fiscal year ended March 31, 2019 to dividends of 3% on regular shares and 5% on mandatory shares and rebates of 5% were proposed and accepted.

### 17. INTEREST INCOME ON LOANS

	<u>2021</u>	<u>2020</u>
Business loans	\$ 352,830	\$ 261,038
Educational loans	163,137	194,366
Housing and home improvement loans	1,551,319	1,695,608
Motor vehicle loans	200,064	254,104
Personal loans	3,391,170	4,064,574
Real Estate loans	58,483	58,192
	<u>\$ 5,717,003</u>	<u>\$ 6,527,882</u>

### 18. COMMITMENT

Atlantic Bank Limited overdraft facility in the amount of \$1,250,000 which carries interest of 8.5% and secured by fixed term deposits. At March 31, the balance is undrawn.

### 19. TAXATION

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

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.

### 20. SURPLUS DISTRIBUTION

	<u>2021</u>	<u>2020</u>
Statutory reserve fund 10% (2020: 10%)	\$ 182,508	\$ 203,990
Undistributed surplus 86% (2020: 85%)	1,569,565	1,733,912
Other reserve 4% (2020: 5%)	73,003	101,995
	<u>\$ 1,825,076</u>	<u>\$ 2,039,896</u>

# ST. JOHN'S CREDIT UNION LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2021 AND 2020 (IN BELIZE DOLLARS)

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### 21. POST – REPORTING DATE EVENTS

There were no adjusting or significant non-adjusting events that occurred between the March 31, 2021 reporting date and the date of authorization for issuance.

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