



St. John's
CREDIT UNION LTD.

safe saving ... smart borrowing



74th

**Annual General Meeting
Annual Report 2020**

CREDIT UNION PRAYER

PRAYER OF ST. FRANCIS DE ASSISI

Lord, make me an instrument of Thy peace;
Where there is hatred, let me sow love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light;
And where there is sadness, joy.

O Divine Master,
Grant that I may not so much seek
To be consoled, as to console;
To be understood, as to understand;
To be loved as to love.
For it is in giving that we receive;
It is in pardoning that we are pardoned;
And it is in dying that we are born to eternal life.

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

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AGENDA

The 74th Annual General Meeting St. John's Credit Union Limited

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



MESSAGE FROM THE PRESIDENT

74th ANNUAL GENERAL MEETING

Alvan L. Haynes
*President
Board of Directors*



Our sincerest thanks to each of you, who are participating in this, the 74th Annual General Meeting of St. John's Credit Union Ltd. With all the challenges posed by COVID-19, your participation has never been more appreciated, your membership never more valued! Again, thank you, it is indeed with the greatest pleasure that I welcome each of you – our Members, our invited guests, our officers, and our staff.

As we report on our credit union's performance for the financial year April 01, 2019 to March 31, 2020, we are all aware of the world-wide disaster referred to as COVID-19. This pandemic will continue to affect us for many months to come. Other than the direct health effect, it will continue to cause economic hardship and challenges, not only in Belize, but across the globe. Members, it is now, more than ever, that we all need to rely on our credit union to bolster those who need help. It is now that the strength of our credit union will stand us in good stead, helping and providing reassurance. Those of who have been steadily saving know the value of having a financial buffer that is your very own safety net; those who have not, we will try our best to keep you afloat until things improve – and I have no doubt they will.

'2020 hindsight' is a much over-used phrase, nevertheless, so far the year 2020 has been a very rough one, giving us a lot to review and analyse. But I appeal to you to use the happenings of 2020 for foresight, for seeing forward as to how to improve or solidify your personal financial position, using our credit union as your pillar of strength. I take this opportunity to emphasize the importance of **SAVING** – your savings are your protection against hard times. SJCU's slogan **"safe savings ... smart borrowing"** is intended to remind members not only to continue to save, but also to borrow wisely. But I stray a bit.

Let's first look backward at the 2019/2020's activity, and then we will look forward at SJCU's plans to help you, our members. Since the financial effects of COVID-19 only started to impact us directly within

the month of March 2020, SJCU's performance for the year ended March 31, 2020 remained strong. Most of the activity that I will talk about here is therefore prior to the financial effects of COVID-19.

Recognizing our members' needs and the challenges of the operating environment, the Board focused on providing improved services and affordable loans to members. SJCU 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. However, we are proud to say that our dividend rate remains above the market rates on term deposits. We continue to shape our loan products to suit members' needs. During the year, we introduced several new loan products and improved on our existing products, including reducing mortgage rates to as low as 6%.

In recent years, we have opened new branches to provide easier access and convenience to members. Our North-side Branch has just completed its first two years of operations in March. In the reporting year, we acquired a new 3-lot property on But-tonwood Bay Boulevard, which we plan to develop in the future to house our north side operations, and possibly, provide additional rental income.

As mentioned last year, we have implemented a new core banking system named Sharetec, which has much better capabilities including better online access and a flexible but secure mobile app for use those increasing number of members who have mobile access. Indeed, COVID-19 has pushed people everywhere into embracing online and mobile technologies. Due to our investment in the new system, SJCU was able to support all our online and mobile members without a hitch. We now have some 2,500 members with online/mobile access. During the months of February through to May 2020, our online system hosted over 10,000 access connections.

Thanks to our investments in training staff and in technology, we are much better positioned to assist members, generally, and now, more specifically with those urgent

requirements driven by the COVID19 situation. SJCU is proud to be able to say, **“members, we’re here for you”** - whether it be loan moratoriums or restructuring, re-financing, additional loans or great savings products.

I am pleased to be able to report that SJCU has had another very successful year. Since 2012, when we embarked on our strategy to ensure institutional strengthening, our credit union has performed well, exceeding most of the targets which were set. Most importantly, SJCU continues to exceed the required Net Institutional Capital ratio of 10%, which the regulator monitors to ensure that credit unions have adequate reserves. Also, despite the ongoing fight to minimize delinquency, we continued to maintain full loan loss provisioning throughout the year, even though this has reduced our earnings. For 2019/20, our loan loss expense (referred to in the audited financial statements as “bad debt expense”) amounted to \$890,000 as compared to \$795,000, the previous year. However, by ensuring full compliance, we ensure the strength of our credit union and the security of our members’ funds; this guarantees protection of your valuable savings, which is a critical part of our credit union’s mission.

We are pleased to report that for the year 2019/20, we have continued our growth in membership, assets and in loan portfolio. We lowered interest rates, and fought delinquency with enough success that we maintained profitability, while increasing our institutional capital – and, perhaps most importantly, we were again able to issue equitable dividends and rebates, although marginally lower than those last year.

Apart from helping us to reach the targeted Net Institutional Capital, our strategy has led to continued high growth - in the eight years of execution since 2012, we have increased membership by 72% (from 17,530 to 30207), Shares by 151% (from \$25.8M to \$64.8M), Assets by 145% (from \$38.8M to \$95.0M), and Loans by 177% (from \$61.4M to \$63.5M). In the same period, revenues and profits have more than doubled, with revenues going from \$3.4M to \$7.8M, and profits from 933K to over \$2M. It is worth noting that this is the fifth consecutive year

that profits have been in excess of \$2 million. Staff, Officers and members are to be commended for these outstanding results.

The Board of Directors and Officers of SJCU remain vigilant and vigorous. We continued to strategize and direct the policies and operations of the credit union, often working in conjunction with the regulator, to ensure that our SJCU meets all required guidelines. Monitoring and compliance is now part of our standard operating procedures. Our Supervisory Committee, aided by our Compliance Officer and Internal Auditor, maintain vigilant monitoring of operational activities. Their functions and activities ensure our compliance to regulations and policies and provide the necessary protection and safeguards to our credit union.

The Loans department and the Credit Committee continue to drive the earnings side of the activities of the credit union, processing an increased number of loans and analysing member’s needs. We continue to offer lower and more competitive rates on our loan products, including consolidation loans.

Earlier I mentioned that we should use 2020 for foresight, and so we should. 2020 has surely put a different perspective on things. Due to this, unfortunately, our immediate foresight is that, things will be rough for the next year or two. So, it’s only fair to forewarn you, that, with our credit union’s focus being on serving our members, we expect that the services needed, especially with loan restructuring, will definitely adversely impact on the financial performance and dividends to members. However, given that the priority of our credit union will be to help members, and the country as a whole, to bounce back from this severe hit, we are hoping that the vast majority of members will be understanding as we go through challenging times for the next year or two.

The Board is committed to looking for innovative ways 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.

We are pleased to announce that we expect to the new ATM at our North Side Branch functional in the near future. Since this ATM was too technologically advanced to connect to the existing ATM network switch, we have opted to install our own ATM switch. This will also help us to overcome some of the difficulties and down-times we have been having with our other ATMs. Additionally, it will allow us to deploy more ATMs for your convenience.

Before I close, let me emphasize that saving with your credit union is your best investment. It not only earns you money, it 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.

I will end by reporting to members that the Directors and Officers of SJCU continue to be diligent in executing our fiscal and fiduciary responsibilities, including reporting to, and liaising with, the regulator, to ensure that our SJCU meets the required safe operating guidelines as defined by both the Central Bank and the World Council of Credit Unions.

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

On behalf of the Board, Officers, management and staff of SJCU, I thank each of our 30,000 members who save and utilize our credit union services. And we give special thanks those of you, who continue to be so active in participating in the Credit Union – at AGMs, using the various services offered by the credit union, promoting our credit union, and giving us your vital feedback to help us to improve further.

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

Finally, I end by thanking all of you for participating and look forward to your continued support, which helps to guarantee the continuing success of our so special institution, **St. John’s Credit Union**. Thank you.

74th ANNUAL GENERAL MEETING

Brenda Armstrong
*Secretary
Board of Directors*



**MINUTES OF THE
73rd ANNUAL
GENERAL MEETING
OF ST. JOHN'S
CREDIT UNION
LIMITED HELD AT
THE MERCY
MULTIPURPOSE
AUDITORIUM IN
BELIZE CITY ON 25th
MAY 2019**

The meeting was called to order by the Mistress of Ceremonies, Mrs Daisy Dawson, at 10:35 am, followed by the singing of the National Anthem. The gathering was then led in prayer by Ms Brenda Armstrong. The Prayer of St. Francis of Assisi was recited by everyone, after which a moment of silence was observed in honour of those members who passed during the last year.

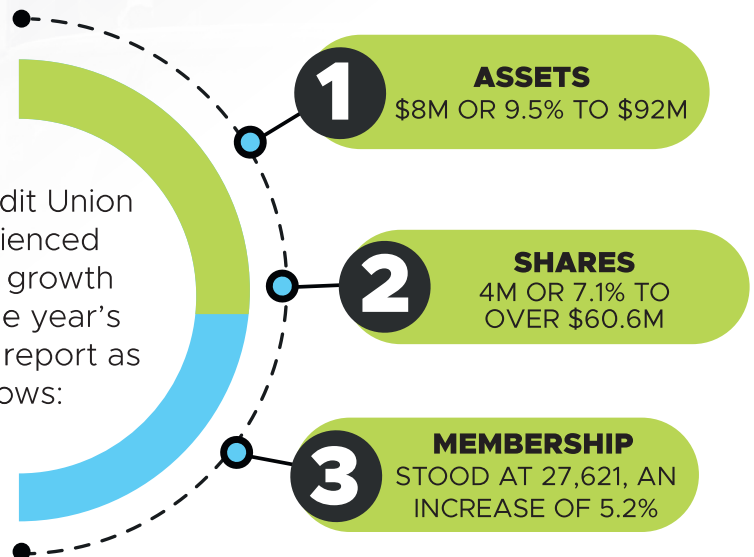
WELCOMING REMARKS

After welcoming all to the 73rd Annual General Meeting (AGM) of St. John's Credit Union Limited (SJCUC), the Mistress of Ceremonies recognized the presence of personnel from the Belize Credit Union League and from several sister Credit Unions. The President was then invited to make his opening remarks.

The President welcomed all to the 73rd AGM of SJCUC and expressed his appreciation to members, invited guests, officers and staff for their presence. He then continued to outline some of the challenges SJCUC faced during the year, including the competition from the commercial banks and loan sharks. He noted that the Credit Union has also been coping with the implementation of new International Financial Reporting Standards while striving to meet requirements related to Anti-Money Laundering and Countering Financing for Terrorism (AML/CFT). Noting the closure of two international banks, he acknowledged the need for all financial institutions to embrace and adjust to the tougher standards.

The most disappointing challenge the Credit Union faced during the year was delinquency. The

The Credit Union experienced overall growth from the year's financial report as follows:



President noted that while some members took advantage of the invitation extended to them to visit the office and address their difficulties, many others ignored repeated attempts to reach them and made no effort to make payments. He reminded the meeting that higher delinquency eventually cuts into the Credit Union's earnings and leads to lower dividends and rebates for members.

Despite the challenges, the Credit Union movement remained strong, and under the guidance of the regulator, SJCU has been diligent in providing monthly reports and adhering to regulations and parameters set. Significantly, he reported that SJCU has met and exceeded the required Net Institutional Capital ratio of 10% and is fully provisioned for Loan Loss even at the cost of reduced earnings.

The President indicated that SJCU had continued to execute its Strategic Plan. The new North-Side Branch has been providing services to members for over a year and efforts continued to bring its ATM onstream. Other aspects of the Strategic Plan were implemented, including developing new loan products, improving marketing strategies and revising policies to better meet the needs of members. After careful analysis and with commendable teamwork, the core computerised banking and members system was successfully changed in record time at the end of February 2019. The new system should provide improved services to members, including mobile banking.

Mr. Haynes celebrated the fact that the past year had shown growth in membership, assets and loan portfolio, and provided the following figures to support the Credit Union's growth in the seven

years since the inception of the Strategic Plan in 2012:

- √ Membership by 57.6%
- √ Shares by 134.9%
- √ Assets by 137.7%
- √ Loans by 173.5%
- √ Gross income by 127.4%

The efforts and dedication of the Board, Supervisory and Credit Committee members to fulfil their roles was highlighted as key elements in the success of the Credit Union. He expressed pleasure in the introduction of new competitive loan rates and products, including consolidation loans.

A special warning was given to members regarding the dangers of switching to other financial institutions whose main purpose is to make money off the clients while giving very little back. The Credit Union on the other hand he said, allowed members to 'have their cake and eat it' by providing access to loans while encouraging saving, thereby increasing returns to members in dividends and rebates.

In closing the President committed to providing members with opportunities for "safe saving... smart borrowing" at SJCU. He expressed appreciation to the officers and staff for their dedication but especially thanked the loyal members who gave active support to the Credit Union by saving, making loans, repaying faithfully and took time to attend AGMs.

CONFIRMATION OF MINUTES

The Minutes of the 72nd Annual General Meeting of St. John's Credit Union Limited held at the Mercy Multipurpose Auditorium in Belize City on the 25th May, 2018 was presented by the Board Secretary, Ms. Brenda Armstrong. One correction was made to the

Minutes, under the heading new North-Side Branch: in the last line of the second column on page 6, 'George Price Highway' was changed to 'Philip Goldson Highway'. The Minutes were then approved on a motion by Ms. Gladys Hernandez, seconded by Ms Danika Garnett.

MATTERS ARISING FROM MINUTES

One question was raised regarding why the Agenda listed Mr. Reuben Gordon as Secretary to present the Minutes and on page 18, Mrs. Lisa James was named as Secretary. It was clarified that Mrs. James was the Secretary of the Credit Committee. The Minutes had been presented by the new Board Secretary, Ms Brenda Armstrong, who was deputizing for Mr. Gordon.

PRESENTATION OF REPORTS

BOARD OF DIRECTORS:

This report was presented by the President, Mr. Alvan Haynes, who began by welcoming all to the 73rd Annual General Meeting of St. John's Credit Union Limited and listing the following persons who served on the Board of Directors during the past year:

Mr. Alvan Haynes

President

Mr. Barry Smith

Vice-President

Ms. Brenda Armstrong

Secretary

Mrs. Elsie Sylvester

Treasurer

Ms. Vonetta Burrell

Alt. Secretary

Mr. Reuben Gordon

Member

Mrs. Valerie Jenkins

Member

74th ANNUAL GENERAL MEETING



He was happy to report that despite the intense competition from within the financial sector, SJCUC's performance improved. This improvement was attributed to the effort of the staff and officers combined with the loyalty and support of our members. Heartfelt appreciation was expressed especially to the members who chose to stay with SJCUC, in spite of the tempting offers from the competition.

The Board was faithful in its monthly meetings, where time was spent developing and evaluating policies while combining energies to ensure the implementation of services that would be in the best interest of members. The President noted that even though the Credit Control Department worked diligently, the issue of delinquency had to be regularly addressed at Board meetings. Despite the additional expense to ensure that the Credit Union was fully provisioned for delinquent loans, SJCUC was still able to report a net profit of 2.62 million for the year. In addition, the required statutory level of 10% for Net Institutional Capital was met, even though returns on investments was regrettably low.

The Credit Union experienced overall growth as evidenced by the figures extracted from the year's financial report as follows:

Assets grew by \$8M or 9.5% to \$92M

Shares increased by \$4M or 7.1% to over \$60.6M

Membership stood at 27,621, an increase of 5.2%

The President then provided a summary of the activities and other initiatives of the Credit Union during the previous year.

OUTREACH:

SJCUC continued to collaborate with its partners, namely the Belize Credit Union League and the Central Bank of Belize. Both of these institutions provided direct assistance in the form of training sessions, workshops and seminars, as well as supervision and guidance aimed at building the capacity of Credit Union personnel. Both partnerships were identified as genuine sources of support that were worth maintaining.

The High School program designed to give back to the community was also continued. Four students benefited from the program during the year. Through its participation in the Father Marion Ganey Quiz competition, SJCUC provided help for Primary School students to learn about the credit union movement and the importance of saving. Several worthy causes were also given financial support during the year.

TRAINING:

The staff and officers were afforded many training opportunities to enhance their knowledge and improve their skills. These training events ranged from in-house training to workshops and seminars in credit union operations, governance and management. The most popular training was in Anti-Money Laundering (AML). Other sessions were held in Product Development, New Core Banking Systems and Governance. SJCUC also fully participated in the Belize Credit Union League's training sessions conducted at its annual convention held last October.

MARKETING AND NEW INITIATIVES:

The Marketing Department played a much more prominent role in the

year. SJCU increased investment in the human and financial resources of the department in order to extend its marketing strategies to the use of radio, television and social media. Visitors to the Credit Union's Facebook page were able to learn about new developments and receive free financial advice through Financial Advice Fridays. In addition, members were introduced to the new loan product – the Consolidation Loan. This allowed members who were servicing more than one loan facility to lessen their financial burden in loan payments.

A bold decision was made to transition to a new core banking system known as Sharetec. Totally funded by SJCU, the entire organization was involved in the undertaking. The new system now allows access to several new technologies including mobile banking, branch accounting, online banking and cheque writing. The President extended sincere gratitude on behalf of the Board to the Sharetec team under the leadership of Mr. Barry Smith, for their dedication in seeing the

STAFFING:

SJCU had a staff complement of forty eight (48) which included a General Manager, an Assistant GM and three Branch Managers who supervised other staff members as listed below:

- 1 Accountant**
- 1 Assistant Accountant**
- 1 Credit Control Supervisor**
- 1 Internal Auditor**
- 1 Compliance Officer**
- 2 Member Services Representatives**
- 2 Receptionists**
- 1 Records Officer**
- 1 Payroll Officer**
- 3 Office Assistants**

- 8 Loan Officers**
- 1 Loans Manager**
- 1 Marketing Officer**
- 13 Tellers**
- 3 Credit Control Officers**
- 1 Legal Officer**
- 1 Bailiff**

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

CONCLUSION:

The President noted that the Credit Union had a lot to be thankful for and expressed the gratitude of the Board to the staff of SJCU for going the extra mile and providing competent service. Likewise, the Board was very proud of the faithful members who contributed to the year's success. In closing, sincere thanks was extended to the General Manager, the Branch Managers and all Officers for providing oversight and guidance in the Credit Union's operations.

SUPERVISORY COMMITTEE:

This report was presented by Committee Chairman, Mr. Keith Westby. He began by noting the achievements of the Credit Union, including the steady increase in assets and the transition to Sharetec, the new core banking system. He reported that the Regulator, the Central Bank of Belize (CBB), continued to monitor the operations of St. John's Credit Union to ensure compliance with policies, procedures and regulations. The

Supervisory Committee made sure that SJCU maintained a culture of compliance by sustaining initiatives such as the Know Your Member (KYM) campaign, and was diligent in submitting the monthly reports to the CBB and the Belize Credit Union League as required.

The Chair shared that delinquency had improved from 8.3% to 7.7% but continued to be an area for concern. He acknowledged the hard work of the Credit Control to reduce delinquency and reminded members that the acceptable standard set under the PEARLS was 5%. He encouraged all members to push known delinquent members, including themselves, to visit the credit union and redeem themselves by seeking to bring their loans into good standing.

The work routine of the committee was described to include working in partnership with the Internal Auditor, conducting announced and unannounced inspection visits to all branches at which time checks were made on individual transactions to ensure compliance with internal procedures and regulatory controls. Records examined include loan approvals, dormant accounts, disbursements and cash counts.

In conclusion, the Chairman said he was happy to report that policies and procedures were adhered to and the credit union's records were properly maintained during the previous year. He extended commendations to the staff and officers for their dedication in helping the Credit Union achieve its objectives and thanked members for their faithful support of the institution.

CREDIT COMMITTEE:

This report was presented by

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Committee Chairperson, Mrs Margaret McKenzie. She noted that it had been a pleasure serving as Chair of the Committee and thanked the other members of the Committee – Mrs Lisa James and Mr William Tillett – who faithfully shared in the work. During the year under review loans were disbursed to a value of \$29.346 million, representing an increase of \$1.181 million over the previous year. She observed that among the category of loans disbursed Residential, Personal and Vehicle Loans had the highest dollar value. A table was presented to illustrate in more details the disbursement of loans throughout the four branches of SJCU.

The Chairperson acknowledged the growth but lamented that the Credit Union could have done even better if not for the competition of lower interest rates being offered by banks. Thankfully, because of dedicated members who stayed with SJCU, we remained successful.

The Committee met regularly to deal with loan applications and in addition, provided many applicants with financial advice. Committee members participated in several training session, ensuring that they were better equipped to fulfil the functions of serving as an officer of the CU.

The Chair closed by expressing gratitude to the General Manager, the Loans Manager and other Loans Officers and to the other committees of the credit union for their support during the past year.

TREASURER'S REPORT:

The Treasurer's Report was presented by the Treasurer, Mrs. Elsie Sylvester. She outlined the financial performance of the Credit Union for the period 2018-2019 noting that Operating income was \$7.819M

which represented an increase of 0.26% over the previous year's figure. Gross profit was \$3.403M, a reduction of 18% from the previous year's figure which was \$4.042M. Net profit was \$2.628M, a decrease of 16% when compared to last year's net profit of \$3.131M. Loan Loss expense was significantly less at \$0.775M compared to \$0.911M in the previous year. The average interest rate for the year on fixed deposits was 1.98%. She noted that the financial market continued to reflect a high level of liquidity and the competition from banks continued at an all-time high, forcing SJCU to find innovative ways to introduce new products to members.

The Treasurer then provided a summary of the strategic changes or achievements that had been made by SJCU in the effort to improve efficiency and increase revenue. The changes included that:

- » The credit union's loan portfolio showed a small increase of about 2.4% thanks to the hard work of the Marketing Department
- » Membership increased by 5.2% to a total of 27,621 with the Dangriga Branch showing the highest growth



» SJCU is fully provisioned for loan loss, at a cost of \$0.775M for the year

» A new and more efficient core banking system was purchased from Sharetec and implemented

» The ATMs in Belize City and Belmopan serviced over 1,191,183 transactions which totalled \$16.4M in value

» Preparation to calculating delinquency on an accrual basis as required by IFRS9 continued

» SJCU participated with other credit unions in the effort to implement the new National Payment System in January, 2020

» Fully complied with Anti-Money Laundering regulations, led by the Compliance Officer who attended training sessions locally and internationally

» The Credit Control Department's hard work resulted in the delinquency rate decreasing from 8.29% to 7.66%

Burial Scheme:

Mrs. Sylvester reported that during the past year, 103 members passed away however only 65 of those deaths qualified and received

insurance benefits. She encouraged members to ensure that their accounts are in good order so that they can benefit from funeral grant of \$5,000. The total benefits paid out in the year from the scheme amounted to \$320,975, leaving a balance of \$1,161,853 in the fund.

Conclusion:

In closing, the Treasurer noted that although SJCU could celebrate another successful year in many ways, the hard work must continue. The effort to revise and continuously update the Strategic Plan must be given priority, even while efficient service is provided to members. She then expressed gratitude to the SJCU membership for their continued support.

QUESTIONS ON REPORTS:

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

1. "Why do some qualify for the Burial Scheme and some don't?"

Answer: All members must have \$150.00 minimum in shares for at least one year to qualify.

2. "Are land papers used as collateral for a loan returned to the member?"

Answer: Yes, once the loan which the land was used as collateral for is repaid.

3. "Is it possible for the Marketing Department to conduct education sessions for the Dangriga members to explain the requirements to qualify for the Burial Scheme?"

Answer: Thanks for the suggestion. The Marketing Department

was asked to take note. Members were encouraged to see the cost of the scheme as less than \$3.00 per month.

4. "Is there an educational grant available from SJCU?"

Answer: No, but there is a 4-year scholarship program. Application forms are available from all the branch offices.

5. "Is the Elvis Lopez listed as a new staff member from Belmopan?"

Answer: The new staff will be introduced later.

6. "Does the scholarship apply only to students who are members?"

Answer: Either the child or the parent can be members to be eligible to apply.

7. "I asked for a ramp at the North-side Branch last year and the request was honoured. Thanks to SJCU and God bless".

8. "Is the scholarship available for Primary as well as High School?"

Answer: It is for high school only.

9. "When will an ATM be placed at the Dangriga Branch?"

Answer: The discussion is on the table but the decision will be based on the projected level of traffic the ATM would have.

10. "Are loans available for small businesses?"

Answer: Yes, an appointment can be made with a loans officer to discuss the application. A list of documents required for consideration was provided.



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11. “Will consideration be given to providing scholarships to the tertiary level?”

Answer: The Committee responsible will be asked to consider this suggestion.

12. “What will be done to win back those members who took their loans to the banks?”

Answer: The effort has already begun to contact those members and try to convince them to return.

13. “Are there plans for SJCUC to launch a housing project similar to what HRCU has?”

Answer: No, but there are plans to offer lower interest rates on mortgage loans.

14. “Why is the new banking software showing the loan payment being kept in a holding account while interest is applied daily but the payment is withdrawn monthly?”

Answer: The holding account is being discussed with the developers to ensure that members are not adversely affected.

15. “Is information on houses up for sale made available to members?”

Answer: Check the SJCUC website; the information on properties is there.

16. “Is consideration being given to introduce lower rates on loans?”

Answer: The Credit Union will be offering mortgage loans as low as 6% and is considering risk-based ratings on other loans.

17. Comment: Congratulations to Dangriga Branch for showing the highest membership growth.

18. Comment: Commendations on the excellent service provided at the North-side Branch.

19. “Offers for loans have been received from another financial institution but none from SJCUC...”

Answer: Members need to examine the full package of those offers because on the surface they look attractive but the Credit Union is better all the time.

ACCEPTANCE OF REPORTS:

At the end of the Question/Answer session motion for acceptance of the reports was made by Mr. Godswell Flores and seconded by Mr. Michael Noralez.

DECLARATION OF DIVIDEND:

Based on the profit derived from operations in the 2018-2019 financial year, the following dividend was proposed and accepted:

3% on Regular Shares
5% on Mandatory Shares
5% Rebate

The motion for acceptance of the dividend was made by Mrs Danika Garnett and seconded by Mr Godswell Flores.

NEW BUSINESS:

1. The President presented a resolution to allow the Board to appoint alternates as members of the Credit Committee as follows:

“Be it resolved that subject to the Credit Union Act, to allow for the efficient functioning of the Credit Committee, two additional members may be appointed by the Board of Directors to serve as alternates for specific periods”.

The resolution was approved by a majority of the members present.

2. The recommendation was presented to appoint the firm of Grant-Thorn-ton & Associates as auditors for the 2019-2020 Financial Year. The resolution was approved by a majority of the members present.

CALL FOR NOMINATION OF OFFICERS:

The Mistress of Ceremonies indicated that one vacancy existed for a member of the Supervisory Committee from Dangriga. The only nomination received was for Mr. Ernest Sabal. As the sole nominee, Mr. Sabal was re-elected as a member of the Supervisory Committee.

DRAWING OF PRIZES:

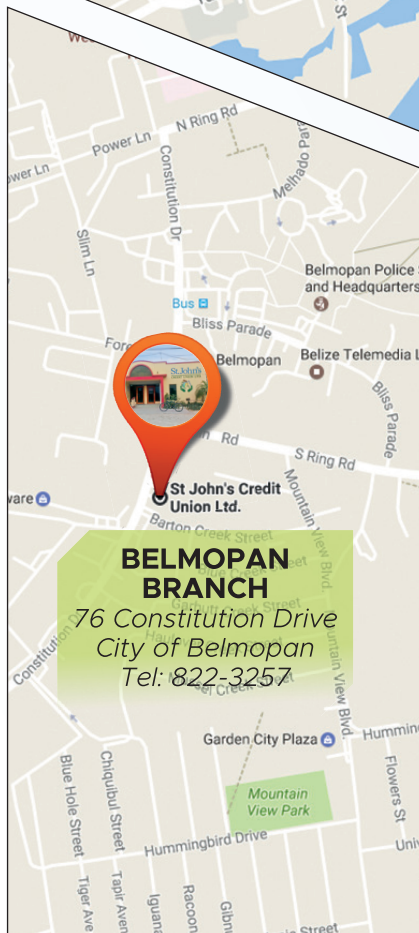
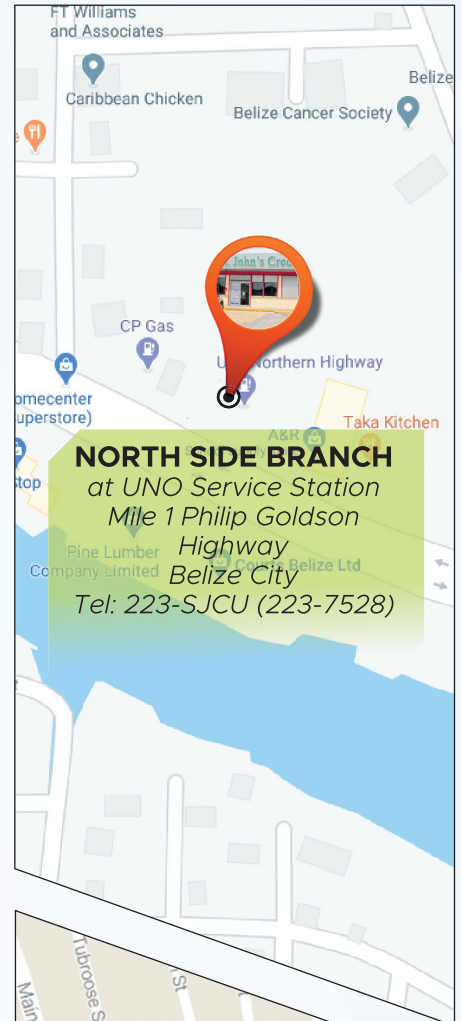
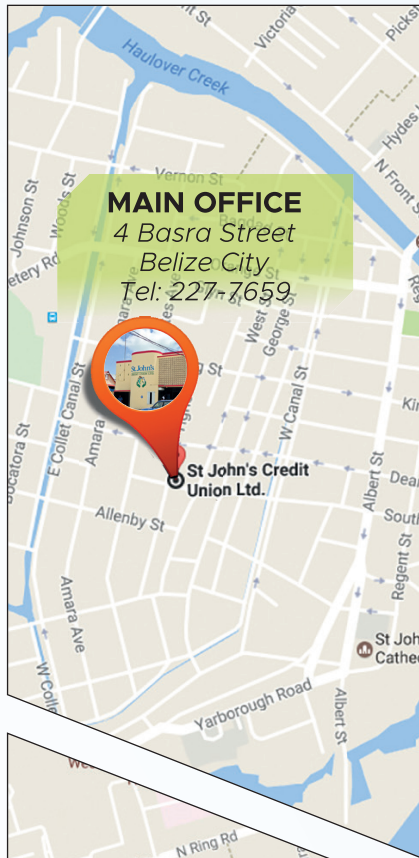
The following is a record of the prize winners:

NAME	PRIZE AMOUNT
Johnie Pollard	\$ 1,000.00
Frances Arana	\$ 500.00
Godfrey Trapp	\$ 500.00
Virgin Williams	\$ 500.00
Lois Encalada	\$ 500.00
Althea Robinson	\$ 500.00
Raymond Sutherland	\$ 250.00
Gretel Lashley	\$ 250.00
Nicole Dominguez	\$ 150.00
Candice Brown	\$ 150.00
Ambrose Dobson	\$ 150.00
Kelsey Sanker	\$ 150.00
Renita Coleman	\$ 150.00
Jessie Bucknor	\$ 150.00
Derrick Card	\$ 150.00
Marjorie Petzold	\$ 150.00
Arturo Vasquez	\$ 150.00
Mariano Lino	\$ 150.00
Carolee Dawson	\$ 150.00

ADJOURNMENT:

The 73rd Annual General Meeting came to a close at 3:00 p.m. on a motion by Mr Ronald Stuart that was seconded by Ms Janice Slusher.

LOCATIONS:



*REPORT OF
THE BOARD OF
DIRECTORS FOR THE
PERIOD
FOR THE PERIOD
01 APRIL 2019 TO 31
MARCH 2020*

74th
**ANNUAL
GENERAL
MEETING**



Valued members, invited guests, sister credit unions, friends, the Board of Directors takes pleasure in welcoming you all to the 74th Annual General Meeting of St. John's Credit Union Limited, and is pleased to present its report for the period 1st April, 2019 to the 31st March, 2020.

The serving members for the past year were as follows:

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

At our last AGM, elections were held and the following officer was elected to serve a three-year term, namely:

Supervisory Committee:
Mr. Ernest Sabal (2nd term).

We are more than pleased to report that our credit union had another successful year of operations as the other reports and financial statements presented here are showing.

The Board of Directors continued to upkeep our fiduciary responsibility to our members. We held several special meetings as well as our regular monthly meetings. As the Board continued to monitor and revise our strategy, we focused on providing improved services and attractive interest rates. This strategy aims at ensuring that members can get loans at competitive interest rates, while still offering all the added benefits such as free insurance on loans up to \$40K, insurance on shares, low-cost burial scheme, lower rates on property insurance, tax-free dividends, etc. However, we remind members that they have to maintain the minimum mandatory shares of \$150 to be able to receive these benefits.

CHALLENGES AND ACHIEVEMENTS

SJCU operates in a competitive and changing environment, so, not surprisingly, the year in review was not without its challenges. First and foremost, COVID-19 has had a drastic effect on the world and our country's economy. Although

this pandemic and the economic depression that comes in its immediate wake only started to affect us in March, its drastic negative impact will be felt for the next few years. We are trying our best to assist our members who are being so terribly affected by this unexpected phenomenon.

Secondly, one on-going challenge is that non-member-owned, profit-focused entities constantly target and snatch our members by what they bill as lower interest loans, when what they are actually saying, members, is “come give us all of your money!”.

Thirdly, our credit union, like others in the financial business of lending money, continues to be plagued by delinquency. Delinquency is the direct result of those borrowers who do not repay their loans. We take this opportunity to remind such members of the pledges they made and the commitment they signed when they borrowed, and of the fact that the money loaned to them are other members’ savings. Our credit Union is more than willing to work with those who experience unexpected financial hardship. We invite such members to visit our offices and make good their standing by restructuring their repayments to make payments easier and more affordable in cases where cash flow is a problem. While COVID-19 has now placed many members in this category, we assure you that we have a number of options to assist those who are affected – we simply ask that you communicate honestly with us.

Several years ago, your Board of Directors developed and commenced an ambitious Business Restoration Plan. This required implementing strategies with the goal of realizing improved prof-

its so as to strengthen our Net Institutional Capital position and to become fully provisioned for loan losses. Today, we can boast that the execution of our plan has yielded continuing positive results. For the last five years, our profits have exceeded \$2 million. We reached our targets of 10% Net Institutional Capital and full Loan Loss Provisioning three years ago and have continued to exceed these requirements. Our Net Institutional Capital now stands at over 11%, with our Total Reserves at over \$10 million - our main reserve account, the Guaranty Fund stands at over \$7 million.

As the Treasurer’s report will show, SJCU has continued to experience all-around growth. Despite all the sniping mentioned above, our Loan Portfolio grew by 1.3% from last year to \$61.5 million. Our Assets now stand at \$95.0M million, a growth of 3.0%. Perhaps most indicative of the success of our strategy though is the growth in membership – we are now proud to have, for the first time, over 30,000 members! Membership grew to 30207, a 9.3% improvement over the previous year.

OUTREACH

The success and achievements described above were only possible because of the combination of hard work, collaboration and good planning among staff and officers on the one hand, and the confidence in SJCU demonstrated by you, our dear members, on the other. The continued success of SJCU is a direct result of your loyalty, for you chose to not just to do business, but to **belong** to the credit union. We extend our sincere appreciation and gratitude to you for your staunch support. We ask you to continue to be a part of SJCU and to enjoy the

benefits your credit union has to offer – benefits, of course, which are incomparable to those of other financial institutions which only try to woo you so **they** can make profits.

The Credit Union’s outreach initiatives focused on creating awareness about the importance of “safe savings...smart borrowing” and prudent spending within the communities we serve. During the year, your Credit Union launched a Financial Literacy Program (FLP), which provided lessons on money management, the benefits of being a member of our Credit Union, and the services we offer. The FLP was launched in conjunction with the Ministry of Education’s Financial Literacy Curriculum and was supported by one of our major partners - Belize Credit Union League (BCUL). Additionally, the Credit Union conducted educational sessions at several primary and secondary schools, during after-school programs, and at various business establishments on important money-management processes such as budgeting, saving, borrowing, and spending. In October of 2019, the Credit Union participated in BCUL’s Annual Convention and Awards Banquet. Your Board of Directors, Management Team and Staff attended the one-day workshop, which discussed various issues affecting the movement and which provided professional advice and guidance on matters of interest. The Credit Union also actively participated in the Annual Father Marion Ganey quiz competition, which was held at the Dangriga Branch Office.

On November 8 2019, the Credit Union celebrated its 73rd anniversary with a member’s appreciation day at our offices. In December 2019, the Credit Union gave back

74th ANNUAL GENERAL MEETING



to members via our annual end of year raffle.

Finally, the Credit Union continued to fulfil its social responsibility by way of our support of several charities throughout the year.

TRAINING

During the year under review, the credit union staff and officers participated in a several training offered through our partners: Belize Credit Union League, the Central Bank of Belize, Financial Intelligent Unit, Belize Emergency Response Team (BERT) and the Belize Chamber of Commerce.

These training events were on the following topics:

- √ Social Performance Management
- √ Statutory requirements of Supervisory Committee
- √ Annual Agency Training from Western Union with a focus on Compliance
- √ Annual Anti-Money Laundering

SJCU also benefitted from full participation in the Belize Credit Union League's training sessions conducted at its annual convention held last October.

MARKETING AND NEW INITIATIVES

During the year under review, SJCU relied heavily 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. Initiatives undertaken during the year include:

1. Launching our new Online Home Banking platform which allowed members to access their accounts online, print statements,

perform transfers between their accounts as well as other members accounts.

2. Launching our new Mobile App which can be found in the Play Store & Apple store giving members easier access to their SJCU accounts in the palm of their hands.

3. Launching a promotional HOME SWEET LOAN rate of 6%

4. Approval for members to access full share-covered loan at 8%

5. Launching our Bio-Data & Beneficiary update campaign that allowed us to update members information.

Each initiative has played a key role in the overall growth and development of the credit union.

STAFFING

SJCU currently has a staff complement of forty-six (46) persons. At the 31st March, 2020 our staff personnel were as follows:

- 1 General Manager
- 1 Assistant General Manager
- 3 Branch Managers
- 1 Accountant
- 1 Assistant Accountant
- 1 Credit Control Supervisor
- 1 Internal Auditor
- 1 Compliance Officer
- 2 Marketing Officers
- 2 Members Services Representatives
- 1 Payroll Officer
- 3 Office Assistants
- 8 Loans Officers
- 1 Loans Manager
- 14 Tellers
- 3 Credit Control Officers
- 1 Legal Officer
- 1 Bailiff

During the past year, there were several additions to staff as a result of strategic growth, terminations and resignations. **New Staff:** Human Resource Officer – Ms. Dawn Ortiz, Termination: Loans Officer

-Mr. Stanley Palacio, Resignation: Teller: Mr. Garrick Ellis. Retirement: One of our dedicated and committed employees, Ms. Betty Andrewin, retired after more than nineteen years of service to the credit union. We take this opportunity to wish Ms. Andrewin all the best in her future endeavours.

CONCLUSION

The Board of Directors acknowledges the many successes that were achieved during the 2019 – 20 year. Sincere gratitude is extended to our dedicated staff at SJCU without whom it would have been difficult for the credit union to have had yet another successful year. The Board publicly says ‘thank you’ to each member of staff - our General Manager, Branch Managers and Management Team members. Appreciation is also extended to all Officers for overseeing and guiding the union’s operations. Gratitude is communicated you, our faithful members, without whom SJCU would not be able to boast these achievements. Let us continue to move forward with renewed commitment to the further advancement of our beloved St. John’s Credit Union.

BOARD OF DIRECTORS:

The Board of Directors members are:

- ALVAN HAYNES**, President (Serving one more year)
- BARRYMORE SMITH**, Vice-President (Serving one more year)
- ELSIE SYLVESTER**, Treasurer (Term ends this AGM)
- BRENDA ARMSTRONG**, Secretary (Term ends this AGM)
- VONETTA BURRELL**, Alt. Secretary (Term ends this AGM)
- REUBEN GORDON**, Director (Term ends this AGM)
- VALERIE JENKINS**, Director (Term ends this AGM)

**SUPERVISORY
COMMITTEE
ANNUAL REPORT
ST. JOHN'S CREDIT
UNION LTD.
APRIL 1, 2019 TO
MARCH 31, 2020**

**74th
ANNUAL
GENERAL
MEETING**



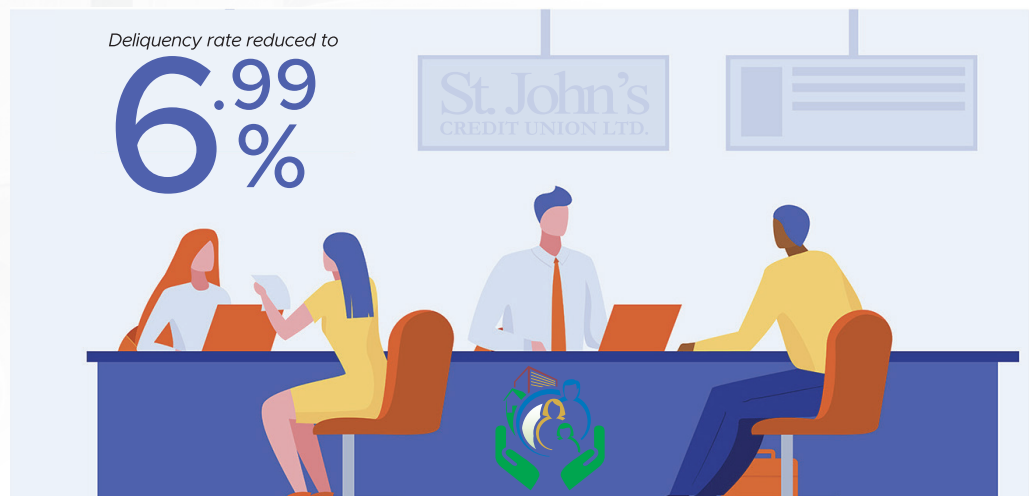
St. John's Credit Union experienced minimal growth in its asset and loan portfolio for the 2019-2020 fiscal year. However, the end of the fiscal year saw many challenges under the global impact of the COVID-19 pandemic, but the full effect will be seen in next year's fiscal performance of the credit union.

The Central Bank, in its regulatory role of Registrar of Credit Unions, continued to monitor our institution, placing great emphasis on compliance as was expressed in their October 2019 examination. During the year 2019-2020 we continued to work on several compliance initiatives including modifying SJCUC membership application forms for regular members and corporate membership to reflect the Anti-Money Laundering (AML) requirements, Know Your Member (KYM) campaigns occurred in

September and December 2019, a Member Identification Program (MIP) is ongoing. These initiatives have allowed member services to easily vet new members and understand member's needs. The staff of SJCUC participated in an in-house training geared toward improving the compliance program and to keep up to date with current AML/CFT trends. As compliance continues to dictate the order of the day on how we do business with our members it is imperative that we continue to update our AML/CFT manual and have started the process to create new policies and procedures to assist in regulating the SJCUC members' deposits, examining risk assessment of each member, the velocity of asset-flow, transaction monitoring and presenting a shift in how accounts are viewed and used by members. In addition, we have engaged in an Enterprise

Delinquency rate reduced to

6.99%



St. John's
CREDIT UNION LTD.

Delinquent members are asked to visit the branch offices to reinstate loans to good standing.

Risk Assessment with PPF Capital Belize which started in February 2020 and the expected completion date of July 2020. Overall, our aim for 2020-2021 is to update all relevant bio data for our qualified active members.

Non-performing loans and the level of delinquency continue to be areas of concern and as a result, the Supervisory Committee in its meetings and reviews, continued to monitor the delinquency ratio position. The delinquency rate has marginally improve and went from 7.66% to 6.99% (673 loans or 0.67% difference). Over the last fiscal year the Credit Control Department has put great efforts to reduce the delinquency ratio to that of the PEARLS standard of less than 5% and as a result have completed the charge-offs of 150 delinquent loans which had a positive impact on reducing delinquency to that of 6.99%. All of us as members are encouraged to push known delinquent members, including ourselves, to visit the branch offices to reinstate loans to good standing.

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

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

Respectfully submitted,

SUPERVISORY COMMITTEE:




TERM ENDS THIS AGM

KEITH WESTBY
Chairperson



TERM ENDS THIS AGM

RASHIDA CASTILLO
Member



SERVING TWO MORE YEARS

ERNEST SABAL
Member



TERM ENDS THIS AGM

CANDY BROWN
Secretary/Member



SERVING ONE MORE YEAR

SHARETT SHEPPARD
Member

**CREDIT
COMMITTEE
ANNUAL REPORT
ST. JOHN'S CREDIT
UNION LTD.
APRIL 1, 2019 TO
MARCH 31, 2020**

The Credit Committee was comprised of three members - Mr. William Bill Tillett, Ms. Margaret McKenzie and myself Mrs. Lisa James, who served as Chair during the year.

During the period April 1, 2019 to March 31, 2020 loan disbursement amounted to \$33.810 million. The loan portfolio was increased by \$743 thousand as compared to the previous year. These increases were reflected in four areas namely Christmas, Busi-

ness, Residential, and Personal loans which represented the highest type in the portfolio.

In March 2020 when the Fiscal year came to an end the Credit Union saw a growth which was good but could have been better. The impact of Covid19 is uncertain, but the Credit Committee will continue to assess and plan with our members in mind.

The Credit Committee met on a regular basis throughout the year to allow members who

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**ANNUAL
GENERAL
MEETING**




These increases were reflected in four areas namely Christmas, Business, Residential, and Personal loans.

During the period April 1, 2019 to March 31, 2020 loan disbursement amounted to

\$33.810
MILLION DOLLARS

submitted loan applications an opportunity to be heard. It is through this process we were able to familiarize ourselves with members and their needs and at the same time sensitise them on our role. Additionally, we were able to give financial guidance on the importance of saving. The committee also conducted two meetings with staff concerning loan policy and customer service care, so that we can better serve our members.

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

To our members, thank you for making St. John's Credit Union your number one financial institution; your dedication and commitment is most appreciated. We urge you to continue to help in the growth of the Credit Union by honouring your obligations, be consistent with your payments and dialogue with your loan officers if you are faced with a challenge for repayment. Let us work as a team for better saving and smart borrowing.

CREDIT COMMITTEE:

LISA JAMES
Chairperson

MARGARET MCKENZIE
Secretary

WILLIAM TILLETT
Member

HOME SWEET LOAN

6%
Promotional rate

**TREASURER'S
REPORT
FOR PERIOD
01 APRIL 2019 –
MARCH 31 -2020.**

OVERVIEW

SJCU is once again reporting to their membership the financial position of their credit union during the past year. Throughout the period the Board of Directors, Committee Members, Management Team and staff remain committed to offer enhanced services to the membership.

During the past year 2019-2020, SJCU operating income was \$7.812M a .02 % decrease from the previous year of \$7.819 M. Net Profit was \$2.9M (before taking out Loan Loss Provision) a reduction of 14% from the previous year of \$ 3.403M. During the year, SJCU had to book \$.890M as Loan Loss Expense, an increase, when compared to \$.775M, in the previous year. Net profit was \$2.045M, a decrease of 22% when compared to the previous year's Net Profit of \$2.628M.

Excess Liquidity is still a concern and during the past year 2019/20, the average Interest rate on Fixed Deposit was 2.6%. SJCU continues to maintain a media campaign informing the membership of new products and continuously promote new services offered by the credit union.

STRATEGIC CHANGES

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

- 1) The Marketing Department continued to promote the services and products offered by SJCU. During this financial year however, the Loan portfolio grew by only 1.20% from the previous year. SJCU continue to experience more buyouts by other financial institutions at lower rates.
- 2) Membership is presently at 30207 which grew by 2,549 members or 9.3% during the previous year. Dangriga Branch membership grew from 4,802 to 5,075, an increase of 273 members or 6%. Northside Branch membership grew from 568 to 931 an increase of 363 members or 64% during the past year.
- 3) SJCU members continue to enjoy the services offered by NetWorkOne from its sixty (60) locations countrywide, along with our own ATM stationed at both Belize City and Belmopan branches. During last year 2019/ 2020, our ATM serviced 61,694 transactions in both Belmopan and Belize City totalling \$13.7M. In late March 2020, due to the onset of COVID 19 pandemic, the \$2.00 fee was temporarily waived for members when using the NetWorkOne ATM'S

**74th
ANNUAL
GENERAL
MEETING**

Elsie Sylvester
*Treasurer
Board of Directors*



countrywide.

- 4) SJCU continue to work with Belize Credit Union League in an effort to assist credit unions with the implementation and training needs to become IFRS 9 compliant. A working group has been formed representing all respective credit unions that will generate data to test the methodologies presented by two credit unions who are currently using this method.
- 5) During the past year, SJCU continues to be fully provisioned as required by our regulator, the Central Bank of Belize. During the period under review an amount of \$.890M was provided for compared to \$.775M from the previous year.
- 6) In December 2019, The Depositor Insurance Act (#2 of 2020) was passed in the House of Representative to protect the depositors at Banks and Credit Unions. Effective July 2020, the Government of Belize will make it mandatory for all credit union to enact the Depository Insurance Fund, to provide protection for insured deposits against the loss of members savings in the event a credit union is liquidated. (The coverage is up to \$20,000 for a member).
- 7) The Belize Credit Union League continued to work with our Regulator, the Central Bank of Belize, to finalize the setting up of the National Payment System which will operate under the Shared Services Network

(a separate legal entity) to operate the NPS on behalf of CU's. There was a delay in the implementation scheduled for January 2020. The new tentative date is scheduled for September 2020. However, due to the COVID 19 pandemic, very likely there will be a delay.

- 8) The Credit Control Department continues to monitor the delinquent loans, At the end of March 2020, the delinquency rate decreased from 7.66 % to 6.99 %. This unit has been working diligently to ensure that the members commit to repaying their loan after it becomes delinquent.

BURIAL SCHEME

During the period 2019- 2020, one hundred and sixteen (116) of our dear members passed away. Unfortunately, only seventy-four (74) or sixty-four (64%) were qualified under the scheme. Below, see the table by Branches:

Based on the numbers above, a value of \$367,500.00 was paid

out. 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.

The Burial Scheme Reserve now stands at \$785,920. compared to the previous balance of \$1,161,853 in 2018/2019.

CONCLUSION

Once again, the previous year 2019/20 has been a successful year for SJCU, despite the setback experienced by the COVID 19 crisis that affected the institution towards the end of the financial year. We continue to be innovative in making St John's Credit Union a successful organization of which the membership will always be proud to be a member. We thank the management and staff of SJCU for their continued cooperation and support.

Location	Deceased Members	Qualified for Benefit	Not Qualified	Percent Qualified
Head Office/Belize City	64	42	22	66%
Northside	18	11	7	61%
Belmopan	12	10	2	83%
Dangriga	22	11	11	50%
Total	116	74	42	

Burial Scheme

Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	1 Yr % Change	% Change vs 2012
Membership	17,530	19,574	22,135	24,892	23,731	25,482	26,259	27,621	30,207	9.3%	72.1%
Assets	\$38,800	\$42,831	\$54,985	\$65,724	\$75,033	\$80,247	\$84,273	\$92,238	\$94,524	2.5%	143.6%
Shares	\$25,819	\$26,823	\$30,071	\$38,363	\$46,838	\$53,231	\$56,625	\$60,463	\$64,791	7.2%	150.9%
Loans	\$22,213	\$27,120	\$41,119	\$50,473	\$53,547	\$61,480	\$59,352	\$60,757	\$61,486	1.2%	176.8%
Profits	\$934	\$965	\$1,772	\$1,717	\$2,508	\$2,336	\$3,131	\$2,628	\$2,045	-22.2%	119.1%
Delinquency %	12.4%	8.1%	6.4%	5.9%	6.3%	6.7%	8.3%	7.7%	7.0%	-9.2%	-43.6%
Delinquency %(CBB)	12.4%	5.0%	3.1%	3.3%	1.9%	2.0%	2.5%	1.7%	2.1%	22.4%	-83.2%

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





IN LOVING MEMORY

OF THOSE MEMBERS NO LONGER WITH US

“And he will wipe out the tears from their eyes, and death will be no more, neither will mourning or outcry or pain be anymore. The former things have passed away.”

-Revelations 21:4

Member Name	Branch Office	Member Name	Branch Office
Rita Bevans	Belize City	Derrick King	Belize City
Hammed Guzman	Belize City	George Dyer	Belize City
Clara Kisling	Belize City	Harrison Garbutt	Belize City
Cresencio Tuyul	Belize City	Carolyn Arnold	Belize City
Vallen Perez	Belize City	Maurice Longsworth	Belize City
Kathleen Glenn	Belize City	Rafael Erales	Belize City
Elaine Castillo	Belize City	Frederick Gabourel	Belize City
Icelind Neal	Belize City	Gilbert steven	Belize City
Esther Ferguson	Belize City	David Dawson	Belize City
Albert Ortiz	Belize City	Justino Arana	Belize City
Alarice Andrewin	Belize City	Margaret Lucas	Belize City
Audrey Reyes	Belize City	Deon Wright	Belize City
Ernest Smith	Belize City	Robert Stanford	Belize City
Kimberly Trapp	Belize City	Phillippa Franklin	Belize City
Devaun Mascall	Belize City	Noreen Bodden	Belize City
Estella Talbert	Belize City	Lenford Palacio	Dangriga Town
Gwendolyn Gladden	Belize City	James Cacho	Dangriga Town
Monica Habet	Belize City	Clotida Miranda	Dangriga Town
Earl Gladden Sr.	Belize City	Frances Roches (Brown)	Dangriga Town
Linda Gentle	Belize City	Modesto Ramos	Dangriga Town
Dana Mckoy Jones	Belize City	Agnes Lopez	Dangriga Town
Evadney Jones	Belize City	Feliz Nunez	Dangriga Town
Mildred Crawford	Belize City	Lydia Weller	Dangriga Town
Adelita Tablada	Belize City	Darrell Laurie	Dangriga Town
Winfield Middleton	Belize City	Elizabeth Ramirez	Dangriga Town
Phillip Clarke	Belize City	Clara Arana	Dangriga Town
Dorla Wallace	Belize City	Charles Belle	City of Belmopan
Anita Palmer	Belize City	Porfirio Nino	City of Belmopan
Carol Bowman	Belize City	Naomi Smith	City of Belmopan
Phylis Stuart	Belize City	Paul Zetina	City of Belmopan
Kimberly Nado	Belize City	Marlon Mateo	City of Belmopan
Andrew Matura	Belize City	Michael Sabido	City of Belmopan
Brenda Cacho	Belize City	Antonio Ochoa	City of Belmopan
Sharlene Mckay	Belize City	Miguel Gaitan	City of Belmopan
Natalie Neal	Belize City	Orline Montejo	City of Belmopan
Kenisha Stephen	Belize City	Isabel Guerrero	City of Belmopan
Aaron Smith	Belize City		

Members who benefited from the burial protection

FINANCIAL STATEMENTS

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 as at March 31, 2020 and 2019, and the statements of income and expenses, statements of changes in equity 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, 2020 and 2019, and of its financial performance and its cash flows for the years then ended in accordance with the modified cash basis of accounting and financial reporting provisions of the Credit Unions Act Chapter 314 Revised Edition 2011 of the Substantive Laws of Belize.

Basis for Opinion

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

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 financial reporting provisions of the Credit Unions Act Chapter 314 Revised Edition 2011 of the Substantive 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.

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.

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

hlb.bz

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HLB Belize, LLP is a member of HLB International, the global advisory and accounting network

FINANCIAL STATEMENTS



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

HLB Belize, LLP

Chartered Accountants
Belize City, Belize
August 4, 2020

ST. JOHN'S CREDIT UNION LIMITED

STATEMENTS OF FINANCIAL POSITION - MODIFIED CASH BASIS MARCH 31, 2020 AND 2019 (IN BELIZE DOLLARS)

ASSETS	Notes	2020	2019
CURRENT ASSETS:			
Cash and cash equivalents - unrestricted	2e. 3.	\$ 12,691,275	\$ 20,836,362
Cash and cash equivalents - restricted	2e. 12.	438,611	330,219
Short term investment in financial assets - unrestricted	2f. 4.	4,554,359	1,535,613 *
Short term investments in financial assets- restricted	2f. 5. 12.	790,000	790,000 *
Other receivables and prepayments	2g. 6.	624,423	226,234 *
Total current assets		19,098,668	23,718,428
NON-CURRENT ASSETS:			
Loans receivable from members	2h. 7.	61,485,697	60,756,937
Less - allowance for loan losses	2i. 7.	(2,742,066)	(3,367,123)
Property, plant and equipment - net	2j. 9.	4,125,783	4,398,878
Investment property - net	2l. 8.	1,608,833	291,025
Long term investments in financial assets -unrestricted	2f. 10.	11,425,000	6,429,561
Long term investments in financial assets - restricted	2f. 12.	10,000	10,000
Total non-current assets		75,913,247	68,519,278
TOTAL ASSETS		\$ 95,011,915	\$ 92,237,706
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Accounts payables	2m.	\$ 222,654	\$ 183,959
Other liabilities		602,973	328,909
Members' deposits	2n. 11.	17,899,362	19,341,747
Total current liabilities		18,724,989	19,854,615
NON-CURRENT LIABILITIES:			
Severance payable	2o.	285,280	260,590
Pension liability	2p. 12.	713,224	599,599
Long term debt	2q. 13.	111,212	111,212
Total non-current liabilities		1,109,716	971,401
Total liabilities		19,834,705	20,826,016
EQUITY:			
Members' shares - mandatory	2r.	3,238,279	3,151,011
Members' shares- voluntary	2r.	61,552,517	57,491,760
Burial scheme fund	2s.	785,920	1,161,853
Revaluation reserve	2k. 14.	354,953	354,953
Statutory reserve fund	2t.	7,160,255	6,950,835
Undistributed surplus	2v.	1,928,122	2,246,109
Other reserves	2u.	157,164	55,169
Total equity		75,177,210	71,411,690
TOTAL LIABILITIES AND EQUITY		\$ 95,011,915	\$ 92,237,706

The financial statements on pages 3 to 6 were approved and authorized for issue by the Board of Directors on July 28, 2020 and are signed on its behalf by:



 Director



 Director

* Reclassified for comparative purposes. See note 17

The notes on pages 7 to 18 are an integral part of these financial statements.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

STATEMENTS OF INCOME AND EXPENSES YEARS ENDED MARCH 31, 2020 AND 2019 (IN BELIZE DOLLARS)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
INCOME	2w.		
Interest income on loans	16.	\$ 6,527,882	\$ 6,657,179
Investment income		664,514	509,093
Other income		116,206	255,093
Fees and commission income		503,501	397,640
GROSS INCOME		<u>7,812,103</u>	<u>7,819,005</u>
OPERATING EXPENSES	2w.		
Advertising		84,267	152,315
Annual general meeting		48,764	66,546
Impairment expense		890,000	775,000
Bank charges and overdraft interest		23,050	16,123
BCUAS Insurance		646,090	569,198
Christmas expense		66,327	58,737
Committee meetings		9,787	4,398
Software system maintenance		198,683	117,236
Credit Union Week		14,334	5,092
Depreciation expense		588,966	379,300
Donations		8,890	16,069
Education expense		49,011	63,803
General Insurance expense		48,636	59,240
Interest expense – Members deposits		310,828	209,436
Office supplies expense		84,689	93,525
Other expenses		162,577	244,229
Pension expense		49,517	39,788
Professional fees		16,650	22,163
Property taxes		1,304	4,113
Rental expense		66,900	70,275
Repairs and maintenance		114,234	137,327
Salaries, wages and allowances		1,389,218	1,362,762
Security expense		342,566	320,234
Severance expense		59,196	41,975
Social Security expense		49,954	38,015
Supervision fees		8,150	11,000
Travel and subsistence expense		78,838	87,097
Uniform expense		15,512	28,275
Utilities		345,269	197,924
		<u>5,772,207</u>	<u>5,191,195</u>
SURPLUS		<u>\$ 2,039,896</u>	<u>\$ 2,627,810</u>

The notes on pages 7 to 18 are an integral part of these financial statements.

ST. JOHN'S CREDIT UNION LIMITED

STATEMENTS OF CHANGES IN EQUITY YEARS ENDED MARCH 31, 2020 AND 2019 (IN BELIZE DOLLARS)

	Burial Scheme Fund	Revaluation reserve	Statutory reserve fund	Undistributed surplus	Other reserves	Total
Balance as at March 31, 2018	\$ 658,823	\$ 354,953	\$ 6,470,615	\$ 1,409,576	\$ 55,169	\$ 8,949,136
Net increase	503,030	-	-	-	-	503,030
Dividends and rebates declared and paid (See note 2v and 15)	-	-	-	(1,318,277)	-	(1,318,277)
Entrance fees	-	-	7,220	-	-	7,220
Surplus	-	-	-	2,627,810	-	2,627,810
Surplus distribution (See note 20)	-	-	473,000	(473,000)	-	-
Balance as at March 31, 2019	<u>\$ 1,161,853</u>	<u>\$ 354,953</u>	<u>\$ 6,950,835</u>	<u>\$ 2,246,109</u>	<u>\$ 55,169</u>	<u>\$ 10,768,919</u>
Balance as at March 31, 2019	\$ 1,161,853	\$ 354,953	\$ 6,950,835	\$ 2,246,109	\$ 55,169	\$ 10,768,919
Net increase	(375,933)	-	-	-	-	(375,933)
Dividends and rebates declared and paid (See note 2v and 15)	-	-	-	(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	-
Balance as at March 31, 2020	<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>

The notes on pages 7 to 18 are an integral part of these financial statements.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2020 AND 2019 (IN BELIZE DOLLARS)

CASH FLOWS FROM OPERATING ACTIVITIES:	2020	2019
Surplus	\$ 2,039,896	\$ 2,627,810
Adjustments for:		
- Depreciation expense	588,956	379,299
- Gain on disposal of assets	(3,950)	-
- Severance expense	59,196	41,975
- Pension expense	49,517	39,788
- Provision for loan losses	890,000	775,000
Operating surplus before working capital changes	3,623,615	3,863,872
Changes in:		
Other receivables and prepayments	(398,189)	(29,781)
Loans receivable from members	(2,243,817)	(1,462,668)
Accounts payable	38,695	31,508
Other liabilities	274,064	(448,068)
Members' deposits	(1,442,385)	2,438,773
Pension liability	64,108	18,715
Cash provided by operating activities	(83,909)	4,412,351
Severance paid	(34,506)	-
Net cash (used in) provided by operating activities	(118,415)	4,412,351
CASH FLOWS FROM INVESTING ACTIVITIES:		
Short term investments - unrestricted	(3,018,746)	(18,594)
Long term investments - unrestricted	(4,995,439)	872
Purchase of property, plant and equipment	(273,129)	(1,350,258)
Purchase of investment property	(1,367,090)	-
Proceeds from disposal of assets	10,500	-
Net cash used in investing activities	(9,643,904)	(1,367,980)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in shares - net	4,148,025	4,017,572
Change in burial scheme - net	(375,933)	503,030
Change in statutory reserve fund - net	5,430	7,220
Dividends and rebates paid	(2,051,898)	(1,318,277)
Net cash provided by financing activities	1,725,624	3,209,545
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(8,036,695)	6,253,916
TRANSFER TO CASH AND CASH EQUIVALENTS - RESTRICTED	(108,392)	(56,514)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	20,836,362	14,638,960
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 12,691,275	\$ 20,836,362

The notes on pages 7 to 18 are an integral part of these financial statements.

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2020 AND 2019 (IN BELIZE DOLLARS)

1. STATUS

St. John's Credit Union Limited ("SJCU") 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 promoted savings, enterprise and the cooperative principle among its members to pool members' financial resources and to provide personal and corporate banking, loans, and investments.

The Credit Union operates from its principal office situated at No. 4 Basra Street, Belize City, Belize. Apart from a second Belize City branch, offices are located in Belmopan and Dangriga Town. As at March 31, 2020, the Credit Union had 30,207 members (2019: 27,621).

St. John's Credit Union Limited 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

SJCU 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 SJCU'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.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2020 AND 2019 (IN BELIZE DOLLARS)

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 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 and prepayments comprised of miscellaneous receivables measured at amortized cost. 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 and equipment includes land, buildings, motor vehicles, furniture, fixtures, computer equipment, and other equipment. Except for land that are carried at valuation, all other assets are carried at cost.

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 and fixtures	5 and 10 years
Computer equipment and 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, 2020 AND 2019 (IN BELIZE DOLLARS)

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

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognized after the date of the revaluation. Any revaluation surplus is credited to the asset revaluation reserve in equity, except to the extent that it reverses revaluation decrease of the same asset previously recognized in the income statement; in which case the increase is recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

l. Investment property

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

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

m. Accounts payable

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

n. Members' deposits

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

o. 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.

p. 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.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2020 AND 2019 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Long-term debt

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

r. 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.

s. 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.

t. 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.

u. 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.

v. 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, 2020 AND 2019 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

w. 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.

x. 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>2020</u>	<u>2019</u>
Cash on hand	\$ 913,716	\$ 1,016,504
Cash at bank	<u>11,777,559</u>	<u>19,819,858</u>
	<u>\$ 12,691,275</u>	<u>\$ 20,836,362</u>

4. SHORT TERM INVESTMENT IN FINANCIAL ASSETS - UNRESTRICTED

<u>Financial Institution</u>	<u>Maturity</u>	<u>Rate</u>	<u>2020</u>	<u>2019</u>
Atlantic Bank	August 24, 2020	2.50%	\$ 2,000,000	\$ -
Atlantic Bank	August 24, 2020	2.50%	1,000,000	-
Atlantic Bank	April 2, 2021	1.75%	1,000,000	-
Blue Creek Credit Union Limited	March 31, 2020	3.50%	554,359	-
Atlantic Bank	April 2, 2019	1.75%	-	1,000,000
Blue Creek Credit Union Limited	January 30, 2020	3.50%	-	535,613
			<u>\$ 4,554,359</u>	<u>\$ 1,535,613</u>

See note 17 for details of reclassification.

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2020 AND 2019 (IN BELIZE DOLLARS)

5. SHORT TERM INVESTMENT IN FINANCIAL ASSETS - RESTRICTED

			<u>2020</u>	<u>2019</u>
<u>Financial Institution</u>	<u>Maturity</u>	<u>Rate</u>		
Atlantic Bank *	March 3, 2021	3.00%	\$ 400,000	\$ -
Atlantic Bank *	May 14, 2020	3.00%	200,000	-
Atlantic Bank *	May 11, 2020	3.00%	150,000	-
Atlantic Bank *	May 12, 2019	3.00%	-	200,000
Atlantic Bank *	March 19, 2020	3.00%	-	400,000
Atlantic Bank *	May 8, 2019	3.00%	-	150,000
Atlantic Bank **	May 14, 2020	3.00%	40,000	40,000
			<u>\$ 790,000</u>	<u>\$ 790,000</u>

*Fixed Deposits are held as security for an overdraft facility available to the Credit Union. See note 18 for further details

**Fixed Deposits held on behalf of the pension fund. See note 12 for further details

See note 17 for details of reclassification.

6. OTHER RECEIVABLES AND PREPAYMENTS

	<u>2020</u>	<u>2019</u>
Heritage Bank Limited ATM/POS Project	\$ 50,000	\$ 50,000
Belize Credit Union League Limited NPS	126,299	96,577
Other receivables	116,057	13,476
Prepayments	160,772	35,959
Accrued interest	171,295	30,222
	<u>\$ 624,423</u>	<u>\$ 226,234</u>

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

See note 17 for details of reclassification.

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2020 AND 2019 (IN BELIZE DOLLARS)

7. LOANS RECEIVABLE FROM MEMBERS

	<u>2020</u>	<u>2019</u>
Business loans	\$ 5,002,778	\$ 2,012,646
Educational loans	1,474,464	1,721,687
Housing and home improvement loans	20,180,706	19,139,349
Motor vehicle loans	2,351,587	2,535,852
Personal loans	31,763,771	34,548,516
Real estate loans	712,391	798,887
Total loans receivable	<u>61,485,697</u>	<u>60,756,937</u>
Less - allowance for loan losses	<u>(2,742,066)</u>	<u>(3,367,123)</u>
Total loans receivable – net	<u>\$ 58,743,631</u>	<u>\$ 57,389,814</u>

The allowance for loan losses comprises the following:

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 3,367,123	\$ 2,649,373
Impairment expense	890,000	775,000
Write-offs	<u>(1,515,057)</u>	<u>(57,250)</u>
Balance, end of year	<u>\$ 2,742,066</u>	<u>\$ 3,367,123</u>

8. INVESTMENT PROPERTY

	Land & Building	
	<u>2020</u>	<u>2019</u>
Cost		
Brought forward,	\$ 365,000	\$ 365,000
Additions	1,367,090	-
Carried forward,	<u>1,732,090</u>	<u>365,000</u>
Accumulated Depreciation		
Brought forward,	73,975	68,380
Additions	49,282	5,595
Carried forward,	<u>123,257</u>	<u>73,975</u>
Net Book Value		
March 31,	<u>\$ 1,608,833</u>	<u>\$ 291,025</u>

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2020 AND 2019 (IN BELIZE DOLLARS)

9. PROPERTY PLANT AND EQUIPMENT

Cost (c) / Valuation (v)	Land (c), (v)	Building, driveways & leasehold improvements (c)	Furniture & fixtures (c)	Computer equipment & accessories (c)	Motor Vehicle (c)	Total
Brought forward, April 1, 2019	\$ 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
Accumulated Depreciation						
Brought forward, April, 1, 2019	-	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
Net Book Value						
March 31, 2020	\$ 653,217	\$ 1,997,414	\$ 190,370	\$ 1,282,329	\$ 2,453	\$ 4,125,783
See also note 14.						
Cost (c) / Valuation (v)						
Brought forward, April 1, 2018	\$ 477,687	\$ 2,575,215	\$ 541,951	\$ 1,709,193	\$ 37,951	\$ 5,341,997
Additions	160,000	226,055	8,351	955,852	-	1,350,258
Transfer	-	(24,300)	-	24,300	-	-
Carried forward, March 31, 2019	637,687	2,776,970	550,302	2,689,345	37,951	6,692,255
Accumulated Depreciation						
Brought forward, April, 1, 2018	-	479,388	296,022	1,126,749	17,514	1,919,673
Additions	-	147,487	37,011	182,262	6,944	373,704
Carried forward, March 31, 2019	-	626,875	333,033	1,309,011	24,458	2,293,377
Net Book Value						
March 31, 2019	\$ 637,687	\$ 2,150,095	\$ 217,269	\$ 1,380,334	\$ 13,493	\$ 4,398,878
See also note 14.						

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2020 AND 2019 (IN BELIZE DOLLARS)

10. LONG TERM INVESTMENTS IN FINANCIAL ASSETS - UNRESTRICTED

	<u>2020</u>	<u>2019</u>
Belize Electricity Limited Series 6 debentures with interest rate of 6.5% per annum payable quarterly, maturing December 31, 2030.	\$ 2,840,000	\$ 2,840,000
Belize Electricity Limited Series 7 debentures with interest rate of 6% per annum payable quarterly, maturing March 31, 2028.	2,035,000	2,035,000
Government of Belize Treasury Notes with interest rate of 6% per annum payable by half yearly installments, matured December 10,	-	504,561
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 Fixed Deposit maturing August 31, 2021.	2,000,000	-
3.00% Atlantic Bank Fixed Deposit maturing August 31, 2021.	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	-
	<u>\$ 11,425,000</u>	<u>\$ 6,429,561</u>

11. MEMBERS' DEPOSITS

	<u>2020</u>	<u>2019</u>
Savings accounts	\$ 6,477,114	\$ 6,212,117
Term deposits	11,422,248	13,129,630
	<u>\$ 17,899,362</u>	<u>\$ 19,341,747</u>

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2020 AND 2019 (IN BELIZE DOLLARS)

12. PENSION FUND LIABILITY

	<u>2020</u>	<u>2019</u>
At March 31, the pension fund was represented by:		
Pension fund assets		
Cash and cash equivalents - restricted	\$ 438,611	\$ 330,219
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>224,613</u>	<u>219,380</u>
	<u>\$ 713,224</u>	<u>\$ 599,599</u>
 Pension fund liability	 <u>\$ 713,224</u>	 <u>\$ 599,599</u>

The pension fund assets are restricted in favor of pension fund liabilities.

13. LONG TERM DEBT

	<u>2020</u>	<u>2019</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.	<u>100,000</u>	<u>100,000</u>
	<u>\$ 111,212</u>	<u>\$ 111,212</u>

14. REVALUATION RESERVE

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

15. DIVIDEND AND REBATES

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. Previously at the 72nd Annual General Meeting, distribution of surplus for fiscal year ended March 31, 2018 to dividends of 2% on regular shares and 4% on mandatory shares and rebates of 3.5% were proposed and accepted.

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2020 AND 2019 (IN BELIZE DOLLARS)

16. INTEREST INCOME ON LOANS

	<u>2020</u>	<u>2019</u>
Business loans	\$ 261,038	\$ 195,463
Educational loans	194,366	221,746
Housing and home improvement loans	1,695,608	1,635,102
Motor vehicle loans	254,104	229,598
Personal loans	4,064,574	4,296,643
Real Estate loans	58,192	78,627
	<u>\$ 6,527,882</u>	<u>\$ 6,657,179</u>

17. RECLASSIFICATION

A total of \$780,222 was presented as short term investment in financial asset - unrestricted as at March 31, 2019, however these balances represented \$750,000 of restricted investments and \$30,222 accrued interest was only interest accrued and therefore reclassified to other receivables. Therefore these balances were reclassified for consistency in financial reporting.

18. CONTINGENCY

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, SJCU 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. SJCU pays General Sales Tax as a regular consumer.

20. SURPLUS DISTRIBUTION

	<u>2020</u>	<u>2019</u>
Statutory reserve fund 10% (2019: 10%)	\$ 203,990	\$ 262,781
Undistributed surplus 85% (2019: 90%)	1,733,911	2,365,029
Other reserve 5% (2019: 0%)	101,995	-
	<u>\$ 2,039,896</u>	<u>\$ 2,627,810</u>

FINANCIAL STATEMENTS

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED MARCH 31, 2020 AND 2019 (IN BELIZE DOLLARS)

21. POST – REPORTING DATE EVENTS

The novel coronavirus (COVID19) caused the Government of Belize to declare a state of emergency starting April 2, 2020, however SJCUC continued operation during this time. No adjustments were deemed necessary as it was classified as a non-adjusting event as at March 31, 2020 reporting date. There were no other adjusting or significant non-adjusting events that occurred between the March 31, 2020 reporting date and the date of authorization for issuance.

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

VISION STATEMENT

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



MISSION STATEMENT

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



St. John's
CREDIT UNION LTD.
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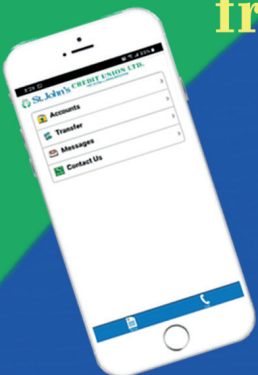


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www.sjcu.com.bz

Download our SJCU app found in the
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