



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



HOME *Sweet* LOAN



RATES AS LOW AS

6%

**LOW
OR NO
DOWN PAYMENT**

BECOME A HOMEOWNER. NOW THAT'S SWEET!

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

*SOME CONDITIONS APPLY



MAIN OFFICE
Basra Street,
Belize City

NORTHSIDE BRANCH
Mile 1 Phillip Goldson Highway,
Belize City

BELMOPAN BRANCH
76 Constitution Dr.,
City of Belmopan

DANGRIGA BRANCH
Cor. Tubroose & Mahogany Streets,
Dangriga



Annual Report

Sat June 25, 2022

St. Catherine Academy
Multi-Purpose Mercy Center

76th AGM

Annual General Meeting

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.



St. John's
CREDIT UNION LTD.

safe saving ... smart borrowing

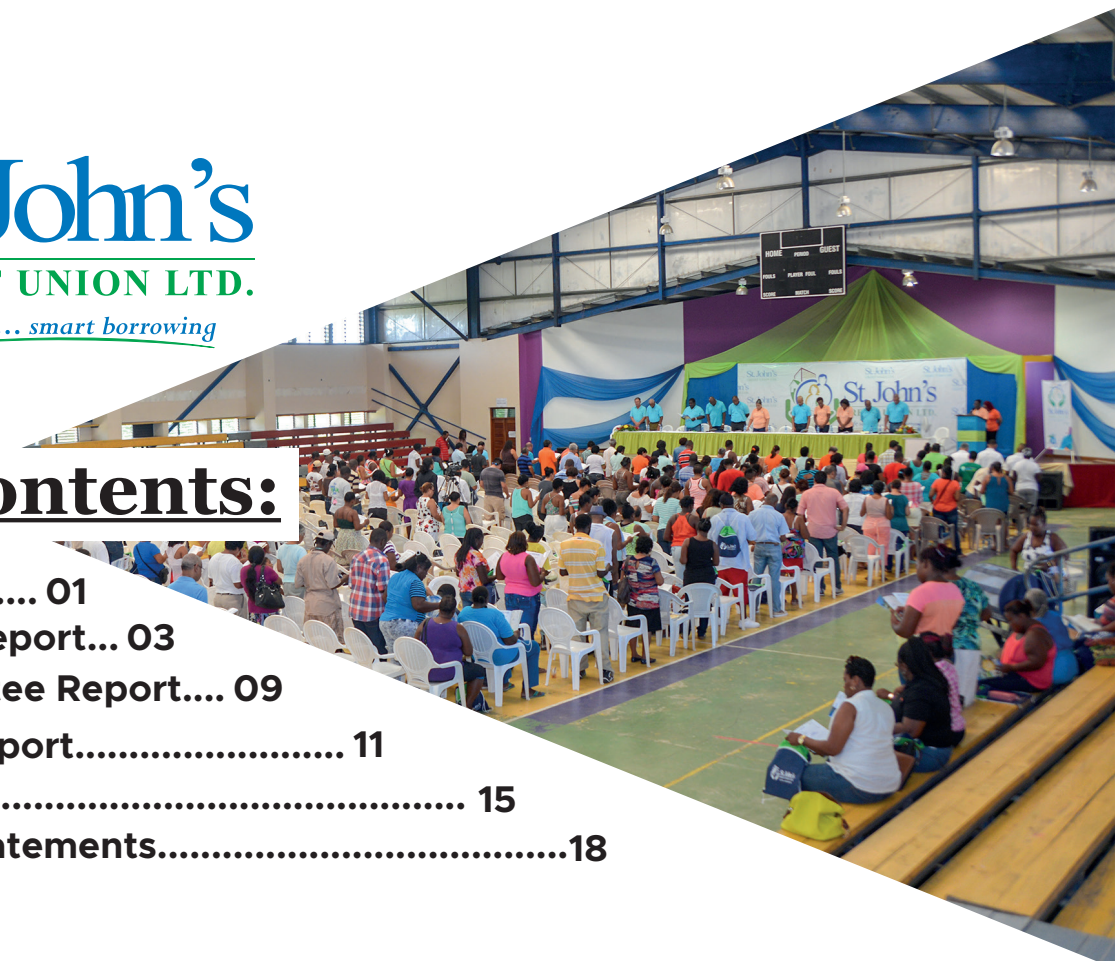
VISION STATEMENT

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.



BRENDA ARMSTRONG
Secretary

REPORT OF THE BOARD OF DIRECTORS

FOR THE PERIOD
01 APRIL 2021 TO 31 MARCH 2022

Greetings on behalf of the members of the Board of Directors of St. John's Credit Union Ltd (SJCUC). As we prepare for our first Annual General Meeting in three years, the Board of Directors takes pleasure in presenting its report for the period 1st April 2021 to 31st March 2021.

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

- | | |
|-----------------------------|----------------|
| 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 |

While the year under review presented quite a few challenges, SJCUC successfully weathered the winds of financial competition, the floods of higher delinquency rates and the periodic loan application droughts.

The Board of Directors embraced the technology available and faithfully met for regular monthly meetings during the year using the Teams platform. Special meetings were held as the need arose. The Board also shared in quarterly Joint Officers meetings where Committee reports were received. Quality time was spent providing close oversight to the financial performance of the institution, while monitoring the achievement of its strategic goals. The best interests of our member-owners were always the central concern and guiding principle in decisions made.

CHALLENGES AND ACHIEVEMENTS

The year under review saw a continuation of the

negative impact of the pandemic being felt by our members and reflected in the performance of the institution. While buyouts of loans by other financial institutions continued, the Board approved incentives to encourage members not only to stay with SJCUC, but to continue to make new loans or restructure the loans they had.

The challenge to keep the levels of delinquency from increasing was one of the greatest experienced by the institution. The period for Forbearance measures allowed by the Central Bank ended in December 2021, resulting in an increase in the number of consultations held with members who were having difficulty keeping their loan payments current. Even though some members still parted ways with us, the majority made adjustment where necessary and remained loyal to SJCUC.

The Treasurer's report will show that despite all the challenges, SJCUC managed to experience a small increase of 6.5% in its Net Profit of \$1.825 million when compared to the previous year. Membership now stands at 28,003, a 6% decline from the previous year. This is due in part to the cleaning up of dormant accounts at all branches. Notwithstanding this clean-up, membership at our North-side Branch showed a 20% increase.

75th ANNIVERSARY CELEBRATIONS

On November 8, 2021, SJCUC completed its 75th year of existence and celebrated the milestone with several events leading up to and during the week of November 8 – 12, including:

- An adult Theme Competition: The winning submission from Kody Roches was "Humble origins, progressive transformation. SJCUC: 75 years of commitment to you!"

Table of Contents:

President's Message..... 01
 Board of Directors Report... 03
 Supervisory Committee Report.... 09
 Credit Committee Report..... 11
 Treasurer's Report..... 15
 Audited Financial Statements.....18

AGENDA

76th Annual General Meeting
St. John's Credit Union Limited

- Called to Order**
- National Anthem**
- Opening Prayer**
- Credit Union Prayer**
- Moment of Silence for Deceased Members**

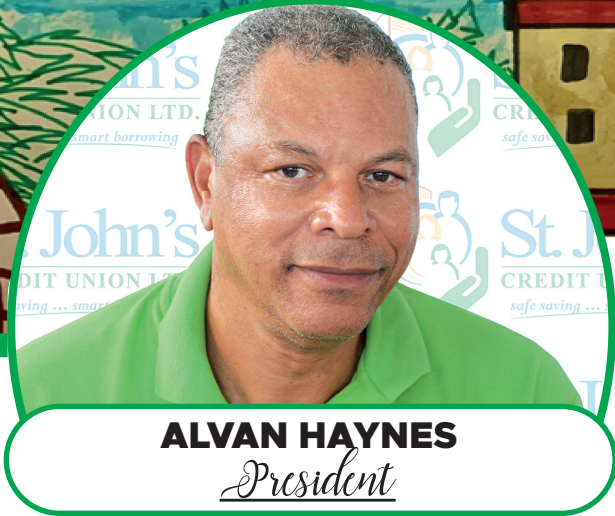
- Welcome Remarks –**
Mr. Alvan Haynes, President
Board of Directors

- Confirmation of Minutes –**
Brenda Armstrong, Secretary
Matters arising from the minutes

- Presentation of Reports**
Board of Directors
Supervisory Committee
Credit Committee
Treasurer's/Audit Report

- Open Discussion**
Declaration of Dividends
New Business
Other Matters
Special Resolution & Amend By-laws
Call for Nomination of Officers
Board of Directors – 3 vacancies
Supervisory Committee – 2 vacancies
Credit Committee – 1 vacancy

- Drawing of Prizes & Adjournment**



ALVAN HAYNES
President

PRESIDENT'S MESSAGE

of the year before, was adversely affected by COVID-19. However, as the more detailed reports will show, the financial performance, although below that of the several years' preceding the pandemic, was fairly good, given the circumstances. Despite the challenges, our overall assets grew marginally from \$97.797 million at March 2021, to \$97.865 million at March 2022.

Pleasingly, our shares continued to grow, up from \$66.7 million to \$68.6 million. While these annual changes might appear small, they are one small step in what has been an ongoing process and part of a gigantic change when compared to ten years ago. In 2012, our assets were at \$38.8 million, and our shares were at \$25.8 million. In other words, our 2022 values are **more than two and a half times** those of ten years ago! This indicates growth of over 150% over the period – over 15% average growth annually. This is indeed a truly phenomenal achievement.

Another pleasing metric is that, despite all the difficulties, our delinquency rates have held steady and are again below 8%. We thank all those responsible members who have held up to their loan commitments despite the challenges. The other reports describe the recent performance of SJCU in more detail, so I will not delve into those here.

Recognizing the needs of our members through these ongoing challenging times brought on by the pandemic, the Board focused on providing improved access to services. Perhaps more importantly though, we actively promoted affordable loans to members, as well as offering various supporting and remedial measures to members who had difficulty with meeting their loan commitments. We are proud that SJCU has led the way with offering lower interest rates on loans to members; SJCU is the only credit union that has dared to offer rates as low as 6%. We continue to put members first!

These low rates have been one of the direct ways we meet our members' needs. We ask that you recognize that these lower rates mean that those who borrow get the direct benefit of reduced loan payments every month. However, ultimately it means that the returns to the credit union, and therefore, the dividends back to you the members, are lower. In a sense, it's a case of we can't have our cake and eat it too!

Nevertheless, our performance has held steady with our annual profits, while reduced from the recent several pre-COVID years, hovering at around \$2 million. This has again allowed us to offer dividends at a rate well above the market rates on term deposits.

At this juncture though, I must warn members that, if we are to continue with these reduced lending rates, we will need to consider removing interest rebates, as our borrowing members are already getting the benefit up front. As a simple example, a member with a mortgage loan at 6% interest, is already getting a 50% interest rebate compared to the 12% rates that most credit unions are still maintaining!

As we reported three years ago, we implemented a new core banking system called Sharetec, which has much better capabilities, including better online access and a flexible but secure mobile app for 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 and with training and support from our willing and capable staff, SJCU was able to support all our online and mobile members without a hitch. We now have some 5,300 members with online/mobile access. Annually, our online system has processed over 300,000 queries and transactions, and ATM systems have handled over 150,000 transactions.

SJCU is proud to be able to say, **"members, we're here for you"** - whether it be online access, ATM withdrawals, loan moratoriums or restructuring, refinancing, additional loans, or great savings products.

Looking to the future, we have advanced plans to construct a grand new building on Buttonwood Bay Boulevard in Belize City to house our headquarters and our north side operations. Also, despite delays to COVID-19, as part of the Credit Union League, we are expected to finalize the electronic system to automate moving funds between any two financial institutions in the country.

As always, the Board of Directors and Officers of SJCU continue to be diligent in executing our fiscal and fiduciary responsibilities, including reporting to, and liaising with, the regulator. Monitoring and compliance is part of our standard operating procedures, providing the necessary protection and safeguards to our credit union. These ensure that our SJCU meets the required safe operating guidelines as defined by both the Central

Bank regulations and the recommendations of the World Council of Credit Unions and the Belize Credit Union League.

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

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

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

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

I also take this opportunity to commend the dedicated efforts of all directors, officers, managers, and staff. I must especially commend the staff who have had to work through these extraordinary and stressful times.

In closing, I remind members of our commitment to continue growing and strengthening this institution to be your financial safety net, securing you into the foreseeable future.

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



- 1 Credit Control Supervisor
- 1 Internal Auditor
- 1 Compliance Officer
- 1 Marketing Officer
- 1 Marketing Assistant
- 2 Members Services Representatives
- 1 Payroll Officer
- 3 Office Assistants
- 5 Loans Officers
- 1 Loans Manager
- 1 Conformance Officer
- 11 Tellers
- 2 Credit Control Officers
- 1 Legal Technician
- 1 Process Server
- 1 Human Resource Officer
- 1 Records Clerk
- 2 Receptionists

There were three resignations during the year – Ms. Indira Bowen, Mr. Ashton Nicholas, and Ms. Bernice Harris. We express sincere gratitude to each of them for their dedication and commitment and wish them well in all their future endeavors.

CONCLUSION

The 2021-2022 year will be one that we remember, not only because it tested our fortitude, but also because it provided evidence of the commitment and tenacity of all those who are part of this institution. There is much for us to be thankful for and proud of. The Board of Directors expresses sincere gratitude and appreciation to the staff at SJCUC for their efforts to keep the ship sailing. We know the going was rough, but we acknowledge that your toughness kept us going and we thank you for that. The faithfulness of all officers in seeing that they fulfilled their duties cannot go unmentioned. Most importantly, we salute all our member-owners and thank you for sticking with us through 'thick and thin'. Without you, SJCUC would not exist, and all our efforts would be futile. We look to the next year with confidence that the best is yet to come! Thanks to one and all!

BOARD OF DIRECTORS:

| | |
|---|---|
|  <p>ALVAN HAYNES President</p> <p>TERM ENDS TODAY</p> |  <p>BARRYMORE SMITH Vice-President</p> <p>TERM ENDS TODAY</p> |
|  <p>ELSIE SYLVESTER Treasurer</p> <p>TERM ENDS TODAY</p> |  <p>BRENDA ARMSTRONG Secretary</p> <p>TERM ENDS TODAY</p> |
|  <p>VONETTA BURRELL Alt. Secretary</p> <p>TERM ENDS TODAY</p> |  <p>REUBEN GORDON Director</p> <p>SERVING ONE MORE YEAR</p> |
|  <p>VALERIE JENKINS Director</p> <p>SERVING ONE MORE YEAR</p> | |

- An Art Competition which had a total of 4 winners from each office location.
 - Ms. Khimani Matute** – Belize City Main Office
 - Ms. Kelisa James** – Belize City North Side Office
 - Mr. Kelvin Andrewin** – Dangriga Office
 - Ms. Amelia Wade** - Belmopan Office

Ms. Khimani Matute – Belize Main Office



Mr. Kelvin Andrewin – Dangriga Office



Ms. Kelisa James – Belize North Side Office



Ms. Amelia Wade Belmopan

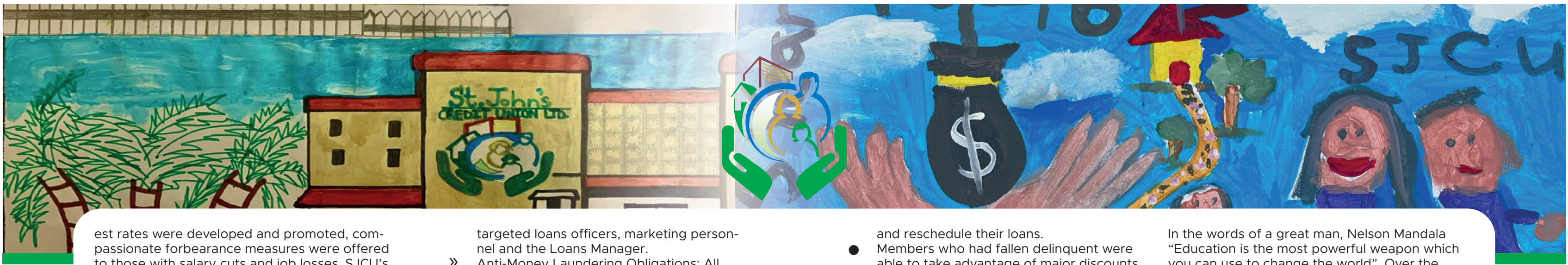


- A membership raffle: 75 winners received \$100.00 cash prizes throughout the week, ending with a grand prize winner of \$1,946.00 reflective of the year the Credit Union started
- Several Facebook raffles were done, and winners had the chance to win baskets of goodies and treats.
- A Staff Awards ceremony was hosted which featured the recognition of 10 staff members in various categories
- Friendly team competitions for staff which afforded team building and boosted morale

Undoubtedly, our Diamond Anniversary was an enjoyable, memorable one. Against all odds, SJCUC has remained committed to providing quality service for 75 years to all its faithful members while filling a much-needed, secure alternative in the financial institution landscape.

OUTREACH

SJCUC staff continued to reach out to members to provide assistance to them in staying faithful to our motto of **"Safe savings...smart borrowing"**. While attractive loan packages at reduced inter-



est rates were developed and promoted, compassionate forbearance measures were offered to those with salary cuts and job losses. SJCU's Covid Package which was in effect until December 2021 included:

I Flexible repayment options

- Interest only payments
- Payment deferrals
- Loan consolidation
- Reduced monthly payments/Rescheduling

II Special offers for members on the Frontline/Public Servants

- Lower interest rate loans were made available to members in this category

III Rewards to those who remained faithful in their loan payments

- Members who continued to meet full or interest only payments were eligible for monthly raffles

The Credit Control Department sponsored a very successful Bounce Back Campaign that offered members whose accounts had become past due a chance to 'get back on track'. Discounts of 10% to 50% was applied when arrears were paid in full or when suitable payment arrangements were agreed on. Hundreds of our members took advantage of this campaign and as a result, the Credit Union could boast of a decline in its Delinquency Rate even in these difficult times.

In addition, the commemoration of the 75th Anniversary of the credit union was used as an outreach opportunity to provide members with gifts of promotional items, goodies, and cash awards.

TRAINING

The credit union staff and officers participated in several training sessions via the Teams platform. These training events were on several topics which included:

- » Decoding Financial Industry Ethics and Today's Virtual Workplace: This training

targeted loans officers, marketing personnel and the Loans Manager.

- » Anti-Money Laundering Obligations: All members of staff were exposed to the requirements for identifying and reporting suspicious transactions.
- » Ethical Considerations for the Financial Professional: This training was delivered over a period of five weeks and was deemed mandatory for all staff.
- » The concerns with the Shared Service Network were discussed in a presentation in September 2021 by the Belize Credit Union League.
- » The National Payment System theory was presented by the Central Bank of Belize in February 2022
- » National Payment System training was conducted by the Belize Credit Union League
- » Training in Cyber Security
- » Stress Testing training conducted in January 2022 by the Central Bank of Belize

For a second year, the Belize Credit Union League's Convention was not held last October, eliminating the opportunity for additional training sessions.

MARKETING AND NEW INITIATIVES

The Marketing Department continued to be the prime vehicle for keeping the institution in the public eye. The department continued to seek innovative and efficient ways to promote the products that the credit union offered, using radio, television, and social media platforms. The CU tried its best to adjust to the needs of the membership. This list provides a summary of activities engaged in during the year:

- There was an update to our home banking and mobile app
- Our Covid 19 relief package was launched. One million dollars was allocated to provide lower interest rates to public workers and frontline workers. In this package members were also able to consolidate their loans, receive payment deferrals,

and reschedule their loans.

- Members who had fallen delinquent were able to take advantage of major discounts on arrears and to update their loans in the Bounce Back campaign.
- The CU celebrated its 75th Anniversary with a month of activities which included an Art competition and Theme competition.
- Four episodes of Financial Advice Friday were launched which focused on Financial Literacy and budgeting.
- As part of our 75th Anniversary, 75 members were randomly selected to receive \$100.00 as a gift.
- For Christmas, \$100 grocery gift certificates were given away to 60 deserving members, 20 from each office location.

Marketing efforts were very successful, especially the 75th Anniversary events. Marketing ensured that SJCU's Diamond Jubilee did not go unnoticed.

SCHOLARSHIP RECIPIENTS 2021 – 2025



CONGRATULATIONS
Jayden Lord
2021 High School
Scholarship Recipient



CONGRATULATIONS
Michael Sutherland
2021 High School
Scholarship Recipient

In the words of a great man, Nelson Mandela "Education is the most powerful weapon which you can use to change the world". Over the years St. John's Credit Union has been doing its part by contributing to the development of our youths by providing scholarships to attain a high school education which is the springboard to their educational journey. We are pleased to report that two deserving students were awarded a four-year High School Scholarship. They received a yearly grant of \$1,500 to pay their tuition and for the purchasing of books.

The two recipients are:

- » **Jaden Lord** attending Anglican Cathedral College and
- » **Michael Sutherland** attending Edward P. York High School

STAFFING

SJCU currently has a staff complement of forty-six (46) persons. As of March 31, 2022, our staff personnel were as follows:



LISA JAMES
Chairperson

CREDIT COMMITTEE ANNUAL REPORT

APRIL 1, 2021, TO MARCH 31, 2022

During the fiscal year April 1, 2021, to March 31, 2022, St. John's Credit Union disbursed \$27.730 million in loans. Although the loan portfolio decreased by \$813 thousand, compared to the previous year, our efforts during the past financial year focused on continued strengthening of our overall portfolio to grow our credit union. We experienced growth in Residential Mortgages and Personal Loans as a result of our proactive adjustments to make these facilities more appealing to our members. While there was a decrease in Christmas, Vehicle, Business, Fast line, Home Construction and Education loans, we reduced the \$4.250 million contraction reported in 2021 thanks to our collective and creative efforts to diversify our loan product offerings to members.

At the close of the fiscal year at March 31, 2022, SJCUC had successfully minimized the impact of the portfolio contraction as we began to see some level of resumption of normalcy. Many members continued to reduce their outstanding loans and monthly debt obligations, in spite of the financial challenges and impacts of the Covid-19 pandemic. Throughout the fiscal year, SJCUC has been assisting our members to overcome challenges, including offering consolidation of loans, even while numerous loans were paid out to the commercial banks.

We continued to provide financial guidance by sensitizing members on the importance of saving and repaying loans responsibly. The Loans Department facilitated applications by conducting reviews via telephone and other electronic mediums, and the Credit Committee continued to meet virtually on a regular basis,

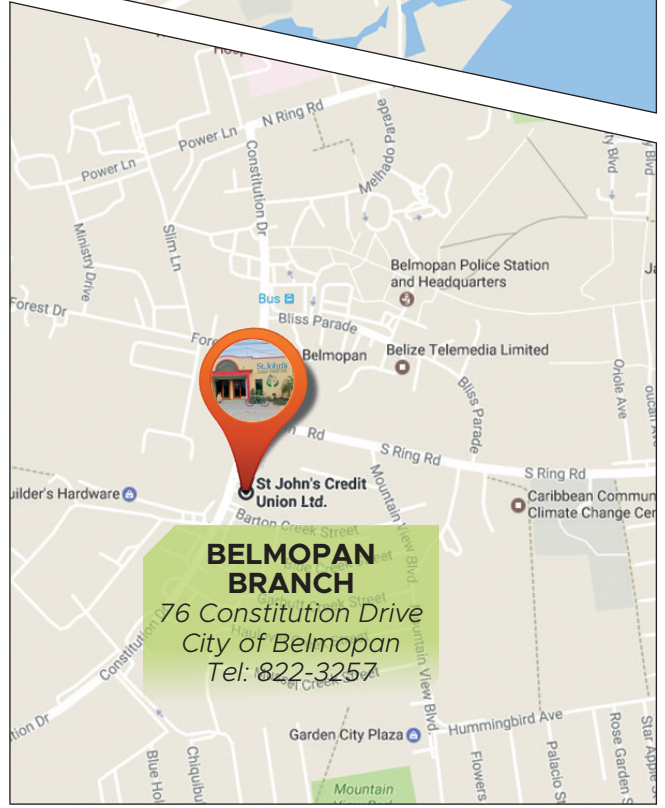
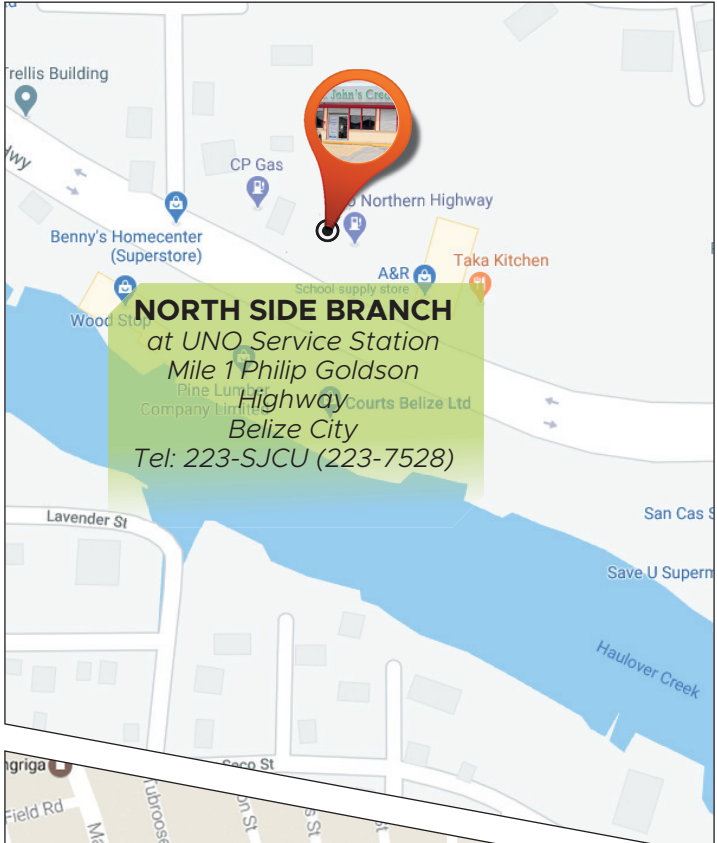
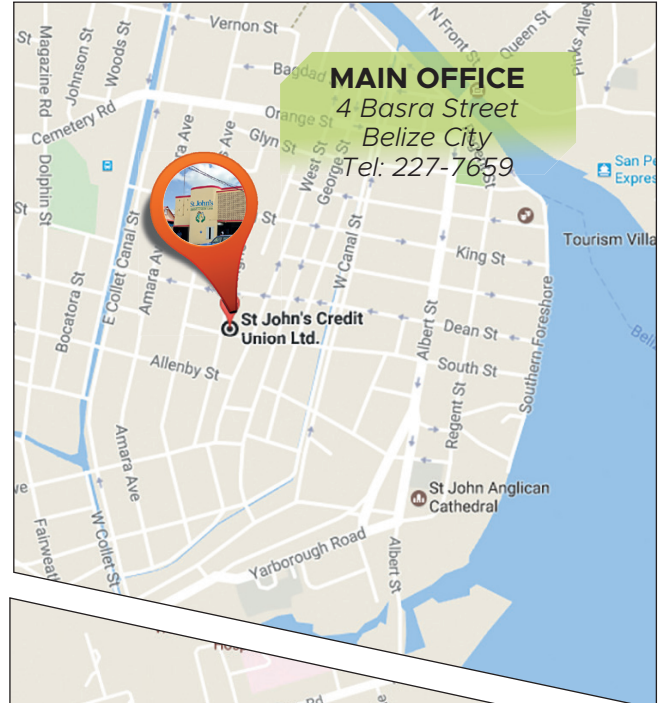
in adherence to the COVID-19 safety protocols.

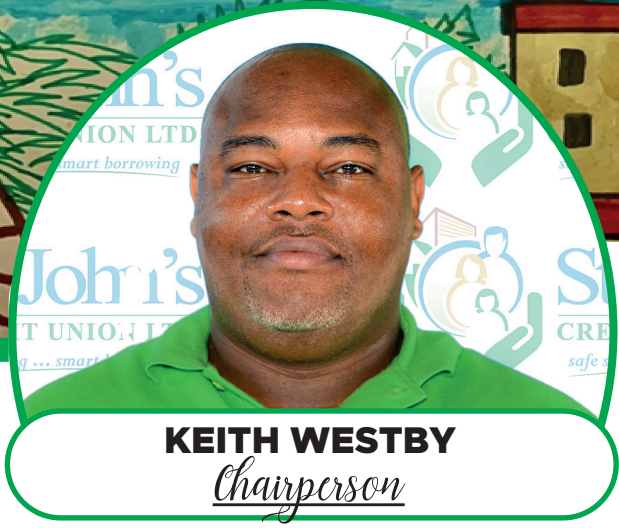
As we were more than pleased to dedicate ourselves to serve you, our members, for loan reviews, proposed policy changes, loan renegotiation/restructuring, we must extend our most grateful thanks to all our members-owners for allowing St. John's Credit Union to be your primary financial institution. Your dedication and commitment are abundantly appreciated, and we trust our Credit Union will see further leaps and bounds in the times ahead. We continue to urge our members to help in the steadfast growth of the credit union by honouring obligations and by being consistent with payments. Our staff are readily available to address queries and provide guidance to members who have fallen behind, to help make their accounts current.

Our credit union's evolution during this fiscal year to adapt to the changing economic climate contributed to the rebound of our lending activities, despite the hurdles, departures and regrettable contraction on our loan portfolio. We remain focused and committed on propelling our credit union forward and invite you and all your families and friends to join the experience and enjoy the benefits of being an SJCUC Member-Owner.

The Credit Committee thanks our dedicated President Mr. Alvan Haynes and members of the Board for their continuous support and guidance. We also thank our competent department staff and Loan Officers, headed by Loans Manager, Mr. Andrew Mitchell. Our Credit Control Department, led by Ms. Shawn Welch, has been instrumental in pursuing loans which have gone array, and supporting members in getting those loans back on track. Thanks also to our General Manager, Mrs. Dai-

SJCUC Branch Locations:





KEITH WESTBY
Chairperson

SUPERVISORY COMMITTEE ANNUAL REPORT

APRIL 1, 2021, TO MARCH 31, 2022

As a resilient institution, St. John's Credit Union creatively assisted members with managing the economic challenges brought on by the COVID-19 pandemic. SJCUCU experienced minimal growth in its assets and loan portfolio for the 2021-2022 fiscal year, during the time when Belize's economy began to rebound, and many financial institutions began to recover slowly from the global impacts of the pandemic.

The Central Bank, in its regulatory role of Registrar of Credit Unions, continues to monitor our institution, placing great emphasis on compliance and risk management. During this year, we continued to work on the Enterprise Risk Assessment for the credit union and are proud to highlight a major accomplishment; that is, the completion of the overall risk-rating for all members and our on-boarding of members. Vigilance and capacity building in audit continues through the Supervisory Committee and the Internal Auditor who maintains SJCUCU membership in the Institute of Internal Auditors (IIA) and achieved certification in Financial Services Audit following enhanced knowledge and skills. Establishing synergy between our Enterprise Risk Management framework and a robust audit function during these challenging economic times, will better position our credit union to mitigate transaction breaches, reduce risks, implement remedial actions to support risk management.

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 reduced to 7.74% from 8.54% (867 loans or 0.8% difference) during the last fiscal year. The Credit Control Department has been focusing on reducing the delinquency

ratio to less than 5% in line with the PEARLS standard. However, the challenging economic times faced by members, including unemployment or underemployment during the COVID-19 pandemic has negatively impacted our ability to achieve the delinquency target. Nonetheless, we increased our efforts by providing more solutions to assist members with restructuring their loans to maintain good standing accounts during the pandemic. We encourage all members to take advantage of our range of loan products and other services that provide manageable options for managing your finances.

The Supervisory Committee, with the aid of the Internal Auditor, followed its statutory mandate to examine the affairs of the credit union by conducting inspections that included reviews of transaction registers, checks of daily activities, ensuring compliance with internal procedures and regulatory controls.

Spot checks were also conducted for loan approvals, new member accounts, dormant accounts, disbursements of loans, ATM, the beneficiary payable account and withdrawals of cash tills.

In general, we are pleased to report that the policies and procedures were properly adhered to and the records of SJCUCU were found to be properly maintained. All required monthly and regulatory prudential returns were prepared and submitted to the Registrar of Credit Unions and to the Belize Credit Union League. The Supervisory Committee commends SJCUCU staff for their hard work to achieve our strategic institutional objectives during challenging economic times. It is our honour to thank you our members, for your unwavering support and confidence in SJCUCU as we remain steadfast in attain successes yet to be achieved.

Respectfully submitted,

SUPERVISORY COMMITTEE:

| | |
|---|--|
|  KEITH WESTBY Chairperson <small>TERM ENDS TODAY</small> |  CANDY BROWN Secretary/Member <small>TERM ENDS TODAY</small> |
|  RASHIDA CASTILLO Member <small>SERVING ONE MORE YEAR</small> |  SHARET SHEPPARD Member <small>SERVING ONE MORE YEAR</small> |
|  ERNEST SABAL Member <small>SERVING ONE MORE YEAR</small> | |

HIGHLIGHTS OF PAST AGMs





ELSIE SYLVESTER
Treasurer

TREASURER'S REPORT

REPORT FOR PERIOD 01 APRIL 2021 – MARCH 31, 2022

OVERVIEW

As we enter our 76th year of operations, SJCU continues to stay the course despite the adverse effect of the COVID-19 pandemic during the last two years. We are pleased to report the financial activities of your credit union during the Financial Year, 2021-2022. During the past year 2021-2022, SJCU's Gross Income was \$6.63M, a 7.5% decrease from the previous year of \$7.17M. Net Profit was \$2.07M (before taking out Loan Loss Provision), a reduction of 25% from the previous year of \$2.75M. However, Net profit was \$1.94M, an increase of 6.5% when compared to the previous year's Net Profit of \$1.825M. This is due to the fact that we had over-provisioned for loan losses in previous years, and therefore our loan loss expense this year, referred to in the Audited Financial Statements as "Impairment Expense", was much lower. During the past year, despite the effect of the pandemic, SJCU maintained excess liquidity, partly due to members borrowing less. Our average Interest rate on Fixed Deposits was 2.25%.

STRATEGIC CHANGES

Below are a series of changes that occurred during the reporting year as SJCU strived to ensure our membership are better served by enhancing our services.

- 1) We experienced a slight reduction in the Loan Portfolio. The portfolio contracted by 1.4% from the previous year, from \$57.2M to \$56.4M. This was partly due to buyouts by other financial institution, and partly to less borrowing by members, probably due to COVID's effect on the economy. Our Loans Department continues to educate members, advising them on the advantages and benefits of staying with SJCU.
- 2) Over 600 members with a loan value of over \$8M, benefitted from our COVID-19 Relief package.
- 3) We launched a Bounce Back Campaign to help members in arrears. Some 100 members benefitted

- from discounts on fees and interest. We collected over \$96K and gave total discounts of \$6K.
- 4) Based on a regulatory mandate, SJCU initiated a Remedial Project which requires members to update their account information. At the same time, our staff undertook the effort of cleaning up dormant accounts. As a result of these, our total membership is presently contracted by 6% to 28,003. However, I am happy to report that new active members continue to join our credit union. In this regard, we can highlight our North Side Branch, where membership grew by a whopping 20%, from 1,156 to 1,385 members. The other branches also welcomed several hundred new members.
 - 5) Early into the new Financial Year, SJCU engaged the financial services of STRATIS, a provider of Loan Loss Performance Analytics Solution, to meet the IFRS (9) criteria requirements for the calculation of Expected Credit Loss of Provisioning for Delinquent Loans.
 - 6) SJCU continue to be fully provisioned, as required by our regulator, the Central Bank of Belize. Over the years, SJCU has built up significant overprovision in the Loan Loss Reserve. During the period under review, an amount of \$125K was provided for, compared to \$925K from the previous year, a decrease of 86%. Consequently, with the confidence that we are meeting both the IFRS and regulatory requirements for full loan loss provision, the Board

| Description | 2012 | 2013 | 2014 |
|---------------------------|----------|----------|----------|
| Membership | 17,530 | 19,574 | 22,135 |
| Assets | \$38,800 | \$42,831 | \$54,985 |
| Shares | \$25,819 | \$26,823 | \$30,071 |
| Loans | \$22,213 | \$27,120 | \$41,119 |
| Profits | \$934 | \$965 | \$1,772 |
| Delinquency % | 12.4% | 8.1% | 6.4% |
| Delinquency %(CBB) | 12.4% | 5.0% | 3.1% |

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

sy Dawson and members of the Supervisory Committee who are an essential in steering our credit union and reinforcing our aim to always provide education, counselling and diverse options for the long-term financial stability of our members.

LOAN ADVANCES TOTALS 2021-2022

| Loan Type | Description | Count | Advance Amount |
|------------------------|----------------------|---------------|----------------------|
| CO | CHARGED OFF LOANS | 0 | 0 |
| L03 | HOME CONSTRUCTION | 44 | 350,055.93 |
| L04 | VEHICLE LOAN | 107 | 854,201.45 |
| L06 | EDUCATIONAL LOAN | 176 | 256,855.59 |
| L07 | BUSINESS LOAN | 15 | 870,848.98 |
| L08 | SIF LOAN | 12 | 24,877.05 |
| L09 | PERSONAL LOAN | 7,272 | 17,189,574.34 |
| L10 | LAND PURCHASE | 27 | 253,348.41 |
| L11 | INSURANCE LOAN | 536 | 251,509.57 |
| L12 | CHRISTMAS LOAN | 155 | 505,209.95 |
| L13 | INSTACREDIT LOAN | 28 | 66,216.00 |
| L14 | FASTLINE LOAN | 3,314 | 793,658.91 |
| L16 | CHRISTMAS LOAN 2 | 15 | 53,359.41 |
| L17 | RESIDENTIAL MORTGAGE | 156 | 4,691,321.49 |
| L18 | SMART CASH LOAN | 114 | 46,811.68 |
| L19 | RES MORT-13 LOAN | 4 | 12,798.32 |
| L21 | RESIDENTIAL MORTGAGE | 57 | 1,271,451.66 |
| L22 | HOME CONSTRUCTION IO | 13 | 238,523.14 |
| * Net Totals * | | 12,045 | 27,730,621.88 |
| * Void Totals * | | | 0 |
| * Totals * | | 12,045 | 27,730,621.88 |

HIGHLIGHTS OF PAST AGMs





LOAN ADVANCES TOTALS 2020-2021

| Loan Type | Description | Count | Advance Amount |
|-----------|-----------------------|---------------|----------------------|
| CO | CHARGED OFF LOANS | 0 | 0.00 |
| L03 | HOME CONSTRUCTION | 54 | 241,058.06 |
| L04 | VEHICLE LOAN | 90 | 447,765.05 |
| L06 | EDUCATIONAL LOAN | 208 | 313,506.10 |
| L07 | BUSINESS LOAN | 17 | 73,325.00 |
| L08 | SIF LOAN | 1 | 400 |
| L09 | PERSONAL LOAN | 6,700 | 12,672,272.66 |
| L10 | LAND PURCHASE | 36 | 323,990.90 |
| L11 | INSURANCE LOAN | 683 | 282,379.46 |
| L12 | CHRISTMAS LOAN | 133 | 493,374.99 |
| L13 | INSTACREDIT LOAN | 37 | 57,597.00 |
| L14 | FASTLINE LOAN | 3,791 | 958,269.13 |
| L15 | MICRO FINANCE LOAN | 1 | 3,606.24 |
| L16 | CHRISTMAS LOAN 2 | 57 | 197,743.72 |
| L17 | RESIDENTAL MORTGAGE | 178 | 3,953,641.63 |
| L18 | SMART CASH LOAN | 153 | 65,753.15 |
| L19 | RES MORT-13 LOAN | 11 | 376,808.77 |
| L21 | RESIDENTAL MORTGAGE | 13 | 296,141.53 |
| L22 | HOME CONSTRUCTION IO | 1 | 32,381.07 |
| | * Net Totals * | 12,164 | 20,790,014.46 |



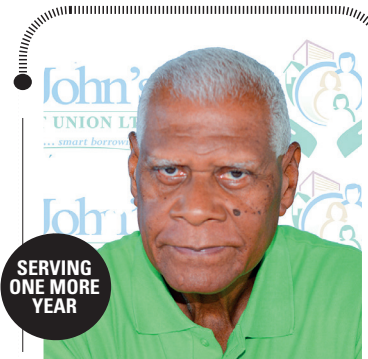
CREDIT COMMITTEE:



LISA JAMES
Chairperson



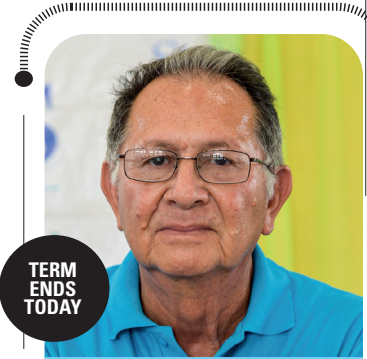
HAYDON BROWN
Alternate Member



WILLIAM TILLETT
Member



KENDRA HILTON
Alternate Member



VICTOR GUERRERO
Secretary

Celebrating

The life of those Members no longer with us

John 14:2 " In the house of my Father are many dwelling places. Otherwise, I would have told you, for I am going my way to prepare a place for you."

MAIN OFFICE BZE

ANDREW MORGAN
BARRINGTON ROBINSON
BASIL STUART
CORALEE BUTLER ADOLPHUS
DANA ROBINSON
DERRICK CADOGAN
EDWIN FLOWERS
EDWIN LEON
EGBERT RAYMOND
ELENITA MARTINEZ
ELSTON MORTER
ELSWORTH HENDY
ERNESTINE PEREZ
GEORGE LUCARIO
GEORGE SAMPSON
GERALDINE SMITH
GERALDINE STAINE
HERMAN ARNOLD
ICELMA MOORE
JEFFERSON MYERS
JEFFREY BOWEN
JUNIOR MORGAN
LILLIAN QUABINA
LIONEL CASTRO
LULITA USHER
LYRA GENTLE
MARCIA BANKS
MAREETA CABALLERO
MARK GLADDEN
MARVA GILLET
MARVIN ANDERSON
NORMA RENEAU
PATRICIA COPIUS
PHILLIPA SWIFT
RAYMOND SMITH
ROBERT FINDLEY
ROSALIND PINKARD
RUSSELL GRANT
TEDGAR HENRIQUEZ
TIFARAH HALL
VILMA HARRIS
WILBUR WILLIAMS
ZIONDER MICHAEL

Members who did not Qualify for the burial protection

CLAUDETT GILLET
DAVID SWASEY
EDWARD SALDANO
ELSWORTH HENDY
EVAN MITCHELL
EVELYN PHILLIPS
GREGORY WADE
HELLEN BENNETT
HELLEN HERRERA
JENNIFER HYDE
JESUS SOSA
JOSEPH BEVANS
JOSEPH JAMES
KIERON FLOWERS
LLOYD WELCH
MARY MAGDALENA
MAX SANTOS
MERLENE MURRILLO
ORVIN SLUSER
PATRICIA BERNARDEZ
RAYMOND LASHLEY
RODERICK WILLIAMS
ROSALIA SUTHERLAND
ROY PITTER
WILHELM BEVANS
WILLIAM THOMPSON
WINDEL CARCAMO

NORTH SIDE BZE

ADAM GOMEZ
ALLAN GREEN
BEVERLY BROWN
CICILY TRAPP
EDNA WILLIAMS
ELON PITTERSON
ELSWITH NEAL
FLORENCE WALKER
GILROY CLOTHIER
JEFFERY GRAWFORD
LORNA BARDALEZ
MARLENE MARTINEZ
MIGUEL CASTILLO
NATASHA WAGNER
NELITA MARTINEZ
PABLO CARVAJAL
ROBERTO CHI
ROSHANE FORBES
SHARON JEMMOTT
THERESE MCCOY

Members who did not Qualify for the burial protection

CUTHBERT BAILEY
ELSWITH NEAL
LINDA GOFF
MIGUEL CASTILLO
MYRNA MANZANARES
THERESE MCKOY

DANGRIGA TOWN

ADELITA SANTOS
SIMON CASTILLO
FRANCISCO BAH
CECIL RAMIREZ
JENNIFER MCDUGAL
JAMES HERNANDEZ
EUNICE BROOK
THADDEUS WILLIAMS
KARL TILLET
REYNAUD FLOWERS
AGNES ARANA
FRANCES SEBASTIAN
LEOLIN TENCH
HERSEL LINCOLN MCKENZIE
MICHAEL ENRIQUEZ

Members who did not Qualify for the burial protection

DOLORES MEJA
DUDLEY LOPEZ
JAMES CAL
MARIA MORALES
MICHAEL FLORES
MYRTLE SHERAN

CITY OF BELMOPAN

ANDREA USHER
BENEDICT SALAM
CAROLINE BILLINA
CLAUDE ARTHURS
DOROTHY MADANADO JOHNSON
ECKERT GUTIERREZ
EDGAR SOTO
ELAINE HENRY
EUFEMIA PEREZ
JACINTO GUTIERREZ
JAMES MARIN
JUANITA SALAZAR
LEONA CHE
LEONZA COC
LIDIA CALDERON
LUCIANO TUN
LUKE GENTLE
MARLON MORAN
MURIEL WOODYE
NISLY PEREZ
RAYMOND KEENE
ROBERTO CHI
ROSALYN NICHOLAS
SHARON MATOLA
THOMAS SMITH

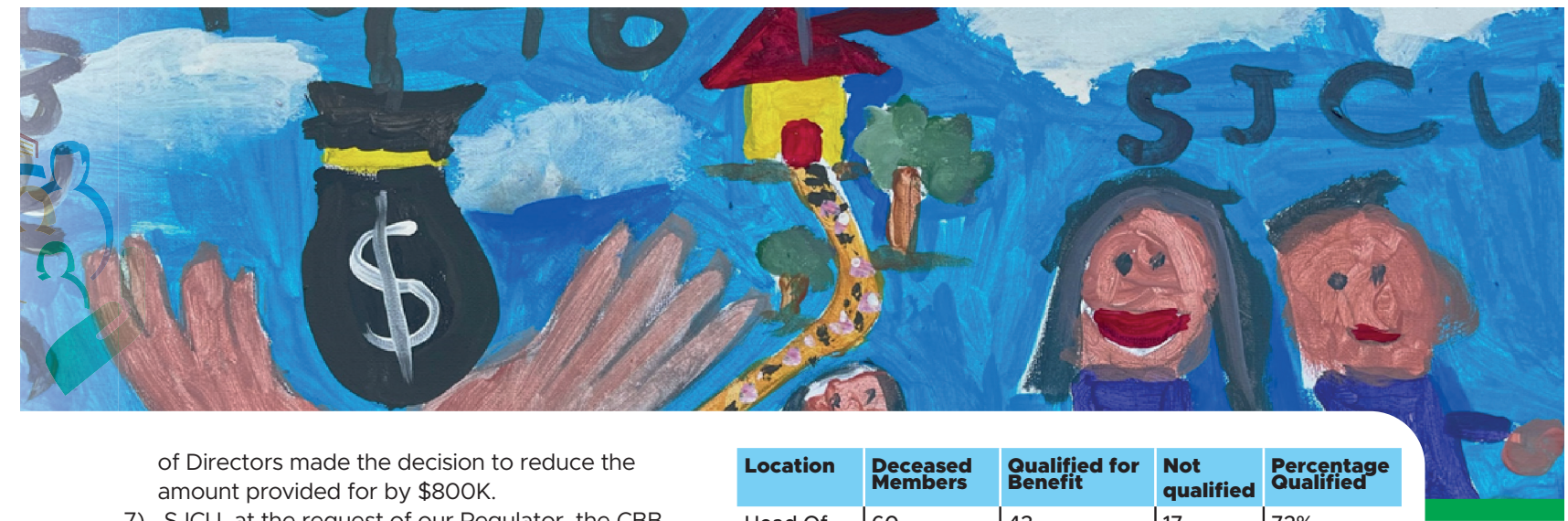
Members who did not Qualify for the burial protection

AGIGAIL GUERRA
ALBERTO REYES
ANA MARTINEZ
ANGELITA WILLIAMS
ARLETT BENNETT
AUGUSTINE GORDON
CARMELA CRUZ
EPIFANIA DIAZ
JEROME SHEPHARD
JOHN GENTLE
JULIO POP
KEITH EMMANUEL
LEONA COOPER
PATRICIA CHOC
VERNA MENDEZ
VICENTA MELLADO

ST. JOHN'S CREDIT UNION LIMITED

TABLE OF CONTENTS

| | <u>Pages</u> |
|---|--------------|
| INDEPENDENT AUDITORS' REPORT | 1 – 2 |
| FINANCIAL STATEMENTS FOR THE YEARS ENDED MARCH 31, 2022 AND 2021: | |
| Statements of financial position - modified cash basis | 3 |
| Statements of income and expenses - modified cash basis | 4 |
| Statements of changes in fund balances - modified cash basis | 5 |
| Statements of cash flows | 6 |
| Notes to financial statements | 7 – 18 |



- of Directors made the decision to reduce the amount provided for by \$800K.
- 7) SJCUC, at the request of our Regulator, the CBB, conducted several stringent tests on our IT systems. This exercise conducted by an experienced cyber security firm, highlighted the strong resilience of our IT systems.
 - 8) SJCUC members continue to have easy access to their accounts countrywide through online access and through Network One, our ATM network. During the year, there were 12,515 ATM transactions done by SJCUC members, valuing \$27.1M.
 - 9) The Forbearance Measures issued by the Central Bank of Belize to mitigate the effect of the COVID-19 pandemic, came to an end in December 2021. As SJCUC is fully provisioned, there was little effect on our portfolio.
 - 10) The Credit Control Department actively follows up on delinquent loans. The delinquency rate decreased from 8.54% at March 2021 to 7.74% at March 2022. This is a direct result of efforts made by the Credit Control Department who have been monitoring delinquent loans on a timely basis. Based on the CBB requirement, omitting loans in the 30 to 90 days category, and considering the available position, the rate is 1.3%.

| Location | Deceased Members | Qualified for Benefit | Not qualified | Percentage Qualified |
|-------------------------|------------------|-----------------------|---------------|----------------------|
| Head Office/Belize City | 60 | 43 | 17 | 72% |
| North-side | 23 | 20 | 3 | 87% |
| Belmopan | 31 | 25 | 6 | 81% |
| Dangriga | 18 | 15 | 3 | 83% |
| Total | 132 | 103 | 29 | 78% |

Thankfully, our annual figures are showing a steady increase in members who qualify for the death benefit. Again, we remind members to ensure their account is in good standing, since 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. Pay-out to beneficiaries from the Burial Scheme during last year was \$510,000. The Burial Scheme Reserve now stands at \$391,440, compared to the previous balance of \$712,288.

However, we must inform members that a recent actuarial study has raised concerns about the viability of the Burial Scheme. The Board will review the scheme and recommend the changes deemed necessary. One change that we expect to implement shortly will be to charge the fee on a monthly basis.

CONCLUSION

As the country slowly opens for business, once again SJCUC is committed to ensuring our membership is well served, despite the challenges caused by the pandemic. We continue to be proactive in developing St John's Credit Union into an even more successful and vibrant organization. With a capable Management team and dedicated staff, we are confident that in the coming years, we will experience continued growth.

BURIAL SCHEME

Unfortunately, during the year 2021- 2022, one hundred and thirty-two (132) of our dear members passed away. Even more unfortunately, only one hundred and three (103) or seventy-eight (78%) were qualified under the scheme. The breakdown by branch is shown.

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 1 Yr % Change | % Change vs 2012 |
|----------|----------|----------|----------|----------|----------|----------|----------|---------------|------------------|
| 24,892 | 23,731 | 25,482 | 26,259 | 27,621 | 30,170 | 29,804 | 28,003 | -6.0% | 59.7% |
| \$65,724 | \$75,033 | \$80,247 | \$84,273 | \$92,238 | \$94,524 | \$97,797 | \$97,865 | 0.1% | 152.2% |
| \$38,363 | \$46,838 | \$53,231 | \$56,625 | \$60,463 | \$64,791 | \$66,708 | \$68,589 | 2.8% | 165.7% |
| \$50,473 | \$53,547 | \$61,480 | \$59,352 | \$60,757 | \$61,486 | \$57,223 | \$56,411 | -1.4% | 154.0% |
| \$1,717 | \$2,508 | \$2,336 | \$3,131 | \$2,628 | \$2,045 | \$1,825 | \$1,944 | 6.5% | 108.3% |
| 5.9% | 6.3% | 6.7% | 8.3% | 7.7% | 7.0% | 8.5% | 7.7% | -9.8% | -37.9% |
| 3.3% | 1.9% | 2.0% | 2.5% | 1.7% | 2.1% | 1.3% | 1.3% | -0.8% | -89.5% |

ST. JOHN'S CREDIT UNION LIMITED

Financial Statements for the Years Ended
March 31, 2022 and 2021 and Independent
Auditors' Report



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



ST. JOHN'S CREDIT UNION LIMITED

**STATEMENTS OF INCOME AND EXPENSES - MODIFIED CASH BASIS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021 (IN BELIZE DOLLARS)**

| | <u>Notes</u> | <u>2022</u> | <u>2021</u> |
|--|--------------|---------------------|---------------------|
| INCOME | 2y. | | |
| Interest income on loans | 17. | \$ 5,216,032 | \$ 5,717,003 |
| Investment income | | 1,029,236 | 896,079 |
| Other income | | 79,994 | 167,900 |
| Fees and commission income | | 308,744 | 390,930 |
| GROSS INCOME | | 6,634,006 | 7,171,912 |
| OPERATING EXPENSES | 2y. | | |
| Advertising | | 35,135 | 43,505 |
| Annual general meeting | | 1,881 | 5,294 |
| Impairment expense | | 125,000 | 925,000 |
| Bank charges and overdraft interest | | 19,878 | 25,141 |
| Belize Credit Union Assurance Services Insurance | | 617,831 | 616,800 |
| Christmas activity | | 2,908 | - |
| Committee meetings | | 16,920 | 10,875 |
| Software system maintenance | | 409,789 | 300,562 |
| Credit Union Week | | 2,212 | 5,876 |
| Depreciation | | 536,148 | 562,353 |
| Donations | | 14,619 | 5,675 |
| Education | | 18,615 | 4,121 |
| General insurance | | 49,898 | 48,388 |
| Interest expense – Members deposits | | 234,684 | 261,215 |
| Office supplies | | 54,601 | 69,138 |
| Other | | 189,565 | 174,269 |
| Pension contribution | | 47,774 | 48,982 |
| Professional fees | | 24,525 | 12,938 |
| Property taxes | | 9,621 | 6,043 |
| Rent | | 68,956 | 71,888 |
| Repairs and maintenance | | 140,022 | 161,653 |
| Salaries, wages and allowances | | 1,409,838 | 1,346,692 |
| Security | | 315,581 | 283,613 |
| Severance | | 10,050 | 40,148 |
| Social security | | 52,501 | 52,101 |
| Supervision fees | | 13,600 | 7,800 |
| Travel and subsistence | | 52,409 | 31,031 |
| Uniform | | 340 | - |
| Utilities | | 214,841 | 225,735 |
| | | 4,689,742 | 5,346,836 |
| SURPLUS | | \$ 1,944,264 | \$ 1,825,076 |

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



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of St. John's Credit Union Limited which comprise the statements of financial position -modified cash basis as at March 31, 2022 and 2021, and the statements of income and expenses - modified cash basis, statements of changes in fund balances - modified cash basis and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of St. John's Credit Union Limited as at March 31, 2022 and 2021, and of its financial performance and its cash flows for the years then ended in accordance with the modified cash basis of accounting.

Basis for Opinion

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

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

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

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

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

hlb.bz

Partners: Claude Burrell, CA, CISA, CDPSE | Giacomo Sanchez, CA

40 Central American Blvd | Belize City | Belize C.A.

TEL: +501 227 3020 **EMAIL:** info@hlab.bz

HLB Belize, LLP is an independent member of HLB, the global advisory and accounting network

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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



Chartered Accountants
Belize City, Belize
June 9, 2022

ST. JOHN'S CREDIT UNION LIMITED

STATEMENTS OF FINANCIAL POSITION - MODIFIED CASH BASIS AS AT MARCH 31, 2022 AND 2021 (IN BELIZE DOLLARS)

| ASSETS | Notes | 2022 | 2021 |
|--|----------------|----------------------|----------------------|
| CURRENT ASSETS: | | | |
| Cash and cash equivalents - unrestricted | 2e. 3. | \$ 17,588,493 | \$ 15,977,566 |
| Cash and cash equivalents - restricted | 2e. 13. | 612,649 | 511,440 |
| Short term investment in financial assets - unrestricted | 2f. 4. | 10,343,898 | 9,573,815 |
| Short term investments in financial assets - restricted | 2f. 5. 13. | 40,000 | 790,000 |
| Other receivables and prepayments | 2g. 6. | 521,804 | 769,079 |
| Current portion loans receivable from members | 2h. 7. | 2,185,672 | 2,467,323 |
| Total current assets | | 31,292,516 | 30,089,223 |
| NON-CURRENT ASSETS: | | | |
| Loans receivable from members | 2h. 7. | 54,225,025 | 54,755,529 |
| Less - allowance for loan losses | 2i. 7. | (3,988,574) | (3,740,144) |
| Property, plant and equipment - net | 2j. 2k. 2l. 9. | 3,405,805 | 3,697,847 |
| Investment property - net | 2l. 2m. 8. | 1,510,270 | 1,559,551 |
| Long term investments in financial assets - unrestricted | 2f. 10. | 11,409,500 | 11,425,000 |
| Long term investments in financial assets - restricted | 2f. 13. | 10,000 | 10,000 |
| Total non - current assets | | 66,572,026 | 67,707,783 |
| TOTAL ASSETS | | \$ 97,864,542 | \$ 97,797,006 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES: | | | |
| Accounts payables | 2n. | \$ 136,449 | \$ 287,460 |
| Other liabilities | 2o. | 828,386 | 814,621 |
| Members' deposits | 2p. 11. | 16,685,472 | 18,419,399 |
| Current portion severance payable | 2q. 12. | 39,416 | 19,441 |
| Total current liabilities | | 17,689,723 | 19,540,921 |
| NON-CURRENT LIABILITIES: | | | |
| Severance payable | 2q. 12. | 273,740 | 304,582 |
| Pension liability | 2r. 13. | 896,337 | 790,545 |
| Long term debt | 2s. 14. | 111,212 | 111,212 |
| Total non - current liabilities | | 1,281,289 | 1,206,339 |
| Total liabilities | | 18,971,012 | 20,747,260 |
| EQUITY: | | | |
| Members' shares - mandatory | 2t. | 3,265,312 | 3,233,623 |
| Members' shares - voluntary | 2t. | 65,324,105 | 63,474,355 |
| Burial scheme fund | 2u. | 391,441 | 712,288 |
| Revaluation reserve | 2k. 15. | 354,953 | 354,953 |
| Statutory reserve fund | 2v. | 7,537,189 | 7,342,763 |
| Undistributed surplus | 2x. 16. | 1,595,937 | 1,701,597 |
| Other reserves | 2w. | 424,593 | 230,167 |
| Total equity | | 78,893,530 | 77,049,746 |
| TOTAL LIABILITIES AND EQUITY | | \$ 97,864,542 | \$ 97,797,006 |

The financial statements on pages 3 to 6 were approved and authorized for issue by the Board of Directors on June 9, 2022 and are signed on its behalf by:

 Director
  Director

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)
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021 (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 the reporting date. Investments with maturity dates beyond 1 year from the reporting date are classified as long term investments in financial assets. Investments in equity instruments comprise of minority equity investments held at their nominal value.

g. Other receivable and prepayments

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

h. Loans receivable from members

Loans are recognized when cash is advanced to the member, and are stated at cost. Loans receivable are derecognized when the rights to receive cash flows from the financial assets have expired or extinguished.

i. Allowance for loan losses

This account is treated as a contra-asset account to member loans receivable in accordance with the Credit Unions Act (CUA) Requirement No. 2 of 2013. The account is funded through charges to income as a provision expense for charging off loans and other assets or portions of such loans and other assets which have been adversely classified.

j. Property, plant and equipment

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

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

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

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

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

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

ST. JOHN'S CREDIT UNION LIMITED

**STATEMENTS OF CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021 (IN BELIZE DOLLARS)**

| | Burial scheme fund | Revaluation reserve | Statutory reserve fund | Undistributed surplus | Other reserves | Total |
|--|--------------------|---------------------|------------------------|-----------------------|-------------------|----------------------|
| Balance as at April 1, 2021 | \$ 712,288 | \$ 354,953 | \$ 7,342,763 | \$ 1,701,597 | \$ 230,167 | \$ 10,341,768 |
| Burial scheme payments | (510,000) | - | - | - | - | (510,000) |
| Burial scheme additions | 189,153 | - | - | - | - | 189,153 |
| Dividends and rebates declared and paid (See Note 2x and 16) | - | - | - | (1,661,072) | - | (1,661,072) |
| Surplus | - | - | - | 1,944,264 | - | 1,944,264 |
| Surplus distribution (See Note 20) | - | - | 194,426 | (388,852) | 194,426 | - |
| Balance as at March 31, 2022 | \$ 391,441 | \$ 354,953 | \$ 7,537,189 | \$ 1,595,937 | \$ 424,593 | \$ 10,304,113 |
| Balance as at April 1, 2020 | \$ 785,920 | \$ 354,953 | \$ 7,160,255 | \$ 1,928,122 | \$ 157,164 | \$ 10,386,414 |
| Burial scheme payments | (328,482) | - | - | - | - | - |
| Burial scheme additions | 254,850 | - | - | - | - | 254,850 |
| Dividends and rebates declared and paid (See Note 2x and 16) | - | - | - | (1,796,090) | - | (1,796,090) |
| Surplus | - | - | - | 1,825,076 | - | 1,825,076 |
| Surplus distribution (See Note 20) | - | - | 182,508 | (255,511) | 73,003 | - |
| Balance as at March 31, 2021 | \$ 712,288 | \$ 354,953 | \$ 7,342,763 | \$ 1,701,597 | \$ 230,167 | \$ 10,670,250 |

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

ST. JOHN'S CREDIT UNION LIMITED

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MARCH 31, 2022 AND 2021 (IN BELIZE DOLLARS)

| | <u>2022</u> | <u>2021</u> |
|---|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Surplus | \$ 1,944,264 | \$ 1,825,076 |
| Adjustments for: | | |
| Depreciation | 536,148 | 562,353 |
| Gain on disposal of property, plant and equipment | - | (17,000) |
| Interest income on investments | (1,029,236) | (896,079) |
| Severance | 10,050 | 40,148 |
| Pension contribution | 47,774 | 48,982 |
| Impairment expense | 125,000 | 925,000 |
| Operating surplus before working capital changes | <u>1,634,000</u> | <u>2,488,480</u> |
| Changes in: | | |
| Other receivables and prepayments | 95,899 | 44,728 |
| Loans receivable from members | 935,585 | 4,335,923 |
| Accounts payable | (151,011) | 64,806 |
| Other liabilities | 13,765 | 211,648 |
| Members' deposits | (1,733,927) | 520,036 |
| Pension liability | 58,018 | 28,339 |
| Cash provided by operating activities | <u>852,329</u> | <u>7,693,960</u> |
| Severance paid | <u>(20,917)</u> | <u>(1,405)</u> |
| Net cash provided by operating activities | <u>831,412</u> | <u>7,692,555</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest received from investments | 1,180,612 | 706,695 |
| Short term investments - restricted | 750,000 | - |
| Short term investments - unrestricted | (770,083) | (5,019,456) |
| Long term investments - unrestricted | 15,500 | - |
| Purchase of property, plant and equipment | (194,825) | (103,135) |
| Proceeds from disposal of assets | - | 35,000 |
| Net cash provided by (used in) investing activities | <u>981,204</u> | <u>(4,380,896)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Change in shares - mandatory | 31,689 | (4,655) |
| Change in shares - voluntary | 1,849,750 | 1,921,838 |
| Change in burial scheme - net | (320,847) | (73,632) |
| Dividends and rebates paid | (1,661,072) | (1,796,090) |
| Net cash (used in) provided by financing activities | <u>(100,480)</u> | <u>47,461</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 1,712,136 | 3,359,120 |
| TRANSFER TO CASH AND CASH EQUIVALENTS - RESTRICTED | (101,209) | (72,829) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 15,977,566 | 12,691,275 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 17,588,493</u> | <u>\$ 15,977,566</u> |

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 FOR THE YEARS ENDED MARCH 31, 2022 AND 2021 (IN BELIZE DOLLARS)

1. STATUS

St. John's Credit Union Limited ("SJCUC" or "the Credit Union") was incorporated under and by virtue of the Credit Unions Act. The Credit Union is currently governed by Credit Unions Act Chapter 314 Revised Edition 2020. The Credit Union promotes savings, enterprise and the cooperative principle among its members to pool members' financial resources and to provide personal and corporate banking, loans, and investments.

The Credit Union operates from its principal office situated at No. 4 Basra Street, Belize City, Belize. Apart from a second Belize City branch, offices are located in the City of Belmopan and Dangriga Town. As at March 31, 2022, the Credit Union had 28,003 members (2021: 29,804).

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation

SJCUC uses a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis, certain revenues are recognized when received rather than when earned and certain expenses and purchases are recognized when cash is disbursed rather than when the obligation is incurred.

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

b. Functional and presentation currency

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

c. Foreign currency transactions

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

d. Changes in accounting policies

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

e. Cash and cash equivalents

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

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2022 AND 2021 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

z. Taxes

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

3. CASH AND CASH EQUIVALENTS - UNRESTRICTED

| | <u>2022</u> | <u>2021</u> |
|--------------|----------------------|----------------------|
| Cash on hand | \$ 905,727 | \$ 727,026 |
| Cash at bank | <u>16,682,766</u> | <u>15,250,540</u> |
| | <u>\$ 17,588,493</u> | <u>\$ 15,977,566</u> |

4. SHORT TERM INVESTMENT IN FINANCIAL ASSETS - UNRESTRICTED

| <u>Financial Institution</u> | <u>Maturity</u> | <u>Rate</u> | <u>2022</u> | <u>2021</u> |
|------------------------------|------------------|-------------|----------------------|---------------------|
| Atlantic Bank Limited | August 22, 2022 | 3.00% | \$ 3,000,000 | \$ - |
| Atlantic Bank Limited | August 22, 2022 | 3.00% | 2,000,000 | - |
| Atlantic Bank Limited | August 24, 2022 | 2.50% | 2,000,000 | - |
| Atlantic Bank Limited | August 24, 2022 | 2.50% | 1,000,000 | - |
| Atlantic Bank Limited | April 2, 2022 | 1.75% | 1,000,000 | - |
| Blue Creek Credit Union Ltd. | January 30, 2023 | 3.50% | 593,898 | - |
| Atlantic Bank Limited | March 19, 2023 | 3.00% | 400,000 | - |
| Atlantic Bank Limited | May 8, 2022 | 3.00% | 200,000 | - |
| Atlantic Bank Limited | May 12, 2022 | 3.00% | 150,000 | - |
| Atlantic Bank Limited | August 23, 2021 | 3.00% | - | 3,000,000 |
| Atlantic Bank Limited | August 23, 2021 | 3.00% | - | 2,000,000 |
| Atlantic Bank Limited | August 24, 2021 | 2.50% | - | 2,000,000 |
| Atlantic Bank Limited | August 24, 2021 | 2.50% | - | 1,000,000 |
| Atlantic Bank Limited | April 2, 2021 | 1.75% | - | 1,000,000 |
| Blue Creek Credit Union Ltd. | January 30, 2022 | 3.50% | - | 573,815 |
| | | | <u>\$ 10,343,898</u> | <u>\$ 9,573,815</u> |

5. SHORT TERM INVESTMENT IN FINANCIAL ASSETS - RESTRICTED

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

| <u>Financial Institution</u> | <u>Maturity</u> | <u>Rate</u> | <u>2022</u> | <u>2021</u> |
|------------------------------|-----------------|-------------|------------------|------------------|
| Atlantic Bank Limited | May 14, 2022 | 3.25% | \$ 40,000 | \$ - |
| Atlantic Bank Limited | May 14, 2021 | 3.25% | - | 40,000 |
| | | | <u>\$ 40,000</u> | <u>\$ 40,000</u> |

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2022 AND 2021 (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

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

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

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

l. Impairment of non-financial assets

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

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

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2022 AND 2021 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l. Impairment of non-financial assets (Continued)

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

m. Investment property

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

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

n. Accounts payable

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

o. Other liabilities

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

p. Members' deposits

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

q. Severance payable

Severance payable represents the accrual of salaries payable to employees in the event of their resignation or termination. SJCU recognizes termination benefits in accordance with the Labour Act Chapter 297 of the Laws of Belize Revised Edition 2020.

r. Pension liability

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

s. Long-term debt

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

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2022 AND 2021 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t. Members' shares

As per the Credit Unions Act, members' shares in SJCU represent members' capital. Mandatory shares are the minimum number of shares a person must have in order to be considered a member of SJCU. Non-mandatory shares are additional shares held by members of the credit union. These can be withdrawn at any time and may be used as collateral for loans by members. These are reflected in equity on the statement of financial position.

u. Burial scheme fund

The Burial Scheme is a death benefit of \$5,000 which will be paid to plan member's selected dependent based on their years of membership in the plan. The fund balance is reported net of collections and payments during the year.

v. Statutory reserve fund

The Statutory reserve fund is a reserve fund that is mandated by the Credit Unions Act, Chapter 314 of the Substantive Law of Belize, Revised Edition 2020. At least 10% of the net earnings of the Credit Union must be added to the fund at the end of each fiscal year. In addition, all entrance fees and fines collected from members each year are transferred to this fund. The Statutory reserve fund cannot be distributed to members.

w. Other reserves

Other reserves are amounts set aside by the Board of Directors to be used for any purpose that the Credit Union may need to utilize it for. Allocation of surplus to these reserves are recommended by the Board of Directors and to be confirmed at the annual meetings as permitted by the Credit Unions Act.

x. Dividends and rebates

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

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

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

y. Income and expense recognition

Interest income on loans, dividends and other income are recognized when collected. Interest income on fixed deposits is recognized when earned. Interest and other expenses are recognized when paid. Interest on special deposits and personal checking accounts are paid quarterly and monthly, respectively. Interest on term deposits may be paid quarterly or monthly. The interest rates paid on member accounts are determined by the Board of Directors.

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2022 AND 2021 (IN BELIZE DOLLARS)

10. LONG TERM INVESTMENTS IN FINANCIAL ASSETS - UNRESTRICTED

| | <u>2022</u> | <u>2021</u> |
|--|----------------------|----------------------|
| Belize Electricity Limited Series 6 debentures with interest rate of 6.5% per annum payable quarterly, maturing December 31, 2030. | \$ 2,850,000 | \$ 2,850,000 |
| Belize Electricity Limited Series 7 debentures with interest rate of 6% per annum payable quarterly, maturing March 31, 2028. | 2,025,000 | 2,025,000 |
| Belize Electricity Limited Series 8 debentures with interest rate of 6% per annum payable quarterly, maturing June 30, 2032. | 2,500,000 | 2,500,000 |
| Belize Water Services Limited Series 1 debentures with interest rate of 6.25% per annum payable semi-annually, maturing December 31, 2030. | 2,500,000 | 2,500,000 |
| Investment in Belize Credit Union League Limited - 50 redeemable preferred shares. | 34,500 | 50,000 |
| Investment in Belize Telemedia Limited - 200,000 common shares with par value of \$1.00. | 1,000,000 | 1,000,000 |
| Government of Belize Treasury Notes with interest rate of 6% per annum payable by half yearly installments, maturing December 10, 2022. | 500,000 | 500,000 |
| | <u>\$ 11,409,500</u> | <u>\$ 11,425,000</u> |

11. MEMBERS' DEPOSITS

| | <u>2022</u> | <u>2021</u> |
|------------------|----------------------|----------------------|
| Savings accounts | \$ 8,215,092 | \$ 7,280,738 |
| Term deposits | 8,470,380 | 11,138,661 |
| | <u>\$ 16,685,472</u> | <u>\$ 18,419,399</u> |

12. SEVERANCE PAYABLE

| | <u>2022</u> | <u>2021</u> |
|----------------------------|-------------------|-------------------|
| Balance, beginning of year | \$ 324,023 | \$ 285,280 |
| Additional provision | 10,050 | 40,148 |
| Benefits paid | (20,917) | (1,405) |
| Balance, end of year | 313,156 | 324,023 |
| Less: current portion | (39,416) | (19,441) |
| Long term portion | <u>\$ 273,740</u> | <u>\$ 304,582</u> |

- 16 -

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2022 AND 2021 (IN BELIZE DOLLARS)

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

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

| <u>Financial Institution</u> | <u>Maturity</u> | <u>Rate</u> | <u>2022</u> | <u>2021</u> |
|--|-----------------|-------------|------------------|-------------------|
| Atlantic Bank Limited | March 19, 2022 | 3.00% | \$ - | \$ 400,000 |
| Atlantic Bank Limited | May 8, 2021 | 3.00% | - | 200,000 |
| Atlantic Bank Limited | May 12, 2021 | 3.00% | - | 150,000 |
| | | | <u>-</u> | <u>750,000</u> |
| Total short term investment in financial assets - restricted | | | <u>\$ 40,000</u> | <u>\$ 790,000</u> |

6. OTHER RECEIVABLES AND PREPAYMENTS

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|-------------------|
| Heritage Bank Limited ATM/POS Project | \$ 50,000 | \$ 50,000 |
| Belize Credit Union League Limited NPS | 126,299 | 126,299 |
| Other receivables | 97,339 | 43,779 |
| Prepayments | 38,863 | 188,322 |
| Accrued interest | 209,303 | 360,679 |
| | <u>\$ 521,804</u> | <u>\$ 769,079</u> |

The Credit Union has entered into a Joint Investment Agreement with the Heritage Bank Limited and five other institutions, called the ATM/POS Project. Since the project is still in process of being finalized, the initial investment is classified as other receivables and prepayment at March 31, 2021.

7. LOANS RECEIVABLE FROM MEMBERS

| | <u>2022</u> | <u>2021</u> |
|------------------------------------|----------------------|----------------------|
| Business loans | \$ 3,845,238 | \$ 4,257,927 |
| Educational loans | 623,159 | 1,252,565 |
| Housing and home improvement loans | 22,831,319 | 20,695,551 |
| Motor vehicle loans | 1,571,629 | 1,871,134 |
| Personal loans | 26,581,851 | 28,172,743 |
| Real estate loans | 957,501 | 972,932 |
| Total loans receivable | <u>56,410,697</u> | <u>57,222,852</u> |
| Less - allowance for loan losses | <u>(3,988,574)</u> | <u>(3,740,144)</u> |
| Total loans receivable – net | <u>\$ 52,422,123</u> | <u>\$ 53,482,708</u> |
| Total loans receivable – net | \$ 52,422,123 | \$ 53,482,708 |
| Less: current portion | <u>(2,185,672)</u> | <u>(2,467,323)</u> |
| Long term portion | <u>\$ 50,236,451</u> | <u>\$ 51,015,385</u> |

- 13 -

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021 (IN BELIZE DOLLARS)

7. LOANS RECEIVABLE FROM MEMBERS (CONTINUED)

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|
| The allowance for loan losses comprises the following: | | |
| Balance, beginning of year | \$ 3,740,144 | \$ 2,742,066 |
| Impairment expense | 125,000 | 925,000 |
| Write-offs | (142) | (945) |
| Recoveries | 123,572 | 74,023 |
| Balance, end of year | <u>\$ 3,988,574</u> | <u>\$ 3,740,144</u> |

8. INVESTMENT PROPERTY

| | <u>Land & Building</u> | |
|---------------------------------|----------------------------|---------------------|
| | <u>2022</u> | <u>2021</u> |
| Cost | | |
| Balance, beginning of year | \$ 1,732,090 | \$ 1,732,090 |
| Additions | - | - |
| Balance, end of year | <u>1,732,090</u> | <u>1,732,090</u> |
| Accumulated Depreciation | | |
| Balance, beginning of year | 172,539 | 123,257 |
| Additions | 49,281 | 49,282 |
| Balance, end of year | <u>221,820</u> | <u>172,539</u> |
| Net Book Value | <u>\$ 1,510,270</u> | <u>\$ 1,559,551</u> |

ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021 (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) | Work-in-progress (c) | Total |
|---------------------------------------|----------------------|---|-------------------------------------|--|--------------------------|-----------------------------|---------------------|
| Brought forward, April 1, 2021 | \$ 635,217 | \$ 2,776,970 | \$ 559,602 | \$ 3,037,712 | \$ 5,035 | \$ - | \$ 7,014,536 |
| Additions | - | - | 1,457 | 80,245 | - | 113,123 | 194,825 |
| Carried forward, March 31, 2022 | <u>635,217</u> | <u>2,776,970</u> | <u>561,059</u> | <u>3,117,957</u> | <u>5,035</u> | <u>113,123</u> | <u>7,209,361</u> |
| Accumulated Depreciation | | | | | | | |
| Brought forward, April 1, 2021 | - | 887,928 | 404,503 | 2,021,063 | 3,195 | - | 3,316,689 |
| Additions | - | 115,864 | 32,161 | 338,229 | 613 | - | 486,867 |
| Carried forward, March 31, 2022 | <u>-</u> | <u>1,003,792</u> | <u>436,664</u> | <u>2,359,292</u> | <u>3,808</u> | <u>-</u> | <u>3,803,556</u> |
| Net Book Value, March 31, 2022 | <u>\$ 635,217</u> | <u>\$ 1,773,178</u> | <u>\$ 124,395</u> | <u>\$ 758,665</u> | <u>\$ 1,227</u> | <u>\$ 113,123</u> | <u>\$ 3,405,805</u> |
| Cost (c) / Valuation (v) | Land (c), (v) | Building, driveways & leasehold improvements (c) | Furniture & fixtures (c) | Computer, equipment & accessories (c) | Motor vehicle (c) | Work-in-progress (c) | Total |
| Brought forward, April 1, 2020 | \$ 653,217 | \$ 2,776,970 | \$ 559,602 | \$ 2,934,577 | \$ 5,035 | \$ - | \$ 6,929,401 |
| Additions | - | - | - | 103,135 | - | - | 103,135 |
| Disposals | (18,000) | - | - | - | - | - | (18,000) |
| Carried forward, March 31, 2021 | <u>635,217</u> | <u>2,776,970</u> | <u>559,602</u> | <u>3,037,712</u> | <u>5,035</u> | <u>-</u> | <u>7,014,536</u> |
| Accumulated Depreciation | | | | | | | |
| Brought forward, April 1, 2020 | - | 779,556 | 369,232 | 1,652,248 | 2,582 | - | 2,803,618 |
| Additions | - | 108,372 | 35,271 | 368,815 | 613 | - | 513,071 |
| Carried forward, March 31, 2021 | <u>-</u> | <u>887,928</u> | <u>404,503</u> | <u>2,021,063</u> | <u>3,195</u> | <u>-</u> | <u>3,316,689</u> |
| Net Book Value, March 31, 2021 | <u>\$ 635,217</u> | <u>\$ 1,889,042</u> | <u>\$ 155,099</u> | <u>\$ 1,016,649</u> | <u>\$ 1,840</u> | <u>\$ -</u> | <u>\$ 3,697,847</u> |

See also Note 15.

NOTES



ST. JOHN'S CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED MARCH 31, 2022 AND 2021 (IN BELIZE DOLLARS)

| | | |
|---|-------------------|-------------------|
| 13. PENSION FUND LIABILITY | 2022 | 2021 |
| At March 31, the pension fund was represented by: | | |
| Pension fund assets | | |
| Cash and cash equivalents - restricted | \$ 612,649 | \$ 511,440 |
| 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 | 233,688 | 229,105 |
| Total pension fund assets | \$ 896,337 | \$ 790,545 |
| Pension fund liability | \$ 896,337 | \$ 790,545 |
| 14. LONG TERM DEBT | 2022 | 2021 |
| Social Investment Fund interest-free loan of \$100,000 for a period of 25 years with no fixed repayment terms. Loan is to be used for on-lending to eligible borrowers for housing construction or improvement in accordance with agreement dated September 19, 2005. | \$ 11,212 | \$ 11,212 |
| Social Investment Fund interest-free loan of \$100,000 for a period of 25 years with no fixed repayment terms. Loan is to be used for on-lending to eligible borrowers for housing construction or improvement in accordance with agreement dated December 28, 2006. | 100,000 | 100,000 |
| | \$ 111,212 | \$ 111,212 |
| 15. REVALUATION RESERVE | | |
| During the financial year ended March 31, 2004, the Credit Union had an independent appraiser value its lands. The resulting increase in value was recorded as a revaluation reserve. | | |
| 16. DIVIDEND AND REBATES | | |
| After consultation with the Central Bank of Belize, distribution of surplus for fiscal year ended March 31, 2021 dividends of 2.25% on regular shares and 4% on mandatory shares and rebates of 4% were proposed and accepted. Previously at the 74th Annual General Meeting, distribution of surplus for fiscal year ended March 31, 2020 to dividends of 2.25% on regular shares and 4.5% on mandatory shares and rebates of 4% were proposed and accepted. | | |

