

TEACHERS AND SALARIED

WORKERS CO-OPERATIVE CREDIT UNION LIMITED

*“Weathering the Economic Storm Together”*

MOODY'S  
DOWNGRADE TO  
JUNKBOND  
STATUS

CONTINUING  
DECLINE IN  
INTEREST  
RATES

INCREASING COST OF LIVING

MORE  
GOVERNMENT  
TAXATION

FINANCIAL  
UNCERTAINTY

INCREASING  
UNEMPLOYMENT

POLITICAL  
UNCERTAINTY &  
SOCIAL UNREST

# 40<sup>th</sup> ANNUAL GENERAL MEETING

Saturday, May 20<sup>th</sup>, 2017

8:00 a.m.

British Colonial Hilton Hotel—No. 1 Bay Street

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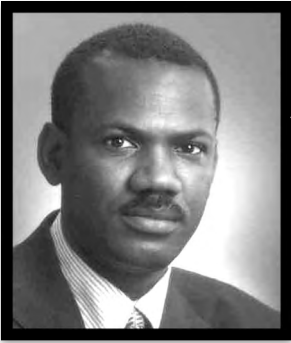
## VISION

*“To provide quality, affordable and prompt financial services efficiently, in a courteous environment that will improve the socio-economic well being of our members.”*

### ***Prayer of St. Francis of Assisi***

Lord, make me an instrument of Your 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; 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; it is in dying that we are born again to eternal life.



An organizations ability to learn and to translate learning into action rapidly, is the ultimate competitive edge. — Jack Welch.

This statement has become an imperative for us as a Credit Union; because we realize that there is one constant that will determine our future and it is you the members.

For this reason, we are translating learning into rapid action, **“Weathering the Economic Storm Together”, which is the Theme for this Year’s AGM.**

At our Credit Union, we understand clearly that everything is differential if we understand you; our members, your wants, needs, aspirations, dreams and how you conduct your businesses and lives. This is the platform on which we have built a 200-million-dollar entity, It is your legacy.

As we celebrate our 40th anniversary, we commit to the next 40 years by strengthening our commitment to you our members; this plan involves a very simple objective that will govern **everything we do as we move forward: “We are here to serve,** the past, present and future generations, continuing the Legacy”.

We are excited to take this next step with one clear goal: To continue to provide members with an extraordinary banking experience.

Our new imperative has mandated that we focus on the following:

- ◇ REBRAND THE CREDIT UNION.
- ◇ PROMOTE INCREASED SHAREHOLDING, THROUGH EQUITY SHARE INVESTMENTS.
- ◇ MANAGE OUR GROWTH, WHILE PROTECTING YOUR SHAREHOLDING VALUE BY INTRODUCING CUSTOMERS; INDIVIDUALS WHO WISH TO UTILIZE OUR ABOVE MARKET DEPOSIT RATES ONLY.
- ◇ ENSURE IMPROVED RATES OF RETURNS.
- ◇ OFFER PREFERENTIAL RATES FOR NEW AUTOMOBILE PURCHASES AT HISTORICAL LOWS.
- ◇ INTRODUCE 24 HOUR ATM SERVICES AT ALL OF THE CREDIT UNION BRANCHES.
- ◇ INTRODUCE VISA BRANDED DEBIT CARDS.
- ◇ ACCESS THE NATIONAL PAYMENTS SYSTEM.

## MESSAGE FROM THE CHAIRMAN OF THE BOARD

### Mr. Lenn King

- ◇ LAUNCH NEW BUSINESS MODEL FOR INVESTMENT PROPERTIES.
- ◇ INCREASE COLLECTION EFFORTS ON DELINQUENT CONSUMER AND MORTGAGE LOANS.
- ◇ IMPROVE COLLECTION OF DELINQUENT RENTS OWED ON INVESTMENT PROPERTIES.

I am pleased to reveal, that such initiatives have already begun to reap significant returns with an improved financial position for the Credit Union that saw a reasonable profit rise over 2015.

This enabled the organization to move closer to meeting its statutory reserves—contributes to a stronger capital, while improving its retained earnings position and still pay interest on your deposits that are significantly above market rates.

In 2017, we hope to do more. It is expected that many of you will respond to the invitation to invest directly into the Credit Union by purchasing additional equity shares. The Prudential norms that govern the Credit Union requires that your shareholding or equity be at least 10% or more of total assets before we are allowed to pay dividends.

Should we meet this objective then depending on the number of shares you have invested in, you would experience additional returns (more earnings) above market rates paid on your deposits. Currently, your investment in the Credit Union is minimal as most of you have focused on simply utilizing our products only. We encourage you to change this practice and maximize your returns as members.

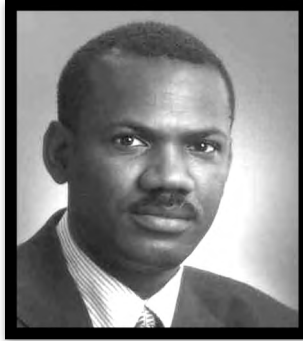
We are determined to significantly increase operating efficiencies, and put us in a stronger competitive position. As the largest credit union, and with your support; we will have the **resources to continue to improve your “banking experience”**, provide added financial services, and highly competitive rates. Moving forward, we will invest substantially in our IT Infrastructure so as to enhance modern technology and bring new technologies to our membership faster.

As we celebrate 40 years, we again reflect on the following quote: Coming together is a beginning, keeping together is progress, and working together is success – Henry Ford

Herein lies the key to building our legacy.

Lenn King, Board Chairman

**BOARD OF  
DIRECTORS**



**LENN KING**  
Chairman



**SHARON RAHMING**  
Vice Chairperson



**THERESA DELEVEAUX**  
Treasurer



**CHERYL BOWE-MOSS**  
Secretary



**HENRY CAMPBELL**  
Asst. Treasurer



**GERALDINE STEVENS**  
Asst. Secretary



**W. JOHNLEY FERGUSON**  
Director

**SUPERVISORY  
COMMITTEE**



**ELBERT THOMPSON**  
Chairman



**KIM KNOWLES**  
Secretary



**DENCIL KERR**  
Member

**CREDIT  
COMMITTEE**



**ITALIA SEYMOUR**  
Chairperson



**E. J. BOWE**  
Member



**YVETTE COOPER**  
Member

**EDUCATION COMMITTEE**



**VIENNA MCKENZIE**  
Chairperson



**ANTONA CURRY**  
Vice Chairperson



**RENEE MAYERS**  
Secretary



**DONNELLS. JOHNSON**  
Member



**BARBARA BOWE**  
Member

**SENIOR MANAGEMENT TEAM**



**CALVIN THOMPSON**  
General Manager



**DEBORAH M. ZONICLE**  
Financial Controller



**SOPHIA S. MOSS**  
Sr. Operations Manager



**ELAINE FERGUSON**  
Manager, Credit Risk



**YVONNE RAHMING**  
Manager, Marketing



**CHARLENE STUART**  
Manager, Human Resources & Training



**SHIRLEY KNOWLES**  
Branch Manager, Freeport



**HADASSAH MARCHE**  
Branch Manager, Abaco



**LYNETTE MOORE**  
Asst. Financial Controller



**MEGAN DEAN**  
Manager, Internal Audit



**CAUDRAY PRATT**  
Asst. Manager, Collections & Loans

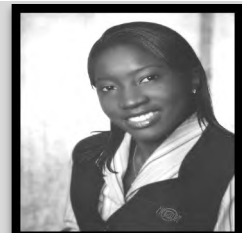


**MANAGEMENT TEAM**

**TONIA PERCENTIE**  
Asst. Branch Manager, Freeport



**KANIELLA MAYCOCK**  
Manager, Compliance



**JULIAN MILLER**  
Manager, Property Management



**DOMINIQUE BAIN**  
Sr. Manager I.T.





## SUPERVISORS & LINE STAFF



**CAMILLE BURROWS**  
Supervisor Mortgage



**JOANNE GIBSON**  
Supervisor Loans



**IRENE MOSS**  
Sr. Operations  
Supervisor



**JACQUELINE WHYMS**  
Corporate Secretary



**SAMANTHA COLEBROOK**  
Supervisor Operations



**CLAUDETTE DANIEL**  
Supervisor Member  
Services



**ALFREDA GIBSON**  
Supervisor Accounts



**DWANYA MILLER**  
MSR Head/Teller



**KATHERINE RAHMING**  
MSR Loans Dept.



**EVELYNDA SMITH**  
MSR Loans Dept.



**Huewitt Whyly**  
MSR Freeport Branch



**GERLINE FERGUSON**  
MSR Internal Audit



**MESHA ROLLE**  
MSR Loans Dept.



**SHEILAMAE SANDS**  
MSR Teller



**TALOV WILSON**  
I.T. Support Specialist



**HOLLY PINDER-DEAN**  
MSR Collections Dept.



**BIANKA BROWN**  
MSR Freeport Branch



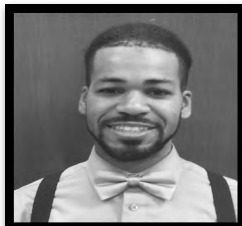
**TRISTAN MARSHALL**  
MSR Card Services



**MYRIAM CHARLOW**  
MSR Loans Dept.



**PATRICIA CURRY**  
MSR Abaco Collections



**STEVE DAMES**  
MSR Loans Dept.



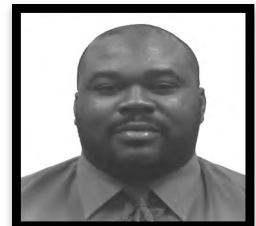
**TAMARIA GARDINER**  
MSR Accounts Dept.



**ASHLEIGH PAYNE**  
MSR Loans Dept.



**MCALÉX CORNEILLE**  
MSR Teller  
Freeport Branch



**KENDRICK MINNS**  
MSR Collections Dept.

**LINE STAFF**



**EARLA MOSS**  
MSR Collections Dept.



**ZSIA POITIER**  
I.T. Support Specialist



**ORDIA ROLLE**  
MSR Records Dept.



**LYNDA SMITH**  
MSR Loans Dept.



**DONNA DARVILLE**  
MSR Loans Dept.



**CINDY EDGECOMBE**  
MSR Freeport Branch



**CORENE MOXEY**  
MSR Operations



**SAMANTHA  
LIGHTBOURNE**  
MSR Operations



**THEADORSHA LOWE**  
MSR Freeport Branch



**SHANIKA BAILLOU**  
MSR Freeport Branch



**CHEERESE MAJOR**  
MSR Compliance



**PHILENDRA MCDONALD**  
MSR Operations



**RASHEA CAREY**  
MSR Mortgage Dept.



**KENDRECKA FERGUSON**  
I.T. Support Specialist



**DAVINA KNOWLES**  
MSR Abaco Branch



**MICHELINE CERVILI**  
MSR Card Services



**KIMBERLEY TAYLOR**  
MSR Data Processor



**TROY BABBS**  
MSR H.R. Admin



**FELONIE SHEPHERD-CAREY**  
MSR Teller



**SKERON DORSETTE**  
MSR Abaco Branch



**RHONDA ARTHUR**  
MSR Human Resources



**BETTY HANNA**  
MSR Collections Dept.



**DAVINYA LIGHTBOURNE**  
MSR Operations



**JAMAL FRASER**  
MSR Teller Freeport



**SONOVIA BUTLER**  
MSR Property MGMT



**JIMICA FRANCOIS**  
MSR Teller



## FORTIETH ANNUAL GENERAL MEETING AGENDA

<p>8:00 a.m. .... <i>REGISTRATION</i></p> <p style="text-align: center;">9:00 a.m.</p> <p>CALL TO ORDER ..... Chairman          INVOCATION ..... Fr. Rev. B. J. Smith</p> <p style="text-align: center;">NATIONAL ANTHEM          PRAYER OF ST. FRANCIS</p> <p style="text-align: center;">9:10 a.m.</p> <p>Apologies          Reading of AGM Notice ..... Secretary          Ascertainment of Quorum ..... Vice Chairman  <i>Greetings:</i> ..... Bahamas Co-operative League Limited</p> <p style="text-align: center;">9:30 a.m.</p> <p><i>Protocol for Meeting</i> ..... Vice Chairman</p> <p style="text-align: center;">9:35 a.m.</p> <p><i>Minutes of Last Meeting</i> ..... Secretary</p> <p style="text-align: center;">9:50 a.m.</p> <p><i>Matters Arising</i> ..... Chairman</p> <p style="text-align: center;">10:15 a.m.</p> <p><i>Board of Directors Report</i> ..... Chairman</p> <p style="text-align: center;">10:35 a.m.</p> <p><b><i>Treasurer's Report</i></b> ..... Treasurer</p>	<p style="text-align: center;">Audited Financial Statements  <i>Budget</i></p> <p style="text-align: center;">10:55 a.m.</p> <p>Supervisory Committee Report Committee Chairman          Education Committee Report Committee Chairperson          Credit Committee Report Committee Chairperson</p> <p style="text-align: center;">11:30 a.m.</p> <p><i>Resolutions Assistant</i> ..... Secretary</p> <p>Distribution of Dividends          Appointment of Auditors          Any other Resolutions</p> <p style="text-align: center;">11:45 a.m.</p> <p>Bye-Laws Amendments</p> <p style="text-align: center;">12:00 p.m.</p> <p><i>Elections</i> ..... Auditors - Baker Tilly Gomez          *Nomination Committee Report          *Nomination from the floor          (Board of Directors, Supervisory Committee &amp;          Credit Committee)</p> <p style="text-align: center;">12:30 p.m.</p> <p><i>Closing Vote of Thanks</i> ..... Assistant Treasurer</p> <p style="text-align: center;">LUNCH</p>
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### STANDING ORDERS

- |  |  |   |
|--|--|---|
| <ol style="list-style-type: none"> <li>1. (a) A member is to stand when addressing the Chair.</li> <li style="padding-left: 20px;">(b) Speeches are to be clear and relevant to the subject before the meeting.</li> <li>2. A member shall only address the meeting when called upon by the Chairman to do so, after which the member shall immediately take his seat.</li> <li>3. No member shall address the meeting except through the Chairman.</li> <li>4. A member may not speak twice on the same subject except:             <ol style="list-style-type: none"> <li>(a) The Mover of a Motion – who has the right to reply</li> <li>(b) The member rises to object or to explain (with the permission of the Chair).</li> </ol> </li> <li>5. The Mover of a procedural motion, such as for adjournment or postponement of the meet-</li> </ol> | <ol style="list-style-type: none"> <li style="padding-left: 20px;">ing, shall have no right to reply once the motion is laid on the table.</li> <li>6. No speech is to be made after the “Question” has been put and carried or defeated.</li> <li>7. A member rising on a point of order is to state the point clearly and concisely (A “point of order” must have relevance to the “Standing Order”).</li> <li>8. A member should not “call” another member “to order”—but may draw the attention of the Chair to a ‘breach of order’.</li> <li>9. A question should not be put to vote if a member desires to speak on it or move an amendment to it – except that a “Procedural Motion”, “The Previous Question”, “Proceed to the next Business” or the “Closure” that the Question be “NOW PUT”, may be moved at</li> </ol> | <ol style="list-style-type: none"> <li>any time.</li> <li>10. Only one amendment should be before the meeting at any time.</li> <li>11. When a motion is withdrawn, any amendment to it also falls away.</li> <li>12. The Chairman is to have the right to a “casting vote”.</li> <li>13. If there is equality of voting on an amendment, and the Chairman does not exercise his casting vote, the amendment is lost.</li> <li>14. Provision is to be made for protection by the Chairman from vilification (personal abuse).</li> <li>15. No member shall impute improper motives against another member.</li> <li>16. Only members are allowed to speak or ask questions at the meeting.</li> </ol> |
|--|--|---|



NOTICE OF THE ANNUAL GENERAL MEETING

To: **MEMBERS ONLY**  
**Teachers and Salaried Workers Co-operative Credit Union Limited**  
**East Street South and Independence Drive**  
**NON-MEMBERS AND CHILDREN WILL NOT BE ADMITTED**

Notice is hereby given that the Fortieth (40<sup>th</sup>) Annual General Meeting of the Teachers & Salaried Workers Co-operative Credit Union Limited will be held at the British Colonial Hilton Hotel, located on Bay Street, on Saturday, May 20th, 2017, commencing with registration at 8:00 a.m. for the following purposes:

- ◇ To receive the Report of the Board of Directors for 2016.
- ◇ To receive the Audited Accounts for 2016.
- ◇ To elect members of the Board of Directors.
- ◇ To elect members of the Supervisory Committee.
- ◇ To elect members of the Credit Committee.
- ◇ To discuss and approve the Budget for 2017.
- ◇ To take action on such matters as may come before the meeting.
- ◇ To discuss and approve the Bye-Laws.

  
 Cheryl Bowe-Moss  
 Secretary

RETIRING BOARD & COMMITTEES MEMBERS

In accordance with Section XIV 46 of the Bye-Laws, Tenure of Office, the tables below shows the list of elected persons on the Board, Supervisory Committee and Credit Committee and the dates of their retirement.

Directors	Elected or Reelected	2017	2018	2019
Cheryl Bowe-Moss	2016			*
Sharon Rahming	2015		*	
Lenn King	2014	*		
Henry Campbell	2016			*
Geraldine Stevens	2014	*		
Walter J. Ferguson	2014	*		
Theresa Deleveaux	2015		*	

RETIRING SUPERVISORY COMMITTEE MEMBERS

Supervisors	Elected or Reelected	2017	2018
Elbert Thompson	2016		*
Dencil Kerr	2015	*	
Kim Knowles	2015	*	

RETIRING CREDIT COMMITTEE MEMBERS

Member	Elected or Reelected	2017	2018	2019
Italia Seymour	2014	*		
E. J. Bowe	2015		*	
Yvette Cooper	2016			*

Teachers And Salaried Workers  
Co-operative Credit Union Limited

Minutes of the  
39<sup>th</sup> Annual General Meeting

**Theme: "Adjusting to Change; Managing Progress"**

1. CALL TO ORDER

The 39<sup>th</sup> Annual General Meeting of the Teachers and Salaried Workers Co-operative Credit Union was called to order at 9:18 a.m. by Chairman Mr. Lenn King.

- 1.1. Chairman Lenn King asked all to stand as he invited Father Berkley Smith to the podium for the invocation and to lead the recitation of the Prayer of St. Francis of Assisi.
- 1.2. The national anthem was sung.
- 1.3. A moment of silence was observed for the departed.

2. WELCOME

Chairman Lenn King wished all a pleasant good morning and introduced himself as the Chairman of the Board and that he would be presiding over the proceedings of the Annual General Meeting.

- 2.1. Special welcome was extended to the Auditors, Baker Tilly Gomez and the Stenographer, Ms. Carol Nichols.

3. CORRECTIONS TO AGM BOOK

Before the adoption of the agenda Chairman Lenn King advised the membership of corrections to the AGM book as follows:

- 3.1. Page 9 - 38<sup>th</sup> Annual General Meeting corrected to the 39<sup>th</sup> Annual General Meeting.
- 3.2. Page 9 - Saturday, May 23<sup>rd</sup>, 2015 corrected to Saturday, May 21<sup>st</sup>, 2016.
- 3.3. Page 9 - Under Reading of Annual General Meeting Notices: Ascertainment of a Quorum change Vice-Treasurer to Vice-Chairman.
- 3.4. Page 9 - Closing Vote of Thanks change Vice-Treasurer to Assistant Treasurer.

4. ADOPTION OF AGENDA

- 4.1. Motion for the adoption of the agenda was moved by Mrs. Genevieve Gibson, seconded by Mr. Dencil Kerr and was carried.

5. READING OF ANNUAL GENERAL MEETING NOTICE

The Notices of the Annual General Meeting were read into the record by Mrs. Sharon Rahming, Secretary, Board of Directors.

6. ASCERTAINMENT OF A QUORUM

Vice Chairperson, Mrs. Cheryl Bowe-Moss stated that the legal requirements for a quorum for a Credit Union of the size of Teachers and Salaried Workers Co-operative Credit Union is 100 members and the registration count has passed 200. Therefore, she ascertained a quorum was met.

7. GREETINGS

7.1. Bahamas Co-operative League Limited

Mrs. Sharon Rahming, Vice-President, the Bahamas Co-operative League Limited, representing the President of the League Ms. Sonia Hamilton, who has had another engagement brought greetings.

- 7.2. She stated that Teachers and Salaried Workers Co-operative Credit Union Limited is an affiliate of the League and commended the Credit Union on its 39<sup>th</sup> Anniversary. She stated the membership should pause and reflect on the goodness of the Lord on co-operatives for which was collectively attained. She voiced her hope that in the approaching years that the Credit Union will continue to be outstanding and encouraged all to continue to comply with the new regulators. She **wished God's blessing on the Teachers & Salaried Workers Co-operative Credit Union.**

8. PROTOCOL FOR MEETING

- 8.1. Vice Chairman Mrs. Cheryl Bowe-Moss read the protocol of the meeting found at page 10 into the records.
- 8.2. The Chairman thanked the Vice Chairman and asked all to the extent practicable, to follow the rules of relevance and to be very circumspect with their questions so that the meeting may proceed as quickly as possible.

9. READING OF THE MINUTES OF THE 38<sup>TH</sup> ANNUAL GENERAL MEETING

Mrs. Sharon Rahming, Board Secretary, requested a motion to forgo the reading of the 38<sup>th</sup> Annual General Meeting and the Special Meeting as the AGM Book in which the minutes were contained was available well in advance of the AGM date.

- 9.1. Ms. Antona Curry moved to forgo the reading of the 38th Annual General Meeting and the Special Meeting. The motion was seconded by Dr. Bridgette Rolle and was carried.
10. CORRECTION OF THE 38<sup>TH</sup> ANNUAL GENERAL MEETING
- 10.1. Page 12: 37th Annual General Meeting changed to **"38th Annual General Meeting"**.
- 10.2. Page 12 and 13: hyphenate the word **"cooperatives"**.
- 10.3. Page 14, Item 9.3, line 2: delete the word "at" and insert "as it was".
- 10.4. Page 26, Item 40.13, last line: delete "budget", insert "budget" and delete last line.
- 10.5. Page 28, Resolution 2 first line: delete "Secretary", insert "Vice-Chairman".
- 10.6. Page 31, under nominations, paragraph 2; page 31: delete "Gary Rahming", insert "Gary Ingraham". Line 3, in the same paragraph, delete "Drexel" and insert "Dexter".
- 10.7. Page 31 paragraph 4, line 2: delete "270", insert "17".
- 10.8. Page 41, Board of Directors' Report under 2015 operating expense: delete "421%", insert "42%";
- 10.9. Page 41 Board of Directors' Report under operating expense total net income: delete "\$109,903" and insert "\$111,903".
- 10.10. Page 41 Board of Directors Report, Children's Accounts 20/20 Plan: delete "67%" insert "75%".
- 10.11. Page 45, caption for third table: insert "Retiring Credit Committee Members".
- 10.12. Page 48 under TWD Highway Property (7 tenants): delete the third bullet point.
- 10.13. Page 48: insert under Freeport Complex (5 tenants).
- 10.14. Page 48: insert under Abaco Complex (11 tenants).
- 10.15. Page 48: under the Freeport Complex, insert "Abaco Complex" and under "Abaco Complex" insert "Pine Bar Restaurant \$16,857; Prickle Patch, \$3,440; and "Central Wine and Spirits \$3,225."
- 10.16. Page 48 second bullet point under "Abaco Complex" Provision Totaling \$14,155 is provided for outstanding rent for current tenants."
- 10.17. Page 120, Resolution 4(a): delete "by the annual general meeting".
- 10.18. **Page 15, Item 10.2 second line: add "Bank" after "Governor of the Central"**.
- 10.19. Page 15, Item 10.1: correct name spelling to **"Alverne"**.
- 10.20. Motion for the acceptance of the minutes with corrections was moved by Ms. Marcia Munnings, seconded by Ms. Nicola Williams and was carried.
11. CORRECTIONS TO SPECIAL GENERAL MEETING MINUTES
- 11.1. There were no corrections.
- 11.2. Motion for the acceptance of the Special General Meeting Minutes was moved by Mr. Anthony Rolle, moved; seconded by Mr. Oliver Hutchinson and was carried.
12. MATTERS ARISING 38<sup>TH</sup> ANNUAL GENERAL MEETING
- 12.1. Page No. 25, 40.11: Mr. Leroy Sumner stated that it seemed as if part of the comment made by **Mr. Terrence King was left off as it reads "Mr. Terrence King objected to the motion stating there are unresolved questions and issues that have not been answered, so how can you pass the budget where there is" and then there is a discontinuance.**
- 12.1.1. Mrs. Cheryl Bowe-Moss, Vice-Chairperson advised Mr. Leroy Sumner to go to the next page where the sentence continues with there is "uneasiness in the room".
- 12.2. Page 31: Ms. Antona Curry voiced concerns regarding the nomination of Mr. Dencil Kerr. She stated that she had it on good authority as well as documents, that Mr. Kerr was nominated for two positions however, persons could only be nominated for one position. Ms. Curry stated that Mr. Kerr was then taken off the list of nominees for the Board of Directors, and was placed on the nominee listing for the Supervisory Committee after nominations had been closed. She asked how this could have happened.
- 12.2.1. Board Secretary, Mrs. Sharon Rahming advised that the only person who would be able to answer the question is the

Chairman of the Nomination Committee, Mr. Vernal Collie. Mrs. Rahming then asked Mr. Vernal Collie if he was willing to speak on the matter to which Mr. Collie responded with “yes”.

12.2.2. Mr. Vernal Collie advised that as he could recall correctly, Mr. Dencil Kerr had applied for two positions one on the Board as well as a position on the Supervisory Committee. Mr. Collie further stated that they were attempting to discourage applicants from applying for two positions, and so they engaged in negotiations with those particular applicants with a view to have them select one position.

12.2.2.1. Mr. Collie advised that in the case of Mr. Kerr, the Nomination Committee negotiated with him and since he was qualified for both positions, they decided that he will be placed on nominee list for the Board.

12.2.3. Ms. Antona Curry, on a point from the floor stated that she was confused as to how Mr. Dencil Kerr be nominated again when the nominations were closed. Mr. Vernal Collie responded with we decided.

12.2.3.1. Ms. Antona Curry questioned how they (Nominations Committee) could decide for us (Membership).

12.2.3.2. Discussion ensued.

12.2.3.3. Mr. Vernal Collie explained that Mr. Dencil Kerr subsequently called and asked to be on the Supervisory Committee rather than the (Board) and this was made clear in the Nomination Committee report at the last AGM.

12.2.3.4. Ms. Antona Curry stated this was done after the fact adding that things should be done properly and in order.

12.2.3.5. Mr. Vernal Collie stated that if persons felt aggrieved by

what the Nomination Committee did, they has a course of action open to them via the AGM and putting their name in for nomination.

12.2.4. Ms. Theresa Deleveaux, Board Treasurer on a point of clarity stated that last year she was affected (by the Nominations Process) and even though she is on the Board she needs to speak to it as a matter of transparency. Ms. Deleveaux advised that after the 2015 AGM, two members who ran also questioned Mr. Dencil Kerr nomination to the Board and to the Supervisory and had asked her to investigate. During the course of her investigation last week she was advised by the Confidential Secretary that two members were also investigating what happened last year. Ms. Deleveaux advised that she spoke with the Chairman of the Board on her findings.

12.2.4.1. Ms. Deleveaux advised that what she found peculiar was that up to the Wednesday before elections (AGM) Mr. Kerr was campaigning against her for a place on the Board which led to her asking the Nominations Committee how could a person who was running for the Board of Directors three days before the AGM now be running for the Supervisory Committee.

12.2.4.2. Ms. Theresa Deleveaux also recommended the need for different people on the Nominations Committee.

12.2.5. Mr. Dencil Kerr addressed the membership informing that last year, during the nomination process, he had indeed submitted applications for two positions. However, he was told by the Chair, Nomination Committee that he could not be nominated for both positions and that they were recommending that he go for the Board of Directors. He requested to

be nominated for the Supervisory Committee instead. Further, he did nothing out of order.

- 12.2.6. Mr. Graham McKinney stood and advised the members that he was nominated last year to serve on the Supervisory Committee and he thanked the Chairman of the Nominations Committee for stating that if persons are aggrieved they ought to come forward and say so.
- 12.2.7. Mr. McKinney advised that he felt aggrieved and denied a rightful position on the Supervisory Committee because of the insertion of Mr. Kerr's name after the fact. Mr. McKinney stated that it is clear that there was some impropriety done. He advised that it was clear that there were three names nominated when he was given a letter stating that he was successful in his nomination attempt. However, when he came to the AGM, the numbers grew from three to five. I was disadvantaged by the increase in candidates.
- 12.2.7.1. Mr. Graham McKinney stated that this AGM ought to do something about it by either saying the entire process that gave Mr. Kerr that chance to sit on that Committee be overturned and that whomever was the person with the next highest votes, even if it is not him, occupy that seat.
- 12.2.7.2. Mr. Graham McKinney then advanced that the AGM ought to overturn the election process that gave Mr. Kerr a seat on the Supervisory Committee from last year and to look at who should have been the next person and that person be given the opportunity to serve.
- 12.2.7.3. Mr. Graham McKinney advised that he was not under qualified to serve in the position and gave an overview of his education and work background.
- 12.2.8. Mr. Graham McKinney made a motion to remove Mr. Dencil Kerr from the position on Supervisory Committee as a result of what transpired and that the floor be open for nominations for that very position.
- 12.2.8.1. Mr. Oliver Hutchinson seconded that motion.
- 12.2.8.2. Mrs. Sharon Rahming advised that the motion was made and seconded and would now call for a vote.
- 12.2.8.3. Mr. Sherman Stevens questioned that since the matter was dealt with last year how can they now go back as to go back; would seem ignorant. Mr. Stevens further stated that this course of action would create a precedence of overturning decisions that were made which he is totally against.
- 12.2.9. Mrs. Sharon Rahming, Board Secretary advised constitutionally the motion is on the floor and they are mandated to ask for a vote as it has been moved and second according to Robert's Rules.
- 12.2.10. Mr. Graham McKinney stated that the motion he made was not that they vote but for the person who had the next highest amount of votes be placed in that position. I am
- 12.2.11. On a point of information, Mr. Leroy Sumner advised that when the Nominating Committee came last year, in reading the reports, as the Chairman stated, several persons had made applications for two positions. So Mr. Kerr was not the only one and the Committee, as Mr. Collie indicated, negotiated with those persons, and they then changed to have their name put in one nomination. One person went from the Supervisory Committee to the Board and the other who was named and nominated for the Board, went to the Supervisory Committee. And so the Committee came and read the report in this place. The report was adopted unanimously by this au-

gust body. The name of the person who is now aggrieved was put in the nomination by the same Nominating Committee. All of the names, if you go to page 33 and 32 of your booklet, you will see that all of the names were put in the nomination. No one was denied a nomination for the Supervisory Committee. The five names went to vote, and the result of the voting is on page 32.

Votes:

NAME	VOTES
Dencil Kerr	91
Kim Knowles	84
Graham McKinney	74
Dexter Cartwright	73
Gary Ingraham	69

So the body not only accepted the Nomination Committee's report, everyone went to the election, everyone had an opportunity to vote, and that is the result of the voting. Now, to accede to that request, you are putting the Credit Union on very, very slippery ground. If that member is aggrieved and the body agrees, then the other one is also entitled to be reversed. The august body has already spoken, and this is the highest authority.

12.2.12. Mr. Leroy Sumner read into the minutes standing order No. 8 and 9:

No. 8 "A member should not 'call' another member 'to order' - but may draw the attention to the Chair to a 'breach of order'. "The gentleman who spoke earlier was referring to a possible breach of order, which means that in No. 9:"A question should not be put to vote if a member desires to speak on it or move an amendment to it except that a 'Procedural Motion', 'The Previous Question, Proceed to the Next Business' or 'Closure' that the Question" Right now the motion is on the floor, and this body have a right to vote on it, irrespective of who may or what may happen after. For example, my house may just burn down,

but I should have insurance. It is not my fault if I don't have insurance.

12.2.13. Chairman Lenn King requested Mr. Graham McKinney repeat his motion when a member asked what was the motion.

12.2.14. Mr. Graham McKinney made motion for the seat Mr. Kerr occupied through nomination and voting last year be overturned and that the person who was next highest in votes would occupy that seat beginning from this point forward, be given the same length of time as stated in our bye-laws.

12.2.14.1. Mr. McKinney stated that as this is an emotional time for everybody, he may have the motion different

12.2.15. Chairman Lenn King advised the membership that they are supreme authority regarding decisions.

12.2.16. Mr. Graham McKinney requested the stenographer to read the motion that he made in the event he would have erred in any of his deliberations in presenting the motion.

12.2.17. Chairman Lenn King asserted that all heard the motion as restated by Mr. McKinney. He then asked for all those in favor of the motion moved by Mr. McKinney to remain seated; those who were opposed or the contrary, to rise and following the seating of those opposed any abstentions were asked to rise. The following count was taken:

12.2.17.1. Sixty-five (65) persons opposed the motion.

12.2.17.2. Nine (9) persons abstained.

12.2.17.3. Chairman Lenn King advised that there were more than two hundred (200) persons in the room and therefore the motion carried and so Mr. Graham McKinney will now be seated on the Supervisory Committee as directed by the AGM.

12.2.18. Ms. Antona Curry on a point of information stated she was concerned that



the person who moved the motion was the next person to get the position adding she did not think he should have been the one to move the motion.

13. MATTERS ARISING - SPECIAL CALLED MEETING

- 13.1. Ms. Angela Hunt expressed concern over not seeing the notices for the Special Called Meeting and that she was concerned that because of what occurred in the meeting there were only 38 persons who attended. She requested a few minutes given what occurred at the meeting for members to read the minutes of the meeting on page 35.
- 13.2. Mrs. Sharon Rahming stated that the AGM booklets were made available to all for some time; further, the minutes were accepted.
- 13.3. Ms. Angela Hunt requested explanation on the stipends noted in the minutes.
- 13.4. Mrs. Sharon Rahming, begged the indulgence of the membership and read into the minutes a letter from the Central Bank that governs the Board and she noted that the Board is in compliance.

Teachers & Salaried Workers Co-operative Credit Union Ltd.  
P. O. Box N-8325, Nassau, Bahamas.

27th November, 2015

Attention: Mrs. Sharon Rahming

Dear Madam:

Remuneration of Directors and Supervisory Committee Members.

Further to your letter, (This is the letter from the AGM) dated 22nd September, 2015, please be advised that the Central Bank of The Bahamas has no objection to the payment of stipend of \$530.00 per month and \$250.00 for Directors and Supervisory Committee Members of the Teachers & Salaried Workers Co-operative Credit Union Ltd. Respectively, retroactive to 1st June, 2015, and pursuant to section 58 of The Bahamas Co-Operative Credit Union Act, 2015.

Please be reminded that the aforementioned payments must be fixed in the bye-laws of Teachers & Salaried Workers and ratified annually by its members by Resolution at the Annual

General Meeting. Further, please be advised that the Central Bank is not inclined to support any forms of remuneration, namely: bonuses, retirement payments, etc., to Directors and Committee Members of the Credit Union.

On a separate note, we would also expect that the budget allotted to the travel expenses for Directors to attend overseas conferences is not disproportionate to the training budget available to Management and line staff of the Credit Union who are responsible for its day-to-day operations.

We wish to remind you that the Credit Unions are not-for-profit institutions and such payments are fundamentally contrary to the co-operative philosophy and tradition of the Credit Union Movement.

Yours faithfully,

Karen V. Rolle,

Bank Supervision Department Manager

- 13.5. Mrs. Edna Ginton stated that she was happy to hear the letter because she has fought that hard and long. She further stated that she wanted the membership to note that there was notification for the meeting adding that the meeting was held for an hour to allow more persons to come but it still did not help much. Mrs. Ginton advised persons to stay alert and to read and stay abreast of what is going on as this is our investment and the Credit Union belongs to the members, not to the Board and we have a lot to lose. She asked all to please examine the bye-laws and the nomination process because it was the process that was flawed not the Committee.

- 13.6. Mrs. Sharon Rahming noted that Mrs. Edna Ginton was speaking as a former member of the Nomination Committee.

- 13.7. Mrs. Sharon Rahming then turned the meeting over to the Chairman.

14. BOARD OF DIRECTORS' REPORT

Chairman Lenn King read the report found on page 41 into record and entertained questions from the membership.

- 14.1. Ms. Marcia Munnings stated that she has been a member for many years and for the last ten years, offered to volunteer via the AGM registration form with no response. She drew attention

to the AGM booklet noting the number of errors and advised that one of her gifts is reviewing documents and she would have gone through the booklet for errors at no cost. Ms. Munnings encouraged as the Credit Union grows and develop, let us learn to do things differently.

14.1.1. Chairman Lenn King noted Ms. Marcia Munnings comments.

14.2. **Motion for the adoption of the Board of Director's Report** was carried.

## 15. TREASURER'S REPORT

Treasurer, Ms. Theresa Deleveaux, gave an overview **of the key financial indicators in Treasurer's Reports** for the record.

- 15.1. Assets for 2015 on page 46 now totaled \$346,396 at the end of December due to an increase of 6.9 or \$12 million. \$230,819 of the increase was as a result of growth in deposits with the Bahamas Co-operative League which increased by \$7,489,286 or 30.4. Treasurer Deleveaux advised that the Credit Union is mandated by law to have 10% of its assets lodged with the Bahamas Co-Operative League and we are getting there with a target date of being in compliance by December 31st of 2016.
- 15.2. Loan Receivables increased by \$4,239,895 as a result of a successful loan campaign in the months of July and August 2015.
- 15.3. Liabilities at the end of 2015 stood at \$173,268,958 an increase of \$11,816,502 or 7.3, compared to December as a result of members' regular share deposits increasing.
- 15.4. Members' equity, which is mandated to be at 10% if they are to receive dividends on their qualifying shares and at the end of 2015 member's equity only increased by \$414,317 and is below the 10% required standard by \$1,957,202 or 9.0%.
- 15.5. Total expenses increased by \$330,443 or 2.7% as a result of increases in our provisions for loan losses, our expenses on rental property, computer costs and members' security.
- 15.6. **Members' Security on page 94 under note 22, of the Audited Financial Statements - members' security are the loans and savings insurance premiums totaling \$220,999 and computer costs totaling \$314,399. Therefore there was an in-**

crease in expenses in 2015 over what was spent in 2014.

- 15.7. Net Profit at the end of December decreased by \$265,653 totaling \$111,903.
- 15.8. Board and Committee Travel totaling \$89,000 and was over the budget approved at the AGM.
- 15.9. Board and Committee Training was under budget by \$13,000 and represents travel expenses for seven Board travelling to an AML conference; seven Board and five Committee members travelling to CCCU conference; and six Board members travelling to World Council last year.
- 15.10. The East Street Complex is rented by government and last actual rent received was in March 2015. The lease for this complex is and has been outstanding from the inception of the building. The Credit Union is working on getting the leases signed and outstanding rent. The outstanding rent for the East Street Complex stood at \$518,088 a little over half a million dollars.
- 15.11. Tonique Darling Highway building has seven tenants with the outstanding tenants listed in the booklet.
- 15.12. Freeport Complex has five tenants and the Ministry of Health is one of the biggest outstanding renters. The Call Center and Easy Dental actual income collected during 2015 totaled \$710,048, while expenses totaled \$1,283,168, which represented a loss of \$573,120.
- 15.13. The Abaco Complex has been running at a net loss from the inception the building and new tenants rents having to be provided for at \$14,155. They are trying to get every dollar that is outstanding along with working to get the unoccupied spaces rented.
- 15.14. Treasurer Deleveaux advised members that the Credit Union has a lot of work to do for the year 2016 - 2017 to increase the Statutory Reserves that is required by law to be 10%. However, they are moving to accomplish this goal by the end of this year.
- 15.15. Liquidity, another mandatory compliance regulation for the Credit Union was slightly above the required standard.
- 15.16. The Credit Union has a vexing problem with delinquency with Loans Provision/Bad Debt

- (loans) that was budgeted at \$600,000 but in actuality was \$907,610. Treasurer Deleveaux asked the members to partner with the Credit Union in trying to encourage members they know are delinquent to come in and make payments on their loans.
- 15.17. The Delinquent Loans PEARLS ratio should be less than 5%, but is was at 10.64% at the end of 2015.
  - 15.18. Marketing increased by \$7,000 as a result of an increase in donations and gifts.
  - 15.19. Treasurer Deleveaux advised that during the 2016 financial year, the Board, Committees and Management will endeavor to ensure that the Credit Union remains viable, compliant with the law, policies and guidelines, will endeavor to reduce delinquency and find avenues to collect the large outstanding rent from tenants. The Board is working on putting mechanisms in place to tackle the problem along with Ms. Sophia Moss, Sr. Operations Manager with responsibility for the investment properties and Mr. Caudray Pratt , Manager Collections Department.
  - 15.20. Treasurer Deleveaux reported that during the year, Management sought Board's approval several new loan products and services to increase the loan portfolio; which will be marketed with the assistance of the Marketing Department.
  - 15.21. Treasurer Deleveaux advised that there are compliance issues that Board and Management are working to resolve.
  - 15.22. The Board is making efforts to cut expenses in order to increase the Credit Union's bottom line. One of the cost cutting measures was a cut in Board and Committee travel to one training.
  - 15.23. A staff succession plan with strict adherence to policy was put in place this year with several persons, who were reaching the mandatory retirement age of 65 will be retiring. Some employees were promoted within the Credit Union.
  - 15.24. Even though there was a slight profit at the end of the year, at one point it was thought that none would be made. Therefore, despite the backlashes the Board met with staff and shared the financial status of the Credit Union as well as the possibility that the Christmas bonuses would not be paid. However one week bonus was paid at December and another week paid in January 2017.
  - 15.25. Treasurer Deleveaux advised that it is not for the Board to look out for only the Board, Committees and staff, but to look out for our members.
  - 15.26. In spite of, the Credit Union was still able to reduce salaries by \$100,000 and ensuring that high investment properties, provision, and overtime expenses were kept at a minimum.
  - 15.27. Some of the new policies were reverted back to the original for the best interest of the Credit Union.
  - 15.28. Despite the declining economy, Teachers & Salaried Workers Co-operative Credit Union Ltd. was able to realize a small profit of \$111,903. However, for this financial period 2016, it is anticipated that there will be notable growth in the assets and net profits of your Credit Union; to achieve these goals, we must adapt to change for the benefit of all. Teamwork is critical, not only to be the largest, but to ensure the Credit Union remains your main financial provider of choice with the best comparable financial services. Treasurer Deleveaux admonished members when they do business with the competition, it is the same as doing business against themselves, the owners of this institution. In conclusion, on behalf of the Board, the Treasurer extended appreciation to members, for their continued confidence, support and for utilizing the products and services of their Credit Union. She encouraged members to assist the Board by partnering with them to make the institution one that is known to make a difference in the lives of the Bahamian people. Appreciation was extended to the Management and staff: in the Loans, Accounts and Collections Departments for their assistance. The Treasurer expressed her thanks and gratitude to her fellow Board Members for providing the opportunity for her to serve as the Treasurer for the period 2015-2016.
16. **AUDITOR'S REPORT:**
    - 16.1. Chairman Lenn King invited the representative **from the Auditor's firm, Baker Tilly Gomez to the podium to present the Auditor's Report.**
    - 16.2. Mr. James Gomez extended thanks on behalf of Baker Tilly for the opportunity to serve as the Auditors for the year ended December 31st, 2015. He then referred everyone to pages 58 and 59 of the Auditors Financial Statement; refer-

- ence and notes to through to 116.
- 16.3. Mr. James Gomez asked the Chairman of the Board for permission to read only the last two paragraphs of the Audit Report stating, that the Audit Report is a standard Audit Report, except that it has been modified.
- 16.4. Mr. James Gomez referred to page 61, under the Qualified Opinion with the following highlighted:  
**“The Basis for the Qualified Opinion as more fully explained in note 3(r) the Credit Union has classified members' qualifying shares available for withdrawal as equity in the statement of financial position and the dividends paid on these shares as an appropriation of retained earnings. This is in accordance with industry practice and The Bahamas Co-operative Credit Union Act, 2015 and its regulations. However, it is not in accordance with International Financial Reporting Standards (which is later referred to as IFRS).”**
- 16.5. IFRS states that members' shares available for withdrawal on the closing of members' accounts should be classified as liabilities and that dividends paid on these shares classified as an expense, when the Credit Union does not have an unconditional right to refuse a member's request to close their accounts and withdraw their qualifying shares from the Credit Union.
- 16.6. If members' qualifying shares are classified as a liability in accordance with IFRS, liabilities would have increased and members' equity decreased by \$4.1 million in 2015; and in 2014, \$3.8 million, as of December 31st, 2015.
- 16.7. The Qualified Opinion of the Auditors is that except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly in all material respects the financial position of Teachers & Salaried Workers Co-operative Credit Union Ltd. as at December 31st, 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards signed and dated April 18th, 2016.
- 16.8. Mr. James Gomez explained that because a member can at any time go into the Credit Union and close their account, the Credit Union is obligated to give the member their equity shares immediately which contradicts International Financial Reporting Standards.
- 16.9. Mr. James Gomez clarified that the information relayed is a qualified opinion and had nothing to do with any impropriety or Management. It is simply a conflict between the reporting and the Credit Union legislation, which happen from time to time. Therefore, a decision has to be made by the Credit Unions, through the Bahamas Co-operative League, to take some initiative to try bring the International Financial Reporting Standards and the 2015 Co-operative Act into alignment and create an equity share that has a permanent nature or some sort of ownership, because equity means ownership.
- 16.10. Page 73 refers to qualified shares which are members' shares representing the deposits holding of the Credit Union to satisfy membership requirements and facilitate eligibility for loans and other benefits.
- 16.11. Members' Regular Shares represents what a member can use to access loans issued by the Credit Union. Members' Regular Shares are classified as liabilities in the statement of financial position and the interest paid on these shares are classified as expense in accordance with International Financial Reporting Standards.
- 16.12. Qualifying shares are minimum shares required to become a member of the Credit Union, as described in the Credit Union's bye-laws. Each member of the Credit Union is required to own a minimum of 50 qualifying shares with a par value of \$5. These shares entitle each member to one (1) vote at the Annual General Meetings.
- 16.13. In accordance with the regulations and the industry practice, the Credit Union classifies qualifying shares as equity in the statement of financial position. The dividends paid on these shares are an appropriation of retained earnings and not as an expense which is not in compliance with the International Financial Reporting Standards.
- 16.14. Members' shares in Co-operative entities according to international interpretation and similar instruments, requires that the voluntary shares be classified as liabilities and that dividends paid on these shares be classified as an expense where there is no unconditional right of the Credit Union to refuse redemption, whether it is through legislation or through the Credit Union's own rules. Currently, members of a Credit Union, with no outstanding obligations due to the Credit Union, can withdraw their qualifying shares upon request.

- 16.15. Qualifying shares, members' equity on page 62 of the booklet has a balance of \$4.1 million versus \$3.8million in the prior year. The International Financial Reporting Standards state those shares must be shown or presented as a part of the members' regular shares and not as a permanent element of members' equity which means and therefore increases liability to \$177 million and reduces equity to \$17 million.
- 16.16. Chairman Lenn King thanked Mr. James Gomez for the report.
- 16.17. Mr. Patrick Smith stated that he was an accountant by profession and a CPA. He commended Mr. James Gomez for his simple and straight forward explanation of the Audit Report. He advised that he wanted to comment on paragraph **16 of page 18 of the Treasurer's Report, where it** speaks of the property in Abaco being 80% occupied however, was expected to be fully occupied in the near future, based on the comments he read. However, he can see where there is a major loss on the operation and wanted to know if Management has any intentions for the property given the great losses incurred. He continued that it seems as if something else is wrong and asked what the contractual arrangements were, whether monies were collected and were there considerations in place to sell or sublease the property.
- 16.18. Treasurer Theresa Deleveaux advised as she mentioned earlier, Board and Management are doing their best to get all the unoccupied spaces rented. Further, the Board realizes that they have to ensure that the rentals are in order so that the complex can be sustained and to collect outstanding rents. Unfortunately at this moment, the market is down.
- 16.19. Mr. Patrick Smith advised that from the Financial Statements he noted \$190 million in assets and only \$111,000 in net profit which is very low and reflects a low utilization of the assets if you can only generate \$100,000 off of \$190 million. Mr. Patrick Smith volunteered to assist the Credit Union.
- 16.20. Treasurer Theresa Deleveaux advised that it is hope by next year, provisions will be down and a better profit would be made. Treasurer Deleveaux made reference to the trends on the page. However, with the economy being down and people out of jobs the Credit Union would be impacted.
- 16.21. Mr. Patrick Smith advised that the economy will play a part but the Credit Union can improve systems and procedures to make things better.
- 16.22. Ms. Penelope Williams-Nottage asked if the Credit Union was trying to get partial payments from renters if they cannot get the full amount.
- 16.23. Treasurer Theresa Deleveaux advised that yes and some of the amounts listed are partial while some are outstanding. She also advised that one of the things that is being looked at is cutting up the larger spaces into smaller units as a means to generate more income. The top floor of the complex was initially meant to be a clinic, however, the Government built their own clinic, so that fell through. They will try their best to see how best the spaces may be utilized.
- 16.24. Ms. Penelope Williams-Nottage asked for elaborations on the policies that were reverted to and the original policies.
- 16.25. Treasurer Theresa Deleveaux advised that some of the policies like those involving the salary scales were put back to the original scale they were supposed to be. Policies within the Credit Union may change from time to time for example, if one looks at a policy or some procedure and notice that they are not working, they may be changed in accordance with the day-to-day operations. It is a matter of seeing what is not working and seeing how best it could work and putting new policies in place wherever needed. **The main core of the Board's job is to look at policies and change them accordingly.**
- 16.26. Mr. Leroy Thompson referred to page 47, under salaries and asked if Board members are a part of the salary.
- 16.27. Treasurer Theresa Deleveaux advised that they are not and further, if one look at Board in the highlighted expenses they would see Board and Committee out-of-pocket expense which was the only thing that was approved.
- 16.28. Mr. Leroy Thompson referred to page 38, noting there was a Resolution passed, and that seemed to indicate that persons would be receiving monies by the month from \$350 and retirement of \$8,000.
- 16.29. Treasurer Theresa Deleveaux advised that no,

they will not receive that.

- 16.30. Mr. Leroy Thompson emphasized that his question referred to the Special Called Meeting with 38 members in attendance, however, the Chairperson earlier said that a Credit Union of this size needs a hundred members for a quorum, yet a 38-member body passed Resolutions to give increases to Board members and Directors which seemed to be temporary until the Annual General Meeting. Further, if the monies are in place are will this AGM be called on to approve or disapprove for them to continue.
- 16.31. Treasurer Theresa Deleveaux advised that Resolutions passed at an AGM, no matter how many, have to go before the Regulator for final approval. The reason for that is that is firstly that resolutions may have been brought forth from somebody on the floor who are not familiar with the Act and further no money has been paid, the only thing that was approved by the Central Bank as the Secretary mentioned was the mileage or out-of-pocket \$530 and that has to come back to the AGM as a Resolution to be voted on today and annually. The \$8,000 retirement bonus would not be paid without consultation at the AGM, and we cannot bring those matters to you. The only thing we can bring is the \$500. The salaries mentioned are for the staff and there are 60 plus staff members.

**17. ADOPTION OF THE TREASURER'S REPORT**

Motion for the acceptance of the Treasurer's Report and the Auditors' Report for the 39th Annual General Meeting was moved by Father B.J. Smith, seconded by Mr. Anthony Rolle and was carried.

**18. BUDGET REPORT**

Treasurer Theresa Deleveaux presented the budget for the ensuing year which is found on page 53 and 54. The following was highlighted:

- 18.1. The budget is a working document with proposed figures that is intended to be reviewed quarterly. If the revenue does not come in as expected adjustments will have to be made to expenditure.
- 18.2. The budget was calculated by putting 3% or 5% on the actuals of the previous year. Treasurer Deleveaux advised that upon

appointment to the Board, by June 2015 the budget that was recently approved. However, some of the items are either spent or overspent and that is why the budget presented takes into account 2016-2017.

- 19. Motion for the adoption of the budget of 2016-2017 was moved by Ms. Brenda Albury, seconded by Ms. Sophia Williams and was carried.

**20. SUPERVISORY COMMITTEE REPORT**

Mr. Elbert Thompson, Chairman of the Committee read the Supervisory Committee Report found on page 117 of the booklet into the record following which, Chairman Lenn King opened the floor for questions.

- 20.1. Rev. Fr. Berkley Smith asked with respect to number 6 in the Supervisory Report, the extent to which the committee is working with the various high schools to ensure that when persons graduate and get jobs that they will come in to the Credit Union to do business and become member.
- 20.2. Mr. Elbert Thompson advised that the role of the Supervisory Committee, as was stipulated earlier, is oversight. With that in mind, the Committee is working along the Marketing Department, headed by Mrs. Yvonne Rahming, to attract younger members to the Credit Union. However, it is the job of the Marketing Manager to work with the schools and the public and the Supervisory Committee has noticed that she is doing her job effectively.
- 20.3. Chairman Lenn King thanked Mr. Elbert Thompson, Chairman, Supervisory Committee for its report.

- 21. Motion for the adoption of the Supervisory Committee's Report was moved by Ms. Sophia Williams, seconded by Mr. Arlington Hanna and was carried.

- 22. Chairman Lenn King recognize the presence of the President of the Bahamas Co-operative League Limited, Mrs. Sonia Hamilton, welcoming her to the meeting.

**23. EDUCATION COMMITTEE REPORT**

Ms. Vienna McKenzie, Chairperson of the Committee



read the Education Committee Report found on page 119 of the booklet into the record after which, Chairman Lenn King opened the floor for questions.

- 23.1. Ms. Vienna McKenzie stated that she wanted to address the issue of volunteers as mentioned earlier in the meeting by Ms. Munnings and her point about putting her name on the sheet and signing as a volunteer. What happens with those listings is that persons are chosen from time to time to attend sessions for further training so that they can qualify themselves to be on the various Committees such as, the Supervisory, Credit, the Board of Directors and Education Committee. The last session held in February had a class of 20 to 25 persons who were chosen from the AGM registration listings: persons apply for any of the Committees, they are asked if they had any training because persons serving have to have an understanding of Credit Unions. Ms. McKenzie entreated all to try and come out to the sessions, which are advertised in the newspaper, radio and on TV. Persons can also call the Credit Union to express their interest in putting their name on the listing for the next sessions. Further, a session was planned for the 9<sup>th</sup> of June and Mr. Edison Sumner, the Bahamas Chamber of Commerce and Employees Confederation will presenting on small business and entrepreneurship at 6:30 p.m. at the Credit Union's the main office, East Street.
- 23.2. Ms. Vienna McKenzie on behalf of the Education Committee thanked the liaison Board members, the Marketing Department, and the staff of Teachers & Salaried for their assistance, guidance and knowledge provided during the year.
- 23.3. Ms. Wendy Poitier asked if the Credit Union had a Facebook page. Ms. Vienna McKenzie advised that the Credit Union did not.
- 23.4. Mr. Alfred Poitier asked if the Credit Union have Instagram or Snapchat. He stated that he was asking because as indicated we want to have more young people involved with the Credit Union and we know that that is what all these young people are on these days via their smart phones. If not, Mr. Alfred Poitier recommended developing social media as a means of tracking young people and also as a means of getting information out to the general public and to members when there events, activities going on

and also updates. Ms. Vienna McKenzie stated to Mr. Alfred Poitier that his point was taken.

- 23.5. Mrs. Penelope Williams-Nottage advised that when she looks at the Credit Union website she notices it is scarcely updated. She also advised that she has received e-mails about the AGM however she would also like emails sent to her about the Education Committee and things that are happening.
- 23.6. Ms. Vienna McKenzie stated that what the Education Committee has been doing when persons come out to the information sessions is collecting their e-mail addresses and reaching out to those persons on when we are having another session. The Committee will also liaise with the Marketing Department to see if they can implement some of the suggestions mentioned.
- 23.7. An unidentified member stated that they have been attended the AGM for over ten years and registering, however, they have not ever received an e-mail from Teachers and Salaried Workers. In addition to that, one of the requirements of running for the different positions such as Supervisory Committee as well as the Board they knew of persons who were denied because they never had the opportunity to attend any of AGMs. They advised that if we are looking to carry this great establishment forward with respect to ensuring that it has the right cadre of individuals who serve on the Board as well as the Supervisory Committee, it is very important to market properly. The speaker asked the Credit Union to really pay attention to the marketing strategy and ensure there is a sense of inclusiveness for all of the members who have allowed this great organization to still be in this place.
- 23.8. Ms. Vienna McKenzie advised the speaker that their sentiments will be relayed to the Marketing Manager, Mrs. Yvonne Rahming. She reiterated that notices of the information sessions are advertised via the radio, newspapers and e-mails; they will however, put greater effort into disseminating the information.

Motion for the adoption of the Education Committee's Report was moved by Ms. Kim Knowles, seconded by Ms. Alverne King and was carried.

24. Just before the Credit Committee Report, Rev. Fr. Berkley Smith was asked to offer a blessing on the food and he complied.

25. CREDIT COMMITTEE'S REPORT

Chairman Lenn King called the Treasurer Theresa Deleveaux, who was also the Chairperson of the Credit Committee, to the podium to present the Credit Committee's Report found on page 55, 56 and 57 of the booklet.

25.1. Motion to dispense with the reading of the report was moved by Ms. Sophia Williams seconded by Ms. Genevieve Gibson.

25.2. Treasurer Theresa Deleveaux advised that the Credit Committee was comprised of Mr. E. J. Bowe, Mrs. Italia Seymour; Mr. Shawn Adderley, who presently away on leave as well as Chairman Lenn King and Treasurer Theresa Deleveaux.

25.3. Consumer loans approval limits of \$100,000 000 presided over by the Committee totaled 708 .

25.3.1. The LP/LS Insurance was explained. It is a life insurance policy that covers consumer loans up to \$100,000. The same also applies to savings accounts of \$20,000 in the Credit Union where the insurance will match that amount up to \$20,000 in the event of a member's death their family will benefit. Loan protection is taken out by all members.

25.4. The Credit Committee can approve mortgage loans up to \$500,000; amounts above must be approved by the Board.

25.5. 39 loans were deferred by the Credit Committee. Loans can either be deferred or declined by the Credit Committee during the year although some were resubmitted which required documentation.

25.6. Many requests came to the Credit Committee from members for withdrawal from their shares that they have assigned to their loans. It is sometimes difficult to approve these requests as it decreases the security against the loan. Requests are looked at on a case by case basis, depending on the need of the member.

25.7. Verbal loan approvals was one of the changes implemented over the year by the Credit Commit-

tee and is only permitted if there is a life or death situation.

25.8. Loan Restrictions – members who did not qualify for a loan but are granted based on the situation may be placed on a loan restriction for a period of time. Members who are placed on loan restrictions are asked not to submit another loan request until their restricted period ends.

25.9. Effective from November 2015 all related party loan requests, that is requests made by Board members and their families, staff and their family members and Committee members as well as their family must go to the full Board for approval. This is one of the policies that was reverted back to the original from just the Credit Committee.

25.10. The loan special that ran last year successfully loaned out \$12million exceeding the planned \$6 million and were all granted via salary deductions.

26. Motion for the adoption of the Credit Committee Report was moved by Ms. Bernadette Smith, seconded by Ms. Willamae Johnson and was carried.

27. RESOLUTIONS

Chairman Lenn King advised that all of the Resolutions are Board sponsored and therefore do not require a mover or a seconder. Chairman Lenn King called on the Assistant Secretary, Board of Directors, Mrs. Geraldine Stevens, to present the resolutions found on page 120 of the booklet. Director Geraldine Stevens read the Resolutions into the record.

RESOLUTION NO. 1:

WHEREAS the audited accounts for 2015 indicates that there are sufficient funds to provide a cash dividend to shareholders of Teachers & Salaried Workers Co-operative Credit Union; and

WHEREAS the Directors have determined that after the payment of such dividend the Credit Union will be able to meet all of its continuing obligations and provide adequate funds for reinvestment in the business.

BE IT RESOLVED that this Annual General Meeting approves payment of one and half percent interest on regular deposits; one and three quarter percent interest on dividend reinvestment; one and three quarter per-

cent interest on retirement accounts; one and one-half percent on share deposits; and three and one half percent on regular shares.

Comments:

- 27.1. Ms. Paula Knowles asked what the dividend percentage was last year and was advised by Treasurer Theresa Deleveaux that it was 4 percent.
- 27.2. Ms. Paula Knowles noted that it seems like we are gradually dropping stating, the purpose of putting funds into a share account is the good return we have been receiving for the past many years and in return be allowed to borrow against what is on share account. She also questioned if the Credit Union is becoming like Banks.
- 27.3. Treasurer Deleveaux replied that the Credit Union is not becoming like Banks because in comparison with the 1 percent return you would get from a **Bank's saving account the Credit Union is offering** 3.5 percent return on share accounts. Discussion ensued.
- 27.4. Ms. Paula Knowles asked what the interest rates on loans were. Treasurer Theresa Deleveaux advised that the interest rates on loans start from 7 or 8 percent with debt consolidation at 16 percent. The rate offered depends on the type of loan requested and the risk involved.
- 27.5. Ms. Paula Knowles suggested that the interest on dividends stay at 4 percent and the Credit Union for the next year for all the losses that were incurred. Further, we would like to see that the Credit Union has been working to receive some benefits from those places before you attack the share account in dropping the interest.
- 27.6. Treasurer Theresa Deleveaux advised that they will work tirelessly to make sure that the Credit Union collects monies so that the return will be greater next year, but with that the Board needs every member to work as a team to help us to achieve those goals. She advised the membership that some members have taken their names off of check-off so that their loan payments stop coming to the Credit Union adding to the delinquency resulting in the interest on dividends decreasing.
- 27.7. Ms. Paula Knowles recommended when persons have certain loans and do not want to pay it back, before extending those loans they should have assets held against the loan so that if they leave without paying, the Credit Union is able to recoup the monies. Treasurer Theresa Deleveaux advised that the Credit Union has this in place. Discussion ensued.
- 27.8. Ms. Angela Hunt asked for further explanation on what a dividend re-investment account is and a retirement account because there are interests for both of accounts.
- 27.9. Treasurer Theresa Deleveaux advised that retirement is an account put in place for those members who wish to save towards their retirement. The re-investment account was an account opened for members to purchase shares in TREHL when it was offered. However the company was dissolved but some persons may still have funds on the account.
- 27.10. Ms. Sheila Ingraham asked if these interest rates will also be used on loans or accounts that already exist.
- 27.11. Treasurer Theresa Deleveaux advised that once a member gets a loan the interest rate is assessed based on the type of loan and remains the same. However, if a member gets a new loan or want to rewrite their loan a new rate may be offered. Further, if a member opens a club account for example a Christmas Club, the rate at inception remains the same for the term of the account.

The adoption of Resolution No. 1 was carried unanimously.

RESOLUTION NO. 2

BE IT RESOLVED that the Board of Directors be responsible for the appointment of Auditors for the year ending December 31st, 2016.

The adoption of Resolution No. 2 was carried unanimously.

RESOLUTION NO. 3:

Permanent Shares Split

BE IT RESOLVED that effective immediately the Permanent Shares of current and new members will be split into Qualifying and Equity Shares, broken down as follows:

- (a) Qualifying Shares = 1 Par Value \$50.00

and

- (b) Equity Shares = 4 Par Value \$50.

The adoption of Resolution No. 3 was carried unanimously.

RESOLUTION NO. 4:

Nomination Committee.

BE IT RESOLVED that the Nomination Committee be reconstituted as follows:

- (a) Three members from the general membership who shall be appointed annually and
- (b) Two members of the Board of Directors whose term of office does not expire at the current Annual General Meeting.

There shall be a Chair of the Committee appointed from the composite members. The Committee is mandated to vet all applicants for vacant elected positions for the upcoming Annual General Meeting.

The adoption of Resolution 4 was carried unanimously.

RESOLUTION NO. 5:

Remunerations:

Considering that the new Bahamas Co-operative Credit Union Act of 2015 came into effect in June of 2015, the Act for the first time provides for the remuneration of Directors and Committee members in connection with their duties as Directors or a Committee member of a Co-operative Credit Union.

Remuneration for the purpose of the Act includes any honorarium, stipend or payment in cash or in kind, however designated.

WHEREAS, Section 58 of the Act provides that, for Directors and members of Committees to be paid any remunerations, the amount must be fixed (agreed) and ratified by Resolution each year at the Annual General Meeting and considering that the 2015 Act came into force in June of 2015, after the date of the Annual General Meeting;

AND WHEREAS, Section 19 of the Act enables the Board to call a Special General Meeting to address specified purpose (s), in this case for the purpose of

fixing and ratifying the remuneration of Directors and Committee members for the period 2016 to 2017;

BE IT RESOLVED, and it is hereby resolved and RATIFIED that remunerations to Directors and Committee members be fixed and ratified as follows:

Part (i) (a) Directors:

That the remuneration (stipend) for Directors be fixed and ratified at \$530 per month each, in arrears, until the next Annual General Meeting in 2017.

Part (ii) Supervisory and Credit Committee Members:

That the remuneration for Supervisory Committee and Credit Committee members be fixed and ratified at \$250 each per month in arrears until the next Annual General Meeting in 2017.

Comments:

- 27.12. Mr. Leroy Thompson stated in reference to Resolution No. 5, it seems as if it is a part of the remuneration that was passed at a Special Called Meeting on page 37 and 38. Mr. Leroy Thompson advised that he had a question on page 37 that says Directors would receive \$500 yuletide gift.
- 27.13. Vice-Chairperson Mrs. Cheryl Bowe Moss that all of the resolutions from the Special Called Meeting has fallen away with a letter from the Central Bank.
- 27.14. Ms. Tabitha Davis asked a question why the Directors were getting \$530 and Committee members were getting \$250.
- 27.15. Treasurer Theresa Deleveaux advised that the Board of Directors meet sometimes three, four, five times when the Act states that we need to meet at least once a month. The Supervisory Committee are only mandated to meet once every two months.
- 27.16. Ms. Tabitha Davis stated the Credit Committee meet every week if there is loans to be approved so the amount of time they put in compared to the Board is more, yet the Board is paid more.
- 27.17. Treasurer Theresa Deleveaux advised that for all of the Credit Unions this is what has been approved by the AGM and what went to the Central Bank last time.
- 27.18. Ms. Vienna McKenzie asked if there is a stipula-

tion in place for when a Committee member is missing from meetings for three or four months do they still get the stipend.

27.19. Ms. Antona Curry advised that she had it on good authority that there is someone (Committee Member) who has been off and is being paid and is running again. Ms. Antona Curry stated that she has to challenge because everybody who sits on a Committee is supposed to work; that is what we are paying them for. The member has been gone from August, why are they still being paid and why are they running again.

27.20. Treasurer Theresa Deleveaux assured Ms. Antona Curry that this will be investigated and needs be, rectified.

The adoption of Resolution No. 5 was carried unanimously.

27.21. Ms. Willamae Johnson stated that given the comments made during the meeting concerning the way that members are communicated with, she prepared a Resolution with respect to same as follows:

Whereas, the Board of Directors and Management use the print media as one of the primary means of communication and;

Whereas the Management of TSWCCU have received e-mail addresses from each member at this and prior meetings of the AGM and;

Whereas the majority of the membership have access to the internet and a variety of smart devices and;

Whereas there are a variety of online present sites which can be utilized by the Board and Management to reach its members;

Be it resolved that Management of TSWCCU use the variety of electronic means to disseminate information to its membership.

Be it also resolved that the AGM booklet be e-mailed to the membership and print only limited numbers of booklets for the AGM meetings.

27.22. Chairman Lenn King asked all if they understood the Resolution that was presented. There were no comments from the membership.

27.22.1. Ms. Antona Curry seconded the Reso-

lution and it was carried unanimously.

28. AMENDMENT OF AGENDA

Motion for amendment of the agenda to have a working lunch was moved by Ms. Angela Hunt seconded by Mrs. Essiemae Curry-McIntosh and was carried.

29. AMENDMENTS TO NEW BYE-LAWS

Chairman Lenn King introduced the amendment of the new bye Laws as follows:

29.1. Pursuant to the Bahamas Co-operative Credit Union Act, 2015 and the Central Bank of The Bahamas Act, 2015, the Central Bank became responsible for the registration, regulation and supervision of all Credit Unions operating in The Bahamas. The rule of law is a way of ordering society and so does the bye-laws of a society.

29.2. Since 1976 the Credit Union has been operating on the existing bye-laws therefore the Government, through the Central Bank, has presented to Credit Unions a set of Uniform Bye-Laws, which the Credit Union has had very little option in terms of not adopting the whole or part thereof.

29.3. The new byelaws presented today have very little variation with respect to the Uniform Bye-Laws, created for all of the co-operatives in the country. There was a period of consultation and dialogue with respect to these Uniform Bye-Laws and the apex body The Bahamas Co-operative League Limited appointed a committee to work with the Central Bank to dialogue and consult with respect to the Uniform Bye-Laws. The representative from our organization was Mr. Leroy Sumner who worked along with the League in bringing about whatever is proposed for the Uniform Bye-Laws.

29.4. There was about a 45-day consultation period which began on the 22nd of June, 2015 and now the Uniform Bye-Laws have been published by the Central Bank on 11th of April, 2016. The Credit Union has been given an opportunity to the give the new bye-laws some life and allow it to run and to see what needs to be done in the future.

29.5. It is hoped, moving forward, since the Credit Union was given so little time, to provide the membership with educational sessions to help with understanding what the bye-laws are all

about. Chairman Lenn King urged the membership to adopt the new Uniform Bye-Laws following which he tabled the Teachers & Salaried Workers Co-operative Credit Union Ltd. Bye-Laws for discussion. No comments were proffered for discussion.

The Chairman entertained a motion to adopt the Uniform Bye-Laws which was moved by Mr. Donald Symonette, seconded by Mr. Leroy Sumner and carried.

### 30. ELECTIONS - THE NOMINATING COMMITTEE

Chairman Lenn King advised that the retiring Board of Directors was on page 45 of the booklet. They were Mrs. Cheryl Bowe-Moss and Mr. Henry Campbell; Mr. Elbert Thompson from the Supervisory Committee and from the Credit Committee, Mr. Shawn Adderley. The Chairman thanked those persons who have served in the various capacities over the last year. Mrs. Cheryl Bowe-Moss and Mr. Henry Campbell vacated their seats.

### 31. NOMINATION COMMITTEE'S REPORT

31.1. Chairman Lenn King invited to the podium Mr. Vernal Collie, Chairman, Nomination Committee to present their report.

31.2. Mr. Vernal Collie advised that the Nomination Committee was comprised, Mr. W. Johnley Ferguson, Mrs. Sharon Rahming, Mrs. Geraldine Stevens and Ms. Antona Curry.

31.3. The function of the Nomination Committee is to ensure that those persons who put their names forward for nomination to the Board, Supervisory and Credit Committees are persons who have the requisite education, skill sets and have attended the educational sessions is put on by the Education Committee over the years. The Nomination Committee continues to receive nominations from applicants; who lack education and training in Credit Unionism. Mr. Collie admonished those who are desirous of applying for elected positions in the Credit Union to get the requisite training and experience in order for their applications to be approved.

31.4. The Nomination Committee met on 9th May, 2016 to consider the applications for the Board, Supervisory and Credit Committees.

The practice adopted by the Committee with respect to retiring persons is to automatically recommend those persons to the Annual General Meeting. However, this year, as well as last year, the Committee had a concern about two of its applications for the post of Director. Those concerns were addressed after a meeting with the two applicants on 12th May, 2016.

31.5. In recent times, the Committee in its attempt to ensure that fairness prevails, adopted what I would call the audi alteram partem rule, and that means ensure that fairness prevails and it appears to the outside. So that if we have a concern about an application, rather than not considering it, what they do is speak with the applicants in order to resolve the concern.

31.6. There were three applications approved for the Board: Rev. Father Berkley Smith, Mrs. Cheryl Bowe-Moss and Mr. Henry Campbell. There was one applicant, Dr. Bridgette Rolle, who applied for both the Board as well as Supervisory Committee. The Nomination Committee decided, having regard to the previous practice, to recommend Dr. Bridgette Rolle to the post of the Supervisory Committee.

31.7. There were nine applications for the Supervisory Committee and five were approved: Mr. Elbert Thompson, Dr. Bridgette Rolle, Mr. Dexter Cartwright, Ms. Renee Mayers and Mr. Gary Ingraham.

31.8. There were four applications for the Credit Committee and two were approved; Mr. Shawn Adderley and Ms. Yvette Cooper.

31.9. Those unsuccessful candidates who applied for positions on the Supervisory Committee and the Credit Committee were advised that the nomination was declined due to the absence of current Credit Union experience and training. The Nomination Committee recommended that they attend future Co-operative Credit Union educational workshops.

31.10. Mr. Vernal Collie announced that he was relinquishing the position of Chairman of the Nomination Committee and tendered his resignation from the Nomination Committee with effect from the conclusion of this AGM. As some may be aware, Mr. Vernal Collie advised that he has served as Chair since the inception of the Nomination Committee. He gave assurances that he will continue



to support the Credit Union and will assist in whatever way he can in its growth and development.

- 31.11. The floor was opened to questions for the Nominations Committee.
- 31.12. Mr. Leroy Thompson questioned whether the Nomination Committee is etched in the Constitution and are their decisions final and do persons whose applications were declined have a right to appeal to another body.
- 31.13. Mr. Vernal Collie advised that over the years with the establishment of the Nomination Committee by this AGM or by the previous AGM, the whole purpose was to ensure that those persons who presented themselves for positions were vetted prior to coming to the AGM and that has happened over the years. However, there was a very silent practice that if someone were not recommended by the Nomination Committee, they were not aggrieved, because they can come to this AGM and put your name in nomination or appeal to the AGM.

- 32. Chairman Lenn King entertained a motion for the adoption of the Nomination Committee's Report. The motion was moved by Ms. Sophia Williams, seconded by Ms. Doreth Campbell and was carried.
- 33. Chairman Lenn King, on behalf of the Board of Directors, thanked Mr. Vernal Collie for his service as the Chairman and a member of the Nomination Committee over the last many years and wished him well.

34. BOARD OF DIRECTORS' ELECTION

Chairman Lenn King invited nominations from the floor and no names were put forth. The Auditors of Baker Tilly Gomez were called upon to assist with the counting of the votes along with staff members. Each applicant for the Board of Directors were given an opportunity to address the membership.

- 34.1. Mrs. Christine Green state that she observed that before the candidates were finished speaking the members were already going around taking up the ballots. She noted that the whole purpose of having people present is so that one can make their decision and therefore the proper thing to do is wait for the persons to present and when they finished the people be given the opportunity to vote and collect the ballots.

- 34.2. Chairman Lenn King noted Mrs. Christine Green's comments.

34.3. Votes:

NAME	VOTES
Henry Campbell	147
Cheryl Bowe-Moss	191
Rev. B. J. Smith	125

- 34.4. Chairman Lenn King congratulated the two returning Board members Mrs. Cheryl Bowe Moss and Mr. Henry Campbell and invited them to return to the head table.
- 34.5. Motion for the destruction of the ballots was moved by Mr. Anthony Rolle, seconded by Ms. Paula Knowles and was carried.

35. SUPERVISORY COMMITTEE ELECTION

Chairman Lenn King advised that there was a small matter with two Supervisory Members who are retiring however, there should be a stagger between the members. The Chairman entertained a motion so that the person who is elected as a result of the election for the Supervisory Committee will have a three-year term and the term staggers two years.

- 35.1. Mr. Leroy Sumner advised to keep the rotation staggered, he can only serve the unexpired term (inaudible).
- 35.2. Each of the five persons nominated for the Supervisory Committee were given an opportunity to address the membership.

35.3. Votes:

NAMES	VOTES
Elbert Thompson	147
Renee Mayers	61
Dexter Cartwright	5
Gary Ingraham	30
Bridgette Rolle	20

- 35.4. Chairman Lenn King congratulated Mr. Elbert Thompson on retaining his position on the Supervisory Committee.
- 35.5. Motion for the destruction of the ballots was moved by Ms. Alverne King, seconded by Ms. Jill Saunders and was carried.

36. CREDIT COMMITTEE ELECTION

Each nominee for the Credit Committee was given an opportunity to address the membership. Chairman Lenn King read a letter from Mr. Shawn Adderley who has been nominated but was not on the island to the membership. Mr. E. J. Bowe, Member of the Credit Committee said a few words on behalf of Mr. Shawn Adderley.

36.1. Votes:

NAMES	VOTES
Shawn Adderley	94
Yvette Cooper	168

36.2. Ms. Yvette Cooper was given a moment to address the membership. Chairman Lenn King then thanked Mr. James Gomez, Auditor and his team for their help with the votes.

37. REMARKS FROM MR. DENCIL KERR

Chairman Lenn King permitted Mr. Dencil Kerr to make a brief announcement.

37.1. Mr. Dencil Kerr advised that he stands at this point to make a statement. Whereas, he believes that if a member is aggrieved, he or she is right in their position to seek redress. However, on that note, Mr. Dencil Kerr stated that the actions of the vote that was allowed today has aggrieved him; and therefore, he wanted to serve notice that he will be writing to the Board of Directors to seek all the necessary documents from the Nomination Committee and the process that was taken place to verify that if there was any unnecessary favor given to himself. If there was, he accepts whatever the consequences are. However, he feels aggrieved by the actions of this Credit Union today, and will therefore appeal and seek redress, whether it is through the Board of Directors, the Co-operative League or the Central Bank, and he intends to do that as early as Monday. Thank you.

38. VOTE OF THANKS

Mr. Henry Campbell, Assistant Treasurer was called to the podium to give the vote of thanks.

38.1. Mr. Henry Campbell thanked everyone for a very spirited AGM. He thanked the management and

staff of this hotel for preparing a lovely continental breakfast and lunch; the valet service; the stenographer; the Auditors who did the audit report and the counting, Baker Tilly Gomez; special thanks to Mr. Vernal Collie, Chairman Nomination Committee, who has demitted office effective today; but more importantly, you, the members, who made this day possible noting that they are the owners and this is their day. Mr. Henry Campbell closed by stating that he hope to see all at the 40th AGM. Thank you.

39. BENEDICTION

Chairman Lenn King invited Mrs. Geraldine Stevens, Assistant Treasurer to the podium to give the benediction.

40. ADJOURNMENT

Meeting adjourned at 3:01p.m.

\_\_\_\_\_  
Lenn King, Chairman

\_\_\_\_\_  
Sharon Rahming, Secretary

PERSONS PRESENT AT THE 39<sup>TH</sup> AGM (2016)MEMBERS

Albury, Brenda L.  
 Armbrister, Collingwood E.  
 Bain, Nathalie L.  
 Bain, Sharon D.  
 Bain, Wilson A.  
 Barnett, Merrell  
 Barnett, Thelma R.  
 Basden, Michelle A.  
 Bastian, Cynthia L.  
 Beneby, Dwight L.  
 Beneby, Karen B.  
 Beneby, Zerlean A.  
 Black, Idamae  
 Bodie, Philip A.  
 Bowe, Annie  
 Bowe, Ernest J.  
 Bowe, Lorca A.  
 Brown, Shequa K.  
 Burrows, Annabelle C.  
 Burrows, Barbara M.  
 Burrows-Storr, Tamika N.  
 Butler Jr., Wesley C.  
 Butler, Rosemary H.  
 Campbell-Forbes, Clarise  
 Campbell, Doreth C.  
 Campbell, Eleanor L. E.  
 Cash-Turnquest, Bernadette L.  
 Chambers-Thompson, Annette  
 Chandler, Pamela C.  
 Charlton, Ivy F.  
 Charlton, Sonia  
 Chipman, Naomi L.  
 Clarke, Sandra  
 Clarke-Burrows, Bridgeann  
 Colebrooke, Lolita E.  
 Collie, Vernal  
 Cooper, Valerie  
 Cooper, Yvette N.  
 Culmer, Sonia D.  
 Cunningham, Welbourne  
 Curry, Antona J.  
 Curry, Rufus H.  
 Curry, Vincent  
 Curry-McIntosh, Essiema  
 Curtis, Nikisha D.  
 Dames, Hannah  
 Dames-Adderley, Indirah  
 Davis, Tabatha S.  
 Davis, Vernita A.  
 Davis-Smith, Bernadette  
 Deal, Cheryl B.  
 Dean, Antoinette G.  
 Dean, Diane E.  
 Dean, Kenyetta T.  
 Dean-Byer, Bridgette C.  
 Delancey, Destiny A.  
 Delancey, Marcel A.  
 Deleveaux, Andrea L.  
 Demeritte, Amethyst R.

Demeritte, Ramona P.  
 Deveaux-Miller, Leanna T.  
 Dillette, Erica F.  
 Duncombe, Birdie C.  
 Duncombe, Christine  
 Duncombe, Tremaine  
 Edwards, Vincent H.  
 Ellis, Tanya A.  
 Evans, Joanne E.  
 Ferguson, Cecil C.  
 Ferguson, Malican J.  
 Ferguson, Margaret L.  
 Ferguson, Sheila  
 Ferguson, Stacy L.  
 Ferguson, Valerie R.  
 Ferguson, Veronica B.  
 Ferguson-Williams, Nicola  
 Forbes, Alivia O.  
 Gaitor, Tony  
 Gaitor-Munroe, Janice  
 Gardiner, Shernell A.  
 Gibson, Bricemae  
 Gibson, Genevieve R.  
 Gibson, Joan V.  
 Gilbert, Natasha M.  
 Gittens, Eric A.  
 Green, Christine  
 Greene, Agatha L.  
 Hall, Janet L.  
 Hall, Pamela S.  
 Hanna, Arlington V.  
 Hanna, Melony D.  
 Headley, Helen  
 Hogg, Bridget S.  
 Howells, Isabelle G.  
 Hunt, Angela E.  
 Hutchinson, Lillian A.  
 Hutchinson, Oliver A.  
 Ingraham, Gary A.  
 Ingraham, Judymae L.  
 Ingraham, Sheila M.  
 Jackson, Ganeen N.  
 Jenoure, Jacqueline J.  
 Jenoure, Maria L.  
 Johnson, Beulah G.  
 Johnson, Dedrimae  
 Johnson, Jamie J.  
 Johnson, Mervette L.  
 Johnson, Michelle D.  
 Johnson, Ornan U.  
 Johnson, Shawna M.  
 Johnson, Virginia  
 Johnson, Wilfred S.  
 Johnson, Willamae M.  
 Kelly, Daisy M.  
 Kenny, Julie E.  
 Kerr, Dencil I.  
 Kerr, Maud V.  
 Kerr, Paulette  
 Kerr-Deveaux, Pretisha M.  
 King, Alverne P.  
 King, Dwight B.

King, Terrence J.  
 King-Kerr, Naomi E.  
 Knowles, Jacqueline L.  
 Knowles, Joycelyn E.  
 Knowles, Kim L.  
 Knowles, Pamela A.  
 Knowles, Paula D.  
 Lafleur, Shallman A.  
 Larrimore, Lottiemae  
 Levarity, Myrtle M.  
 Lewis, Alladyce  
 Lewis, Sharon L.  
 Lightbourne, Elva D.  
 Lightbourne, Lillian M.  
 Lightbourne, Muriel  
 Lozaïque, Hyacinth L.  
 Lundy, Amanda  
 Lunn, Julie E.  
 Mackey, Leroy, A.  
 Major, Herman A.  
 Major, Stephanie, S.  
 Marshall, Karen G.  
 Marshall, Kochina  
 Marshall-Smith, Lolita C.  
 Mayers, Renee D.  
 McDonald, Lilymae D.  
 McGarrell, Clothilde  
 McIntosh, Lillie B.  
 McKenzie, Patricia C.  
 McKenzie, Vienna L.  
 McKenzie-Sands, Stephanie  
 McKinney, Graham W.  
 Moncur-Morley, Arlette L.  
 Moore, Predensa W.  
 Moss, Joy M.  
 Munnings, Cherylyn M.  
 Munnings, Marcia D.  
 Murphy, Ranique  
 Murphy, Winifred L.  
 Nairn, Denise C.  
 Neely, Brenda L.  
 Neely, Cheryl D.  
 Nesbitt, Michelle L.  
 Nicholls, Rose Marie  
 Nicholls-Strachan, Carolyn  
 O'Brien, Sylvia M.  
 O'Brien, Teresita L.  
 Poitier, Wendy  
 Pratt, Eula A.  
 Pratt, Lynette C.  
 Pratt, Orick C.  
 Price, Anthony R.  
 Rahming, Daniel A.  
 Rahming, Takiya D.  
 Reckley, Barbara M.  
 Richards, Bessy L.  
 Riley, Burseh E.  
 Riley-Sargent, Cynthia L.  
 Roberts, Mark M.  
 Robinson, Jeude L.  
 Robinson, Jonathan P.  
 Rolle, Anthony A.

Rolle, Beverly C.  
 Rolle, Bridgette D.  
 Rolle, Edith  
 Rolle, Geletha  
 Rolle, Patrinella J.  
 Rolle, Sarah D.  
 Rolle, Sherla  
 Rolle-Russell, Ignacia  
 Romer, Barbara L.  
 Romer, Terry A.  
 Rose, Theresa J.  
 Roxborough, Catherine A.  
 Russell, Paulamae  
 Rutherford, Sandra  
 Samuels, Brenda W.  
 Sands, Della-Reese L.  
 Sands, Marvette B.  
 Sargent, Alvin N.  
 Sargent, Esther M.  
 Sargent, Gaynell M.  
 Saunders, Antoinette M.  
 Saunders, Jill R.  
 Saunders, Marion  
 Saunders, William T.  
 Sawyer, Thalia R.  
 Sears, Gloria Eloise  
 Seymour, Italia A.  
 Seymour-Arthur, Dedrean  
 Seymour-Bischof, Carol A.  
 Simmons, Jeffrey W.  
 Skinner, Sabrina A.  
 Smith, Berkley J.  
 Smith, Beulah J.  
 Smith, Maryann  
 Smith, Maydene B.  
 Smith, Patrick E.  
 Smith, Rubyann K.  
 Smith, Sheila E.  
 Somerset, Dennis E.  
 Somerset, Donette V.  
 Stevens, Sherman A.  
 Strachan, Anna M.  
 Strachan, Marionette  
 Strachan, Patsy  
 Stuart, Anita A.  
 Stuart, Rodney J.  
 Stubbs, Raquel R.  
 Sturup, Janet D.  
 Sturup, Vernon P.  
 Sumner, Leroy  
 Sumner, Naomi P.  
 Sumner, Robert R.  
 Symonette, Beverly A.  
 Symonette, Donald R.  
 Taylor, Beverly C.  
 Taylor, Lorraine P.  
 Taylor, Lynda L.  
 Taylor, Nathalie L.  
 Thompson, Elbert C.  
 Thompson, James L.  
 Thompson, Julie F.  
 Thurston, Tricene B.

Tinker, Lonnie V.  
 Turner-Glinton, Edna D.  
 Wallace, Charles R.  
 Wallace, Jeslyn A.  
 Wallace, Rochelle D.  
 William, Kajokaya  
 Williams, Clarice D.  
 Williams, Genesta R.  
 Williams, Jarad G.  
 Williams, Johnathan P.  
 Williams, Patricia E.  
 Williams, Solomon A.  
 Williams, Sophia P.  
 Williams-Nottage, Penelope  
 Wilson, Paulette L.  
 Woodside, Royette V.

STAFF

Moxey, Corene E.  
 Ferguson, Elaine M.  
 Whymns, Jacqueline  
 Pinder-Dean, Holly C.  
 Gibson, Alfreda V.  
 Maycock, Kaniella S.  
 Cervili, Micheline  
 Colebrook, Samantha C.  
 Stuart, Charlene I.  
 Moore, Lynette T.  
 Zonicle, Deborah M.  
 Thompson, Calvin W.  
 Moss, Irene M.  
 Taylor, Kimberley A.  
 Lockhart, Emery  
 Pratt, Caudray A.  
 Smith, Lynda L.  
 Major, Cheerese L.  
 McDonald, Philendra J  
 Marche, Hadassah A.  
 Knowles, Shirley  
 Rolle, Mesha C.  
 Burrows, G. Camille  
 Babbs, Troy  
 Moss, Sophia S.  
 Lightbourne, Samantha L.

BOARD

Bowe-Moss, Cheryl  
 Campbell, Henry S.  
 Deleveaux, Theresa D.  
 Ferguson, W. Johnley  
 King, Lenn L.  
 Rahming, Sharon D.  
 Stevens, Geraldine

Total Registered  
Members 294

AUDITORS

Gomez, James B.  
 Noreen, Campbell R.  
 Samarakson, Subchana

# BOARD OF DIRECTORS REPORT ~ YEAR IN REVIEW ~ 2016

**W**e are proud to report that your Credit Union has had an excellent year; we remain safe, sound, and ready to serve you. Through strong leadership, long-term vision, thoughtful planning, and ongoing investments in our Members and communities, we continue to grow, expand, and improve to meet your needs. We love **making a difference in people's lives**—your participation and loyalty allow us to do that in many ways.

## OUR FINANCIAL POSITION

### STATEMENT OF FINANCIAL CONDITION

PERIOD	2014	2015	2016
Total Assets	\$178,115,577	\$190,346,396	\$198,514,386
Total Gross Income	\$12,799,515	\$12,864,305	\$13,744,785
What did we spend our income on?			
Member Dividends/Interest Expense	45.57%	40.52%	32.17%
Provision of Losses	0.27%	7.18%	9.39%
Operating Expense	41.66%	41.59%	39.34%
Total Net Income	\$377, 556	\$111,903	\$1,141,485
Consumer Loan	\$68,881,600	\$73,559,904	\$68,171,503
Mortgage/Construction	\$14,569,118	\$18,723,037	\$18,865,724
Other real Estate Financing	\$24,391,733	\$21,278,385	\$20,695,086
Total Member Growth			
Adult Accounts	594	1,190	661
Children 20/20 Plan	599	699	903

## OUR GOVERNANCE STRATEGY ACHIEVEMENTS

As promised, below are the results of our governance initiatives in 2016:

- ⇒ *Building Committee Composition and Standards of Operations-reflective of the significant investments in real estate and our desire to protect and maintain these investments.*
- ⇒ *Investment Committee Composition and Standards of Operations-reflective of the desire to ensure regular monitoring of all investments while ensuring maximum returns on these investments.*
- ⇒ *Information Technology Steering Committee-reflective of our desire to ensure the proper use of IT resources while achieving an on time delivery of our strategic objectives.*
- ⇒ *Nomination Committee composition and standards of operations-ensures there are written job descriptions for all and that there are clear communications as to what the expectations*
- are for being a director, elected officer or volunteer; while achieving an objective, fair and transparent process, that is able to withstand any public scrutiny.
- ⇒ *Personnel and Training Committee standards of operations- responsible for assisting the Board of Directors with human resources strategies that support the objectives of TSWCCUL.*
- ⇒ *Credit Committee composition and standards of operations-reflects the specific responsibility to principally ensure that all loans advanced are in accordance with TSWCCUL's Credit Policy, Credit Risk Policy, Del-*

*egated Authority Policy.*

- ⇒ *Business Plan for the Abaco Investment Property*-will be used as model or governance approach for other such type investments.
- ⇒ *Delegation of Authority Policy*-established to define the limits of authority designated to specific positions of responsibility within TSWCCUL and to establish types and maximum amount of obligations that may be approved by such individuals.

### FOCUS ON RISK OVERSIGHT

Here is what we have accomplished in 2016:

- ⇒ *Board Risk Oversight Policy* – provides guidance to Executive Management as to the expected risks to take in the pursuit of building Credit Union value. At the same time it directs that those risks must be well managed. It also defines acceptable risk appetite and approval.
- ⇒ *Risk Management Oversight Committee*-ensures the monitoring of the risk environment and provide direction for the activities to mitigate, to an acceptable level, the risks that **may adversely affect TSWCCUL's** ability to achieve its goals.
- ⇒ *Credit Risk Policy*- formalizes the Credit Union credit risk management process, the goal of which is to, protect against any unwarranted member or counterparty credit exposures; maintain credit risk at a manageable level, identify and avoid a material credit failure (of a significant value, which would impact earnings).
- ⇒ *Disaster Recovery and Business Continuity Plan*-reflective of a desire to ensure the continued operation of the business under adverse circumstances.

Please note that this report does not include other policy developments and implementations that are designed to ensure an efficient and effective operation of your Credit Union.

### OUR CORPORATE COMMUNITY INVOLVEMENT

Annual Underprivileged Children Christmas Party – 100 bags were packed with snacks, mini drinks along with goodies and individual gifts. The children were treated to full entertainment on the grounds of the Adventure Learning Center. The Children experienced a tour of the premise, be able to touch animals they would not normally do such as horses, snakes, ducks etc. The children are selected from the Social Services lunch listings at each school listed below:

- Ridgeland Primary
- Yellow Elder Primary
- C. W. Sawyer Primary
- E. P. Roberts

Provided backpacks for students whose parents secured loans for back-to-school purposes.

Visited the youth Co-operatives located in Abaco-Abaco Central High school, Eleuthera-Preston Albury and New Providence-C.R. Walker. Conducted training on product development, marketing and public relations. Trained each group on Credit Union Philosophy.

Our 2016 Corporate Donation/Sponsorship:

- ◆ Sister, Sister Breast Cancer Support Group
- ◆ The Gentlemen's Club
- ◆ The Bahamas Red Cross
- ◆ Royal Bahamas Police Force Southern Division Summer Program
- ◆ The Bahamas Coop League Disaster Relief
- ◆ The Salvation Army
- ◆ Bahamas Heart Association

### EMBRACING THE FUTURE

Teachers And Salaried Workers Co-

operative Credit Union Limited belongs to you. Our mission is to serve your best interests. **We're a cooperative, which means** every time you look to TSWCCUL to finance a new car, buy a home, or expand your business, or invest directly into the Credit Union **by purchasing equity shares you're making a choice not only to improve your own life, but to support your neighbors' financial goals, as well as the economic health of your community.**

**We're honored to be your financial partner** and provide you with exceptional service and trusted advice at every stage of your life. It is also an honor to represent the interest of you our members by delivering sound governance for your Credit Union. We appreciate the trust you have placed in us as your Board of Directors and look forward to serving you long into the future.

Teachers & Salaried Workers Co-operative Credit Union Ltd is the leader among credit unions. Now, through team work and collaboration, we are creating for our credit union a new era of opportunity—one in which we will continue to give back to our members in exciting ways.

In summary, we have only one agenda item around which all of the others revolve and that is beginning 2016 to pursue a strategic plan that will ensure that your credit union remains a financially viable entity for generations.

Unlike organizations that fail to adapt to a changing world, ours has been positioned to become even more dynamic, innovative, and flexible, this initiative will see us excel more in generating adequate returns for our members. We will grow to thrive, not just to survive, and by taking our future into our own hands—collaborating, sharing, evolving—we plan to continue to keep you at the center of our growth for many years to come.

We are determined to move forward with zeal and ingenuity, giving back to our communities in unprecedented ways. Thank you, our valued members, for extending your trust and taking part and supporting us as we respond to change and manage our growth. We are changing, growing so that we can continue to serve, and we are excited to enter this new stage 2016 and beyond—stronger, together.



## TREASURER'S REPORT

Ms. Theresa Deleveaux, Treasurer

**FOR THE YEAR ENDED DECEMBER 31, 2016**

**A** comprehensive financial analysis of the institution's operations is presented in the 2016 audited financial statements. Therefore, this report only provides an overview of the key financial performance indicators for the 2016 financial year with comparisons for 2015.

### ASSETS

Teachers and Salaried Workers Co-operative Credit Union Limited audited total assets are reported at \$198,514,386 as at December 31, 2016. Total assets increased by \$8,167,990 or 4.29% from a year ago, December 2015. The most noticeable increases were the growth in Cash which increased by \$10,443,695 or 177.39%, Deposits with the League increased by \$6,111,668 or 19.02% and Loans Receivable decreased by \$7,143,858 or 6.70%.

### LIABILITIES

At the end of 2016 liabilities stood at \$180,597,109, indicating an increase of \$7,328,151 or 4.23% from December 2015. This resulted mainly from members' regular shares increasing by \$6,737,343 or 13.51%.

### MEMBERS' EQUITY

Members Equity increase by \$839,839 or 4.92% from December 2015. \$1-million dollars was transferred from Retained Earnings to Statutory Reserves however, Members' Equity is below the 10% required standard, standing at 9.03% therefore the credit union must find ways to bring Members' Equity in compliance with standard.

### INCOME STATEMENT

Teachers and Salaried Workers Cooperative Credit Union Limited (TSWCCUL) total income for the year was \$13,744,785 which represented an increase of \$880,480 or 6.84% from \$12,864,305 in 2015. The main factors being Interest from Loans and other income.

### EXPENSES

In comparison with 2015, total expenses decreased by \$149,102 or 1.17% from \$12,752,402 to \$12,603,300. The main factors for the improved position to the bottom line were decreases of Personnel, Organizational and Marketing compared to 2015.

### NET PROFIT

For the period ending December 31, 2016, net profit increased by \$1,029,582 from \$111,903 to \$1,141,485.



HIGHLIGHTED EXPENSES

ITEM	2015 ACTUAL EXPENSES	2016 FULL YEAR BUDGET	2016 ACTUAL EXPENSES	VARIANCE (AVAILABLE FUNDS)
Board & Committee Travel	\$89,546	\$47,400	\$8,342	\$39,058
Board & Committees Training/ Development	\$15,754	\$20,500	\$43,495	(\$22,995)
Staff training & Development	\$25,445	\$36,950	\$29,423	\$7,527
Salaries	\$2,052,896	\$2,119,200	\$2,061,905	\$57,295
Overtime	\$87,846	\$32,600	\$25,670	\$6,930
Staff Benefits	\$495,056	\$582,000	\$546,431	\$35,569
Staff Nassau Travel	\$34,438	\$25,800	\$2,370	\$23,430
Staff Freeport travel	\$7,594	\$15,000	\$8,543	\$6,457
Staff Abaco travel	\$11,826	\$18,000	\$14,216	\$3,784
Members Education	\$3,584	\$3,900	\$3,457	\$443
Board & Committees Out-of-pocket expense	\$62,520	\$62,600	\$62,520	\$80
Board & Committee Meetings	\$6,620	\$7,300	\$3,071	\$4,229
Investment Property	\$1,267,630	\$1,349,000	\$1,483,538	(\$134,538)
Provision Investment Property	\$15,538	\$0	\$83,838	(\$83,838)
Loans Provision/Bad Debt	\$928,974	\$720,000	\$1,206,239	(\$486,239)
Advertising & Promotions	\$65,709	\$69,400	\$57,555	\$11,845
Marketing	\$14,309	\$15,200	\$6,323	\$8,877
Vat Expenses	\$58,925	\$64,900	\$61,639	\$3,261

INVESTMENT PROPERTIES ANALYSIS

PROPERTY	ACTUAL RENT COLLECTED	EXPENSES	POTENTIAL INCOME NET INCOME (LOSS)	RENT RECEIVABLE
EAST STREET OFFICE COMPLEX	\$995,227	\$411,617	\$583,610	\$164,733
TWD HIGHWAY PLAZA	\$247,251	\$234,629	\$12,622	\$111,082
FREEPORT PLAZA	\$136,512	\$134,604	\$1,908	\$87,788
ABACO COMPLEX	\$183,251	\$786,526	(\$603,275)	\$20,600
TOTALS AS AT DECEMBER 2016	\$1,562,241	\$1,567,367	(\$5,135)	\$384,203

OFFICE COMPLEX – EAST STREET

- ◆ Lease for complex still outstanding waiting for Government to sign.

Listed below are the three largest tenants with outstanding rent at each of the investment property.

TWD HIGHWAY PROPERTY (7 TENANTS)

- ◆ Adler Realty \$54,335, Heavy Marine \$13,848, Si-am Capital \$13,067.
- ◆ Provisions totaling \$71,453 is provided for outstanding rent.

FREEPORT COMPLEX (5 TENANTS)

- ◆ Environment Health \$53,392, Call Center \$23,512 Cruzin \$5,172.
- ◆ Provisions totaling \$27,939 is provided for outstanding rent for current tenants.

ABACO COMPLEX (11 TENANTS)

- ◆ Pickle Patch \$13,660, Central Wine & Spirits \$2,300 and Shakina Beauty \$3,875.
- ◆ Provision totaling \$10,805 is provided for outstanding rent for current tenants.

The actual income for collection of rent totaled **\$1,495,475** (approximately a one-third of this was for rent due from previous year) while expenses totaled **\$1,567,376** showing a loss of **\$71,901**.

As at December 31, 2016 outstanding rent receivable from current tenants totaled **\$384,203** of which \$107,897 is fully provided for.

STATUTORY RESERVES

As at December 31, 2016 Statutory Reserves held with the League totaled \$20,065,658 (\$19,851,439) or 10.11% is above the required 10% PEARLS ratio

resulting with an overage of \$214,219 compared to a shortfall \$4,215,799 as at December 2015.

LIQUIDITY RESERVES

Liquidity Reserves held with the League totaling \$17,797,548 or 10.1% is slightly above the required PEARLS ratio standard of 10.05% of total member deposits resulting with an overage of \$156,144 (\$17,641,404) as at December 31, 2016.

DELINQUENT LOANS

Delinquency continues to be a challenge for the credit union to collect outstanding funds, as at December 31, 2016, 1,065 delinquent loans totaled \$15,822,843 of which 1,013 loans in accordance with PEARLS, valuing \$15,228,546, had to be provided for.

Loans over 12 months remain the largest category with 711 loans totaling \$10,826,763 representing 68.42% of total delinquent loans.

The percentage for delinquent loans as at December, 2016 stood at 14.21 % which is above the required PEARLS standard of 5%.

During 2016, \$20,638 was recovered from loans that were written off leaving a balance totaling \$3,938,313 uncollected. During 2016 the Collections Department collected as payments on delinquent mortgages a total of \$54,656 for the year. However as at December 31, 2016 delinquent mortgages (44) totaled \$5,142,566.

Every effort will be made to collect these delinquent funds as it can have a the negative effect to the credit union's bottom line.

THE FUTURE

During this financial year board, committees and management will endeavor to ensure that your credit union remains viable and in compliance with the law, regulations, policies and guidelines. We will seek to

explore avenues to reduce loan delinquency and monitor the collection of the Investment Properties Receivables from current and past tenants which will further protect the credit union's assets.

Management has also brought for board approval several new loan products and services. These products will be marketed with the assistance of the marketing department and are expected to increase the income generating capacity of the credit union.

The board has already began cutting expenses to increase the credit union's bottom line by:

- ◆ Forgoing board and committees travel/training for 2017;
- ◆ Placing a moratorium on hiring;
- ◆ Ensuring that overtime expenses are kept at a minimum;
- ◆ Reverting several changes made to Loan and HR policies.

Despite the declining economy TSWCCUL unlike other Financial Institutions did not downsize any of its employees and still was able to realize a profit of \$1,141,485. Management has informed the Board that during this financial period 2017, it is anticipated that there will be noticeable growth in the assets and net profit of the credit union.

For us to achieve these goals I again remind each of you that we must all endeavor to adapt to change which in the end will benefit all. We must endeavor to work together Board, Committees, Management and Members to ensure that Teachers and Salaried Workers Credit Union remains our main financial provider of choice, providing the best comparable financial services and that our institution remains **solvent and member's funds remains safe and sound**. Remember when you do business with the **competition it's the same as doing business against yourselves**, the owners of this institution.

## CONCLUSION

On behalf of the Board appreciation is extended to you the members for your continued confidence and support and for utilizing the products and services of your credit union. We encourage you to assist this Board by partnering with us to make this institution one that is known to make a difference in the lives of the Bahamian people.

Also, appreciation is extended to the Management and staff especially the Accounts and Collections Departments for their assistance to me, as Treasurer during 2016.

Finally, I wish to express thanks and gratitude to my colleagues on the Board for providing me the opportunity to serve as your Treasurer for the period 2016.

May God continue to bless each of you and this organization as we work together as a team to provide the best financial products and services to you the owners of this great institution and to always be mindful of the Principles Governing Cooperatives.



Ms. Theresa D. Deleveaux  
Treasurer

## PEARLS RATIOS & KEY FINANCIAL DATA

### PEARLS RATIOS

Pearls Ratios are one of the reporting tools credit unions are expected to use as a standard for good management practices to report to the Regulatory Agency.

'PEARLS' is an acronym for six essential areas of performance that should be monitored and measured against international Credit Union standards.

Protection, measurements of the adequacy of the provisions for loan losses.

Effective financial structure, measurements of the safety, soundness, profitability and aggressive real growth of the credit union.

Asset quality, measurements of the percentage of non-earning assets that negatively impact profitability and solvency in terms of loan delinquency, non-earning assets and the financing of non-earning assets.

Rates of return and costs (annualized), measurements of the average income yield for each of the most productive assets and average cost for each of the most important liability and capital accounts.

Liquidity, show whether the Credit Union is effectively managing its cash so that it can meet deposit withdrawal requests and liquidity reserve requirements. In addition, idle cash is also measured to insure that this non-earning asset does not unduly affect profitability.

Signs of growth (Year-To-Date Growth Rates), measurements of the percentage of growth in each of the most important

accounts on the financial statement, as well as growth in membership. In inflationary economies, real growth (after subtracting inflation) is a key to the long run viability of the Credit Union.

Some of the crucial ratios that management and the board are to be aware of are:

1. Solvency- this ratio measures the degree of protection that the Credit Union has for member savings and shares in the event of liquidation of **the Credit Union's assets and liabilities**. This ratio should be at 111%, it was reported at 104.99% down from 105.00%. This will improve with a reduction in cost of funds and an increase in loans which generate revenue.
2. Net Loans/Total Assets- measures the percentage of total assets invested in the loan portfolio. This ratio should be in the range of 70-80% and is reported at 50.07%.
3. Liquid Investments/Total Assets- this ratio measures the percentage of total assets invested in short-term investments and should be less than or equal to 16%. This ratio was reported at 21.05% up from 18.70%.
4. Savings Deposits/Total Assets- this ratio measures the percentage of total assets financed by savings deposits. This ratio should be between 70-80% and is reported at 88.87% up from 88.58%.
5. Institutional Capital/Total Assets- this ratio measures the percentage of total assets financed by institutional

capital and should be greater than 10% and is reported at 6.94% up from 6.58%.

6. Total Delinquency/Total Loan Portfolio- measures the total percentage of delinquency in the loan portfolio. This ratio should be less than or equal to 5% and was reported at 14.21% up from 10.64% reflecting the increase in delinquency.
7. Operating Expenses/Average Total Assets- measures the cost associated with the management of all Credit Union assets. It indicates the degree of operational efficiency or inefficiency and should be less than or equal to 5% and is reported at 3.38% down from 3.47%.
8. Liquid Assets-Short Term Payables/Total Deposits- measures the adequacy of the liquid cash reserves to satisfy deposit withdrawal requests, after paying all immediate obligations less than 30 days old. This ratio should be in the range of 15-20% and is reported at 32.74% up from 24.39%.
9. Non-Earning Liquid Assets/Total Assets- measures the percentage of total assets that is invested in non-earning liquid assets and should be less than 1% and is reported at 8.23%.



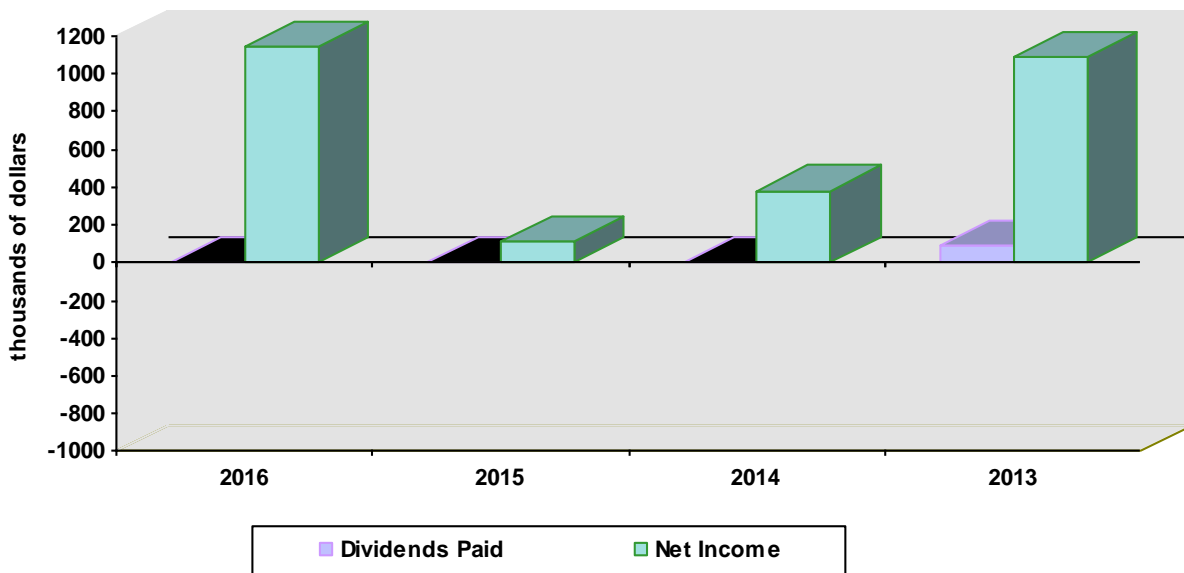
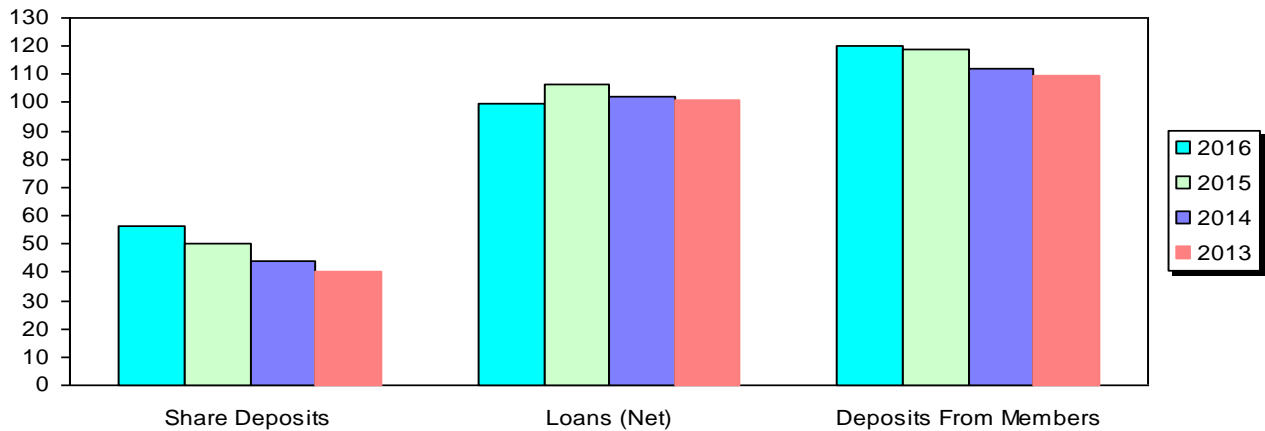
## BUDGET 2017 & 2018

	Budget 2017 Combined	Budget 2016 Combined	Actual 2016 Combined	Budget 2017 NASSAU	Budget 2017 FREEPORT	Budget 2017 ABACO	Budget 2018 Combined
1 REVENUE:							
2 Interest on General Loans	\$7,903,365	\$7,527,015	\$7,427,082	\$5,467,875	\$1,760,325	\$675,165	\$8,298,533
3 Interest on Mortgage Loans	3,096,240	2,948,800	2,914,590	2,136,750	660,450	299,040	3,251,052
4 Loan Service Fees	477,500	577,200	470,884	382,200	75,500	19,800	501,375
5 Loan Skip Payment Fees	176,400	168,000	140,840	123,375	38,325	14,700	185,220
6 Interest on Deposits	127,155	121,100	150,630	122,850	2,625	1,680	133,513
7 Interest on Statutory & Liquidity Reserves	515,000	415,000	515,696	515,000			540,750
8 Interest on Government & Bridge bonds	388,000	387,300	388,055	388,000			407,400
9 Rental Income and CAM charges	1,085,070	1,033,400	1,494,973	701,400	186,900	196,770	1,139,324
10 Late Loan Payment Fees	75,000	23,850	70,486	52,500	7,500	15,000	78,750
11 Entrance Fees	10,080	9,600	5,860	4,725	3,885	1,470	10,584
12 I.D. Card Sales	11,760	11,200	7,115	6,300	3,885	1,575	12,348
13 Membership Processing Fees	6,300	6,000	3,522	3,045	2,310	945	6,615
14 Credit Card Fees	6,825	6,500	0	6,825			7,166
15 Share Account Withdrawal Fees	50,200	61,800	50,175	38,000	10,000	2,200	52,710
16 Credit Reference Letter & Audit Fees	17,400	18,400	17,335	13,900	2,000	1,500	18,270
17 Manager's Cheques, & Other Fees & In- come.	22,525	21,450	68,747	14,045	4,465	4,015	23,651
18 ATM Card Fees	18,615	16,300	18,293	12,525	3,990	2,100	19,546
19 Recovery of Loans/Rent Written-offs	25,000	20,000	21,140	14,500	8,400	2,100	26,250
20 <i>Total Operating Income</i>	<i>\$14,012,435</i>	<i>\$13,372,915</i>	<i>\$13,765,424</i>	<i>\$10,003,815</i>	<i>\$2,770,560</i>	<i>\$1,238,060</i>	<i>\$14,713,057</i>
21 OPERATING EXPENSES:							
22 Bank Charges	27,300	26,000	22,650	21,210	3,885	2,205	28,665
23 Armored car Services	39,165	37,300	35,838	25,725	5,040	8,400	41,123
24 Interest on Regular Deposits	1,509,150	2,029,200	1,337,649	1,120,760	309,500	78,890	1,584,608
25 Interest on Fixed Deposits	2,820,000	3,608,800	3,084,569	2,544,600	170,000	105,400	2,961,000
26 Share/Loan Insurance	300,500	214,500	304,607	300,500			315,525
27 Salaries	2,160,000	2,151,800	2,088,176	1,743,000	250,000	167,000	2,268,000
28 National Insurance	102,300	102,300	98,032	81,000	12,000	9,300	107,415
29 Training and Education Staff	25,725	24,500	17,589	13,125	6,300	6,300	27,011
30 International Conference Staff	7,875	7,500	6,100	5,250	2,625		6,000
31 Local Conferences Staff	5,198	4,950	5,734	2,625	1,260	1,313	7,333
30 Staff Benefits, meetings & Insurance	295,000	361,150	293,745	243,100	24,250	27,650	309,750
31 Staff Pension	210,840	200,800	236,677	171,150	23,310	16,380	221,382
32 Staff Uniforms	18,000	20,050	16,009	16,000	1,000	1,000	18,000
33 Travel Staff	61,740	58,800	25,130	27,090	15,750	18,900	64,827
34 Board Out-of-pocket expenses	44,600	44,600	44,520	44,600			44,600
35 Credit Committee Out-of-pocket ex- penses	9,000	9,000	9,000	9,000			9,000
36 Supervisory Out-of-pocket expenses	9,000	9,000	9,000	9,000			9,000
37 Board & Committee Meetings	15,000	7,300	3,071	15,000			15,750
38 Training and Educ. Board.	3,780	3,600	2,275	3,780			3,969
39 Training and Educ. Committees.	1,260	1,200	25	1,260			1,323
40 International Conference Board & Comm. Local Conferences Board & Commit- tees	-	47,400	40,795				40,000
41	3,000	-	400	3,000			3,000
42 Travel Board & Committees	8,500	15,700	8,342	8,500			10,000
Balance carried forward	\$7,676,933	\$8,985,450	\$7,689,933	\$6,409,275	\$824,920	\$442,738	\$8,097,281

	Budget 2017 Combined	Budget 2016 Combined	Actual 2016 Combined	Budget 2017 NASSAU	Budget 2017 FREEPORT	Budget 2017 ABACO	Budget 2018 Combined
43 Balance brought forward	\$7,676,933	\$8,985,450	\$7,689,933	\$6,409,275	\$824,920	\$442,738	\$8,097,281
44 Directors & Officers Insurance	5,700	5,700	5,191	5,700			5,700
45 Stabilization Fees	52,711	50,200	50,133	40,005	8,978	3,728	55,347
46 Training and Educ. Membership	4,095	3,900	3,457	3,790	200	105	4,300
47 Anniversary Activities	13,390	12,750	5,282	11,550	1,050	790	14,060
48 AGM	62,475	59,500	56,410	62,475			65,599
49 Electricity & Water	175,000	227,100	147,465	98,400	21,200	55,400	183,750
50 Telephone Rental	68,000	80,000	67,943	48,700	11,200	8,100	71,400
51 Telephone Calls	11,865	11,300	8,886	8,400	840	2,625	12,458
52 Fax	5,565	5,300	3,099	945	2,205	2,415	5,843
53 Cable and Internet	47,061	48,600	48,517	19,761	11,340	15,960	48,002
54 Alarm System & Security Services	150,990	143,800	127,995	92,190	29,925	28,875	158,540
55 Building Maintenance	173,995	165,900	102,514	142,695	4,000	27,300	182,695
56 Janitorial Services	80,745	76,900	64,522	48,195	10,395	22,155	84,782
57 Property Tax	50,500	57,500	28,567	50,500			50,500
58 Dep. Expense Computer Hardware	100,000	68,100	49,019	75,000	10,000	15,000	68,100
59 Dep. Expense Computer Software	100,000	83,200	83,729	91,000	5,200	3,800	100,000
60 Dep. Furniture & Equipment	200,000	125,300	123,727	90,600	30,800	78,600	200,000
61 Dep. Expense Vehicles	29,000	29,000	29,023	13,750	7,750	7,500	29,000
62 Dep. Building. & Improvements	279,500	279,500	262,920	182,750	12,000	84,750	279,500
63 Dep. Investment properties	626,500	626,500	634,095	205,750	42,250	378,500	626,500
64 Investment property expenses	872,500	722,500	849,443	288,300	97,000	487,200	916,125
65 Bad Debt Expense	1,350,000	720,000	1,310,714	962,000	310,000	78,000	1,350,000
66 Advertising	72,870	69,400	57,555	57,435	8,190	7,245	76,514
67 Marketing	20,000	18,500	6,323	15,200	2,100	2,700	21,000
68 Donations	10,500	10,000	7,996	10,080	105	315	11,025
69 Postage & Courier Services	4,000	7,800	2,964	2,200	800	1,000	4,200
70 Audit, Legal & Professional Fees	102,900	98,000	104,398	99,645	3,255		102,900
71 Software Maintenance	175,000	135,100	162,311	144,100	14,400	16,500	183,750
72 Computer Stationery	35,000	46,900	23,161	30,200	3,900	900	36,750
73 ATM Expenses	1,890	1,800	1,317	1,365	315	210	1,985
74 General Insurance	150,000	118,100	144,052	92,000	7,500	50,500	157,500
75 Blanket Bond Insurances	28,770	27,400	27,083	17,850	5,670	5,250	30,209
76 Vehicle Insurances & Licenses	6,615	6,300	6,179	4,515	997	1,103	6,615
77 Vehicle Maintenance	33,600	32,000	29,114	22,365	8,715	2,520	35,280
78 Maint. Furn. & Equipt.	100,000	47,000	99,825	59,500	30,600	9,900	105,000
79 Maintenance Contract Equipment	25,000	14,300	23,273	17,100	7,900		26,250
80 Office Supplies	30,240	28,800	26,640	23,415	4,095	2,730	31,752
81 Kitchen Supplies	8,925	8,500	6,857	7,245	945	735	9,371
82 Stationery	20,000	17,450	17,834	15,100	1,800	3,100	21,000
83 Tellers Annual Allowance	-	-	76				
84 Collector's Fees	13,440	12,800	6,762	10,500	1,155	1,785	13,440
85 Other Expenses			55,992				
86 VAT Expenses	68,145	64,900	61,639	49,875	11,025	7,245	71,552
87 <i>Total Operating Expenses</i>	\$13,043,420	\$13,353,050	\$12,623,940	\$9,631,421	\$1,554,720	\$1,857,279	\$13,555,573
88 NET INCOME	\$969,015	\$19,865	\$1,141,485	\$372,394	\$1,215,840	(\$619,219)	\$1,157,484
89 <i>(Increase)/Decrease in valuation reserve</i>	-	-	\$470,746	-			
90 TOTAL COMPREHENSIVE INCOME	\$969,015	\$19,865	\$670,738	\$372,394	\$1,215,840	(\$619,219)	\$1,157,484

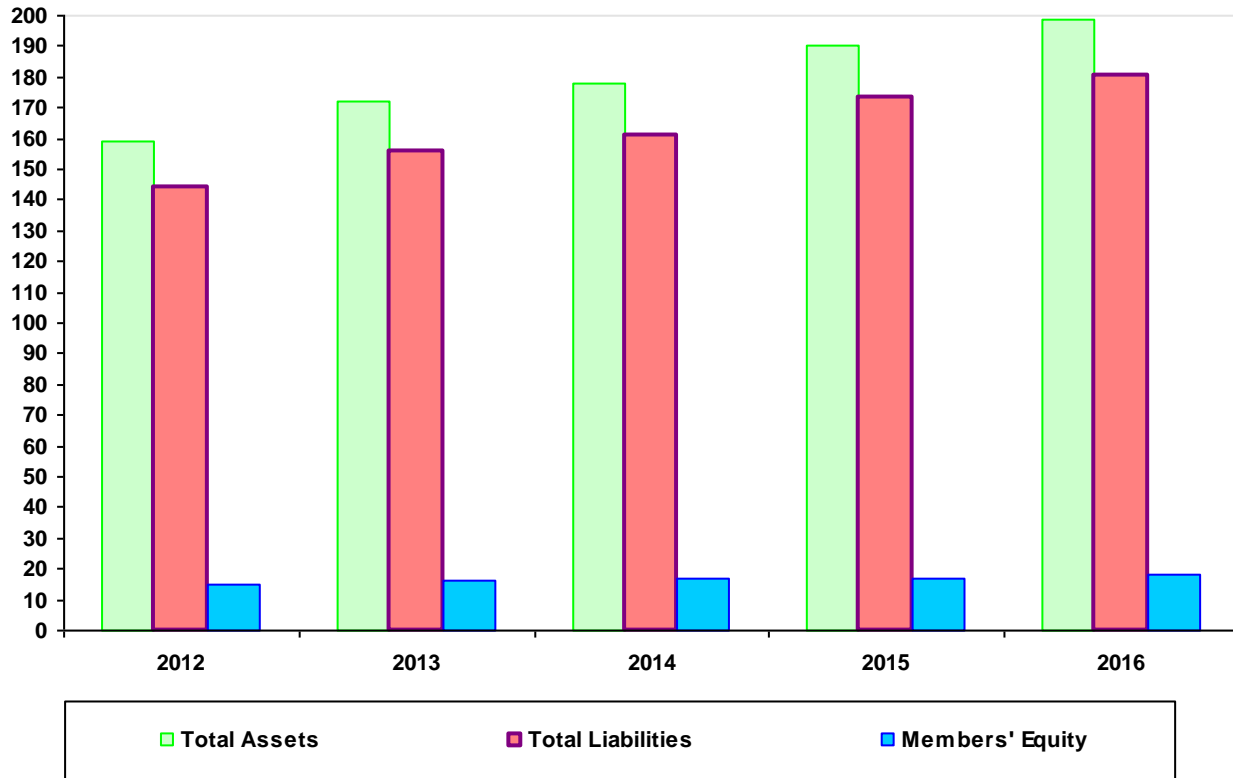
## KEY FINANCIAL DATA ~ PAST FOUR YEARS

	2016	2015	2014	2013
Share Deposits	\$56,596,031	\$49,858,688	\$43,793,696	\$40,473,587
Loans (Net)	99,404,973	106,548,831	102,308,936	100,942,819
Deposits From Members	119,818,008	118,660,831	112,129,959	109,866,346



**FIVE-YEAR FINANCIAL SUMMARY**  
***(FIVE YEARS ENDED DECEMBER 2016)***

	2016	2015	2014	2013	2012
Total assets	\$198,514,386	\$190,346,396	\$178,115,577	\$171,795,177	\$158,825,330
Total liabilities	180,597,109	173,268,958	161,452,456	155,683,549	143,835,906
<b>Members' equity</b>	17,917,277	17,077,438	16,663,121	16,111,628	14,989,424
Total revenue	13,744,785	12,864,305	12,799,515	12,920,636	11,847,853
Total expenses	12,603,300	12,752,402	12,421,959	11,832,542	11,433,256
Net income/(loss)	1,141,485	111,903	377,556	1,088,094	414,597
Dividends Paid	-	-	-	87,316	99,241







## CREDIT COMMITTEE REPORT

Mrs. Italia Seymour, Chairperson

The economy of the Bahamas was severely impacted in October 2016 by Hurricane Matthew. However, the unemployment rate declined due to an increase in foreign investment projects and construction following the devastating aftermath of the hurricane. As was in previous years there has been an increase in non-performing loan portfolios of all financial institutions and the Credit Union despite the efforts of the lending staff and management.

The Credit Committee is comprised of five (5) persons, three elected by the Annual General Meeting and two (2) appointed by the Board.

The Credit Committee Members are: -

### Elected Via AGM

Mrs. Italia Seymour CPA-Chairman  
Mr. E.J. Bowe  
Ms. Yvette cooper

### Board Appointments

Ms. Theresa Deleveaux  
Mr. Lenn King

In accordance with Section 78 of the Bahamas Co-operative Credit Unions Act, 2015 the Committee:

- met every month;
- kept minutes of its meetings;
- submitted monthly reports to the board of directors; and
- submitted an annual report to the annual general meeting.

During the year in review the Committee reviewed 185 loans of which 150 were approved, 20 declined, and 10 were deferred. In addition, the committee approved 5 share withdrawals (see chart below).

### Consumer Loans

119 consumer loans totaling \$763,622.78 were reviewed and approved by the Committee. These loan requests were mainly for education, medical, car purchases and repairs, bills, vacations, debt consolidations etc. The lending ceiling on consumer loans is \$100,000 which is protected by insurance with the Bahamas Co-operative League Limited.

### Mortgage Loans

31 loans at a value of \$2,653,540.86 were approved. These were mainly for new home construction, home improvements and consolidations. The ceiling on mortgage loans is \$500,000.

### Deferred Loans

The 10 loans deferred mainly required additional documents, legal advice and verification of information which was not available for review. Many of these loans are resubmitted with the required information and once applicants qualify approval is granted.

### Declined Loans

Loans were declined based on members inability to repay, loan exposures, high debt service ratios, net pay below the required 25%, insufficient collateral and unexpired restriction period.

CREDIT COMMITTEE REPORT CONT'D

**Share Withdrawals**

The Committee also approved 5 requests for share withdrawals totaling **\$9,465.43** to assist members with homeowners insurances. Going forward management are to ensure that insurance premiums are factored into loan payments to avoid the depletion of security held.

**Committee Changes**

During the period June 2016-December 2016, management was authorized by the board to approve loans and mortgages up to \$250,000.00.

**Credit Committee Report**

DATE 2016	TOTAL LOAN #	CONSUMER \$	#	MORTGAGE \$	#	DECLINE \$	#	DEFERED \$	#	SHARE Withdrawal \$	#	Security HELD \$
JAN	60	202,296	38	267,104	8	553,300	9	217,000	3	1,247	2	284,093
FEB	33	138,100	21	83,237	4	79,446	3	290,952	3	6,219	2	189,577
MAR	22	64,455	15	1,101,263	5	61,500	2	0.00	0	0.00	0	135,686
APR	23	141,655	14	799,027	5	150,921	4	0.00	0	0.00	0	126,265
MAY	26	81,500	15	402,911	9	2,000	1	0.00	0	2,000	1	97,149
JUN	21	135,618	16	0.00	0	6,000	1	151,000	4	0.00	0	151,555
JUL-DEC	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	<u>185</u>	<u>763,623</u>	<u>119</u>	<u>2,653,541</u>	<u>31</u>	<u>855,167</u>	<u>20</u>	<u>658,952</u>	<u>10</u>	<u>9,466</u>	<u>5</u>	<u>984,325</u>

**Conclusion**

The Committee wishes to thank you, the stakeholders for the opportunity to serve you during 2016. We would also like to thank the hardworking staff of the Loans and Mortgage Department.

We commit to continue to serve you with honesty, with transparency and with integrity.

May God continue to bless you the owners and the TSWCCUL.



Italia Seymour, CPA  
**Chairperson**

Financial Statement of

**TEACHERS AND SALARIED WORKERS CO-  
OPERATIVE CREDIT UNION LIMITED**

December 31, 2016

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED

Financial Statements

December 31, 2016

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**BAKER TILLY  
GOMEZ**

CHARTERED ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT**

To the Members of:

**Teachers and Salaried Workers Co-operative Credit Union Limited**

*Opinion*

We have audited the financial statements of Teachers and Salaried Workers Co-operative Credit Union Limited (the "Credit Union"), which comprise the statement of financial position as at December 31, 2016, and the statement of comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

*Basis for Opinion*

We conducted our audit 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 the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in The Bahamas, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT *(Continued)**Other Information*

Management is responsible for the other information. The other information obtained at the date of this auditors' report is information included in the Credit Union's Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 the Credit Union'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 the Credit Union or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Credit Union's financial reporting process.

**INDEPENDENT AUDITORS' REPORT** *(Continued)**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 taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment 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, design and perform audit procedures responsive to those risks, and 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 Credit Union'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 Credit Union'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 the Credit Union 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 identify during our audit.

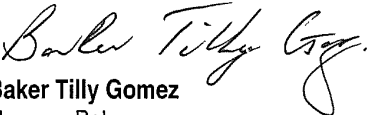
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**INDEPENDENT AUDITORS' REPORT** *(Continued)*

*Report and Other Legal and Regulatory Requirements*

In our opinion, the accounting and other records required by the Act, the Regulations, and the Bye-laws to be kept by the Credit Union of which we are the auditors have been kept in accordance with the provisions of the Act, the Regulations, and Bye-Laws.

The engagement partner on the audit resulting in this independent auditor's report is James B. Gomez.

  
**Baker Tilly Gomez**  
Nassau, Bahamas  
April 19, 2017




**TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED**  
Statement of Financial Position

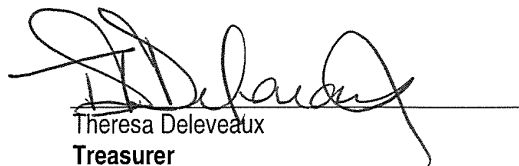
December 31, 2016  
(Expressed in Bahamian Dollars)

	<i>Notes</i>	2016	2015
<b>ASSETS</b>			
Cash and cash equivalents	5	\$ 16,331,087	\$ 5,887,392
Time deposits with banks	6	3,526,668	3,432,197
Deposits with the League	7	38,251,708	32,140,040
Loans receivable, net	8,18	99,404,973	106,548,831
Other assets	9	1,072,280	1,103,787
Investment in the League	10	27,800	26,600
Available-for-sale investments	11	9,126,336	9,597,081
Investment properties	12	23,579,363	23,990,236
Property, plant and equipment	13	7,194,171	7,620,232
<b>TOTAL ASSETS</b>		<b>\$ 198,514,386</b>	<b>\$ 190,346,396</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>			
<b>LIABILITIES</b>			
Members' regular deposits	14,18	\$ 56,596,031	\$ 49,858,688
Other deposits	15,18	119,818,008	118,660,831
Other liabilities	16	4,183,070	4,749,439
Total liabilities		180,597,109	173,268,958
<b>MEMBERS' EQUITY</b>			
Members' shares	17(i),18	4,295,050	4,125,950
Statutory reserve	17(ii)	11,500,000	10,500,000
Surplus loan reserve	17(iii)	511,963	511,963
Valuation reserve	17(iv)	(676,091)	(205,345)
Retained earnings		2,286,355	2,144,870
Total members' equity		17,917,277	17,077,438
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>		<b>\$ 198,514,386</b>	<b>\$ 190,346,396</b>

See notes to financial statements.

These financial statements are approved on behalf of the Board and authorized for issue on April 19, 2017, and signed on its behalf by:

  
Lenn Kirg  
Chairman

  
Theresa Deleveaux  
Treasurer

**TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED**

Statement of Comprehensive Income

For the year ended December 31, 2016  
(Expressed in Bahamian Dollars)

	<i>Notes</i>	2016	2015
<b>INTEREST INCOME</b>			
Loans	<b>18,19</b>	\$ 10,812,556	\$ 10,786,799
Investments	<b>19</b>	1,054,266	918,017
Total interest income		11,866,822	11,704,816
<b>INTEREST EXPENSE</b>			
Members' regular shares and other deposits	<b>18,19</b>	(4,422,218)	(5,212,001)
Total interest expense		(4,422,218)	(5,212,001)
<b>NET INTEREST INCOME BEFORE PROVISION FOR LOAN IMPAIRMENT</b>			
Provision for loan impairment losses	<b>19</b>	7,444,604	6,492,815
	<b>8(b)</b>	(1,206,239)	(907,610)
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN IMPAIRMENT</b>			
		6,238,365	5,585,205
<b>NONINTEREST INCOME/(LOSS)</b>			
Other income	<b>20</b>	382,488	153,230
Loss on rental properties	<b>21</b>	(71,901)	(276,909)
Total non-interest income/(loss)		310,587	(123,679)
<b>NET INTEREST AND OTHER INCOME</b>			
		6,548,952	5,461,526
<b>OPERATING EXPENSES</b>			
Personnel	<b>18,22</b>	2,787,192	2,818,219
General business	<b>22</b>	821,359	640,330
Occupancy	<b>22</b>	851,204	980,953
Organizational	<b>18,22</b>	220,651	285,592
Members' security	<b>22</b>	331,691	220,999
Computer costs	<b>22</b>	323,496	314,399
Marketing	<b>22</b>	71,874	89,131
Total operating expenses		5,407,467	5,349,623
<b>PROFIT FOR THE YEAR</b>			
		1,141,485	111,903
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Net fair value (loss)/gain on available-for-sale investments	<b>17(iv)</b>	(470,746)	64
<b>TOTAL COMPREHENSIVE INCOME</b>			
		\$ 670,739	\$ 111,967

See notes to financial statements.

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED

Statement of Changes in Members' Equity

For the year ended December 31, 2016  
(Expressed in Bahamian Dollars)

	Notes	Members' Shares	Statutory Reserve	Surplus Loan Reserve	Valuation Reserve	Retained Earnings	Total
<b>Balance as at December 31, 2014</b>		\$ 3,823,600	\$ 9,039,488	\$ 492,506	\$ (205,409)	\$ 3,512,936	\$ 16,663,121
<b>Comprehensive income for the year</b>							
Profit for the year		-	-	-	-	111,903	111,903
Other comprehensive income	17(iv)	-	-	-	64	-	64
Transfer from retained earnings		-	-	19,457	-	(19,457)	-
<b>Total comprehensive income for the year</b>		-	-	19,457	64	92,446	111,967
<b>Transactions with owners</b>							
Net shares issued during the year	17(i)	302,350	-	-	-	-	302,350
<b>Total transactions with owners</b>		302,350	-	-	-	-	302,350
Statutory reserve transfer	17(ii)	-	1,460,512	-	-	(1,460,512)	-
<b>Balance as at December 31, 2015</b>		<b>4,125,950</b>	<b>10,500,000</b>	<b>511,963</b>	<b>(205,345)</b>	<b>2,144,870</b>	<b>17,077,438</b>
<b>Comprehensive income for the year</b>							
Profit for the year		-	-	-	-	1,141,485	1,141,485
Other comprehensive loss	17(iv)	-	-	-	(470,746)	-	(470,746)
Transfer from retained earnings	17(iv)	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		-	-	-	(470,746)	1,141,485	670,739
<b>Transactions with owners</b>							
Net shares issued during the year	17(i)	169,100	-	-	-	-	169,100
<b>Total transactions with owners</b>		169,100	-	-	-	-	169,100
Statutory reserve transfer	17(ii)	-	1,000,000	-	-	(1,000,000)	-
<b>Balance as at December 31, 2016</b>		<b>\$ 4,295,050</b>	<b>\$ 11,500,000</b>	<b>\$ 511,963</b>	<b>\$ (676,091)</b>	<b>\$ 2,286,355</b>	<b>\$ 17,917,277</b>

See notes to financial statements.

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED  
Statement of Cash Flows

For the year ended December 31, 2016  
(Expressed in Bahamian Dollars)

	2016	2015
<b>Cash flows from operating activities:</b>		
Profit for the year	\$ 1,141,485	\$ 111,903
<i>Adjustments for:</i>		
Depreciation	1,182,514	1,131,461
Interest income	(11,866,822)	(11,704,816)
Interest expense	4,422,218	5,212,001
Provision for loan impairment losses	1,226,877	928,974
Provision for rent receivable losses	83,838	15,538
Loss on disposal of property, plant and equipment	339	-
	(3,809,551)	(4,304,939)
<b>Changes in operating assets and liabilities:</b>		
Interest received	11,657,572	11,855,539
Interest paid	(4,966,946)	(5,177,479)
Net decrease/(increase) in loans to members	5,916,981	(5,203,546)
Decrease/(increase) in other assets	31,507	(247,708)
Increase in members' regular shares	6,737,343	6,064,992
Increase in other deposits	1,157,177	6,530,872
Decrease in other liabilities	(566,369)	(779,362)
<b>Net cash provided by operating activities</b>	<b>16,157,714</b>	<b>8,738,369</b>
<b>Cash flows from investing activities:</b>		
Increase in deposits with the League	(5,596,000)	(7,489,286)
Decrease in time deposits with banks	-	1,549,262
Purchase of investments in the League	(1,200)	(1,200)
Purchase of property, plant and equipment	(122,696)	(179,484)
Purchase of investment properties	(163,223)	(423,532)
<b>Net cash used in investing activities</b>	<b>(5,883,119)</b>	<b>(6,544,240)</b>
<b>Cash flows from financing activity:</b>		
Net increase in members' shares	169,100	302,350
<b>Net cash provided by financing activity</b>	<b>169,100</b>	<b>302,350</b>
<b>Net increase in cash and cash equivalents</b>	<b>10,443,695</b>	<b>2,496,479</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>5,887,392</b>	<b>3,390,913</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 16,331,087</b>	<b>\$ 5,887,392</b>

See notes to financial statements.

**TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED**

Notes to Financial Statements

December 31, 2016

*(Expressed in Bahamian Dollars)*

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**1. GENERAL**

Teachers and Salaried Workers Co-operative Credit Union Limited (the "Credit Union") was established in 1977 under the laws of the Commonwealth of The Bahamas. The Credit Union is registered under the provisions of the Bahamas Co-operative Credit Unions Act, 2015 (previously under the Co-operative Societies Act, 2005) (the "Act"). The Credit Union provides a full range of services including the acceptance of deposits and granting of loans. The Credit Union operates from 3 locations, New Providence, Grand Bahama and Abaco.

The principal objectives of the Credit Union are as follows:

- a) To promote thrift among its members by affording them an opportunity to accumulate their savings;
- b) To create for its members, a source of credit for provident or productive purposes at a reasonable rate of interest; and
- c) To provide the opportunity for members to use and control their money for their mutual benefit in accordance with co-operative principles.

The registered office of the Credit Union is located at East Street South and Independence Drive, Nassau, The Bahamas, which is also the location of the main branch.

The Credit Union is a member of The Bahamas Co-operative League Limited (the "League").

**2. LAWS AND REGULATIONS**

During the year ended December 31, 2015, the Bahamas Co-operative Credit Unions Act, 2015 and the Bahamas Co-operative Credit Unions Regulations, 2015 came into effect. The new Act transfers the regulation of Credit Unions in The Bahamas to The Central Bank of The Bahamas.

Where the new regulatory framework affects these financial statements, the effects are disclosed in the financial statements and the relevant notes.

- a) Section 65(1) of the Bahamas Co-operative Credit Unions Act, 2015 states that "*where a co-operative credit union realizes an annual surplus from its transactions, that co-operative credit union shall establish and maintain a statutory reserve fund as may be prescribed by regulations*".
- b) Section 122 of the Act exempts the Credit Union from stamp duty relating to the execution of documents in the Bahamas, including loans granted, which is exempted under the Stamp Act.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

- a) **Statement of compliance** – Except as noted in Note 3(s), the Credit Union's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") promulgated by the International Accounting Standards Board ("IASB").
- b) **Basis of preparation** – These financial statements have been prepared under the historical cost convention except for available-for-sale investments which have been measured at fair value.

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED  
Notes to Financial Statements

December 31, 2016

(Expressed in Bahamian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) *Changes in accounting policies and disclosures*

i) Amended standards effective January 1, 2016

The Credit Union adopted the following amended standards during the year:

- *Amendment to IAS 1, 'Presentation of Financial Statements': Disclosure Initiative* – This amendment clarifies that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and gives guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of the financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

As regards to the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of notes. The application of these amendments has not resulted in any impact on the financial statements performance or financial position of the Credit Union.

- *IAS 16: Property, Plant & Equipment and IAS 38: Intangible Assets, Amendments* – The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment.

The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- When the intangible asset is expressed as a measure of revenue; or
- When it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

As the Credit Union already uses the straight-line method for depreciation and amortization for property, plant and equipment, and intangible assets respectively, the application of these amendments has had no impact on the Credit Union's current year financial statements.

ii) New and amended standards issued but not yet effective and not early adopted

- *IFRS 9, Financial Instruments*, is effective for accounting periods beginning on or after January 1, 2018. The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. It eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivables. For an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, to present all fair value changes from the investment in other comprehensive income. The standard includes guidance on classification and measurement of financial liabilities designated as at fair value through profit or loss and incorporates certain existing requirements of IAS 39, *Financial Instruments: Recognition and Measurement*, on the recognition and de-recognition of financial assets and financial liabilities. The Credit Union is considering the implications of the standard, the impact on the Credit Union and the timing of its adoption.

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED  
Notes to Financial Statements

December 31, 2016

*(Expressed in Bahamian Dollars)*

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

c) *Changes in accounting policies and disclosures (Continued)*

ii) *New and amended standards issued but not yet effective and not early adopted (Continued)*

- *IFRS 15, 'Revenue from contracts with customers'* (effective for annual periods beginning on or after 1 January, 2018) deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 Construction contracts' and related interpretations. The Credit Union is assessing the impact of IFRS 15.
- *IFRS 16, 'Leases'*, (effective for annual periods beginning on or after 1 January 2019) was issued in January 2016 and replaces IAS 17, 'Leases'. An entity can choose to apply IFRS 16 before the effective date but only if it also applies IFRS 15, 'Revenue from Contracts with Customers'. The standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. IFRS 16 also requires enhanced disclosures to be provided by lessors and lessees that will improve information provided to users of the financial statements. Management is considering the implications of the standard, the impact on the Credit Union and the timing of its adoption.

- d) *Head office-branch accounting*— The financial statements include the accounts of the Credit Union's Head Office in New Providence and the two branches in Grand Bahama and Abaco. All balances and transactions between the Head Office and the branches have been eliminated.

e) *Foreign currency translation*

Functional and presentation currency

Items included in the financial statements of the Credit Union are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Bahamian dollars (B\$), which is the Credit Union's functional and reporting currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary and non-monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss in the statement of comprehensive income.

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED

Notes to Financial Statements

December 31, 2016

(Expressed in Bahamian Dollars)

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- f) **Cash and cash equivalents** – Cash and cash equivalents are carried in the statement of financial position at amortized cost using the effective interest method. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and unrestricted deposits with banks that have original contractual maturities of 90 days or less.
- g) **Time deposits with banks** – Time deposits with banks represent deposits at banks with original maturities of more than 90 days. These deposits are recognized in the statement of financial position at amortized cost using the effective interest method.
- h) **Deposits with the League** – Deposits with the League represent the proceeds of the statutory reserves fund and the liquidity reserve fund, which are deposited with and administered by the League, as required by the Act, 2015. Other deposits are also held at the League. These deposits are carried at amortized cost using the effective interest method in the statement of financial position.
- i) **Other assets** – Other assets, which include refundable deposits, prepaid expenses, investments interest receivable and other receivables, are carried at cost in the statement of financial position, net of provision for impairment, due to their short-term nature.
- j) **Non-performing financial assets** – All loans and advances to members on which principal or interest payments are overdue in excess of thirty days are classified by management as non-performing, and monitored closely for impairment.
- k) **Offsetting financial instruments** – Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.
- l) **Financial instruments** – A financial instrument is any contract that gives rise to both a financial asset of one enterprise and financial liability or equity of another enterprise.

Financial Assets

The Credit Union classifies its financial assets into the following categories: available-for-sale financial assets and loans and receivables. Management determines the classification of its financial assets at initial recognition.

Regular purchases and sales of financial assets are recognized on the trade date, which is the date on which the Credit Union commits to originate, purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or when the Credit Union has transferred substantially all risks and rewards of ownership.



TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED  
Notes to Financial Statements

December 31, 2016

(Expressed in Bahamian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) *Financial instruments (Continued)*

- i) *Available-for-sale investments* – Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are initially recognized at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value with changes therein, being recognized in other comprehensive income, until the financial asset is derecognized. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognized in the statement of comprehensive income is recognized in statement of comprehensive income.

Interest on available-for-sale investments, calculated using the effective interest method, is recognized in the statement of comprehensive income.

Dividends on available-for-sale equity instruments are recognized in the statement of comprehensive income as part of “other income” when the Credit Union’s right to receive payment is established.

- ii) *Loans and receivables* – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially measured at fair value, which is the cash consideration given to originate the financial asset, including transaction costs, and subsequently re-measured at amortized cost using the effective interest method, less any impairment losses.

At the reporting date, loans, cash at banks and other financial institutions, deposits with the League, refundable deposits and other receivables are classified as loans and receivables.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortized cost using the effective interest method. At the reporting date, members’ regular deposits, other deposits and other liabilities were classified as financial liabilities.

- m) *Provisions* – Provisions for restructuring costs and legal claims are recognized when the Credit Union has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.
- n) *Related parties* – Related parties represent entities or individuals who can exercise significant influence or control over the operations and policies of the Credit Union. In these financial statements, current and past members of the Board of Directors, committee members (one year past), management staff and their close relatives are classified as related parties.

The Credit Union is a member of the League and has a representative on the Board of Directors of the League. Accordingly, the League is considered a related party in these financial statements.

All related party transactions and balances are shown in these financial statements.

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED  
Notes to Financial Statements

December 31, 2016

(Expressed in Bahamian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) *Impairment of financial assets*

- i) *Assets carried at amortized cost* – The Credit Union assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in profit or loss in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor’s credit range), the reversal of the previously recognized impairment loss is recognized in profit or loss in the statement of comprehensive income.

- ii) *Assets classified as available-for-sale* – For debt securities, the Credit Union uses the criteria referred to in (i) above. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is also evidence that the asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss), is removed from equity and recognized in profit or loss. Impairment losses recognized in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the statement of comprehensive income.

- p) *Investment properties* – Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Credit Union, are classified as investment properties. Investment properties comprise office buildings leased out under operating lease agreements and land which is held for capital appreciation.

Some properties may be partially occupied by the Credit Union, with the remainder being held for rental income or capital appreciation. If that part of the property occupied by the Credit Union can be sold separately, the Credit Union accounts for the portions separately. The portion that is owner-occupied is accounted for as property, plant and equipment under IAS 16, and the portion that is held for rental income or capital appreciation or both is treated as investment property under IAS 40.

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED  
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(Expressed in Bahamian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) *Investment properties (Continued)*

When the portions cannot be sold separately, the whole property is treated as investment property only if an insignificant portion is owner-occupied. The Credit Union considers the owner-occupied portion as insignificant when the property is more than 5% held to earn rental income or capital appreciation. In order to determine the percentage of the portions, the Credit Union uses the size of the property measured in square feet.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost has incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property.

After initial recognition, the Credit Union has elected to account for investment property at cost, measuring the investment property at its initial recognition value, less accumulated depreciation and impairment losses, if any. Every 3 years independent appraisers determine the fair value of all investment properties.

Land is not depreciated. Depreciation on buildings is calculated using the straight-line method to allocate their cost over 40 years.

q) *Property, plant and equipment* – Property, plant and equipment are carried at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributed to the acquisition of an item.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Credit Union and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate costs over the estimated useful lives as follows:

Buildings	-	40 years
Building improvements	-	5 years
Furniture and fixtures	-	5 years
Motor vehicles	-	4 years
Computer system and equipment	-	5 years

The asset's useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognized within other income in the statement of comprehensive income.

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED  
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(Expressed in Bahamian Dollars)

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- r) **Members' regular deposits** – Members' regular deposits represent the deposit holdings of the Credit Union's members, to satisfy membership requirements and facilitate eligibility for loans and other benefits. These deposits earn interest on the first day of the month following such deposits, provided that the amounts paid in on the first day of any month shall earn interest from that day. The rate of interest payable on members' regular deposits are fixed by the Board of Directors, and voted on by the members at the annual general meetings.
- s) **Other deposits** – Other deposits represent term and other deposits, savings accounts, retirement accounts, which are held by members and non-members of the Credit Union. These deposits, if interest bearing, bear interest at rates that are also set by the Board of Directors, but do not require the approval of the general membership at the annual general meetings.
- t) **Members' shares** – Members' shares consist of qualifying and investment equity shares held by the Credit Union's members, to satisfy membership requirements. These shares are classified as equity in the statement of financial position.

Qualifying shares

Qualifying shares are shares required to become a member of the Credit Union as described in the Credit Union's Bye-Laws. Each member of the Credit Union is required to own a minimum of 1 qualifying share with a par value of \$50 (2015: 50 shares at \$5 each). These shares entitle each member to 1 vote at the annual general meetings.

Equity shares

Equity shares are investment shares issued to members of the Credit Union. Each member is required to hold a minimum of 4 equity shares with a par value of \$50 per share. These shares can be redeemed upon account closure.

- u) **Statutory reserve** – This reserve is set up in accordance with the provisions of the Bahamas Co-operative Credit Unions Act, 2015 set out in Note 2(a) to the financial statements. The proceeds of this reserve are deposited with the League, and are not available for distribution.
- v) **Valuation reserve** – Valuation reserve represents the accumulated unrealized gains and losses arising on changes in the fair value of available-for-sale investments.
- w) **Retained earnings** – Retained earnings represent the undistributed surplus after statutory appropriation and dividends.

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED  
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December 31, 2016

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- x) **Interest income and expense recognition** – Interest income and expense are recognized in the statement of comprehensive income for all instruments measured at amortized cost using the effective interest method. Loan origination fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognized as an adjustment to the effective interest rate on the loans. Loan interest income is not recognized on loans that are past due for periods exceeding 90 days.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Credit Union estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and commissions paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

- y) **Fees and other income** – Fees and other income are recognized on the accrual basis. Performance linked fees or fee components are recognized when the performance criteria are fulfilled.
- z) **Operating expenses** – Operating expenses are recognized on the accrual basis in the statement of comprehensive income.
- aa) **League dues and stabilization fees** – The League has fixed its dues at \$12 annually per member, while stabilization fees are set at \$3 annually per member.
- bb) **Leases** – The Credit Union as a lessor:  
Rental income from leased properties is recognized in the statement of comprehensive income on a straight-line basis over the period of the lease.
- cc) **Employee benefits** – The Credit Union's employees participate in a defined contribution pension plan, administered by an external party. A defined contribution pension plan is a pension plan under which the Credit Union pays fixed contributions into a separate entity. The Credit Union has no legal or constructive obligations to pay further contributions if the plan does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Credit Union's contributions are recognized as employee benefits expense in the statement of comprehensive income when they are due.

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED  
Notes to Financial Statements

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#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, and contingent assets and contingent liabilities at the statement of financial position date and the income and expenses for the year then ended. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS that have significant effects on the financial statements, and estimates with significant risks of material adjustments in the next financial year are discussed below.

##### Impairment losses on loans and advances to members

The Credit Union reviews its loan portfolios to assess impairment on a monthly basis, and more frequently when the need arises. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Credit Union assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence for an individual financial asset includes: significant financial difficulty of the borrower; a breach of contract, such as delinquency in interest or principal payments; and actual or probable bankruptcy or other financial reorganization of the borrower. Loans for which no specific impairment has been identified are grouped with similar loans in a portfolio and the Credit Union makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from that portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or economic conditions that correlate with defaults on financial assets.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (e.g. asset type, collateral, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group, historical loss experience for financial assets with similar credit risk characteristics and objective evidence of impairment similar to those in the portfolio. Estimates of changes in future cash flows for groups of financial assets should reflect and be directionally consistent with changes in related observable data from period to period. The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
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5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	2016	2015
Teller cash floats, ATM cash and vault holdings	\$ 847,307	\$ 515,075
FirstCaribbean International Bank (Bahamas) Limited	15,457,759	5,369,333
Bank of The Bahamas Limited	26,021	2,984
	\$16,331,087	\$ 5,887,392

The Credit Union has the following credit facilities with its Banker, FirstCaribbean International Bank (Bahamas) Limited:

- 1) Overdraft facility with an upper limit of \$240,000, which carries interest at Nassau Prime plus 2.5% per annum (effective rate – 6.75%) (2015: 7.25%);
- 2) Corporate credit cards with limits totaling \$20,000; and
- 3) Customs bond in the amount of \$5,000.

The credit facilities are fully secured (see Note 6).

6. TIME DEPOSITS WITH BANKS

Time deposits with banks are as follows:

	Interest Rate (%)	2016	2015
Bank of The Bahamas Limited	3.000	\$ 3,089,674	\$ 3,000,000
FirstCaribbean International Bank (Bahamas) Limited - Nassau (i)	1.150 - 1.125	428,979	424,206
FirstCaribbean International Bank (Bahamas) Limited - Freeport	0.300	8,015	7,991
<b>Time deposits with banks in the statement of financial position</b>		<b>3,526,668</b>	<b>3,432,197</b>
Pledged as security (i)		(265,000)	(265,000)
		\$ 3,261,668	\$ 3,167,197

- i) The time deposit with FirstCaribbean International Bank (Bahamas) Limited is hypothecated in connection with the credit facilities outlined in Note 5.

Time deposits have original maturities of 6 months to 1 year.

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
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7. DEPOSITS WITH THE LEAGUE

Deposits with the League are comprised of the following:

	Interest Rate	2016	2015
<b>Statutory reserve deposits (i)</b>	1.44%		
Balance, beginning of year		\$ 14,818,841	\$ 8,651,674
Additional deposits during the year		4,986,000	6,000,000
Interest earned during the year		260,817	167,167
Balance, end of year		20,065,658	14,818,841
<b>Liquidity reserve deposits (ii)</b>	1.44%		
Balance, beginning of year		16,936,562	15,618,270
Additional deposits during the year		610,000	1,085,512
Interest earned during the year		250,986	232,780
Balance, end of year		17,797,548	16,936,562
<b>Other deposits (iii)</b>	1%		
Balance, beginning of year		384,637	380,810
Interest earned during the year		3,865	3,827
Balance, end of year		388,502	384,637
		\$ 38,251,708	\$ 32,140,040

- i) **Statutory Reserves** – There is a surplus/(shortfall) in the required statutory reserves to be held at the League as follows:

	2016	2015
Statutory deposits at the League	\$ 20,065,658	\$ 14,818,841
Requirement (10% of total assets)	19,851,439	19,034,640
Surplus/(shortfall) in statutory reserves deposits	\$ 214,219	\$ (4,215,799)

- ii) The Act stipulates that not less than 10% of members' deposits are kept in a "liquidity reserve fund". At the reporting date, there was a surplus in the liquidity reserve fund as follows:

	2016	2015
Liquidity reserve deposits at the League	\$ 17,797,548	\$ 16,936,562
Requirement (10% of members' deposits)	17,641,404	16,851,952
Surplus in liquidity reserves deposits	\$ 156,144	\$ 84,610

- iii) Other deposits held at the League mature on April 14, 2017 (2015: April 14, 2016).



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8. LOANS RECEIVABLE, NET

a) Loans receivable are as follows:

	Interest Rate	2016	2015
Consumer	8.25% - 16.00%	\$ 68,171,503	\$ 73,559,904
Real estate mortgages	4.75% - 11.75%	39,560,810	40,001,422
Chattel mortgages	7.00% - 11.75%	796,195	769,790
Business	11.75%	87,989	50,602
		108,616,497	114,381,718
Accrued interest		430,487	472,253
		109,046,984	114,853,971
Less: Deferred loan service fees		(1,883,027)	(1,699,280)
Less: Provision for loan impairment losses		(7,758,984)	(6,605,860)
		\$ 99,404,973	\$ 106,548,831

At December 31, 2016, non-performing loans on which interest accrual is suspended totaled \$10,826,763 (2015: \$10,137,831).

The Credit Union has liens on the share deposits of all members with outstanding loans and credit card balances.

b) The movement in the provision for loan impairment losses is as follows:

	2016	2015
<i>Allowance, beginning of year</i>	\$ 6,605,860	\$ 5,676,886
Provision for the year	1,226,877	928,974
Loans written off	(73,753)	-
<i>Allowance, end of year (Note 8(a))</i>	\$ 7,758,984	\$ 6,605,860
Provision for the year	1,226,877	928,974
Recoveries of bad debts	(20,638)	(21,364)
<i>Impairment losses reported in profit or loss</i>	\$ 1,206,239	\$ 907,610

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8. LOANS RECEIVABLE, NET

c) Delinquent loans:

The following is a summary of delinquent loans:

2016						
Period in arrears	Number of accounts in arrears	Total delinquent loans	Value of security	Exposure	Loan loss provision	Provision rate %
Within 1 month	52	\$ 594,297	\$ 234,957	\$ 359,340	\$ -	n/a
2 to 3 months	24	392,517	114,552	277,965	97,288	35%
4 to 6 months	101	948,438	188,527	759,911	265,969	35%
7 to 12 months	177	3,060,828	1,316,996	1,743,832	610,341	35%
Over 1 year	711	10,826,763	4,041,377	6,785,386	6,785,386	100%
	1065	\$ 15,822,843	\$ 5,896,409	\$ 9,926,434	\$ 7,758,984	

2015						
Period in arrears	Number of accounts in arrears	Total delinquent loans	Value of security	Exposure	Loan loss provision	Provision rate %
Within 1 month	3	\$ 5,187	\$ 5,187	\$ -	\$ -	n/a
2 to 3 months	17	76,117	-	76,117	26,640	35%
4 to 6 months	34	557,649	294,752	262,897	92,014	35%
7 to 12 months	82	1,217,356	335,731	881,625	308,569	35%
Over 1 year	671	10,137,831	3,959,194	6,178,637	6,178,637	100%
	807	\$ 11,994,140	\$ 4,594,864	\$ 7,399,276	\$ 6,605,860	

d) Concentration of loans:

At December 31, 2016, loans to Nil member (2015: one) totaling \$0 (2015: \$1,085,843) exceed 5% of total equity.

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9. OTHER ASSETS

Other assets represent the following:

	2016	2015
Investments and deposits interest receivable	\$ 203,101	\$ 200,703
Deposits and prepaid expenses	484,923	489,879
Rent receivable, net of provision of \$107,897 (2015: \$172,697)	276,306	345,390
Accounts receivable - other	107,950	67,815
	<b>\$ 1,072,280</b>	<b>\$ 1,103,787</b>

10. INVESTMENT IN THE LEAGUE

The movement in the investment in the League is as follows:

	2016	2015
<i>Balance, beginning of year</i>	\$ 26,600	\$ 25,400
<i>Acquired during the year</i>	1,200	1,200
<i>Balance, end of year</i>	<b>\$ 27,800</b>	<b>\$ 26,600</b>

At December 31, 2016, the number of shares in the League held by the Credit Union totaled 556 (2015: 532).

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11. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments are comprised of the following:

	Interest Rate (%)	2016	2015
<b><u>Debt securities</u></b>			
<i>Bahamas Government Registered Stocks:</i>			
Maturing in 2017	4.000	\$ 500,000	\$ 500,000
Maturing in 2018	4.025	500,000	500,000
Maturing in 2020	4.075	500,000	500,000
Maturing in 2020	5.250	871,200	871,200
Maturing in 2021	4.100	1,000,000	1,000,000
Maturing in 2022	4.125	1,000,000	1,000,000
Maturing in 2024	5.125	371,100	371,100
Maturing in 2027	4.250	1,000,000	1,000,000
Maturing in 2029	4.325	1,000,000	1,000,000
Maturing in 2030	4.325	1,000,000	1,000,000
Maturing in 2031	4.350	1,000,000	1,000,000
		8,742,300	8,742,300
<i>Clifton Heritage Authority Bonds:</i>			
Maturing in 2035	5.500	140,700	140,700
Total debt securities		8,883,000	8,883,000
<b><u>Equities</u></b>			
Bank of The Bahamas Limited (136,448 ordinary shares (cost: \$918,276))		241,513	712,259
Arawak Port Development (115 ordinary shares (cost: \$1,150))		1,823	1,822
Total equities		243,336	714,081
		\$ 9,126,336	\$ 9,597,081

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12. INVESTMENT PROPERTIES

a) Summary of movements of investments properties is as follows:

	2016	2015
<i>Balance, beginning of year</i>	\$ 23,990,236	\$ 24,174,898
Additions during the year	163,223	423,532
Repossessed property	60,000	-
Other transfers	-	(24,616)
Depreciation	(634,096)	(583,578)
<i>Balance, end of year</i>	\$ 23,579,363	\$ 23,990,236

b) Details of investment properties are as follows:

	(i) Vacant Properties	(ii) Rental Properties	Total
<u>Cost</u>			
Balance at December 31, 2014	\$ 1,759,524	\$ 23,994,951	\$ 25,754,475
Additions	-	423,532	423,532
Transfer to other assets	-	(24,616)	(24,616)
Balance at December 31, 2015	1,759,524	24,393,867	26,153,391
Additions	-	163,223	163,223
Repossessed property	60,000	-	60,000
Balance at December 31, 2016	1,819,524	24,557,090	26,376,614
<u>Accumulated depreciation</u>			
Balance at December 31, 2014	-	1,579,577	1,579,577
Additions	-	583,578	583,578
Balance at December 31, 2015	-	2,163,155	2,163,155
Additions	-	634,096	634,096
Balance at December 31, 2016	-	2,797,251	2,797,251
<u>Carrying value</u>			
As at December 31, 2016	\$ 1,819,524	\$ 21,759,839	\$ 23,579,363
As at December 31, 2015	\$ 1,759,524	\$ 22,230,712	\$ 23,990,236

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12. INVESTMENT PROPERTIES (Continued)

c) Carrying values of each investment property is as follows:

	Carrying Values	
	2016	2015
<b><u>Vacant Properties</u></b>		
South Ocean	\$ 1,225,650	\$ 1,225,650
Milo Butler Highway	206,111	206,111
Baillou Hill Road, South	63,431	63,431
#151 Central Pines, Abaco	264,332	264,332
# 1127 Pinewood Gardens Subdivision	60,000	-
Total vacant properties	1,819,524	1,759,524
<b><u>Rental Properties</u></b>		
East Street South	5,042,709	5,203,110
Tonique Williams-Darling Highway	1,461,463	1,441,754
Freeport	1,613,500	1,655,500
Abaco	13,642,167	13,930,348
Total rental properties	21,759,839	22,230,712
	\$ 23,579,363	\$ 23,990,236

d) Fair value disclosure:

The fair values of the Credit Union's investment properties were determined by external, independent property appraisers, who are members of the Bahamas Real Estate Association, and have the appropriate, professional qualifications and experience in the location and category of the property being valued.

The fair values were based on a combination of the replacement cost approach, the income approach and the market comparable approach that reflects recent prices for similar properties. In estimating the fair values of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation techniques during the year.

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12. INVESTMENT PROPERTIES (Continued)

d) Fair value disclosure (Continued)

Item	Property	Type	Carrying Value	Fair Value
			\$	\$
i	South Ocean	Unoccupied land	1,225,650	2,296,000
ii	Milo Butler Highway	Unoccupied land	206,111	228,262
iii	Baillou Hill Road South	Unoccupied land	63,431	105,000
iv	East Street South	Land and building	5,042,709	5,560,000
v	Tonique Williams-Darling Highway	Land and building	1,461,463	3,325,000
vi	Freeport	Land and building	1,613,500	2,140,000
vii	Abaco Complex	Land and building	13,642,167	14,287,900
viii	#151 Central Pines, Abaco*	Land and unoccupied building	264,332	178,000
ix	#1127 Pinewood Gardens Subdivision	Unoccupied land	60,000	132,000
<b>TOTAL</b>			<b>23,579,363</b>	<b>28,252,162</b>

\* Management is of the opinion that this property is not impaired, and therefore no impairment provision has been made.

e) Fair value hierarchy:

The fair value measurement for investment properties have been categorized in Level 2 based on the inputs of the valuation used, and management has not adjusted these values.

There were no transfers between the fair value levels during the year.

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13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are comprised of the following:

	Land	Buildings and Improvements	Furniture and Fixtures	Computer System and Equipment	Motor Vehicles	Total
<b>Cost</b>						
Balance at December 31, 2014	\$689,535	\$ 8,602,443	\$1,331,086	\$1,361,229	\$ 174,585	\$ 12,158,878
Additions	-	36,933	90,511	52,040	-	179,484
Transferred to other assets	-	(5,114)	(1,200)	-	-	(6,314)
Balance at December 31, 2015	689,535	8,634,262	1,420,397	1,413,269	174,585	12,332,048
Additions	-	30,406	12,039	80,251	-	122,696
Disposals	-	-	(2,159)	(9,280)	-	(11,439)
Balance at December 31, 2016	689,535	8,664,668	1,430,277	1,484,240	174,585	12,443,305
<b>Accumulated depreciation</b>						
Balance at December 31, 2014	-	2,263,846	892,930	914,904	92,253	4,163,933
Additions	-	255,174	120,541	135,239	36,929	547,883
Balance at December 31, 2015	-	2,519,020	1,013,471	1,050,143	129,182	4,711,816
Additions	-	262,920	123,727	132,748	29,023	548,418
Disposals	-	-	(2,012)	(9,088)	-	(11,100)
Balance at December 31, 2016	-	2,781,940	1,135,186	1,173,803	158,205	5,249,134
<b>Carrying value</b>						
As at December 31, 2016	\$689,535	\$ 5,882,728	\$ 295,091	\$ 310,437	\$ 16,380	\$ 7,194,171
As at December 31, 2015	\$689,535	\$ 6,115,242	\$ 406,926	\$ 363,126	\$ 45,403	\$ 7,620,232



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14. MEMBERS' REGULAR DEPOSITS

Movements in members' regular deposits are as follows:

	Interest Rate	2016	2015
<i>Balance, beginning of year</i>	2.5% - 3.5%	\$ 49,858,688	\$ 43,793,696
Add: savings and interest		60,779,289	44,907,292
Less: withdrawals and transfers		(54,041,946)	(38,842,300)
<i>Balance, end of year</i>		\$ 56,596,031	\$ 49,858,688

15. OTHER DEPOSITS

Other deposits are comprised of the following:

	Interest Rate (%)	2016			
		Members	Minors	Customers	Total
Term deposits	0.25 - 1.5	\$ 99,128,829	\$ 1,063,512	\$ 195,986	\$ 100,388,327
Other deposits					
Savings	1.50	16,034,999	697,965	226,434	16,959,398
Christmas club accounts	1.75	497,989	1,145	-	499,134
Vacation club deposits	1.75	95,798	9,122	-	104,920
Bill paying accounts	0.00	21,139	-	-	21,139
		115,778,754	1,771,744	422,420	117,972,918
Dividend reinvestment	1.75	22,092	-	-	22,092
Retirement savings	1.75	1,822,998	-	-	1,822,998
		\$ 117,623,844	\$ 1,771,744	\$ 422,420	\$ 119,818,008

At December 31, 2016, deposits of one member (2015: one) totaling \$2,149,234 (2015: \$2,078,478) exceed 10% of the Credit Union's equity.

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15. OTHER DEPOSITS (Continued)

	Interest Rate (%)	Members	2015		Total
			Minors	Customers	
Term deposits	0.75 - 6.25	\$ 101,279,800	\$ 1,059,619	\$ -	\$ 102,339,419
Other deposits					
Savings	1.50	13,838,428	328,716	-	14,167,144
Christmas club accounts	2.75	478,793	507	-	479,300
Vacation club deposits	2.75	160,751	85	-	160,836
Bill paying accounts	0.00	20,654	-	-	20,654
		115,778,426	1,388,927	-	117,167,353
Dividend reinvestment	1.75	20,320	-	-	20,320
Retirement savings	1.75	1,473,158	-	-	1,473,158
		\$ 117,271,904	\$ 1,388,927	\$ -	\$ 118,660,831

16. OTHER LIABILITIES

Other liabilities are comprised of the following:

	2016	2015
Accrued interest payable		
Members' regular shares	\$ 1,334,741	\$ 1,775,295
Fixed deposits	1,564,492	1,711,363
Total accrued interest payable	2,899,233	3,486,658
Other payables		
Dormant accounts	465,626	458,129
Accounts payable (including retention payment for Abaco)	134,583	277,793
League dues payable	109,358	158,677
Members' unposted payroll	331,291	126,669
Other payables	87,926	82,343
Tenants' refundable deposits	80,047	83,772
Share loan insurance	75,006	75,398
Total other payables	1,283,837	1,262,781
	\$ 4,183,070	\$ 4,749,439

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17. MEMBERS' EQUITY

i) *Members' Shares*

Members' shares consist of the following:

	2016			2015		
	Qualifying	Equity	Total	Qualifying	Equity	Total
<i>Balance, beginning of year</i>	\$ 4,125,950	\$ -	\$ 4,125,950	\$ 3,823,600	\$ -	\$ 3,823,600
Transferred during the year	(3,389,400)	3,389,400	-	-	-	-
Shares issued	381,850	59,200	441,050	371,750	-	371,750
Shares redeemed	(249,800)	(22,150)	(271,950)	(69,400)	-	(69,400)
<i>Balance, end of year</i>	\$ 868,600	\$ 3,426,450	\$ 4,295,050	\$ 4,125,950	\$ -	\$ 4,125,950

The authorized share capital of the Credit Union consists of the following:

- Qualifying shares – These are unlimited authorized shares, which each member of the Credit Union is required to hold 1 share. These shares also determine the amount of members in the Credit Union; and
- Equity shares – The authorized shares are an unlimited amount, which are investment shares that each member is required to hold a minimum of 4 shares.

At December 31, 2016, there were 17,372 members (2015: 16,711 members) of the Credit Union.

ii) *Statutory Reserve*

The movement in the statutory reserve is as follows:

	2016	2015
<i>Balance, beginning of year</i>	\$ 10,500,000	\$ 9,039,488
Transfer from retained earnings	1,000,000	1,460,512
<i>Balance, end of year</i>	11,500,000	10,500,000
Requirement (10% of total assets)	19,851,439	19,034,640
<i>Deficiency in statutory reserve</i>	\$ (8,351,439)	\$ (8,534,640)

The requirement to hold 10% of the Credit Union's assets in a statutory reserve in members' equity has not been met. The current amount of the statutory reserve in equity is 5.79% (2015: 5.52%) of total assets.

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17. QUALIFYING SHARES AND OTHER RESERVES (Continued)

iii) *Surplus Loan Reserve*

The movement in the surplus loan reserve is as follows:

	2016	2015
<i>Balance, beginning of year</i>	\$ 511,963	\$ 492,506
Transfer from retained earnings	-	19,457
<i>Balance, end of year</i>	\$ 511,963	\$ 511,963

This reserve is an additional provision for loan losses, representing 0.5% of the performing loan portfolio of the Credit Union. The reserve is an appropriation of retained earnings and is not available for distribution to the members.

iv) *Valuation Reserve*

The movement in the valuation reserve is as follows:

	2016	2015
<i>Balance, beginning of year</i>	\$ (205,345)	\$ (205,409)
Net change in fair value during the year	(470,746)	64
<i>Balance, end of year</i>	\$ (676,091)	\$ (205,345)

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18. RELATED PARTIES BALANCES AND TRANSACTIONS

The following balances and transactions are held or conducted directly or indirectly by/with related parties:

	2016	2015
	\$	\$
Loans receivable	2,407,476	4,186,899
Deposits	2,553,963	2,967,930
Members' regular shares	241,111	663,874
Qualifying and equity shares	22,500	30,850
Interest income	229,697	347,188
Interest expense	77,785	121,370
Key management compensation	335,856	485,829
Key management - short-term benefits	31,059	111,078
Key management - long-term benefits	74,384	24,642
Board expenses:		
Allowances	44,520	44,520
Expenses	22,119	79,056
Sub-committee expenses:		
Allowances	18,000	18,000
Expenses	15,539	32,863
Directors and officers insurance	5,191	5,191
Scotiabank credit cards	38,629	41,670

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**19. NET INTEREST INCOME BEFORE PROVISION FOR LOAN IMPAIRMENT**

Net interest income before provision for loan impairment is comprised of the following:

	2016	2015
<b>Net interest income on members loans</b>		
Interest earned on loans to members	\$ 10,812,556	\$ 10,786,799
Interest expense on members' regular shares and deposits	(4,422,218)	(5,212,001)
	6,390,338	5,574,798
<b>Investment interest income</b>		
Bahamas Government Registered Stocks	387,940	387,610
Deposits with the League	515,696	399,948
Time deposits and demand accounts	150,630	135,982
Dividends on League shares*	-	(5,523)
	1,054,266	918,017
	\$ 7,444,604	\$ 6,492,815

\* The amount of \$5,523 represents a reversal of an accrual for League dividends receivable in prior years. However, the League no longer issue dividends, hence the amount is now reversed.

**20. OTHER INCOME**

Other income is comprised of the following:

	2016	2015
Entrance and other fees	\$ 123,078	\$ 103,203
Other income	241,117	35,717
ATM fees	18,293	14,310
	\$ 382,488	\$ 153,230

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21. PROFITS/(LOSSES) ON RENTAL PROPERTIES

Profit/(loss) by location on rental properties is as follows:

2016					
	East Street South	Tonique Williams- Darling Highway	Freeport	Abaco	Total
<b>Income</b>					
Rental income	\$ 902,794	\$ 222,386	\$ 177,995	\$ 192,300	\$ 1,495,475
	902,794	222,386	177,995	192,300	1,495,475
<b>Expenses</b>					
Depreciation	165,522	44,767	42,000	381,806	634,095
Repairs and maintenance	109,642	77,339	19,816	50,168	256,965
Insurance	61,231	16,602	28,078	181,452	287,363
Property tax	28,567	53,422	-	-	81,989
Janitorial	34,932	1,200	639	-	36,771
Bad debt	-	36,583	25,774	21,481	83,838
Utilities	1,104	4,716	18,297	32,213	56,330
Security	-	-	-	110,800	110,800
Other expenses	10,619	-	-	8,606	19,225
	411,617	234,629	134,604	786,526	1,567,376
Profit/(loss) on rental properties	\$ 491,177	\$ (12,243)	\$ 43,391	\$ (594,226)	\$ (71,901)

2015					
	East Street South	Tonique Williams- Darling Highway	Freeport	Abaco	Total
<b>Income</b>					
Rental income	\$ 441,000	\$ 218,368	\$ 177,995	\$ 168,896	\$ 1,006,259
	441,000	218,368	177,995	168,896	1,006,259
<b>Expenses</b>					
Depreciation	126,484	40,706	42,000	374,389	583,579
Repairs and maintenance	75,758	23,032	9,495	56,138	164,423
Insurance	64,200	19,206	33,954	182,115	299,475
Property tax	29,192	-	-	-	29,192
Janitorial	16,301	11,550	792	-	28,643
Bad debt	2,895	-	(1,512)	14,155	15,538
Utilities	1,588	4,285	17,246	28,020	51,139
Security	-	-	-	108,363	108,363
Other expenses	-	-	-	2,816	2,816
	316,418	98,779	101,975	765,996	1,283,168
Profit/(loss) on rental properties	\$ 124,582	\$ 119,589	\$ 76,020	\$ (597,100)	\$ (276,909)

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22. OPERATING EXPENSES

Operating expenses are comprised of the following:

	2016	2015
<i>Personnel</i>		
Salaries	\$ 2,088,177	\$ 2,142,610
Medical and pension (Note 24)	425,199	395,215
Other benefits	121,231	106,739
National insurance	98,033	94,351
Travel, training and development	54,552	79,304
	<u>2,787,192</u>	<u>2,818,219</u>
<i>General business</i>		
Depreciation - furniture and fixtures	123,726	120,542
Insurance - general	167,644	111,787
Professional and legal fees	104,398	86,969
Value Added Tax (VAT)	61,639	58,925
Equipment maintenance	123,098	58,184
Stationery and supplies	58,598	51,301
Depreciation - motor vehicles	29,023	36,929
Armoured car services	35,838	34,964
Motor vehicles license and maintenance	30,283	31,373
Bank charges	71,962	24,735
Courier and postage	2,964	7,245
Insurance - motor vehicles	5,009	5,516
Other general expense	7,177	11,860
	<u>821,359</u>	<u>640,330</u>
<i>Occupancy</i>		
Utilities	271,951	337,342
Depreciation - Building and improvements	262,920	255,174
General maintenance	159,770	225,533
Security services	127,996	133,712
Property tax	28,567	29,192
	<u>\$ 851,204</u>	<u>\$ 980,953</u>

(Continued)



TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
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22. OPERATING EXPENSES (Continued)

	2016	2015
<i>Organizational</i>		
Board and committee development and travel	\$ 51,837	\$ 105,300
Board and committee remuneration	62,520	62,520
Annual general meetings and anniversary expenses	61,692	55,814
Stabilization fees	50,133	46,563
Board and committee meetings	(14,179)	6,620
Insurance - officers liabilities	5,191	5,191
Members' education	3,457	3,584
	220,651	285,592
<i>Members' security</i>		
Loans and savings insurance premium	304,607	195,007
Bond insurance premium	27,084	25,992
	331,691	220,999
<i>Computer costs</i>		
Computer software - depreciation	83,729	94,509
Software subscription and maintenance	162,312	128,992
Computer stationery and ATM expense	24,478	46,210
Computer hardware - depreciation	49,019	40,730
Internet	3,958	3,958
	323,496	314,399
<i>Marketing</i>		
Advertising and promotions	57,555	65,709
Marketing	6,323	14,308
Donations and gifts	7,996	9,114
	71,874	89,131
	\$ 5,407,467	\$ 5,349,623

(Concluded)

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
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### 23. COMMITMENTS AND CONTINGENCIES

i) Commitments

- a) Commitments for undrawn loans at December 31, 2016 totaled \$9,360,071 (2015: \$3,597,044).
- b) Commitment for capital expenditure at December 31, 2016, for the construction of the Abaco office complex, totaled \$0 (2015: \$217,981).

ii) Contingent liabilities

The Credit Union is a party to an agreement between The Bahamas Cooperative League Ltd. and Scotiabank (Bahamas) Limited relating to the Credit Union's issuance of credit cards to its members. In that agreement, the Credit Union indemnifies Scotiabank (Bahamas) Limited against credit card losses by settling balances that have become overdue more than 90 days. For those delinquent accounts, the Credit Union converts the balances outstanding to loans and pursues collection of the amount from the credit card holders.

At December 31, 2016, the total balance outstanding on credit cards was \$275,989 (2015: \$292,013) on 386 (2015: 392) cards. There were no delinquent balances converted to loans at December 31, 2016 (2015: Nil).

iii) Litigation

The Credit Union is involved in several actions that it has brought against members who are in default of their loan commitments. These matters are in active litigation as disclosed to us by the Credit Union's Lawyers.

### 24. PENSION PLAN

The Credit Union provides retirement benefits for eligible employees. The plan is a defined contribution plan and employees' participation in the plan is compulsory with a vesting period of ten (10) years. The employees' and Credit Union's contributions are 5% and 10% respectively, of the employee's base compensation. The Credit Union's contributions to the plan during the year was \$236,677 (2015: \$189,839) and is included in personnel expenses in the statement of comprehensive income.

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## 25. CAPITAL RISK MANAGEMENT

The Credit Union's objectives when managing capital are as follows:

- To comply with the capital requirements set by the Regulator, the Central Bank of The Bahamas;
- To safeguard the Credit Union's ability to continue as a going concern so that it can continue to provide returns for its members and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The Credit Union's Board reviews the capital structure on a monthly basis. As part of the review, the Board considers the provision of the Bahamas Co-operative Credit Unions Act, 2015, Section 65, which states that:

*'Every society shall ensure that –*

- a) Not less than 10% of its members deposits are kept in a liquidity reserve fund; and*
- b) Statutory reserves, retained earnings and equity shares are at no stage less than 10% of its total assets, except during the phase in period as permitted by regulations.'*

The table below summarizes the composition of the Credit Union's regulatory capital and the ratios for the years ended December 31:

	2016	2015
<b>Provision (a)</b>		
Liquidity reserves deposits	\$ 17,797,548	\$ 16,936,562
Members' and other deposits	\$ 176,414,039	\$ 168,519,519
Actual ratio	10%	10%
Required ratio	10%	10%
Excess/(shortfall) of regulation	0%	0%
<b>Provision (b)</b>		
Regulatory reserves	\$ 18,081,405	\$ 16,770,820
Total assets	\$ 198,514,386	\$ 190,346,396
Actual ratio	9%	9%
Required ratio	10%	10%
Shortfall	-1%	-1%

December 31, 2016

*(Expressed in Bahamian Dollars)*

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## 26. FINANCIAL RISK MANAGEMENT

By its nature, the Credit Union's activities are principally related to the use of financial instruments. This will involve analysis, evaluation and management of some degree of risk or combination of risks. The Credit Union's aims are, therefore, to achieve an appropriate balance between risks and return and minimize potential adverse effects on the Credit Union's financial performance.

The Board of Directors (the "Board") is ultimately responsible for the establishment and oversight of the Credit Union's risk management framework. The Credit Union's risk management policies are designed to identify and analyze the risk faced by the Credit Union, to set appropriate risk limits and controls, and to monitor risks and adherence to limits by means of regularly generated reports. Risk management procedures are closely integrated into all key business processes. The Credit Union regularly reviews its risk management policies, procedures and systems to reflect recommendations and best practice, as well as changes in markets and products.

The Board, through the following committees, is responsible for monitoring compliance with the Credit Union's risk management policies and procedures:

*i) Supervisory Committee*

The Supervisory Committee oversees how management monitors compliance with the Credit Union's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Credit Union. This Committee undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Board.

*ii) Credit Committee*

The Credit Committee oversees the approval and disbursements of credit facilities to members. It is also primarily responsible for monitoring the quality of the loan portfolio.

The Credit Union accepts deposits from members at agreed rates of interest and seeks to earn above average interest margins by investing these funds in high quality assets, as well as lending for longer periods at higher rates while maintaining sufficient liquidity to meet all claims that might fall due.

These activities expose the Credit Union to a variety of financial risks, the most important risks are:

26.1. Credit Risk

26.2. Liquidity Risk

26.3. Market Risk (including currency risk, equity price risk and interest rate risk)

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED  
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December 31, 2016

*(Expressed in Bahamian Dollars)*

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**26. FINANCIAL RISK MANAGEMENT** *(Continued)*

**26.1. Credit risk**

Credit risk is the risk of suffering financial losses should any of the Credit Union's members or other counterparties fail to fulfill their contractual obligations to the Credit Union. Credit risk arises mainly from loans and advances to members, including loan commitments arising from such lending activities, and investments in debt securities as part of the Credit Union's treasury management activities. The Credit Union seeks to raise its interest margins by obtaining above-average margins, net of allowances, through lending to borrowers with a rate of credit standings. Such exposures involve not just on-balance sheet loans and advances to members, but also guarantees and other commitments.

Credit risk is the greatest risk facing the Credit Union and management therefore carefully manages its exposure to credit risk. Impairment provisions are provided for losses incurred as of the statement of financial position date (see Note 8). Significant changes in the economies or sectors that represent a concentration in the credit Union's portfolio could result in losses that are different from those provided for as of the statement of financial position date.

The Credit Union's Directors and Management Committee are responsible for approving and monitoring the Credit Union's credit exposure, which is done through review and approval of the Credit Union's lending policy, and limits on credit exposure to individual borrowers. Prior to advancing funds, an assessment is made of the credit quality of each borrower. The Credit Union does not use an automated credit scoring system; exposure to credit risk is managed through regular analysis of the ability of borrowers to meet contractual obligations, performed by branch managers and the Directors. It is the Credit Union's policy to have members repay their loans rather than relying exclusively on security.

Maximum credit exposure at the year-end approximates the carrying value of all assets. The classes of financial instruments to which the Credit Union is most exposed to credit risk are loans and advances to members, cash at banks and certain investment securities. The Credit Union places its deposits with banks in good standing with the Central Bank of The Bahamas and other regulators in which deposits are placed. Investment securities with credit risk mainly comprise debt securities issued by the Government of the Commonwealth of The Bahamas, which currently maintains investment grade credit ratings.

The Credit Union employs a range of policies and practices to mitigate credit risk. The most traditional is the taking of security for funds advanced, which is common practice.

The Credit Union implements guidelines on the acceptability of specific classes of collateral or other credit risk mitigation. The principal collateral or other credit risk mitigation for loans and advances to members include, first mortgages on property, chattel mortgages, restricted deposits from members and salary deductions from employers.

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26. FINANCIAL RISK MANAGEMENT (Continued)

26.1. Credit risk (Continued)

The geographical locations of the Credit Union's financial assets are as follows:

As at December 31, 2016

	Nassau	Freeport	Abaco	Total
<i>(Expressed in B\$'000)</i>				
Cash at banks	\$ 13,532	\$ 1,061	\$ 891	\$ 15,484
Time deposits with banks	3,519	8	-	3,527
Deposits with the League	38,252	-	-	38,252
Available-for-sale investments	9,126	-	-	9,126
Investment in the League	28	-	-	28
Loans receivable, net	67,359	21,768	10,278	99,405
Other assets	470	63	43	576
<b>Total financial assets</b>	<b>\$ 132,286</b>	<b>\$ 22,900</b>	<b>\$ 11,212</b>	<b>\$ 166,398</b>

As at December 31, 2015

	Nassau	Freeport	Abaco	Total
<i>(Expressed in B\$'000)</i>				
Cash at banks	\$ 3,397	\$ 1,271	\$ 704	\$ 5,372
Time deposits with banks	3,424	8	-	3,432
Deposits with the League	32,140	-	-	32,140
Available-for-sale investments	9,597	-	-	9,597
Investment in the League	27	-	-	27
Loans receivable, net	74,459	22,138	9,952	106,549
Other assets	465	36	39	540
<b>Total financial assets</b>	<b>\$ 123,509</b>	<b>\$ 23,453</b>	<b>\$ 10,695</b>	<b>\$ 157,657</b>

The following table shows the loan portfolio by individual and institutional members:

	2016	2015
Individual members	\$ 107,092,694	\$ 110,842,865
Institutional members	1,523,803	3,538,854
	<b>\$ 108,616,497</b>	<b>\$ 114,381,719</b>

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
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December 31, 2016  
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26. FINANCIAL RISK MANAGEMENT (Continued)

26.1. Credit risk (Continued)

The following table analyses the credit quality of the loan portfolio:

	2016	2015
Neither past due nor impaired	\$ 100,857,513	\$ 107,775,858
Past due but not impaired	973,598	427,223
Impaired	6,785,386	6,178,637
<b>Gross</b>	<b>108,616,497</b>	<b>114,381,718</b>
Less: deferred service fees	(1,883,027)	(1,699,280)
Less: allowance for impairment	(7,758,984)	(6,605,860)
<b>Net</b>	<b>\$ 98,974,486</b>	<b>\$ 106,076,578</b>

Renegotiated loans

Restructuring activities include extended payment arrangements, modification and deferral of payments. Following restructuring, a previously overdue customer account is reset to a normal status and managed together with other similar accounts. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payments will most likely continue. These policies are continuously reviewed.

26.2. Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Credit Union will encounter difficulty in raising funds to meet its obligations and commitments associated with its financial liabilities when they fall due, and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

The Credit Union is exposed to daily calls on its available cash resources from general savings deposits, loans draw-downs, guarantees, withdrawal of shares and operating commitments. The Credit Union does not maintain cash resources to meet all of these needs, as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty.

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26. FINANCIAL RISK MANAGEMENT (Continued)

26.2. Liquidity risk (Continued)

Liquidity risk management process

The liquidity risk management process is monitored by the Manager and includes:

- Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of the Credit Union's source of funds which includes, cash and bank balances, items in the course of collection and investment maturities in order to determine their ability to meet its commitments;
- Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruptions to cash flow;
- Maintaining committed lines of credit with its Bankers and the League;
- Monitoring statement of financial position liquidity ratios against internal and regulatory requirements. The most important of these is to maintain limits on the ratio of net liquid assets to liabilities; and
- Matching and mismatching of the maturities and interest rates of financial assets and financial liabilities. An unmatched position potentially enhances profitability, but can increase liquidity risk.

Financial liabilities cash flows

The table below summarizes the Credit Union's exposure to liquidity risk, based on the remaining contractual repayment obligations:

As at December 31, 2016						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
<b>Liabilities:</b>						
Members' regular deposits	\$ 56,596,031	\$ -	\$ -	\$ -	\$ -	\$ 56,596,031
Other deposits	17,712,822	1,394,252	34,576,355	64,232,377	1,902,202	119,818,008
Other liabilities	558,062	-	3,079,335	545,673	-	4,183,070
<b>Total liabilities</b>	<b>\$ 74,866,915</b>	<b>\$ 1,394,252</b>	<b>\$ 37,655,690</b>	<b>\$ 64,778,050</b>	<b>\$ 1,902,202</b>	<b>\$ 180,597,109</b>

As at December 31, 2015						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
<b>Liabilities:</b>						
Members' regular deposits	\$ 49,858,688	\$ -	\$ -	\$ -	\$ -	\$ 49,858,688
Other deposits	17,419,592	2,282,909	34,922,067	64,036,263	-	118,660,831
Other liabilities	2,383,307	570,997	83,772	1,711,363	-	4,749,439
<b>Total liabilities</b>	<b>\$ 69,661,587</b>	<b>\$ 2,853,906</b>	<b>\$ 35,005,839</b>	<b>\$ 65,747,626</b>	<b>\$ -</b>	<b>\$ 173,268,958</b>



TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
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*(Expressed in Bahamian Dollars)*

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26. FINANCIAL RISK MANAGEMENT *(Continued)*

26.3. Market risk

The Credit Union takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risks arise from open position in foreign currencies (currency risk), equity products (equity price risk) and interest rates (interest rate risk), all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

Currency risk

Currency risk or foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Credit Union has minimum exposure to currency risk, as all its assets and liabilities are stated in Bahamian dollars, which is the Credit Union's functional and presentational currency.

Equity price risk

Equity price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Credit Union is exposed to equity price risk on its quoted available-for-sale equity financial instruments, held as a part of its investment portfolio totaling \$243,336 (2015: \$714,081).

- Sensitivity Analysis – The Credit Union's quoted equity securities are traded on the Bahamas International Stock Exchange (BISX). If equity prices had been 5% higher/lower, total comprehensive income would have increased/decreased by \$12,167 (2015: \$35,704).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates, and arises mainly from interest bearing time and other deposits, loans receivable, debt securities, members' regular deposits and other deposits.

Floating rate instruments expose the Credit Union to cash flow interest rate risk, whereas fixed interest rate instruments expose the Credit Union to fair value interest rate risk. The Credit Union takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise.

The Credit Union's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments as determined by the League. The policy also requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities. The Board sets limits on the level of mismatch of interest rate re-pricing that may be undertaken.

The Credit Union does not attempt to hedge specifically against the impact of changes in market interest rates on cash flow and interest margins. Management maintains a general policy of fixing the interest rate spread between interest earned on financial assets and interest incurred on financial liabilities.

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
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26. FINANCIAL RISK MANAGEMENT (Continued)

26.3. Market risk (Continued)

Interest rate risk

The tables below summarize the Credit Union's exposure to interest rate risks. They include the Credit Union's financial instruments at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates.

	As at December 31, 2016					
	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
<b>Assets:</b>						
Cash at Banks	\$ -	\$ -	\$ -	\$ -	\$ 15,483,780	\$ 15,483,780
Time deposits	3,089,674	436,994	-	-	-	3,526,668
Deposits with the League	-	388,502	-	37,863,206	-	38,251,708
Loans receivable	360,587	2,163,522	34,255,765	61,009,861	1,615,238	99,404,973
Financial investments	-	-	-	-	243,336	243,336
Other assets	-	-	-	-	1,072,280	1,072,280
<b>Total assets</b>	<b>3,450,261</b>	<b>2,989,018</b>	<b>34,255,765</b>	<b>98,873,067</b>	<b>18,414,634</b>	<b>157,982,745</b>
<b>Liabilities:</b>						
Members' regular deposits	56,596,031	-	-	-	-	56,596,031
Other deposits	19,107,074	34,576,355	64,232,377	1,902,202	-	119,818,008
Other liabilities	-	-	-	-	4,183,070	4,183,070
<b>Total liabilities</b>	<b>75,703,105</b>	<b>34,576,355</b>	<b>64,232,377</b>	<b>1,902,202</b>	<b>4,183,070</b>	<b>180,597,109</b>
<b>Total interest repricing gap</b>	<b>\$ (72,252,844)</b>	<b>\$ (31,587,337)</b>	<b>\$ (29,976,612)</b>	<b>\$ 96,970,865</b>	<b>\$ 14,231,564</b>	<b>\$ (22,614,364)</b>
<b>Cumulative gap</b>	<b>\$ (72,252,844)</b>	<b>\$ (103,840,181)</b>	<b>\$ (133,816,793)</b>	<b>\$ (36,845,928)</b>	<b>\$ (22,614,364)</b>	

December 31, 2016  
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26. FINANCIAL RISK MANAGEMENT (Continued)

26.3. Market risk (Continued)

Interest rate risk (Continued)

	As at December 31, 2015					
	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
<b>Assets:</b>						
Cash at Banks	\$ -	\$ -	\$ -	\$ -	\$ 5,372,317	\$ 5,372,317
Time deposits	3,000,000	432,197	-	-	-	3,432,197
Deposits with the League	-	384,637	-	31,755,403	-	32,140,040
Loans receivable	73,019	1,972,734	35,813,083	66,290,332	2,399,663	106,548,831
Financial investments	-	-	1,000,000	7,883,000	714,081	9,597,081
Other assets	-	-	-	-	1,103,787	1,103,787
<b>Total assets</b>	<b>3,073,019</b>	<b>2,789,568</b>	<b>36,813,083</b>	<b>105,928,735</b>	<b>9,589,848</b>	<b>158,194,253</b>
<b>Liabilities:</b>						
Members' regular deposits	49,858,688	-	-	-	-	49,858,688
Other deposits	19,702,513	34,922,067	64,036,251	-	-	118,660,831
Other liabilities	-	-	-	-	4,749,439	4,749,439
<b>Total liabilities</b>	<b>69,561,201</b>	<b>34,922,067</b>	<b>64,036,251</b>	<b>-</b>	<b>4,749,439</b>	<b>173,268,958</b>
<b>Total interest repricing gap</b>	<b>\$ (66,488,182)</b>	<b>\$ (32,132,499)</b>	<b>\$ (27,223,168)</b>	<b>\$ 105,928,735</b>	<b>\$ 4,840,409</b>	<b>\$ (15,074,705)</b>
<b>Cumulative gap</b>	<b>\$ (66,488,182)</b>	<b>\$ (98,620,681)</b>	<b>\$ (125,843,849)</b>	<b>\$ (19,915,114)</b>	<b>\$ (15,074,705)</b>	

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED  
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December 31, 2016

*(Expressed in Bahamian Dollars)*

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## 27. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Most of the Credit Union's financial instruments lack an available trading market. Therefore, these instruments have been fair valued using other valuation techniques and may not necessarily be indicative of the amounts realizable on the settlement of the instruments.

*a) Financial instruments not measured at fair value:*

- i) The fair value of liquid assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities.
- ii) The fair values of variable rate financial instruments are assumed to approximate their carrying amounts.
- iii) The fair value of fixed rate loans is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. For match-funded loans, the fair value is assumed to be equal to their carrying value, as gains and losses offset each other. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognized separately by deducting the amount of the provisions for credit losses from both the book and fair values.
- iv) The fair value of members' regular shares and deposits, with no specific maturity is assumed to be the amount payable on demand at the reporting date.
- v) The fair values of all other financial instruments not mentioned above are assumed to approximate their carrying values.

*b) Financial instruments measured at fair value:*

Quoted investments securities classified as available-for-sale are measured by reference to quoted market prices on the Bahamas International Stock Exchange (BISX).

December 31, 2016  
 (Expressed in Bahamian Dollars)

27. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

c) Fair value hierarchy:

The following table provides an analysis of financial instruments held at the reporting period that, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observable as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level consists of listed equity securities traded on the Bahamas International Stock Exchange (BISX).
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). This includes government debt securities and other securities with observable inputs.
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. The Credit Union has no financial instruments categorized in this level.

The following table analyzes within the fair value hierarchy, the Credit Union's financial assets measured at fair value through profit or loss as at the statement of financial position dates:

As at December 31, 2016

	Level 1	Level 2	Level 3	Total
<u>Financial instruments</u>				
Available-for-sale investments	\$ 243,336	\$ 8,883,000	\$ -	\$ 9,126,336

As at December 31, 2015

	Level 1	Level 2	Level 3	Total
<u>Financial instruments</u>				
Available-for-sale investments	\$ 714,081	\$ 8,883,000	\$ -	\$ 9,597,081



**BAKER TILLY  
GOMEZ**

CHARTERED ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT ON  
SUPPLEMENTARY INFORMATION**

The primary purpose of our examination for the year ended December 31, 2016 was to express an opinion on the basic financial statements of Teachers and Salaried Workers Co-operative Credit Union Limited (the "Credit Union") presented on pages 5 through 49, taken as a whole.

The supplementary information for the year ended December 31, 2016 presented on pages 51 through 59 is not considered necessary for a fair presentation of the Credit Union's financial position and the results of its operations and its cash flows in accordance with International Financial Reporting Standards, and is presented for supplementary analysis purposes. Such information has been subjected to the audit procedures applied on the examination of the basic financial statements.

In our opinion, the accompanying supplementary information is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

*Baker Tilly Gomez*

**CHARTERED ACCOUNTANTS**

April 19, 2017

Nassau, The Bahamas

**TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED**

Statement of Comprehensive Income – Nassau, Head Office

For the year ended December 31, 2016  
(Expressed in Bahamian Dollars)

	2016	2015
<b>INTEREST INCOME</b>		
Loans	\$ 7,587,992	\$ 7,928,199
Investments	1,047,583	913,925
Total interest income	8,635,575	8,842,124
Interest expense	(3,750,879)	(4,415,757)
<b>NET INTEREST INCOME</b>	4,884,696	4,426,367
Increase in provision for loan impairment	(867,278)	(616,801)
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	4,017,418	3,809,566
Other income	268,148	112,151
Profit on rental properties	478,934	244,171
Total income	4,764,500	4,165,888
<b>OPERATING EXPENSES</b>		
Personnel	2,275,183	2,342,365
Occupancy	571,402	666,670
General business	596,351	432,089
Computer costs	304,391	292,363
Organizational	206,337	268,937
Members' security	320,857	211,832
Marketing	57,113	71,305
Total operating expenses	4,331,634	4,285,561
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>\$ 432,866</b>	<b>\$ (119,673)</b>

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED

Statement of Operating Expenses – Nassau, Head Office

For the year ended December 31, 2016  
(Expressed in Bahamian Dollars)

	2016	2015
<u>Personnel</u>		
Salaries	\$ 1,713,044	\$ 1,786,972
Medical and pension	352,876	333,331
Staff benefits	98,732	86,917
National insurance	79,188	76,066
Travel, training and development	31,343	59,079
	2,275,183	2,342,365
<u>Occupancy</u>		
Utilities	182,240	219,551
Depreciation - building	166,708	161,298
Building maintenance	115,756	173,030
Building security	78,131	83,599
Property tax	28,567	29,192
	571,402	666,670
<u>General business</u>		
Depreciation - furniture & equipment	51,200	51,799
Insurance	124,676	69,089
Professional fees	99,712	84,164
Value Added Tax (VAT)	48,050	45,699
Equipment maintenance	98,452	38,457
Stationery and supplies	48,504	40,129
Depreciation - vehicles	13,750	21,656
Armoured car services	23,187	23,264
Vehicle expenses	18,652	20,911
Bank charges	59,345	19,235
Courier and postage	868	4,523
Insurance - vehicles	3,424	3,796
Other general expense	6,531	9,357
	596,351	432,089
<u>Computers</u>		
Computer software - depreciation	81,052	90,715
Software subscription and maintenance	159,393	124,054
Computer stationery and ATM expense	20,224	41,807
Computer hardware - depreciation	39,764	31,829
Internet	3,958	3,958
	\$ 304,391	\$ 292,363

(Continued)



TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED

Statement of Operating Expenses – Nassau, Head Office

For the year ended December 31, 2016  
(Expressed in Bahamian Dollars)

	2016	2015
<i>Organizational</i>		
Board and committee development and travel	\$ 50,984	\$ 100,284
Board and committee remuneration	62,520	62,520
Annual general meetings and anniversary expenses	60,575	54,418
Stabilization fees	38,079	36,381
Board and committee meetings	(14,179)	6,620
Directors and officers insurance	5,191	5,191
Members' education	3,167	3,523
	206,337	268,937
<i>Members' security</i>		
Share/loan insurance premium	304,607	195,007
Blanket bond insurance premium	16,250	16,825
	320,857	211,832
<i>Marketing</i>		
Advertising and promotions	43,874	52,075
Marketing	5,343	10,391
Donations	7,896	8,839
	57,113	71,305
	\$ 4,331,634	\$ 4,285,561

(Concluded)

**TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED**

Statement of Profit or Loss – Freeport Branch

For the year ended December 31, 2016  
(Expressed in Bahamian Dollars)

	2016	2015
<b>INTEREST INCOME</b>		
Loans	\$ 2,279,066	\$ 2,010,437
Investments	4,679	2,518
Total interest income	2,283,745	2,012,955
<b>INTEREST EXPENSE</b>		
Members' shares and deposits	(478,973)	(560,334)
<b>NET INTEREST INCOME</b>	1,804,772	1,452,621
Increase in provision for loan impairment	(303,616)	(256,362)
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	1,501,156	1,196,259
Other income	73,896	27,468
Profit on rental properties	43,391	76,020
Total income	1,618,443	1,299,747
<b>OPERATING EXPENSES</b>		
Personnel	311,146	289,126
General business	71,149	72,076
Occupancy	81,243	93,020
Organizational	9,858	11,616
Members' security	5,417	4,584
Computer costs	10,402	12,206
Marketing	7,057	9,199
Total operating expenses	496,272	491,827
<b>PROFIT FOR THE YEAR</b>	<b>\$ 1,122,171</b>	<b>\$ 807,920</b>

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED

Statement of Operating Expenses – Freeport Branch

For the year ended December 31, 2016  
(Expressed in Bahamian Dollars)

	2016	2015
<i>Personnel</i>		
Salaries	\$ 234,248	\$ 221,101
Medical and pension	41,116	35,515
Staff benefits	15,194	13,156
National insurance	11,600	11,157
Travel, training and development	8,988	8,197
	311,146	289,126
<i>General business</i>		
Depreciation - furniture and fixtures	10,405	10,411
Insurance - general	3,120	3,772
Professional and legal fees	3,313	2,905
Value Added Tax (VAT)	5,613	7,148
Equipment maintenance	14,245	15,416
Stationery and supplies	4,857	5,896
Depreciation - vehicles	7,749	7,749
Armoured car services	3,650	4,100
Vehicle expenses	8,096	8,137
Bank charges	8,379	3,531
Courier and postage	1,066	1,307
Insurance - motor vehicle	736	812
Other general expense	(80)	892
	71,149	72,076
<i>Occupancy</i>		
Utilities	33,366	43,153
Depreciation - building	9,504	9,504
Building maintenance	13,039	13,212
Building security	25,334	27,151
	81,243	93,020
<i>Organizational</i>		
Board and committee travel	347	3,629
Stabilization	8,547	7,095
AGWanniversary	735	892
Members' education	229	-
	\$ 9,858	\$ 11,616

(Continued)

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED

Statement of Operating Expenses – Freeport Branch

For the year ended December 31, 2016  
(Expressed in Bahamian Dollars)

	2016	2015
<i>Members' security</i>		
Bond insurance	\$ 5,417	\$ 4,584
	5,417	4,584
<i>Computer</i>		
Computer software - depreciation	1,557	2,287
Software subscription	1,468	2,692
Computer hardware - depreciation	3,682	3,544
Computer stationery and ATM expense	3,695	3,683
	10,402	12,206
<i>Marketing</i>		
Advertising and promotions	6,957	7,424
Marketing	-	1,700
Donations	100	75
	7,057	9,199
	\$ 496,272	\$ 491,827

(Concluded)

**TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED**

Statement of Profit or Loss – Abaco Branch

For the year ended December 31, 2016  
(Expressed in Bahamian Dollars)

	2016	2015
<b>INCOME</b>		
Loans	\$ 945,499	\$ 848,163
Investments	2,004	1,574
Total interest income	947,503	849,737
<b>INTEREST EXPENSE</b>		
Interest expense	(192,365)	(235,910)
<b>NET INTEREST INCOME</b>	755,138	613,827
Increase in provision for loan impairment	(35,345)	(34,447)
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	719,793	579,380
Other income	40,444	13,611
Loss on rental properties	(594,226)	(597,100)
Total loss	166,011	(4,109)
<b>OPERATING EXPENSES</b>		
Personnel	200,863	186,728
General business	153,859	136,165
Occupancy	198,559	221,263
Organizational	4,456	5,039
Members' security	5,417	4,583
Computer costs	8,703	9,830
Marketing	7,704	8,627
Total operating expenses	579,561	572,235
<b>LOSS FOR THE YEAR</b>	<b>\$ (413,550)</b>	<b>\$ (576,344)</b>

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED

Statement of Operating Expenses – Abaco Branch

For the year ended December 31, 2016  
(Expressed in Bahamian Dollars)

	2016	2015
<i>Personnel</i>		
Salaries	\$ 140,885	\$ 134,537
Medical and pension	31,207	26,369
Staff benefits	7,305	6,666
National insurance	7,245	7,128
Travel, training and development	14,221	12,028
	200,863	186,728
<i>General business</i>		
Depreciation - furniture & fixtures	62,121	58,332
Insurance	39,848	38,926
Professional fees	1,373	(100)
Value Added Tax (VAT)	7,976	6,078
Equipment maintenance	10,401	4,311
Stationery and supplies	5,237	5,276
Depreciation - vehicles	7,524	7,524
Armoured car services	9,001	7,600
Vehicle expenses	3,535	2,325
Bank charges	4,238	1,969
Courier and postage	1,030	1,415
Insurance - motor vehicle	849	908
Other general expense	726	1,601
	153,859	136,165
<i>Occupancy</i>		
Utilities	56,345	74,638
Depreciation - building	86,708	84,372
Building maintenance	30,975	39,291
Building security	24,531	22,962
	\$ 198,559	\$ 221,263

(Continued)

TEACHERS AND SALARIED WORKERS CO-OPERATIVE  
CREDIT UNION LIMITED

Statement of Operating Expenses – Abaco Branch

For the year ended December 31, 2016  
(Expressed in Bahamian Dollars)

	2016	2015
<i>Organizational</i>		
Board and committee travel	\$ 506	\$ 1,387
Stabilization fees	3,507	3,087
AGM and anniversary expenses	382	504
Members' education	61	61
	4,456	5,039
<i>Members' security</i>		
Bond insurance	5,417	4,583
	5,417	4,583
<i>Computer</i>		
Computer software - depreciation	1,120	1,507
Software subscription	1,451	2,246
Computer hardware - depreciation	5,573	5,357
Computer stationery and ATM expense	559	720
	8,703	9,830
<i>Marketing</i>		
Advertising and promotions	6,724	6,210
Marketing	980	2,217
Donations	-	200
	7,704	8,627
	\$ 579,561	\$ 572,235

(Concluded)



## SUPERVISORY COMMITTEE REPORT

Mr. Elbert Thompson, Chairman

The Supervisory Committee consists of three Members of the Credit Union who are elected on a rotational basis at the Annual General Meeting. The Committee has oversight responsibility for monitoring the business affairs of the Credit Union. In that capacity, the Supervisory Committee provides an objective, supervisory function, ensuring that the Teachers and Salaried Workers Cooperative Credit Union Ltd operates within established policies and procedures of the institution and in compliance with the Co-operatives Society Act. Additionally the committee seeks to ensure business practices are uniformed across the various branches, ethical and appropriate for the benefit of the members. We meet with and work closely with the Internal Audit and Compliance departments and report our findings and recommendations to Management and the Board of Directors for their necessary action, having completed our work independently from the Board of Directors. The report to the Annual General Meeting is a summary report.

In addition to our regular meetings, during the past year the Committee interviewed management and staff, reviewed and inspected operations in Nassau, Freeport and Abaco and met with the Board of Directors on a few occasions.

The main areas noted:

1. A review of the real estate investments, leases and rental income.
  - a. The majority of the Abaco Complex still remains vacant and the monthly expenses exceeds the rental income. The plan submitted by management to make the complex a more family-friendly environment hopefully will be successful in attracting new tenants and decreasing the carrying cost on the credit union as this significantly impacts the bottom line. There must be a careful selection of tenants to ensure they are fit and proper and will add to the appeal of the complex.
  - b. A significant outstanding rental amount for the East Street Business complex was collected in

2016, however the signed lease is still pending from the government.

- c. The East-West Highway building that currently is the office of the Real Estate Property manager is being expanded to accommodate the Collections Department and Marketing officer.
  - d. The Freeport building was fully rented although there was outstanding rent as at December 31, 2016. The limited physical space for the Freeport branch continues to be an issue as well as parking.
2. The delinquency rate is much higher than the Pearls Ratio Standard of 5%. Although the economic environment in 2016 was not favorable, increased efforts must be made to reduce the delinquency rate that will also reduce the loan loss provision.
    - a. Greater oversight is needed to follow through on non-performing loans within the first 30 days.
    - b. Ensuring that timely legal action continues to be taken against all delinquent loans, in the Magistrates & Supreme Courts.
  3. Increasing the loan portfolio to grow interest income is needed to prevent the erosion of the credit union base.
    - a. Targeting new members that have the capacity to borrow.
    - b. **The “Loans-on-the-go” and Skip Payment campaign** is showing success.
    - c. The Mortgage Department now is overseen by the Loans Manager.
      - i. Greater oversight is needed to ensure **homeowner’s insurance policies and life insurances** are renewed on the renewal date to keep the assets of the credit union secured.
    - d. The Collections Department, which also reports to the Loans Manager, needs to sell through



## SUPERVISORY COMMITTEE REPORT CONT'D

power-of-sale all assets with non-performing loans.

4. Compliance with Co-operatives Society Act and Central Bank guidelines:
  - a. Liquidity and Statutory Reserves balance with the Bahamas Cooperative Credit League is compliant.
  - b. Statutory Reserves requirement based on equity shares is not compliant with the Act, but plans are on target to comply over the next few years.
  - c. Bank Reconciliations are current and Finance Department has a stronger skill base than before.
5. Attracting younger members and young professionals to keep the organization growing as well as increased technology.
  - a. A new Information Technology Manager was hired to lead that department and increase security protocols.
  - b. Marketing through television and direct educational seminars in 2016 showed the benefits of the credit union compared to traditional banks.
  - c. The ATM system has been plagued with reliability issues, but the new IT manager has already resolved some of the down time.
6. The management team is working to improve the **credit union's daily operations and efficiency**. To enhance this, the Supervisory Committee supports clearly defined and communicated goals and responsibilities from the Board of Directors to the management team.
7. Branch and head office operations are showing more consistency than in past years. Employees must ensure all relevant signatures are included on all forms with current compliance documents.
8. As of December 31, 2016, the Compliance Department report showed the credit union was not at risk with Anti-Money Laundering and Know Your Client guidelines.

Central Bank guidelines require that the Supervisory Committee possess a strong technical knowledge for our

oversight responsibilities. We are pleased to advise that our Committee brings with it experience and sound technical training. All three members have been trained on Supervisory Committee roles by the Bahamas Cooperative Credit Union League.

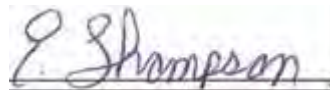
## CONCLUSION

The TSWCCUL continued its leadership in the cooperative movement in 2016. The country continues to slowly recover from the past years of difficult economic times, and we commend the Board of Directors, Management and staff for their due diligence in ensuring that our credit union continues to see steady growth.

The overall success of this organization depends on you the members, and we encourage you to play your role in assisting with the overall success of the organization by making it your number one financial institution and encouraging fellow members to meet their financial commitments.

The Committee expresses its appreciation to you the owners and members for its assistance in the performance of its duties.

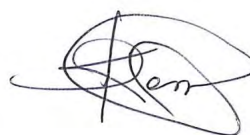
Your Supervisory Committee,  
Committed to serve you!



Elbert Thompson – Chairman



Kim Knowles - Secretary



Dencil I. Kerr - Member



# EDUCATION COMMITTEE REPORT

Prepared by: Ms. Renee Mayers, Acting Chairperson

Period: January 2016 ~ December 2016

## EDUCATION COMMITTEE MEMBERS:

Ms. Vienna McKenzie – Chairperson  
 Ms. Antona Curry – Vice Chairperson  
 Ms. Renee Mayers – Secretary/Actg. Chairperson  
 Mr. Graham McKinney – Chaplin  
 Ms. Donell Johnson – Asst. Secretary  
 Ms. Barbara Bowe – Asst. Chaplin

## EDUCATION COMMITTEE BOARD LIAISONS:

Mrs. Geraldine Stevens – Liaison Board Member  
 Mr. Henry Campbell – Liaison Board Member  
 Mrs. Sharon Rahming – Liaison Board Member

## STAFF LIAISON:

Mrs. Yvonne Rahming  
 Marketing Manager & Liaison to the Education Committee

The Education Committee comprises a group of persons who are members of the credit union in good standing. These persons are appointed by the Board of Directors and serve at the pleasure of the Board and for the benefit and edification of the general membership. All members of the Education Committee serve in a voluntary capacity.

There were six persons who served on the Education Committee for the 2016 year, three of whom were new appointees in late 2015 and who underwent training immediately following their appointment in 2015. The Committee is assisted by Mrs. Yvonne Rahming of the Marketing Department who co-ordinates the planned activities of the committee, inclusive of their meetings under the leadership of the Board and Management of the TSWCCUL.

From time to time the Education Committee presents informational sessions that seek to disseminate information to create awareness about products and services of the TSWCCUL to the membership body as well as present on topics that help to enrich the knowledge of the members enabling them to become better informed consumers and hence make better decisions regarding financial, health or other such life management choices.

The Education Committee held four meetings in the year 2016 during the months of January, February, April and June. Two Informational sessions were held in 2016, one in February on the topic: “Work/Life Balance for the Busy Professional” and one in June, 2016 on the topic: “Business & Entrepreneurship”. These

informational sessions saw an increase in attendance through increased promotional and advertising efforts of the TSWCCUL and members of the Education Committee.

Each year a member of the Education Committee is selected to attend the Caribbean Confederation of Credit Unions Conference (CCCU) Ms. Renee Mayers attended the Caribbean Confederation of Credit Unions, which was held in July 2016 at the Hilton Bonnet Creek in Orlando, Florida. At the conference emphasis **was placed on the global challenge of “de-risking and a highly regulated financial industry” facing all financial institutions and** how such regulations are impacting credit unions as well. The need for Credit Unions to become more creative and competitive was being echoed by all presenters at the Conference.

In December, 2016, resignations from the Chairperson and Vice Chairperson of the Education Committee were received and Renee Mayers was named Acting Chairperson to ensure that there was continuity of service in 2017.

In 2017, The Education Committee will seek to stage more informational sessions on topical issues that are relevant to the financial, health, and physical well-being of the membership and general public, and we do ask that you the members support us in these efforts by not only attending the sessions which are advertised in the newspaper and on radio but in sharing their feedback on what are considered important issues and topics that they would wish to see organized in the form of an informational session. With the assistance of the TSWCCUL, the Education Committee will embrace technological means to reach more of the membership to keep them better informed about sessions.

Committee would like to thank the Liaison Board of Directors, The Marketing Department, and the Staff of the TSWCCUL for their assistance, guidance and knowledge provided to us during the past year. We appreciate this opportunity given and the confidence placed in us to serve you the members or this Credit Union.

May God continue to bless all of us as we continue to strive to make our Credit Union the Best Financial Institution in this country.

Thank you

*Renee D. Mayers*  
 Renee Mayers  
 Acting Chairperson

## 2017 AGM RESOLUTIONS

### RESOLUTION 1

WHEREAS the audited accounts for 2016 indicates that there are sufficient funds to provide a cash dividend to shareholders of the Teachers and Salaried Workers Co-operative Credit Union, and

WHEREAS the Directors have determined that after the payment of such dividend the Company will be able to meet all of its continuing obligations and provide adequate funds for reinvestment in the business;

BE IT RESOLVED that this Annual General Meeting approves payment of Two and One Half Percent (2.5%) Interest on Regular Share (Loan Security) Deposits; Three Quarter Percent (0.75%) Interest on Dividend Reinvestments; Three Quarter Percent (0.75%) Interest on Retirement Accounts; One Half Percent (0.5%) Interest on Deposit Accounts.

### RESOLUTION 2

#### AUDITORS

BE IT RESOLVED that the Board of Directors be responsible for the appointment of Auditors for the year ending December 31, 2017.

### RESOLUTION 3

#### REMUNERATIONS

CONSIDERING the new Bahamas Co-Operative Credit Union Act, of 2015 came into effect in June of 2015. The Act for the first time provides for the remuneration of directors and committee members in connection with their duties as directors or a committee member of a cooperative credit union. Remunerations for the purpose of the Act, includes any honorarium, stipend or payment in cash or in kind, however designated.

WHEREAS, Section 58 of the Act provides that, for directors and members of a committees to be paid any remunerations, the amount must be fixed (agreed) and ratified by resolution each year at the annual general meeting.

BE IT RESOLVED, and RATIFIED that remunerations to directors and committee members be fixed and ratified as follows:-

#### Part (i): DIRECTORS

(a) That the remuneration (stipend) for Directors be fixed and ratified at Five Hundred, and Thirty dollars (\$530.00) per month each, in arrears, until the next annual general meeting in 2018.

#### Part (ii): SUPERVISORY AND CREDIT COMMITTEE MEMBERS

(a) That the remuneration for Supervisory Committee and Credit Committee members be fixed and ratified at Two Hundred and Fifty dollars (\$250.00) each per month, in arrears until the next annual general meeting in 2017.

# FORTY YEARS IN REVIEW

⇒ 1976:

Bahamas Union of Teachers Executive Committee investigating ways and means of assisting its membership toward greater financial security and economic stability, explored the "Credit Union" idea.

Bye Laws drafted and application for registration signed and forwarded to The Department of Co-operative Development. Original application for registration signed by:

- A. Leonard Archer
- Cecil N. Curling
- A. Jillian Wells
- Eris Moncur
- Melbourne E. Wells
- Hugh Campbell
- Cedric Parker
- Ralph Johnson
- Warren Seymour
- Claudette Lundy
- Patricia
- Mautardier
- Gregory Austin

⇒ 1977:

February 14th Bahamas Union of Teachers Cooperative Credit Union officially Registered by the Department of Co-operatives and received its Charter.

February 23rd – Public launching of Bahamas Union of Teachers Credit Union Limited. Minister of Education, The Honorable Livingston N. Coakley agreed to the closing of Nassau Schools for half day to allow teachers to attend.

The First Board of Directors were:

- Eris Moncur (Chairman)
- A. Jillian Wells (Secretary)
- Melbourne Wells (Treasurer)
- Cecil N. Curling (Director)
- Hugh Campbell (Director)
- A. Leonard Archer (Director)
- Huel F. Moss Sr. (Director)

April - First deposit of ninety dollars (\$90) to Credit Union

bank account in Barclays Bank.

September- First loans made to members. As a contribution to **the Credit Union's Development**, The Bahamas Union of Teachers allowed the Credit Union to share its office facilities and staff at a token cost of sixty Dollars (\$60) per year, for the first half.

⇒ 1978:

Credit Union hired its first employee Ms. Catherine Wells.

May

A. Jullian Wells resigned as secretary.

Mrs. Vivienne M. Ferguson appointed Board member.

B.U.T. Credit Union was one of the members of Bahamas Co-operative Credit Union League.

June 30th – End of first financial year.

Total Assets of \$68,871.

⇒ 1979:

Second Employee hired – Ms. Karen Cash.

June 30th – End of second financial year.

Total Assets of \$206,797.

McDonald Rolle elected Board member.

⇒ 1980:

June 30th – End of third financial year.

Total Assets of \$344,033.

New Employees

Edna Newbold—employed  
Carol Shepherd—employed

Employee Resignations

Catherine Wells—resigned  
Karen Cash—resigned  
Cecil N. Curling—elected Chairman of Board.

⇒ 1981:

June 30th – End of fourth financial year.

Total Assets of \$546,517.

August

Delicia Forbes employed

Huel F. Moss Sr. elected Chairman of Board.

⇒ 1982:

February – name of Credit Union changed from Bahamas Union of Teachers Co-operative Credit Union Limited to Teachers and Salaried Workers Co-operative Credit Union Limited.

April – Mr. Eris Moncur and Mr. Cecil Curling resigned from the Board of Directors to become actively involved in achieving a political position.

August – Melbourne Wells resigned as Treasurer of the Credit Union to be appointed as the first Manager of the Credit Union.

October - Assets went over the Million Dollar (1,000,000) mark.

Financial year changed from June to December, as requested by the Department of Co-operatives.

December – Credit Union purchased Property and building on Jerome Avenue.

December

Total Assets of \$1,127,085.

Elizabeth E. Grant was elected to the Board of Directors.

⇒ 1983:

May – Ernest J. Bowe elected to the Board of Directors.

July – Sandra Hepburn employed part-time.

August – Mr. Melbourne Wells first Bahamian elected to the Board of Directors of the Caribbean Confederation of Credit Unions.

September – Sophia Moss employed.

December

Total assets \$1,615,873.00

⇒ 1984:

February – Pedro Ferguson employed.

December

Total assets, \$2,632,719.00

Executive Committee

McDonald Rolle, Chairman  
E. J. Bowe, Vice Chairman  
Elizabeth Grant, Secretary  
Franklin Ferguson, Treasurer

⇒ 1985:

March – Credit Union moved to its own newly renovated building on Jerome Avenue property.

February – Milford Lockhart employed.

April – Valerie Hart employed.

May – Edna Newbold resigned.

June – Elaine Poitier employed.

August

Leona Morris employed as Office Administrator.

Melbourne Wells elected Vice President of Caribbean Confederation of Credit Unions.

Pedro Ferguson, resigned.  
Randolph Curtis, employed  
Joanne Turnquest, employed.

December

Total assets \$3,927,070.00.

⇒ 1986:

December

Total assets \$5,168,355.00

Berkley J. Smith elected Chairman of the Board.

⇒ 1987:

January – Emmaline Whyte employed.

April – All accounts computerized.

December

Total assets of \$6,982,474.00.

⇒ 1988:

February – Daniel Moss em-

ployed. Michelle Pyfrom employed.

April – Clement Horton elected Board of Director. Franklin M. Ferguson elected Chairman of the Board.

May – Daniel Moss resigned.

July – Camille McIntosh employed.

August – Leona Morris resigned

September – Edna Newbold re-employed.

December – Anthony K. Hamilton employed as Office Administrator/Comptroller.

Total assets of \$8,910,664.00.

⇒ 1989:

February – Annual Road Race and Basketball Tournament introduced.

I.D. Cards introduced.

Membership increased by over One Thousand One Hundred and fifty (1,150) members.

August – Howard Bullard and Melvern Gibson employed. Randolph Curtis on study leave.

December  
Total Assets \$11,408,315.00.

⇒ 1990:

February – Introduction of Student Program. Ms. Juliette Stuart and Mr. William Poitier, students of C. I. Gibson employed in Student Program.

Office Expansion Program – New office space for Accounts Department downstairs.

Ms. Sophia Moss – study leave in U.S.A.

July – Ms. Sandi Yearwood employed.

November – Mr. Eugene L. Wilson employed. Mr. McDonald Rolle elected Chairman of the Board.

December

Total Assets of \$14,338,550.00

⇒ 1991:

Donald Symonette elected to the Board. Purchased AS400 Computer System. Began payments on property on the corner of Independence Drive and East Street.

Mr. Leroy Sumner elected to the Board.

Anita Collie and Sharlene Knowles employed.

December – Membership 6,441

Total Assets of \$18,000,178.00.

Past Chairmen:

Mr. Eris Moncur  
Mr. Cecil N. Curling  
Mr. Huel F. Moss, Sr.  
Mr. McDonald Rolle  
Mr. Berkley J. Smith  
Mr. Franklyn M. Ferguson

Past Board Members:

Ms. A. Jullian Wells  
Mr. Cecil N. Curling  
Mr. Hugh W. Campbell  
Ms. Vivienne Ferguson  
Mr. Edward Anderson  
Mr. John Berryman

⇒ 1992:

Eugene Wilson and Mark Kemp resigned. Valerie Hart on study leave. League relocated to its new office. Teachers & Salaried Workers Co-operative Credit Union Limited expands office space. Regional Branch Office opened in Marsh Harbour, Abaco.

New Employees:

Mr. Lashawn Parks  
Ms. Beverley Saunders  
Mrs. Lynette Pratt  
Ms. Sheila Sands  
Ms. Zelma Smith

Donald Symonette to the Board of The Bank of The Bahamas Limited.

A Leonard Archer, Board member appointed nonresident Ambassador to CARICOM.

Total Assets of \$21,201,356.00

⇒ 1993:

March – Tamika Neely employed as receptionist.

May

Mr. E. J. Bowe, elected Chairman of the Board. Mrs. Elizabeth Grant elected Vice-Chairman.

Final payment made for purchase of property on East Street South and East-west Highway.

December 31st – Membership 8,090

Total Assets - \$24,753,876.00.

⇒ 1994:

New Employees:

Mrs. Davina Leach  
Mr. Ricardo King  
Ms. Antionette Edwards  
Mr. Francis Delva  
Ms. Monique Smith  
Ms. Dianne Woodside

Employees Terminated:

Mr. Melbourne Wells  
Mr. Anthony Hamilton

Board Appointments:

Mr. Clement Horton and Mr. Theo Moss elected and replaced retiring Directors McDonald Rolle and Donald Symonette. Mrs. Delicia Forbes on study leave.

December 31st – Membership 8,751

Total Assets - \$28,894,318.

⇒ 1995:

New Employee:

Mr. Cordell Knowles

Employees Resignation:

Ms. Dianne Woodside

Study Leave:

- Ms. Delicia Forbes
- Mr. William Poitier re-joined the staff after being away on study leave.

Board Appointments:

- Clement Horton appointed Chairman of the Board of Directors.

- Mrs. Elaine Williams elected to the Board and appointed Secretary.

Auditors:

New Firm – Pricewaterhouse retained.

Total Assets - \$28,703,754

December 31st – Membership 9,300

⇒ 1996:

New Employees:

Ms. Roselda Stubbs (February)  
Ms. Tonia Roberts (March)  
Ms. Yvonne Sweeting (April)  
Mr. Jerome Sweeting (October)  
Mr. Anthony Ferguson (November)

Employees Resignations:

Ms. Oralee Stevens  
Mr. Randolph Curtis  
Mr. William Poitier

Board Appointments:

- Mr. W. Johnley Ferguson elected to the Board.
- Mr. E. J. Bowe elected Chairman for third term.

Board Retiree:

Mr. Leonard Archer

New Administration Building Project commenced July 17, 1996.

Total Assets: surpassed the \$30 million mark.

December 31st – Membership 9,937

⇒ 1997:

New Employee:

- Tamara McPhee (Freeport Office)

Employees Resignations:

- Lynette Pratt  
- P. Ricardo King  
- Francis Delva

Board Appointments:

- Mr. Franklyn Ferguson – Chairman
- Mrs. Elaine Williams – Vice Chairman
- Mr. Theo Moss – Secretary
- Mr. E. J. Bowe – Treasurer

Credit Union celebrated 21 years. Anniversary February 14, 1997.

Freeport Branch office opened June 2, 1997.

Issuance of Credit Cards commenced November 1997.

Total Assets - \$34,782,264  
Net Income - \$2,123,812

December 31st – Membership 10,863

⇒ 1998:

New Employees:  
Kim Simpson (February)  
Chalavar Thompson (February)  
Konto Miller (June)  
John Gibson (July)  
Jermaine Newbold – Temporary  
Nadia Butterfield (August)

Employees resignations:  
Vanessa Bain  
Konto Miller  
Sharlene Demeritte  
Jerome Sweeting

Board Appointments:  
May

- Mr. Franklyn M. Ferguson was re-elected to the Board.
- Mrs. Cheryl Bowe-Moss was elected to the Board.

Opening of New Administrative Building

July

Mr. Leroy Sumner elected to serve on the Board of Directors of the Caribbean Confederation of Credit Unions.

Total Assets - \$39,213,919  
Net Income - \$996,436

December 31st – Membership 6,385

⇒ 1999:

New Employees:  
Philip Roberts (January)  
Mesha Higgs-Rolle (January)  
Lapaige Gardiner (March)  
Vanessa Percentie (April)  
Altonnia Munroe (April)  
Shantell Gilbert (August)

Desmond Bethel (October)  
George Rodgers (October-Temp)

Employee Resignations:  
Tamika Neely (February)  
Philip Roberts (March)  
Lapaige Gardiner (April)  
George Rodgers (October)

Board Appointments:  
May

- E. J. Bowe
- W. Johnley Ferguson
- Leroy Sumner re-elected to the Board
- Mrs. Cheryl Bowe-Moss appointed Secretary.

Financial Goal Attained:  
Total Assets exceeded \$40 million & Member Shares exceeded \$20 million Monthly salary deduction exceeded \$1 million.

Total Assets - \$46,773,522  
Net Income - \$4,328,689

December 31st – Membership 7,732

⇒ 2000:

New Employees:  
Nedra Carey (February)  
Kenneth Andrews (September)  
Monique Mills (September)  
Jacqueline Brown (December)  
Samantha Colebrook (April)

Employee Resignations:  
John Gibson (January)  
Atonnia Munroe (August)  
Antionette Edwards (December)  
Chalavar Thompson (October)

- Revitalization and renovation of the Abaco Branch office. Ms. Monique Smith to manage.
- Strategic Planning Conclave held in Abaco October 12 & 13, stressing wealth creation for members and making the Credit Union their primary financial institution.
- Harold Road Property purchased and to be developed as a commercial complex that members can have direct ownership in.

- Establishment of Nominations Committee for persons wishing to become members of the Board of Director and Supervisory Committee.

Board Appointments  
May

Mr. McDonald Rolle and Mrs. Sharon Rahming were elected to the Board.

Executive Committee of the Board:

- Mr. Leroy Sumner – Chairman
- Mr. McDonald Rolle – Vice Chairman
- Mrs. Cheryl Bowe-Moss Secretary
- Mr. E. J. Bowe – Treasurer (4th consecutive term).

⇒ 2001:

Mr. E. J. Bowe resigned from the Board and was appointed Deputy General Manager with responsibility for Marketing, Investments and Collections.

Mrs. Davina Leach resigned after seven years as Finance Manager.

Ms. Deborah M. Zonicle hired to replace Mrs. Leach.

Mr. Calvin Thompson hired as Internal Audit and Compliance Manager.

**Bahamas 'blacklisted' by FATF** (Financial Action Task Force) of G7 countries. New Legislative passed and effective December 2000 also effects Credit Union operations.

Employees:

Diarra Miller (January)  
Tamara Mackey (February)  
Deborah M. Zonicle (February)  
Ernest J. Bowe (March)  
Katherine Rahming (March)  
Calvin Thompson (March)  
Hadassah Culmer (April)  
Edvardo Lewis (August)  
Travis Forbes (August)  
Cardell McClam (October)

Earla Moss (October)  
Melinda Jones (Temp.) (October)  
Charlene Stuart (November)  
Evelyn Smith (November)

Employee Resignations:

Davina Leach  
Kenneth Andrews  
Anita Collie  
Michelle Gilbert  
Jermaine Newbold  
Vanessa Percentie

Board Appointments:

May

Mrs. Cheryl Bowe-Moss was re-elected. Mrs. Elaine Williams and Donald Symonette were elected to the Board.

June

Executive Committee:

- Mr. Leroy Sumner (Chairman)
- Mr. McDonald Rolle (Vice Chairman)
- Mrs. Sharon Rahming (Secretary)
- Mrs. Cheryl Bowe-Moss (Treasurer)

November

Mr. Leroy Sumner resigned as Chairman of the Board and Mr. McDonald Rolle elected Chairman, Mrs. Cheryl Bowe-Moss Vice Chairman and Mr. Donald Symonette Treasurer.

December

Mrs. Elaine Williams replaced Mrs. Cheryl Bowe-Moss as Vice Chairman.

Mrs. Yvonne Sweeting, Acting Branch Manager, Abaco.

⇒ 2002:

New Employees

- Tristian Marshall (April)
- Maureen Woodside (September)
- Claudette Floures (September)
- Detrick Munnings (Temp. September)
- Antonia Rolle (December)
- Betty Smith (December)

Employee Resignation

Kim Simpson  
Monique Smith

Employees Terminated  
Beverley Saunders  
Tamara McPhee

Board Elections (May AGM)  
Mr. W. Johnley Ferguson  
Mr. Leroy Sumner  
Mr. Donald Symonette  
(The three were re-elected)

Executive Committee (June)

- Mr. McDonald Rolle (Chairman)
- Mrs. Elaine Williams (Vice-Chairman)
- Mrs. Cheryl Bowe-Moss (Secretary)
- Mr. Donald Symonette (Treasurer)

June  
Ground breaking for the Harold Road Shopping Complex.

Board Appointment:  
November  
Mr. W. Johnley Ferguson replaced Mrs. Elaine Williams as Vice Chairman.

⇒ 2003:  
New Employees

- Logan Hanna (April)
- Talov Wilson (April)
- James Bridgewater (Temp. March)
- Jonathan Brown (Temp. March)
- Andrew Pratt (Temp. March)
- Shirley Knowles (July)
- Leonard Clarke Jr. (August)
- Sharmicka Smith (August)
- Megan Saunders (June)
- Tineke Bethel (October)
- Illiyia Bain (December)

Employee Resignation  
Roselda Stubbs (July)

Employees Terminated  
Desmond Bethel (January)  
Antonia Rolle (December)  
Logan Hanna (December)

Employees Transferred

- Delicia Forbes from Free-

port Branch to Head Office (July).

- Yvonne Sweeting from Abaco Branch to Head Office (July).
- Tonia Roberts from Head Office to Abaco Branch (July).
- Nadia Campbell from Head Office to Freeport Branch (Sept).

Board Election (May)  
McDonald Rolle  
Sharon Rahming  
Anthony Rolle

Executive Committee (June)

- Mr. W. Johnley Ferguson (Chairman)
- Mr. McDonald Rolle (Vice Chairman)
- Mrs. Cheryl Bowe-Moss (Secretary)
- Mr. Donald Symonette (Treasurer)

September  
The Drive Thru Teller Service was opened.

October  
Mr. W. Johnley Ferguson resigned from the Board and was appointed Manager of Teachers Real Estates Holdings Ltd.

Mr. Donald Symonette was elected Chairman of the Board and Mr. Anthony Rolle Treasurer.

November  
The Harold Road Shopping Complex was completed.

⇒ 2004:  
New Employees  
Lynda Smith (January)  
Ancilla Knowles (January)  
Ida Collie (January)  
Zsia Poitier (April)  
Christal Watson (July)

Employee Resignation  
Travis Forbes (January)  
Tineke Bethel (February)  
Diarra Miller (July)

Employee Terminated  
Sharmicka Smith (January)

Cardell McClam (December)  
February – March  
Share offering to members for Teachers Real Estate Holdings Ltd (TREHL).

Purchase of 3.673 acres of land in Central Pines Sub-division, Abaco from the Government, at a cost of \$256,000.00. The required 10% down-payment was made February 3, 2004. Conveyance dated December 15, 2004.

June  
Purchase of a parcel of land from Peter Pickstock at a cost of \$850,000.00. At the Board meeting, June 25, 2004 the conveyance for this property which is adjacent to the Head Office on East Street was signed by the Chairman and Secretary.

Board Election  
Cheryl Bowe-Moss  
Anthony Rolle  
Lenn King (One-year term)

Executive Committee:  
Donald Symonette (Chairman)  
McDonald Rolle (Vice Chairman)  
Anthony Rolle (Treasurer)  
Cheryl Bowe-Moss (Secretary)

December  
Contract signed for the proposed shops and office complex on West Atlantic Drive, Freeport Grand Bahama, December 23, 2004. Contract price \$1,590,000.00.

December 31, 2004  
Total Assets \$68.8 million  
Net Income \$974,225.

⇒ 2005:  
New Employees  
Felonie Carey (February)  
Winifred Barry (June)  
Myriam Charlow (June) Temp.  
Theotis Taylor (September)  
Racquel Bootle (December)  
Ordia Lewis (December)

Employee Resignation  
Shantell Gilbert (January)  
Leonard Clarke (August)

Employee Termination  
Christal Watson (May)  
Jonathan Brown (November)

January  
Ground Breaking for the Freeport Office/Shopping Complex, West Atlantic Drive, Freeport, Grand Bahama.

March  
Official opening of TREHL Plaza 1 on Harrold Road.

April  
Massachusetts Credit Union League visit.

May  
Board Election  
Mr. Lenn King  
Mr. Leroy Sumner  
Mr. Donald Symonette  
*The three (3) were re-elected.*

Mrs. Cheryl Bowe-Moss was elected to the Bahamas Co-operative League Board and subsequently elected President of the League Board.

Executive Committee:  
Donald Symonette (Chairman)  
McDonald Rolle (Vice Chairman)  
Anthony Rolle (Treasurer)  
Lenn King (Secretary)

September  
Mr. Lenn King became Secretary to The Teachers and Salaried Workers Co-operative Credit Union Ltd. Board.

November  
The Board of Directors presented ten (10) members in Freeport, who were affected by Hurricane Wilma, with cheques totaling \$14,000.00.

TREHL first Annual General meeting held on November 10, 2005.

December 31, 2005  
Total Assets: \$80,593,020  
Net Income: \$605,297

⇒ 2006:  
New Employee  
Holly Pinder-Dean (January)  
Donna Darville (September)

Kayla Gibson (September)  
Syntyche Smith (September)  
Huewitt Whyly (November)  
Amanda Sawyer (November)

Employee Resignation  
Felonie Carey (June)  
Theotis Taylor (August)  
James Bridgewater (September)  
Jacqueline Brown (September)

Employee Termination  
Idamae Collie (April)  
Racquel Bootle (July)

Board Election May  
Mr. McDonald Rolle and Mrs. Sharon Rahming were reelected.

The construction of the Freeport Office/Shopping Complex was completed April 27, 2006. The Freeport Branch moved into this complex, May 29, 2006.

Executive Committee:  
Donald Symonette (Chairman)  
McDonald Rolle (Vice Chairman)  
Anthony Rolle (Treasurer)  
Lenn King (Secretary)

December 31, 2006  
Total Assets: \$94.6m  
Net Income: \$1.6m

⇒ 2007:

New Employees  
Kaniella Sands (January)  
Acquin Cooper (January)  
Emery Lockhart (February)  
Ashleigh Payne (February)  
Anthony Rolle (May)  
Bianca Brown (July)  
Cindyargo Collie (August)  
Cindy Pratt (October)  
Jacqueline Whymns (October)  
Tiffany McKinney (October)  
Sophia Hanna (October)

Employee Resignation  
Syntyche Smith (January)  
Howard Bullard (February)  
W. Johnley Ferguson (April)  
Acquin Cooper (July)  
Nadia Campbell (August)  
Kayla Gibson (August)

Employee Termination  
Winifred Barry (September)

February  
The Founding Fathers were honored during our 30TH Anniversary Celebrations.

March  
Official Ground Breaking for the Three-Storey Shop and Office Complex, East Street.

April—Official Ground Breaking of the Freeport Office/Complex Building West Atlantic Drive.

May  
Board Election:  
Cheryl Bowe-Moss  
Charles Moxey

Executive Committee  
Donald Symonette (Chairman)  
McDonald Rolle (Vice Chairman)  
Leroy Sumner (Treasurer)  
Lenn King (Secretary)

May  
Total Assets Exceeded \$100 Million

September  
First Day live on CRUISE (The new Computer Software System).

December 31st  
Total Asset \$107,971,240  
Net Income \$1,255,044

⇒ 2008:

New Employees  
Patricia Curry (March)  
Jarrod Thompson (March)  
Corene Moxey (April)  
Shanderia Lewis (May)  
Dwanya Miller (May)  
Rosetta Watkins (June)  
Samantha Bain (June)  
James Pinder (September)  
Kimberley McKinney (October)

Employee Resignation  
Illiyia Bain (January)  
Maureen Turnquest (February)  
Anthony Ferguson (April)  
Rosetta Watkins (June)  
Monique Mills (September)  
Sophia Hanna (November)  
Sarah Nedra Carey (December)

Employee Termination  
Cindyargo Collie—March

Edvarado Lewis—August  
James Pinder—November  
REST IN PEACE  
Zelma Smith—December

March  
Strategic Planning in South Eleuthera

May  
Board Election:  
Lenn King  
Leroy Sumner  
Donald Symonette

Executive Committee  
Donald Symonette (Chairman)  
McDonald Rolle (Vice Chairman)  
Leroy Sumner (Treasurer)  
Lenn King (Secretary)

June: Staff Fun Day in Harbour Island

July: Mrs. Cheryl Bowe-Moss elected to serve on the Board of Directors of the Caribbean Confederation of Credit Unions and elected Secretary.

TSWCCUL presented with a Special Award for achieving the singular distinction of being the first Institution of this type in The Bahamas to surpass the One Hundred Million Dollars (\$100,000,000.00) mark in Total Assets.

December 31st:  
Total Asset \$114,958,744  
Net Income \$1,488,414

⇒ 2009:

New Employee  
• Leonor Robinson (May)  
• Shena Smith (May)  
• Samantha Lightbourne (Sep)  
• Theadorsha Lowe (Oct)  
• Donica Saunders (Oct)

May  
The Mangrove Cay Office, Andros, officially opened by Minister Lawrence Cartwright.

Board Election:  
McDonald Rolle  
Sharon Rahming

Executive Committee:

- Cheryl Bowe-Moss (Chairperson). First female ever to be elected to this position.
- Sharon Rahming (Vice Chairperson)
- Lenn King (Secretary)
- Leroy Sumner (Treasurer)

July  
Cheryl Bowe-Moss elected Vice-President of the Caribbean Confederation of Credit Unions.

October  
Teachers Real Estates Holdings Limited (TREHL) officially winding down its operations.

December 31st  
Total Assets: \$120,533,174  
Net Income: \$1,374,918

⇒ 2010:

New Employee  
Janae Farrington February  
Employee Resignation  
Tiffany McKinney January

May  
The official opening of Teachers and Salaried Workers Cooperative Credit Union Business Complex.

Board Election:  
Cheryl Bowe-Moss  
Henry Campbell

Executive Committee  
Donald Symonette Chairman  
McDonald Rolle Vice-Chairman  
Lenn King Secretary  
Leroy Sumner Treasurer

December 31st  
Total Assets: \$130,880,798.00  
Net Income: \$ 1,718,501.00

⇒ 2011:

New Employees  
Kendrick Minns March  
Andrew Rahming March  
Leroy Sumner August

Retired Employee  
E. J. Bowe August

May  
Board Election:  
Donald Symonette



Lenn King  
Geraldine Stevens

Executive Committee  
Donald Symonette Chairman  
McDonald Rolle Vice-Chairman  
Lenn King Secretary  
Cheryl Bowe-Moss Treasurer

Retirement from the Board:  
Leroy Sumner

December 31st  
Total Assets: \$146,313,265  
Net Income: \$ (150,450)

⇒ 2012:

New Employees:

- Philendra McDonald (July)
- Shanika Baillou (Freeport) (Sept)
- Rashea Carey (September)
- Kendrecka Ferguson (Sept)
- Steve Dames (Sept)
- Cheerese Major (Sept)
- Irene Moss (Sept)

Employee Resignations:  
Janae Farrington—July

May  
Board Election:  
McDonald Rolle  
Sharon Rahming

Executive Committee:

- Mr. Donald Symonette (Chairman)
- Mr. McDonald Rolle (Vice Chairman)
- Mrs. Cheryl Bowe-Moss (Treasurer)
- Mr. Lenn King (Secretary)
- Mrs. Sharon Rahming (Assistant Secretary)
- Mr. Henry Campbell (Assistant Treasurer)
- Mrs. Geraldine Stevens (Director)

Supervisory Committee:  
Mr. Dencil Kerr.  
Mr. Gary Ingraham  
Mr. Elbert Thompson

Retired Supervisory Committee Member:  
Mrs. Khrystle Rutherford-Ferguson

Credit Committee Election -

*(The Credit Committee was elected for the first time under Section 17(1) of the Co-operatives Societies Act 2005.*

E. J. Bowe  
Italia Seymour  
Shawn Adderley

*The members appointed under Section 17 (2) of the Act are:*

- Cheryl Bowe-Moss (Board member)
- Donald Symonette (Board member)

December 31st  
Total Assets – \$158,825,330  
Net Income – \$414,597

⇒ 2013:

New Employment:  
Tiffany Ward June (Nassau)  
Troy Babbs June (Nassau)  
Kimberley Taylor June (Nassau)  
Micheline Cervili July (Nassau)  
Davina Knowles (Nov) - Abaco  
Clifford Henfield (Dec) - Abaco

Employee Resignations:  
Andrew Rahming January  
Kimberley McKinney March

Employee Terminations:  
Amanda Sawyer November

August  
Board Elections:  
Cheryl Bowe-Moss  
Henry Campbell

Executive Committee:  
Donald Symonette (Chairman)  
McDonald Rolle (Vice Chairman)  
Lenn King (Secretary)  
Henry Campbell (Treasurer)

*Credit Committee: (The Credit Committee was elected under Section 17(1) of the Co-operative Societies Act 2005.*  
Shawn Adderley (3 years)  
E. J. Bowe (2 years)  
Italia Seymour (1 year)

*The members appointed under Section 17(2) of the Co-operative Societies Act are:*  
Donald Symonette  
Henry Campbell

December 31st:  
Total Assets: \$171,795,177  
Net Income: \$1,088,094

⇒ 2014:

New Employees:  
Brenda Neeley (Jan) Nassau  
Alfreda V. Gibson (Mar) Nassau  
Lynette T. Moore (Jun) Nassau  
Tamaría R. Saunders (Jun) Nassau  
Tamara McIntosh (Nov) Abaco

Employee Resignation:  
Brenda Neeley (May) Nassau  
Ancilla L. Knowles (Oct) Nassau  
Clifford S. Henfield (Nov) Abaco

Employee Terminations:  
Vickarieo J. Adderley (Mar) Abaco

February:  
Official Opening of Automated Teller Machines (ATM)

April:  
Official Opening Ceremony of the Abaco Business Complex Central Pines Shopping Centre, Abaco – April 11th, 2014

May:  
Board Re-elected:  
Lenn King  
Geraldine Stevens

Board Elected:  
W. Johnley Ferguson

Board Retirement:  
Donald Symonette retired from the Board. He did not seek re-election to the Board.

June:  
*The following persons were honored at Government House during the 40th Anniversary Co-operative Movement Celebrations:*

- W. Johnley Ferguson
- Franklin M. Ferguson
- Rev. Father Berkley Smith
- Sharon Rahming
- Cheryl Bowe-Moss
- McDonald Rolle
- Anthony Rolle
- Donald Symonette
- Lenn King

Executive Committee:  
McDonald Rolle (Chairman)

Lenn King (Vice Chairman)  
Cheryl Bowe-Moss (Secretary)  
Henry Campbell (Treasurer)

Credit Committee:  
*(The Credit Committee was elected under Section 17(1) of the Co-operative Societies Act 2005)*

- Italia Seymour (3 year)
- E. J. Bowe (2 years)
- Shawn Adderley (1 year)

*The members appointed under Section 17(2) of the Co-operative Societies Act are:*  
McDonald Rolle  
Henry Campbell

December:  
Total Assets: \$178,014,924  
Net Income: \$377,556

⇒ 2015:

New Employment:

- Leslie W. Archer—March Asst. Property Manager (Abaco)
- McAlex Corneille April Clerk II (Freeport)
- Julian A. Miller December Property Manager (Nassau)

Employee Resignation:  
Samantha A. Bain (March)  
Delicia L. Forbes (April)  
Jarrod Thompson (July)

Employee Terminations:  
Tamara McIntosh (November)

Employee Retired:  
Emma Whyte (September)  
Anthony Rolle (December)

February:  
Review and revision to the Strategic Plan: A conclave was held in February 2015, to review and update the Strategic Plan for 2015 to 2020 by the Board, Supervisory, Credit and Education Committees, Management and Supervisors.

May:  
Board Re-elected:  
Sharon Rahming

Board Elected:  
Theresa Deleveaux

Retiree from Board:  
McDonald Rolle

Supervisory Committee Re-elected:  
Dencil Kerr

Supervisory Committee Elected:  
Kim Knowles

Supervisory Committee Re-tired:  
Gary Ingraham

Credit Committee Re-elected:  
Shawn Adderley

Executive Committee:  

- Lenn King (Chairman)
- Cheryl Bowe-Moss (Vice Chairman)
- Sharon Rahming (Secretary)
- Theresa Deleveaux (Treasurer)

Credit Committee:  
*(The Credit Committee was elected under Section 17(1) of the Co-operative Societies Act 2005).*

- Shawn Adderley (3 years)
- E. J. Bowe (2 years)
- Italia Seymour (1 year)

*The members appointed under Section 17(2) of the Co-operative Societies Act are:*

- Theresa Deleveaux
- Lenn King

June:  
The new Co-operative Act came into force on June 8th, 2015 and the Credit Union transition to the Central Bank as the new Regulatory Agency.

October:  
New Acting Appointments:

- Calvin Thompson, Acting General Manager
- Elaine Ferguson, Acting Loans and Collections Manager
- Camille Burrows, Acting Mortgage Manager
- Yvonne Rahming, Acting Marketing & Public Relations

Manager

- Charlene Stuart, Acting Human Resources
- Emery Lockhart, Acting Mid-Manager
- Kaniella Maycock, Acting Mid-Manager
- Caudray Pratt, Acting Collections Manager

Transferred to the General **Manager's Office**

- Jacqueline Whymns, Executive Assistant

Reclassified:  

- Deborah Zonicle, Financial Controller

December:  
Total Assets: \$190,346,396  
Net Income: \$12,864,305

⇒ 2016

New Employees:

- Gerlene Ferguson (January) Nassau
- Jamal Fraser (March) Freeport
- Rhonda Arthur (May) Nassau
- Davinya Lightbourne (May) Nassau
- Betty Hanna (May) Nassau
- Jimica Francois (October) Nassau
- Sonovia Butler (December) Nassau

Employee Resignation:

- Tiffany Ward (May) Nassau
- Eartha Granderson (Sep) Nassau
- Leslie Archer (June) Abaco

Employee Retirees:  
Cordell Knowles (April) Nassau  
Leroy Sumner (August) Nassau

REST IN PEACE:  
Emery Lockhart (Aug) Nassau

Confirmed Promotions:

1. Calvin Thompson, General Manager (Nassau)
2. Sophia Moss, Sr. Operations & Projects Manager (Nassau)
3. Elaine Ferguson, Credit Risk Manager (Nassau)
4. Yvonne Rahming, Market-

ing Manager (Nassau)

5. Charlene Stuart, Human Resources Manager (Nassau)
6. Lynette Moore, Assistant Financial Controller (Nassau)
7. Tonia Percentie, Assistant Branch Manager (Freeport)
8. Megan Dean, Internal Audit Manager, (Nassau)
9. Caudray Pratt, Assistant Collections & Loans Manager (Nassau)
10. Julian Miller, Property Manager (Nassau)
11. Emery Lockhart, Information Technology (IT) Mid-Manager (Nassau)
12. Kaniella Maycock, Compliance Mid-Manager (Nassau)
13. Joanne Gibson, Loans Supervisor (Nassau)
14. Irene Moss, Sr. Operations Supervisor (Nassau)
15. Samantha Colebrook, Operations Supervisor (Nassau)
16. Claudette Daniel, Member Services Supervisor (Nassau)
17. Alfreda Gibson, Accounts Supervisor (Nassau)
18. Dwanya Miller, Head Teller (Nassau)
19. Kendrick Minns, Clerk II (Nassau)

Reclassified

- Jacqueline Whymns, Corporate Secretary (Nassau)
- Ashleigh Payne, Clerk II (Nassau)

New Product:  
Customers (September)

Shares Reclassification:  
Equity Shares (September)  
Qualifying Shares

(September)

August  
Board Re-elected:  
Cheryl Bowe Moss  
Henry Campbell

Executive Committee:  
Lenn King (Chairman)  
Sharon Rahming (Vice Chairman)  
Cheryl Bowe-Moss (Secretary)  
Theresa Deleveaux (Treasurer)

Supervisory Committee:  
Elbert Thompson (Chairman)  
Kim Knowles (Secretary)  
Dencil Kerr (Member)

*Credit Committee: (The Credit Committee was elected under Section 17(1) of the Co-operative Societies Act 2005)*

- E. J. Bowe (1 year)
- Italia Seymour (2017)
- Yvette Cooper (2 years)

*The members appointed under Section 17(2) of the Co-operative Societies Act are:*

- Theresa Deleveaux
- Lenn King

December (2016):  
Total Assets: \$198,514,385.57  
Net Income: \$1,141,484.37

**PAST TO PRESENT BOARD CHAIRPERSONS**

1977-1980	~ <b>Eris Moncur</b>
1980-1982	~ <b>Cecil N. Curling</b>
1982-1984	~ <b>Huel F. Moss Sr.</b>
1984-1986	~ <b>McDonald Rolle</b>
1986-1988	~ <b>Berkley Smith</b>
1988-1990	~ <b>Franklin M. Ferguson</b>
1990-1993	~ <b>McDonald Rolle</b>
1993-1995	~ <b>E. J. Bowe</b>
1995-1996	~ <b>Clement Horton</b>
1996-1997	~ <b>E. J. Bowe</b>
1997-2000	~ <b>Franklin M. Ferguson</b>
2000-2001	~ <b>Leroy M. Sumner</b>
2001-2003	~ <b>McDonald Rolle</b>
2003(Jun-Oct)	~ <b>W. Johnley Ferguson</b>
2003-2009	~ <b>Donald Symonette</b>
2009-2010	~ <b>Cheryl Bowe-Moss</b>
2010-2014	~ <b>Donald Symonette</b>
2014-2015	~ <b>McDonald Rolle</b>
2015-2017	~ <b>Lenn King</b>



# Teachers & Salaried Workers Co-operative Credit Union Limited

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Facsimile: (242) 356-9691



## **ABACO BRANCH:**

Forest & Crescent Drive Central Pines  
P. O. Box AB-20187  
Marsh Harbour, Abaco  
Telephone: (242) 367-3613



## **FREEPORT BRANCH:**

West Atlantic Drive  
P. O. Box F-42632  
Freeport, Grand Bahama  
Telephone: (242) 351-6185/89



*"Continue to Grow With Us"*