



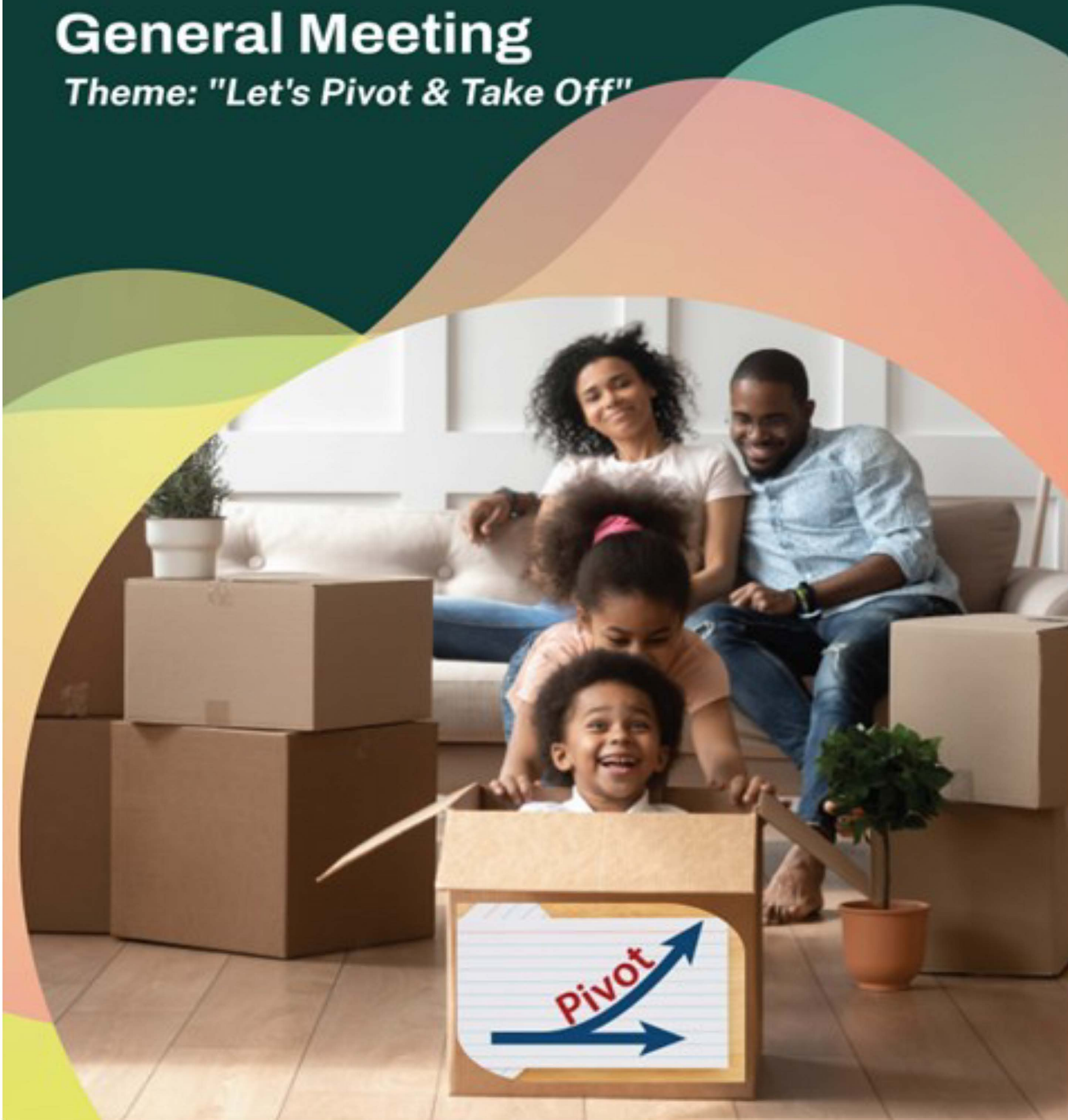
**TSWCCUL**

TEACHERS & SALARIED WORKERS  
CO-OPERATIVE CREDIT UNION LTD.

# 46th Annual General Meeting

*Theme: "Let's Pivot & Take Off"*

Date: May 20, 2023  
Venue: All Saints Parish  
South Beach



# TABLE OF CONTENTS

<b>AGENDA</b>	<b>Page 2</b>
<b>CALL NOTICE</b>	<b>Page 3</b>
<b>PRAYER OF ST. FRANCIS OF ASSISISI</b>	<b>Page 3</b>
<b>STANDING ORDERS</b>	<b>Page 4</b>
<b>RETIRING BOARD &amp; COMMITTEES MEMBERS</b>	<b>Page 5</b>
<b>ANNUAL GENERAL MEETING MINUTES:</b>	<b>Page 6-25</b>
◇ 45TH ANNUAL GENERAL MEETING (AGM)	
◇ SPECIAL AGM JUNE 18, 2022	
◇ SPECIAL AGM JULY 2, 2022	
<b>BOARD OF DIRECTORS REPORT</b>	<b>Page 26-30</b>
<b>TREASURER'S REPORT</b>	<b>Page 31-32</b>
<b>KEY FINANCIAL DATA &amp; FIVE YEAR FINANCIAL SUMMARY</b>	<b>Page 33</b>
<b>AUDITORS REPORT</b>	<b>Page 34-90</b>
<b>FINANCIAL STATEMENTS FOR THE YEAR-ENDED DECEMBER 31, 2022:</b>	
* Statement of Financial Position	
* Statement of Comprehensive Income	
* Statement of Changes in Equity	
* Statement of Cash Flows	
* Notes to Financial Statements	
<b>BUDGET 2023-2024</b>	<b>Page 91-92</b>
<b>SUPERVISORY COMMITTEE REPORT</b>	<b>Page 93-96</b>
<b>CREDIT COMMITTEE REPORT</b>	<b>Page 97-98</b>
<b>RESOLUTIONS</b>	<b>Page 99-100</b>
<b>NOMINATION &amp; ELECTION GUIDELINES</b>	<b>Page 101</b>

# AGENDA

CALL TO ORDER..... Chairman

INVOCATION  
NATIONAL ANTHEM  
PRAYER OF ST. FRANCIS OF ASSISI

## Apologies

Reading of AGM Notice ..... Secretary of the Board

Ascertainment of Quorum ..... Vice Chairman of the Board

*Greetings:* ..... Bahamas Co-operative League Limited

*Protocol for Meeting* ..... Vice Chairman of the Board

*Minutes of Last Meeting* ..... Secretary of the Board

*Matters Arising* ..... Chairman of the Board

*Board of Directors Report* ..... Chairman of the Board

*Treasurer's Report* ..... Treasurer of the Board

## Audited Financial Statements

### *Budget*

Supervisory Committee Report ..... Committee Chairman

Credit Committee Report ..... Committee Chairperson

*Resolutions* ..... Secretary of the Board

Distribution of Interest  
Appointment of Auditors

*Nomination Committee Report*..... Committee Chairman

### Elections:

Board Directors  
Supervisory Committee Members  
Credit Committee Members  
Nomination Committee Members

*Vote of Thanks* ..... Assistant Treasurer of the Board

## **2023 CALL NOTICE - ANNUAL GENERAL MEETING**

**TO: MEMBERS IN GOOD STANDING ONLY**

**NOTE: DELINQUENT, NON-MEMBERS AND CHILDREN WILL NOT BE ADMITTED**

### **MESSAGE:**

Notice is hereby given that the Annual General Meeting of the **Teachers & Salaried Workers Co-operative Credit Union Limited** is scheduled for **Saturday, 20<sup>th</sup> May 2023**, starting at **9:00 a.m.** at **All Saints Parish Hall, South Beach.**

**Zoom link to participate virtually will be made available to  
Abaco & Freeport Members Only**

### **REGISTRATION:**

- ⇒ Members will be able to pre-register online between **May 8, 2023 through May 18, 2023**. The online registration link can be accessed via **www.tswccul.org**
- ⇒ In person registration will begin at 8:00 a.m. at All Saints Parish Hall

The purpose for the meeting is:

- ◆ To receive the Report of the Board of Directors for 2022.
- ◆ To receive the Audited Accounts for 2022.
- ◆ To elect member (s) of the Board of Directors.
- ◆ To elect member (s) of the Supervisory Committee.
- ◆ To elect member (s) of the Credit Committee.
- ◆ To elect the Nominations Committee.
- ◆ To discuss and approve the Budget for 2023-2024.

*Secretary of the Board*

Teachers & Salaried Workers  
Co-operative Credit Union Limited

## **PRAYER OF ST. FRANCIS OF ASSISI**

1. 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.
2. 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.
3. For it is in giving that we receive, it is in pardoning that we are pardoned, and it is in dying that we are born to eternal life.

***Amen.***

# STANDING ORDERS

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1. (a) A member is to stand when addressing the Chair.  
(b) Speeches are to be clear and relevant to the subject before the meeting.
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.
3. No member shall address the meeting except through the Chairman.
4. A member may not speak twice on the same subject except:
  - (a) The Mover of a Motion – who has the right to reply
  - (b) The member rises to object or to explain (with the permission of the Chair).
5. The Mover of a procedural motion, such as for adjournment or postponement of the meeting, shall have no right to reply once the motion is laid on the table.  
No speech is to be made after the “Question” has been put and carried or defeated.
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”).
8. A member should not “call” another member “to order” – but may draw the attention of the Chair to a ‘breach of order’.
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 any time.
10. Only one amendment should be before the meeting at any time.
11. When a motion is withdrawn, any amendment to it also falls away.
12. The Chairman is to have the right to a “casting vote”.
13. If there is equality of voting on an amendment, and the Chairman does not exercise his casting vote, the amendment is lost.
14. Provision is to be made for protection by the Chairman from vilification (personal abuse).
15. No member shall impute improper motives against another member.
16. Only members are allowed to speak or ask questions at the meeting.

## 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, Credit Committee and Nominations Committee and the dates of their retirement.

### RETIRING BOARD MEMBERS

Directors	Elected/Reelected	2023	2024	2025
Cheryl Bowe-Moss	2019	*		
Henry Campbell	2021		*	
Edna Ginton	2018	*		
Renee Mayers	2022			*
Graham McKinney	2021		*	
Sharon Rahming	2022			*
Italia Seymour	2021		*	

### RETIRING SUPERVISORY COMMITTEE MEMBERS

Supervisors	Elected/Reelected	2023	2024	2025
Shavado Gibson	2021	*		
Sophia Thompson-Williams	2021		*	
David Briggs	2021			*

### RETIRING CREDIT COMMITTEE MEMBERS

Member	Elected/Reelected	2023	2024	2025
Bernadette Davis-Smith	2019	*		
Shena Williams	2021		*	
Vienna McKenzie	2022			*

### NOMINATIONS COMMITTEE MEMBERS

Member
Sherene Maksyhung
Welbourne Cunningham
Sherene Saunders (resigned)

## ***Minutes of the***

### **45<sup>TH</sup> ANNUAL GENERAL MEETING**

**Venue: Hybrid Zoom & In Person Meeting.**

**Theme: “Member Focused Member Driven”**

#### **1. CALL TO ORDER**

- 1.1 The 45<sup>th</sup> Annual General Meeting (AGM) of Teachers and Salaried Workers Co-operative Credit Union Limited (TSWCCUL) was called to order by Chairman Mrs. Sharon Rahming.

#### **2. PRAYER**

- 2.1 Mr. E. J. Bowe led with an opening prayer.
- 2.2 The prayer of St. Francis of Assisi was recited by all.

#### **3. APOLOGIES**

- 3.1 Chairman Mrs. Sharon Rahming relayed apology for the representative of the League advising they could not attend due to a death in the family.

#### **4. ASCERTAINMENT OF QUORUM**

- 4.1 Vice Chairman Mrs. Italia Seymour stated that at 9:57 a.m. there were one-hundred nine (109) registered members in attendance, exceeding the required one hundred (100) persons for a quorum.

#### **5. PROTOCOL FOR MEETING**

- 5.1 Vice Chairman Mrs. Italia Seymour read the Standing Orders found on page-3 of the booklet.

#### **6. READING OF THE ANNUAL GENERAL MEETING NOTICE**

- 6.1 Secretary, Mrs. Cheryl Bowe-Moss noted that two notices were sent out on the 21<sup>st</sup> of May and 28<sup>th</sup> of May 2022. She read the Notice of the rescheduled AGM dated May 28, 2022.

#### **7. ADOPTION OF THE AGENDA**

- 7.1 Motion to accept the agenda was moved by Mrs. Cheryl Bowe-Moss. No dissent of acceptance of the agenda was registered.

#### **8. READING OF THE 44<sup>TH</sup> AGM MINUTES**

- 8.1 The minutes of the 44<sup>th</sup> AGM found on pages 11-18, were read aloud by Secretary Mrs. Cheryl Bowe-Moss.

#### **9. MATTERS ARISING**

- 9.1 No matters were tendered.

## 10. CORRECTION OF THE 44<sup>th</sup> AGM MINUTES

- 10.1 No corrections were submitted.

## 11. APPROVAL OF THE 44<sup>th</sup> AGM MINUTES

- 11.1 Motion to accept the minutes of the 44<sup>th</sup> AGM was moved by Mr. Henry Campbell, seconded by Mrs. Italia Seymour, and carried by online poll. 97 members online approved; 0 opposed and 3 abstentions.

## 12. BOARD OF DIRECTORS' REPORT - 2021 YEAR IN REVIEW

- 12.1 The Board of Director's Report found on pages 19-20 was read into the minutes by Chairman Mrs. Sharon Rahming.
- 12.2 Motion to accept the Board of Director's Report was moved by Mrs. Bernadette Davis-Smith, seconded by Mr. Shavado Gibson and carried by online poll. 97 members online approved; 0 opposed and 3 abstentions.

## 13. TREASURER'S REPORT

The Treasurer's Report for the year ending 31<sup>st</sup> December 2021 was read into the minutes by Treasurer, Ms. Theresa Deleveaux. The following was highlighted (see report on page 21-23 of booklet for complete details).

- 13.1 Despite the depressed economy, the loan portfolio grew by \$8,227,856 and the Credit Union was able to make a small profit.
- 13.2 Assets Totalled \$214,613,853, a decrease of \$5,557,435 or -3%. On page 3 of the Auditor's Financial Statement, it notes that most of that decrease was from time deposits. If you turn to Page 3 of the financial statement in 2020, our time deposits stood at \$26,413,495. And in 2021, there was a reduction with a total \$12,549,190.
- 13.3 Liability Totalled \$191,798,907 a decrease of \$6,651,201 or -3%, compared with December 2020 balance of \$198,450,115. This is due to a decline in members deposits from \$123,777,850 to \$114,553,476.
- 13.4 Equity Totalled \$22,814,956 an increase of \$993,773 or 5% compared with December 2020 balance of \$21,821,183.
- 13.5 Operational Profit and Loss statement showed income of \$10,533,743 and Total Expenses of \$10,424,993 resulting in a Net Profit of \$108,750.
- 13.6 Other Comprehensive Income Totalled \$581,323 resulting in a Comprehensive Income Totaling \$690,073.
- 13.7 On page 4, note 17-3 of the Auditor's Report, states that "This item will not be reclassified to profit or loss." This means that the Credit Union's Profit remains at \$108,750.

### 13.8 BREAKDOWN BY BRANCH:

- 13.8.1 Nassau as of December 31, 2021, Income Totalled \$7,794,679. Expenses Totalled \$7,346,463 resulting in a Net Profit of \$448,216. Net profit on investment Property Totalled \$262,249.
- 13.8.2 Grand Bahama as of December 31, 2021, Income Totalled \$2,114,292. Expenses Totalled \$1,218,377 resulting in a Net Profit of \$895,915. Net Profit on investment Property Totalled \$15,958.
- 13.8.3 Abaco as of December 31, 2021, Income Totalled \$912,889. Expenses Totalled, \$2,148,270 resulting in a net loss of \$1,235,381. Net loss on Investment Property Totalled \$1,014,353.

### 13.9 HIGHLIGHTED EXPENSES (ALSO FOUND IN THE AUDITOR'S REPORT AT PAGES 33 THROUGH 53):

- 13.9.1 Board and Committee Development and Travel in 2021 total \$0.00.
- 13.9.2 Staff travel through training \$49,639. Due to the pandemic in 2020, there was not much travel, so in 2021 there was a slight increase.
- 13.9.3 Salaries remained almost the same with a difference of \$49,356 and salaries paid out was \$2,198,560.



- 13.9.4 Staff Benefits equaled \$550,410.
- 13.9.5 Member Education was \$50 for members education.
- 13.9.6 Board and Committee out-of-pocket expenses, stood at \$53,910. The reason for the increase was because for all of 2020, the Board operated at five members, with an increase as of June 2021 with the addition of two new Board members.
- 13.9.7 Board and Committee meeting totaled \$5,212. This was a result of meetings being held virtually.
- 13.9.8 Loan Provisioning totaled \$4,509,845.
- 13.9.9 Bad debt from Investment Property totaled \$70,508.
- 13.9.10 Investment Property Expenses totaled \$1,879,536.
- 13.9.11 Advertising and Promotion totaled \$46,780.
- 13.9.12 Marketing totaled \$20,638.
- 13.9.13 Donations totaled \$1,625,
- 13.9.14 Vat expenses decreased with the decrease in VAT to 10% totaling \$168,408.

### **13.10 INVESTMENT PROPERTIES ANALYSIS:**

- 13.10.1 Total Income for the four buildings was \$1,143,491. A provision was made for the properties totaling \$770,508. Expenses totaled \$1,879,536. This when you take provisions away, there is a difference of \$736,045, as of December 31st, 2021.
- 13.10.2 Outstanding Rent Receivable from current tenants totaled \$533,908. Of this, \$174,413 was provided for.
- 13.10.3 The Credit Union is working assiduously to get rental payments to reduce provisions and outstanding rents.
- 13.10.4 It is hoped that before June (2022) outstanding rent in the amount of \$170,000 would be received for the East Street Complex.

### **13.11 STATUTORY RESERVE DEPOSIT**

- 13.11.1 Statutory Reserve at the end of December 2021, was slightly above the required 10% of assets totaling \$23,477,586 (\$21,461,386) or 10.94% a favorable overage of \$2,016,200.

### **13.12 LIQUIDITY RESERVE DEPOSIT**

- 13.12.1 Liquidity Reserves held with the League totaling \$20,748,503 (\$18,918,293) or 10.97% slightly above the required PEARLS ratio standard of 10% of total member deposits resulting with a favorable overage of \$1,830,210 as of December 31, 2021.

### **13.13 MEMBERS EQUITY**

- 13.13.1 Total Equity stood at \$22,814,956 or 10.63 % of total Assets (\$21,461,386).

### **13.14 DELINQUENCY**

- 13.14.1 For the year ending December 31, 2021, 385 delinquent loans totaled \$16,700,945, of which, loan loss provision totaling \$4,509,845 – in accordance with PEARLS had to be raised. Security held against delinquent loans totaled \$11,644,917 resulting in an exposure of \$5,056,028 to the Credit Union. Loans over 12 months remain the largest dollar amount category with 122 loans totaling \$10,772,603 representing 69.9% of total delinquent loans. Delinquent loans to total loans as of 31st December, 2021 stood at 18.15%, which is above the required

PEARLS standard of 5%. Loans written off during the period totaled \$1,271,649 and recoveries of bad debt totaled \$345,602.

The Board continues to monitor Management's collection efforts in accordance with policy. All loans delinquent 365 days and over and deemed uncollectable, are in accordance with International Accounting Standards, should be outsourced to a collection's agency. The Board also mandated foreclosures of delinquent properties, then to seek assistance of Real Estate Companies, placement of advertisements in newspapers and through the courts to ensure the recovery of the Credit Union's assets.

### 13.15 PEARLS RATIO ANALYSIS

13.15.1 As of December 31, 2021, all but three (3) of Credit Union's PEARLS ratios were below the required accounting standard. During 2022, every effort will be made by Board and Management to seek ways to bring deficiencies into compliance namely loans, delinquency, and capital. If these deficiencies are not adequately addressed the Credit Union's bottom line will be affected. If we, the owners do not utilize the Credit Union's largest money-making element, being loans, but rather seek to do business with other financial institutions, we are only hurting ourselves. Therefore, we must work as a team to grow the loans portfolio from 34.66% to 70-80%. This will not only bring the loans ratio in compliance with the required PEARLS standard but will also increase the Credit Union's bottom line.

### 13.16 PEARLS RATIOS

Solvency 111.52 ( $\geq 111\%$ )

Net Loans 37.71% (70-80%)

Financial Investment 16.19% ( $< 2\%$ )

Non-financial Investments 9.30% (0%)

Savings Deposits 88.15% (70-80%)

Institutional Capital 0.69% ( $\geq 10\%$ )

Delinquency 5.51% ( $\leq 5\%$ )

Non-earning Assets 8.23% ( $\leq 5\%$ )

Net Income/Avg. Assets 0.32% (10%)

Statutory Reserves 7.46% ( $> 10\%$ )

Liquidity Reserves 10.97% (10%)

Capital Ratio 10.63% ( $> 10\%$ )

***NB. Ratios in red require correction/ improvement.***

### 13.17 CONCLUSION:

13.17.1 Treasurer Ms. Theresa Deleveaux reported that she wished to apprise the membership of a matter of grave concern regarding Board Travel. As of December 31st, 2021, the Credit Union profits surged at \$108,750. In April 2022, the General Manager presented a comprehensive report outlining cutbacks to shorten the expense curve to increase the Credit Union's bottom line. This was approved by the entire members of the Board. Subsequently, a discussion for the Board to travel to World Council in Scotland was held. As Treasurer, she advised Board Members of the following facts but had the support of only two board members.

1. Fact 1, the world is facing a pandemic.
2. Fact 2, members are financially strapped, and it is well noted in the decrease in members deposits whether it was to pay on loans or to take out to do other matters.

3. Fact 3, the Board was seeking approval of a resolution to reduce dividends from 1.25 to 1 percent.
  4. Fact 4, our Credit Union was not hosting face-to-face meetings.
- 13.19 The submissions during the discussion on Board travel did not sit well with the majority. Even when it was advised that the matter would be discussed when in receipt of the Financial Statements. Despite concerns raised, steps were taken to execute Board travel with no regard to the bottom line.
  - 13.20 The General Manager was asked to complete a costing of the trip if all Board and Committee member's travel. The cost was just under \$60,000.
  - 13.21 Treasurer Ms. Theresa Deleveaux stated that when she was elected by the members, she promised that she would bring all matters of concern to the membership. Additionally, she advised both the Board and the Regulators, that she would bring the matter to the AGM, to decide if Board should travel when funds are not available.
  - 13.21 Sincerest appreciation and thanks were extended to the Members, for the opportunity to serve and a pledge given to endeavor to ensure that first and foremost, the Members get the best return on their investment. As without the member, there would be no Credit Union.

#### 14. DISCUSSION

- 14.1 Chairman Mrs. Sharon Rahming advised members that they have heard the Treasurer noting that there were several questions coming from them. She stated that she would allow members to speak, on a point of order and revert to the Treasurer to answer.
- 14.2 Secretary Mrs. Cheryl Bowe-Moss reported that members online were asking for the online mic (via Zoom) to be opened.
- 14.3 Chairman Mrs. Sharon Rahming stated she was told that if the mic was opened the quality of sound would be distorted.
- 14.4 Secretary Mrs. Cheryl Bowe-Moss asked members to take out their booklets and follow along because her point of information is quite a bit. She stated that this has been a contentious period and she had borne her quiet. Having received the report on Wednesday, the 24<sup>th</sup> (May 2022) at 12:53 a.m., she went through the report. In her 41 years in the Movement, she had never seen a "bastardly" act such as this. Secretary Mrs. Cheryl Bowe-Moss, voiced the following:
  - 14.4.1 The Treasurer is guilty in her pursuit of failure to declare serious material information to this membership, and the facts have been misrepresented. The statements are defaming the Board. It's a breach of confidentiality and it is libelous.
  - 14.4.2 Page 4, the Audited Income Statement states quite clearly that there is a profit of \$108,000 before added Comprehensive Income of \$583,323. In compliance with ISA, it must be added. The membership should not be told that the auditors are not accurate. Our profit is \$690,000 prior to the other material derelictions.
  - 14.4.3 Reference was made to page 26, Note 13. Depreciation expenses, property, plant, and equipment. Secretary Mrs. Cheryl Bowe-Moss stated that this is the first time in 44 years three years of depreciation listed in booklet for one audit was seen. That means depreciation expense for 2019 had to be put through in 2022 for this audit of 2021.
  - 14.4.4 Depreciation for 2020 had to be put through for this audit plus depreciation for 2021. We took a million-dollar hit. That is your profit gone. The entry should have been put through in the years in which they occurred. All accountants in here will tell you that the 2019 depreciation expense on those items should have gone through then. But all did not go.
  - 14.4.4 There a claw back referenced in Note 29. There were damages to the Freeport and Abaco Complexes and an insurance claim was made with restitution received. No real reconciliation of those things were done.
  - 14.4.5 We still have property that are not repaired and cannot be rented because of the state they are in. That is causing us to lose money. We must provision for them and that erodes our profits even more.
  - 14.4.6 We keep glossing over the PEARLS which we have been battling for a long time. The Board through much effort came up with authority to do that. We had five years to get them that and through trusting in God, we will be able to successfully manage them.

- 14.4.7 Our loan portfolio is at 37 percent and in need of serious work.
- 14.4.8 We have heard our members' cry, and we know we need to look at changing the policies and procedures on how we do our loans. Members have been heard.
- 14.4.9 The biggest row in this is about World Council. Reference was made to the budget, in the booklet line 50 April 2022. \$24,000 was approved for Board travel by the membership. For the last three years, there has been no Board travel. The savings each year was budgeted.
- 14.4.10 There was no Board local training which was another \$2,000. If you combine the \$24,000 plus the \$2000, there is a shortfall of only \$1,500 for the five people who agreed to go to World Council inclusive of management. To say (the cost is) \$60,000 and throw that out there is not correct. Enough information is known as of today to give the correct information. It is meant to inflame the meeting.
- 14.4.11 There was only a shortfall of \$1.5 for that travel. It is an entitlement.
- 14.4.12 Secretary Mrs. Cheryl Bowe-Moss stated she was speaking because she was not going to sit and continually be bullied and intimidated. She was standing on a point of order to protect the members from vilification and threats. Nothing was done. It is a breach of byelaws and a breach of confidentiality that was signed by the Board.
- 14.4.13 Members lost their money through failure to properly follow through on the account.
- 14.5 Treasurer Ms. Theresa Deleveaux thanked the Secretary however, she was relaying the wrong information to others which would not be allowed. Treasurer Ms. Theresa Deleveaux noted the following:
  - 14.5.1 There were four Board Members who wanted to travel. Two of them recently travelled to Singapore at a cost of \$14,000.
  - 14.5.2 It was agreed that Board Members travel would be done on rotation.
  - 14.5.3 There should be no discussion on the (budget) in 2022. If the Credit Union did not make a profit, how can it be expected funds budgeted would be expensed.
  - 14.5.4 Yes, there is a budget. However, budgets always change, and they change according to the expenses that come in.
  - 14.5.5 Reference was made to page 4, Members of the Financial Internal Auditor's Report. In Note 17-3, it said that items will not be classified as profit and loss. They did not say it was going to be added to profit and loss.
  - 14.5.6 A (recent) meeting was held with the auditors to ask questions on their report. However, only three Board Members showed up for this important meeting.
  - 14.5.7 Members only received the audited financial report today.
  - 14.5.8 Had all Board Members attended the meeting with the External Auditors as they were supposed to, the travel matter would have been finished and done with. A meeting held on something as important as the Credit Union as the financial statement should be attended by all Directors. Thereby they can stand before the AGM to present prudent, honest, and genuine information on the Credit Union.
  - 14.5.9 Treasurer Ms. Theresa Deleveaux stated that she was told that she could not report on this at the AGM. She reported that the matter was discussed with the Regulators, the Central Bank, who reached out to her first. She did not contact them. They expressed their concern.
  - 14.5.10 It was noted that for the first third quarter the Credit Union was at a Net Loss position.
  - 14.5.11 Treasurer Ms. Theresa Deleveaux questioned what was confidential about reporting this matter. She advised that members did not have to take her word for it as there was a recording of the meeting which if heard, Members, would cry shame. She would not stand by and allow wrong information to be given to the membership.
  - 14.5.12 As Treasurer, members should have confidence that information brought before them by the Treasurer is prudent so decisions can be made.
  - 14.5.13 When the financial report was sent (to Board Members) the only person who sent in a few questions was Sec-

- retary Mrs. Cheryl Bowe-Moss. Nothing was received from other Board members.
- 14.5.14 The Credit Union cannot look at 2022 and bypass what happened in 2021 and we cannot predict what is going to happen. That is why a budget is only a budget. Hurricane Dorian or the pandemic could not have been predicted or budgeted for.
- 14.5.15 Treasurer Ms. Theresa Deleveaux stated when the movement first started, if persons wanted to travel, they would cover half of the travel expenses.
- 14.5.16 Travel is not a priority especially when we do not have funds. When we do have funds, is it a want or need. We need to look at courses that would enhance our performance in the Credit Union. Not just to go to a conference. When we come back, the Credit Union gets nothing.
- 14.5.17 Training courses taken should be those that would strengthen the Board.
15. Treasurer Ms. Theresa Deleveaux invited questions from the membership.
- 15.1 Chairman Mrs. Sharon Rahming advised members that attempts were being made to set up a live telephone line for members to put forth their questions.
16. Question from Member online: Camille Johnson asked that if "for three years, depreciation had amassed, why was this not weighed in the relevant years? No matter how long you have travelled on the wrong road, it is never too late to turn back."
- 16.1 Treasurer Ms. Theresa Deleveaux stated she fully agreed with Member Camille Johnson.
17. Question from Member online: "Members should be allowed to speak on matters concerning them."
- 17.1 Treasurer Ms. Theresa Deleveaux advised that they were working on trying to allow members to speak.
18. Question from Member online: "Members should be allowed to speak on matters concerning them."
- 18.1 Board Response: We are trying to establish connection for members to be heard.
19. Question from Member online: "When should we have a face-to-face AGM or "Why we did not have a face-to-face AGM today?"
- 19.1 Chairman Mrs. Sharon Rahming advised that a face-to-face meeting could not be held because of COVID. For the health and welfare of the members, it was decided to hold a virtual meeting. Additionally, other financial institutions held their meetings virtually. Hopefully the next AGM would be face-to-face.
20. Treasurer Ms. Theresa Deleveaux stated she wanted to put Members on guard for a possibility of a Special Called Meeting due to complaints that went to the Central Bank. Such as:
1. Members may complain that they were unable to log into the meeting.
  2. Members were unable to ask questions.
  3. Members did not have a computer to access the meeting online.
  4. Some of them don't have computers, all kind of complaints, and
  5. Treasurer Ms. Theresa Deleveaux advised an investigation will be held.
21. Question from Member Online: Was training available virtually.
- 21.1 Response from Treasurer Ms. Theresa Deleveaux: Last year, World Council had a virtual meeting, but only two persons attended from The Bahamas. She advised that:
- 21.1.1 The Credit Union has very good trainer in management. Managers, such as the General Manager who are well-versed in training. The Risk Manager conducts risk training and the Compliance Manager, Anti money Laundering (AML) training.
- 21.1.2 The Bahamas Co-operative League offered a Leadership Summit geared for The Bahamas. The cost for the training was \$30,000. When training is offered locally or virtually, persons are not interested in the training.
22. Question from Member Online: (Inaudible)
- 22.1 Response from Treasurer Ms. Theresa Deleveaux: The General Manager prepared a comprehensive plan that he presented

to the Board that flattened the curve so that we could make a profit. As mentioned, statutory which is under equity, is supposed to be 10 percent and we are only at 7.46%. The Credit Union must increase the reserves by approximately \$6 million to be compliant. Effort is being made to meet the requirements so that we could be in a good place where, hopefully, we can try to give the members more than the 1 percent that is proposed today.

23. Question from Member Online (Unidentified Member): What is the implication made for loans -- (inaudible)
- 23.1 Response from Treasurer Ms. Theresa Deleveaux: The indication with loans is that we must decrease delinquent loans to 5 percent. It is currently at 18 percent. This is telling us that we have a lot of delinquent members who are not paying their loans. The only thing that can be done is to pursue them via the Court or through use of a Collection Agency.
- 23.1.1 The Credit Union's main income are loans and we must ensure effort is made to get good loans on our books to get good interest.
24. Question from Member Online (Unidentified Member): (Inaudible)
- 24.1 Response from Treasurer Ms. Theresa Deleveaux: As Treasurer a proposal was made to the Board to put a hold on travel until members dividends went to 2.2 percent or 2.5 percent. There was a time that members received 5 percent, 4 percent, 3 percent.
25. Question from Member Online (Unidentified Member): (Inaudible)
- 25.1 Response from Treasurer Ms. Theresa Deleveaux: Same thing. Dividends are paid out to Members in November.
26. Question from Member Online (Unidentified Member): (Inaudible)
- 26.1 Response from Treasurer Ms. Theresa Deleveaux: In 2022 travel expense approved was \$24,000. The General Manager was asked to do a costing if each Director wanted to travel and the cost that came back \$60,000 or about \$6,600 per person.
27. Asst. Secretary Mrs. Edna Ginton stated that in response to Ms. Saunders, that it is not a matter of where we go from here now. Everything that comes to an AGM is about financial matters and it must come through you, the members.
- 27.1 The members must be shown all the financial information because this is their money. That is why members must review the budget and approve the auditors.
- 27.2 Members must approve and elect members for the Board and Committees. The decision is in the hands of members.
- 27.3 Members are the authority. The Board can only present to the members a proposal and they, members approve it.
- 28. MOTION FOR BOARD INTERNATIONAL TRAVEL FOR 2022 POLL VOTE**
- 28.1 Chairman Mrs. Sharon Rahming announced that there will be a poll vote on Board and Committee Travel. The Information Technology Department (IT) was arranging the poll.
- 28.2 Treasurer Ms. Theresa Deleveaux advised that when the Central Bank contacted her, they gave the Central Bank a proposal and advised that the proposal would be put forth to the membership. The proposal is for the General Manager to represent the Credit Union at World Council. The General Manager on his return will impart what he learned through training. Treasurer Ms. Theresa Deleveaux recommended that this be included in the motion.
- 28.2.1 To answer Mrs. Belinda Wilson's question, 400 members were registered. However, only 113 were logged on.
- 28.3 Motion to approve Board International Travel 2022 - Poll Results:
1. 15 approved.
  2. 75 opposed.
  3. 9 abstained.
29. Discussion ensued.
30. Motion to accept the Treasurer's Report was moved by Mr. E. J. Bowe, seconded by Mrs. Sophia Williams-Thompson.

### 31. MOTION FOR COMMITTEE MEMBER INTERNATIONAL TRAVEL FOR 2022 POLL RESULTS:

1. 15 percent approve,
2. 77 percent oppose,
3. 8 abstain.

### 32. EXTERNAL AUDITORS REPORT

Motion to dispense with the reading of the Auditor's Report and highlight the salient points with respect to the report. The motion was moved by Ms. Pamela Hall, second, Mrs. Cheryl Bowe-Moss. External Auditor Mr. Paul Gomez presented the year ending December 31, 2021, Audit Report, highlighted as follows.

- 32.1 The audited report for the year ended December 31st, 2021, is an unmodified audit report issued on May 16, 2022. The audit was conducted in accordance with International Financial Reporting Standards, and we also addressed the going concern issue in our audit report which is the financial statements. Management is responsible for the Credit Union's ability to continue as a going concern, and we see no issue there with respect to the going concerns issue.
- 32.2 We address also identifying assessing the risk of material misstatement in the financial statement, and there are no material misstatements observed by us through the process of our audit.
- 32.3 We also communicated with those charged with governance regarding, among others, the planned scope and the timing of the audit and significant audit findings which will be presented in our management that will be presented to management sometime by end of next week. And that speaks to the audit report for the year ended December 31, 2021.
- 32.4 Members were invited to put forth questions for the auditors.
  - 32.4.1 (Inaudible)

33. Motion to accept the Auditors Report for year ending December 31, 2021, was moved by Mrs. Cheryl Bowe-Moss and second by Shavado Gibson.

#### 33.1 Poll Vote on Acceptance of Audit Report

1. 94 approved.
2. 0 opposed.
3. 6 abstained.

### 34. 2021-2022 PROPOSED BUDGET

Treasurer Ms. Theresa Deleveaux read into the minutes the 2021-2022 Proposed Budget found on page 83-84. Following the reading, members were invited to proffer questions.

- 34.1 Treasurer Ms. Theresa Deleveaux advised that the stabilization fund, was in place for years. It is placed at the League as funds the Credit Union could fall back on.
- 34.2 Treasurer Ms. Theresa Deleveaux advised that there were currently 60-70 employees on staff.
- 34.3 Question from member online: Will the travel expenses modified
  - 34.3.1 Treasurer Ms. Theresa Deleveaux advised that yes, the travel will be modified.
- 34.4 Question from member online: Why are software listed as an expense.
  - 34.4.1 Treasurer Ms. Theresa Deleveaux advised software is an expense (it also covers) the disaster recovery site in Toronto, ATM (hardware) and storage.
- 34.5 Question from member: The ATM is never in service. Can you give us an answer on why it is never in service.
  - 34.5.1 Chairman Mrs. Sharon Rahming advised that if members card is expired it will cause machine not to work. Also, sometimes members are using the incorrect card in the machine.

34.6 Treasurer Ms. Theresa Deleveaux advised that they are hoping to have a face-to-face AGM in 2022, The budget line for AGM 2021, was for the token and everybody who registered and attended the meeting today can collect their bag.

34.7 Question from member: (Inaudible)

34.7.1 Treasurer Ms. Theresa Deleveaux responded with yes, we are trying to increase loans because it will add to our ratio and the bottom line once we can make a profit. This in turn would strengthen equity and our statutory reserve. PEARLS is an international (accounting) standard. It was agreed by the Credit Union Movement would be the standard used by Credit Unions in The Bahamas. However, the Central Bank is considering changing to CAMEL accounting standard.

34.8 Motion to accept the 2021-2022 Budget with the necessary adjustments was moved by Mrs. Sophia Thompson-Williams, second by Mr. E. J. Bowe. The poll vote will be taken. What is the poll on the

**34.9. Poll Vote on Approval of 2021-2022 Budget**

1. 86 approved.
2. 1 opposed.
3. 13 abstained

**35. SUPERVISORY COMMITTEE REPORT**

35.1 Mr. Shavado Gibson, Chairman of the Supervisory Committee was invited to present the Supervisory Committee Report.

35.2 .Mr. Shavado Gibson read into the minutes the Supervisory Committee Report (see pages 85-88 of the 45<sup>th</sup> AGM booklet for the full report).

35.3 Members were invited to submit questions.

35.3.1 Question from member online: How many mortgage officers (were employed).

Mr. Shavado Gibson advised that there were two mortgage offices at the main branch. One each in Abaco and Freeport.

35.3.2 Question from member online: (Inaudible)

35.3.2.1 Mr. Shavado Gibson advised that a fraud policy was adopted. MR. GIBSON: Yes, yes. We have adopted a fraud policy. The internal review for Grand Bahama and Abaco and is still on-going for the Abaco branch. It is satisfactory.

35.4 Motion to accept this Supervisory Committee Report was moved by Ms. Theresa Mortimer and seconded by Mrs. Bernadette Davis-Smith.

**35.5 Poll Vote on Motion to Accept the Supervisory Committee Report**

1. 88 approved.
2. 4 opposed.
3. 7 abstained.

36. Question from Member online: Will there be training for the Education Committee.

36.1 Chairman Mrs. Sharon Rahming advised that as soon as AGM is completed, training will start in early June. Those persons who are interested in serving on any Committee for the Credit Union, this would be their opportunity to come out to get training. Therefore, when it is their turn to run for office, they will have all the prerequisites that will assist them in whatever Committee they wish to be on. So, the second week in June, those persons can send their e-mails in to the Chairman, at [rasinred30@hotmail.com](mailto:rasinred30@hotmail.com) or [sharonrahming533@gmail.com](mailto:sharonrahming533@gmail.com). Chairman Mrs. Sharon Rahming stated the need for people who are serious about working in the Credit Union, adding she would appreciate if many of the members would come out and offer their service.



## 37. CREDIT COMMITTEE REPORT

- 37.1 Mr. E.J. Bowe, Chairman of the Credit Committee was invited to present the Credit Committee Report.
- 37.1.1 Before the presentation, Chairman Mrs. Sharon Rahming advised members that Mr. E.J. Bowe was retiring. She stated that he has a long history in the Credit Union, and we are very happy that he was still able to come out until now. The Credit Union was really going to miss him because he has been an inspiration and an asset to the Credit Committee. However, we know that despite his departure from the committee we will still be able to get feedback from him that would assist us as the future goes on. Chairman Mrs. Sharon Rahming thanked Mr. E.J. Bowe for his service.
- 37.1.2 Mr. E.J. Bowe thanked the Chairman for her remarks.
- 37.2 Mr. E.J. Bowe greeted everyone. He started by first apologizing to everyone advising that the report in the booklet was last year's report instead of 2021 report. He apologized for that on behalf of the printers. Mr. E.J. Bowe advised that Mrs. Bernadette Davis-Smith will read the correct report.
- 37.3 Mrs. Bernadette Davis-Smith presented the following report:

We, the Credit Committee of Teachers and Salaried Workers Co-operative Credit Union recognize that the impact of COVID-19 continues to present economic challenges to households across the country. However, despite these challenges, we have still seen a moderate level of loans payout by our members. The aggregate value of the Credit Union's loan portfolio continues to experience growth, a trend that began in February and continues as a result of our campaign. This growth trend is expected to be maintained as the Credit Union holds more product awareness.

The Credit Committee Members are the Chairman Mr. E.J. Bowe; The secretary, Ms. Shena Williams; Member, Mrs. Bernadette Davis-Smith, yours truly.

Board appointment of the Chairman, Ms. Sharon Rahming. Board appointment the Treasurer, Ms. Theresa Deleveaux; Consultant, Mr. Dave George Urich who resigned in December 2021. The Manager of the Collections Department Mr. Jamison Davis and the Loans Manager, Ms. Sharell Bastian.

In accordance with Section 78 of the Bahamas Co-operative Credit Union Act 2015, the Committee met every month, kept Minutes of its meeting, submitted monthly reports to the Board of Directors, submitted annual reports to the Annual General Meeting.

The Credit Committee evaluates outstanding issues pertaining to credit risk within the Credit Union in accordance with the residual chart. The Board of Directors expanded the Credit Committee's mandate and practices to include increased risk management oversight. Along with the Supervisory Committee, we must adequately document decisions and discussions for tracking and follow-up in our respective Minutes.

Loans paid off in 2021: Nassau Branch, 47 at a total of \$341,095.49. In Freeport Branch, 15 was paid off at a total of \$54,918.41.

In the Abaco Branch, 10 loans were paid off at a total of \$56,666.90. The total -- bringing with a total amount of loans paid off to 72 with a combined total of \$452,680.80.

There were 51 loans booked at a total of \$1,210,311.45 for the Nassau Branch. And the Freeport Branch, it was a total of 38 loans booked with a total of \$282,901.10.

In Abaco Branch, a total of 24 loans was booked with a total of \$339,392.47 with a grand total of 113 loans booked at \$2,032,605.02.

The purpose of the loans requested were mainly for medical, home improvement, various personal expenses, debt consolidation, travel, and education purposes. The lending ceiling on consumer loans is \$100,000, which is protected by insurance with the Bahamas Co-operative League Limited.

### Declined or Deferred Loans Reasons

Loans were declined based upon the inability of members to repay, high loans exposure and debt service ratios, net pay below the required 25 percent, insufficient collateral, and the restriction period still in effect.

Deferred loans mainly required supporting documentation, legal advice, and verification of information unavailable during the

review processes.

Other reasons for the declined or deferred loans were applicants unemployed need to have satisfactory confirmation on the check-off. This is an example, the stability of company or employer and lack of stability, the business closed, collection or delinquency as of December 31st, 2021.

The Credit Union's Loan portfolio, the Revenue Engine of the Credit Union was reported at \$91,724,558.68. The value of the loans was considered by the Central Bank strictly performing loans and including loans up to 29 days past due. Asset quality, non-accrued loans 90 plus days past due. The value of the count in this category is \$14,211,384.24 as of the 31st of December 2021.

#### Collection Activities

Remedial and Recovery actions within the delinquency portfolio continue via the Magistrates Court and via the Supreme Court larger amounts for foreclosure proceedings. 90-day loans, and non-performing 90-plus day loans restructures continue based primarily of proven service ability. It is imperative that recovery or liquidation proceedings continue for loan connections in the category that are collateralized and show no sign of consistent serviceability. It is also important that restricted non-performing accounts be specially identified for future tracking or recording purposes in the event they return to delinquency and non-performing status.

The committee wishes to thank you, the shareholders for the opportunity to serve you during 2021. We remain cautiously optimistic as we move into an uncertain 2022. It is our hope that you will continue to place your confidence in us as we work together to make the Teachers Credit Union the number one financial institution within The Bahamas. Special thanks to the management and staff, and in particular, the Loans Department, the Mortgage Department and the Collections Department for their invaluable assistance and guidance during 2021. We will continue to enhance our relationship with our regulator, the Central Bank of The Bahamas. We pledge to do all within our power to comply with the regulatory requirements and endeavor to continue to discharge our duties with the integrity, accuracy, and transparency. May almighty God continuously bless our Credit Union, its members and all the stakeholders of the Credit Union. May God bless the Commonwealth of the Bahamas.

Thank you.

37.4 Motion to accept the report of the Credit Committee Report was moved by Ms. Doreth Campbell and second by Mrs. Sophia Thompson-Williams.

37.5 Poll Vote on Acceptance of the Credit Committee Report:

1. 91 approved.
2. 3 opposed.
3. 6 abstained.

37.6 Question from Member online: (Inaudible question)

37Mr. E.J. Bowe advised that we are sticking by the policies for the time being. Nothing has changed. Remember, the policies have been set by the Board. And if the Board sees fit to put it through the Credit Committee, then we will consider it.

37.7 Mr. E.J. Bowe addressed the members stating that as the Chairman of the Board in charge of the AGM indicated at the beginning of the Credit Committee Report, he will be out again as of this AGM. He stated that he just briefly wanted to let members know that he joined the board in 1983 and served on the board as Chairman, Vice Chairman and Treasurer from '83 to 2001. When he retired from the Public Service in 2001, the Board and members offered him a job at the Credit Union as Deputy General Manager.

He served as Deputy General Manager (DGM) from 2001 to 2011 and covered areas of Human Resources, Marketing, Collections, Member Services, and the list goes on. Following his retirement as DGM in 2011, he attended the AGM 2012, and, in that year, the new bye-laws came into effect that the Credit Committee must be elected.

The members almost in unison said, "We want Bowe on that Credit Committee." He told them, he just retired from working at Credit Union and he was hoping to just relax and watch what was going on. The members said no, we want you and they put it to vote, and from 2012 to 2022, they gave him 39 continuous years of service this Credit Union. However, it is time to bow

out.

Mr. E.J. Bowe thanked God for allowing him to serve this great organization, but it is the membership who he must pay his greatest thanks to after saying thanks to God because from day one it was the membership who was always behind him. He could not have done anything without the membership, and of course he could not do it without his colleagues on the various committees starting from the board back in those days and all the various committees and, of course, management and staff.

He stated he was thankful to God for giving him the courage to hold on especially these two last years when he was challenged with eyesight challenges having undergone major eye surgery with one more to go. But all in all, God has been good. Thanks to the Credit Committee the members of the Management and Staff for their help and kindness during his challenges. Thank you to the new General Manager who to me he is the right man for the job.

37.8 Chairman Mrs. Sharon Rahming reiterated her thanks to Mr. E.J. Bowe and wished him God's blessing.

## 38. RESOLUTIONS

Secretary Mrs. Cheryl Bowe-Moss presented the Resolutions as follows:

### RESOLUTION 1

**WHEREAS** the audited accounts for 2021 indicate that there are sufficient funds to provide a cash dividend to shareholders of the Teachers and Salaried Workers Co-operative Credit Union Limited, and

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

**BE IT RESOLVED** that this Annual General Meeting approves payment of One Percent (1.00%) Interest on Regular Share (RS) Deposits; One Percent (1.00%) Interest on Mortgage Security (MG); Three Quarter Percent (0.75%) Interest on Dividend Reinvestments; Three Quarter Percent (0.75%) Interest on Retirement Accounts; Three Quarter Percent (0.75%) Vacation & Christmas Club (VC/C2); One Half Percent (0.50%) Interest on Deposit Accounts (D1); One Half Percent (0.50%) Interest on Share (Savings) Deposit (SD).

### RESOLUTION 2

#### APPOINTMENT OF AUDITORS

**BE IT RESOLVED** that the Board of Directors be responsible for the appointment of Auditors for the year ending December 31, 2022.

### RESOLUTION 3

#### REMUNERATIONS

**CONSIDERING** The Bahamas Co-Operative Credit Union Act, of 2015 that came into effect in June of 2015. The Act 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 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) each per month, in arrears, until the next annual general meeting in 2023.

#### 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 2023.

### 39. NOMINATION COMMITTEE

Chairman Mrs. Sharon Rahming stated that as the Chairman she did not receive any communication from the Nomination Committee and that is not normal. She invited the Treasurer to the podium to speak to the AGM in reference to the Nominating Committee.

- 39.1 Treasurer Ms. Theresa Deleveaux reported as a matter of transparency, that she sent a communication to the regulators, Central Bank pertaining to the Nomination Committee. The contents of the communication were read into the minutes as follows.
- 39.2 During last year Annual General Meeting, no nominees applied to serve on the Nominating Committee. As a result of this, the Board of Directors took the liberty to appoint three persons to serve on the Nominations Committee together with two sitting Board Members to assume the role to oversee and answer any questions relative to the role and duty of that Committee and to ensure that the process was fair and transparent. These actions of the Nominating Committee ignored the file containing Minutes from previous AGMs with approved criteria for elections to the Board and Committee and to determine that members were qualified who would be desirous to run, to serve.
- 39.3 Notwithstanding this, when the poll sheets prepared by the IT Department were sent to the AGM Committee for review and approval, individual names were listed as nominees, some of them failed to meet the minimum requirements as prescribed by the byelaws of this Credit Union. Additionally, one of the individuals only submitted a resume but failed to submit all the other required documents as a nominee. There was no indication that he was called in and interviewed as was customary.
- 39.4 The Chairman of the Committee was to advise that the report lacked credibility. This is sad as many credit unions today are facing challenges with representation on committees by persons with no knowledge of the law, policies and guidelines governing credit unions, which can only cause persons to make bad decisions.
- 39.5 Based on the above, it is fair to say, the appointed nominating committee failed to follow the prescribed and proper procedures as detailed in the attached criteria (the criteria were attached). The Chairman was advised to meet with her committee to review all applicants again in accordance with the criteria and to consult the two board members on the nominating committee only to be told that the vote was unanimous.
- 39.6 The Chairman was then advised that if there were still doubts around the correct process and procedures for nominations and nominees, guidance should be sought from the Bahamas Co-Operative League which is the umbrella organization to which we are governed under.

Despite this advice given above, the Nominating Committee ignored the advice that was provided and still went ahead and approved candidates who did not meet the minimum requirements as prescribed by the guidelines. Any detour from the criteria could only come to the Board of Directors because they were appointed and not elected.

My concern, therefore, centers on the fact that the appointed Nomination Committee has blatantly disregarded the established rules and guidelines and chose to ignore the advice given to revisit the nominations and ensure that all nominees in fact met the minimum prescribed standard as detailed in the guidelines. Moreover, given the Nomination Committee was appointed by the board and not elected by the AGM, the decisions of the Nominating Committee in this instance should be overruled and their decision declared null, and void and a new committee elected by you the membership to review all applicants to determine eligible candidates which will ensure fairness, transparency, and no vendettas.

These actions of the Nominating Committee and, in particular, the actions of the two board members of the Committee who should have provided genuine and honest directions are now called to question, and it begs the question as to whether or not the actions of these board members should not now be investigated for fit and proper condition. Unless this is done, this action would not only cause embarrassment to the three appointed members who are will not only cause embarrassment to the three persons on that Nomination Committee but also to the candidates who were not qualified and the possibility of reputational risks to the Credit Union.

This matter will be brought to the attention of the AGM.

- 39.2 Chairman Mrs. Sharon Rahming invited comments or questions from the members.
- 39.3 Question from member online: What are the names of the Nomination Committee Members.
  - 39.3.1 Chairman Mrs. Sharon Rahming advised the members of the Nominations Committee appointed by the Board were: Ms. Barbara Bowe, Mrs. Doreth Campbell, and Ms. Merrell Barnett.

- 39.4 Mrs. Belinda Wilson made a motion for the Nomination Committee be removed immediately. Decisions made by the existing Nomination Committee be null and void, and that a date be set for a new election for the Nomination Committee. Further, and an appointment of interim a Nominating Committee?
- 39.5 Discussion ensued.
- 39.6 Secretary Mrs. Cheryl Bowe-Moss stated that a grievance is being made on the floor without the crime being – She advised that the Nominations Committee should be given a chance to present their report. You lay it out ahead allowing the crime to happen. So, what has to happen is let them do the report. Then do the rebuttal and then you remove it. Only one crime has been committed. No letter has been issued. You cannot levy an allegation without a crime happening. Take it in the steps. The first step was disenfranchised.
- (Inaudible chatter).
- 39.7 Secretary Mrs. Cheryl Bowe-Moss stated that the first time that has been established, we need to know who got letters. The Nomination Committee first must answer. Did everybody get a letter? Everybody who applied should have gotten a letter.
- 39.8 Secretary Mrs. Cheryl Bowe-Moss addressed the Chairman asking that the first question be answered. Did everybody get a letter? The Chairman of the committee needs to call in and answer the question.
- 39.9 Secretary Mrs. Cheryl Bowe-Moss reminded all that Ms. Theresa Deleveaux never served on any committee except the AGM. Mrs. Glinton did not serve on any committee except the Nomination Committee. That is historical.
- 39.10 Discussion ensued.
- 39.11 Mrs. Sophia Thompson-Williams was permitted to clarify ‘tighten’ the motion made by Mrs. Belinda Wilson. She moved that the Nomination Committee as it was appointed and stands now, should be immediately removed and any decisions made by them are null and void. A date should be set out for new nominations. A special meeting called for new election process. Interim Committee should be appointed to carry out the actions and review activity.
- Clarification was sought on if it the motion was allowing any new people to apply.
- 39.12 Ms. Merrell Barnett called into the meeting and was asked by Secretary Mrs. Cheryl Bowe-Moss if her committee, sent out letters to all applicants because there were members who did not get their letters. Their complaint is they did not get the letters, and they are not trusting of the process even though the report was not tabled.
- Ms. Merrell Barnett’s response was Inaudible.
- 39.13 Secretary Mrs. Cheryl Bowe-Moss advised that both Mrs. Italia Seymour and Mr. Graham McKinney were present, and the Chairman of the committee was on the phoneline. She went on to state that the calamity that was going on required external adjudication. Further, the motion on the floor is asking for everything to be declared null and void and a new Committee appointed or elected, but you cannot elect them now because they needed to apply in the same due process. The matter is going to require a whole reopening to the entire membership and external adjudication because in the present composition of the committee is Board on it as well. There are only two directors left, me and Mr. Henry Campbell, and I am not going in to be a part of the committee.
- 39.14 (Inaudible)
- 39.15 Secretary Mrs. Bowe-Moss stated the whole Board is compromised at this point now no matter what who say, there is going to be suspects. The motion on the floor as Ms. Belinda Wilson has put it is that everything starts fresh. Everything must start fresh.
- 39.16 (Inaudible)
- 39.17 Chairman Mrs. Sharon Rahming reported that a question was asked if the Nomination Committee did not give a report, why did we have AGM? Where is the Chairman of this Nomination Committee?
- 39.18 Director Mrs. Edna Glinton repeated the motion made by Mrs. Belinda Wilson for the record as follows.
- 39.18.1 The motion from Mrs. Belinda Wilson was that the Nomination Committee, as is, be removed immediately. Any decisions made by them be declared null and void and a date set for new nominations and a special meeting called for new election process. The addition was that the Interim Committee be appointed or elected to carry out the actions to review the activity. In other words, the nominations that were in, because they were not

properly reviewed in the first place. The motion was that the applicants be properly reviewed before an election takes place within 30 days.

39.19 The motion was poled with the results as follows:

1. 57 percent approved.
2. 32 percent opposed.
3. 11 abstained.

39.20 Motion was carried.

39.21 Chairman Mrs. Sharon Rahming advised that within 30 days a Nomination Committee will be elected. Persons who are interested in serving were invited to come to the Credit Union and put forth their name to the General Manager.

#### 40. VOTE OF THANKS

Chairman Mrs. Sharon Rahming thanked members for their co-operation voicing appreciation for everything they did. She apologized for hiccups experienced adding that hopefully the next meeting would be in person. The Assistant Treasurer Mr. Graham McKinney was invited to give the vote of thanks.

40.1 Assistant Treasurer Mr. Graham McKinney greeted everyone, adding that the meeting took some turns that we did not know that it was going to take it leaves us with other turns that we have to follow. But he always says to God be the glory because He is in control. We give thanks to all who tuned in. We are sorry for the problems that we had at the beginning when we were trying to get everybody on the platform. We are still learning, and we are growing, and next time we should be better. We are told that the next meeting is going to be in person, this will not be a factor next time, hopefully.

We give thanks to all of you. Thanks to the secretary of the Board who played her function. We thank God for Mr. E. J Bowe who gave us our invocation and who also is stepping down. We salute you, sir, and we say thank you for all that you have done and all that you continue to do to cause us to grow as the biggest credit union in the Bahamas.

We did not receive the Co-operative League's greeting, but we know that they send their support, and we send our condolences to the lady who said her father passed.

All were asked to observe a moment of silence for all the persons that we lost, be it staff, members, or friends of the Credit Union. May their souls rest in peace and rise in glory.

Thanks, were extend to the Committees that prepared their report; the Corporate Secretary Ms. Jacqueline Whymns; the Board of Directors; Management; Staff; Members; the General Manager Mr. Byron Miller. We ask God's blessings upon each one.

As we move forward, there will be some mistakes made, and we are going to correct them. There will be times when we disagree, but we are going to be professional about it. There will be times when we do not feel the same way about everything, but that is a part of life. As long as we live, we are going to continue to move forward making sure that the next day is brighter than the day that we lived before. Thank you and God bless you.

#### 41. ADJOURNMENT

41.1 Mrs. Sharon Rahming thanked everyone once again. Motion to adjourn was moved by (inaudible) and was seconded by Ms. Theresa Mortimer

  
Sharon Rahming  
Chairperson

  
Cheryl Bowe-Moss  
Secretary

## *Minutes of the*

### **SPECIAL ANNUAL GENERAL MEETING**

Venue: Hybrid via Zoom & In Person at The Bahamas Harvest Church Hall, Prince Charles Drive

Date: June 18, 2022

#### **1. PRAYER**

1.1 Meeting was opened in prayer led by Ms. Jacqueline Whymns.

#### **2. PURPOSE FOR THE MEETING**

2.1 Director Mrs. Edna Glinton advised that the meeting was called for one purpose, and that was to elect persons to serve on the Nomination Committee for the 45th Annual General Meeting (AGM).

#### **3. NOMINATIONS COMMITTEE APPLICATIONS**

Director Mrs. Edna Glinton reported that eight applications were received from the following members:

1. Mr. Welbourne Cunningham Jr.
  2. Anastacia Maksyhung
  3. Sherene Saunders
  4. Yvonne Rahming
  5. Nerissa Gibson
  6. Lashonda Deveaux
  7. Kirby Samuel
  8. Ashley Clark
- 3.1 On review of the applications received, five were accepted and three deferred for the next opportunity because they were not complete for the purpose of the meeting.

#### **4. ACCEPTANCE OF NOMINATION**

Director Mrs. Edna Glinton called each applicant by name and asked each to confirm their acceptance of the Nomination, responses as follows.

- 4.1 Mr. Welbourne Cunningham affirmed his acceptance of the nomination.
- 4.2 Mrs. Anastasia Maksyhung affirmed her acceptance of the nomination.
- 4.3 Miss Shereen Saunders affirmed her acceptance of the nomination.
- 4.4 Mrs. Yvonne Rahming – Mrs. Yvonne Rahming was absent.
- 4.5 Miss Nerissa Gibson. Director Mrs. Edna Glinton reported that Miss Gibson advised she could not be present due to travel for a funeral.

#### **5. INTRODUCTION OF APPLICANTS**

- 5.1 **Mr. Welbourne Cunningham:** Director Mrs. Edna Glinton introduced Mr. Cunningham to the membership advising that he served as a Senior Electrical Technician Supervisor at The Bahamas Electricity Corporation and obtained a degree in accounting along with city and guilds and other qualifications. He was a former Chairman of The Bahamas Cooperative League, a former Supervisory Committee Member for the National Workers Cooperative League and Chairman and former vice chairman, at the same credit union. He is presently a director at the National Workers Cooperative League. Mr. Cunningham has been a faithful member of Teachers and Salaried Credit Union Co-operative Credit Union who always attends AGMs. Mr. Cunningham was invited to the podium to speak to the membership.
- 5.2 **Ms. Sherene Saunders:** Director Mrs. Edna Glinton introduced Ms. Sherene Saunders advising that she was a Chartered Accountant. She was also an Internal Auditor and a certified fraud examiner, certified in anti-money laundering. She had a Bachelor of Science degree in ac-

counting. Ms. Saunders was invited to the podium to speak to the membership.

**5.3 Mrs. Anastasia Maksyhung:** Director Mrs. Edna Glinton introduced Mrs. Maksyhung advising she was a graduate of Florida International University and attended Sojourner Douglas College, where she received early childhood education. Mrs. Maksyhung also received a certificate from The Bahamas Technical and Vocation Institute in tailoring. She was also a trained teacher presently employed with the Ministry of Education. Mrs. Maksyhung was invited to the podium to speak to the membership.

## 6. NOMINATIONS COMMITTEE

6.1 Director Mrs. Edna Glinton thanked the applicants and advised that because there were only three members for the Nomination Committee and there were only three vacancies, there was no need for a vote.

6.2 Motion to accept the three Nominees, was moved, seconded, and carried.

6.3 Director Mrs. Edna Glinton stated that the Nominations Committee is critical because they are the gatekeepers to the credit union.

## 7. AFTERWORD

7.1 Director Mrs. Edna Glinton encouraged the Nomination Committee to peruse each application submitted for the board, supervisory and credit committees to be confident and assured that persons who applied can represent the Credit Union to the best of their abilities. She further advised that applicants could be called in to be interviewed.

## 8. ADJOURNMENT

8.1 Director Mrs. Edna Glinton advised that the next Special AGM would be held on Saturday, July 2nd, 2022, virtually and in person at the same venue.

8.2 There being no further business to discuss, the meeting was adjourned.

*Italia Seymour*

Italia Seymour  
Vice Chairman

*Cheryl Bowe-Moss*

Cheryl Bowe-Moss  
Secretary



## **Minutes of the**

### **SPECIAL ANNUAL GENERAL MEETING**

**Venue: Hybrid via Zoom & In Person at The Bahamas Harvest Church Hall, Prince Charles Drive**

**Date: July 2, 2022**

#### **1. CALL TO ORDER**

- 1.1 The meeting was called to order at 9:30 am by Director Mrs. Edna Ginton. Apologies were given for the late start as sign-in should have commenced at 8:00 for a 9:00 am start due to technical challenges.
- 1.2 Director Ginton ascertained that there was a quorum as all members present physically (23) and virtually constituted a quorum as the one-hour had pass.

#### **2. PRAYER**

- 2.1 Meeting was opened in prayer led by Director Mrs. Edna Ginton.

#### **3. NOTICE OF SPECIAL CALL MEETING**

- 3.1 Secretary Mrs. Cheryl Bowe-Moss read the notice for the Special Called meeting as below.

*As a reminder, our special call AGM is going to be held this upcoming Saturday, July 2, 2022 in person at Bahamas Harvest East Campus, Prince Charles Drive and virtually.*

*A notice with a link to register from Teachers & Salaried Workers Cooperative Credit Union Ltd. [3Cinfo=tswccul.org@pa.d.sender-sib.com"info=tswccul.org@pa.d.sender-sib.com](mailto:3Cinfo=tswccul.org@pa.d.sender-sib.com?info=tswccul.org@pa.d.sender-sib.com)> with the subject "Special AGM Meeting Teachers & Salaried Workers Co-operative Credit Union Limited" was emailed to members on Thursday, June 23, 2022.*

*The purpose of the meeting is the election of the following vacancies:*

- Board of Directors
- Supervisory Committee
- Credit Committee

*Members attending in person must bring a valid form of identification.*

*We hope to see you there in person or virtually.*

4. The Nominations Committee Chair Mrs. Anastacia Maksyhung presented the Committee's Report indicating:  
There was one submission to fill the vacancy on the Supervisory Committee, from Mr. David Briggs. Mr. Briggs was congratulated.  
There was one application for the Credit Committee, Mrs. Vienna Grant-McKenzie. Mrs. Grant-McKenzie was congratulated.
  - 4.1 Three people applied and were deemed qualified to run for the two (2) vacant board positions being: Mrs. Sharon Rahming, Ms. Theresa Deleveaux and Mrs. Renee Mayers.

#### **5. ELECTIONS**

- 5.1 Persons vying for the board positions were allowed to address the membership.
- 5.2 The poll was opened for voting.
- 5.3 The results of the Election Poll for Board of Directors were as follows:

Nominee	Vote Total
Sharon Rahming	43
Theresa Deleveaux	40
Renee Mayers	44

5.4 Mrs. Mayers and Mrs. Rahming were congratulated.

**6. POINT OF ORDER**

6.1 On a Point-of-Order, Mrs. Sharon Rahming made a motion for the Nomination Committee to be reappointed to serve until the next AGM (2023). The motion was seconded and carried.

**7. ADJOURNMENT:**

7.1 On adjournment Director Ginton complimented the Nomination Committee for their work and advanced that they should remain in post. Director Mrs. Sharon Rahming seconded the motion.

7.2 The meeting adjourned at 10:58am.

*Italia Seymour*  
 Italia Seymour  
 Vice Chairman

*Cheryl Bowe-Moss*  
 Cheryl Bowe-Moss  
 Secretary

## BOARD OF DIRECTORS



**CHERYL BOWE-MOSS  
BOARD CHAIRMAN**



**ITALIA SEYMOUR  
VICE CHAIRMAN**



**GRAHAM MCKINNEY  
TREASURER**



**RENEE MAYERS  
SECRETARY**



**HENRY CAMPBELL  
ASST. TREASURER**



**SHARON RAHMING  
DIRECTOR**



**EDNA GLINTON  
DIRECTOR**

## BOARD REPORT – FINANCIAL YEAR 2022

**A** warm welcome is extended to our members. Words of life and wisdom shared from the Book of Galatians chapter 6:9 – “And let us not grow weary in doing good, for in due season we will reap if we do not give up.”

Last year was a year of emergence; a time that saw The Bahamas and the world emerge out of a dark period in human history that tested the resolve of every human being. Covid-19 not only set households back emotionally and financially as a result of sickness and death, it also negatively impacted the Bahamian economy in significant ways. We pause to remember and honor our members that passed during the year and continue to pray for those members that lost loved ones during this trying and frightful period. May God’s grace and peace keep and strengthen you.

Early in 2022, the Board approved the Credit Union’s Mission and Vision Statements, along with the three-year strategic objectives that will serve as the road map to our growth and transformation over the near term. There are more than fifty (50) objectives that comprises the strategy, which when achieved will position the Credit Union as a stronger financial partner to our members and communities.

After much hard work and diligence, we managed to close all open matters pertaining to the 2017 re-mapping exercise conducted by our Regulator. Enhanced care and attention continue to be paid to regulatory matters and their timely conclusion all to ensure compliance with legislative and regulatory requirements, and to spur continued growth of the Credit Union.

Our transformational journey continued throughout 2022, with the adoption of many high-quality initiatives. The institution of loan sales targets drove revenue growth in our top line income category, with more than \$21 Million in new loans successfully drawn. This was a significant milestone achievement. Not only was there very encouraging loan growth, but there was also a notable improvement in loan quality which signals that Management’s strategy of onboarding younger members between 18-40 years of age is working. Approximately one thousand four hundred and twenty eight (1,428) persons joined the Credit Union family, while three hundred persons closed out accounts, giving rise to a member compliment of 20,128 (this is a growth of 5.6% over prior year). Of this number, 731 or 55% of new members fell within the targeted group. While other financial institutions experienced declines in their loan portfolio, we experienced growth. We are pleased to announce that within our key lending strategy is the granting of strong mortgages that made eighteen (18) members first time homeowners, with more than thirty (30) persons approved for home purchase or construction. We are happy to celebrate this success of our members, and look forward to celebrating with many more members in this way in the future. Through our skipped payment allowance, we met the needs of approximately three hundred and fifty (350) members by providing \$226,000.00 in skipped payments, bringing much needed relief to many families. This is what we are about; people helping people to help themselves.

We are pleased to share with the membership, awareness of the Board’s approval of a Memorandum of Understanding (MOU) with the Ministry of Transport and Housing for the purchase of affordable housing in its various subdivisions across New Providence. The MOU allows for the financing of mortgages for members that have been pre-qualified by the Ministry of Housing. These loans must meet the borrowing criteria of the Credit Union. Financing will be facilitated in two equal tranches of \$12.5 Million extended during 2023 and 2024.

Further, the Board is pleased to announce the execution of an agreement with the Small Business Development Centre, Access Accelerator programme for the financing of guaranteed loans under this scheme. Members that have been pre-qualified by the financial team at Access Accelerator may obtain financing for small business ideas over the next five years. The Credit Union's Credit Risk guidelines governing small business lending will apply, and loans will be administered through our Mortgage & Small Business Unit.

CRIF, the Credit Bureau methodology was fully incorporated into our Credit Risk processes allowing for stronger, more accurate assessments of member loan requests and financial counselling. We are increasingly optimistic that those members that hold delinquent debt obligations with us will shortly return to clear away the delinquencies as more financial institutions adhere to the credit scoring model under CRIF. Last year, our Collection Department recovered approximately \$673k in loans that were written off, and nursed a number of delinquent loans while restructuring nine (9) mortgages totaling \$2.6Mil. which represents 2.78% of our loan portfolio. We expect that this trend will continue resulting in improved revenue collection and subsequently representing a step in the right direction in terms of achieving compliance with the PEARLS Net Loans Ratio.

The Credit Union remains sensitive to the financial challenges of our members. These are difficult times, and where we can, we provide assistance in line with our approved policies and guidelines. There are however, members who have obtained loans from the Credit Union who have walked away from their commitment and promise to repay. As of 31-Dec, approximately forty-five (45) member matters were registered with the Supreme Court totaling \$5.6 Mil., and fifty-nine (59) matters lodged with the Magistrate's Court with a value of \$155k. The Credit Union successfully sold one repossessed property during the year after a lengthy legal process. As custodians of our member's assets, it is incumbent upon us to act responsibly, collecting monies loaned to all members. This standard of delinquency management and recovery remains the stance of your Credit Union. Our successful collection strategy serves to strengthen the Credit Union, diagnose root causes of delinquency and leads us to implement lasting solutions through progressive credit risk guidelines that are industry proven.

Early in the year, the Board approved a comprehensive plan that brought enhanced focus to the PEARLS ratios. A strategy to achieve compliance with financial ratios was introduced, identifying key deliverables that will govern management's actions over the next three years, subsequently bringing the Credit Union in line with these important ratios which prior to this period received less than desired focus. The Board is determined to work with Management to ensure that all deliverables are realized with respect to achieving compliance with PEARLS.

Through a modernized advertising strategy, the messaging of the Credit Union through email blasts, Facebook, Twitter and Instagram are reaching many members and non-members alike. Online complaints and questions are handled within minutes, a rate of responsiveness that is unprecedented in the domestic financial services sector. The Management Team understands the importance of supporting the member by providing support channels that enhances the member experience.

In a display of our commitment to innovation, we are pleased to advise that member records are being updated and digitized for proper management and record keeping. Member initiated processes have been simplified with the launch of an online member application that saves the persons considerable time during the account opening process. The addition of smart ATMs promises to improve the member experience and ensure greater conveniences. Our International MasterCard Debit Card that was set to

be launched in December 2022 experienced a setback due to software challenges which were resolved, with ecommerce (online) testing being successfully conducted. Management anticipates the launch of the Credit Union's own debit card by the start of Summer 2023.

In September the formalization of an agreement with The Bahamas Automated Clearing House (BACH), the sole national financial clearinghouse in The Bahamas began. Shortly, we envision being a full member of the clearing system which facilitates the clearing and settlement of monetary transactions between the retail banks and Central Bank of The Bahamas. The Automated Clearing House (ACH) is the primary system that financial institutions use for electronic funds transfer (EFT). With ACH, funds are electronically deposited in financial institutions, and payments are made online. With the Credit Union's ascension, the movement of money is enhanced, and transfers in and out of the Credit Union can take place as it is done with other financial institutions. It is anticipated that this Credit Union will be able to serve as the settlement base for other Credit Unions, thereby acting as a conduit for members of other credit unions to conduct business through the domestic banking system. We expect a full roll out of ACH by the second quarter of FY2023.

Member education experienced a transformation during the year, with the launch of trainings on the Credit Union's YouTube Channel. Plans are underway to expand the member education methodology through this medium, affording members the opportunity to learn about their Credit Union and product offerings from the confines and safety of their homes, and at a pace that is comfortable for them. Training modules can be played, paused and replayed at will thereby building knowledge in unique ways across the membership.

Our employee compliment increased by two over the year. We acknowledge the rapid pace of change within the local economy and are remaining in step with the speed of that change. Employee turnover for FY2022 was reported at nineteen (19) or 25.68% of the approved employee headcount, most of which was realized at the clerical level. Employee training remains vital to ensuring wholesome business performance, the delivery of quality service, risk mitigation and sustainable growth. Through our Risk Department, policies are reviewed and updated in accordance with established guidelines. This approach ensures that the Credit Union's policies and guidelines remain consistent with the times that we live in.

Upgrades to our Head Office came by way of adding contemporary colors to the interior, installing wall posters and new signage advertising our products and services. Our work in this area continues as we seek to improve our facilities, strengthen our brand and ensure greater corporate visibility. Shortly, our Mortgage & Small Business Unit will be provided for our member's benefit, and we intend to be highly visible within communities across our Archipelago, forging key alliances for greater reach into our Family Islands.

Employee training and development remained central to the success of our strategic plan and achievement of performance goals. The robust coaching model that was implemented during FY2020 remains actively in place, and is yielding favourable results, promoting timely feedback on performance at all employee levels, while measuring individual performance against the strategic objectives of the organization. An improved employee performance assessment tool was implemented during the year, streamlining employee focus and simplifying corporate expectations. The coaching methodology makes the annual review process more efficient and effective. Employees are tasked with owning their personal development and are held responsible for their performance and career direction.

Another aspect of our strategic objectives speaks to divesting ourselves of our investment properties. We are pleased to announce the sale of the TREHL Property located on Tonique Williams Darling Highway. All remaining properties have been listed for sale.

As a part of expense control and management, the Credit Union onboarded its own security guards which led to a reduction in expenses. Delegated Authorities were implemented, identifying all management and clerical levels and their associated authorities. This process simplified workflows, clarified what authorities were held by different employee levels and eliminated duplicitous processes that resulted in the loss of manhours and increased operating cost. We continue to evaluate our business for cost cutting opportunities so that greater efficiencies may be realized.

Your Credit Union is poised for good growth over the near term, with consistent focus being placed on greater community visibility, product innovation and implementation, employee training and development, risk management, income growth, expense management, and greater employee accountability across the organization. Together with our hard-working employees and dedicated members whose collective actions translates into opportunities for the Credit Union, it is our determination that the state of Teachers & Salaried Workers Cooperative Credit Union Limited remains strong, and its future bright.

The Board thanks you, the members, management and our hard-working employees for their consistent efforts aimed at making our Credit Union great. May God continue to bless and strengthen all of us on this journey of 'people helping people to help themselves' while we build up one another and the Commonwealth of The Bahamas.

*Cheryl Bowe-Moss,*  
Chairman

*Italia Seymour,*  
Vice Chairman

*Graham McKinney,*  
Treasurer

*Renee Mayers,*  
Secretary

*Henry Campbell,*  
Asst. Treasurer

*Sharon Rahming,*  
Director

*Edna Ginton,*  
Director





# TREASURER'S REPORT

The Board of Directors are pleased to present the Report of the Treasurers for the year ended December 31, 2022 to the members/owners. We are in transformation mode with an expected emergence that is financially sound. We are on a journey that will lead to success, and profitability, even as we continue to navigate the new economic terrain post Covid-19. We are busy diversifying our property portfolio, growing our membership and adding quality loans to our books. Our present trajectory will only lead us to even greater success in the years to come.

## FINANCIAL POSITION

As at December 31, 2022, Teacher's and Salaried Worker's Co-operative Credit Union Limited's assets totaled to \$213,472,493 a decrease of \$1,141,370 or -0.53% compared to December 2021's total of \$214,613,863.

Liabilities for totaled \$188,997,710 a decrease of \$2,801,197 or -1.46% when compared to December 2021's total of \$191,798,907.

Equity totaled to \$24,474,783 or a 7.28% increase when compared to December 2021's balance of \$22,814,956. (\*See Audited Financial Statements – Auditor's Report Pages 36-91)

## OPERATIONS

### Income and Expenses

For the year under review, The Statement of Comprehensive Income showed a total Net Interest and Other Income of \$8,544,866 with Total Operating Expenses of **(\$7,241,996)** resulting in a Profit for the Year of \$1,302,870. The Other Comprehensive Income totaled to \$66,857 which along with the Net Profit for the Year combined to give a Total Comprehensive Income of \$1,369,727 for period ended December 31, 2022.

## BRANCH PERFORMANCE

The Annual Performance of The 3 Business Sites as at December 2022 is as follows:

**New Providence** - Income for year ended December 31, 2022 totaled to \$6,024,867 with Expenses of **(\$6,033,203)** resulting in a Net Loss of **(\$8,336)**.

**Grand Bahama** - Income for year ended December 31, 2022 totaled to \$1,786,591 with Expenses of **(\$531,644)** resulting in a Net Profit of \$1,254,947.

**Abaco** – Income for year ended December 31, 2022 totaled to \$733,408 with Expenses of **(\$677,149)** resulting in a Net Profit of \$56,259.

## INVESTMENT PROPERTY ANNUAL INCOME

### RENT REVIEW FOR YEAR ENDED DECEMBER 31, 2022

PROPERTY	INCOME AS AT DEC. 31,2022	EXPENSES (EXCL. PROVISIONS)	PROVISION	NET INCOME OR (Loss)
East St. Office Complex.	\$462,096	<b>(\$302,219)</b>	-	\$159,877
TREHL	\$293,221	<b>(\$85,860)</b>	<b>(\$6,024)</b>	\$201,337
G.B. Freeport Plaza	\$193,854	<b>(\$198,818)</b>	<b>(\$36,199)</b>	<b>(\$41,163)</b>
Abaco Complex.	\$330,017	<b>(\$861,663)</b>	\$25,752	<b>(\$505,894)</b>
<b>Totals as at Dec. 31, 2022</b>	<b>\$ 1,279,188</b>	<b>(\$1,448,560)</b>	<b>(\$ 16,471)</b>	<b>(\$185,843)</b>



It is our hope that we find success in divesting ourselves of Investment Properties. While these offer an opportunity to realize gains, the inverse is true if we have unrented spaces for extended periods of time. We note that a strategy to relieve ourselves of these Investment Properties will come into play very soon.

## **STATUTORY RESERVE FUND**

Statutory Reserves held at the Bahamas Cooperative League Limited (BCLL) stands at \$23,817,242 as at December 31, 2022. This is an excess of 1% greater than the required 10% by the PEARLS standards. The excess totaled to \$2,469,619 as at December 31, 2022.

## **LIQUIDITY RESERVE FUND**

Liquidity Reserves held at the Bahamas Cooperative League Limited (BCLL) stands at \$21,048,748 as at December 31, 2022. This is an excess of 1% greater than the required 10% by the PEARLS standards, and totaled to \$2,409,553 as at December 31, 2022.

## **DELINQUENCY**

As we continue to mitigate delinquency, we see some major movement in the recovering of written off loans. This realized a recovery just over \$673,000 for the period ended December 31, 2022. We also have fifty-nine (59) matters lodged in the Magistrate's Court with a combined value of near \$155,000 for the same period. Forty-five (45) matters were registered with the Supreme Court with a combined dollar value of \$5,600,000 for the same period. Our Collections Department is to be commended for the valiant strides they made. Likewise, the Loans and Mortgage Departments have to be commended for writing viable loans that would hold true for the full life cycle of the loan. Together, along with Credit Risk and the diligence of the Credit Committee, we saw a positive increase in loans that had met the criteria to bring our members their needs and keep our bottom-line "in the black".

## **PEARLS RATIOS**

As at December 31, 2022 the Credit Union was compliant with several of the PEARLS ratios. An active strategy to bring continuity to a compliant status is underway, having been introduced early in the year, with the end result of compliance in three (3) years.

## **CONCLUSION**

We are excited about the strides made towards profitability, which is a move in the right direction. We trust that you our members/owners continue to work with the Management, Staff, Board and Committees as we together seek to achieve greater levels of success. It is our prayer that you all remain safe, well and blessed as we continue to chart the course for continued success – God being our helper.

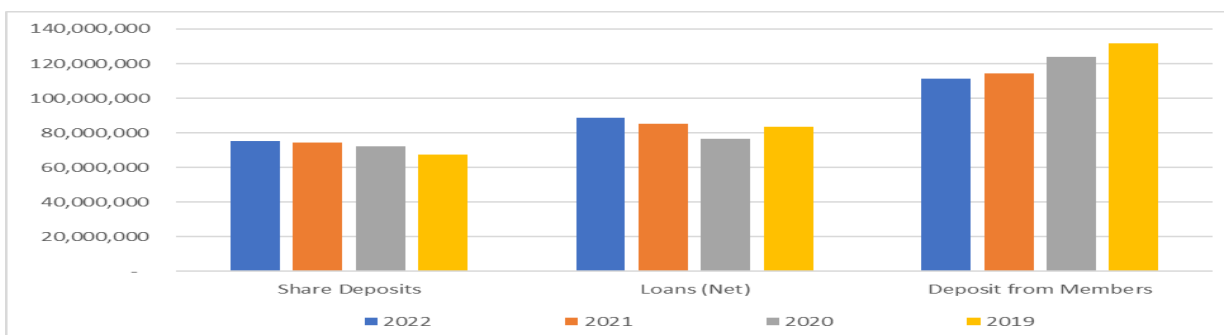
Submitted on behalf of the Board of Directors,

*Henry Campbell*  
Assistant Treasurer

*Graham W. McKinney*  
Treasurer

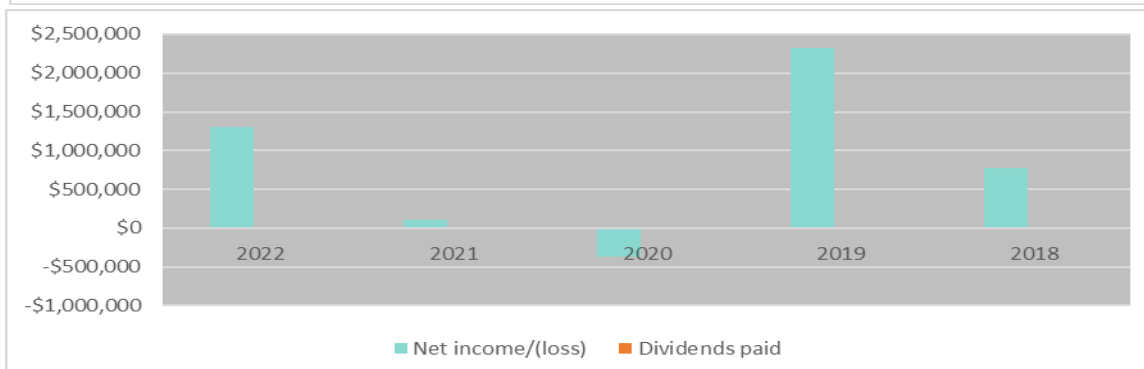
## KEY FINANCIAL DATA (Past Four Years)

Description	2022	2021	2020	2019
Share Deposits	75,269,195	74,619,452	72,313,319	67,502,001
Loans (Net)	88,692,330	85,443,606	76,431,091	83,675,577
Deposit from Members	111,122,760	114,563,476	123,777,850	131,876,565



## FIVE-YEAR FINANCIAL SUMMARY (Five Years Ended December 2022)

	2022	2021	2020	2019	2018
Total assets	213,472,493	214,613,863	220,271,298	224,431,302	214,675,200
Total liabilities	188,997,710	191,798,907	198,450,115	202,388,002	194,683,302
Members' equity	24,474,783	22,814,956	21,821,183	22,043,300	19,991,898
Net Interest and Other Income	8,544,866	7,101,557	6,209,792	8,830,002	7,001,867
Total Operating Expense	7,241,996	6,992,807	6,585,042	6,511,678	6,234,252
Profit for the Year	1,302,870	108,750	(375,250)	2,318,324	767,615
Dividends Paid	-	-	-	-	-



Financial Statement of

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

December 31, 2022



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

Financial Statements

December 31, 2022

**C O N T E N T S**

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	<b>Page</b>
Independent Auditors' Report	1 – 2
Statement of Financial Position	3
Statement of Comprehensive Income	4
Statement of Changes in Members' Equity	5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 45
Independent Auditors' Report on Supplementary Information	46
Statement of Profit or Loss – Nassau, Head Office	47
Statement of Operating Expenses – Nassau, Head Office	48 – 49
Statement of Profit or Loss – Freeport Branch	50
Statement of Operating Expenses – Freeport Branch	51 – 52
Statement of Profit or Loss – Abaco Branch	53
Statement of Operating Expenses – Abaco Branch	54 – 55

ECOVIS Bahamas • Serenity House • East Bay Street • P.O. Box SS-6229 • Nassau •  
The Bahamas

## 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, 2022, 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, 2022, and 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 *Auditors' 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.

### *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.

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E-Mail: [nassau@ecovis.com](mailto:nassau@ecovis.com) Management: James B. Gomez, Noreen R. Campbell VAT-ID Number: 114394718 Headquarter: Nassau Registered in: The Bahamas

A member of ECOVIS International tax advisors accountants auditors lawyers in Algeria, Argentina, Australia, Austria, Bahamas, Belgium, Bosnia and Herzegovina, Brazil, Bulgaria, Cambodia, Canada, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Ecuador, Egypt, El Salvador, Estonia, Finland, France, Georgia, Germany, Greece, Great Britain, Guatemala, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Republic of Korea, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Morocco, Myanmar, Nepal, Netherlands, New Zealand, Norway, North Macedonia, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Russia, Saudi Arabia, Republic of Serbia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan, Tajikistan, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Uruguay, USA (associated partners) and Vietnam.

ECOVIS International is a Swiss association. Each Ecovis member firm is an independent legal entity in its own country and is only liable for its own acts or omissions, not those of any other entity. ECOVIS Bahamas is a member firm of ECOVIS International.



## INDEPENDENT AUDITORS' REPORT (Continued)

### *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.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause 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.

A handwritten signature in black ink that reads 'Ecovis Bahamas'.

**ECOVIS Bahamas**  
Chartered Accountants  
Nassau, The Bahamas

April 18, 2023

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

Statement of Financial Position

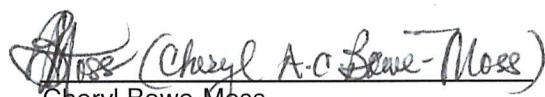
December 31, 2022


(Expressed in Bahamian dollars)

	<i>Notes</i>	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>			
Cash and cash equivalents	<b>5</b>	\$ 5,926,552	\$ 6,340,806
Time deposits with banks	<b>6</b>	12,787,640	12,549,190
Deposits with the League	<b>7, 22</b>	44,865,990	44,226,089
Loans receivable, net	<b>8, 22</b>	88,692,330	85,443,606
Other assets	<b>9</b>	2,375,206	2,651,695
Investment in the League	<b>10, 22</b>	34,900	33,800
Financial investments	<b>11</b>	32,609,713	34,749,013
Investment properties	<b>12</b>	18,232,810	19,949,810
Property, plant and equipment	<b>13</b>	7,947,352	8,669,854
<b>TOTAL ASSETS</b>		<b>\$ 213,472,493</b>	<b>\$ 214,613,863</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>			
<b>LIABILITIES</b>			
Members' regular deposits	<b>14, 22</b>	\$ 75,269,195	\$ 74,619,452
Other deposits	<b>15, 22</b>	111,122,760	114,563,476
Other liabilities	<b>16</b>	2,605,755	2,615,979
Total liabilities		188,997,710	191,798,907
<b>MEMBERS' EQUITY</b>			
Members' shares	<b>17(i), 22</b>	5,229,000	4,938,900
Statutory reserve	<b>17(ii)</b>	16,000,000	16,000,000
Fair value reserve	<b>17(iii)</b>	459,915	393,058
Retained earnings		2,785,868	1,482,998
Total members' equity		24,474,783	22,814,956
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>		<b>\$ 213,472,493</b>	<b>\$ 214,613,863</b>

See notes to financial statements.

These financial statements were approved on behalf of the Board and authorized for issue on April 18, 2023, and signed on its behalf by:

  
Cheryl Bowe-Moss  
Chairman

  
Graham McKinney  
Treasurer

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

Statement of Comprehensive Income

For the year ended December 31, 2022

(Expressed in Bahamian dollars)

	<b>Notes</b>	<b>2022</b>	<b>2021</b>
<b>INTEREST INCOME</b>			
Loans	<b>18, 22</b>	\$ 8,652,632	\$ 7,230,651
Investments	<b>18, 22</b>	2,125,769	2,441,881
Total interest income		10,778,401	9,672,532
<b>INTEREST EXPENSE</b>			
Members' regular shares and other deposits	<b>18, 22</b>	(1,948,684)	(2,114,538)
Total interest expense		(1,948,684)	(2,114,538)
<b>NET INTEREST INCOME BEFORE PROVISION FOR LOAN IMPAIRMENT AND RECOVERIES OF BAD DEBTS</b>			
Provision for loan impairment and expected credit losses	<b>18</b>	8,829,717	7,557,994
Recoveries of bad debts	<b>8(ii)</b>	(1,457,016)	(581,602)
	<b>8(ii)</b>	673,346	345,853
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN IMPAIRMENT AND RECOVERIES OF BAD DEBTS</b>			
		8,046,047	7,322,245
<b>NON-INTEREST INCOME/(LOSS)</b>			
Other income	<b>19</b>	684,662	515,357
Net loss from investment properties	<b>20</b>	(185,843)	(736,045)
Total non-interest income/(loss)		498,819	(220,688)
<b>NET INTEREST AND OTHER INCOME</b>		8,544,866	7,101,557
<b>OPERATING EXPENSES</b>			
Personnel	<b>21, 22, 24</b>	2,907,330	2,798,609
General business	<b>21</b>	1,114,403	1,097,640
Occupancy	<b>21</b>	1,095,324	926,847
Organizational	<b>21, 22</b>	161,019	156,344
Members' security	<b>21</b>	760,916	651,571
Computer costs	<b>21</b>	1,168,388	1,291,750
Marketing	<b>21</b>	34,616	70,046
Total operating expenses		7,241,996	6,992,807
<b>PROFIT FOR THE YEAR</b>		1,302,870	108,750
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Changes in the fair value of equity investments at fair value through other comprehensive income	<b>17(iii)</b>	66,857	581,323
<b>TOTAL COMPREHENSIVE INCOME</b>		\$ 1,369,727	\$ 690,073

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, 2022

(Expressed in Bahamian dollars)

	Notes	Members' Shares	Statutory Reserve	Fair Value Reserve	Retained Earnings	Total
<b>Balance as at December 31, 2020</b>		<b>\$ 4,635,200</b>	<b>\$ 16,000,000</b>	<b>\$ (188,265)</b>	<b>\$ 1,374,248</b>	<b>\$ 21,821,183</b>
<b>Comprehensive loss for the year</b>						
Profit for the year		-	-	-	108,750	108,750
Net change in unrealized gain on financial assets at FVTOCI	17(iii)	-	-	581,323	-	581,323
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>-</b>	<b>581,323</b>	<b>108,750</b>	<b>690,073</b>
<b>Transactions with members</b>						
Net shares issued during the year	17(i)	474,450	-	-	-	474,450
Net shares redeemed during the year		(170,750)	-	-	-	(170,750)
<b>Total transactions with members</b>		<b>303,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>303,700</b>
<b>Balance as at December 31, 2021</b>		<b>4,938,900</b>	<b>16,000,000</b>	<b>393,058</b>	<b>1,482,998</b>	<b>22,814,956</b>
<b>Comprehensive income for the year</b>						
Profit for the year		-	-	-	1,302,870	1,302,870
Net change in unrealized gain on financial assets at FVTOCI	17(iii)	-	-	66,857	-	66,857
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>66,857</b>	<b>1,302,870</b>	<b>1,369,727</b>
<b>Transactions with members</b>						
Net shares issued during the year	17(i)	380,100	-	-	-	380,100
Net shares redeemed during the year		(90,000)	-	-	-	(90,000)
<b>Total transactions with members</b>		<b>290,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>290,100</b>
<b>Balance as at December 31, 2022</b>		<b>\$ 5,229,000</b>	<b>\$ 16,000,000</b>	<b>\$ 459,915</b>	<b>\$ 2,785,868</b>	<b>\$ 24,474,783</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, 2022

(Expressed in Bahamian dollars)

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Profit for the year	\$ 1,302,870	\$ 108,750
<i>Adjustments for:</i>		
Depreciation, amortization and impairment loss	1,888,664	1,222,314
Interest income	(10,778,401)	(9,672,532)
Dividend income	(183,656)	(176,367)
Interest expense on members' regular shares and deposits	1,948,684	2,114,538
Provision for loan impairment and expected credit losses	1,457,016	581,602
Increase provision for rent receivable losses	16,471	70,508
Gain on disposal of assets	(132,467)	-
	(4,480,819)	(5,751,187)
<b>Changes in operating assets and liabilities:</b>		
Interest received	10,181,009	9,639,883
Interest paid	(1,997,594)	(2,239,108)
Net increase in loans to members	(3,243,857)	(8,269,953)
Decrease in other assets	197,061	4,592,072
Increase in members' regular deposits	649,743	2,306,133
Decrease in other deposits	(3,440,716)	(9,214,374)
Increase in other liabilities	38,686	381,603
<b>Net cash used in operating activities</b>	<b>(2,096,487)</b>	<b>(8,554,931)</b>
<b>Cash flows from investing activities:</b>		
Dividends received	198,640	176,367
Net (increase)/decrease in time deposits with banks	(136,038)	14,003,934
Decrease in deposits with the League	-	407,160
Net acquisition of financial investments	639,320	(1,431,807)
Subscriptions of shares in the League	(1,100)	(1,200)
Net purchase of property, plant and equipment	(358,404)	(2,610,913)
Purchase of investment properties	(241,895)	(144,379)
Net proceeds from disposal of investment property (Note 12)	1,291,610	-
<b>Net cash provided by investing activities</b>	<b>1,392,133</b>	<b>10,399,162</b>
<b>Cash flows from financing activities:</b>		
Shares issued during the year	380,100	474,450
Shares redeemed during the year	(90,000)	(170,750)
<b>Net cash provided by financing activities</b>	<b>290,100</b>	<b>303,700</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(414,254)</b>	<b>2,147,931</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>6,340,806</b>	<b>4,192,875</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 5,926,552</b>	<b>\$ 6,340,806</b>

See notes to financial statements.

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

Notes to Financial Statements

December 31, 2022

(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 Head Office.

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 Act transferred the regulation of credit unions in the Bahamas to The Central Bank of The Bahamas.

This regulatory framework affects these financial statements, and 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 Bahamas Co-operative Credit Unions Act, 2015 exempts the Credit Union from stamp duty relating to the execution of documents in the Bahamas, including loans granted.

**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** – The Credit Union’s financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”).
- b) **Basis of preparation** – These financial statements have been prepared under the historical cost convention except for certain financial investments which have been measured at fair value.

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

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

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

*i) Amended standards effective January 1, 2022*

There are no new or amended accounting standards effective January 1, 2022 impacting the Credit Union's financial statements for the current period.

*ii) New standard issued but not yet effective or adopted*

The following amended standard has been issued but is not yet effective, and has not been early adopted. The Credit Union intends to adopt this standard when it becomes effective:

- IAS 1 (Amendment): Classification of Liabilities as Current or Non-current – In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement;
  - That a right to defer must exist at the end of the reporting period;
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendment is effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Credit Union is currently assessing the impact the amendment will have on current practice and whether existing liabilities agreements may require renegotiation.

- 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, 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.

- 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. Cash and cash equivalents comprise cash on hand and at banks, sand dollars, and fixed deposits with original 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.

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

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

- h) **Deposits with the League** – Deposits with the League represent the proceeds of the statutory reserve fund and the liquidity reserve fund, which are deposited with and administered by the League, as required by the Act. 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, interest receivable and other receivables, are carried at cost in the statement of financial position, net of allowance for impairment, due to their short-term nature.
- j) **Non-performing financial assets** – All loans to members on which principal or interest payments are overdue in excess of thirty (30) 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.
- i) Recognition and derecognition  
Financial assets and financial liabilities are recognized when the Credit Union becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.
- ii) Classification and initial measurement of financial assets  
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVTOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognized in profit or loss are presented within net interest and other income and provision for loan impairment and expected credit losses.

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

Notes to Financial Statements

December 31, 2022

*(Expressed in Bahamian dollars)*

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

i) ***Financial instruments*** *(Continued)*

iii) Subsequent measurement of financial assets

*Financial assets at amortized cost*

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Credit Union's cash and cash equivalents, time deposits with banks, deposits with the League, loans receivable, other assets and financial investments in debt securities fall into this category.

*Financial assets at fair value through other comprehensive income (FVTOCI)*

The Credit Union accounts for financial assets at FVTOCI if the assets meet the following conditions:

- they are held under a business model whose objective is "hold to collect" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognized in other comprehensive income (OCI) will not be recycled upon derecognition of the asset.

The Credit Union's financial investments in equity securities and investment in the League are classified as financial assets at FVTOCI.

iv) Classification and subsequent measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Credit Unions' financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Credit Union designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of comprehensive income are included within "interest income" or "interest expense".

The Credit Union's financial liabilities include members' regular deposits, other deposits and other liabilities which are measured at amortized cost using the effective interest rate method. Discounting, however, is omitted where the effect of discounting is immaterial.

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

Notes to Financial Statements

December 31, 2022

*(Expressed in Bahamian dollars)*

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

**i) Financial instruments** *(Continued)*

**v) Impairment of financial assets**

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses - the "expected credit loss (ECL) model". This replaces IAS 39's "incurred loss model". Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortized cost and FVTOCI, trade receivables, contract assets recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Credit Union first identifying a credit loss event. Instead the Credit Union considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

To comply with IFRS 9, the Credit Union have estimated forward-looking losses for all outstanding loans. How the losses are estimated depends upon the performance of the loan. Three stages were recognized as shown below:

- Stage 1: Performing loans - 12-month loss forecast;
- Stage 2: Significantly increased risk and not low risk - Lifetime loss forecast; and
- Stage 3: Impaired loans - Lifetime loss forecast.

The model structure follows a Basel II approach (Probability of Default (PD), Exposure at Default (EAD), Loss Given Default (LGD)) with the addition of probability of attrition (PA) to facilitate lifetime loss forecasting considering both PD and PA provides a competing risks approach necessary for accurate long-range forecasting.

The models are estimated in stages: vintage decomposition, macroeconomic correlations, and loan-level discrete time survival modeling. Each stage provides necessary inputs to the next.

Vintage decomposition is performed with an Age-Period-Cohort (APC) algorithm. The APC algorithm provides the decomposition components: (1) a lifecycle function versus the age of the account, (2) a vintage function versus loan origination date quantifying unique risk scaling by vintage, and (3) an environment function versus calendar date that captures systematic affects across all accounts on a given date, most commonly macroeconomic drivers. The APC algorithm produces these estimates non-parametrically, so it does not explain what changes in underwriting might drive changes in the vintage function or what macroeconomic changes may cause the observed movements in the environment function. To provide explanation, additional modeling is done.

In a second phase, a model is built to represent the environmental component as a function of factors such as macroeconomic indicators like house prices and unemployment. Similarly, to explain how shifts in underwriting affect the vintage function, a multi-horizon survival model (MSM) is created with the APC lifecycle and environment as inputs alongside origination or behavioral scoring factors. The coefficients of the MSM are also functions of forecast horizon to capture the changing value of the information with time.

To create forecasts, macroeconomic scenarios are used to extend the environment function. This future estimate of the environment function is combined with lifecycle and credit quality for a given account in order to create forecasts.

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

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

**i) Financial instruments (Continued)**

**vi) Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

**vii) Fair value measurement hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Credit Union's financial assets at FVTPL are classified within Level 1 and 2.

- 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. Accordingly, the League is considered a related party in these financial statements.

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

- o) 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.

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.



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

Notes to Financial Statements

December 31, 2022

*(Expressed in Bahamian dollars)*

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

**o) Investment properties** *(Continued)*

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 three (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.

**p) Leases**

The Credit Union as a lessor

The Credit Union leases out its investment properties. The Credit Union has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Rental income arising is accounted for on a straight-line basis over the lease term and is included in profits/(losses) on rental properties in the statement of comprehensive income (see Note 20).

The Credit Union as a lessee

At inception of a contract, the Credit Union assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Credit Union assesses whether:

- the contract involves the use of an identified asset. This may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Credit Union has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Credit Union has the right to direct the use of the asset. The Credit Union has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Credit Union does not have the right to control the use of the asset in the contract that it has to occupy the space for its Data Centre storage, therefore this does not qualify as a lease in accordance with IFRS 16 Leases, and therefore, the cost of the rental is carried as an expense and included in the computer costs category.

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

Notes to Financial Statements

December 31, 2022

*(Expressed in Bahamian dollars)*

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

- 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.

- 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 is recommended by the Board of Directors, through a resolution to the general membership, and voted on by the members at the annual general meetings.
- s) **Other deposits** – Other deposits represent term and other deposits, savings accounts and 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 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.

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

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

- 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) **Fair value reserve** – Fair value reserve represents increases or decreases in the fair values of equity financial investments at FVTOCI reported directly in equity.
- w) **Retained earnings** – Retained earnings represent the undistributed surplus after statutory appropriations and dividends.
- x) **Dividends declaration** – Section 33 (2)(b) of The Bahamas Co-operative Credit Union Act, 2015, states that the Credit Union “shall not pay a dividend or make any payment an account or out of its surplus unless the requirements under section 65 (2)(b) have been complied with”, (see Note 25).
- y) **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.

- z) **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.
- aa) **Operating expenses** – Operating expenses are recognized on the accrual basis in the statement of comprehensive income.
- bb) **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.
- 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

December 31, 2022

*(Expressed in Bahamian dollars)*

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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 effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

i) *Estimation of provisions for loan impairment and expected credit losses (ECLs) on loans receivable*

The Credit Union uses a provision matrix to calculate ECLs for receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance, as applicable).

The provision matrix is initially based on the Credit Union's historical observed default rates. The Credit Union will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to change in circumstances and of forecast economic conditions. The Credit Union's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Credit Union's accounts receivable and contract assets is disclosed in Note 8.

Provision for loan impairment and expected credit losses incurred during the year amounted to \$1,457,016 (2021: \$581,602). The carrying values of the Credit Union's loans receivable, net of allowance for loan impairment and expected credit losses as at December 31, 2022 amounted to \$88,692,330 (2021: \$85,443,606).

ii) *Estimation of useful lives of property, plant and equipment*

Useful lives of property, plant and equipment are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

Any reduction in the estimated useful lives of property, plant and equipment would increase the Credit Union's recorded operating expenses and decrease the assets.

Net carrying values of property, plant and equipment amounted to \$7,947,352 as at December 31, 2022 (2021: \$8,669,854).

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

	Interest Rate	2022	2021
<i>Cash at banks</i>			
FirstCaribbean International Bank (Bahamas) Limited	0.05%	\$ 3,732,347	\$ 2,709,233
Royal Fidelity - Cash account	0.00%	701,707	2,134,316
Fidelity Bank Bahamas Limited - Savings account	0.50%-1.25%	25,275	70,481
Fidelity Bank Bahamas Limited - Settlement accounts	0.00%	63,496	127,775
The Central Bank of The Bahamas - RTGS	0.00%	20,000	20,000
Bank of The Bahamas Limited - Current account	0.00%	45,900	40,609
		4,588,725	5,102,414
Teller cash floats, ATM cash, vault holdings and Sand Dollars		1,337,827	1,238,392
		\$ 5,926,552	\$ 6,340,806

The Credit Union has a customs bond in the amount of \$5,000 with its Banker, FirstCaribbean International Bank (Bahamas) Limited.

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

**6. TIME DEPOSITS WITH BANKS**

Time deposits with banks, which have original maturities of six (6) months to one (1) year, are as follows:

	Interest Rate	2022	2021
	%		
Fidelity Bank Bahamas Limited	1.25 - 2.00	\$ 5,507,422	\$ 5,397,787
FirstCaribbean International Bank (Bahamas) Limited - Nassau (i)	0.16 - 1.50	2,030,063	2,003,660
FirstCaribbean International Bank (Bahamas) Limited - Freeport	0.50	8,195	8,154
Bank of The Bahamas	2.00 - 2.50	5,241,960	5,139,589
<i>Time deposits with banks in the statement of financial position</i>		12,787,640	12,549,190
Pledged as security (i)		(5,000)	(5,000)
		\$ 12,782,640	\$ 12,544,190

i) The time deposit with FirstCaribbean International Bank (Bahamas) Limited is hypothecated for the credit facility outlined in Note 5 in the amount of \$5,000.

Total interest income earned during the year amounted to \$235,254 (2021: \$384,310).

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**7. DEPOSITS WITH THE LEAGUE**

Deposits with the League are comprised of the following:

	Interest Rate	2022	2021
<b>Statutory reserve deposits (i)</b>	1.44%		
<i>Balance, beginning of year</i>		\$ 23,477,586	\$ 23,142,529
Additional deposits during the year		-	-
Interest earned during the year		339,656	335,057
<b><i>Balance, end of year</i></b>		<b>23,817,242</b>	<b>23,477,586</b>
<b>Liquidity reserve deposits (ii)</b>	1.44%		
<i>Balance, beginning of year</i>		20,748,503	20,452,129
Additional deposits during the year		-	-
Interest earned during the year		300,245	296,374
<b><i>Balance, end of year</i></b>		<b>21,048,748</b>	<b>20,748,503</b>
<b>Other deposits (iii)</b>	1.00%		
<i>Balance, beginning of year</i>		-	405,984
Redemptions during the year		-	(407,160)
Interest earned during the year		-	1,176
<b><i>Balance, end of year</i></b>		<b>-</b>	<b>-</b>
		<b>\$ 44,865,990</b>	<b>\$ 44,226,089</b>

Total interest income earned during the year amounted to \$639,901 (2021: \$632,607).

i) **Statutory Reserve** – There is a surplus in statutory reserves held with the League as follows:

	2022	2021
Statutory deposits with the League	\$ 23,817,242	\$ 23,477,586
Requirement (10% of total assets)	(21,347,249)	(21,461,386)
<b><i>Surplus in statutory reserve deposits</i></b>	<b>\$ 2,469,993</b>	<b>\$ 2,016,200</b>

ii) **Liquidity Reserve** – 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:

	2022	2021
Liquidity reserve deposits with the League	\$ 21,048,748	\$ 20,748,503
Requirement (10% of members' deposits)	(18,639,196)	(18,918,293)
<b><i>Surplus in liquidity reserve deposits</i></b>	<b>\$ 2,409,553</b>	<b>\$ 1,830,210</b>

iii) Other deposit held with the League matured on April 14, 2021 and was withdrawn.

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**8. LOANS RECEIVABLE, NET**

i) Loans receivable, net are as follows:

	<b>Interest Rate</b>	<b>2022</b>	<b>2021</b>
Real estate mortgages	4.75%-8.25%	\$ 56,220,681	\$ 48,280,080
Consumer	3.75%-16.00%	22,994,820	40,734,055
Chattel mortgages	3.75%-7.00%	14,550,168	1,509,127
Business	8.00%-11.00%	796,690	1,207,721
		94,562,359	91,730,983
Accrued interest		316,262	279,343
		94,878,621	92,010,326
Less: deferred loan service fees		(1,713,746)	(2,056,875)
Less: provision for loan impairment losses		(4,472,545)	(4,509,845)
		<b>\$ 88,692,330</b>	<b>\$ 85,443,606</b>

At December 31, 2022, non-performing loans on which interest accrual is suspended totaled \$11,037,127 (2021: \$14,192,855).

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

ii) The movement in allowance for loan impairment and expected credit losses is as follows:

	<b>2022</b>	<b>2021</b>
<i>Allowance, beginning of year</i>	\$ 4,509,845	\$ 5,199,892
Net increase/decrease in provision for the year	1,457,016	581,602
Loans written off	(1,494,316)	(1,271,649)
<i>Allowance, end of year (Note 8(i))</i>	<b>\$ 4,472,545</b>	<b>\$ 4,509,845</b>
Provided for during the year	\$ 1,457,016	\$ 581,602
Recoveries of bad debts	(673,346)	(345,853)
<i>Impairment losses reported in profit or loss</i>	<b>\$ 783,670</b>	<b>\$ 235,749</b>

iii) Reconciliation of the Regulatory loan loss provision (PEARLS) and IFRS Expected Credit Loss provision is as follows:

	<b>2022</b>	<b>2021</b>
IFRS Expected credit losses (Note v)	\$ 4,472,545	\$ 4,509,845
Regulatory (PEARLS) loan loss provision (Note iv)	1,004,226	2,688,439
Difference	<b>\$ 3,468,319</b>	<b>\$ 1,821,406</b>

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**8. LOANS RECEIVABLE, NET (Continued)**

iv) Delinquent loans:

The following is a summary of delinquent loans:

<b>As at December 31, 2022</b>						
<b>Period in Arrears</b>	<b>Number of Accounts in Arrears</b>	<b>Total Delinquent Loans</b>	<b>Value of Security</b>	<b>Credit Exposure</b>	<b>Loan Loss Provision</b>	<b>Provision Rate %</b>
Within 1 month	53	\$ 1,145,635	\$ 704,133	\$ 441,502	\$ -	N/A
2 to 3 months	18	768,713	503,452	265,261	92,841	35%
4 to 6 months	42	1,241,968	658,157	583,811	204,334	35%
7 to 12 months	64	1,256,519	710,922	545,597	190,959	35%
Over 1 year	80	8,538,640	8,022,548	516,092	516,092	100%
	257	\$ 12,951,475	\$ 10,599,212	\$ 2,352,263	\$ 1,004,226	

<b>As at December 31, 2021</b>						
<b>Period in Arrears</b>	<b>Number of Accounts in Arrears</b>	<b>Total Delinquent Loans</b>	<b>Value of Security</b>	<b>Credit Exposure</b>	<b>Loan Loss Provision</b>	<b>Provision Rate %</b>
Within 1 month	25	\$ 1,186,991	\$ 645,641	\$ 541,350	\$ -	N/A
2 to 3 months	75	1,321,099	522,581	798,518	279,481	35%
4 to 6 months	29	382,606	99,332	283,274	99,146	35%
7 to 12 months	134	3,037,646	1,309,840	1,727,806	604,732	35%
Over 1 year	122	10,772,603	9,067,523	1,705,080	1,705,080	100%
	385	\$ 16,700,945	\$ 11,644,917	\$ 5,056,028	\$ 2,688,439	



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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**8. LOANS RECEIVABLE, NET (Continued)**

v) Impairment provision under IFRS:

As at December 31, 2022						
	Total Outstanding Balance	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total Allowance for ECL	Loan Loss Rate
Auto	\$ 990,658	\$ 19,639	2,255	8,959	\$ 30,853	3%
Commercial and industrial line	147,128	10	-	-	10	0%
Commercial and industrial loan	602,412	9	-	10,377	10,386	2%
Consumer line	11,433,193	410,267	164,653	486,588	1,061,508	9%
Consumer loan	24,926,150	995,144	125,953	797,412	1,918,509	8%
Commercial real estate	10,331,601	568	31	44,186	44,785	0%
Residential real estate	45,891,976	13,395	1,045	1,392,054	1,406,494	3%
	\$ 94,323,118	\$ 1,439,032	\$ 293,937	\$ 2,739,576	\$ 4,472,545	

As at December 31, 2021						
	Total Outstanding Balance	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total Allowance for ECL	Loan Loss Rate
Auto	\$ 1,509,127	\$ 11,423	\$ -	\$ 20,610	\$ 32,033	2%
Commercial and industrial line	192,953	13	-	-	13	0%
Commercial and industrial loan	1,128,976	44	-	88,983	89,027	8%
Consumer line	18,248,806	242,896	132,105	277,756	652,757	4%
Consumer loan	20,231,450	388,635	137,501	569,631	1,095,767	5%
Commercial real estate	7,939,069	250	-	866,147	866,397	11%
Residential real estate	41,614,013	6,518	1,946	1,765,387	1,773,851	4%
	\$ 90,864,394	\$ 649,779	\$ 271,552	\$ 3,588,514	\$ 4,509,845	

vi) Concentration of loans:

At December 31, 2022, there was no member with loans (2021: Nil), which exceeded 5% of total equity.

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**9. OTHER ASSETS**

Other assets represent the following:

	<b>2022</b>	<b>2021</b>
Other deposits (i)	\$ 783,262	\$ 1,118,556
Investments and deposits interest receivable	531,975	611,403
Prepaid expenses	526,025	420,011
Rent receivable, net of allowance for ECL \$168,835 (2021: \$174,413) (ii)	317,337	359,496
Security deposits	71,447	71,447
Accounts receivable - other	145,160	70,782
	<b>\$ 2,375,206</b>	<b>\$ 2,651,695</b>

i) There are still ongoing data projects and other deposits paid for assets that have not yet been completed, that remains in the other deposits account.

Once these projects are completed, the costs will be transferred to the relevant expenses or asset classifications.

ii) Provision for credit losses on rent receivable recognized in profit or loss during the year amounted to \$16,471 (2021: \$70,508).

**10. INVESTMENT IN THE LEAGUE**

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

	<b>2022</b>	<b>2021</b>
<i>Balance, beginning of year</i>	\$ 33,800	\$ 32,600
Acquired during the year	1,100	1,200
<i>Balance, end of year</i>	<b>\$ 34,900</b>	<b>\$ 33,800</b>
Number of shares	698	676

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**11. FINANCIAL INVESTMENTS**

i) Financial investments are comprised of the following:

	<b>2022</b>	<b>2021</b>
<b><u>Amortized Cost:</u></b>		
The Bahamas Government Registered Stocks*	\$ 22,676,251	\$ 26,954,277
Corporate Bonds*	552,646	637,278
	<u>23,228,897</u>	<u>27,591,555</u>
<b><u>Fair Value Through Other Comprehensive Income (FVTOCI):</u></b>		
Quoted Equities *	3,363,417	2,717,706
Prime Income Fund - Series 2*	4,035,280	2,543,394
Preference shares*	1,977,525	1,553,373
Bank of The Bahamas Limited (136,448 ordinary shares (cost: \$918,276))	-	338,391
Arawak Port Development (115 ordinary shares (cost: \$1,150))	4,594	4,594
	<u>9,380,816</u>	<u>7,157,458</u>
	<u>\$ 32,609,713</u>	<u>\$ 34,749,013</u>

\* These items include investments managed by Royal Fidelity, and at December 31, 2022 totaled \$11,871,219 (2021: \$12,672,128).

ii) The movements in financial assets at FVTOCI during the year was as follows:

	<b>2022</b>	<b>2021</b>
<i>Balance, beginning of year</i>	\$ 7,157,458	\$ 4,800,085
Net acquisition during the year	2,156,501	2,299,320
Net change in unrealized gain on financial assets at FVTOCI	66,857	58,053
<i>Balance, end of year</i>	<u>\$ 9,380,816</u>	<u>\$ 7,157,458</u>

iii) Investment income earned during the reporting period are as follows:

	<b>2022</b>	<b>2021</b>
Interest income	\$ 1,244,133	\$ 1,424,964
Dividend income	183,656	176,367
	<u>\$ 1,427,789</u>	<u>\$ 1,601,331</u>

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**12. INVESTMENT PROPERTIES**

i) Details of investment properties are as follows:

	<b>Vacant Properties</b>	<b>Rental Properties</b>	<b>Furniture and Fixtures</b>	<b>Total</b>
<b><u>Cost</u></b>				
Balance at December 31, 2020	\$ 533,874	\$ 24,016,951	\$ 942,053	\$ 25,492,878
Additions	-	-	144,379	144,379
Balance at December 31, 2021	533,874	24,016,951	1,086,432	25,637,257
Additions	-	-	241,895	241,895
Disposals (a)	-	(1,920,054)	(86,684)	(2,006,738)
Balance at December 31, 2022	533,874	22,096,897	1,241,643	23,872,414
<b><u>Accumulated depreciation and impairment losses</u></b>				
Balance at December 31, 2020	-	4,868,358	639,001	5,507,359
Additions	-	550,410	104,727	655,137
Capitalization of major repairs (c)	-	(475,049)	-	(475,049)
Balance at December 31, 2021	-	4,943,719	743,728	5,687,447
Additions	-	547,020	109,463	656,483
Disposals (a)	-	(759,854)	(84,472)	(844,326)
Impairment loss (b)	140,000	-	-	140,000
Balance at December 31, 2022	140,000	4,730,885	768,719	5,639,604
<b><u>Carrying value</u></b>				
<b>As at December 31, 2022</b>	<b>\$ 393,874</b>	<b>\$ 17,366,012</b>	<b>\$ 472,924</b>	<b>\$ 18,232,810</b>
<b>As at December 31, 2021</b>	<b>\$ 533,874</b>	<b>\$ 19,073,232</b>	<b>\$ 342,704</b>	<b>\$ 19,949,810</b>

- a) The Credit Union sold the TREHL Building, Tonique Williams Darling Highway in New Providence, for a total amount of \$1,300,000 less fees amounting to \$8,390, with the sale being finalized in November 2022. Gain on the sale of this property amounted to \$129,198.
- b) During the year ended December 31, 2022, management assessed the Central Pines property in Abaco as impaired by an amount of \$140,000. This assessment was based on the last appraisal conducted by an Independent Appraiser in July 2021. This property was appraised in prior years at a lower value than the carrying amount. Management has concluded that the property may not recover its value and have therefore recorded the impairment of the property
- c) Major repairs to the roof of the building in Abaco is capitalized and set off against accumulated depreciation, since the original cost of the parts replaced is not known. This increases the carrying value of the property, without increasing the cost.

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**12. INVESTMENT PROPERTIES (Continued)**

ii) Carrying values of each investment property are as follows:

	Notes	Carrying Values	
		2022	2021
<b><u>Vacant Properties</u></b>			
Milo Butler Highway		\$ 206,111	\$ 206,111
Baillou Hill Road, South		63,431	63,431
#151 Central Pines, Abaco*	<b>12(ii)</b>	124,332	264,332
Total vacant properties		393,874	533,874
<b><u>Rental Properties</u></b>			
East Street South		4,167,637	4,287,011
Tonique Williams-Darling Highway	<b>12(i)</b>	-	1,200,920
Freeport		1,514,954	1,601,373
Abaco		12,156,345	12,326,632
Total rental properties		17,838,936	19,415,936
		\$ 18,232,810	\$ 19,949,810

iii) 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 properties 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.

Property	Type	Fair Values	
		2022	2021
Milo Butler Highway	Vacant	\$ 280,000	\$ 280,000
Baillou Hill Road South	Vacant	90,000	90,000
East Street South	Land and building	5,750,000	5,750,000
Tonique Williams-Darling Highway	Land and building	-	3,100,000
Freeport	Land and building	1,969,400	1,969,400
Abaco Complex	Land and building	15,283,400	15,283,400
#151 Central Pines, Abaco*	Land and unoccupied building	125,000	125,000
		\$ 23,497,800	\$ 26,597,800

\* Management has assessed this property as impaired and has recorded an impairment loss during the year ended December 31, 2022.

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**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, 2020	\$ 689,535	\$ 9,250,264	\$ 2,085,097	\$ 1,993,254	\$ 174,585	\$ 14,192,735
Additions	-	662,073	283,089	1,665,751	-	2,610,913
Disposals	-	-	(87,211)	-	-	(87,211)
Balance at December 31, 2021	689,535	9,912,337	2,280,975	3,659,005	174,585	16,716,437
Additions	-	20,347	14,157	288,987	46,188	369,679
Disposals	-	-	-	-	(113,495)	(113,495)
Balance at December 31, 2022	689,535	9,932,684	2,295,132	3,947,992	107,278	16,972,621
<b>Accumulated depreciation</b>						
Balance at December 31, 2020	-	3,968,164	1,722,165	1,701,703	174,585	7,566,617
Additions	-	325,045	133,550	108,582	-	567,177
Disposals	-	-	(87,211)	-	-	(87,211)
Balance at December 31, 2021	-	4,293,209	1,768,504	1,810,285	174,585	8,046,583
Additions	-	455,539	182,204	452,568	1,870	1,092,181
Disposals	-	-	-	-	(113,495)	(113,495)
Balance at December 31, 2022	-	4,748,748	1,950,708	2,262,853	62,960	9,025,269
<b>Carrying value</b>						
As at December 31, 2022	<b>\$ 689,535</b>	<b>\$ 5,183,936</b>	<b>\$ 344,424</b>	<b>\$ 1,685,139</b>	<b>\$ 44,318</b>	<b>\$ 7,947,352</b>
As at December 31, 2021	<b>\$ 689,535</b>	<b>\$ 5,619,128</b>	<b>\$ 512,471</b>	<b>\$ 1,848,720</b>	<b>\$ -</b>	<b>\$ 8,669,854</b>

**14. MEMBERS' REGULAR DEPOSITS**

The movement in members' regular deposits are as follows:

	Interest Rate	2022	2021
	%		
Balance, beginning of year	1.00 -1.25	\$ 74,619,452	\$ 72,313,319
Add: savings and interest		48,029,135	54,643,955
Less: withdrawals and transfers		(47,379,392)	(52,337,822)
Balance, end of year		\$ 75,269,195	\$ 74,619,452

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**15. OTHER DEPOSITS**

Other deposits are comprised of the following:

<b>As at December 31, 2022</b>					
	<b>Interest Rate</b>	<b>Members</b>	<b>Minors</b>	<b>Depositors</b>	<b>Total</b>
Term deposits	0.25%-3.00%	\$ 74,082,468	\$ 367,068	\$ 401,682	\$ 74,851,218
Other deposits					
Savings	0.50%	32,271,228	732,725	3,766	33,007,719
Christmas club accounts	0.75%	622,125	135	-	622,260
Vacation club deposits	0.75%	107,985	3,256	-	111,241
Bill paying accounts	0.00%	11,408	-	-	11,408
		107,095,214	1,103,184	405,448	108,603,846
Dividend reinvestment	0.75%	24,507	-	-	24,507
Retirement savings	0.75%	2,494,407	-	-	2,494,407
		\$ 109,614,128	\$ 1,103,184	\$ 405,448	\$ 111,122,760

<b>As at December 31, 2021</b>					
	<b>Interest Rate</b>	<b>Members</b>	<b>Minors</b>	<b>Depositors</b>	<b>Total</b>
Term deposits	0.25%-3.00%	\$ 79,528,720	\$ 371,480	\$ 814,344	\$ 80,714,544
Other deposits					
Savings	0.50%	29,326,977	701,935	546,469	30,575,381
Christmas club accounts	0.75%	622,296	287	-	622,583
Vacation club deposits	0.75%	107,246	3,232	-	110,478
Bill paying accounts	0.00%	13,312	26	-	13,338
		109,598,551	1,076,960	1,360,813	112,036,324
Dividend reinvestment	0.75%	22,958	-	-	22,958
Retirement savings	0.75%	2,504,194	-	-	2,504,194
		\$ 112,125,703	\$ 1,076,960	\$ 1,360,813	\$ 114,563,476

At December 31, 2022, there was one (1) member (2021: one (1) member) with deposits which exceeded 10% of the Credit Union's equity. The deposit totaled \$1,479,831(2021: \$1,416,738).

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**16. OTHER LIABILITIES**

Other liabilities are comprised of the following:

	<b>2022</b>	<b>2021</b>
Accrued interest payable		
Members' regular shares	\$ 887,602	\$ 910,364
Fixed deposits	395,981	422,129
Total accrued interest payable	1,283,583	1,332,493
Other payables		
Dormant accounts	808,079	843,299
Accrued expenses	328,372	238,486
Tenants' security deposits	95,870	102,280
Share loan insurance	89,851	67,267
Unallocated collections	-	32,154
Total other payables	1,322,172	1,283,486
	<b>\$2,605,755</b>	<b>\$2,615,979</b>

**17. MEMBERS' EQUITY**

i) Members' shares:

Members' shares consist of the following:

	<b>2022</b>			<b>2021</b>		
	<b>Qualifying</b>	<b>Equity</b>	<b>Total</b>	<b>Qualifying</b>	<b>Equity</b>	<b>Total</b>
<i>Balance, beginning of year</i>	\$ 953,000	\$3,985,900	\$4,938,900	\$ 907,750	\$3,727,450	\$4,635,200
Shares issued	71,400	308,700	380,100	79,400	395,050	474,450
Shares redeemed	(18,000)	(72,000)	(90,000)	(34,150)	(136,600)	(170,750)
<i>Balance, end of year</i>	\$1,006,400	\$4,222,600	\$5,229,000	\$ 953,000	\$3,985,900	\$4,938,900

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

- a) Qualifying shares – These are unlimited authorized shares, where each member of the Credit Union is required to hold 1 share (\$50). These shares also determine the amount of members in the Credit Union; and
- b) Equity shares – These authorized shares are an unlimited amount, which are investment shares that each member is required to hold a minimum of 4 shares (\$200).

At December 31, 2022, there were 20,128 members (2021: 19,060 members) of the Credit Union.



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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**17. MEMBERS' EQUITY (Continued)**

ii) Statutory reserve:

The movement in the statutory reserve is as follows:

	2022	2021
<i>Balance, beginning of year</i>	\$ 16,000,000	\$ 16,000,000
<i>Transfer from retained earnings</i>	-	-
<i>Balance, end of year</i>	16,000,000	16,000,000
<i>Requirements (10% of total assets)</i>	21,347,249	21,461,386
<i>Deficiency in statutory reserve</i>	\$ (5,347,249)	\$ (5,461,386)

The Credit Union has not met its statutory requirement in the current year ended December 31, 2022, as its statutory reserve in equity is 7.50% (2021: 7.46%) of total assets.

iii) Fair value reserve:

The movement in the fair value reserve is as follows:

	2022	2021
<i>Balance, beginning of year</i>	\$ 393,058	\$ (188,265)
<i>Change in fair value of equity investments</i>	66,857	581,323
<i>Balance, end of year</i>	\$ 459,915	\$ 393,058

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

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

	2022	2021
<b><u>Net interest income on members' loans</u></b>		
Interest earned on loans to members	\$ 8,652,632	\$ 7,230,651
Interest expense on members' regular shares and deposits	(1,948,684)	(2,114,538)
	6,703,948	5,116,113
<b><u>Interest income on investments</u></b>		
Financial investments	1,244,133	1,424,964
Deposits with the League	639,901	632,607
Time deposits with banks	241,735	384,310
	2,125,769	2,441,881
	\$ 8,829,717	\$ 7,557,994

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**19. OTHER INCOME**

Other income is comprised of the following:

	<b>2022</b>	<b>2021</b>
Service charges	\$ 212,189	\$ 184,475
Dividend income	183,656	176,367
Loan services fees	143,138	78,122
Miscellaneous income	67,291	98,501
Rebate on LP/LS Insurance	41,180	-
ATM fees	25,104	15,481
Entrance fees	8,835	10,671
Gain/(loss) on sale disposal of assets	3,269	(48,260)
	<b>\$ 684,662</b>	<b>\$ 515,357</b>

**20. PROFITS/(LOSSES) ON INVESTMENT PROPERTIES**

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

	<b>As at December 31, 2022</b>				
	<b>East Street South</b>	<b>Tonique Williams- Darling Highway</b>	<b>Freeport</b>	<b>Abaco</b>	<b>Total</b>
<b>Income</b>					
Rental income	\$ 462,096	\$ 164,023	\$ 193,854	\$ 330,017	<b>\$ 1,149,990</b>
Gain on disposal of property	-	129,198	-	-	<b>129,198</b>
	<b>462,096</b>	<b>293,221</b>	<b>193,854</b>	<b>330,017</b>	<b>1,279,188</b>
<b>Expenses</b>					
Depreciation and impairment loss *	134,203	38,508	102,753	521,019	<b>796,483</b>
Repairs and maintenance	40,934	19,527	17,452	54,188	<b>132,101</b>
Insurance	67,544	23,450	33,935	240,891	<b>365,820</b>
Taxes	57,926	1,487	1,490	1,538	<b>62,441</b>
Janitorial	-	-	3,000	250	<b>3,250</b>
Increase/(decrease) in provision for bad debt (Note 9)	-	6,024	36,199	(25,752)	<b>16,471</b>
Utilities	112	1,388	24,467	8,706	<b>34,673</b>
Security	-	-	13,930	30,866	<b>44,796</b>
Other expenses	1,500	1,500	1,791	4,205	<b>8,996</b>
	<b>302,219</b>	<b>91,884</b>	<b>235,017</b>	<b>835,911</b>	<b>1,465,031</b>
Profit/(loss) for the year	<b>\$ 159,877</b>	<b>\$ 201,337</b>	<b>\$ (41,163)</b>	<b>\$ (505,894)</b>	<b>\$ (185,843)</b>

\* Impairment loss of \$140,000 for # 151 Central Pines, Abaco is included in this amount.

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**20. PROFITS/(LOSSES) ON INVESTMENT PROPERTIES (Continued)**

<b>As at December 31, 2021</b>					
	<b>East Street South</b>	<b>Tonique Williams- Darling Highway</b>	<b>Freeport</b>	<b>Abaco</b>	<b>Total</b>
<b>Income</b>					
Rental income	\$ 471,019	\$ 198,200	\$ 194,744	\$ 279,528	<b>\$ 1,143,491</b>
	471,019	198,200	194,744	279,528	1,143,491
<b>Expenses</b>					
Depreciation	132,664	52,439	74,945	395,088	<b>655,136</b>
Repairs and maintenance	28,341	22,786	27,348	501,911	<b>580,386</b>
Insurance	66,176	19,928	32,903	237,801	<b>356,808</b>
Taxes	27,155	51,498	1,393	568	<b>80,614</b>
Janitorial	-	-	3,000	-	<b>3,000</b>
(Decrease)/increase in provision for bad debt (Note 9)	-	-	(3,904)	74,412	<b>70,508</b>
Utilities	1,800	1,853	23,434	12,037	<b>39,124</b>
Security	-	-	19,341	61,433	<b>80,774</b>
Other expenses	1,500	830	326	10,530	<b>13,186</b>
	257,636	149,334	178,786	1,293,780	1,879,536
Profit/(loss) for the year	\$ 213,383	\$ 48,866	\$ 15,958	\$ (1,014,252)	<b>\$ (736,045)</b>

Investment properties are either leased to third parties on operating leases or are vacant.

Although the risks associated with rights that the Credit Union retains in underlying assets are not considered to be significant, the Credit Union employs strategies to further minimize these risks. For example, ensuring all contracts include clauses requiring the lessee to compensate the Credit Union when a property has been subjected to excess wear-and-tear during the lease term.

The lease contracts are all non-cancellable for one (1) to five (5) years from the commencement of the lease. Future minimum lease rentals are as follows:

	<b>Minimum lease payments due</b>				
	<b>Within 1 Year</b>	<b>1 to 2 Years</b>	<b>2 to 3 Years</b>	<b>3 to 5 Years</b>	<b>Total</b>
December 31, 2022	\$ 70,625	\$ 70,625	\$ -	\$ -	\$ 141,250
December 31, 2021	\$ 343,392	\$ 1,100	\$ -	\$ -	\$ 344,492

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**21. OPERATING EXPENSES**

Operating expenses are comprised of the following:

	<b>2022</b>	<b>2021</b>
<i><u>Personnel</u></i>		
Salaries	\$ 2,243,456	\$ 2,198,560
Medical and pension (Note 24)	375,139	337,066
Other benefits	141,331	108,206
National insurance	108,682	105,138
Travel, training and development	38,722	49,639
	<b>2,907,330</b>	<b>2,798,609</b>
<i><u>General business</u></i>		
Depreciation - furniture and fixtures	182,203	133,550
Insurance - general	136,292	133,488
Professional and legal fees	286,883	153,248
Value Added Tax (VAT)	128,943	168,408
Equipment maintenance	85,400	203,003
Stationery and supplies	58,406	84,464
Armoured car services	42,037	39,452
Motor vehicles license and maintenance	17,761	16,505
Bank charges and broker fees	141,340	142,124
Courier and postage	29,415	20,017
Insurance - motor vehicles	3,290	3,961
Depreciation - motor vehicle	1,870	-
Cash shortage/(overage) and other expenses	563	(580)
	<b>1,114,403</b>	<b>1,097,640</b>
<i><u>Occupancy</u></i>		
Utilities	212,587	203,908
Depreciation - Building and improvements	455,538	325,046
General maintenance	234,075	191,578
Security services	138,678	177,946
Property tax	54,446	28,369
	<b>\$ 1,095,324</b>	<b>\$ 926,847</b>

(Continued)

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**21. OPERATING EXPENSES (Continued)**

	<b>2022</b>	<b>2021</b>
<i>Organizational</i>		
Board and committee development and travel	\$ 6,522	\$ -
Board and committee remuneration	62,520	53,910
Annual general meetings and anniversary expenses	16,636	35,902
Stabilization fees	57,180	54,465
Board and committee meetings	10,213	5,212
Insurance - officers liabilities	7,849	6,805
Members' education	99	50
	<b>161,019</b>	<b>156,344</b>
<i>Members' security</i>		
Loans and savings insurance premium	631,693	508,299
Bond insurance premium	32,210	42,264
Deposit Insurance	97,013	101,008
	<b>760,916</b>	<b>651,571</b>
<i>Computer costs</i>		
Computer software - depreciation	99,566	40,626
Software subscription and maintenance	483,234	959,437
Computer stationery and ATM expense	20,544	24,018
Computer hardware - depreciation	353,003	67,956
Internet services	193,467	185,237
Data Centre storage services	18,574	14,476
	<b>1,168,388</b>	<b>1,291,750</b>
<i>Marketing</i>		
Advertising and promotions	14,458	46,780
Marketing	16,308	20,638
Donations and gifts	3,850	1,625
Membership drive	-	1,003
	<b>34,616</b>	<b>70,046</b>
	<b>\$ 7,241,996</b>	<b>\$ 6,992,807</b>

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

Notes to Financial Statements

December 31, 2022

*(Expressed in Bahamian dollars)*

**22. RELATED PARTIES BALANCES AND TRANSACTIONS**

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

	<b>2022</b>	<b>2021</b>
<b>Balances:</b>		
Deposits with the League	\$ 44,865,990	\$ 44,226,089
Investment in the League	\$ 34,900	\$ 33,800
Loans receivable	\$ 1,722,617	\$ 1,817,686
Members' regular deposits	\$ 1,337,583	\$ 1,498,936
Other deposits	\$ 388,477	\$ 478,223
Members' shares	\$ 24,500	\$ 24,500
<b>Transactions:</b>		
Interest income on loans	\$ 131,338	\$ 138,383
Interest income on deposits with the League	\$ 639,900	\$ 632,607
Interest expense	\$ 16,058	\$ 20,522
Salaries and bonus	\$ 1,207,490	\$ 1,133,119
Medical and pension	\$ 232,911	\$ 198,698
Other benefits	\$ 54,962	\$ 52,596
League expenses	\$ 57,180	\$ 54,570
Board allowances and expenses	\$ 52,721	\$ 40,922
Sub-committee allowances and expenses	\$ 25,232	\$ 18,200
Directors and officers insurance	\$ 7,849	\$ 6,805
Credit card balances	\$ 33,344	\$ 43,706

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

Notes to Financial Statements

December 31, 2022

*(Expressed in Bahamian dollars)*

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**23. COMMITMENTS AND CONTINGENCIES**

i) Commitments:

- a) Commitments for undrawn loans at December 31, 2022 totaled \$3,126,680 (2021: \$8,326,073).
- b) Commitment for capital expenditure at December 31, 2022 totaled \$212,837(2021: \$\$199,430).

ii) Contingent liabilities:

- a) 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, 2022, the total balance outstanding on Scotiabank (Bahamas) Limited credit cards was \$68,200 (2021: \$30,389) on 32 (2021: 38) cards. There were no delinquent balances converted to loans at December 31, 2022 and 2021, respectively.

- b) The Credit Union entered into an agreement with Fidelity Bank (Bahamas) Limited to facilitate the Credit Union's issuance of credit cards to its members. In that agreement, the Credit Union indemnifies Fidelity Bank (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, 2022, the total balance outstanding on Fidelity Bank (Bahamas) Limited credit cards was \$140,340 (2021: \$146,035) on 77 (2021: 75) cards. There were no delinquent balances converted to loans at December 31, 2022 and 2021, respectively.

iii) Litigation:

The Credit Union is involved in several actions that it has brought against members who are in default of their loan commitments, and tenants who are in default of their lease agreements. These matters are in active litigation 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 \$202,601 (2021: \$185,039) and is included in personnel expenses in the statement of comprehensive income.

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

Notes to Financial Statements

December 31, 2022

*(Expressed in Bahamian dollars)*

**25. CAPITAL 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(2), 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, qualifying shares 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 end of the reporting period:

	<b>2022</b>	<b>2021</b>
<b>Provision (a)</b>		
Liquidity reserve deposits	\$ 21,048,748	\$ 20,748,503
Members' regular and other deposits	\$ 186,391,955	\$ 189,182,928
Actual ratio	11%	11%
Required ratio	10%	10%
Excess of regulation	1%	1%
<b>Provision (b)</b>		
Regulatory reserves	\$ 24,014,868	\$ 22,421,898
Total assets	\$ 213,472,493	\$ 214,613,863
Actual ratio	11%	10%
Required ratio	10%	10%
Excess of regulation	1%	0%



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

Notes to Financial Statements

December 31, 2022

*(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; and

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

**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.

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

Notes to Financial Statements

December 31, 2022

*(Expressed in Bahamian dollars)*

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

**26.1. Credit risk** *(Continued)*

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 financial 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.

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

<b>As at December 31, 2022</b>				
	<b>Nassau</b>	<b>Freeport</b>	<b>Abaco</b>	<b>Total</b>
<i>(Expressed in B\$'000)</i>				
Cash at banks	\$ 3,748	\$ 509	\$ 332	\$ 4,589
Time deposits with banks	12,779	9	-	12,788
Deposits with the League	44,866	-	-	44,866
Loans receivable, net	51,216	25,998	11,478	88,692
Other assets	1,595	166	88	1,849
Investment in the League	35	-	-	35
Financial investments	25,206	-	-	25,206
<b>Total financial assets</b>	<b>\$ 139,445</b>	<b>\$ 26,682</b>	<b>\$ 11,898</b>	<b>\$ 178,025</b>

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

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

**26.1. Credit risk (Continued)**

<b>As at December 31, 2021</b>				
	<b>Nassau</b>	<b>Freeport</b>	<b>Abaco</b>	<b>Total</b>
<i>(Expressed in B\$'000)</i>				
Cash at banks	\$ 4,208	\$ 402	\$ 492	\$ 5,102
Time deposits with banks	12,541	8	-	12,549
Deposits with the League	44,226	-	-	44,226
Loans receivable, net	50,625	24,071	10,748	85,444
Other assets	898	138	108	1,144
Investment in the League	34	-	-	34
Financial investments	29,145	-	-	29,145
<b>Total financial assets</b>	<b>\$ 141,677</b>	<b>\$ 24,619</b>	<b>\$ 11,348</b>	<b>\$ 177,644</b>

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

	<b>2022</b>	<b>2021</b>
Individual members	\$ 93,441,368	\$ 90,226,540
Institutional members	1,120,991	1,504,443
	<b>\$ 94,562,359</b>	<b>\$ 91,730,983</b>

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

	<b>2022</b>	<b>2021</b>
Neither past due nor impaired	\$ 81,610,884	\$ 75,030,038
Past due but not impaired	4,412,835	5,928,342
Impaired	8,538,640	10,772,603
<b>Gross</b>	<b>94,562,359</b>	<b>91,730,983</b>
Add: accrued interest	316,262	279,343
Less: deferred service fees	(1,713,746)	(2,056,875)
Less: allowance for impairment	(4,472,545)	(4,509,845)
<b>Net</b>	<b>\$ 88,692,330</b>	<b>\$ 85,443,606</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.

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

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

**26.2. Liquidity risk**

Liquidity risk, also referred to as funding risk, is the risk that the Credit Union will encounter difficulty in meeting its obligations and commitments associated with its financial liabilities. 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.

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 Banker and the League;
- Monitoring the 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, 2022				
	Up to 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Total
<b>Liabilities:</b>					
Members' regular deposits	\$ 75,269,195	\$ -	\$ -	\$ -	\$ 75,269,195
Other deposits	46,107,492	10,880,463	53,599,573	535,232	111,122,760
Other liabilities	387,828	26,750	1,287,228	903,949	2,605,755
<b>Total liabilities</b>	<b>\$ 121,764,515</b>	<b>\$ 10,907,213</b>	<b>\$ 54,886,801</b>	<b>\$ 1,439,181</b>	<b>\$ 188,997,710</b>

	As at December 31, 2021				
	Up to 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Total
<b>Liabilities:</b>					
Members' regular deposits	\$ 74,619,452	\$ -	\$ -	\$ -	\$ 74,619,452
Other deposits	44,258,871	11,603,962	58,053,200	647,443	114,563,476
Other liabilities	332,576	30,000	1,307,825	945,578	2,615,979
<b>Total liabilities</b>	<b>\$ 119,210,899</b>	<b>\$ 11,633,962</b>	<b>\$ 59,361,025</b>	<b>\$ 1,593,021</b>	<b>\$ 191,798,907</b>

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

Notes to Financial Statements

December 31, 2022

*(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 risk arises 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 equity financial instruments, held as a part of its investment portfolio totaling \$3,368,011 (2021: \$3,060,691).

- 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 \$168,401 (2021: \$153,035).

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  
CREDIT UNION LIMITED**

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

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

**26.3. Market risk (Continued)**

Interest rate risk (Continued)

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.

<b>As at December 31, 2022</b>					
	<b>Within 1 Year</b>	<b>1 to 5 Years</b>	<b>Over 5 Years</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
<b>Assets:</b>					
Cash at banks	\$ 3,757,622	\$ -	\$ -	\$ 831,103	\$ 4,588,725
Time deposits	12,787,640	-	-	-	12,787,640
Deposits with the League	-	-	44,865,990	-	44,865,990
Loans receivable, net	4,176,262	22,275,063	48,894,060	13,346,945	88,692,330
Other assets	-	-	-	1,849,181	1,849,181
Investment in the League	-	-	-	34,900	34,900
Financial investments	612,558	9,023,408	15,570,456	7,403,291	32,609,713
<b>Total assets</b>	<b>21,334,082</b>	<b>31,298,471</b>	<b>109,330,506</b>	<b>23,465,420</b>	<b>185,428,479</b>
<b>Liabilities:</b>					
Members' regular deposits	75,269,195	-	-	-	75,269,195
Other deposits	110,381,494	535,232	-	206,034	111,122,760
Other liabilities	-	-	-	2,605,755	2,605,755
<b>Total liabilities</b>	<b>185,650,689</b>	<b>535,232</b>	<b>-</b>	<b>2,811,789</b>	<b>188,997,710</b>
<b>Total interest repricing gap</b>	<b>\$(164,316,607)</b>	<b>\$ 30,763,239</b>	<b>\$ 109,330,506</b>	<b>\$ 20,653,631</b>	<b>\$ (3,569,231)</b>
<b>Cumulative gap</b>	<b>\$(164,316,607)</b>	<b>\$(133,553,368)</b>	<b>\$ (24,222,862)</b>	<b>\$ (3,569,231)</b>	

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

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

**26.3. Market risk (Continued)**

Interest rate risk (Continued)

As at December 31, 2021					
	Within 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
<b>Assets:</b>					
Cash at banks	\$ 2,779,714	\$ -	\$ -	\$ 2,322,700	\$ 5,102,414
Time deposits	12,549,190	-	-	-	12,549,190
Deposits with the League	-	-	44,226,089	-	44,226,089
Loans receivable, net	3,876,906	27,017,309	39,881,545	14,667,846	85,443,606
Other assets	-	-	-	2,231,684	2,231,684
Investment in the League	-	-	-	33,800	33,800
Financial investments	-	7,721,843	21,423,086	5,604,084	34,749,013
<b>Total assets</b>	<b>19,205,810</b>	<b>34,739,152</b>	<b>105,530,720</b>	<b>24,860,114</b>	<b>184,335,796</b>
<b>Liabilities:</b>					
Members' regular deposits	74,619,452	-	-	-	74,619,452
Other deposits	113,119,362	647,443	-	796,671	114,563,476
Other liabilities	-	-	-	2,615,979	2,615,979
<b>Total liabilities</b>	<b>187,738,814</b>	<b>647,443</b>	<b>-</b>	<b>3,412,650</b>	<b>191,798,907</b>
<b>Total interest repricing gap</b>	<b>\$(168,533,004)</b>	<b>\$ 34,091,709</b>	<b>\$ 105,530,720</b>	<b>\$ 21,447,464</b>	<b>\$ (7,463,111)</b>
<b>Cumulative gap</b>	<b>\$(168,533,004)</b>	<b>\$(134,441,295)</b>	<b>\$ (28,910,575)</b>	<b>\$ (7,463,111)</b>	

**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.

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

Notes to Financial Statements

December 31, 2022

(Expressed in Bahamian dollars)

**27. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)**

a) *Financial instruments not measured at fair value (Continued)*

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

c) *Fair value hierarchy:*

The following table provides an analysis of financial instruments held at the reporting date 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 as at the statement of financial position date:

<b>As at December 31, 2022</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial instruments</u>				
Financial assets at FVTOCI	\$ 3,368,011	\$ 6,012,805	\$ -	\$ 9,380,816

<b>As at December 31, 2021</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial instruments</u>				
Financial assets at FVTOCI	\$ 3,060,691	\$ 4,096,767	\$ -	\$ 7,157,458



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

Notes to Financial Statements

December 31, 2022

*(Expressed in Bahamian dollars)*

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**28. EVENTS AFTER THE REPORTING PERIOD**

On April 18, 2023, the Board of Directors proposed that a dividend payment of 2% be paid to qualifying shareholders of record at December 31, 2022. Since this declaration was made subsequent to the end of the reporting period, the dividends were not recognized as a liability because no obligation existed at the end of the reporting period. This will be voted on by the members in the next annual general meeting.

ECOVIS Bahamas • Serenity House • East Bay Street • P.O. Box SS-6229 • Nassau •  
The Bahamas

### **INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION**

The primary purpose of our examination for the year ended December 31, 2022 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 4 through 45, taken as a whole.

The supplementary information for the year ended December 31, 2022 presented on pages 47 through 55 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.



**CHARTERED ACCOUNTANTS**

April 18, 2023  
Nassau, The Bahamas

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E-Mail: [nassau@ecovis.com](mailto:nassau@ecovis.com) Management: James B. Gomez, Noreen R. Campbell VAT-ID Number: 114394718 Headquarter: Nassau Registered in: The Bahamas

A member of ECOVIS International tax advisors accountants auditors lawyers in Algeria, Argentina, Australia, Austria, Bahamas, Belgium, Bosnia and Herzegovina, Brazil, Bulgaria, Cambodia, Canada, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Ecuador, Egypt, El Salvador, Estonia, Finland, France, Georgia, Germany, Greece, Great Britain, Guatemala, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Republic of Korea, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Morocco, Myanmar, Nepal, Netherlands, New Zealand, Norway, North Macedonia, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Russia, Saudi Arabia, Republic of Serbia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan, Tajikistan, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Uruguay, USA (associated partners) and Vietnam.

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

Statement of Profit or Loss – Nassau, Head Office

For the year ended December 31, 2022

(Expressed in Bahamian dollars)

	<b>2022</b>	<b>2021</b>
<b>INTEREST INCOME</b>		
Loans	\$ 5,321,618	\$ 4,423,504
Investments	2,125,556	2,441,630
Total interest income	7,447,174	6,865,134
<b>INTEREST EXPENSE</b>		
Members' regular shares and other deposits	(1,400,686)	(1,821,605)
<b>NET INTEREST INCOME BEFORE PROVISION FOR LOAN IMPAIRMENT AND RECOVERIES OF BAD DEBTS</b>		
	6,046,488	5,043,529
(Increase)/decrease in provision for loan impairment and expected credit losses	(1,314,754)	429,106
Recoveries of bad debts	377,246	195,011
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN IMPAIRMENT AND RECOVERIES OF BAD DEBTS</b>		
	5,108,980	5,667,646
<b>NON-INTEREST INCOME</b>		
Other income	554,673	472,285
Profit on investment properties	361,214	262,249
Total non-interest income	915,887	734,534
<b>NET INTEREST AND OTHER INCOME</b>		
	6,024,867	6,402,180
<b>OPERATING EXPENSES</b>		
Personnel	2,410,569	2,314,053
General business	824,263	895,473
Occupancy	772,469	663,964
Organizational	140,966	142,536
Members' security	745,022	630,761
Computer costs	1,106,403	1,241,482
Marketing	33,511	65,695
Total operating expenses	6,033,203	5,953,964
<b>(LOSS)/PROFIT FOR THE YEAR</b>	<b>\$ (8,336)</b>	<b>\$ 448,216</b>

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

Statement of Operating Expenses – Nassau, Head Office

For the year ended December 31, 2022

(Expressed in Bahamian dollars)

	<b>2022</b>	<b>2021</b>
<b><u>Personnel</u></b>		
Salaries	\$ 1,865,630	\$ 1,832,258
Medical and pension	308,144	272,325
Staff benefits	117,978	86,118
National insurance	88,420	85,269
Travel, training and development	30,397	38,083
	<b>2,410,569</b>	<b>2,314,053</b>
<b><u>General business</u></b>		
Depreciation - furniture & equipment	148,737	114,754
Insurance	77,176	75,343
Professional fees	191,980	138,284
Value Added Tax (VAT)	102,834	138,945
Equipment maintenance	62,994	172,403
Stationery and supplies	50,433	70,948
Armoured car services	22,658	21,767
Vehicle expenses	9,641	11,094
Bank charges and broker fees	135,652	136,868
Courier and postage	17,132	12,695
Insurance - vehicles	2,163	2,742
Depreciation - motor vehicle	1,870	-
Cash shortage/(overage) and other expenses	993	(370)
	<b>824,263</b>	<b>895,473</b>
<b><u>Occupancy</u></b>		
Utilities	145,408	152,628
Depreciation - building	312,935	230,474
Building maintenance	165,117	134,391
Building security	94,563	118,102
Property tax	54,446	28,369
	<b>\$ 772,469</b>	<b>\$ 663,964</b>

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

Statement of Operating Expenses – Nassau, Head Office (Continued)

For the year ended December 31, 2022

(Expressed in Bahamian dollars)

	<b>2022</b>	<b>2021</b>
<b><u>Organizational</u></b>		
Board and committee development and travel	\$ 1,302	\$ -
Board and committee remuneration	62,520	53,910
Annual general meetings and anniversary expenses	15,678	35,300
Stabilization fees	43,305	41,259
Board and committee meetings	10,213	5,212
Directors and officers insurance	7,849	6,805
Members' education	99	50
	<b>140,966</b>	<b>142,536</b>
<b><u>Members' security</u></b>		
Loans and savings insurance premium	631,693	508,299
Bond insurance premium	16,316	21,454
Deposit insurance	97,013	101,008
	<b>745,022</b>	<b>630,761</b>
<b><u>Computer costs</u></b>		
Computer software - depreciation	98,990	39,636
Software subscription and maintenance	478,099	953,921
Computer stationery and ATM expense	16,292	19,676
Computer hardware - depreciation	336,612	54,891
Internet	157,836	158,882
Data Centre storage services	18,574	14,476
	<b>1,106,403</b>	<b>1,241,482</b>
<b><u>Marketing</u></b>		
Advertising and promotions	13,353	43,137
Marketing	16,308	19,930
Donations	3,850	1,625
Membership drive	-	1,003
	<b>33,511</b>	<b>65,695</b>
	<b>\$ 6,033,203</b>	<b>\$ 5,953,964</b>

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

Statement of Profit or Loss – Freeport Branch

For the year ended December 31, 2022

(Expressed in Bahamian dollars)

	<b>2022</b>	<b>2021</b>
<b>INTEREST INCOME</b>		
Loans	\$ 2,272,352	\$ 1,947,080
Investments	128	108
Total interest income	2,272,480	1,947,188
<b>INTEREST EXPENSE</b>		
Members' regular shares and other deposits	(438,917)	(171,294)
<b>NET INTEREST INCOME BEFORE PROVISION FOR LOAN IMPAIRMENT AND RECOVERIES OF BAD DEBTS</b>		
	1,833,563	1,775,894
Provision for loan impairment and expected credit losses	(173,293)	(581,920)
Recoveries of bad debts	77,526	98,163
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN IMPAIRMENT AND RECOVERIES OF BAD DEBTS</b>		
	1,737,796	1,292,137
<b>NON-INTEREST INCOME</b>		
Other income	89,958	52,983
(Loss)/profit on investment properties	(41,163)	15,958
Total non-interest income	48,795	68,941
<b>NET INTEREST AND OTHER INCOME</b>		
	1,786,591	1,361,078
<b>OPERATING EXPENSES</b>		
Personnel	269,730	263,703
General business	80,947	70,696
Occupancy	129,640	81,098
Organizational	13,045	9,552
Members' security	8,856	11,556
Computer costs	28,421	27,219
Marketing	1,005	1,339
Total operating expenses	531,644	465,163
<b>PROFIT FOR THE YEAR</b>		
	\$ 1,254,947	\$ 895,915

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

Statement of Operating Expenses – Freeport Branch

For the year ended December 31, 2022

(Expressed in Bahamian dollars)

	<b>2022</b>	<b>2021</b>
<b><u>Personnel</u></b>		
Salaries	\$ 210,380	\$ 206,028
Medical and pension	29,964	29,607
Staff benefits	12,737	12,543
National insurance	11,233	11,243
Travel, training and development	5,416	4,282
	<b>269,730</b>	<b>263,703</b>
<b><u>General business</u></b>		
Depreciation - furniture and fixtures	16,202	13,208
Insurance - general	3,771	3,639
Professional and legal fees	18,677	11,719
Value Added Tax (VAT)	7,917	7,025
Equipment maintenance	9,986	14,626
Stationery and supplies	4,756	8,729
Armoured car services	1,724	1,825
Vehicle expenses	5,742	3,586
Bank charges and broker fees	3,825	3,657
Courier and postage	7,889	2,131
Insurance - motor vehicle	468	551
Cash (overage)/shortage and other expenses	(10)	-
	<b>80,947</b>	<b>70,696</b>
<b><u>Occupancy</u></b>		
Utilities	16,443	16,306
Depreciation - building	60,605	12,413
Building maintenance	32,439	26,280
Building security	20,153	26,099
	<b>129,640</b>	<b>81,098</b>
<b><u>Organizational</u></b>		
Stabilization fees	9,429	9,171
AGM and anniversary expenses	558	381
Board and committee development and travel	3,058	-
	<b>\$ 13,045</b>	<b>\$ 9,552</b>

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

Statement of Operating Expenses – Freeport Branch (*Continued*)

For the year ended December 31, 2022  
(Expressed in Bahamian dollars)

	<b>2022</b>	<b>2021</b>
<u><i>Members' security</i></u>		
Bond insurance	\$ 8,856	\$ 11,556
<u><i>Computer costs</i></u>		
Computer software - depreciation	288	495
Software subscription and maintenance	2,942	3,207
Computer hardware - depreciation	7,352	5,927
Computer stationery and ATM expense	4,225	3,727
Internet	13,614	13,863
	28,421	27,219
<u><i>Marketing</i></u>		
Advertising and promotions	1,005	1,339
	1,005	1,339
	\$ 531,644	\$ 465,163



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

Statement of Profit or Loss – Abaco Branch

For the year ended December 31, 2022

(Expressed in Bahamian dollars)

	<b>2022</b>	<b>2021</b>
<b>INTEREST INCOME</b>		
Loans	\$ 1,058,662	\$ 860,067
Investments	85	143
<b>Total interest income</b>	<b>1,058,747</b>	<b>860,210</b>
<b>INTEREST EXPENSE</b>		
Members' regular shares and other deposits	(109,081)	(121,639)
<b>NET INTEREST INCOME BEFORE PROVISION FOR LOAN IMPAIRMENT AND RECOVERIES OF BAD DEBTS</b>		
	949,666	738,571
Decrease/(increase) in provision for loan impairment and expected credit losses	31,031	(428,788)
Recoveries of bad debts	218,574	52,679
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN IMPAIRMENT AND RECOVERIES OF BAD DEBTS</b>		
	1,199,271	362,462
<b>NON-INTEREST INCOME</b>		
Other income/(loss)	40,031	(9,911)
Loss on investment properties	(505,894)	(1,014,252)
<b>Total non-interest income</b>	<b>(465,863)</b>	<b>(1,024,163)</b>
<b>NET INTEREST AND OTHER (EXPENSE)/INCOME</b>		
	733,408	(661,701)
<b>OPERATING EXPENSES</b>		
Personnel	227,031	220,853
General business	209,193	131,471
Occupancy	193,215	181,785
Organizational	7,008	4,256
Members' security	7,038	9,254
Computer costs	33,564	23,049
Marketing	100	3,012
<b>Total operating expenses</b>	<b>677,149</b>	<b>573,680</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		
	<b>\$ 56,259</b>	<b>\$ (1,235,381)</b>

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

Statement of Operating Expenses – Abaco Branch

For the year ended December 31, 2022

(Expressed in Bahamian dollars)

	<b>2022</b>	<b>2021</b>
<b><u>Personnel</u></b>		
Salaries	\$ 167,446	\$ 160,274
Medical and pension	37,031	35,134
Staff benefits	10,616	9,545
National insurance	9,029	8,626
Travel, training and development	2,909	7,274
	<b>227,031</b>	<b>220,853</b>
<b><u>General business</u></b>		
Depreciation - furniture & fixtures	17,264	5,588
Insurance	55,345	54,506
Professional fees	76,226	3,245
Value Added Tax (VAT)	18,192	22,438
Equipment maintenance	12,420	15,974
Stationery and supplies	3,217	4,787
Armoured car services	17,655	15,860
Vehicle expenses	2,378	1,825
Bank charges and broker fees	1,863	1,599
Courier and postage	4,394	5,191
Insurance - motor vehicle	659	668
Cash (overage)/shortage and other expenses	(420)	(210)
	<b>209,193</b>	<b>131,471</b>
<b><u>Occupancy</u></b>		
Utilities	50,736	34,974
Depreciation - building	81,998	82,159
Building maintenance	36,519	30,907
Building security	23,962	33,745
	<b>\$ 193,215</b>	<b>\$ 181,785</b>

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

Statement of Operating Expenses – Abaco Branch *(Continued)*

For the year ended December 31, 2022

*(Expressed in Bahamian dollars)*

	<b>2022</b>	<b>2021</b>
<u><i>Organizational</i></u>		
Stabilization fees	\$ 4,446	\$ 4,035
AGM and anniversary expenses	400	221
Board and committee development and travel	2,162	-
	<u>7,008</u>	<u>4,256</u>
<u><i>Members' security</i></u>		
Bond insurance	7,038	9,254
<u><i>Computer costs</i></u>		
Computer software - depreciation	288	495
Software subscription	2,193	2,309
Computer hardware - depreciation	9,039	7,138
Computer stationery and ATM expense	27	615
Internet	22,017	12,492
	<u>33,564</u>	<u>23,049</u>
<u><i>Marketing</i></u>		
Advertising and promotions	100	2,304
Marketing	-	708
	<u>100</u>	<u>3,012</u>
	<u>\$ 677,149</u>	<u>\$ 573,680</u>

**BUDGET FOR YEAR 2022 & 2023**

		Budget 2023 Combined	Budget 2022 Combined	Actual 2022 Combined	Est. Budget 2024 Combined
1	<b>FINANCIAL REVENUE:</b>				
2	Interest on General Loans	5,892,000	6,966,000	4,910,663	6,066,000
3	Interest on Mortgage Loans	3,746,000	2,302,000	3,122,044	3,858,000
4	Loan Service Fees	744,000	711,000	619,926	766,000
5	Interest on Statutory & Liquidity Reserves	647,000	641,000	639,900	666,000
6	Interest on Govt. & Bridge bonds	1,051,000	1,053,000	1,051,060	1,082,000
7	Interest on Deposits	205,000	226,000	241,736	211,000
8	Interest on Royal Fidelity Investments	202,000	279,000	193,072	208,000
9	Loan Skip Payment and Credit Report Fees	38,000	18,000	26,453	40,000
10	Loan Restructures and Late Payment Fees	97,000	62,800	116,686	99,000
11	Dividends	180,000	185,000	175,650	185,000
12	Entrance Fees	9,000	17,500	13,673	9,000
13	Share Account Withdrawal Fees	129,000	122,100	124,875	133,000
14	Card Fees (ATM, Debit and Credit)	102,000	84,900	40,657	105,000
15	Service Fees	31,000	35,000	35,098	31,000
16	Rebate on LP/LS Insurance	-	-	41,179	-
17	Account Closing and Other Income	60,000	19,400	86,110	61,000
88	Insurance Settlements	-	-	-	-
90	Gain/(Loss) on sale of property	-	-	-	-
18	<b>Total Operating Income</b>	<b>13,133,000</b>	<b>12,722,700</b>	<b>11,438,781</b>	<b>13,520,000</b>
19	<b>OPERATING EXPENSES:</b>				
20	Interest on Regular Deposits	1,261,000	990,000	822,387	1,299,000
21	Interest on Fixed Deposits	1,145,000	1,087,000	1,126,296	1,179,000
22	Bad Debt Expense	921,000	1,311,000	783,670	948,000
23	Salaries and Overtime	2,420,000	2,265,000	2,243,456	2,493,000
24	N.I.B., Medical and Pension	550,000	478,000	483,822	567,000
25	Staff Benefits, Uniforms and Meetings	177,000	138,000	141,331	183,000
26	Staff Training and Conferences	56,500	39,000	25,609	58,000
27	Staff Travel	16,000	22,000	13,113	16,000
28	Depreciation - Furn. and Equip.	188,000	188,000	182,204	194,000
29	General and Automobile Insurance	144,000	246,000	(891)	148,000
30	Legal, Audit and Professional fees	165,000	164,000	170,285	170,000
31	VAT Expense	149,000	173,000	128,943	153,000
32	Equipment Maintenance	91,000	93,000	85,399	93,000
33	Office Supplies	65,000	86,000	58,406	66,000
34	Armoured car services	45,000	41,000	42,037	46,000
35	Depreciation - Automobiles	25,000	20,000	1,870	26,000
36	Automobile maintenance and gas	18,000	17,000	17,761	18,000
37	Bank and investment charges	105,000	147,000	141,340	108,000
38	Courier and postage fees	31,000	20,000	29,415	32,000
39	Collector's Fees and Teller's Allowances	75,000	17,000	104,155	77,000
40	LP/LS and Deposit Insurance	807,000	635,000	728,706	831,000
41	Bond Insurance	34,000	44,000	32,210	35,000
42	Utilities	221,000	199,000	212,586	227,000
43	Depreciation - Buildings	498,000	461,000	455,539	513,000
44	Building Maintenance	248,000	217,000	234,074	256,000
		<b>9,455,500</b>	<b>9,098,000</b>	<b>8,263,723</b>	<b>9,736,000</b>

<b>Balance carried forward</b>					
<b>BUDGET FOR YEAR 2022 &amp; 2023</b>		<b>Budget 2023 Combined</b>	<b>Budget 2022 Combined</b>	<b>Actual 2022 Combined</b>	<b>Est. Budget 2024 Combined</b>
		9,455,500	9,098,000	8,263,723	9,736,000
45	<b>Balance brought forward</b>	-	-	-	-
46	Building Security	29,000	184,000	138,678	30,000
47	Property Tax	63,000	61,000	54,446	65,000
48	Office Rent (Toronto)	20,000	19,000	18,574	21,000
49	Board - Travel	11,000	2,000	2,467	11,000
50	Board - International Conferences	25,000	24,000	-	13,000
51	Board - Training and Local Conferences	2,000	2,000	1,032	2,000
52	Board - Out-of-pocket expenses	45,000	45,000	44,520	45,000
53	Board and Committee Meetings	10,000	6,000	10,213	10,000
54	Supervisory Committee - Travel	4,000	5,000	2,753	4,000
55	Supervisory Committee - Training and Conferences	8,000	8,000	270	8,000
56	Supervisory Committee - Out-of-pocket expenses	9,000	9,000	9,000	9,000
57	Credit Committee - Training and Conferences	6,000	6,000	-	6,000
58	Credit Committee - Out-of-pocket expenses	9,000	9,000	9,000	9,000
59	Other Committee - Training and Conferences	6,000	6,000	-	6,000
60	AGM	30,000	15,000	10,664	31,000
61	Anniversary Activities	9,000	6,000	5,972	9,000
62	Stabilization fees	61,000	57,000	57,180	63,000
63	Directors and officers insurance	9,000	7,000	7,849	9,000
64	Membership - Training and education	5,000	3,000	99	5,000
65	Depreciation - Computer software	156,000	120,000	99,565	161,000
66	Maintenance - Computer systems	11,000	15,000	5,554	12,000
67	Software - System maintenance	200,000	233,400	190,359	205,000
68	Software - System security	110,000	122,500	83,956	112,000
69	Software - General applications	190,000	187,000	139,498	195,000
70	Software - Department applications	70,000	84,000	63,867	71,000
71	Computer supplies	26,000	27,000	20,544	27,000
72	Depreciation - Computer hardware	383,000	365,000	353,003	394,000
73	Internet	203,000	191,000	193,468	209,000
74	Advertising and promotion	25,000	33,000	14,459	25,000
75	Marketing and Membership Drive	25,000	20,000	16,308	17,000
76	Donations	11,000	11,000	3,850	11,000
77	Contributions to Junior Co-operatives	9,000	9,000	-	9,000
78	<b>Total Operating Expenses</b>	11,235,500	10,989,900	9,820,872	11,540,000
79	<b>FINANCIAL NET INCOME/(LOSS)</b>	<b>1,897,500</b>	<b>1,732,800</b>	<b>1,617,909</b>	<b>1,980,000</b>
	<b>INVESTMENT PROPERTY</b>				
80	Rental Income and CAM charges	843,000	1,138,500	1,133,520	870,000
87	Insurance Settlements	-	-	-	-
	<b>PROPERTY EXPENSES</b>				
81	Dep. Investment properties	624,000	668,000	796,483	643,000
82	Investment property expenses	666,000	701,000	652,078	685,000
83	<b>Total PROPERTY Expenses</b>	1,290,000	1,369,000	1,448,561	1,328,000
84	<b>NET INCOME/(LOSS) PROPERTY</b>	<b>(447,000)</b>	<b>(230,500)</b>	<b>(315,041)</b>	<b>(458,000)</b>
	<b>NET INCOME/(LOSS)</b>	<b>1,450,500</b>	<b>1,502,300</b>	<b>1,302,868</b>	<b>1,522,000</b>
85	<i>(Increase)/Decrease in valuation reserve</i>	-	-	(66,859)	-
86	<b>2022 Dividends</b>	80,500	-	-	-
86	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,370,000</b>	<b>1,502,300</b>	<b>1,369,727</b>	<b>1,522,000</b>



## SUPERVISORY COMMITTEE REPORT

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 the established policies and procedures of the institution, and in compliance with the Bahamas Co-operative Credit Unions Act 2015. Additionally, the committee seeks to ensure business practices are uniformed across the various branches, are ethical and appropriate for the benefit of the members. The Supervisory Committee works 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. We work independently from the Board of Directors. This report to the Annual General Meeting is a summary report.

Prior to the Annual General Meeting held in May 2022, nominations were accepted to fill one vacant position on the Supervisory Committee. Subsequently, there was a special call meeting in July 2022 which sought to elect one individual to the committee. The individual elected was Mr. David Briggs. The Supervisory Committee wishes to welcome Mr. Briggs to the team. In addition, the Supervisory Committee wishes to congratulate Ms. Renee Mayers (former member/secretary) on her election and ascension to the Board of Directors during a special call meeting in July 2022.

As we strived to transition out of the COVID-19 pandemic and return to and conduct full business operations. The pandemic continues to affect the normal operations of the Credit Union throughout 2021. However, in an effort to be effective the Credit Union has operated where deemed necessary in an agile manner in an attempt to remain relevant and effective in a COVID -19 environment.

Fortunately, in 2022, the Supervisory Committee team was given the green light to be able to travel to both branches in Abaco and Grand Bahama to do our annual review and assessment of the operations at both branches.

### 1. FREEPORT & ABACO BRANCHES REVIEW:

The following areas listed below were addressed during the visit to the branches:

- ATM cash and vault count amount.
- Insurance maximum for the branch
- Petty cash receipt book.
- KYM's on Loans, Mortgages and new members as well as day to day transactions.
- Rent and rent receivables.
- Loans and loans delinquency
- HR matters
- Expenses and profitability margin
- Property management
- Money laundering and suspicious transaction reports (STR).
- PEP listing
- Member services files

### Observation and Recommendation:

- There should be in a place a DSF for new members included on the file of new members to allow for easy review of records.
- There is a need to ensure that the required complement of staff is placed in the Branch to ensure that in those areas where segregation of functions/duties is required, the Branch operational efficiencies are not compromised.

Overall, we are happy to report that given the feedback from the staff of both branches, they were all well pleased to be a part of the team at TSWCCUL. The team in Abaco especially were happy to be back in full operation since the passing of Hurricane Dorian.

Moreover, all the staff for both branches demonstrated sound knowledge as they engaged in the operational practices and policies of the Credit Union to ensure that the work of TSWCCUL is done efficiently.

## 2. LOANS

There has been new loan growth in 2022. The Credit Union's comprehensive loan portfolio stood at \$94,562,359.12 as of 31-Dec-22, which represents a portfolio growth of over 3% from \$91,730,983 at 31-Dec-21. In addition, this growth remains favorable considering the current loan pay down/pay out rate of \$1.33Mil per month. This means that not only did the business replace the principal balances that were paid down and loans that were paid out during the month of December, but it booked additional loan volumes. It is important to note that despite the decline in portfolio balances, there was net growth in the number of loans comprising the existing portfolio (month-over month), added to the fact that the average yield has improved year-over-year. Total loan pay downs (principal balance reductions monthly) was reported at \$2.386Mil., which establishes December as the month with the largest pay down/pay out month of the year. Of this total, \$878k in loans repaid prior to maturity. Statistically, the rate of pay downs/pay outs for the month of December 2022 has pushed the monthly loan run rate to 2%. The Supervisory Committee commends the Loans Department for a successful year, the various campaigns and high demand products available along with the continuing rebounding of the economy bodes well for our prospects. This new growth, has continued the Credit Union's move in a positive direction because it has attracted new members and maintained those with the ability to qualify and pay loans over our competitors.

## 3. LOANS DELINQUENCY

The delinquency rate is an ongoing challenge at the Credit Union, but we're pleased to report that the goal to bring that rate to less than 15% has been achieved. Despite not meeting the Pearls Standard of 6%, The Credit Union saw a decrease in its asset quality from 18% in 2021 year to 13% in 2022 year which is in line with the Credit Unions 3-year Strategic Plan to reduce delinquency by 3% points annually. Year-end 2021, the rate stood at 18.039% and at year-end 2022 the rate stood at 13.720%; an improvement of 4.32%. The collections department through their department objectives, sought to recover \$500K in 2022 but were able to surpass that total recovering \$673,346 That total recovery of \$673,346 is an additional 37% more than the initial target for the year 2022. The Credit Union realizes that recovery on bad debt of \$673K during 2022, has gone up \$327K over the previous fiscal year. 2022 saw "continued" focused attention on the Collections Department and its efforts to reduce all aspects of Delinquency form Asset Quality to Charged Off loan Recovery. The delinquency objective for 2023 is to close the year at a rate of 10%. It is evident that increased efforts have been made to reduce the delinquency rate which also reduced the loan loss provision and thus increased the profitability of the Credit Union. Notably, the effort of the collections department is displayed by the continued improvement noted.

## 4. COMPLIANCE MATTERS

The objective of TSWCCUL's Compliance Department is to ensure that the organization has internal controls that adequately measure and manage the risks it faces. Compliance officers provide an in-house service that effectively supports business areas in their duty to comply with relevant laws and regulations and internal procedures:

### ACCOMPLISHMENTS

- During the period of February 7th, 2022, through March 25th, 2022, Compliance successfully conducted Compliance Conformance Reviews of the various TSWCCUL branches. The focus of the reviews was to evaluate the branches' adherence to the credit union's policies and procedures and local requirements. All identified deficiencies were documented, discussed by stakeholders, remediated and tracked through closure.
- During the calendar year 2022, Compliance successfully reviewed and processed a total of 5,242 Alerts generated by TSWCCUL's Automated Monitoring Tool (SimpliRisk) to detect and ensure that the organization's account facilities were not used for possible money laundering or terrorist financing activities. It is important to note that there were no backlogs and all Alerts were managed in a timely manner.

- During February 2022, Compliance recommended and oversaw the transition of shredding services from Sunryse Information to Badge Shredding Company Limited with the rationale being: moving from monthly to quarterly shredding and attaining an annual savings of approximately \$3,000.00 to the credit union.
- All Compliance personnel received external training and/or certifications; most notably Certified International Risk Management (CIRM) and Certified Cryptocurrency Expert (CCE).
- Compliance successfully conducted effective AML online training and education for all staff, Board of Directors and the Committees.
- Compliance department successfully submitted to the Central Bank of The Bahamas the following deliverables in January 2023: AML Data Return 2021, Annual Sanctions Declaration 2022 and Annual Board Certification 2022 ahead of the February 28th, 2022 deadline.
- Compliance processed a total of fifty-two (52) Production Orders/Requests for Information from the Financial Intelligence Unit and Central Bank of The Bahamas within 24 – 48 hours of receipt of same; all within a timely manner and fully responded to.
- There were no fines, penalties and/or sanctions levied against TSWCCUL for AML or compliance related infractions in 2022.

### **CHALLENGES**

The glaring challenge is that some staff tend to revert to bad habits in relation to gathering KYC information and/or constant staff turnover of customer facing staff which contribute to knowledge gap

## **5. INTERNAL AUDIT MATTERS**

The Internal Audit Department of the Teachers and Salaried Workers Co-operative Credit Union Ltd. primary objectives are to assist the Credit Union in accomplishing its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, internal control and governance processes. IA reviews for FY2022 included assurance, consultancy, and investigative reviews. The FY2022 saw reviews being performed in the following areas:

- Operational.
- Investigative.
- Process reviews.

Reporting of these reviews were to the Board of Directors via the Supervisory Committee, and Senior Management. All Audit activities are performed in accordance with applicable standards, regulatory requirements, local laws, international standard setting bodies, or best practices.

### **EFFORTS ALLOCATION**

During the fiscal year, the Audit Department primary challenge was the lack of adequate resources to perform its function efficiently and effectively.

During FY2022, the Department conducted, and successfully completed remote reviews of both the Freeport and Abaco Branches. These reviews could not have been completed without the assistance and cooperation of the management and staff of the both Branches.

2022 Year saw the performing and completion of a Credit Committee Charter Attestation required by The Central Bank of The Bahamas.

Also, in 2022 Internal Audit conducted monitoring of specific areas of cash management and related policies.

Additional Audit reviews were performed in the areas such as member queries, testing of changes to or implementation of new software and / or features, special investigations, related parties' verification etc.



## **CHALLENGES**

Efforts are being made to establish and maintain an Internal Audit structure, while also managing and providing assistance to the Edit Clerk Function. The Department continues to provide support to staff transitioning into the area.

The introduction of new guidelines for Internal Audit Departments by the Central Bank of The Bahamas has provided additional standards for the Department. Staff recruitment and retention continue to remain a challenge as Internal Audit seeks to meet regulator as well as internal requirements.

## **6. STAFFING AND HUMAN RESOURCES**

We gladly express and welcome the bold undertaking by employees to be professionally trained, mentored and coached in areas that are essential and effective to assist with carrying out performances in their respective roles. This has been seen as a re-reflection of the TSWCCUL and its mandate to help cultivate and produce the best hard-working staff always. New policies governing performance management, coaching requirements for team leads, along with cash management policy and procedures have also been advanced and approved. These initiatives underscore the trailblazing efforts of the credit Union's leadership.

While we recognize and celebrate many of these initiatives and achievements, the Supervisory Committee remains in dialogue with key stakeholders in the Credit Union to ensure that not only do we seek to recover from the setbacks from Dorian in 2019 and COVID -19 over the past three years, but that we thrive and hence set our sight on improvements in areas such as staff retention, compensation, benefits and wellness in an effort to lure more progressive minded, technically competent and savvy individuals to key positions within the Credit Union.

A quick summary of staffing demographics for the 2022 year is as follows:

### **STAFF TURNOVER IN 2022**

The turnover rate was 25.33% in 2022 and 8.45% in 2021 which is an increase of 16.90%. In addition, a total of nineteen (19) jobs were terminated, either voluntarily or involuntarily. However, there were twenty-two (22) new hires in 2022- including eight (8) contractual workers. We recommend and will continue to advocate support for more effective training, developing more attractive salary packages for prospective staff and targeting persons with essential skillset to fill positions needed, thus becoming agents of change for TSWCCUL and long serving employees. Overall, the Credit Union's ability to reflect, recommit, re-engage, reboot and realign HR and people operations priorities with the most pressing business and workforce priorities are to be commended.

## **CONCLUSION**

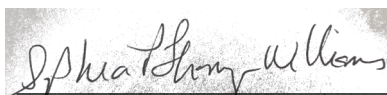
We commend the Board of Directors, Management and Staff for their due diligence in ensuring that our credit union continues to see significant growth as we continue to be the best Credit Union in The Commonwealth of The Bahamas and the region. The overall success of this organization depends on each of us playing a vital role; every member-owner; staff member-owner and committee member. We encourage everyone to play his/her role effectively in assisting with the overall success of the organization by making it the number one financial institution and encouraging fellow members to meet their financial commitments. We further encourage you to participate in every opportunity your credit union puts on to educate, serve and preserve your wealth.

Committed to serve you!

Your Supervisory Committee,



Shavado Gibson– Chairman



Sophia Williams - Secretary



David Briggs - Member



## CREDIT COMMITTEE REPORT

The year 2022 showed a remarkable improvement, after the country was faced with Hurricane Dorian and COVID-19.

Special thanks to the Board of Directors, Executive Management Team and all employees of Teacher’s Credit Union for allowing me to provide oversight as Chairman of the Credit Committee. Together we were able to improve every performance area.

I also want to thank former chairman, Mr. E.J. Bowe, who retired. You provided a servant hood leadership style which inspired the team and staff to meet goals and commit to excellence. I wish you the best in your retirement.

The following Credit Committee members are :

- Chairman- Bernadette Davis-Smith
- Secretary- Shena Williams
- Member- Vienna Mckenzie
- Board Appointment- Chery Bowe-Moss
- Board Appointment- Graham McKinney
- Risk Manager- Coretta Rolle
- Collections Manager- Jamison Davis

The Bahamas Co- operative Act 2015 mandated that the Credit Committee:

- Met every month
- Kept minutes of its meetings
- Submitted monthly reports to the Board of Directors
- Submitted an Annual Report to the Annual Report Annual General Meeting.

### LOANS

Total loans @ 12.31.2022	\$94,562,359.12
Total number of loan accounts @ 12.31.2022	2791
Total Value of Delinquent	\$12,951,475
Number of Delinquent Account	257
Asset Quality	13.70%
Recovery payments	\$673,346.00

## **TOTAL LOANS APPROVED IN 2022**

The loan balance as at December 31, 2022 was \$94,562, 389.12. Random sampling took place to ensure that loans approved within the policy guidelines. The loans were satisfactory. These loan were mortgages, home improvement, debt consolidation, travel, educational loan. The ceiling for loans is \$100,000.00.

## **DECLINED/ DEFERRED LOANS**

Loans were declined based on high loan exposures, debt service ratio, net pay below the required 25% and collateral amount.

Deferred loans was based on supporting documentation not being available during the review process.

## **CONCLUSION**

The Credit Committee is grateful to the Members for the opportunity to serve. Special thanks to the General Manager, Mr. Byron Miller, Management, Staff and particularly the Loans , Mortgage and Collection Department for their assistance through 2022.

*Bernadette Davis-Smith*

Chairperson

# 2023 RESOLUTIONS

## RESOLUTION 1

### 2022 INTEREST PAYMENT

**WHEREAS** the audited accounts for 2022 indicate that there are sufficient funds to provide a cash interest to shareholders of the Teachers and Salaried Workers Co-operative Credit Union Limited, and

**WHEREAS** the Directors have determined that after the payment of such interest 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 Percent (2%) Interest on Equity Shares; One & Quarter Percent (1.25%) Interest on Regular Share (RS) Deposits; One Percent (1.00%) Interest on Mortgage Security (MG); Three Quarter Percent (0.75%) Interest on Dividend Reinvestments; Three Quarter Percent (0.75%) Interest on Retirement Accounts; Three Quarter Percent (0.75%) Vacation & Christmas Club (VC/C2); One Half Percent (0.50%) Interest on Deposit Accounts (D1); One Half Percent (0.50%) Interest on Share (Savings) Deposit (SD).

## RESOLUTION 2

### APPOINTMENT OF AUDITORS

**BE IT RESOLVED** that the Board of Directors be responsible for the appointment of Auditors for the year ending December 31, 2023.

## RESOLUTION 3

### REMUNERATIONS

**CONSIDERING** The Bahamas Co-Operative Credit Union Act, of 2015 that came into effect in June of 2015. The Act 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 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) each per month, in arrears, until the next annual general meeting in 2024.

#### 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 2024.

# RESOLUTIONS SUBMITTED BY MEMBERS

## RESOLUTION 4

**BE IT RESOLVED THAT** the byelaw that refer to the maximum term for consumer loans, *Section XX Loans to Members, subsection 82 (2) i* – maximum term on repayment of consumer loans be changed from 84 months to 120 months.

## RESOLUTION 5

**BE IT RESOLVED TO** extend to corporate alumni or those who have reached a minimum tenure of 25 years, privileges comparable to those of active staff for example, no service charges and staff rates on loans.

## RESOLUTION 6

**BE IT RESOLVED THAT** there be increased financial information reported to the membership as follows:

- a. Release of semi annual financial reporting of “unaudited” financial statements (Management Accounts) to the membership with reports from all Board Committees. Reports can be sent out via a pdf document or access can be done via online banking.
- b. Release of pertinent financial information especially the PEARLS Ratio’s on a quarterly basis to the membership.

## RESOLUTION 7

**BE IT RESOLVED THAT** there be a formalization of an Education Committee as “Credit Union Training and Experience” is desired for one to be an effective Committee or Board member. The Education Committee should have an ongoing monthly/quarterly training schedule offered to all members of the Credit Union that can be attended online.

## RESOLUTION 8

**BE IT RESOLVED THAT** an annual conclave be held with all Committees and the Board for the purpose of the Board Chairman to share the overall Strategic Plan and Vision for TWCCUL and what is each Committee’s role is in helping to fulfill this plan and vision for the upcoming year.

## RESOLUTION 9

**BE IT RESOLVED THAT** there be Annual Assessments of the Board as the effectiveness of the Board directly correlates with the successful achievement of strategic and operational objectives of the Credit Union. **FURTHER BE IT RESOLVED THAT THERE BE** annual assessments of the Board conducted by an independent third party.

## RESOLUTION 10

**BE IT RESOLVED THAT:**

- (a) Members seeking to serve on the Board of Directors of Teachers and Salaried Workers Cooperative Credit Union Limited must have an unencumbered balance of \$5,000 (five thousand dollars) on their share account.
- (b) Members seeking to serve on the Supervisory or Credit Committees must have an unencumbered balance of \$2,500 (two thousand five hundred dollars) on their share account.

## RESOLUTION 11

**BE IT RESOLVED THAT** the Board of Directors, Supervisory and Credit Committees serve no more than a period exceeding three (3) terms and to partner with the League to ensure that members interested in serving are adequately trained to fill vacancies.

## NOMINATION & ELECTION GUIDELINES

The Nominations Committee shall consist of two (2) elected persons and three (3) directors, none of whom should be up for election.

The function of the Nomination Committee is to ensure that those persons putting their names forward for nomination to the Board, Supervisory Committee, Credit Committee or Nomination Committee are persons who have the requisite education, skill sets and have attended educational sessions put on by the Education Committee over the years.

The Nomination Committee is to meet the week following the close of nominations to scrutinize all applications for nomination.

The practice adopted by the Nomination Committee with respect to retiring Board or Committee Members, is to automatically recommend those persons to the Annual General Meeting.

The Nomination Committee's role is to ensure the “*audi alteram partem rule*” is enforced, which means to ensure that fairness prevails and that there is transparency. If there is a concern about an application, rather than not considering it, the applicant should be interviewed.

Nomination should be put forth for only one position. If a nominee is currently the holder of an unexpired lesser position, then he/she must resign said position to be considered for the higher position.

All applicants are required to have current Credit Union experience, training and attended Co- operative Credit Union educational workshops (Ratified by the 40TH Annual General Meeting minutes 20/5/17). Nominees must have at-least attended the last Annual General Meeting.

All nominees are to be written to in advance of the date of the Annual General Meeting informing them of the success or rejection of their application

### BYELAWS:

#### **XIII ELECTIONS**

45. (1) The following procedures shall apply to the conduct of elections in keeping with section 48(2), (3)(b) and 49 of the Act and its regulations.
- (a) At each annual general meeting the membership shall appoint a nomination committee;
  - (b) The nomination committee shall nominate at the Annual General Meeting at least one member for each vacancy for which elections are to be held;
  - (c) After the nomination committee’s candidates have been placed before the members, the chairman shall outline the fit and proper requirements as outlined in the Act to the membership. No nominations will be taken from the floor for Board Directors, Supervisory or Credit Committee Members.
  - (d) Each nominee will be introduced by the Nominating Committee;
  - (e) Where the number of nominees does not exceed the number of persons to be elected, the Chairman shall declare all the nominees elected;
  - (f) If there is a need for elections, it shall be by ballot and shall be determined by a majority vote except where there is no contest;
- (2) No member may be elected to the Board, the Credit committee, the Supervisory committee unless he or she has satisfied the fit and proper requirements as set in the Regulations.

TEACHERS AND SALARIED WORKERS CO-OPERATIVE CREDIT UNION LIMITED  
46TH ANNUAL GENERAL MEETING REPORT



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