



TSWCCUL

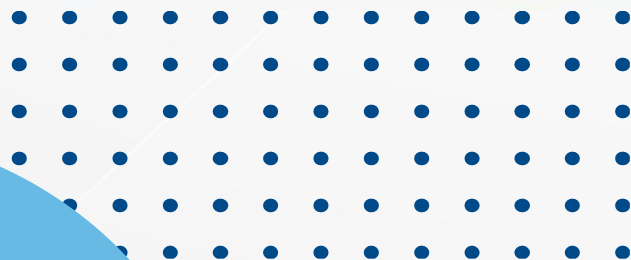
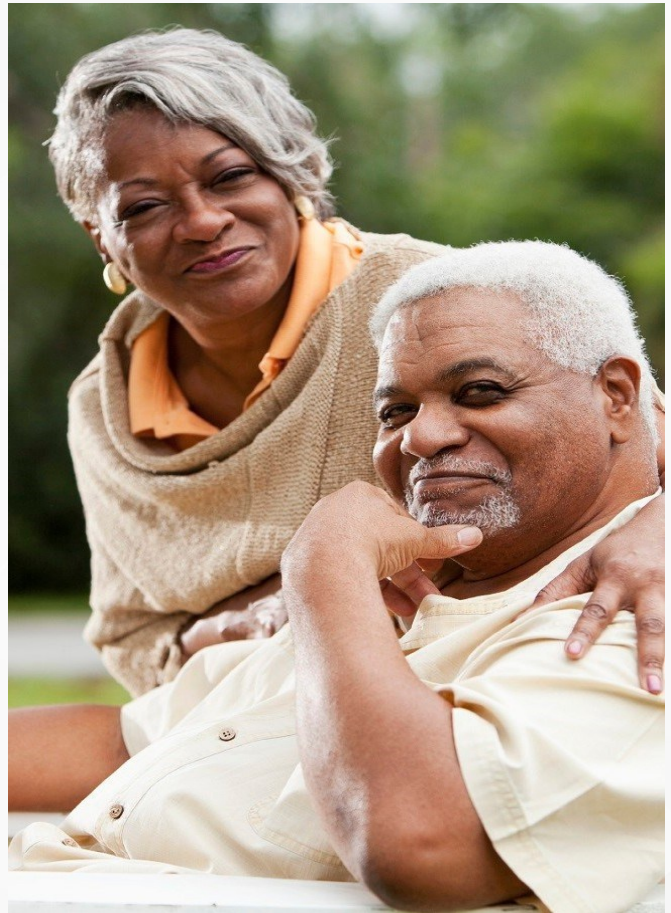
TEACHERS & SALARIED WORKERS
CO-OPERATIVE CREDIT UNION LTD.

Date: June 1, 2024

Venue: All Saints Parish Hall, South Beach

47TH ANNUAL GENERAL MEETING

THEME: "BUILDING ON THE PAST FOR A BETTER FUTURE"



2024

ANNUAL REPORT

TABLE OF CONTENTS

Page 2	• AGENDA
Page 3	• PRAYER OF ST FRANCIS OF ASSISI • CALL NOTICE
Page 4	• STANDING ORDERS
Page 5	• RETIRING BOARD & COMMITTEE MEMBERS
Page 6-36	• ANNUAL GENERAL MEETING MINUTES: • 46 th Annual General Meeting (AGM) • 46th AGM Continued Special Call Meeting ~ September 2, 2023 • 46th AGM Continued Special Call Meeting ~ December 2, 2023
Page 37-40	• BOARD OF DIRECTORS REPORT
Page 41-44	• TREASURER'S REPORT
Page 45-102	• AUDITORS REPORT • Financial Statements for the Year-Ended December 31, 2022: • Statement of Financial Position • Statement of Comprehensive Income • Statement of Changes in Equity • Statement of Cash Flows • Notes to Financial Statements
Page 103-104	• BUDGET 2024-2025
Page 105-108	• SUPERVISORY COMMITTEE REPORT
Page 109-110	• CREDIT COMMITTEE REPORT
Page 111	• CRITERIA COMMITTEE REPORT
Page 112-113	• RESOLUTIONS

AGENDA

CALL TO ORDER CHAIRMAN

INVOCATION
NATIONAL ANTHEM
PRAYER OF ST. FRANCIS OF ASSISI
APOLOGIES

Moment of Silence for Members Lost Since Last Meeting

READING OF AGM NOTICE..... SECRETARY OF THE BOARD

ASCERTAINMENT OF QUORUM..... VICE CHAIRMAN OF THE BOARD

GREETINGS FROM THE 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

CRITERIA 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 | BENEDICTION ASSISTANT TREASURER OF THE BOARD

Prayer of Saint Francis

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; And where there is sadness, joy.

O Divine Master,

Grant that I may not so much seek To be consoled as to console;

To be understood as to understand; To be loved as to love.

For it is in giving that we receive;

It is in pardoning that we are pardoned;

And it is in dying

that we are born to eternal life.

Amen

2024 CALL NOTICE

TO: MEMBERS IN GOOD STANDING ONLY

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

MESSAGE:

Notice is hereby given that the Annual General Meeting of the **Teachers & Salaried Workers Co-operative Credit Union Limited** is scheduled for **Saturday, 1st June 2024, starting at 9:00 a.m.** at the **All Saints Parish Hall, South Beach**

REGISTRATION:

Members will be able to **pre-register** online between May 13, 2024, through May 30, 2024 cut-off time 5:00p.m. The online registration link can be accessed via <https://www.tswccul.org/>.

In person registration will begin at 8:00 a.m. at the All Saints Parish Hall.

The purpose for the meeting is:

- ⇒ *To receive the Report of the Board of Directors for 2023.*
- ⇒ *To receive the Audited Accounts for 2023.*
- ⇒ *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 2024-2025.*
- ⇒ *To discuss and approve Resolutions.*

Secretary of the Board

Teachers & Salaried Workers
Co-operative Credit Union Limited

STANDING ORDERS

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.
6. 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 & COMMITTEE 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	2024	2025	2026
Leroy Sumner	2023			*
Elbert Thompson	2023			*
Theresa Deleveaux	2022		*	
Sharon Rahming	2022		*	
H. Don King	2023	*		
Henry Campbell	2021	*		
Italia Seymour	2021	*		

RETIRING SUPERVISORY COMMITTEE MEMBERS

Supervisors	Elected/ Reelected	2024	2025	2026
Sherene Saunders	2023			*
Sophia Thompson-Williams	2021	*		
David Briggs	2021		*	

RETIRING CREDIT COMMITTEE MEMBERS

Member	Elected/ Reelected	2024	2025	2026
Shena Williams	2021	*		
Theresa Sands-Mortimer	2023			*
Vienna McKenzie	2022		*	

NOMINATIONS COMMITTEE MEMBERS

Members
Judy Hamilton (Chairman)
Ashley Clarke (Secretary)
Jill Saunders Member

**Minutes of the
46th Annual General Meeting**

Venue: All Saints Parish Hall

Theme: "Let's Pivot & Take Off"

1.0 CALL TO ORDER

1.1 The 46th Annual General Meeting (AGM) of Teachers and Salaried Workers Co-operative Credit Union Limited (TSWCCUL) was called to order by Chairman Mrs. Cheryl Bowe-Moss.

2.0 PRAYER

2.1 Mr. Graham McKinney led with an opening prayer.

2.2 The prayer of St. Francis of Assisi was recited by all.

2.3 The National Anthem of the Commonwealth of The Bahamas was sung.

3.0 APOLOGY

3.1 Chairman Mrs. Cheryl Bowe-Moss relayed apology for Vice-Chairman Mrs. Italia Seymour who was unable to attend in person due to work commitments, however, would be attending virtually.

4.0 ACCEPTANCE OF AGENDA

4.1 Motion to accept the agenda was moved by Mrs. Belinda Wilson, seconded by Mrs. Sophia Williams, and was carried.

5.0 READING OF THE ANNUAL GENERAL MEETING NOTICE

5.1 Secretary, Ms. Renee Mayers read the 2023 AGM Notice found on page 3 of the booklet.

6.0 GREETINGS FROM THE BAHAMAS CO-OPERATIVE LEAGUE

6.1 Chairman Mrs. Cheryl Bowe-Moss invited Ms. Indera Adderley to the podium to bring greetings on behalf of the League.

6.2 Ms. Indera Adderley extended wishes for a successful AGM and reminded all that the AGM serves the best interests of the Credit Union and by extension the League. She encouraged all to ensure that the proceedings are in the best interests of the Credit Union and that it is for the purpose of strengthening.

7.0 PROTOCOL FOR MEETING

7.1 Director Mrs. Edna Ginton read the Standing Orders found on page-4 of the booklet.

8.0 READING OF THE 45TH AGM MINUTES

8.1 Secretary, Ms. Renee Mayers read the minutes of the 45th AGM found on pages 6-25 of the booklet.

8.2 Mr. Leroy Sumner moved a motion to suspend the reading of the minutes. The motion was seconded by Mrs. Belinda Wilson and was carried unanimously.

9.0 MATTERS ARISING

9.1 Mr. Leroy Sumner noted that if the Credit Union had the right property manager in place for the Abaco Complex we would have had it fully rented or leased.

9.1.1 Chairman Mrs. Cheryl Bowe-Moss advised that focused attention was placed on Abaco with a view to improving rental spaces and getting more done adding that most of the spaces are rented.

9.2 Mrs. Belinda Wilson asked if the Credit Union received the outstanding rent in the amount of \$170,000 for the East Street complex. She also asked if the building was rented by the Government of The Bahamas.

9.2.1 Chairman Mrs. Cheryl Bowe-Moss reported all of the funds was not received. However, they are in serious negotiations for the sale of the building. Additionally, the building is rented by the Government of The Bahamas and the Credit Union was actively pursuing outstanding rent.

9.3 Ms. Theresa Deleveaux referred to item 14.4.1 and 14.4.2. on a point of information regarding herself. She advised that she was disheartened by the comments because she would never mislead anybody when it came to the finances of the Credit Union.

9.3.1 Motion to expunge items 14.4.1 and 14.4.2 from the records was moved by Mr. Leroy Sumner, seconded by Mrs. Theresa Mortimer, and was carried.

9.4 Ms. Theresa Deleveaux referred to page 11, item 14.5.9 second sentence should read 'She reported that the matter was

discussed with the Regulator, the Central Bank, after the majority who voted to travel submitted a travel request to The Bahamas Co-operative League when the Chair at that time said that travel will be discussed after receipt of the Audit Report.”

9.5 Mrs. Belinda Wilson, referred to pages 13 and 14, specifically items 28 and 31. She asked if anyone travelled.

9.5.1 Chairman Mrs. Cheryl Bowe-Moss responded with a 'no'.

9.6 Ms. Theresa Deleveaux referred to page 20 on a point of information regarding the comment, Theresa Deleveaux never served on a committee except the AGM and Mrs. Edna Glinton did not serve on any committee except the Nomination Committee. She advised that she had 34 years of experience forming and regulating Credit Unions, not only with the Department of Co-operatives, but also a year with the Central Bank. In regard to Mrs. Edna Glinton, she was very successful in forming two vibrant school co-operatives and they were top-of-the-art school Credit Unions. Both she and Mrs. Edna Glinton are well qualified.

9.7 The motion for acceptance of the minutes with corrections was moved by (inaudible), seconded by Mr. Shavado Gibson and was carried.

10.0 **REVIEW OF THE MINUTES FOR THE SPECIAL CALLED MEETING JUNE 18, 2022, AND JULY 2, 2022**

10.1 Motion to dispense with the reading of the minutes of the Special Call Meetings on June 18, 2022, and July 2, 2022, and to proceed to Matters Arising was moved by (name inaudible), seconded by Mrs. Theresa Mortimer, and was carried.

11.0 **MATTERS ARISING JUNE 18, 2022, AND JULY 2, 2022, MINUTES**

11.1 Note was made that Ms. Sherene Saunders tendered resignation to the Nomination Committee.

11.2 Ms. Theresa Deleveaux requested an update on the request for an investigation into issues members experienced connecting to the two virtual special call meetings. She advised that she received a communication from the Board that she would be updated, however, to date she has received nothing. She also wrote to the Supervisory Committee but only received a "Noted".

11.2.1 Chairman Mrs. Bowe-Moss reported that there was a major failure with the I.T. Department preserving the recordings of the meetings. The I.T. Department had to provide an attestation. We cannot tell who attended the last meeting, however we know how many people were in attendance from the hand records.

11.2.2 Ms. Theresa Deleveaux asked if a list could be provided for people who were in attendance. An issue was that many people who came to the meeting were told they could not go in because they did not register, or their names were not on the register. She asked why they needed to register when the meeting was a continuation.

11.2.3 Chairman Mrs. Cheryl Bowe-Moss reported that the Credit Union has a printed list of attendees (physical).

11.3 The motion for acceptance of the Special Call Meetings was moved by Mrs. Pamela Hall, seconded by Mr. Leroy Sumner, and was carried.

12.0 **BOARD OF DIRECTORS' REPORT.**

12.1 Motion to suspend the reading of the Board of Director's Report was moved by Mrs. Belinda Wilson, seconded by Ms. Merrill Barnett, and was carried.

13.0 **MATTERS ARISING FROM THE BOARD REPORT**

13.1 Mrs. Belinda Wilson referred to page 28, noting financial challenges and members who were taken to the Supreme Court or the Magistrate's Court, she asked what are the results of those cases?

13.1.1 Chairman Mrs. Cheryl Bowe-Moss reported that many were resolved, and the Credit Union was able to restructure members loans. There has been a change in governance from the Central Bank where if a delinquent member can make payments for six months, their loans can be reworked. It is called forbearance. Additionally, the Credit Union is looking into extending loan terms on a concessionary basis over the 84 months mandated by law.

Members with loans experiencing difficulties were encouraged to go into the Credit Union to discuss how the Credit Union can assist them with restructuring their loans.

13.2 Mr. McDonald Rolle referenced page 30 where it stated that another aspect of our strategic objectives speaks to the properties. He noted that the TREHL building was sold, and that the other buildings were also on sale. He recommended

- meeting with the Central Bank to help them understand Credit Unions are not banks but are people helping people to help themselves.
- 13.2.1 Chairman Mrs. Cheryl Bowe-Moss advised that we have not given up the fight in getting the Central Bank to see the difference between banks and Credit Union. In fact, strides were made that they have now recognized that they need to sit and talk to Directors.
- 13.2.2 The property on Harold Road was sold and other properties are up for sale. The Abaco property is structured such that the Credit Union can retain its entire block unto itself. The East West property opposite Road Traffic and the building adjacent to Head Office which NHI occupies have potential buyers.
- 13.3 Mr. Leroy Sumner queried the South Ocean property.
- 13.3.1 Chairman Mrs. Cheryl Bowe-Moss reported that the South Ocean was sold and was reported on in the meeting last year.
- 13.3.2 Mr. McDonald Rolle questioned who purchased the South Ocean property.
- 13.3.3 Chairman Mrs. Cheryl Bowe-Moss reported the property was purchased by the Central Bank.
- 13.3.4 Mr. McDonald Rolle opined that it may be a conflict of interest for the Central Bank to purchase the property.
- 13.3.5 On a point of information Ms. Theresa Deleveaux advised that the Act states Credit Unions must not invest in investment properties. Additionally, decisions regarding purchase of properties should be put to the AGM first.
- 13.3.6 Mr. Leroy Sumner stated not as a rebuttal, that early in the Credit Union movement, a very conscious decision was taken to be involved in investment properties. He noted having the experience of visiting other Credit Union in Canada and Trinidad who owned many properties.
- 13.3.6.1 A position was put to the then Minister for Co-operatives and Credit Unions and they agreed that Credit Unions in The Bahamas should do similarly. A strategic plan was produced by the Teachers Credit Union that was endorsed by the AGM. Now however, the Central Bank is advising to sell the properties.
- 13.3.6.2 On the purchase of the South Ocean property by the Central Bank, Mr. Leroy Sumner asked how it was possible for the Regulators to force Credit Unions to sell properties and then turn around and buy them. Is this not a conflict?
- 13.4 Ms. Theresa Deleveaux queried if the TREHL building had a carrying value of \$3.1 million why it was sold for \$1.3 million.
- 13.4.1 Mrs. Cheryl Bowe-Moss reported that the TREHL building was purchased. She confirmed that the building was sold for \$1.3million and the profit was \$129,195.
- 13.5 Mr. Elbert Thompson voiced concern over the 25% employee turnover and asked what is being done to retain staff and is morale good.
- 13.5.1 Chairman Mrs. Cheryl Bowe-Moss advised that the Credit Union do not let staff go unless there is a situation. Employees voluntarily disengage themselves. The Credit Union empowers employees via training/education, and they look for greener pasture. A gripe has been wages, and we are looking at a better remuneration package.
- 13.6 Mr. Cephas Cooper voiced concern about who gave the authority for a particular real estate agency to exclusively advertise the property in Abaco.
- 13.6.1 Chairman Mrs. Cheryl Bowe-Moss advised that a request for bids would be sent out and based on the responses received, a realtor was chosen.
- 13.6.2 Mr. Cephas Cooper reported that he questioned at some point how a realtor could get involved in assisting the Credit Union to retrieve some of its assets on the distressed properties. He was told that the Credit Union does not give agencies exclusive rights to advertise properties. Therefore, he was surprised to see the Abaco property being advertised by a particular agency. He asked how a company can bid on advertising the East West Highway property.
- 13.6.3 Chairman Mrs. Cheryl Bowe-Moss reported that a bid was sent out and three quotes received from which a

realtor was chosen. There is also a potential buyer for the property.

13.7 Motion to accept the Board of Directors Report was moved by Mr. McDonald Rolle, seconded Mrs. Bernadette Davis-Smith and was carried.

14.0 **TREASURER REPORT**

Motion to dispense with the reading of the was unanimously carried.

14.1 Ms. Theresa Deleveaux observed that the report shows assets were decreasing questioned why and what was being done to increase it. Also, what steps were taken to use the funds from the sale of the TREHL building.

14.1.1 Treasurer Mr. Graham McKinney advised the Credit Union core business is loans and intense work is underway to rebuild the look book which is just over 30% and climbing.

The Credit Committee, the Risk Manager, Mortgage and Loans Departments have stepped up their game to make sure that our members get their needs met as soon as possible. There are some other things that are on the drawing board that are less provision driven, that will make us much more profitable.

14.1.2 Ms. Theresa Deleveaux noted that last year loans stood at 37% when it was supposed to be up to 70 to 80% and asked what the percentage of loans for the current period was.

14.1.3 Treasurer Mr. Graham McKinney reported a climb of 20% with loans standing near 50% at this present time, which was a significant difference from last year.

14.2 Chairman Mrs. Cheryl Bowe-Moss voiced concern with challenges in the construction market with mortgages noting that the price of materials went up significantly. The Credit Union was proactive in putting a hold on construction mortgages because of the high prices. Additionally, other methods were used to restructure loans so members could meet their obligations.

14.3 Mr. Elbert Thompson asked what the occupancy rate of the Abaco Plaza was and how many units were vacant.

14.3.1 Treasurer Mr. Graham McKinney reported the occupancy of the Abaco Plaza stood at 65% with 7 units vacant.

14.4 Motion to accept the Treasurer's Report was moved by Mrs. Belinda Wilson, seconded by Mr. Leroy Sumner, and was carried.

15.0 **EXTERNAL AUDITORS REPORT**

The External Auditors Report was presented by Ms. Noreen Campbell, Lead Auditor, ECOVIS highlighted as follows:

15.1 Motion to dispense with the reading of the full report and to focus on the opinion on pages 1-2 of the report was moved by Mrs. Belinda Wilson, seconded by Ms. Theresa Deleveaux, and carried.

15.2 Ms. Noreen Campbell reported that it was the duty of the Auditor to read the audited opinion on pages 1 and 2 as follows: 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, 2021 [sic], and the statement of comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended, the 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 of December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

The basis of our opinion is 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, which is on page 2.

We are independent of the Credit Union in accordance with the ethical requirements that are relevant to the 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 for a basis for our opinion.

15.3 Motion to accept the External Auditors' Report was moved by Mrs. Leanna Deveaux-Miller, seconded by Mr. Cephas Cooper, and was carried.

15.4 Ms. Charlene Deveaux referenced page 7 of the Audit Report that speaks about the principal objectives of the Credit Un-

ion. (B) indicates, "to create for its members a source of credit for provident or productive purposes at a reasonable rate of interest". She suggested the Board and Members consider the committee's position so that they can create opportunities. She recommended reassessing the eight years loan term.

15.4 Reference was made to page 17 that dealt with Time Deposits with banks as well as cash and cash equivalent. Ms. Charlene Deveaux voiced surprise that there was no investment in Bahamas Government Registered Stock (BGRS). Chairman Mrs. Cheryl Bowe-Moss advised the Credit Union has invested in BGRS.

16.0 BUDGET 2023-2024

Motion to dispense with the reading of the Budget was moved by (name inaudible), seconded by Ms. Rosalita Symonette, and was carried.

16.1 Ms. Theresa Deleveaux asked what the rationale for international travel being budgeted at \$25,000 versus local training at \$2,000.

16.1.1 Treasurer Mr. Graham McKinney reported that management has sought to source some information and some technology that would actually enable a transformation in the way training is done not only for staff but also for the Board and other committees.

16.1.2 Chairman Mrs. Cheryl Bowe-Moss reported that management is also looking into a training portal for members.

16.2 Ms. Theresa Deleveaux queried why Net Loss on property showed an increase for the budget in 2023.

16.2.1 Treasurer Mr. Graham McKinney reported the Net Loss is expected to increase. As mentioned, a property was sold that was listed at a significant value, however, the sale prices were under half due to market constraints, as we strive to diversify our portfolio to where the Regulator wants it to be.

16.3 Mr. Elbert Thompson asked for the meaning of item 62 Stabilization Fee.

16.3.1 Chairman Mrs. Cheryl Bowe-Moss advised the Stabilization Fee is mandated by law and it is one-quarter of 1% of the total assets that is placed in the League. The fund is used if the Credit Union encounters difficulty, and it is at \$61,000.

16.4 Mr. Elbert Thompson requested justification for line items 49 to 59 that account for Board travel, international conferences, training, out-of-pocket expenses for the Board, Supervisory Committee travel, training, Credit Committee training and conferences totaling \$135,000.

16.4 Treasurer Mr. Graham McKinney advised that during the period of the Covid lockdowns there was no room for training or travel. Additionally, training is typically budgeted, however, it does not mean the funds would be spent. The funds are provided in case there is availability for us to do so.

Treasurer Mr. Graham McKinney further advised that the Regulators require Board and Committee Members to satisfy a certain amount of training or lose their footing to sit.

16.5 Ms. Pamela Hall asked what the term limits for the registered stock were.

16.5.1 Chairman Mrs. Cheryl Bowe-Moss advised the longest term was four years.

16.6 Mr. Ashley Clarke, on a point of clarification, asked if the Nomination Committee was aware training of the availability of training relative to the Covid-19 lockdowns.

16.6.1 Treasurer Mr. Graham McKinney advised, yes, the Nomination Committee was aware. Additionally, there were some online trainings that took place via Zoom.

16.7 Mrs. Belinda Wilson queried page 92, item #48, office rent, Toronto.

16.7.1 Treasurer Mr. Graham McKinney reported that the office rent in Toronto refers to offsite storage for information technology (I.T.) system data in the event of a catastrophe to ensure business continuity. Additionally, there is an offsite location in New Providence and one in Grand Bahama.

16.8 Mr. Leroy Sumner reference item 62, Stabilization Fund and requested clarification on what was in the fund.

16.8.1 Treasurer Mr. Graham McKinney advised that for a Credit Union of our size, the Stabilization Fund was over-subscribed. The Stabilization Fund at the League is used to assist failing Credit Unions.

16.9 Mr. Leroy Sumner asked if information on the Credit Bureau was available to members.

- 16.9.1 Treasurer Mr. Graham McKinney advised that online training is available on the Credit Union website.
- 16.10 Ms. Christine Thompson voiced concern regarding members being treated on a one size fits all basis. She noted that every member's situation is unique and should be treated as such and the rules should reflect this. If not, the Credit Union will lose members.
- 16.11 Ms. Bridget Hogg questioned if there are reports available on when people are sent off on international training, what benefit the Credit Union gains from the training as well as what was spent.
 - 16.11.1 Treasurer Mr. Graham McKinney advised there is an expense form that shows how funds were allocated and spent.
- 16.12 Motion for acceptance of the budget was moved by Mr. Leroy Sumner, seconded by Mrs. Angela Hunt, and was carried.

17.0 **SUPERVISORY COMMITTEE REPORT**

Motion to dispense with the reading of the Supervisory Committee Report found on pages 93-96 was moved by Mrs. Belinda Wilson, seconded by Ms. Rosalie Simeon, and was carried.

- 17.1 Ms. Theresa Deleveaux noted that the information contained appears to be reports out of reports. She asked what the committee did, what did they recommend and what did they follow-up on. Ms. Theresa Deleveaux mentioned an investigation she sent to the Nomination Committee that she received a 'noted' response from the Supervisory Committee.
 - 17.1.1 Supervisory Committee Chairman Mr. Shavado Gibson advised that the matter regarding the Nomination Committee was escalated to the Board. He reiterated comments made by the Chairman Mrs. Cheryl Bowe-Moss regarding technical glitches with the prior AGMs.

The Committee traveled to the Abaco and Freeport branches to conduct an assessment evaluation. The report gives a synopsis of the evaluation, however, a detailed report can be provided. The Committee reviewed and tested the ATM cash, vault count, and petty cash book. A recommendation of their findings was submitted. The Committee along with the Internal Audit Department conducted special investigations, such as an outstanding \$80,000.00 check investigation that was currently still under investigation so no further information on this can be revealed.

The Committee held regular monthly meetings with the Internal Audit and Compliance Managers as well additional meetings when necessary. For the record he reported there were minutes of the meetings.
 - 17.1.2 Ms. Theresa Deleveaux questioned how many times the Committee met with the Board to put forth recommendations.
 - 17.1.2.1 Supervisory Committee Chairman Mr. Shavado Gibson reported the Committee met with the Board twice to discuss various matters that were pressing and to put forth recommendations.
- 17.2 Ms. Theresa Deleveaux asked if the Committee discussed and made recommendations on delinquency, loans, and ways to improve the bottom line.
 - 17.2.1 Supervisory Committee Chairman Mr. Shavado Gibson reported that there was an increased effort to reduce the delinquency rate as noted in section 3 of their report.
- 17.3 Mr. Elbert Thompson queried the damage to the Abaco building following Dorian noted in the Committee Report.
 - 17.3.1 Supervisory Committee Chairman Mr. Shavado Gibson reported there was basic flooding damage.
- 17.4 Mr. Elbert Thompson requested clarification on the Credit Committee Charter Attestation that was required by The Central Bank.
 - 17.4.1 Supervisory Committee Chairman Mr. Shavado Gibson reported charters govern the policies and performance of the Credit. The attestation was required by the Central Bank of The Bahamas to confirm compliance with laws and policies that govern the Credit Committee.
- 17.5 Mr. Elbert Thompson questioned how often the Committee planned to meet with the Board.
 - 17.5.1 Supervisory Committee Chairman Mr. Shavado Gibson reported the Committee plans to meet with the Board as often as they can which could be two to four times per year.
 - 17.5.2 Mr. Elbert Thompson recommended the Committee regularly meet with the Board quarterly.
 - 17.5.3 Mr. Leroy Sumner stated that in the Act the Supervisory Committee is the most important committee in the Credit

Union. It is independent of the Board; therefore, he recommended not asking the Board to come to meetings but to summon them to if they find something untoward.

17.6 Mr. Leroy Sumner asked if the Committee travelled to Canada to satisfy themselves that the office rented at \$20,000 per annum was a brick and mortar building and is the information stored in the cloud.

17.6.1 Supervisory Committee Chairman Mr. Shavado Gibson reported the Committee did not travel to Canada. He also advised that plans were underway to store information in the cloud.

17.7 Mr. Leroy Sumner asked if the Committee will follow-up on their recommendation that the declaration of funds be in place. Also, will they follow-up to ensure that the required complement of staff is in place at the Branches and Nassau for segregation of duties where necessary.

17.7.1 Supervisory Committee Chairman Mr. Shavado Gibson advised the Committee will follow-up on both aforementioned recommendations.

17.8 Mr. Leroy Sumner noted that with the challenges in the area of staffing noted in the report, what are the bad habits recognized.

17.8.1 Supervisory Committee Chairman Mr. Shavado Gibson quoted the section in the report as follows. "The glaring challenge is that some staff tend to revert to bad habits in relation to gathering KYC (know your customer) information and/or constant staff turnover of customer facing staff which contribute to knowledge gap." He stated that staff turnover poses a challenge with the knowledge gap, so we want to ensure that we retain staff. Staff members are leaving for better opportunities and pay.

The Credit Union is working to put in place benefits to attract and retain employees. Also, the Committee is working with management to analyze reasons for the turnover such as a review of exit interviews. Staff are also encouraged to improve themselves academically for upward mobility.

17.9 Mr. Luden Gibson stated that he was a member of the Credit Union from its inception and commended the Executive Officers and hardworking staff at the headquarters. He stated the Credit Union was based on serving the members. He has noticed the quality of service for which the Credit Union was known has diminished. One of the services the Credit Union used to offer was bill payment, however, it is no longer offered, and it is a service he relied on. He asked for consideration to reimplementing this service.

17.9.1 Chairman Mrs. Cheryl Bowe-Moss asked how many members were aware the Credit Union has available to them an app that they can access on their cellphones which can be downloaded from the Play Store. The app allows members to access their accounts and move funds from one account to another.

17.10 Motion for acceptance of the Supervisory Committee Report was moved by Mrs. Belinda Wilson, seconded by Mrs. Yvonne Rahming, and was carried.

18.0 CREDIT COMMITTEE

The motion to dispense with the reading of the report was moved by Mrs. Belinda Wilson, seconded by Ms. Pamela Hall, and was carried.

18.1 Ms. Theresa Deleveaux voiced disappointment with the Credit Committee's Report. She stated the report had no substance. It does not report on the risks, the delinquency part of the credit nor what the Committee has done. She requested an update on what the Committee has done as well as whether a Credit Committee Charter was completed.

18.2 Credit Committee Chairman Mrs. Bernadette Davis-Smith referred to page 97 in the report that spoke to total loans as at the 31st December 2022, at \$94,562,359.12. There were 2,791 loans on account. Delinquency stood at \$12,951,475 and the number of delinquent accounts was 257.

Asset quality was at 13.70%. Recovery payments, \$673,346. There was a total number of loans approved, valued at \$94,562,389.12.

In reference to the Credit Committee Charter, was still being worked on which was approved by the Central Bank. A committee meeting is held each month where loans are reviewed. The Credit Risk Manager and the Collections Manager are a part of the monthly meetings.

18.3 Ms. Leosha Rahming asked what is being done in regard to delinquent loans, specifically, delinquent mortgages.

18.4 Credit Committee Chairman Mrs. Bernadette Davis-Smith reported that the Collections Department is actively working to

bring in the delinquent funds inclusive of taking matters to court. Additionally, members may have the option of possibly lowering their payment rate.

18.5 Ms. Leosha Rahming asked if members are made aware that their payment are affected by the principal balance and that if they make extra payments directly to the principal it reduces their interest.

18.6 Credit Committee Chairman Mrs. Bernadette Davis-Smith advised that yes, this is explained to members when they apply for loans.

18.7 Motion for the acceptance of the Credit Committee Report was moved by Mr. McDonald Rolle, seconded by Mr. Elbert Thompson, and was carried.

19.0 RESOLUTIONS

19.1 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).

19.1.1 Ms. Theresa Deleveaux remarked that members may not realize that 2% interest on equity shares is 2% on \$200.00 or \$4.00.

19.1.2 Resolution #1 was carried.

19.2 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."

19.2.1 Resolution #2 was carried.

19.3 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.

19.3.1 Resolution #3 was carried.

Chairman Mrs. Cheryl Bowe-Moss advised that Resolutions 4 through 10 were Resolutions put forth by members.

19.4 RESOLUTION 4

BE IT RESOLVED THAT the bylaw 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.

- 19.4.1 Resolution #4 fell away.
- 19.5 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 #5 fell away.
- 19.5.1 RESOLUTION 6
- 19.6 BE IT RESOLVED THAT there be increased financial information reported to the membership as follows:
- a. Release of semiannual 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.
- 19.6.1 Resolution #6 fell away.
- 19.7 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.
- 19.7.1 Resolution #7 fell away.
- 19.8 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.
- 19.8.1 Resolution #8 fell away.
- 19.9 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.
- 19.9.1 Resolution #9 fell away.
- 19.10 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.
- The motion was put forth by Ms. Theresa Deleveaux and seconded by Mr. Elbert Thompson.
- 19.10.1 Resolution # 10 fell away.
- 19.11 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.
- 19.11.1 Resolution #11 fell away.

20.0

CRITERIA COMMITTEE

Motion for a Criteria Committee to be formed made up of five members who will be tasked with reviewing the criteria of service inclusive of stipends and matters arising from Resolutions #10-11 was moved by Mrs. Angela Hunt. The motion was seconded by Mr. Ashley Clarke, and was carried.

20.1 Members selected to serve on the committee were:

1. Angela Hunt (Chairman)
2. Theresa Deleveaux
3. Belinda Wilson
4. Ashley Clarke
5. Elbert Thompson

20.2 Chairman Mrs. Cheryl Bowe-Moss directed that the Criteria Committee Report be presented to the membership at the AGM next year for ratification. The Committee was asked to meet within 14 days to begin the process.

21.0 **NOMINATION COMMITTEE**

21.1 Ms. Theresa Deleveaux on a point of order questioned why the members of the Nomination Committee were elected in 2022. She reported that she had two outstanding unresolved issues within the Credit Union and one of them concerns the Nomination Committee. When you look at section 45(1)(a) in the Act it states that, "At the Annual General Meeting the membership shall appoint or elect a Nomination Committee. Only the membership could elect a Nominating Committee." She was made to understand that after an investigation and a report submitted to the Board by the legal Nomination Committee, they were told that their tenure fell away on July 2nd, which cannot be right because when you look at 45 it says they are supposed to be elected for one year. Section 48(7) says that the Nominating Committee members are elected for a term of one year.

Ms. Theresa Deleveaux questioned how a duly elected Nominating Committee can be replaced by the Board of Directors. She advised that if elections are held it will be illegal.

21.2 Chairman Mrs. Cheryl Bowe-Moss advised the elections will not be illegal and asked Mrs. Belinda Wilson to read page 20, section 39.18. of the prior minutes highlighted as follows:

"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 a new nominations and a special meeting called for the 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."

21.3 Ms. Theresa Deleveaux on a Point-of-Order advised that Mrs. Sharon Rahming at the Special Call Meeting in July 2022 made a motion for the Nomination Committee to be reappointed to serve until the next AGM (2023). The motion was seconded.

21.4 Mr. Leroy Sumner there appears to be an issue of the interpretation of whether or not the Nominating Committee, which was appointed by the Special Annual General Meeting, is still in operation, is still operative; or whether or not the one that was invited to become the Nomination Committee is in fact the legitimate committee.

21.5 Chairman Mrs. Cheryl Bowe-Moss advised that the Board obtained a Legal Opinion on the Nomination Committee appointments.

21.6 Mrs. Belinda Wilson on a point of information ask that the Legal Opinion be read in the hearing of the AGM.

22.0 **NOMINATION COMMITTEE LEGAL OPINION**

22.1 Secretary Ms. Renee Mayers read into the minutes the Legal Opinion from Campbell Chase Law.

We write further to your instructions of 3rd May 2023 requesting an opinion on the following:

Whether or not the motion made and carried by the membership present at the Special General Meeting on July 2nd, that the interim Nomination Committee elected at the Special General Meeting of June 14th to be reappointed to serve until the Annual General Meeting (AGM) in 2023 was valid and whether or not the Board acted within its authority in inviting members to serve on the Nomination Committee for the period July 2022 and the upcoming AGM of 2022.

Having read the relevant sections of The Bahamas Co-operate Credit Unions Act, 2015 and the Bye-Laws of the Teachers & Salaried Workers Co-operative Credit Union Limited, as well as the Minutes from the AGM and the Special General Meetings of May, June, and July 2022, we offer the following opinion:

Minutes: A review of paragraph 39 'Nominating Committee' of the Minutes of the May 22nd AGM highlights various defi-

iciencies as regards the conduct of the 2021/2022 Nomination Committee which precluded it from properly discharging its duties of vetting of nominations for positions due to be voted on and filled by the members at the May 22nd AGM. The result was that the membership determined that an interim committee would be elected by the SGM (which is the Special General Meeting) to review the existing nominations.

The SGM was announced to be held on 14th June and the only item on the agenda was the election of the aforesaid committee.

Paragraph 2 of the minutes of the June 2022 SGM record that the meeting was called for one purpose: to elect persons to serve on the Nomination Committee for the 45th AGM. Those minutes further reveal that only three members were nominated and thus elected unopposed to serve on the Nomination Committee on an interim basis to fulfil the functions of the previously dissolved 2021/2022 committee.

There appears no doubt that the interim Nomination Committee had only one purpose, to wit, as stated, receive and vet nominations for positions which were to be filled at the May 2022 AGM. The minutes of the July 2022 SGM presume that the proper vetting of candidates for the vacancies on the Board, Supervisory Committee and the Credit Committee took place. The membership voted and the vacant positions were duly filled.

The minutes of July 22nd SGM, however, further reveal in paragraph 6 thereof that on a Point of Order a motion was made that the interim Nomination Committee be reappointed to serve until the AGM of 2023. The motion was seconded and carried; thus, the interim committee was at that time purportedly voted to be extended as the sitting committee from the date of the AGM.

Section 19(2) of the Act stipulates that: The Special Called Meeting may be called only to address the subject matter specified in the request. We best interpret this section in this circumstance to mean the purpose which expressly appeared in the body of the requisite Call Notice.

The purpose of the meeting is the election of the following vacancies: Board of Directors, Supervisory Committee, Credit Committee.

The issue of the extension of the interim committee did not appear in the Call Notice for the July 22nd, 2022, Special General Meeting.

It is our opinion that as the election or ratification of the reappointment of the 2022 interim Nomination Committee to serve until the next AGM 2023 was not pursuant to the Act a "subject matter specified in the request" for the July 2022 SGM, the effect of the said vote for the purported reappointment is null and void.

While it is clear that the Board does have the capacity to fill interim vacancies on the Supervisory and Credit Committee, Article 13, paragraph 45(1)(a) reserves the right to elect members of the Nomination Committee exclusively for the membership. At each General Meeting the membership shall appoint a Nominating Committee. It seems therefore that any action taken by the Board in this regard is ultra vires its powers.

We are open to reviewing the authority upon which the Board relies for taking such action and are prepared to offer a supplement to this opinion on that basis if the need arises.

At this juncture, out of the abundance of caution, we will therefore propose the following:

1. Postponement of the AGM for 20 May 2023 a date to be fixed.
2. Notice of the Special General Meeting to appoint a new interim committee for the review and vetting candidates for vacancies of the proposed postponed 2023 AGM, advisedly 30 days post the said SGM.
3. Election of the 2023/2024 Nomination Committee on the new date.

We find that decisions taken by the membership are ordinarily unimpeachable once each member is properly notified or deemed to be notified of his or other opportunity to vote and of the subject matter on which he or she is being asked to vote. We are of the view that the proposed solution should accomplish this.

Should you have any further questions or comments please do not hesitate to contact us with the same.

- 22.2 Mrs. Belinda Wilson voiced that the Board had a Legal Opinion that was paid for, and the Credit Union should be guided by that opinion.
- 22.3 Chairman Mrs. Cheryl Bove-Moss advised that the time to extend the meeting for a Special Called Meeting was not

there. The advice to bring the meeting to elections was followed.

22.4 Mrs. Belinda Wilson moved a motion to suspend the meeting. All of the items that were not addressed are deferred for a Special Called Meeting to be called Saturday, September 2nd, 2023, at 9:00a.m. with the following agenda items:

- 1) The legal opinion be read into the record,
- 2) the Nomination Committee,
- 3) the legitimacy of persons who are serving on the Board, who may be sitting up there and who are not financial.
- 4) the election and the suspension or removal of the present Board.

To immediately ratify and reinstate the Nomination Committee elected last June 18, 2022, until the September 2, 2023, meeting for the purpose of reviewing all nomination applications received. The Nomination Committee will have 14 days from this meeting date to appoint someone to replace the member who resigned. The Committee will be made up of three members.

Nominations will be reopened anew for positions on the Board, Supervisory and Credit Committees and the current vacant positions will remain in place as follows:

1. Two vacancies on the Board
2. One vacancy on the Supervisory Committee
3. One vacancy on the Credit Committee

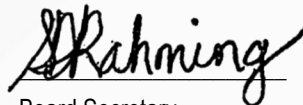
Further, the meeting is to be held in person only.

22.5 The motion was put to the floor and was carried by the majority with one against and one abstention.

23.0 Chairman Mrs. Cheryl Bowe-Moss thanked everyone for attending.



Board Chairman



Board Secretary

LIST OF ATTENDEES AT THE 46TH AGM MAY, 20 2023

- | | | | |
|--------------------------------|------------------------------|-------------------------------|-------------------------------|
| 1. Adderley, Shawn | 46. Corneille, McAlex | 92. Kelly, Daisy | 138.Seymour, Antoinette |
| 2. Albury, Althea | 47. Culmer, Sonia D. | 93. Kelly, Virginia | 139.Seymour, Demetria |
| 3. Alcira, Jessica | 48. Cunningham, Welbourne | 94. King, H. Don | 140.Seymour, Italia |
| 4. Allen, Christina | 49. Daley, Mario | 95. Lightbourn, Bruann | 141.Simeon, Rosalie |
| 5. Antoine, Christine | 50. Dames-Adderley, Indirah | 96. Lightbourn, Sylvia | 142.Smith, Evelynda |
| 6. Bain, Cardinal R. | 51. Darville, Donna | 97. Lightbourne, Elva | 143.Smith, Maud D. |
| 7. Bain, Nathalie L. | 52. Davis, Jamison | 98. Maycock, Anthony P. | 144.Smith, Michelle G. |
| 8. Bain, Wilson | 53. Davis, Renee P. | 99. Mayers, Renee | 145.Smith, Tammi L. |
| 9. Barnett, Merrell E. | 54. Davis, Vernita A. | 100.McKenzie, Vienna | 146.Stevens, Sherman |
| 10. Barnett, Thelma R. | 55. Davis-Smith, Bernadette | 101.McKinney, Graham | 147.Stevenson, Sherry E. |
| 11. Bascom, Faye | 56. Deleveaux, Andrea | 102.McKinney-Marshall, Angela | 148.Strachan, Crystal |
| 12. Bastian, Cynthia L. | 57. Deleveaux, Theresa | 103.Miller, Byron | 149.Stuart, Charlene |
| 13. Bastian, Natasha | 58. Demeritte, Ramona P. | 104.Miller, Carlisa | 150.Stubbs, Raquel |
| 14. Bastian, Sean | 59. Deveaux, Charlene | 105.Minnis, Randolph | 151.Sumner, Leroy |
| 15. Bastian, Sharell | 60. Deveaux-Miller, LeAnna | 106.Moncur, Leah Esther | 152.Symonette, Beverly A. |
| 16. Bethel, Mara | 61. Edwards, Vincent | 107.Moore, Lynette | 153.Symonette, Philendra |
| 17. Bethel, Sharad | 62. Ferguson, Cecil C. | 108.Mortimer, Theresa | 154.Symonette-Krezel, Shirley |
| 18. Bowe, Lorca A. | 63. Ferguson, Christopher | 109.Moss-Stubbs, Monique | 155.Taylor, Deborah |
| 19. Bowe, Sherma | 64. Ferguson, Elaine | 110.Moxey, Corene | 156.Taylor, Lynda |
| 20. Bowe-Moss, Cheryl | 65. Ferguson, Sheila | 111.Moxey, Jason | 157.Taylor, Randy A. |
| 21. Brennen-Williams, Samantha | 66. Forbes-Rolle, Eleanor E. | 112.Newry, Alterene | 158.Thompson, Christine A. |
| 22. Brice, Trevor | 67. Gardiner, Shernell | 113.Newton, Mable E. | 159.Thompson, Elbert |
| 23. Briggs, David | 68. Gibson, Bricemae | 114.Nicolls, Rose Marie | 160.Thompson, Eloise |
| 24. Brown, Patricia | 69. Gibson, Joanne C. | 115.O'Brien, Teresita L. | 161.Thompson, Julie F. |
| 25. Brown-Hepburn, Milisha | 70. Gibson, Luden | 116.Oliver, Berrynetta | 162.Turnquest, Robert |
| 26. Burrows, Annabelle | 71. Gibson, Shavado | 117.Outten, Lauretta | 163.Turnquest, Tonia |
| 27. Burrows, G. Camille | 72. Gibson, Tamica | 118.Patton, Donette | 164.Whymns, Jacqueline |
| 28. Burrows, Marilyn M. | 73. Gilbert, Gloria | 119.Poitier, Alfred | 165.Wilkinson, Fanola |
| 29. Burrows, Una M. | 74. Ginton, Edna | 120.Poitier-Cartwright, Susan | 166.Williams, Genesta R. |
| 30. Burrows-Rolle, Deloris | 75. Green, Christine | 121.Porter, Shavone S. | 167.Williams, Giovanni |
| 31. Butler, Dion E. | 76. Green, Kristelle | 122.Pratt, Eula A. P. | 168.Williams, Johnathan P. |
| 32. Butler, Rosemary | 77. Hall, Pamela | 123.Price, Anthony | 169.Williams, Shena |
| 33. Butler, Sylvia M | 78. Hall, Sherlyn W. | 124.Rahming, Leon | 170.Williams, Sophia |
| 34. Campbell, Henry | 79. Hanna, Aremerita L. | 125.Rahming, Leosha S. | 171.Williamson, Harrison |
| 35. Cash, Lindamae | 80. Hepburn, Mendel | 126.Rahming, Sharon | 172.Wilson, Belinda |
| 36. Charlton, Nicole D.P. | 81. Hogg, Bridget | 127.Rahming, Yvonne A. | 173.Wright, Marion |
| 37. Chase, Hugh | 82. Hunt, Angela | 128.Reckley, Barbara | 174.Zonicle, Marilyn |
| 38. Clarke, Ashley | 83. Hunt, Annishka | 129.Rhodriquez, Maria | |
| 39. Clarke, Sandra | 84. Ingraham, Sheila M. | 130.Rolle, McDonald | |
| 40. Colebrook, Lolita E. | 85. Jenoure, Jacqueline | 131.Rolle, Sherla | |
| 41. Colebrook, Samantha | 86. Jenoure, Maria L. | 132.Roxborough, Catherine A. | |
| 42. Collie, Vernal | 87. Joffre Mackey, Shantell | 133.Sands, Della-Reese | |
| 43. Cooper, Cephas | 88. Johnson, Austin | 134.Sands, Portia | |
| 44. Cooper, Vonnie | 89. Johnson, Inez | 135.Saunders, Jill | |
| 45. Corneille, Katisha | 90. Johnson, Virginia J. | 136.Scavella, Clifford | |
| | 91. Jones, Lillian | 137.Sears, Gloria E. | |

46th AGM Continued Special Call Meeting

Date: September 2, 2023

Venue: All Saints Parish Hall

1.0 QUORUM

Mrs. Italia Seymour, Vice-Chairman thanked members for their patience and advised that as of 9:11 a.m., there were 96 members in person and 6 online; therefore, there are 100 Members present at the meeting, representing a quorum.

2.0 Mrs. Belinda Wilson on a point of information asked for an update on the lawyer regarding the legal opinion received on the Nomination Committee.

2.1 Chairman Mrs. Cheryl Bowe-Moss reported the opinion was received from Campbell Chase Law.

3.0 CALL TO ORDER

3.1 The meeting was called to order by Chairman Mrs. Cheryl Bowe-Moss

4.0 ONLINE CONNECTION

4.1 Mr. Elbert Thompson questioned who was monitoring the people online and can they identify themselves, also they should be seen onscreen.

4.2 Chairman Mrs. Cheryl Bowe-Moss reported that Information Technology (I.T.) Department was monitoring the online connection.

4.3 Mrs. Belinda Wilson advised that at the previous meeting she moved a motion that the Special Meeting would be a face-to-face meeting only.

4.5 Chairman Mrs. Cheryl Bowe-Moss noted that in the spirit of democracy, are we going to disenfranchise Abaco and Grand Bahama from attending the meeting virtually.

4.6 Mrs. Belinda Wilson stated that there was a duty when the notice was sent out to specify that a resolution was moved and passed for an in person only meeting. She requested that what was approved be followed.

4.7 Chairman Mrs. Cheryl Bowe-Moss addressed the members on Zoom, advising that they were reminded that only in person members could attend the meeting. She apologized and directed I.T. to end the online meeting on Zoom.

5.0 PRAYER

The Prayer of St. Francis of Assisi was recited.

6.0 AGENDA

6.1 Mrs. Belinda Wilson rose on a point of order stating that the agenda provided for the meeting does not encapsulate the items that were moved in the Resolution.

6.2 Chairman Mrs. Cheryl Bowe-Moss read the Resolution into the record as follows:

All those in agreement with reinstating the Nomination Committee elected on 18th June 2022, immediately with the proviso that they appoint the third person to the committee and that all nominations are open, only for the vacant positions: two Board, one Supervisory and one Credit Committee.

With the provision that the three vacant positions on the Nomination Committee come forward to the membership en masse having been certified in good order.

6.3 The motion went one against, one abstention and carried.

6.4 Mrs. Belinda Wilson advised that the other resolutions were to suspend the meeting with a new date set for 9:00 a.m., September 2nd, 2023, with the following items to be a part of the agenda.

6.4.1 The legal opinion placed on screen and read with clarification on remedies from the lawyer.

6.4.2 Request for proof of the legitimacy of persons on the Board who are not or may not be financial.

6.4.3 The Nomination Committee be reinstated immediately.

6.4.4 The Criteria Committee appointed at the prior meeting would present their report.

6.4.5 Chairman Mrs. Cheryl Bowe-Moss stood to correct, advising the transcript of the meeting in May states the ad hoc Criteria Committee would present a report at the 2024 meeting. Further, the advertised agenda cannot be amended. However, she reported that (1) they did have the legal opinion; (2) management can verify who is financial and non-financial for you.

6.5 Mrs. Belinda Wilson moved for the following to be placed on the agenda:

1. Request for proof of the legitimacy of persons on the Board who are not or may not be financial.
2. Nomination Committee Report.
3. The legal opinion placed on screen and read with clarification on remedies from the lawyer.
4. Elections.

6.6 The motion was seconded by Mr. Elbert Thompson, and was carried.

7.0 **STANDING ORDER**

Treasurer Mr. Graham McKinney read aloud the standing orders for the meeting.

8.0 **FINANCIAL STANDING**

8.1 Chairman Mrs. Cheryl Bowe-Moss reported that every member on the Board, the Supervisory and the Credit Committee were in good standing with no delinquency.

8.2 Mrs. Belinda Wilson pressed for information on the financial standing of members of the Board.

8.3 Mr. Leroy Sumner on a point of information advised that during the last meeting, when the issue was raised on financial standing, the people involved stated publicly at the meeting that they had intended to resign, and he asked if the resignation stands.

8.4 Chairman Mrs. Cheryl Bowe-Moss disagreed that a resignation was proffered. She noted that there may be hidden agendas going on unnecessarily. However, the matter was referred to the Central Bank who are the ultimate adjudicators and have yet to respond. She cautioned against maligning members.

8.5 Mr. Leroy Sumner advised that a Tribunal should be appointed.

8.5.1 Chairman Mrs. Cheryl Bowe-Moss reported that a Tribunal was requested.

8.6 Mr. Leroy Sumner requested further information on the formation of the Tribunal. He noted that the law requires that a Tribunal of the Credit Union movement be established and appointed by the Cabinet for three-years. The Tribunal would be made up of members from the League and representatives from the various Credit Unions; and one of whom must be an attorney-at-law with five-years standing.

8.7 Chairman Mrs. Cheryl Bowe-Moss recommended that considering additional information is being requested, it may be prudent that the meeting is adjourned, and another held.

8.8 Mrs. Theresa Sands-Mortimer moved a vote of no confidence in the Chairman and that the meeting be turned over to the Vice Chairman and move on with the agenda.

8.8.1 The motion was seconded by Mrs. Belinda Wilson.

8.9 Mrs. Paula Knowles moved a motion that the good member who has the case before the Central Bank or who is not in good standing and who stood up and said, "I will resign", remove themselves from the Board.

8.9.1 The motion was seconded by Mrs. Angela Hunt. Mrs. Italia Seymour Vice Chairman called for a vote.

8.10 Ms. Renee Mayers addressed the members of the meeting on a point of order. She advised that she served as Secretary to the Board of Directors of Teachers and Salaried Workers Co-operative Credit Union. She noted that the matter on the floor had caused a lot of confusion. At the meeting on May 20th, 2023, she reported that she had experienced delinquency at another agency without shame, but she did not resign.

There was never an intent to misrepresent facts. However, what is important to remember is the manner in which the information was obtained which violated every financial confidentiality and privacy Act., particularly if you were to study privacy Acts of bank.

Ms. Renee Mayers stated for the record that no one on the Board acted ultra vires to what they were supposed to do as people who have been trusted with the business of the Credit Union. Actually, the Credit Union that released her private information is one with the challenge.

An agreement to repay the loan was honorably kept from 2021 until it was repaid in 2022. Further, she would not allow anyone to destroy the reputation of all of these members because of a period in time when she was building a business to appear as though she tried to defraud or misrepresent facts of the Credit Union.

Ms. Renee Mayers officially voiced her resignation from the Board of Directors for the record.

8.10.1 Vice Chairman Mrs. Italia Seymour noted that the motion falls with the immediate resignation of Ms. Renee Mayers.

9.0 BOARD REPLACEMENT

- 9.1 Mrs. Belinda Wilson stated for the record that with the resignation of the Secretary there is another vacancy on the Board.
- 9.2 Mr. Leroy Sumner, on a point of clarification advised the Act says that if a Board member dies or resigns, that it would be the Board's discretion to appoint a new person until the next Annual General Meeting. The person that was usually appointed would be the person who received the next highest votes.
- 9.3 Chairman Mrs. Cheryl Bowe-Moss stated that the policy and the byelaws say if there is a vacancy that occurs within one year of the next AGM, the Board should appoint somebody. The only condition where the Board does not appoint somebody if it is less than six months. The practice was that out of the people who ran for the position, the person who had the next highest votes is put in place. That person would fill the unexpired year and then in 2024 that post comes up for filling.
- 9.4 Mr. Elbert Thompson stated that based on the information presented, he moved that the person with the next highest votes from that election take the post that was vacated.
- 9.5 Mrs. Belinda Wilson second the motion and the motion was carried.
- 9.6 Vice Chairman Mrs. Italia Seymour announced that the person with the next highest vote was Ms. Theresa Deleveaux. She invited Ms. Theresa Deleveaux to take a seat with the Board.

10.0 LEGAL OPINION

- 10.1 Treasurer Mr. Graham McKinney read the legal opinion from Campbell Chase Law into the record as follows.
Campbell Chase Law dated 11th May, 2023, and is addressed to Teachers and Salaried Workers Co-operative Credit Union Limited, Independence Drive and East Street South, Nassau, Bahamas.

Attention: Mr. Byron Miller, General Manager.

Dear sirs,

Reference: Opinion in reference to the legitimacy of Nomination Committee elected at July 2022 SGM.

We write further to your instructions of 3rd May, 2023 requesting an opinion on the following:

1. Whether or not the motion made and carried by the membership present at the Special General Meeting of July 2nd, 2022 that the interim Nomination Committee elected at the SGM of June 14, 2022 be reappointed to serve until the Annual General Meeting in 2023 was valid.

And,

2. Whether or not the Board acted within its authority in inviting members to serve on the Nomination Committee for the period between July 2022 and the upcoming AGM of 2023.

Having read the relevant sections of The Bahamas Co-operative Credit Union's Act, 2015 (the Act) and the byelaws of the Teachers and Salaried Workers Co-operative Credit Union Limited, as well as the Minutes from the AGM and SGMs of May, June, and July 2022, we offer the following opinion:

The Minutes: A review of paragraph 39 "Nomination Committee" of the Minutes of the May 2022 AGM highlights various discrepancies as regards the conduct of the 2021/2022 Nominating Committee which precluded it from properly discharging its duties of vetting of nominations for positions due to be voted on and filled by the members at the May 2022 AGM.

The result was that the membership determined that the interim committee could be elected by SGM to review the existing nominations. The SGM was announced to be held on 14 June 2022 and the only item on the agenda was the election of the aforesaid committee. The Minutes of that meeting bear date 18 June 2022.

Paragraph 2 of the Minutes of the June 2022 SGM record that the meeting was called for one purpose: to elect persons to serve on the Nomination Committee for the 45th AGM.

Those Minutes further reveal that only three members were nominated and thus elected unopposed to serve on the Nomination Committee on an interim basis to fulfil the functions of the previously dissolved 2021 to 2022 Committee.

There appears no doubt that the interim Nomination Committee had only one purpose: to wit, as stated, to receive and vet nominations for positions which were to be filled at the May 2022 AGM.

The Minutes of the July 2022 SGM presume that the proper vetting of candidates for vacancies on the Board, the Super-

visory Committee, and the Credit Committee took place, the membership voted, and the vacant positions were duly filled.

The Minutes of the July 2022 SGM, however, further reveal at paragraph 6 thereof that on a Point of Order a motion was made that the interim Nomination Committee be reappointed to serve until the AGM of 2023. The motion was seconded and carried. Thus, the interim committee was at that time purportedly voted to be extended as the sitting committee from that date to the date of the 2023 AGM.

Section 19 subsection (2) of the Act stipulates that the Special General Meeting may be called only to address the subject matter specified in the request. We best interpret this section 19 subsection (2) in these circumstances to mean the purpose which expressly appeared in the body of the requisite Call Notice. The purposes of the meeting is the election of the following vacancies: Board of Directors, Supervisory Committee, Credit Committee.

The issue of the extension of the interim committee did not so appear in the Call Notice for the July 2022 SGM.

It is our opinion that as the election or ratification or reappointment of the 2022 interim Nomination Committee to serve until the next AGM 2023 was not pursuant to the Act, a subject matter specified in the request for the July 2022 SGM, the effect of the said vote for the purported reappointment is null and void.

Where it is clear that the Board does have the capacity to fill interim vacancies on the Supervisory and Credit Committees, Article 13, paragraph 45 subsection (1)(a) reserves the right to elect members to the Nomination Committee exclusively for the membership, "at each General Meeting the membership shall appoint a Nomination Committee".

It seems, therefore, that any position taken by the Board in this regard is ultra vires to its powers. We are open to reviewing the authority upon which the Board relies for taking such action and are prepared to offer a settlement to this opinion on that basis if the need arises.

At this juncture, out of an abundance of caution, we would therefore propose the following solutions to particularize the current circumstances:

1. Postponement of the AGM scheduled for 20th May 2023 to a date to be fixed.
2. Notice of an SGM to appoint a new interim committee for the review and vetting of candidates for vacancies at the postponed 2023 AGM, advisedly 30 days post the said SGM.
3. Election of the 2023/2024 Nomination Committee on the new date of the 2023 AGM.

We find that decisions taken by the membership are ordinarily impeachable once each member is properly notified or deemed to be notified of his or her opportunity to vote and the subject matter on which he or she is being asked to vote.

We are of the view that the proposed solutions should accomplish this.

Should you have any further questions or comments, please do not hesitate to contact us with the same.

Yours faithfully, Campbell Chase Law.

- 10.2 Mrs. Belinda Wilson queried who dissolved the Nomination Committee.
- 10.2.1 Vice Chairman Mrs. Italia Seymour advised that by virtue of its appointment only to the next AGM, the membership dissolved it.
- 10.2.2 Mrs. Edna Ginton advised that at the AGM (2022) the Nomination Committee was declared null and void. A Special AGM was called for one specific purpose, to appoint or elect a new Nomination Committee.
- 10.3 Mrs. Belinda Wilson requested clarity on why the legal opinion stated the notice for the July 2022 meeting was not pursuant to the Act. For the record she noted that what bothered some at the last meeting was the Board had the legal opinion and still purported to allow Mrs. Yvonne Rahming to go before the membership to present a Nomination Report. She stated that it was disingenuous and stressed the importance of transparency. She requested a copy of the legal opinion.
- 10.4 Mrs. Edna Ginton stated that she did not agree with the application of this opinion because she went back as far as 2015 when the Act was changed through 2019 and there was never a time when the Nomination Committee was included in the Call Notice. Further, the committee was appointed by the Board. In 2017 when Mrs. Sharon Rahming became Chairperson, the election of the Nomination Committee was instituted.
- 10.5 Mrs. Belinda Wilson questioned who requested the legal opinion and what was the cost.
- 10.6 Vice Chairman Mrs. Italia Seymour advised the Board gave instructions to obtain the legal opinion at a cost of approxi-

mately \$2,500.00.

- 10.7 Chairman Mrs. Cheryl Bowe-Moss reported that what unraveled in 2020 when elections were held, we were unable to get nominees for the Nomination Committee, therefore nominations were accepted from the floor. Research was conducted which revealed an elected committee was not in place. The Board Minutes in 2021 will reflect that the Board appointed persons to the committee which happened again in 2022. After the appointed committee was terminated in 2022 a new committee was elected at the Special AGM on June 22nd, 2022. That committee was bounded by the Resolution only to the Special AGM, which put us back in the quandary we were in before. After the Special AGM the interim committee was put in place.
- 10.8 Mrs. Edna Glinton explained that no face-to-face meetings were held in 2020-2021 because of Covid, resulting in there not being an elected Nomination Committee, therefore one was appointed.

11.0 **NOMINATION COMMITTEE REPORT**

Chairman Mr. Welbourne Cunningham was invited to the podium to present the Nomination Committee Report.

- 11.1 Mr. Welbourne Cunningham reported there were only two members of the committee present, himself, and Mr. Cecil Ferguson.

The Nomination Committee met on Monday, August 28th, 2023, at the Teachers and Salaried Credit Co-operative Union main headquarters on East Street. The Chairman of the Nomination Committee, Mrs. Anastasia White Maksyhung, was absent despite numerous calls, e-mails, phone calls, text messages to her. The last communication received from her was on August 8th, 2023.

Having a quorum, the meeting commenced at 4:10 p.m., and Mr. Welbourne Cunningham was appointed Chairman at the meeting and Mr. Cecil Ferguson was elected Secretary. The committee perused all the applications submitted for vacancies on the Board of Directors, Supervisory Committee, Credit Committee, and the Nomination Committee.

In reaching their decision, they were guided by the provisions of The Bahamas Co-operative Regulation Act, 2015; the Credit Union Byelaws; and a list of criteria given to them by the Corporate Secretary, which was used as a guideline for each committee.

After careful consideration and interviews with some of the candidates, where it was deemed necessary, the following decisions were made:

1. Board of Directors (9 applicants): 2 approved, 6 not approved, 1 voluntary withdrawal.
2. Supervisory Committee (3 applicants): 1 approved, 2 not approved.
3. Credit Committee (4 applicants): 3 approved, 1 not approved.
4. Nomination Committee (3 applicants): 1 approved, 2 not approved.
5. Three applicants selected multiple positions.

After interviews with each of them, outlining the basic criteria, they agreed that they would not meet the requirements and decided to withdraw their applications at such a time to meet the basic criteria.

There was one applicant who did not select a position. And after an interview, that person decided not to proceed with the applications.

The committee put forth the following recommendations:

The nominations forms be expanded to include delinquencies at any financial institutions, including all Credit Unions.

Delinquency should include any obligations that have fallen in arrears for 30 days or more.

The Teachers Credit Union immediately update its byelaws and document the same because they found out the criteria the committee was asked to use was not in convention of the Act and is silent on certain things. The committee believes that the only way to get an effective meeting is to update the byelaws.

There was an applicant who applied for a position and that person was a retiring Board member. The committee spoke with him, and he made mention that he was not aware that he could not apply for the Board if retired from the Board and having received benefits from the Credit Union. The recommends this be included in the byelaws.

The committee asked the Board under what authority the Credit Committee could write them asking them to furnish information after the Board mandated the Nomination Committee to move forward with applicants. They received a letter from the Supervisory Committee, Mr. Shavado Gibson demanding certain things and saying the Supervisory Committee need-

ed answers for an attestation. The Nomination Committee wanted to know on what basis Mr. Shavado Gibson was asking the Nomination Committee to provide information to the Supervisory Committee. The letter from Mr. Shavado Gibson, Supervisory Committee was read aloud.

Dear Nomination Committee. I hope this e-mail finds you all in good health. On behalf of the Supervisory Committee, we would like to have an update on your meeting for the special AGM. Furthermore, may you provide an attestation for the Nomination Committee meeting, date and time, as it was constituted after May 20th, 2023, AGM to meet 14 days after the AGM, which would have been on June 5th, 2023.

Please note that this information will assist in guiding us on the update of the process for nominations for the upcoming Special AGM on September 2nd, 2023.

Thank you for providing this e-mail for the Nomination Committee members. I will reach out to them. I notice that there were two names that were provided. Can you provide the information and the next committee member please.

Thank you for your cooperation. Regards, Mr. Gibson.

11.1.1 For the record, the Nomination Committee answers to the AGM. If the committee had a difficulty, they would go through the Corporate Secretary, who then will furnish the information to the Board. The Nomination Committee considered the letter as an interference in the work of the committee.

11.2 Chairman Mrs. Cheryl Bowe-advised the Supervisory Committee answers to the members, and they have the right to investigate.

11.3 Mr. Welbourne Cunningham reported receiving a letter from the Board that was signed by Mrs. Italia Seymour. The letter referenced Ms. Eleanor Rolle nominee who was not considered qualified to be running for the Credit Committee. The committee wanted to know how this became known to the Board.

11.3.1 Chairman Mrs. Cheryl Bowe-Moss reported that the nominees list with pictures was posted in the office.

11.4 Mrs. Belinda Wilson queried what authority the Supervisory Committee had to write to the Nomination Committee for information.

11.4.1 Chairman Mrs. Cheryl Bowe-Moss stated that she would say that they have none, because they now understood what the letter said.

11.5 Mr. Welbourne Cunningham read into the record the letter received from the Vice Chairman Mrs. Italia Seymour.

Dear Members of the Nomination Committee. Regarding Approval of list of candidates for Board, Credit and Supervisory Committee.

The Board of Directors have since received the approved list of candidates for retiring positions on the above committees. Since receiving that, we have had several concerns expressed by various members serving on the said committee seeking clarification on the rationale used to determine one's eligibility or ineligibility to run for candidacy. While there was a determination to move any Board members or participation in this nomination process, the Board maintains that the Board must ensure that the concerns of its members were duly noted and actioned in the view of determining all facts and attainment of resolutions. The concerns raised are summarized below:

A nomination for re-election of the Supervisory Committee was unsuccessful as the Nomination Committee cited the individual did not satisfy section 82(b).

On initial review and feedback received, it was revealed that the determination was made by the Nomination Committee with regards to understanding the full gamut of reports made at the recent AGM and without conducting a full investigation which should have included discussions with the key stakeholders directly influenced in or by the work of the Supervisory Committee or the examination of records produced by the committee. In fact, the members ratified the Supervisory Committee's Report for the past few years and to single out one function as not being met out of context as the justification to disqualify the candidacy is, at best, contractually flawed. Additionally, not to mention the guidelines by which each candidate was provided was not even the yardstick used by the Nomination Committee.

As noted in the guidelines governing the Nomination Committee, it is expected that the Nomination Committee ensures that fairness prevails and there is transparency. If there is a concern about the application, rather than not consider it, the applicant should be interviewed. The candidate in this case, Mr. Gibson, has cited this concern that he was not interviewed, nor was he present.

11.6 Mr. Welbourne Cunningham reported that the committee did meet with Mr. Shavado Gibson in September. The committee

- was of the opinion that the Board was interfering. The letter from the Board also noted concerns of an ethical nature on the nomination of Mr. Elbert Thompson.
- 11.7 Mr. Welbourne Cunningham reported that a letter was also received from Mr. Henry Campbell reiterating what was outlined in the letter from the Board. The committee considered this to also be interference.
- 11.8 Mrs. Belinda Wilson on a point of information what authority did the Board have to write to the Nomination Committee and was the source of the information which you were able to give in your letter when the Nomination Committee had not released the information.
- 11.8.1 Vice Chairman Mrs. Italia Seymour advised the letter was written on behalf of the Board of Directors on the concerns that were addressed once the list of candidates was made known.
- 11.9 Mrs. Paula Knowles questioned when the Board wrote the letter to the Nomination Committee was an emergency meeting of the Board called to consult with all members of the Board.
- 11.9.1 Vice Chairman Mrs. Italia Seymour advised no emergency meeting of the Board was held. However, with the exclusion of Chairman Mrs. Cheryl Bowe-Moss, emails and calls were made to the other directors. Vice Chairman Mrs. Italia Seymour further confirmed that she spoke to Director Mrs. Sharon Rahming who advised she was not in agreement with sending the letter.
- 11.9.2 Mrs. Edna Glinton reported receiving an email a day after the fact because she was off island and not able to receive emails. When she did respond, the following day she stated that it would be considered interference.
- 11.10 Mr. Cecil Ferguson, Member of the Nomination Committee reported receiving numerous e-mails, and WhatsApp messages from people trying to interfere with the decisions that were made. What complicated the situation even further was the fact that there is a need to ensure that the byelaws are updated. There cannot be a set of criteria issued this year that you decide to change next year. Ensure that there are clear guidelines because otherwise there will be confusion. He further advised no applicant was aggrieved by the decisions. Further the decisions made by the committee were within the guidelines they received.
- 11.11 Mr. Shavado Gibson, on a point of order, stated that it was mentioned that he was interviewed. However, he did not meet with the committee until after he received the email notifying him that he was not nominated. He received the email at 4:16 p.m. and sent a letter at 5:05 requesting a meeting. He received a response at 6:05 from Mr. Welbourne Cunningham.
- Mr. Shavado Gibson referred to the Nomination Guidelines in the booklet that stated 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 reviewed. All applicants are required to have current Credit Union experience, training, and attended co-operative union educational workshops ratified by the 40th Annual General Meeting Minutes in 2017. Nominees must have at least attended the last Annual General Meeting.
- Also, he was aggrieved by the decision of the Nominating Committee. He questioned what guidelines mandated that section 80.2 and 3 constitute. Why the Nomination Committee did not contact him to ask for information and clarification on The Bahamas Co-operative Act 2015, section 80.2 and 80.3. The decision was made without conducting a full investigation which would have included discussions with key internal partners with whom the Supervisory Committee works, as well as reviewing documents produced by the committee on a monthly basis.
- Mr. Shavado Gibson advised that the Supervisory Committee held monthly meetings with the Internal Audit and Compliance Unit. Minutes were generated and sent to the Corporate Secretary. Visits were made annually to the Freeport, Grand Bahama, and Abaco Branches. Additionally, a meeting was held with the Board.
- 11.12 Mr. Shavado moved that it be resolved that the Nomination Committee Report be rejected for the following reasons:
- 1) They were not properly constituted as directed.
 - 2) The committee should have been made up of three members.
 - 3) The committee failed to follow the selection criteria.
 - 4) They did not conduct interviews of candidates who applied.
 - 5) Did not afford an opportunity of appeal.
- 11.12.1 Further be it resolved that all existing committees, except the Nomination Committee, be allowed to stay in place until 2024 AGM.

11.12.2 The motion was seconded by Mrs. Bernadette Davis-Smith.

11.12.3 Mr. Leroy Sumner said that he was one of the applicants who was rejected by the Nomination Committee, and he too was not interviewed.

11.12.4 Father Berkley Smith advised his application was also rejected.

11.13 Mrs. Belinda Wilson rose to amend Mr. Shavado Gibson's Resolution. She moved to:

- 1) Reject the Nomination Committee's Report.
- 2) The nominations are opened for new candidates to apply.
- 3) Members whose nominations were approved nomination stands.
- 4) That the aggrieved individuals be allowed within seven days to have their appeals heard by the new Nomination Committee and to vet new applicants.
- 5) A special meeting be set for Saturday, September 30th, 2023, to conduct the elections.

11.14 The motion was seconded by Mr. Ashley Clarke. The motion was carried by majority vote with three opposed.

12.0 **NEW NOMINATION COMMITTEE**

12.1 Mrs. Belinda Wilson moved a motion to elect a new three-member Nomination Committee. The motion was seconded by Mr. Ashley Clarke, and it was carried.

12.2 Mrs. Sharon Rahming moved to nominate Mrs. Paula Knowles. The motion was seconded by Mrs. Sophia Williams.

12.3 Mr. Elbert Thompson moved to nominate Mrs. Portia Sands. The motion was seconded by Mrs. Indira Adderley and was carried.

12.4 Mr. Elbert Thompson moved to nominate Mr. Vincent Edwards. The motion was seconded by Ms. Christine Green.

12.6 The motion to close nominations was moved by Ms. Christine Green. The motion was seconded by Mrs. Indira Adderley and was carried.

12.7 Mrs. Bernadette Davis-Smith questioned if there were concerns regarding a nominee who it should be addressed to.

12.7.1 Treasurer Mr. Graham McKinney advised that concerns should be submitted to the Nomination Committee.

13.0 Ms. Christine Green advised the new Nomination Committee to adhere to the byelaws.

14.0 Mrs. Indira Adderley noted that there were two allegations levied, one on noncompliance with confidentiality and the other interference with the Nomination Committee. She stated that the Board has a judicial and fiduciary responsibility. She cautioned the Board for the record that if there are persons from your internal system levying these allegations it is very serious.

15.0 Mrs. Angela Hunt, on a point of information laid before AGM the Special Report from the committee that was appointed to review eligibility to serve on the Board of Directors and remuneration. The committee members are Angela Hunt, Belinda Wilson, Elbert Thompson, Ashley Clarke, and Theresa Deleveaux.

16.0 **INTERNATIONAL TRAINING**

16.1 Mrs. Belinda Wilson requested the names of Board and Committee Members who attended international training.

16.2 Treasurer Mr. Graham McKinney advised that it is stated in the 2023 budget which was approved, that the budget for Board travel was \$11,000; for Board international conferences \$25,000; and for Board training and local conferences \$2,000.

16.3 Mrs. Belinda Wilson stated that a budget is a projected figure that can be used. However, the Supreme Body, the AGM instructed that there was to be no travel.

16.4 Treasurer Mr. Graham McKinney reported that there was no travel in the year the motion was moved. Further in order to maintain seats on the Board the Regulator required a certain amount of training.

17.0 Mrs. Belinda Wilson moved a motion for a full travel report for 2023 to be presented at the Special Meeting on Saturday, September 30th, with names and amounts spent. When the full report is presented, everyone who travelled is to reimburse the Credit Union within 90 days of September 30, 2023, or by December 30th, 2023. Once it is reimbursed the documentation is submitted to the membership.

17.1 The motion was seconded by Mr. Elbert Thompson and carried.

18.0 **ADJOURNMENT**

18.1 Motion to adjourn the meeting was moved by Mrs. Belinda Wilson, seconded by Mr. Ashley Clarke, and was carried.



Board Chairman



Board Secretary

LIST OF ATTENDEES AT THE SPECIAL CALL MEETING SEPTEMBER 2, 2023

1) Adderley, Shawn	34) Davis-Smith, Bernadette	67) McGregor, Paula	101) Saunders, Jill
2) Albury, Vaughn	35) Deleveaux, Andrea	68) McKinney, Graham	102) Scavella, Clifford
3) Albury, Vonya	36) Deleveaux, Theresa	69) Miller, Anita	103) Sears, Gloria
4) Anderson, Arlington	37) Demeritte, Ramona	70) Miller, Byron	104) Seymour, Italia
5) Armbrister, Kevin	38) Deveaux-Miller, LeAnna	71) Minnis, Katie	105) Seymour, Keith A.
6) Bah Islands Coop CU - Hilton Bowleg	39) Edwards, Vincent	72) Minnis, Randolph	106) Simmons, Lana
7) Bain, Cardinal Rudolph	40) Ferguson, Cecil Caleb	73) Missick-Jones, Stephanie	107) Smith, Berkley J.
8) Barnett, Merrell E	41) Ferguson, Elaine	74) Moncur, Jewel	108) Smith, Evelynda
9) Bastian, Cynthia	42) Ferguson, Margareg L	75) Moore, Lynette	109) Smith, Keva
10) Bastian, Natasha	43) Gardiner, Shernell	76) Mortimer, Theresa	110) Stevens, Sherman
11) Bastian, Sharell	44) Gibson, Annabelle	77) Moss, Sophia	111) Strachan, Carolyn
12) Bethel, Mara B	45) Gibson, Joanne	78) Moss-Stubbs, Monique	112) Strapp, Mizpah
13) Bowe, Christopher	46) Gibson, Shavado	79) Moxey, Corene	113) Stuart, Charlene
14) Bowe, Lorca	47) Gilbert, Gloria	80) Newton, Mabel E	114) Stubbs, Raquel
15) Bowe, Sherma	48) Ginton, Edna	81) O'Brien, Teresita	115) Sumner, Leroy
16) Briggs, David	49) Grant-McKenzie, Vienna	82) Outten, Lauretta L.	116) Symonette, Beverly
17) Burrows, G. Camille	50) Green, Christine	83) Pennerman, Margo	117) Symonette-Krezel, Shirley
18) Burrows-Rolle, Deloris	51) Green, Kristelle	84) Pinder, Patrice	118) Thompson, Christine
19) Butler Jr, Wesley C	52) Griffin, Azariah	85) Pinder, Shonell	119) Thompson, Elbert
20) Butler, Dion	53) Hall, Pamela S	86) Pople, Paulette	120) Thompson, Eloisa
21) Butler, Rosemary	54) Hanna, Arlington	87) Pratt, Eula	121) Ward, Gawaine J
22) Campbell, Henry	55) Hanna, Betty	88) Rahming, Sharon	122) Ward, Gordon
23) Chambers-Thompson, Arnette Y	56) Hunt, Angela	89) Rahming, Yvonne	123) Ward, Juliette
24) Charlton, Nicole D.P.	57) Hunt, Annishka	90) Reckley, Barbara	124) Ward, Marry W
25) Chase, Hugh	58) Johnson, Khristle	91) Rhodriquez, Maria	125) Welbourne, Cunningham
26) Clarke, Ashley	59) Kelly, Daisy	92) Riley-Stevenson, Sherry	126) Whymns, Jacqueline
27) Colebrook, Samantha	60) King, H. Don	93) Roberts, Patrice	127) Williams, Genesta R.
28) Cooper, Nadia	61) Knowles, Paula D	94) Rolle, Coretta	128) Williams, Johnathon
29) Curry-Davis, Renee	62) Lightbourne, Bruann	95) Rolle, Eleanor E	129) Williams, Lennox
30) Daley, Mario	63) Lightbourne, Elva	96) Rolle, McDonald	130) Williams, Shena
31) Dames-Adderley, Indirah	64) Lightbourne-Woodside, Glendena	97) Rolle-Walace, Rochelle	131) Williams, Sophia
32) Darville, Donna	65) Lozaique, Hyacinth L	98) Romer, Barbara L	132) Wilson, Belinda
33) Davis, Jamison	66) Mayers, Renee	99) Roxboroug, Catherine	133) Zonicle, Deborah
		100) Sands, Portia	

46th AGM Continued Special Call Meeting

Date: December 2, 2023

Venue: St. John's College Auditorium

1.0 CALL TO ORDER

The Meeting was called to order at 9:18 a.m., by Vice Chairman Mrs. Italia Seymour.

2.0 PRAYER

The meeting was opened in prayer by Reverend B. J. Smith.

3.0 PURPOSE FOR THE MEETING

Vice Chairman Mrs. Italia Seymour advised that the meeting was a continuation of the meeting held on September 2, 2023. The purpose of the meeting was to continue the nominations process and elections.

4.0 STANDING ORDERS

Vice Chairman Mrs. Italia Seymour advised that the Standing Orders of the general meetings are to be continued. All comments and questions are to be directed to the Chairman. Once you are acknowledged, you are then able to speak.

5.0 NOTIFICATION

5.1 Vice Chairman Mrs. Italia Seymour reported receiving a letter from the Chairman of the Board, Mrs. Cheryl Bowe-Moss that morning, that advised of her decision to rescind her nomination for continued service on the Teachers and Salaried Workers Co-operative Credit Union (TSWCCUL) Board. The letter was read aloud.

5.2 Vice Chairman Mrs. Italia Seymour reported receiving a letter from the Treasurer of the Board, Mr. Graham McKinney that advised of his decision to resign with immediate effect from the TSWCCUL Board of Directors. The letter noted his completion of the Treasurer's Reports for the months of May, June, July, and August of 2023. The letter was read aloud.

5.3 Vice Chairman Mrs. Italia Seymour listed the following Directors who were in attendance:

1. Mrs. Sharon Rahming
2. Mr. Henry Campbell
3. Ms. Theresa Deleveaux
4. Mrs. Edna Glinton who was sitting in the audience. It was noted that Mrs. Edna Glinton was not seeking re-election.

6.0 NOMINATION COMMITTEE REPORT

Vice Chairman Mrs. Italia Seymour invited the Chairman of the Nomination Committee Mrs. Portia Sands to begin the process of nominations.

6.1 Mrs. Portia Sands introduced members of the Nomination Committee, Mrs. Paula D. Knowles, who served as Secretary of the Committee and Mr. Vincent Edwards. She extended apologies on behalf of Mr. Vincent Edwards who could not attend due to travel plans.

6.2 The following report was submitted.

The Nomination Committee was appointed September 30th, 2023, at the continued AGM meeting. The Committee was comprised of Portia Sands, Chair; Paula D. Knowles, Secretary; and Mr. Vincent Edwards.

The Committee was tasked with reviewing new applicants and to hear grievances from applicants who were declined by the former Nomination Committee.

The Nomination Committee met on Monday, 11th September 2023 to review applications and hear grievances, and again on Monday, 18th September 2023. All declined applications were reviewed, grievances were heard, and new applicants were reviewed. Minutes to these meetings were forwarded to the Corporate Secretary, and the Nomination Committee considered their assignment completed.

However, on Friday, 22nd September 2023, Nomination Committee Chairman Mrs. Portia Sands received a letter from the Central Bank copied to Ms. Cheryl Bowe-Moss, Chairperson, Board of Directors; Mr. Shavado Gibson, Chairman, Supervisory Committee; Mrs. Bernadette Davis-Smith, Chairperson, Credit Committee; and Mr. Byron Miller, General Manager.

The letter was addressed to the Chairman of the Nomination Committee, giving a directive to suspend the elections of Teachers and Salaried Workers Co-operative Credit Union Limited until further notice. The letter referenced a communi-

cation received by Central Bank dated 5th September 2023. The letter was sent via email on 22nd September 2023 as follows:

"Dear Mrs. Sands. Directive - Special Call Meeting.

We write with reference to the correspondence of 5th September 2023 from Teachers and Salaried Workers Co-operative Credit Union Limited, together with subsequent grievances escalated to the Central Bank relative to the subject. Given the material concerns expressed, the Central Bank of The Bahamas invokes its powers and issues a directive for Teachers and Salaried Workers Co-operative Credit Union Limited to postpone the electoral process slated for 30th September 2023 until further notice.

Moreover, the credit union is advised that the Central Bank intends to appoint an Arbitrator in accordance with section 93 (3)(b) of The Bahamas Co-operative Credit Unions Act, 2015 to have the matter(s) heard. The costs associated therein will be borne by the credit union pursuant to section 93(5) of the Act. Please note that your members should be notified with immediate effect of this action.

Additional information is forthcoming in a subsequent communication."

The letter was signed by Karen V. Rolle, Inspector, Banks and Trust Companies.

6.3 The Nomination Committee met to discuss the letter and requested a meeting with the Board to obtain clarification.

Three members of the Board agreed to the meeting: Theresa Deleveaux, Edna Glinton, and Sharon Rahming, who indicated that they also wanted clarification on the contents of the letter because they were not aware of the grievances filed at the Central Bank.

Four members declined to meet: three members Cheryl Bowe-Moss, Henry Campbell, and Graham McKinney, citing a conscious and ethical decision was made not to have the Board involved with the work of the Nomination Committee and it would be a waste of time. One member, Italia Seymour, did not respond.

6.4 The Nomination Committee did not agree that there was an interference nor a waste of time, but was simply seeking clarity on the letter that outlined grievances filed with the Central Bank. The Nomination Committee was charged by the AGM to hear all complaints and was of the view that all concerns should have been directed to them who had been mandated by the AGM to hear grievances.

The Committee met with the three members who agreed to attend a meeting on Monday, 2nd October 2023. It was discovered that the Board had not met in the month of September and the other four Board members were not willing to meet in their regular monthly meeting, even though they requested to meet.

It was also observed that because of a nonfunctioning Board, the Teachers and Salaried Workers Co-operative Credit Union Limited would have been disenfranchised with not having a representative to sit on the CAL Board.

6.5 After recognizing that the Board was nonfunctioning, the Nomination Committee drafted a letter dated October 6th requesting an urgent meeting with the Central Bank. A letter was sent to the Central Bank addressed to Karen V. Rolle, as follows:

"Dear Ms. Rolle.

Request for an urgent meeting:

I write in response to your communication dated 22nd September 2023 with caption, Re: Directive - Special Call Meeting, and as follow-up to our conversation on Tuesday, 26th September 2023.

Please note that the Nomination Committee eagerly await confirmation of a meeting date and time to address the grievances escalated to the Central Bank.

The current status of the Teachers and Salaried Workers Co-operative Credit Union Limited is thus:

We are four months outside of the legislated timeframe for elections.

There may be members still serving on the Board and committees who are conducting the business of Teachers & Salaried Workers Co-Operative Credit Union Limited and receiving stipends with whom the membership may wish to replace.

Continued delay is nurturing a lack of confidence in the establishment and subsequently fostering an atmosphere of instability that can adversely affect membership retention and growth. Members are unsettled and are asking questions for which they deserve answers.

An attempt was made to meet with the Board to obtain clarity on these matters. However, four members of the Board de-

clined and three accepted. This matter has fostered disunity, further fanning the flames of instability.

I am convinced that the Central Bank is concerned about the fact that the Teachers & Salaried Workers Co-Operative Credit Union Limited is operating in contravention to the Act and will endeavor to encourage organizational stability.

Consequently, presented below are some of the members' queries:

Who lodged the grievances?

What are the details of the grievances?

What legislated grounds were submitted to support the grievances?

What evidence was submitted to create a case for grievances which further delayed the elections?

What are the steps involved in the arbitration process?

How long will the arbitration process take?

Who will conduct the arbitration?

What is the exact cost of the arbitration to the membership?

Is this a calculated collusion to delay the elections?

If so, should there be penalties?

If these grievances are unfounded and being used as a delaying tactic, should those persons who filed bear the cost of the arbitration?

Is this another disingenuous act where a previous Nomination Committee was nullified, a legal permission sought without the knowledge or permission of the membership, the opinion once obtained was not followed and the membership was not informed but stumbled on the information?

Was the grievances escalated to the Central Bank because members of the Board were instructed by the membership not to write any letters to this Nomination Committee to adversely influence the eligibility of any candidate like they did to the previous one?

Is this a strategic tactic for delaying elections and opportunity to malign characters disguised as grievances?

How many times will the electoral process be interrupted? Members are anxious to execute their legislative rights to determine who will conduct their business. To defer their right for an indefinite period is a grave concern.

Who will bear the responsibility for actions taken by persons who members may not wish to have conducting their business during this period?

Moreover, please further note that in order for the credit union to forward a nominee from the Board to represent CAL at the Co-operative League on 18th October 2023, the elections must be completed before this date. The membership will be greatly disenfranchised as a result of the delay.

Expediency in this process will be greatly appreciated."

6.6 The Nomination Committee Chairman received a second communication from the Central Bank dated October 20th, 2023, advising that an Arbitrator was identified, with an hourly rate for the engagement, \$750.00 per hour, and with an initial retainer of \$10,000.00 as follows:

"Appointment of Arbitrator. In accordance with section 93 of The Bahamas Co-operative Unions Act, the Central Bank of The Bahamas is finalizing arrangements for the appointment of an Arbitrator to investigate and oversee the hearing of the disputes existing at the Teachers & Salaried Workers Co-Operative Credit Union Limited.

Retired Justice G. Diane Stewart, of McKinney Bancroft & Hughes (MBH), has been identified to sit as Arbitrator and render a decision upon hearing the issues raised in the referenced dispute.

Please be advised that the cost of the arbitrations are to be borne by the Teachers & Salaried Workers Co-Operative Credit Union Limited pursuant to sections 93(5) of the Act. The hourly rate for the engagement is \$750.00 per hour with an initial retainer of \$10,000.00 which will be maintained by MBH until a final invoice has been paid. Further, should a court reporter be required, the fees associated therein will be charged as a disbursement. MBH will submit accounts invoices on a regular basis.

Teachers & Salaried Workers Co-Operative Credit Union Limited is required to pay these invoices within 30 days of receipt.

Early during the week ended 27 October 2023, the Central Bank will confirm the due date of the \$10,000.00 retainer and provide the relevant payment instructions. Moreover, once the retainer has been paid, the Arbitrator will contact the relevant parties of Teachers & Salaried Workers Co-Operative Credit Union Limited to indicate the date of the initial case management meeting.

We hope that this process will be completed in the shortest amount of time and ultimately that the interests of the members remain the primary objective.

The above has been communicated to the Board of Directors."

The letter was signed by Sherice L. Saunders and copied to Ms. Theresa Deleveaux, Director.

6.7 As a result of the costs, the Nomination Committee became concerned about the members who at this point was unaware of the grievances, nor who submitted them.

The Nomination Committee heard nothing from the four members of the Board. They gave no indication of concern that the Central Bank was going to charge the Teachers & Salaried Workers Co-Operative Credit Union Limited a \$10,000.00 retainer fee and a billing of \$750.00 per hour.

It was at this point that the Nomination Committee recognized the complacency of the Board members and questioned whether they were complicit to and/or instrumental in orchestrating the actions of the Central Bank.

Consequently, the Nomination Committee made the decision to inform the membership, and more than 100 signatures were obtained in agreement to not pay for an Arbitrator and for the electoral process to continue.

6.8 Another communication was sent to the Central Bank with more than 100 members' signatures addressed to Sherice Saunders as follows:

"Dear Ms. Saunders. Appointment of Arbitrator.

Your letter regarding the above has been received and its contents duly noted.

The undersigned membership objects to the appointment of an Arbitrator. As previously mentioned, we are not in agreement, as owners, to take responsibility for the cost to which we have no voice in. We have questions and concerns regarding the selected Arbitrator:

Why wasn't these non-arbitration matters sent for resolution to The Bahamas Co-operative Legal Limited?

Is the identified Arbitrator related to or known to any of the persons who filed a grievance?

Is the arbitrator knowledgeable about the credit union movement and arbitration matters?

Why wasn't all parties consulted for the selection process?

We feel that such an appointment is premature, and the Regulators could have been more proactive in fostering an amicable solution between the parties.

Moreover, at its September 2nd, 2023, meeting, the membership appointed and approved a three-member Nomination Committee to meet with all aggrieved members and to report findings at the continued meeting, which was scheduled for September 30th, 2023, to hear the report from the Nomination Committee and for the election process to take place. The grievances should have been brought to the attention of the Nomination Committee.

It is our understanding that the Central Bank decided to postpone the electoral process.

However, we, the members, would like for the meeting to continue for the membership to be informed of all grievances, internal conflicts, and proposed actions in accordance with the law so that the work of the credit union can continue.

Members are not prepared to pay for an Arbitrator. The AGM membership is the supreme body and should be apprised of all matters and they are the deciding body on all matters. As members, we are aware that credit unions are considered financial institutions; however, with the key difference being that we are the owners of the organization, and it is in this context that it is widely agreed that any matter or matters requiring a significant outlay of funds, as the Central Bank is now imposing, ought to be explored only after all other possibilities have been exhausted.

The Central Bank, as our Regulator, should have been more proactive in bringing early resolution to any matters that it felt needed the intervention of a third party, especially when several of the concerns were brought forward from 2022 without any sort of intervention except for a promise of a meeting which has yet to happen. This hands-off approach was not helpful to this process, and we dare say that it has been a major part of escalating the issues that our credit union now faces.

In light of the foregoing, we respectfully suggest that the Central Bank convenes an emergency meeting with the general membership to determine if grievances are legitimate, and the necessity for the engagement of an Arbitrator at this particular junction, and if the aggrieved parties will be responsible for the cost.

We, the members and owners, trust that the Regulator will listen to our voice to bring closure to these matters and to ensure transparency and fairness to all. With all of the challenges facing credit unions at this time, every effort must be made to avoid possible reputational risk and members withdrawing their investments from the credit union. Yours sincerely."

A list of individuals who signed the petition was attached to the letter.

6.9 A response was received from the Central Bank requesting a meeting on Wednesday, November 1st, 2023, with a core group of persons.

6.10 The Nomination Committee invited Board members, Mrs. Sharon Rahming and Ms. Theresa Deleveaux, as they were willing to meet with the Committee as well as Mr. Leroy Sumner, nominee, and former Board member, who provided legal advice at no cost.

The Central Bank representatives included Karen V. Rolle, V. L. Carey, S. L. Saunders, Karanda Smith and N. M. Atkins.

The meeting was held virtually. Nomination Committee Secretary, Paula D. Knowles continuously agitated for the Central Bank to outline the grievances and who submitted them. However, the Central Bank representatives never explained what the grievances were, nor identified who lodged the complaints. They simply levied questions at the core group, who ably responded and satisfied whatever concerns the Central Bank might have had.

Note that the Nomination Committee never received a copy of the communication that was sent to the Central Bank about the grievances.

Subsequently, on Tuesday, November 7th, the Central Bank wrote to the Nomination Committee Chairman to revoke the directive, citing that the Central Bank will put a halt to the arbitration process to allow internal resolution through the electoral process.

6.11 The Nomination Committee immediately sought to advise the Corporate Secretary, Ms. Jacqueline Whymns, and requested that meeting arrangements be set for November 18th with recommendations for a venue. After much back and forth, the date was denied.

Another date of 25th November was presented, also with the recommendation of a venue. That too was denied by the Board, citing the 10-day Notice as required in the Byelaws. The Board decided that December 2nd was more convenient.

The request for the meeting to be held on the 25th was e-mailed on the 13th November, which gave ample time, according to the 10-day Notice, for the meeting to be held on 25th November.

6.12 On September 11th and 18th 2023, the Nomination Committee examined seven applicants. Three were deemed eligible and four ineligible, due to one or more of the following reasons: not in good standing, did not participate in previous AGMs, or lack of training experience.

6.12.1 An appeal was heard from Mr. Leroy Sumner, who was rejected based on a 2016 policy that cited no former Board of Directors who was retired from the Board and has received a retirement bonus and/or send-off party or served three consecutive terms to be nominated to return to the Board. Mr. Sumner presented three facts that were considered in his appeal: Former Board members, Mr. E. J. Bowe, and Mr. Johnley Ferguson, both retired and returned to serve on the Board.

An existing Board member or members have served more than three consecutive terms on the Board. Based on the facts presented, the Nomination Committee approved the application.

6.12.3 Nominations previously approved for the Board of Directors were Mr. H. Don King and Mr. Elbert Thompson. Mr. Elbert Thompson was absent due to medical travel and had sent an apology. Mrs. Cheryl Bowe-Moss was previously approved but has now rescinded her nomination.

6.13 In light of the resignation of Mr. Graham McKinney and the recent letter from Mrs. Cheryl Bowe-Moss, there were three vacancies on the Board of Directors with three approved nominees. These members can now obtain their posts unopposed.

16.14 The Nomination Committee also cites Teachers & Salaried Workers Co-Operative Credit Union Limited Byelaws section

- 16, 51(a): The Board of Directors shall meet as often as the business of the credit union may require, but not less frequently than once per month. 51(b) states: Due notice of such meeting shall be given to Directors by the Secretary.
- 6.14.1 52: A simple majority of members constitute a quorum; in this instance, four. 51(1): Where there are vacancies on the Board and (a) there is a quorum of Directors, the remaining Directors may exercise all the powers of the Directors or fill the vacancies until the next Annual General Meeting.
- 6.14.2 This indicates that any of the four members of the existing Board of Directors could have called a meeting at any time and as often as they are required and could have appointed a Secretary. Four Board members failed to attend or respond to a call for the regular monthly Board meeting.
- 16.14.3 As it stands, the Board has not met since August. The AGM needs to consider what should happen to the four noncompliant Board members. And in this instance, it is now two noncompliant Board members.
- 6.5 Supervisory Committee: There were two applicants. Mrs. Yvonne Rahming was previously approved.
- 6.15.1 An application from Ms. Sherene Saunders was examined and approved.
- 6.15.2 There were a total of five applications.
- 6.15.3 Three applications were deemed ineligible due to either or both requirements of not being in good standing or not participating in previous AGMs or lack of training experience.
- 6.15.4 Mr. Shavado Gibson, who was previously denied by the former Nomination Committee appeal was heard. The rejection was upheld because in his previous capacity as Chair of the Supervisory Committee, as required in Byelaws section 18, 75 failed to perform his duties as outlined in the Act, Part XII, 80(2)(b): Meet with the Board of Directors quarterly; and Part XII, 80(3)(a) lodge minutes of the meetings with the Corporate Secretary. It was noted that from 2021 to May 2023, Mr. Gibson had filed two meeting minutes.
- 6.6 The Nomination Committee did not have to examine the applicants for the Credit Committee, as they were all previously approved: Mrs. Bernadette Davis-Smith, Mrs. Eleanor Forbes-Rolle, Mrs. Theresa Sands-Mortimer. Mrs. Theresa Sands-Mortimer sent an apology due to medical travel.
- 6.7 The Nomination Committee examined the applicants for the incoming Nomination Committee. There were three vacancies, but there were two applicants. Ms. Jill Saunders was previously approved.
- 6.7.1 The other applicant was ineligible, due to one or more of the criteria: not in good standing, did not participate in previous AGMs, or lack of training experience.
- 6.7.2 As there is only one eligible person for the three vacant posts, Ms. Jill Saunders can assume the post and there remains two vacant posts on the Nomination Committee, and the AGM can determine who will fill those two vacant posts.
- 6.18 Vice Chairman Mrs. Italia Seymour thanked the Nomination Committee for their report.
Mr. McDonald Rolle commended the Nomination Committee for such a detailed report.

7.0 COMMENTS

- 7.1 Mrs. Bernadette Davis-Smith voiced concern that the Chairman of the Nomination Committee, did not announce to the AGM when she was elected that she is sister-in-law to an applicant who was running for a position on the Credit Committee. Additionally, the nominee is the President of the Financial Services Union and banks are competitors.
Secondly, a former member of the Supervisory was involved in a real estate sale and as a result resigned from the Supervisory Committee. They have now applied for a position on the Board. The rules state that for a member to run they must serve on former committees. For a Board member to run, he must serve on former committees, or attend the last three AGMs. This did not take place with some applicants.
- 7.2 Mrs. Bernadette Davis-Smith moved that the Nomination Committee be removed, and a new Nomination Committee be put in place. The motion was seconded by Pastor Christina Allen.
- 7.3 Ms. Theresa Deleveaux reported that the Supervisory nominee questioned by Mrs. Bernadette Davis-Smith was deemed eligible by another Nomination Committee. The current Chairman of the Nomination Committee had nothing to do with the nomination.
- 7.4 Ms. Christine Green voiced that one of the Byelaws says that if a member served three consecutive terms, or received a

retirement package they are not to be allowed to sit again. The Nomination Committee accepted a nomination because precedent had been set. Going forward is it going to be the rule?

- 7.5 Mrs. Portia Sands advised that it was not a part of the Byelaws but was a policy. The AGM can decide if it is to be a part of the Byelaws.
- 7.6 Mrs. Belinda Wilson reported that she served on an ad hoc committee charged with reviewing nominations criteria and it was tabled at the last meeting, September 2nd.
- 7.7 Mrs. Edna Glinton noted that in previous years, the Nomination Committee was appointed by the Board. However, about five or six years ago, the Nomination Committee was the only committee that was allowed to nominate from the floor.
- 7.8 Mrs. Edna Glinton voiced concern that this privilege of a member attending an AGM was being taken away. Further, she did not recall there being a regulation or any discussion to change the way such a crucial committee is elected to assist the Board. The job of the Nomination Committee is to be objective, open-minded with no bias.
- 7.9 Mrs. Belinda Wilson moved for the Nomination Committee Report to be accepted. The motion was seconded by Mr. Cecil Ferguson and was carried by the majority with one member opposed.

8.0 ELECTIONS

Vice Chairman Mrs. Italia Seymour invited, Mr. H. Don King, Mr. Leroy Sumner, and Mr. Elbert Thompson in abstention, who were nominated unopposed to be seated at the Board of Director's table.

The election process was turned over to the Nomination Committee Chairman, Mrs. Portia Sands.

8.1 SUPERVISORY COMMITTEE:

Nominees for the Supervisory Committee, Ms. Sherene Saunders, and Mrs. Yvonne Rahming were given an opportunity to introduce themselves.

SUPERVISORY COMMITTEE VOTES

Supervisory Committee Nominee	No. of Votes
Sherene Saunders	39
Yvonne Rahming	34

8.2 The motion to destroy the ballots was moved by Mrs. Belinda Wilson.

8.3 CREDIT COMMITTEE:

Nominees for the Supervisory Committee, Mrs. Bernadette Davis-Smith, Ms. Eleanor Forbes-Rolle, and Mrs. Theresa Sands-Mortimer (who called in) were given an opportunity to introduce themselves.

CREDIT COMMITTEE VOTES

Credit Committee Nominee	No. of Votes
Bernadette Davis-Smith	9
Eleanor Forbes-Rolle	25
Theresa Sands-Mortimer	43

8.4 Mrs. Belinda Wilson moved for the ballots to be destroyed. The motion was seconded by Mrs. Sophia Williams.

8.6 Nomination Committee:

Note was made that Ms. Jill Saunders was elected unopposed. The following members were nominated and appointed from the floor to serve on the Nomination Committee.

- ◆ Mr. Ashley Clarke

◆ Ms. Judy Hamilton

9.0 BOARD OF DIRECTORS ELECTION

9.1 Mr. Melbourne Cunningham rose on a point of note regarding a need for voting on who should be on the Board. He stated that when the Nomination Committee closed nominations there were only two vacancies. However, three people were seated on the Board. The resignation of the Treasurer calls for there to be an appointment of a third director which only the Board could appoint.

9.2 After discussion, it was agreed for elections to be held for the vacancies on the Board. The nominee with the lowest votes would be appointed to serve until the following AGM, pursuant to the byelaws.

9.3 BOARD OF DIRECTORS:

Nominees for the Board of Directors, Mr. Leroy Sumner, Mr. H. Don King were given an opportunity to introduce themselves.

BOARD OF DIRECTORS VOTES

Board of Directors Nominee	No. of Votes
Leroy Sumner	53
H. Don King	31
Elbert Thompson	32

9.4 The motion to destroy the ballots was moved by Mrs. Belinda Wilson. The motion was seconded by Mrs. Sophia Williams.

9.5 Mrs. Bernadette Davis-Smith asked that the records reflect that there was a discussion on spoiled ballots. That the spoiled ballots were not shown to the body which may have disenfranchised some members.

9.6 The Board of Directors appointed Mr. H. Don King to serve until the next AGM.

10.0 MOTIONS FOR ACTION BY THE BOARD.

Mrs. Belinda Wilson moved the following motions for action by the Board of Directors to be reported to the membership at the next AGM 2024.

10.1 The Nominations Criteria ad hoc Committee report tabled at the meeting held September 2, 2023, to be reviewed by the Board.

10.2 Reimbursement of travel expenses. Ensure persons who travelled in 2023 as voted during the meeting on September 2, 2023, reimburse the Credit Union by the December 31, 2023, deadline.

10.3 Communication(s) sent to the Central Bank be properly investigated with report on same submitted at the next AGM.

10.4 Full disclosure on the sale of the TREHL Building, Tonique Darling Highway, and all documentation attached.

10.5 Ensure that loans for Board, Supervisory/Credit Committee, and Staff were approved in accordance with The Bahamas Cooperative Credit Union Regulations 2015, part III, section 5 & 6 and present a list of who received a loan.

10.6 A full investigation of the high staff turnover is to be conducted to determine the reason(s) why staff are leaving. Recommendation to speak with staff who left the organization.

10.7 Teller shortage. There should be more than one teller on, especially during peak periods.

a. Reinstatement of the senior citizen line.

10.8 Full investigation into the collapse of the accounting system (IT server crash) as to:

a. Why did it happen?

b. Where is the server located (local or international)?

c. What is the backup for the server?

10.9 The motion was seconded by Mrs. Sophia Williams and was carried by the majority with one member opposed.

11.0 ADJOURNMENT

11.1 Mrs. Belinda Wilson moved for adjournment of the meeting. The motion was seconded by Mrs. Sophia Williams and was carried.



Board Chairman



Board Secretary

LIST OF ATTENDEES AT THE SPECIAL CALL MEETING DECEMBER 2, 2023

- 1) Adderley-Sands, Portia A.
- 2) Bain, Joycelyn
- 3) Barnett, Merrill
- 4) Bascom, Faye
- 5) Bethel, Sandra P.
- 6) Bethel, Sharad
- 7) Bowe, Sherma
- 8) Brennen-Williams, Samantha
- 9) Brice, Patrice
- 10) Briggs, David
- 11) Brown, Iva
- 12) Brown, Marva
- 13) Brown, Sherika
- 14) Brown-Johnson, Lakesha
- 15) Burrows, Marilyn
- 16) Butler, Rosemary
- 17) Butler, Wesley C
- 18) Campbell, Henry
- 19) Chase, Hugh
- 20) Clarke, Ashley Charles
- 21) Colebrook, Samantha
- 22) Collie, Vernal
- 23) Cunningham, Welbourne
- 24) Darville, Donna
- 25) Davis-Smith, Bernadette
- 26) Deleveaux, Andrea
- 27) Deleveaux, Theresa
- 28) Demeritte, Joan
- 29) Deveaux-Miller, LeAnna
- 30) Ferguson, Cecil C.
- 31) Ferguson, Margarette
- 32) Flowers-Thompson, Chakita
- 33) Forbes, Keysha
- 34) Forbes-Rolle, Eleanor
- 35) Gardiner, Shernell
- 36) Ginton, Edna
- 37) Grant-McKenzie, Vienna L.
- 38) Green, Christine
- 39) Green, Kristelle M.
- 40) Griffin, Azariah
- 41) Hall, Pamela
- 42) Hall, Sherlyn
- 43) Hamilton, Judy
- 44) Hawkins, Karen
- 45) Jenoure, Maria L.
- 46) Johnson, Allyandria
- 47) Johnson, Dasmine
- 48) Johnson-Allen, Christine
- 49) King, Hillary D.
- 50) Knowles, Paula
- 51) Laroda, Quinn
- 52) Lightbourne, Bruann
- 53) Miller, Byron
- 54) Minnis, Randolph
- 55) Moxey, Corene
- 56) Moxey, Weslin C.D.
- 57) Oliver, Berrynetta
- 58) Parks, Elizabeth L.
- 59) Pople, Paulette
- 60) Rahming, Sharon
- 61) Rahming, Yvonne
- 62) Robinson, Philippa
- 63) Rolle, Brensil
- 64) Rolle, Coretta
- 65) Rolle, Elsworth
- 66) Rolle, McDonald
- 67) Rolle, Wallace, Rochelle
- 68) Rolle-Ingraham, Portia
- 69) Sands, Andre
- 70) Saunders, Jill
- 71) Saunders, Sherene
- 72) Scavella, Clifford
- 73) Sears, Ruthmae
- 74) Sears, Venolia
- 75) Seymour, Italia
- 76) Seymour, Keith
- 77) Smith, Alvin
- 78) Smith, Berkley J.
- 79) Smith, Maryann
- 80) Smith, Rubyann
- 81) Stevenson, Sherry
- 82) Strachan, Deidre
- 83) Strachan, Earolyn
- 84) Strapp, Mizpah
- 85) Sumner, Leroy
- 86) Sumner, Ruth
- 87) Turnquest-Sweeting, Marla
- 88) Whymns, Jacqueline
- 89) Williams, Lana
- 90) Williams, Shena
- 91) Williams, Sophia
- 92) Williamson, Harrison
- 93) Wilson, Belinda
- 94) Zonicle, Deborah

BOARD OF DIRECTORS



LEROY SUMNER
CHAIRMAN



ELBERT THOMPSON
VICE CHAIRMAN



THERESA DELEVEAUX
TREASURER



SHARON RAHMING
SECRETARY



H. DON KING
ASST. TREASURER



HENRY CAMPBELL
ASST. SECRETARY



ITALIA SEYMOUR
DIRECTOR



Leroy Sumner
Board Chairman

BOARD OF DIRECTORS REPORT

Fiscal Year 2023

On behalf of the Board of Directors, I am pleased to present to you the Board of Directors Report for the Financial Year 2023 of the Teachers & Salaried Workers Co-operative Credit Union Limited (TSWCCUL).

ACHIEVEMENTS AND GROWTH

We are committed to providing quality financial services to our members while upholding the values of the cooperative principles and philosophy.

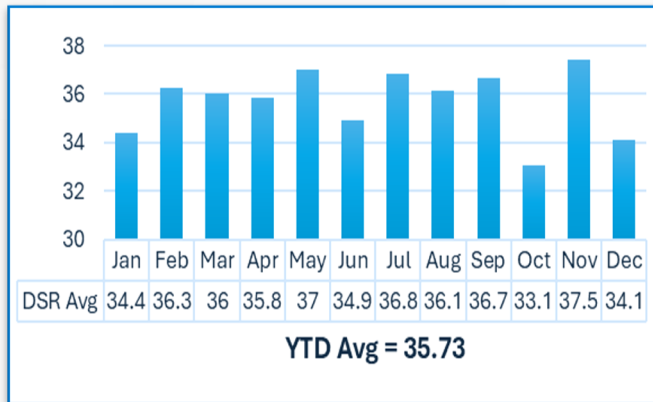
The growth experienced with respect to membership is a testament to the trust and confidence in our Credit Union. Our *in-house surveys* reflect favorably on our organization, with more members feeling a strong sense of pride about their Credit Union.

One of the core values of our Credit Union is giving back to the community, and we are pleased to advise that donations to local charities and needy families remain a beacon of light and hope to many. This initiative reflects our dedication to the Credit Union motto of 'People helping People'.

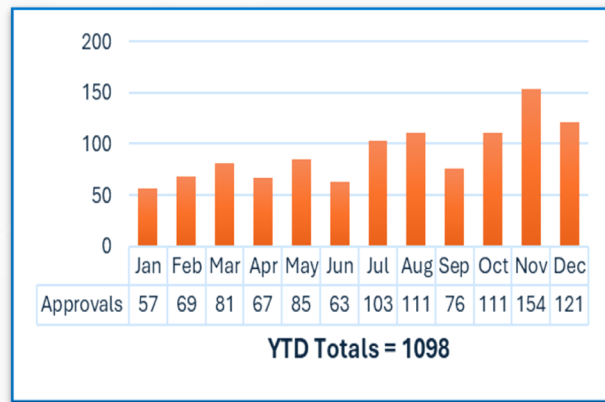
LOANS:

In the past fiscal year, our Loans Team demonstrated modest performance, facilitating the approval of over \$18 million in loans. This achievement is a testament to the team's unwavering commitment to serving our members and meeting their financial needs effectively. Our loans campaigns and events were tailored toward meeting the needs of members. With more than 2,600 members relying on the Credit Union for their credit solutions, we continue to solidify our position as a trusted financial partner within the business community.

DEBT SERVICE RATIO AVERAGE



LOAN APPROVALS



In August 2023, the Small Business Centre collaborated with our Mortgage Department. It was designed to cater to the diverse needs of our members. This Centre aims to provide accessible and affordable financial solutions to help our members achieve their dreams of homeownership and entrepreneurship.

We are pleased to report on this significant development in the operations of our Credit Union that underscores our commitment to empowering our members and contributing to the growth and prosperity of our community.

Over the past year, we executed a Memorandum of Understanding with the Government of The Bahamas for the granting of mortgages to qualified Credit Union members for the purchase of homes in Renaissance Village, off Carmichael Road. The granting of mortgages to qualified members underscores our unwavering commitment to increase home ownership. By facilitating access to affordable financing options, we are not only fulfilling the aspirations of our members but also fostering economic growth and stability within our community.

While we celebrate this success, we recognize the untapped potential within our member base, and we are optimistic about expanding our products and services. We firmly believe that we can double the number of members benefiting from our loan products, given the

competitive advantage of our highly attractive interest rates when compared to other financial institutions. This accomplishment not only highlights our team's dedication and expertise but also underscores our commitment to providing valuable financial solutions that empower our members to achieve their goals.

As a financial institution committed to serving our members and ensuring the soundness of our operations, we have worked diligently to recover outstanding debts, restructure loans, and uphold the principles of financial responsibility. In the past fiscal year, our Credit Union achieved significant success in our collection efforts. We are proud to report that we realized a total of \$669,826.34 in recoveries, a testament to our dedicated collections team's hard work and commitment to resolving delinquent accounts. These efforts have helped to strengthen our financial position.

We are pleased to announce that we collected \$113,728.28 in unexpected interest income resulting from collection efforts. This serves as a reminder of the importance of proactive collections management in safeguarding the Credit Union's stability and sustainability.

In addition to our recovery efforts, we have taken proactive steps to assist members facing financial challenges by restructuring several loans for repayment; working closely with members to create sustainable repayment plans tailored to individual circumstances, we have helped to alleviate financial burdens and promote responsible financial behavior.

DELINQUENCIES:

Currently, we have several matters pertaining to delinquent members before the courts. Unfortunately, these legal proceedings are a necessary step in enforcing our rights as a financial institution and ensuring compliance with our lending policies. While litigation is always a last resort, we are committed to upholding the integrity of our Credit Union and protecting the interests of our members and depositors. Therefore, we encourage our membership to honor their obligations to the Credit Union.

COMPLIANCE:

Throughout the year, the Board reviewed and approved several policies for implementation, intended to strengthen operational controls across the organization, maintaining a strong focus on regulatory compliance throughout the year, adhering to all relevant guidelines and reporting standards; upholding the highest standards of governance and transparency, we are safeguarding the interests of our members and the stability of our Credit Union.

FINANCIAL LITERACY & TRAINING:

In line with our commitment to empowering our members with financial literacy and knowledge, we launched our member training platform on YouTube. This initiative aims to provide our members with easy access to valuable resources and educational content that will help them make informed financial decisions and improve their financial well-being. We believe that education is the key to financial empowerment, and we are dedicated to supporting our members on their journey to financial success.

MEMBERSHIP GROWTH:

As part of our efforts to increase member growth and expand our reach within the community, we have conducted business development visits to local reputable employers. By establishing strong relationships with local businesses, we are confident that we can continue to grow and thrive in the years to come.

(Insert Membership Growth Chart)

HUMAN RESOURCES

One of the key highlights of the year was the successful implementation of a robust employee performance management model. This model has allowed us to align staff job descriptions with their performance assessments, creating a clear pathway for goal achievement and career progression. By setting clear expectations and providing regular feedback, employees have been able to understand their roles better, identify areas for improvement, and work towards achieving their objectives effectively.

The emphasis on employee training and development has been a cornerstone of our organization's success. Thus, online and in-person training programs have been designed to enhance the skills and competencies of our staff members, ensuring that they stay up to date with the latest industry trends and best practices.

Staff turnover among entry-level positions is a challenge. We have responded proactively by introducing an onboarding and mentoring program. This initiative has been instrumental in providing new employees with the necessary support and guidance they need to suc-

ceed in their roles. By pairing them with experienced mentors and providing comprehensive training, we have been able to create a supportive environment that fosters learning, growth, and retention.

We remain committed to investing in our most valuable asset – our employees. By continuing to prioritize employee coaching and development at all levels across the organization, we are confident that we will further enhance our capabilities, drive innovation, to deliver exceptional service to our members. The Credit Union is in dialogue with the Bahamas Co-operative League to establish a certification and training program for Credit Union employees.

RECORDS MANAGEMENT:

Significant advancements in our digitalization efforts were made over the past year. Through the implementation of new digital tools and systems, we have successfully modernized our member records infrastructure, ensuring data accuracy and accessibility. Notable improvements have also been made in the death claims process. By leveraging technology and automation, processing times for claims have been expedited, providing a more seamless experience for beneficiaries during difficult times. These enhancements have not only increased operational efficiency but also improved customer satisfaction and trust in our services.

Overall, these advancements in digitalization have positioned us as a forward-thinking and customer-centric organization, committed to delivering exceptional service and value to our members. We remain dedicated to driving innovation and continuous improvement in all aspects of our operations.

CHALLENGES:

There were three attempts by the Board to complete the 46th Annual General Meeting (AGM) in 2023. The Board appeared to be inharmonious which resulted in two adjournments without completing the AGM agenda and the subsequent intervention by the Central Bank of The Bahamas.

Subsequently, on Tuesday, November 7th, the Central Bank wrote to the Nominations Committee Chair lifting the directive to postpone the continuation of the AGM after intervention by the Nomination Committee and Board Members.

The 46th AGM was concluded on December 2, 2023. At that meeting one director rescinded their application for nomination and one director resigned effective immediately (the date of the AGM)

After the AGM, the Central Bank met with the new Board of Directors on the 21st of February 2024. During the meeting, the vision of the Board and challenges faced in 2023 were discussed.

In response to a query by the Board of Directors on the expenses incurred by the Credit Union regarding the AGMs held in 2023, the Central Bank stated that it was unfortunate for the action taken to postpone the September 30, 2023, meeting. However, the role of the Central Bank is to ensure the orderly affairs and stability of the Credit Union and there was no recourse for the expenses from the Central Bank. It was also mentioned that there is a need for an appointment of a Tribunal.

The Central Bank's fundamental concern is the stability and strengthening of Credit Unions with good governance by the Board of Directors that are sufficiently trained.

As we *build on the past for a better future*, we remain committed to serving the needs of our members, supporting our community, and upholding the values that define our Credit Union. I would like to express my gratitude to the Board Members, the General Manager and his hardworking staff and the membership for their dedication and support, throughout the year.

Thank you for your continued trust in the Teachers & Salaried Workers Co-operative Credit Union Limited.

Board Directors:

Leroy Sumner, Chairman

Elbert Thompson, Vice Chairman

Theresa Deleveaux, Treasurer

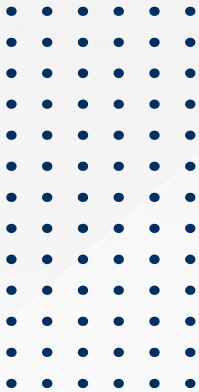
Sharon Rahming, Secretary

H. Don King, Asst. Treasurer

Henry Campbell, Asst. Secretary

Italia Seymour, Director

TREASURER'S REPORT





Theresa Deleveaux
Board Treasurer

It is an honor to present the Treasurer’s report for the year ending December 31, 2023. Despite the depressed economy and the reduction in our loan portfolio, your credit union was still able to see a small profit.

Financial Condition

As at 31st December, 2023, Teachers and Salaried Workers Co-operative Credit Union assets totaled **\$211,297,027** a decrease of **\$2,175,466** or **(1.02%)** compared with 31st December 2022 balance of **\$213,472,493**. Liabilities totaled **\$186,187,092** showing a decrease of **\$2,810,618** or **(1.49%)** compared with December 2022 balance of **\$188,997,710**. Equity totaled **\$25,109,935** showing an increase of **\$635,152** or **2.6%** compared with December 2022 balance of **\$24,474,783**.

OPERATION

Income & Expenses:

For the year under review, the Credit Union’s operational profit and loss statement showed total income of **\$12,613,663** and total expenses **\$12,296,534** resulting with a net profit of **\$317,129**. Other comprehensive equity totaled **\$248,773** resulting with Total Comprehensive income totaling **\$565,902**. During 2023 the Board and Management will continue to aggressively follow-up on delinquent loans and ensure that rent receivables are collected in a timely manner. It is critical to keep loan loss provisioning and outstanding rent at a minimum which is essential to the credit union realizing a net profit at year end.

The break-down by branches are:-

Nassau - Income for the year ending 31st December 2023 totaled **\$8,506,933**, Expenses totaled **\$9,663,234** resulting with a Net Loss totaling **\$(1,156,241)**. Net Profit on Investment Property totaled **\$126,089**.

Grand Bahama - Income for the year ending 31st December 2023 totaled **\$2,590,811**, Expenses totaled **\$1,407,426** resulting with a Net Profit totaling **\$1,183,385**. Net Loss on Investment Property totaled **\$(94,322)**.

Abaco - Income for the year ended 31st December 2023 totaled **\$1,759,571**, Expenses totaled **\$1,469,726** resulting with a Net Profit of **\$289,845**. Net Loss on Investment Property totaled **\$354,727**.

HIGHLIGHTED EXPENSES

	December Actual 2023	December Actual 2022	AGM Approved Budgeted 2023
Board & Committee Development & Travel	\$28,899	\$6,522	\$62,000
Staff Training & Development	\$18,163	\$25,609	\$56,500
Staff Travel	\$15,699	\$13,113	\$16,000
Salaries	\$2,493,418	\$2,243,456	\$2,420,000
Staff Benefits	\$631,691	\$625,152	\$727,000
Members Education	\$0	\$99	\$5,000
Board & Committees Out-of-pocket expense	\$65,968	\$62,520	\$63,000
Board & Committee Meetings	\$5,320	\$10,213	\$10,000
Loans Provision	\$1,966,257	\$1,457,016	\$3,017,400
Bad Debt Expenses	\$984,844	\$1,494,316	\$921,000
Investment Property	\$1,249,692	\$1,465,031	\$1,290,000
Advertising & Promotions	\$26,769	\$14,458	\$25,000
Marketing	\$20,965	\$16,308	\$25,000
Donation	\$7,825	\$3,850	\$11,000
Vat Expenses	\$107,342	\$128,943	\$149,000

TSW

INVESTMENT PROPERTIES ANALYSIS

Property	Income As At Dec. 2023	Expenses	Net Income / (Loss)	Rent Receivable
East Street Office Complex	\$392,757	\$266,668	\$126,089	\$357,844
Freeport Plaza	\$174,189	\$265,761	\$(91,672)	\$206,105
Abaco Complex	\$359,786	\$1717,263	\$(357,477)	\$42,778
Income/loss as at Dec. 31, 2023	\$926,732	\$1,249,692	\$(322,960)	\$606,726

As at 31st December, 2023 outstanding rent receivable from current tenants totaled **\$606,726** of which **\$214,883** is provided for. Board and Management has taken the necessary steps to collect outstanding rent inclusive of funds owed for accounts written-off for several past tenants through eviction and the court system.

STATUTORY RESERVE DEPOSIT

Statutory Reserve at the end of December 2023, was slightly above the required 10% of assets totaling \$21,129,703 (\$22,651,238) or 10.72% a favorable overage of \$1,521,535.

LIQUIDITY RESERVE DEPOSIT

Liquidity Reserves held with the League totaling \$21,353,183 (\$18,368,624) or 11.62% which is above the required PEARLS ratio standard of 10% of total member deposits resulting with a favorable overage of \$2,984,559 as at December 31, 2023.

MEMBERS EQUITY

Total Equity stood at \$25,109,935 or 11.88 % of total Assets as at December 31, 2023.

DELINQUENCY

For the year ending December 31, 2023, in accordance with the PEARLS required standard for Credit Unions, delinquent loans totaled \$13,166,825, security held totaled \$10,777,793 leaving an exposure totaling \$2,389,032 which had to have a provision of \$939,706 provide. However, in accordance with the required new IFRS Expected Credit Loss standard **\$5,453,958** had to be provided for the loan loss provision. Loans over 12 months remain the largest dollar amount category with 62 loans totaling \$8,237,524 representing 62.6% of total delinquent loans. Delinquent loans to total loans as at 31st December, 2023 stood at 9.77%, which is above the required PEARLS standard of 5%. Loans written off during the period totaled **\$984,844** and recoveries of bad debt totaled **\$766,399**.

The Board commends the Collection Department for its collection efforts during (approx. twice that of 2022). However, the Board will continue to monitor collection efforts to ensure, in accordance with policy and that delinquent loans are followed up timely, delinquent loans 365 days and over and deemed uncollectable in accordance with International Accounting Standards Management are outsourced to a collections agency and to keep Board updated. The Board also mandated foreclosures of delinquent properties, through Real Estate Companies, placement of advertisements in newspapers and through the courts to ensure recovery of the credit union's assets that belongs to you the Membership as owners.

PEARLS RATIO ANALYSIS

As at December 31, 2023, all but four (4) of Credit Union's PEARLS ratios were below the required accounting standard. During 2024, every effort will be made by Board and Management to seek ways to bring deficiencies into compliance namely loans, delinquency and financial and non-financial investments. If these deficiencies are not adequately addressed the Credit Union's bottom line will be affected. Therefore, I wish to again remind, that as owners if we 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.

TEACHERS & SALARIED WORKERS PEARLS RATINGS

- Solvency 113.02 ($\geq 111\%$)*
- Net Loans 41.42% (70-80%)*
- Financial Investment 15% ($< 2\%$)*
- Non-financial Investments 8.32% (0%)*
- Savings Deposits 86.93% (70-80%)*
- Institutional Capital 1.47% ($\geq 10\%$)*
- Delinquency 2.54% ($\leq 5\%$)*
- Non-earning Assets 6.18% ($\leq 5\%$)*
- Operating Expense Ratio 3.51% ($= < 5\%$)*
- Net Income/Avg. Assets 0.15% (10%)*
- Operating Liquidity Ratio 10.94% (15%-20%)*
- Statutory Reserves Deposit 10.72% ($> 10\%$)*
- Liquidity Reserves Deposit 11.62% (10%)*
- Statutory Reserves 7.57% ($> 10\%$)**
- Capital Ratio 11.55% ($> 10\%$)*

*N/B. Ratios in red require correction/ improvement however, despite Statutory Reserves ratio listed in red at 7.57% in accordance with Section 65 (2)(b) of Bahamas Cooperative Credit Union 2015 stands at 12% (as seen on page 37 of the Audited Financial Statement). ***

CONCLUSION

Although the credit union made a profit during 2023 there is still much more to be done in order for us to yield a more profitable bottom line and become fully compliant with the Law. In order for us to achieve this goal we must ensure that we offer the best products and services that will assist our members to become financially sound.

As we go forward in 2024 let us not only be recognized as the largest but rather the Credit Union with a difference providing the best quality products and services to the membership. In order to ensure continued growth, we must always remember that this organization belongs to us. As owners we must demand quality services, be committed and continue to use and market the products and services of the credit union.

Last, but not least, as Treasurer, my sincere appreciation and thanks to you, the membership, for your patronage and the opportunity to serve this great institution and I pledge to endeavor to ensure that first and foremost that you the members get the best returns on your investments, because without you, there would be no credit union.

On behalf of the Board, our profound thanks to Management, Staff and Members for continued confidence, cooperation support and affording us the opportunity to serve and ensure the safety of member's investments. May God continue to bless each of you.

Theresa D. Deleveaux

Theresa D. Deleveaux

Treasurer

On behalf of The Board of Directors

Financial Statement of

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

For the year ended December 31, 2023



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

Financial Statements

December 31, 2023

C O N T E N T S

	Page
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 – 46
Independent Auditors' Report on Supplementary Information	47
Statement of Profit or Loss – Nassau, Head Office	48
Statement of Operating Expenses – Nassau, Head Office	49 – 50
Statement of Profit or Loss – Freeport Branch	51
Statement of Operating Expenses – Freeport Branch	52 – 53
Statement of Profit or Loss – Abaco Branch	54
Statement of Operating Expenses – Abaco Branch	55 – 56

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, 2023, 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 material 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, 2023, 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.



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.

ECOVIS Bahamas

ECOVIS Bahamas
Chartered Accountants
Nassau, The Bahamas

April 18, 2024

TSWCCUL Page 48

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

December 31, 2023
(Expressed in Bahamian dollars)

	Notes	2023	2022
ASSETS			
Cash and cash equivalents	5	\$ 3,349,164	\$ 5,926,552
Time deposits with banks	6	16,916,204	12,787,640
Deposits with the League	7, 22	44,218,510	44,865,990
Loans receivable, net	8, 22	87,521,414	88,692,330
Other assets	9	2,638,882	2,375,206
Investment in the League	10, 22	36,200	34,900
Financial investments	11	31,961,105	32,609,713
Investment properties	12	17,582,076	18,232,810
Property, plant and equipment	13	7,073,472	7,947,352
TOTAL ASSETS		\$ 211,297,027	\$ 213,472,493
LIABILITIES AND MEMBERS' EQUITY			
LIABILITIES			
Members' regular deposits	14, 22	\$ 76,851,624	\$ 75,269,195
Other deposits	15, 22	106,834,616	111,122,760
Other liabilities	16	2,500,852	2,605,755
Total liabilities		186,187,092	188,997,710
MEMBERS' EQUITY			
Members' shares	17(i), 22	5,298,250	5,229,000
Statutory reserve	17(ii)	16,000,000	16,000,000
Fair value reserve	17(iii)	708,688	459,915
Retained earnings		3,102,997	2,785,868
Total members' equity		25,109,935	24,474,783
TOTAL LIABILITIES AND MEMBERS' EQUITY		\$ 211,297,027	\$ 213,472,493

See notes to financial statements.

These financial statements were approved on behalf of the Board and authorized for issue on April 26, 2024, and signed on its behalf by:



Leroy Sumner
Chairman



Don King
Assistant Treasurer

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

Statement of Comprehensive Income

For the year ended December 31, 2023

(Expressed in Bahamian dollars)

	Notes	2023	2022
INTEREST INCOME			
Loans	18, 22	\$ 8,316,019	\$8,652,632
Investments	18, 22	2,018,880	2,125,769
Total interest income		10,334,899	10,778,401
INTEREST EXPENSE			
Members' regular shares and other deposits	18, 22	(1,665,437)	(1,948,684)
Total interest expense		(1,665,437)	(1,948,684)
NET INTEREST INCOME BEFORE PROVISION FOR LOAN IMPAIRMENT AND RECOVERIES OF BAD DEBTS			
	18	8,669,462	8,829,717
Provision for loan impairment and expected credit losses	8(ii)	(1,966,257)	(1,457,016)
Recoveries of bad debts	8(ii)	766,399	673,346
NET INTEREST INCOME AFTER PROVISION FOR LOAN IMPAIRMENT AND RECOVERIES OF BAD DEBTS			
		7,469,604	8,046,047
NON-INTEREST INCOME/(LOSS)			
Other income	19	585,633	684,662
Net loss from investment properties	20	(322,960)	(185,843)
Total non-interest income		262,673	498,819
NET INTEREST AND OTHER INCOME		7,732,277	8,544,866
OPERATING EXPENSES			
Personnel	21, 22, 24	3,158,971	2,907,330
General business	21	1,083,108	1,114,403
Occupancy	21	994,231	1,095,324
Organizational	21, 22	229,461	161,019
Members' security	21	632,235	760,916
Computer costs	21	1,261,583	1,168,388
Marketing	21	55,559	34,616
Total operating expenses		7,415,148	7,241,996
PROFIT FOR THE YEAR		317,129	1,302,870
OTHER COMPREHENSIVE INCOME			
<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	11, 17(iii)	248,773	66,857
TOTAL COMPREHENSIVE INCOME		\$ 565,902	\$1,369,727

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, 2023
(Expressed in Bahamian dollars)

	Notes	Members' Shares	Statutory Reserve	Fair Value Reserve	Retained Earnings	Total
Balance as at December 31, 2021		\$ 4,938,900	\$16,000,000	\$ 393,058	\$ 1,482,998	\$22,814,956
Comprehensive loss for the year						
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
Total comprehensive loss for the year		-	-	66,857	1,302,870	1,369,727
Transactions with members						
Net shares issued during the year	17(i)	380,100	-	-	-	380,100
Net shares redeemed during the year		(90,000)	-	-	-	(90,000)
Total transactions with members		290,100	-	-	-	290,100
Balance as at December 31, 2022		5,229,000	16,000,000	459,915	2,785,868	24,474,783
Comprehensive income for the year						
Profit for the year		-	-	-	317,129	317,129
Net change in unrealized gain on financial assets at FVTOCI	17(iii)	-	-	248,773	-	248,773
Total comprehensive income for the year		-	-	248,773	317,129	565,902
Transactions with members						
Net shares issued during the year	17(i)	167,250	-	-	-	167,250
Net shares redeemed during the year		(98,000)	-	-	-	(98,000)
Total transactions with members		69,250	-	-	-	69,250
Balance as at December 31, 2023		\$ 5,298,250	\$16,000,000	\$ 708,688	\$ 3,102,997	\$25,109,935

See notes to financial statements.

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

Statement of Cash Flows

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	2023	2022
Cash flows from operating activities:		
Profit for the year	\$ 317,129	\$ 1,302,870
<i>Adjustments for:</i>		
Depreciation, amortization and impairment loss	1,702,877	1,888,664
Interest income	(10,334,899)	(10,778,401)
Dividend income	(294,107)	(183,656)
Interest expense on members' regular shares and deposits	1,665,437	1,948,684
Provision for loan impairment and expected credit losses	1,966,257	1,457,016
Increase provision for rent receivable losses	50,425	16,471
Gain on disposal of assets	-	(132,467)
	(4,926,881)	(4,480,819)
Changes in operating assets and liabilities:		
Interest received	9,132,599	10,181,009
Interest paid	(1,776,669)	(1,997,594)
Net decrease/(increase) in loans to members	561,308	(3,243,857)
(Increase)/decrease in other assets	(211,526)	197,061
Increase in members' regular deposits	1,582,429	649,743
Decrease in other deposits	(4,288,144)	(3,440,716)
Increase in other liabilities	6,329	38,686
Net cash provided by/(used in) operating activities	79,445	(2,096,487)
Cash flows from investing activities:		
Dividends received	151,073	198,640
Net increase in time deposits with banks	(5,000,000)	(136,038)
Decrease in deposits with the League	1,500,000	-
Net disposal of financial investments	802,407	639,320
Subscriptions of shares in the League	(1,300)	(1,100)
Net purchase of property, plant and equipment	(178,263)	(358,404)
Purchase of investment properties	-	(241,895)
Net proceeds from disposal of investment property (Note 12)	-	1,291,610
Net cash (used in)/provided by investing activities	(2,726,083)	1,392,133
Cash flows from financing activities:		
Shares issued during the year	167,250	380,100
Shares redeemed during the year	(98,000)	(90,000)
Net cash provided by financing activities	69,250	290,100
Net decrease in cash and cash equivalents	(2,577,388)	(414,254)
Cash and cash equivalents, beginning of year	5,926,552	6,340,806
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,349,164	\$ 5,926,552

See notes to financial statements.

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

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. MATERIAL 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, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

- c) **Changes in accounting policies and disclosures** – Certain new standards, and amendments to existing standards, have been published by the IASB. The effects on the Credit Union's financial statements are set out below:

i) Amended standards effective January 1, 2023

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

- *IAS 1, 'Presentation of Financial Statements and IFRS Practice Statements 2 Making Materiality Judgements – Disclosure of Accounting Policies* - The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. There was no material impact to the Credit Union on adoption of this amendment and Practice Statement.
- *Definition of Accounting Estimates – Amendments to IAS 8*. The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. There was no impact to the Credit Union on adoption of this amendment.

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, 'Presentation of Financial Statements – Classification of Liabilities as Current or Non-current' (Amendment) (Effective January 1, 2024)* – The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its rights to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of settlement to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

Management anticipates that the application of these amendments may not have a significant impact on the Credit Union's financial statements in future periods.

- 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.

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES (Continued)

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.
- 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.

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

i) *Financial instruments* *(Continued)*

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.

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.

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

i) Financial instruments *(Continued)*

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.

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.

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

v) Impairment of financial assets (Continued)

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 an 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.

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.

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES (Continued)

- 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.

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).

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

p) **Leases** *(Continued)*

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.

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

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

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

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

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

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

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES (Continued)

- r) **Members' regular deposits** – Members' regular deposits represent the deposit holdings of the Credit Union's members, to satisfy membership requirements and facilitate eligibility for loans and other benefits. These deposits earn interest on the first day of the month following such deposits, provided that the amounts paid in on the first day of any month shall earn interest from that day. The rate of interest payable on members' regular deposits 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.

- 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.

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

y) **Interest income and expense recognition** *(Continued)*

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, 2023

(Expressed in Bahamian dollars)

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 \$1,966,257 (2022: \$1,457,016). The carrying values of the Credit Union's loans receivable, net of allowance for loan impairment and expected credit losses as at December 31, 2023 amounted to \$87,521,414 (2022: \$88,692,330).

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 \$7,073,472 as at December 31, 2023 (2022: \$7,947,352).

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	Interest Rate	2023	2022
<i>Cash at banks</i>			
FirstCaribbean International Bank (Bahamas) Limited	0.05%	\$ 1,392,374	\$ 3,732,347
Bank of The Bahamas Limited - Current account	0.00%	237,850	45,900
RF Bank & Trust (Bahamas) Limited - Cash account	0.00%	214,935	701,707
Fidelity Bank Bahamas Limited - Settlement accounts	0.00%	80,010	63,496
Fidelity Bank Bahamas Limited - Savings account	0.50%	26,449	25,275
The Central Bank of The Bahamas - RTGS	0.00%	20,000	20,000
		1,971,618	4,588,725
Teller cash floats, ATM cash, vault holdings and Sand Dollars		1,377,546	1,337,827
		\$ 3,349,164	\$ 5,926,552

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	2023	2022
	%		
Fidelity Bank Bahamas Limited	2.00	\$ 5,578,659	\$ 5,507,422
RF Bank & Trust (Bahamas) Limited	1.50	5,000,000	-
Bank of The Bahamas Limited	2.00 - 2.50	4,273,774	5,241,960
FirstCaribbean International Bank (Bahamas) Limited - Nassau (i)	0.16	2,055,535	2,030,063
FirstCaribbean International Bank (Bahamas) Limited - Freeport	0.16 - 0.5	8,236	8,195
<i>Time deposits with banks in the statement of financial position</i>		16,916,204	12,787,640
Pledged as security (i)		(5,000)	(5,000)
		\$ 16,911,204	\$ 12,782,640

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 \$379,571 (2022: \$235,254).

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

7. DEPOSITS WITH THE LEAGUE

Deposits with the League are comprised of the following:

	Interest Rate	2023	2022
Statutory reserve deposits (i)	1.44%		
<i>Balance, beginning of year</i>		\$ 23,817,242	\$ 23,477,586
Withdrawal of deposit during the year		(1,500,000)	-
Interest earned during the year		333,996	339,656
<i>Balance, end of year</i>		22,651,238	23,817,242
Liquidity reserve deposits (ii)	1.44%		
<i>Balance, beginning of year</i>		21,048,748	20,748,503
Interest earned during the year		304,435	300,245
<i>Balance, end of year</i>		21,353,183	21,048,748
Dormant accounts deposits	1.00%		
Dormant accounts transferred to the League		212,311	-
Interest earned		1,778	-
		214,089	-
TOTAL DEPOSITS WITH THE LEAGUE		\$ 44,218,510	\$ 44,865,990
Total interest earned during the year		\$ 640,209	\$ 639,901

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

	2023	2022
Statutory deposits with the League	\$ 22,651,238	\$ 23,817,242
Requirement (10% of total assets)	(21,129,703)	(21,347,249)
<i>Surplus in statutory reserve deposits</i>	\$ 1,521,535	\$ 2,469,993

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:

	2023	2022
Liquidity reserve deposits with the League	\$ 21,353,183	\$ 21,048,748
Requirement (10% of members' deposits)	(18,368,624)	(18,639,196)
<i>Surplus in liquidity reserve deposits</i>	\$ 2,984,559	\$ 2,409,553

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

8. LOANS RECEIVABLE, NET

i) Loans receivable, net are as follows:

	Interest Rate	2023	2022
Real estate mortgages	4.75% - 8.25%	\$ 57,356,794	\$ 56,220,681
Consumer	3.75% - 16.00%	13,489,722	22,994,820
Chattel mortgages	3.75% - 7.00%	22,709,569	14,550,168
Business	8.00% - 11.00%	444,966	796,690
		94,001,051	94,562,359
Accrued interest		351,477	316,262
		94,352,528	94,878,621
Less: deferred loan service fees		(1,377,156)	(1,713,746)
Less: provision for loan impairment losses		(5,453,958)	(4,472,545)
		\$ 87,521,414	\$ 88,692,330

At December 31, 2023, non-performing loans on which interest accrual is suspended totaled \$9,653,662 (2022: \$11,037,127).

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:

	2023	2022
<i>Allowance, beginning of year</i>	\$ 4,472,545	\$ 4,509,845
Net increase/decrease in provision for the year	1,966,257	1,457,016
Loans written off	(984,844)	(1,494,316)
<i>Allowance, end of year (Note 8(i))</i>	\$ 5,453,958	\$ 4,472,545
Provided for during the year	\$ 1,966,257	\$ 1,457,016
Recoveries of bad debts	(766,399)	(673,346)
<i>Impairment losses reported in profit or loss</i>	\$ 1,199,858	\$ 783,670

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

	2023	2022
IFRS Expected credit losses (Note v)	\$ 5,453,958	\$ 4,472,545
Regulatory (PEARLS) loan loss provision (Note iv)	939,706	1,004,226
Difference	\$ 4,514,252	\$ 3,468,319

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

8. LOANS RECEIVABLE, NET (Continued)

iv) PEARLS impairment provisions:

The following is a summary of delinquent loans:

As at December 31, 2023						
Period in Arrears	Number of Accounts in Arrears	Total Delinquent Loans	Value of Security	Credit Exposure	Loan Loss Provision	Provision Rate %
Within 1 month	53	\$ 2,684,241	\$ 2,038,804	\$ 645,437	\$ -	N/A
2 to 3 months	31	828,922	385,381	443,541	155,239	35%
4 to 6 months	25	542,509	223,958	318,551	111,493	35%
7 to 12 months	46	873,629	398,969	474,660	166,131	35%
Over 1 year	62	8,237,524	7,730,681	506,843	506,843	100%
	217	\$ 13,166,825	\$ 10,777,793	\$ 2,389,032	\$ 939,706	

As at December 31, 2022						
Period in Arrears	Number of Accounts in Arrears	Total Delinquent Loans	Value of Security	Credit Exposure	Loan Loss Provision	Provision Rate %
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	

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

8. LOANS RECEIVABLE, NET (Continued)

v) Impairment provision under IFRS:

As at December 31, 2023						
	Total Outstanding Balance	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total Allowance for ECL	Loan Loss Rate
Auto	\$ 664,221	\$ 12,049	\$ -	\$ 19,066	\$ 31,115	5%
Commercial and industrial line	132,080	11	-	-	11	0%
Commercial and industrial loan	197,533	-	-	21,237	21,237	11%
Consumer line	7,050,076	235,079	99,259	229,023	563,361	8%
Consumer loan	28,492,204	1,105,472	334,429	564,670	2,004,571	7%
Commercial real estate	13,377,368	872	339	408,946	410,157	3%
Residential real estate	43,492,547	8,781	11,264	2,403,213	2,423,258	6%
Small Business Loan	57,654	248	-	-	248	0%
	\$93,463,683	\$ 1,362,512	\$ 445,291	\$ 3,646,155	\$ 5,453,958	

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	

vi) Concentration of loans:

At December 31, 2023, there was no member with loans (2022: Nil), which exceeded 5% of total equity.

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

9. OTHER ASSETS

Other assets represent the following:

	2023	2022
Investments and deposits interest receivable	\$ 584,125	\$ 531,975
Other deposits (i)	843,714	783,262
Card n Pay - Collateral for Mastercard	200,000	-
Prepaid expenses	535,778	526,025
Rent receivable, net of allowance for ECL \$214,883 (2022: \$168,835) (ii)	391,843	317,337
Security deposits	71,297	71,447
Accounts receivable - other	12,125	145,160
	\$2,638,882	\$2,375,206

i) There are still ongoing data projects and other deposits paid for assets that have not yet been completed, that remain 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 \$50,425 (2022: \$16,471).

10. INVESTMENT IN THE LEAGUE

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

	2023	2022
<i>Balance, beginning of year</i>	\$ 34,900	\$ 33,800
Acquired during the year	1,300	1,100
<i>Balance, end of year</i>	\$ 36,200	\$ 34,900
Number of shares	724	698

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

11. FINANCIAL INVESTMENTS

i) Financial investments are comprised of the following:

	2023	2022
<u>Amortized Cost:</u>		
The Bahamas Government Registered Stocks*	\$ 25,642,454	\$ 22,676,251
Corporate Bonds*	547,015	552,646
	<u>26,189,469</u>	<u>23,228,897</u>
<u>Fair Value Through Other Comprehensive Income (FVTOCI):</u>		
Quoted Equities *	3,358,842	3,363,417
Preference shares*	1,902,707	1,977,525
Prime Income Fund - Series 2*	505,350	4,035,280
Arawak Port Development (115 ordinary shares (cost: \$1,150))	4,737	4,594
	<u>5,771,636</u>	<u>9,380,816</u>
	<u>\$ 31,961,105</u>	<u>\$ 32,609,713</u>

* These items include investments managed by Royal Fidelity, and at December 31, 2023 totaled \$11,871,219 (2021: \$12,672,128).

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

	2023	2022
<i>Balance, beginning of year</i>	\$ 9,380,816	\$ 7,157,458
Net (disposal)/acquisition during the year	(3,857,953)	2,156,501
Net change in unrealized gain on financial assets at FVTOCI	248,773	66,857
<i>Balance, end of year</i>	<u>\$ 5,771,636</u>	<u>\$ 9,380,816</u>

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

	2023	2022
Interest income	\$ 1,239,802	\$ 1,244,133
Dividend income	294,107	183,656
	<u>\$ 1,533,909</u>	<u>\$ 1,427,789</u>

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

12. INVESTMENT PROPERTIES

i) Details of investment properties are as follows:

	Vacant Properties	Rental Properties	Furniture and Fixtures	Total
<u>Cost</u>				
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
Additions	-	-	-	-
Balance at December 31, 2023	533,874	22,096,897	1,241,643	23,872,414
<u>Accumulated depreciation and impairment losses</u>				
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
Additions	-	509,706	141,028	650,734
Balance at December 31, 2023	140,000	5,240,591	909,747	6,290,338
<u>Carrying value</u>				
As at December 31, 2023	\$ 393,874	\$ 16,856,306	\$ 331,896	\$ 17,582,076
As at December 31, 2022	\$ 393,874	\$ 17,366,012	\$ 472,924	\$ 18,232,810

- 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. The 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.

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

12. INVESTMENT PROPERTIES (Continued)

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

	Notes	Carrying Values	
		2023	2022
<u>Vacant Properties</u>			
Milo Butler Highway		\$ 206,111	\$ 206,111
Baillou Hill Road, South		63,431	63,431
#151 Central Pines, Abaco*	12(ii)	124,332	124,332
Total vacant properties		393,874	393,874
<u>Rental Properties</u>			
East Street South		4,036,034	4,167,637
Freeport		1,415,351	1,514,954
Abaco		11,736,817	12,156,345
Total rental properties		17,188,202	17,838,936
		\$ 17,582,076	\$ 18,232,810

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	
		2023	2022
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
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	\$ 23,497,800

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

Notes to Financial Statements

December 31, 2023

(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
<u>Cost</u>						
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
Additions	-	-	7,930	110,393	59,940	178,263
Disposals	-	-	-	-	-	-
Balance at December 31, 2023	689,535	9,932,684	2,303,062	4,058,385	167,218	17,150,884
<u>Accumulated depreciation</u>						
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
Additions	-	417,180	141,266	469,662	24,035	1,052,143
Disposals	-	-	-	-	-	-
Balance at December 31, 2023	-	5,165,928	2,091,974	2,732,515	86,995	10,077,412
<u>Carrying value</u>						
As at December 31, 2023	\$ 689,535	\$ 4,766,756	\$ 211,088	\$ 1,325,870	\$ 80,223	\$ 7,073,472
As at December 31, 2022	\$ 689,535	\$ 5,183,936	\$ 344,424	\$ 1,685,139	\$ 44,318	\$ 7,947,352

14. MEMBERS' REGULAR DEPOSITS

The movement in members' regular deposits are as follows:

	Interest Rate	2023	2022
	%		
Balance, beginning of year	1.00 -1.25	\$ 75,269,195	\$ 74,619,452
Add: savings and interest		48,027,460	48,029,135
Less: withdrawals and transfers		(46,445,031)	(47,379,392)
Balance, end of year		\$ 76,851,624	\$ 75,269,195

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

15. OTHER DEPOSITS

Other deposits are comprised of the following:

As at December 31, 2023					
	Interest Rate	Members	Minors	Depositors	Total
Term deposits	0.25%-3.00%	\$ 67,938,095	\$ 367,068	\$ -	\$ 68,305,163
Other deposits					
Savings	0.50%	34,502,097	732,725	-	35,234,822
Christmas club accounts	0.75%	637,334	135	-	637,469
Vacation club deposits	0.75%	116,218	3,256	-	119,474
Bill paying accounts	0.00%	10,104	-	-	10,104
		103,203,848	1,103,184	-	104,307,032
Dividend reinvestment	0.75%	25,769	-	-	25,769
Retirement savings	0.75%	2,501,815	-	-	2,501,815
		\$ 105,731,432	\$ 1,103,184	\$ -	\$ 106,834,616

As at December 31, 2022					
	Interest Rate	Members	Minors	Depositors	Total
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

At December 31, 2023, there was one (1) member (2022: one (1) member) with deposits which exceeded 5% of the Credit Union's equity. The deposit totaled \$1,255,497 (2022: \$1,223,739).

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

16. OTHER LIABILITIES

Other liabilities are comprised of the following:

	2023	2022
Accrued interest payable		
Members' regular shares	\$ 844,040	\$ 887,602
Fixed deposits	328,311	395,981
Total accrued interest payable	1,172,351	1,283,583
Other payables		
Dormant accounts	865,496	808,079
Accrued expenses	323,652	328,372
Tenants' security deposits	72,416	95,870
Share loan insurance	66,937	89,851
Total other payables	1,328,501	1,322,172
	\$2,500,852	\$2,605,755

17. MEMBERS' EQUITY

i) Members' shares:

Members' shares consist of the following:

	2023			2022		
	Qualifying	Equity	Total	Qualifying	Equity	Total
<i>Balance, beginning of year</i>	\$1,006,400	\$4,222,600	\$5,229,000	\$ 953,000	\$3,985,900	\$4,938,900
Shares issued	72,850	94,400	167,250	71,400	308,700	380,100
Shares redeemed	(19,600)	(78,400)	(98,000)	(18,000)	(72,000)	(90,000)
<i>Balance, end of year</i>	\$1,059,650	\$4,238,600	\$5,298,250	\$1,006,400	\$4,222,600	\$5,229,000

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, 2023, there were 21,193 members (2022: 20,128 members) of the Credit Union.

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

17. MEMBERS' EQUITY (Continued)

ii) Statutory reserve:

The movement in the statutory reserve is as follows:

	2023	2022
<i>Balance, beginning of year</i>	\$ 16,000,000	\$ 16,000,000
Transfer from retained earnings	-	-
<i>Balance, end of year</i>	16,000,000	16,000,000
Requirements (10% of total assets)	21,129,703	21,347,249
Deficiency in statutory reserve	\$ (5,129,703)	\$ (5,347,249)

The Credit Union has not met its statutory requirement in the current year ended December 31, 2023, as its statutory reserve in equity is 7.57% (2022: 7.50%) of total assets.

iii) Fair value reserve:

The movement in the fair value reserve is as follows:

	2023	2022
<i>Balance, beginning of year</i>	\$ 459,915	\$ 393,058
Change in fair value of equity investments	248,773	66,857
<i>Balance, end of year</i>	\$ 708,688	\$ 459,915

18. NET INTEREST INCOME BEFORE PROVISION FOR LOAN IMPAIRMENT

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

	2023	2022
<u>Net interest income on members' loans</u>		
Interest earned on loans to members	\$8,316,019	\$8,652,632
Interest expense on members' regular shares and deposits	(1,665,437)	(1,948,684)
	6,650,582	6,703,948
<u>Interest income on investments</u>		
Financial investments	1,239,802	1,244,133
Deposits with the League	640,198	639,901
Time deposits with banks	138,880	241,735
	2,018,880	2,125,769
	\$8,669,462	\$8,829,717

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

19. OTHER INCOME

Other income is comprised of the following:

	2023	2022
Service charges	\$ 175,189	\$ 212,189
Miscellaneous income (a)	142,201	67,291
Loan services fees	113,598	143,138
Dividend income	294,107	183,656
ATM fees	21,435	25,104
Entrance fees	1,720	8,835
Realized gain/(loss) on disposal of financial investments	39,423	(8,006)
Rebate on LP/LS Insurance	-	41,180
(Loss)/gain on sale disposal of assets (b)	(202,040)	11,275
	\$ 585,633	\$ 684,662

a) Included in miscellaneous income is \$138,681 for invested pension funds received.

b) Included in the loss of \$202,040 is amounts written-off for the construction cost of the ATM in Freeport totaling \$217,180.

20. PROFITS/(LOSSES) ON INVESTMENT PROPERTIES

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

	As at December 31, 2023				
	East Street South	Tonique Williams- Darling Highway	Freeport	Abaco	Total
Income					
Rental income	\$ 392,757	\$ -	\$ 174,189	\$ 359,786	\$ 926,732
	392,757	-	174,189	359,786	926,732
Expenses					
Depreciation and impairment loss	131,603	-	99,603	419,528	650,734
Repairs and maintenance	53,472	-	22,726	34,192	110,390
Insurance	76,901	-	38,203	251,706	366,810
Taxes	4,651	-	1,182	2,634	8,467
Janitorial	-	-	-	2,750	2,750
Increase/(decrease) in provision for bad debt (Note 9)	(1,647)	-	62,524	(10,452)	50,425
Utilities	1,457	-	22,884	9,850	34,191
Other expenses	231	-	18,639	7,055	25,925
	266,668	-	265,761	717,263	1,249,692
Profit/(loss) for the year	\$ 126,089	\$ -	\$ (91,572)	\$ (357,477)	\$ (322,960)

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

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

As at December 31, 2022					
	East Street South	Tonique Williams- Darling Highway	Freeport	Abaco	Total
Income					
Rental income	\$ 462,096	\$ 164,023	\$ 193,854	\$ 330,017	\$ 1,149,990
Gain on disposal of property	-	129,198	-	-	129,198
	462,096	164,023	193,854	330,017	1,279,188
Expenses					
Depreciation and impairment loss*	134,203	38,508	102,753	521,019	796,483
Repairs and maintenance	40,934	19,527	17,452	54,188	132,101
Insurance	67,544	23,450	33,935	240,891	365,820
Taxes	57,926	1,487	1,490	1,538	62,441
Janitorial	-	-	3,000	250	3,250
Increase/(decrease) in provision for bad debt (Note 9)	-	6,024	36,199	(25,752)	16,471
Utilities	112	1,388	24,467	8,706	34,673
Security	-	-	13,930	30,866	44,796
Other expenses	1,500	1,500	1,791	4,205	8,996
	302,219	91,884	235,017	835,911	1,465,031
Profit/(loss) for the year	\$ 159,877	\$ 72,139	\$ (41,163)	\$ (505,894)	\$ (185,843)

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

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:

	Minimum lease payments due				
	Within 1 Year	1 to 2 Years	2 to 3 Years	3 to 5 Years	Total
December 31, 2023	\$ 70,625	\$ -	\$ -	\$ -	\$ 70,625
December 31, 2022	\$ 70,625	\$ 70,625	\$ -	\$ -	\$ 141,250

At December 31, 2023, all leases expired and new leases were issued in January 2024.

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

21. OPERATING EXPENSES

Operating expenses are comprised of the following:

	2023	2022
<i><u>Personnel</u></i>		
Salaries	\$2,493,418	\$2,243,456
Medical and pension (Note 24)	379,550	375,139
Other benefits	142,551	141,331
National insurance	109,590	108,682
Travel, training and development	33,862	38,722
	3,158,971	2,907,330
<i><u>General business</u></i>		
Depreciation - furniture and fixtures	141,266	182,203
Insurance - general	143,907	136,292
Professional and legal fees	230,395	286,883
Value Added Tax (VAT)	107,342	128,943
Equipment maintenance	143,014	85,400
Stationery and supplies	64,689	58,406
Armoured car services	58,617	42,037
Motor vehicles license and maintenance	15,067	17,761
Bank charges and broker fees	120,838	141,340
Courier and postage	31,201	29,415
Insurance - motor vehicles	4,024	3,290
Depreciation - motor vehicle	24,035	1,870
Cash (overage)/shortage and other expenses	(1,287)	563
	1,083,108	1,114,403
<i><u>Occupancy</u></i>		
Utilities	245,618	212,587
Depreciation - Building and improvements	417,179	455,538
General maintenance	284,667	234,075
Security services	46,767	138,678
Property tax	-	54,446
	\$ 994,231	\$ 1,095,324

(Continued)

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

21. OPERATING EXPENSES (Continued)

	2023	2022
<i>Organizational</i>		
Board and committee development and travel	\$ 28,899	\$ 6,522
Board and committee remuneration	65,986	62,520
Annual general meetings and anniversary expenses	60,594	16,636
Stabilization fees	60,384	57,180
Board and committee meetings	5,320	10,213
Insurance - officers liabilities	8,278	7,849
Members' education	-	99
	229,461	161,019
<i>Members' security</i>		
Loans and savings insurance premium	504,319	631,693
Bond insurance premium	32,904	32,210
Deposit Insurance	95,012	97,013
	632,235	760,916
<i>Computer costs</i>		
Computer software - depreciation	114,035	99,566
Software subscription and maintenance	550,865	483,234
Computer stationery and ATM expense	18,385	20,544
Computer hardware - depreciation	355,627	353,003
Internet services	203,721	193,467
Data Centre storage services	18,950	18,574
	1,261,583	1,168,388
<i>Marketing</i>		
Advertising and promotions	26,769	14,458
Marketing	20,965	16,308
Donations and gifts	7,825	3,850
	55,559	34,616
	\$7,415,148	\$7,241,996

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

Notes to Financial Statements

December 31, 2023

(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:

	2023	2022
Balances:		
Deposits with the League	\$ 44,004,421	\$ 44,865,990
Investment in the League	\$ 36,200	\$ 34,900
Loans receivable	\$ 1,722,617	\$ 1,722,617
Members' regular deposits	\$ 1,337,583	\$ 1,337,583
Other deposits	\$ 388,477	\$ 388,477
Members' shares	\$ 24,500	\$ 24,500
Transactions:		
Interest income on loans	\$ 131,338	\$ 131,338
Interest income on deposits with the League	\$ 638,420	\$ 639,900
Interest expense	\$ 16,058	\$ 16,058
Salaries and bonus	\$ 1,207,490	\$ 1,207,490
Medical and pension	\$ 232,911	\$ 232,911
Other benefits	\$ 54,962	\$ 54,962
League expenses	\$ 57,180	\$ 57,180
Board allowances and expenses	\$ 56,263	\$ 52,721
Sub-committee allowances and expenses	\$ 24,316	\$ 25,232
Directors and officers insurance	\$ 8,278	\$ 7,849
Credit card balances	\$ 33,344	\$ 33,344

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

23. COMMITMENTS AND CONTINGENCIES

i) Commitments:

- a) Commitments for undrawn loans at December 31, 2023 totaled \$2,269,018 (2022: \$3,126,680).
- b) Commitment for capital expenditure at December 31, 2023 totaled \$Nil (2022: \$212,837).

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, 2023, the total balance outstanding on Scotiabank (Bahamas) Limited credit cards was \$99,700 (2022: \$68,200) on 47 (2022: 32) cards. There were no delinquent balances converted to loans at December 31, 2023 and 2022, 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, 2023, the total balance outstanding on Fidelity Bank (Bahamas) Limited credit cards was \$139,450 (2022: \$140,340) on 63 (2022: 77) cards. There were no delinquent balances converted to loans at December 31, 2023 and 2022, 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 employees' base compensation. The Credit Union's contributions to the plan during the year was \$201,261 (2022: \$202,601) 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, 2023

(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:

	2023	2022
Provision (a)		
Liquidity reserve deposits	\$ 21,353,183	\$ 21,048,748
Members' regular and other deposits	\$183,686,240	\$186,391,955
Actual ratio	12%	11%
Required ratio	10%	10%
Excess of regulation	2%	1%
Provision (b)		
Regulatory reserves	\$ 24,401,247	\$ 24,014,868
Total assets	\$211,297,027	\$213,472,493
Actual ratio	12%	11%
Required ratio	10%	10%
Excess of regulation	2%	1%

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

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 disbursement 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, 2023

(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:

As at December 31, 2023				
	Nassau	Freeport	Abaco	Total
<i>(Expressed in B\$'000)</i>				
Cash at banks	\$ 1,378	\$ 472	\$ 122	\$ 1,972
Time deposits with banks	16,907	9	-	16,916
Deposits with the League	44,218	-	-	44,218
Loans receivable, net	54,618	26,923	5,980	87,521
Other assets	1,992	24	87	2,103
Investment in the League	36	-	-	36
Financial investments	28,092	-	-	28,092
Total financial assets	\$ 147,241	\$ 27,428	\$ 6,189	\$ 180,858

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

26. FINANCIAL RISK MANAGEMENT (Continued)

26.1. Credit risk (Continued)

As at December 31, 2022				
	Nassau	Freeport	Abaco	Total
<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
Total financial assets	\$ 139,445	\$ 26,682	\$ 11,898	\$ 178,025

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

	2023	2022
Individual members	\$92,880,060	\$93,441,368
Institutional members	1,120,991	1,120,991
	\$94,001,051	\$94,562,359

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

	2023	2022
Neither past due nor impaired	\$80,834,226	\$81,610,884
Past due but not impaired	4,929,301	4,412,835
Impaired	8,237,524	8,538,640
Gross	94,001,051	94,562,359
Add: accrued interest	351,477	316,262
Less: deferred service fees	(1,377,156)	(1,713,746)
Less: allowance for impairment	(5,453,958)	(4,472,545)
Net	\$87,521,414	\$88,692,330

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, 2023

(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, 2023					
	Up to 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Total
Liabilities:					
Members' regular deposits	\$ 76,851,624	\$ -	\$ -	\$ -	\$ 76,851,624
Other deposits	48,365,404	10,925,295	47,008,685	535,232	106,834,616
Other liabilities	388,710	212,389	1,174,152	725,601	2,500,852
Total liabilities	\$ 125,605,738	\$ 11,137,684	\$ 48,182,837	\$ 1,260,833	\$ 186,187,092
As at December 31, 2022					
	Up to 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Total
Liabilities:					
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
Total liabilities	\$ 121,764,515	\$ 10,907,213	\$ 54,886,801	\$ 1,439,181	\$ 188,997,710

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

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 \$3,363,579 (2022: \$3,368,011).

- 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 \$168,179 (2022: \$168,401).

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, 2023

(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.

As at December 31, 2023					
	Within 1 Year	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
Assets:					
Cash at banks	\$ 1,418,823	\$ -	\$ -	\$ 552,795	\$ 1,971,618
Time deposits	16,916,204	-	-	-	16,916,204
Deposits with the League	-	-	44,218,510	-	44,218,510
Loans receivable, net	4,217,369	21,476,128	51,146,850	10,681,067	87,521,414
Other assets	-	-	-	2,103,104	2,103,104
Investment in the League	-	-	-	36,200	36,200
Financial investments	-	6,202,951	21,889,225	3,868,929	31,961,105
Total assets	22,552,396	27,679,079	117,254,585	17,242,095	184,728,155
Liabilities:					
Members' regular deposits	76,851,624	-	-	-	76,851,624
Other deposits	106,233,870	591,072	-	9,674	106,834,616
Other liabilities	-	-	-	2,500,852	2,500,852
Total liabilities	183,085,494	591,072	-	2,510,526	186,187,092
Total interest repricing gap	\$(160,533,098)	\$ 27,088,007	\$ 117,254,585	\$ 14,731,569	\$ (1,458,937)
Cumulative gap	\$(160,533,098)	\$(133,445,091)	\$ (16,190,506)	\$ (1,458,937)	

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

26. FINANCIAL RISK MANAGEMENT (Continued)

26.3. Market risk (Continued)

Interest rate risk (Continued)

As at December 31, 2022					
	Within 1 Year	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
Assets:					
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
Total assets	21,334,082	31,298,471	109,330,506	23,465,420	185,428,479
Liabilities:					
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
Total liabilities	185,650,689	535,232	-	2,811,789	188,997,710
Total interest repricing gap	\$(164,316,607)	\$ 30,763,239	\$ 109,330,506	\$ 20,653,631	\$ (3,569,231)
Cumulative gap	\$(164,316,607)	\$(133,553,368)	\$ (24,222,862)	\$ (3,569,231)	

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, 2023

(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:

As at December 31, 2023				
	Level 1	Level 2	Level 3	Total
<u>Financial instruments</u>				
Financial assets at FVTOCI	\$ 3,363,579	\$ 2,408,057	\$ -	\$ 5,771,636

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

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

Notes to Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

28. EVENTS AFTER THE REPORTING PERIOD

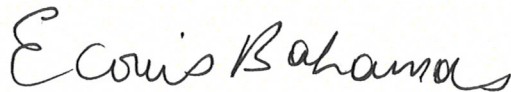
On April 18, 2024, the Board of Directors proposed that a dividend payment of 1.25% be paid to qualifying shareholders of record at December 31, 2023. Since this declaration was made subsequent to the end of the reporting period, the dividends were not recognized as a liability because no obligation existed at the end of the reporting period. This will be voted on by the members in the next annual general meeting.

**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION**

The primary purpose of our examination for the year ended December 31, 2023 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 46, taken as a whole.

The supplementary information for the year ended December 31, 2023 presented on pages 48 through 56 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 26, 2024
Nassau, The Bahamas

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

Statement of Profit or Loss – Nassau, Head Office

For the year ended December 31, 2023

(Expressed in Bahamian dollars)

	2023	2022
INTEREST INCOME		
Loans	\$ 4,938,714	\$ 5,321,618
Investments	2,018,681	2,125,556
Total interest income	6,957,395	7,447,174
INTEREST EXPENSE		
Members' regular shares and other deposits	(1,495,420)	(1,400,686)
NET INTEREST INCOME BEFORE PROVISION FOR LOAN IMPAIRMENT AND RECOVERIES OF BAD DEBTS		
	5,461,975	6,046,488
Increase in provision for loan impairment and expected credit losses	(1,823,994)	(1,314,754)
Recoveries of bad debts	470,299	377,246
NET INTEREST INCOME AFTER PROVISION FOR LOAN IMPAIRMENT AND RECOVERIES OF BAD DEBTS		
	4,108,280	5,108,980
NON-INTEREST INCOME		
Other income	686,542	554,673
Profit on investment properties	126,089	361,214
Total non-interest income	812,631	915,887
NET INTEREST AND OTHER INCOME		
	4,920,911	6,024,867
OPERATING EXPENSES		
Personnel	2,588,782	2,410,569
General business	760,905	824,263
Occupancy	656,675	772,469
Organizational	204,449	140,966
Members' security	616,068	745,022
Computer costs	1,197,914	1,106,403
Marketing	52,359	33,511
Total operating expenses	6,077,152	6,033,203
LOSS FOR THE YEAR		
	\$ (1,156,241)	\$ (8,336)

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

Statement of Operating Expenses – Nassau, Head Office

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	2023	2022
<u>Personnel</u>		
Salaries	\$ 2,048,332	\$ 1,865,630
Medical and pension	307,691	308,144
Staff benefits	116,183	117,978
National insurance	87,645	88,420
Travel, training and development	28,931	30,397
	2,588,782	2,410,569
<u>General business</u>		
Depreciation - furniture & equipment	108,418	148,737
Insurance	81,636	77,176
Professional fees	142,085	191,980
Value Added Tax (VAT)	102,821	102,834
Equipment maintenance	89,690	62,994
Stationery and supplies	55,950	50,433
Armoured car services	24,390	22,658
Vehicle expenses	8,278	9,641
Bank charges and broker fees	115,687	135,652
Courier and postage	19,428	17,132
Insurance - vehicles	2,086	2,163
Depreciation - motor vehicle	11,547	1,870
Cash (overage)/shortage and other expenses	(1,111)	993
	760,905	824,263
<u>Occupancy</u>		
Utilities	172,860	152,628
Depreciation - building	275,128	230,474
Building maintenance	169,260	134,391
Building security	39,427	118,102
Property tax	-	28,369
	\$ 656,675	\$ 663,964

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

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

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	2023	2022
<i><u>Organizational</u></i>		
Board and committee development and travel	\$ 21,099	\$ 1,302
Board and committee remuneration	65,986	62,520
Annual general meetings and anniversary expenses	58,043	15,678
Stabilization fees	45,723	43,305
Board and committee meetings	5,320	10,213
Directors and officers insurance	8,278	7,849
Members' education	-	99
	204,449	140,966
<i><u>Members' security</u></i>		
Loans and savings insurance premium	504,319	631,693
Bond insurance premium	16,737	16,316
Deposit insurance	95,012	97,013
	616,068	745,022
<i><u>Computer costs</u></i>		
Computer software - depreciation	114,035	98,990
Software subscription and maintenance	545,865	478,099
Computer stationery and ATM expense	12,991	16,292
Computer hardware - depreciation	340,002	336,612
Internet	166,071	157,836
Data Centre storage services	18,950	18,574
	1,197,914	1,106,403
<i><u>Marketing</u></i>		
Advertising and promotions	23,569	13,353
Marketing	20,965	16,308
Donations	7,825	3,850
	52,359	33,511
	\$ 6,077,152	\$ 5,924,698

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

Statement of Profit or Loss – Freeport Branch

For the year ended December 31, 2023

(Expressed in Bahamian dollars)

	2023	2022
INTEREST INCOME		
Loans	\$2,275,130	\$2,272,352
Investments	143	128
Total interest income	2,275,273	2,272,480
INTEREST EXPENSE		
Members' regular shares and other deposits	(104,951)	(438,917)
NET INTEREST INCOME BEFORE PROVISION FOR LOAN IMPAIRMENT AND RECOVERIES OF BAD DEBTS		
	2,170,322	1,833,563
Provision for loan impairment and expected credit losses	(173,294)	(173,293)
Recoveries of bad debts	77,526	77,526
NET INTEREST INCOME AFTER PROVISION FOR LOAN IMPAIRMENT AND RECOVERIES OF BAD DEBTS		
	2,074,554	1,737,796
NON-INTEREST INCOME		
Other income	(148,858)	89,958
Loss on investment properties	(94,322)	(41,163)
Total non-interest income	(243,180)	48,795
NET INTEREST AND OTHER INCOME		
	1,831,374	1,786,591
OPERATING EXPENSES		
Personnel	321,692	269,730
General business	125,797	80,947
Occupancy	146,871	129,640
Organizational	14,509	13,045
Members' security	8,948	8,856
Computer costs	28,572	28,421
Marketing	1,600	1,005
Total operating expenses	647,989	531,644
PROFIT FOR THE YEAR		
	\$1,183,385	\$1,254,947

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

Statement of Operating Expenses – Freeport Branch

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	2023	2022
<u>Personnel</u>		
Salaries	\$ 258,056	\$ 210,380
Medical and pension	33,140	29,964
Staff benefits	15,371	12,737
National insurance	12,872	11,233
Travel, training and development	2,253	5,416
	321,692	269,730
<u>General business</u>		
Depreciation - furniture and fixtures	17,257	16,202
Insurance - general	4,245	3,771
Professional and legal fees	52,610	18,677
Value Added Tax (VAT)	1,808	7,917
Equipment maintenance	14,218	9,986
Stationery and supplies	4,860	4,756
Armoured car services	6,202	1,724
Vehicle expenses	4,874	5,742
Bank charges and broker fees	3,462	3,825
Courier and postage	9,076	7,889
Insurance - motor vehicle	991	468
Depreciation - motor vehicle	6,244	-
Cash overage and other expenses	(50)	(10)
	125,797	80,947
<u>Occupancy</u>		
Utilities	16,220	16,443
Depreciation - building	60,539	60,605
Building maintenance	65,932	32,439
Building security	4,180	20,153
	146,871	129,640
<u>Organizational</u>		
Stabilization fees	9,849	9,429
AGM and anniversary expenses	1,284	558
Board and committee development and travel	3,376	3,058
	\$ 14,509	\$ 13,045

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

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

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	2023	2022
<u><i>Members' security</i></u>		
Bond insurance	\$ 8,948	\$ 8,856
<u><i>Computer costs</i></u>		
Computer software - depreciation	-	288
Software subscription and maintenance	3,072	2,942
Computer hardware - depreciation	6,861	7,352
Computer stationery and ATM expense	5,394	4,225
Internet	13,245	13,614
	<u>28,572</u>	<u>28,421</u>
<u><i>Marketing</i></u>		
Advertising and promotions	1,600	1,005
	<u>1,600</u>	<u>1,005</u>
	<u>\$ 647,989</u>	<u>\$ 531,644</u>

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

Statement of Profit or Loss – Abaco Branch

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	2023	2022
INTEREST INCOME		
Loans	\$ 1,102,175	\$ 1,058,662
Investments	56	85
Total interest income	1,102,231	1,058,747
INTEREST EXPENSE		
Members' regular shares and other deposits	(65,066)	(109,081)
NET INTEREST INCOME BEFORE PROVISION FOR LOAN IMPAIRMENT AND RECOVERIES OF BAD DEBTS		
	1,037,165	949,666
Decrease in provision for loan impairment and expected credit losses	31,031	31,031
Recoveries of bad debts	218,574	218,574
NET INTEREST INCOME AFTER PROVISION FOR LOAN IMPAIRMENT AND RECOVERIES OF BAD DEBTS		
	1,286,770	1,199,271
NON-INTEREST INCOME		
Other income	47,949	40,031
Loss on investment properties	(354,727)	(505,894)
Total non-interest income	(306,778)	(465,863)
NET INTEREST AND OTHER INCOME		
	979,992	733,408
OPERATING EXPENSES		
Personnel	248,497	227,031
General business	196,406	209,193
Occupancy	190,685	193,215
Organizational	10,643	7,008
Members' security	7,219	7,038
Computer costs	35,097	33,564
Marketing	1,600	100
Total operating expenses	690,147	677,149
PROFIT FOR THE YEAR		
	\$ 289,845	\$ 56,259

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

Statement of Operating Expenses – Abaco Branch

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	2023	2022
<u>Personnel</u>		
Salaries	\$ 187,030	\$ 167,446
Medical and pension	38,719	37,031
Staff benefits	10,997	10,616
National insurance	9,073	9,029
Travel, training and development	2,678	2,909
	248,497	227,031
<u>General business</u>		
Depreciation - furniture & fixtures	15,591	17,264
Insurance	58,026	55,345
Professional fees	35,700	76,226
Value Added Tax (VAT)	2,713	18,192
Equipment maintenance	39,106	12,420
Stationery and supplies	3,879	3,217
Armoured car services	28,025	17,655
Vehicle expenses	1,915	2,378
Bank charges and broker fees	1,689	1,863
Courier and postage	2,697	4,394
Insurance - motor vehicle	947	659
Depreciation - motor vehicle	6,244	-
Cash overage and other expenses	(126)	(420)
	196,406	209,193
<u>Occupancy</u>		
Utilities	56,538	50,736
Depreciation - building	81,512	81,998
Building maintenance	49,475	36,519
Building security	3,160	23,962
	\$ 190,685	\$ 193,215

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

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

For the year ended December 31, 2023
(Expressed in Bahamian dollars)

	2023	2022
<i><u>Organizational</u></i>		
Stabilization fees	\$ 4,812	\$ 4,446
AGM and anniversary expenses	1,267	400
Board and committee development and travel	4,564	2,162
	<u>10,643</u>	<u>7,008</u>
<i><u>Members' security</u></i>		
Bond insurance	7,219	7,038
<i><u>Computer costs</u></i>		
Computer software - depreciation	-	288
Software subscription	1,928	2,193
Computer hardware - depreciation	8,764	9,039
Computer stationery and ATM expense	-	27
Internet	24,405	22,017
	<u>35,097</u>	<u>33,564</u>
<i><u>Marketing</u></i>		
Advertising and promotions	1,600	100
	<u>1,600</u>	<u>100</u>
	<u>\$ 690,147</u>	<u>\$ 677,149</u>

BUDGET FOR YEAR 2024 & 2025

Budget Items		Budget	Actual	AGM Budget	Revised Budget	Budget
		2023 Combined	2023 Combined	2024 Combined	2024 Combined	2025 NASSAU
1	FINANCIAL REVENUE:					
2	Interest on General Loans	5,892,000	4,842,913	6,066,000	5,570,913	6,128,000
3	Interest on Mortgage Loans	3,746,000	2,883,709	3,858,000	3,315,709	3,647,000
4	Loan Service Fees	744,000	589,397	766,000	677,397	745,000
5	Interest on Statutory & Liquidity Reserves	647,000	640,198	666,000	667,000	718,000
6	Interest on Govt. & Bridge bonds	1,051,000	1,050,011.39	1,082,000	458,000	494,000
7	Interest on Deposits	205,000	138,880	211,000	125,000	135,000
8	Interest on Royal Fidelity Investments	202,000	188,790	208,000	170,000	184,000
9	Loan Skip Payment and Credit Report Fees	38,000	37,263	40,000	43,000	47,000
10	Loan Restructuring and Late Payment Fees	97,000	76,335	99,000	88,000	97,000
11	Dividends	180,000	295,107	185,000	753,000	813,000
12	Entrance Fees	9,000	2,399	9,000	2,000	2,000
13	Share Account Withdrawal Fees	129,000	126,531	133,000	146,000	161,000
14	Card Fees (ATM, Debit and Credit)	102,000	24,559	105,000	28,000	30,000
15	Service Fees	31,000	33,447	31,000	39,000	43,000
16	Rebate on LP/LS Insurance	-	-	-	-	-
17	Account Closing and Other Income	60,000	153,610	61,000	46,000	336,000
18	Gain/Loss on Investments	-	39,424	-	-	-
19	Gain/(Loss) on disposal of Assets	-	(202,041)	-	-	-
	Total Operating Income	13,133,000	10,920,532	13,520,000	12,129,020	\$13,580,000
	OPERATING EXPENSES:					
20	Interest on Regular Deposits	1,261,000	914,692	1,299,000	914,692	1,052,000
21	Interest on Fixed Deposits	1,145,000	750,746	1,179,000	750,746	864,000
22	Bad Debt Expense	921,000	1,199,858	948,000	1,334,000	697,000
23	Salaries and Overtime	2,420,000	2,493,418	2,493,000	2,557,000	2,711,000
24	N.I.B., Medical and Pension	550,000	489,140	567,000	555,000	588,000
25	Staff Benefits, Uniforms and Meetings	177,000	142,551	183,000	161,000	171,000
26	Staff Training and Conferences	56,500	18,163	58,000	58,000	62,000
27	Staff Travel	16,000	15,699	16,000	21,000	22,000
28	Depreciation - Furn. and Equip.	188,000	141,266	194,000	150,000	150,000
29	General and Automobile Insurance	144,000	143,907	148,000	152,000	157,000
30	Legal, Audit and Professional fees	165,000	122,877	170,000	152,000	152,000
31	VAT Expense	149,000	107,342	153,000	142,000	142,000
32	Equipment Maintenance	91,000	143,014	93,000	155,000	155,000
33	Office Supplies	65,000	64,689	66,000	84,000	84,000
34	Armored car services	45,000	58,617	46,000	62,000	62,000
35	Depreciation - Automobiles	25,000	24,035	26,000	26,000	26,000
36	Automobile maintenance and gas	18,000	19,091	18,000	19,000	14,000
37	Bank and investment charges	105,000	120,838	108,000	110,000	110,000
38	Courier and postage fees	31,000	31,201	32,000	31,000	31,000
39	Collector's Fees and Teller's Allowances	75,000	106,231	77,000	80,000	80,000
40	LP/LS and Deposit Insurance	807,000	599,331	831,000	530,000	689,000
41	Bond Insurance	34,000	32,904	35,000	36,000	38,000
42	Utilities	221,000	245,618	227,000	275,000	284,000
43	Depreciation - Buildings	498,000	417,179	513,000	513,000	479,000
44	Building Maintenance	248,000	285,978	256,000	184,000	330,000
		9,455,500	8,688,384	9,736,000	9,052,437	\$9,150,000

Balance carried forward—BUDGET FOR YEAR 2024 & 2025

Budget Items		Budget	Actual	AGM	Revised	Budget
		2023 Combined	2023 Combined	Budget 2024 Combined	Budget 2024 Combined	2025 NASSAU
Balance brought forward		9,455,500	8,688,384	9,736,000	9,052,437	\$9,150,000
45	Building Security	29,000	46,767	30,000	30,000	54,000
46	Property Tax	63,000	(1,311)	65,000	65,000	65,000
47	Disaster Recovery - DATO	20,000	18,950	21,000	21,000	22,000
48	Board - Travel	11,000	4,727	11,000	3,000	10,000
49	Board - International Conferences	25,000	-	13,000	5,000	15,000
50	Board - Training and Local Conferences	2,000	11,112	2,000	2,000	7,000
51	Board - Out-of-pocket expenses	45,000	48,236	45,000	50,880	54,600
52	Board and Committee Meetings	10,000	5,320	10,000	5,000	10,000
53	Supervisory Committee - Travel	4,000	4,546	4,000	2,500	5,000
54	Supervisory Committee - Training and Conferences	8,000	8,513	8,000	2,500	6,000
55	Supervisory Committee - Out-of-pocket expenses	9,000	8,750	9,000	11,100	12,600
56	Credit Committee - Training and Conferences	6,000	-	6,000	-	5,000
57	Credit Committee - Out-of-pocket expenses	9,000	9,000	9,000	11,100	12,600
58	Other Committee - Training and Conferences	6,000	-	6,000	-	4,000
59	AGM	30,000	51,674.86	31,000	30,000	40,000
60	Anniversary Activities	9,000	8,920	9,000	9,000	10,000
61	Stabilization fees	61,000	60,384	63,000	63,000	69,000
62	Directors and officers insurance	9,000	8,278	9,000	9,000	9,000
63	Membership - Training and education	5,000	-	5,000	1,500	8,000
64	Depreciation - Computer software	156,000	114,035	161,000	161,000	128,000
65	Maintenance - Computer systems	11,000	36,635	12,000	12,000	12,000
66	Software - System maintenance	200,000	180,460	205,000	63,400	63,400
67	Software - System security	110,000	88,436	112,000	92,000	92,000
68	Software - General applications	190,000	184,852	195,000	157,000	157,000
69	Software - Department applications	70,000	60,481	71,000	12,010	12,010
70	Computer supplies	26,000	18,385	27,000	26,000	29,000
71	Depreciation - Computer hardware	383,000	355,627	394,000	394,000	387,000
72	Internet	203,000	203,721	209,000	220,000	203,000
73	Advertising and promotion	25,000	26,769	25,000	45,000	40,000
74	Marketing and Membership Drive	25,000	20,965	17,000	20,000	25,000
75	Donations	11,000	7,825	11,000	13,000	13,000
76	Contributions to Junior Co-operatives	9,000	-	9,000	-	-
Total Operating Expenses		11,235,500	10,280,443	11,540,000	10,589,427	\$10,730,210
FINANCIAL NET INCOME/(LOSS)		1,897,500	640,089	1,980,000	1,539,592	\$2,849,790
INVESTMENT PROPERTY						
77	Rental Income and CAM charges	843,000	926,732	870,000	736,000	809,000
78	Insurance Settlements	-	-	-	-	-
PROPERTY EXPENSES						
79	Dep. Investment properties	624,000	650,733	643,000	672,000	739,000
80	Investment property expenses	666,000	598,959	685,000	644,000	706,000
81	Total PROPERTY Expenses	1,290,000	1,249,692	1,328,000	1,316,000	\$1,445,000
82	NET INCOME/(LOSS) PROPERTY	(447,000)	(322,960)	(458,000)	(580,000)	(\$636,000)
83	NET INCOME/(LOSS)	1,450,500	317,129	1,522,000	959,592	\$2,213,790
84	<i>(Increase)/Decrease in valuation reserve</i>	-	(248,773)		-	-
85	2022 Dividends	80,500			-	
86	TOTAL COMPREHENSIVE INCOME	1,370,000	565,902	1,522,000	959,592	\$2,213,790

SUPERVISORY COMMITTEE REPORT

Sherene Saunders

Committee Chairman



The Supervisory Committee consists of three (3) 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 following Acts and Regulations:

- Bahamas Co-operative Credit Unions Act and Bye-Laws 2015;
- The Supervisory and Regulatory Guidelines: 2022 Internal Audit Issued 6 December 2022

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 2023, nominations were accepted to fill one vacant position on the Supervisory Committee. Subsequently, there was a special call meeting in December 2023 which sought to elect one individual to the committee. The individual elected was Ms. Sherene Saunders. The Supervisory Committee wishes to welcome Ms. Sherene Saunders to the team.

The Supervisory Committee Charter was ratified by the Chairman of the Supervisory Committee and the Chairman of the Board February 5th, 2024.

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:

- During the period February 13th, 2023 through March 3rd, 2023, 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 2023, Compliance successfully reviewed and processed a total of **5,677** 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.
- Successfully conducted effective AML online training and education for all staff, Board of Directors and Committee Members.
- Successfully submitted to the Central Bank of The Bahamas the following deliverables in January 2023: **AML Data Return 2021, Annual Sanctions Declaration 2021, AML Risk Assessment** and **Annual Board Certification 2021** ahead of the February 28th, 2023 deadline.
- Processed a total of fifty-two (52) **Production Orders/Requests for Information** from the Financial Intelligence Unit, Central Bank of The Bahamas and Royal Bahamas Police Force within 24 – 48 hours of receipt of same; all were fully responded to in a timely manner.
- There were no fines, penalties and/or sanctions levied against TSWCCUL for AML or regulatory compliance related infractions in 2023.
- Note that our alerts and Production Orders have slightly increased in 2023; see below:

	Year 2022	Year 2023	Comparison
Alerts	5,242	5,677	7.6% increase
Production Orders	52	55	5.45% increase

CHALLENGES

To meet the Know Your Customer (KYC) requirements, TSWCCUL must identify and verify client identity before account opening and regularly

after that. Failing to meet KYC requirements may bring unwanted penalties and fines.

It is important to note that the challenge highlighted during the 2022 AGM remains the same for 2023, as we still have deficiencies in the KYC requirements during the onboarding of new members; same can be attributed to the constant staff turnover of customer facing staff.

Having stated the above, Compliance identifies and mitigates the said risk to ensure adherence to obligations by carrying out the following:

- ◇ Daily random spot checks of newly opened accounts;
- ◇ Conducting monthly reviews of all and/or percentage sampling of newly opened accounts as part of the Board pre-ratification exercise; and
- ◇ Performing annual account opening quality assurance reviews via Compliance Conformance Reviews.

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 FY2023 included assurance, consultancy, and investigative reviews. The FY2023 saw reviews being performed in the following areas:

- Operational.
- Investigative.
- Process reviews.

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

NASSAU, FREEPORT & ABACO BRANCHES REVIEW:

The following areas listed below were addressed during the review of all branches:

- Surprise teller cash and vault count amount.
- Insurance maximum for the branch
- Petty cash receipt book.
- KYC'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
- Confirmation of AML/CFT Training for all Staff
- PEP listing
- New Member savings accounts
- Alarm Testing
- Closed Accounts
- Certificates of Deposit
- Vendor Contracts
- Physical and Systems Access (IT)
- Branch Complaint Log
- Branch Overages and Shortages

ALL branch reviews were conducted during 2023 and all reviews were deemed satisfactory.

Key Observations and Recommendations coming out of the branch reviews were as follows:

- Proper identification and management of Dormant Accounts
- Security Cameras need to be repositioned and or replaced
- Panic Buttons should be tested on a periodic basis
- Settlement of outstanding rental lease payments by tenant
- Immediate termination of system access for employees separating from the Credit Union

AUDIT PLAN 2023 SUMMARY AND RESULTS:

There were 18 scheduled reviews and 1 requested review during 2023.

AUDIT PLAN SUMMARY - 2023

Audit Plan Summary - 2023	Audit Reviews	Completed	Outstanding	% of Audit Reviews Completed
Planned Audit Engagements	18	9	9	50%
Requested Audit Engagements	1	1	0	100%
Total	19			

Due to the lack of Internal Audit Resources only 50% of the scheduled audit reviews, as focus was placed primarily on the completion of the Branch Reviews and the unplanned engagements.

The Risk rating of the outstanding audit planned reviews that were not completed is as follows:

OUTSTANDING NINE "9" AUDIT PLANNED REVIEWS

Risk Rating	High	1
Risk Rating	Moderate	4
Risk Rating	Low	4
	Total	9

The High Risk Audit Planned Review not completed for 2023 is the Business Continuity Management Review.

Key Observations and/or Recommendations coming out of the Audit Planned reviews for 2023 were as follows:

1. Monitoring of inactive accounts and management of Dormant accounts
2. Settlement of outstanding rental lease payments by tenants
3. Immediate termination of system access for employees separating from the Credit Union
4. Noncompliance with controls regarding processing of member transactions

Unplanned Engagements Completed by the Internal Audit Function in 2023

UNPLANNED ENGAGEMENTS COMPLETED IN 2023

Unplanned Engagements Completed in 2023	Total	Risk Rating - High	Risk Rating - Moderate	% of Unplanned Engagements Completed
Special Investigations	7	7	-	58%
Regulatory Requirements	1	1	-	8%
Annual Financial Reporting Requirement	4	-	4	33%
Total	12	8	4	100%

The below table highlights that 71% of the special investigations, which is representative of 58% of the Unplanned engagements for 2023 relates to misappropriation of the credit union resources.

Key Area	Total	%
Conflict of Interest	1	14%
IT Data Center Failure	1	14%
Misappropriations of credit union resources	5	71%
Total	7	100%

Observations and Recommendations coming out of the unplanned engagements conducted during 2023 were as follows:

- 1) An external Vendor be contracted to perform a full assessment of the IT Data Center's systems and infrastructure.
- 2) A forensic accountant to be contracted to conduct a full and thorough investigation as it relates to the misappropriation of resources, highlighting gaps and deficiencies as well as providing recommendations to remediate the same.
- 3) Printed Teller Detailed reports should be reviewed and compared to the system reports to ensure that all transactions are captured.

Additional Audit Checks during 2023 were performed for the following and no material issues were noted during these reviews:

- ◆ Surprise Cash & Vault Counts
- ◆ Teller Review (random dates and Tellers selected)
- ◆ Operations Processor data Inputs (Collections Department)

Below is the total summary of engagements completed in 2023 by the Internal Audit Function:

Total Summary of Audit Engagements Completed in 2023	
Audit Plan Summary - 2023	9
Requested Audit Engagements	1
Unplanned Engagements Completed in 2023	12
Total	22

CHALLENGES

Due to the lack of Internal Audit resources, the Edit Clerk Function has been transferred to the Risk Department.

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 regulatory as well as internal requirements.

As of the date of this report, the Board has approved the hiring of additional resources for the internal audit function. We are hoping to have these new additions selected and onboarded before the end of June 30th, 2024.

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.

Committed to serve you!
Your Supervisory Committee,

Sherene Saunders, Chairman

David Briggs, Secretary

Sophia Williams, Member



Shena Williams
Committee Chairman

CREDIT COMMITTEE REPORT

The Credit Committee is presently comprised of four (4) members; three (3) are elected by the AGM and one (1) is appointed by the Board of Directors.

Presently the Credit Committee Members are:

- Shena M. Williams - Chairman
- Theresa Mortimer - Secretary
- Vienna McKenzie - Member
- Theresa Deleveaux - Board Appointed

The newly elected member (s) of the Credit Committee held their first meeting in December 2023, after the AGM elections. In accordance with Section 78 of The Bahamas Co-operative Credit Union Act; the Credit Committee met monthly with Managers who provided reports with information and statical data.

LOANS MANAGER

- ◆ Number of loan applications
- ◆ Number of loan applications declined and reason for decline
- ◆ (Number of paid off loans)

Credit Risk Manager

- ◆ Number and category of loans approved
- ◆ Security obtained for loans

Collections Manager

- ◆ Number of delinquent loans
- ◆ (Delinquent accounts: recovery/restructure and updates on Court cases)

Managers presented written monthly reports and were present to answer queries, explain aspects of their written reports and speak on other activities in their respective departments. The Credit Risk Manager provided approved loan files requested by the Committee for preview. Minutes of the meetings were duly recorded by the Secretary.

During the period January - March 2024 there were no loan applications submitted to the Credit Committee for review and/or approval. In February, 2024 the Credit Committee reviewed approved loan files for January from all Branches:

1. Nassau - 7 files
2. Freeport - 6 files and
3. Abaco - 5 files

The Credit Committee has selected a further 10 files for review at its April meeting.

In selecting files for review the Committee selects mortgages as well as staff top up loans which placed them in the high dollar value category, loans with over the counter payments, high dollar value loans and loans approved for those aged 60+ (High \$ value - \$50,000+).

BOOKED LOANS

	2022	2023
total number of paid off loans	757	756
\$ value of paid off loans	5,101,494.25	5,121,181.30
total number of booked loans	997	1,114
\$ value of booked loans	21,272,141.87	18,797,507.97
total number of declined loans	75	28
\$ value of declined loans	2,259,883.88	1,234,855.81

total number of loans are inclusive of consumer loans and mortgage loans.

COLLECTIONS

The Collections Department continues to work with members to restructure delinquent loans and where delinquency persists to use the courts (Supreme and Magistrate Courts) to recover Credit Union funds. The Department continues to monitor delinquent accounts for possible resolutions in all cases. Watch lists, by Branches, have been established to ensure effective monitoring of each Branch's top 20 largest loan balances; this Departments' focus is in an attempt to mitigate delinquency wherever possible.

Table shows recovery for the past 4 years.

2020	\$207,597.82
2021	\$355,561,83
2022	\$673,346
2023	\$766,399

Recovery interest for 2022 and 2023

2022	26,146.47
2023	113,728.28

CONCLUSION

As of March 2024, the total loan book of *Teachers and Salaried Workers Cooperative Credit Union (TSWCCUL)* with 2,619 accounts valued at \$93,812,926.91; making it one of the premier Financial Institutions in The Commonwealth of The Bahamas.

The Credit Committee wishes to thank you, the members of this Institution for affording each of us an opportunity to serve. We acknowledge the General Manager and Staff, in particular the Loans and Collections Managers, the Credit Risk Manager, IT Department, Secretary to the Board, other Staff members and Security personnel for their valuable assistance and cooperation.

The Committee continues to navigate between its obligations to the Regulators, you the members and the mandates laid out in the Credit Committee Charter.

May The Lord continue to bless this Institution and its members as we continue to seek His divine guidance and wisdom.

Shena M. Williams - Chairman

Theresa Mortimer - Secretary

Vienna McKenzie - Member

CRITERIA COMMITTEE REPORT

SPECIAL COMMITTEE REPORT PRESENTED AT THE SPECIAL CALL MEETING AUGUST 20, 2023

The Special Committee approved by the AGM May 20, 2023 to review and to provide recommendations regarding Resolutions listed below at this Special Call Meeting. The Committee met several times as mandated and made the following recommendations seeking approval by the Membership.

Eligibility To Serve on The Board of Directors and Committees

- Must be a member of the Credit Union and at least 18 years of age or older.
- Must be qualified or experienced in matters but not limited to accounts, finance, business administration, commerce, or law.
- Must not have been convicted of an offence that is punishable or indictment in The Bahamas, or in another country or an offence involving dishonesty.
- Must not be a professional Advisor who provides services to the Co-operative Credit Union or in his/her professional capacity has provided such services in twelve months preceding the date on which they may be elected (unless there is full disclosure).
- Must not be ninety days or more in arrears of his/her debt obligation to the Co-operative Credit Union.
- Must not be an undischarged bankrupt.
- Must not have been suspended, removed, or prohibited from acting as a Director of a:
 - ◊ Financial institution by a domestic regulatory authority; or
 - ◊ Foreign financial institution by a foreign regulatory authority.
- Does not meet the requirements prescribed in accordance with bye-laws 48(1)(d) to be elected.
- Must have the following attributes in accordance with the **Fit and Proper Guideline** to hold the aforementioned positions:
 - * Integrity, probity, competence, and soundness of judgment to fulfill his/her responsibilities.
 - * The diligence with which the person is fulfilling or is likely to fulfill the responsibilities of the position in question.
- Whether the interest of Teachers and Salaried Workers Cooperative Credit Union is likely to be in any way threatened by the person holding that position.
- Whether they have engaged in any activity or business practices that appear to be deceitful or oppressive or otherwise improper (whether lawful or not) or which would discredit his/her method of conducting business.
- Whether there has been impropriety in handling an employer's business.

REMUNERATION

The motions to increase remuneration was withdrawn by the movers at the AGM held May 20, 2023. However, after reviewing remuneration received by members serving from League and other Credit Unions the Committee recommends that at this time amounts will remain the same.

Further, if Board/Committee members do not attend in person or virtually without a prior valid excuse for any meeting payment will not be paid for their period of absence.

Term Limits

- ◆ Board, Supervisory and Credit Committees should serve a maximum of two (2) consecutive terms.
- ◆ Board, Supervisory and Credit Committee members who would have served two (2) consecutive terms are not eligible to serve until after sitting out for one (1) term (a three (3) year period).
- ◆ Once persons who would have sat out for the required period, they would be eligible to be nominated.

Funds Required To Serve On Board and Committees

Members seeking nomination to serve on Board must have unencumbered funds not less than twenty-five hundred (\$2,500) dollars in shares/savings.

Members seeking nomination to serve on Supervisory or Credit Committees must have unencumbered funds not less than fifteen hundred (\$1,500) dollars in shares/savings.

Funds must remain in place until the member has served their entire term.

Should required amounts not be in accordance with minimum requirements, persons will have vacated their positions.

Angela Hunt, Special Committee Chairman

Belinda Wilson, Committee Member

Theresa Deleveaux, Committee Member

Elbert Thompson, Committee Member

Ashley Clarke, Committee Member

2024 RESOLUTIONS

RESOLUTION 1

2023 INTEREST PAYMENT

WHEREAS the audited accounts for 2023 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 Loans/Mortgage Security (MG); Three Quarter Percent (0.75%) Interest on Dividend Reinvestments; Three Quarter Percent (0.75%) Interest on Retirement Accounts; One Half Percent (0.50%) Interest on Regular 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, 2024.

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 2025.

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 2025.

RESOLUTIONS SUBMITTED BY MEMBERS

MEMBER SUBMITTED RESOLUTION 4

BE IT RESOLVED that an annual conclave be held with all Committees and the Board, for the Board Chairman to share the overall Strategic plan and vision for TWCCUL and what each Committee's role is in helping to fulfill this plan and vision for the upcoming year. Thereby fostering camaraderie amongst Committee Members and the Board.

MEMBER SUBMITTED RESOLUTION 5

BE IT RESOLVED that there be an Annual Assessment of the Board and its effectiveness by an independent third party. The effectiveness of the Board directly correlates with the successful achievement of the strategic and operational objectives of the credit union.

MEMBER SUBMITTED RESOLUTION 6

REMUNERATIONS

WHEREAS, Section 58 of the Act provides for directors and members of a committee to be paid any remuneration, 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 Six Hundred, and Fifty dollars (\$650.00) each per month, in arrears, until the next annual general meeting in 2025.

Part (ii) SUPERVISORY AND CREDIT COMMITTEE MEMBERS

(a) The remuneration for Supervisory Committee and Credit Committee members be fixed and ratified at Three Hundred and Fifty Dollars (\$350.00) each per month, in arrears until the next annual general meeting in 2025.



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