



ANNUAL REPORT '16



Authentic Difference
LEVERAGING OF OUR CORE VALUES



TRANQUILLITY
CREDIT UNION

TRANQUILLITY
CREDIT UNION

Quality Service at Hand

Mission

To become an efficient and professional financial cooperative committed to improving the economic and social well-being of our members, delivering superior products and services.

Vision

To be the best managed, full service financial Co-operative in Trinidad and Tobago.

Our Commitment

- Improving the quality of life of our members
- Providing Quality service
- Ensuring continuous quality Loan growth
- Sustainability
- Empowering members



Credit Union Prayer

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

O Divine Master, grant that we
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.



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Notice of Meeting



NOTICE IS HEREBY GIVEN that the Sixty Sixth (66th) Annual General Meeting of the Tranquillity Credit Union Co-operative Society Limited.

DATE: SATURDAY APRIL 22ND 2017

TIME: 9:00 a.m. *Registration begins at 8:00 a.m. Meeting begins promptly and in accordance with BYE-LAW 19 (a). Members must produce valid Identification.*

VENUE: TRINITY COLLEGE EAST, College Avenue, off Trincity Central Road, Trincity

Members are requested to be on time to allow the meeting to begin promptly and in accordance with BYE LAW 19 (a).

AGENDA

1. National Anthem
2. Credit Union Prayer
3. Reading of the Notice convening the 66th A.G.M.
4. Adoption of Standing Orders
5. President's Address
6. Feature Address
7. Minutes of the 65th Annual General Meeting
8. Reports for the 2016/ 2017 Term
 - *Board of Directors' Report*
 - *Credit Committee's Report*
 - *Supervisory Committee's Report*
 - *Education Committee's Report*
 - *Auditor's Report*
 - *Financial Statements*
 - *Budget*
9. Resolutions
10. Nominations Committee's Report
11. Election of Officers
12. Other Business
13. Closing Prayer

BY ORDER OF THE BOARD OF DIRECTORS


JASON MATOORAM
Hon. Secretary

Standing Orders



1. (a) A Member shall 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, he/she shall immediately take his/her 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) He/she rises to object or to explain (with the permission of the Chair).
5. The mover of a "Procedural Motion" (Adjournment, Lay on the table, Motion to Postpone) shall have no right to reply.
6. No speeches are to be made after the "Question" has been put and carried or negated.
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 Orders".)
8. (a) A Member shall not "Call another Member to order" but may draw the attention of the Chair to a "Breach of Order".
(b) In no event can a Member call the Chair to order.
9. A "Question" shall not be put to the vote if a Member desires to speak on it or move an amendment to it, except that a "Procedural Motion: The Previous Questions", "Proceed to the Next Business" or the Closure: "That the Question be Now Put" may be moved at any time.
10. Only one amendment shall be before the meeting at one and the same time.
11. When a motion is withdrawn, any amendment to it fails.
12. The Chairman shall have the right to a "casting vote".
13. If there is equality of voting on an amendment, and if 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.



TRANQUILLITY CREDIT UNION

MEMBER TO MEMBER VALUE SKILLS PROGRAM

Be a part of the **Member to Member (M2M) Value Skills Program** which will enable you to promote your business, save money and gain additional business contacts at no extra marketing cost to you. Use the opportunity to connect with approximately 1600 Tranquillity Members.

Application forms can be downloaded here:

<http://tranquillitycu.com/images/PDF/TCU-Skill-List-Registration-Form.pdf>

Contact us: ▼

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Quality Service at Work!



Minutes of
**65th Annual
General Meeting**
CONNECTING YOU TO YOUR FUTURE

Held on Thursday 12th May, 2016
at The Ballroom of the Radisson Hotel,
Wrightson Road, Port of Spain

Call to Order

The Assistant Secretary, Mrs. Anna-Lisa Arlen-Benjamin, having been informed by the Registration Desk that there were Seventy-Eight (78) Members present, called the Meeting to order at 4.54p.m.

National Anthem

A recorded version of the National Anthem was played.

Credit Union Prayer

Director Ms. Sheryl Strachan led the Meeting in the recitation of the Credit Union Prayer.

Moment of Silence for the Deceased

One minute of silence was observed in memory of Members who died during the year.

HSE Minute

The HSE Briefing was performed by Mrs. Arlen-Benjamin, since the Hotel Staff were not present to do so.

Notice of AGM and Agenda

Mrs. Arlen-Benjamin read the "Notice of the Annual General Meeting" as contained in the AGM brochure.

Next, Mrs. Arlen-Benjamin referred Members to the Agenda, and indicated that Items 9 and 10 were being exchanged with Items 11 and 12 respectively.

Adoption of the Standing Orders

Mrs. Arlen-Benjamin read the Standing Orders as stated in the AGM Brochure, and in particular, drew Members' attention to Items 2 and 4.

PRESIDENT'S ADDRESS

The President, Mr. Edwin Ian Reid, read his Address as contained on pages 5 to 6 of the brochure.

SALUTATIONS FROM GUESTS

At the conclusion of the President's address, the Assistant Secretary invited the following guests to bring greetings from their respective organisations:-

Ms. Dianne Joseph

Chief Operating Officer, Co-operative Credit Union League of Trinidad and Tobago

Ms. Petra Cooper

President, North West Regional Chapter of the Credit Union League of Trinidad and Tobago

Ms. Krista Rameshwar

NEM Leadership Consultants

Mrs. Shelley Charles-Williams

Co-operative Officer; Co-operative Development Division, Ministry of Labour and Small Enterprise Development

MINUTES OF THE 64th ANNUAL GENERAL MEETING

The Asst. Secretary then directed Members' attention to the Minutes of the last Annual General Meeting. A motion to have the Minutes taken as read was moved by Ms. Sue-Ann Patrick and seconded by Mr. Michael Mc Clean. The motion was unanimously accepted.

There were no Matters Arising, and a motion to adopt the Minutes of the 64th Annual General Meeting was moved by Mr. Michael Mc Clean and seconded by Ms. Marlene Goddard. The motion was unanimously accepted.

BOARD OF DIRECTORS' REPORT

The President, Mr. Reid, directed the meeting's attention to the Report of the Board of Directors.

The Report was taken as read on a motion moved by Mrs. Claudette Gomez and seconded by Mr. Michael Mc Clean.

Correction:

Page 21 – “Board of Directors – Term of Office” – correct the period for Mrs. Esther Pariag to read “2014 to 2017” instead of 2107.

Matters Arising

- Mr. Hugh Howard referred to Page 17 – he noted a substantial increase in the Provision for Loan Loss, and enquired (a) what triggered this increase; (b) was it a “Loss” or a “Provision for Loss”; and (c) If it was a Provision, what would be the possibility for collecting this amount in the Accounts provided.

The President responded that (1) it was a “Provision for Loss”; and (2) A Delinquency Committee was appointed for this sole purpose.

- Mr. Osric Bacchus followed on Mr. Howard’s query and enquired whether the Sixty-Eight (68) persons who had been fired from National Petroleum contributed to an increase in Delinquency.

The President again responded that the figure was a “Provision for Loss” and not a “Loss”.

- Ms. Beverly-Ann Cruickshank enquired about the status of the Group Health Insurance.

The President responded that proposals had been received from Four (4) companies, and that the evaluation was being done at present. The successful company would soon be announced and it was expected that they would commence business on 1st July, 2016.

- Debit Visa Card – the President urged members to sign up for the Card. He stated that salaries

could be assigned, that Members’ funds were fully secured, the card was ideal for students, no interest was payable, and there were no cash withdrawal fees.

- The President also drew Members’ attention to two of the pillars of the Board’s strategic focus for the Credit Union – Global Information Access Banking and Mobile Information Access.
- The President acknowledged the passing of long standing Members which had occurred during 2015/2016 – John H.A. Huggins, Brian John, Rupert King and June Abbott.

There being no further queries/comments, a motion to adopt the Report of the Board of Directors was moved by Mr. Winston Louis Drayton and seconded by Mr. Leon Cudjoe. This motion was unanimously accepted.

CREDIT COMMITTEE'S REPORT

The report of the Credit Committee was presented by Mr. Royds Williams, in the absence of the Committee Chairman, Mr. Kendal Charles, who was out of the country on a business trip.



Mr. Williams drew members' attention to the Committee's recommendations contained on page 25 of the brochure.

- Mr. Hugh Howard enquired whether the Committee determines the threshold for source of funds, and why the Committee's limit was \$20,000.00 as opposed to \$90,000.00 for commercial banks.

The General Manager, Mr. Sherwin Cambridge, responded that the threshold for Credit Unions would always be lower than that of commercial banks based on the quantity and quality of business. He stated that the Board and Management considered Deposits and other related factors, and determined that \$20,000.00 was a reasonable figure.

There being no further questions/comments, a motion to adopt the Report of the Credit Committee was moved by Mr. Lennox Marcelle and seconded by Mr. Osric Bacchus. This motion was unanimously accepted.

SUPERVISORY COMMITTEE'S REPORT

The report of the Supervisory Committee was presented by its Chairman, Mr. Richard Trim.

There were no questions/comments for the Committee, and a motion to adopt the Report was moved by Mrs. Naomi Padmore and seconded by Mrs. Pamela Mc Clean. This motion was unanimously accepted.

EDUCATION COMMITTEE'S REPORT

The report of the Education Committee was presented by its Chairman, Mrs. Kerlina Niles, who reported on their activities as follows:

- *A Seminar on the Preparation of Wills, Financial and Estate Planning;*
- *Calendar of Events for 2016;*
- *Review of the SEA Awards Programme;*

Mrs. Niles also informed the AGM of the "SKList" (Skills List) – a small business link on TCUs website which was developed to assist Members who are small business owners, to promote their various products or services. Those Members were encouraged to complete and return the application forms available from the Administrative Staff present at the AGM.

There were no queries/comments for the Committee, and a motion to adopt the Report was moved by Mr. Ronald Fraser and seconded by Mrs. Marcia Smith-Cox. The motion was unanimously accepted.



AUDITOR'S REPORT

The Auditor's Statement was presented by Hardy's Chartered Accountants, serving its third term as Auditors, having been re-appointed at the last AGM.

- Mr. Louis Drayton asked for clarification of the term "Emphasis of Matter" and whether the Auditors wanted to draw attention to something specific.

Mr. Cambridge responded that the term referred to the treatment of Income as Cash; a more prudent approach rather than "Accrual".

Mr. Drayton further enquired whether there were any expenses which were not recorded?

Mr. Cambridge clarified that Expenses were reported on "Accrued" basis.

There were no further questions on the Auditor's Report, and a motion to accept the Report was moved by Mr. Ronald Fraser and seconded by Mrs. Kathlene Lalman.

FINANCIAL STATEMENTS

The President invited the General Manager, Mr. Sherwin Cambridge, to present the Financial Statements.

Matters Arising

- Mr. Hugh Howard referred to page 3 and enquired about the increases in Insurance coverage, Marketing Expenses, and Repairs and Maintenance. In addition he also asked for clarification on "Rental".

Mr. Cambridge explained that Insurance coverage increased because of the purchase of the new office building and contents, and also the sub office maintained at NP House.

Marketing expenses were related to the Launch of Building at a cost of \$295,000.00, and the Launch of Debit Visa Card at \$164,000.00.

Rental is the figure for the Car park at the new building which is being leased for three (3) years from TTPost at \$9,000 + VAT. Mr. Cambridge stated that the intention is to purchase the property before lease expires.

- Mr. Ronald Fraser referred to Miscellaneous and enquired what were the top three items comprising the 2015 figure.

Mr. Cambridge responded that on the day of opening of building, the Co-ordinator of Protocol for the event, fell and fractured her ankle, and at the time there was no Insurance coverage on the building. Her Medical costs totalled \$60,000.00.

- Mr. Louis Drayton referred once again to "Emphasis on Matter" as stated in the Auditor's Report and stated that he was looking at the Notes for an explanation for Income as Cash as opposed to Income as Accrual.

Mr. Cambridge replied that it would be difficult since Interest on all Loans was generated on the first day of the month. He further stated that Management will have to adopt policy for two to three months and bring Income to the Books. He also stated that Management would examine it for next year and bring the figures for a better appreciation of the concept.

Mr. Drayton directed a follow-up question to the Auditors; he stated that he thought that mention was made because the Auditors were concerned with the way Cash was reported as opposed to how it should have been done, according to the International Standard.

The Auditors responded that there was no material difference.

- Mr. Gerard Phillip enquired why was there an increase in the expenses for Security Courier.

Mr. Cambridge replied that there are two types of Securities: (a) On site Security Officer 8 a.m. to 5 p.m., and (b) two sets of Cash In Transit – NP House and Maraval Road.

- Mr. Howard noted that the New Accounting Standard had not been applied, and he enquired whether there would be any significant difficulties in future, or whether it would affect the way the Accounts are presented.

Mr. Cambridge responded that the New Standards became effective on 1st January 2016, however, it was the 2015 Financials that were being examined.

- Mr. Fraser enquired why the Depreciation rate for Land and Building at Maraval Road was reported at 0%.

Mr. Cambridge replied that the Maraval Road property appreciated instead of depreciated.

- Mr. Lennox Marcelle enquired why there was a decline in Mortgage Loans.

Mr. Cambridge replied that it was a question of Demand and Supply, and that the Demand is not there. In addition, the Credit Union is only equipped to carry loans for household repairs etc., and not long term Mortgage Loans.

- Mr. Drayton referred to the significant increase in vehicle loans, and enquired what measures were in place with regard to this Risk.

Mr. Cambridge responded that there has been improvement in loan analysis - credit reports

from Credit Chex and AV Knowles are accessed. Mortgage Bills of Sale expire every three (3) years.

The length of membership with TCU is also taken into consideration, and Temporary Employees are required to have one (1) month's deposit etc.

- Mr. Howard asked for an explanation of the Share Builder Loans.

Mr. Cambridge replied that it was a special promotion to encourage growth in Shares, and motor vehicles were offered as incentive prizes. Members were given loans; part of the proceeds went to Shares and member qualified as part of the competition. These Loans were to be repaid over a period of time.

There being no further queries/comments, a motion to adopt the Financial Statements was moved by Mrs. Ingrid Harris-Dick and seconded by Mr. Ronald Fraser. The motion was unanimously accepted.

Budget 2016

The Meeting was then directed to the Budget for 2016 as contained on pages 24 to 25 in the Brochure.

Matters Arising

- Mr. Ronald Fraser referred to the Bad Debt Provision and noted the figure had been consistent over the last 2 or 3 years. He further stated that if the Portfolio was \$60M, why not increase the Provision to \$400,000.00?

Mr. Cambridge responded that Management considered the performance of the portfolio and had dialogue with the Auditors over a period of time in arriving at a provision. Management continued to take a prudent approach.

Mr. Fraser further enquired what was the historical Delinquency rate.



Mr. Cambridge responded that normally it would be 2% but it increased to 4.55% because of dismissal of the Sixty Eight (68) Members. The standard of Delinquency is 5%.

- Mr. Louis Drayton referred to the projected increase in Members' Shareholdings and enquired about plans to achieve the increase in Shareholding.

Mr. Cambridge responded that TCU was expecting to expand its Bond, and in addition it was optimistic of the dismissed persons returning to NP, and that some level of increased savings would come from them.

- Mr. Fraser asked about the increase in Legal and Professional Fees.

Mr. Cambridge stated these related to Compliance audits, Internal and External audits, Training for Staff, Licensing, Capacity Building Exercise – the Human Resource capacity will have to be assessed and if or where gaps exist, they will need to be addressed.

- Mr. Fraser next referred to the budget for Co-operative Activities and enquired why it was increased to \$233,000.00

Mr. Cambridge replied that the Credit Union is engaging the Membership in a meaningful way – and this figure catered for activities such as the Carnival Cooler Lime, a small Family Day, a Cricket Competition, and revamping the Student Awards to include SEA, CXC and Cape examinations.

There being no further queries/comments, a motion to adopt the Budget was moved by Mrs. Kathlene Lalman and seconded by Mr. Michael Mc Clean. The motion was unanimously accepted.

NOMINATIONS COMMITTEE'S REPORT

The President directed Members' attention to the Report of the Nominations Committee and invited Committee Member, Mr. Andrew Nurse, to present the Report.

Mr. Nurse drew Members' attention to the last paragraph of the Report wherein the Committee recommended that the Education Committee should host awareness programmes throughout the year so as to encourage more Members to offer themselves for service.

Mr. Nurse also informed the Meeting that a letter dated 28th April, 2016 was received from a Nominee for the Credit Committee, Mr. Kendal Charles,

apologising for his absence. He was required to be out of the country on a company business trip.

The report of the Nominations Committee was accepted on a motion moved by Mr. Ronald Fraser and seconded by Mr. Osric Bacchus. The motion was unanimously accepted.

ELECTION OF OFFICERS

Credentials Report

Upon request, the Registration Desk informed that there were One Hundred and Seventy One (171) Members present.

The President then turned the meeting over to the Chief Operating Officer of the Credit Union League, Ms. Dianne Joseph, for the conduct of the Elections.

Ms. Joseph informed the Meeting that this year, the votes would be counted electronically therefore special voting forms would be distributed. She explained how the form was to be completed for each of the three categories, and how the votes would be counted.

Nominations for the Supervisory Committee

The following four (4) candidates were previously nominated to form the Committee of Three members:-

- Ann Debbie Young
- Kethleen Joseph
- Ursha Hector
- Lisa-Marie Foster

Ms. Joseph enquired whether there were nominations from the Floor, and Ms. Kadine Maharaj was nominated by Mr. Ronald Fraser and seconded by Mr. Orett Campbell.

There were no further proposals, and a motion to cease nominations was made by Mr. Rajendra Ramdeo and seconded by Ms. Marlene Goddard. The motion was unanimously accepted.

Nominations for the Credit Committee

The following Seven (7) candidates had been previously nominated to form the Committee of Five (5) members:-

- Marsha Smith
- Royds Williams
- Kathlene Lalman
- Azam Ameerli
- Nadine Whiskey-Ottley
- Kendal Charles
- Dianna Joseph

Ms. Joseph enquired whether there were any Nominations from the Floor. There were no such Nominations received.

A motion to close nominations was then moved by Mr. Danny Adam and seconded by Mr. Arnold Baptiste. The motion was unanimously accepted.

Nominations for the Board of Directors

The following seven (7) candidates had been previously nominated to fill the Four (4) vacant positions on the Board:-

- Ronald Fraser
- Sheryl Strachan
- Christiana Wallace
- Winston Louis Drayton
- Reuben Elias
- Kenrick Jarvis
- Danny Adam

Ms. Joseph enquired whether there were any nominations from the Floor, and Mrs. Ingrid Harris-Dick was proposed by Ms. Ursha Hector and seconded by Mr. Marcelle Johnson.

Since there were no further nominations, a motion to close nominations was moved by Mrs. Marsha Smith-Cox and seconded by Mrs. Kathlene Lalman. The motion was unanimously accepted.

This Nomination process having been completed, Voting Slips were distributed, and Members were invited to cast their ballots.

Voting was subsequently declared closed and the team from the Credit Union League were accommodated at a separate location to perform the electronic count of the ballots.

RESOLUTIONS

While the votes were being tallied, the Vice President Mrs. Kerlina Niles, presented the following Resolutions:

1. ***Dividend***

Whereas:

In accordance with Bye-Law 54 (b), Dividends shall have no limits or ceilings on the amount paid to shareholders. A minimum of 2% of Dividends shall be credit to members' shares annually.

Be it resolved:

That in accordance with Bye-Law 54 (b), a dividend of 3% be approved, and that the 2% as outlined in Bye-Law 54 (b) to be credited to members' shares annually, be waived for the financial year ended 31st December, 2015.

Be it further resolved:

That dividends due to members whose accounts have become delinquent be credited to their outstanding loans and interest balances.

This motion was moved by Mrs. Kerlina Niles and seconded by Ms. Lesley-Ann Charles. The motion was unanimously accepted.

2. ***Honorarium***

Be it resolved:

That in accordance with Bye Law 54 (c) the 65th AGM approves honorarium in the sum of \$40,000.00 to be distributed among the Board of Directors, Credit Committee and the Supervisory Committee for the period under review.

This motion was moved by Mrs. Kerlina Niles and seconded by Mr. Osric Bacchus. The motion was unanimously accepted.

3. ***Appointment of Auditor***

Be it resolved:

That the firm Hardy's Chartered Accountants be retained as Auditors of the Tranquillity Credit Union for the fiscal year 2016.

This motion was moved by Mrs. Kerlina Niles and seconded by Ms. Kimberly Fraser. The motion was unanimously accepted.



AMENDMENTS TO BYE LAWS

There were One Hundred and Fourteen (114) Members present in the room when the Vice President, Mrs. Kerlina Niles, began presentation of the following amendments:-

1. ***BYE-LAW 4 (a) - QUALIFICATION***

Existing

All persons (including non-permanent persons) 16 years and over and within the employ of

Shell Trinidad Limited, Petroleum Company of Trinidad and Tobago Limited, Trinidad & Tobago National Petroleum Marketing Company Limited, the Tranquillity Credit Union Co-operative Society Limited and the NP Employees Consumer Co-operative Society Limited shall be eligible for membership. Including all persons 16 years and over and within the employ of the companies listed and registered as official “Energy Companies” within the Government of Trinidad and Tobago, shall be eligible for membership in the Tranquillity Credit Union Co-operative Society Limited.

- *BP Trinidad and Tobago Limited*
- *BHP Billiton Trinidad and Tobago*
- *BG Trinidad and Tobago*
- *PetroCanada*
- *Atlantic LNG*
- *Yara Trinidad Limited*
- *The National Gas Company of Trinidad and Tobago Limited*
- *Phoenix Gas Processors Limited*
- *PCS Nitrogen*
- *The National Energy Corporation*

Proposed Amendments

- Delete the words “16 years and over”

Mr. Louis Drayton enquired what was the Board’s intention by proposing to delete the qualification “16 years and over”.

The Chairman of the Bye Laws Committee, Mr. Douglas Williams, was invited to respond. Mr. Williams indicated that Members’ children could become full Members.

Mr. Andrew Nurse further enquired whether children as young as five (5) years old would now become entitled to vote.

Mr. Williams responded that there would be nothing to prevent such an occurrence.

There being no further questions, Mrs. Niles invited Members to vote by show of hands, and One Hundred and Three (103) Members voted In Favour of this amendment. The amendment was accepted.

- Include “Such other personnel of companies and institutions approved by the Board of Directors.”

There were no queries with regard to this amendment, and Members were once again invited to vote by show of hands. One Hundred and Twenty-Two (122) Members voted In Favour of this amendment. The amendment was accepted.



2. **BYE-LAW 4 (d) – QUALIFICATION**

Existing

Members' spouses and members' children may become members at the discretion of the Board.

Proposed Amendment

Members' parents, spouses, children and grandchildren may become members at the discretion of the Board.

By show of hands, One Hundred and Thirty Two (132) Members voted In Favour of this amendment. The amendment was accepted.

3. **BYE-LAW 21 (a) - POWERS AND DUTIES – ANNUAL GENERAL MEETING**

Existing

To elect by ballot, a Board of Directors, a Credit Committee, and a Supervisory Committee as set out in Bye Laws 22, 30 and 34. The Board and Committee members can either be re-elected or replaced.

Proposed Amendment

To elect by ballot, a Board of Directors, a Credit Committee, and a Supervisory Committee as set out in Bye Laws 22, 30 and 34. The Board and Committee members can either be re-elected or replaced. There shall be no nominations from the Floor.

Mr. Hugh Howard asked for clarification as to how Members were informed of the Nomination process, since he did not recall being so informed.

Mr. Williams responded that Members were circulated early in the calendar year inviting nominations for the two (2) Committees and for the four (4) positions becoming vacant on the Board of Directors. All nominations received by the closing date were subsequently passed to the Nominations Committee for scrutiny.

There were no further queries on this proposal, and Mrs. Niles invited Members to vote by show of hands. Only Thirty Eight (38) Members voted In Favour of this amendment, therefore this amendment was not accepted.

4. **BYE LAW 27 (i) – BOARD OF DIRECTORS**

Existing

To designate the Bank or Banks in which funds of the Society shall be deposited.

Proposed Amendment

To decide the extent and enter into such arrangements or agreements with accredited financial or other institutions as may from time to time be necessary to properly manage the Society. These agreements may include but are not limited to bank account and fixed deposit, mortgage agreement and overdraft facilities.

By show of hands, One Hundred and One (101) Members voted In Favour of this amendment. The amendment was accepted.

ELECTION RESULTS

Upon completion of the Amendments to the Bye Laws, Ms. Joseph returned to announce that the vote count had been completed, and the results of the Elections were as follows:-

Supervisory Committee

CANDIDATES NUMBER OF VOTES

Kethleen Joseph	121
Ann Debbie Young	106
Ursha Hector	100
Lisa-Marie Foster (1st Alternate)	89
Kadine Maharaj (2nd Alternate)	37

Credit Committee

CANDIDATES NUMBER OF VOTES

Kendal Charles	137
Royds Williams	123
Dianna Ria Joseph	122
Nadine Whiskey-Ottley	110
Kathlene Lalman	102
Marsha Smith (1st Alternate)	91
Azam Ameerli (2nd Alternate)	47

Board of Directors

CANDIDATES NUMBER OF VOTES

Reuben Elias	111
Sheryl Strachan	109
Kenrick Jarvis	103
Ronald Fraser	89
Danny Adam (1st Alternate)	66
Ingrid Harris-Dick (2nd Alternate)	61
Winston Louis Drayton	57
Christiana Wallace	22

The voting process having been concluded, a motion for the Destruction of the Ballots was moved by Mr. Marcelle Johnson and seconded by Mr. Leon Cudjoe. The motion was unanimously accepted.

OTHER BUSINESS

There was no Other Business raised for discussion. Since there was no Other Business to be discussed, the President invited the Operations Manager, Mrs. Marcia Quammie, to supervise the draw and distribution of Door and Special Prizes.

Draw for Door Prizes

Four prizes were won by the following ticket holders:

- #111 – Albert Phillips
- #22 – Azam Ameerli
- #151 – Rajendra Ramdeo
- #125 – Cindy Rowe-Charles

Draw for Debit Card Prizes

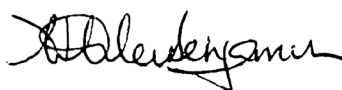
It had been previously circulated, that Two (2) Members who filled out application forms for the TCU Debit Visa Card at the AGM, would be eligible to win Two Hundred and Fifty Dollars (\$250.00) on their cards.

The prizes were won by the following ticket holders:

- #7392150 – Patricia Hutchins
- #7392147 – Maria Wellington

The draw for prizes having come to an end, the President asked Director Sheryl Strachan to say the Closing Prayer. The AGM was declared closed at 8.25p.m.

BY ORDER OF THE BOARD OF DIRECTORS



ANNA-LISA ARLEN-BENJAMIN
Asst. Secretary

INTERNATIONAL CREDIT UNION DAY

OCTOBER 20
2016



CREDIT UNIONS ARE
NOT-FOR-PROFIT,
MEMBER-OWNED
FINANCIAL COOPERATIVES

9 PRINCIPLES

1 DEMOCRATIC CONTROL

One member, one vote.

2 OPEN MEMBERSHIP

Membership fosters community.

3 NONDISCRIMINATION

All are welcome at a credit union.

4 SERVICE TO MEMBERS

57,000 Credit Unions Serve
\$1.2 TRILLION LOANS
217 MILLION+ MEMBERS
6 CONTINENTS
105 COUNTRIES

5 DISTRIBUTION TO MEMBERS

6 BUILDING FINANCIAL STABILITY

Credit unions are reliable.

Credit Union vs. Bank Closures, 2008-2012

Source: CUNA

7 CO-OP COOPERATION

8 SOCIAL RESPONSIBILITY

After natural disasters, the global credit union community restores access to financial services and rebuilds credit union infrastructure.

9 ONGOING EDUCATION

Credit Union

Money Goals
S Specific
M Measurable
A Attainable
R Relevant
T Time-Bound





Board of Directors

From Left to Right:

Reuben Elias • Sheryl Strachan • Esther Pariag • Sherwin Cambridge • Edwin Reid
Kerlina Niles • Anna-Lisa Arlen-Benjamin • Douglas Williams
Kenrick Jarvis • Enos Reid • Noel Maxwell - *Missing: Jason Matooram*



Board of Directors' Report

The Board of Directors is pleased to present to the general membership, its Report on the affairs of Tranquillity Credit Union Co-operative Society Limited for the year ended December 31, 2016. The Board elected the under-mentioned Directors to serve on the Executive Committee at the first meeting following the 65th Annual General Meeting:

- | | |
|------------------------------|---------------------------------------|
| <i>Mr. Reuben Elias</i> | - <i>President</i> |
| <i>Ms. Sheryl Strachan</i> | - <i>Vice President</i> |
| <i>Mr. Jason Matoram</i> | - <i>Secretary</i> |
| <i>Mrs. Esther Pariag</i> | - <i>Assistant Secretary</i> |
| <i>Mr. Sherwin Cambridge</i> | - <i>General Manager (Ex Officio)</i> |

The other serving members of the Board of Directors

- | | |
|-------------------------------|-----------------------------|
| • <i>Mr. Edwin Ian Reid</i> | • <i>Mrs. Kerlina Niles</i> |
| • <i>Mr. Douglas Williams</i> | • <i>Mr. Kenrick Jarvis</i> |

- | | |
|----------------------------|--|
| • <i>Mr. Noel Maxwell</i> | • <i>Mr. Enos Reid</i> |
| • <i>Mr. Ronald Fraser</i> | • <i>Mrs. Anna-Lisa Arlen-Benjamin</i> |

The following were Alternate Directors:

- | | |
|---------------------------------|------------------------------------|
| • <i>Mr. Danny Adam</i> | • <i>Mr. Winston Louis Drayton</i> |
| • <i>Ms. Ingrid Harris-Dick</i> | |

Board Committees

The five standing committees of the board – Human Resources, Assets and Liabilities, Marketing, By-Laws and Delinquency played an in integral role in the governance process, in that they assisted the Board with the proper discharge of its functions by providing an opportunity for more in-depth discussions on areas not reserved specifically for the Board.

MANAGEMENT DISCUSSION AND ANALYSIS

The Year 2016 was another economically trying one for

the Trinidad and Tobago economy. As lower returns from the energy sector due to weaker prices and a drop in production weighed down the economy, resulting in the worse contraction the country has experienced since 1983. As GDP fell by 2.3% in 2016, following a contraction of 0.6% the previous year. Despite the dark clouds which continue to overhang the domestic economy, Tranquillity Credit Union enjoyed a year of double-digit growth in assets and surplus over 2015, through the combined efforts of the Board of Directors, the Members of the Statutory Committees and the Members of Staff of the Society.

At the end of the financial year ended 31st December 2016, Tranquillity Credit Union reported a surplus before appropriations of \$3.1 million. This surplus represented \$1.3million, or 76.2%, growth over the \$1.7million earned in December 2015. Total income increased by 16.66% to approximately \$9.0 million whereas, total expenditure decreased by \$53,631.00 to \$5.905 million (2015 - \$5.959 million). Overall total assets increased by 12.08% from \$108.2 million to \$121.2 million in 2016. The Credit Union's members' equity base increased from \$8.6 million to \$10.4 million. The Credit Union's member's loans increased by 16.60% from \$64.8.1 million to \$75.6 million, long-term investments also increased from \$23.7 million to \$26.3million. Total members' savings under management increased from \$99.3 million to \$110.7 million at the December 2016. The Credit Union continues to identify areas of vulnerability to its continued growth and profitability and formulate strategies to mitigate risks. The Board of Directors of Tranquillity Credit Union against rising unemployment and the continued contractions in the energy and non-energy sectors will ensure that proactive measures are taken to manage our loan and investment portfolios.

Assets

The Credit Union's total assets increased year-over-year by \$13.04 million or 12.08% to \$121.2 million. Growth took place primarily in loans and members'

deposits portfolios as the focus on core products and services continued to be pursued for the period under review.

Members' Loans Portfolio

As at 31 December 2016, the gross loan portfolio increased by \$10.7million to \$75.6million. The major loan centre contributors were general (\$10.4 million) and motor vehicle (\$1.4 million). For the period under review, the Credit Union booked over \$30.2 million in new loans to members. This was mainly in the areas of motor vehicle (\$7.9 million), housing/housing repairs (\$6.2 million), personal(\$3.7million), debt consolidations (\$2.6million), mortgage (\$1.8 million) and investments (\$1.2 million).

Non-performing loans as a percentage of total gross loans decreased to 1.68% at the close of 2016 compared 4.38% in 2015. The reinstatement in 2016 of the NPMC workers many of whom are members of the Credit Union did play a major role in the reduction of our delinquency rate as at the end of December 2016. Our management and the credit/delinquency committee continue to effectively manage our delinquency, asset quality and credit exposure by setting and ensuring compliance with our credit policies.

Investment Portfolio

Available for sale long-term financial assets increased during the year to \$26.3million from \$23.7 million. This increase of \$2.6 million, or 11.06%, was mainly driven by the purchase of units in the Trinidad and Tobago Unit Trust Corporation- income and growth fund.

Members' Deposits

Members' deposits as was expected continued in 2016 to play an important role for the Credit Union as it relates saving mobilization. Members' deposits grew by 13.80% to \$58.7million from \$51.6million. The largest increase experienced was members' fixed

deposits which grew by \$5.7 million from \$28.7million to \$34.4million in 2016. The Credit Union is committed to providing members with a competitive interest rate. However, the Credit Union is mindful of excess liquidity in the financial system. As such, we would continue monitoring the financial environment for any possible changes in the interest rates that may adversely affect our ability to maintain the current interest rate structure.

Shares

Members' share capital increased by \$4.2 million or 8.91%, from \$47.7 million in 2015 to \$51.9 million in 2016. This continued growth in shares is consistent with the increase experienced in the loan portfolio. Also, it reflects the confidence members have in the Credit Union's ability to offer a better rate of return on shares when compared to prevailing deposit rates in the financial market. A strategic policy of Credit Union is to pay the highest rate of return on members' share savings.

Members' Equity

Total shareholders' equity increased by \$1.7million over the last financial year to \$10.4million. The increase in the Credit Union's capital base was as a result of the increase in net profit for the year and an increase in investment re-measurement reserve of \$126,798 arising from unrealized gains available-for-sale investments.

Income

Over the financial year ended 31 December 2016, total income increased by \$1.2 million or 16.66% to \$9.0 million, the major contributor being loan interest income which accounted for \$8.0 million or 88.90%. Investment income which amounted to \$551,074 or 6.12% of total income experienced a slight decrease of \$16,576 when compared to 2015. The decrease in investment income was due mainly to lower yields on the investment portfolio which moved from 4.13% in 2015 to 4.36% in 2016. Loan interest income moved from \$6.9 million in 2015 to \$8.0 million in 2016.

This increase of \$1.0 million in loan interest was due to an increase in the average portfolio balance in 2016.

Non-Interest Income

In the year 2016, other income significantly increased by 94.68% to \$449,613, accounting for 4.98%% of total income (2015: 2.99%). The major contributors to this growth were derived from increased contributions in the categories of FIP administrative fees, loans processing fees.

Total Expenditure

Management remains cognizant of the need to continue to prudently manage its operating expenses while we improve the products and service delivery to the membership. Total expenditure for the year ended 31 December 2016 decrease by .90% to \$5.905 million from \$5.959 million. Members' fixed deposit interest (\$1.172million) and salaries and wages (\$1.139 million) were the largest components of operating expenses.

Appropriation

The sum of \$310,326 or 10% was transferred to the reserve fund and \$155,163 or 5% was transferred to the Education fund in accordance with our Bye-laws. The net surplus of \$2,637,772 for the year ended 2016 is available for distribution. Based on the 2016 financial performance, the Board recommends a dividend payment of 4% (\$1.9 million) on share savings and 3% (\$239,653) loan interest rebate.



SUMMARY OF OPERATIONS

Membership

The Credit Union continues to see steady growth in its membership with the approval of 65 new applications in 2016. Current membership as at 31 December stood at 2,033.

The Credit Union in 2016 contracted a company to conduct a feasibility assessment on the expansion of our membership bond. The primary objective of the assessment is to provide Tranquillity Credit Union (TCU) with a better understanding of its proposed new markets, their composition in terms of the types of companies, numbers of employees and any characteristics that will help TCU to better serve its new markets. The final report from the consultants is expected at the end of April 2016.

Staff Appointments

Tranquillity welcomed three new additions to the TCU family: Shelomi Legall - Marketing Specialist; Prianna Lutchman – Customer Service Clerk; and De Yonte Samuel - Teller. They all bring a wealth of experience and warm personalities which will enhance Tranquillity's personalized customer service delivery. The Board wishes to record its sincere thanks to all members of Staff for their continued loyalty, commitment and dedication to the service of the membership. The staff complement in the Credit Union as at December 31, 2016, stood at Eleven (11) employees.

Family Indemnity Plan

Total membership now stood at 257 as at December 2016. CUNA and Tranquillity Credit Union settled 10 claims amounting to \$299,630. during the year.

TCU VISA Debit Card

Tranquillity continues to be proud of its partnership with JMMB. The alliance with JMMB continues to provide Credit Union members with 24 hours worldwide access to their funds from the VISA brand

recognition debit card. The usage of the debit card by members have been growing steadily to the point where members have assigned their salary and wages to the Visa Debit Card. It should be noted that, the period under review, the Credit Union issued 355 Visa Debit Cards and uploaded \$8.9 million of member's funds.

FIU COMPLIANCE

As mandated by the Financial Intelligence Act, Tranquillity Credit Union continued its compliance with and implementation of regulations intended to safeguard against Money Laundering and Financing of Terrorism. In this regard, Tranquillity Credit Union conducted Annual Training for all members of the Board and Committees , Internal and External Compliance exercise and TCU risk assessment.

Internet and Mobile Banking

During the term, work commenced on both the E-banking and Mobile banking solutions. TCU members will able to transact business on their mobile devices and computers. The solutions allow members to check account balances, transfer funds, receive e-statements, alerts and messages. The services are expected to be launched in May 2017.

Marketing and Communication

In the fourth quarter of 2016, Tranquillity Credit union embarked upon various marketing and communication strategies. Direct Email marketing campaigns were tactically designed and targeted towards members using the cloud based software, Icontact. Email marketing was targeted, made shareable and measurable as it provided the organization with the ability to create a deeper relationship with members and a wider audience at a fraction of the cost of traditional advertising methods. It also aided in the higher returns on investments.

Focus was also applied to the implementation of a Social Media Strategy which resulted in an increase

of followers on Facebook (205□889), Twitter and Instagram. These platforms provided Tranquillity Credit Union with the ability to define membership's individual character profiles and advantageously target products and services towards various groups. Tranquillity Credit Union also engaged in various contests which increased the sheer number of member's daily transactions and established a memorable brand identity within the context of advertising and marketing.

Website Upgrade

The Credit Union is in the process of upgrading and improving its website. The new website will be compatible with mobile devices, tablet and computers, allowing the website to be viewed on any device without the need to 'zoom-in' to read the contents making the reading experience more user-friendly. Additionally, the contents of the website will be improved and updated in real-time with current promotions and other useful information for the benefit of the members.

Representation

Our Directors, Douglas Williams and Esther Pariag were elected to serve on the Board and Supervisory Committee respectively of the North West Regional Chapter of the Co-operative Credit Union League of Trinidad and Tobago.

Obituaries

The Board extends its deepest condolences to the members who died during the year. May the souls of the dearly departed rest in eternal peace.

- *Cecile White*
- *Anthony Seebrath*
- *Marlon Matooram*
- *Leslie Griffith*
- *Gerard La Touche*
- *Lorna Sandy*
- *Dexter Lynch*
- *Mark Agard*

Acknowledgements

We place on record our gratitude and appreciation to Board of Directors and Management of the Trinidad and Tobago National Petroleum Marketing Company Limited for the use of its premises and all the courtesies that were extended to Tranquillity.

We also express sincere appreciation to the following stakeholders:

- *Co-operative Development Division of the Ministry of Labour and Small and Micro- Enterprise Development (Check name)*
- *Co-operative Credit Union League of Trinidad and Tobago*
- *CUNA Mutual Insurance Society Limited (Check name)*
- *North West Regional Chapter of the Co-operative Credit Union League of Trinidad and Tobago*
- *NAPET Investment Limited*
- *NP Employees Consumer Co-operative Society limited*
- *Micro Software Designs Limited*

Above all, we thank you, our membership, for your support and loyalty to Tranquillity Credit Union Co-operative Society Limited.

REUBEN ELIAS

President, Board of Directors

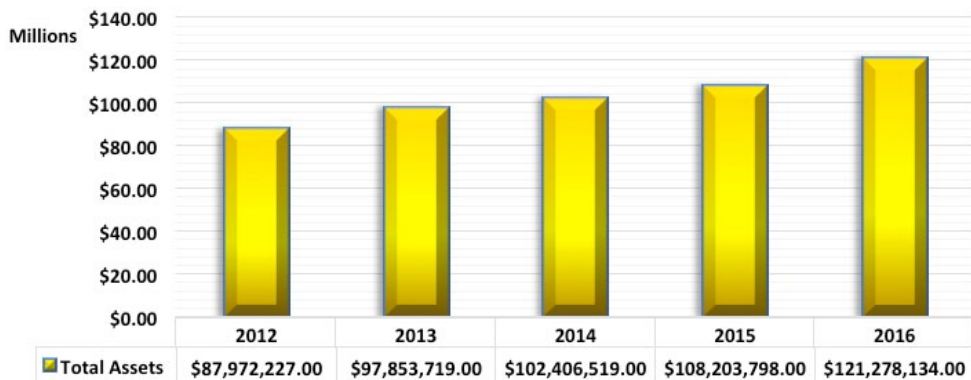
Board Attendance 2016-2017

DIRECTOR	ATTENDANCE	EXCUSED
<i>Reuben Elias</i>	10	<i>Nil</i>
<i>Sheryl Strachan</i>	9	1
<i>Jason Matooram</i>	9	1
<i>Esther Pariag</i>	10	<i>nil</i>
<i>Edwin Reid</i>	3	7
<i>Kerlina Niles</i>	7	3
<i>Annalisa Arlen-Benjamin</i>	10	<i>nil</i>
<i>Douglas Williams</i>	8	2
<i>Kenrick Jarvis</i>	9	1
<i>Noel Maxwell</i>	9	1
<i>Enos Reid</i>	10	<i>nil</i>
<i>Ronald Fraser</i>	6	4

Term of Office

DIRECTOR	TERM OF OFFICE
ESTHER PARIAG	2014 – 2017
EDWIN REID	2014 – 2017
ANNA-LISA ARLEN-BENJAMIN	2014 – 2017
NOEL MAXWELL	2014 – 2017
JASON MATOORAM	2015 – 2018
KERLINA NILES	2015 – 2018
DOUGLAS WILLIAMS	2015 – 2018
ENOS REID	2015 – 2018
REUBEN ELIAS	2016 – 2019
SHERYL STRACHAN	2016 – 2019
KENRICK JARVIS	2016 – 2019
RONALD FRASER	2016 – 2019

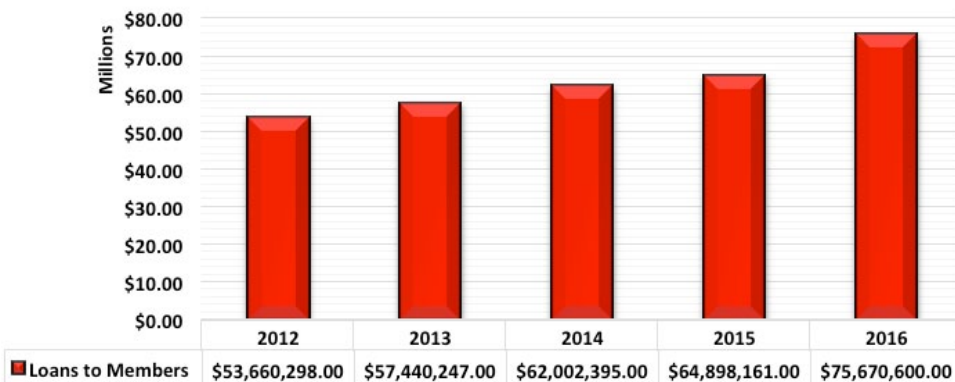
**TOTAL ASSETS
PERIOD 2012-2016**



TOTAL
ASSETS
2012-2016

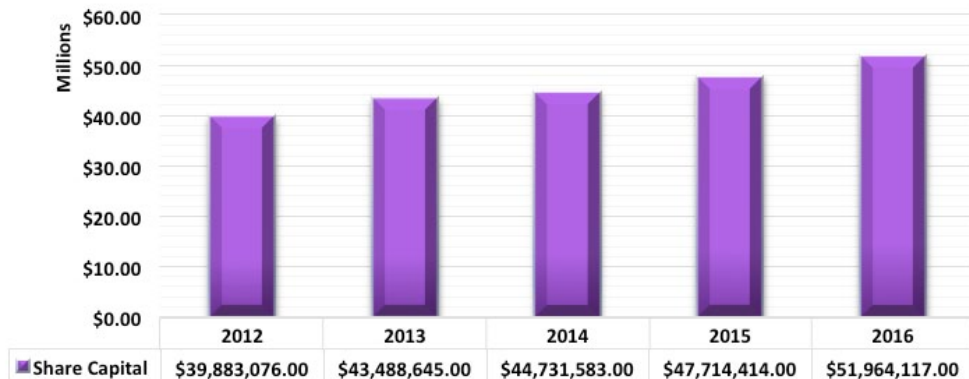
LOANS TO
MEMBERS
2012-2016

**LOANS TO MEMBERS
PERIOD 2012-2016**



SHARE
CAPITAL
2012-2016

**SHARE CAPITAL
PERIOD 2012-2016**

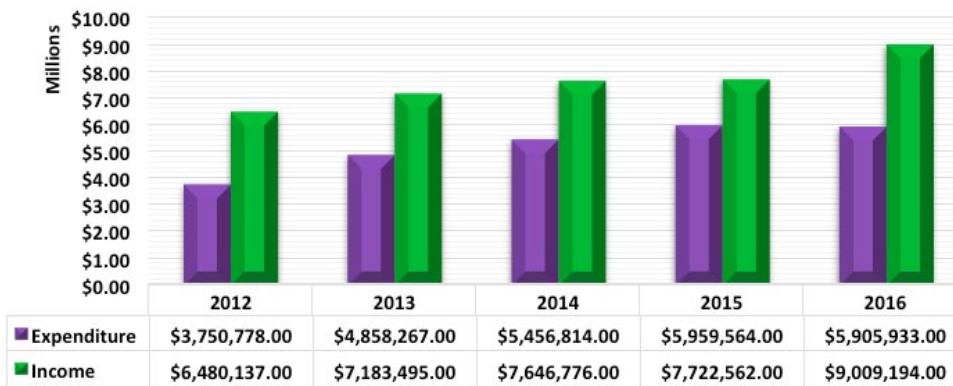


SURPLUS 2012-2016

SURPLUS PERIOD 2012-2016

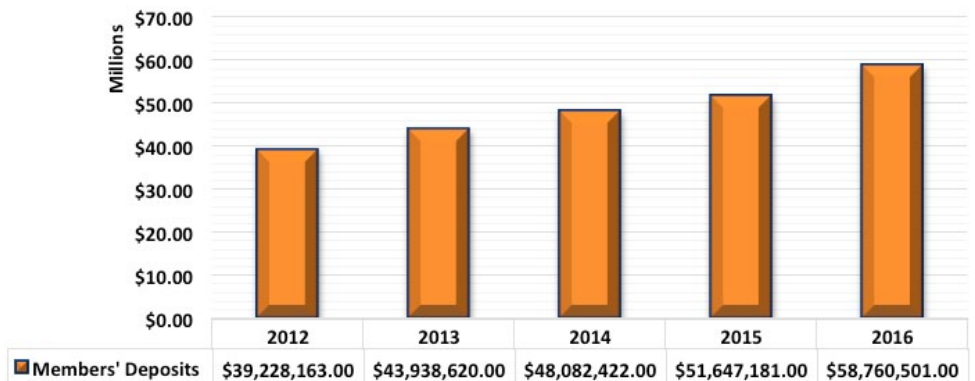


EXPENDITURE & INCOME PERIOD 2012-2016



EXPENDITURE & INCOME 2012-2016

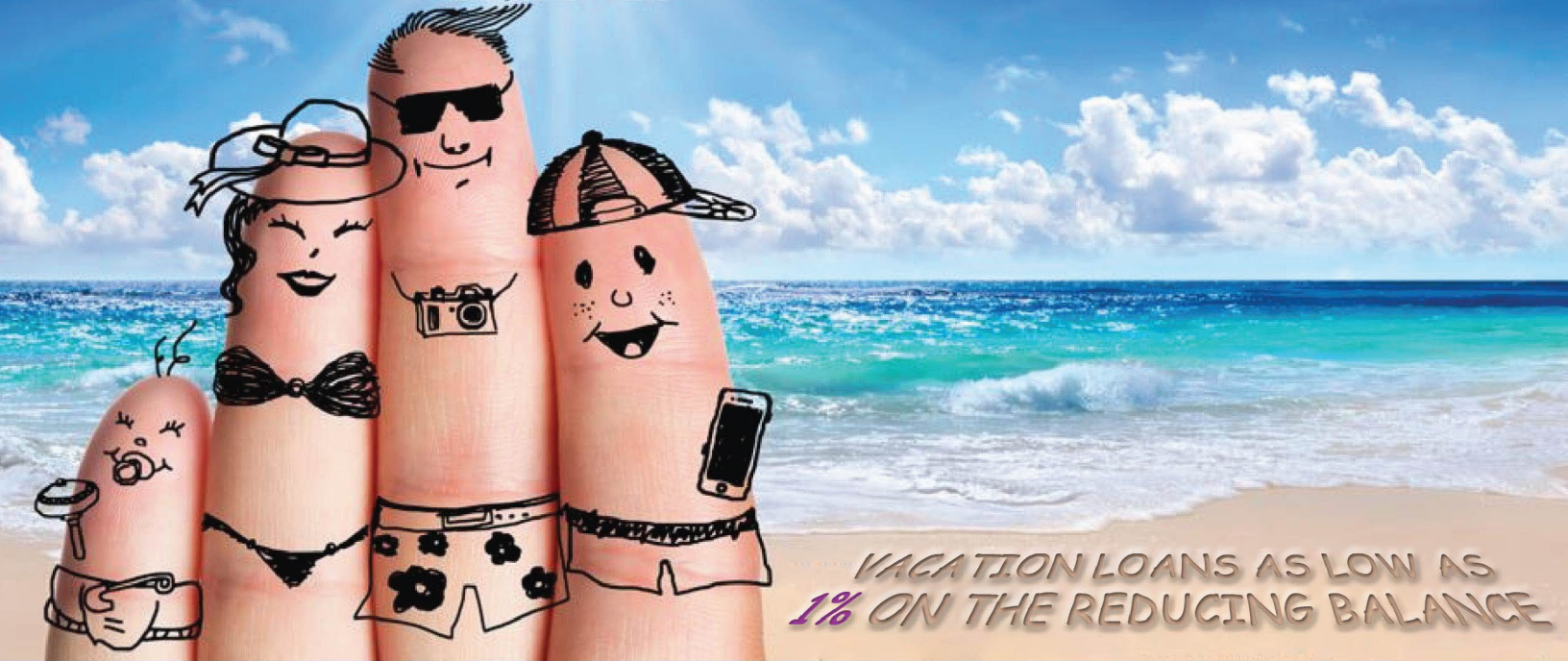
MEMBER'S DEPOSITS PERIOD 2012-2016



MEMBER'S DEPOSITS 2012-2016



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Credit Committee

From Left to Right:
Kathlene Lalman • Nadine Whiskey-Ottley
Royds Williams • Dianna Joseph - *Missing: Kendal Charles*



Credit Committee Report

Introduction

At our 65th Annual General Meeting held at the Radisson Hotel, Port of Spain on the evening of Thursday 12th April 2016 the membership voted for five members to serve for one year on the Credit Committee. There were also two alternates to the Committee who were expected to replace any elected member at short notice. Serving on the Credit Committee is voluntary, with elected members expected to give of their time, knowledge, expertise and compassion in order to improve the lives of each member and their respective family as well as the general Society. The Committee's interaction is mostly with staff in the Society's loans department as approving and rejecting loans are the Credit Committee's main function in accordance with the Co-operative Act 1971 Section 34 and By-Law 32 of our Society's By-Laws.

Meetings

Our first meeting as a committee took place at NP House Sea Lots on the afternoon of Monday 16th May 2016. All

elected members were in attendance as follows:

- *Mr. Royds Williams - Chairman*
- *Mrs. Kathlene Lalman - Secretary*
- *Mr. Kendal Charles - Member*
- *Ms. Dianna Joseph - Member*
- *Mrs. Nadine Whiskey-Ottley - Member*

The Credit Committee voted for Mr. Williams and Mrs. Lalman to be Chairman and Secretary of the Committee respectively.

Meetings were scheduled and held on Thursdays of each week at approximately 4:30 pm at TCU House, Maraval Road, Newtown. However, when it became obligatory the Credit Committee met otherwise. Thirty meetings were held in which loan applications were mostly approved by the Committee. In addition, loans approved by the General Manager and Senior Loans Officer were ratified by the Committee. The Credit Committee also met with some members concerning their application for loans

so as to have a better understanding of the member's needs.

Attendance Chart 2016--2017

MEMBERS	PRESENT	EXCUSED
ROYDS WILLIAMS	25	05
KATHLENE LALMAN	24	06
KENDAL CHARLES	24	06
DIANNA JOSEPH	25	05
NADINE OTTLEY	25	05

Credit Activities

This reporting period had two thousand eight hundred and one (2801) loans approved, which is three hundred and nine (309) more approved loans than the last reporting period.

Loans activity were generally slow during the early months of the reporting period. However, the loans activity improved during the middle period during which time over sixty of our members came to the Credit Union and updated their accounts in addition to doing new business. The sixty plus members had lost their jobs at The Trinidad and Tobago National Petroleum Marketing Company causing some of their accounts to become delinquent. During the two years that these members were seeking to get back their jobs Tranquillity Credit Union applied great acumen, adeptness and compassion in its approach to the delinquency situation. Your Credit Union offered to the sixty plus members counselling, advice and an opportunity to restructure their loans which the members accepted in an effort to improving their credit status.

The Credit Committee continues to urge members to submit all supporting documents with their application for loans as this would assist in shortening processing time. Additionally, it helps protect the integrity and compliance with the regulations from Financial Intelligence Unit.

Conclusions

With over six decades of existence Tranquillity Credit Union remains committed to serving its members on all levels of necessity without vacillating. This service is dynamic only when communication between members and TCU remain open. The members that lost their jobs were beneficiaries of our Credit Union's commitment to help its members and those members showed their gratefulness by continuing to let Tranquillity handle their financial business. While both parties are smiling today the situation needs deep introspection. We begin by asking the following questions: Is it time for us to widen our membership base? Are members giving consideration to all that can be achieved via Tranquillity Credit Union?

The Credit Committee thanks the membership for the opportunity to serve. Thanks also to TCU's Management and staff, The Board of Directors and Supervisory Committee for a cordial working relationship for the past year.

Recommendations

The Credit Committee recommends the following:

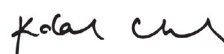
- o That TCU widen its membership base
- o That TCU provide training to develop entrepreneurship skills for members
- o That members apply for more revenue generating loans.
- o That the classification of a new vehicle be reviewed.
- o That TCU consider raising its lending on available shares from 1.5 to 2



Royds Williams



Kathlene Lalman



Kendal Charles



Dianna Joseph



Nadine Ottley

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Supervisory Committee

From Left to Right:
Ursha Hector • Kethleen Joseph - *Missing: Ann Debbie Young*



Supervisory Committee Report

2016/2017 OFFICERS

After the polls were closed and the ballots were counted on the conclusion of the Sixty-Fifth (65th) Annual General Meeting of the Tranquillity Credit Union Co-operative Society Limited held at the Radisson Hotel, Wrightson Road, Port of Spain, Messrs. Ann Debbie Young, Ursha Hector and Kethleen Joseph were elected to serve in the capacity of members of the 2016/ 2017 Supervisory Committee.

At the first meeting of the newly elected Supervisory Committee the following roles were assigned:

- *Kethleen Joseph* - Chair
- *Ursha Hector* - Secretary
- *Ann Debbie Young* - Member

KEY ACTIVITIES

The Committee agreed on a schedule to be used internally for the review of critical areas of the Credit Union's daily activities to ensure that they were being

conducted in the prescribed manner according to the Society's bye laws, established policies and procedures. The team reviewed key areas checking for compliance which included but were not limited to the following activities:

- *Overseeing the proper disposal and write offs of obsolete/dysfunctional computers, printers, and furniture that was in storage at the Society's Satellite office.*
- *Checks to ensure Financial Intelligence Unit compliance (reporting of suspicious transactions and other checks and balances were maintained).*
- *Verification of Financial Statements.*
- *Review of Cash Receipts and Disbursements.*
- *Cash and Treasury Counts.*
- *Review of Minutes of Board Meetings.*
- *Review of Loan Applications and Disbursements.*

OBSERVATIONS

The Supervisory Committee notes and commends the

efforts of the Board of Directors, Credit Committee and Management, in launching new products and initiatives that stimulate member investment in the Credit Union: we ask that focus is also placed on educating the membership thoroughly on the new products and promotions being offered. In addition, we wish to formally challenge the Board of Directors to finalize the long outstanding Human Resource Policy for the members of staff of the Credit Union.

FINDINGS

The 2016/2017 Supervisory Committee is pleased to report that we are generally satisfied with the operations of the Credit Union:

- *Sound accounting practices were observed.*
- *Comprehensive steps taken to ensure adherence to FIU's recommendations.*
- *Timeliness and accuracy in processing of transactions.*

- *Good record keeping and retrieval.*
- *Reliable technological platform to service the membership*
- *Well-trained, knowledgeable, customer focused staff.*

CONCLUSION

The Committee firstly would like to express our gratitude to the membership for placing your confidence in us, our sincerest thanks to the Board of Directors and Management for your support and a special heartfelt thank you to the Staff for their impeccable service and willingness to go above and beyond the call whenever needed. Thanks and appreciation also goes out to Ms. Hector and Ms. Young for their valuable contributions in making the activities of the 2016/2017 Committee successful.



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Education
Committee



Education Committee Report

The following persons were members of the Education Committee from May 2016 to April 2017:

- Ms. Sheryl Strachan - Chairman
- Ms. Lisa Marie Foster - Secretary
- Mrs. Kerlina Niles - Member
- Mr. Kenrick Jarvis - Member
- Mr. Noel Maxwell - Member
- Mr. Edison Nero - Member
- Ms. Marcia Quammie - Member

During the period under review, the Education Committee accomplished the following Objectives that were part of its Terms of Reference.

a) To deliver the SEA/CSEC and CAPE Awards Ceremony

This year we included students who wrote both C.S.E.C. and C.A.P.E. examinations to the Award ceremony and it was indeed a great success.

The SEA/CSEC and Cape Awards Ceremony took place on Saturday, October 8, 2016 at TCU House. The Guest Speaker was Don La Foucade whose presentation motivated both parents and children to strive to be the best they can.

Awards were given to nine (9) S.E.A students, four (4) C.S.E.C. students and three (3) C.A.P.E. students. Special mention was made of three (3) scholarship winners- Sarah Ramoutar, Racine Ramnath and Andrea Rajnauth.

AWARDEES:

S.E.A.

- Joshua Pierre
- Emi-Sian Borel
- Myiesha Murray
- Jenna Ramoutar
- Jada-Marie Barnett
- D'Angelo Ferdinand
- Petal Baptiste
- Alisha Lakhan
- Kae-Leigh Evenson

CSEC

- Aaliyah Ferdinand
- Dherrick Quammie
- Isha Pierre
- Aleyse Reid

CAPE

- Jaiden Beharry
- Shelem Matthew
- Aarti Mahabir

b) To deliver the Flea Market on Saturday, December 3, 2016

Commendation must go to the twelve (12) members who supported this first-time venture. Feedback received was positive and most persons indicated that the event was a success and something that the Credit Union can consider annually. The Education Committee has therefore suggested the following:

- Exploring having the Flea Market for two days
- Friday, December 1st and Saturday December 2nd, 2017 as the proposed dates for the Flea Market.
- Encouraging members with booths to do individual marketing of their product and services on an individual basis
- Reviewing the venue based on number of vendors and weather conditions.

c) To begin the process of documenting the history of TCU

This continues to be a work in progress. However, there has been the introduction of Throwback Thursday, where past Credit Union activities are featured on the Credit Union’s Facebook page.

The Education Committee welcomes information or photographs on any part of TCU’s history. Members can visit the office or send them to info@tranquillitycu.com. Additionally, persons wishing to volunteer their time to collect data can also indicate such via email.

Projections:

• Launch of the M2M (Member 2 Member) Programme

This was the brain child of the previous Education Committee who felt that the Credit Union needed to have a directory of members who have different skills to which all members would have access.

TCU will form a Directory of members who have registered their businesses or skills. This Directory will be available to all members seeking assistance, products or services needed. It is aimed at encouraging entrepreneurship and assisting members with small businesses to grow their clientele.

Members are therefore encouraged to sign up now! Visit our Facebook page or email us for more details.

• Enhancement courses

TCU will offer various enhancement courses such as

1. Starting a Small Business
2. Soft Furnishings / Draperies
3. Motor vehicle maintenance

Conclusion

I want to thank the membership who continue to support all of TCU’s activities, members of the Education Committee and the Management and Staff of TCU for the support during the period under review.

Cooperatively yours,

Sheryl Strachan
Chairman – Education Committee

Education Committee Awardees



S.E.A. Awardees Left to right; Back to front: D'Angelo Ferdinand, Emi-Sian Borel, Jada-Marie Barnett, Joshua Pierre, Alisha Lakhan, Jenna Ramoutar and Kae-Leigh Evenson



C.S.E.C. Awardees Left to right: Aaliyah Ferdinand, Dherrick Quammie and Isha Pierre



C.A.P.E. Awardees Left to right: Jaiden Beharry and Aarti Mahabir

Most Outstanding Students



S.E.A.
Jenna Ramoutar and D'Angelo Ferdinand



C.S.E.C.
Aaliyah Ferdinand and Dherrick Quammie



C.A.P.E.
Jaiden Beharry and Aarti Mahabir



Nominations
Committee



Nominations Committee Report

The Nominations Committee for the 66th Annual General meeting comprised of the following:

- *Maria Wellington - Chairman*
- *Andrew Nurse - Member*
- *Claudette Gomez - Member*

The primary function of the Committee is to ensure that candidates submitted for election are in compliance with the General Rules for the Board and Committees, as contained in the Bye Laws.

The Committee humbly recommends that the AGM should refrain from considering any further Nominees from the Floor. We remind you that such a Nominee would not have gone through the screening process, and would therefore have an unfair lead over those who met the stated deadline.

The deadline date for Nominations was 24th March, 2017. We examined Twenty One (21) Forms and noted that all candidates were properly nominated, seconded, provided sufficient information to be considered, and were in compliance with the Bye Laws.

There was a slight increase this year in the number of Nominations received, so that there are sufficient Nominees to cover both the actual number of candidates needed for each category, and to have 1st and 2nd Alternates.

We anticipate that the Training Session for the new Nominees on the Roles and Responsibilities of each Committee will be conducted by personnel from the Office of the Co-operative Division of the Ministry of Labour and Small & Micro Enterprise Development.

In order to raise awareness and encourage Members to serve, we strongly recommend that the Education Committee should host a similar

programme annually for the general membership.

Here are the Nominees, listed by category:

SUPERVISORY COMMITTEE

CANDIDATE	PROFESSION	NOMINATED BY	SECONDED BY
Robert Fortune	Retiree - NPMC	Brent Pierre	Christianna Wallace
Ursha Hector	Clerk III - NPMC	Richard Trim	Royds Williams
Daffodil Maxwell	Attorney-at-Law	Ronald Fraser	Ronald Clark
Lisa-Marie Foster	Administrative Assistant, NPMC	Enos Reid	Sheryl Strachan
Marsha Smith-Cox	Project Engineer, NPMC	Ronald Fraser	Oronde Lumumba
Kion Williams	Country Manager, Litekey Antillean Ltd	Douglas Williams	Zindzi-Renée Williams

CREDIT COMMITTEE

CANDIDATE	PROFESSION	NOMINATED BY	SECONDED BY
Kendal Charles	Account Manager - Export, NPMC	Wendell Worrell	Mukesh Ramkissoon
Nadine Whiskey-Ottley	Quality Assurance Officer, NPMC	Roger Beharry	Goldwyn Pollonais
Dianna Joseph	Clerk III, NPMC	Enos Reid	Gerard Phillip
Kathlene Lalman	Accounting Services Manager, NPMC	Gerard Phillip	Kendal Charles
Nadia Sudan	Deputy Manager - Operations, ADB	Satnarine Sudan	Kishan Baran
Royds Williams	Security Officer, NPMC	Ursha Hector	Onika Jackson
Lisa-Marie Foster	Administrative Assistant, NPMC	Kerlina Niles	Maria Wellington

Respectfully submitted:


Maria Wellington


Andrew Nurse


Claudette Gomez

BOARD OF DIRECTORS

CANDIDATE	PROFESSION	NOMINATED BY	SECONDED BY
Ann Debbie Young	Org. Development Manager (Ag), NPMC	Kathlene Lalman	Nadine Whiskey-Ottley
Esther Pariag	Investments & Benefits Clerk, NPMC	Kendal Charles	Michelle Trestrail
Edwin Reid	Retiree - NPMC	Beverly-Anne Cruickshank	Raegan Bernard
Robert Fortune	Retiree - NPMC	Brent Pierre	Christiana Wallace
Noel Maxwell	Marine Engineer - Retired	Dexter Hosein	Colin Orosco
Winston Drayton	Supply Chain Analyst, Powergen	Dexter Nathaniel	Josanne Guy
Richard Trim	Training Representative - NPMC	Ursha Hector	Jared Stoute
Anna-Lisa Arlen-Benjamin	Project Manager - EMA	Michelle Trestail	Rae Kelly Gilbert

Respectfully submitted:


 Maria Wellington


 Andrew Nurse


 Claudette Gomez



ANNUAL REPORT

16



Financial Report

Financial Statements

FOR THE YEAR ENDED
DECEMBER 31, 2016



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Independent Auditor's Report

To the Members of
Tranquillity Credit Union Co-operative Society Limited

Opinion

We have audited the Financial Statements of Tranquillity Credit Union Co-operative Society Limited, which comprise the Statement of Financial Position as at December 31, 2016, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and the Receipts and Payments Account for the year then ended, and 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 Society as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Co-operative Societies Act.

Emphasis of Matter

The Society accounts for income on a cash basis, which is the acceptable standard practice for this industry, and acceptable under the Co-operative Societies Act. This basis is a departure from IAS 1 which requires that an entity prepare its financial statements, except for the cash flow information, using the accrual basis of accounting.

Basis for Opinion

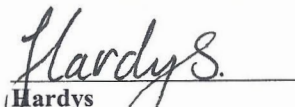
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Trinidad and Tobago, 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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


Hardys
CHARTERED ACCOUNTANTS

April 5, 2017
San Fernando
Trinidad W.I.

Statement of Financial Position

At December 31, 2016

ASSETS	NOTES	2016	2015
Non-Current Assets			
Property, Plant and Equipment	5	\$ 11,081,559	\$ 11,272,434
Members' Loans	6	75,670,600	64,898,161
Long-Term Investments	7 (a)	26,346,278	23,721,240
Total Non-Current Assets		113,098,437	99,891,835
Current Assets			
Short-Term Investments	7 (b)	3,366,694	4,836,986
Inventory		63,474	82,468
Receivables and Prepayments	9	1,208,166	1,593,547
Cash at Bank and in Hand	8	3,541,363	1,798,962
Total Current Assets		8,179,697	8,311,963
TOTAL ASSETS		\$ 121,278,134	\$ 108,203,798
MEMBERS' EQUITY AND LIABILITIES			
Members' Equity			
Investment Re-measurement Reserve		\$ 622,948	\$ 496,150
Reserve Fund		5,936,959	5,625,333
Education Fund		1,011,292	891,862
Undivided Earnings		2,888,589	1,671,685
Total Members' Equity		10,459,788	8,685,030
Non-Current Liabilities			
Members' Share Balances		51,964,117	47,714,414
Current Liabilities			
Members' Savings and Deposit Accounts	14	58,760,501	51,647,181
Payables and Accruals	10	93,728	157,173
Total Current Liabilities		58,854,229	51,804,354
Total Liabilities		110,818,346	99,518,768
TOTAL MEMBERS' EQUITY AND LIABILITIES		\$ 121,278,134	\$ 108,203,798

These Financial Statements were approved by the Board of Directors on April 5, 2017.

President

Treasurer

Chairman,
Supervisory Committee

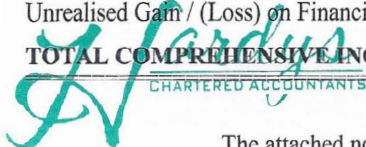


The attached notes and comments form an integral part of these Financial Statements.

Statement of Comprehensive Income

For the year ended December 31, 2016

	2016	2015
INCOME		
Interest on Members' Loans	\$ 8,008,957	\$ 6,924,192
Investment Income	551,074	567,650
Other Income	449,163	230,720
	<u>9,009,194</u>	<u>7,722,562</u>
EXPENDITURE		
Annual General Meeting	195,962	113,395
Audit Fees	27,000	21,000
Bad Debts	200,000	200,000
Bank Charges	138,750	39,249
Co-operative Activities	153,803	53,307
Cuna Insurance Premiums	321,862	304,041
Depreciation	200,042	153,686
Directors' Expenses	262,938	272,234
Donations	18,350	14,985
Ex Gratia Payment	74,297	72,647
Insurance	78,333	71,154
League Dues	16,602	16,601
Legal and Professional Fees	154,602	94,087
Loss on Disposal	96,041	-
Marketing Expenses	89,340	534,894
Members' Fixed Deposit Interest	1,172,448	1,413,711
Members' Premium Deposit Interest	699,697	654,790
Miscellaneous	500	70,011
Office Supplies	55,638	62,997
Postage	7,478	3,500
Printing and Stationery	55,303	79,770
Rental	109,525	110,400
Repairs and Maintenance	156,091	105,821
Salaries and Wages	1,139,922	1,121,584
Security Courier	151,798	112,562
Staff Benefits	89,648	69,466
Staff Training and Development	18,287	13,139
Sundry Committees	98,567	96,463
Telephone Expenses	65,782	49,222
Uniforms	12,896	5,360
Utilities	44,431	29,488
	<u>5,905,933</u>	<u>5,959,564</u>
SURPLUS OF INCOME OVER EXPENDITURE	<u>3,103,261</u>	<u>1,762,998</u>
APPROPRIATIONS		
Transfer to Reserve Fund (10%)	310,326	176,300
Transfer to Education Fund (5%)	155,163	88,150
TOTAL APPROPRIATIONS	<u>465,489</u>	<u>264,450</u>
NET SURPLUS AFTER APPROPRIATIONS	<u>\$ 2,637,772</u>	<u>\$ 1,498,548</u>
OTHER COMPREHENSIVE INCOME		
Unrealised Gain / (Loss) on Financial Assets	126,798	(272,557)
TOTAL COMPREHENSIVE INCOME	<u>\$ 2,764,570</u>	<u>\$ 1,225,991</u>



W. J. Gordon
CHARTERED ACCOUNTANTS

The attached notes and comments form an integral part of these Financial Statements.

Statement of Changes in Equity

For the year ended December 31, 2016

YEAR ENDED DECEMBER 31, 2016

Particulars	Investment				Total
	Re-measurement Reserve	Reserve Fund	Education Fund	Undivided Earnings	
Balance at January 1, 2016	\$ 496,150	\$ 5,625,333	\$ 891,862	\$ 1,671,685	\$ 8,685,030
Adjustments					
Net Surplus for the Year	-	-	-	3,103,261	3,103,261
Other Comprehensive Income	126,798	-	-	-	126,798
Transfer to the Reserve Fund	-	310,326	-	(310,326)	-
Transfer to the Education Fund	-	-	155,163	(155,163)	-
Entrance Fees to Reserve Fund	-	1,300	-	-	1,300
Education Expenses	-	-	(35,733)	-	(35,733)
Honorarium	-	-	-	(40,000)	(40,000)
Dividends Paid - 2015	-	-	-	(1,380,868)	(1,380,868)
Balance at December 31, 2016	\$ 622,948	\$ 5,936,959	\$ 1,011,292	\$ 2,888,589	\$ 10,459,788

YEAR ENDED DECEMBER 31, 2015

Particulars	Investment				Total
	Re-measurement Reserve	Reserve Fund	Education Fund	Undivided Earnings	
Balance at January 1, 2015	\$ 768,707	\$ 5,447,893	\$ 841,501	\$ 2,400,488	\$ 9,458,589
Adjustments					
Net Surplus for the Year	-	-	-	1,762,998	1,762,998
Other Comprehensive Income	(272,557)	-	-	-	(272,557)
Transfer to the Reserve Fund	-	176,300	-	(176,300)	-
Transfer to the Education Fund	-	-	88,150	(88,150)	-
Entrance Fees to Reserve Fund	-	1,140	-	-	1,140
Education Expenses	-	-	(37,789)	-	(37,789)
Honorarium	-	-	-	(40,000)	(40,000)
Dividends Paid - 2014	-	-	-	(2,187,351)	(2,187,351)
Balance at December 31, 2015	\$ 496,150	\$ 5,625,333	\$ 891,862	\$ 1,671,685	\$ 8,685,030



The attached notes and comments form an integral part of these Financial Statements.

Statement of Cash Flows

For the year ended December 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Net Surplus Before Appropriations	\$ 3,103,261	\$ 1,762,998
Adjustment For:		
Depreciation	200,042	153,686
Loss on Disposal	96,041	-
Operating Surplus Before Changes in Working Capital and Reserves Components	3,399,344	1,916,684
Decrease in Inventory	18,994	2,832
(Increase) in Members' Loans	(10,772,439)	(2,895,766)
Decrease / (Increase) in Receivables and Prepayments	385,381	(491,353)
Increase in Members' Savings and Deposit Accounts	7,113,320	3,564,759
(Decrease) / Increase in Payables and Accruals	(63,446)	23,248
Net Cash Generated From Operating Activities	81,154	2,120,404
INVESTING ACTIVITIES		
(Increase) in Long Term Investments	(2,625,038)	(388,694)
Additions to Property, Plant and Equipment	(105,208)	(1,830,354)
Net Cash (Used In) Investing Activities	(2,730,246)	(2,219,048)
FINANCING ACTIVITIES		
Net Movement in the Investment Re-measurement Reserve	126,798	(272,557)
Education Fund Expenses	(35,733)	(37,789)
Increase in Members' Shares	4,249,703	2,982,831
Honorarium Paid	(40,000)	(40,000)
Dividends Paid	(1,380,868)	(2,187,351)
Entrance Fees	1,300	1,140
Net Cash Generated From Financing Activities	2,921,200	446,274
Net Change For The Year	272,109	347,630
Cash and Cash Equivalents at the Beginning of the Year	6,635,948	6,288,318
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 6,908,057	\$ 6,635,948
Represented By:-		
Cash at Bank and in Hand	\$ 3,541,363	\$ 1,798,962
Short-Term Investments	3,366,694	4,836,986
	\$ 6,908,057	\$ 6,635,948



The attached notes and comments form an integral part of these Financial Statements.

Receipts and Payments Account

For the year ended December 31, 2016

RECEIPTS	2016	2015
AGM Expenses	\$ 5,400	\$ 2,826
Appliance Promo Loan	142,405	135,093
Bank Charges	4,364	319
Board Expenses	1,207	4,963
Building Launch- Mar. Rd	-	6,695
Building Improvement (Cost)	-	153,196
Carpark Rental Expense	9,200	-
Credit Committee Expenses	25	-
Co-operative Activities	27,421	367
Co-Branded Visa Debit Card	8,027	51
Computer Loan Interest - NP	10,968	23,853
Computer Services	25	202
CUNA - FIP Receivables	20,000	-
CUNA - FIP Members' Receivable	-	10,000
Dividend NGL Shares	18,308	-
Debit Card Deposits	1,698,770	29,682
Donations	-	2,800
DSR Loans	27,083	34,699
Education Expenses	-	1,733
F.I.P Death Benefit Receivables	299,076	229,947
F.I.P Deposits	80,419	81,504
Food Voucher Loan Receipts	87,383	93,252
Food Voucher Service Charge	26,675	19,000
General Loans Receipts	3,627,370	3,509,236
Hilo Food Stores	-	100,000
Interest on DSR Loan	7,099	-
Interest on General Loans	941,906	782,039
Interest on Line of Credit	76,301	47,207
Interest on Appliance Promo	45,699	11,070
Interest on Vehicle Loan	236,441	228,489
Interest on Share Builder L	3,552	11,229
Interest on Staff Loan	7,019	6,396
Interest on Small Business	15,122	3,836
Interest on Savings Plus	-	4,076
Interest on Special Loans	19,263	874
Interest on Computer Loans	156	116
Interest on NGL IPO	-	6,103
Interest on Long Term Loan	114,401	103,744
Interest on FCB IPO	53,591	53,188
Interest on Oil Notes	60,000	60,000
Janitorial Services	12,115	9,500
Legal and Professional Fees	27,435	-
Line of Credit Receipts	412,758	420,821
Marketing	9,576	2,877
Medical (Employer's Contrib)	-	300
Members' Control Account	2,500	-
Member Fixed Deposit	100,001	-
Members' Shares Receipts	4,487,590	3,329,936
Members' Payable	14,200	17,669
Mortgage Loan Receipts	24,822	270,766
National Petroleum Company	21,832,328	18,783,350
Natpet Receipts	842,685	710,131
NFM Dividend	1,600	1,200

Wardys
CHARTERED ACCOUNTANTS

The attached notes and comments form an integral part of these Financial Statements.

Receipts and Payments Account

For the year ended December 31, 2016

RECEIPTS	2016	2015
NGL IPO	\$ -	\$ 555,900
NP Employees Consumer Co-Op	16,492	4,827
NPMC Computer Loans	12,677	26,675
Non Statutory Committee	610	-
NIS Payable	17,983	-
Office Supplies	2,209	1,377
Office Equipment Cost	8,544	-
Other Accrued Expenses	-	213,126
Other Income Receipts	63,073	81,692
Other Receivables	6,672	714,454
Overages/Shortages	-	1,070
PAYE Payable	60	-
Petrotrin Limited	193,828	608,456
Pension (Employer's Contrib)	15,113	10,955
Postage	890	100
Printing & Stationery	6,029	1,772
Pricesmart	-	100,000
Prepayment	-	36,000
Regular Savings Receipts	319,811	109,819
Salaries Payable	6,500	-
Saving Plan	-	9,068
Share Builder Loan Receipts	27,490	80,187
Shell Chemicals and Services Limited	700	1,200
Small Business/Demand Loans	54,209	9,414
Special Deposits Receipts	21,751,199	11,259,622
Special Loans	206,055	55,531
Staff Loans Receipts	9,518	9,689
Staff Incentives	195	-
Standing Order Deposits	29,988	23,740
Standing Order Payable	2,225	4,975
Uniform Expenses	1,356	1,025
UTC Money Market Fund	1,500,000	-
Vehicle Loan Receipts	1,214,056	1,228,033
Total Receipts	\$ 60,909,768	\$ 44,453,042
Cash in Transit		
Replacement Cheques & Cash		
Opening Balance	\$ 1,798,962	\$ 1,477,391
Total Receipts	60,909,768	44,453,042
Less Payments	59,167,366	44,131,471
Closing Balance	\$ 3,541,363	\$ 1,798,962
Represented By:		
Opening Balance		
Cash at Bank and in Hand	\$ 3,541,363	\$ 1,798,962



The attached notes and comments form an integral part of these Financial Statements.

Receipts and Payments Account

For the year ended December 31, 2016

PAYMENTS	2016	2015
AGM Expenses	\$ 195,637	\$ 112,061
Advertising & Promotion	-	3,410
Appliance Promo Loans	186,519	235,842
Audit Fee's	4,500	-
Audit Fees Payable	20,000	18,250
Bank Charges	106,473	39,493
B/Charges JMMB	31,541	-
B/ Charges IBL	-	75
Beautification Expenses	28,556	10,889
Board Allowances	2,894	-
Board Expenses	29,446	41,344
Building Launch- Mar. Rd	-	284,729
Building Improvement (Cost)	-	862,515
Car - Park Rental	118,725	101,200
Computer - Cost	54,080	342,799
Computer Services	43,251	11,791
Co-operative Activities	114,975	36,283
Co-Branded Visa Debit Card	30,226	132,892
Credit Committee Expenses	2,006	4,036
CUNA - F.I.P. Payable	413,292	-
CUNA - FIP Members' Receivable	20,000	10,000
CUNA - LS/LP Insurance	-	26,069
CUNA Family Indemnity Plan	-	445,766
Debit Card Deposits	8,844,429	202,704
Donations	17,600	17,785
DSR Loans	184,069	-
Education Expenses	26,240	28,172
Electricity	34,679	26,667
Ex Gratia Payments	-	72,647
Fire and Safety Equipment	10,348	203,690
F.I.P. Death Benefit Receivable	119,736	190,000
F.I.P. Deposits	15,668	17,040
Food Vouchers	300	-
Food Voucher Loans	11,300	11,000
Furniture, Fixtures & Fitting	10,125	487,070
Group Life Insurance	16,646	-
General Insurance	6,840	42,352
General Loans	6,941,620	6,428,192
Health Surcharge Payable	4,059	3,886
Hilo Food Stores	130,000	395,000
Interest on Small Business	569	-
Interest on Vehicle Loans	3,582	-
Interest on Loans	473	-
Interest on Line of Credit	228	7,320
Interest on Appliance Promo	-	13,691
Janitorial Services	109,780	76,549
League Fees	16,601	16,601
Legal and Professional Fees	192,492	89,887
Line of Credit	1,495,343	1,732,890
Marketing Expense	100,047	104,645
Medical (Employer's Contribution)	20,150	8,030
Member Control Account	-	70,000
Members' Shares	1,134,109	1,023,555
Members' Payable	-	2,300

Hardys
CHARTERED ACCOUNTANTS

The attached notes and comments form an integral part of these Financial Statements.

Receipts and Payments Account

For the year ended December 31, 2016

PAYMENTS	2016	2015
Miscellaneous Exp	\$ 500	\$ 69,846
Mortgage Loans	-	429,322
NATPET	3,000	-
NIS Payable	138,591	102,368
Naipaul's Supermarket	79,200	100,000
Non Statutory Committees	7,941	-
NGL IPO	-	800,000
NPMC Computer Loans	60,000	53,863
NP Consumer Co-Op	-	420
Office Equipment (Cost)	25,428	30,451
Office Improvement (Cost)	-	16,867
Office Supplies	16,592	25,034
Other Accrued Expenses	510,162	585,305
Other Income	10,530	100
Other Receivables	152,300	14,200
Overages/Shortages	-	2,270
PAYE Payable	81,990	88,444
Pension (Employer's Contribution)	51,830	49,629
Postage	8,368	3,600
Prepayments	76,723	129,351
Pricesmart Supermarket Limited	100,000	241,000
Printing and Stationery	43,943	80,272
Processing Fees-Loans	7,578	926
Rates and Taxes	3,121	5,968
Relocation Expense	-	4,949
Regular Savings	1,075,619	833,893
Repairs and Maintenance General	16,900	11,045
Repairs and Maintenance -Building	11,270	8,416
Salaries & Wages	4,325	33,200
Salaries Payable	-	142,705
Security Courier	1,688	12,823
Security Property	11,911	9,703
Share Drive Promotion	-	13,505
Sing Chong Supermarket Limited	-	13,500
Small Business/Demand Loans	58,690	60,000
Special Deposits	29,176,917	22,103,553
Special Loans	280,930	221,200
Staff Incentives	3,269	-
Staff Loans	159,627	57,591
Staff Training and Development	18,287	13,139
Standing Order Deposits	66,183	51,705
Standing Orders Payable	391,283	360,768
Storage Expense	14,210	3,404
Supervisory Expenses	-	2,421
Telephones	46,181	47,477
Unit Trust (Income & Growth Fund)	2,000,000	-
Unclaimed Shares	2,000	-
Uniforms Expenses	14,253	11,184
Vehicle Loans	3,586,872	3,294,937
Total Payments	\$ 59,167,366	\$ 44,131,471



The attached notes and comments form an integral part of these Financial Statements.

Notes to the Financial Statements

For the year ended December 31, 2016

1 REGISTRATION AND PRINCIPAL ACTIVITIES

The Society is registered under the Co-operative Societies Act Chapter 81:03 on November 7, 1952 [No. 127]. Its objectives are to promote the economic welfare of its members, self-help and co-operation and to promote the development of co-operative ideas.

2 ACCOUNTING POLICIES

a) Basis of Accounting

These Statements have been prepared on the historic cost basis and in accordance with International Financial Reporting Standards and the requirements of the Co-operative Societies Act.

b) New Accounting Standards and Interpretations

The Credit Union has not applied the following new or amended standards and interpretations which were issued but not yet effective for the year under review because either (i) the Credit Union has not opted for early adoption; (ii) their application has no material impact of these Financial Statements:

New or Amended Standards

- | | |
|---------|---|
| IFRS 9 | <u>Financial Instruments</u> – This final version of IFRS 9 adds a new expected loss impairments model and amends the classification and measurement model for financial assets by adding a new fair value through Other Comprehensive Income (FVTOCI) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test. The final version of IFRS 9 supersedes all previous versions of the standard. However, for annual periods beginning 1 January 2018. |
| IFRS 15 | <u>Revenue from Contract with Customers</u> – Effective for an entity’s first annual IFRS Financial Statements for periods beginning on or after 1 January 2018. The amendments do not change the underlying principles of the standard, just clarify and offer some additional transition relief. |
| IFRS 16 | <u>Leases</u> – The new standard brings most leases on – balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 ‘Leases’ and related interpretations and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted if IFRS 15 ‘Revenue from Contract with Customers’ has also been applied. |
| IAS 7 | <u>Statement of Cash Flows</u> – The amendments are intended to clarify IAS 7 to improve information provided to users of Financial Statements about an entity’s financing activities. They are effective for annual periods beginning on or after 1 January 2017 with earlier application being permitted. |



Notes to the Financial Statements

For the year ended December 31, 2016

c) Use of Estimates

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the credit union's accounting policies. It also requires the use of assumptions that affect the amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of these Financial Statements and the reported amounts of income and expenditure during the period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

d) Property, Plant and Equipment and Depreciation

Property, Plant and Equipment are recorded at cost and depreciation is computed on the reducing balance basis at rates which are considered sufficient to write off the cost of the assets over their estimated useful lives.

Upon disposal or retirement of assets, the cost and related depreciation are removed from the accounts and the gain or loss, if any, is reflected on the Statement of Comprehensive Income.

The depreciation rates are as follows:

Computer	- 25%
Furniture & Fixtures	- 12.5%
Equipment	- 20%
Land and Building (Maraval Road)	- 0%
Leasehold Improvements	- 5 %

e) Investments

The Society has classified all investments into the following category:

Available-for-sale

These securities are intended to be held for an indefinite period of time but may be sold in response to the needs for liquidity or changes in interest rates, exchange rates or equity prices. After initial recognition, available-for-sale investments are measured at a fair value with unrealized gains or losses recognized in the Statement of Comprehensive Income.

For actively traded investments, fair value is determined by reference to the Stock Exchange quoted market prices at the Statement of Financial Position date, adjusted for transaction cost necessary to realize the investment. For investments where there is no quoted market price, the carrying value is deemed to approximate fair value.



Notes to the Financial Statements

For the year ended December 31, 2016

f) Financial Instruments

Financial instruments are contracts that give rise to financial asset of one entity and a financial liability or equity instruments of another entity.

Financial assets and financial liabilities are recognized on the Society's Statement of Financial Position when the Society becomes a party to the contractual provisions of the instrument.

All regular way purchases and sales of financial assets are recognized or derecognized on the trade date, that is, the date on which the Society commits itself to purchase or sell an asset. A regular way purchase and sale of financial assets is a purchase or sale of an asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Financial assets are derecognized when the contractual rights to receive the cash flows expire or where the risk and rewards of ownership of the assets have been transferred.

g) Impairment of Financial Assets

The Society assesses at each Statement of Financial Position date, whether there is objective evidence that a financial asset or a group of financial assets are impaired. Impairment Losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the recognition of the asset and that the loss event(s) has an impact on the future of the financial asset or group of financial assets. Observable data used to determine that there is objective evidence of an impairment loss are;

- i. Significant financial difficulty of the borrower.
- ii. A breach of contract, such as delinquency in contractual payments.
- iii. It's becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- iv. The disappearance of an active market for that financial asset because of financial difficulties.

If there is objective evidence that an impairment loss on loans and other financing has been incurred, the amounts of the loss is measured as the difference between the asset's carrying amount and the estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the Statement of Comprehensive Income.

When a loan is uncollectable, it is written off against the related provision for impairment loss. Such loans are written off after all the necessary procedures have been completed and the amounts of the loss have been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for impairment loss in the Statement of Comprehensive Income.

Impairment losses are recorded in an allowance account and are measured and recognized as follows:

- i.) Financial assets measured at amortized cost

The difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate is recognized in the Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as improvement in the debtor's credit rating), the previously recognized loss is reversed to the extent that the carrying amount of the financial asset does not exceed what the amortized cost

Notes to the Financial Statements

For the year ended December 31, 2016

would have been had the impairment not been recognized at the date that the impairment is reversed. The amount of the reversal is recognized in the Statement of Comprehensive Income.

ii.) Financial assets measured at cost

The difference between the assets' carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the current market's rate of return for similar financial assets is recognized in the Statement of Comprehensive Income. These losses are not reversed.

iii.) Financial Liabilities

When financial liabilities are recognized initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the liability. Financial liabilities are re-valued at amortized cost using the effective interest method.

Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognized in the Statement of Comprehensive Income.

Cash and Cash Equivalents

Cash and cash equivalents comprise of deposits held on call with Banks and investment units held with Unit Trust Corporation. These are short term liquid instruments, that are readily convertible to known amounts of cash and are so near to maturity, that they present insignificant risk of changes in value due to changing interest rates.

Accounts Receivable

Accounts receivable are initially measured at cost. Appropriate allowances for estimated irrecoverable amounts are recognized in the Statement of Comprehensive Income when there is objective evidence that the asset is impaired.

Loans to Members

Loans to members are stated at principal amounts outstanding net of allowances for loan losses. Specific provisions are made for potential losses on non-performing loans on the basis of net realizable value. Periodic portfolio reviews are conducted during the course of each year to determine the adequacy of provisions. Loans are secured by various forms of collateral, including charges over tangible assets certificates of deposit, and assignment of funds held with other financial institutions.

Accounts Payable

Accounts Payable are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.



Notes to the Financial Statements

For the year ended December 31, 2016

Members' Deposits

Members' deposits are stated at the principal amounts invested by members together with any capitalised interest.

Members' Shares

Members' shares are classified as Long Term Liability and stated at fair value. In accordance with the Society's bye-laws each member, not being a minor, shall purchase at least one [1] ordinary share valued at five dollars [\$5.00] each.

h) **Revenue Recognition**

Loan Interest

Interest charged on all loans to members is calculated between 0.75% to 1.5% per month on the outstanding balance at the end of each month, these are in accordance with Section 51 of the Bye-laws and the Loan Policy. Loan interest is accounted for on the cash basis.

Interest on non-performing loans is not accrued or taken into income on an ongoing basis because there is doubt as to the recoverability of the loans. Income from non-performing loans is taken into income on a cash basis, but only after specific provisions for losses have been made.

For non-performing loans, specific provisions are made for the unsecured portion of the loan. The amount of the provision is dependent upon the extent of the delinquency.

Investment Income

Income from investments is accounted for on the accruals basis except for dividends, which are accounted for on a cash basis, consistent with International Accounting Standard (IAS) #18.

i) **Dividends payable to Members'**

Dividends are calculated using the weighted average method, which presumes that the Society had the benefit of the smallest share month value for the longest period. Thus the highest weight is applied to the lowest and vice versa. Dividends that are proposed and declared after the Statement of Financial Position date are not shown as a liability in accordance with IAS #10.

j) **Foreign Currency**

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad & Tobago dollars at rate of exchange ruling at the Statement of Financial Position date. All revenue and expenditure transactions denominated in foreign currencies are translated at the average rate and the resulting profits and losses on exchange from these trading activities are recorded in Statement of Income.



Notes to the Financial Statements

For the year ended December 31, 2016

k) Provisions

Provisions are recognised when the Society 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Statement of Financial Position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

l) Comparative Figures

Where necessary, comparative amounts have been adjusted to conform with changes in presentation in the current year.

3 FINANCIAL RISK MANAGEMENT

The Society's activities expose itself to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or a combination of risks. Taking risks is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Credit Union's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Credit Union's financial performance.

The Credit Union's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risk and adherence to limits by means of reliable and up-to-date information systems. The Credit Union periodically reviews its risk management policies and systems to reflect changes in products and emerging best practice.

Risk Management is carried out by the Credit Committee under policies approved by the Board of Directors.

The Credit Committee identifies and evaluates financial risks in close co-operation with the Credit Union's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate and credit risk. In addition, the Supervisory Committee is responsible for the independent review of risk management and the control environment. The most important type of risks are credit risks and other operational risks.

i. Credit Risk

The Credit Union takes on exposure to credit risk, which is the risk that a member(s) will cause a financial loss for the Credit Union by failing to discharge an obligation.

Management of Risk

Credit risk is the most important risk for the credit union's business which principally arises in lending activities that lead to loans and other financing. The credit risk management and control are reported to the Board of Directors regularly. In order to effectively manage credit risk, the following are considered;

- a) Proper judgement of the creditworthiness of the member when analyzing the loan application
- b) Adequate collateral held as security for funds advanced



Notes to the Financial Statements

For the year ended December 31, 2016

- c) Maintenance of a strict and aggressive collection policy
- d) Monthly review of the risk ratios for the management of credit risk
- e) Maintenance of a prudent loan provisioning policy
- f) Monitor exposures against limits to any one member
- g) The Credit Committee to be informed of any large exposures to any one borrower or borrower group in default
- h) The information technology system for reporting, monitoring and controlling risks is properly maintained and updated
- i) Regular reporting to the Board of Directors on the performance of the loan portfolio

ii. Interest Rate Risk

The interest rate risk arises from the possibility that changes in market rates will affect future cash flows or the fair values of financial instruments externally and held internally by its members. The credit union is exposed to interest rate risks on annuity, fixed deposits and money market investments that can experience fluctuations on interest rates currently or upon reinvestment after maturity.

Management of Risk

The credit union should mitigate interest risk by setting interest rates on loans and other financing facilities taking into consideration the effects of an increase in funding cost during the short to medium term. Management is expected to monitor interest rate risks on these financial instruments and report on changes in the Statement of Financial Position and Statement of Comprehensive Income.

iii. Liquidity Risk

Liquidity Risk is the risk where the Credit Union will be unable to meet its payment obligations when they fall due under normal and stressed circumstances.

Management of Risk

Through experience and monitoring, the Credit Union is able to maintain sufficient liquid resources to meet current obligations. The current asset ratio which compares current asset to current liabilities is 0.14 to 1. The largest of the current liability is Members' Deposits which has shown a consistent increase over the years suggesting that there is a greater tendency of members to save using this facility. This trend suggests a lesser possibility of any extraordinary call by the overall membership for these savings which can lead to undue stress on the Credit Union's Liquidity.

iv. Market Risk

The Credit Union is exposed to market risk, which is the risk that the fair values or future cash flows of invested financial instruments will fluctuate because of changes in market prices. Market risks arise from open positions in interest rates, equity prices, currency exchange rates and other market factors.

Management of Risk

Management is entrusted with the responsibility to monitor this risk, however, no formal system is in place to effectively and specifically report on market changes and do sensitivity analysis on investments, considering future impact on cash flows on a systematic basis.



Notes to the Financial Statements

For the year ended December 31, 2016

v. **Foreign Currency Exchange Risk**

The credit union is exposed to foreign exchange risk as a result of fluctuations in exchange rates, since it has financial assets that are denominated in the US dollar currency.

Management of Risk

Management is responsible to monitor and report on changes that impacts on these financial assets.

vi. **Operational Risk**

Operational risk is the risk derived from deficiencies relating to the Society's information technology and control systems, as well as the risk of human error and natural disasters. The Society's systems are evaluated, maintained and upgraded continuously. Supervisory controls are installed to minimise human error. Additionally, staff is trained on an on-going basis.

vii. **Compliance Risk**

Compliance risk is the risk of financial loss including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Inspector of Financial Institutions at Central Bank of Trinidad & Tobago, as well as by the monitoring controls applied by the Society.

viii. **Reputation Risk**

The risk of loss of reputation arising from the negative public relating to the Society's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Society. The Society engages in public social engender trust and minimise this risk.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions in the process of applying the Society's accounting policies. See Note 2 (b)

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. The Society makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Changes in accounting estimates are recognized in the Statement of Comprehensive Income in the period which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

The critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements, are as follows:



Notes to the Financial Statements

For the year ended December 31, 2016

- i) Whether investments are classified as held-to-maturity investments, available-for-sale or loans and receivables.
- ii) Whether leases are classified as operating leases or finance leases.
- iii) Which depreciation method for plant and equipment is used.

The key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date (requiring management's most difficult, subjective or complex judgement(s) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i) Impairment of Assets

Management assesses at each Statement of Financial Position date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made of the excess of the carrying value over its recoverable amount.

ii) Property, Plant and Equipment

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalized and in estimating the useful lives and residual values of these assets.

Notes to the Financial Statements

For the year ended December 31, 2016

5 PROPERTY, PLANT AND EQUIPMENT

(i) Year Ended December 31, 2016 - The sum of \$11,081,559 is made up as follows:-

	Computers	Furniture & Fixtures	Equipment	Land & Building (Maraval Road)	Leaschold Improvement	Total
Cost						
At Jan. 1, 2016	\$ 725,289	\$ 730,227	\$ 531,775	\$ 9,876,347	\$ 22,425	\$11,886,063
Additions	67,851	10,125	27,232	-	-	105,208
Disposals	(208,962)	(110,031)	(81,565)	-	(22,425)	(422,983)
At Dec. 31, 2016	584,178	630,321	477,442	9,876,347	-	11,568,288
Depreciation						
At Jan. 1, 2016	280,310	212,517	116,086	-	4,716	613,629
Charge	110,870	58,881	30,291	-	-	200,042
Disposals	(184,077)	(60,845)	(77,304)	-	(4,716)	(326,942)
At Dec. 31, 2016	207,103	210,553	69,073	-	-	486,729
Net Book Value						
At Dec. 31, 2016	\$ 377,075	\$ 419,768	\$ 408,369	\$ 9,876,347	\$ -	\$ 11,081,559

(ii) Year Ended December 31, 2015 - The sum of \$11,272,434 is made up as follows:-

	Computers	Furniture & Fixtures	Equipment	Land & Building (Maraval Road)	Leasehold Improvement	Total
Cost						
At Jan. 1, 2015	\$ 377,861	\$ 210,635	\$ 277,150	\$ 9,167,638	\$ 22,425	\$10,055,709
Additions	347,428	519,592	254,625	708,709	-	1,830,354
At Dec. 31, 2015	725,289	730,227	531,775	9,876,347	22,425	11,886,063
Depreciation						
At Jan. 1, 2015	224,898	134,709	96,552	-	3,784	459,943
Charge	55,412	77,808	19,534	-	932	153,686
At Dec. 31, 2015	280,310	212,517	116,086	-	4,716	613,629
Net Book Value						
At Dec. 31, 2015	\$ 444,979	\$ 517,710	\$ 415,689	\$ 9,876,347	\$ 17,709	\$ 11,272,434



Notes to the Financial Statements

For the year ended December 31, 2016

6 MEMBERS' LOANS

Members' loans are stated at principal outstanding, net of a provision for loan losses. The provision for loan losses is based on the Board of Directors' evaluation of the performance of the loan portfolio under current economic conditions and past loan loss experience.

		2016	2015
Loans to Members	(i) below	\$ 76,963,900	\$ 65,991,461
Less: Provision for loan losses		(1,293,300)	(1,093,300)
		<u>\$ 75,670,600</u>	<u>\$ 64,898,161</u>
<u>Provision for loan losses:</u>			
Balance, beginning of the year		\$ 1,093,300	\$ 893,300
Charge for the year		200,000	200,000
		<u>\$ 1,293,300</u>	<u>\$ 1,093,300</u>

(i) LOANS TO MEMBERS

The sum of \$76,963,900 is made up as follows:-

	2016	2015
General Loans	\$ 47,486,643	\$ 36,983,315
Mortgage Loans	5,671,523	5,953,385
Appliance Loans	39,486	40,543
Vehicle Loans	17,766,441	16,346,913
Food Voucher Loans	480,832	408,418
Special Loans	633,143	956,269
NPMC Computer Loans	128,218	119,648
Promotion Loans	12,675	15,464
Small Business Demand Loans	150,071	156,802
Line of Credit	2,257,090	2,580,255
Staff Loans	1,034,930	896,983
Future Cash Investment Loans	6,192	6,192
Appliance Promo	527,876	836,422
DSR Loans	690,584	401,065
Share Builder Loans	27,262	191,271
Savings Plus	50,934	98,516
	<u>\$ 76,963,900</u>	<u>\$ 65,991,461</u>



Notes to the Financial Statements

For the year ended December 31, 2016

7 (a) LONG-TERM INVESTMENTS

The sum of \$26,346,278 is made up as follows:-

	2016	2015
T&T Unit Trust Corporation- Income and Growth Fund	\$ 12,017,346	\$ 9,911,116
T&T Unit Trust Corporation - North American Fund	56,806	49,856
Guardian Life IPI Fund	4,283,237	4,188,256
Shares- Co-operative CU League	10,000	10,000
Roytrin Mutual Fund	5,841,950	5,405,791
Shares- National Flour Mills	50,400	54,000
Royal Scandia (E.W.B)	71,831	73,046
Republic Bank (Income & Growth)	2,348,919	2,356,477
Laqtel Limited	-	1
First Citizens Bank - I.P.O	1,409,484	1,410,290
Trinidad and Tobago NGL Limited	256,305	262,407
	<u>\$ 26,346,278</u>	<u>\$ 23,721,240</u>

(b) SHORT-TERM INVESTMENTS

The sum of \$3,366,694 is made up as follows:-

	2016	2015
Money Market Fund:		
- Trinidad and Tobago Unit Trust Corporation	\$ 1,307,277	\$ 2,778,029
- Republic Bank Limited	59,417	58,957
First Line Securities Oil Note	2,000,000	2,000,000
	<u>\$ 3,366,694</u>	<u>\$ 4,836,986</u>

8 CASH AT BANK AND IN HAND

The sum of \$3,541,363 is made up as follows:-

	2016	2015
Cash in Transit	\$ 326,996	\$ 226,334
Republic Bank Limited – Current Account	3,118,335	1,475,407
Intercommercial Bank Limited	96,032	97,221
	<u>\$ 3,541,363</u>	<u>\$ 1,798,962</u>



Notes to the Financial Statements

For the year ended December 31, 2016

9 RECEIVABLES AND PREPAYMENTS

The sum of \$1,208,166 is made up as follows:-

	2016	2015
National Petroleum Marketing Company	\$ 885,984	\$ 1,465,600
Petrotrin Limited	6,556	3,737
NP Employees Consumer Co-operative Limited	5,232	1,609
NATPET	36,760	59,777
Other Receivables	176,856	-
Accrued Interest on Oil Notes	20,000	20,000
Prepayments	76,778	42,824
	<u>\$ 1,208,166</u>	<u>\$ 1,593,547</u>

10 PAYABLES AND ACCRUALS

The sum of \$93,728 is made up as follows:-

	2016	2015
Other Accrued Expenses	\$ 52,166	\$ 70,686
Audit Fees	22,500	20,000
Other Payables	14,865	-
Members' Payable	4,197	66,487
	<u>\$ 93,728</u>	<u>\$ 157,173</u>



Notes to the Financial Statements

For the year ended December 31, 2016

11 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions.

Key Management Personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Society.

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms at market rates.

Assets, Liabilities and Members' Equity

	2016	2015
Due from Directors, Committee Members and Key Management Personnel	\$ 6,092,116	\$ 5,473,484
Due to Directors, Committee Members and Key Management Personnel	\$ 7,559,850	\$ 6,811,421

12 FAIR VALUES

Fair Values is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

The following methods have been used to estimate the fair values of various classes of financial assets and liabilities:

a) Current Assets and Liabilities

The carrying amounts of current assets and liabilities are a reasonable approximation of the fair values because of their short-term nature.

b) Members' Loans

Loans are net of specific provisions for losses. These assets result from transactions conducted under typical market conditions and their values are not adversely affected by unusual terms. The inherent rates of interest in the portfolio approximate market conditions and yield discounted cash flow values which are substantially in accordance with financial statement amounts.

c) Investments

The fair values of investments are determined on the basis of market prices available at December 31, 2016.



Notes to the Financial Statements

For the year ended December 31, 2016

13 CAPITAL RISK MANAGEMENT

The Society manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to members, whilst providing value to its members by offering loan and savings facilities. The Society's overall strategy remains unchanged from previous years.

The capital structure of the Society consists of equity attributable to members, which comprises stated capital, reserves and undivided surplus.

14 MEMBERS' DEPOSITS

The sum of \$58,760,501 is made up as follows:-

	2016	2015
Regular Savings Deposit	\$ 510,767	\$ 567,339
Special Deposits	23,562,120	22,075,250
F.I.P Deposits	133,374	134,284
Standing Order Deposits	89,703	112,783
Members Fixed Deposits	34,464,537	28,757,525
	<u>\$ 58,760,501</u>	<u>\$ 51,647,181</u>

15 RE-STATEMENT AND RE-CLASSIFICATION

Re-classification to prior year's figures has been made to match and to represent balances in conformity with the current year's reporting.

TMThe Credit Union has consistently stayed the course to great accomplishments and continued achievements.

TRANQUILLITY
CREDIT UNION

TRANQUILLITY
CREDIT UNION

Quality Service at World!

TO HOPE
TO BELIEVE
TO DREAM
TO LIVE
TO LOVE
TO SERVE
TO GROW
TO THRIVE
TO SUCCEED
TO WIN
TO LIVE
TO LOVE
TO SERVE
TO GROW
TO THRIVE
TO SUCCEED
TO WIN

2017 Projections

	<u>Budgeted</u> <u>2017</u>	<u>Audited</u> <u>2016</u>
<u>ASSETS</u>		
Non-Current Asset		
Property, Plant and Equipment	\$ 11,134,309	\$ 11,081,559
Members' Loans	83,744,279	75,670,600
Long Term Investments	26,770,711	26,346,278
Total Non-Current Assets	121,649,299	113,098,437
Current Asset		
Short-Term Investments	\$ 7,674,501	\$ 3,366,694
Inventory	50,779	63,474
Receivable and Prepayments	1,268,574	1,208,166
Cash at Bank and in Hand	2,114,007	3,541,363
Total Current Asset	11,107,861	8,179,697
TOTAL ASSETS	\$ 132,757,160	\$ 121,278,134
<u>MEMBERS' EQUITY AND LIABILITES</u>		
MEMBERS' EQUITY:		
Investment Re-measurement Reserves	\$ 622,948	\$ 622,948
Reserve Fund	6,320,246	5,936,959
Education fund	1,026,771	1,011,292
Undivided Earnings	3,893,656	2,888,589
Total Members' Equity	11,863,621	10,459,788
Non-Current Liabilities		
Members' Share Balance	\$ 57,160,529	\$ 51,964,117
Current Liabilities		
Members' Savings and Deposit Accounts	\$ 63,614,717	\$ 58,760,501
Payable and Accruals	118,293	93,728
Total Current Liabilities	63,733,010	58,854,229
TOTAL LIABILITIES	120,893,539	110,818,346
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 132,757,160	\$ 121,278,134

2017 Projections

	<u>Budgeted</u> <u>2017</u>	<u>Audited</u> <u>2016</u>
INCOME:		
Interest on Members' Loans	\$ 8,908,701	\$ 8,008,957
Investments Income	700,467	551,074
Other Income	414,807	449,163
Total income	<u>10,023,975</u>	<u>9,009,194</u>
 EXPENDITURE		
Annual General Meeting	\$ 159,375	\$ 195,962
Audit Fees	27,000	27,000
Bad Debts	200,000	200,000
Bank Charges	65,000	138,750
Co-operative Activities	106,000	153,803
Cuna Insurance Premiums	296,000	321,862
Depreciation	175,000	200,042
Directors' Expenses	393,500	262,938
Donation	20,000	18,350
Ex Gratia Payment	72,000	74,297
Insurances	54,216	78,333
League Dues	16,601	16,602
Legal and Professional Fees	178,103	154,602
Loss on Disposal	-	96,041
Marketing Expenses	267,261	89,340
Members' Fixed Deposits Interest	1,121,752	1,172,448
Members' Premium Deposits Interest	719,317	699,697
Miscellaneous	4,000	500
Office Supplies	27,000	55,638
Postage	3,500	7,478
Printing and Stationery	60,000	55,303
Rental	27,525	109,525
Repairs and Maintenance	52,000	156,091
Salaries and Wages	1,248,692	1,139,922
Security Courier	155,673	151,798
Staff Benefits	176,726	89,648
Staff Training and Development	70,000	18,287
Sundry Committees	364,278	98,567
Telephone Expenses	60,000	65,782
Uniforms	20,201	12,896
Utilities	50,400	44,431
Total expenses	<u>6,191,120</u>	<u>5,905,933</u>

2017 Resolutions

Dividends

Be it resolved

- i. That in accordance with Bye-Law 54, dividends of 4% be approved and that 2% be credited to members' Share Account consistent with Bye-Law 54(a) for the year ended 31st December 2016.
- ii. That dividends due to members whose accounts have become delinquent be credited to their outstanding loans and interest balances.
- iii. That in accordance with Bye-Law 54 (b), Interest Rebate of 3% be approved and credited to members' Loan Account for the year ended 31st December 2016.

Board of Directors Honorarium

Be it resolved

- i. That in accordance with Bye-Law 54 (d) the 66th AGM approves honorarium is the sum of \$50,000.00 to be distributed among the Board of Directors, Credit Committee and the Supervisory Committee for the period under review.

Appointment of Auditor

Be it resolved

- i. That the firm Hardy's Chartered Accountants be retained as Auditors of the Tranquillity Credit Union Cooperative Society Limited for the fiscal year 2017.



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