



24th

ANNUAL GENERAL MEETING

of the

TRINIDAD AND TOBAGO

CREDIT UNION

DEPOSIT INSURANCE FUND

CO-OPERATIVE SOCIETY LIMITED

(TTCUDIF)

ANNUAL REPORT

2022 – 2023

THE PURPOSE

**“TO ENSURE THE PROTECTION AND
STABILITY OF CREDIT UNIONS”**

NATIONAL ANTHEM

Forged from the Love of Liberty
In the Fires of Hope and Prayer
With boundless faith in our destiny
We solemnly declare
Side by side we stand
Islands of the Blue Caribbean Sea
This our native land
We pledge our lives to thee
Here every creed and race
Find an equal place
And may God Bless Our Nation
Here every creed and race
Find an equal place
And may God Bless our Nation

CREDIT UNION PRAYER (*Prayer Of Saint Francis Of Assisi*)

Lord, make me an instrument of thy peace
Where there is hatred, let me sow Love
Where there is injury, Pardon
Where there is doubt, Faith
Where there is despair, Hope
Where there is darkness, Light
And where there is sadness, Joy
O Divine Master,
Grant that I may not so much seek
To be consoled as to console
To be understood as to understand
To be loved as to Love
For it is in giving that we receive
It is in pardoning that we are pardoned
And it is in dying
That we are born of Eternal Life

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Robert Mayers	Director / President
Mr. Noel Jones	Director / Vice President
Mr. Khristendath Neebar	Secretary
Mr. Anthony De Freitas	Director
Dr. Anthony Elias	Director
Mr. Brian Matthew	Director
Mr. Gerard Pinard	Director
Miss Esme Raphael	Director

AUDIT COMMITTEE

Mr. Darren Singh	Chairperson
Mrs. Christina Bahadoor-Hosein	Secretary
Mr. Keith Matthews	Member

STAFF

Mr. Lincoln Jitman	Consultant Manager
Mrs. Sharon Mc Kenzie-Downes	Executive Assistant
Miss Muriel Samaroo	Examiner
Mr. Alexander Jagan	Assistant Examiner

OFFICE

49-50, Montrose Main Road
CHAGUANAS
Tel: (868) 671-6328, 672-2358, 2588
Email: mail@stabfundtt.com
Website: www.stabfundtt.com

ATTORNEYS

Wheeler & Co
Third Floor, Guardian Building
22-24, St Vincent Street
PORT OF SPAIN

BANKERS

First Citizens Bank Limited
62, Independence Square
PORT OF SPAIN

Republic Bank Limited
Independence Square
PORT OF SPAIN

JMMB Bank
South Park Shopping Centre
Michael Raphael Boulevard
SAN FERNANDO

AUDITORS

Madan Ramnarine & Company Limited
No. 6 Xavier Street Extension
CHAGUANAS

ACCOUNTANTS

Accounting Solutions Limited
LP#54, Marshall Street
Warrenville
CUNUPIA

REGISTER OF MEMBERS

- Aero Services Credit Union Co-operative Society Limited
- Airport Authority Employees Credit Union Co-operative Society Limited
- Angostura Group Employees Credit Union Co-operative Society Limited
- Bethel Credit Union Co-operative Society Limited
- CEMCU Credit Union Co-operative Society Limited
- Central Community Credit Union Co-operative Society Limited
- Consolidated Telephone Credit Union Co-operative Society Limited
- Duncan Village Credit Union Co-operative Society Limited
- GPCU Credit Union Co-operative Society Limited
- Guaymay Energy Alliance Credit Union Co-operative Society Limited
- Hand Arnold Credit Union Co-operative Society Limited
- Huggins Credit Union Co-operative Society Limited
- Lambeau Credit Union Co-operative Society Limited
- Mt Pleasant Credit Union Co-operative Society Limited
- National Flour Mills (Employees) Credit Union Co-operative Society Limited
- PECU Credit Union Co-operative Society Limited
- Progressive Credit Union Co-operative Society Limited
- PSCU Credit Union Co-operative Society Limited
- SFCCU Credit Union Co-operative Society Limited
- St Theresa's (Woodbrook) Credit Union Co-operative Society Limited
- TATECO (POS) Credit Union Co-operative Society Limited
- TATECO (San F'do) Credit Union Co-operative Society Limited
- Teachers Credit Union Co-operative Society Limited
- TEXTEL Credit Union Co-operative Society Limited
- Transcorp Credit Union Co-operative Society Limited
- Trinidad and Tobago Fire Service Credit Union Co-operative Society Limited
- Trinidad and Tobago Police Credit Union Co-operative Society Limited
- TWCU Credit Union Co-operative Society Limited
- Usine (Ste Madeleine) Credit Union Co-operative Society Limited
- UWI Credit Union Co-operative Society Limited
- VENTURE Credit Union Co-operative Society Limited
- Whim Credit Union Co-operative Society Limited
- Zenith Credit Union Co-operative Society Limited

NOTICE OF TTCUDIF's 24th ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of the Trinidad and Tobago Credit Union Deposit Insurance Fund Co-operative Society Limited (**TTCUDIF**) will be hosted Hybrid on **Saturday January 20th, 2024** commencing at **10:30 a.m.**

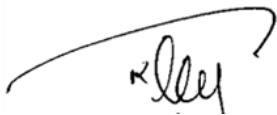
This **Hybrid Meeting** will be facilitated online via Zoom meeting portal and accommodation will be made available for those delegates desirous of attending at Cipriani College of Labour and Co-operative Studies, Churchill Roosevelt Highway, Valsayn.

AGENDA

1. The National Anthem of the Republic of Trinidad & Tobago
2. Invocation – Credit Union Prayer
3. Call to Order
 - (a) Notice of Meeting
 - (b) Adoption of Standing Orders
4. President's Address
5. Minutes of the 23rd AGM – Confirmation and Business Arising
6. Reports
 - (a) Board of Directors
 - (b) Audit Committee
7. Auditor's Report and Audited Financial Statements 2022-2023
8. Budget 2023-2024
9. Election of Officers
 - (a) Nominations Report
 - (b) Elections
10. Resolutions
11. Other Business
12. Vote of Thanks and Adjournment

Delegates are encouraged to read the AGM Brochure which will be provided via E-copy to each member Credit Union and will be available on TTCUDIF's Website: www.stabfundtt.com.

By Order of the Board of Directors



KHRISTENDATH NEEBAR
Secretary

January 4th, 2024

STANDING ORDERS (Hybrid Meeting)

- 1)
 - a) A delegate shall state his/her name and his/her Credit Union when addressing the Chair.
 - b) Speeches shall be clear and relevant to the subject before the Meeting.
- 2) Delegates participating virtually shall keep their microphones muted for the duration of the meeting, except where permitted by the Chairman for making contributions to the meeting.
- 3) The videos of virtually participating delegates shall remain off except when addressing the Chairman.
- 4) All delegates are asked to keep their cell phones on silent mode as the vibrate setting can cause disruptions. If you must take urgent calls, please ensure that your microphone is muted.
- 5) A delegate shall **ONLY** address the meeting when called upon by the Chairman to do so.
- 6) Virtually Participating delegates, when invited to make a contribution, shall click the microphone icon in the left corner of the screen to unmute your microphone. If you speak while your microphone is muted a notification will pop-up prompting, you to unmute same.
- 7) Virtually Participating Delegates shall use the “Raise Hand” function on the Zoom Platform and wait to be recognized by the Chairman before unmuting their microphone.
- 8) Delegates will type their question into the chat box if available. The AGM Moderator will appropriately collate and transmit questions to the Chairman.
- 9) No delegate shall address the meeting except through the Chairman. Questions / Comments shall be clear and relevant to the specific subject before the meeting.
- 10) On any subject, a delegate is permitted to make his / her contribution which shall not exceed two (2) minutes except with the permission of the Chairman.
- 11) A delegate may not speak twice on the same subject except:
 - a) The mover of a motion, who has the right of reply;
 - b) To object or explain, (with the permission of the Chair).

- 12) The Mover of a “Procedural Motion” (Adjournment, lay on the table, Motion to Postpone) shall have no right of reply.
- 13) No “Speeches” shall be made after the “Question” has been put and carried.
- 14) A delegate rising on a “Point of Order” shall state the point clearly and concisely. (A point of order must have relevance to the Standing Orders).
- 15) A delegate shall not “call” another delegate “to order” but may draw the attention of the Chairman to a “Breach of Order”.
- 16) In no event can a delegate call the Chairman “to order”.
- 17) Only one amendment shall be before the meeting at one and the same time.
- 18) When a motion is withdrawn, any amendment to it fails.
- 19) The Chairman shall have the right to a “casting vote” in the case of an equality of votes.
- 20) If there is an equality of votes on an amendment and if the Chairman does not exercise his casting vote, the amendment is lost.
- 21) The Chairman shall make provision for protection of delegates from vilification (personal abuse).
- 22) No delegate shall impute improper motives against the Chairman or any other person.
- 23) No form of recording of the proceedings shall be allowed without the permission of the Chairman.
- 24) All delegates are reminded to conduct themselves in a respectable and professional manner. Please refrain from sharing any explicit, violent or inappropriate content.

MINUTES OF THE 23RD ANNUAL GENERAL MEETING OF THE TRINIDAD AND TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND CO-OPERATIVE SOCIETY LIMITED (TTCUDIF), HELD VIRTUALLY VIA THE ZOOM PLATFORM ON SATURDAY, APRIL 01, 2023.

1.0 COMMENCEMENT

- 1.1 The meeting commenced at 10:30 a.m.

2.0 FIRST CREDENTIAL'S REPORT

- 2.1 At 10:31 a.m. there were fourteen (14) delegates representing fourteen (14) Member Units present.
- 2.2 The Chairman stated that in accordance with Bye-Law 25 f there was a quorum and that the meeting was duly constituted.

3.0 INVOCATION

- 3.1 The National Anthem was followed by the recitation of the Credit Union Prayer done by the Chairman, Mr. Robert Mayers.
- 3.2 The Meeting observed one minute of silence for departed fellow co-operators.

4.0 CALL TO ORDER

- 4.1 The Chairman, Mr. Robert Mayers, thanked all present at TTCUDIF's (Virtual) 23rd Annual General Meeting and called the meeting to order.

5.0 SECOND CREDENTIAL'S REPORT

- 5.1 At 10:34 a.m. there were fifteen (15) delegates representing fifteen (15) Member Units present.

6.0 NOTICE OF THE MEETING

- 6.1 Board Member, Mr. Brian Matthew, read the Notice and Agenda of the Meeting.

7.0 INTRODUCTION OF HEAD TABLE

- 7.1 The members of the Head Table comprised:
- | | |
|--------------------|----------------|
| Mr. Robert Mayers | - President |
| Mr. Lincoln Jitman | - Manager |
| Mr. Brian Matthew | - Board Member |
| Dr. Anthony Elias | - Board Member |

8.0 MOTION FOR THE ACCEPTANCE OF THE STANDING ORDERS

- 8.1 A motion for the acceptance of the standing orders was moved by Mr. Lyndon Byer (AERO Services C. U.) and seconded by Mr. Arthur Joseph (Teachers C. U.) and carried unanimously by the meeting.

9.0 MOTION TO HAVE THE AGM BROCHURE ACCEPTED AS READ

- 9.1 A motion to have the AGM Brochure accepted as read was moved by Ms. Esme Raphael (VENTURE C. U.) and seconded by Ms. Joan Pierre (Airport Authority C. U.) and was voted on as follows:
Twelve (12) for, Zero (0) against and Five (5) Abstentions.

10.0 CHAIRMAN'S ADDRESS

- 10.1 The President welcomed all to TTCUDIF's 23rd AGM and stated that the AGM was being held in respect of the year end 30th June 2022.
- 10.2 He expressed that due to some issues surrounding the audit exercise, the audited financial statements were not finalized and signed off until 23rd February 2023.
- 10.3 He advised that further to the 22nd AGM held on 26th March 2022, the new Board at its Inaugural Meeting, appointed him as President and Mr. Noel Jones as Vice President. The Board also appointed Mr. Khristendath Neebar as Secretary.
- 10.4 He indicated that the Directors and Officers of the Board were as follows:
- | | |
|----------------|--------------------------|
| President | - Mr. Robert Mayers |
| Vice President | - Mr. Noel Jones |
| Secretary | - Mr. Kristendath Neebar |
| Director | - Mr. Stephen Creese |
| Director | - Dr. Anthony Elias |
| Director | - Mr. Gerard Pinard |
| Director | - Mr. Brian Matthew |
| Director | - Mr. Anthony De Freitas |
- 10.5 The President stated that the Audit Committee comprised the following members:
- | | |
|-----------|-----------------------|
| Chairman | - Ms. Esme Raphael |
| Secretary | - Mr. Darren Singh |
| Member | - Mr. Stephon Stewart |
- 10.6 He indicated that the primary function of the Board is to oversee and monitor the Fund's investment portfolio to ensure that it provides adequate coverage for the deposits and shares held by member units. He stressed the importance of co-operation from member units in furnishing TTCUDIF with the pertinent information required to assess their financial conditions and where necessary, to suggest corrective action.
- 10.7 He highlighted that quite a few member units have outstanding audited financials going back several years and several member units have outstanding premium contributions due to TTCUDIF. He indicated that

- this situation places TTCUDIF in a very compromising and untenable position where the Fund is insuring liabilities that cannot be quantified.
- 10.8 He insisted that TTCUDIF cannot continue to carry members who fail to provide the financial data which is required which may be to the detriment of other members who are in compliance.
- 10.9 He urged members to develop the requisite discipline in managing their affairs.
- 10.10 He was unsure of exactly where the Joel Edwards Committee has reached in terms of the mandate for mandatory insurance and indicated that change was inevitable. He stated that TTCUDIF's survival is entirely up to its members and that TTCUDIF cannot continue to provide coverage at the present arrangement. The existing arrangement where no contribution applies to units that experience decline in growth of shares and deposits, cannot continue to exist. Coverage has a cost.
- 10.11 He said if the Edwards Committee gets government acceptance then Credit Unions will have until the end of 2025 to get their act together in terms of the prudential capital requirements which carry a reserve range between 8 to 10% of the Society's total asset.
- 10.12 Based on a presentation given at TTCUDIF's training session last year, Mr. Edwards indicated that a Credit Union's total capital must be at least 8-10% of the total asset and should a Credit Union not attain this standard by 2025, it will ultimately be wound up. In his presentation he raised the issue of possible mergers as an option and indicated that the Independent Authority will be in place within the coming months and that qualified technical staff would fill the many vacancies at the Co-op Division.
- 10.13 He also said that technical assistance will be provided to distressed units during the adjustment period to assist them to meet the required standard.
- 10.14 Under Financial Performance to June 30, 2022, TTCUDIF's Asset grew from \$83.1M in June 2021 to \$86.4M as at February 2023. Total Comprehensive Income fell from \$11.9M in June 2021 to \$2.7M in June 2022 (thanks to a 9.2M unrealized gain on the investment portfolio) given the huge reversals in market conditions. At the end of February 2023, profits after trading stood at \$3.3M.
- 10.15 The President thanked former Independent Senator, Mr. Stephen Creese for his many enlightened contributions to our deliberations since after this AGM he will no longer be a member of TTCUDIF's Board.

11.0 MINUTES OF THE 22nd ANNUAL GENERAL MEETING

- 11.1 The minutes were taken as read and opened for corrections and amendments. There were no corrections or amendments made.

A motion for the Adoption of the Minutes was moved by Mr. Lyndon Byer (Aero Services Credit Union) and seconded by Mr. Arthur Joseph (Teachers Credit Union) and was voted on as follows:
Twelve (12) for, Zero (0) against and Five (5) Abstentions

BOARD OF DIRECTORS REPORT

- 11.2 The Board of Directors' Report was taken as read and opened for corrections and discussions. No issues were raised on this Report and a motion for the Adoption of the Board of Directors' Report was moved by Ms. Joan Pierre (Airport Authority Credit Union) and seconded by Mr. Erskine Abel (Progressive Credit Union) and was voted on as follows:
Thirteen (13) for, Zero (0) against and Four (4) Abstentions

12.0 AUDIT COMMITTEE REPORT

- 12.1 The Chairman of the Audit Committee, Ms. Esme Raphael introduced other members of the Audit Committee, Mr. Darren Singh and Mr. Stephon Stewart. The report was taken as read and opened for questions and/or clarifications. No matters were raised and a motion for the adoption of the Audit Committee's Report was moved by Mr. Arthur Joseph (Teachers Credit Union) and seconded by Mr. Erskine Abel (Progressive Credit Union) and was voted on as follows:
Thirteen (13) for, Zero (0) against and Four (4) Abstentions

13.0 AUDITOR'S REPORT

- 13.1 A pre-recorded tape of the Independent Auditor's Report, prepared by Mr. Favion Taylor of I. A. Ali and Associates, was played.
- 13.2 The Chairman, Mr. Robert Mayers, reminded everyone that a copy of the Audited Financials was included in each brochure and asked if there were any questions regarding the Financials, to which there were none.
- 13.3 A motion for the acceptance of the Auditor's Report was moved by Mr. Lyndon Byer of Aero Services Credit Union and seconded by Ms. Kathleen Gittens of St. Theresa's (Woodbrook) Credit Union.
- 13.4 The Auditor's report was voted on as follows:
Fifteen (15) for, Zero (0) against and Four (4) Abstentions.

14.0 BUDGET 2022- 2023

- 14.1 Mr. Lincoln Jitman invited any questions or queries regarding the Budget, to which there were none, so the motion was carried for the acceptance of the Budget for the year ended June 30, 2023.

- 14.2 Acceptance of the Budget was moved by Ms. Esme Raphael (VENTURE Credit Union) and Seconded by Mr. Arthur Joseph (Teachers Credit Union) and was voted on as follows:
Fifteen (15) for, Zero (0) against and Four (4) Abstentions.

15.0 RESOLUTION

- 15.1 Appointment of Auditors:
On a motion moved by the President and seconded by Ms. Joan Pierre (Airport Authority Credit Union), the meeting voted sixteen (16) for, zero (0) against and three (3) abstention for the approval of the following resolution:
Be it resolved that the firm of Madan Ramnarine & Co be appointed Auditor for the financial period commencing July 1st, 2022 and ending June 30th, 2023.

16.0 NOMINATIONS COMMITTEE REPORT

- 16.1 The Chairman invited Board Member, Dr. Anthony Elias, to present the report of the Nominations Committee. He introduced other members of the Committee, Mr. Brian Matthew and Ms. Sharon Dick.
- 16.2 Dr. Elias indicated that for the Board of Directors positions, there were four (4) nominations received. They were, Mr. Noel Jones of Guaymay Energy Alliance Credit Union, Ms. Esme Raphael of VENTURE Credit Union, Mr. Anthony De Freitas of TEXTEL Credit Union and Mr. Joseph Cipriani from Teachers Credit Union. He indicated to the attendees that Mr. Joseph Cipriani from Teachers Credit Union was desirous to serve as an alternate.
- 16.3 The nominees for the Audit Committee were Mr. Darren Singh of CEMCU Credit Union, Mrs. Christina Bahadoor-Hosein of Duncan Village Credit Union and Mr. Keith Matthews of Hand Arnold Credit Union and Ms. Kathleen Gittens of St Theresa's (Woodbrook) Credit Union who stated that she would like to serve as an alternate.
- 16.4 Dr. Elias informed all that the Nominations Committee received a letter from Ms. Kathleen Gittens affirming her decision to serve as alternate, therefore, the other nominees will automatically fill the vacancies and make up the Audit Committee.
- 16.5 A motion for the acceptance of the Nominations Committee Report was moved by Mrs. Christina Bahadoor-Hosein of Duncan Village Credit Union and seconded by Ms. Esme Raphael of VENTURE Credit Union. The Nominations Committee Report was voted on as follows:
Fifteen (15) for, Zero (0) against and Five (5) Abstention. The Report was accepted.

- 16.6 The Chairman reiterated that for the Board of Directors, one person will be voted for a three-year term and the other two nominees will each serve one-year terms. The meeting accepted that Mr. Joseph Cipriani will be the alternate, therefore, the voting would determine who will serve for three (3) years.
- 16.7 At this point the Chairman handed over the meeting to the Returning Officer, Mr. Colin Bartholomew.

17.0 3RD CREDENTIAL'S REPORT

- 17.1 There were Seventeen (17) Delegates and Twenty (20) Guests present at 11:26 a.m.

18.0 ELECTION OF OFFICERS

- 18.1 Mr. Colin Bartholomew requested that the video be played explaining the Digital Voting Process and emphasized that the platform will no longer accept anyone into the meeting so that voting can take place based on the information from the Credential's Report of 11:26 a.m.
- 18.2 Following the vote, the persons elected to serve on the Board of Directors and their term durations, were as follows:

Mr. Anthony De Freitas	-8 Votes	- 3 Years
Ms. Esme Raphael	-5 Votes	- 1 Year
Mr. Noel Jones	-3 Votes	- 1 Year

- 18.3 The returning Officer, Mr. Colin Bartholomew, called for a motion for the destruction of the electronic ballots. The motion was moved by Mr. Lyndon Byer of Aero Services Credit Union and seconded by Mrs. Christina Bahadoor-Hosein of Duncan Village Credit Union and was voted on as follows:
Fifteen (15) for, Zero (0) against and Two (2) Abstentions and the ballots were destroyed.
- 18.4 At this point, Mr. Colin Bartholomew handed the meeting back to the Chairman, Mr. Robert Mayers.
- 18.5 Mr. Robert Mayers thanked Mr. Bartholomew and indicated that the elections were closed and congratulated those individuals who were elected to serve on the Board and Audit Committee for 2022-2023.

19.0 OTHER BUSINESS

- 19.1 The Chairman invited members to raise any matters they may have at that time.
- 19.2 Ms. Esme Raphael from VENTURE Credit Union enquired that should the Cabinet Appointed Implementation Committee get approval for membership with the DIC, what will be the position of TTCUDIF at that point in time.

- 19.3 The Chairman responded indicating that the position of TTCUDIF will have to be determined by the membership. According to the Bye-Laws only the membership can determine if TTCUDIF will wind up or continue to function.
- 19.4 Dr. Elias interjected that a requirement of 2/5 of the members who aggregate a minimum of 66 2/3 % of the funds that were put into the organization over the years would determine the position to wind up. If the votes do not meet the requirements, the funds will remain with said members and other options of secondary insurance will be explored. A special general meeting will be held where members will determine the future of the organization.
- 19.5 No further questions were asked.
- 19.6 The Chairman asked Director Noel Jones to offer a vote of thanks.


20.0 VOTE OF THANKS

- 20.1 Director, Noel Jones, expressed his thanks for a successful completion of the 23rd Annual General Meeting, firstly to God and then to the Manager and Staff for their dedication and commitment, Member Units, Members of the Board and Audit Committee. He also thanked Mr. Colin Bartholomew and his team and Cipriani College of Labour and Co-operative studies. He thanked the Commissioner of Co-operative Development and Officers, the investment brokers and bankers as well as the External Auditors of TTCUDIF, I.A Ali & Co., for their years of service to the Fund. He also thanked the Attorneys at Wheeler & Co., and all other stakeholders.

21.0 ADJOURNMENT

- 21.1 The meeting was adjourned at 12.01 p.m.

Respectfully Submitted



KHRISTENDATH NEEBAR
Secretary

BOARD OF DIRECTORS REPORT 2022-2023

1. INTRODUCTION

The Board of Directors is pleased to report on its corporate governance and its activities for the period 1st July 2022 to 30th June 2023.

Our theme “***Ensuring the Protection and Stability of Credit Unions***” encapsulates the comfort experienced by our members who understand the value of Deposit Insurance.

2. GOVERNANCE STRUCTURE

Subsequent to the 23rd Annual General Meeting, which was held on April 01, 2023, the Board held its Inaugural Meeting in keeping with the Bye-Laws at which the Board of Directors for the period was constituted as follows:

Table 1 – Board of Directors

NAME	POSITION
Robert Mayers	President
Noel Jones	Vice President
Khristendath Neebar	Secretary
Anthony De Freitas	Director
Brian Matthew	Director
Esme Raphael	Director
Anthony Elias	Consultant Director
Gerard Pinard	Consultant Director

The Board continues to hold its monthly meetings.

Administrative and Operational support for the Board were provided by the following staff:

Table 2 - Staff

NAME	POSITION
Lincoln Jitman	Consultant Manager
Sharon Downes	Executive Assistant
Muriel Samaroo	Examiner
Alexander Jagan	Assistant Examiner
Kurt Belgrave	IT Consultant
Keystone Audit & Assurance Services	Accounting Services

The Audit Committee is comprised of:

Table 3 – Audit Committee

NAME	POSITION
Darren Singh	Chairman
Christina Bahadoor-Hosein	Secretary
Keith Matthews	Member

3. BOARD AND AUDIT VACANCIES 2023-2024

Three vacancies exist for the Board of Directors, while three vacancies are to be filled on the Audit Committee. Outgoing Officers for the Board of Directors are Mr. Gerard Pinard, Mr. Noel Jones and Ms. Esme Raphael. However, Mr. Gerard Pinard and Mr. Noel Jones are statue barred from sitting on the board for the current term. Outgoing Audit Committee Members are Mr. Darren Singh, Mrs. Christina Bahadoor-Hosein and Mr. Keith Matthew. The Board sincerely thanks all Outgoing Officers for their commitment and service.

4. TRAINING AND SEMINARS

One of TTCUDIF's primary objectives is to continue to increase the competencies and skills of the leaders and aspiring leaders of our member units. Our training Programmes are priced as affordable as possible to allow our members to attend and to benefit from the excellent knowledge shared by our respected presenters and to assimilate the practical information disseminated through our workshops.

Our training is geared towards all levels of Management, Board of Directors, Committee members and aspiring leaders. We urge you to take advantage of attending these Programmes as the knowledge and information gained would most definitely assist you in enhancing your management and governance skills and competencies, in promoting the growth and development of your Credit Union and thereby ensuring the on-going success of your Organisation.

Our 2022 Governance & Leadership Conference was held at The Conference Centre, Passage to Asia Restaurant, during the period September 8th & 9th 2022. The theme for the programme was 'IS ALL ABOUT DE MONEY'.

5. FINANCIAL PERFORMANCE

For the financial year ended 30th June 2023, we realized a Net Surplus of **\$2,617,509**. The Total Comprehensive Income for the year was **\$871,592**.

6. ACKNOWLEDGMENTS

- Member Units of the Trinidad and Tobago Credit Union Deposit Insurance Fund
- The Commissioner for Co-operative Development and Officers from the Co- operative Development Division
- KCL Capital Market Brokers Limited
- KSBM Asset Management
- Auditor – Madan Ramnarine and Company Limited
- Accounting Service Provider – Accounting Solutions Limited (ASL)
- Attorney – at- Law – Wheeler & Co.
- Our Bankers and Financial Institutions (First Citizens Bank, Republic Bank Limited, JMMB and Unit Trust Corporation)
- Central Finance Facility Co-operative Society Limited

On behalf of the Board of Directors, I wish to express my sincere thanks and appreciation to the Manager, Mr. Lincoln Jitman and Staff for the dedication, commitment and contribution continuously extended to the Trinidad and Tobago Credit Union Deposit Insurance Fund Co-operative Society Limited.

It has been a pleasure working with the Board of Directors of TTCUDIF over the period and I thank them for giving me the opportunity to serve.

For and on behalf of the Board of Directors, TTCUDIF,



Khristendath Neebar (Attorney-at-Law)
Secretary,
TTCUDIF.

AUDIT COMMITTEE REPORT

Annual Report for 2022 - 2023 Financial Year

The Audit Committee of TTCUDIF presents the following report for the 24th Annual General Meeting. The Committee is charged with providing oversight and ensuring the adequacy of the company's financial reporting, accounting, compliance, risk and other control systems and practices. This report provides an overview of the committee's activities throughout the fiscal year based on the review of the organization operations for the period under review.

At the 23rd Annual General Meeting of the Trinidad & Tobago Credit Union Deposit Insurance Fund Co-operative Society Limited (TTCUDIF) which was held on the 1st April 2023, the following persons were elected to serve for the 2022-2023 Term:

- Member - Mr. Darren Singh (nominated by CEMCU Credit Union)
- Member – Mr. Keith Matthews (nominated by Hand Arnold Credit Union)
- Member - Ms. Christina Bahadoor-Hosein (nominated by Duncan Village Credit Union)
- Alternate - Ms. Kathleen Gittens (nominated by St. Theresa's (Woodbrook) Credit Union)

At the first meeting held on 14th April 2023 the following officers were elected:

- Chairman – Mr. Darren Singh
- Secretary – Ms. Christina Bahadoor-Hosein
- Committee Member – Mr. Keith Matthews

OPERATIONS OF THE AUDIT COMMITTEE

The Audit Committee conducted in-person reviews and collaborated with the newly appointed Accountant from I. Ali and Associates, addressing the financials. This encompassed:

Providing reasonable assurance that reporting, accounting, compliance, risk, and other control systems and practices are operating effectively and in compliance with TTCUDIF's policies.

Regularly reporting committee activities and findings to the Board of Directors.

MANAGEMENT LETTER

The Audit committee reviewed the management letter, communicated with Management on the recommendations made and verified that the corrective actions were implemented.

FINANCIAL STATEMENTS

- The Audit committee thoroughly reviewed the financial reports prepared, including the balance sheet, income statement, cash flow statement, and accompanying notes. These reports were examined to ensure they accurately represent the organization's financial position, performance, and cash flows. The monthly Management Accounts were reviewed and signed off by the Chairman.
- The Fund's financials continue to express growth with the following highlights:
 - (Audited - June 2022 vs June 2023)
 - o Increase in Total Assets of .65%
 - o Increase in Share/Deposit Insurance Fund of 3.95%
 - o Increase in Total Income of 8.27%
 - o Increase in Members' Contributions (Income) of 3.32%
 - o Increase in Net Surplus of 32.63% (before unrealized gains)
- TTCUDIF realized a Net Surplus of \$1.97M to June 2022, compared to \$2.61M to June 2023.

BANK/CASH RECONCILIATION

The Audit Committee during the year under review conducted random cash counts. Any discrepancies identified, were clarified and corrections made to the satisfaction of the Audit Committee.

The Bank Reconciliation Statements prepared by the Accountants were reviewed by the Audit Committee. All queries were addressed by the Accountant. The Audit Committee recommended an addition to the process and these have been implemented. The Audit Committee is pleased that the Bank Reconciliations Statements were up to date.

COMPLIANCE POLICY

The FIU Compliance program was updated by Consultant Keshma Maharaj, reviewed by the Audit Committee and signed off by the Chairman of the Audit Committee. Quarterly checks were conducted to ensure the compliance program is being adhered to and updates are being completed in a timely manner.

ACCOUNTING POLICY

The accounting policy was reviewed, and it is recommended that a process walkthrough of the policy and procedure be conducted with the Accountant to ensure the policy complies with the actual process.

INVESTMENT POLICY

The Audit Committee reviewed the investment portfolio monthly and ensured that they were properly accounted together with the interest payments, no major issues were found. A recommendation to update the policy was made and a committee formed to review same.

MORTGAGE LOANS

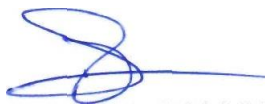
There has been an effort to write off mortgage loans that have not had transactions over the past years. All these mortgage loans have been written off against the provision to the amount \$524,671.00.

MEMBERSHIP STATUS

The Audit committee identified several delinquent Member Credit Unions. Notices were sent out to these credit unions and the Board is taking steps to recover the outstanding funds.

CONCLUSION

The Audit Committee remains steadfast in ensuring financial integrity, compliance, and transparency. We express gratitude for the collaborative efforts with the Board of Directors and the management team in addressing financial matters. As we approach 2024, we encourage member credit unions to continue fostering synergy with TTCUDIF, recognizing that where there is synergy, there is positive growth.



Mr. Darren Singh
Chairman



Ms. Christina Bahadoor Hosein
Secretary



Mr. Keith Matthews
Member

RESOLUTION:

Appointment of Auditor

BE IT RESOLVED that the firm of Madan Ramnarine & Company Limited be appointed Auditor for the financial period July 01, 2023 to June 30, 2024.

Trinidad and Tobago Credit Union Deposit Insurance Fund Co-operative Society Limited
OPERATIONAL BUDGET 2023/2024

	2022/2023 Budget	2022/2023 Actual	Variance	2023/2024 Proposed Budget
<u>REVENUE</u>				
Interest on Investments				
Investments	2,000,000	2,283,104	283,104	2,000,000
	2,000,000	2,283,104	283,104	2,000,000
Other Operating Income:				
Dividend & Other Income	1,500,000	1,059,572	(440,428)	1,000,000
Members Contributions	900,000	967,405	67,405	900,000
	2,400,000	2,026,977	(373,023)	1,900,000
TOTAL INCOME	4,400,000	4,310,081	(89,919)	3,900,000
<u>EXPENSES</u>				
Governance Expenses				
Annual General Meeting	25,000	8,563	16,437	25,000
Board & Committee Meeting Expenses	25,000	14,434	10,566	25,000
Board & Committee Stipends	271,000	277,240	(6,240)	271,000
Sem./Conf. & Official Visits	150,000	0	150,000	150,000
Strategic Retreat/ Special Meetings	25,000	0	25,000	25,000
Travelling and Subsistence	10,000	0	10,000	10,000
	506,000	300,237	205,763	506,000
Administrative Expenses				
Bank Charges, Comm. & Transfer Fees	9,000	7,758	1,242	9,000
Depreciation	275,000	276,350	(1,350)	277,000
Insurance	15,000	1,783	13,217	15,000
Office Expenses	55,000	33,274	21,726	50,000
Lease Interest	45,000	20,153	24,847	25,000
Electricity	15,000	9,600	5,400	20,000
Stationery	20,000	13,061	6,939	20,000
Telephones, Fax & Internet	23,000	22,438	562	23,000
	457,000	384,417	72,583	439,000

	2022/2023	2022/2023		2023/2024
	Budget	Actual	Variance	Proposed Budget
Personnel Costs				
NIS Employers' Contribution	41,000	30,616	10,384	41,000
Pension Benefits	22,000	6,327	15,673	22,000
Other Staff Costs	30,000	38,535	(8,535)	30,000
Salaries	511,000	351,559	159,441	511,000
CU Onsite Visit	30,000	0	30,000	30,000
Staff Development	25,000	0	25,000	25,000
	659,000	427,037	231,963	659,000
Education & Training (Membership)	35,000	0	35,000	35,000
Professional Fees				
Audit Fees	55,000		55,000	55,000
Legal & Prof. Fees	262,000	188,286	73,714	262,000
Management Consultancy	290,000	280,800	9,200	290,000
	607,000	469,086	137,914	607,000
Marketing and Promotional Expenses				
Advertising & Promotional	15,000	1,114	13,886	15,000
Donation	25,000	0	25,000	25,000
	40,000	1,114	38,886	40,000
Expected credit loss on investment securities	250,000	83,179	166,821	250,000
Write off bad debts	0	27,502	(27,502)	25,000
TOTAL EXPENSES	2,554,000	1,692,572	861,428	2,561,000
Operating Net Surplus	1,846,000	2,617,509	771,509	1,339,000
Other Comprehensive income:				
Unrealized loss on investments securities at FVTOCI	(500,000)	(1,285,584)	(785,584)	(500,000)
Realized (loss) gain on disposal of investment at FVTOCI	0	(460,333)	(460,333)	0
Other Comprehensive (deficit)/surplus				
Income for the yr	(500,000)	(1,745,917)	(1,245,917)	(500,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,346,000	871,592	(474,408)	839,000

**TRINIDAD & TOBAGO CREDIT UNION
DEPOSIT INSURANCE FUND CO-OPERATIVE
SOCIETY LIMITED**

Financial Statements
for the year ended
June 30, 2023

**TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND
CO-OPERATIVE SOCIETY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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STATEMENT OF CHANGES OF MEMBERS' EQUITY & RESERVES	8
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TRINIDAD AND TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND CO-OPERATIVE SOCIETY LIMITED

49-50, Montrose Main Road, Chaguanas, Trinidad, W.I.

Tel: (868) 671-6328, 672-2588, 672-2358 • Fax: (868) 672-2133 • E-mail: mail@stabfundtt.com

Website: www.stabfundtt.com

TRINIDAD AND TOBAGO
CREDIT UNION DEPOSIT
INSURANCE FUND
CO-OPERATIVE SOCIETY LIMITED

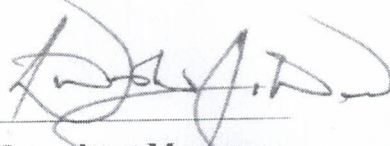
Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of **Trinidad and Tobago Credit Union Deposit Insurance Fund Co-operative Society Limited**, which comprise the statement of financial position as at **June 30, 2023**, the statement of comprehensive income, statement of changes in members' equity and reserves, statement of cash flows for the year then ended, and notes comprising significant accounting policies and other explanatory information;
- Ensuring that the Society keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Society's assets, detection/prevention of fraud and achievement of the operational efficiencies of the Society;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations and;
- Using reasonable and prudent judgment in the determination of estimates.

In preparing these audited financial statements, management utilized the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago.

Nothing has come to the attention of management to indicate that the Society will not remain a going concern for the next twelve months from the reporting date, or up to the date the accompanying financial statements have been authorized for issue, if later. Management affirms that it has carried out its responsibilities as outlined above.


Consultant Manager

December 21, 2023.


Secretary

December 21, 2023.

Madan Ramnarine & Company Limited
Chartered Accountants

#6 Xavier Street Extension,
Chaguanas, Trinidad, W.I.

Tel: 665-1707
Email: admin@mramnarineco.com

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRINIDAD AND TOBAGO
CREDIT UNION DEPOSIT INSURANCE FUND CO-OPERATIVE SOCIETY LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Trinidad and Tobago Credit Union Deposit Insurance Fund Co-Operative Society Limited ("the Society") which comprise the statement of financial position as at June 30, 2023, the statement of comprehensive income, statement of changes in members' equity and reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society as at June 30, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis of 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information consists of information included in the Society's Annual Report but does not include the financial statements and our auditors report thereon. The Society's 2023 Annual Report is expected to be made available after the date of the auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Society's 2023 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate it with those charged with governance.

Other Matters

The corresponding figures for the prior period were audited by another firm of auditors.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS 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 statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing as applicable, matters relating to going concern and using the going concern basis of

Rhea Ramnarine C.A. F.C.C.A

Madan Ramnarine & Company Limited

Chartered Accountants

#6 Xavier Street Extension,
Chaguanas, Trinidad, W.I.

Tel: 665-1707
Email: admin@mramnarineco.com

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.


Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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


MADAN RAMNARINE & COMPANY LIMITED
CHARTERED ACCOUNTANTS
CHAGUANAS, TRINIDAD
December 21, 2023.

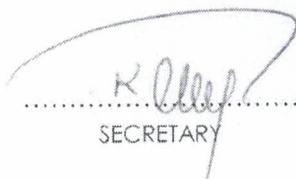
Rhea Ramnarine C.A. F.C.C.A

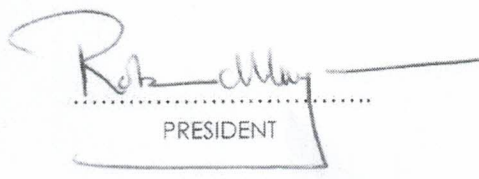
**TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND
CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023**

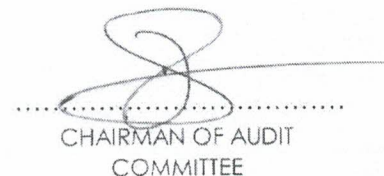
	<u>Notes</u>	<u>2023</u> \$	<u>2022</u> \$	<u>2021</u> \$
ASSETS				
Property, plant and equipment	4	342,084	617,014	80,919
Investment securities:				
- measured at amortised cost	9(a)	39,418,759	35,162,576	33,239,129
- measured at fair value through other comprehensive income	9(b)	38,558,597	40,369,448	37,427,735
Receivables and prepayments	7	980,332	678,852	929,155
Mortgage loans	6	-	17,412	16,957
Cash and short-term funds	8	7,655,777	9,545,188	11,446,696
Total Assets		86,955,549	86,390,490	83,140,591
LIABILITIES AND MEMBERS' EQUITY				
Liabilities				
Members' shares		3,300	3,300	3,400
Payables and accruals	10	45,750	47,021	47,815
Lease obligation	5	295,500	565,747	22,896
Total Liabilities		344,550	616,068	74,111
Members' Equity				
Reserve fund		9,492,209	9,230,458	8,858,436
Education fund		248,961	282,976	281,976
Training fund		257,528	257,528	257,528
Accumulated investment gains		14,711,431	16,457,348	15,722,854
Share deposit insurance guarantee fund		61,900,870	59,546,112	57,945,686
Total Members' Equity		86,610,999	85,774,422	83,066,480
Total Liabilities and Members' Equity		86,955,549	86,390,490	83,140,591

On December 21, 2023, the Board of Directors of Trinidad & Tobago Credit Union Deposit Insurance Fund Co-operative Society Limited authorised these financial statements for issue.

The accompanying notes form an integral part of these financial statements.


.....
SECRETARY


.....
PRESIDENT


.....
CHAIRMAN OF AUDIT
COMMITTEE

**TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND
CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Notes</u>	<u>2023</u> \$	<u>2022</u> \$
Income			
Members' share guarantee contributions		967,405	936,304
Interest income	11	2,283,104	1,804,662
Dividend & other income		<u>1,059,572</u>	<u>1,239,652</u>
Total income		<u>4,310,081</u>	<u>3,980,618</u>
Expenditure			
Administrative	12	365,378	358,531
Governance	13	300,237	269,088
Personnel	14	427,037	424,560
Lease interest (note 5 (ii))		20,153	44,676
Legal & professional		469,086	586,155
Expected credit loss on investment securities		83,179	324,160
Write-off of bad debts		<u>27,502</u>	<u>-</u>
Total expenditure		<u>1,692,572</u>	<u>2,007,170</u>
Net surplus for the year		2,617,509	1,973,448
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Unrealized loss on investment securities at FVTOCI		(1,285,584)	(997,311)
Realized (loss)/gain on disposal of investment at FVTOCI		<u>(460,333)</u>	<u>1,731,805</u>
Other comprehensive (deficit)/surplus for the year		<u>(1,745,917)</u>	<u>734,494</u>
Total comprehensive income for the year		<u>871,592</u>	<u>2,707,942</u>

The accompanying notes form an integral part of these financial statements.

**TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND
CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF CHANGES IN MEMBERS' EQUITY AND RESERVES
FOR THE YEAR ENDED JUNE 30, 2023**

	Reserve Fund	Education Fund	Training Fund	Accumulated Investment Gains	Share Deposit Insurance Guarantee Fund	Total
	\$	\$	\$	\$	\$	\$
Year ended June 30, 2023						
Balance at July 1, 2022	9,230,458	282,976	257,528	16,457,348	59,546,112	85,774,422
Total comprehensive income for the year	-	-	-	(1,745,917)	2,617,509	871,592
Education expenses	-	(35,015)	-	-	-	(35,015)
Transfers	261,751	1,000	-	-	(262,751)	-
Balance at June 30, 2023	9,492,209	248,961	257,528	14,711,431	61,900,870	86,610,999
Year ended June 30, 2022						
Balance at July 1, 2021	8,858,436	281,976	257,528	15,617,274	58,051,266	83,066,480
Adjustment to opening balances (reclassification note 19)	-	-	-	105,580	(105,580)	-
Restated balances	8,858,436	281,976	257,528	15,722,854	57,945,686	83,066,480
Total comprehensive income for the year (reclassification note 19)	-	-	-	734,494	1,973,448	2,707,942
Transfers	372,022	1,000	-	-	(373,022)	-
Balance at June 30, 2022	9,230,458	282,976	257,528	16,457,348	59,546,112	85,774,422

The accompanying notes form an integral part of these financial statements.

TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND
CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>2023</u> \$	<u>2022</u> \$
Cash flows from operating activities		
Net surplus for the year	2,617,509	1,973,448
Adjustments to reconcile net surplus to net cash generated from operating activities:		
Depreciation	276,350	272,890
Expected credit loss on investment securities	83,179	324,160
Lease interest	20,153	44,676
Operating surplus before working capital changes	2,997,191	2,615,174
(Increase)/decrease in receivables and prepayments	(301,480)	250,303
Decrease/(increase) in mortgage loans	17,412	(455)
Decrease in payables and accruals	(1,271)	(794)
Net cash generated from operating activities	<u>2,711,852</u>	<u>2,864,228</u>
Cash flows from investing activities		
Net change in investment securities	(4,274,428)	(4,454,826)
Additions to property, plant and equipment	(1,420)	(20,410)
Net cash used in investing activities	<u>(4,275,848)</u>	<u>(4,475,236)</u>
Cash flows from financing activities		
Lease payments	(290,400)	(290,400)
Education fund	(35,015)	-
Decrease in members' shares	-	(100)
Net cash used in financing activities	<u>(325,415)</u>	<u>(290,500)</u>
Net decrease in cash and cash equivalents	(1,889,411)	(1,901,508)
Cash and cash equivalents		
at beginning of year	<u>9,545,188</u>	<u>11,446,696</u>
Cash and cash equivalents at end of year	<u>7,655,777</u>	<u>9,545,188</u>
Cash and cash equivalents		
Cash and short-term funds	<u>7,655,777</u>	<u>9,545,188</u>
Total cash and cash equivalents	<u>7,655,777</u>	<u>9,545,188</u>

The accompanying notes form an integral part of these financial statements.

TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND

CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

1. REGISTRATION AND ACTIVITIES

The Society was registered in the Republic of Trinidad and Tobago under the Co-operative Societies Act Chapter 81:03. Its registered office is located at 49-50 1st Floor, Montrose Main Road, Chaguanas. The Society's objective is to engender confidence in the Credit Union movement within Trinidad and Tobago by ensuring:

- (a) The protection and stability of member units through preventive and/or curative assistance and,
- (b) The security of members' shares and deposits.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are stated below:

a. Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are stated in Trinidad and Tobago dollars. These financial statements are stated on the historical cost basis, except for the measurement at fair value through other comprehensive income and certain other financial instruments.

- (i) *Standards, amendments and interpretations to existing Standards applicable to the Society in the current year, which were adopted by the Society.*

There are no new standards, amendments and interpretations to existing Standards which were applicable or adopted by the Society in the current year.

- (ii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Society.*

There are no applicable standards, amendments and interpretations to existing Standards that are not yet effective and have not been early adopted by the Society.

- (iii) *Standards, amendments and interpretations to existing standards early adapted by the Society.*

There are no applicable standards, amendments and interpretations to existing Standards which were early adopted by the Society.

b. Use of estimates

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Society's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

Allowances for credit losses

Investments accounted for at amortised cost are evaluated for impairment on a basis described in note (2i (i)).

TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND

CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments readily convertible to known amounts of cash and subject to significant risks of change in value. These are shown at cost, which is equivalent to fair value.

Cash and cash equivalents also comprise cash balances which are payable on demand.

d. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the Statement of Financial Position date. All revenue and expenditure transactions denominated in foreign currencies are translated at prevailing rates and the resulting gains and losses are recorded in the Statement of Comprehensive Income.

e. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

The assets' residual values and useful lives are reviewed at each statement of financial position date and adjusted, if appropriate.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Current rates of depreciation are:

Furniture & fixtures	-	10% to 25%
Office equipment	-	10% to 20%
Leasehold improvements	-	15% to 20%

f. Revenue recognition

Members' share guarantee contributions

Revenue from members' share guarantee contributions is recognized on the accrual basis after an examination of members' audited financial statements.

Interest income

Interest income is recognized using the effective interest method.

Dividend income

Dividend income from equities is recognized when the right to receive payment is established.

Training income

Training income is recognized on the accrual basis.

**TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Accounts receivable

Accounts receivable are initially measured at cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income on a basis described in note (2i).

h. Provisions

Provisions are recognised for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

i. Financial assets

The Society's financial assets comprises debt instruments and equity instruments.

The Society classifies its financial assets either at amortised cost (AC) or at fair value through other comprehensive income (FVTOCI). The classification depends on the purpose for which financial assets were acquired or originated as well as the type of instrument.

The classification for debt instruments depends on the entity's Business Model for managing those assets. It also requires the entity to examine the contractual terms of the cash flows, i.e. whether these represent 'Solely Payments of Principal and Interest' (SPPI).

The Business Model test requires the entity to assess the purpose for holding debt securities (hold to collect, hold to collect and sell or to trade). All of the Society's debt instruments are held to collect cash flows and accordingly meet the 'hold to collect' criteria. All debt instruments passing the Business Model and SPPI tests are classified at amortised cost.

Debt securities where the contractual cash flows are SPPI and the objective of the Society's business model is achieved both by collecting contractual cash flows and selling financial assets are classified at Fair Value Through Other Comprehensive Income (FVTOCI). Currently there are no debt instruments classified at FVTOCI.

On initial recognition, the Society has the option to irrevocably classify equity securities which are not held for trading at FVTOCI. The Society currently has no instruments in the fair value through profit and loss category and accordingly has classified all equity instruments at FVTOCI.

The Society reclassifies debt investments when and only when its business model for managing those assets changes.

(i) Amortised cost

Financial assets measured at amortised cost comprises all debt instruments, including corporate bonds, notes and repurchase agreements and other receivables.

These are initially measured at cost, being the fair value plus the transaction cost that are directly attributable to the acquisition of the instrument. These are subsequently measured at amortised cost. Amortised cost is calculated using the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument. The amortisation of premiums and discounts is taken to the statement of comprehensive income.

TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND

CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Financial assets (continued)

(ii) Fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income includes certain equity instruments.

These financial assets are investments that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in exchange rates or equity prices or that are not classified as loans and receivables.

These financial assets are initially recognised at fair value plus transaction cost that are directly attributable to their acquisition.

After initial recognition, investments which are classified as "fair value through other comprehensive income" are measured at fair value with unrealised gains or losses on revaluation recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative loss or gain previously reported in the investment re-measurement reserve is recognised in the statement of comprehensive income.

In limited circumstances, cost might be used as an estimate of fair value, where information is insufficient to determine fair value; or where there is a wide range of possible fair value measurements, and cost represents the best estimate of fair value within that range.

Impairment of financial assets

At the reporting date, the Society assesses on a forward-looking basis, the credit losses associated with its financial assets measured at amortised cost.

The Society measures expected credit loss allowances on its debt instruments at an amount equal to lifetime credit losses, except in the following cases, for which the amounts are recognised on the basis of twelve (12) months' credit losses.

For receivables, the Society applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Impairment of non-financial assets

The carrying amount of the Society's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is adjusted to reflect the revised estimate.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smaller group assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit").

**TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Financial assets (continued)

Impairment of non-financial assets

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro-rata basis.

j. Financial liabilities

When financial liabilities are recognised 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-measured at amortised 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 recognised in the statement of comprehensive income.

k. Leases

At inception of a contract, the Society assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset or capacity portion of an asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Society uses the definition of a lease in accordance with IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Society allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Society recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Society by the end of the lease term or the cost of the right-of-use asset reflects that the Society will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

**TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Leases (continued)

As a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Society's average incremental borrowing rate. Generally, the Society uses its average incremental borrowing rate as the discount rate.

The Society determines its average incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Society is reasonably certain to exercise, lease payments in an optional renewal period if the Society is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Society is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Society's estimate of the amount expected to be payable under a residual value guarantee, if the Society changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

l. Reserve Fund

Section 47(2) of the Co-operatives Societies Act 1971 requires that at least 10% of the net surplus of the Society, for the year is to be transferred to a reserve fund. In accordance with Bye-Law 14 of the Society, this reserve fund may be used only with the approval of the Commissioner of Co-operative Development for bad loans and other losses sustained through extraordinary circumstances over which the Society had no control.

m. Education Fund

In accordance with the Bye-Law 13(a) and 15 of the Society, an amount of not more than 5% of the net surplus for the year may be transferred to an education fund, which shall be used for the education and training of the members, officers and staff of the Society.

In accordance with International Financial Reporting Standards, all items of income and expenses must be accounted for through the statement of comprehensive income. Thus, an intra-reserve transfer is made from this fund to the share deposit insurance guarantee fund at year-end to reflect the net expenditure incurred on education projects during the year.

**TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Training Fund

The training fund hold gains from training programs for the members, officers and staff of the Society, and it shall be used to finance future training programs or mitigate shortages.

In accordance with International Financial Reporting Standards, all items of income and expenses must be accounted for through the statement of comprehensive income. Thus, an intra- reserve transfer is made between this fund and the share deposit insurance guarantee fund at year-end to reflect the net surplus/deficit incurred on training projects during the year.

o. Comparative information

Comparative figures have been adjusted to conform with changes in presentation in the current year as seen in note (19) to the financial statements.

TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND

CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

3. FINANCIAL RISK MANAGEMENT (continued)

Financial Risk Factors

The Society's activities are primarily related to the use of financial instruments. The Society accepts funds from members and earns interest by investing in equity investments, government securities and Bonds.

As a result, the Society is exposed to interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the Society to manage these risks are stated below:

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Society is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in bonds and other funding instruments.

The exposure is managed through the matching of funding products with financial services and monitoring market conditions and yields.

The Society invests mainly in medium to long term bonds consisting of fixed rate instruments. The market values of fixed rate bonds are not very sensitive to changes in interest rates. The market values of floating rate bonds are sensitive to changes in interest rates. The further the maturity of bonds, the greater the sensitivity to changes in interest rates. These assets designated as financial assets at amortised cost and any changes in the market values will not impact the profit and loss.

b. Credit risk

Credit risk is the risk of financial loss to the Society if a member or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Society's loans to members and other banks, and investment debt securities. The Society relies heavily on a written Loan and Investment Policy Manual, which sets out in detail the current policies governing the lending and investment function and provides a comprehensive framework for prudent risk management of the credit function.

Adherence to these guidelines is expected to communicate the Society's lending and investment philosophy; provide policy guidelines to team members involve in lending; establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration; as well as create the foundation for a sound credit portfolio.

For risk management reporting purposes, the Society considers and consolidates all elements of credit risk exposure - e.g. individual obligor default risk, regional and industry sector risk.

The market risk in respect of changes in the value of financial assets measured at FVTPL arising from changes in market credit spreads applied to debt securities is managed as a component of market risk.

TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND

CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

3. FINANCIAL RISK MANAGEMENT (continued)

b. Credit risk (continued)

Management of credit risk

The Board of Directors has delegated responsibility for the oversight of credit risk to management and the Credit Committee. The loans and finance departments, reporting to the respective committees, are responsible for managing the Society's credit risk, including the following:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorization structure for the approval and renewal of credit facilities. Authorisation limits are allocated to Loan Officers and larger facilities require approval by the Credit Committee or the Board of Directors, as appropriate.
- Reviewing and assessing credit risk: Credit committee assesses all credit exposures in excess of designated limits, before facilities are committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties, geographies and industries (for loans, financial guarantees and similar exposures), and by issuer, credit rating band and market liquidity (for investment securities).
- Developing and maintaining the Society's Credit Scores used to categorize exposures according to the degree of risk of default. The responsibility for setting risk scores lies with the final approving executive or committee, as appropriate. Risk scores are subject to regular reviews by the Society's Board.
- Developing and maintaining the Society's processes for measuring the ECL: This includes processes for:
 - initial approval, regular validation and back-testing of the models used;
 - incorporation of forward-looking information.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, regional risk and product types. Regular reports on the credit quality of local portfolios are provided to the Credit Committee, which may require appropriate corrective action to be taken. These include reports containing estimates of ECL allowance.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Society in the management of credit risk.

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Society considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Society's historical experience and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default ("PD") as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND

CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

3. FINANCIAL RISK MANAGEMENT (continued)

b. Credit risk (continued)

Generating the term structure of PD

Historical patterns are a primary input into the determination of the term structure of PD for exposures. The Society collects performance and default information about its credit risk exposures. The Society analyses the data collected and estimates of the remaining lifetime PD of exposures.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of other key factors (e.g. period of employment, debt service ratio, securitization of loan) on the risk of default.

Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by stages and include quantitative changes in PDs and qualitative factors.

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Society's policy, installments in arrears determined to have increased significantly.

Using its credit judgement and, where possible, relevant historical experience, the Society may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

The Society monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- The criteria with the point in time when an asset becomes more than 30 days past due.

Definition of default

The Society considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Society in full, without recourse by the Society to actions such as realizing security (if any is held);
- The borrower is past due more than 90 days on any material credit obligation to the Society.
- The Society agrees to a distressed restructuring resulting in a material credit related diminished asset stemming from such actions as material forgiveness or postponement of payments or repayments of amount owing;
- The Society has filed for the borrower's bankruptcy in connection with the credit obligation; or

TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND

CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

3. FINANCIAL RISK MANAGEMENT (continued)

b. Credit risk (continued)

Definition of default (continued)

- The borrower has sought or been placed in bankruptcy resulting in the delay or avoidance of repayment of the amount owing. In assessing whether a borrower is in default, the Society considers indicators that are:
- Qualitative - e.g. breaches of covenant;
- Quantitative - e.g. overdue status and non-payment on another obligation of the same issuer to the Society; and
- Based on data developed internally and obtained from external sources.
- Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Society for regulatory purposes.

Incorporation of forward-looking information

The Society incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Society formulates a 'base case' scenario of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two more additional economic scenarios and considering the relative probabilities of each outcome.

The Society has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past five (5) years.

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default ("PD");
- Loss given default ("LGD"); and
- Exposure at default ("EAD").

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD represents the probability of occurrence of an event of default of the credit exposure, in a defined time lag (i.e. 1 year). The Society intends to strengthen this model by using rating tools tailored to the various categories of loan and exposures. These statistical models will be based on internally compiled data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND

CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

3. FINANCIAL RISK MANAGEMENT (continued)

b. Credit risk (continued)

Measurement of ECL (continued)

LGD represents the percentage of the estimated loss, and thus the expected rate of recovery, at the date of occurrence of the default event of the credit exposure. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the measure of the exposure at the time of the event of default of the credit exposure. The Society derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. For lending commitments, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and future expectations.

As described above, and subject to using a maximum of a twelve (12)-month PD for financial assets for which credit risk has not significantly increased, the Society measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Society considers a longer period. The maximum contractual period extends to the date at which the Society has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type;
- credit risk gradings;
- collateral type;
- date of initial recognition (vintage);
- remaining term to maturity;

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

For portfolios in respect of which the Society has limited historical data, external benchmark information is used to supplement the internally available data.

c. Liquidity risk

The Society's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities without incurring losses or risking damage to its reputation. In order to achieve this objective the Society maintains a certain percentage of its total assets in cash, fixed deposits and money market instruments to meet demands for cash withdrawals and other short-term liabilities.

TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND

CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

3. FINANCIAL RISK MANAGEMENT (continued)

d. Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Society's measurement currency. The Society is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The Society's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The result of sensitivity analysis conducted as at June 30, 2023, on the possible impact on net surplus of the fluctuation on the US Dollar exchange rate relative to the TT Dollar are as follows:

Change in currency rate:	2023	2022
	\$	\$
Increase of 1%	450,116	401,023
Decrease of 1%	(450,116)	(401,023)
Concentration of assets and liabilities by currency.		

e. Operational risk

Operational risk is 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 also installed to minimize human error.

f. 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 Commissioner for Co-operative Development division, as well as by the monitoring controls applied by the Society.

g. Reputation risk

The risk of loss of reputation arising from the negative publicity 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 endeavors to engender trust and minimize this risk.

TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4. PROPERTY, PLANT AND EQUIPMENT

	Right of Use Asset \$	Furniture & Fixtures \$	Office Equipment \$	Leasehold Improvements \$	Total \$
Year ended June 30, 2023					
Cost	788,575	164,214	307,341	251,201	1,511,331
Accumulated depreciation	(508,265)	(145,412)	(264,478)	(251,092)	(1,169,247)
Net Book Amount	280,310	18,802	42,863	109	342,084
Net Book Amount					
July 1, 2022	547,621	20,844	48,387	162	617,014
Additions	-	-	1,420	-	1,420
Depreciation charge	(267,311)	(2,042)	(6,944)	(53)	(276,350)
June 30, 2023	280,310	18,802	42,863	109	342,084
Year ended June 30, 2022					
Cost	788,575	164,214	305,921	251,201	1,509,911
Accumulated depreciation	(240,954)	(143,370)	(257,534)	(251,039)	(892,897)
Net Book Amount	547,621	20,844	48,387	162	617,014
Net Book Amount					
July 1, 2021	20,544	20,062	40,072	241	80,919
Additions	-	3,335	17,075	-	20,410
Additions - right of use assets	788,575	-	-	-	788,575
Depreciation charge	(261,498)	(2,553)	(8,760)	(79)	(272,890)
June 30, 2022	547,621	20,844	48,387	162	617,014

TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

5. LEASES

The Society leases an office space that typically runs for a period of three (3) years, with an option to renew the lease after that date. When measuring lease liabilities for leases, the Society discounts lease payments using its incremental borrowing rate. The weighted average rate applied is 6%.

Further information about the lease is presented below.

Leases under IFRS 16

2023
\$

2022
\$

(i) Right of use asset

Upon adoption of IFRS 16 - Leases the Society recognised a Right-of-use asset which is presented in Note 4.

(ii) Amounts recognised in profit and loss

Interest on lease obligation	20,153	44,676
Depreciation	267,311	261,498

(iii) Amounts recognised in statement of cash flows

Interest on lease obligation	20,153	44,676
Depreciation	267,311	261,498
Lease payments	(290,400)	(290,400)

(iv) Finance Lease obligation

June 30, 2023

	Future minimum lease payments	Interest	Present Value of minimum lease payments
Current	290,400	(17,730)	272,670
Non-Current	24,200	(1,370)	22,830
	314,600	(19,100)	295,500

June 30, 2022

	Future minimum lease payments	Interest	Present Value of minimum lease payments
Current	294,400	(33,945)	260,455
Non-Current	325,000	(19,708)	305,292
	619,400	(53,653)	565,747

TRINIDAD & TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>2023</u> \$	<u>2022</u> \$
6. MORTGAGE LOANS		
Mortgage loans	524,671	542,083
Provision for impairment	<u>(524,671)</u>	<u>(524,671)</u>
	<u>-</u>	<u>17,412</u>
7. RECEIVABLES AND PREPAYMENTS		
Contributions due from Members' Credit Unions	1,520,737	1,326,343
Allowance for doubtful debts	<u>(1,015,348)</u>	<u>(1,015,348)</u>
	505,389	310,995
Interest receivable and prepayments	<u>474,943</u>	<u>367,857</u>
	<u>980,332</u>	<u>678,852</u>
8. CASH AND SHORT-TERM FUNDS		
Cash in hand	988	3,000
Republic Bank Limited	356,623	284,013
First Citizens Bank Limited	(35,482)	188,432
JMMB Bank (Trinidad and Tobago) Limited	599,496	364,816
Trinidad & Tobago Unit Trust Corporation	684,287	1,362,213
Republic Bank Limited - US\$ Money Market Fund	78,850	46,397
KSBM Asset Management Limited	5,971,015	6,078,035
Guardian IPI Balanced Fund	-	1,096,272
KCL Capital Market Brokers Limited	-	122,010
	<u>7,655,777</u>	<u>9,545,188</u>
9(a) INVESTMENT SECURITIES MEASURED AT AMORTISED COST		
KSBM Asset Management Limited - Bonds and US\$ Repurchase Agreements	28,776,270	25,582,544
ANSA Merchant Bank Limited - Bonds	5,677,930	5,677,930
Republic Bank Limited - Bonds	4,000,000	4,000,000
KCL Capital Market Brokers Limited - Participatory Investment Certificate	2,615,127	1,469,491
Expected credit losses	<u>(1,650,568)</u>	<u>(1,567,389)</u>
	<u>39,418,759</u>	<u>35,162,576</u>
(i) Analysis of movement in expected credit losses		
Opening balance at July 1,	1,567,389	1,243,229
Current year increase in expected credit losses	<u>83,179</u>	<u>324,160</u>
Expected credit losses at end of the year	<u>1,650,568</u>	<u>1,567,389</u>

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9(a) INVESTMENT SECURITIES MEASURED AT AMORTISED COST (continued)

(ii) ECL staging

The table below shows the staging of investment securities at amortised cost and related expected credit losses.

2023	Stage 1	Stage 2	Stage 3	Total
Carrying amount	40,407,288	-	662,039	41,069,327
Expected credit losses	(1,005,364)	-	(645,204)	(1,650,568)
	39,401,924	-	16,835	39,418,759
2022	Stage 1	Stage 2	Stage 3	Total
Carrying amount	36,069,528	-	660,437	36,729,965
Expected credit losses	(912,292)	-	(655,097)	(1,567,389)
	35,157,236	-	5,340	35,162,576
			<u>2023</u>	<u>2022</u>
			\$	\$

9(b) INVESTMENT SECURITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Quoted Equity Instruments

Ansa McAl Limited	255,000	280,250
First Citizens Bank Limited	7,498,464	7,812,462
Guardian Holdings Limited	834,847	1,322,487
Guardian Media Limited	3,965	5,344
National Commercial Bank of Jamaica Limited	175,500	356,850
National Enterprises Limited	356,000	325,000
Massy Holdings Limited	3,652,050	3,832,769
One Caribbean Media Limited	165,600	188,600
Trinidad and Tobago NGL Limited	1,879,920	2,153,553
Prestige Holdings Limited	188,128	163,437
Republic Bank Limited	3,327,822	304,582
Point Lisas Industrial Port Development Corporation Limited	139,438	143,664
Royal Bank of Canada	3,476,353	3,519,946
Sagicor Financial Limited	1,120,041	1,653,910
Trinidad Cement Limited	1,315	1,850
West Indian Tobacco Company Limited	341,220	658,470
Consumer Staples	465,770	453,277
Technology Select Sector SPDR	1,005,850	735,442

Investment securities measured at fair value through other comprehensive continued on next page.

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	<u>2023</u> \$	<u>2022</u> \$
9(b) INVESTMENT SECURITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE		
INCOME (continued)		
Quoted Equity Instruments (continued)		
Financial Select Sector	465,945	434,697
JMMB Group Limited	270,000	460,000
SPDR S&P 500. ETF Trust	2,416,483	2,056,532
CLICO Investment Fund	-	3,488,485
Sub-total	<u>28,039,711</u>	<u>30,351,607</u>
Unquoted Equity Instruments		
Advanced Technology Fund - Flexport	1,997,024	1,495,979
Advanced Technology Fund - Scopely	1,397,085	1,397,085
Advanced Technology Fund - Thoughtspot	668,060	668,060
Browery Farms	668,060	668,060
Delphix	668,060	668,060
Epic	1,636,733	1,636,733
Epica International Inc.	1,045,514	1,045,514
Plaid	768,200	768,200
Stripe	1,670,150	1,670,150
Sub-total	<u>10,518,886</u>	<u>10,017,841</u>
TOTAL	<u>38,558,597</u>	<u>40,369,448</u>
10. PAYABLES AND ACCRUALS		
Sundry payables and accruals	45,750	47,021
11. INTEREST INCOME		
Interest from short-term investments and bonds	2,283,104	1,804,662
12. ADMINISTRATIVE EXPENSES		
Advertising	1,114	-
Bank charges and commissions	7,758	7,692
Depreciation	276,350	272,890
Electricity	9,600	9,600
Insurances	1,783	1,704
Office expenses	33,274	32,224
Stationery	13,061	14,427
Telephone, fax and internet	22,438	19,994
	<u>365,378</u>	<u>358,531</u>

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	<u>2023</u> \$	<u>2022</u> \$
13. GOVERNANCE EXPENSES		
Annual general meeting	8,563	15,628
Board and committee meetings	14,434	7,940
Board and committee stipend	277,240	245,520
	300,237	269,088
14. PERSONNEL EXPENSES		
Salaries	351,559	352,608
National insurance	30,616	27,633
Pensions	6,327	9,141
Other staff costs	38,535	35,178
	427,037	424,560

15. 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.

Balances and transactions with related parties and key management personnel during the year were as follows:

	<u>2023</u> \$	<u>2022</u> \$
Key management compensation		
Board and committee stipend	277,240	245,520

16. CAPITAL RISK MANAGEMENT

The Society manages its capital to ensure that it will be able to continue as a going concern, whilst providing value to its members by offering protection, stability and security to members' shares and deposits. The Society's overall strategy remains unchanged from previous years.

17. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Society has no contingent liabilities and capital commitments.

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18. FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. 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 similar 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) Financial instruments

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Society's market assumptions.

These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices).

This level includes the majority of debt securities.

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Society considers relevant and observable market prices in its valuations where possible.

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18. FAIR VALUES (continued)

(b) Financial instruments (continued)

The following table shows an analysis of financial instruments measured at fair value by level of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
As at June 30, 2023				
Investment securities measured at FVOCI				
- Quoted	28,039,711	-	-	28,039,711
- Unquoted	-	-	10,518,886	10,518,886
	<u>28,039,711</u>	<u>-</u>	<u>10,518,886</u>	<u>38,558,597</u>
As at June 30, 2022				
Investment securities measured at FVOCI				
- Quoted	30,351,607	-	-	30,351,607
- Unquoted	-	-	10,017,841	10,017,841
	<u>30,351,607</u>	<u>-</u>	<u>10,017,841</u>	<u>40,369,448</u>

Financial instruments not measured at fair value

The table below shows the financial assets and liabilities not measured at fair value. Amounts stated in the table below bear a close approximation to fair value.

	Carrying Value	Carrying Value
	2023	2022
	\$	\$
Financial Assets		
Cash and short-term funds	7,655,777	9,545,188
Investment securities measured at Amortised Cost	39,418,759	35,162,576
Trade receivables (net)	505,389	310,995
Mortgage loans	-	17,412
	<u>47,579,925</u>	<u>45,036,171</u>
Financial Liabilities		
Lease obligation	295,500	565,747
	<u>295,500</u>	<u>565,747</u>

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19. RECLASSIFICATIONS

Where necessary, the comparative information has been adjusted to consider the effects of reclassifications to the prior year balances.

The results of applying the change in classifications are as follows:

	As previously reported \$	Reclassifications \$	Reclassified amounts \$
Statement of Financial Position			
As at June 30, 2022			
Assets			
Investment securities:			
- measured at amortised cost	45,180,417	(10,017,841)	35,162,576
- measured at fair value through other comprehensive income	30,351,607	10,017,841	40,369,448
Statement of Financial Position			
As at June 30, 2021			
Assets			
Investment securities:			
- measured at amortised cost	37,103,856	(3,864,727)	33,239,129
- measured at fair value through other comprehensive income	33,563,008	3,864,727	37,427,735
Statement of Comprehensive Income			
For the year ended June 30, 2022			
Net surplus for the year	3,705,253	(1,731,805)	1,973,448
Other comprehensive (deficit)/surplus for the year	(997,311)	1,731,805	734,494
Statement of Changes in Members' Equity & Reserves			
For the year ended June 30, 2022			
Accumulated investment gains	14,619,963	1,731,805	16,351,768
Share deposit insurance guarantee fund	61,383,497	(1,731,805)	59,651,692

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19. RECLASSIFICATIONS (continued)

	As previously reported \$	Reclassifications \$	Reclassified amounts \$
Statement of Changes in Members' Equity & Reserves For the year ended June 30, 2021			
Accumulated investment gains	15,617,274	105,580	15,722,854
Share deposit insurance guarantee fund	58,051,266	(105,580)	57,945,686

20. SUBSEQUENT EVENTS

The Society evaluated all events that occurred from July 1, 2023, through the date the financial statements were available to be issued. During the period, the Society did not have any subsequent events requiring recognition or disclosure in the financial statements.