

**19th ANNUAL GENERAL MEETING
TABLE OF CONTENTS**

	Pages
TABLE OF CONTENTS	1
AGM BUSINESS AGENDA	2
LISTING OF SERVING OFFICER	3
UPDATING OF ACCOUNTS	4
MINUTES OF 18 TH ANNUAL GENERAL REPORT	5-12
PRESIDENT’S REPORT	13-21
CREDIT COMMITTEE REPORT	22-24
TREASURER’S REPORT	25-27
RESOLUTION FOR NET SURPLUS DISTRIBUTION	28
BUDGET 2019/2020	29
SUPERVISORY COMMITTEE REPORT	30
AUDITED FINANCIAL STATEMENTS	31-56
OPENING OF ACCOUNTS REQUIREMENTS	56
TTCU CORE VALUES	58

19th Annual General Meeting

Business Agenda

1. Meeting Called to Order Mr Carmelo Juarez
2. National Anthem
3. Prayer of St. Francis of Assisi Mrs. Olga Garcia
(see inside back over)
4. Approval of Minutes (18th AGM) Mrs. Marie Aleman
5. Reports Mr. Carmelo Juarez
 - a. Board of Directors Mr. Pedro Kuk
 - b. Credit Committee Mr. Oscar Requena
 - c. Treasurer's Report Ms. Lilia Requena
 - d. Supervisory Committee
6. Discussion & Approval of Reports
Declaration of Dividends
7. Election of Officers Two Vacancies
 1. Board of Directors One Vacancy
 2. Credit Committee One Vacancy
 3. Supervisory Committee
8. New Business
- a. Appointment of External Auditor
9. Vote Of Thanks
10. Adjournment of Business Meeting
 Raffle and Refreshments

Saturday, May 25, 2019at 9AM

TTCU BRANCH OFFICE BUILDING, BELLA VISTA VILLAGE, TOLEDO

SERVING OFFICERS

BOARD OF DIRECTORS

- | | | |
|-----------------------|----------------|-------------------|
| 1. Mr. Carmelo Juarez | President | (One more year) |
| 2. Mrs. Olga Garcia | Vice President | (Term ends today) |
| 3. Mr. Oscar Requena | Treasurer | (Term ends today) |
| 4. Mrs. Marie Aleman | Secretary | (Two more years) |
| 5. Vacant | Member | (Two more years) |

CREDIT COMMITTEE

- | | | |
|-------------------------|----------|-------------------|
| 1. Mr. Geraldo Baltazar | Member | (One more year) |
| 2. Mrs. Joanna Monk | Chairman | (Term ends today) |
| 3. Mr. Pedro Kuk | Member | (Two more years) |

SUPERVISORY COMMITTEE

- | | | |
|------------------------|-----------|-------------------|
| 1. Mrs. Lilia Requena | Chairman | (One more year) |
| 2. Mr. Andy Johnston | Member | (Term ends today) |
| 3. Mr. Raymond Coleman | Secretary | (Two more years) |

NOMINATION COMMITTEE

The nominating committee are as follows:

Mr. Carmelo Juarez
Mrs. Marie Aleman
Mrs. Lilia Requena

To All Members of Toledo Teachers Credit Union,

**RE: Updating of member information in compliance
with Central Bank of Belize
Regulations of Anti-Money Laundering**

Toledo Teachers Credit Union (TTCU) advises all members to update their accounts, This is important for the verification of identity and current address.

TTCU advise its members, whose account information is not updated, that such account(s) are blocked until all necessary information is provided to Toledo Teachers Credit Union, Ltd.

Local legislation requires Toledo Teachers Credit Union to terminate a member relationship if identity verification cannot be completed. In order to avoid this, TTCU is requesting members to contact the office to determine their account status. TTCU wishes to continue providing uninterrupted services to you.

Please note that all account updates must be made in person at your credit union. For further information, kindly contact your Credit Union as soon as possible.

The Management of Toledo Teachers Credit Union.

Minutes of 18th Annual General Meeting
19th May 2018
Father Francis J. Ring S.J. Parish Hall
George Price Street, Punta Gorda Town, Toledo District

The Master of Ceremonies welcomed the visitors from around the country: St. Johns Credit Union, Holy Redeemer Credit Union, St. Francis Xavier Credit Union, La Imaculada Credit Union, the BNE Trust (Mr. Walter Garbutt) and Ms. Corine Fuller and staff from the Belize Credit Union League.

The members of the Board of Directors, Credit Committee and Supervisory Committee were recognized.

18th AGM of the Toledo Teachers Credit Union was called to order at 9:54 am by Mr. Carmelo Juarez, President of TTCU.

All rose for the singing of the Belizean National Anthem.

The Prayer of St. Francis Assisi was read by Mrs. Olga Garcia.

The minutes of the 17th Annual General Meeting were read by Board of Directors Secretary Mrs. Marie Aleman. A few minutes was given to the audience to review the minutes in the AGM Booklet on page 5-12.

Corrections to Minutes

- Melissa Cabral should be changed to Marah Cabral (p.11)
- Not convicted of any offence under the Laws of Belize (p.10)

Motion to accept minutes as corrected was made by Ms. Noemi Romero and seconded by Mr. Victor Vasquez.

Matters Arising from the Minutes of the 17th Annual General Meeting

- There are no matters arising from the minutes of the 17th Annual General Meeting.

Report from the Board of Directors

Mr. Carmelo Juarez, TTCU President read the Board of Directors report. The report for the Board of Directors can be found on page 13-15 in the AGM booklet. Mr. Juarez welcomed the members of the Credit Union to the 18th Annual General Meeting. Mr. Juarez stated

that the financial position of the credit union has been stable despite continuing harsh economic challenges that the country of Belize and the Toledo District face. Activities for the past year that will continue into the new fiscal year include the TTCU serving as the President of the BCUL Board and the institution has been appointed to the Caribbean Confederation of Credit Unions. TTCU will also purchase new software called SHARETEC. This new software will enable TTCU to securely manage the loan portfolio but also provide for online services that are now common with other commercial banks.

The Central Bank of Belize requires that the TTCU submit all required reports to ensure that proper measures are in place to safeguard our assets and members finances. The officers of TTCU have been trained in AML and TTCU has appointed a Compliance Officer. TTCU is aware of the difficulties our members encounter in obtaining the necessary documents to update their accounts but we cannot continue to operate without the proper identification and so more accounts will be frozen and closed. Members are being asked to proof of source of funds and comply with updating their accounts.

The report was also translated into Spanish.

Report from the Treasurer, Board of Directors

Mr. Oscar Requena, TTCU Treasurer, read the Treasurer's report. The Treasurer's report can be found on page 23-25 of the AGM Booklet.

Mr. Requena reviewed the tables presented in the report: (1) Financial Position of the TTCU and (2) Distribution of Net Surplus. Assets, loans, member's savings, institutional capital have increased. The credit union has increased the collection of delinquent loans to 27.25% and delinquency has increased to 5.36%. While the borrowers of the credit union are honouring their commitment, the harsh economic times of the Toledo District are resulting in an increase in the number of delinquent accounts. Undivided earnings for the period April 1, 2017 to March 31, 2018 is \$724,233.00. Total dividends to be paid \$375,000.00. We have increased our capital and we will continue to do so in the next fiscal period. Mr Requena also presented a table for the BCUL 5-year comparison, which illustrates that all credit unions are stable but experiencing declines as a result of the economic recession.

The Budget for the fiscal year 2017-2018 can be found on page 28.

Report from the Credit Committee

The report of the Credit Committee was read by the Secretary Mr. Pedro Kuk. The report of the Credit Committee can be found on page 20-22 of the AGM Booklet.

The Credit Committee continues to meet every Friday to observe and approve loans by the Credit Officers and Manager, as well as those submitted directly to the committee for approval. We approve loans over \$25,000.00 to a maximum ceiling of \$50,000.00. For large loans greater than \$50,000.00, the Board of Directors must grant a waiver to release the funds approved for these loans.

This past fiscal year the Credit Committee observed and approved a total of 3964 loans with a value of \$7,355,458,80.

The Credit Committee assesses loans based on the 5Cs of Credit: character / credit worthiness, capacity, capital, collateral, and conditions. Character refers to the borrower's reputation. TTCU must ensure that the member is trustworthy and will be willing to repay the debt. Capacity refers to the borrower's capacity to repay the debt. Capital refers to financial and other tangible resources the borrower has available to invest in the project. Collateral refers to the assets pledged as security to guard against default in loan payments. Finally conditions refers to the terms and conditions under which credit is offered to the member. These include but are not limited to the loan term, principal amount, interest rate and other legal considerations that will govern the loan.

Report from the Supervisory Committee.

The report from the Supervisory Committee was read by Member, Mr. Andy Johnston. The report of the Supervisory Committee can be found on page 29-30 of the AGM booklet.

The Supervisory Committee is comprised of a 3-member team, elected for the purpose of examining the affairs of the Credit Union and safeguarding the Credit Union's assets and protecting the interests of the membership.

Meeting sessions are carried out at both the main headquarters and the branch office. Supervisor Committee has conducted observations such as: select and review samples from monthly and quarterly financial statements for verification, internal / external controls, peruse and keep abreast of decisions and policies created by the Board of Directors, review loan write-offs, cash counts, examine shares, deposits and loan statements in the member's ledger as it corresponds to Emortelle and review and ratify monthly financial statements, update on delinquency report on officers and staff loans and conduct discussions with the General Manager and Branch Manager. The committee has also attended numerous training sessions with the BCUL. Please feel free to contact the Supervisor committee at ttcusupervisory@gmail.com.

Approval of Reports as Presented

On a motion made by President Mr. Juarez, for the approval of the Board of Directors report was accepted as read by Mr. Andrew Chan and seconded by Mr. Howard Reyes.

On a motion made by President Mr. Juarez for the approval of the Credit Committee report was accepted as read by Mr. Leonardo Cal and seconded by Ms. Noemi Romero.

On a motion made by President Mr. Juarez, for the approval of the Supervisory Report and Treasurer's report was accepted as read by Mr. Andrew Chan and seconded by Ms. Amelia Johnston.

Matters Arising from Reports

- Mr. Wil Maheia regarding the purchase of the SHARETEC software and what is the cost? The General Manager stated that the purchase of SHARETEC will cost \$500,000.00 BZ. This will move the TTCU into the future, by commencing online services.
- Ms. Marah Cabral concern regarding delinquency that in previous years delinquency is decreasing however it was on the rise for 2017 and 2018. The Credit Committee assesses loans based on the 5Cs of credit. Mr. Juarez explained that a large portion of the loan portfolio is in agriculture. Sometimes crops fail or the market price drops, and loans go delinquent and the farmer has no collateral. TTCU tries to assist. As much as possible TTCU tries to recoup delinquent loans.
- Mr. Wil Maheia stated that the TTCU needs to meet with the Ministry of Agriculture to assist farmers to ensure that there is financial support for farmers. General Manager responded that the TTCU has been building its reserve to protect the member's assets. TTCU and the BCUL will commence an IDB project to secure markets and stable prices for goods produced in southern Belize. Toledo is heavily dependent on the Guatemalan market, and this market has to be diversified. Importation of fruits and vegetables are imported into the Toledo District, are cheaper than those produced locally.

Auditor's Report

The Auditor's Report was presented by General Manager Mr. Leopoldo Romero. The Auditor has presented a qualified report. This means that the TTCU must provision for performing loans. These are loans that are being met on time. The TTCU must provision in case that the loan may become delinquent even if that is not actually the case. The

new IFRS 9 came into effect on January 1, 2018. This applies to both loans but also assets and investments that the TTCU makes. The financial statements are in compliance with the Belize Credit Union Act, but because of the absence of provisioning under the new IFRS 9.

Matters Arising from the Auditor's Report

- Mr. Wil Maheia stated what are we going to do as citizens of Toledo. What are we doing as a credit union to collect these delinquent loans. Mr. Maheia said a mechanism needs to be put in place to collect delinquent loans. GM Romero has established a Delinquency and Control Department. Significant monies have been recovered. Mr. Requena wanted to reassure the membership that we serve everybody. Once you meet the requirements, then we will serve all of our members. This year 30% of the outstanding loans have been recovered, show that we have not been sitting down and that the TTCU has been working to recover monies lost to delinquencies.

Declaration of Dividends

Mr. Oscar Requena presented the resolution for the declaration of dividends. The resolution can be found on page 26-27 of the booklet. The Board of Directors set the target for the payment of dividends of a minimum of 3.0% for the period under review. There is an allocation of \$375,000.00 is paid back to the members. This is the recommendation made by the Board.

- Mr. Wil Maheia asked how much was paid last year. Mr. Requena responded that the amount of dividends was 3.5%.
- Mr. Wil Maheia stated that money was wasted on signs, was the people of Punta Gorda was disrespected by an outside business, as the signs block the sea view. Mr. Requena stated that the TTCU must advertise and market itself.
- Mr. Oscar Requena put the motion to the floor. Mr. Leonardo Cal approved the motion, seconded by Mr. Andrew Chan. Mr. Oscar Requena asked for a show of hands for approval of the payment of 3.0% dividends. The resolution was accepted.

Nomination and Election of Officers

Ms. Corine Fuller, the Executive Director of the BCUL to carry out the election of officers on behalf of the Belize Credit Union League. At this AGM there will be election of two officers from the Board of Directors and one officer for each of the Credit Committee and Supervisory Committee.

Election of Board Members

Ms. Fuller asked all officers up for re-election to step down. A round of applause was given to all the officers who have served the credit union. A nominating committee was put forth for the elections. This committee was comprised of Mrs. Olga Garcia, Mr. Carmelo Juarez and Mr. Oscar Requena. Ms. McCoy reviewed the minimum qualifications of Board Members, and emphasized the time commitment required to serve on the Board. The minimum qualifications are listed below:

- Member of the credit union
- Over the age of 18
- Not convicted of any offence under the Laws of Belize
- Be in good standing with the credit union or other lending institution
- Have never declared bankruptcy.
- Have sufficient time to fulfil the obligations of the position, a minimum of 20 hours per month.
- Willing to undergo professional development training for the position.

Mr. Victor Paulino and Mrs. Marie Aleman have agreed to continue serving. The floor was opened for 2 minutes at 12:00PM for additional nominations. The roles and responsibilities of the Board Members of the credit union were reviewed by Ms. Fuller. Mr. Wil Maheia nominated Ms. Marah Cabral. Ms. Marah Cabral accepted the nomination. Ms. Gabriela Requena moved that the floor be closed for nominations, seconded by Ms. Marilyn Trapp.

The nominated individuals introduced themselves to the members present at the AGM. Ms. Fuller reviewed the rules of the election. There were 202 members present that the 18th Annual General Meeting.

Name of Prospective Officer	Number of Votes
Ms. Marah Cabral	52
Mrs. Marie Aleman	75
Mr. Victor Paulino	82

The newly elected members of the Board of Directors are: Mrs. Marie Aleman and Mr. Victor Paulino.

Credit Committee

The floor was opened for two minutes at 12:20 PM for additional nominations to the Credit Committee. Ms. Fuller reviewed the roles and responsibilities of the Credit Committee.

Motion was made to close the nominations was made by Ms. Paula Hernandez. Ms. Fuller asked for a show of hands to reappoint Mr. Pedro Kuk was welcomed back to the Credit Committee.

Supervisory Committee

The floor was opened for additional nominations at 12:24 PM for the Supervisory Committee. Ms. Fuller reviewed the roles and responsibilities of the Supervisory Committee. No nominations were received from the floor.

Motion was made to close the nominations was made by Mr. Mateo Choco and seconded by Mrs. Amelia Johnston. Ms. Fuller asked for a show of hands to reappoint Mr. Raymond Coleman was welcomed back to the Board of Directors.

Ms. Fuller was thanked with a round of applause for carrying out the election.

New Business

Confirmation of External Auditor. Mr. Oscar Requena asked the membership to approve the Board of Directors the permission to appoint the auditing firm. By a show of hands the membership gave the permission to the Board of Directors to out the external audit for the next fiscal year.

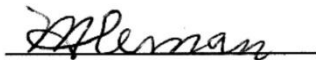
Raffle Prizes

Name of Winner	Ticket Number
Anna Cuc	979468
Sherlene Roches	979339
Felis Sho	979
Marie Aleman	979317
Clara Cowo	979345
Modesto Bol	979444
Florentina Choco	979496

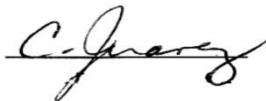
Name of Winner	Ticket Number
Joanna Monk	979313
Amalia Perez	979412
Pedro Kuk	979325
Isani Rodgers	979390
Julio Canti	979366
Nathan Juarez	979495

Vote of Thanks was given by Mr. Ray Coleman of the Supervisory Committee.

Meeting was adjourned at 12:35 PM on a motion made by Mr. Oscar Requena and seconded by Mr. Leonardo Cal.

A handwritten signature in cursive script, appearing to read "Aleman", written over a horizontal line.

Mrs. Marie Aleman
Secretary

A handwritten signature in cursive script, appearing to read "C. Juarez", written over a horizontal line.

Mr. Carmelo Juarez
President

Board of Director's Report

Fiscal period April 1, 2018 to March 31, 2019

REQUIREMENTS OF REGULATION

Our Credit Union has grown above 20 million dollars in assets hence, we are required to employ an Internal Auditor and a Compliance Officer. We are also required to approve the External Auditor for the next Fiscal Period, April 1, 2019 to March 31, 2020. This is on the Agenda for today and we will have the membership's approval. For us to be efficient in what we do and to have a guide to chart the way forward for the next three years. We have developed a Strategic plan that will lead us into 2022. The Belize Credit Union League has provided the technical support to our credit union to develop this three-year plan (2022). A work plan and a budget are developed each year to guide the process from month to month. Our Compliance Officer is now certified and has undergone training both at home and abroad. Because of the risk of money laundering and other factors we need to have someone verse in this field to capture these illegal transactions. All our Employees are trained in their respective operations with the guidance of our Compliance Officer and our Credit Manager. We ask that when you become engaged with a loan or borrowing that the money is used for its specific purpose you proposed.

The credit union is now forced to monitor loans for its specific purpose and to seek to address the issue of delinquency. Borrowing is a serious responsibility and must be properly monitored as the investments are made. The Board of Directors has diligently and on a timely manner reviewed and approved the twelve financial reports provided by Management to ensure our credit union is in good standing. We are required to provide many hours of our time to review all the financial reports, Delinquency Reports, Recovery Reports, Membership Portfolio Reports to mention a few. The law requires that we provide approved reports to the Regulator weekly, monthly and quarterly. This is an effort to monitor the activities of our credit union to ensure operations are in proper standing.

SERVICES & OPERATIONS

The soft-ware we were using poised many challenges as we were shifting to meet demands from members and the regulator. The board did what was possible and was able to purchase a new soft-ware that would meet the demands. The Management of our credit union along with the employees have successfully migrated into the new core soft-

ware system known as SHARETEC. Our data has been transferred and we are now providing Home Banking and Mobile services in addition to the various services in savings and loan products. You can now view your account balances on your phone and make transfers on your accounts via your computer. Our members will be able to apply for the services on line and will only be required to visit the office to sign off on very important documents. Many other services will be attached as we negotiate with the utility entities for our members to be able to make online bill payments.

The National Payment System is scheduled to come on stream in September 2019 hence, we are making preparations to engage in this venture that will allow payments to be made at all the participating financial institutions, such as the credit unions and the banks. Immediate and secured payment systems will be in place for your convenience and avoid delays or cash problems. Employers will be able to make payments directly to employees via the national payment system. We have special savings products for your benefits and shortly we will roll out the EDUSAVE and the FREEDOM FUND, two additional products for our young members and our members who plan for their retirement. We are finalizing the licenses for the operations of the Shared Agent Net Work, that will provide for members to do business in any of our credit unions and also at specific locations if not in their community.

EMPLOYMENT & STAFF

Our credit union has expanded and now has 30 employees. The Board has approved a succession plan with the assistance of BCUL and we now have a guide to follow should the need arises to fill any vacancy at our credit union. Several employees have resigned and gone to other fields but we continue to engage other employees at the different levels of our operations for a smooth transition. The Board is conscious of the fact that our human resource policies needs to be revised but this is incorporated in our business plan for this new fiscal period. Our former Branch Manager got very ill and the Medical Board approved his early retirement because of his medical conditions. Our credit union, staff and officers provided financial support to assist him. Our very own insurance company paid the maximum loan payment of forty thousand on his behalf so his debt has been manageable with his present income. As a result of his early retirement, the Board had to appoint a new branch manager who is originally from Bella Vista and he has brought about numerous changes in providing services to our members in that area. Our new soft-

ware will now provide for Branch Accounting so that we will be able to review and approve all reports and activities for the branch office. These reports will be extracted directly from the system on a daily, weekly or monthly routine.

NATIONAL & REGIONAL UPDATES

The Belize Credit Union League continues to provide invaluable support to our credit union movement and our General Manager continues to be the President. Through BCUL he has visited India to look at their operations on how their National Payment System works and how their cooperatives work. AMEYA is the company from India that is in charge to connect our system to the local National Payment System. Our general manager keeps us linked to the national and regional bodies as he serves at both levels. The Belize Credit Union League has its Annual Convention in October and last year several of our employees and officers attended training sessions in Belize City. This is keeping in line with the expectation of the regulator but more so to provide the necessary knowledge and skills to do a very efficient job.

STRATEGIC PLAN 2022

Our long-term goal is growing our assets to 25 million by the 2025. Our three-year plan is focusing on growth by 10 % but this requires the expansion of our services to the northern part of our district and the southern part of the Stann Creek District. The economic activity in the north and south of the two districts is consistent and employment opportunities are great for our members. Our plan is to find means and ways to invest in the Agriculture sector and to guide our members in accessing markets of which we should have some control. The pillars of our plan are laid out in the booklet and the budget for the next fiscal period is also attached. We hope that we can use all our resources to properly execute our plan.

In conclusion, on behalf of the Board of Directors, I take this opportunity to acknowledge the consistent work of our management and staff, the Supervisory Committee, the Credit Committee, the Belize Credit Union League, the Caribbean Confederation of Credit Unions, the Central Bank of Belize, the Financial Intelligence Unit and all those who work diligently to ensure our credit union movement is in compliance and viable for many generations. Most importantly I want to thank you our members/owners for the confidence and support you have given us to deliver to the best of our abilities.

Thank you.

A handwritten signature in cursive script, appearing to read "C. Juarez", written above a horizontal line.

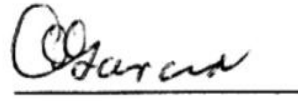
Mr. Carmelo Juarez

A handwritten signature in cursive script, appearing to read "Aleman", written above a horizontal line.

Mrs. Marie Aleman

A handwritten signature in cursive script, appearing to read "Requena", written above a horizontal line.

Mr. Oscar Requena

A handwritten signature in cursive script, appearing to read "Garcia", written above a horizontal line.

Olga Garcia

Informe del Consejo de dirección 01 de Abril del 2018 al 31 de Marzo del 2019

La Junta Directiva tiene el placer de dar la bienvenida, nuestro estimados miembros/propietarios y futuros miembros, a nuestros 19th Reunión General anual de la cooperativa de unión de crédito y ahorros de profesores de Toledo. Es un privilegio informarles sobre el ejercicio 01 de Abril del 2018 al 31 de Marzo. Los miembros de la Directiva que trabajaron este periodo 2018/2019 son los siguientes:

Sr. Carmelo Juárez Presidente

Sra. Olga García Vice – Presidente

Sra. Marie Aleman Secretaria

Tesorero Sr. Oscar Requena

Sr. Victor Paulino renunció en marzo de 2019.

En nombre del Consejo, aprovecho esta oportunidad para expresar nuestro agradecimiento por la oportunidad y confianza que nos han otorgado para guiar y ejecutar nuestros deberes fiduciarios a lo mejor de nuestras capacidades. Podemos compartir algunas de las principales novedades y retos que nos hemos encontrado durante este período de informes.

POSICIÓN FINANCIERA de La Cooperativa

La situación financiera de nuestra cooperativa ha sido notablemente estable a pesar de los duros retos económicos que enfrentamos como pueblo. Ha habido una tendencia a la baja en nuestra cartera de créditos y un aumento en la delincuencia debido a varios factores que afectan a nuestra economía en el distrito. Por lo tanto, debían abordar asuntos y continuar para capacitar a nuestros empleados en la evaluación de riesgos y gestión de la cartera de préstamos. La entidad de finanzas de informes, Consejo de normas internacionales ha publicado un cambio importante en el que ahora estamos obligados a proveer reservas para todos los créditos desembolsados. Ahora necesitamos proporcionar para créditos que se desembolsen en tres fases; Aprovisionamiento para probabilidad de incumplimiento pondrá en tres categorías en que deben asignarse las reservas para asegurarse de que ningún miembro pierda dinero dado cualquier acontecimiento negativo que impacte nuestra Unión de crédito. Esto también incluye provisión para activos pero en este momento el énfasis está en la cartera de créditos. Nuestros activos permanecen en 22.32 millones y nuestra cartera de créditos por debajo de 17 millones. Nuestras ganancias ahora serán menor y por lo tanto habrá menos reservas y menos para la distribución de dividendos. Es vital que ofrecemos para estas reservas antes de pagar dividendos y la Junta Directiva queda apelar a su buen juicio en la comprensión de los cambios en normas internacionales de presentación de informes normas y la ley del país. La Junta aprovecha la ocasión para informarle de los miembros

para la actualización de cuentas seriamente y estar bien informados de cómo hacer negocios con la Unión de crédito porque estas son leyes que afectan a todo el sistema financiero del país. La Junta entiende la dificultad de obtener los documentos pertinentes, pero es necesario para cualquier persona hacer negocios en cualquier lugar, especialmente haciendo transacciones financieras. Nos veremos obligados a congelar las cuentas que no se actualizan y a menos que nuestros miembros presenten su identificación apropiada, no se liberará fondos de esas cuentas.

REQUISITOS DEL REGLAMENTO

Nuestra Unión de crédito ha crecido por encima de 20 millones de dólares en activos por lo tanto, estamos obligados a contratar un Auditor interno y oficial de cumplimiento. También estamos obligados a aprobar al Auditor externo para el período Fiscal siguiente, 01 de abril de 2019 al 31 de marzo de 2020. Esto es del orden del día de hoy y tendremos la aprobación de la membresía. Para que sea eficiente en lo que hacemos y tener una guía para trazar el camino hacia adelante para los próximos tres años. Hemos desarrollado un plan estratégico que nos conducirá hasta el año 2022. La Liga de cooperativas de Belice ha proporcionado apoyo técnico a nuestra Cooperativa para el desarrollo de este plan de tres años (2022). Cada año se desarrollan un plan de trabajo y un presupuesto para guiar el proceso mes a mes. Nuestro oficial de cumplimiento se a certificado y ha recibido entrenamiento tanto en casa y en el extranjero. Debido al riesgo de lavado de dinero y otros factores que necesitamos tener a alguien vigilando en este campo para capturar estas transacciones ilegales. Todos nuestros empleados están capacitados en sus respectivas operaciones con la dirección de nuestro oficial de cumplimiento y el Gerente de crédito. Le pedimos a usted participar con un préstamo o préstamos que el dinero se utiliza para su propósito específico de la propuesta. La Unión de crédito ahora se ve obligada a controlar préstamos para su propósito específico y tratar de abordar el tema de la delincuencia. Endeudamiento es una grave responsabilidad y debe supervisarse correctamente como se hacen las inversiones.

El Consejo de administración ha diligentemente y de manera oportuna revisado y aprobado los doce informes financieros proporcionados por la administración para asegurar que nuestra Unión de crédito es válida. Estamos obligados a proporcionar muchas horas de nuestro tiempo para revisar todos los informes financieros, informes de morosidad, recuperación de deudas informes, informes de cartera de afiliación por mencionar algunos. La ley requiere que proporcionamos informes aprobados para el regulador semanal, mensual y trimestral. Este es un esfuerzo para supervisar las actividades de la Unión de crédito para garantizar las operaciones en la situación adecuada.

SERVICIOS y operaciones

El soft-ware que estábamos usando preparo muchos desafíos como fuimos cambiando para satisfacer las demandas de los miembros y el regulador. La Junta hizo lo que pudo y fue capaz de comprar un software nuevo que se cumplen los requisitos. La administración de nuestra Cooperativa junto con los empleados ha migrado con éxito en el nuevo sistema de soft-ware de base conocido como SHARETEC. Transferir nuestros datos y ahora estamos ofreciendo servicios móviles de más de los servicios en productos de ahorro y préstamo y Home Banking. Ahora puede ver los saldos de las cuentas en el teléfono y hacer transferencias en sus cuentas a través de su computadora. Nuestros miembros podrán solicitar los servicios en línea y sólo tendrá que visitar la oficina para firmar documentos muy importantes. Muchos otros servicios se unirá mientras negociamos con las entidades de utilidad para nuestros miembros poder realizar pagos de facturas a través del internet en línea. El sistema de pagos nacional está previsto que vienen en secuencia en septiembre de 2019 por lo tanto, estamos preparándonos para participar en este proyecto que permitirá pagos en todas las instituciones financieras participantes, tales como las cooperativas y los bancos. Pago inmediato y seguro estarán a la sistemas en lugar para su comodidad y evitar retrasos o problemas de dinero en efectivo. Los empleados podrán efectuar pagos directamente a los empleados por el sistema de pago nacional. Contamos con productos de ahorro especiales para sus beneficios y poco nos rodará la EDUSAVE y el fondo de la libertad, dos productos adicionales para nuestros jóvenes y nuestros miembros que planean para jubilación. Estamos terminando las licencias para las operaciones de la compartida agente de trabajo de la red, que proporcionarán a los usuarios a hacer negocios en cualquiera de nuestras cooperativas de ahorro y crédito y también en localizaciones específicas, si no en su comunidad en un agencia cercano.

EMPLEO y personal

Nuestra Unión de crédito se ha expandido y ahora tiene 30 empleados. La Junta ha aprobado un plan de sucesión con la ayuda de BCUL y ahora tenemos una guía a seguir si surge la necesidad para llenar cualquier vacante en nuestra Unión de crédito. Varios empleados han dimitido y pasado a otros campos pero seguimos a participar a otros empleados en los distintos niveles de nuestras operaciones para una transición suave. El Consejo es consciente del hecho de que nuestras políticas de recursos humanos deben revisarse, pero esto está incorporado en nuestro plan de negocios para este nuevo período fiscal. El ex Gerente de la sucursal consiguió el apoyo la junta médica que aprobó su jubilación anticipada debido a su condición médica. Nuestra Unión de crédito, personal y agentes proporcionan apoyo financiero para ayudarlo. Nuestra propia compañía de seguros paga el pago de préstamo máximo de 40 mil en su nombre por lo que su deuda ha sido manejable con su ingreso presente. Como resultado de su jubilación anticipada, la

Junta tuvo que nombrar a una nueva sucursal gerente que es originaria de Bella Vista y ha traído consigo numerosos cambios en la prestación de servicios a nuestros miembros en esa zona. Nuestro nuevo software ahora proporcionará para la rama de contabilidad para que seamos capaces de revisar y aprobar todos los informes y las actividades de la sucursal. Estos informes se extraerá directamente desde el sistema en una rutina diaria, semanal o mensual.

VERSIONES Nacionales y Regionales

La Liga de cooperativas de Belice sigue siendo invaluable apoyo a nuestro movimiento de cooperativas de ahorro y nuestro Gerente General sigue siendo el Presidente de la Junta Directiva. A través de BCUL ha visitado India a ver sus operaciones sobre cómo trabaja su sistema de pagos nacional y el funcionamiento de sus cooperativas. AMEYA es la empresa de la India que se encarga de conectar nuestro sistema al sistema de pago nacional local. Nuestro director general nos mantiene vinculados a los organismos nacionales y regionales como el sirve tanto a los dos niveles. La Liga de cooperativas de Belice tiene su convención anual en octubre y el año pasado varios de nuestros empleados y funcionarios asistieron a sesiones de entrenamiento en la ciudad de Belice. Esto se mantiene en línea con la expectativa del regulador, sino más bien para proporcionar los conocimientos y aptitudes necesarios para realizar un trabajo muy eficiente.

2022 PLAN ESTRATÉGICO

Nuestro objetivo a largo plazo está aumentando nuestros activos a 25 millones en el 2025. Nuestro plan de tres años se centra en el crecimiento en un 10%, pero esto requiere la ampliación de nuestros servicios a la parte norte de nuestro distrito y la parte meridional del distrito Stann Creek. La actividad económica en el norte y el sur de los dos distritos es constante y las oportunidades de empleo son excelentes para nuestros miembros. Nuestro plan es encontrar medios y maneras de invertir en el sector agrícola y para guiar a nuestros miembros en el acceso a los mercados de que tengamos algún tipo de control. Los pilares de nuestro plan se presentan en el libretto de reportes y también se adjunta el presupuesto para el próximo período fiscal. Esperamos que podamos utilizar todos nuestros recursos para ejecutar bien nuestro plan.

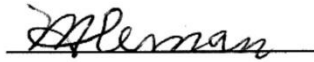
En conclusión, en nombre de la Junta Directiva, aprovecho esta oportunidad para reconocer el trabajo constante de nuestro personal, el Comité de supervisión, el Comité de crédito, la Liga de cooperativas de ahorro y crédito de Belice, la Confederación del Caribe de crédito y gestión de Sindicatos, el Banco Central de Belice, la unidad de inteligencia financiera y todos aquellos que trabajan diligentemente para asegurar el movimiento de ahorro y crédito está en cumplimiento y viable para muchas generaciones.

Lo más importante quiero darle las gracias a nuestros miembros/propietarios por la confianza y el apoyo que nos han dado para entregar lo mejor de nuestras capacidades.


Gracias.



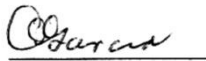
Sr. Carmelo Juárez
Presidente



Sra. Marie Alemán
Secretaria



Sr. Oscar Requena
Tesorero



Sra. Olga García Sr.
Vice-Presidente

TOLEDO TEACHERS CREDIT UNION LTD
CREDIT COMMITTEE REPORT
April 2018 – March 31, 2019

GREETINGS TO ALL MEMBERS

The credit committee continues to meet on Fridays to observe, ratify and approve loans applications from the TTCU Credit Team. We approve loans over \$25,000.00 to a maximum ceiling of \$50,000.00. For large loans the Board of Directors must grant a waiver to the committee to approve and disburse these loans.

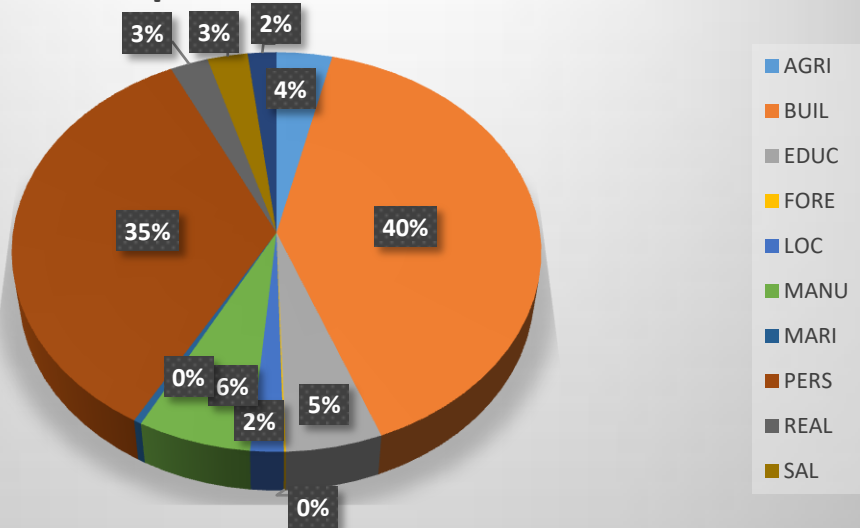
Objectives and Functions:

The Credit Committee is responsible for ensuring due diligence with regard to approval and consideration of loans, checking loan applications, field visits and interview / meeting with members to discuss loan applications. These are responsibilities that we take very seriously and we pledge to continue our due diligence to ensure that the Toledo Teachers Credit Union is the premier financial institution in the Toledo District.

This past fiscal year we observed and approved a total of 3591 loans with a value of \$11,050,764.63. Loans are typically for home improvement, medical expenses, business investments including agriculture, vacation and other personal expenses. The chart below summarizes the percentages of loans approved and dispersed per sector. The Credit Committee is pleased to report that 93% of the loans approved are performing and are not in danger of becoming delinquent.

TOLEDO TEACHERS CREDIT UNION LTD			
LOANS DISBURSED REPORT			
APRIL 2018 - MARCH 2019			
LOAN TYPE	DESCRIPTION	COUNT	AMOUNT
AGRI	AGRICULTURE	76	410,892.75
BUIL	BUILDING CONSTRUCTION	398	4,462,890.26
EDUC	EDUCATION	148	594,443.17
FORE	FORESTRY	2	12,000.00
LOC	LINE OF CREDIT	528	205,261.20
MANU	MANUFACTURING	96	701,537.42
MARI	MARINE PRODUCTS	4	48,660.73
PERS	PERSONAL	733	3,821,769.56
REAL	REAL ESTATE	29	282,623.52
SAL	SALARY ADVANCE	1561	297,889.00
TRAN	TRANSPORTATION	16	212,797.02
		3591	11,050,764.63

Loans Disbursed by Sector Report April 2018 - March 2019



The Credit Committee assesses loans based on the 5Cs of Credit: character / credit worthiness, capacity, capital, collateral, and conditions. Character refers to the borrower's reputation. TTCU must ensure that the member is trustworthy and will be willing to repay the debt. Capacity refers to the borrower's capacity to repay the debt. Capital refers to financial and other tangible resources the borrower has available to invest in the project. Collateral refers to the assets pledged as security to guard against default in loan payments. Finally conditions refers to the terms and conditions under which credit is offered to the member. These include but are not limited to the loan term, principal amount, interest rate and other legal considerations that will govern the loan.

The Credit Committee is also working closely with the Credit Manager and Credit Officers to carry out risk assessments on potential borrowers. In this light we are providing financial counselling to our clients and members but also protecting the assets of the Credit Union and our members.

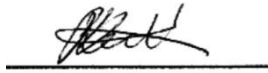
We are confident that we have satisfied all our members because we continue to carry out our responsibilities to the best of our ability. We appreciate your commitment as good members who enhance the growth that we have achieved throughout the year through your wise borrowing and prompt payment of debts. Thank-you for living up to

your loan commitment! Your continued commitment enables us to continue to help us help others in their time of need.

Respectfully prepared and submitted by:

A handwritten signature in black ink, appearing to read 'Joanna', written over a horizontal line.

Ms. Joanna Monk
Chairperson

A handwritten signature in black ink, appearing to read 'Pedro', written over a horizontal line.

Mr. Pedro Kuk
Secretary

A handwritten signature in black ink, appearing to read 'Gerald', written over a horizontal line.

Mr. Geraldo Baltazar
Member

TREASURER'S REPORT MARCH 31, 2019

The Auditor's report is on page 31. For the period April 2018 to March 2019, we have reviewed and approved all the required financial statements. Today, I present to you the ending balances as of March 31, 2019 and their related increases or decreases. This year, we received a qualified opinion on our external audit since we have not complied with the International Financial Reporting Standards 9 (IFRS-9). This is a major undertaking that is not tailored for small credit unions like ours. In fact, the entire credit union movement is engaged in finding the best approach to address this matter. Upon implementing the system of provisioning for Expected Credit Losses we will have less surplus to pay returns to members and to increase our reserves.

The Audited Financial Statements reflect a loan portfolio of 16.397 million dollars and total Assets of 22.177 million. This indicates a downward trend once more as we continue to experience a decrease in the loan portfolio, total assets, and membership. The main challenges for our members are their ability to provide collateral when borrowing, as well as, obtaining their proper birth and marriage certificates from the Vital Statistics Unit. It affects our ability to conduct business with our members and in many instances they are forced to close their accounts because of such matters.

The Table below show the trends of our accounts for the last five years. Let us focus on 2018 and 2019 where our accounts increased or decreased. The Board of Directors continues to review our Loan Policies and ensure the implementation of our Strategic Plan so as to increase overall growth for our credit union.

FIVE YEAR COMPARISON

ACCOUNTS	2015	2016	2017	2018	2019
Total Loans	14,714,012.00	16,316,418.00	17,727,688.00	17,052,007.00	16,397,033.00
Total Assets	18,550,441.00	20,504,262.00	21,937,094.00	22,644,415.00	22,177,234.00
Total Shares	10,647,221.00	12,055,683.00	13,193,211.00	13,593,162.00	13,797,175.00
Total Reserves	2,169,975.00	2,433,89.00	2,999,089.00	3,309,267.00	3,680,441.00
Net Surpluses	775,228.00	544,869.00	876,964.00	724,233.00	744,140.00
Delinquency	2.45 %	2 %	3 %	5.36 %	3.5%
Recoveries	7 %	10 %	27.25%	30.79 %	36.65%

GROWTH IN THE CREDIT UNION FROM LAST YEAR

	2017 -2018	2018 -2019	PERCENTAGE
Total Assets	22,644,415.00	22,177,234.00	-2.10% %
Total Savings	13,593,162.00	13,797,175.00	1.45 %
Total Loans	17,052,007.00	16,397,033.00	-4.00 %
Membership	8617	8200	-5.00%
Delinquency	5.36%	3.5 %	-1.86 %

This table demonstrates the trends that we need to urgently address using technology and marketing outreach to stay in the market and be competitive. Our competitors are labouring day and night to take advantage of the requirements enacted by the regulator in relation to the security of loans. Even our own employees have been forced to go to these financial institutions for credit facilities that are provided without any significant collateral.

We have invested in a new soft-ware package that will allow us to provide better and more relevant services to our membership.

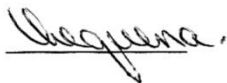
The Board of Directors has carefully analysed the actual financial position of our credit union and will present a resolution to be adapted at this meeting, in relation to the distribution of the surplus. The table below indicates such recommendations.

DISTRIBUTION OF NET SURPLUS

	2018/2019		2017/2018	
NET SURPLUS		744, 140.00		724, 233.00
Dividends (3.25%)	419, 847.00		Dividends (3%)	375, 000.00
Rebates (2%)	34, 091.00		Rebates	0.00
Retained Earnings for Institutional Capital			Retained Earnings for Institutional Capital	125, 000.00
Guarantee Fund (20%)	148, 828.00		Guarantee Fund (20%)	144, 755.00
Education Fund (5%)	37, 207.00		Education Fund (5%)	36, 212.00
Provisions for Loans & Investments	0.00		Provisions for Loans & Investments	40, 000.00
Expected Credit Loss	100, 000.00		Expected Credit Loss	0.00
Balance c/fwd	4, 167.00		Balance c/fwd	3, 266.00
	744, 140.00		724, 233.00	

We look forward to another productive year as we work together to grow our credit union. We appreciate the investments and commitment of our members, officers, and employees. You all continue to play a major role in the development of our credit union. May God bless us all, as we end another fiscal year.

I thank you.

A handwritten signature in black ink, appearing to read "Requena", written over a horizontal line.

Mr. Oscar Requena
Treasurer of the Board

**RESOLUTION FOR THE PAYMENT OF DIVIDENDS,
REBATES AND ALLOCATION FOR EXPECTED CREDIT LOSS
FOR THE YEAR ENDING MARCH 31, 2019**

WHEREAS, The Toledo Teachers Credit Union Limited of Queen Street, Punta Gorda Town, Belize, Central America, a duly registered Credit Union under the Laws of Belize,(hereinafter referred to as TTCU) requests to ITS MEMBERS AT THE 19TH ANNUAL GENERAL MEETING (hereinafter referred to as THE AGM) FOR THE PAYMENT OF DIVIDENDS AND ALLOCATION FOR EXPECTED CREDIT LOSS FOR THE YEAR ENDING MARCH 31, 2019.

Be it:

RESOLVED, THAT the Board of Directors recognizes the need to adequately distribute the net surplus of the fiscal period and that dividends be paid for the fiscal period April 1, 2018 to March 31, 2019 and that the need for Institutional Capital and Loan loss Provisioning must be adhered to, makes a recommendation for the payment of 3.25 % dividend for the period in review.

RESOLVED, that the payment of 3.25% dividend, allocation of \$419,847.00, be paid to members non-mandatory shares.

RESOLVED, that the payment of 2% loan interest rebate, allocation of \$34, 091.00, be paid to members deposit accounts.

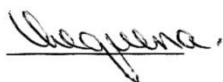
Further resolve that, one hundred thousand be allocated, (\$100,000.00), Expected Credit Loss in relation to International Financial Reporting Standard-9 (IFRS9).

The undersigned hereby certify that they are the duly elected and qualified President and Treasurer of Toledo Teachers Credit Union Limited, a Credit Union duly formed pursuant to the Credit Union Act of the Laws of Belize, and that the foregoing is a true record of a resolution duly adopted at the 19th Annual General Meeting of the Toledo Teachers Credit Union Limited and that the said meeting was held in accordance with the Credit Union Act of the Laws of Belize and the By-laws of the above-named Credit Union on May 25, 2019, and that the said resolution is now in full force and effect without modification or rescission.

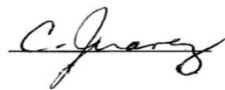
IN WITNESS THEREOF, we have executed our names as President and Treasurer and have hereunto affixed the corporate seal of the Toledo Teachers Credit Union Limited this May 25, 2019.

A True Record. Attested.

For and on behalf of the Toledo Teachers Credit Union.



Mr. Oscar Requena
Treasurer, TTCU Board



Mr. Carmelo Juarez
President, TTCU Board

**Budget
April 2019 to March 2020**

INCOME

Income from Loans	2662,644.00
Other income (Not loan related)	382,732.00
	3045,376.00

EXPENSES

Financial Cost	131,158.00
Emoluments	771,376.00
Governance	49,600.00
Marketing	103,221.00
Loan & Savings Protection	192,000.00
Administration	1031,792.00
Total Expenses	2279,147.00
Net Surplus	766,229.00

Supervisory Committee Annual Report April 01, 2018 to March 31, 2019

Our officers, staff and our beloved members, Good Morning.

Another recessionary year has come to an end, but we are proud to say that we have survived all the obstacles that have surfaced. Today we are pleased to announce some of our major controls that were done to create the checks and balances to keep our institution qualified to serve its members.

The Supervisory Committee is an independent authority, created and empowered by your Board of Directors to oversee the daily activities. Our Mission is simple but important – to ensure that Management has installed the appropriate controls, processes, policies, and procedures to protect our credit union. To help us complete that Mission, we engage and deploy appropriate external resources as necessary and report any concerns directly to the Board as elected representatives of the membership.

Reflective of past lending challenges, we are proud to announce today that this year, we now have an internal auditor in the name of Ms. Leonelle Caliz, who assists with the shortcomings and guides the staff and officers of the regulated procedures for financial business. We're confident that her expertise, along with our newly agreed to and enhanced audit schedule, will bring a new level of oversight to Toledo Teachers' Credit Union. The tests performed by her over the year disclosed minor issues that are being effectively addressed in our opinion, and we're pleased to report that the Central Bank that regulates us has recently raised their internal ratings for Toledo Teachers' Credit Union.

Overall, we believe that Management's controls, processes, policies and procedures are appropriate and sufficient.

We are thankful for having been able to serve you all, this past year, and we commit to you, our Member/Owners, that we will continue to watch over your valued investment of Toledo Teachers' Credit Union.

Respectfully submitted:



Lilia Requeña (Mrs.)
Chairperson



Ray Coleman (Mr.)
Secretary



Andy Johnston (Mr.)
Member

TOLEDO TEACHER'S CREDIT UNION LIMITED
FINANCIAL STATEMENTS
31ST MARCH 2019

TOLEDO TEACHER'S CREDIT UNION LIMITED

FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2019

INDEX

	Page
Report of the independent auditors to the Board of Directors and Members	1 - 4
Statement of financial position	5
Statement of comprehensive income	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9 - 24

REPORT OF THE INDEPENDENT AUDITOR
TO THE BOARD OF DIRECTORS AND MEMBERS OF
TOLEDO TEACHERS CREDIT UNION LIMITED

Qualified Opinion

We have audited the accompanying financial statements of Toledo Teachers Credit Union Limited which comprise of the statement of financial position as at 31st March 2019 and the statement of comprehensive income, statements of changes in equity and cash flow for the year then ended, and summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Toledo Teachers Credit Union Limited at 31st March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

The Credit Union complies with the CUA Requirement No. 1/2013 and No. 2/2013 as issued by the regulator/ registrar of credit unions, the Central Bank of Belize, with regards to the provisioning of loan losses. The Credit Union's information system does not provide sufficient data to be able to approximate the impairment losses based on IFRS 9. As such, we were unable to obtain sufficient audit evidence to assess whether the loan loss provision would be materially different from the IFRS 9, Expected Credit Losses (ECL) model.

The Credit Union, as per note 2 of the financial statement, recognizes interest income on a cash basis, when collected, instead of using the effective interest rate method in accordance with IAS 1 and the Credit Union Act, Chapter 314 of the Substantive Laws of Belize, Revised Edition 2011, Part VII, paragraph 56 (8). As such, at 31st March 2018 interest receivable and interest income were understated by \$60,786.

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 Toledo Teachers Credit Union Limited 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 Belize, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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 International Financial Reporting Standards For Small and Medium Sized Entities as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Credit Union or to cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the noncompliance with IAS1, recognition of interest income and interest receivable on the accrual basis, the financial statements present fairly, in all material respects, the financial position of Toledo Teachers Credit Union Limited as at 31st March 2019 and of its financial performance and cash flows for the year then ended in compliance with Credit Union Act, Chapter 314 of the Substantive Laws of Belize, Revised Edition 2011 as specified in Note of the these Financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Mark C. Hulse.

A handwritten signature in black ink that reads "Baker Tilly Hulse". The signature is written in a cursive style and is positioned above a horizontal line that extends to the right.

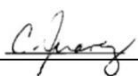
Baker Tilly Hulse
18th May 2019


Belize City,
Belize, C.A.

STATEMENT OF FINANCIAL POSITION
31ST MARCH 2019All amounts expressed in Belize dollars

Assets:	Notes	2019	2018
Cash and cash equivalents	2	2,709,173	3,623,929
Investments	2, 3	1,158,211	845,817
Loans receivable	2, 4	16,397,033	17,052,007
Less: loan loss provision	2, 4	(397,509)	(352,289)
Other receivables and prepayments	2, 5	321,024	261,130
Property and equipment	2, 6	1,972,252	1,196,771
Investment property	2, 7	17,050	17,050
Total assets		22,177,234	22,644,415
Liabilities:			
Members' deposits	2, 8	4,015,392	4,799,391
Non-mandatory shares	2, 9	13,797,175	13,593,162
Accounts payable and accruals	2, 10	92,803	179,179
Pension liabilities	2, 12	232,215	235,559
Severance payable	2, 13	121,708	127,857
Borrowings	2, 11	237,500	400,000
Total liabilities		18,496,793	19,335,148
NET ASSETS		3,680,441	3,309,267
Members' equity (page 7):			
Shares - mandatory	2	82,000	86,170
Undivided earnings		607,483	543,174
Guaranty funds	2	1,376,511	1,227,683
Education fund	2	238,491	201,284
Institutional capital	2	672,684	547,684
Capital grant	2	703,272	703,272
MEMBERS' EQUITY		3,680,441	3,309,267

Approved on behalf of the board


 _____ Director


 _____ Director

Auditor's report pages 1 - 4.

The notes on pages 9 to 24 form an integral part of these financial statements.

**STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31ST MARCH 2019**

All amounts expressed in Belize dollars

	Notes	2019	2018
INCOME:			
Interest on loans - regular		413,441	876,338
Interest on loans - micro finance		187,886	114,802
Interest on loans - other		1,447,735	1,117,412
Investment income		50,986	16,130
Service charge		389,327	395,996
Other income	14	<u>279,829</u>	<u>183,002</u>
		<u>2,769,204</u>	<u>2,703,680</u>
EXPENSES:			
Advertising and promotion		75,507	56,991
Annual general meeting		27,489	22,965
ATM expenses		35,097	31,989
Bad debt		124,849	204,363
Bank charges		3,676	6,008
BCUA insurance		162,870	192,599
BCUL expenses		16,969	
BFRP project expenses		670	3,149
Committee and officers		36,609	44,840
Computer and software expense		6,178	-
Convention expenses		9,300	10,622
Depreciation expense		73,529	203,761
Donations		10,612	8,408
Loss on disposal of asset		15,312	-
Gratuity		72,434	-
Insurance expense		29,066	23,538
Interest expense		89,607	109,934
Meetings		5,032	-
Miscellaneous expense		88,155	30,442
Office expense/stationery and printing		32,269	22,571
Postage & delivery		4,158	-
Property tax		1,871	3,555
Professional fees		42,772	67,304
Repairs and maintenance		47,487	43,856
Salaries and wages		711,988	619,527
Security		10,399	5,845
Social security expense		23,241	20,990
Severance		20,207	16,924
Staff benefit		94,591	58,832
Training		38,978	24,736
Travelling		9,060	44,341
Utilities		67,743	65,170
Vehicle expense		37,339	36,187
		<u>2,025,064</u>	<u>1,979,447</u>
Net income for the year		<u>744,140</u>	<u>724,233</u>

The notes on pages 9 to 24 form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31ST MARCH 2019**

All amounts expressed in Belize dollars

	Notes	2019	2018
SHARES - MANDATORY	2.3		
Balance at the beginning of the year		86,170	90,470
Net (decrease) in shares		<u>(4,170)</u>	<u>(4,300)</u>
		<u>82,000</u>	<u>86,170</u>
<p>Central Bank of Belize Regulations require that member share accounts are divided into mandatory and non-mandatory shares. Mandatory shares are reflected in equity; non mandatory shares are reflected as current liabilities. The Credit Union's policy is that each member has to own a minimum of 2 shares at \$5 per share; mandatory shares. Total mandatory shares issued at 31st March 2019 were 16,400 (2018 - 17,234).</p>			
UNDIVIDED EARNINGS			
Balance at the beginning of the year		543,174	649,755
Net income for the year (page 6)		744,140	724,233
Dividends paid		(368,796)	(409,755)
Transfer (to) guaranty fund		(148,828)	(144,847)
Transfer (to) education fund		(37,207)	(36,212)
Transfer (to) institutional capital		<u>(125,000)</u>	<u>(240,000)</u>
		<u>607,483</u>	<u>543,174</u>
GUARANTY FUND	2.9		
Balance at the beginning of the year		1,227,683	1,082,836
Transfers from undivided earnings		<u>148,828</u>	<u>144,847</u>
		<u>1,376,511</u>	<u>1,227,683</u>
EDUCATION FUND	2.10		
Balance at the beginning of the year		201,284	165,072
Transfer from undivided earnings		<u>37,207</u>	<u>36,212</u>
		<u>238,491</u>	<u>201,284</u>
INSTITUTIONAL CAPITAL	2.11		
Balance at the beginning of the year		547,684	307,684
Transfers from undivided earnings		<u>125,000</u>	<u>240,000</u>
		<u>672,684</u>	<u>547,684</u>
CAPITAL GRANTS	2.11		
<p>Capital grants consist of the following and had no changes in either 2019 or 2018</p>			
EU credit line		483,794	483,794
Planet micro finance		<u>219,478</u>	<u>219,478</u>
		<u>703,272</u>	<u>703,272</u>
TOTAL MEMBERS EQUITY		<u>3,680,441</u>	<u>3,309,267</u>

The notes on pages 9 to 24 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
YEAR ENDED 31ST MARCH 2019

All amounts expressed in Belize dollars

	2019	2018
Cash flow from operating activities:		
Net income for the year (page 6)	744,140	724,233
Adjustments to reconcile net income to cash provided by operating activities:-		
Depreciation	73,529	203,761
Provision for losses	120,000	177,718
Write off	(74,780)	(86,198)
Gain on disposal of motor vehicle	15,312	-
	<u>878,201</u>	<u>1,019,514</u>
Changes in working capital - add/(deduct)		
Decrease in loans receivable	654,974	675,681
(Increase) in other receivables and prepayments - net	(59,894)	(169,754)
(Decrease) / increase in members deposits	(783,999)	70,059
Increase in non-mandatory shares	204,013	399,951
(Decrease) / increase in accounts payable	(86,376)	57,163
(Decrease) / increase in pension liabilities	(3,344)	15,546
(Decrease) / Increase in severance payable	(6,149)	16,924
	<u>797,427</u>	<u>2,085,084</u>
Cash flow from investing activities:		
Purchase of property and equipment and investment property	(908,150)	(118,971)
Proceeds from disposal of asset	43,827	-
Increase in investments	(312,394)	556,260
	<u>(1,176,717)</u>	<u>437,289</u>
Net cash flow (used by) / from investing activities		
Cash flow from financing activities:		
Proceeds from borrowings	-	-
Loan repayment	(162,500)	(162,500)
Dividends paid	(368,796)	(409,755)
(Decrease) in members' shares (mandatory)	(4,170)	(4,300)
	<u>(535,466)</u>	<u>(576,555)</u>
Net cash flow (used by) financing activities		
(Decrease) / increase in cash and cash equivalents	(914,756)	1,945,818
Cash and cash equivalents at the beginning of the year	<u>3,623,929</u>	<u>1,678,111</u>
Cash and cash equivalents at the end of the year	<u><u>2,709,173</u></u>	<u><u>3,623,929</u></u>

The notes on pages 9 to 21 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2019**

All amounts expressed in Belize dollars

1. GENERAL INFORMATION

Toledo Teacher's Credit Union Limited (the "Credit Union") was incorporated under and by virtue of the Credit Union Act Chapter 314 of the Substantive Laws of Belize, Revised Edition 2011.

The Credit Union operates from its principal office on Queen Street, Punta Gorda Town, Toledo District, Belize. The branch office is located in Bella Vista, Independence, Stann Creek District, Belize. As at 31st March 2019, the Credit Union employed 30 people.

The Credit Union promotes savings, enterprise and the cooperative principle among its members to pool members' financial resources and to provide personal and corporate banking, loans, and investments.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS

These financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Unless otherwise stated, monetary amounts are stated in Belize dollars. The accounting policies outlined in Note 2 have been consistently applied to all periods presented.

The Credit Union also complies with the Credit Union Act Chapter 314 of the Substantive Laws of Belize, Revised Edition 2011, as reflected in its policies in Note 2.

The significant accounting policies used in the preparation of these financial statements, including the accounting requirements prescribed by the Central Bank of Belize (CBB), are summarized below. These accounting policies conform to IFRS and the Substantive Laws of Belize with the exception of:

(1) Interest income on loans receivable is recognized on a cash basis, when collected, instead of using the effective interest rate method in accordance with IAS 1 and the Credit Union Act, Chapter 314 of the Substantive Laws of Belize, Revised Edition 2011, Part VII, paragraph 56 (8).

(2) Provisioning for loan losses is guided by the Credit Union Act Requirement No. 1/2013 and No. 2/2013 issued by the regulator/registrar, the Central Bank of Belize, instead of the Expected Credit Loss model in accordance with IFRS 9.

2.1 General**Use of estimates and assumptions:**

In preparing the financial statements, management is required to make subjective estimates and assumptions that affect the reported amount of assets, liabilities, net income, and related disclosures. Estimates made by management are based on historical experience and other assumptions that are believed to be reasonable.

-Continues

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2019

All amounts expressed in Belize dollars

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS
 (continued)

2.1 General (continued)

Significant judgements:

Key sources of estimation uncertainty include: assessments of impairment to investments, determination of fair value of financial instruments, the allowance for credit losses, post employment benefits, and accrued liabilities. Accordingly, actual results may differ from these and other estimates thereby impacting future financial statements. Refer to the relevant accounting policies in this note 2 for details on our use of estimates and assumptions.

In preparation of these financial statements, management is required to make significant judgements that affect the carrying amounts of certain assets and liabilities, and the reported amounts of revenues and expenses recorded during the period. Significant judgements have been made in the following areas and discussed as noted in the financial statements:

Impairment of investments	Note 2.2
Fair value of financial instruments	Note 2.2
Provision for expected credit losses	Note 2.2 Note 4
Severance payable	Note 2.2 Note 13

Basis of Preparation:

IAS 1	Presentation of Financial Statements
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events After the Reporting Period
IAS 16	Property, Plant and Equipment
IAS 17	Leases
IAS 19	Employee Benefits (2011)
IAS 21	Effects of changes in Foreign Exchange Rates
IAS 24	Related Party Disclosures
IAS 26	Accounting and Reporting by Retirement Benefit Plans
IAS 32	Financial Instruments: Presentation
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IFRS 7	Financial Instruments: Disclosures
IFRS 9	Financial Instruments
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers

-Continues

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2019

All amounts expressed in Belize dollars

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS
(continued)

2.2 Changes in accounting policies

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The Credit Union initially applied IFRS 15 on 1st January 2018 retrospectively in accordance with IAS 8 without any practical expedients. The timing or amount of the Credit Union's fee and commission income from contracts with members was not impacted by the adoption of IFRS 15. The impact of IFRS 15 was limited to the new disclosure requirements.

2.3 Financial instruments - recognition and measurement

Cash and cash equivalents:

Cash and cash equivalents comprises of cash balances and call deposits held with various financial institutions. All cash and cash equivalents have a term of less than 90 days in compliance with IFRS.

Investments:

Investments in debt instruments are measured at amortized cost if the debt instrument has a contractual term to issue regular cash flows of principal and interest and if the Credit Union intends to hold the investment to its contractual maturity. All other investments are initially measured at inception at fair value plus transaction costs and are subsequently measured at fair value with changes recorded through net profit and loss.

At each reporting date, management evaluates investments to determine if there is objective evidence of impairment. Such evidence includes: when an adverse effect on future cash flows from the asset or group of assets can be reliably estimated and when there is a significant or prolonged decline in the fair value of the investment below its cost. The actual amount of future cash flows and their timing may differ from the estimates used by management and consequently may cause a different conclusion as to the recognition of impairment or measurement of impairment loss.

When assessing impairment on debt instruments, such as government bonds, management primarily considers third party information such as external ratings and comparable sales. Significant judgement is required in assessing impairment as management is required to consider all available evidence in determining where objective evidence of impairment exists and whether the principal and interest can be fully recovered.

-Continues

**NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2019**

All amounts expressed in Belize dollars

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS
(continued)****2.3 Financial instruments - recognition and measurement (continued)**Investments (continued):

When the investments are disposed of or impaired, the related gains and losses are included in the statement of comprehensive income as gains and losses from investment securities. Dividends received on such investments are reported as dividend income. All purchases and sales of trading and investment securities are recognized at settlement date, which is the date the Credit Union completes the transaction.

Loans receivable:

Loans are financial assets with fixed or determinable payments that are not quoted in an active market. Loans are initially recognized at fair value which is represented by the cash advanced to members. Loans are subsequently measured at principal outstanding, net of unearned interest, less provision made for impairment. Provisions for impairment (loan loss reserve) is built based on the Credit Unions Act (CUA), Chapter 314, Revised Edition 2011, Requirement No. 2 / 2013. All loans are recognized when cash is advanced to borrowers.

Loans are assessed at year end for objective evidence that the loans are impaired. Evidence for impairment include indications that the borrower is experiencing significant financial difficulty, probability of bankruptcy, and adverse changes in the payment status of the borrower.

Provision for loan losses:

As required by the Credit Unions Act (CUA) Chapter 314, Revised Edition 2011 Requirement No. 2 /2013 loans are individually assessed for losses. Provisions for impairment (loan loss reserve) is built based on the Credit Unions Act (CUA), Chapter 314, Revised Edition 2011 Requirement No. 2/2013. The loan loss reserve is increased by the impairment losses recognized and decreased by the amount of write-offs, net of recoveries. All loans are recognized when cash is advanced to

Loans and the related specific loan loss reserve are written off, either partially or in full, when there is no realistic prospect of recovery. Write-offs are reduced by recoveries on property secured on the loan.

The loan loss provision is management's best estimate, as guided by the Credit Union Act, Chapter 314 Revised Edition 2011, Requirement No.2/2013 of losses incurred on the loan portfolio at the statement of financial position date. Management's judgement is required in making assumptions and estimates when calculating allowances on each loan. The underlying assumptions and estimates in management's assessment can change from period to period and may significantly affect the results of the Credit Union's operations.

-Continues

**NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2019**

All amounts expressed in Belize dollars

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS
(continued)****2.3 Financial instruments - recognition and measurement (continued)**Prepayments and deposits:

Prepayments and deposits are initially recognized at fair value which is represented by the original payments advanced or assets exchanged. Subsequently, prepayments and deposits are measured at the statement date using the effective interest rate method.

Members' deposits:

Members' deposits are initially recorded at fair value and subsequently measured at amortized cost using the effective interest method.

Shares:

Mandatory shares are the minimum number of shares a person must have in order to be considered a member of the Credit Union. These are reflected in equity on the statement of financial position. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Non-mandatory shares are additional shares held by members of the Credit Union. These can be withdrawn at any time by the member and may be used as collateral for loans by members. These are reflected as current liabilities on the statement of financial position.

Borrowings:

All borrowings, including current and non-current debt, are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently remeasured using the effective interest rate method. Borrowings are classified as current liabilities unless the Credit Union has the right to defer payment for more than 12 months after the statement of financial position date.

Determination of fair value:

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We determine fair value by incorporating all factors that market participants would consider in setting a price, including commonly accepted valuation approaches. Where an investment does not have an active market and observable prices or inputs are not available, management judgement is required to determine fair values by assessing other relevant sources of information such as historical data and information from similar transactions.

-Continues

**NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2019**

All amounts expressed in Belize dollars

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS
(continued)****2.3 Financial Instruments - recognition and measurement (continued)****Interest:**

Interest income on loans receivable is recognized in the statement of comprehensive income at the time of collection. Interest income on term deposit investments is recorded using the effective interest rate method.

Loan application/processing/review fee revenue:

Loan application/processing and review fees on loans have been recognized as income when received. These fees are non-refundable. They are fully earned by the Credit Union at the outset on the loan application and at the time of review.

Offsetting financial assets and financial liabilities:

Financial assets and financial liabilities are offset on the statement of financial position when there exists both a legally enforceable right to offset the recognized amounts and an intention to settle on a net basis or realize the assets and settle the liability simultaneously.

Derecognition of financial assets & liabilities:

Financial assets are derecognized on the statement of financial position when the Credit Union's contractual rights to the cash flows from the assets have expired, when the Credit Union retains the right to receive the cash flows of the assets but assume an obligation to pay those cash flows to a third party, or when the Credit Union has transferred the contractual rights to receive the cash flows to a third party.

Financial liabilities are derecognized on the statement of financial position when the Credit Union's obligation specified in the contract expires, is discharged, or is cancelled. The difference between the carrying amount of the financial liability and the consideration paid is recognized in the statement of comprehensive income.

2.4 Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated in Belize dollars at midday rates prevailing at the date of the statement of financial position. Foreign exchange gains and losses resulting from the translation and settlement of these items are recognized in the statement of comprehensive income. Non-monetary assets and liabilities in foreign denominations are translated into Belize dollars at historical rates.

-Continues

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2019

All amounts expressed in Belize dollars

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS
(continued)

2.5 Employee benefit obligations

Termination benefit - severance:

The Credit Union recognizes termination benefits in accordance with the labour laws of Belize and its staff policy document.

Termination benefit - pension:

The Credit Union has available, on a voluntary basis, a defined contribution pension plan for all permanent employees. The Credit Union currently maintains the balance of the pension plan, including any interest earned and accrued, and therefore has an obligation for the plan included in liabilities. The pension plan is funded by contributions from both employees and the Credit Union at a fixed rate of 3% and 3% percent of salary respectively.

The Credit Union's contributions to the defined contribution plan are expensed when employees have rendered services in exchange for such contributions.

2.6 Property and equipment

Property and equipment includes land and buildings, furniture, fixtures, computer equipment, motor vehicles, and other equipment. Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and the initial estimate of any disposal costs.

Property and equipment are carried at cost and are depreciated using the reducing balance method at the following rates:

Building	2.50%
Furniture and equipment	10% to 33.3%
Computer equipment	33.3%
Motor vehicle	20%
Other equipment	20%

Property and equipment are assessed for indicators of impairment at each reporting date. If there is an indication that the asset may be impaired, an impairment test is performed by comparing the asset's carrying amount to its recoverable amount. The recoverable amount is the higher of the asset's value in use or fair value less costs of disposal. Land is not amortized as the useful life cannot be estimated.

-Continues

**NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2019**

All amounts expressed in Belize dollars

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS
(continued)****2.7 Investment property**

Investment property is land which are held to earn rental income. Investment property is measured using the cost model in accordance with IAS 40. As such it is initially recorded and subsequently amortized using the same policies as Property and equipment (refer to note 2.6).

Investment property is assessed for indicators of impairment at each reporting date. If there is an indication that the asset may be impaired, an impairment test is performed by comparing the asset's carrying amount to its recoverable amount. The recoverable amount is the higher of the asset's value in use or fair value less costs of disposal.

Rental income from investment property is recognized on the statement of comprehensive income.

2.8 Provisions

Provisions are liabilities of uncertain timing or amount and are recognized when the Credit Union has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured as the best estimate of the consideration required to settle the present obligation at the reporting date. Significant judgement is required to determine whether a present obligation exists and in estimating the probability, timing and amount of any cash outflows. Provisions are recorded related to litigation, future employee benefits, the allowance for off-balance sheet items and other items. Provisions are recorded on the basis of all available information at the end of the reporting period. In the event that results differ from management expectations, the Credit Union may incur expenses in excess of the provisions recognized.

2.9 Guaranty fund

The Guaranty Fund is a reserve fund that is mandated by the Credit Union Act, Chapter 314 of the Substantive Laws of Belize, Revised Edition 2011. The fund consists of at least 10% of the yearly net earnings of the Credit Union, before dividends is declared. As per the Credit Union Act, the Guaranty Fund is to be accumulated until it reaches 10% of total assets and should not be used for any other purpose except upon liquidation of the Credit Union. The Guaranty fund cannot be distributed to members.

2.10 Education fund

The Education Fund was established by the Board of Directors. Under the Credit Union Act, Chapter 314 of the Substantive Laws of Belize Revised Edition 2011, the Board of Directors may, before declaring a dividend, set aside an amount not exceeding 5% of the annual net income which reflect accumulated net income to be used for educational purposes as the Board may determine. The Education fund cannot be distributed to members.

-Continues

**NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2019**

All amounts expressed in Belize dollars

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS
(continued)****2.11 Institutional capital & capital grants**

The Institutional capital and capital grants (equity accounts) are amounts set aside by the members of the Credit Union to be used for any purpose that the Credit Union may need to utilize it for. There is no specific event or purpose for which these reserves have been created except to be used by the discretion of the members to allocate to other reserves. It is a portion of equity not available for distributions to members.

2.12 Donation Income and deferred Income

The Credit Union receives donation income from a number of different sources which is restricted to be used for a specific purposes. Income is comprised of the fair value of consideration received or receivable.

Income is recognized when the amount of income can be reliably measured and it is probable that future economic benefits will flow to the entity. Restricted donation income is not recognized until specific services have been rendered or goods delivered in accordance with the donation agreement. Income which has been received but not yet recognized is recorded as deferred income on the statement of financial position.

2.13 Leasing

A lease is an agreement in which the lessor grants the lessee the right to use an asset for an agreed upon period of time in return to a payment or series of payments. A finance lease is a lease the transfers substantially all the risk and rewards incidental to ownership of the leased asset to the lessee, where title may or may not eventually be transferred. An operating lease is a lease other than a financing lease.

Operating leases:

The total payments made under operating leases are charged to the statement of earnings on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the termination takes place.

Finance leases:

In the event that the Credit Union is a lessee in a financing lease, the leased asset is recorded to property and equipment and the related lease obligation is recorded as a liability on the statement of financial position. The amount recorded is the lower of the fair value of the leased asset and the minimum lease payments.

-Continues

**NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2019**

All amounts expressed in Belize dollars

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS
(continued)****2.14 FINANCIAL RISK MANAGEMENT**

By its nature the Credit Union's activities are principally related to the use of financial instruments. The Credit Union accepts cash as deposits and purchase of shares from customers and seeks to earn above average interest margins by investing these funds in high quality assets. The Credit Union seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher interest rates whilst maintaining sufficient liquidity to meet all claims that may fall due.

The Credit Union is also exposed to fraud risks, market risks, cash flow risks, and interest rate risks. The Credit Union's risk management program seeks to minimize potential adverse effects on the overall financial performance. Risk management is executed through policies approved by the Board of Directors and are executed by management who identify and evaluate risks and establish procedures to minimize risks.

Credit risk:

The Credit Union takes on exposure to credit risk which is the risk that a counterpart will be unable to pay amounts in full when due. Management structures its credit risk by placing limits on the amount of credit extended in relation to one borrower or group. This is monitored on a revolving basis and subject to annual review. Limits are also regulated by Credit Union Act Chapter 314 of the Substantive Laws of Belize, Revised Edition 2011.

The Credit Union's risk management policies are designed to achieve a balance between risk and return and minimize potential adverse effects of its' financial performance. The Credit Union therefore identifies and analyses these risks, designs internal controls to set appropriate limits, and to monitor these limits through reliable and up to date information systems and reports.

Exposure to credit risk is managed through regular analysis of the borrowers ability to repay, current exposure to individual customers and the likelihood of default and the recovery ratio on any defaulted obligation. Exposure is also managed in part by obtaining marketable collateral, personal guarantees and authority for salary deductions for instalment payments.

Market risk/interest rate risk:

The Credit Union is exposed to market risk, which is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in the market prices. Market risk for the Credit Union arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Credit Union's Board of Directors sets limits on the amount of risk that may be accepted, which is monitored on a daily basis and reviewed by the Board monthly.

-Continues

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2019

All amounts expressed in Belize dollars

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS
(continued)

2.14 FINANCIAL RISK MANAGEMENT (continued)

Market risk/interest rate risk (continued):

The Credit Union takes on interest rate risk in that it pays interest on deposits and that fluctuations in interest rates may affect its capacity to on-lend at competitive rates. The Credit Union manages this risk by maintaining an adequate interest rate spread between interest paid and interest received.

The Credit Union takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily.

Liquidity risk

Liquidity risk is the risk that the Credit Union is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The Credit Union manages this risk by closely monitoring customer payments, setting credit limits and by obtaining credit facilities from other sources to ensure cash availability. The Credit Union also maintains highly liquid assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.

Fraud risk

The Credit Union is exposed to fraud risks from customers as well as employees. The Credit Union seeks to minimize these risks by internal controls, authorizations for payments, checks and balances as well as requiring valid identification documents.

	2019	2018
3. INVESTMENTS		
Investments consist of the following:		
<u>Debt instruments (measured at amortized cost):</u>		
Term deposits for terms greater than 90 days ending by April 2019 held with Belize Bank Limited; with interest accruing at 2% - 3.75% per annum.	202,861	429,059
Investment in Belize Credit Union League Limited - preferred shares redeemable by November 2030. Interest accrues at 4% - 6% per annum receivable annually.	29,685	34,685
		-Continues

**NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2019**

All amounts expressed in Belize dollars

3. INVESTMENTS (continued) 2019 2018

Investments consist of the following:

Debt instruments (measured at amortized cost) (continued):

Restricted savings at Holy Redeemer Credit Union Limited; interest receivable annually at a variable rate (as of 31st March 2019 interest rate was 5% per annum).	875,617	357,897
Accrued interest on debt instruments	47,173	21,301
	1,155,336	842,942

Unlisted equity investments (measured at fair value):

Note that equity investments exclude associates and subsidiaries.

Investment in Belize Credit Union Assurance Service Limited - 575 common shares (13.9% ownership)	2,875	2,875
Total investments	1,158,211	845,817

4. LOANS RECEIVABLE

Loans receivable consist of the following:

Member loans	13,229,698	13,236,029
Micro finance loans	1,404,679	1,621,380
Student loans	571,317	765,083
Other loans	1,191,339	1,429,515
Total loans before provision for loan losses	16,397,033	17,052,007

The movements in the loan loss provision for the year are as follows:

At the beginning of the year	352,289	260,769
Provision for the year	120,000	177,718
Loans written off during the year	(74,780)	(86,198)
At the end of the year	397,509	352,289
Net loans receivable	15,999,524	16,699,718

Collateral is held on loans in order to minimize the Union's exposure to credit risk. Collateral includes lands, buildings, and equipment.

Total value of loans which do not have collateral held by the Credit Union	14,405,506	14,711,930
Percentage of loan portfolio of loans which do not have collateral	88%	86%

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2019

All amounts expressed in Belize dollars

5. OTHER RECEIVABLES AND PREPAYMENTS

Other receivables and prepayment and consist of the following:

HLB/Credit Union ATM/ POS Project (see below)	50,000	50,000
Ameya/ National Payment System	93,094	52,506
Prepaid expenses	16,082	8,227
Other receivables	161,848	150,397
	<u>321,024</u>	<u>261,130</u>

The Credit Union has entered into a joint investment agreement with the Heritage Bank Limited and five other institutions, called the ATM/POS Project. Since the formation of the new company is still in process, the initial investment was classified as other receivables and prepayments at 31st March 2019.

The Credit Union has entered into a joint investment agreement with Ameya Systems and six (6) other institutions, called the The National Payment System. Since the formation of the new company is still in process, the initial investment was classified as other receivables and prepayments at 31st March 2019.

6. PROPERTY AND EQUIPMENT

Property equipment consist of the following:

2019	Land & Buildings	Motor Vehicles	Furniture & equipment	Total
<u>Cost</u>				
At 31st March 2018	1,202,092	273,295	328,075	1,803,462
Additions	43,391	158,432	706,327	908,150
Disposals	-	(121,900)	(17,155)	(139,055)
At 31st March 2019	<u>1,245,483</u>	<u>309,827</u>	<u>1,017,247</u>	<u>2,572,557</u>
<u>Accumulated amortization</u>				
At 31st March 2018	235,585	164,510	206,596	606,691
Additions	333	29,274	43,922	73,529
Disposals	-	(62,760)	(17,155)	(79,915)
At 31st March 2019	<u>235,918</u>	<u>131,024</u>	<u>233,363</u>	<u>600,305</u>
Net book value at 31st March 2019	<u>1,009,565</u>	<u>178,803</u>	<u>783,884</u>	<u>1,972,252</u>

-Continues

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2019

All amounts expressed in Belize dollars

6. PROPERTY AND EQUIPMENT (continued)

Property equipment consist of the following:

2018

Cost

At 31st March 2017	1,143,290	276,528	314,885	1,734,703
Additions	58,802	-	60,169	118,971
Disposals	-	(3,233)	(46,979)	(50,212)
At 31st March 2018	<u>1,202,092</u>	<u>273,295</u>	<u>328,075</u>	<u>1,803,462</u>

Accumulated amortization

At 31st March 2017	160,432	108,628	184,081	453,141
Additions	75,153	59,115	69,494	203,762
Disposals	-	(3,233)	(46,979)	(50,212)
At 31st March 2018	<u>235,585</u>	<u>164,510</u>	<u>206,596</u>	<u>606,691</u>

**Net book value at 31st
March 2018**

	<u>966,507</u>	<u>108,785</u>	<u>121,479</u>	<u>1,196,771</u>
--	-----------------------	-----------------------	-----------------------	-------------------------

7. INVESTMENT PROPERTY

Investment property consist of the following:

Land in Benque Viejo del Carmen, Belize	<u>17,050</u>	<u>17,050</u>
---	---------------	---------------

8. MEMBERS' DEPOSITS

Members' deposits consist of the following:

Regular deposits	1,579,746	1,522,877
Term deposits	<u>2,435,646</u>	<u>3,276,514</u>
	<u>4,015,392</u>	<u>4,799,391</u>

9. NON-MANDATORY SHARES

Movement in non mandatory shares is as follows:

Balance at the beginning of the year	13,593,162	13,193,211
Net increase in shares	<u>204,013</u>	<u>399,951</u>
	<u>13,797,175</u>	<u>13,593,162</u>

**NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2019**

All amounts expressed in Belize dollars

	2019	2018
10. ACCOUNTS PAYABLE AND ACCRUALS		
Accounts payable consist of the following:		
Accruals	54,656	73,793
BCUL Dues	-	33,784
Other	38,147	71,602
	<u>92,803</u>	<u>179,179</u>
11. BORROWINGS		
Borrowings consist of the following:		
Loan from Development Corporation (DFC), for on lending to Micro and Small Enterprise development under the Rural Credit Fund (RCF) of the Belize Rural Finance Programme (BRFP). Term of 7 years ending 2021. Interest accrues at the rate of 3.75% per annum; payable quarterly. Principal payments due quarterly beginning June 2016.	87,500	175,000
Loan from Development Corporation (DFC), for on lending to Micro and Small Enterprise development under the Rural Credit Fund (RCF) of the Belize Rural Finance Programme (BRFP). Term of 3 years ending 2020. Interest accrues at the rate of 2.0% per annum; payable quarterly. Principal payments due quarterly beginning June 2017.	<u>150,000</u>	<u>225,000</u>
	237,500	400,000
Less: Current portion	<u>162,500</u>	<u>162,500</u>
	<u>75,000</u>	<u>237,500</u>
Loans are repayable as follows:		
Within one year	162,500	87,500
Within two to five years	75,000	237,500
After 5 years	-	-
	<u>237,500</u>	<u>325,000</u>
12. PENSION LIABILITIES		
Pension liabilities consist of the following:		
Balance at the beginning of the year	235,559	220,013
Contributions	39,830	15,546
Withdrawals	(43,174)	-
Balance at the end of the year	<u>232,215</u>	<u>235,559</u>

NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH 2019

All amounts expressed in Belize dollars

	2019	2018
13. SEVERANCE PAYABLE		
Severance payable consists of the following:		
Balance at the beginning of the year	127,857	110,933
Additions during the year	20,207	16,924
Payments during the year	<u>(26,356)</u>	<u>-</u>
Balance at the end of the year	<u>121,708</u>	<u>127,857</u>
14. OTHER INCOME		
Other income consists of the following:		
Miscellaneous income	141,998	139,551
Bad debt recovery	-	34,064
Rental income	9,906	9,300
Income from dormant accounts	2,425	87
Payroll fees	40,409	-
Account maintenance fee	<u>85,091</u>	<u>-</u>
	<u>279,829</u>	<u>183,002</u>
15. RELATED PARTY TRANSACTIONS		
The Board of Directors and management have loan balances with the Credit Union which are included in the loans receivable balance on the statement of Financial position. These loans total the following as of the year end:		
	<u>553,781</u>	<u>917,902</u>
Interest income from related party loans during the year	<u>83,580</u>	<u>118,371</u>
16. KEY MANAGEMENT COMPENSATION		
Key management compensation paid total	<u>88,000</u>	<u>88,000</u>

Opening of Accounts Requirements

To all potential new members:

We take this opportunity to welcome you to join our credit union. Toledo Teachers Credit Union has made significant growth over the past 19 years as we have now exceeded 22 million in assets.

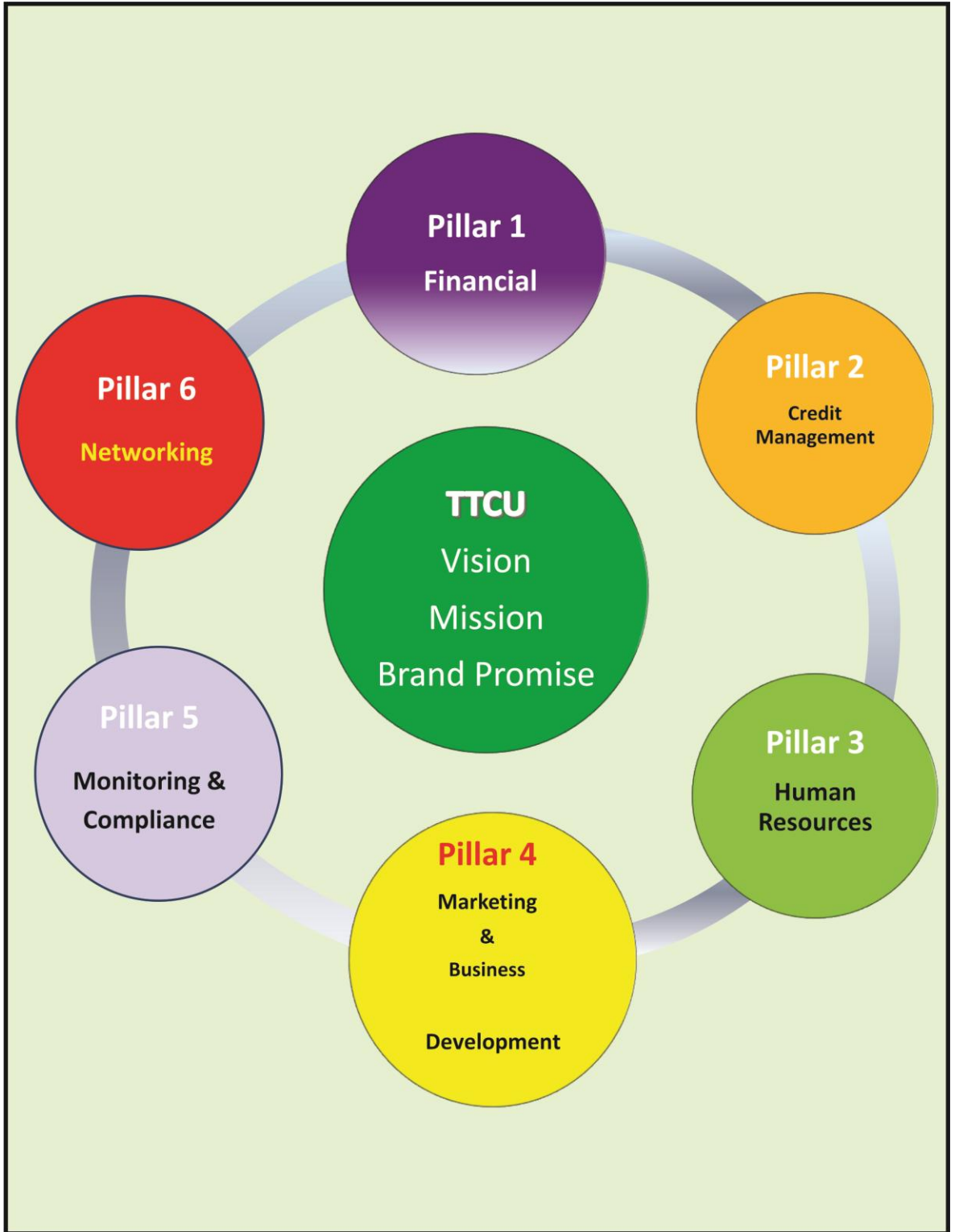
We encourage you to open your account and be a part of this vibrant institution.

In opening your account with Toledo Teachers Credit Union, kindly bring the following:

1. A valid Social Security Card or Passport
2. A Utility bill (water, telephone or electricity bill) used to confirm your address. If you do not have a utility bill stop by the office for further information.
3. Purchase a minimum of 6 shares at \$5.00 each
4. A non-refundable processing fee of \$6.00

TTCU CORE VALUES

- ✦ **C**OMMITMENT – Ensure all stakeholders are involved and contributing to the growth and development of TTCU and its members.
- ✦ **P**ROFESSIONALISM – Maintain excellent and reputable relationship with affiliates, stakeholders and members for an improved service.
- ✦ **T**EAMWORK – Work in harmony to achieve our objectives to move forward.
- ✦ **A**CCOUNTABILITY – To meet its performance objectives and remain transparent, trustworthy and credible to its members while preserving the underlying philosophy of the credit union movement.
- ✦ **V**ISIONARY – Stay one step ahead of the competition while adapting to a changing environment and remaining true to the core values of credit unions.
- ✦ **E**XCELLENCE – Provide exceptionally warm, courteous, friendly customer service to members.



Notes: