ANNUAL REPORT 2016

TRAVIS COUNTY CREDIT UNION

TCCU’s Mission Statement

The Mission of Travis County Credit Union is to provide the best, cost-effective financial services to enhance the member-owners’ quality of life.

The credit union will continue to thrive and grow while responding to the member-owners in a professional, convenient, and caring manner.

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BOARD OF DIRECTORS

Wayne Samson, Chairman
Term Expires 2018

Jo-Ann Bennink, Vice Chair
Term Expires 2017

Michael Lang, Treasurer
Term Expires 2018

Sherri Fleming, Secretary
Term Expires 2019

Texanna Davis, Membership
Term Expires 2018

Keith Couch, Director
Term Expires 2017

Michael Joyce, Director
Term Expires 2019

AGENDA

6:00	Dinner
6:45	Business Meeting
7:15	Election
7:30	Bingo
8:00	Door Prizes
8:15	Adjournment

CHAIR / PRESIDENT REPORT

Dear Members,

The low rate environment driven by the Federal Reserve's monetary policy continued to challenge savers but created incredible opportunities for members to reduce debt payments through refinancing. This was evident in the record $809,905 in new signature and debt consolidation loans granted last year. As rates are likely to begin rising in 2017, we encourage all members to take advantage of this unprecedented opportunity to make your debt more affordable and begin the path to becoming debt free.

One of the central pieces of our strength remains our membership. In 2016, the Credit Union added 178 new member accounts, representing 6.3% of our total members. Those new members wasted no time in taking advantage of the many benefits of being a part of the Credit Union. Last year alone we financed $3.5 million in new Home Equity loans, and we put 165 drivers on the road by financing their auto or motorcycle. By year-end, we lent over $8.7 million to our members – another new record for us!

TCCU continued to expand its reach in 2016 through our partnership with CO-OP Shared Branching. Our members continue to have access to their accounts for deposits and withdrawals at all participating Shared Branch locations as well as through the Sprig mobile app. The growing number of free ATM-1 and SUM ATM locations, combined with the more than 5,000 CO-OP Shared Branch locations, highlights our commitment to provide members with multiple channels with which to access their accounts.

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The Credit Union continues to exercise a conservative approach in our investments as well as a progressive approach to lending. Our adherence to prudent financial practices and our commitment to the “People Helping People” philosophy continues to drive us forward and keeps us focused on service and value for our members. It is the personal difference that drives and motivates our staff.

We appreciate that over the years you have recommended TCCU to family, friends, neighbors, and co-workers. We thank you for sharing the gift of membership with others and look forward to many opportunities to serve you, your extended family, and friends in 2017.

We would like to thank the Board of Directors and Staff for their valuable time and deeply appreciated service. We would also like to extend our appreciation to each of you for your continued support of the Credit Union.

Welcome to the 62nd annual Travis County Credit Union Meeting.

Wayne Samson, Chairman

Wayne Watters, President

TREASURER'S REPORT

In 2016, Travis County Credit Union achieved significant growth and financial progress. Among the highlights were:

- Total assets grew by $2.4 million - now reaching $31.4 million. Our annual growth rate of assets was 8.1%.
- Total member shares increased by $2.2 million to $28.9 million for an annual growth rate of 8.2%. Checking and savings account balances grew the fastest.
- Loans outstanding to members grew by $2.3 million, or 15.0%. Our fastest-growing loan categories were Home Equity and Auto loans.

Our 2016 growth rates were higher than the average growth rates for credit unions our size. Our growth reflects our commitment to member service as well as our continuing efforts to offer rates and fees that are among the most attractive in our market. Efforts have continued to increase our services and member access to achieve higher levels of convenience for you. As technology and needs change, we continue to evolve for our members.

TCCU remains financially strong and is well positioned to manage through the current economic environment. The credit union earned $1,062,923.70 in total revenue during 2016. Our largest revenue source is loans to members.

Our revenue was used to pay dividends on member accounts and also operating expenses incurred in providing services to members. Our operating expenses for 2016 were smaller than what is typical for a credit union our size, and that efficiency allows us to offer more services to our members while also rebuilding our capital base.

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Our credit union earned $64,415 in net income after expenses, which was added to the credit union's capital or net worth to provide additional financial stability and to fund future growth. Our ratio of net worth to total assets stood at 7.36% on December 31, 2016.

The Credit Union's growth is directly proportional to how our members use us. It's a perfect balance between deposits and loans that keep the credit union financially healthy.

We appreciate you being a part of the Credit Union and appreciate you sharing the Credit Union with your friends and family.

In 2017 we will continue to focus on enhancing value for our membership and protecting members and their assets. As our members continue to focus on the basics of debt management and growing savings, we will be here to provide the financial tools and resources to help them. We will continue to encourage our members to take advantage of the historical low loan rates before the inevitable rise begins as the national economy improves.

Michael Lang, Treasurer

MINUTES

TRAVIS COUNTY CREDIT UNION
ANNUAL MEETING
April 21, 2016

Meeting called to order by chair, Wayne Samson, at 6:51 PM after declaration that quorum was present.

Board Members Present:
Wayne Samson, Michael Hemby, Mary Hemby, Michael Lang, and Keith Couch

Board Members Absent:
Jo-Ann Bennink and Texanna Davis

Others Present:
Wayne Watters and Alicia Quezada

Wayne Samson introduced the Board of Directors and Wayne Watters introduced the staff members.

Gifts Presented:
Cheryl Sledge for 5 years of service so far to the Credit Union
Clarissa Rangel for 15 years of service so far to the Credit Union
Cora Dawson for 20 years of service so far to the Credit Union
Michael Lang for 10 years of service so far to the Credit Union
Michael Hemby for his 10 years of service to the Credit Union

Board Meeting Minutes Presented: Member, Jesse Colunga made motion to accept; a second to the motion was received by Juan Maroquin; motion carried.

Report from the Chairman and President and the Treasurer's Report were Presented: Member, Juan Marroguin made motion to accept; second by Michael Joyce; motion carried.

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Old Business:
None

Nominations & Voting for New Board Members:
Nominating committee member, Michael Lang made his report of applicants for the board. He and the committee received applications from Sherri Fleming, Michael Joyce, Mary Hemby, and Connie Young. Michael Lang called for floor nominations. The call was given three times. No nominations were received from the floor. Nominations were closed. Michael Lang then explained that each member was asked to vote for two of the four members running for the board.

At the completion of the vote, Michael Lang received assistance from members Alicia Quezada and Becky Couch to count the ballots.

Bingo: Bingo games commenced as the next order of business.

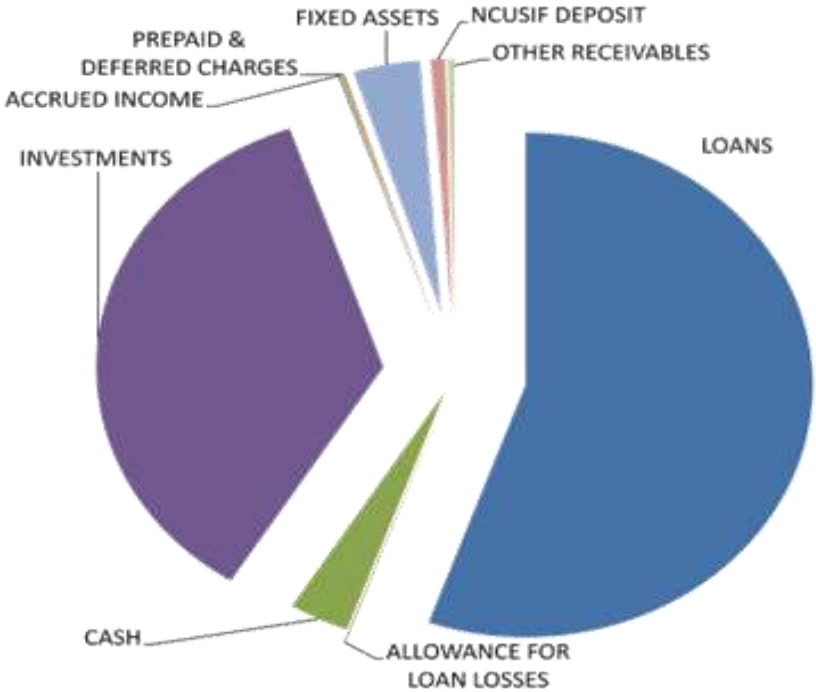
Results of the Vote: Michael Lang reported to the membership that the ballots were counted twice. With all ballots counted, Michael Lang reported to the membership that the elected officials are Michael Joyce and Sherri Fleming.

Tickets were drawn for door prizes.

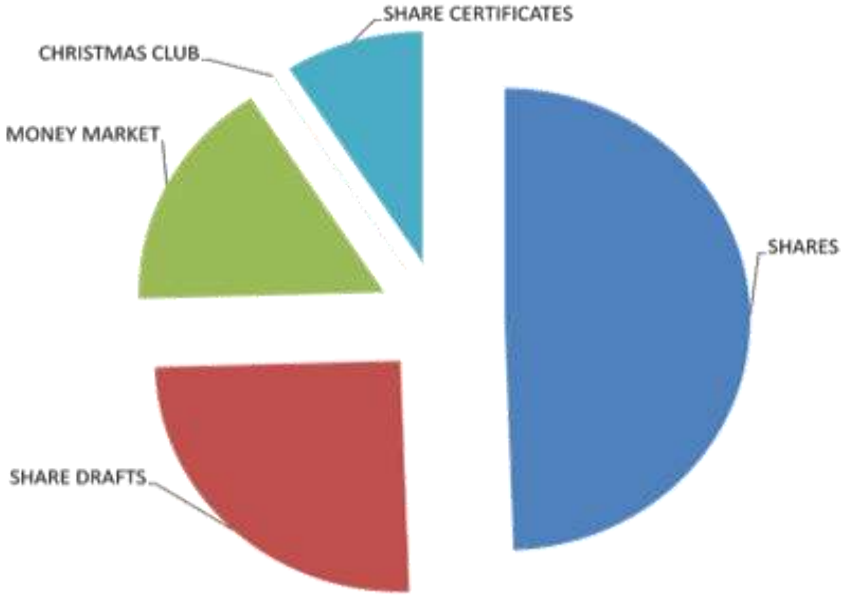
Meeting Adjourned: Move to adjourn made by member, Jesse Colunga; a second to the motion was received from Aaron Colunga and the motion carried.

Adjournment was at 7:42 PM.

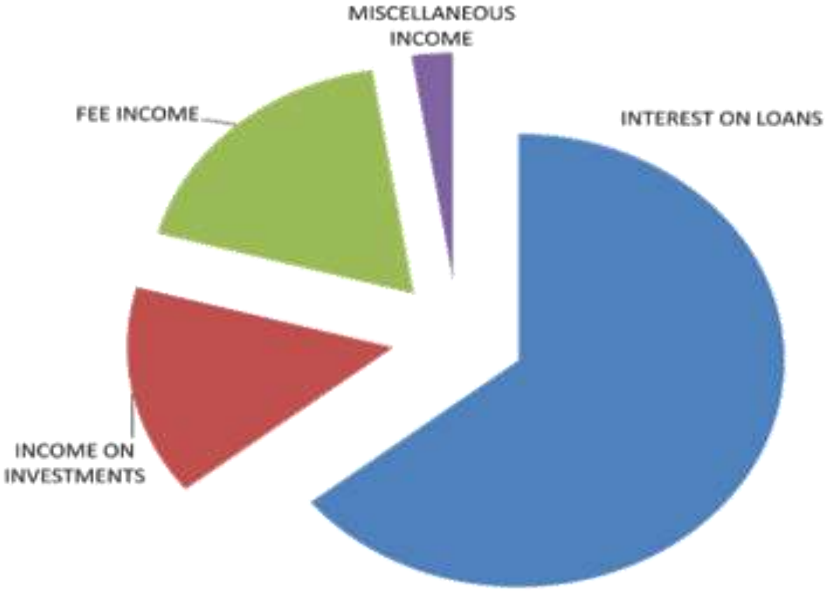
Asset Distribution



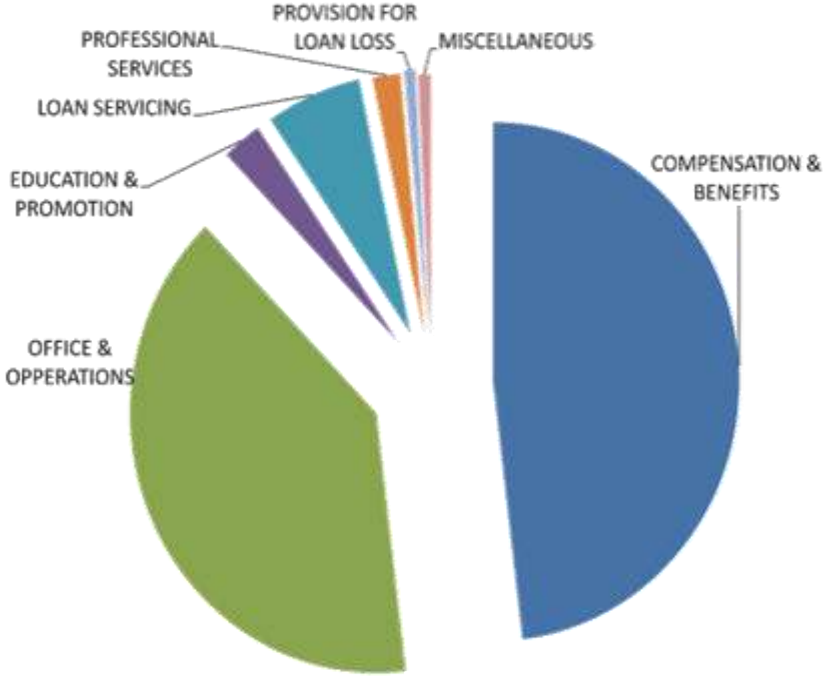
Member Deposit Distribution



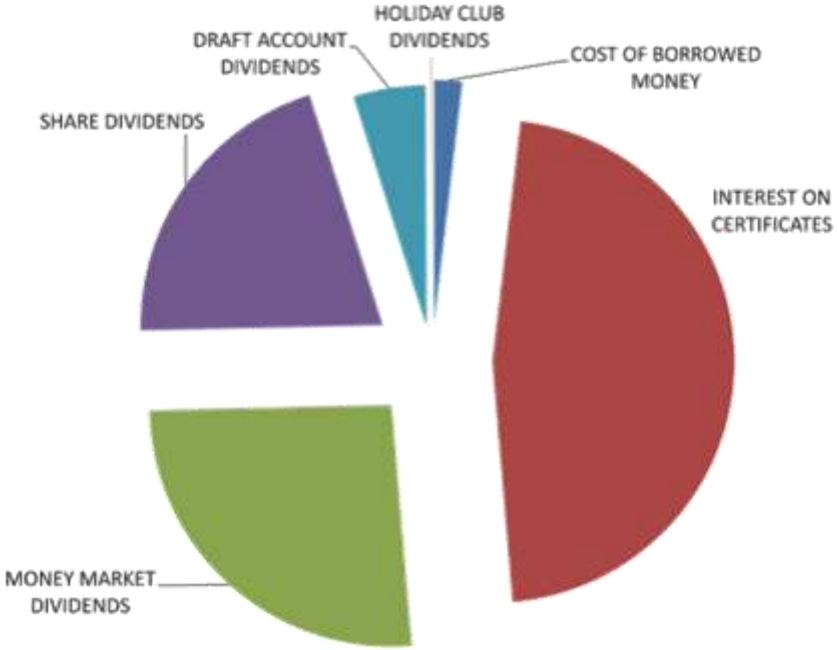
Income Distribution



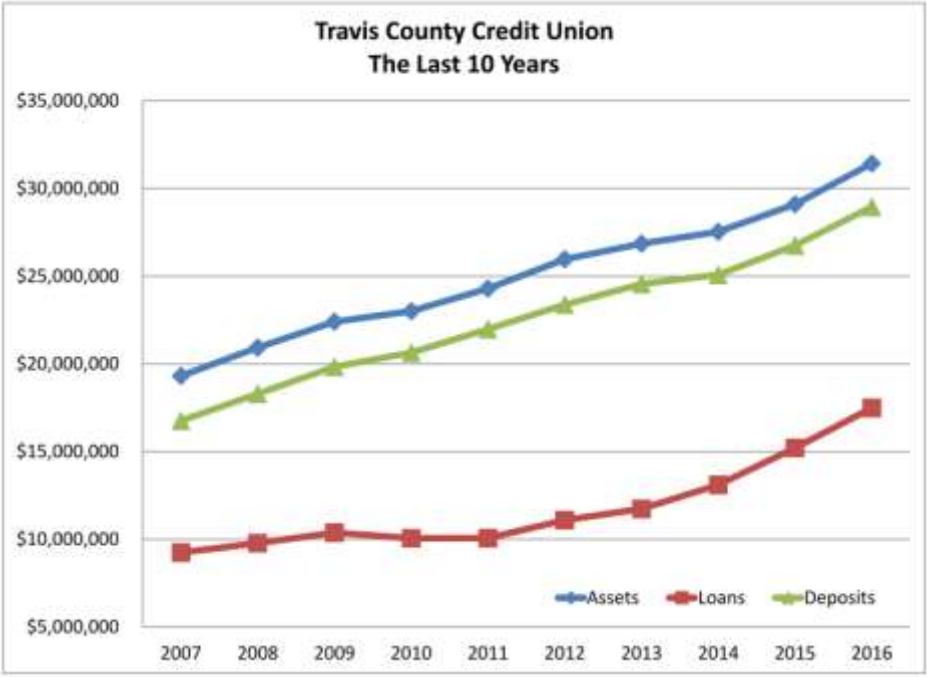
Expense Distribution



Cost of Funds



Credit Union Growth



Statement of Income & Expenses

DECEMBER 2016

INCOME	
INTEREST ON LOANS	$ 682,871.71
INCOME ON INVESTMENTS	159,888.78
FEE INCOME	193,556.33
MISCELLANEOUS INCOME	26,606.88
TOTAL INCOME	**1,062,923.70**
OPERATING EXPENSES	
COMPENSATION & BENEFITS	465,910.04
TRAVEL & CONFERENCES	-
OFFICE & OPPERATIONS	384,568.50
EDUCATION & PROMOTION	25,099.53
LOAN SERVICING	60,725.54
PROFESSIONAL & OUTSIDE SERVICES	17,585.95
PROVISION FOR LOAN LOSSES	6,966.34
MISCELLANEOUS	7,941.92
TOTAL OPERATING EXPENSES	**968,797.82**
INCOME BEFORE COST OF FUNDS	**94,125.88**
COST OF BORROWED MONEY	552.71
INTEREST ON CERTIFICATES	13,906.74
DIVIDENDS:	
MONEY MARKET	7,718.12
SHARES & DRAFTS	7,532.79
NET INCOME	**64,415.52**

Financial Statement

DECEMBER 2016

ASSETS	
CASH	$ 1,065,076.62
LOAN RECEIVABLE	17,481,861.27
ALLOWANCE FOR LOAN LOSSES	(17,026.22)
ACCRUED INTEREST RECEIVABLE	47,029.26
INVESTMENTS	11,274,773.07
NCUSIF DEPOSIT	264,651.00
OTHER ASSETS	-
PREPAID & DEFERRED EXPENSES	65,348.42
FURNITURE & EQUIPMENT (NET)	43,767.04
BUILDING & LAND (NET)	1,146,253.03
RECEIVABLES	1,065,076.62
TOTAL ASSETS	**31,426,594.36**
LIABILITIES & CAPITAL	
ACCOUNTS PAYABLE	164,526.84
TAXES PAYABLE	52,671.66
ACCRUED EXPENSES	4,637.90
OTHER LIABILITIES	-
UNAPPLIED DATA PROCESSING	-
DIVIDENDS PAYABLE	0.25
EXCEPTIONS	-
TOTAL LIABILITIES	**221,836.65**
SHARES	14,304,711.93
SHARE CERTIFICATES	2,645,535.49
SHARE DRAFTS	7,278,681.52
MONEY MARKETS	4,714,862.46
OTHER DEPOSITS	2,540.00
UNDIVIDED EARNINGS	1,628,736.79
RESERVES	687,945.71
UNREALIZED GAIN/(LOSS) ON INVESTMENTS	(11,226.93)
TOTAL EQUITY	**31,251,786.97**
TOTAL LIABILITIES & EQUITY	**31,473,623.62**

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GROSS INCOME	$	1,062,923.70
EXPENSES		(969,350.53)
NET INCOME		**93,573.17**
DISTRIBUTIONS OF NET INCOME		
INTEREST ON CERTIFICATES		13,906.74
INTEREST ON SHARES		6,078.46
INTEREST ON SHARE DRAFTS		1,435.90
INTEREST ON MONEY MARKETS		7,718.12
INTEREST ON HOLIDAY CLUBS		18.43
TOTAL DIVIDENDS & INTEREST		**29,157.65**
TOTAL DISTRIBUTION		**29,157.65**
UNDIVIDED		**64,415.52**
NET INCOME		**64,415.52**

NUMBER OF MEMBERS AS OF THIS REPORT	2,824

Balance Sheet

DECEMBER 2016

ASSETS	
LOANS	$ 17,481,861.27
ALOWANCE OF LOAN LOSSES	(17,026.22)
CASH	1,065,076.62
INVESTMENTS	11,274,773.07
ACCRUED INCOME	47,029.26
PREPAID & DEFFERRED CHARGES	65,348.42
FIXED ASSETS	1,190,020.07
NCUSIF DEPOSIT	264,651.00
OTHER RECEIVABLES	101,890.13
TOTAL ASSETS	**31,473,623.62**
LIABILITIES AND EQUITY	
PAYABLES & ACCRUED	221,836.65
SHARES	14,304,711.93
SHARE DRAFTS	7,278,681.52
SHARE CERTIFICATES	2,645,535.49
MONEY MARKETS	4,714,862.46
OTHER DEPOSITS	2,540.00
TOTAL LIABILITIES & MEMBER EQUITY	**28,946,331.40**
RESERVES	687,945.71
UNDICIDED EARNINGS	1,607,271.77
ACCUMULATE UNREALIZED GAIN/(LOSS) ON INVESTMENTS	(11,226.93)
TOTAL EQUITY/CAPITAL	**2,283,990.55**
TOTAL LIABILITIES & EQUITY	**31,473,623.62**

Loan Products

Going on vacation, buying a new car, adding on to your home . . .
we have the solution that's right for you!

When you're ready to apply, we're going to make that easy too.
Apply and close online for most loans.

Auto Loans whether buying a new auto, used auto, or refinancing from another lender - you're going to like the options that we have available. Terms available up to 84 months.

Boat Loans with terms available up to 180 months for qualified boats and watercraft.

Home Equity Loans for help when starting a home improvement project, for consolidating debt, for college expenses, or the vacation of a lifetime. TCCU Home Equity Loans are available on your homestead property located in Travis County or a county immediately adjacent to Travis.

Travis County Credit Union is registered with the Nationwide Mortgage Licensing System. Our Institution ID is 466199.
Our Licensed Mortgage Loan Originators:
Wayne Watters, President NMLS ID# 472485
Alicia Quezada, Vice President NMLS ID# 472484
Cora Dawson, Loan Officer NMLS ID# 1106609

Motorcycle Loans with terms available up to 60 months.

Recreational Vehicles / Travel Trailers with terms available up to 180 months for qualified RV's and Travel Trailers.

Rewards MasterCard with a fixed interest rate, no annual fees, and ScoreCard Rewards.

Signature Loans to consolidate debt to a lower fixed-rate, make your vacation a reality, or complete your smaller home improvement projects.

Share Products

Savings Accounts pay quarterly dividends based upon minimum balance requirements. This basic account opens the door to the many other credit union services, including voting privileges and the right to serve on TCCU committees.

Checking Accounts can be opened with a $25 deposit. Four different accounts to choose from based upon your unique needs.

- The E-Saver account is designed for those that predominantly rely on their Debit Card and not paper checks. Rewards come standard with this account.
- The Check Plus account is designed for those that write a lot of checks but don't really use their Debit Card. Rewards come standard with this account.
- The Unlimited account is designed for those that use both checks and Debit Cards and don't want to worry about paying any fees outside of the one easy monthly service charge. Rewards come standard with this account.
- The Advantage account is free with e-Statements and has no rewards or points to worry about.
- Checking2.0 boasts no NSF fees for those occasional miscalculations. This is a trimmed down account for easy use.

Share Certificates can be opened with a minimum $1,000 deposit which pay a higher interest rate than traditional savings accounts. Three to sixty month certificates are available. Early termination penalties apply if the account is closed early.

Money Market Accounts can be opened with a minimum deposit of $2,000. Money Market accounts provide you the value of a savings account while also providing flexibility similar to that of a checking account. The greater your balance, the higher the rate of return. There are limitations to the number of transactions that you can conduct in a month.

Holiday Club Accounts can be opened with as little as $5. There is no limit to the number of deposits you can make, but no withdrawals are permitted until the account matures the Wednesday before Thanksgiving. Early termination penalties apply if the account is closed early.

Credit Union Services

Courtesy Pay helps if you make an error in your checkbook, if an unexpected expense comes up or you run a little short before payday. Courtesy Pay allows us to pay a check or ACH debit presented against your checking account even when your balance is not sufficient to cover it. Some conditions and limits do apply.

EMV Chip Reward Debit Cards are now being issued as your card renews.

Free ATMs through the ATM-1 and SUM networks.

Mobile Deposits offered through our partnership with CO-OP Shared Branching and the Sprig app.

Online Bill Pay standard with all checking accounts

Online Service Forms provide access to common forms online so you can sign from anywhere.

PrePaid Cards offer convenient gift ideas and security when traveling or shopping online.

Insurance You Can Trust

You trust TCCU to provide you and your family with quality products and services to meet your financial needs. We've joined with a dedicated team of insurance professionals to bring you TruStage Auto & Homeowners Insurance, AD&D Insurance, Life Insurance, and Health Insurance.

Student Loans exclusively for our members. Apply online.

Additional Member Services

Family Membership

Safe Deposit Boxes

Free Notary Public

Certified / Teller Checks

Money Orders

Travelers Checks

Gift Cards

Mobile Banking

Check Images Online

Overdraft Loans & Lines of Credit

Extended Warranty

GAP Insurance

Annual College Scholarship Award

Your savings federally insured to at least $250,000
and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency

This credit union is federally insured by the
National Credit Union Administration to at least $250,000

EQUAL HOUSING
OPPORTUNITY

MANAGEMENT & STAFF

Wayne Watters, President

Alicia Quezada, Vice President

Claire Rangel, Accounting

Cora Dawson, Loan Officer

Mina Botello, Loan Processor

Lynette LaMonica, Head Teller

Cheryl Sledge, Account Representative

Diann Faxon, Account Representative

Joseph Perez, Account Representative

Diane Ruby, Account Representative

Erica Camarillo, Account Representative

BRANCH LOCATIONS

Main Office
1101 North IH 35
Austin, TX 78702

South Office
6301 South 1st Street
Austin, TX 78745

PO Box 6190, Austin, TX 78762
Phone: 512-477-2641
CAL: 512-479-7422

Find Shared Branches and ATM Locations online at tccu.net

Travis County
Credit Union

PO Box 6190
Austin, Texas 78762
Phone: 512-477-2641
Fax: 512-472-1324
Web Site: tccu.net