

2 0 1 9 A N N U A L R E P O R T

AWESOME CAUSE WE CARE



TRAVIS CREDIT UNION

AWESOME CAUSE WE CARE

In October 1951, a group of community-minded military and civilian workers at Travis Air Force Base signed a charter to form a new federal credit union. This group wanted to use their new cooperative to ensure others on base who needed financial assistance had an alternative to banks, one that looked out for their best interest and cared for their financial well-being.

That cooperative grew into the Travis Credit Union you know today, and over the last 69 years we have continued to care about your financial wellness. Today, we offer you a variety of programs and resources, such as our financial education seminars, to help people develop healthy planning, saving, spending, and borrowing habits.

The success of our long-standing mission has coalesced into a movement known as our *Awesome Cause*. Thanks to your membership, we continue to make a difference in the lives of not just those on Travis Air Force Base but throughout the 12 Northern California counties that we serve, and where our more than 200,000 members live and work.

In this 2019 Annual Report, we invite you to view how our financial strength and stability over the years continues to change lives and lift communities through financial wellness.

Thank you for your membership.

Travis Credit Union



2019 **BY THE NUMBERS**



\$3.37 Billion
IN ASSETS



#72 in US
LARGEST CREDIT UNION



#13 in CA
LARGEST CREDIT UNION



214,014
TCU MEMBERS

REPORT FROM THE PRESIDENT AND BOARD CHAIR



Barry Nelson
PRESIDENT & CEO



Patricia Moreno
BOARD CHAIR

Travis Credit Union completed another successful year of service to our membership and our communities in 2019. With \$3.37 billion in assets and more than 200,00 members, we continue to leverage our financial strength and stability to provide value-focused products and services that our founders had envisioned for the credit union in 1951.

AWESOME CAUSE WE CARE

Last year, we assisted hundreds of first-time homebuyers with their purchases while helping others save money by refinancing their home, auto, or credit card loans. Equally important, we continued to expand our Awesome Cause of Financial Education, Financial Literacy, and Financial Advocacy, changing lives and lifting our neighborhoods and communities through financial wellness.

Because we care, and to ensure there's a higher level of financial competency about our financial products, all Travis Credit Union employees in 2019 underwent financial product training. No matter where you meet a Travis employee – at a branch, the neighborhood supermarket or at church – we can help you understand our offerings and direct you to the experts who can assist you.

WELL-CAPITALIZED TO SERVE YOU

In 2019, the credit union's net worth remains well above the standards required by regulators. This position of financial strength allows us to provide you with the value you have come to expect from your membership. It also helps us expand our Awesome Cause to assist more people and to make a greater positive impact in our communities.

THERE'S MORE TO DO

We strive to educate people about personal finances so that they're empowered to do more and to reduce the stress that comes from carrying debt. According to a November 2019 CNBC story, U.S. student loan debt was at \$1.4 trillion. About 70% of college graduates today have student loan debt, with the average borrower owing more than \$37,000 at graduation. It's no wonder that 81% of Generation Z adults, in a recent Time Magazine article, said money was the most common source of stress.

At Travis Credit Union, we're concerned about the ripple effect financial stress creates in relationships, families, and neighborhoods. We're proud of our accomplishments in 2019 and know there's a lot more to do in 2020 and beyond.

Thank you for your membership.

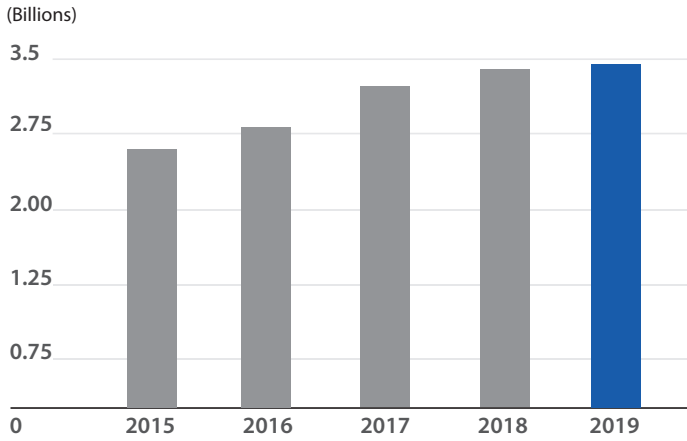
Travis Credit Union

**Changing Lives &
Lifting Communities**
through financial wellness

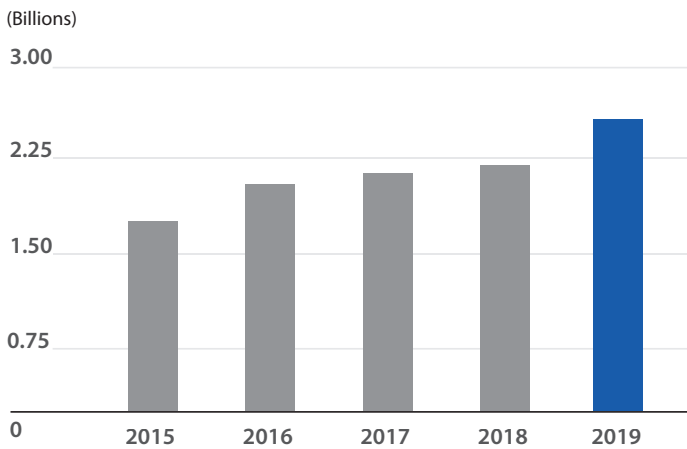


2019 SUMMARY

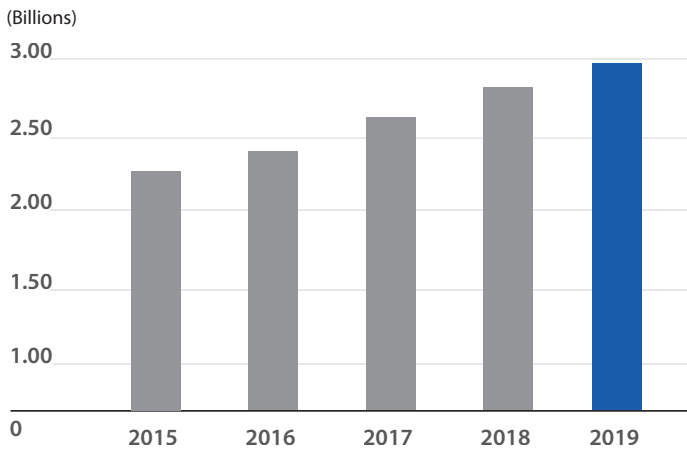
TOTAL ASSETS



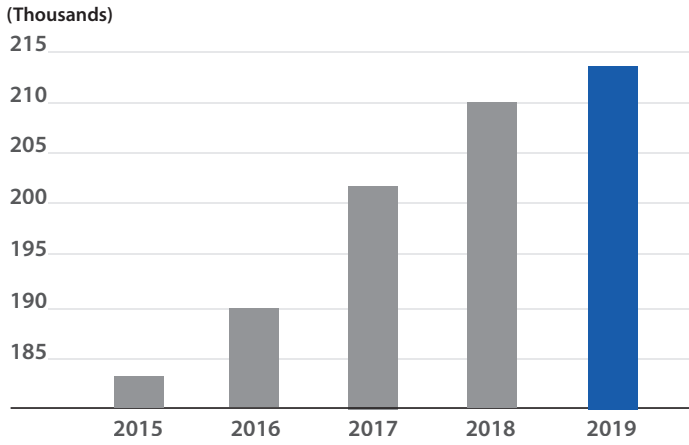
LOANS



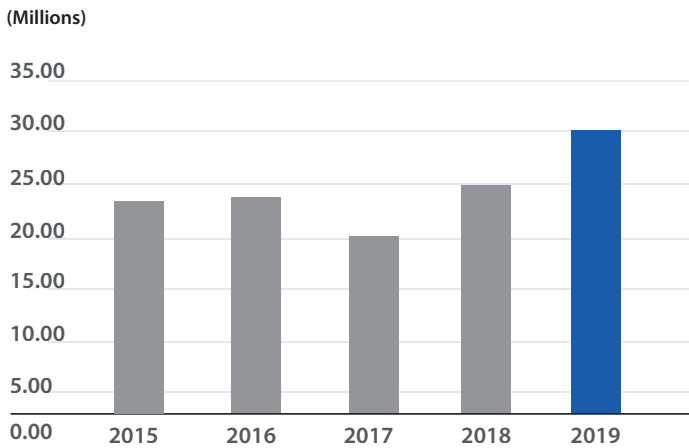
SHARES



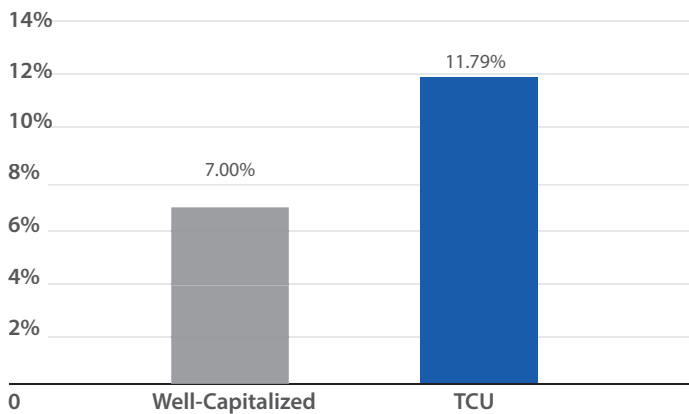
MEMBERS



NET INCOME



NET WORTH



WHAT MEMBERS HAVE TO SAY ABOUT US IN 2019

For many, life in America means living paycheck to paycheck which can take a toll on one's physical and mental health. Over 72% of Americans struggle with some aspect of their financial lives.

Travis makes financial wellness possible by sharing hope, support, resources, and financial education in the communities we serve.

***Here's what members
had to say about***

Travis Credit Union in 2019:



MIKE R., VACAVILLE

"I have had two car loans with TCU. I got an email about doing a refi with them as I wanted to eliminate my PMI. It was the easiest transaction I've had. Blanca Lomeli walked me through the process and explained every step. ... I have since moved all my accounts to TCU. I like that they are local and that it benefits our community."

AL D., MARTINEZ

"I joined TCU in 2019. My experience with this credit union was so positive that I closed five accounts with three major Banks. ... After 16 years with Wells Fargo and B of A, Travis has put them to shame in comparison to all aspects of banking, loans and any bank services, including their hours of operation -- 10 a.m. to 6 p.m. six days a week. After hours customer Service is equally efficient. Look them up and experience a higher level of banking."

KRIS G., MERCED

"This place is so amazing! I absolutely love it! Everyone is very friendly and professional. ... Travis Credit Union you are wonderful, your friendly staff makes it more amazing! Thank you to your friendly staff! Definitely recommending people to your branch!"

AUDREY D., ANTIOCH

"From 1992 to now, Travis has taken such great care of me and my family! Whether organizing finances or purchasing new cars, helping to pay for our wedding and obtaining much needed insurance for life and valuables. Travis had our back!"

JENNIFER T., PITTSBURG

"I had the pleasure to come across Travis Credit Union and worked with Aaron Rodriguez. He was so helpful, and hands on! I came to do a buyout and get my car financed by them. Service was outstanding and right on spot with all questions I had! Everything was done in a very timely manner. I would definitely recommend Travis Credit Union ... outstanding bank!"

MARCELLA M., PLEASANT HILL

"I came to Travis Credit Union to refinance my car. The agent was extremely helpful and informative. He was able to lower my monthly payments and interest rate by almost half the amount! On top of that, we also opened a checking account. I absolutely recommend this company."

ROBERT R., SUISUN CITY

"I left larger banks because Travis Credit Union had what the others didn't - great one-on-one customer service. Easy to talk to and understand. Online Banking that meets the need in every way. Personal service. They listen and make changes to help their clients. Friendly, courteous service. They are the best."

ENRICHING OUR COMMUNITIES





52,467

Students reached through financial education and literacy efforts in 2019



14,984 lbs.

Food donated by TCU employees and members, which translated to 12,487 meals and 4,162 families fed in 2019



285,600

Our recycling efforts saved 2,428 trees and kept 285,600 pounds of paper, plastic and glass out of our local landfills in 2019



14,826

Hours of personal time volunteered by employees in 2019



\$1,232,765,638

TCU's cumulative economic impact to the local counties we serve in 2019*

*Based on 2019 TCU loans granted, salaries and benefits paid, corporate giving and involvement in investment, and CUNA's Economic Benefit Multiplier (CUNA-September 2014).



5,781

Teens who participated in MAD City Money young adult financial boot camp since its inception in 2009. For every dollar spent, there was a \$52 community impact



OVER 200

Free community seminars in 2019



696

Community events and local causes sponsored and/or participated in by TCU during 2019



711

Employees, with an annual payroll of more than \$61,000,000 in 2019



\$5,200,000

Paid in 2019 in payroll, property, personal property and state sales taxes

STATEMENTS OF FINANCIAL CONDITION

	2019	2018
ASSETS		
Cash and cash equivalents	\$276,708,143	\$201,031,756
INVESTMENTS		
Securities available for sale	282,482,073	441,723,028
Other	10,775,700	10,775,700
Loans held for sale	2,179,096	369,000
Loans, net	2,609,407,611	2,325,694,977
Accrued interest receivable	8,650,868	8,506,114
Premises and equipment, net	43,170,314	42,584,016
National Credit Union Share Insurance Fund (NCUSIF) deposit	24,430,129	23,336,978
Prefunded Benefit Investments	56,283,958	33,970,267
Life Insurance Policies	16,179,612	14,441,896
Other assets	34,738,472	18,959,32
TOTAL ASSETS	\$3,365,005,976	\$3,121,393,060
LIABILITIES AND MEMBERS' EQUITY		
LIABILITIES		
Members' share accounts	\$2,930,117,037	\$2,728,043,774
Dividends payable	-	-
Accrued expenses and other liabilities	39,970,993	34,410,310
Total liabilities	2,970,088,030	2,762,454,084
MEMBERS' EQUITY		
Regular Reserves	15,445,198	15,445,198
Undivided Earnings	378,506,262	348,078,612
Accumulated other comprehensive income (loss)	966,486	(4,584,834)
Total members' equity	394,917,946	358,938,976

STATEMENTS OF INCOME

	2019	2018
INTEREST INCOME		
Loans to members	\$110,453,013	\$96,724,780
Interest-bearing accounts and investments	13,415,853	9,928,607
Total interest income	135,987,066	106,653,387
INTEREST EXPENSE		
Interest on members' share accounts	18,941,418	10,311,866
Net interest income	117,045,648	96,341,521
PROVISION FOR LOAN LOSSES	25,204,697	25,667,692
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	91,840,951	70,673,829
NON-INTEREST INCOME		
Service charges and fees	11,122,979	10,139,912
Interchange income	16,562,836	14,861,022
Gain on sale of loans	2,590,896	3,879,670
Net accretion of credit loss discount	0	26,739
Other income	15,154,080	6,914,110
Total non-interest income	45,430,791	35,821,453
NON-INTEREST EXPENSE		
Compensation and benefits	60,596,499	50,780,844
Operations	40,885,592	32,949,453
Occupancy	5,362,001	4,848,112
Total non-interest expense	106,844,092	88,578,409
NET INCOME	\$30,427,650	\$17,916,873
STATEMENTS OF COMPREHENSIVE INCOME		
NET INCOME	\$30,427,650	\$17,916,873
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized holding gain (loss) arising during the period	5,551,320	(466,085)
TOTAL COMPREHENSIVE INCOME	\$35,978,970	\$17,450,788

CliftonLarsonAllen LLP conducted the annual audit of the 2019 financial statements of the credit union. The financial statements above are condensed for readability and do not meet full disclosure requirements of generally accepted accounting principles, and are not presented in their audited format. Full, audited copies of the financial statements are available at the credit union's administrative offices.

SUPERVISORY COMMITTEE REPORT



The Supervisory Committee's major responsibilities are to safeguard our members' assets, ensure an independent audit is performed annually and verify members' accounts. In 2019, the committee performed its duties in collaboration with the credit union's internal audit department, certified public accountants, and the National Credit Union Administration (NCUA).



The Supervisory Committee engaged the auditing firm of CliftonLarsonAllen LLP to perform the annual independent audit of Travis Credit Union's financial statements. We are pleased to inform you that the audit for 2019 was completed successfully. Travis Credit Union's financial statements comply with generally accepted accounting principles and fairly represent the financial condition of the credit union.



Based on the results of the annual financial audit, TCU's internal audits and examinations conducted by the NCUA, the committee finds that Travis Credit Union is a financially sound organization, dedicated to serving its members. In addition, the committee commends the management team and board of directors for their diligence and support.

The Supervisory Committee continues to fulfill its duties to protect your interests in strict compliance with policy and all relevant laws and regulations.

Arturo Reyes
Supervisory Committee Chair

Top to bottom:

Arturo Reyes, *Supervisory Committee Chair*

Johanna Benker, *Supervisory Committee Member*

Tim Truesdale, *Supervisory Committee Member*

CELEBRATING WINS

**Fairfield Daily Republic
Readers' Choice Award**

Best Credit Union for the
23rd time in 24 years

**Vallejo Times Herald
Readers' Choice Award**

#1 Credit Union for the
7th time in 13 years

The Vacaville Reporter

Best Credit Union for the
14th time in 14 years

Solano County's Best of Awards

#1 Bank | #1 Credit Union
#1 Financial Services

BOARD OF DIRECTORS



*Top row (L-R): Pat Moreno, Board Chair; Debra Aspling, Board Vice Chair; Tom Kulinski, Board Treasurer
Middle row(L-R): Mary Coburn, Board Secretary; Oscar Dominguez, Board Director; Len Augustine, Board Director
Bottom row(L-R): Curt Newland, Board Director; Doug Beaumont, Board Director; Dee Alarcón, Board Director*

**Yolo County District Attorney's
Multi-Cultural Community Council**
Justice Leadership Award

Woodland Community College
Certificate of Recognition

**Solano Hispanic Chamber
of Commerce**
Business of the Year

**National Credit Union
Foundation Recognition**

Air Force Credit Union of The Year
2018, awarded in 2019

**THANK
YOU**
FOR YOUR
MEMBERSHIP



traviscu.org ■ One Travis Way, Vacaville, CA 95687 ■ (707) 449-4000

