

Chairman's Report

In 2019, A+FCU will be celebrating 70 years of service to its members. A+ was founded with the core notion that is the basis of credit unions in America which is a concern for the financial well-being of its members and community. Since its origin in 1949, A+FCU has grown to serve close to 154,000 members and its assets now exceed \$1.5 billion.

During 2018 we continued the trend of steady growth – increasing membership, net deposits, and loans. Our member rewards programs continue to provide great benefit to our members. As of December 31, the Cash-Back Checking rewards program had returned \$1.8 million to our members. In addition, our members benefited from close to \$1.4 million in either savings on loans or increased earned dividends on share certificates through the PlusPoints rewards program.

The A+ Board has renewed its strong commitment to public education as it continues several initiatives benefiting both the K-12 community and higher education. Of special note is the Board's continued commitment to awarding scholarships, increasing the amount to be awarded in 2019 to \$100,000. Our credit union's commitment to our communities is also evidenced through our staff's strong participation in countless community activities.

2018 was another strong year for A+. We anticipate 2019 will be a year of transition as our CEO, Kerry Parker, has announced her intent to retire. I would be remiss if I did not acknowledge that Ms. Parker's strong leadership over the last 20 years has been a contributing factor to the financial strength of our credit union. Thank you, Kerry for your leadership!

The Board is committed to working to ensure that A+FCU remains strong in 2019 so that we can continue to "Bank on Each Other" to "Build Stronger Communities!"

Respectfully,
Dr. Lolly Guerra, Ed.D., *Board of Directors Chair*

CEO's Report

In May of 2019, we will celebrate 70 years of passion, community, education, commitment, and trust. Our success is directly attributed to these qualities, which have been our focus since a small group of teachers gathered at Zilker Park in 1949 to create a not-for-profit financial cooperative.

Every day, the passion of over 400 employees shines through to make a difference in our members' lives. This passion pushes our employees to make the right financial recommendations to help our members succeed. In 2018, members earned over \$1.8 million through Cash-Back Checking and saved over \$1.3 million on loans and certificates with PlusPoints.

The involvement and support of A+FCU as an organization has continued to build and strengthen the Central Texas community. We gave back over \$350,000 to school districts in our area this past year and we awarded \$77,000 in educator grants and \$90,000 in scholarships to high school seniors and college students.

We are built on the foundation of education – not only in who we serve, but how we work to educate members, staff, and the surrounding community. We provided financial education for 13,713 adults and youth through our workshops at branches and presentations in various schools.

In 70 years, we've grown to a \$1.5 billion organization that has a commitment to serve its members and be a strong and stable icon in the community. Our 154,000 members trust that we will continue to provide this service for 70 more years.

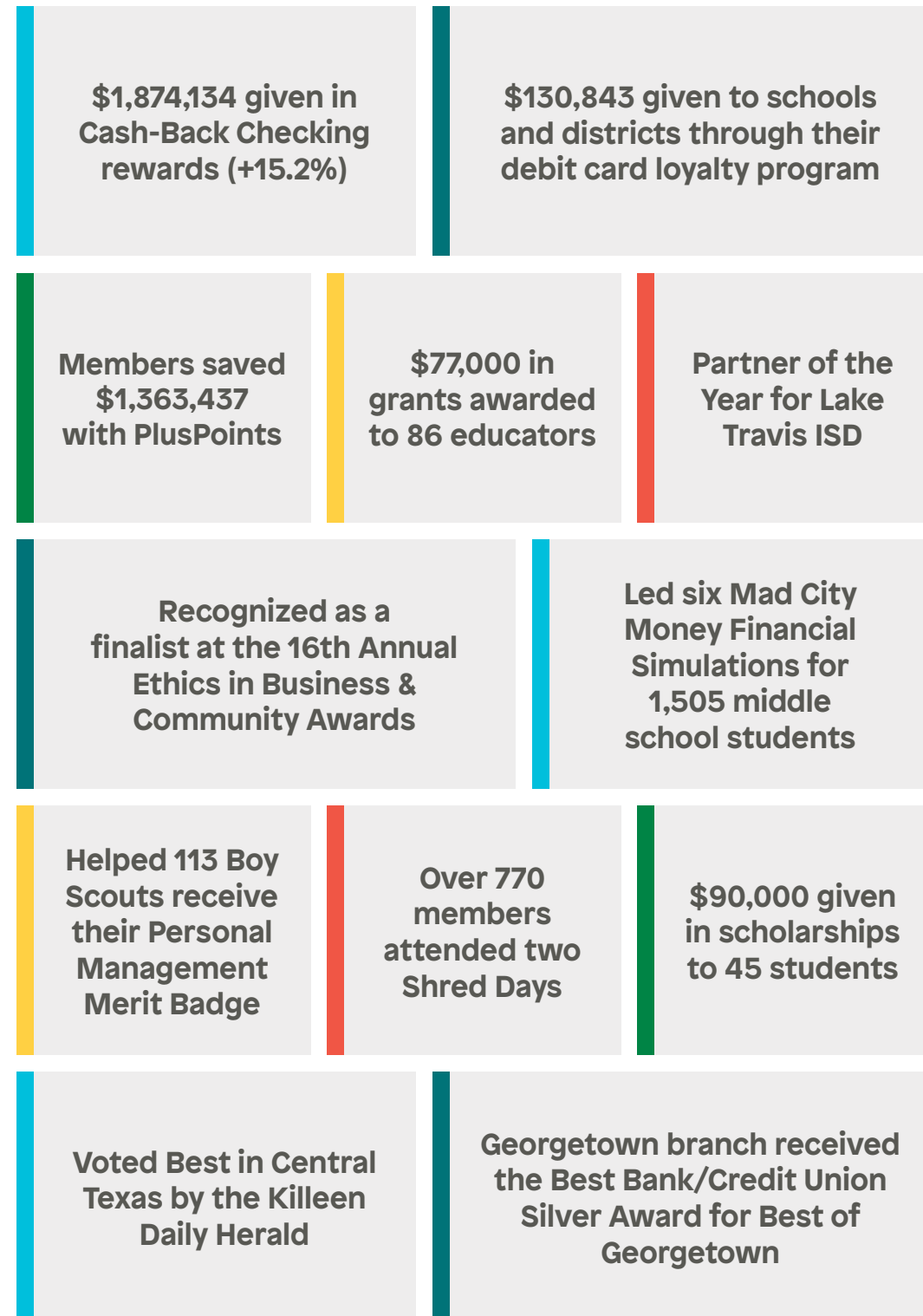
We're excited to celebrate 2018. It has been one of our most successful years, and we are honored to share that success with you as we celebrate our 70th anniversary.

On a personal note, thank you for all your support during my 20 years of service to A+FCU.

My best to all,
Kerry A.S. Parker, CPA, CEO

2018 Accomplishments and Highlights

- Asset size increased by **\$134,544,546**
- Member deposits increased by **\$78,442,461**
- Loans volume increased by **\$158,141,969**
- Membership increased by **12,353**
- Branches: **22**
- Employees: **421**
- Two new SEGs added:
Texas Association of School Business Officials (TASBO); Urban Roots
- Reached **13,713** youth and adults through financial education programs such as Youth Financial Camp, classroom presentations, Mad City Money, workshops, and more
- Employees volunteered over **3,400** hours to help ISDs, colleges, and community organizations



2018 Annual Report

Agenda

- Recognition Ceremony 6:30 pm
- Call to Order 6:50 pm
- Welcome & Introduction of Guests
- Approval of Minutes
- Nominating Committee Report
- Chairman's Report
- Treasurer's Report
- Supervisory Committee Report
- CEO's Report
- Unfinished Business
- New Business
- Adjournment of Business Meeting
- Door Prize Drawings
- Closing

Board of Directors

Dr. Adelaida "Lolly" Guerra, Ed.D. (*Chair*)
 Mr. David U. Torres (*Vice Chair*)
 Ms. Terry L. Lord (*Treasurer*)
 Ms. Georgia L. Johnson (*Secretary*)
 Mr. Lester L. Lindig
 Mr. Landon K. Spillmann
 Dr. Gloria L. Williams, Ed.D.

Officers

Ms. Kerry A.S. Parker, CPA (*CEO*)
 Mr. Dennis Loftis, CPA (*EVP/CFO*)
 Mr. John Demmler (*CLO*)
 Mr. OJ Gilder (*CIO*)

Supervisory Committee

Mr. Landon K. Spillmann (*Chair*)
 Mr. Andrew McBride (*Secretary*)
 Mr. Kevin M. Klein

Treasurer's Report

As Treasurer of A+ Federal Credit Union, representing your Board of Directors and staff, I am honored to report the financial results of your credit union for 2018. In 2018 we continued to show growth in deposits of \$78,442,461, bringing our total shares to \$1,317,393,148. We also had an 8% growth of members this year, bringing our total membership to 153,960. You will find more detailed information in the Statement of Financial Condition.

The strength of our credit union and our hard working management team and staff helped us grow our total assets at A+FCU. In 2019 if there are any changes or additions to the services our credit union provides, we will, as always, consider the financial needs of our members first.

A+FCU is always striving to improve our member experience for you, by increasing member access, making physical improvements to our branches, providing products, services, and features that you, our members, want.

It is our hope that you will continue to think of A+FCU first as your financial needs arise.

Thank you,
 Terry Lord, *Treasurer*

Supervisory Committee Report

The credit union's Supervisory Committee is composed of two member volunteers appointed by the Board of Directors, and one Board member. We meet monthly with the Internal Audit department to ensure the management's financial reporting objectives have been met, and that their practices and procedures safeguard members' assets. Some reports are probably very similar to reports from 70 years ago, only on a larger scale. This year's members are Kevin M. Klein, Andrew McBride, and myself.

The committee is also responsible for verification of member accounts and conducting an annual financial audit. The accounting firm of CliftonLarsenAllen LLC performed this year's audit for the period ending June 30, 2018, and found that the financial statements fairly represent the financial position of A+ Federal Credit Union and conform to generally accepted accounting principles.

As part of the Committee's oversight role, it responds to member issues when the member feels they have not been resolved by the management or staff. Concerns can be mailed to our independent mailbox at: Supervisory Committee, P.O. Box 15102, Austin, TX 78761.

On behalf of the Committee, I would like to thank you for the trust and faith you have placed in us to serve the members of A+ Federal Credit Union.

Landon K. Spillmann, *Supervisory Committee Chair*

Statement of Financial Condition

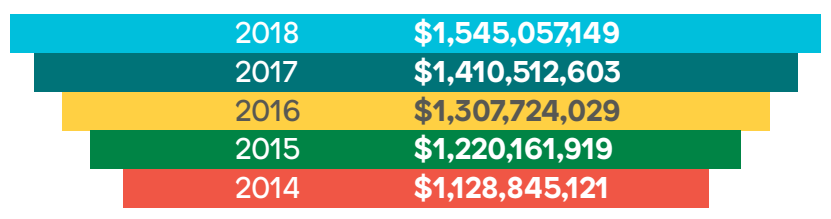
	December 31, 2018	December 31, 2017
Assets		
Loans	\$ 1,308,237,692	\$ 1,150,095,723
(Allowance for Loan Losses)	\$ (7,325,699)	\$ (7,126,023)
Cash.....	\$ 13,711,745	\$ 11,382,163
Investments	\$ 128,529,072	\$ 155,581,908
Land & Building	\$ 50,979,991	\$ 51,941,787
Furniture & Equipment	\$ 3,550,235	\$ 3,778,467
Share Insurance Deposit.....	\$ 12,154,400	\$ 11,453,899
Other Assets	\$ 35,219,713	\$ 33,404,679
Total Assets	\$ 1,545,057,149	\$ 1,410,512,603
Liabilities		
Member Deposits	\$ 1,317,393,148	\$ 1,238,950,687
Accounts Payable.....	\$ 2,327,067	\$ 9,570,183
Other Liabilities.....	\$ 8,780,671	\$ 12,985,576
Notes Payable	\$ 70,459,084	\$ 19,314,562
Total Liabilities	\$ 1,398,959,970	\$ 1,280,821,008
Equity		
Reserve & Undivided Earnings.....	\$ 146,097,179	\$ 129,691,595
Total Equity	\$ 146,097,179	\$ 129,691,595
Total Liabilities & Equity	\$ 1,545,057,149	\$ 1,410,512,603

Profit and Loss Statement

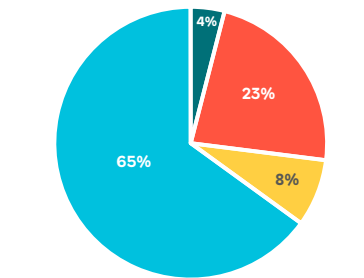
	December 31, 2018	December 31, 2017
Income		
Loans	\$ 50,536,636	\$ 42,207,674
Investments	\$ 3,113,336	\$ 3,185,192
Other Income	\$ 24,734,763	\$ 21,849,020
Total Income	\$ 78,384,735	\$ 67,241,887
Expense		
Dividends.....	\$ 6,283,733	\$ 4,706,963
Operations.....	\$ 54,334,822	\$ 51,658,859
Total Expenses	\$ 60,618,555	\$ 56,365,822
Net Operating Income	\$ 17,766,180	\$ 10,876,065
Net Income	\$ 17,766,180	\$ 10,876,065

*Statements of Financial Condition and Profit and Loss Statements are unaudited.

Total Assets

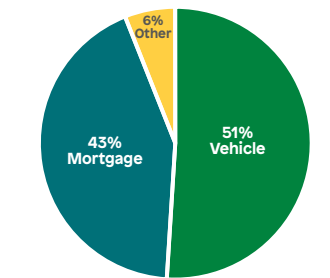


2018 Income Distribution



Provision Loan Loss 4%
 Net Income Reinvested 23%
 Dividends to Members 8%
 Investment in Operations 65%

2018 Loan Distribution



Loans Outstanding \$1,308,237,692
 Loans Funded 109,356

69th Annual Membership Meeting Minutes February 13, 2018 | 6:30 pm | A+FCU Main Branch

The 69th Annual Membership Meeting of A+ Federal Credit Union was held on February 13, 2018, at the main office, 6420 E. US 290 SVRD, Austin, TX. Members of Management present were Kerry Parker, Dennis Loftis, Rob Tomasino, John Demmler, OJ Gilder, and Rick Holley.

Pledge of Allegiance
 Kelsey Balcaitis and a child member lead the Membership in the Pledge of Allegiance.

Call to Order
 Chairman Lolly Guerra called the meeting to order at 6:35 pm.

Welcome & Introductions of Guests
 Dr. Guerra thanked everyone for attending the Annual Meeting and introduced the guests at the Head Table: Terry Lord, Treasurer; Georgia Johnson, Secretary; Lester Lindig, Director; Landon Spillmann, Director; Kerry Parker, CEO; and Cynthia Alvarado, Recording Secretary. David Torres, Vice Chairman and Dr. Joe Thedford, Director were unable to attend.

Approval of Minutes
 Chairman Guerra requested a motion to approve the minutes from the 68th Annual Meeting. Ms. Connie Breed made a motion to approve the minutes as posted and Mr. Henry Kennedy seconded the motion. The motion carried by a unanimous vote of the Membership.

Nominating Committee Report
 Dr. Guerra reported the Nominating Committee consisting of Dr. Craig Spinn, Dr. Rose Benitez, and Nancy K. Cowley, have nominated Terry Lord and Landon K. Spillmann. Since they are incumbents and the only candidates running for the two open positions, I declare by general consent that no election is required; the two are reinstated for another three-year term.

Chairman's Report
 Lolly Guerra, Chairman. In my opinion, we are living in uncertain times, and every day I'm always curious about what happened today, what I missed in the news, what big issue is going on. One thing that is comforting to me is to know that the credit union is still functioning, still sound, and still doing the best it can for its members. This is one thing of the few things that is going good right now, that I can count on. I know that if I need something I can run to the credit union and they're going to help me out with it regardless with what's going on in the nation or the world.

We had a very good 2017, our credit union has now grown to over 141,000 members and its assets exceed \$1.4 billion. We've come a long way from the little group of teachers that organized it 69 years ago, "in a closet." Last year, the credit union was able to give back \$1.6 million to our members in those nickels and dimes you get in Cash-Back Checking and we also gave back to our members over \$1 million dollars in PlusPoints – savings on your loans or credit towards your certificates.

One of the highlights last year was the opening of our branch at Akins High School; it's now the 5th high school branch. Our goal is education, but not only are we teaching financial literacy but also hoping that they will join the credit union at a young age and continue as members as they go on through their lives. So we were very happy to open a high school branch in Austin ISD.

And finally, we continue to award our scholarships every year, last year we gave away \$90,000. We will soon be very busy reading all the scholarship applications because we intend to give away another \$90,000. We know 2018 will be filled with challenges and we hope that the credit union is able to step up to the challenges; in fact I know we will.

Treasurer's Report
 Lolly Guerra introduced Terry Lord, Treasurer. We appreciate everyone coming out to attend the meeting in this gloomy weather. We have an ALM Committee that meets quarterly; members are: Terry Lord, Chairman, David Torres, Kerry Parker, Dennis Loftis, and John Demmler. Treasurer's report can be found in the Annual Report.

I just wanted to piggyback on what Dr. Guerra just said about the uncertain times we're going through right now, that you, being the owners of this credit union, can feel safe and secure knowing that everything is going great here. We at A+ are always striving to improve our member experience for you. We want to be accessible to you and we've tried to do that in various ways – by the internet, you still being able to call in, you can access us from your computers, there's lots of different ways, a lot of you like to come in and visit. Also we want to make lots of improvements to our branches; we've

seen improving those steadily. We want to provide products, services, and features that you want. If there's something you see that we're not doing, if you'll just send us a little email, send us a note and let us know, we can check into that to see how we can help you. Thank you so much for thinking of A+ first.

Supervisory Committee Report
 Terry Lord introduced Landon Spillmann, Chairman. The report is in the program. Recognized Dr. Gloria Williams in attendance. The other members are: Curtis Davidson, Kevin Klein, and Andy McBride. We meet monthly with our VP of Internal Audit, Mr. Rick Holley, and his staff. We go over the audits for the month, keep an eye on the people keeping an eye your money! Introduced representative from CliftonLarsenAllen, Mr. Dean Rohne.

CEO's Report
 Landon Spillmann introduced Kerry Parker, CEO. Terry and Lolly did an amazing job and share a lot of the great things going on at the credit union; I'm going to skim through a few things. Instead of being in the "I want it now zone," I think we are in the "I get it now zone." Everything is instantly done, constant news happening, never ending information in our palms, and I had no idea Amazon would deliver groceries on Christmas Eve! I hope you know that A+ Federal Credit Union is all about that relationship and what we really try to share with you and what we really try to do is be there for you. Lolly shared about us opening HS branches – we call them investments. We get to learn a lot and the students learn a lot from us too. It was awesome to see students lined up to get our debit card at Akins High the first day we opened the branch! That was an amazing feat!

Another stat – we hit \$1 billion in loans. We're challenging ourselves to continually look at how our members do business with us and do better business with us. Lolly shared with you that the Board challenged us several years ago to give \$1 million back to our members; we've done that and more this year.

It's been truly a blessing all of the relationships we have with all of you, all of the stories we get about helping our members, and all the amazing things we hear staff are doing, such as helping a single mother save \$800 per month or helping a mom with an autistic child get tickets to see Katy Perry. We are strong and sturdy, have been and always will be.

Our whole team is amazing – Dennis Loftis, EVP/CFO, along with Landon, making sure all the figures we give to Dean are correct; John Demmler, making sure we get loans that are good; Rob Tomasino, Chief Operations Officer, handling all the branches and all the staffing at the contact center; OJ Gilder, CIO, making sure all IT things work as they're supposed to and overseeing the Marketing department. Thank you Marketing crew for all your help with the annual meeting and annual report, we truly, truly appreciate it! None of it could be accomplished without all the hard work of the Board Members sitting here and the entire team of the credit union. Thank you very much for being here this evening.

Unfinished Business - None

New Business
 A member stated branches have signs that show to please take off your hat, finds that it doesn't happen at some of the branches. Dr. Guerra stated it is a policy for all branches to request removal of hats and sunglasses and will be addressed with staff.

Adjournment
 At 6:54 pm a motion to adjourn was made by Dr. Williams and seconded by Joan Baker; the motion carried by a unanimous vote of the membership.

Georgia L. Johnson

Georgia L. Johnson, *Secretary*

Lolly Guerra

Dr. Lolly Guerra, Ed.D., *Chair*

