

2019

Annual

Report



# Agenda

- Call to Order 6:30 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
- Adjournment

# 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. Landon K. Spillmann  
Dr. Craig Spinn, Ed.D.  
Dr. Gloria L. Williams, Ed.D.

# Officers

Mr. Eric R. Kase (*President/CEO*)  
Mr. Dennis Loftis, CPA (*EVP/CFO*)  
Mr. John Demmler (*CLO*)  
Mr. OJ Gilder (*CIO*)

# Supervisory Committee

Mr. Landon K. Spillmann (*Chair*)  
Dr. Tamey Williams-Hill, Ph.D. (*Secretary*)  
Ms. Toni L. Williams Davis



In 2019, we celebrated our 70th anniversary, and to honor the milestone, we hosted events and giveaways for credit union members and the communities we serve. Members had a lot of chances to win money throughout the year.

Each week, six random members were selected to win up to \$500. Through this giveaway, **we gave back nearly \$52,000** to adult and youth members. With Save to Win®, a prize-linked share certificate, **members won over \$92,600** in the national and A+FCU-only drawings.

We also hosted a Celebration Week from May 24 to May 31 at all of our branches to honor the date that A+FCU was founded. In addition to the branch celebrations, members who used their A+FCU debit card during that week were entered to win \$100. Seventy members were randomly chosen, for a **total giveback of \$7,000**.

As an organization, we know we wouldn't have made it 70 years without our employees. To honor those who work for the credit union, we began "I Am A+," a social media video series of employee interviews. We shared these weekly to showcase our culture, brand, and organization. No matter who it was, there was one thing they all agreed on – being in the Central Texas area for over 70 years is an honor.

We started a new program in 2019 called "A+ Gives" to donate our time and money to the Central Texas communities that have supported us for the past 70 years. We organized **over 70 different days** with acts of kindness and all employees were invited to volunteer.

Through this program, **we gave back over \$61,800 and 142 employees volunteered over 707 hours**. Organizations we worked with included the Central Texas Food Bank and their Mobile Food Pantries, Caritas of Austin, the North Travis County Community Center, PAWS Shelter of Central Texas, Williamson County Regional Animal Shelter, Carrying Hope, and the Hounds for Heroes program through the Dog Alliance. We also gave back to 58 schools, 12 Central Texas educators, and three local assisted living facilities.

As you go through the rest of the Annual Report, you'll see some of what we accomplished in 2019. Follow along with our 2020 A+ Gives program at [aplusfcu.org/gives](http://aplusfcu.org/gives) or on social media [@aplusfcu](https://www.instagram.com/aplusfcu).



**A+ Gives**

## February – Food

Donated \$14,153.88 towards paying off negative/overdue lunch balances.

## March – Transportation

Handed out 200 \$20 gift cards at various Central Texas gas stations.

# Chairman's Report

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I recently saw a quote by Benjamin Disraeli that said, "Change is inevitable. Change is constant." 2019 was not only a year of celebration, it was also a year of change. A+FCU celebrated 70 years of service to its members and also experienced a big change as we saw the retirement of Kerry Parker, after 20 years as CEO, and welcomed Eric R. Kase as the new CEO. 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. Despite changes in the organization, A+FCU continued to grow and serve over 166,000 members, with assets now exceeding \$1.7 billion.

During 2019, 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 returned over \$2.13 million to our members. In addition, our members benefited from over \$2.17 million in either savings on loans or increased earned dividends on share certificates through the PlusPoints rewards program.

The A+ Board continues its strong commitment to public education choosing to continue several initiatives benefiting both the K-12 community and higher education. Of special note is the Board's continued commitment to awarding scholarships as another \$100,000 in scholarships will be awarded in 2020. Our credit union's commitment to our communities is also evidenced through our staff's strong participation in countless community activities. These activities are too numerous to list, but the staff is to be commended for their commitment to the community.

As you can see, 2019 was another strong year for A+. While change is constant, the Board is committed to working to ensure that A+FCU remains strong in 2020 so that we can continue to "Bank on Each Other" to "Build Stronger Communities!"

Respectfully,

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

## April – Environment

Handed out \$3,500 worth of gift cards to shoppers at Great Outdoors Garden Center.

## May – Educators

Delivered cookies and snacks during Educator Appreciation Week (May 6-10).

# CEO's Report

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*To positively impact as many people as possible, in a meaningful way.* That is my personal mission statement. When I was offered the opportunity to join A+FCU in the role of President/CEO, I jumped at the chance to join a company where my personal mission aligned with that of the organization. Since I began in July 2019, I have seen how passionately our staff work to help our members achieve their financial goals, support education and financial literacy, and improve the communities we serve.

To honor our deep history of bringing good to our communities, we spent 2019 celebrating our 70th anniversary and kicked off a new program called "A+ Gives." Through this program, we've been able to give back in new and meaningful ways. As you browse the rest of the Annual Report, you'll see how we gave back and why we are proud of this amazing accomplishment.

Financially, A+ had another strong year and added 18,557 new members, grew deposits by 10.94%, and increased loans by 13.38%. We remain a safe, sound, and financially strong credit union with a net worth ratio of 9.85%. This allows us to continue to expand our products and services while maintaining a strong, professional workforce to serve our members.

Providing our members with the best service is always top-of-mind. We want our members to be engaged and benefit from their partnership with A+. We're proud that over 83% of our members think of A+ first for their financial needs.

In closing, I would like to extend my appreciation to you, our member/owners, for allowing A+ the opportunity to be your financial partner. We are grateful for your business and your support and we know that it is because of you that we continue to grow. I look forward to 2020 and showing you and our communities why A+ has been around for over 70 years.

Thank you,  
Eric R. Kase, President/CEO

## June & July – Housing

Held a hygiene drive and provided  
\$5,000 worth of supplies to Caritas of Austin.

## August – Back to School

Held a school supply drive and helped  
#ClearTheLists of 12 Central Texas educators.

# Treasurer's Report

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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 2019. In 2019 we continued to show growth in deposits of \$144,072,988, bringing our total shares to \$1,461,466,136. We also had an 8.18% growth of members this year, bringing our total membership to 166,559. 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 2020 if there are any changes or additions to the services our credit union provides, we will consider the financial needs of our members first.

A+FCU is always striving to improve our member experience, 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*

## September – Food

Volunteered at Central Texas Food Bank  
and handed out 350 \$20 gift cards at HEB.

## October – Animals

Covered adoption fees for 159  
animals at two local animal shelters.

# Supervisory Committee Report

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Your credit union's Supervisory Committee is composed of two member volunteers appointed by the Board of Directors and one Board member. The current members are Toni Williams Davis, Dr. Tamey Williams-Hill, and myself, Landon K. Spillmann. We meet monthly with the Internal Audit department to ensure management's financial reporting objectives have been met and that their practices and procedures adhere to Board policy, comply with NCUA regulations, and safeguard members' assets.

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, 2019, 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, we respond to member complaints when a member believes their issue was not resolved by management. 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*

## November – Thankful

Sponsored a service dog to assist a veteran with PTSD through Hounds for Heroes.

## December – Compassion

Purchased, wrapped, and delivered gifts to 55 residents at three assisted living facilities.

# 70th Annual Membership Meeting Minutes

## February 13, 2019 | 6:30 pm | AISD Performing Arts Center

The 70th Annual Membership Meeting of A+ Federal Credit Union was held on February 13, 2019, at the AISD Performing Arts Center, 1500 Barbara Jordan Blvd, Austin, TX 78723. Board Members present were Lolly Guerra, David Torres, Georgia Johnson, Terry Lord, Landon Spillmann, and Lester Lindig (arrived during meeting). Members of Management present were Kerry Parker, Dennis Loftis, John Demmler, OJ Gilder, and Rick Holley.

### **Pledge of Allegiance**

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

### **Volunteer Recognition Ceremony**

Chairman Guerra reported this year we are celebrating 70 years of service. The Board of Directors decided to invite and recognize past volunteers as a thank you for being a part of our history. Some of them may be present and some may not, but we will recognize their service.

### **Board of Directors:**

1965 – 1975	<i>Roland Johnson</i>	1996 – 2002	<i>Claire Jackson</i>
1974 – 1996	<i>Jacqueline Pleasants</i>	1996 – 1997	<i>Marian Richards</i>
1984 – 2004	<i>Joe D. Perez</i>	2000 – 2010	<i>Jan Key</i>
1985 – 2012	<i>Frank Partee</i>	2004 – 2009	<i>Brad Shaver</i>
1985 – 2015	<i>Sadie Smallwood</i>	2009 – 2018	<i>Joe Thedford</i>
1987 – 1996	<i>Sadie Raschke</i>		

### **Committee Volunteers:**

*Elizabeth Abrahams  
John Hester  
Curtis Davidson  
Kevin Klein  
Charles Munson*

*Karen Flourney  
Mark Rogers  
Robert Hernandez  
Dan Schroeder*

### **Call to Order**

Chairman Lolly Guerra called the meeting to order at 6:39 pm.

### **Welcome & Introductions of Guests**

Chairman Guerra thanked everyone for attending the Annual Meeting and introduced the guests at the Head Table: David Torres, Vice Chairman; Terry Lord, Treasurer; Georgia Johnson, Secretary; Lester Lindig, Director; Landon Spillmann, Director; Kerry Parker, CEO; and Cynthia Alvarado, Executive Assistant/Recording Secretary.

### **Approval of Minutes**

Chairman Guerra requested a motion to approve the minutes from the 69th Annual Meeting. Mrs. Jan Key made a motion to approve the minutes as posted and Dr. Fred Guerra seconded the motion. The motion carried by a unanimous vote of the Membership.

## **Nominating Committee Report**

Chairman Guerra introduced David Torres for the Nominating Committee report. On behalf of the Board, Mr. Torres thanked the Committee for taking time out of their busy schedule to get this done. Introduced the Committee: Nancy K. Cowley, Karen Flournoy, and Roger Douville. The Nominating Committee has recommended the following candidates: Dr. Lolly Guerra, Dr. Craig Spinn, and Dr. Gloria Williams. Since they were three incumbents and the only candidates running for the three open positions, I declare by general consent that no election is required; the three are reinstated for three-year term.

## **Chairman's Report**

Lolly Guerra, Chairman. When we were recognizing the former board members and volunteers, I purposely left one off because he was officially serving on the Board. Since we elected a new member, I would like to recognize Lester Lindig 1997 to the present 2019. Thank you very much for your service.

It is my pleasure as chair to deliver some comments tonight. It's exciting that we are celebrating 70 years of service to our members. A+ was founded on the core notion of the basis of credit unions which is a concern for the financial well-being of its members and the community. Since its origin in 1949, A+ has grown to serve close to 154,000 members. Our assets exceed \$1.5 billion. So think about it, 70 years if an awful long time. Many of the business giants that exists today have not been around 70 years. Google, Netflix, and Facebook are just approaching 20 years of existence. eBay and Amazon have only been around for 25 years and even Microsoft is only 41 years

old and Apple is 43 years old. So A+ has been around longer than all of those institutions.

So I decided to do a little research about what makes a business successful and what makes it go on so many years as A+ has. The characteristics I found common with these businesses: they have a way to operate efficiently and they provide reliable service. The business must continually adapt to the market and keep up with technology. An interesting fact that I found that I had never read before was that businesses invest money in continuing education for their employees. A+ has done all of those things.

A final item that I found is that there is always a succession plan for the leaders of the organization, in case you have resignation or retirement. I believe A+ is doing those things and the Board is committed in those efforts to ensure that A+ continues to succeed.

During 2018, we continued the multi-year trend of steady growth, increasing membership, net deposits, and loans. Our member rewards program returned \$1.8 million to our members and members benefited from close \$1.4 million through the PlusPoints Rewards Program. One of the things that the Board is most proud of is its continuing support for public education and the Board voted and committed to award \$100,000 in scholarships in 2019. So 2018 was another strong year for A+, we anticipate that 2019 will be as well.

However, it will be a year of transition. As you know or probably have heard, 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 the last 20 years has been a contributing factor to the financial strength of our credit union. Chairman Guerra presented Ms. Parker a token of appreciation. Thank you very much for your service, Kerry.

The Board began the process of succession planning over three years ago, because we knew this would be coming. We think we're ready for the transition, we'll soon come to the end of that process. Our goal remains to ensure that A+ remains strong in 2019 so that we can continue to bank on each other to build strong communities. Thank you very much for being here this evening.

### **Treasurer's Report**

Chairman Guerra introduced Terry Lord, ALM Committee Chair and Board Treasurer. Ms. Lord introduced the ALM Committee members: I serve as Chair, David Torres is also on the committee, Kerry Parker - CEO, Dennis Loftis - CFO, and John Demmler - CLO. The annual report contains the treasurer's report for you to review. We were having fun looking at the past pictures and I was thinking back to this handful of people that started what is now call A+ Federal Credit Union, how they must be looking down and just smiling so big thinking this what they started. It's unbelievable how we have grown to \$1.5 billion and over 153,000 members. Our Credit Union is always driving to improve our member service experience for you and it is our hope that you'll continue think of us first

when your financial needs arise. We thank you for being with us this evening.

### **Supervisory Committee Report**

Terry Lord introduced Landon Spillmann, Chairman. Mr. Spillmann recognized members of the Committee: Andrew McBride and Kevin Klein. Introduced our VP of Internal Audit, Rick Holley, and representative of our accounting firm CliftonLarsonAllen, Dean Rohne, who does our annual audit. Our report is also in the annual report for you to review.

### **CEO's Report**

Landon Spillmann introduced Kerry Parker, CEO. I was looking back to my first annual meeting that I attended which was in 2000. I remember it vividly, not because we had accomplished the whole Y2K scenario, which was an ordeal for all of us; I remember it because EMS had to come! I'm so glad EMS is not here and nor has EMS been in the last 19 meetings!

I, too, want to thank all of you for joining us tonight. It's awesome to have such a great recognition of volunteers who contributed their talents to making A+ Federal Credit Union what it is today. As Lolly mentioned those folks that gathered in Zilker Park in May 1949, along with all of you today, we celebrate you. We celebrate 70 years of passion, community, education, commitment, and trust.

Those words became alive with us when we asked staff, over 400 employees, what do members value, what brings them back, what keeps us around for 70 years? Those were the

words that were really predominant to our staff. We pledged community involvement, we are an organization with a focus to build stronger communities and we do that not just in dollars, but we do it in hours through programs. One of the many programs we do is Mad City Money. We provide life in a day scenario for school kids and teach them about what it is to save, to use a debit card, what happens when your debit card is compromised as well as help them understand what they should do with the money they could be earning when they get a job.

As Lolly already mentioned, we awarded scholarships and we also awarded \$77,000 in grants. Please let teachers you know of our grant program and it will be available soon.

Education is our foundation not only who we serve but how we educate our members, our staff, and the community. Commitment our number speaks for us all, how long we are here, and how well we've been able to grow. Trust doesn't happen overnight, but we know it can be broken in flash. We know that you value this trust and we work hard to keep it so we know we will be around for another 70 years and serve you.

We were excited to celebrate 2018, it was one of our most successful years. We are honored to share that success with you. As Lolly mentioned, in 2019, I will be celebrating 20 years with A+. When I came on board, we had just celebrated 50th anniversary. I would like to thank you for all of your support and the team especially during the last two decades. Thanks to the Marketing team with special mention for Brittany & Yolie for

overseeing the planning of the annual meeting.

Ms. Parker introduced and thanked the senior staff: Dennis Loftis EVP/CFO, John Demmler CLO, OJ Gilder CIO, and Tricia Lewis VP of HR. None of it could be accomplished without the hard work and dedication of the Board, the Committee Members, and the staff. Thank you and have a good night.

## **Unfinished Business - None**

## **New Business**

Lester Lindig requested a few minutes for a few words. I'm glad to have all you here tonight and we appreciate all of our members greatly, we couldn't be where we're at without you. I have volunteered for A+ Federal Credit Union for 35 years, first as a volunteer then 22 years as a Board member. It has been my privilege to serve with many talented board members, our CEO, and wonderful management team. All of this could not be possible without you, our members. I feel blessed to be a part of this great organization. Thank you!

## **Adjournment**

Chairman Guerra requested a motion to adjourn the meeting. A motion was made by Ms. Sadie Smallwood and seconded by Mr. David Lord, the motion carried by a unanimous vote of the membership. The meeting was adjourned at 6:58 pm.



Georgia L. Johnson, Secretary



Dr. Lolly Guerra, Ed.D., Chair

# Statement of Financial Condition

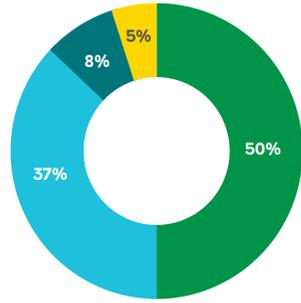
	December 31, 2019	December 31, 2018
<b>Assets</b>		
Loans .....	\$ 1,483,226,414	\$ 1,308,237,692
(Allowance for Loan Losses) .....	\$ (7,113,145)	\$ (7,325,699)
Cash.....	\$ 12,549,020	\$ 13,711,745
Investments.....	\$ 113,830,585	\$ 128,529,072
Land & Building .....	\$ 51,258,963	\$ 50,979,991
Furniture & Equipment .....	\$ 4,186,201	\$ 3,550,235
Share Insurance Deposit.....	\$ 13,057,950	\$ 12,154,400
Other Assets.....	\$ 38,625,005	\$ 35,219,713
<b>Total Assets.....</b>	<b>\$1,709,620,992</b>	<b>\$1,545,057,149</b>

<b>Liabilities</b>		
Member Deposits .....	\$ 1,461,466,136	\$ 1,317,393,148
Accounts Payable .....	\$ 4,623,281	\$ 2,327,067
Other Liabilities.....	\$ 9,140,492	\$ 8,780,671
Notes Payable.....	\$ 66,263,981	\$ 70,459,084
<b>Total Liabilities .....</b>	<b>\$ 1,541,493,890</b>	<b>\$ 1,398,959,970</b>

<b>Equity</b>		
Reserve & Undivided Earnings.....	\$ 168,127,102	\$ 146,097,179
<b>Total Equity.....</b>	<b>\$ 168,127,102</b>	<b>\$ 146,097,179</b>
<b>Total Liabilities &amp; Equity .....</b>	<b>\$1,709,620,992</b>	<b>\$1,545,057,149</b>



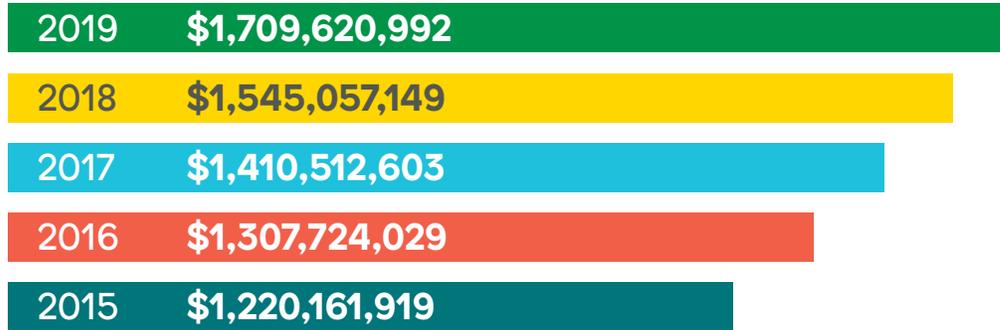
2019 Loan Distribution



Vehicle	<b>50%</b>	Loans Outstanding
Mortgage	<b>37%</b>	<b>\$1,483,226,414</b>
Commercial	<b>8%</b>	Loans Funded
Other	<b>5%</b>	<b>116,579</b>

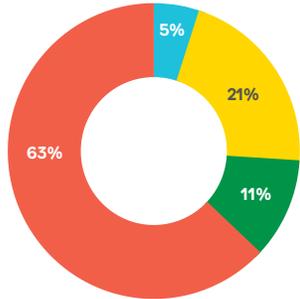


# Total Assets



**9.78%**  
Net Income Growth

## 2019 Income Distribution



Provision Loan Loss	5%
Dividends to Members	11%
Net Income Reinvested	21%
Investment In Operations	63%

## Profit and Loss Statement

	December 31, 2019	December 31, 2018
<b>Income</b>		
Loans .....	\$ 62,044,805	\$ 50,536,636
Investments .....	\$ 2,860,303	\$ 3,113,336
Other Income .....	\$ 25,889,458	\$ 24,734,763
<b>Total Income .....</b>	<b>\$ 90,794,565</b>	<b>\$ 78,384,735</b>
<b>Expense</b>		
Dividends.....	\$ 10,043,258	\$ 6,283,733
Operations.....	\$ 61,247,739	\$ 54,334,822
<b>Total Expenses .....</b>	<b>\$ 71,290,997</b>	<b>\$ 60,618,555</b>
<b>Net Income .....</b>	<b>\$ 19,503,568</b>	<b>\$ 17,766,180</b>

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

# 2019 Accomplishments and Highlights

# 318

Presentations  
to over 15,000  
attendees

## \$182,183

High school and ISD  
debit card giveback

## 18,557

New memberships

## \$144,072,988

Increase in  
member deposits

# 453

Employees

## \$614,143,129

New loan  
originations

# 5

**New SEGs added:**

- Austin Achieve Public Schools (Staff)
- Greater Austin Hispanic Chamber of Commerce (Staff & Members)
- Magnolia Montessori (Staff)
- Shalom Austin (Staff)
- Wayside Schools (Students)

# 83%

Of members  
think of A+ first

## \$2,175,516

Members saved  
with PlusPoints

# 70 Years

Serving Central Texas

# 2,938

Employee  
volunteer hours

**\$100,000**

In scholarships  
to 50 students

**150**

SEG and community  
events attended

**7**

Mad City  
Money  
events,  
reaching  
2,105  
students

**110**

Boy Scout  
Merit Badges  
earned

**2019  
FAVE Award  
Recipient**

**\$164,563,843**

Increase in asset size

**\$72,000**

Grants awarded  
to 79 educators

**\$70,000**

In prizes for  
Save to Win®

**\$2,131,300**

Cash back  
to members

**\$61,800**

Given through  
A+ Gives

**729**

Members  
attended two  
Shred Days

**Let's bank on each other<sup>®</sup>.**

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