

CEO’s Report

In this time of instant decisions, constant news and social feed updates, and grocery delivery within two hours, we realize that every moment counts. These moments shouldn’t be spent waiting on hold or in line or for something to download. They should be spent doing what you love with those that matter most.

Each moment we spend with our members is an opportunity for us to connect and make sure we’re meeting your needs.

That’s why we believe that banking isn’t just about a transaction – it’s about a relationship. The relationship we have with our members is what allows us to continue to grow and giveback. In 2017, we opened a new high school branch at Akins High School in AISD, reached \$1 billion in loans, and gave back a record of over \$3 million to our members and communities.

But even as we continue to grow, we also need to pause and evaluate. In 2017, we challenged ourselves to learn more about the “member journey”. To better understand this journey, we put on our “member glasses” as we reviewed many of our processes. We found that we’re not always user-friendly and that sometimes, banking with us is difficult. Because of this, we’re taking 2018 to focus on improving the member experience. Whether it’s in the branch, online, on your mobile device, or over the phone, we want you – our members – to find banking with A+FCU easy, convenient, and accessible.

A relationship is a two way street. By entrusting us with your finances, we’re able to give back to you, your community, and organizations that reflect who we are together. In 2017, A+ members received \$1.6 million via Cash-Back Checking and \$1 million through PlusPoints. Staff volunteered thousands of hours with hundreds of schools and community groups. We gave \$90,000 in scholarships to deserving students, \$80,000 in grants for educators to innovate and improve their teaching and schools, and over \$86,000 back to schools and districts with the affinity debit card program.

In 2018, we will continue to build upon our relationship by looking for ways to improve your experience and to make every moment count. We thank you for a great 2017 and look forward to an even better 2018.

Thank you,
Kerry A.S. Parker, CPA, CEO

Chairman’s Report

A new year always gives us new opportunities to build on the past accomplishments. It also provides us at least 365 chances to strengthen and enhance what has been built. During 2017, A+FCU grew to serve over 141,000 members and its assets now exceed \$1.4 billion. Our challenge during 2018 is to use every one of the 365 days to strengthen relationships with those 141,000+ members by enhancing the member experience while continuing the trend of steady growth in membership, net deposits, and loans.

If you’ve logged in to the A+ website lately, you may have noticed improvements in the look and functionality of the website as well as improved online banking services. This is just one example of the credit union striving to improve the member experience. We also continue to focus on building relationships as members visit each of our branches or use the services of the member contact center.

Our member rewards programs also continue to help us enhance the member experience. As of December 31, the cash back debit card rewards program had returned \$1.6 million to our members. In addition, our members benefited from close to \$1 million in either savings on loans or increased earned interest on share certificates through the PlusPoints program. The Board continues to wholeheartedly support these programs as they are of great benefit to our members.

During 2018, A+FCU will remain focused on its strong commitment to public education as it continues several initiatives benefiting both the K-12 community and higher education. In 2017 we celebrated the opening of a new high school branch at Akins High School in Austin. High school branches provide us the opportunity to begin building relationships with members at a young age. The Board is also committed to continuing the tradition of awarding scholarships with \$90,000 being awarded during 2018. Our credit union’s commitment to our communities continues to be evidenced through our staff’s strong participation in a number of community activities.

Without a doubt, 2018 will be filled with challenges. However, we prefer to look at 2018 as 365 opportunities to strengthen our relationships and enhance the member experience because every moment matters. Let us continue to work together to achieve great results!

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



Every moment matters.



2017 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
- Closing

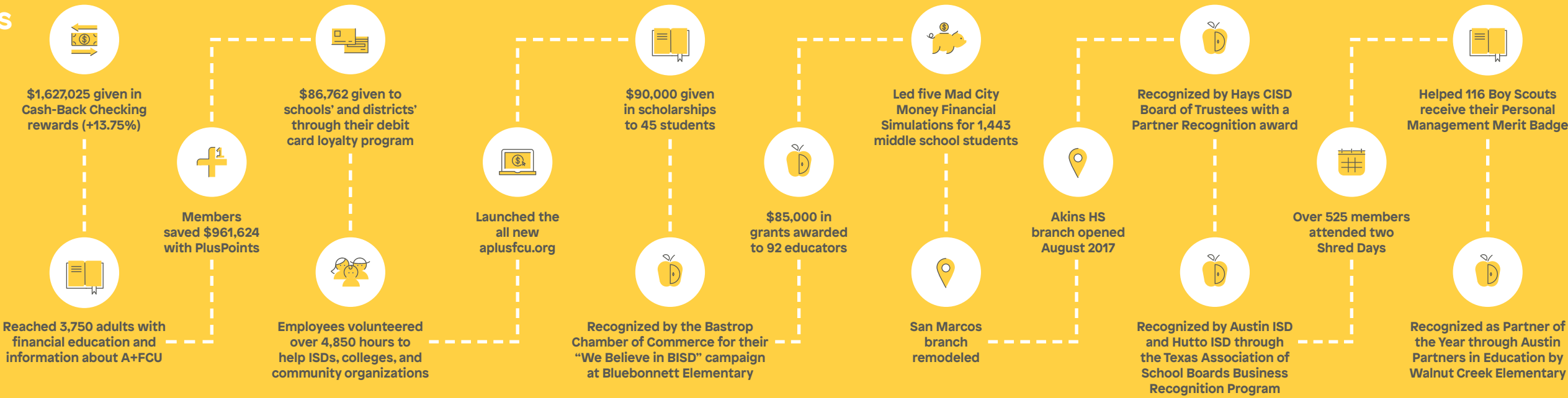
BOARD OF DIRECTORS
Dr. Adelaida “Lolly” Guerra, Ed.D. (*Chair*)
Mr. David U. Torres (*Vice Chair*)
Ms. Terry L. Lord (*Treasurer*)
Ms. Georgia L. Johnson (*Secretary*)
Mr. Lester L. Lindig
Mr. Landon K. Spillmann
Dr. Joe G. Thedford, Ph.D.

OFFICERS
Ms. Kerry A.S. Parker, CPA (*Chief Executive Officer*)
Mr. Dennis Loftis, CPA (*Executive Vice President, Chief Financial Officer*)
Mr. John Demmler (*Chief Lending Officer*)
Mr. OJ Gilder (*Chief Information Officer*)
Mr. Rob Tomasino (*Chief Operations Officer*)

SUPERVISORY COMMITTEE
Mr. Landon K. Spillmann (*Chair*)
Mr. Curtis Davidson
Mr. Kevin M. Klein
Mr. Andrew McBride
Dr. Gloria L. Williams, Ed.D.

2017 Accomplishments and Highlights

- Assets: \$1,410,512,603 **(+\$102,788,574)**
- Deposits: \$1,238,950,687 **(+\$64,492,232)**
- Loans: \$1,150,095,723 **(+\$190,631,843)**
- Members: 141,607 **(+8,637)**
- Branches: 22 (Akins HS branch opened August 2017)
- Employees: 413
- Reached over \$1 billion in loans
- New SEG added: Bastrop County Employees
- Reached **12,450** youth and young adults through financial education programs such as Youth Financial Camp, classroom presentations, Mad City Money, online financial education curriculum, and more



68th Annual Membership Meeting Minutes

February 8, 2017 | 6:30 pm | A+FCU Main Branch

The 68th Annual Membership Meeting of A+ Federal Credit Union was held on February 8, 2017, at the main office, 6420 Hwy. 290 E, Austin, Texas. Board Members present were Lolly Guerra, David Torres, Terry Lord, Lester Lindig, and Landon Spillmann. Joe Thedford was absent and Georgia Johnson arrived during the meeting. Members of Senior 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 6:31 pm.

Welcome & Introductions of Guests

Dr. Guerra thanked everyone for attending the Annual Meeting and introduced the guests at the Head Table: David Torres, Vice Chairman; Terry Lord, Treasurer; Lester Lindig, Director; Landon Spillmann, Director; Kerry Parker, CEO; and Cynthia Alvarado, Recording Secretary. Dr. Joe Thedford, Director, was unable to attend and Georgia Johnson, Secretary, is on her way, she was detained.

Approval of Minutes

Chairman Guerra requested a motion to approve the minutes from the 67th Annual Meeting. Dr. Gloria Williams made a motion to approve the minutes as posted and Olga Milk seconded the motion. The motion carried by a unanimous vote of the Membership.

Nominating Committee Report

Dr. Guerra reported the nominating committee has nominated Georgia L. Johnson and David Torres. 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

Dr. Guerra stated it's been a great year 2016 with the credit union. We've come a long way from the original group of since 50 teachers who met at Zilker Park and decided teachers needed a credit union to serve their financial needs. We are serving over 133,000 members and our assets now exceed \$1.3 billion. We serve 133,000 at 21 branches and we opened our newest branch in Northwest Hills. We are taking a break building branches; a lot of our members do everything online. Our member surveys that ask what our members need, tell us members still want branches, and the Board is going to study that for a while before we add new branches. Even though we're taking a break, we're still opening the new Akins high school branch.

Our member rewards program has been great this year, 55,000 members earned \$1.4 million cash-back rewards. Another \$1.5 million benefitted our members either in savings to their loans or interest on their accounts through PlusPoints program. We continue to try to reward our members and find ways that will benefit them for being a member of the credit union. Not only do want to reward our members, we're also active in our community, gave back \$375,000 in donations this past year, we gave \$76,000 in scholarships either to high school seniors and collegiate; the board's commitment to education was again reinforced when we decided to increase the amount in 2017 to \$90,000.

A short film from National Association of Federal Credit Unions was viewed. Our theme this year is "Let's Bank on Each Other."

Treasurer's Report

Terry Lord stated we have an ALM Committee that meets on quarterly basis: David Torres, Kerry Parker, Dennis Loftis, and John Demmler. Treasurer's report can be found in the Annual Report. We had a wonderful year. There are always challenges to face, you may have heard on the news that Austin was voted the #1 place to live. With that being said, 2017 will bring on more challenges for us but with Ms. Parker and her magnificent team I think we're going to have another fabulous year. I want to thank all of you that have come this evening, you are our loyal

members and we want you, whenever you're thinking of financial needs that you have or questions you have, or you will always think of A+ first.

Supervisory Committee Report

Landon Spillmann introduced one of the committee members in attendance Dr. Gloria Williams. Mr. Spillmann indicated the supervisory committee report is located in the program. Mr. Spillmann also introduced Rick Holley, VP of Internal Audit.

CEO's Report

Kerry Parker introduced Ben Coleman with A+ Wealth Management; stated anytime you need investments the credit union can't specifically provide Ben and his staff can help you.

Ms. Parker began with "Let's Bank on Each Other..."

A+ Federal Credit Union is a financial cooperative, we are owned by you, run by volunteers, voted on by you, and share our profits and benefits with you. We bank on each other for success.

Some of you may be taken aback that we have begun to use "bank" in our advertising. Let's take a look at the word bank for a minute, several meanings come to mind, to build an upward slope as in a snow bank; a special storage place, like a blood bank; the most obvious an institution for receiving, lending, exchanging, and safeguarding money; transacting financial business; and the last, to count on, depend on.

As a credit union, we continually strive to show the difference between a credit union and a bank – I like to think a credit union, your credit union, encompasses all of these definitions for better banking. We strive to move upward and build on growth, stability, products, services, and relationships. We are a special storage place – of knowledge provided by welcoming, personal, caring staff to help you and your family on your financial journey. And yes, we transact financial business. I cannot tell you how many people in the community look at my debit card, or a logo shirt and say, "that's my bank!" with a smile on their face. Just the other day, I had a member, a 40-year retired teacher, give me a big hug when I responded to her question about what I did at A+. Which brings me to the most important part of A+ Federal Credit Union; our members bank on us, depend on us, count on us, to be here when they buy that first car, get the keys to that new home, or in 20 years from now when they are ready to open their grandkids' Green Apple accounts.

As a cooperative we lean on each other, we have grown, as have you. Making sure you think of A+ first and allowing us the opportunity to serve you with as many financial products to help you achieve your dreams is our vision. Through working together, we all become stronger. When I say all, I am very proud to say it is not just you, our members; it is us, our community. Banking on each other isn't just what we do, it is who we are.

At this time Ms. Parker acknowledged the Marketing team.

Ms. Parker also introduced the Executive Staff. Ms. Parker reminded not only do we have scholarships; we also have the A+ Education Foundation for grants. Thank you for coming this evening.

Georgia Johnson arrived.

Unfinished Business - None

New Business - None

Adjournment

A motion by Dr. Williams and seconded by Shirley Paz the motion carried by a unanimous vote of the Board.

Georgia Johnson, Secretary

Lolly Guerra, Ed.D., Chair

Statement of Financial Condition

Assets	December 31, 2017	December 31, 2016
Loans.....	\$ 1,150,095,723	\$ 959,463,880
(Allowance for Loan Losses).....	\$ (7126,023)	\$ (5,984,805)
Cash	\$ 11,382,163	\$ 11,430,050
Investments.....	\$ 155,581,908	\$ 244,624,074
Land & Building	\$ 51,941,787	\$ 52,006,084
Furniture & Equipment	\$ 3,778,467	\$ 3,765,522
Share Insurance Deposit	\$ 11,453,899	\$ 10,663,997
Other Assets.....	\$ 33,404,679	\$ 31,755,226

Total Assets..... \$ 1,410,512,603 \$ 1,307,724,029

Liabilities

Member Deposits	\$ 1,238,950,687	\$ 1,174,458,455
Accounts Payable	\$ 9,570,183	\$ 4,386,910
Other Liabilities	\$ 12,985,576	\$ 10,371,334
Notes Payable	\$ 19,314,562	\$
Total Liabilities	\$ 1,280,821,008	\$ 1,189,216,700

Equity

Reserve & Undivided Earnings	\$ 129,691,595	\$ 118,507,329
Total Equity.....	\$ 129,691,595	\$ 118,507,329

Total Liabilities & Equity \$ 1,410,512,603 \$ 1,307,724,029

Profit and Loss Statement

	December 31, 2017	December 31, 2016
Income		
Loans.....	\$ 42,207,674	\$ 38,808,080
Investments.....	\$ 3,185,192	\$ 3,161,470
Other Income.....	\$ 21,849,020	\$ 19,814,224
Total Income.....	\$ 67,241,887	\$ 61,783,775

Expense

Dividends	\$ 4,706,963	\$ 4,578,338
Operations	\$ 51,658,859	\$ 48,295,606
Total Expenses.....	\$ 56,365,822	\$ 52,873,944

Net Operating Income \$ 10,876,065 \$ 8,909,831

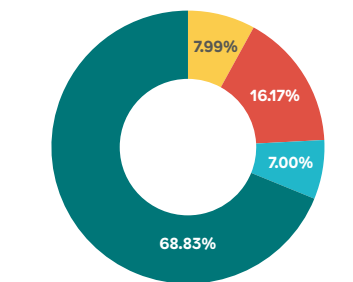
Net Income..... \$ 10,876,065 \$ 8,909,831

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

Total Assets

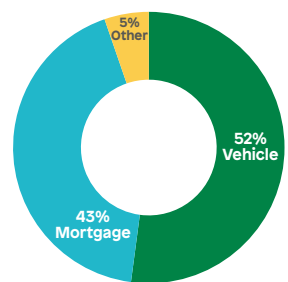
2017	\$1,410,512,603
2016	\$1,307,724,029
2015	\$1,220,161,919
2014	\$1,128,845,121
2013	\$1,062,461,853

2017 Income Distribution



Provision Loan Loss 7.99%
Net Income Reinvested 16.17%
Dividends to Members 7.00%
Investment In Operations 68.83%

2017 Loan Distribution



Loans Outstanding
\$1,150,095,723
Loans Funded
107,007

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 this past year. You will find this information in the Annual Membership Report. In 2017 we continued to show growth in deposits of \$64,492,232, bringing our total shares to \$1,238,950.687. We also had a 6.50% growth of members this year, bringing our total membership to 141,607.

The strength of our credit union and our hard working management team and staff help us to grow our total assets here at A+FCU. In 2018, 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.

We here at A+FCU are always striving to improve our member experience for you by increasing member access, making physical improvements to our branches. We want to provide 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

Your credit union's Supervisory Committee is composed of four 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. This year's members are Curtis Davidson, Kevin M. Kline, Andrew McBride, Dr. Gloria Williams, 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, 2017, 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*