

# 2020

## 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
- President/CEO's Report
- Unfinished Business
- New Business
- Adjournment of Business Meeting
- Prize Drawings
- Adjournment



*AHS branch stress ball teacher delivery.*



*Contact Center making masks for staff.*



*San Marcos branch Spirit Day.*

## Board of Directors

- Dr. Craig Spinn, Ed.D., *Chairman*
- Mr. Landon K. Spillmann, *Vice Chairman*
- Dr. Gloria L. Williams, Ed.D., *Treasurer*
- Dr. Adelaida "Lolly" Guerra, Ed.D., *Secretary*
- Ms. Terry L. Lord, *Director*
- Mr. Cedric T. Menchion, *Director*
- Mr. Jeremy M. Polansky, *Director*

## Officers

- Mr. Eric R. Kase, *President/CEO*
- Mr. Dennis Loftis, CPA, *EVP/CFO*
- Mr. John Demmler, *CLO*
- Mr. OJ Gilder, *CIO*
- Ms. Michelle Peterson, *CMXO*

## Supervisory Committee

- Dr. Tamey Williams-Hill, Ph.D., *Chairperson*
- Ms. Terry Lord, *Secretary*
- Mr. Jamie Dougherty, *Member*
- Ms. Toni L. Williams Davis, *Member*

A black and white photograph of three women on a construction site. They are standing on a wooden structure, possibly a foundation or formwork, and are celebrating. The woman on the left has her arms raised in a 'V' shape. The woman in the middle is also celebrating with her arms raised. The woman on the right is holding a shovel. They are all wearing face masks and work clothes. The background shows a construction site with a fence and trees.

**“The best method of overcoming  
obstacles is **the team method.**”**

**Colin Powell**

*The House That Credit Unions Built team build.*

# Chairman's Report

Credit unions are built on the idea of serving people and supporting communities as not-for-profit financial cooperatives. Founded in 1949 by a group of teachers seeking to steward each other's financial resources, A+FCU remains committed to the principles of providing safety, mutual benefit, education, and support for members and their banking and financial needs. A+FCU members and employees live this commitment every day. It has enabled A+FCU to grow into one of the largest credit unions in Texas. I am happy to report that our membership has grown 2.68% this year to 171,024 members with over \$1.76 Billion in deposits and \$2.09 Billion in total assets.

The Board remains committed to supporting members with products and services that bring value and help them reach their financial goals. In 2020, members earned \$2.21 Million from the Cash-Back Checking program. The PlusPoints Member Loyalty program provided over \$1.24 Million in benefits to members via savings from lower loan rates or increased earnings on dividends on share certificates. We also supported members with over \$655 Million in loan originations, as well as increased security and improved the member experience via expanded online and mobile banking services.

**“A+FCU remains committed to the principles of providing safety, mutual benefit, education, and support for members...”**

Community service and education are in our DNA. A+FCU continues to provide a number of financial education and literacy programs including a virtual Youth Financial Camp, programs

for Boy Scouts and Girl Scouts, and more. In 2020, A+FCU provided 50 scholarships totaling \$100,000 to high school graduates pursuing higher education as well as those pursuing advanced degrees. Additionally, we gave back over \$195,800 to participating schools and districts via our custom debit card program.

The global pandemic brought unprecedented challenges to the credit union. Maintaining banking and financial services was essential for our members, and providing a safe environment for our team to work was paramount. Our President/CEO, Eric R. Kase, and the Senior Leadership team worked tirelessly to meet needs and adjust plans. They did an outstanding job overcoming the numerous challenges presented by the pandemic. On behalf of the Board, I want to thank Mr. Kase, the Leadership team, and every A+FCU employee for your hard work, dedication, creativity, and flexibility in meeting these challenges. Your service during this unprecedented circumstance is commendable. You have the heartfelt gratitude of the Board. Thank you.

As you can see, a lot of good was accomplished in 2020. The Board has established ambitious goals for 2021 and we remain committed to seeing A+FCU stay financially strong and continuing to provide excellent member service. Let's bank on each other for a happy, healthy, and prosperous 2021.

Respectfully,  
Dr. Craig Spinn, Ed.D.  
*Chairman of the Board*



# Treasurer's Report

From the vision of fifty teachers on March 31, 1949, with then-assets of \$435.50, A+ Federal Credit Union, formerly named Austin Area Teachers Federal Credit Union, has become an award-winning financial institution in the Greater Austin community as well as in the state of Texas. Today, with the commitment of a growing membership of 171,024 members as well as a dedicated and forward-thinking staff of 438, A+FCU is now a \$2 Billion+ financial institution.

In 2020, deposits grew by \$300,790,988, bringing our total shares to \$1,762,257,124. The strength of our credit union and its potential for future growth is presented to you in the Statement of Financial Condition.

A+FCU is committed to strengthening and improving our member relationships through educational tools, increased brand awareness, and infrastructure improvements.

As a 46-year member and volunteer representing each of you, know that I am truly #APlusFCUProud!

Sincerely,  
Dr. Gloria L Williams, Ed.D.  
Treasurer



LTISD 2020 Q1 and Q2 Cash-Back Checking reward check presentation.

# Supervisory Committee Report

Your Supervisory Committee is comprised of three A+ Federal Credit Union members appointed by the Board of Directors in addition to a member of the Board. This year's Supervisory Committee includes Dr. Tamey Williams-Hill, Ms. Toni L. Williams Davis, and Mr. Jamie Dougherty. Ms. Terry L. Lord serves as the Board's representative. The Supervisory Committee meets monthly and works in concert with the Internal Audit Department which conducts a variety of operations audits to ensure the credit union's management practices and procedures adhere to Board policy, comply with NCUA regulations, and safeguard members' assets. This year, we introduced learning opportunities for ourselves that are centered around diversity, equity, and inclusiveness.

In order to ensure management is adhering to policy and regulations, an external audit is conducted annually. This year's audit was conducted by CliftonLarsonAllen LLC, an independent CPA firm. The auditors found that the credit union's financial statements fairly represent the financial position of A+ Federal Credit Union.

In addition to ensuring practices and procedures are adhered to, the Supervisory Committee responds to member complaints when a member feels that management or staff has not resolved a concern. As a member of the credit union, you can mail your complaint to the committee using the address below:

A+ FCU Supervisory Committee  
P.O. Box 15102  
Austin, TX 78761

The Supervisory Committee appreciates the confidence and trust you place in us to protect your assets, resolve your complaints, and work toward improving the day-to-day operations of A+ Federal Credit Union.

With gratitude,  
Dr. Tamey Williams-Hill, Ph.D.  
*Supervisory Committee Chairperson*



RRHS branch - Operation Blue Santa.



HS branches - Backpack Friends event.

# President/CEO's Report

As we look back on the past year, there is little doubt that it was one to remember. Despite the challenges, A+FCU had a strong, safe, and successful year and I cannot help but feel incredibly thankful for our members, our staff, and our communities.

The pandemic presented a number of new challenges to our credit union. It demanded a shift in our operations to ensure the health and safety of both our members and our staff. We were one of the first local financial institutions to close our lobbies and expand our drive-thru services. We transitioned almost 70% of our office staff to work remotely. We retrofitted protective shields and enacted a number of health and cleaning procedures that allowed our branch lobbies to reopen for appointments.

Not only did the pandemic demand an operational shift, but it also called upon us to rise up and support our members and communities in tough times. In 2020, we assisted members with loan modifications, payment extensions, waived fees, and special loans. We helped over 360 local businesses stay in business and keep their staff employed with over \$10 Million in funding through the Paycheck Protection Program.

We also celebrated a number of milestones in 2020. As a credit union, we surpassed \$2 Billion in assets in late fall. In June, we marked \$10 Million given back to members through our Cash-Back Checking account since the program began in 2007. The A+ Education Foundation marked over \$1 Million in grants to Central Texas educators since the grant program began in 2005. These milestones mean so much to us as we celebrate the impact we've had on our members and our communities.

**“I'm grateful for the support and patience of our members as we continue to adapt to the new business 'normal'”**

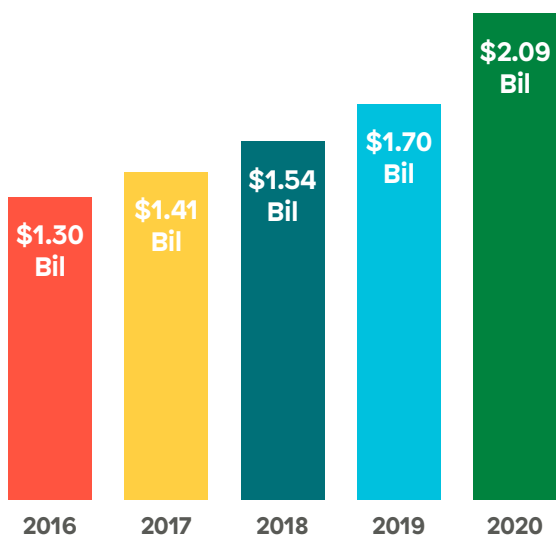
As an organization, we continued our tradition of giving back through a number of philanthropic activities. Working with other Austin-area credit unions and Austin Habitat for Humanity, we built a home for a well-deserving community member. Our scholarship program awarded \$100,000 in scholarships to 50 local high school and college students and the A+ Education Foundation grant program awarded over \$126,000 to 91 Central Texas educators. Through our A+ Gives program, we partnered with a number of organizations, including the Austin Diaper Bank, Soldiers' Angels, Central Texas Food Bank, Caritas of Austin, Hounds for Heroes, Austin Junior League's Food In Tummies Program, and others to offer financial assistance, donations, and volunteer time.

I begin 2021 truly grateful. I'm grateful for the support and patience of our members as we continue to adapt to the new business 'normal'. I'm grateful for the resilience and dedication to success shown by our entire A+ Team, the Board of Directors, and the Supervisory Committee. And I'm grateful to be in a position to support our members, our team members, and the communities we serve. We are truly better together.

Thank you,  
Eric R. Kase  
President/CEO

# Statement of Financial Condition

	December 31, 2020	December 31, 2019
<b>Assets</b>		
Loans .....	\$ 1,570,039,199	\$ 1,483,226,414
(Allowance for Loan Losses) .....	\$ (9,483,510)	\$ (7,113,145)
Cash.....	\$ 12,824,207	\$ 12,549,020
Investments.....	\$ 368,712,135	\$ 113,830,585
Land & Building .....	\$ 50,443,634	\$ 51,258,963
Furniture & Equipment .....	\$ 3,454,083	\$ 4,186,201
Share Insurance Deposit.....	\$ 15,277,844	\$ 13,057,950
Other Assets.....	\$ 81,135,962	\$ 38,625,005
<b>Total Assets.....</b>	<b>\$ 2,092,403,552</b>	<b>\$ 1,709,620,992</b>
<b>Liabilities</b>		
Member Deposits .....	\$ 1,762,257,124	\$ 1,461,466,136
Accounts Payable .....	\$ 13,138,223	\$ 4,623,281
Other Liabilities.....	\$ 14,343,997	\$ 9,140,492
Notes Payable.....	\$ 108,013,202	\$ 66,263,981
<b>Total Liabilities .....</b>	<b>\$ 1,897,752,546</b>	<b>\$ 1,541,493,890</b>
<b>Equity</b>		
Reserve & Undivided Earnings.....	\$ 194,651,007	\$ 168,127,102
<b>Total Equity.....</b>	<b>\$ 194,651,007</b>	<b>\$ 168,127,102</b>
<b>Total Liabilities &amp; Equity .....</b>	<b>\$ 2,092,403,552</b>	<b>\$ 1,709,620,992</b>



**Total Assets**

**26.54%** Net Income Growth

**22.39%** Asset Growth

**20.58%** Deposit Growth

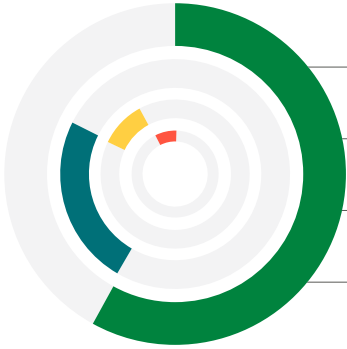
**15.78%** Equity Growth

**5.85%** Loan Growth

**Year-Over-Year Growth**



# 2020 Income Distribution



Investment in Operations	<b>58%</b>
Net Income Reinvested	<b>24%</b>
Dividends to Members	<b>10%</b>
Provision Loan Loss	<b>8%</b>

With PlusPoints,  
members:

Saved **\$1,005,324**  
on loans

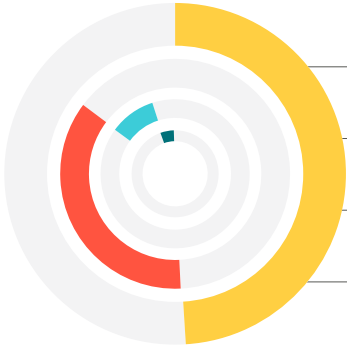
Earned **\$232,753**  
more on certificates

# Profit and Loss Statement

	December 31, 2020	December 31, 2019
<b>Income</b>		
Loans .....	\$ 68,555,695	\$ 62,044,805
Investments .....	\$ 1,733,444	\$ 2,860,303
Other Income .....	\$ 34,443,885	\$ 25,889,458
<b>Total Income .....</b>	<b>\$ 104,733,024</b>	<b>\$ 90,794,565</b>
<b>Expense</b>		
Dividends.....	\$ 10,676,850	\$ 10,043,258
Operations.....	\$ 69,376,247	\$ 61,247,739
<b>Total Expenses .....</b>	<b>\$ 80,053,097</b>	<b>\$ 71,290,997</b>
<b>Net Income .....</b>	<b>\$ 24,679,927</b>	<b>\$ 19,503,568</b>

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

# 2020 Loan Distribution



Vehicle	<b>49%</b>
Mortgage	<b>36%</b>
Commercial	<b>10%</b>
Other	<b>5%</b>

Loans Outstanding  
**\$1,570,039,199**

Loans Funded  
**103,912**

# 71st Annual Membership Meeting Minutes

## February 12, 2020 | 6:30 pm | A+FCU Main Branch

The 71st Annual Membership Meeting of A+ Federal Credit Union was held on February 12, 2020, at the main office, 6420 E. US 290 SVRD, Austin, TX. Board Members present were Dr. Lolly Guerra, David U. Torres, Terry L. Lord, Georgia L. Johnson, Landon K. Spillmann, Dr. Craig Spinn, and Dr. Gloria L. Williams. Members of Senior Management present were Eric R. Kase, 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.

### **Call to Order**

Chairman Dr. Lolly Guerra called the meeting to order at 6:30 pm.

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

Chairman Guerra thanked everyone for attending the Annual Meeting and introduced the guests at the Head Table: David U. Torres, Vice Chairman; Terry L. Lord, Treasurer; Georgia L. Johnson, Secretary; Landon K. Spillmann, Director; Dr. Craig Spinn, Director; Dr. Gloria L. Williams, Director; Eric R. Kase President/CEO; and Cynthia Alvarado, Recording Secretary.

### **Approval of Minutes**

Chairman Guerra requested a motion to approve the minutes from the 70th Annual Meeting. A Member made a motion to approve the minutes as posted and another Member 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 work on the Committee. He then introduced the Committee including Nancy K. Cowley as Chairman, Karen Flournoy, and Georgia L. Johnson. The Nominating Committee has recommended the following candidates: Cedric T. Menchion and Jeremy M. Polansky. Since there are two candidates for two open positions, I declare by general consent that no election is required. They are both instated for a three-year term.

### **Chairman's Report**

Lolly Guerra, Chairman said it is my pleasure as Chair to deliver some comments tonight.

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!"

### **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 U. Torres, Eric Kase, Dennis Loftis and John Demmler serve on the Committee. The annual report contains the Treasurer's Report for you to review. I am honored to report the financial results for 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.

### **Supervisory Committee Report**

Terry Lord introduced Landon Spillmann, Chairman. Mr. Spillmann recognized members of the Supervisory Committee: Dr. Tamey Williams-Hill as Secretary, Toni L. Williams Davis and myself, Landon K. Spillman. Mr. Spillman introduced Internal Audit CPA Chris Garcia, Senior Director at CliftonLarsonAllen, who does our annual audit, and Rick Holley, Vice President Internal Audit at A+FCU. Our report is also in the annual report for you to review. 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. 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.

### **CEO's Report**

Landon Spillmann introduced Eric Kase, President/CEO. Mr. Kase introduced and thanked the

A+FCU Executive Team including Dennis Loftis, EVP/CFO; John Demmler, CLO; OJ Gilder, CIO; Tricia Lewis, VP HR, who was unable to attend. He thanked the many staff volunteers who planned and helped with the Annual Meeting.

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, our commitment to building stronger communities, and why we are proud of this amazing accomplishment.

Financially, A+ had another strong year and added 18,557 new members, grew deposits by 11%, and increased loans by over 13%. 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.

Mr. Kase brought back Chairman Guerra.

## Unfinished Business - None

### New Business

Chairman Guerra recognized the contributions and volunteer service of Georgia Johnson and David Torres and presenting them each with a statuette to thank them for serving on the Board of Directors.

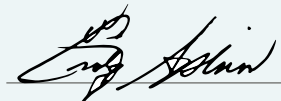
Craig Spinn then spoke about the valuable contributions made by Chairman Guerra and presented her with a plaque to honor her years as Board Chair.

### Adjournment

Chairman Guerra requested a motion to adjourn the meeting. A motion was made by a Member and seconded by another Member. The motion carried by a unanimous vote of the Membership. The meeting was adjourned at 7:00 pm.



Dr. Lolly Guerra, Ed.D., Secretary



Dr. Craig Spinn, Ed.D., Chair





“Alone we can do so little;  
**together** we can do so much.”

Helen Keller

*International Credit Union Day neighborhood parade.*

# We Are A+FCU

## 2020 Accomplishments and Highlights

It's safe to say that 2020 was unexpected and unusual for us all. We owe a successful year to our members, and we're so thankful we could come together as a community to support one another. We look forward to what 2021 holds for us as a credit union and for you, our members.

Here's what we accomplished together in 2020.

# 80%

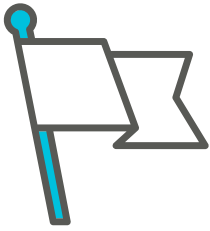


Think A+ First



# 438

Employees



# \$2.09B

Asset  
milestone  
reached



New loan  
originations

# \$655,448,258

# \$1 Million



Total A+ Education Foundation grant milestone reached in July 2020. Over 1,000 educators have received grants since 2005, including \$126,000 given to 91 educators in 2020.

Increase in  
members



# 2.68%



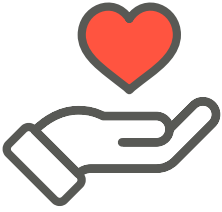
# \$10 Million

Total Cash-Back Checking rewards milestone reached in June 2020, with \$2.21M given in 2020 alone.

# 1,092



Staff  
volunteer  
hours



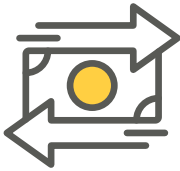
Partnered with local non-profits for **A+ Gives** including:

- Austin Diaper Bank
- Caritas of Austin
- Central Texas Food Bank
- Hounds for Heroes
- Williamson County Children's Advocacy Center

**\$300,790,988**



Increase in member deposits



**\$1,238,077**

Amount members saved and earned with the **PlusPoints Member Loyalty** program.

Scholarships awarded to 50 recipients



**\$100,000**

**2**

**New SEGs added:**

- Liberty Hill ISD Students
- Central Texas Allied Health Institute Staff & Students



**Awards and recognition**

**20th Annual Greater Austin Business Awards** – Customer Experience Award (Large Category)

**Austin Gives Generous Business Awards** – Large Business Category Winner

**Desjardins Youth and Adult Financial Education Award** – First Place, Cornerstone Region

**Dora Maxwell Social Responsibility Community Service Award** – Second Place, Cornerstone Region

**Forbes' Best-In-State Credit Unions** for 2020

**MemberXP 2020 Best of the Best Award**

**Passageways Best Engagement Award**



**\$29,675**

In prizes for **Save to Win®**

**54**



Community Education **events** reaching **3,256**

**Over \$195,000**



Given to participating high schools and school districts through the **school spirit debit card** program.

**102**

Scouts earned **Merit Badges** through our **FinEd** program.





*Volunteering at Austin Diaper Bank (pre-COVID).*