

Statement Of Financial Condition

Assets	December 31, 2012	December 31, 2011
Loans	\$599,498,396	\$548,885,090
(Allowance for Loan Losses)	\$(2,423,369)	\$(2,581,937)
Cash	\$11,132,138	\$9,497,882
Investments	\$301,343,172	\$282,096,236
Land & Building	\$37,258,025	\$31,417,706
Furniture & Equipment	\$3,507,639	\$3,058,092
Share Insurance Deposit	\$8,330,004	\$7,536,902
Other Assets	\$27,045,585	\$25,820,065
Total Assets	\$985,691,590	\$905,730,036
Liabilities		
Accounts Payable	\$3,399,174	\$1,170,712
Other Liabilities	\$7,216,404	\$6,314,584
Total Liabilities	\$10,615,578	\$7,485,296
Equity		
Member Deposits	\$889,631,982	\$821,871,959
Reserves & Undivided Earnings	\$85,444,030	\$76,372,781
Total Equity	\$975,076,012	\$898,244,740
Total Liabilities & Equity	\$985,691,590	\$905,730,036

Profit & Loss Statement

Income	December 31, 2012	December 31, 2011
Loans	\$30,985,407	\$29,333,889
Investments	\$2,853,786	\$4,139,003
Other Income	\$13,083,701	\$11,284,568
Total Income	\$46,922,894	\$44,757,460
Expense		
Dividends	\$5,809,696	\$6,660,834
Operations	\$32,082,486	\$28,875,221
Member Insurance	\$23,803	\$15,292
Total Expenses	\$37,915,985	\$35,551,347
Net Operating Income	\$9,006,909	\$9,206,113
NCUA Assessment	\$791,350	\$1,884,226
Net Income	\$8,215,559	\$7,321,887

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

CEO's Report

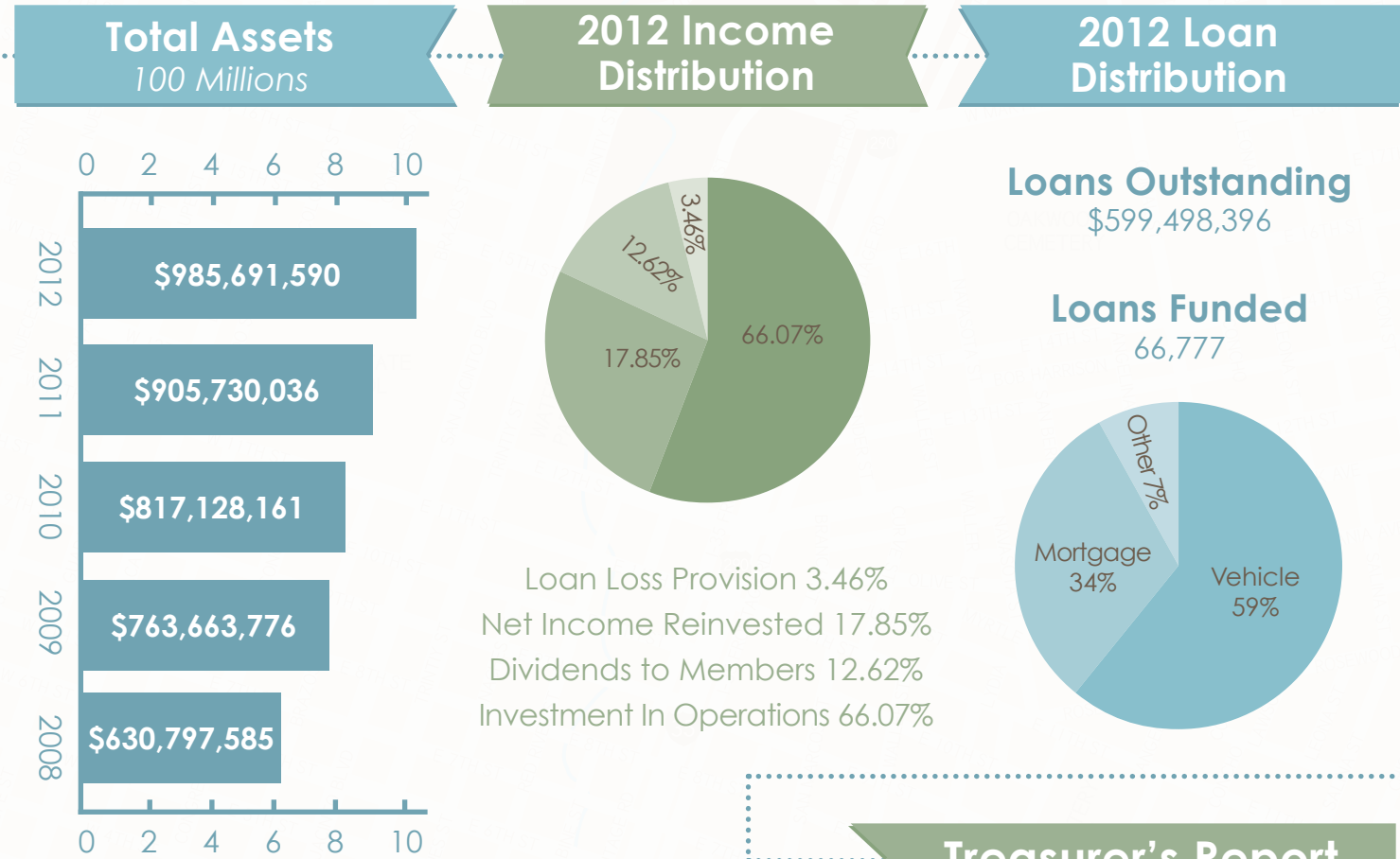
2012 brought a lot of uncertainty—where was the economy going, are we falling off the cliff, who was going to be our next President, and even would we exist once the Mayan calendar ended. I have to say, all through this year, A+FCU has known exactly what direction it was heading—and that was UP—hitting 100,000 members, opening two more branches, funding \$325 million in loans, and adding \$80 million more in assets.

We could not have achieved any of this without all of your support through your participation by using A+FCU products and services and referring your friends and family to your Credit Union.

We continue our direction in 2013—growing up to \$1 billion in assets, adding some new online services, and a new website. We have heard your requests and will be adding new features in the process. We want to make sure A+FCU is the institution you keep coming back to for all your financial needs.

As we look to the signs for the future, we know there will be some caution lights flashing along the way. But we are resilient and will continue to be your guide through the ever-changing financial road of life.

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



Treasurer's Report

As Treasurer of A+ Federal Credit Union representing your Board of Directors and staff, I am proud to report the financial results of your Credit Union this past year. You will find this information in the Annual Report. Despite another difficult year in the national economy, in 2012 we continued to show growth in deposits of \$67.7 million bringing our total shares to \$889,631,982. We also added 6,763 members growing our membership total to 102,907.

Due to the strength of our Credit Union and the hard working management team and staff, we weathered the storm and also showed growth in total assets. We will face even more challenges in 2013 and will strive to continue offering high quality services for our membership. Any changes or additions to the services our Credit Union provides will, as always, consider the financial needs of our members first.

Thank you,
Georgia L. Johnson, Treasurer

Branch Locations

Austin - Main 6420 US Hwy 290 E.	Buda 15295 IH 35, Bldg. A	Leander 11255 Old Hwy 2243
Austin - North/183 13087 Research Blvd.	Cedar Park 1604 E. Whitestone Blvd.	Pflugerville 15108 FM 1825
Austin - South 1402 W. Stassney Ln.	Connally High School 13212 North Lamar Blvd.	Round Rock 1000 South Mays St.
Austin - Southwest 6114 William Cannon Dr. W.	Georgetown 804 S. I-35	San Marcos 1204 Thorpe Ln.
Bastrop Branch 731 W Hwy 71	Hendrickson High School 2905 FM 685	San Marcos High School 2601 Rattler Rd, Ste. 100
Bee Cave 3600 RR 620 South, Ste. D	Hutto 141 Ed Schmidt Blvd.	

Board of Directors

Mr. Joe Thedford (Chair)
Mr. Lester L. Lindig (Vice-Chair)
Ms. Georgia L. Johnson (Treasurer)
Ms. Terry L. Lord (Secretary)
Ms. Sadie Smallwood
Mr. David U. Torres
Ms. Adelaida "Lolly" Guerra

Officers

Ms. Kerry A.S. Parker, CPA (Chief Executive Officer)
Mr. Dennis Loftis, CPA (Executive Vice President, Chief Financial Officer)
Ms. Sharon Gaugler (Chief Lending Officer)
Ms. Andrea Stocks (Chief Operations Officer)
Mr. Stan Cowan (Vice President Marketing)

Supervisory Committee

Ms. Sadie Smallwood (Chair)
Mr. Mark Rogers (Secretary)
Mr. Robert Hernandez
Mr. Landon Spillmann
Dr. Gloria L. Williams

2012 ANNUAL REPORT

A+ Federal Credit Union
With you every step.

2012 Highlights

- We opened the doors of our 16th & 17th branches. The Hendrickson High School branch was our third high school branch and second in Pflugerville ISD. The Cedar Park branch was a long-awaited branch adding convenience between our Leander and North Austin locations.
- Through our PlusPoints Member Loyalty Program, A+FCU gave back more than \$1,000,000 in additional value through reduced loan rates and higher certificate rates. Visit PlusPoints.org for details.
- Members with Free Cash-Back Checking Plus accounts cumulatively received more than \$200,000 by just swiping and signing with their debit cards.
- We awarded \$9,000 in college scholarships to members attending Texas colleges.
- Through our 3rd Annual Summer Youth Financial Camps, students from 3rd grade to college participated in our many camps throughout the summer providing life-long, practical money management lessons while having fun at the same time.
- Although we've helped hundreds of members achieve financial independence with in-person workshops, seminars and presentations, in 2012 we launched an online financial education center to provide members and non-members 24/7 access to workshops, tools and resources. YourGuideTo.org helps guide members down learning paths with relevant information, best practices, tips and practical advice for all life stages.
- In past years we've conducted several types of "Savings Challenges" which also help members improve their financial lives. In 2012, however, A+FCU became the first credit union to partner with a community college. To learn more about how several ACC students are competing for thousands of dollars in prizes, visit SavingsChallenge.org.
- Credit Karma, an online service that provides free credit report information and other useful tools.
- A+ Education Foundation, the philanthropic arm of A+FCU, awarded \$67,000 to 74 grant recipients in 2012. Since inception, the Foundation has given more than \$386,000 to local educators to improve the classroom experience for students in Central Texas.
- Member Appreciation Week coincided with International Credit Union Day in 2012 celebrating with give-aways and prize drawings totaling over \$10,000!

Awards & Honors

- Within Pflugerville ISD, A+FCU was honored at Rowe Lane Elementary School and at Dessau Elementary School as Partner of the Year.
- Round Rock ISD named A+FCU Outstanding Partner of the Year for 2011.
- A+FCU earned 1st Place at the State level Desjardins competition for our Youth and Adult financial education efforts.
- Advancing to take on other state champions, we also came in 1st at the National level earning Desjardins Awards for both Youth and Adult Group categories. Although we had come in 1st place at the state level many times in the past, this was the first time we earned it at the national level.

Agenda

Call to order 6:30 p.m.	CEO's Report
Welcome & Introduction of Guests	Nominating Committee Report
Approval of Minutes	Unfinished Business
Meeting	New Business
Chairman's Report	Adjournment of Business Meeting
Treasurer's Report	Door Prize Drawings
Supervisory Committee Report	Closing

63rd Annual Membership Meeting Minutes February 8, 2012 • 6:30 p.m., at McCallum High School

The 63rd Annual Membership Meeting of the A+ Federal Credit Union was held on February 8, 2012 at McCallum High School. Board Members present were Frank Partée, Lester Lindig, Sadie Smallwood, David Torres, Joe Thedford, Georgia Johnson, and Lolly Guerra. Members of senior management present were Kerry Parker, Dennis Loffis, Sharon Gaugler, Andrea Stocks, Stan Cowan and Rick Holley.

CALL TO ORDER

Chairman Frank Partée called the meeting to order at 6:41 p.m.

Welcome & Introductions

Introductions of Guests at Head Table: Mr. Partée thanked everyone for coming and introduced the guests at the head table: Sadie Smallwood, Vice Chair; Lester Lindig, Treasurer; David Torres, Secretary; Georgia Johnson, Director; Lolly Guerra, Director; Joe Thedford, Director; Kerry Parker, CEO; Olivia Hailson, Recording Secretary.

Introductions of Distinguished Guests in Audience

Mr. Partée recognized former Volunteers in the audience: Brad Shaver, former Board Member and Sadie Raschke, former Board Member; Marion Richards and Terry Lord. Other Credit Union supporters: Rick Ybarra, A+ Trust Services; Bob Guess, A+ Financial Services; Nadine Hall, A+ Financial Services; Sarah Erp, new member A+ Financial Services; Ben Coleman, A+ Financial Services.

Approval of Minutes

Mr. Partée requested approval for the minutes from the 62nd Annual Meeting. Karen Flournoy made a motion to accept the minutes from the 62nd Annual Meeting and Sadie Raschke seconded the motion. The motion carried by a unanimous vote of the Membership.

Nominating Committee Report

Mr. Partée reported that Jan Key, Chair of the Nominating Committee was ill and could not attend the meeting. Becky Bunte and Rudy Munguia of the Nominating Committee were also not in attendance. At this time Frank Partée reported the Nominating Committee recommended the following candidates: Sadie B. Smallwood (incumbent), Terry Lord, and Mark J. Rogers.

Election

At this time Mr. Partée reported there were two positions available, and reminded the Membership he would be stepping down from his volunteer position. The Membership was asked to mark their ballots twice for the two vacancies on the Board and to pass their ballots to a representative. At this time the ballots were collected by Internal Auditor Rick Holley and his staff.

Chairman's Report

Frank Partée encouraged the Membership to read his report in the brochure.

Treasurer's Report

Lester Lindig welcomed the Membership and stated his report was in the brochure. At this time Mr. Lindig introduced the ALM Committee Members: Sadie Smallwood, Vice Chair, Kerry Parker, Dennis Loffis and Sharon Gaugler. Mr. Lindig reported the Credit Union had \$900 million in assets and over 96,000 members, he hopes that by next year the Credit Union will have one billion in assets.

Supervisory Committee Report

Joe Thedford stated the Supervisory Committee is made up of five members who are volunteers. The Committee oversees the work of the Internal Audit Department and the external audit that is performed once a year. The Committee reviews all the reports submitted by the Internal Audit Department.

At this time Mr. Thedford introduced the Supervisory Committee Members: Karen Flournoy who has served on the Committee for 10 years, Robert Hernandez who has served one year on the Committee, Mark Rogers who has been on the Committee for two years, and Landon Spillman who has served one year on the Committee. Rick Holly is the AVP of the Internal Audit Department and has three employees, Betsy, Denise and Brant. Mr. Thedford explained this Department verified

compliance with the many Federal regulations and the accuracy of finances and programs of the Credit Union and he commended them for a job well done.

At this time Mr. Thedford thanked Jerry McMillon, Partner from the accounting firm of Clifton Larson Allen, LLP, and reported that the Credit Union as of December 2011 had \$900 million in assets. Mr. Thedford stated he was proud to be associated with this Organization.

CEO's Report

Kerry Parker reported that 2011 was a self assessment year at the Credit Union. A road map was plotted for the future and the Credit Union reached out to members to get feedback on products offered, service levels and what the membership valued about A+. The membership has a distinct role which separates credit unions from other financial institutions. As a cooperative the success of the Credit Union is tied directly to the members' success.

This year the Net Promoter Score, an indicator of how likely members would be to refer the Credit Union to friends and family, reached an all-time high of 76.86. This is exceptional not just for the Credit Union but for any organization. The success was continued with adding more new members than ever before. The Credit Union added 15,000 new members in 2011. To put this number in perspective the Credit Union reached 15,000 members from 1949 to 1982. Some had never stepped into a credit union before, but the public outcry and an unknown frustrated bank customer created bank transfer day bringing credit unions to the forefront. A+ benefited from the backlash along with the consumer.

When reaching out to members to find out what they valued about A+, the membership voiced how the A+ staff guided them through different times and situations in their lives. Some of the highlights of the Annual Report discuss how large the Credit Union is, the new Bastrop Branch, the new locations for Hutto, and a national award received for financial literacy. 2012 will also bring a new branch in Cedar Park and on the schedule is another high school branch as well as additional features for online and mobile banking. Looking to the future the focus will be what A+ can do to be with you every step of the way. The goal at A+ is to be your guide to financial independence.

At this time Kerry Parker thanked the Marketing Team for putting the Annual Business Meeting together. Ms. Parker also thanked the Executive Staff, Dennis Loffis Executive Vice President & CFO, Andrea Stocks COO, Sharon Gaugler CLO, and Stan Cowan VP of Marketing. At this time she also thanked the Board, Committee Members and the Staff.

Ms. Parker announced the Credit Union would not hold the Round Rock Express Ballgame Event this year. In its place would be a membership appreciation week with give-a-ways and prizes. The details will be provided closer to the event week.

Old Business - None New Business - None Announcements - None Election Report

At this time Chairman Frank Partée announced the candidates elected to the two open positions on the Board, Sadie Smallwood and Terry Lord.

Adjournment

Chairman Frank Partée adjourned the meeting at 7:04 p.m. At this time the drawing for the door prizes was held.



David Torres, Secretary



Frank Partée, Chairman

Chairman's Report

The numbers in this report will speak more loudly and be remembered long after my words fade completely away. It is the Chairman's privilege to say that A+FCU had another great year, and the numbers will prove it. I promise to keep this letter brief but "another good year" belies a couple of very important points that I feel compelled to point out to our members.

The Four big "UPs".....Membership..UP.....Number of Branch Locations ..UP.....Deposits ..UP.....Loans..UP.

There is an old adage from the country where I was raised in North Texas that says, "If you find a turtle on top of a fence post, you can be certain that he did not get there by himself." Therefore, I am grateful to our members for continuing to trust us with your deposits and loans. I am grateful to our great employees for investing your working career with us. I am grateful to our outstanding leadership team who always find a way to keep A+FCU at the front. I am grateful to my fellow volunteers on the Board of Directors and Supervisory Committee for your vision and your dedication to our members.

I pledge that in the coming year we will all seek to provide the best products and service to our members that we possibly can, to partner with you that your Dreams may come true, and that A+FCU is more than willing to go with you to every Milestone along your path.

Joe Thedford, PhD, Chairman

Supervisory Committee Report

The Supervisory Committee is appointed by the Board of Directors and is responsible for monitoring daily Credit Union operations. The Committee works closely with the Internal Audit Department. The Committee is responsible for selecting the external auditor as well as verifying member accounts. This committee's members are: Mark Rogers, Landon Spellman, Robert Hernandez, Gloria Williams and Sadie Smallwood.

The Internal Audit Department performs audits of various operating areas within the Credit Union. This ongoing effort insures that the Board approved policies are being adhered to, internal controls are properly functioning to protect member assets, and generating ideas to improve operating efficiency. The Internal Audit Department works hand-in-hand with the Supervisory Committee in various areas throughout the year, including the annual audit and the handling of member complaints and concerns.

Clifton Larson Allen, the external CPA firm selected by the Supervisory Committee, conducted an independent audit. The results of the audit concluded that the financial statements reported fairly the financial position of A+FCU and the result of its operations and cash flows for the year ending June 30, 2012.

This committee responds to complaints from members when he/she feels that the A+FCU management or staff have not resolved their situation. If you have a concern, please contact us at our separate mailing address Supervisory Committee, P. O. Box 15102, Austin, TX 78761.

The Supervisory Committee appreciates the confidence and trust you have placed in this committee, and we are confident that our efforts will continue to protect you, the member, in addition to benefiting the overall operations within A+FCU.

Sadie Smallwood, Chair