



**81<sup>st</sup>**  
**Annual Meeting**  
February 21, 2011

## Welcome to Shareholders and Guests

Welcome to the 2011 Annual Meeting of Shareholders. Your presence here demonstrates your support of your Credit Union and your willingness to take part in the decision-making process. This is the 81st annual meeting of First Priority Credit Union since our charter on September 2, 1930. Thank you for helping to continue the Credit Union tradition.

### Schedule of Events

Registration/Member Gift	6:30PM
Ice Cream and Fellowship	6:45PM
Business Meeting	7:00PM
Cash Drawing	

### Mission Statement

It is the mission of First Priority Credit Union to provide a full range of financial services in a convenient, efficient and professional manner. The Credit Union will maintain the highest level of integrity and ethical standards at all times. It is also the mission of the Credit Union to offer competitive rates on loans and deposits while achieving the highest possible return on excess funds using prudent business practices. We will strive for the highest level of member service.

### Staff

President	Cathy Higgins
Loan Officer	Lisa Cox
Member Service Rep.	Chantel Brooks

## Business Meeting Agenda

- |                                |                   |
|--------------------------------|-------------------|
| 1. Call to Order               | David Massey      |
| 2. Prayer and Remembrance      | Guest             |
| 3. Minutes of 2010 Meeting     | Jo McWhorter      |
| 4. Organizational Report       | Jo McWhorter      |
| 5. Nominating Committee Report | Burl Cox          |
| 6. Election of Directors       | David Massey      |
| 7. Credit Committee Report     | Von Byrd          |
| 8. Audit Committee Report      | Steven Williamson |
| 9. Financial Report            | Cathy Higgins     |
| 10. Old & New Business         | David Massey      |
| 11. Adjournment                |                   |

## Organizational Report

1. Since the last annual meeting, there have been no changes to management, bylaws, field of membership, office location or services offered.
2. Directors and date of expiration of term of office:

	<b>February, 2011</b>	
David Massey	Steven Williamson	Philip Forrest
	<b>February, 2012</b>	
Gary Bryant	Von Byrd	Paula Kinsey
	<b>February, 2013</b>	
Jo McWhorter	Carolyn Davis	Denese Gray
3. Since the last annual meeting, David Massey was elected to serve as Chairman of the Board, Steven Williamson as Vice-Chairman, and Jo McWhorter as Secretary/Treasurer. New officers will be elected at the next regular board meeting.
4. Since the last annual meeting, there have been no directors appointed to Honorary or Advisory Director Positions, and no directors have left office prior to the expiration of their term.
5. Since the last annual meeting, the following committees were appointed. New committees will be appointed at the next regular board meeting.

### Credit Committee

Von Byrd(Chairman) Carolyn Davis  
Jo McWhorter

### Audit Committee

Steven Williamson(Chairman) Gary Bryant  
Philip Forrest

### Nominating Committee

Burl Cox(Chairman) Jo McWhorter  
Von Byrd

## Credit Committee Report

1. The Credit Committee met weekly as necessary to perform the duties required by policy.
2. 657 loans were granted and a total of \$2,760,429 in new money was advanced during 2010.
3. The loan portfolio as of December 31, 2010 totaled \$4,670,159. Secured loans were 81% of the total, and unsecured loans were 19% of the total.
4. The delinquency ratio as of December 31, 2010 was less than 1% at .68%.
5. Loans charged off for the year totaled \$17, 059.
6. The balance of the allowance for loan losses account was fully funded at year-end in the amount of \$21,872.

## Audit Committee Report

1. The Audit Committee engaged the CPA firm, Bolinger, Segars, Gilbert & Moss, LLP to perform audit procedures as required by NCUA and state regulations as of September 30, 2010. No material findings were made during the audit. The report is available for review at the credit union.
2. The Audit Committee performed several random cash counts and performed an internal audit of the credit union's Bank Secrecy Act procedures. No material exceptions were noted.

## Statement of Financial Condition

as of December 31, 2010

### Assets

Loans to Members	\$4,670,159
Allowance for Loan Losses	(21,872)
Cash and Cash on Deposit	318,683
Investments	4,388,116
Land and Building	186,095
Other Fixed Assets	9,368
NCUA Deposit	84,587
Southwest Corp MCA	-
Other Assets	123,207
<b>Total Assets</b>	<b>\$9,758,343</b>

### Liabilities and Equity

Notes Payable	\$ -
Dividends Payable	-
Accounts Payable and Other Liabilities	33,941
<b>Total Liabilities</b>	<b>\$ 33,941</b>
Shares	\$8,856,894
Reserves	172,574
Undivided Earnings	694,934
<b>Total Equity</b>	<b>\$9,724,402</b>
<b>Total Liabilities and Equity</b>	<b>\$9,758,343</b>

## Statement of Income

Year-ended December 31, 2010

### Income

Interest on Loans	\$265,517
Interest on Investments (except SWCorp MCA)	87,225
Fee Income	46,194
Other Operating Income	41,636
Non-operating Income	-
<b>Total Income</b>	<b>\$440,570</b>

### Expenses

Employee Comp & Benefits	\$147,510
Travel and Conf	-
Provision for Loan Losses	22,268
Office Occupancy	20,460
Office Operations	94,696
Education and Promotional	5,008
Loan Servicing	38,367
Professional and Outside Services	8,103
NCUA Insurance Exp (first assessment since 1992)	10,506
State Operating Fees	4,283
Misc. Operating	3,458
Interest on Borrowed Money	-
Dividends to Members	90,392
<b>Total Expenses</b>	<b>\$445,051</b>
<b>Net Income from Normal Operations</b>	<b>\$ (4,481)</b>

### Non-Operating Expenses

Temp.Corp CU Stabilization Fund Assessment	12,147
Depletion of Southwest Corp Membership Shares	51,319
<b>Net Loss</b>	<b>\$ (67,947)</b>

### Ratios

Net Worth/Total Assets	8.88%
(well-capitalized per NCUA)	
Delinquent Loans/Total Loans	.68%
Operating Expenses	3.59%
Return on Assets	(-.47)%