



FIRST PRIORITY
— **CREDIT UNION** —

89th Annual Meeting
February 18, 2019

Welcome

Welcome to the 2019 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 89th 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 and Meal	6:00 PM
Business Meeting	6:45 PM
\$\$\$\$\$ Cash Drawing \$\$\$\$\$	

Staff

President	Cathy Higgins
Loan Officer	Lisa Cox
Member Service Representative	Marissa Leal
Assist Member Service Rep	Diana Fish

Business Meeting

Agenda

- | | |
|--------------------------------|----------------|
| 1. Call to Order | David Massey |
| 2. Prayer and Remembrance | Guest |
| 3. Minutes of 2018 Meeting | Tony Leet |
| 4. Organizational Report | Tony Leet |
| 5. Nominating Committee Report | David Massey |
| 6. Election of Directors | David Massey |
| 7. Credit Committee Report | Carolyn Davis |
| 8. Audit Committee Report | Philip Forrest |
| 9. Financial Report | Cathy Higgins |
| 10. Old & New Business | David Massey |
| 11. Cash Drawing | |
| 12. Adjournment | |

Organizational Report

Since the last annual meeting, there have been no changes to management, bylaws, or field of membership. Several new services have been added. Details will be presented by management.

Since the last annual meeting, David Massey was elected to serve as Chairman of the Board, Steven Williamson as Vice-Chairman, and Tony Leet as Secretary/Treasurer. New officers will be elected at the next regular board meeting in March, 2019.

Current directors and date of expiration for their terms of office:

	February, 2019	
Jo McWhorter	Carolyn Davis	Tony Leet
	February, 2020	
David Massey	Steven Williamson	Philip Forrest
	February, 2021	
Paula Kinsey	Richard Atha	Jon Holdren

Since the last annual meeting, the following committees were appointed. New committees will be appointed at the next regular board meeting in March, 2018.

Credit Committee

Carolyn Davis(Chairman) Jo McWhorter Jon Holdren

Audit Committee

Steven Williamson(Chairman) Philip Forrest David Massey

Nominating Committee

Burl Cox(Chairman) Jon Holdren Rickard Atha

Credit Committee Report

The Credit Committee met weekly as necessary to perform the duties required by policy.

648 loans were granted and a total of \$4,519,067 in new money was advanced during 2018.

The loan portfolio as of December 31, 2018 totaled \$7,480,050.

The delinquency ratio as of December 31, 2018 was 0.98%.

Loans charged off net of recoveries totaled \$11,557.

The balance of the allowance for loan losses account was fully funded at year-end in the amount of \$47,152

Audit Committee Report

The Audit Committee engaged the CPA firm, Green and Fillingim, PC to perform audit procedures as required by NCUA and state regulations as of September 30, 2018. No material findings were made during the audit. The accounting records were reported to be in excellent condition. The report is available for review at the credit union.

The Audit Committee performed a Bank Secrecy Audit, an OFAC audit, an ACH Audit and a Safe Act audit. The committee also performed random cash counts, a review of employee and official's personal accounts, and reviews of the credit union credit card. No material findings were noted during any of the audits or reviews performed.

Statement of Financial Condition

as of December 31, 2018

Assets

Loans to Members	\$7,480,050
Allowance for Loan Losses	(47,152)
Cash and Cash on Deposit	1,149,935
Investments	6,724,000
Land and Building-Net of Depreciation	234,258
Other Fixed Assets -Net of Depr..	55,649
NCUA Deposit	137,882
Other Assets	79,975
Total Assets	\$15,814,597

Liabilities and Equity

Notes Payable	0
Dividends Payable	0
Accounts Payable and Other Liabilities	36,588
<i>Total Liabilities</i>	36,588
Shares	\$14,442,711
Reserves	364,110
Undivided Earnings	971,188
<i>Total Equity</i>	\$15,778,009
Total Liabilities and Equity	\$15,814,597

Statement of Income

Year-ended December 31, 2018

Income

Interest on Loans	\$314,955
Interest on Investments	150,772
Fee Income	53,900
Other Operating Income	111,530
Gain on Disposition of Assets	249
Total Income	\$630,406

Expenses

Employee Compensation & Benefits	\$197,944
Travel and Conference	2,159
Provision for Loan Losses	19,696
Visa Debit/Credit Fraud Losses	11,919
Office Occupancy	33,983
Office Operations	126,085
Associational Dues	6,208
Education and Promotional	5,047
Loan Servicing	91,108
Professional and Outside Services	10,981
NCUA Insurance Expense	0
State Operating Fees	4,739
Miscellaneous Operating Expenses	4,046
Interest on Borrowed Money	0
Dividends to Members	39,198
Total Expenses	\$553,113
Net Income	\$78,293

Ratios

Net Worth/Total Assets (well-capitalized)	8.44%
Delinquent Loans/Total Loans	0.98%
Normal Operating Expenses/Ave Assets	3.19%
Return on Ave Assets	.51%