



FIRST PRIORITY
— **CREDIT UNION** —

90th Annual Meeting
February 17, 2020

Welcome

Welcome to the 2020 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 90th 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

Business Meeting

Agenda

- | | |
|--------------------------------|-------------------|
| 1. Call to Order | David Massey |
| 2. Prayer and Remembrance | Guest |
| 3. Minutes of 2019 Meeting | Tony Leet |
| 4. Organizational Report | Jon Holdren |
| 5. Nominating Committee Report | Burl Cox |
| 6. Election of Directors | David Massey |
| 7. Credit Committee Report | Jo McWhorter |
| 8. Audit Committee Report | Steven Williamson |
| 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, or bylaws. The field of membership was amended on July 5, 2019 to include “Persons who live, work, worship, or attend school in Taylor, Nolan, Callahan, Fisher, Jones, Shackelford, Runnels and Coleman Counties, Texas.”. No new services have being added.

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, 2020.

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

	February, 2020	
David Massey	Steven Williamson	Philip Forrest
	February, 2021	
Paula Kinsey	Richard Atha	Jon Holdren
	February, 2022	
Jo McWhorter	Carolyn Davis	Tony Leet

Since the last annual meeting, the following committees were appointed. New committees will be appointed at the next regular board meeting in March, 2020.

Credit Committee

Carolyn Davis(Chairman) Jo McWhorter Jon Holdren

Audit Committee

Steven Williamson(Chairman) Philip Forrest David Massey

Nominating Committee

Burl Cox(Chairman) Paula Kinsey Richard Atha

Credit Committee Report

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

678 loans were granted and a total of \$3,909,861 in new money was advanced during 2019.

The loan portfolio as of December 31, 2019 totaled \$7,981,648.

The delinquency ratio as of December 31, 2019 was 0.82%.

Loans charged off net of recoveries totaled \$43,518.

The balance of the allowance for loan losses account was fully funded at year-end in the amount of \$33,608.

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, 2019. 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.

During 2019, 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, 2019

Assets

Loans to Members	\$7,981,648
Allowance for Loan Losses	(33,608)
Cash and Cash on Deposit	848,999
Investments	6,979,266
Land and Building-Net of Depreciation	247,113
Other Fixed Assets -Net of Depr..	35,441
NCUA Deposit	141,736
Other Assets	73,565
Total Assets	\$16,274,160

Liabilities and Equity

Notes Payable	0
Dividends Payable	0
Accounts Payable and Other Liabilities	44,789
<i>Total Liabilities</i>	44,789
Shares	\$14,809,221
Reserves	364,110
Unidivided Earnings	1,056,040
<i>Total Equity</i>	\$16,229,371
Total Liabilities and Equity	\$16,274,160

Statement of Income

Year-ended December 31, 2019

Income

Interest on Loans	\$341,044
Interest on Investments	170,180
Fee Income	46,504
Other Operating Income	99,665
Gain on Disposition of Assets	0
Total Income	\$657,393

Expenses

Employee Compensation & Benefits	\$204,218
Travel and Conference	2,400
Provision for Loan Losses	28,867
Office Occupancy	30,122
Office Operations	133,071
Associational Dues	6,484
Education and Promotional	4,462
Loan Servicing	94,079
Professional and Outside Services	11,532
NCUA Insurance Expense	0
State Operating Fees	4,819
Miscellaneous Operating Expenses	5,864
Interest on Borrowed Money	0
Dividends to Members	46,623
Total Expenses	\$572,541
Net Income	\$84,852

Ratios

Net Worth/Total Assets (well-capitalized)	8.72%
Delinquent Loans/Total Loans	0.82%
Normal Operating Expenses/Ave Assets	3.10%
Return on Ave Assets	.53%