



First Priority

Credit Union

**85th
Annual Meeting**

February 16, 2015

Welcome to Shareholders and Guests

Welcome to the 2015 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 85th 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	6:30PM
BBQ 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
PT Member Service Rep	Diana Fish
FT Member Service Rep	Marissa Leal

Business Meeting Agenda

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|--------------------------------|-------------------|
| 1. Call to Order | David Massey |
| 2. Prayer and Remembrance | Guest |
| 3. Minutes of 2014 Meeting | Jo McWhorter |
| 4. Organizational Report | Jo McWhorter |
| 5. Nominating Committee Report | Burl Cox |
| 6. Election of Directors | David Masse |
| 7. Credit Committee Report | Carolyn Davis |
| 8. Audit Committee Report | Steven Williamson |
| 9. Financial Report | Cathy Higgins |
| 10. Old & New Business | David Massey |
| 11. Cash Drawing | |
| 12. Adjournment | |

Organizational Report

1. Since the last annual meeting, there have been no changes to management, bylaws, field of membership. Several new services have been added. Details will be presented by management.
2. 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 in March, 2015.
3. Since the last annual meeting, no temporary or honorary directors have been appointed. No directors have left office prior to the expiration of their term.
4. Directors and date of expiration of term of office:

	February, 2015	
Gary Bryant	Von Byrd	Paula Kinsey
	February, 2016	
Jo McWhorter	Carolyn Davis	Tony Leet
	February, 2017	
David Massey	Steven Williamson	Philip Forrest

5. Since the last annual meeting, the following committees were appointed. New committees will be appointed at the next regular board meeting in March, 2015.

Credit Committee

Carolyn Davis(Chairman)	Von Byrd
Jo McWhorter	Jon Holdren

Audit Committee

Steven Williamson(Chairman)	Gary Bryant	Tony Leet
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Nominating Committee

Burl Cox(Chairman)	Gary Bryant	David Massey
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Credit Committee Report

1. The Credit Committee met weekly as necessary to perform the duties required by policy.
2. 382 loans were granted and a total of \$2,795.012 in new money was advanced during 2014.
3. The loan portfolio as of December 31, 2014 totaled \$5,796,526. Secured loans including 1st Mortgage Real Estate Loans were 82% of the total, and unsecured loans were 18% of the total. 1st Mortgage Real Estate Loans were 16% of the total.
4. The delinquency ratio as of December 31, 2014 was 1.41%.
5. Loans charged off net of recoveries totaled \$21,520.
6. The balance of the allowance for loan losses account was fully funded at year-end in the amount of \$60,844.

Audit Committee Report

1. 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, 2014. No material findings were made during the audit. The report is available for review at the credit union.
2. The Audit Committee performed a Bank Secrecy Audit, an ACH Audit and a Safe Act audit. Several surprise cash counts were also performed. No material findings were noted.

Statement of Financial Condition

as of December 31, 2014

Assets

Loans to Members	\$5,796,526
Allowance for Loan Losses	(60,844)
Cash and Cash on Deposit	1,719,892
Investments	7,566,266
Land and Building-Net of Depr.	221,625
Other Fixed Assets-Net of Depr.	27,843
NCUA Deposit	136,224
Other Assets	98,015
Total Assets	\$15,505,547

Liabilities and Equity

Notes Payable	\$ -
Dividends Payable	-
Accounts Payable and Other Liabilities	33,065
Total Liabilities	\$ 33,065

Shares	\$14,282,857
Reserves	408,657
Undivided Earnings	780,968
Total Equity	\$15,472,482
Total Liabilities and Equity	\$15,505,547

Statement of Income

Year-ended December 31, 2014

Income

Interest on Loans	\$285,490
Interest on Investments	75,638
Fee Income	74,078
Other Operating Income	63,907
Non-operating Income	-
Total Income	\$499,113

Expenses

Employee Comp & Benefits	\$170,929
Travel and Conf	-
Provision for Loan Losses	9,763
Visa Debit/Credit Fraud Losses	1,507
Office Occupancy	26,383
Office Operations	98,279
Associational Dues	
Education and Promotional	5,020
Loan Servicing	72,055
Professional and Outside Services	9,187
NCUA Insurance Exp	-
State Operating Fees	4,499
Misc. Operating	5,234
Interest on Borrowed Money	-
Dividends to Members	42,914
Total Expenses	\$445,770
Net Income from Normal Operations	\$ 53,343
Non-Ordinary Income	
Gain on Disposition of Fixed Asset	82,879
Net Loss	\$ 136,222

Ratios

Net Worth/Tot Assets (well-capitalized per NCUA)	7.67%
Delinquent Loans/Total Loans	1.41%
Normal Operating Expenses/Ave Assets	3.01%
Return on Ave Assets	3.30%