



Moving forward, together.

## Chairman's Report

We are happy to announce that 2010 was another successful year for First American Credit Union regardless of the economic uncertainties that faced our nation. Our assets increased from \$73.5M to \$75.3M and our return-on-assets was 1.85% as of December 31, 2010.

Our performance earned us the most prestigious, independent 5-star rating from Bauer Financial, and we're in a strong position for 2011 as the economy shows signs of improvement.

At the end of the year, our net capital was a strong 11.33%. Federal regulators consider credit unions to be "well capitalized" at about 7%, so this is a key indicator of our ability to withstand economic fluctuations.

Behind all these numbers are real human stories, and we can proudly say that we lived up to our mission of being "people helping people achieve their financial goals" in 2010. We made it easier for members to conduct credit union business by expanding access to the CU Service Centers shared branching network, and to no-fee ATMs across the country. We continued to lend when other institutions cut back. And we continued to help those who were struggling to pay their loans.

Our people have always been the key to making First American great, and in 2010 we welcomed Rico Bautista as our new President and CEO. Rico has pledged to expand our tradition of service and commitment to the community with energetic leadership. He's off to a great start with the board and the staff, and can often be found interacting with members in a sincere effort to understand their hopes and concerns.



Everyone in the First American family—from our dedicated board, staff, and management team to the members who continue to put their trust in us—deserves our sincere thanks for making 2010 another terrific year.

Sincerely,

**Tom King**

Chairman of the Board



**"Superior"**

*Only the best credit unions in the country receive the highest, five-star rating from Bauer Financial. We're honored to have received this vote of confidence in 2010.*



# The Future is Now at First American

## Introducing Our New Brand Image

First American's proud eagle has been updated with exciting graphics and colors. You'll soon see our new logo on everything, from branch locations and billboards to all of our online and printed materials.

We've undertaken this re-branding effort to achieve the following goals:

1. To recommit to our basic values of financial freedom and independence;
2. To recognize that we're a positive force for change in the community; and
3. To unify our message for a stronger, more competitive presence in the areas we serve

Along with our new look, we have a new brand message, "We're just like you." Recognizing shared connections with our members will help us ground all our decisions into what's best for the community.



## Access to Your Credit Union Expands

First American continues to expand its access to the CU Service Centers shared branching network. All of our members can conveniently access their accounts at any other credit union in the network, anywhere in the United States.

We also expanded access to no-fee ATMs across the country, including Allpoint, COOP Network, and Express Teller Services ATMs in thousands of stores, businesses, government buildings, service stations, and other facilities nationwide.

Members can easily locate their nearest shared branch or no-fee ATM on [firstamerican.org](http://firstamerican.org), anytime, day or night.



## President's Message

We really mean it when we say, "We're just like you." I'm thrilled to be back in Arizona and spending time in Casa Grande. It's a great place to live, work, and play, and I've enjoyed meeting so many of you since I came on board in October. Thank you all for making me feel so welcome here at First American Credit Union.



My priority—for 2011 and beyond—is to promote products and services that cater to the communities we serve, such as Checkless Checking Accounts, affordable & limited Loan Sales, and Shred Days that help educate and protect against identity theft. We want everything we do at First American to make our members' lives easier.

This philosophy even extends to things that our members can't see, but which are essential for improving our service. Throughout 2011, we will be conducting an examination of our internal processes, to see where we can be more efficient, more productive and cost-effective.

As your community credit union, we'll also be taking a greater role in our neighborhoods. Through simple things like meeting more of our members and sharing their cultural experiences, to bigger endeavors like volunteering at and sponsoring local events, we will further enrich our own lives as we make the community an even better place.

I'm excited about the future, and I look forward to seeing what we can accomplish together in 2011.

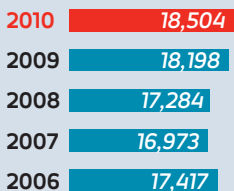
Sincerely,

**Rico Bautista**

President & CEO

### **Steady Membership Growth**

*Over the past five years, First American Credit Union has continued to build our membership base.*



Number of members ►

# Statement of Financial Condition

Year Ending December 31, 2010

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Shares	\$44,625,285	\$48,937,371	\$55,464,838	\$65,748,267	\$65,667,115
Loans	32,752,636	38,815,839	45,372,472	53,404,405	47,770,418
Assets	50,148,636	57,213,651	61,685,574	73,551,452	75,319,547

## Statement of Income and Expenses

### Income

Interest on Loans	\$3,494,924
Investment Income	168,640
Other Income	3,592,020

**Total Gross Income** \$7,255,584

### Expenses

Compensation and Benefits	\$2,127,823
Travel and Conference	63,445
Association Dues	28,530
Office Occupancy	242,873
Office Operations	622,848
Advertising & Promotion	142,166
Provision for Loan Loss	435,061
Loan Services Expenses	178,630
All other expenses	1,223,895

**Total Operating Expenses** \$5,065,272

Loss on disposition of assets 8,985

**Net income before dividends** \$2,181,327

### Distribution of Income

Dividends paid to members	803,405
2010 Net Income	1,377,923

**Total** \$2,181,327

## Assets

Loans (net)	\$47,079,260
Cash in bank	3,184,588
Investment funds	22,959,617
Leasehold Improvements GLP	20,525
Land/Building (net)	939,385
Furniture & Equipment (net)	136,755
Other Assets	999,419

**Total Assets** \$75,319,547

## Liabilities and Member Equity

Accounts Payable	\$1,119,404
Accrued Expenses	29,425

**Total Liabilities** \$1,148,829

Member Share accounts	\$18,813,554
Member certificates	23,349,978
Member checking accounts	6,756,100
Market share	16,604,474
Other deposits	143,008

### Reserves

Regular Reserve	\$1,265,225
Undivided Earnings	7,238,379

**Total Equity** \$8,503,604

## Total Liabilities and Member Equity

\$75,319,547

## Supervisory Committee Report

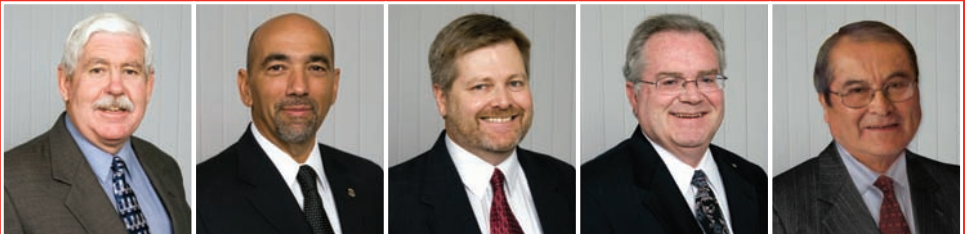
The Supervisory Committee of First American Credit Union oversees the audit of the credit union and its employees, to ensure compliance with policies and procedures. Based on the results of audits conducted by the CPA firm of McGladrey & Pullen, Inc. and examiners from the Arizona Department of Financial Institutions, the Committee is satisfied that adequate internal controls exist to protect member accounts, and that the financial statements accurately reflect the performance and condition of the credit union.

Respectfully submitted,

**J.R. McEvoy**

Secretary

## Board of Directors



**Chairman**  
Tom King

**Vice Chairman**  
Steve DiMuzio

**Secretary**  
J.R. McEvoy

**Treasurer**  
Terry Behrens

**Member**  
Joseph R. Hardy



**First American**  
**CREDIT UNION**

**Casa Grande**  
1001 N. Pinal Avenue  
Casa Grande, AZ 85122  
(520) 836-8848

**Gallup**  
1375 N. Hwy 491, Mesa View Plaza  
Gallup, NM 87301  
(505) 863-9381

**Window Rock**  
Highway 264, Route 12  
Window Rock, AZ 86515  
(928) 871-4772