

## Report from the Board of Directors

One of the most significant changes in 2008 was the selection of our CEO, Joe Mirachi. His extensive accomplishments as a credit union executive, coupled with his academic background, made him the clear choice during the selection process. In addition to his experience and education, Joe's vision for TOPCU and his determination and drive to achieve our goals are exactly what we need.

In 2008 Tucson Old Pueblo Credit Union focused on laying the foundation for growth and profitability. The Board of Directors and senior management team revised our mission and vision statements, and our management team restructured our staff to improve member service.

Our mission is to provide financial services that meet the needs of those who serve our community. TOPCU seeks to be the primary financial institution for City of Tucson employees and select groups; to be a mutually profitable and growing institution to better serve the financial needs of our members; and to attract and retain high-quality employees who deliver exceptional service to our members.

We aim to be the first choice for financial services for City employees, their families, and other affiliated groups. We must build a mutually profitable relationship with these groups so that we can grow to better serve them. In order to grow, we must attract and retain high-quality employees because they differentiate us from other financial institutions. Our employees listen to member concerns; work with members to solve problems; offer unbiased financial education; and recommend products and services that best serve our members' needs.

Achieving these goals would be impossible without our core values: Integrity, Empathy, Knowledge, and Fun. These values guide us in all that we do.



Gail Carey  
Chair

## Volunteers

### Board of Directors

Adam Amante  
John Brady  
Gail Carey  
David Deibel  
Russell Hughes  
Jill Moreno  
Richard Prater

### Supervisory Committee

Ana Archer  
Blake Down  
Kim Kamphaus  
Rhonda Lugo


### Lending Oversight Committee

David Deibel  
Russell Hughes  
Joe Mirachi  
Mary Talley



## Tucson Old Pueblo Credit Union

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TUCSON  
**OLD PUEBLO**  
CREDIT UNION

# 2008 Annual Report

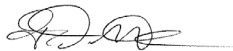
## Report from the President and CEO

In 2008, Tucson Old Pueblo Credit Union built a foundation for growth and improved service for our members. We made changes so members can expect consistent, high-quality service each time they interact with our staff. We restructured and cross-trained our staff to enable members to work with one TOPCU representative who can handle virtually all their financial needs.

Since I joined TOPCU in late September, the economy has worsened. We have adapted to the challenges by reducing operating costs, adjusting our loan loss provision, and focusing on serving our current members and City of Tucson employees better. Despite the nation's economic troubles, Tucson Old Pueblo Credit Union remains committed to serving our members and reaching out to City of Tucson employee groups. Our Board of Directors, management team, and staff are working together to ensure that the credit union is safe and sound during these difficult times. Although it has been a challenging year for the credit union, our net capital ratio remains strong, and this keeps us stable and solvent so that we can continue to provide our members with the financial products and services that fit their needs.

As evidenced by our community involvement, in 2008 we continued and deepened our relationship with City of Tucson employees. We joined the City in several community events throughout the year, including the Cops and Rodders Car Show, the FireFighters' Chili Cook-off, the Unsung Heroes Recognition Dinner, and the Senior Olympics.

Our goal for 2009 is to continue to deliver excellent service to our members. In 2009 you'll see a greater focus on meeting the needs of City of Tucson employees and our current members. We will continue to serve our members and to build mutually profitable relationships that benefit our members, the credit union, and our community. And finally, we will strive to live our core values of Integrity, Empathy, Knowledge, and Fun every day.



Joe Mirachi  
President and CEO

## 2008 Financial Statement\*

Assets	2008	2007
Loans	\$126,444,488	\$133,368,080
Loan Loss Allowance	(3,228,460)	(1,304,818)
Cash and Cash Equivalent	5,623,913	1,974,940
Investments	1,246,234	1,239,698
Property and Equipment	5,270,765	4,584,224
Other Assets	3,170,688	3,221,952
<b>Total Assets</b>	<b>\$138,527,628</b>	<b>\$143,084,076</b>

Liabilities & Equity	2008	2007
Borrowed Funds	\$5,298,080	\$5,017,618
Liabilities	1,041,990	685,551
Savings Accounts	36,751,398	39,031,045
Checking Accounts	15,792,672	15,954,326
Money Market Accounts	19,201,576	14,881,258
Certificate Accounts	35,255,057	39,215,050
IRAs	14,131,184	14,268,641
Capital	11,055,671	14,030,587
<b>Total Liabilities</b>	<b>\$138,527,628</b>	<b>\$143,084,076</b>

Sources of Funds	2008	2007
Loans	\$9,058,692	\$9,311,467
Investments	162,538	256,108
Fee/Other Income	2,041,577	1,676,750
Non-Operating Income	154,966	3,417
<b>Total Income</b>	<b>\$11,417,774</b>	<b>\$11,247,742</b>

Allocation of Funds	2008	2007
Dividends	\$2,954,377	\$3,472,612
Interest on Borrowed Funds	252,185	108,280
Operating Expenses	6,256,608	5,682,700
Provision for Loan Loss	4,929,520	1,607,543
Net Income (loss)	(2,974,916)	376,607
<b>Total Allocations</b>	<b>\$11,417,774</b>	<b>\$11,247,742</b>

\*Unaudited financial statement as prepared by Tucson Old Pueblo Credit Union

## Report from the Supervisory Committee

The Supervisory Committee, which is appointed by the Board of Directors, is responsible for conducting a comprehensive annual audit of the credit union to ensure that its operations are sound. To do so, the committee engaged McGladrey & Pullen, LLP, a Certified Public Accounting firm, to audit the credit union's financial statements for the year ending December 31, 2008.

The Arizona Department of Financial Institutions and the National Credit Union Administration also perform examinations each year to evaluate Tucson Old Pueblo Credit Union's financial condition and operation. In addition, the credit union employs a full-time internal auditor who reports to the Supervisory Committee to assist in providing additional safeguards.

Tucson Old Pueblo Credit Union is in sound financial condition as a result of strong leadership from the Board of Directors, management, and dedicated staff.



Kim Kamphaus  
Chair

## Report from the Credit Committee

The Credit Committee, appointed by the Board of Directors, assures that established loan policies are applied consistently and that loans are not denied unfairly. If a loan has been denied, a member may request to have his or her loan reviewed by the Credit Committee.

In 2008 a total of 2,289 loans were funded for a total of \$36,661,070.



Calvin Dacus  
Chair