

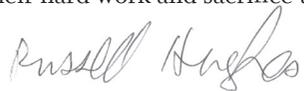
Report from the Board of Directors

Last year was another year of progress for TOPCU . Tucson Old Pueblo Credit Union increased capital to \$ 8,615,900 by the end of 2010. Capital amounted to 6.9 % of assets which was an increase from the year before. Some of this increase in capital is due to the organization continuing to reap the benefits of efficiency steps taken in 2010 and the prior year . Loan losses subsided as well. The loan loss ratio for 2010 was 2.38 %, with a six month running ratio (for the last six months) of 2.08 %. The loan losses for the month of December 2010 were only \$ 39, 945 after recoveries. Annualizing the December figure amounts to a loss ratio of only .52%. TOPCU expects loan losses to continue this downward trend in the immediate future.

Part of Tucson Old Pueblo Credit Union's financial activity is making loans to its members. Both nationally and locally, the demand for loans has significantly diminished. While the Credit Union has adjusted to this diminished demand we also continue to provide good quality loans to our members. TOPCU has more than enough money to meet any foreseeable loan demand, without compromising our lending standards. As in years past, we are pleased to meet the lending needs of our members .

TOPCU continually seeks to deepen member relationships. Our credit union continues the member rewards program and our organization strives to increase member relationships through mailings, email and the personal contact many of us enjoy. Tucson Old Pueblo Credit Union is a cooperative organization; we all own it.

The success of 2010 is largely due to the hard work of TOPCU employees and staff. In a real sense , they all work for us , so it is appropriate that we thank them for their hard work and sacrifice today.



Russell Hughes

Volunteers

Board of Directors

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

Supervisory Committee

Ana Archer
Kristie Ellis
Rhonda Lugo
Roger Nusbaum



2010 Annual Report



Report from the President and CEO

Report from the President Joe Mirachi

TOPCU made significant strides during 2010. As the impact of the “great recession” diminished, your credit union returned to profitable operations with net income of over \$1.3 million. Our net capital ratio, which is a key measure of our financial strength, increased to 6.90% - a level considered “adequately capitalized” by regulatory guidelines. Furthermore, TOPCU is projected to remain profitable for 2011 and grow financially stronger.

In 2010, we continued to deepen our commitment with City of Tucson employees. We were a key sponsor and supporter of the Tucson Police Foundation and their various events throughout the year. We also supported Parks and Recreation’s efforts as the presenting sponsor for the Senior Olympic Games and a sponsor of the El Rio Health Fair. Finally, we became an early supporter of the newly founded Greater Tucson Fire Foundation established to support the local fire community.

Our mission is to provide financial services that meet the unique 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.

Achieving these goals would be impossible without our core values: integrity, empathy, knowledge, and fun. These values guide us in all that we do.



2010 Financial Statement

Assets	2010
Loans	\$91,362,406
Loan Loss Allowance	(2,812,916)
Cash and Cash Equivalent	2,949,768
Investments	26,400,026
Property and Equipment	4,701,665
Other Assets	2,245,955
Total Assets	\$124,846,905

Liabilities & Equity	2010
Borrowed Funds	\$0
Liabilities	734,650
Savings Accounts	39,516,952
Checking Accounts	17,239,201
Money Market Accounts	23,104,045
Certificate Accounts	22,750,250
IRAs	12,885,929
Capital	8,615,878
Total Liabilities	\$124,846,905

Sources of Funds	2010
Loans	\$6,623,171
Investments	272,837
Fee/Other Income	1,780,991
Non-Operating Income	16,638
Total Income	\$8,693,637

Allocation of Funds	2010
Dividends	\$852,060
Interest on Borrowed Funds	4,113
Operating Expenses	5,564,801
Provision for Loan Loss	861,146
Net Income (loss)	1,378,243
Total Allocations	\$8,660,362

audited 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 Turner, Warren, Hwang & Conrad, a Certified Public Accounting firm, to audit the credit union’s financial statements for the year ending December 31, 2010. The Arizona Department of Financial Institutions and the National Credit Union Administration also performs 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.



Rhonda Lugo
Chair

