

TUCSON OLD PUEBLO CREDIT UNION - FINANCIAL STATEMENTS
AS OF JULY 31, 2014

Assets	Current Month		Prior Month		Difference		Prior Year		Difference	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Loans										
Credit Cards	682	\$ 922,268	671	\$ 903,319	11	\$ 18,949	464	\$ 714,599	218	\$ 207,670
Unsecured	1,470	\$ 4,420,414	1,592	\$ 4,405,437	(122)	\$ 14,977	1,565	\$ 3,687,311	(95)	\$ 733,103
Direct Auto	1,017	\$ 9,637,233	1,038	\$ 9,898,060	(21)	\$ (260,827)	1,235	\$ 11,925,536	(218)	\$ (2,288,303)
Indirect Auto	637	\$ 9,247,998	644	\$ 9,112,945	(7)	\$ 135,053	755	\$ 7,651,420	(118)	\$ 1,596,577
Home Equity	328	\$ 7,822,796	341	\$ 7,753,524	(13)	\$ 69,272	339	\$ 8,658,334	(11)	\$ (835,538)
Fixed Real Estate	358	\$ 23,516,844	358	\$ 23,293,911	0	\$ 222,933	366	\$ 24,616,201	(8)	\$ (1,099,357)
Variable Real Estate	68	\$ 4,534,587	69	\$ 4,555,130	(1)	\$ (20,543)	77	\$ 5,154,255	(9)	\$ (619,668)
Savings and Certificate Secured	104	\$ 551,630	104	\$ 564,326	0	\$ (12,696)	116	\$ 623,424	(12)	\$ (71,794)
Other	57	\$ 666,892	47	\$ 560,112	10	\$ 106,780	61	\$ 674,759	(4)	\$ (7,867)
Gross Loans	4,721	\$ 61,320,661	4,864	\$ 61,046,762	(143)	\$ 273,899	4,978	\$ 63,705,837	(257)	\$ (2,385,177)
						\$ -	\$ 56,009		\$ (56,009)	
Allowance for Loan Losses	4,721	\$ 61,320,661	4,864	\$ 61,046,762	(143)	\$ 273,899	4,978	\$ 63,761,846	(257)	\$ (2,441,185)
		\$ (1,434,103)		\$ (1,376,072)		\$ 58,031		\$ (1,430,468)		\$ 3,635
Net Loans		\$ 59,886,558		\$ 59,670,690		\$ 215,867		\$ 62,331,378		\$ (2,444,820)
Cash		\$ 22,730,127		\$ 16,278,944		\$ 6,451,184		\$ 16,407,942		\$ 6,322,186
Investments		\$ 46,453,699		\$ 54,570,315		\$ (8,116,616)		\$ 48,651,064		\$ (2,197,365)
Other Assets										
Land and Building		\$ 4,006,353		\$ 4,018,374		\$ (12,021)		\$ 4,138,431		\$ (132,078)
Furniture and Equipment		\$ 354,080		\$ 357,359		\$ (3,279)		\$ 311,609		\$ 42,472
Other Assets		\$ 2,926,993		\$ 2,846,712		\$ 80,281		\$ 2,241,033		\$ 685,960
Total Other Assets		\$ 7,287,427		\$ 7,222,445		\$ 64,982		\$ 6,691,072		\$ 596,354
Total Assets		\$ 136,357,811		\$ 137,742,394		\$ (1,384,583)		\$ 134,081,455		\$ 2,276,356
Liabilities and Equity										
Accounts Payable/Liabilities		\$ 1,057,542		\$ (405,255)		\$ 1,462,797		\$ 756,360		\$ 301,182
Total Borrowings		\$ -		\$ -		\$ -		\$ -		\$ -
Member Deposits										
Savings and Clubs	13,701	\$ 54,778,789	13,700	\$ 56,085,276	1	\$ (1,306,488)	14,135	\$ 51,201,316	(434)	\$ 3,577,473
Money Market accounts	798	\$ 23,581,212	799	\$ 23,834,968	(1)	\$ (253,756)	820	\$ 23,914,085	(22)	\$ (332,873)
Checking	7,762	\$ 23,793,144	7,449	\$ 24,763,733	313	\$ (970,589)	7,648	\$ 21,819,577	114	\$ 1,973,568
Certificates	999	\$ 14,347,833	1,005	\$ 14,378,528	(6)	\$ (30,695)	1,133	\$ 16,751,723	(134)	\$ (2,403,890)
Demand IRAs	446	\$ 5,248,130	510	\$ 5,439,926	(64)	\$ (191,796)	510	\$ 5,505,655	(64)	\$ (257,525)
IRA Certificates	415	\$ 4,619,774	418	\$ 4,646,319	(3)	\$ (26,545)	454	\$ 5,277,072	(39)	\$ (657,298)
Total Member Deposits	24,121	\$ 126,368,881	23,881	\$ 129,148,751	240	\$ (2,779,870)	24,700	\$ 124,469,427	(579)	\$ 1,899,454
Capital										
Regular Reserves		\$ 5,855,858		\$ 5,731,571		\$ 124,287		\$ 5,708,723		\$ 147,135
Undivided Earnings		\$ 3,188,231		\$ 3,365,389		\$ (177,158)		\$ 3,360,435		\$ (172,204)
Unrealized Gain/Loss (AFS)		\$ (112,700)		\$ (98,061)		\$ (14,639)		\$ (213,490)		\$ 100,789
Total Capital		\$ 8,931,388		\$ 8,998,898		\$ (67,510)		\$ 8,855,668		\$ 75,720
Total Liabilities and Equity		\$ 136,357,811		\$ 137,742,394		\$ (1,384,583)		\$ 134,081,455		\$ 2,276,356

TUCSON OLD PUEBLO CREDIT UNION - FINANCIAL STATEMENTS
AS OF JULY 31, 2014

Income	Current Month		Year to Date		Prior Year to Date		Budget		%
	Amount	Amount	Amount	Amount	Amount	Difference	Ytd	Difference	
Interest on Loans	\$ 251,209	\$ 1,856,649	\$ 2,043,362	\$ (186,713)	\$ 1,998,341	\$ (141,692)			-7%
Income from Investments	\$ 64,301	\$ 475,380	\$ 301,441	\$ 173,938	\$ 456,983	\$ 18,397			4%
Investment Services Income	\$ 25,210	\$ 142,792	\$ 130,111	\$ 12,682	\$ 124,517	\$ 18,275			15%
Fee Income	\$ 103,951	\$ 622,152	\$ 678,571	\$ (56,419)	\$ 717,998	\$ (95,846)			-13%
Other Operating Income	\$ 25,027	\$ 155,399	\$ 172,274	\$ (16,875)	\$ 118,494	\$ 36,905			31%
Total Income	\$ 469,698	\$ 3,252,372	\$ 3,325,759	\$ (73,387)	\$ 3,416,333	\$ (163,961)			-5%
Operating Expenses									
Employee Compensation	\$ 208,339	\$ 1,376,535	\$ 1,363,606	\$ 12,929	\$ 1,345,264	\$ 31,271			2%
Employee Incentives	\$ 30	\$ 150	\$ 300	\$ (150)	\$ 1,000	\$ (850)			-85%
Employee Benefits	\$ 37,494	\$ 267,672	\$ 275,961	\$ (8,288)	\$ 288,326	\$ (20,654)			-7%
Meetings	\$ 867	\$ 9,609	\$ 8,641	\$ 968	\$ 7,574	\$ 2,035			27%
Loan Servicing	\$ 15,472	\$ 113,246	\$ 93,606	\$ 19,640	\$ 92,129	\$ 21,117			23%
State Banking Dept. Fee	\$ 1,314	\$ 9,201	\$ 9,272	\$ (71)	\$ 9,205	\$ (4)			0%
Office Occupancy	\$ 38,075	\$ 247,503	\$ 263,873	\$ (16,370)	\$ 280,749	\$ (33,246)			-12%
Office Operations	\$ 55,588	\$ 331,673	\$ 332,818	\$ (1,145)	\$ 348,631	\$ (16,958)			-5%
Miscellaneous Expenses	\$ 962	\$ 5,869	\$ 5,824	\$ 45	\$ 7,576	\$ (1,707)			-23%
Member Insurance	\$ -	\$ 400	\$ 3,900	\$ (3,500)	\$ -	\$ 400			BUDGET IS ZERO
NCUSIF Corp Stabilization	\$ -	\$ -	\$ 98,211	\$ (98,211)	\$ -	\$ -			BUDGET IS ZERO
Association Dues	\$ 2,282	\$ 15,163	\$ 16,063	\$ (899)	\$ 12,886	\$ 2,277			18%
Educational & Training	\$ 601	\$ 3,151	\$ 7,269	\$ (4,118)	\$ 9,377	\$ (6,226)			-66%
Professional & Outside Services	\$ 82,295	\$ 523,232	\$ 560,502	\$ (37,270)	\$ 493,885	\$ 29,347			6%
Travel and Conference	\$ 157	\$ 479	\$ 3,642	\$ (3,163)	\$ 1,000	\$ (521)			BUDGET IS ZERO
Promotional Expenses	\$ 3,271	\$ 27,885	\$ 51,426	\$ (23,542)	\$ 30,973	\$ (3,088)			-10%
Cash Short/Over	\$ 27	\$ 1,520	\$ 525	\$ 996	\$ -	\$ 1,520			BUDGET IS ZERO
Deposit Account Adjustments	\$ 401	\$ 12,364	\$ 25,488	\$ (13,124)	\$ 23,800	\$ (11,436)			-48%
Total Operating Expenses	\$ 447,174	\$ 2,945,653	\$ 3,120,928	\$ (175,275)	\$ 2,952,375	\$ (6,722)			0%
Net Operating Income	\$ 22,524	\$ 306,720	\$ 204,832	\$ 101,888	\$ 463,958	\$ (157,238)			-34%
Provision for Losses	\$ 91,089	\$ 218,323	\$ (208,299)	\$ 426,622	\$ 382,250	\$ (163,927)			-43%
Provision OREO	\$ -	\$ -	\$ 17,888	\$ (17,888)	\$ 4,200	\$ (4,200)			-100%
Dividends	\$ 12,168	\$ 117,442	\$ 142,674	\$ (25,231)	\$ 135,513	\$ (18,071)			-13%
Interest on Borrowed Money	\$ 16	\$ 38	\$ 20	\$ 17	\$ -	\$ 38			BUDGET IS ZERO
Non-Operating (Income) Expense	\$ -	\$ -	\$ (100)	\$ 100	\$ -	\$ -			BUDGET IS ZERO
(Gain)/Loss on Investments	\$ (27,879)	\$ (27,879)	\$ -	\$ -	\$ -	\$ (27,879)			BUDGET IS ZERO
(Gain)/Loss Foreclosed Assets	\$ -	\$ -	\$ 97,682	\$ (97,682)	\$ -	\$ -			BUDGET IS ZERO
Net Income (Loss)	\$ (52,871)	\$ (1,205)	\$ 154,966	\$ (156,171)	\$ (88,917)	\$ 87,712			-99%

We certify, to the best of our knowledge and belief, that these financial statements are true and correct and present fairly the financial position and the results of operations for the periods covered.

Linda Dhaempfs
 Linda Dhaempfs, Interim VP of Finance/CFO

Richard Prater
 Richard Prater, Treasurer

G. Vernon Babilon
 G. Vernon Babilon, President/CEO

8/15/14
 Date

8/20/14
 Date

8/15/14
 Date

**TUCSON OLD PUEBLO CREDIT UNION - ADDENDUM TO THE FINANCIAL STATEMENTS
AS OF JULY 31, 2014**

Loan Delinquency	Current Month		Prior Month		Difference		Prior Year		Difference	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
60-179 DAYS	38	693,375	27	531,611	11	\$ 161,764	10	\$ 220,558	28	\$ 472,817
180-359 DAYS	4	61,332	1	78,526	3	(17,194)	6	177,414	-2	(116,082)
OVER 359 DAYS	2	66,396	3	118,110	(1)	(51,714)	4	60,248	-2	6,148
Total Delinquency	44	\$ 821,103	31	\$ 728,247	13	\$ 92,856	20	\$ 458,220	24	\$ 362,883
Ratios	<u>Percent</u>		<u>Percent</u>		<u>Percent</u>		<u>Percent</u>		<u>Percent</u>	
Loans/Deposits	48.53%		47.27%		1.26%		51.23%		-2.70%	
Efficiency Ratio (YTD expenses/income)	90.57%		89.79%		0.78%		93.84%		-3.27%	
Delinquent Loans/Loans	1.34%		1.19%		0.15%		0.72%		0.62%	
Net Interest Margin	2.61%		2.82%		-0.22%		2.70%		-0.09%	
Capital Ratio	6.63%		6.60%		0.03%		6.76%		-0.13%	
Return on Average Assets (YTD)	0.00%		0.08%		-0.08%		0.20%		-0.20%	
Other Information	<u>Number</u>		<u>Number</u>		<u>Number</u>		<u>Number</u>		<u>Number</u>	
Primary Accounts	12,584		12,649		(65)		13,116		(532)	
New Primary Accounts	77		65		12		105		(28)	

Membership & FTE Information

	Mar 2014	Jun 2014	Sep 2014	Dec 2014
# of Members	11,647	11,530		
Membership Growth	-56	-117		
FTE	56.5	52.0		
Members to FTE	206.14	221.73		