

TUCSON OLD PUEBLO CREDIT UNION - FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2013




REVISED 02/12/14

Assets	Current Month		Prior Month		Difference		Prior Year		Difference	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Loans										
Credit Cards	555	\$ 825,810	552	\$ 800,341	3	\$ 25,469	383	\$ 721,780.77	172	\$ 104,029
Unsecured	1,556	\$ 4,132,555	1,530	\$ 3,926,381	26	\$ 206,175	1,535	\$ 3,685,924.18	21	\$ 446,631
Direct Auto	1,145	\$ 10,884,612	1,167	\$ 11,032,599	(22)	\$ (147,987)	1,321	\$ 11,626,371.43	(176)	\$ (741,759)
Indirect Auto	669	\$ 7,915,747	672	\$ 7,782,614	(3)	\$ 133,133	1,038	\$ 7,579,934.26	(369)	\$ 335,812
Home Equity	336	\$ 8,366,687	337	\$ 8,471,179	(1)	\$ (104,492)	336	\$ 8,587,581.10	0	\$ (220,894)
Fixed Real Estate	366	\$ 24,088,280	367	\$ 24,305,608	(1)	\$ (217,327)	367	\$ 24,546,014.55	(1)	\$ (457,734)
Variable Real Estate	73	\$ 4,824,441	73	\$ 4,833,482	0	\$ (9,041)	78	\$ 5,026,659.11	(5)	\$ (202,218)
Savings and Certificate Secured	104	\$ 595,147	104	\$ 593,851	0	\$ 1,295	131	\$ 618,168.36	(27)	\$ (23,022)
Other	59	\$ 631,335	59	\$ 646,362	0	\$ (15,027)	78	\$ 660,395.12	(19)	\$ (29,060)
Gross Loans	4,863	\$ 62,264,615	4,861	\$ 62,392,418	2	\$ (127,803)	5,267	\$ 63,052,828.88	(404)	\$ (788,214)
Prepaid Loan Fees		\$ 70,364		\$ 65,869		\$ 4,496		\$ 58,349.48		\$ 12,015
Loan Participation		\$ -		\$ -		\$ -		\$ 0.00		\$ -
Allowance for Loan Losses	4,863	\$ 62,334,979	4,861	\$ 62,458,286	2	\$ (123,307)	5,267	\$ 63,111,178.36	(404)	\$ (776,199)
Net Loans		\$ 60,949,467		\$ 61,034,061		\$ (84,594)		\$ 61,605,713.94		\$ (656,247)
Cash		\$ 13,810,371		\$ 12,066,360		\$ 1,744,011		\$ 16,938,810.65		\$ (3,128,440)
Investments		\$ 52,767,411		\$ 55,083,191		\$ (2,315,780)		\$ 50,158,997.19		\$ 2,608,414
Other Assets										
Land and Building		\$ 4,082,477		\$ 4,093,936		\$ (11,459)		\$ 4,129,109.26		\$ (46,633)
Furniture and Equipment		\$ 276,411		\$ 286,474		\$ (10,063)		\$ 303,467.85		\$ (27,057)
Other Assets		\$ 2,277,274		\$ 2,372,490		\$ (95,216)		\$ 2,238,135.56		\$ 39,139
Total Other Assets		\$ 6,636,162		\$ 6,732,900		\$ (116,737)		\$ 6,670,712.67		\$ (34,550)
Total Assets		\$ 134,163,410		\$ 134,936,510		\$ (773,100)		\$ 135,374,234.45		\$ (1,210,824)
Liabilities and Equity										
Accounts Payable/Liabilities		\$ 1,697,791		\$ 606,539		\$ 1,091,253		\$ 864,065.96		\$ 833,725
Total Borrowings		\$ -		\$ -		\$ -		\$ -		\$ -
Member Deposits										
Savings and Clubs	13,825	\$ 51,679,013	13,849	\$ 51,937,298	(24)	\$ (258,285)	14,687	\$ 51,268,413.18	(862)	\$ 410,600
Money Market accounts	824	\$ 23,959,267	821	\$ 24,196,712	3	\$ (237,445)	855	\$ 24,110,995.32	(31)	\$ (151,728)
Checking	7,646	\$ 22,516,929	7,640	\$ 23,481,545	6	\$ (964,617)	7,601	\$ 23,327,878.70	45	\$ (810,950)
Certificates	1,050	\$ 15,440,422	1,067	\$ 15,645,657	(17)	\$ (205,234)	1,197	\$ 16,456,888.31	(147)	\$ (1,016,466)
Demand IRAs	510	\$ 5,154,699	510	\$ 5,180,860	0	\$ (26,161)	510	\$ 5,366,982.76	0	\$ (212,284)
IRA Certificates	429	\$ 4,838,421	432	\$ 4,925,215	(3)	\$ (86,795)	496	\$ 5,221,463.20	(67)	\$ (383,043)
Total Member Deposits	24,284	\$ 123,588,751	24,319	\$ 125,367,288	(35)	\$ (1,778,537)	25,346	\$ 125,752,621.47	(1,062)	\$ (2,163,871)
Capital										
Regular Reserves		\$ 5,731,571		\$ 5,731,571		\$ -		\$ 5,708,722.74		\$ 22,848
Undivided Earnings		\$ 3,313,723		\$ 3,351,922		\$ (38,199)		\$ 3,315,453.88		\$ (1,731)
Unrealized Gain/Loss (AFS)		\$ (168,425)		\$ (120,808)		\$ (47,617)		\$ (266,629.60)		\$ 98,204
Total Capital		\$ 8,876,868		\$ 8,962,684		\$ (85,816)		\$ 8,757,547.02		\$ 119,321
Total Liabilities and Equity		\$ 134,163,410		\$ 134,936,510		\$ (773,100)		\$ 135,374,234.45		\$ (1,210,824)

TUCSON OLD PUEBLO CREDIT UNION - FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2013

Income	Current Month	Year to Date	Prior Year to Date		Budget	Budget	%
	Amount	Amount	Amount	Difference	Ytd	Difference	
Interest on Loans	\$ 232,910	\$ 3,410,836	\$ 4,041,317	\$ (630,481)	\$ 3,515,178	\$ (104,342)	-3%
Income from Investments	\$ 62,685	\$ 593,535	\$ 667,547	\$ (74,013)	\$ 625,140	\$ (31,606)	-5%
Investment Services Income	\$ 17,848	\$ 287,609	\$ 184,894	\$ 102,715	\$ 199,494	\$ 88,115	44%
Fee Income	\$ 99,321	\$ 1,154,585	\$ 1,276,100	\$ (121,515)	\$ 1,254,596	\$ (100,011)	-8%
Other Operating Income	\$ 24,976	\$ 254,932	\$ 89,948	\$ 164,983	\$ 235,754	\$ 19,178	8%
Total Income	\$ 437,740	\$ 5,701,496	\$ 6,259,806	\$ (558,310)	\$ 5,830,162	\$ (128,666)	-2%
Operating Expenses							
Employee Compensation	\$ 191,905	\$ 2,340,597	\$ 2,548,731	\$ (208,134)	\$ 2,305,180	\$ 35,417	2%
Employee Incentives	\$ -	\$ 360	\$ 315	\$ (155)	\$ 3,500	\$ (3,140)	-90%
Employee Benefits	\$ 37,016	\$ 458,898	\$ 504,253	\$ (45,354)	\$ 461,859	\$ (2,961)	-1%
Meetings	\$ 1,064	\$ 27,171	\$ 36,276	\$ (9,105)	\$ 32,347	\$ (5,176)	-16%
Loan Servicing	\$ 18,267	\$ 160,067	\$ 148,914	\$ 11,153	\$ 164,355	\$ (4,288)	-3%
State Banking Dept. Fee	\$ 1,314	\$ 15,854	\$ 15,562	\$ 292	\$ 16,800	\$ (946)	-6%
Office Occupancy	\$ 35,428	\$ 453,154	\$ 436,168	\$ 16,986	\$ 473,347	\$ (20,193)	-4%
Office Operations	\$ 48,492	\$ 556,238	\$ 595,300	\$ (39,062)	\$ 556,988	\$ (750)	0%
Miscellaneous Expenses	\$ 1,354	\$ 9,279	\$ 22,478	\$ (13,198)	\$ 9,669	\$ (390)	-4%
Member Insurance	\$ 200	\$ 9,357	\$ 11,150	\$ (1,793)	\$ 8,700	\$ 657	8%
NCUSIF Corp Stabilization	\$ -	\$ 98,211	\$ 117,217	\$ (19,006)	\$ 120,000	\$ (21,789)	-18%
Association Dues	\$ 2,342	\$ 26,884	\$ 25,945	\$ 939	\$ 22,218	\$ 4,666	21%
Educational & Training	\$ 657	\$ 10,005	\$ 18,768	\$ (8,763)	\$ 9,654	\$ 351	4%
Professional & Outside Services	\$ 133,147	\$ 1,015,674	\$ 893,958	\$ 121,715	\$ 877,688	\$ 137,986	16%
Travel and Conference	\$ -	\$ 5,084	\$ 11,282	\$ (6,199)	\$ 6,813	\$ (1,729)	-25%
Promotional Expenses	\$ 4,064	\$ 70,903	\$ 98,985	\$ (28,082)	\$ 67,465	\$ 3,438	5%
Cash Short/Over	\$ 357	\$ 2,509	\$ 900	\$ 1,609	\$ 1,200	\$ 1,309	109%
Deposit Account Adjustments	\$ 6,821	\$ 41,748	\$ 23,625	\$ 18,123	\$ 24,000	\$ 17,748	74%
Total Operating Expenses	\$ 482,428	\$ 5,301,993	\$ 5,510,027	\$ (208,034)	\$ 5,161,783	\$ 140,210	3%
Net Operating Income	\$ (44,688)	\$ 399,503	\$ 808,387	\$ (408,885)	\$ 668,379	\$ (268,876)	-40%
Provision for Losses	\$ (18,226)	\$ (57,652)	\$ 1,322,933	\$ (1,380,584)	\$ 199,656	\$ (257,208)	-129%
Provision OREO	\$ -	\$ 17,888	\$ 8,800	\$ 9,088	\$ 6,000	\$ 11,888	198%
Dividends	\$ 17,168	\$ 233,729	\$ 374,626	\$ (140,897)	\$ 257,514	\$ (23,785)	-9%
Interest on Borrowed Money	\$ 5	\$ 89	\$ 1,560	\$ (1,472)	\$ -	\$ 89	BUDGET IS ZERO
Non-Operating (Income) Expense	\$ -	\$ (100)	\$ 1,643	\$ (1,743)	\$ -	\$ (100)	BUDGET IS ZERO
(Gain)/Loss on Investments	\$ (7,458)	\$ (16,768)	\$ -	\$ -	\$ -	\$ (16,768)	BUDGET IS ZERO
(Gain)/Loss Foreclosed Assets	\$ 2,022	\$ 91,215	\$ 96,104	\$ (4,889)	\$ -	\$ 91,215	BUDGET IS ZERO
Net Income (Loss)	\$ (38,199)	\$ 131,102	\$ (997,278)	\$ 1,128,380	\$ 205,209	\$ (74,107)	-36%

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.


 Steve Lewis, VP of Finance/CFO

 John Brady, Treasurer

 Vern Bablon, President/CEO

2/12/14
 Date
 2/14/14
 Date
 2/13/14
 Date

**TUCSON OLD PUEBLO CREDIT UNION - ADDENDUM TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2013**

Loan Delinquency	Current Month		Prior Month		Difference		Prior Year		Difference	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
60-179 DAYS	14	351,721	19	664,801	(5)	\$ (313,080)	12	\$ 143,083	2	\$ 208,638
180-359 DAYS	5	135,199	5	135,876	-	(677)	6	139,061	-1	(3,862)
OVER 359 DAYS	2	17,740	2	17,926	-	(186)	11	117,699	-9	(99,959)
Total Delinquency	21	\$ 504,660	26	\$ 818,603	(5)	\$ (313,943)	29	\$ 399,843	-8	\$ 104,817
Ratios	<u>Percent</u>		<u>Percent</u>		<u>Percent</u>		<u>Percent</u>		<u>Percent</u>	
Loans/Deposits	50.44%		49.82%		0.62%		55.06%		-4.62%	
Efficiency Ratio (YTD expenses/income)	92.99%		91.56%		1.43%		88.02%		4.97%	
Delinquent Loans/Loans	0.81%		1.31%		-0.50%		0.59%		0.22%	
Net Interest Margin	2.44%		3.21%		-0.77%		3.00%		-0.56%	
Capital Ratio	6.74%		6.73%		0.01%		6.68%		0.06%	
Return on Average Assets (YTD)	0.10%		0.14%		-0.04%		-0.79%		0.89%	
Other Information	<u>Number</u>		<u>Number</u>		<u>Number</u>		<u>Number</u>		<u>Number</u>	
Primary Accounts	12,787		12,817		(30)		13,722		(935)	
New Primary Accounts	78		65		13		77		1	

TUCSON OLD PUEBLO CREDIT UNION - INVESTMENT ANALYSIS

Investment Description	Market Value	Weighted Avg Yield	Par Value	weighting factors to calculate overall weighted interest rate		Non SFAS 115 Inv.
Short Term Investments (1 year or less)						
Firstcorp Certificates						
Certificates of Deposit	\$ 3,934,000	0.70%	\$ 3,934,000	\$ 27,534		\$ 3,934,000
Long Term Certificates (greater than 1 year)						
Certificates of Deposit 3 yrs or less	\$ 9,307,000	1.73%	\$ 9,307,000	\$ 161,402		\$ 9,307,000
Certificates of Deposit over 3 years	5,117,000	1.50%	5,117,000	76,914		5,117,000
Federal Agency Securities (greater than 1 year)						
FHLB, FNMA, FHLMC, FFCB	\$ 12,907,243	0.84%	\$ 13,000,000	\$ 108,940		
Mortgage Backed Securities (MBS)	\$ 18,084,507	2.90%	\$ 18,717,035	\$ 543,543		
Agency CMO	\$ 1,307,781	2.00%	\$ 1,290,985	\$ 25,820		
Unrealized Gain/Loss (AFS)			\$ (168,425)			
AGENCY PREM/DISC			\$ 709,632			
MBS PREM/DISC			\$ 526,371	\$ 1,316		\$ 526,371
FirstCorp Perm. Inv. Capital	\$ 526,371	0.25%	\$ 526,371	\$ 1,316		\$ 526,371
Catalyst FCU Capital	\$ 333,813	0.67%	\$ 333,813	\$ 2,237		\$ 333,813
Total Earning Investments	\$ 51,517,714	1.80%	\$ 52,767,411	\$ 947,705		19,218,184
Securities committed that settle next month	-		-			
Total Investments	\$ 51,517,714		\$ 52,767,411			