



We'll Meet You

Where You Are

2023  
ANNUAL  
REPORT





“  
...creating opportunities in our community through

service, education, and access.”



# President & CEO Letter to the Membership



Dear Members,

As we reflect on the past year, I am proud to share with you the progress and achievements of Tucson Federal Credit Union in 2023. Despite the challenges posed by an uncertain and challenging economic environment, TFCU remains financially strong, with a healthy balance sheet and a staff dedicated to delivering exceptional service to our members. We are poised for success in 2024 and beyond and grateful to our members for making it possible.

In 2023, we continued to focus on enhancing services, reimagining products, and investing in our digital capabilities to adjust to evolving needs and “Meet You Where You Are.” For instance, we introduced a new online account opening solution, redesigned youth account offerings and successfully unified communication channels. Each of these projects contributes to our strategic goal of combining high-tech and high-touch approaches to provide exceptional member experiences.

Community Impact remains at the core of TFCU, and 2023 provided opportunities for partnering with more than 80 non-profits committed to helping people through difficulties and leading them to a better future. We are all in on making Tucson a

place where each person can thrive. We are all in on doing good works because it is right. We are all in on helping to make this community what it strives to be.

None of this would be possible without the hard work, commitment, and talent of our TFCU Team. I would like to express my sincere gratitude to each and every one of them for their tireless effort and unwavering dedication. I would also like to express my appreciation for our Board of Directors and Supervisory Committee who dedicate countless hours each year to help guide TFCU to sustainable success.

As we look ahead to 2024, we remain committed to our mission of creating opportunities in our community through service, education, and access. We will continue to innovate, grow, and adapt to meet your needs and exceed your expectations.

It is my honor to serve you and lead this great organization. We are grateful for your trust and support, and we look forward with confidence as we enter a new year.

# MEET OUR BOARD OF DIRECTORS



**Edward Smith**  
Chair



**Emily Rodriguez**  
Secretary



**Jim Marr**  
Treasurer



**Mike Herrier**  
Vice Chair



**Bryan Benz**  
Director



**Becky O'Hara**  
Director



**Paul Mayfield**  
Director

# A Letter from the Chairman

What another exciting and strong year TFCU had in 2023, where our focus remained on the efficient use of technology and maintaining a solid financial foundation. We are grateful and humbled by the trust you have shown in allowing us to be your representatives. Management and staff work hard to help serve member needs and we are appreciative of their continued effort to bring forward the best products, services, and technology available.

To maintain a great level of expertise and communication, the board began assessments to further improve engagement and participation as well as training to keep up with fast moving changes in financial services. It is always our goal to grow so that we can support our membership. Our success as your member representatives will continue as we further develop our policies and procedures and hold each other to higher level of engagement and understanding.

Over the past year, TFCU has continued to increase Net Income, Assets, and Capital. In addition, we have focused on unsecured lending, which our members use when smaller household, automotive or other emergencies arise. This increases our risk exposure, but we feel that supporting our members during challenging times is more than acceptable. We will continue to warn and protect you from fraud. We have focused on educating our employees of the current fraud risks, and we will continue to inform members through email, social media, and our website.

Our employees are given the opportunity for professional development in areas that can improve their career path which also improves our ability to serve you. It is exciting to share that our average tenure is 9.2 years for employees, well above industry standards. We value the staff that serve you and continue to improve policies to help the team with their work/life balance. Our employees served the community with more than 2300 volunteer hours, served eighty-eight nonprofit organizations and TFCU has provided over \$250,000 in monetary impact. We value our non-profit partners and hope to improve the lives of everyone in our community.

Thank you to all members for your endless support. Our mission is creating opportunities in our community through service, education, and access. It is our hope that our members, employees, and volunteers all share in this goal.

# Supervisory Committee Letter

The Supervisory Committee (SC) continues to direct the audit activities of the credit union by bringing a systematic and disciplined approach to evaluate and improve the credit union's risk management, control, and governance processes by outsourcing financial, control, policy, and procedural audits to ensure that they are sufficient to safeguard member assets. Outsourcing audits have been demonstrated to be a productive, efficient, and effective audit process. The SC approved the 2024 "Internal Audit Plan" and engaged Doeren Mayhew CPAs to evaluate the Credit Union's policies, procedures, and overall operations based on discussions with Management, the Supervisory Committee, and the results of the Risk Assessment.

The SC engaged Nearman, Maynard, Vallez, CPA to audit the financial statement of Tucson Federal Credit Union, which comprises the statement of financial condition as of March 31, 2024, and the related statements of income, comprehensive income, changes in members' equity, and cash flows for the year. This will be the third audit of the three-year contract. It is anticipated that the engagement will be extended for another two years.

BAI Security conducted an IT Security Assessment of the internal and external networks to ensure compliance with the appropriate regulations and our policies and procedures for the September to November 2023 audit period. This was the fourth year of a three-year contract that was extended for another year. The SC is discussing whether we should extend the BAI Security engagement for one final year.

To stay informed, a committee member continues to be represented at monthly board meetings and the Enterprise Risk Management/Asset Liability Management meetings. The Supervisor Committee also conducts surprise cash count audits at each branch at least once a year, and monthly, they review the Suspicious Activity Report to maintain an awareness of the various frauds and scams facing the credit union. The Supervisor Committee members attend educational conferences and webinars to keep up with industry developments.

Rachel Michaud  
Supervisory Committee Chair

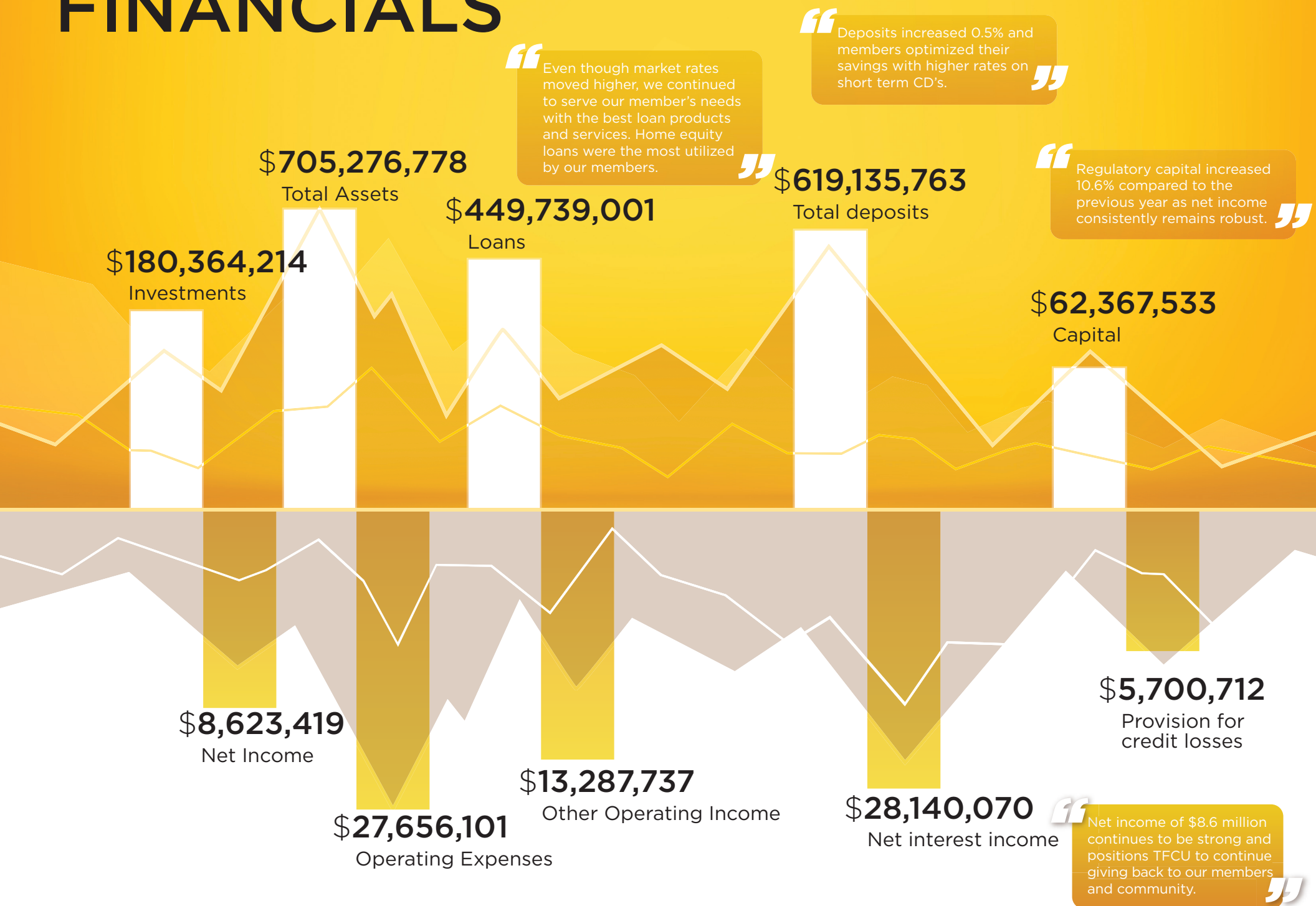
# Youth Account Re Launch



In April, TFCU launched “Youth Month” by revamping our product offering for kids and young adults. We understand that capturing the loyalty of young members can lead to long-term relationships and establish a strong foundation for our community overall. Our Jump Start Savers is available for ages birth to 17, and our Jump Start Debit is designed for tweens and teens ages 11 to 17. Both of these accounts have their own unique user experience that offers games to encourage financial literacy and saving. It is never too early to start investing in our children.



# FINANCIALS



“ Even though market rates moved higher, we continued to serve our member’s needs with the best loan products and services. Home equity loans were the most utilized by our members. ”

“ Deposits increased 0.5% and members optimized their savings with higher rates on short term CD’s. ”

“ Regulatory capital increased 10.6% compared to the previous year as net income consistently remains robust. ”

“ Net income of \$8.6 million continues to be strong and positions TFCU to continue giving back to our members and community. ”



# COMMUNITY IMPACT



**\$258,624**

\$199,401 Cash given amongst 44 nonprofits and 80 random acts of kindness, plus \$59,223 of in-kind value

Supporting

**155**

Nonprofit Orgs

2023 saw TFCU elevate the financial wellness of members and non-members through education and personalized financial coaching. The Community Impact Team's efforts aligned with the credit union's commitment to service, education, and access, and the three-person team provided 479 sessions to 1,519 participants.

Through impactful collaborations with local nonprofits, the Community Impact Team offered financial education opportunities that covered essential topics, with budgeting and credit taking the lead as the most requested. Sessions about saving money and identity theft were also important to adults to help them to safeguard their personal information and financial assets.

TFCU supported local schools by providing class sessions adaptable to teacher lesson plans. Popular subjects included budgeting, credit, and career exploration. Schools visited in 2023 were Cholla High School, Palo Verde High School, San Miguel High School, Teenage Parent High School, Edge High School, Joint Technical Education District (JTED), Sonoran Science Academy/DMAFB, Valencia Middle School, Altar Valley Vista Middle School, Peter Howell Elementary School, Pima Community College Adult Basic Education for College & Career, and the University of Arizona's Summer Youth Impact Program.

**159**

Employees served  
88 nonprofit orgs

**2,303**

Volunteered Hours

**479**

Financial Education  
sessions

Multicultural  
Empowerment  
Center



**1,519**

Participants

In comparison to 2022, we experienced an increase of 11% in sessions and 19% in participants.

**TFCU Gives Day**



**RANDOM ACTS  
OF KINDNESS  
TOTALING \$4,540\***

**BUILDING A BETTER COMMUNITY**





MEMPHIS FEDERATION  
of the  
**tju gives**  
Pay to the order of  
**Job Path**  
Twenty Thousand and 00/100 \$ 20,000  
Memo: 2023 Community Awards  
Date: April 14, 2023  
Dollars  
Matthew Gaspari

**tju gives**  
Pay to the order of  
**Girl Scouts**  
Ten Thousand and 00/100 \$ 10,000  
Memo: 2023 Community Awards  
Date: April 14, 2023  
Dollars  
Matthew Gaspari

FAMILY RESOURCES

**Thank  
You**

