



2025 ANNUAL REPORT

PROUDLY TUCSON



“We are not just a financial institution;
we are a part of the fabric of this community.
we are proudly local,
we are better together,
and we are ready for the years ahead.”

President & CEO Letter to the Membership

Dear Members,

As I reflect on the past year at Tucson Federal Credit Union, the word that comes to mind is momentum. It has been a landmark year of growth and transformation, and I am honored to share that TFCU has reached a new pinnacle in our mission to serve you and the Pima County community.

This year, we achieved record-setting financial results, highlighted by robust asset growth that has brought our total assets to \$925 million. This milestone represents the deep trust you place in us as your financial partner and provides the solid capital footing necessary for us to innovate and grow alongside you. We have reached a unique point in our evolution: we are large enough to serve every financial need our members have, yet we remain the right size to remember exactly what every member needs.

One of our key focus areas in 2025 was empowering the backbone of our local economy. We significantly expanded our business services and commercial lending offerings, introducing sophisticated treasury management tools designed to help local entrepreneurs thrive. To support this growth, we opened two new branches in the fastest-growing areas of Pima County. However, our expansion strategy is more than just following the growth; we are now seeking to add branches in areas that may not be growing as fast but have a critical need for greater access to financial services. TFCU is dedicated to serving every population regardless of their neighborhood or address. We believe that when you help those most in need, you begin to lift an entire community to new heights.

While we expand our physical footprint, we are equally committed to enhancing the human element of our service. We have made a significant investment in the team that serves you every day, providing them with the advanced technology required to deliver service efficiently, quickly, and with total accuracy. We continue to utilize a hybrid blend of “High Tech and High Touch” to meet you where you are. Whether you prefer the convenience of our digital platforms or a face-to-face conversation, our team is the best trained and most prepared to deliver a level of service you can be proud of.

Our commitment to growth is matched only by our dedication to our neighbors. This year, TFCU contributed \$300,000 to local non-profits, with a specific focus on the children of our community. Looking ahead to 2026, we are adding resources to keep our kids learning safe, and expanding their hearts and minds. I grew up in a time when it was a given that music, arts, and sports were available after school. Today, that is a luxury in short supply, and TFCU is committed to changing that; one student at a time. Our roots are in education, and we seek to fill the gaps for the kids of Pima County so they can thrive no matter what their zip code.

As we look to the future, we must also protect the movement that makes this work possible. Tucson Federal Credit Union has been in business since 1937, and credit unions have served as a stable force for over 100 years. Today, there are forces directly and indirectly trying to make it more difficult for us to do business by threatening our tax-exempt status and creating a regulatory environment that pressures community institutions and makes no distinction between credit unions and big banks.

Advocacy has never been more important. TFCU is taking a leading role in ensuring that both locally and nationally, legislators hear our stories, so they truly understand our purpose. This is a cooperative financial services model that works; it provides a vital alternative in our communities to ensure that the cost of access to capital doesn't escalate out of control. To protect the charter that allows us to do business, we may need your help. We may call on you to help us get our stories heard or to make our positions clear to those in power.

Finally, I want to emphasize what truly sets us apart. As outside competitors enter the Tucson market to increase their profits, TFCU remains the true local choice. We are not just a financial institution; we are a part of the fabric of this community. We are proudly local, we are better together, and we are ready for the years ahead.

Thank you for your continued loyalty and for being the most important part of our story.

Sincerely,

Matthew Gaspari, MBA
President/CEO,
Tucson Federal Credit Union



A Letter from the Chairman

Dear Tucson Federal Credit Union Members,

As Chairman of the Board of Directors, I am pleased to share a summary of Tucson Federal Credit Union's strong performance throughout 2025. This past year was defined by substantial financial growth; through prudent management and strategic initiatives, we increased our net worth, strengthened our capital reserves, and expanded our total assets. These achievements provide a solid foundation for TFCU's future, ensuring we can continue to offer competitive products while maintaining the robust financial health that directly benefits you, our member-owners.

Our commitment is to stand beside our members in every season—when times are good and when they are more challenging. During the government shutdown, when many of our members suddenly went without paychecks, TFCU turned that commitment into action. We worked quickly to support our government employees through payment skips, salary advances, extended due dates, and other relief options. As both a member and a former member of the military, seeing this response resonated deeply with me and made me proud to call TFCU home. It is just one example of how we strive to walk alongside our members throughout their financial journey, no matter how smooth or uncertain the path may be.

The Board remains deeply committed to keeping TFCU at the forefront of financial innovation. We recognize the rapid pace of change in our industry and the importance of adapting to your evolving needs. To guide this mission, our directors actively participate in national seminars and workshops to master emerging trends and cutting-edge technologies.

We are thrilled to announce that our physical presence is growing to better serve you where you live and shop. We have officially expanded our network into Oro Valley, with our new branch conveniently located in the Oro Valley Marketplace inside Walmart. Additionally, we are excited to plant roots in the Greater Vail Area and Rita Ranch. These additions are part of our broader effort to bring TFCU's services closer to you, ensuring that professional, personalized banking is always within reach. We continue to evaluate opportunities to extend our reach throughout Pima County.

Our commitment to your in-branch experience continues with our extensive facility upgrades. We are on track to finish the remodel project of our existing branch locations in 2026. These updates are designed to create welcoming, efficient, and technologically advanced spaces. We are incredibly grateful for the positive feedback we have already received from the membership regarding these improvements.

At TFCU, the security of your information remains paramount. We understand the trust you place in us and continue to invest in the latest security protocols to proactively detect and prevent fraud, ensuring your assets and data remain protected in an increasingly digital world.

Thank you for your continued membership and trust in Tucson Federal Credit Union. We are honored to serve you and look forward to a future of shared success.

Sincerely,

Mike Herrier

Chairman of the Board
Tucson Federal Credit Union



Mike Herrier
Chair

OUR BOARD OF DIRECTORS



Deb Alter
Vice Chair



Emily Rodriguez
Secretary



Paul Mayfield
Treasurer



Bryan Benz
Director



Edward Smith
Director



Cori Rodriguez
Director

TFCU Associate Board of Directors



David Blanco
Member



Dale Dunn
Member



Stephanie Hreha
Member

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COMMUNITY IMPACT 2025

FINANCIAL EDUCATION



OF SESSIONS **645**

OF PARTICIPANTS **1,904**

Includes nonprofit partners and public schools, and individuals receiving personal financial coaching

26%
OF SESSIONS

13%
OF PARTICIPANTS

OUR NEWEST BRANCHES



Oro Valley (Oro Valley Marketplace)

Our new branch is now open for business inside the Walmart at the Oro Valley Marketplace!



Rita Ranch (Houghton and Old Vail Road)

Our newest branch is now open, we're excited to meet you where you are Rita Ranch!



TOTAL FINANCIAL IMPACT

\$327,168

OVERVIEW

- MONTHLY FUNDING **\$209,500**
- COMMUNITY ANNUAL AWARD **\$45,000**
- SPONSORSHIPS **\$52,500**
- IN-KIND DONATIONS (VT) **\$20,168**

VT = Paid volunteer time for employees.



54% of Funding Supported Children & Youth Services

ADVOCACY. CONNECTION. ACTION.



Over **50%**

Pima County Nonprofit Organizations Supported



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TFCU GIVING BACK WITH SPONSORSHIPS

Our most significant in-kind investment was a \$35,000 district-wide appreciation meal for TUSD educators during Professional Learning Day, honoring our founding by Tucson teachers.

Team members delivered invaluable financial literacy programming across Southern Arizona, with highlights including Lisa Atkinson's work with Interfaith Community Services' Bridges Financial Management Class and Robyn Austin earning Junior Achievement Volunteer of the Year recognition for her leadership in programs like A Bite of Reality and JA Day.

Additional community touchpoints included our back-to-school initiative providing 30 complimentary youth haircuts through Headliners Barber Shop partnership, branch supply drives, community grocery raffles at Oro Valley and Rita Ranch locations, and meaningful presence at community celebrations

Throughout the year we sponsored events that touched our community's lives culturally, artistically, athletically, and pet caringly at the Ballet Tucson, Winterhaven Festival of Lights, Tucson Greek Festival, Legendary Women's Cup, and the Pets of Pima Parade and #LovePup Family Fest.

These efforts reached over 60,000 Southern Arizona residents, reinforcing our commitment to our community through access, and service through presence, not just dollars.



AWARDS & RECOGNITION

TFCU received 5 major awards recognizing the organization and key leadership.



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Supervisory Committee Letter

The Supervisory Committee (SC) continues to direct the credit union’s audit activities by taking a systematic and disciplined approach to evaluating and improving its risk management, control and governance processes. The SC also outsources 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. Doeren Mayhew, who is engaged to evaluate the Credit Unions’ policies, procedures and overall operations, merged with the audit firm Nearman, Maynard, Vallez, CPAs in 2024. Nearman, Maynard, Vallez, CPAs was TFCU’s financial auditors at the time. Therefore, the SC approved Doeren Mayhew to conduct TFCU’s external financial audit for the next three years ending in 2027. The audit firm’s responsibility is to audit the financial statement of TFCU, which comprises the statement of condition as of March 31, 2025, and the related statements of income, comprehensive income, changes in members’ equity and cash flows for the year ended.

TFCU engaged BPM, one of the top 100 accounting firms, to conduct an IT Security Assessment of the internal and external networks to ensure compliance with the appropriate regulations and our policies and procedures. This is the second year of their engagement ending in 2028.

To stay informed, members of the committee continue to be represented at monthly board meetings and at 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.

Svetlana Pitman
Supervisory Committee Chair

TFCU Supervisory Committee

Svetlana Pitman
Chair

Rachel Michaud
Vice Chair

Natalya Brown
Member

Nancy Jones
Member

Luis Velasco
Member

FINANCIALS

Investments **\$353,037,716**

Total Assets **\$925,415,591**

Loans **\$485,240,566**

The credit union’s **loan** portfolio grew by 5.6%, reflecting a well-balanced expansion strategy. Business lending was the primary driver with a net increase of \$15.4M, while our consumer portfolios—led by residential real estate and auto lending—contributed an additional \$12.7M to our total balance sheet growth.

Total Deposits **\$746,463,560**

Total deposits grew by 16.7%, a strategic increase that bolstered our liquidity and supported our lending initiatives. This growth ensures the credit union is well-positioned to meet the evolving financial needs of our membership and provides a solid platform for future expansion.

Capital **\$98,147,998**

The credit union’s **capital** increased by 23.5%, reaching new heights of financial stability. This growth, fueled by consistent net income and improved asset valuations, ensures we are well-capitalized to support the future needs and aspirations of our growing membership.

Net Income **\$13,217,022**

Building on our sustained momentum, the credit union achieved a 10.6% increase in **net income** over the previous year. This exceptional financial performance provides the capital strength necessary to accelerate our expansion and deepen our impact across Pima County.

Operating Expenses **\$31,167,920**

Other Operating Income **\$14,286,922**

Net Interest Income **\$37,330,801**

Provision for Credit Losses **\$8,082,973**

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TUCSON FEDERAL CREDIT UNION



THANK YOU

