



Together we grow.

2017 Annual Report



Let's bank together.

A photograph of a man carrying a young girl on his shoulders in a swimming pool. The man is smiling and looking towards the camera. The girl is also smiling and has her arms outstretched. The water is splashing around them. In the background, there are palm trees and a beach umbrella.

Who We Are

As a member-owned Credit Union, we are committed to helping our members achieve their financial needs.

– Shane Siren, Chairman of the Board

Our Vision

We will be a strong leader in our community, state, and the credit union movement. Our reputation will be built on dedication to knowing our members, financial stability and providing responsive and professional service. We will be trusted and chosen as the preferred financial institution.

Our Mission

We exist to improve the lives of our members, our associates and the communities we serve.

Our Values

- We value our communities
- We are transparent
- We are trustworthy
- We educate members about what is best for them
- We are enjoyable to do business with
- We have members' best interests at heart

Table of Contents

1	A Message From the President/CEO
3	Community Impact
5	Financial Summary
7	Year in Review
9	Board of Directors
11	Message From the Chair
13	Supervisory Committee Report
15	Treasurer's Report
16	Locations

You are the purpose in all we do, and the reason for our growth and success in 2017.



A Message from the President/CEO

OneAZ Credit Union was founded in 1951 by two Arizona state employees who recognized the need for a member-owned financial institution. In the 66 years since, we have grown exponentially to become a leading organization trusted by over 143,000 members. We are proud to be many Arizonans' first choice to help them make their financial goals a reality.

I am pleased to report that 2017 was a monumental year for your Credit Union. Our dedicated and passionate team of associates worked hard to help members achieve their financial goals. Members obtained nearly 12,000 auto loans totaling over \$366 million. Our team of trusted mortgage experts helped members find a new place to call home with more than 2,400 home loans totaling over \$314 million.

We continue to support the community by investing in our neighbors, friends and local businesses. Consumer and business account deposits increased by \$166 million, and new business loan production topped \$64 million in 2017. Our focus on building strong relationships with our members resulted in a net income of over \$12 million for the year. OneAZ Credit Union completed the year as a healthy and stable organization with \$2.0 billion in assets. This is thanks to our loyal members, talented associates and dedicated board of directors, all of whom guide our decisions.

Last year we expanded our community presence by opening branches in Sedona and Scottsdale. In April, the Safford branch underwent a complete renovation to provide a more modern and efficient banking experience for our members, and in 2018, we are

paving the way for two more branches — Happy Valley in North Phoenix and Oro Valley near Tucson.

We continue to invest in technology like our innovative Member Balance Text program, which provides daily account balance updates through text message. These improvements are made to serve you, our members, and provide an easy, enjoyable and effective experience.

As a valued member of OneAZ Credit Union, you are never just a number on a spreadsheet or a dollar sign on the bottom line. You are the purpose in all we do, and the reason for our growth and success in 2017. As your Credit Union, we continue to operate with your best interests at heart under our mission of improving the lives of our members, our associates and the communities we serve.

Thank you for your support and membership.

David E. Doss

Community Impact

Together, a group of like-minded individuals can accomplish so much more than just one person.

With your commitment and generosity, OneAZ Credit Union and OneAZ Community Foundation raised and distributed funds to disaster victims, nonprofits and students in 2017.



Funding Education

Students are the future of Arizona. We helped students pay for their education with scholarships totaling \$19,000.



Supporting the Community

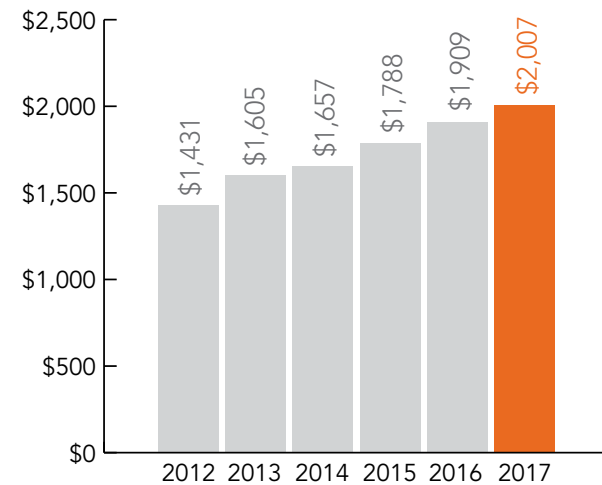
We awarded \$55,000 to local nonprofits to provide much-needed funding for programs that improve the communities we serve.



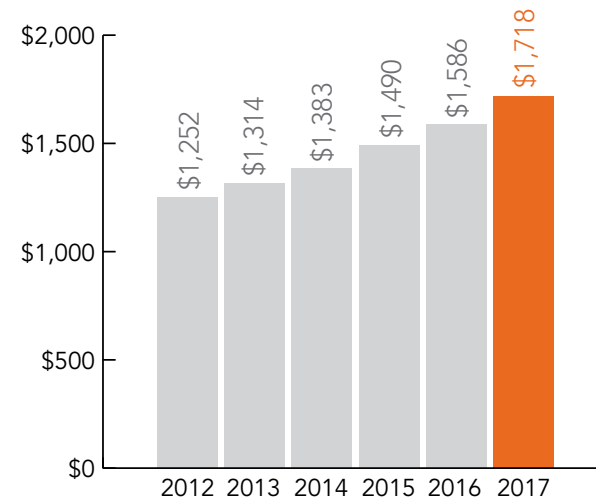
Recovering from Natural Disasters

Members and associates helped victims of natural disasters, like the Goodwin Fire, by contributing \$31,400 to help them get back on their feet.

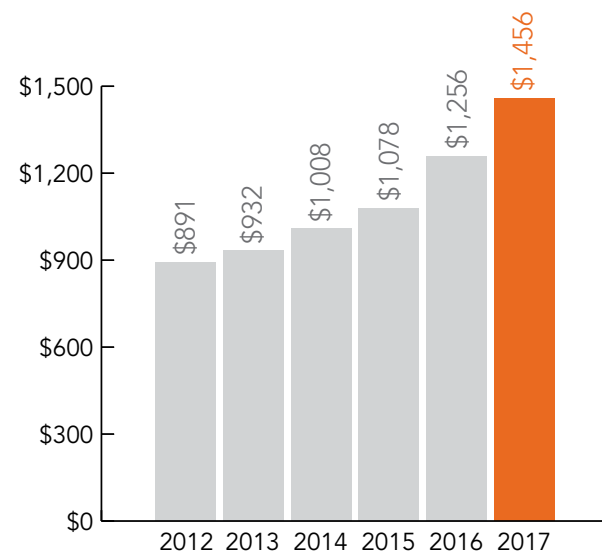
Financial Summary



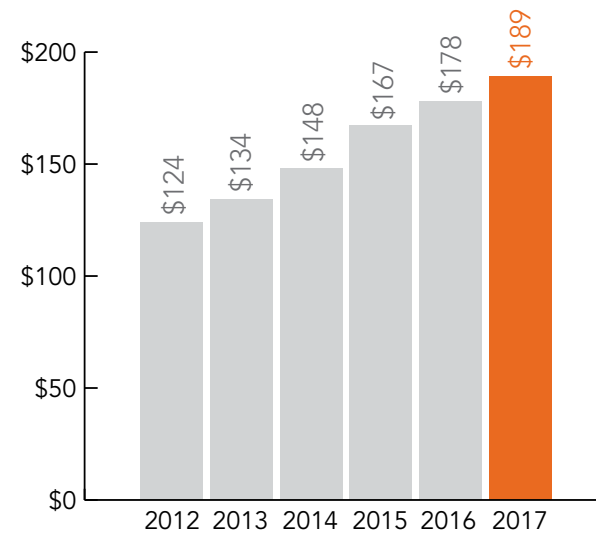
ASSETS | \$ Millions



MEMBER SHARES | \$ Millions



TOTAL NET LOANS | \$ Millions



EQUITY | \$ Millions

ACCOUNTS \$ Thousands	2017	2016
Cash and cash equivalents	\$77,294	\$115,196
INVESTMENT SECURITIES		
Available for sale	\$335,076	\$402,300
Other investments	\$19,408	\$19,791
Federal Home Loan Bank stock	\$8,614	\$8,614
Loans held for sale	\$4,226	\$2,338
Loans to members, net of allowance for loan losses	\$1,455,898	\$1,256,473
Accrued interest expense	\$4,597	\$4,139
Foreclosed assets	\$1,570	\$1,937
Premises and equipment, net	\$59,019	\$56,249
NCUSIF deposit	\$15,906	\$14,399
Other assets	\$25,086	\$27,128
TOTAL ASSETS	\$2,006,693	\$1,908,564
Members' share accounts	\$1,717,716	\$1,585,752
Borrowed funds	\$77,500	\$124,500
Pension plan funded status	\$5,546	\$4,402
Accrued expenses and other liabilities	\$17,559	\$15,781
TOTAL LIABILITIES	\$1,818,322	\$1,730,435
Total members' equity	\$188,545	\$178,129
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$2,006,867	\$1,908,564
STATEMENT OF INCOME (UNAUDITED)		
Net interest income	\$59,197	\$51,824
Provision for loan losses	\$3,450	\$2,083
Net interest income after provision for loan losses	\$55,747	\$49,740
Non-interest income	\$34,980	\$33,647
Non-interest expense	\$78,206	\$72,149
NET INCOME	\$12,521	\$11,239

Year in Review

2017 was a strong year for your Credit Union. Take a look at how we supported our members and the communities we serve and helped you achieve your financial goals.

3,482
CREDIT CARDS



2,453
TOTAL HOME LOANS



11,908
TOTAL AUTO LOANS



\$31,400

CONTRIBUTED TO DISASTER RELIEF



\$30,287

STATE EMPLOYEES
CHARITABLE
CONTRIBUTION
DONATIONS

22 BRANCHES



COMMUNITY
GRANTS AWARDED

\$55,000

\$2B

TOTAL ASSETS

\$64M

INVESTED
IN BUSINESSES



\$19,000

AWARDED IN SCHOLARSHIPS

Board of Directors

The Board of Directors provides strategic direction, formulates policies and ensures the financial soundness of your Credit Union.



SHANE SIREN
Chairman

Retired Media Marketing
Consultant
Arizona State University



MARTHA N. ROZEN
Vice Chairperson

Assistant Director
Chief of Administrative Services
Arizona State Retirement System



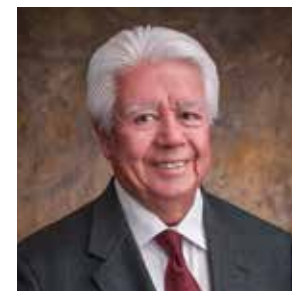
CONSUELO M. OHANESIAN
Secretary

Deputy Legal Advocate
Office of Legal Advocate
Maricopa County



JON BORGE
Treasurer

Manager, Treasury Services
Freeport-McMoRan, Inc.



FRANK FELIX
Director

President, Irvington Group
Adjunct Professor
Northern Arizona University
Southern Region Center



RAY O'CONNOR
Director

Retired Controller
State Compensation Fund



JOSEPH C. SMITH
Director

Retired Senior Executive
State of Arizona Government
USAF LT Col, Retired



BILL VANDENBOSCH
Advisory Director

Retired Senior Executive
TriWest Healthcare Alliance



SAM J. WHEELER
Director

Retired Executive Director
Arizona State University
Former AVP
Northern Arizona University



MARQUETTA WHITE
Director

Retired Assistant Director
Arizona Department of Revenue



RYAN WILLIAMS
Advisory Director

Assistant Professor of Finance
Eller College of Management
University of Arizona

Message from the Chair

On behalf of the Board of Directors, thank you for trusting OneAZ Credit Union to help you reach your financial goals.

At OneAZ Credit Union we deeply appreciate our 143,000 members and place the greatest value on the way we serve them and their communities.



SHANE SIREN
CHAIRMAN

It is my pleasure to serve as Chairman of the Board of Directors for OneAZ Credit Union. At OneAZ Credit Union we are driven by a passion to provide outstanding service and products for our members. Thanks to the hard work and dedication of our member-focused associates, 2017 was another year of tremendous growth and success for our Credit Union. As a member-owned Credit Union, we are committed to helping our members achieve their financial needs. We stand by core values that include financial education, which helps our members determine what is best for their financial situations and interests.

In 2017 we continued to invest in our members by evaluating operational efficiencies and making innovative improvements to the member experience. This included simplifying our loan application processes, so members now spend much less time filling out forms. To better serve our existing members and growing number of new members, we opened two new branches—one in Sedona and one in the Kierland area of North Scottsdale.

Something very special for OneAZ Credit Union and our members is our strong commitment to improving the communities we serve. Thanks to the generosity of our members, associates and business partners, OneAZ Credit Union and our OneAZ Community Foundation gave over \$110,000 in 2017 to support education, families, disaster victims and various community needs. This included \$19,000 for college students who represent the future of Arizona, \$31,400 to help victims of natural disasters like the Goodwin Fire, and \$55,000 for local nonprofits. We see this as investing in our communities because we believe when we give to an individual, a family, or for a worthy community purpose, everybody benefits.

At OneAZ Credit Union we deeply appreciate our 143,000 members and place the greatest value on the way we serve them and their communities. On behalf of the Board of Directors and our dedicated Credit Union associates, I sincerely thank our members for trusting us in continuing to help them achieve their heartfelt financial dreams and goals.

A handwritten signature in black ink that reads "Shane Siren". The signature is written in a cursive, flowing style.

Shane Siren

Supervisory Committee Report

The Supervisory Committee oversees the Board of Directors and executives to ensure that your Credit Union continues to act with your best interests at heart.

The Supervisory Committee has concluded that OneAZ Credit Union remains compliant with financial and operational internal controls and applicable regulatory requirements.



SANDRA BUFFORD
CHAIRPERSON

Your Supervisory Committee members are appointed by the Board of Directors and are responsible for ensuring that the assets of the Credit Union are safeguarded; an independent audit is performed annually; account balances of the membership are verified; and appropriate policies and procedures exist to ensure compliance with management's objectives and regulatory requirements. These responsibilities are accomplished through regular meetings with the Board of Directors, Credit Union management and staff, Risk Management/Internal Audit, external auditors and regulators to review Credit Union activities and audit results.

As of June 30, 2017, the Arizona State Department of Financial Institutions and the National Credit Union Administration jointly completed their annual regulatory examination. In addition, CliftonLarsonAllen, a national CPA firm with recognized expertise in the credit union industry, independently audited the financial statements and performed member account verification work. CliftonLarsonAllen concluded that the consolidated financial statements of OneAZ Credit Union as of December 31, 2017 and December 31, 2016 present fairly, in all material respects, the financial position and results of operations of the Credit Union in accordance with accounting principles generally accepted in the USA. Within the scope of their audit, CliftonLarsonAllen also found no significant deficiencies or material weaknesses in internal controls.

The Supervisory Committee has concluded that OneAZ Credit Union remains compliant with financial and operational internal controls and applicable regulatory requirements. We wish to express our appreciation to the Board of Directors, management and associates for their continued cooperation, compliance and dedication to the success of OneAZ Credit Union.

A handwritten signature in cursive script that reads "Sandra Bufford".

Sandra Bufford



FROM LEFT TO RIGHT: SANDRA BUFFORD, ED SANCHEZ
NOT PICTURED: SARA CLICK

Treasurer's Report

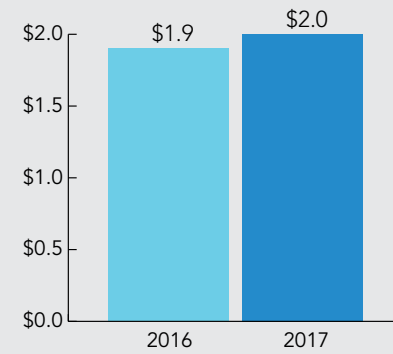
In 2017, OneAZ Credit Union continued to improve the member experience by strengthening equity, opening new branches and investing in members across the state.

Assets grew by 5% for the year and reached \$2.0 billion. Member loan growth increased to \$1.5 billion. The Credit Union's 10.33% capital strength significantly exceeds the National Credit Union Administration (NCUA) well-capitalized threshold of 8%.

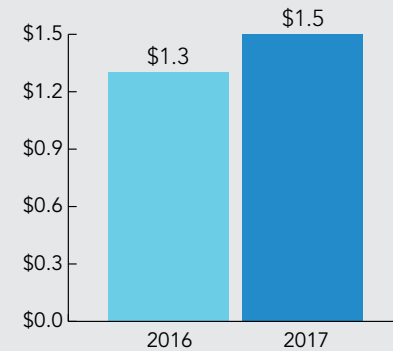
As Treasurer, I am pleased to report that your Credit Union remains a strong, stable and safe financial institution. OneAZ Credit Union continues to invest in expanding products, services and access for an improved member experience. We remain optimistic about the Credit Union's future and our ability to help improve the lives of our members, our associates and the communities we serve.



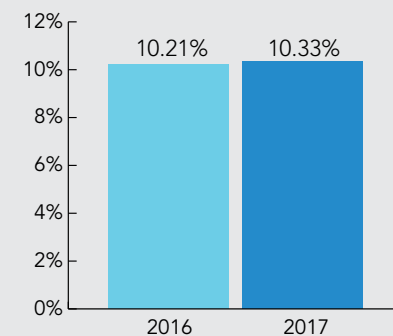
Jon Borge
Treasurer



TOTAL ASSETS | \$ Billions



MEMBER LOANS | \$ Billions



CAPITAL STRENGTH | %



Serving Members Across Arizona

Chino Valley

1021 N. Highway 89
Suite 106, 86323

Cottonwood

601 W. State Route 89A, 86326

Flagstaff – Beaver Street

321 S. Beaver Street, 86001

Flagstaff – US Highway 89

5200 N. US Highway 89, 86004

Gilbert – Guadalupe Road

2277 W. Guadalupe Road, 85233

Gilbert – Queen Creek

3349 E. Queen Creek Road, 85297

Glendale – Union Hills Drive

8285 W. Union Hills Drive,
Suite 106, 85308

Glendale – ASU West

4776 W. University Way North, 85306

Phoenix – Happy Valley

1925 W. Happy Valley Road, 85085

Phoenix – Monroe Street

1812 W. Monroe Street, 85007

Prescott – Gail Gardner Way

1335 Gail Gardner Way, 86305

Prescott – Gurley Street

550 E. Gurley Street, 86301

Prescott Valley

7111 Pav Way, 86314

Safford

280 W. Main Street, 85546

Scottsdale – Greenway Parkway

6501 E. Greenway Parkway
Suite 133, 85254

Scottsdale – Kierland

16600 N. Scottsdale Road, 85254

Sedona

20 Roadrunner Drive
Suite C, 86336

Tempe – Normal Avenue

(ASU Main Campus Memorial Union
Building)

1290 S. Normal Avenue, 85281

Tempe – Southern Avenue

840 E. Southern Avenue
Suite 101, 85282

Tucson – Alvernon Way

777 S. Alvernon Way, 85711

Tucson – Park Avenue

1001 N. Park Avenue, 85719

Tucson – Oracle Road

6456 N. Oracle Road, 85704

Opening in 2018

Tucson – Oro Valley

11167 N. Oracle Road, 85737



Let's bank together.

Home | Auto | Personal | Business