



**Rooted in
Arizona.
That's
Onderful.**

2019 Annual Report



Let's bank together.

Insured by NCUA

Who we are.

Members are at the heart of all we do. From 1951 to 2051 and beyond, OneAZ is ready to support you on the road to financial success.



OUR VISION

We will be the preferred financial institution for all Arizonans.

OUR MISSION

We exist to truly 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

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We are proud to be your trusted financial partner and community supporter.



A Message from the President and CEO

OneAZ Credit Union experienced a record-breaking year of growth in 2019, and we are well positioned to meet and exceed the needs of our members. In October, I was honored to step into my new role as President and CEO of OneAZ Credit Union. Dave Doss had a direct hand in the success of OneAZ during the past 15 years, and I am thrilled to continue to foster our strategic growth plans in the years to come.

Over 15,000 members joined OneAZ last year—more than any year before. We also grew our assets by over \$119 million to reach \$2.1 billion. We invested over \$100 million in local businesses, helped 1,279 families find a new place to call home and provided auto financing for 5,608 Arizonans.

We know many of our members prefer conducting their business online or by the phone, so we made these processes even more efficient in 2019. You can now open an account online or by phone in just a few minutes. We also improved our automatic approval process to make the loan application process faster. This means you spend less time filling out forms and more time focusing on what truly matters to you.

To foster growth in Arizona, we are committed to supporting the local business community. Our Legacy Partnership with Local First Arizona helped us reach small businesses in new ways and encourage their financial development. When we partner with local businesses, we build stronger communities on a foundation of mutual support that is beneficial to all.

Of course, our success in 2019 and beyond wouldn't have been possible without our trusted associates. We employ over 470 Arizonans, and together we make up a team of local financial experts who proudly serve our members every day. Our associates' commitment to our mission of improving the lives of our members, associates and the communities we serve fuels our growth across the state.

In 2020 we will continue to enhance your experience. You will have access to more competitive products that will benefit you. We will also continue to make processes more efficient, so your experience is easy, enjoyable and effective every time you work with us. We are proud to be your trusted financial partner and community supporter, and we look forward to deepening that relationship in 2020. Thank you for continuing to choose OneAZ for your financial needs.

In Service,

Kim Reedy

Community Commitment

OneAZ Credit Union is committed to truly improving the lives of our members, associates and the communities we serve.



FROM LEFT TO RIGHT:
CARRIE HENDERSON (FLAGSTAFF FAMILY FOOD CENTER)
AND KIM DURAN (ONEAZ)

Feeding the Hungry in Flagstaff

30 years ago, George McCullough saw a need for hunger relief services in the Flagstaff area. He began giving out his business cards to those in need and offering to pay for their meal at the Grand Canyon Café. Soon, his work evolved into the Flagstaff Family Food Center. The center's soup kitchen opened its doors on Christmas day in 1991 and has been serving the hungry ever since.

The Food Center now feeds between 1,300 and 1,500 people every day through various programs, including the soup kitchen, food bank, mobile pantries and homebound delivery service. "We try to be accommodating to people in different situations," says Carrie Henderson, Development Director. "We want to make sure we're able to give something to anyone in need."

Flagstaff Family Food Center received a OneAZ Community Impact Grant in 2019 to help expand their homebound senior delivery program. They currently deliver food to 40 homebound seniors who can't easily access the food bank or grocery stores. Plans are to grow the program in the coming year. "We know there are still vulnerable members of our community who we're not reaching, and we want to know that we're doing everything we can to help them," says Henderson. "The grant that OneAZ provided is really important to help us get food into the hands of people who need it."



FROM LEFT TO RIGHT:
CASSANDRA DAMWIJK (ONEAZ), MARK DISTASI (HOUSE OF REFUGE) AND MONIQUE LOPEZ (ONEAZ)

Transitioning Families Out of Homelessness

House of Refuge is a small community in Mesa, providing a safe and comfortable space for families transitioning out of homelessness. The neighborhood's residents pay a small monthly fee for a home, utilities and any services they need to facilitate their success. These services can range from guidance on how to build a household budget to drug and alcohol counseling—whatever a family needs to become self-sufficient.

"The families in our community have fallen on hard times—it could be any one of us," says Krista Cardona, Marketing Coordinator. "We do everything we can to make the entire experience a dignified one and treat our families with respect."

House of Refuge received a Community Impact Grant in 2019 to fund their vital community programs. "Since we are privately funded, every dollar that comes in is so important to the organization so we can continue to save lives," says Cardona. "It feels good to receive a community grant like this, and knowing that OneAZ is a community-focused credit union makes it even more special." The grant is helping House of Refuge provide food bags for those living outside of the House of Refuge community, so anyone in need can get access to non-perishable foods twice a month.

2019 Community Impact Grant Recipients

Northern Arizona

- Blue Moon Rescue
- Boys to Men
- Camp Sky-Y
- Chino Valley Education Foundation
- Eagles Can Fly
- Flagstaff Family Food Center, Food Bank & Kitchen
- Flagstaff Shelter Services
- Humboldt Unified Education Foundation
- Lowell Observatory
- Manzanita Outreach
- Old Town Mission
- SCORE Northern Arizona
- Sedona Area Homeless Alliance
- Sedona Public Library
- Skull Valley Fire Team
- Steps to Recovery Homes
- Terra Birds
- Victim Witness for Coconino County

Southern Arizona

- Ampitheater Public Schools Foundation, Inc.
- Beads of Courage
- Boys & Girls Club of the Gila Valley
- Casa de los Niños
- Coaches for Charity
- Make a Wish
- Mobile Meals
- North Tucson Firefighter Community Outreach
- Southeastern Arizona Community Action Program

Central Arizona

- BabySav
- Chicanos por la Causa
- First Tee of Phoenix
- Glendale/Peoria YMCA
- House of Refuge
- ICAN
- Mitchell Swaback Charities
- OCJ Kids
- Pendergast Elementary
- Positive Network Alliance, Inc.
- Save the Family Foundation of AZ
- Tommy Two Shoes
- Valleylife
- Valors on 8th

Supporting Arizona's business community.



When we feel connected to our home, we're more likely to vote, to volunteer, and to stay in Arizona and help benefit our community in the long term.

THOMAS BARR, EXECUTIVE DIRECTOR, LOCAL FIRST ARIZONA

Helping our Members Reach their Goals

From getting wedding-ready to preparing for athletic competitions, Jenny and Brian Kerry of One Stop Nutrition love helping people reach their goals. So, the decision to work with OneAZ for their financial needs was a natural choice. "From day one, we realized how important the customer is," says Brian. "OneAZ operates the same way. When we walk in there, they know our name. That's a huge difference."

From their humble start at an indoor swap meet 24 years ago, One Stop Nutrition now has 30 locations in the Valley and is even expanding into other states, with help from their financial partners at OneAZ. "I actually refer our employees to OneAZ because of my experience," says Jenny. "I'm grateful to OneAZ and what they've been able to make possible in our lives. I hope to pay it forward."



ONE STOP NUTRITION

Investing in Arizona's Business Community

Local businesses are the lifeblood of Arizona. That's why Local First Arizona has partnered with OneAZ to educate Arizonans on the importance of supporting the small business community. With over 3,500 business members, Local First is the largest local business coalition in North America. They share our value to spend money locally and revitalize Arizona's economy.

"Every single day, we have an opportunity to put our dollars into the businesses in our communities," says Executive Director Thomas Barr. "Those small businesses make us proud of our place here. When we feel connected to our home, we're more likely to vote, to volunteer, and to stay in Arizona and help benefit our community in the long term."

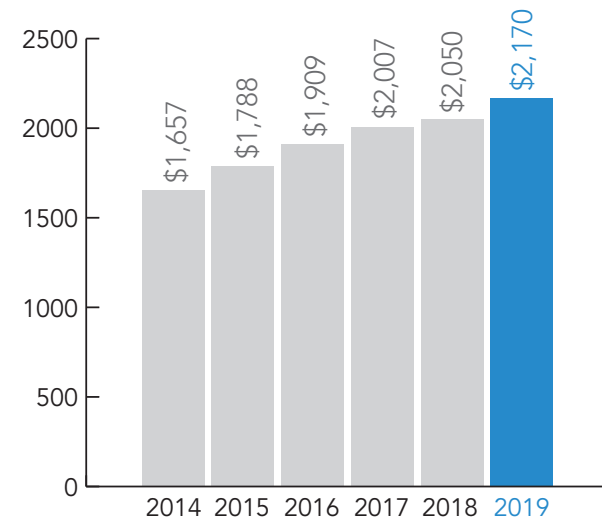
Fostering a Growing Economy

Rhett and Aaron Dodge know a thing or two about keeping business local. They spent their teenage years helping their father around his Safford shop, Boulevard Glass. When the brothers took over the family business 13 years ago, they saw a huge opportunity for expansion across the Gila Valley.

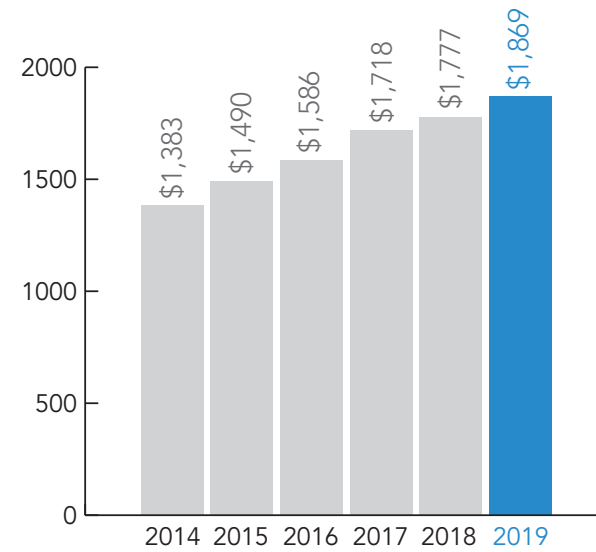
After trying to secure financing from national banks, the brothers turned to OneAZ Credit Union's local Safford branch. "When we dealt with the loan process, we were having to work with out-of-town banks. They didn't really know who we were," says Rhett. "It was refreshing to call Devin, our personal banker, and 15 minutes later I could be there sitting in his office at OneAZ."

"I think keeping money local in the businesses here—it builds the town," says Aaron, "and having a partnership with OneAZ has helped us to grow."

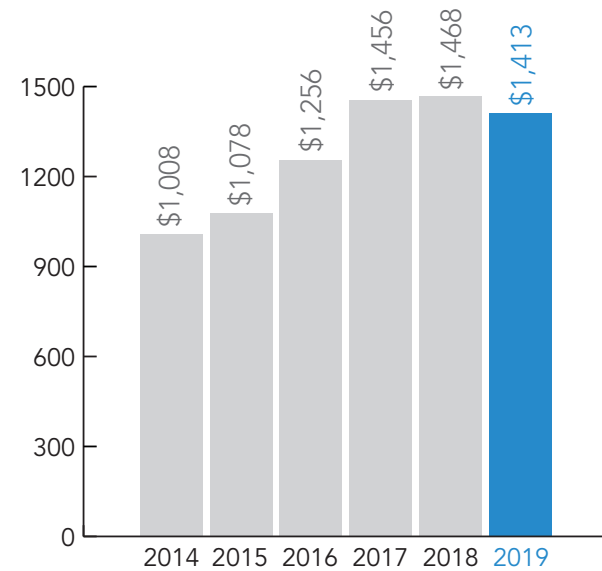
Financial Summary



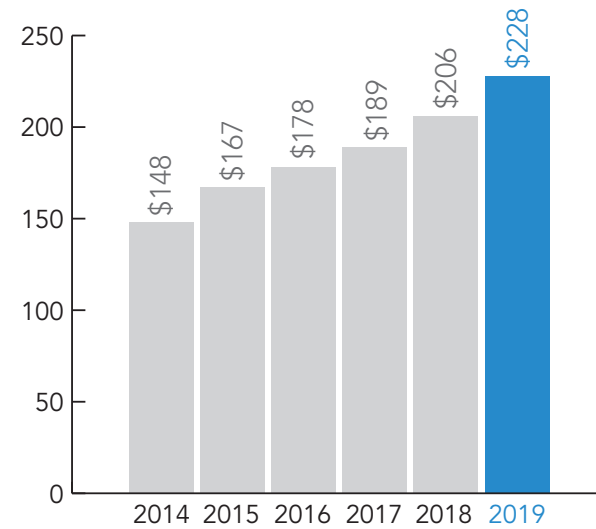
ASSETS | \$ Millions



MEMBER SHARES | \$ Millions



TOTAL NET LOANS | \$ Millions



EQUITY | \$ Millions

ACCOUNTS \$ Thousands	2019	2018
Cash and cash equivalents	\$113,197	\$76,272
INVESTMENT SECURITIES		
Investments	\$525,699	\$390,275
Loans to members, net of allowance for loan losses	\$1,412,990	\$1,467,983
Premises and equipment, net	\$63,002	\$62,226
NCUSIF deposit	\$16,696	\$16,590
Other assets	\$37,984	\$36,613
TOTAL ASSETS	\$2,169,568	\$2,049,959
Members' share accounts	\$1,868,650	\$1,776,801
Borrowed funds	\$48,500	\$45,000
Pension plan funded status	\$6,594	\$5,539
Accrued expenses and other liabilities	\$17,417	\$17,075
TOTAL LIABILITIES	\$1,941,161	\$1,844,415
Total members' equity	\$228,407	\$205,544
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$2,169,568	\$2,049,959

STATEMENT OF INCOME (UNAUDITED) \$ Thousands	2019	2018
Net interest income	\$72,027	\$66,787
Provision for loan losses	\$9,500	\$6,060
Net interest income after provision for loan losses	\$62,527	\$60,727
Non-interest income	\$36,908	\$35,603
Non-interest expense	\$81,845	\$80,167
NET INCOME	\$17,590	\$16,163

Year in Review

In 2019, your credit union supported members, the Arizona community and the local business movement. Here are just a few ways we helped you achieve your goals last year.

2,480
CREDIT CARDS



\$301.7 M
IN HOME LOANS



\$159.6 M
IN AUTO LOANS



\$5.9M IN MEMBERSHIP BENEFITS



\$35,000

STATE EMPLOYEES
CHARITABLE
CONTRIBUTION

21 BRANCHES



COMMUNITY GIVING
\$397,000



\$100.8 M
INVESTED IN BUSINESSES



\$2.1B
TOTAL ASSETS

Board of Directors

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



MARTHA N. ROZEN
Chairperson

Assistant Director
Chief of Administrative Services
Arizona State Retirement System



JON P. BORGE
Vice Chairman

Manager, Treasury Services
Freepport-McMoRan, Inc.



GEORGANNA MEYER
Secretary

Economist
The Maguire Company



RYAN WILLIAMS
Treasurer

Assistant Professor of Finance
Eller College of Management
University of Arizona



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
Arizona State Government
USAF LT Col, Retired



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



SHANE SIREN
Advisory Director

Retired Media Marketing
Consultant
Arizona State University



BILL VANDENBOSCH
Advisory Director

Retired Senior Executive
TriWest Healthcare Alliance

Message from the Chair



MARTHA ROZEN
CHAIRPERSON

I am honored to serve as Chair of the OneAZ Credit Union Board of Directors. OneAZ is an organization driven by dedicated associates who truly live by our mission of improving the lives of our members, associates and the communities we serve. With growth of over 15,000 members and a solid \$2.1 billion in assets, 2019 was a year of great success for our credit union.

Last year, OneAZ continued to focus on supporting our local communities. We gave over \$60,000 in Community Impact Grants to nonprofits across the state. These grants provide much-needed funding to vital organizations. We provided grants to nonprofits like Mesa's House of Refuge, who provides financial literacy programs to families transitioning out of homelessness. These programs help Arizonans become financially stable and strengthen our communities.

OneAZ is evolving to meet our members' needs and offer new ways to succeed.

Arizona is thriving thanks to the growing small business movement. Businesses that are owned and operated in our state circulate more money in the local economy. This means all Arizonans benefit from their success. OneAZ proudly invested over \$100 million in local businesses in 2019. We continue to identify new ways to support our business community and provide effective financial solutions.

As we look ahead to 2020 and beyond, OneAZ will continue to grow and help our members fulfill their financial goals. From expanding our branch network to increasing our community giving initiatives, OneAZ is evolving to meet our members' needs and offer new ways to succeed. On behalf of the Board of Directors and our dedicated associates, thank you for choosing OneAZ to help you achieve your goals.

Martha Rozen

Supervisory Committee Report



ED SANCHEZ
CHAIRPERSON

Your Supervisory Committee is appointed by the Board of Directors and is responsible for ensuring that the assets of OneAZ 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 the Credit Union's activities and audit results.

We wish to express our appreciation to the Board of Directors, management and staff for their dedication to OneAZ Credit Union.



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

As of September 30, 2019, 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, was contracted to independently audit the financial statements and to perform member account verification procedures. Based on the results of this audit and account verification work, CliftonLarsonAllen concluded that the consolidated financial statements for OneAZ Credit Union as of December 31, 2019 and December 31, 2018 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 United States of America. 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 staff for their continued cooperation, compliance and dedication to the success of OneAZ Credit Union.

Ed Sanchez

Treasurer's Report



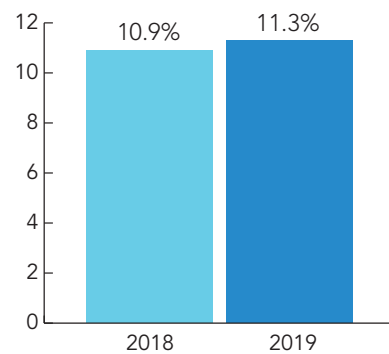
RYAN WILLIAMS
TREASURER

As Treasurer of the OneAZ Credit Union Board of Directors, I am pleased to share that OneAZ remains financially sound, strong, and stable. In 2019 we experienced a year of significant growth across the organization and continued to operate with our members' best interests at heart.

OneAZ Credit Union continued its strong growth in support of our members. Assets grew by 5% to reach \$2.1 billion, and member loans topped \$1.4 billion. OneAZ's capital strength of 11.3% exceeds the National Credit Union Administration (NCUA) well capitalized threshold of 8.00%.

OneAZ is equipped for continual growth for many years to come. I am proud to look ahead to a future in which OneAZ expands products, services and accessibility to support our members across the state of Arizona.

Ryan Williams
Treasurer



CAPITAL STRENGTH | %



Serving Members Across Arizona

Executive Leadership Team

- Kim Reedy**
President and Chief Executive Officer
- Mike Boden**
Executive Vice President, Chief Financial and Operating Officer
- Michael Emanuelli**
Executive Vice President, Chief Administration Officer
- Deborah Pearson**
Executive Vice President, Strategy and Brand
- Mark Taber**
Executive Vice President, Chief Lending Officer
- Laura Worzella**
Executive Vice President, Retail Sales



Back row from left: Mark Taber, Michael Emanuelli
Front row from left: Laura Worzella, Mike Boden, Kim Reedy, Deborah Pearson

- 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 – Higley/Queen Creek**
3349 E. Queen Creek Road, 85297
- Glendale – ASU West**
4701 W. Thunderbird Road, 85306
- Glendale – Union Hills Drive**
8285 W. Union Hills Drive, Suite 106, 85308
- North Scottsdale**
16600 N. Scottsdale Road, 85254
- Oro Valley**
10718 N. Oracle Road, 85737
- 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
- Sedona**
20 E. Roadrunner Drive, Suite C, 86336
- Tempe – ASU**
1290 S. Normal Avenue, 85281
- Tempe – Southern Avenue**
840 E. Southern Avenue, Suite 101, 85282
- Tucson – Alvernon Way**
777 S. Alvernon Way, 85711
- Tucson – Oracle Road**
6456 N. Oracle Road, 85704



Let's bank together.

Checking | Home & Auto Loans | Credit Cards | Business

1.844.663.2928 | [OneAZcu.com](https://www.OneAZcu.com) |    

Insured by NCUA

Equal Housing Lender. NMLS 607456. For membership eligibility, visit [OneAZcu.com/Membership](https://www.OneAZcu.com/Membership).