

# Together reaches goals.

2016 Annual Report



Let's bank together.

Federally insured by NCUA

# A message from the President/CEO



**David E. Doss**  
President & CEO

OneAZ Credit Union reached a significant milestone in 2016 by celebrating 65 years of meeting the financial needs of our members in a trustworthy and transparent way. In May, we changed our name to OneAZ Credit Union to reflect our position as a financial institution available to all Arizona residents. In recent years, our membership has grown to include not just State and University employees, but people from all walks of life who live and work in Arizona.

Our new name and look are the result of significant research about where we want to be in the future. OneAZ was selected after conducting numerous focus groups and the name change came as a result of a successful member vote. We are immensely proud of our history and are grateful for the continued support of our members.

To officially launch the new name, brand celebrations were held at each branch. In June, we embarked on a series of integrated brand campaigns aligned with our associate-focused and member-centric culture. Each campaign featured our "Let's Bank Together" tagline. A brand awareness survey conducted later in the year demonstrated our new brand resonates throughout the state.

Across the board, our performance was strong in 2016. Our membership growth showed an increase of 6%, bringing the total to 140,000 members. Member deposits increased to \$1.5 billion and we ended the year with \$1.9 billion in assets, a 6% increase over 2015. We had a strong lending year with loan growth up 16%, reaching \$1.3 billion. Members' equity rose 6% to \$178 million leaving us well positioned for the future.

Our commitment to enhancing the financial wellbeing of our members continued in 2016. The mortgage loan team helped 2,458 members obtain homes for their families. Our branch

associates and the consumer loan team assisted 10,939 members purchase new or used vehicles. We boosted the local Arizona economy by delivering \$29 million in business loans to 43 new businesses.

At OneAZ Credit Union, we invest in innovative technologies and processes that keep banking safe and secure for our members. Providing a superior member experience across all channels is a hallmark of our organization. Expedited Bill Pay gives members the option to accelerate check and electronic payments overnight for a more enjoyable and convenient experience.

To better serve our members in Northern Arizona, we opened our 21st branch in Sedona. This branch introduced a new concept in banking. Instead of tellers, universal bankers are available to help members do everything from opening a checking and savings account to helping members apply for a credit card, an auto loan or a mortgage. In addition, our new Sedona location specializes in serving local businesses with all their banking needs.

These accomplishments would not be possible without the support of our dedicated Board of Directors and the focus of our associates who deliver an easy, enjoyable and effective banking experience to our members. We remain committed to improving our members' banking experience through new technologies and financial solutions that help them build a bright and prosperous future.

While we continue to grow, our mission remains the same: we exist to truly improve the lives of our members, associates and the communities we serve. I take great pride in leading an organization that makes a difference in the lives of our members.

Thank you for your continued support and membership.

## BOARD OF DIRECTORS

**Sam J. Wheeler**, Chairman  
**Shane Siren**, Vice Chairman  
**Martha Rozen**, Secretary  
**Jon Borge**, Treasurer  
**Frank Felix**, Director  
**Ray O'Connor**, Director  
**Connie Ohanesian**, Director  
**Joseph C. Smith**, Director  
**Marquetta White**, Director  
**Bill Vandenbosch**, Advisory Director  
**Quentin Bogart**, Director Emeritus

## SUPERVISORY COMMITTEE

**Sandra Bufford**, Chairperson  
**Ed Sanchez**, Secretary  
**Sara Click**, Committee Member

## EXECUTIVE TEAM

**David E. Doss**, President, Chief Executive Officer  
**Michael Emanuelli**, Executive Vice President, Chief Administration Officer  
**Kim Reedy**, Executive Vice President, Chief Financial Officer  
**David Sweiderk**, Executive Vice President, Chief Operating Officer  
**Deborah Pearson**, Executive Vice President, Strategy & Brand  
**Sean Azhadi**, Senior Vice President, Chief Technology Officer  
**Mike Boden**, Senior Vice President, Controller  
**Robert Gibboni**, Senior Vice President, Risk Management  
**Brian Johnson**, Senior Vice President, Business Intelligence/CRM  
**Bryan Nielsen**, Senior Vice President, Support Services  
**Tom Wilson**, Senior Vice President, Business Analytics

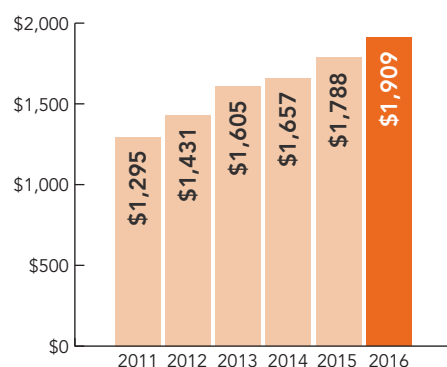
# Financial Summary

ACCOUNTS   \$ Thousands	2016	2015
Cash and cash equivalents	\$115,196	\$131,342
<b>INVESTMENT SECURITIES</b>		
Available for sale	\$402,300	\$453,796
Other investments	\$19,794	\$20,878
Federal Home Loan Bank stock	\$8,614	\$7,498
Loans held for sale	\$2,338	\$1,070
Loans to members, net of allowance for loan losses	\$1,256,473	\$1,077,983
Accrued interest expense	\$3,763	\$3,990
Foreclosed assets	\$1,937	\$3,729
Premises and equipment, net	\$56,249	\$49,776
NCUSIF deposit	\$14,399	\$13,629
Other assets	\$27,502	\$24,735
<b>TOTAL ASSETS</b>	<b>\$1,908,564</b>	<b>\$1,788,426</b>
Members' share accounts	\$1,585,752	\$1,490,415
Borrowed funds	\$124,500	\$115,000
Pension plan funded status	\$4,402	\$2,398
Accrued expenses and other liabilities	\$15,781	\$13,817
<b>TOTAL LIABILITIES</b>	<b>\$1,730,435</b>	<b>\$1,621,630</b>
Total members' equity	\$178,129	\$166,796
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$1,908,564</b>	<b>\$1,788,426</b>

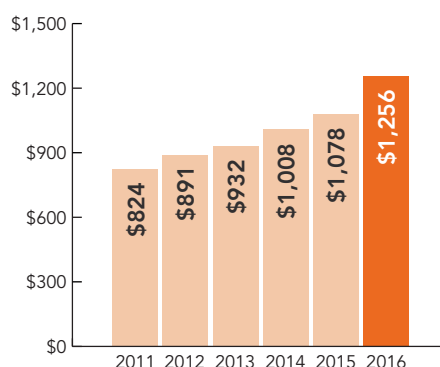
## STATEMENT OF INCOME (UNAUDITED)

Net interest income	\$51,824	\$47,869
Provision for loan losses	\$2,083	\$364
Net interest income after provision for loan losses	\$49,740	\$47,505
Non-interest income	\$33,647	\$34,063
Non-interest expense	\$72,149	\$63,109
<b>NET INCOME</b>	<b>\$11,239</b>	<b>\$18,459</b>

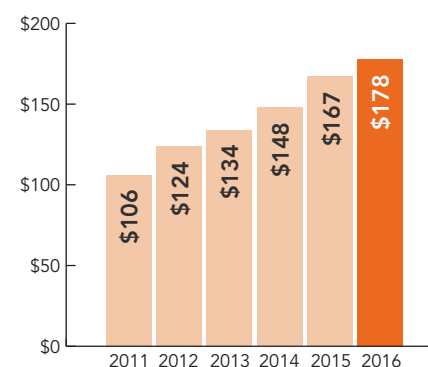
### ASSETS | \$ Millions



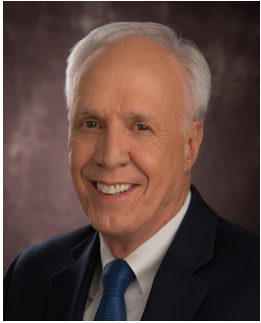
### TOTAL NET LOANS | \$ Millions



### EQUITY | \$ Millions



# A message from the Chair



**Sam J. Wheeler**  
*Chairman of the Board*

I am proud to serve as the Chairman of a solid and secure Credit Union. Well capitalized, OneAZ Credit Union is positioned to continue to provide outstanding value and service to our members. Contributing to this success, our dedicated associates provide a strong member-focused foundation that fuels our membership growth.

The past year has been phenomenal at OneAZ Credit Union as we celebrated 65 years of serving our member-owners. And after conducting much research, we changed our name to OneAZ Credit Union. To celebrate these two significant accomplishments, in partnership with our OneAZ Community Foundation, we launched the Community Impact Grant program. These grants are a key element in fulfilling our vision to make the communities we serve a better place to live. Together we awarded \$50,000 in grants to 33 respected and deserving non-profits, who have proven track records of helping those in need. We are honored

and humbled to make such a great impact in the lives of the people who live and work in the communities we serve.

Staying true to our promise, we stand firm in our commitment to provide solutions to assist members in achieving their financial goals. In 2016 we continued to help members through initiatives such as our Premier Member Perks program. By deepening their relationships with OneAZ, the Credit Union paid out nearly \$355,000 to members. This is the value of being a member-owned organization.

Another way we support our members is through our commitment to education. In 2016, OneAZ Credit Union supported the development of Arizona's future leaders by awarding \$1,000 scholarships to 20 college students.

I speak on behalf of the entire board when I say it is an honor and privilege to help our members, work with dedicated associates and support the Arizona communities we serve. I sincerely thank you for your valued membership.

## Supervisory Committee Report

Your Supervisory Committee volunteers are appointed by the Board of Directors and are 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 Credit Union activities and audit results.

As of June 30, 2016, 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, 2016 and December 31, 2015 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 staff for their continued cooperation, compliance and dedication to the success of OneAZ Credit Union.

## Community Message

At OneAZ Credit Union, our mission is something we deliver on each and every day. As a credit union, we're here to help our members live well and realize their goals and dreams. For 65 years, OneAZ has been a steadfast and passionate supporter of our member communities.

We encourage a culture of service among our associates and we're very proud of the roles many play outside of the workplace. OneAZ associates volunteer their time throughout our communities in a number of ways. Every day our associates deliver on our mission to improve the communities where we live and work.

In 2016 our associates gave generously of their time, money and resources to support organizations that advance education, improve the health of children and provide food and services to those in need. These include the AZ Dental Association, Special Olympics Arizona, Phoenix Rescue Mission, St. Mary's Food Bank and the State Employees Charitable Campaign. It is our belief that, collectively, we make a difference. This is why giving back to our communities will remain a priority for OneAZ Credit Union.



A LOOK BACK AT

2016

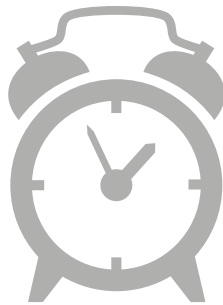
140,000

TOTAL MEMBERS



117

VOLUNTEER HOURS



10,939

TOTAL AUTO LOANS



2,458

TOTAL HOME LOANS



\$36,150

STATE EMPLOYEES CHARITABLE CONTRIBUTION DONATIONS

21 BRANCHES



COMMUNITY GRANTS AWARDED

\$50,000

3,902

NEW RELATIONSHIP PACKAGES

\$1.9B

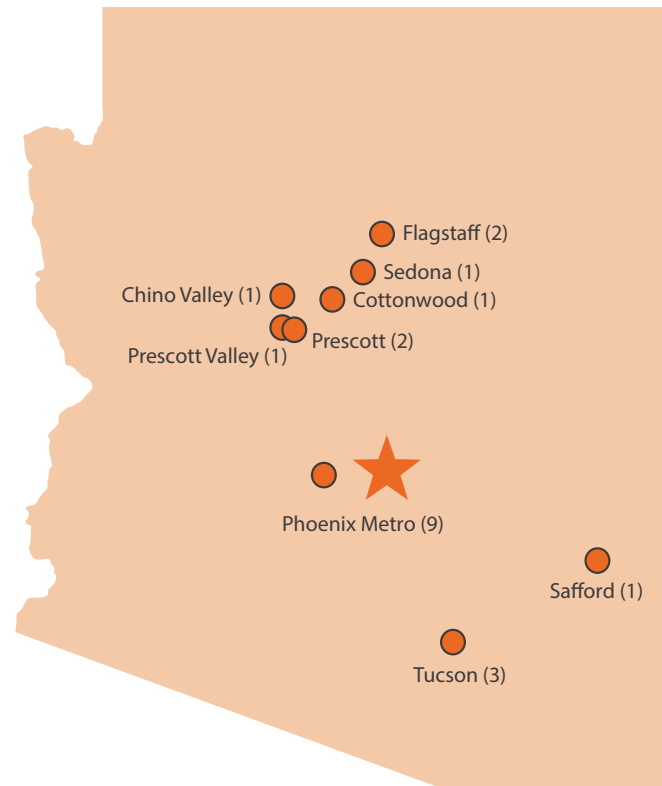
TOTAL ASSETS



\$20,000

AWARDED IN SCHOLARSHIPS

# 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 – Corporate Office

2355 W. Pinnacle Peak Road, 85027

## 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

## 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 2017

## Phoenix – Happy Valley

1925 W. Happy Valley Road, 85085

## Scottsdale – Kierland

16600 N. Scottsdale Road, 85254