

Statement of Earnings
Year Ended December 31, 2014

Income	
Loan Interest Income	4,216,203
Investment Income	239,174
Non-Interest Income	2,945,251
Gross Income	7,400,628
Less Operating Expenses	-6,221,431
Provision for Loan Loss	-20,000
Net Income Before Dividends	1,159,197
Less Dividends and Interest	-281,520
Net Operating Income	877,677
Plus Net Non-Operating Income	91,989
Net Income	969,666

Statement of Financial Condition
Year Ended December 31, 2014

Assets	
Cash	4,060,629
Investments	27,123,018
Loans (net of allowance)	94,290,944
NCUSIF, CorpCU, FHLBsf, Other Deposits	2,247,975
Other Assets	4,703,139
Fixed Assets	4,969,312
Total Assets	137,395,017
Liabilities	
Shares & Clubs	49,645,962
Share Drafts	23,914,834
Money Market Accounts	19,226,707
IRA Shares	2,995,380
IRA Certificates	4,269,995
Certificates of Deposit	18,848,665
Other Liabilities	1,710,513
Total Liabilities	120,612,056
Equity	
Regular Reserves	2,265,234
Unrealized Gain/Loss on AFS Investments	72,039
Undivided Earnings	14,445,688
Total Equity	16,782,961



Headquarters

3440 W. Deer Valley Road
Phoenix, AZ 85027
623.580.6000 • 800.224.3330
CanyonStateCU.org



Your savings federally insured to at least \$250,000 and backed by full faith and credit of the United States Government. National Credit Union Administration, a U.S. Government Agency.

We do business in accordance with the Equal Credit Opportunity Act.



Visit any of our branch locations!

Capitol Branch

1558 West Jackson Street
Phoenix, AZ 85007

Deer Valley Branch

Corporate Office
3440 West Deer Valley Road
Phoenix, AZ 85027

Osborn Branch

2440 West Osborn Road
Phoenix, AZ 85015

Goodyear Branch

1270 North Dysart Road
Goodyear, AZ 85395

Payson

Payson Branch
514 South Beeline Highway
Payson, AZ 85541
Phone: 928.472.8995

2014 Annual Report

64th Annual Meeting | April 28, 2015



Chairman of the Board's Report

Greetings members, staff and board of directors,

I want to begin by thanking you for your continued participation and support as member-owners of Canyon State Credit Union - a financial cooperative. 2014 was a year of exciting milestones and growth for our Credit Union. We were focused on fostering the financial well-being of our members through new technologies, exciting products, unique services and marketing initiatives never before utilized at Canyon State. Sponsoring the 11th hole at the Phoenix Open, partnering with KTAR radio's Mac and Gaydos supporting the Crisis Nursery Center, and teaming with Dave Ramsey to promote Canyon State Credit Union, were just a few of the marketing firsts that have fueled substantial growth at Canyon State.

Through new products and services and more advanced technology and tools, we are committed to serving our members more effectively every day. Our focus is to provide members with every convenience while still providing a consummate standard of undivided personal attention and service. We want to make it easy to do business with us, and we continue to invest in both technology and employee training programs for better member service.

We've always understood that the business of banking isn't so much balancing numbers, as it is building relationships. As we look to the future, we extend a sincere thank you for your trust, your loyalty and your continued support. We are focused on putting the members' needs first while maintaining healthy capital and profitability. I am proud to report that Canyon State Credit Union was ranked #91 in the nation as being among the healthiest financial institutions in the U.S. according to DepositAccounts.com.

Thank you to our volunteer board of directors and supervisory committee members for their dedication, direction and support; and to the staff and employees for their hard work and dedication ensuring our members' financial needs are met on a daily basis. I am confident we are just beginning to hit our stride, with many more exciting initiatives coming for our members in 2015. Stay tuned!

Sincerely,

Brett Moulton
Chairman of the Board

Luis Helped His Member Discover the Savings!

Committed to You.™

Luis helped a new member who came in to ask about our accounts. He talked to her for a little bit and learned she had a credit card account with a 0% introductory rate that was expiring soon. The new rate would be increasing to 29% and she was concerned her payments would barely reduce the balance. They talked about options and determined a fixed rate signature loan was the best option for her. The loan was approved and the money deposited into her new checking account so she could pay off the credit card balance. He also reviewed her other loans on her credit report and noticed she had an auto loan with an interest rate of 8%. With her approval, Luis submitted an auto loan refinance application and was able to refinance her loan at 3%!

We love having the opportunity to show the credit union difference. We take great pride in showing members our commitment to making their financial life better. Canyon State Credit Union - *Committed To You™!*

President's Report

As I reflect on the past year, I am grateful for you, our member owners, and take great pride in our mission statement and brand of *Committed to YOU™!*

As a member, you have helped us better understand what you need and want from us to improve your financial life by participating in our surveys. We are listening to you and more importantly taking action on your comments. We devoted a majority of our time to implementing technology solutions which would better position the credit union to be competitive and relevant to our members.

In response to providing competitive products and services, we lowered many of our loans rates which provides you with the added value of being a member of a credit union – your financial cooperative. We have responded to your request for more convenience by implementing several solutions that make it easier to conduct your transactions with us. Our online and mobile banking solutions ensure you have access to make several types of transactions when it is convenient for you such as Remote Deposit Capture which allows you to deposit items anytime, anywhere, by using a smart phone or iPad. Applying for loans became easier and more convenient as we offer an online loan application with the option (in most cases) to sign loan documents via a secure email without having to visit a branch. Additionally, branch location access has improved as we rejoined the shared branching network so that our members can use other shared branching locations if needed.

Providing exceptional service at the point at which you choose to use us – online, phone or in person at one of our branches has been and will remain a standard. Regardless of the service channel you select, you will find better trained staff to meet all of your needs. This will be a continued focus as we move into 2015.

We helped our members make their financial dreams a reality, whether it was a vehicle loan, home loan, or a new credit card. Our loan portfolio grew by over 20%. Our loan decisions are made locally and carefully – being a responsible lender benefits all our members. We thoughtfully review every loan request with a focus on timely decisions and won't compromise our lending guidelines just to increase loan volume. We look out for our members' financial health and take the time to educate them through the process of building and in some cases rebuilding their credit.

Financial stability and profitability are vitally important to our credit union. Careful management of Canyon State Credit Union's assets benefits all members and our organization's future. We remain "well capitalized" by both state and federal regulators' standards with a net worth ratio over 12% and were recognized in the top 100 Healthiest Credit Unions in America for 2014.

We also believe it is our responsibility to give back to the community. During 2014 we showed our commitment to the communities we serve by partnering with the Salvation Army during their annual summer water bottle drive and provided over 17,000 bottles of water. Our student-run branch at Metro Tech High School continues to provide training for students for future banking positions while allowing us to provide financial education to these young adults. We also provided 2 college scholarships for recent graduates and continue to leverage the many areas Metro Tech offers to the community with their numerous programs. For the holiday season we partnered with Phoenix Crisis Nursery and Time Out Shelter in Payson to raise supplies needed to care for those who are in need which includes helping families right where we live and work – making a difference for our neighbors.

As we recognize the accomplishments of 2014, we look forward to working together to improve the lives of our members and our community in 2015. Throughout the year we will introduce online account opening, business checking, enhanced real estate programs, and improved products and services. We are proud to remain a truly local financial institution who is Committed To You, our loyal and supportive membership. Thank you for your continued trust in Canyon State Credit Union

Sincerely,

Jane Dobbs
President CEO

Supervisory Committee Report

The Supervisory Committee of Canyon State Credit Union is a voluntary group comprised of five Credit Union members who are appointed by the Board of Directors to supervise Canyon State's financial activities. The Supervisory Committee, in partnership with the Credit Union's Internal Audit Department, Credit Union Management, our external auditors, Orth, Chakler, Murnane & Company, the National Credit Union Administration and the Arizona Department of Financial Institutions, work diligently to ensure your assets are secure through the implementation of sound financial policies, procedures and controls.

In addition, the Supervisory Committee works independently on behalf of Canyon State members to ensure that questions or issues pertaining to individual member accounts are resolved. We are pleased to report that based on this work, Canyon State Credit Union is operating with a system of strong internal controls and is a sound financial institution.

On behalf of the Supervisory Committee, we are proud to be part of the Canyon State Credit Union organization and look forward to continuing the long tradition of providing financial security to our members.

Respectfully submitted,

David Matson
Chairman, Supervisory Committee

Credit Manager's Report

During 2014 Canyon State Credit Union experienced an increase of 20.3% in our loan portfolio, compared to a 16.32% increase in 2013. We experienced strong loan growth in both vehicle and real estate loans.

We are seeing continuing improvement in our delinquency and charge offs. We are looking forward to this positive trend continuing. Our delinquency at year end 2013 was 0.35% and as of December 31, 2014, has declined to 0.07%. Our losses decreased as we wrote off \$208,553 during 2014, compared to \$216,818 during 2013.

Canyon State Credit Union is committed to providing solutions to our members' financial needs. We will continue to work hard to offer our members competitive loan products and pricing.

Jane Dobbs
Credit Manager

Board of Directors

Brett Moulton.....Chairman
Rae Kinsman.....1st Vice Chair
Myron Musfeldt.....2nd Vice Chair
Carol Ward.....Secretary
Keith Barr.....Treasurer
David Matson.....Director
Steve Becker.....Director
Jerry Hartrim.....Director
Milo Trevizo.....Director

2014-2015 Supervisory Committee

David Matson.....Chairman
Richard Rodriguez.....Member
Silvia Martinez.....Member
Tara Tuschen.....Member
Lupe Harriger.....Member

Senior Management

Jane Dobbs
President/CEO

Cristian Hernandez
CFO

Michael Maxwell
Vice President-Lending

Justin Wolfe
Vice President-Retail Banking

Amy Singpradith
Vice President-Human Resources

Lenore Froehlich
Vice President-Marketing

Cory Squires
Vice President-Information Technology

