

**Arrowhead Credit Union has 25 Inland Empire locations. Arrowhead members can also enjoy over 19,000 FREE ATMs and over 850 Service Center Locations.**

**Use these convenient services and access your account 24 hours a day 7 days a week:**

**e-Branch Home Banking & Free Bill Payment**

Go to [www.arrowheadcu.org](http://www.arrowheadcu.org)  
Contact our Call Center for an e-Code today.

**CU Hear**

Call 909-881-1627 to access your accounts by phone. Contact our Call Center for an e-Code today.

**Online Loan Application**

Go to [www.arrowheadcu.org](http://www.arrowheadcu.org) and click on loans.

**Call Center**

909-383-7300 or toll free 800-743-7228  
M-F 8AM to 7PM • Sat 9AM to 5PM

**Arrowhead Credit Union Mailing Address**

P. O. Box 735  
San Bernardino, CA 92402

**Contact the Arrowhead Companies:**

**Arrowhead Investment Center, LLC\***

909-379-6550 or toll free 800-735-9833  
[www.arrowheadinvestments.com](http://www.arrowheadinvestments.com)

**Integrity Planners, Inc\*\***

909-982-0607 or toll free 800-448-8657  
[www.integrityplanners.com](http://www.integrityplanners.com)

**Arrowhead Trust, Incorporated**

909-379-6600 or toll free 888-226-1900  
[www.arrowheadtrust.com](http://www.arrowheadtrust.com)

**Sawyer Cook Insurance**

909-379-6701 or toll free 800-655-2814  
License# 0207713  
[www.sawyercook.com](http://www.sawyercook.com)

**Members Business Services, LLC**

909-379-6399 or toll free 888-801-5405  
[www.membersbusiness.com](http://www.membersbusiness.com)

**BOARD OF DIRECTORS**

**Marie A. Alonzo**  
Chairman

**Martha R. Williams**  
Vice Chair/Director

**Douglas W. Hallen**  
Treasurer/Director

**Ted Krug**  
Secretary/Director

**Robert G. McDonald**  
Director

**Grace L. Tobin**  
Director

**Henry C. De La O**  
Director

**Errol J. Mackzum**  
Director

**Kathleen Finazzo**  
Director

**SUPERVISORY COMMITTEE**

**Janet M. Contreras**  
Chairman

**Fred Shorett**  
Member

**Sam Jackson**  
Member

*\*Securities offered through Arrowhead Investment Center, LLC, Member NASD/SIPC, an independent broker/dealer, are not insured by NCUA or any other Credit Union Insurance, are not deposits or obligations of the Credit Union, are not guaranteed by the Credit Union, and are subject to loss including the possible loss of principal.*

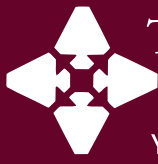
*\*\*Securities offered through Crown Capital Securities, L. P.*



**THE ARROWHEAD  
COMPANIES**

**YOUR FINANCIAL COOPERATIVE**

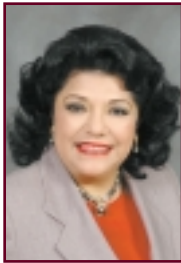




THE ARROWHEAD  
COMPANIES  
YOUR FINANCIAL COOPERATIVE

A 21<sup>st</sup> Century Organization

# Arrowhead Credit Union Board of Directors



**Marie A. Alonzo**  
Chairman



**Martha R. Williams**  
Vice Chair/Director



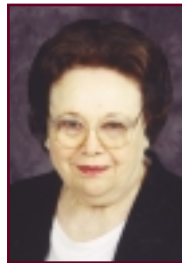
**Douglas W. Hallen**  
Treasurer/Director



**Ted Krug**  
Secretary/Director



**Robert G. McDonald**  
Director



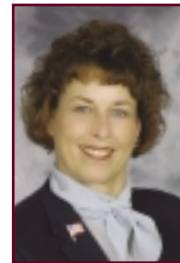
**Grace L. Tobin**  
Director



**Henry C. De La O**  
Director



**Errol J. Mackzum**  
Director



**Kathleen Finazzo**  
Director

*Thank you to our volunteer Board of Directors and Supervisory Committee for their governance and leadership.*

## Supervisory Committee



**Fred Shorett**  
Member

**Janet Contreras**  
Chairman

**Sam Jackson**  
Member



During 2004, Arrowhead Credit Union and our subsidiary companies continued to provide excellent value and superior service to our members. Arrowhead is a non-profit financial services cooperative dedicated to meeting the needs of our members and the communities we serve. In order to do that, Arrowhead continued to grow, expand outreach to members, develop products and services, improve service levels, add convenience, and increase access. We continue to accomplish all of this while maintaining the “well capitalized” standards set by our regulator, the California Department of Financial Institutions and our federal insurer, the National Credit Union Administration.

## CONSOLIDATED SUMMARY

For 2004, the net earnings from Arrowhead Credit Union and our subsidiary companies’ operations were \$7,482,946, that is \$3,969,307 better than the restated earnings (\*) for 2003 and a return on assets (ROA) of .94%. Total assets reached \$844,656,028, a growth of \$111,654,010 or 15.23% above one year earlier. Total share deposits reached \$759,213,335, a growth of \$84,535,154 or 12.53%. The most outstanding growth occurred in member loans, which grew an additional \$119,711,557 or 19.60%, to \$730,468,095. Strong member loan growth throughout 2004 provided an additional \$4,167,898 in gross loan income, and was the largest factor in Arrowhead’s increased earnings.

Arrowhead’s subsidiary companies gross sales and commissions totaled \$10,617,916, an increase of \$929,305 or 9.59% over 2003. Earnings from Credit Union operations remained strong at \$9,320,744, while subsidiary companies collectively posted a loss of \$1,837,798 from 2004 operations. A large portion of subsidiary company losses resulted from restructuring the businesses. In addition, our 2003 net earnings had to be restated because of required valuations and subsequent write-downs of goodwill related to the purchase of Sawyer Cook Insurance and Integrity Planners, Inc., in 2002.

Arrowhead Trust, Incorporated, although profitable in 2002, has declined in profitability over the last several years and the short-term prospects for profitability are not good. As a result, the Board of Directors of Arrowhead Credit Union has required Arrowhead Trust, Incorporated to divest itself of trust related business. This action is anticipated to improve earnings in 2005.

OCTARR, CU Venture, LLC, a limited liability corporation formed in partnership with Orange County Teachers Federal Credit Union and Arrowhead Credit Union, began operation in 2004 with the installation of 71 ATMs in selected Stater Bros. Markets. For the period ending December 31, 2004, OCTARR’s gross income of \$2,313,946 generated net earnings of \$76,668. OCTARR is not reported on a consolidated basis because of ownership position. With the addition of OCTARR ATMs, Arrowhead Credit Union’s ATM network has doubled to more than 140 ATMs.

## ARROWHEAD CREDIT UNION — (UNCONSOLIDATED)

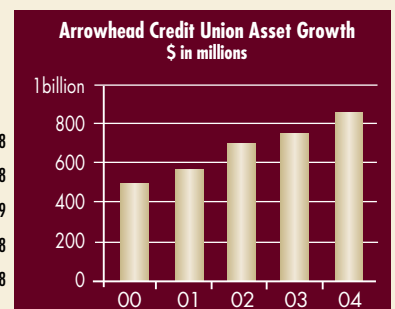
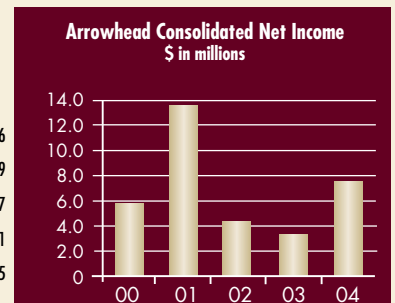
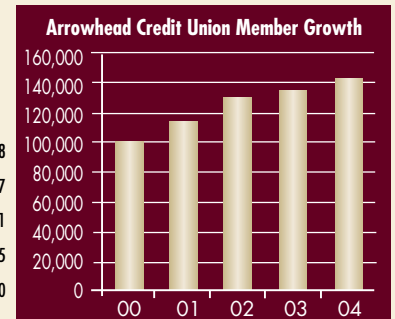
Gross earnings for Arrowhead Credit Union were \$72,555,563 without our subsidiary companies and net earnings amounted to \$9,320,744, a return on assets (ROA) of 1.14%.

Lending funded 18,776 new loans during the year for a total of \$390 million.

Membership grew by 8,061 or 5.9%, more than triple the national average for credit unions.



**Larry R. Sharp** President/CEO  
**Marie A. Alonzo** Chairman of the Board



\*The increase in expenses for the subsidiaries for 2003 was due to an adjustment that resulted from a change in the accounting rules FASB 141 and 142 that changed the way that the purchase of companies and the treatment of goodwill are recorded.

Arrowhead Credit Union made many significant improvements to products, services, and delivery systems in 2004:

- Received approval as a CalPERS mortgage lender, enhancing the competitiveness of our mortgage products
- Introduced a new on-line Mortgage Application to expedite the mortgage approval process
- Converted all member business accounts to a new accounting system with expanded products and capabilities
- Opened new branches in Stater Bros. Markets in Beaumont and Wildomar for members in these growing communities
- Began development on a new Home Loan Center in Murrieta to better serve our growing membership in southwest Riverside County
- Opened a Wealth Management office in Wildomar to address the increasing local demand for private banking services

Each of these changes is focused on improving service delivery to members.

## COMMUNITY INVOLVEMENT

The Arrowhead Companies have an active program of outreach to the communities that we serve. Our participation in local organizations is beyond compare to other financial service companies. We are proud of the many employees who are willing to step forward and give their time and leadership.

We have produced a brochure that describes our community outreach activities and will share it upon request. Included in the brochure are programs such as the First Accounts initiative, which offers financial education to consumers not using mainstream financial services. Arrowhead was one of only four financial institutions in California to be selected to receive a grant from the Department of Treasury to provide this program to the public.

Arrowhead strives to work with community partners — an example of this is the Alliance for Education program, which was founded in part by Arrowhead Credit Union through the San Bernardino school district. The program provides students practical job skills to help them enter the workforce.

## LOOKING AHEAD TO 2005

The outlook for 2005 is excellent for Arrowhead Credit Union and our subsidiary companies. We are well positioned to benefit from the increasing interest rate market and from the vibrant economy here in Southern California's Inland Empire. The management and staff of Arrowhead Investment Center, LLC will be converting their client accounts to a new system at IFMG Securities in the first quarter of 2005. At the end of July, all Arrowhead retail member accounts will be converted to a new data processing system that will bring new and exciting product and service capabilities that we do not have today with our current system.

The Credit Union is also working diligently to deliver new capabilities in financial planning and tax planning services. In addition, we anticipate opening a new branch office in Apple Valley. And finally, in the fourth quarter of 2005, we are scheduled to begin construction on a new operations center that will consolidate many of our existing back office operations.

## THE CREDIT UNION DIFFERENCE

Although Arrowhead Credit Union provides banking and other financial services to our membership, we are not a Bank! We are a Credit Union! Arrowhead is a non-profit company, cooperatively owned by our members and operated for the benefit of our membership. Our Directors, who are volunteers elected by our members, work diligently to serve the best interest of our members.

As with any non-profit or cooperatively-owned company, we owe our success first and foremost to our members. Thank you! Second, we owe a great deal to the volunteers who through their governance and leadership guide the Credit Union on behalf of the membership. Thanks for all that you do! And finally, nothing happens without a dedicated staff to carry out the goals and mission established by the leadership. Thanks for your professionalism, dedication and hard work!



**Larry R. Sharp** *President/CEO*



**Marie A. Alonzo** *Chairman*

**STATEMENT OF FINANCIAL CONDITION**

Year ended December 31,

	2004	2003
<b>ASSETS</b>		
Loans to members, net of allowance for loan losses	\$730,468,095	\$610,756,538
Cash	25,033,468	53,996,984
Investments	18,061,827	22,708,601
Receivables	2,613,161	2,497,018
Prepaid expenses	2,302,449	1,917,009
Property and equipment, net of accumulated depreciation	30,022,904	24,266,536
Other assets	36,154,124	16,859,332
<b>Total Assets</b>	<b>\$844,656,028</b>	<b>\$733,002,018</b>
<b>LIABILITIES AND EQUITY</b>		
Accounts payable and accrued expenses	\$24,787,180	\$5,742,180
Other liabilities	0	237,826
	24,787,180	5,980,006
Members' shares	759,213,335	674,678,181
Regular reserves	13,639,784	11,733,299
Undivided earnings	47,015,729	40,610,532
<b>Total Equity</b>	<b>\$819,868,848</b>	<b>\$727,022,012</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$844,656,028</b>	<b>\$733,002,018</b>

**STATEMENT OF INCOME**

Year ended December 31,

	2004	2003
<b>INTEREST INCOME</b>		
Interest and fees on loans	\$46,292,803	\$42,124,905
Interest on investments	835,196	1,700,121
Total Interest Income	47,127,999	43,825,026
<b>INTEREST EXPENSE</b>		
Dividends on share and savings accounts	4,071,813	5,640,599
Interest on borrowed funds	79,349	15,758
Total Interest Expense	4,151,162	5,656,357
Net interest income	42,976,837	38,168,669
<b>PROVISION FOR LOAN LOSSES</b>	4,842,931	4,482,899
Net interest income (after provision for loan losses)	38,133,906	33,685,775
<b>OTHER INCOME</b>		
Fees and charges	17,135,257	15,433,572
Other non-interest income	17,090,045	18,691,585
Total Other Income	34,225,302	34,125,157
<b>OPERATING EXPENSES</b>		
Salaries and benefits	35,270,018	32,698,269
Occupancy expense	5,327,231	5,008,326
Office operations expense	16,669,736	15,141,405
Communications	2,053,102	2,162,944
Office supplies	935,185	851,051
Advertising and promotions	1,969,260	1,738,701
Other operating expense	2,885,315	7,038,673
Total Non-Interest Expense	65,109,847	64,639,369
Net Operating Income	7,249,361	3,171,563
<b>NON-OPERATING GAIN (LOSS)</b>	233,585	377,728
<b>INCOME BEFORE INCOME TAXES</b>	7,482,946	3,549,291
<b>INCOME TAXES</b>	0	35,652
<b>NET INCOME</b>	<b>\$7,482,946</b>	<b>\$3,513,639</b>

These financial statements include all subsidiary corporations of Arrowhead Credit Union. They have been adjusted for intercompany transactions.  
2003 audited financials / 2004 unaudited financials

# Arrowhead Credit Union Senior Staff Members



**Parker Cann**  
Executive Vice President,  
Chief Operating Officer



**Vaughn Book**  
Senior Vice President,  
Operations & Technology



**Maurice Calderon**  
Senior Vice President,  
Government Affairs &  
Community Development



**Susan Conjurski**  
Senior Vice President,  
Lending



**Diane Eazell**  
Senior Vice President,  
Operations



**Ken Facer**  
Senior Vice President,  
Finance/Risk Management



**Kathy Gonzales**  
Senior Vice President,  
Branch Administration & Sales



**Steve Rue**  
Senior Vice President,  
Administration

# Arrowhead Core Values

## HONESTY AND INTEGRITY

- Be ethical in our dealings with others
- Build trust in who we are and what we do

## BE PROACTIVE

- Provide innovative solutions
- Embrace change and never be satisfied with the status quo

## WORK SMART AND DELIVER VALUE

- Serve our members' best interests
- Be accountable and meet our internal customers' expectations
- Promote continuous improvement

## TEAMWORK AND WORK/LIFE BALANCE

- Work collaboratively with others to achieve common goals
- Promote a harmonious balance between work and non-work life

## PROFESSIONALISM

- Encourage lifetime learning
- Share knowledge and experience with others
- Promote professionalism in all our business activities

## RESPECT FOR PEOPLE

- Listen, be fair and show others they are important
- Be good and responsible corporate citizens

# Community Involvement



*We have always understood that member service means more than helping people improve their financial lives—it means helping the communities we serve become better places to live. In 2004, Arrowhead donated over \$600,000 to our local communities and charities.*

*At Arrowhead we demonstrate our dedication and commitment to this philosophy through support of programs that impact the quality of life in our communities:*

## IMPROVING MEDICAL CARE

Arrowhead is a proud sponsor of the Loma Linda University Children's Hospital Annual Foundation Fundraiser, which raises money for their Neonatal Intensive Care Unit to provide life-saving treatment to newborns without regard to the family's financial condition.

## ANIMAL SAFETY

The Humane Society of the San Bernardino Valley diligently works to prevent cruelty to animals and helps the local communities with animal related problems. Arrowhead sponsored the Humane Society's "Sit, Stay and Nibble" event. The event called for local businesses to decorate a doghouse for auction. The houses were extraordinary, and the event raised over \$25,000 for the San Bernardino Valley Chapter.

## HOUSING

Habitat for Humanity volunteers work to eradicate substandard housing. ACU participated in Habitat for Humanity's largest fundraiser of the year. An ACU employee serves as President of the Board and Arrowhead donates the use of our facilities for Habitat for Humanity volunteers to meet.

## MAKING CHILDREN SMILE

Arrowhead Trust, Incorporated and the Riverside and San Bernardino Bar Association joined forces to host the Toys for Tots toy drive. Nearly 100 toys were donated to the drive and distributed to children in this area.

## WATER CONSERVATION AND FAMILY FUN

In October 2004, over 400 southern Californians enjoyed a free day of fishing, plus free food and educational exhibits at the Diamond Valley Lake in Hemet. The water reservoir holds enough water to meet the area's emergency and drought needs for six months and is an important component to the water supply of the surrounding communities. The event helped increase awareness of the lake's vital role in this area, educated attendees about water conservation and safety, as well as encouraged family fun.

## COMMUNITY OUTREACH PROGRAMS

Arrowhead encourages employee giving. Through employee donations, through payroll deductions and a corporate donation, the Arrowhead Companies raised over \$69,000 for the United Way. The United Way will use these funds to provide everything from senior programs to emergency services to housing for the homeless. Money raised for the United Way goes back into the local communities to help those in need.

## EDUCATION

The Arrowhead Foundation is a non-profit 501(c) 3 created by the Arrowhead Companies to fund scholarships. In the five short years the foundation has been in existence, it has funded over \$200,000 in scholarships to high school seniors and helped many students through donations.

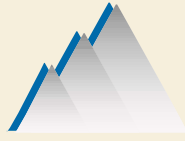
## FINDING A CURE

Members of Arrowhead Credit Union joined the Arrowhead Companies in raising money for the Juvenile Diabetes Research Foundation by generously making donations at our branch locations. Arrowhead staff gathered pledges and walked together in the annual walk sponsored by JDRF. In all, over \$19,000 was raised by ACU. The money is used to fund research to find a cure to this disease that affects as many as 25% of all children.

## FINANCIAL LITERACY

Arrowhead Credit Union was honored to be one of only four financial institutions in California to receive a grant from the U.S. Treasury Department to educate individuals about the benefits of having a checking or savings account, how to manage household finances, and the basics of building assets. Arrowhead staff presented workshops to approximately 5,000 individuals and groups including local girl scouts, ESL (English Speaking Language) groups, the Boys and Girls Club, local churches, and employees of local businesses. In partnership with Arrowhead Credit Union workshop attendees were willing to learn and make changes in their financial lives.

*Over the past half-century we have built a rich legacy of sharing our financial resources, ideas, and caring employees with our communities. Our employees live and work in the communities we serve, participating as local leaders, volunteers, and partners—working together to build a better future.*



# ARROWHEAD TRUST

Trust, Integrity and Professionalism



Arrowhead Trust, Incorporated (ATI) experienced a year of major transition in 2004. We made tremendous progress in the areas of financial controls, compliance, marketing and product enhancement. Each has played its role in helping ATI become known as a full service provider of trust products: Estate Settlement, Trust Administration, Portfolio Management, Custodian, Employee Benefits and other lesser known specialties, such as unique asset IRA products; real estate, closely held companies and limited partnerships.

Compliance was a major initiative in 2004. We significantly improved both our policies and our procedures, while keeping pace with the ever increasing regulatory environment and the new statutory requirements. We addressed privacy issues, new demands for risk control and countless other related issues. We also made good use of various law firms to further ensure our compliance results. These efforts have not been without a substantial cost to the bottom line of ATI. Our loss for 2004 was \$1,000,394. As a result of the continued losses from trust operations, ATI has made a decision to divest itself of trust operations and to focus our efforts in other financial service areas as we move forward in the future.

## SUMMARY STATEMENT OF INCOME

Year ended December 31,

	2004	2003
<b>ARROWHEAD TRUST, INCORPORATED</b>		
Gross income	\$1,517,479	\$1,922,876
Expenses	2,517,873	2,812,487
<b>Net Income (Loss)</b>	<b>\$(1,000,394)</b>	<b>\$(889,611)</b>

**Thomas L. Huettner**

*President/CEO*

*Arrowhead Trust, Incorporated*



# MEMBERS BUSINESS SERVICES



Arrowhead Credit Union is the majority owner of Members Business Services, LLC (MBS). MBS provides the underwriting and servicing of member business relationships. During 2004, Arrowhead reduced its ownership of MBS to 79% with the sale of an ownership interest to First Financial Credit Union. It is planned that Arrowhead will continue to reduce its ownership percentage through future sales to other credit unions.

Members Business Services continues to grow and add new services for business members. The company celebrated its second anniversary on January 1, 2005.

MBS's gross income for 2004 was \$1,293,149, an increase of \$532,442 or 70%. Net earnings for the period amounted to a loss of \$304,271, which was an improvement of \$149,775 or 32% over 2003. Loans being serviced grew from \$64 million to \$83 million and deposits increased from \$59.6 million to \$69 million in the last six months of 2004. Based upon current and projected business, MBS should breakeven during 2005.

## SUMMARY STATEMENT OF INCOME

Year ended December 31,

	2004	2003
<b>MEMBERS BUSINESS SERVICES, LLC</b>		
Gross income	\$1,293,149	\$760,707
Expenses	1,597,420	1,214,753
<b>Net Income (Loss)</b>	<b>\$(304,271)</b>	<b>\$(454,046)</b>

**Steve von Rajcs**  
President/CEO  
Members Business Services



2004 was a year of change and growth for Arrowhead Financial Group, Inc. (AFG), a wholly owned subsidiary of Arrowhead Credit Union. Included in AFG are three providers of specialized financial services: Arrowhead Investment Center, LLC, Sawyer Cook Insurance, and Integrity Planners, Inc. In terms of income generated, all three showed a sizable gain over net income figures for 2003.

SUMMARY STATEMENT OF INCOME	Year ended December 31,	
	2004	2003
<b>ARROWHEAD FINANCIAL GROUP, INC.</b>		
Gross income	\$7,807,288	\$7,005,028
Expenses	8,908,029	10,617,401
<b>Net Income (Loss)</b>	<b>\$(1,100,741)</b>	<b>\$(3,612,373)</b>

One of the most notable changes in AFG is the shift of responsibility for Arrowhead Credit Union's group insurance programs from AFG to Sawyer Cook Insurance. Consequently, the income those programs have traditionally generated will now be part of Sawyer Cook Insurance within AFG. This shift has enabled AFG to assume the role of simply being a holding company with no full-time employees. The administrative expenses in operating AFG during 2004 resulted in a loss of \$495,125. With this shift to no full-time employees and minimal operations, the operating expenses of AFG are expected to decline substantially during 2005.

On a consolidated basis, AFG's losses for 2004 totaled \$1,100,741. This total encompasses AFG, Integrity Planners, Inc., Arrowhead Investment Center and Sawyer Cook Insurance.



**Tom Barbour**  
President/CEO  
Arrowhead Investment Center, LLC

SUMMARY STATEMENT OF INCOME	Year ended December 31,	
	2004	2003
<b>ARROWHEAD INVESTMENT CENTER</b>		
Gross income	\$2,172,227	\$2,055,764
Expenses	1,789,257	1,512,816
<b>Net Income (Loss)</b>	<b>\$382,970</b>	<b>\$542,948</b>

Since 1989, Arrowhead Investment Center, LLC (AIC) has been a leader in the credit union industry as a provider of investment services to ACU members.

Continuing a trend of four consecutive profitable years, AIC finished 2004 with a net income of \$382,970 on revenues of \$2.17 million. Over 1,600 new brokerage accounts were opened, surpassing the goal of 1,000 and adding to AIC's database of approximately 12,000 accounts. Fixed annuities continued to be our clients' primary product of choice, followed by variable annuities and mutual funds.

In 2004, AIC and the financial services industry as a whole faced several new challenges. For example, client data maintenance and how to meet client demands for information relating to their accounts strained the technology capacity of most firms. Additionally, federal, state and private regulators stepped up their oversight of brokerage firms with new rules and increased reporting.

As a trendsetter, AIC concluded that the most efficient solution to these challenges was to partner with a third-party firm to help perform these tasks. As a result, in October 2004, the AIC Management Committee approved an agreement with IFMG to provide 21st century technology for trading, data gathering and regulatory compliance.



**Darrel Olson**  
President/CEO  
Sawyer Cook Insurance

SUMMARY STATEMENT OF INCOME	Year ended December 31,	
	2004	2003
<b>SAWYER COOK INSURANCE</b>		
Gross income	\$3,941,232	\$3,544,785
Expenses	4,773,281	4,763,003
<b>Net Income (Loss)</b>	<b>\$(832,049)</b>	<b>\$(1,218,218)</b>

After joining the Arrowhead family of companies as a wholly owned subsidiary of AFG in 2002, Sawyer Cook Insurance took on an expanded role, one that allowed it to become a premier leader in Business and Individual Insurance programs, while continuing to adhere to the core values that had guided its 80 years of service in Southern California.

The financial snapshot of 2004 showed an increase in revenue of \$396,447 for a total of \$3.9 million. While Sawyer Cook Insurance still realized a loss of \$832,049 for the year, the rebuilding of its core management, service specialists and professional producers has positioned Sawyer Cook Insurance for robust growth and financial success in the years ahead.

In an exemplary move, Sawyer Cook Insurance expanded the Uninsured Americans Program to include Arrowhead Administrators — our third party Administrative firm that provides various “back office” services such as insurance billing and enrollments to other insurance companies and employers who don’t have the technology or staff to handle it themselves. It is innovative programs like these that set Sawyer Cook Insurance apart as a market leader of products and services for focused distribution channels, independent businesses and individual credit union members.



**Garry Nichols**  
Senior Vice President,  
Integrity Planners, Inc.

SUMMARY STATEMENT OF INCOME	Year ended December 31,	
	2004	2003
<b>INTEGRITY PLANNERS, INC.</b>		
Gross income	\$842,062	\$959,722
Expenses	998,599	3,288,895
<b>Net Income (Loss)</b>	<b>\$(156,537)</b>	<b>\$(2,329,173)</b>

Over the last three years, Integrity Planners, Inc. has provided tax planning, tax preparation and financial planning to ACU members and the public to help individuals and families build stronger financial futures. Integrity Planners, Inc. derives a majority of its revenues from income tax preparation, commission income and financial planning services.

Gross revenue for 2004 was \$842,062, which was \$117,659 – or 12.26% — less than 2003 gross revenues. Net earnings for 2004 amounted to a loss of \$156,537. Before the appraisal and prior year adjustment, the 2003 loss was \$563,658 indicating an improvement in 2004 of \$407,121 in earnings from operations. However, the 2003 restated earnings after the write-off of goodwill was a loss of \$2,329,173.

The tax preparation and commission revenues remain strong. For 2005, an emphasis is to be placed on expanding the financial and tax planning business to improve revenues.

**From investments to insurance to tax and financial planning, the companies of the Arrowhead Financial Group work together — on behalf of Arrowhead Credit Union members and also in the general interest of the Credit Union itself. By providing quality products and services, convenience and security, growth and profitability, Arrowhead Financial Group is committed to continuing its leadership in the financial marketplace – today, as well as tomorrow.**



# Pointing to the future

*Since 1949 our reputation has spread to hundreds of thousands of satisfied members and over 1,500 local employers have asked us to serve their employees. We've got to this point by expanding services, by listening to our members' needs, and through the expansion of the Arrowhead family of companies.*



# When It Comes to Money Matters the Arrowhead Companies Has the Answers

At Arrowhead, we offer products and services that include and go beyond loans, checking, and savings plans. Products and services specially designed to help you discover and make the most of today's financial opportunities.

## CREDIT UNION SERVICES

- Real Estate Loans
- Equity Loans
- Auto & RV Loans
- Free Checking
- Personal Watercraft Loans
- Online Banking & Free Bill Payment
- Savings Plans & Youth Accounts
- Access to 19,000 FREE ATMs

## BUSINESS SERVICES

- Checking & Savings Plans
- Commercial Real Estate Loans
- Revolving Lines-of-Credit
- Equipment & Machinery Loans
- SBA Loans
- Merchant Bank Card Services
- Corporate Retirement Plans
- Payroll Services
- Employee Benefits

## INVESTMENT SERVICES

- Stocks & Bonds
- Mutual Funds
- Pension & Investment Rollovers
- Tax-Deferred Investments

## FINANCIAL PLANNING

- Retirement & Pensions
- College Funding
- Business & Real Estate Planning

## INSURANCE SERVICES

- Business –  
Property/Casualty/Workers' Comp  
Marine  
Group Benefits  
Key Man/Executive Life & Disability
- Personal –  
Home/Auto/Boat/Umbrella
- Life/Health –  
Group Medical/Dental/Disability  
Long Term Care

## TAX SERVICES

- Individual, Business, Partnership, Estate and Corporate Tax Returns
- Year Round Tax Planning
- Advisory Services
- Audit Services – Offers in Compromise

## TRUST SERVICES

- Portfolio Management
- Investment Advisory
- Personal Trust Administration
- Estate & Inheritance Planning
- 401(k) & Complete Retirement Plans
- Self-Directed IRAs