

# 2015 | Annual Report



## Board of Directors

Patricia Cole  
Daniel Hynes  
Sherry Kendrick  
John McCormack  
Tim McHargue  
Thomas A. Potter  
Robin Steege

## Supervisory Committee

Beth Bockenbauer  
Cathleen Farrar  
James Hale



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## Summary of Consolidated Financial Statements

### Message From The Chairman



At Arrowhead Credit Union, our success is defined by delivering outstanding value and service to every member, and the impact we make on our community.

This year we are incredibly proud of our accomplishments in both areas. The quality of service is reflected in the results of 2015. I am pleased to report that our capital continued to strengthen, while we saw double-digit deposit growth.

That level of success allows us to give back to our community in a meaningful way. Our team members have donated goods, we have given funds, and countless hours were volunteered at local charities. I am particularly proud of the financial education we are providing at local schools, and look forward to growing that effort in the coming year.

On behalf of our Board of Directors, we are honored to serve the members of Arrowhead Credit Union and thank you for a wonderful 2015.

Thomas A. Potter  
Chairman, Board of Directors

### Supervisory Committee Report



The Supervisory Committee provides the membership with an independent appraisal of the safety and soundness of Arrowhead Credit Union's operations and activities.

In the opinion of the Committee, Arrowhead Credit Union is operating in a safe and sound manner, and is compliant with applicable laws, rules and regulations.

The independent accounting firm of Turner, Warren, Hwang and Conrad assists the Supervisory Committee in carrying out its responsibilities. Their independent opinion audit report as of December 31, 2015, indicates that the financial statement fairly represents the financial condition and operational results of the Credit Union.

The committee is comprised of an independent group of volunteers who represent the Credit Union's members. Our role is to ensure the Credit Union is managed in a manner that is fiscally and ethically sound. This committee also reviews operational, compliance, and audit reports to ensure the Credit Union's operations are consistent with applicable laws, rules and regulations.

Cathleen Farrar  
Chairperson, Supervisory Committee

### Statements of Financial Condition

ASSETS	2015	2014
Cash in Banks & Investments	\$499,095,459	\$441,449,275
Loans - Net of the Allowance for Loan & Lease Losses	433,996,521	388,609,339
Property & Equipment	12,564,746	11,171,412
Other Assets	14,379,507	13,978,558
<b>Total Assets</b>	<b><u>\$960,036,233</u></b>	<b><u>\$855,208,584</u></b>

LIABILITIES & MEMBERS' EQUITY	2015	2014
Members' Share Accounts	\$799,884,621	\$726,214,106
Other Liabilities	36,392,845	22,297,023
Total Liabilities	836,277,466	748,511,129
Members' Equity	123,758,767	106,697,455
<b>Total Liabilities &amp; Members' Equity</b>	<b><u>\$960,036,233</u></b>	<b><u>\$855,208,584</u></b>

### Statements of Income

	2015	2014
Interest Income	\$28,837,906	\$27,570,337
Interest Expense	1,288,448	1,322,846
Net Interest Income	27,549,458	26,247,491
Provision for Loan Losses	(845,000)	(2,900,000)
Net Interest Income after Provision for Loan Losses	28,394,458	29,147,491
Non-Interest Income	28,442,524	26,726,095
Non-Interest Expense	37,859,124	36,415,660
<b>Net Income</b>	<b><u>\$18,977,858</u></b>	<b><u>\$19,457,926</u></b>

Turner, Warren, Hwang & Conrad Accountancy Corporation conducted the annual audit of the 2015 financial statements of the credit union. The financial statements above are condensed for readability and do not meet the full disclosure requirements of generally accepted accounting principles, and are not presented in their audited format. Full, audited copies of the financial statements are available at Arrowhead Credit Union's administrative office.

**Federally Insured by NCUA**