

A



2019 Annual Report

BOARD OF DIRECTORS

Beth Bockenbauer
Patricia Cole
Cathleen Farrar
James Hale
Daniel Hynes
John McCormack
Tim McHargue
Thomas Potter
Wayne Thies

AUDIT COMMITTEE

Beth Bockenbauer
Patricia Cole
James Hale

Arrowhead
credit union

2019 Annual Report

Summary of Consolidated Financial Statements



Message from the Chairman

Arrowhead Credit Union's success in 2019 was founded firmly in our commitment to member service, kindness we share in the community and talented team.

This year marked growth in many ways. We opened new branches in Eastvale and Torrance, and completed the relocation of our Fontana branch. We also expanded our field of membership to include parts of Arizona and Nevada, with branches in Needles and Fort Mohave, AZ.

Our disaster preparedness plan became more secure with a new, offsite data center and with the opening of a second call center.

On behalf of our Board of Directors, we are honored to serve the members of Arrowhead Credit Union. Thank you for making 2019 a wonderful year.

Thomas Potter

Chairman, Board of Directors



Audit Committee Report

The Audit Committee is appointed by the Board of Directors. Our role is to provide oversight of financial reporting, accounting, compliance, risk and other controls.

The independent accounting firm of Turner, Warren, Hwang, and Conrad assists the Audit Committee in carrying out its responsibilities. Their December 31, 2019 independent audit report indicates the financial statements fairly represent the financial condition and operational results of the Credit Union.

Based on these reviews, it is our opinion that Arrowhead Credit Union is operating in a safe and sound manner and it is compliant with applicable laws, rules and regulations.

Patricia Cole

Chairperson, Audit Committee

Statements of Financial Condition

Assets	2019	2018
Cash in Banks & Investments	\$718,217,468	\$595,768,346
Loans - Net of the Allowance for Loan & Lease Losses	708,718,968	666,597,327
Property & Equipment	29,943,386	29,925,084
Other Assets	34,918,716	30,274,853
Total Assets	<u>\$1,491,798,538</u>	<u>\$1,322,565,610</u>

Liabilities & Members' Equity	2019	2018
Members' Share Accounts	\$1,238,809,332	\$1,114,941,705
Other Liabilities	50,697,476	33,317,337
Total Liabilities	1,289,506,808	1,148,259,042
Members' Equity	202,291,730	174,306,568
Total Liabilities & Members' Equity	<u>\$1,491,798,538</u>	<u>\$1,322,565,610</u>

Statements of Income	2019	2018
Interest Income	\$51,282,386	\$42,578,758
Interest Expense	2,032,162	1,735,127
Net Interest Income	49,250,224	40,843,631
Provision for Loan Losses	7,568,000	3,826,000
Net Interest Income after Provision for Loan Losses	41,682,224	37,017,631
Non-Interest Income	36,208,092	33,487,272
Non-Interest Expense	61,347,690	53,304,921
Net Income	<u>\$16,542,626</u>	<u>\$17,199,982</u>

Turner, Warren, Hwang & Conrad Accountancy Corporation conducted the annual audit of the 2019 consolidated financial statements of the Credit Union. The consolidated 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 consolidated financial statements are available at Arrowhead Credit Union's administrative office.

Federally Insured by NCUA

arrowheadcu.org (800) 743-7228