

2020 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



2020 Annual Report

Summary of Consolidated Financial Statements



Message from the Chairman

In a year of unprecedented challenges, Arrowhead Credit Union's dedication to member service, support of our communities and commitment to caring for our team remained our guiding light as we continue to be one of the fastest-growing financial institutions in the Inland Empire.

In the middle of a pandemic and economic downturn, we still accomplished so much. Over this past year, we opened a new operations center in San Bernardino, relocated two branches, grew assets by more than \$430 million and welcomed nearly 18,000 new members. We have both a strong balance sheet and an impressive infrastructure. In addition, ArrowHeart Foundation is busier than ever making sure we see to the needs of our members and community during some truly difficult times.

Service to our members has never been stronger. Forbes recognized us as a Top 10 Credit Union in California and an independent third-party survey of credit union members ranked our call center as "Best In Class"—a wonderful accomplishment and testament to our one-team philosophy.

On behalf of our Board of Directors, we are incredibly honored to serve the members of Arrowhead Credit Union. Thanks to our entire team whose dedication to our members was evident by their commitment to providing wonderful, over-the-top service to our members, no matter what challenges they faced. Our perseverance helped us through 2020 and we look forward to a successful year ahead.

Thomas Potter

Chairman, Board of Directors



Message from Audit Committee Chair

The Audit Committee is a group of volunteers representing the Credit Union's members. Our role is to provide the membership with an independent appraisal of the safety and soundness of Arrowhead Credit Union's operations and activities.

The accounting firm of Turner, Warren, Hwang & Conrad assisted the Audit Committee in carrying out its responsibilities. Their December 31, 2020 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	2020	2019
Cash in Banks & Investments	\$1,179,740,750	\$718,217,468
Loans - Net of the Allowance for Loan & Lease Losses	674,328,083	708,718,968
Property & Equipment	27,793,830	29,943,386
Other Assets	37,303,901	34,918,716
Total Assets	\$1,919,166,564	\$1,491,798,538

Liabilities & Members' Equity	2020	2019
Members' Share Accounts	\$1,670,278,203	\$1,238,809,332
Other Liabilities	32,114,430	50,697,476
Total Liabilities	1,702,392,633	1,289,506,808
Members' Equity	216,773,931	202,291,730
Total Liabilities & Members' Equity	\$1,919,166,564	\$1,491,798,538

Statements of Income	2020	2019
Interest Income	\$47,347,899	\$51,282,386
Interest Expense	2,727,167	2,032,162
Net Interest Income	44,620,732	49,250,224
Provision for Loan Losses	4,320,000	7,568,000
Net Interest Income after Provision for Loan Losses	40,300,732	41,682,224
Non-Interest Income	33,639,429	36,208,092
Non-Interest Expense	64,520,716	61,347,690
Net Income	\$9,419,445	\$16,542,626

Turner, Warren, Hwang & Conrad Accountancy Corporation conducted the annual audit of the 2020 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.

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