

# 2017 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

Arrowhead Credit Union's success is rooted in our commitment to serving our members and giving back to our community. We have a talented team, who are dedicated to providing exceptional service, and building the credit union in a way we can all be proud of.

The loyalty of Arrowhead members is the foundation for the financial soundness noted in this report. It is the honor of the Board of Directors to serve you. Thank you for making 2017 a wonderful year.

Thomas A. Potter  
Chairman, Board of Directors



### Supervisory Committee Report

As an independent group of volunteers, the Supervisory Committee's role is to provide Arrowhead Credit Union members with an impartial assessment of the Credit Union's operations and activities.

The independent accounting firm of Turner, Warren, Hwang, and Conrad assists the Committee in carrying out its responsibilities. Their independent opinion audit report as of December 31, 2017, indicates the financial statement fairly represents the financial condition and operational results of the Credit Union.

Further, to ensure the Credit Union's operations are consistent with applicable regulations and laws, the Committee reviews operational and compliance examination reports. As a result of 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.

Beth Bockenbauer  
Chairperson, Supervisory Committee

### Statements of Financial Condition

ASSETS	2017	2016
Cash in Banks & Investments	\$571,183,864	\$599,974,773
Loans - Net of the Allowance for Loan & Lease Losses	561,027,015	496,893,166
Property & Equipment	30,004,900	24,432,233
Other Assets	27,623,299	16,095,045
<b>Total Assets</b>	<b>\$1,189,879,078</b>	<b>\$1,137,395,217</b>

LIABILITIES & MEMBERS' EQUITY	2017	2016
Members' Share Accounts	\$1,001,132,225	\$888,208,199
Other Liabilities	34,994,420	109,327,033
Total Liabilities	1,036,126,645	997,535,232
Members' Equity	153,752,433	139,859,985
<b>Total Liabilities &amp; Members' Equity</b>	<b>\$1,189,879,078</b>	<b>\$1,137,395,217</b>

### Statements of Income

	2017	2016
Interest Income	\$34,097,018	\$31,374,743
Interest Expense	1,492,194	1,373,059
Net Interest Income	32,604,824	30,001,684
Provision for Loan Losses	2,944,000	873,139
Net Interest Income after Provision/(Credit) for Loan Losses	29,660,824	29,128,545
Non-Interest Income	33,799,900	29,914,307
Non-Interest Expense	49,163,891	43,087,720
<b>Net Income</b>	<b>\$14,296,833</b>	<b>\$15,955,132</b>

Turner, Warren, Hwang & Conrad Accountancy Corporation conducted the annual audit of the 2017 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.

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