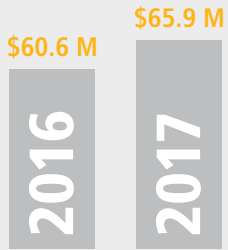
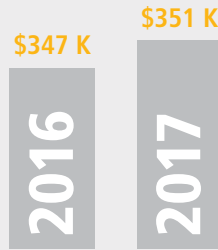


FINANCIAL CONDITION

## TOTAL ASSETS



## NET INCOME



## BENCHMARK

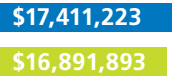
	PEER	AVISTA CREDIT UNION
DELINQUENCY RATIO	0.77%	0.11%
INVESTMENT YIELD	1.17%	1.73%
RETURN ON ASSETS	0.38%	0.56%

Peer data as of September 30, 2017

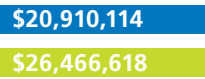
## GROWTH

■ 2016 ■ 2017

### Consumer loans



### Home loans

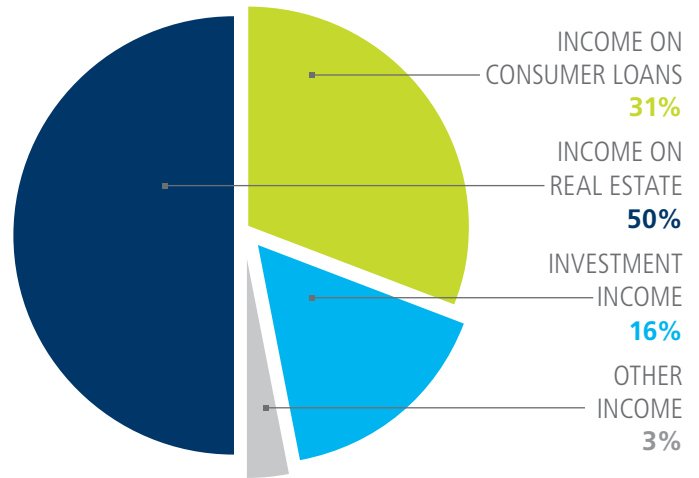


### Savings



## INCOME COMPONENTS

GROSS INCOME **\$1,862,368.25**



## YEAR IN REVIEW

### OUTREACH

PRESENTED AT OVER 50 AVISTA LOCATIONS  
ACTIVELY PARTICIPATED IN AVISTA FUNDRAISERS

### COMMUNITY

#### CHARITABLE CONTRIBUTIONS TO:

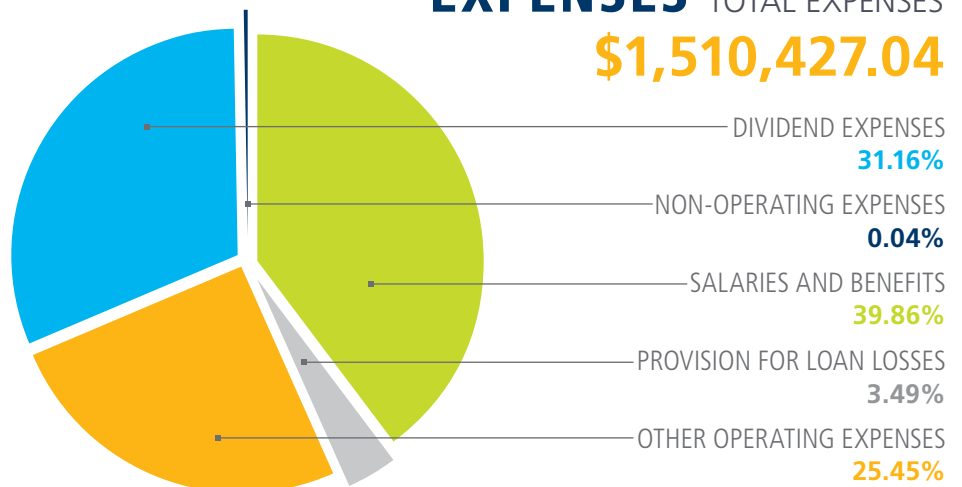
- SALVATION ARMY
- TOM'S TURKEY DRIVE
- TOYS FOR TOTS
- STEVENS ELEMENTARY

### TO BETTER SERVE YOU

- HOME EQUITY LINE OF CREDIT
- CASH NOW AVAILABLE IN BRANCH
- SAME-DAY LOAN APPROVAL
- E-STATEMENTS
- BILL PAY

## EXPENSES TOTAL EXPENSES

**\$1,510,427.04**





Credit Union

## 84TH ANNUAL MEETING: APRIL 5, 2018

### AGENDA

5:15pm - Dinner served in Cafeteria  
 5:45pm - Doors open to Auditorium  
 6:15pm - Annual meeting and prize giveaway  
 7:15pm - Entertainment by Dewayne Hill  
 Location - Avista Headquarters, 1411 E. Mission Ave.

### BOARD OF DIRECTORS

Laura Vickers, <i>President</i>	Timothy Carlberg
Patrick Maher, <i>Vice President</i>	Russ Feist
Michael Grabicki, <i>Secretary/Treasurer</i>	Randy Cloward
Bryan Cox	Mary Prince
Jacob Reidt	Amber Gifford
Scott Kinney	Don Falkner

### SUPERVISORY COMMITTEE

Marcus Garbarino, <i>Chairperson</i>	Janice Gibler
Karrie Wilson	Stacey Wenz
Jenny Berg	

### STAFF

Michael Grabicki, *Manager*  
 Patrick Graham, *Senior Loan Officer*  
 Chris Jentges, *Senior Financial Officer*  
 Amy Wilkinson, *Loan Officer*  
 Travis Greer, *Loan Officer*

## FINANCIALS

### BALANCE SHEET

	2016	2017	% Change	
<b>ASSETS</b>	Cash and Cash Equivalents	\$ 1,970,733.34	\$ 5,739,218.22	191.22%
	Investments	19,688,508.53	16,163,970.34	-17.90%
	Personal	17,411,222.92	16,891,892.65	-2.98%
	Real Estate	20,910,114.29	26,466,617.92	26.57%
	Less: Allowance for Loan Loss	(37,472.77)	(56,125.28)	49.78%
	NCUA Insurance	493,460.47	529,339.57	7.27%
	Other Assets	150,197.59	122,001.74	-18.77%
<b>Total Assets</b>	<b>\$ 60,586,764.37</b>	<b>\$ 65,856,915.16</b>	<b>8.70%</b>	

	2016	2017	% Change	
<b>LIABILITIES</b>	Shares	\$ 46,715,103.53	\$ 47,753,896.51	2.22%
	Certificates of Deposit	4,719,918.90	8,583,294.03	81.85%
	Dividends Payable	108,128.01	117,785.95	8.93%
	Other Liabilities	1,498.31	7,881.84	426.05%

	2016	2017	% Change	
<b>RESERVES</b>	Regular Reserves	1,067,987.35	1,067,987.35	0.00%
	Undivided Earnings	7,974,128.27	8,326,069.48	4.41%
	<b>Total Reserves</b>	<b>\$ 60,586,764.37</b>	<b>\$ 65,856,915.16</b>	<b>8.70%</b>

### INCOME STATEMENT

	2016	2017	% Change	
<b>INCOME</b>	Total Income	\$ 1,694,514.84	\$ 1,862,368.25	9.91%
	<b>Net Income</b>	<b>\$ 786,054.97</b>	<b>\$ 823,194.11</b>	<b>4.72%</b>
<b>EXPENSES</b>	Salaries and Benefits	562,830.10	602,122.00	6.98%
	Provision for Loan Losses	7,013.00	52,666.48	650.98%
	Other Operating Expenses	338,616.77	384,385.66	13.52%
	Total Expenses	908,459.87	1,039,174.14	14.39%
	Dividend Expense	437,019.23	470,707.72	7.71%
	Non-Operating Expenses	2,320.00	545.18	-76.50%
<b>Additions to Undivided Earnings</b>	<b>\$ 346,715.74</b>	<b>\$ 351,941.21</b>	<b>1.51%</b>	

## PRESIDENT'S REPORT

The Avista Corp. Credit Union finished another successful year as highlighted in this annual report. Our assets increased almost 9% from 2016, totaling nearly \$66 million with a reserve ratio of 14%. As our share balances increased, the Board and Staff worked diligently to increase our loan portfolio to continue to provide an above-average dividend rate. Under Mike Grabicki's leadership and the highly productive Staff, we had a record amount of loans funded in 2017, grossing over \$20 million, a 13% increase from the previous year! What's more amazing is that our Credit Union continues to be in the top 5% compared to our national peers in lowest operating expenses, highest deposits and lowest loan rates.

In 2017, we were excited to roll out the new Credit Card, adding to the list of new products implemented in recent years such as Certificates of Deposit and Home Equity Lines of Credit. We hope you have utilized and enjoyed the new digital capabilities, including online applications, online banking and the new mobile app! With feedback from our loyal members, another exciting change in 2017 was increasing member deposit limits from \$125,000 to \$250,000.

Our goal for 2018 is to raise member awareness of the new financial products and services your Credit Union has to offer. In addition, we will also be providing financial education classes so you can take full advantage of your membership. If you are interested in understanding all of the financial options that are available to you, please reach out to the Credit Union Staff or visit our website at [www.avistacu.com](http://www.avistacu.com). In addition, we welcome your feedback as we continue to serve your financial needs and enhance your experience with the Credit Union. Please feel free to reach out to any Board or Staff member with your ideas.

Many of our members give their time, talent and hearts to many wonderful organizations in the community. The Credit Union is a reflection of our members and continues to invest in the community by matching donations throughout the year for programs such as the Salvation Army, Project Share, Tom's Turkey Drive and Toys for Tots.

The Credit Union is proud to serve over 3,750 members. We have experienced steady membership growth, nearly 20% over the last ten years. To our long-term members, thank you for

your continued support. And to our new members, welcome, and we hope to serve your financial needs for many more years to come!

On behalf of the Board, I thank you for your continued trust, loyalty and support of the Credit Union. Thank you for choosing to be an Avista Corp. Credit Union member. I look forward to another exciting year in 2018!

**Laura Vickers**  
*Board President*

## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee's responsibility is to serve Avista Corp. Credit Union members by ensuring that Credit Union operations are effective in protecting Credit Union assets, and that records are accurately and properly reported. This committee fulfills its obligation to members by monitoring and auditing certain activities of the Credit Union. The committee provides oversight related to the establishment of effective internal controls, adherence to board policies and compliance with appropriate laws and regulations.

The Supervisory Committee engaged the independent accounting firm Anastasi Moore & Martin, PLLC, to conduct the annual "Agreed Upon Procedures Audit." Their latest procedures, conducted in accordance with the National Credit Union Administration's Supervisory Committee Guide for Federal Credit Unions, dated December 31, 2017, resulted in no reportable exceptions to the procedures performed.

The Supervisory Committee is confident and satisfied that adequate internal controls exist to protect member accounts and the financial statements accurately reflect the performance and condition of the Credit Union.

The Supervisory Committee takes their responsibility to the Credit Union and its members seriously and appreciates the assistance and cooperation of the Credit Union Staff and the Board of Directors during this past year.

**Marcus Garbarino, CPA**  
*Supervisory Committee Chairperson*  
 April 2018

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 509-495-2000