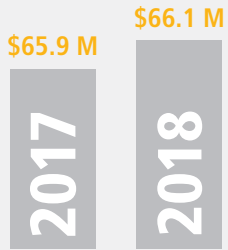
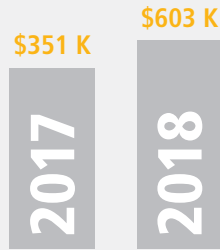


FINANCIAL CONDITION

TOTAL ASSETS



NET INCOME



BENCHMARK

	PEER	AVISTA CREDIT UNION
DELINQUENCY RATIO	0.91%	0.59%
INVESTMENT YIELD	1.78%	1.60%
RETURN ON ASSETS	0.64%	0.91%

Peer data as of September 30, 2018

GROWTH

■ 2017 ■ 2018

Consumer loans



\$16,891,893

\$17,596,713

Home loans



\$26,466,618

\$25,116,057

Savings

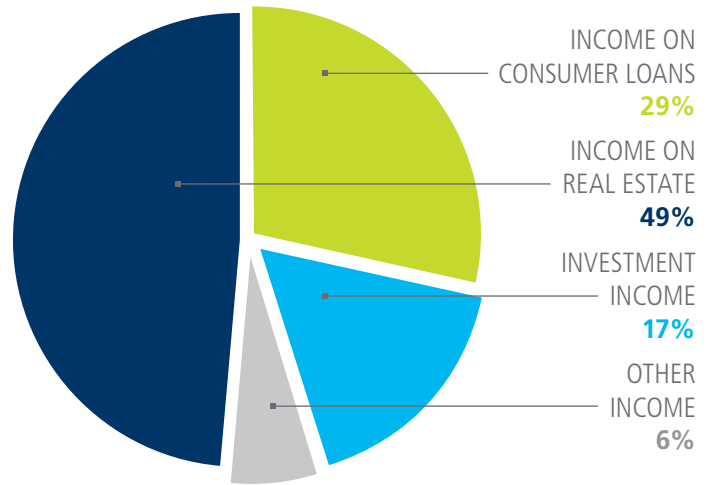


\$55,487,491

\$55,011,917

INCOME COMPONENTS

GROSS INCOME **\$2,085,325.36**



YEAR IN REVIEW

OUTREACH

PRESENTED AT MULTIPLE AVISTA LOCATIONS
ACTIVELY PARTICIPATED IN AVISTA FUNDRAISERS

COMMUNITY

CHARITABLE CONTRIBUTIONS TO:

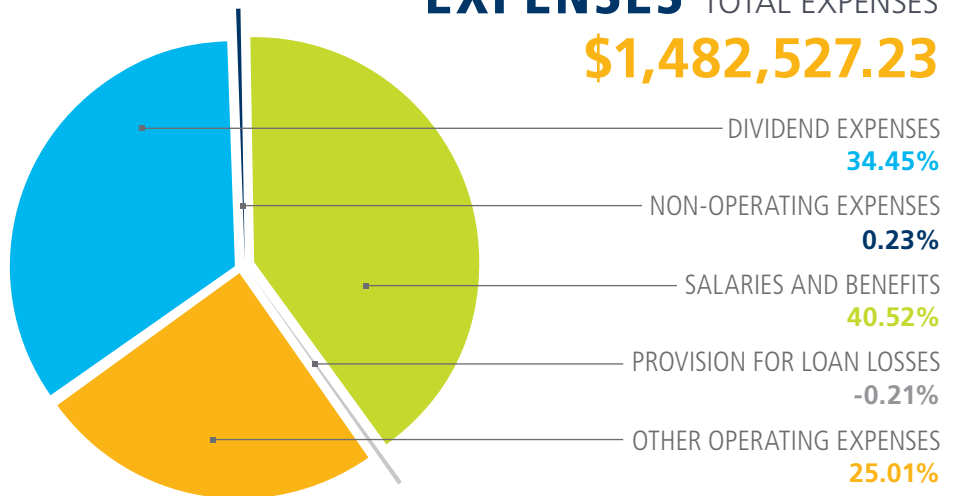
- SALVATION ARMY
- TOM'S TURKEY DRIVE
- OPERATION SPOKANE HEROES
- MARCH OF DIMES
- LIFESAVERS

TO BETTER SERVE YOU

- CASH NOW AVAILABLE IN BRANCH
- BILL PAY
- E-STATEMENTS
- PHONE APP AND TEXT BANKING
- SAME DAY LOAN APPROVAL

EXPENSES TOTAL EXPENSES

\$1,482,527.23





Credit Union

85TH ANNUAL MEETING: APRIL 11, 2019

AGENDA

5:15pm - Dinner served in Cafeteria
 6:00pm - Doors open to Auditorium
 6:15pm - Annual meeting and prize giveaway
 7:00pm - Entertainment by Nick Norton
 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*
 Chris Jentges, *Senior Financial Officer*
 Amy Wilkinson, *Senior Loan Officer*
 Kirsta Brewer, *Loan Officer*
 Mike Siegel, *Loan Officer*

FINANCIALS

BALANCE SHEET

	2017	2018	% Change
ASSETS			
Cash and Cash Equivalents	\$ 5,739,218.22	\$ 6,618,067.03	15.31%
Investments	16,163,970.34	16,076,804.40	-0.54%
Personal	16,891,892.65	17,596,713.17	4.17%
Real Estate	26,466,617.92	25,116,056.58	-5.10%
Less: Allowance for Loan Loss	(56,125.28)	(51,875.81)	-7.57%
NCUA Insurance	529,339.57	573,108.42	8.27%
Other Assets	122,001.74	133,159.61	9.15%
Total Assets	\$ 65,856,915.16	\$ 66,062,033.40	0.31%

	2017	2018	% Change
LIABILITIES			
Shares	\$ 47,753,896.51	\$ 48,769,729.42	2.13%
Certificates of Deposit	8,583,294.03	7,177,755.76	-16.38%
Dividends Payable	117,785.95	111,021.71	-5.74%
Other Liabilities	7,881.84	6,671.55	-15.36%

	2017	2018	% Change
RESERVES			
Regular Reserves	1,067,987.35	1,067,987.35	0.00%
Undivided Earnings	8,326,069.48	8,928,867.61	7.24%
Total	\$ 65,856,915.16	\$ 66,062,033.40	0.31%

INCOME STATEMENT

	2017	2018	% Change
INCOME			
Total Income	\$ 1,862,368.25	\$ 2,085,325.36	11.97%
EXPENSES			
Salaries and Benefits	602,122.00	600,673.64	-0.24%
Provision for Loan Losses	52,666.48	(3,076.00)	-105.84%
Other Operating Expenses	384,385.66	370,736.19	-3.55%
Total Expenses	1,039,174.14	968,333.83	-6.82%
Net Income	\$ 823,194.11	\$ 1,116,991.53	35.69%
Dividend Expense	470,707.72	510,718.40	8.50%
Non-Operating Expenses	545.18	3,475.00	537.40%
Additions to Undivided Earnings	\$ 351,941.21	\$ 602,798.13	71.28%

PRESIDENT'S REPORT

Our Avista Corp. Credit Union finished another successful year, maintaining a strong balance sheet with \$66 million of assets and a reserve ratio of 15%. Our strong financial position allows our Credit Union to provide above-average dividend rates and competitive loan rates. In 2018, we funded loans grossing over \$14.5 million! 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.

We hope you have taken advantage of our new digital capabilities, including online applications, online banking and a new mobile app, as well as our new products such as the Avista Credit Union Dam Credit Card, Certificates of Deposit and Home Equity Lines of Credit.

In 2018, we welcomed Krista Brewer and Mike Siegel to the team. Krista and Mike bring years of lending and credit union experience, providing additional breadth and depth of knowledge to the full staff.

Our goal for 2019 is to continue to raise member awareness on the new financial products and services your Credit Union has to offer while ensuring our members have an exceptional customer experience. This year, we will be adding financial education classes to help you take full advantage of your membership and all of the services the credit union offers. If you are interested in understanding all of the financial options that are available to you or signing up for a class to learn more, please reach out to the Credit Union Staff or visit our website at www.avistacu.com. We always welcome your feedback as we continue to serve your financial needs and work to enhance your experience with the Credit Union. Please feel free to contact any Board or Staff member with your ideas, suggestions and comments. Thank you to Mike Grabicki and our Staff for their dedication in delivering exceptional member experience!

Many of our members give their time, talent and hearts to charitable 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, Operation Spokane Heroes, Tom's Turkey Drive, March of Dimes and Lifesavers. Please let us know if you work with an organization that we might assist.

Your Credit Union is proud to serve nearly 3,800 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. 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 deeply appreciate 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 2019!

Sincerely,

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" in accordance with the National Credit Union Administration's Supervisory Committee Guide for Federal Credit Unions. Their latest procedures, dated December 31, 2018, are currently in process and expected to be completed in the second quarter of 2019. Reportable exceptions noted during their procedures, if any, will be communicated to the membership.

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 2019*

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