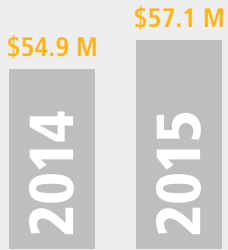
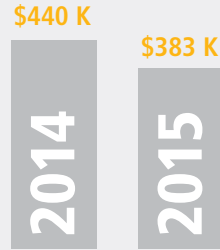


FINANCIAL CONDITION

TOTAL ASSETS



NET INCOME



BENCHMARK

	PEER	AVISTA CREDIT UNION
DELINQUENCY RATIO	0.80%	0.23%
INVESTMENT YIELD	1.09%	1.58%
RETURN ON ASSETS	0.60%	0.68%

Data as of January 1, 2016

GROWTH

■ 2014 ■ 2015

Consumer loans



\$13,893,432

\$15,767,395

Home loans



\$17,761,757

\$20,646,039

Savings

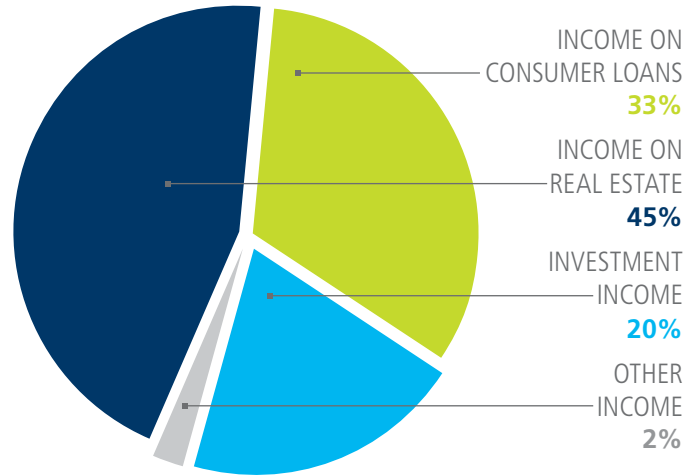


\$45,920,701

\$47,349,140

INCOME COMPONENTS

GROSS INCOME **\$1,624,505.68**



YEAR IN REVIEW

OUTREACH

PRESENTED AT OVER 50 AVISTA LOCATIONS
ACTIVELY PARTICIPATED IN AVISTA FUNDRAISERS

COMMUNITY

CHARITABLE CONTRIBUTIONS TO:

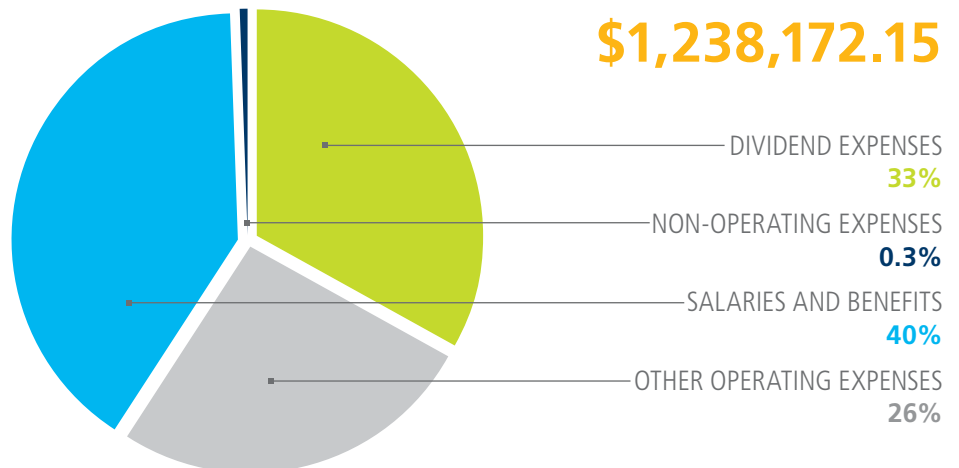
- SALVATION ARMY
- TOM'S TURKEY DRIVE
- TOYS FOR TOTS
- STEVENS ELEMENTARY

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

\$1,238,172.15





Credit Union

82ND ANNUAL MEETING: APRIL 13, 2016

AGENDA

- 5:30pm - Dinner served in cafeteria
- 6:00pm - Doors open to auditorium
- 6:30pm - Annual meeting and prize giveaway
- 7:00pm - Entertainment by Magician Nick Norton
- Location - Avista Headquarters, 1411 E Mission Ave.

BOARD OF DIRECTORS

Scott Kinney, <i>President</i>	Randy Cloward
Laura Vickers, <i>Vice President</i>	Russ Feist
Michael Grabicki, <i>Secretary/Treasurer</i>	Pat Maher
Patrice K. Gorton	Chuck Milani
Don Falkner	Mary Prince
Bryan Cox	Tim Carlberg

SUPERVISORY COMMITTEE

Tracy Townley, <i>Chairman</i>	Amy Parsons
John Emerson	Marcus Garbarino
Catherine Mueller	Kellee Quick
Don Falkner	

STAFF

- Michael Grabicki, *Manager*
- Patrick Graham, *Loan Officer*
- Chris Jentges, *Senior Financial Officer*
- Amy Wilkinson, *Member Service Representative*

FINANCIALS

BALANCE SHEET

	2014	2015	% Change	
ASSETS	Cash and Cash Equivalents	\$ 1,961,179.62	\$ 1,810,854.37	-7.67%
	Investments	20,730,304.10	18,293,761.25	-11.75%
	Personal	13,893,432.20	15,767,394.76	13.49%
	Real Estate	17,761,756.59	20,646,038.91	16.24%
	Less: Allowance for Loan Loss	(61,627.84)	(30,368.83)	-50.72%
	NCUA Insurance	462,637.34	470,694.10	1.74%
	Other Assets	154,281.45	167,213.22	8.38%
Total Assets	\$ 54,901,963.46	\$ 57,125,587.78	4.05%	

LIABILITIES	Shares	\$ 43,551,920.58	\$ 44,981,617.96	3.28%
	Certificates of Deposit	2,933,850.78	3,337,571.01	13.76%
	Dividends Payable	101,136.88	103,765.84	2.60%
	Other Liabilities	2,528.87	7,233.09	186.02%

RESERVES	Regular Reserves	1,067,987.35	1,067,987.35	0.00%
	Undivided Earnings	7,244,539.00	7,627,412.53	5.28%
	Total Reserves	\$ 54,901,963.46	\$ 57,125,587.78	4.05%

INCOME STATEMENT

	2014	2015	% Change	
INCOME	\$ 1,629,680.81	\$ 1,624,505.68	-0.32%	
Total Income				
EXPENSES	Salaries & Benefits	486,322.38	499,858.77	2.78%
	Provision for Loan Losses	(15,080.00)	(25,163.00)	66.86%
	Other Operating Expenses	303,468.30	351,521.21	15.83%
	Total Expenses	774,710.68	826,216.98	6.65%
	Net Income	\$ 854,970.13	\$ 798,288.17	-6.63%
Dividend Expense	409,980.96	411,955.17	0.48%	
Non-Operating Expenses	4,566.68	3,460.00	-24.23%	
Additions to Undivided Earnings	\$ 440,422.49	\$ 382,873.53	-13.07%	

PRESIDENT'S REPORT

The Avista Credit Union Board and staff thank you for being a loyal and valued member in 2015. This past year has seen the Credit Union continue to grow and expand our products and services. The Credit Union continues to maintain a strong financial position, with total assets exceeding \$57 million and a reserve ratio slightly over 15%. This strong financial position allows the Credit Union to offer above-market dividend rates and competitive loan rates. As a result, we had record loan volume during this past year. The Credit Union approved just under 750 total loans worth almost \$17 million. Contributing to these totals was the newer Home Equity Line of Credit (HELOC), which finished the year with over 30 approved loans.

The Credit Union remained focused on improving products and services offered to our membership. Several loan promotions were offered throughout the year, finishing with the traditional Holiday Loan Special. In the area of new services, the Credit Union launched a new website that facilitated online loan applications. This directly led to the significant increase in loan volume throughout the year. Other technology and back-office enhancements allowed us to implement Bill Pay and E-statements. If you haven't utilized these new features, please access the website at www.avistacu.com or call the staff if you need assistance.

Mike and his staff continue to perform at an extremely high level. While implementing the new products and services and evaluating all of those loan applications, the Credit Union completed a very successful DFI audit this past fall. The auditors were very impressed with Mike and his team and gave the Credit Union one of the highest ratings available.

With the completion of another successful year, the Credit Union is looking forward to serving your needs in 2016. A mobile application is currently under development, which will give you another access point to your accounts. As EMV chip technology becomes available, we will transition our debit cards to this technology, significantly improving security and reducing the risk of fraud. The Credit Union is also exploring issuing credit cards. Don't forget we continue to offer no-fee real estate loans at competitive rates and will also be offering several loan specials throughout the year. You can always check out our loan rates and promotions at www.avistacu.com, or through our advertising posters and statement inserts.

I personally want to thank you again for your continued support of Avista Credit Union. Our membership continues to grow and is quickly approaching 3,700

members. We know you have plenty of choices for your financial business, but we hope the products and services we offer provide additional value to each and every one of you. Without you, the Credit Union would not be able to deliver the excellent services and competitive products that you have come to appreciate. We look forward to serving your needs in the years ahead.

Scott Kinney
President

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee's responsibility is to serve Avista Corp. Credit Union (ACCU) members by ensuring that the Credit Union's operations are effective in protecting the Credit Union's assets and that records are accurately and properly reported. This committee fulfills its obligation to members by monitoring and auditing the 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 contracts with an independent auditing firm, Anastasi Moore & Martin, PLLC, to perform an annual audit of the Credit Union. Their latest review, conducted in accordance with the National Credit Union Administration (NCUA) Rules and Regulations, dated December 31, 2015, indicated that the overall records and operations of the Credit Union were found to be in good condition. In addition, the Division of Financial Institutions (DFI) conducted a risk-focused examination of ACCU as of September 30, 2015, and found that ACCU consistently provides safe and sound operations.

Based on thorough analysis, 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, Mike Grabicki and the Board of Directors during this past year.

Tracy Townley
Supervisory Committee Chair 2016

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