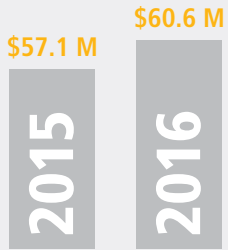
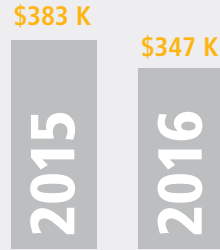


FINANCIAL CONDITION

TOTAL ASSETS



NET INCOME



BENCHMARK

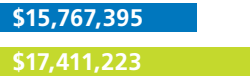
	PEER	AVISTA CREDIT UNION
DELINQUENCY RATIO	0.77%	0.09%
INVESTMENT YIELD	1.17%	1.59%
RETURN ON ASSETS	0.38%	0.59%

Peer data as of September 30, 2016

GROWTH

■ 2015 ■ 2016

Consumer loans



Home loans

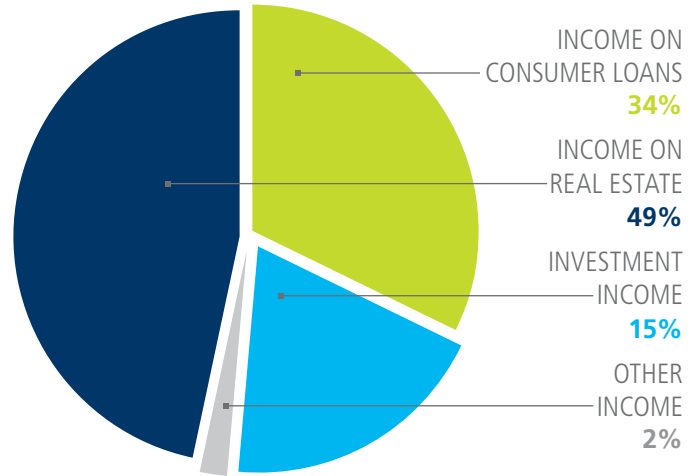


Savings



INCOME COMPONENTS

GROSS INCOME **\$1,694,514.84**



YEAR IN REVIEW

OUTREACH

PRESENTED AT OVER 50 AVISTA LOCATIONS
ACTIVELY PARTICIPATED IN AVISTA FUNDRAISERS

COMMUNITY

CHARITABLE CONTRIBUTIONS TO:

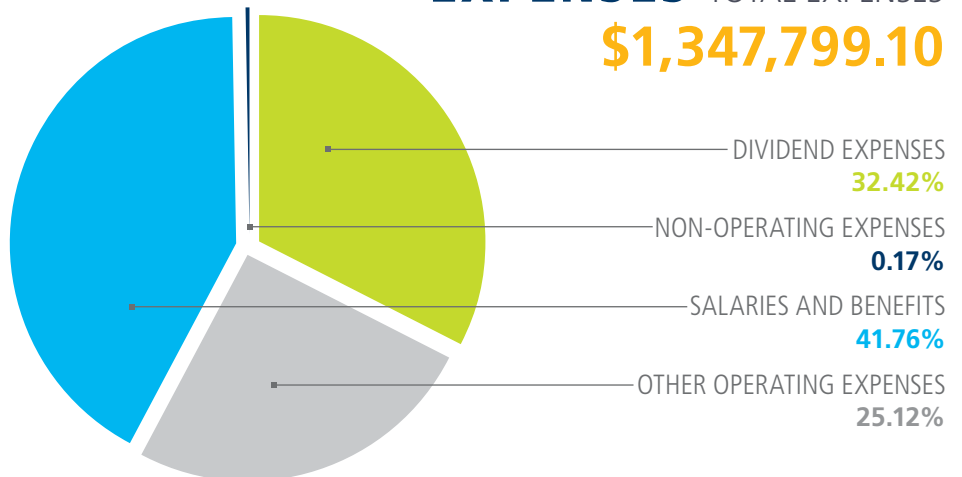
- SALVATION ARMY
- TOM'S TURKEY DRIVE
- TOYS FOR TOTS
- STEVENS ELEMENTARY

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

\$1,347,799.10





Credit Union

83RD ANNUAL MEETING: APRIL 13, 2017

AGENDA

5:00pm - Light Dinner
6:00pm - Entertainment by Matt Baker
7:00pm - Annual meeting
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
Jacob Reidt	Chuck Milani
Don Falkner	Mary Prince
Bryan Cox	Tim Carlberg

SUPERVISORY COMMITTEE

Marcus Garbarino, <i>Chairman</i>	Janice Gibler
Amy Parsons	Stacie Wenz
Karrie Wilson	Jenny Berg

STAFF

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

FINANCIALS

BALANCE SHEET

	2015	2016	% Change
ASSETS			
Cash and Cash Equivalents	\$ 1,810,854.37	\$ 1,970,733.34	8.83%
Investments	18,293,761.25	19,688,508.53	7.62%
Personal	15,767,394.76	17,411,222.92	10.43%
Real Estate	20,646,038.91	20,910,114.29	1.28%
Less: Allowance for Loan Loss	(30,368.83)	(37,472.77)	23.39%
NCUA Insurance	470,694.10	493,460.47	4.84%
Other Assets	167,213.22	150,197.59	-10.18%
Total Assets	\$ 57,125,587.78	\$ 60,586,764.37	6.06%

LIABILITIES			
Shares	\$ 44,981,617.96	\$ 46,715,103.53	3.85%
Certificates of Deposit	3,337,571.01	4,719,918.90	41.42%
Dividends Payable	103,765.84	108,128.01	4.20%
Other Liabilities	7,233.09	1,498.31	-79.29%

RESERVES			
Regular Reserves	1,067,987.35	1,067,987.35	0.00%
Undivided Earnings	7,627,412.53	7,974,128.27	4.55%
	\$ 57,125,587.78	\$ 60,586,764.37	6.06%

INCOME STATEMENT

	2015	2016	% Change
INCOME			
Total Income	\$ 1,624,505.68	\$ 1,694,514.84	4.31%
EXPENSES			
Salaries & Benefits	499,858.77	562,830.10	12.60%
Provision for Loan Losses	(25,163.00)	7,013.00	-127.87%
Other Operating Expenses	351,521.21	338,616.77	-3.67%
Total Expenses	826,216.98	908,459.87	9.95%
Net Income	\$ 798,288.17	\$ 786,054.97	-1.53%
Dividend Expense	411,955.17	437,019.23	6.08%
Non-Operating Expenses	3,460.00	2,320.00	-32.95%
Additions to Undivided Earnings	\$ 382,873.53	\$ 346,715.74	-9.44%

PRESIDENT'S REPORT

As I reflect on the past year and the conclusion of my three-year term as President of the Avista Credit Union Board, I am extremely proud to be involved in such a well-run organization. As a loyal member of the Credit Union, you play an important part in making this organization so amazing. On behalf of the Board, I want to thank you for your membership and business. The Credit Union is financially sound and received two significant awards this past year that reaffirm just how well it is managed and positioned. We received a 5-star top rating from BauerFinancial indicating that we are one of the strongest Credit Unions in the nation, and our Financial Health Score, according to the Glatt Consulting report, was the highest in the region and third highest in the state of Washington.

The Credit Union continues to grow and expand. Currently, we provide products and services to over 3,700 members. We maintain a strong financial position with total assets exceeding \$60 million, a reserve ratio slightly under 15% and a loan growth rate of 5.2%. The observed delinquency rate remains at just a fraction of the industry average. This strong financial position allows the Credit Union to continue to offer above-market dividend and CD rates and very competitive loan rates with minimal fees.

Over the past several years, the Credit Union has added several new products and services for our membership, including CDs, Home Equity Lines of Credit, online loan applications, online banking and a new mobile app. We will continue to evaluate and provide new products and services, such as a new credit card offering and a website refresh this year. Our goal for this year is to focus on educating you, our members, on all of the newest financial products so that you can take full advantage of your membership. In the meantime, if you are interested in understanding all of the financial options that are available to you, please reach out to the staff or visit our website at www.avistacu.com.

Mike and the staff continue to operate with an incredible level of customer service while providing a comfortable atmosphere to conduct business. Compared to the industry average, the staff supports twice as many members per employee, helping make our operating expenses per average asset less than half that of our peers. Please reach out to our amazing staff whenever you need assistance.

The Credit Union is looking forward to continuing to serve your financial needs in 2017. We challenge you to maximize the value of your membership this year. We know you have plenty of choices for your financial business, but we are confident that the products and friendly customer service we offer will provide

additional value to each and every one of you. You are an integral part of this business and we look forward to continuing to serve your needs in the years to come. If you have any concerns, questions or ideas, feel free to contact any Board member.

It has been an honor to lead the Board as President for the past three years. I hope that the Credit Union has met your expectations and provided true financial value to you and your family. I have complete confidence in the leadership capabilities of our incoming Board President, Laura Vickers, and I look forward to continuing to work with her and Mike well into the future to meet your financial needs.

Scott Kinney
Board President

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee's responsibility is to serve Avista Corp. Credit Union (ACCU) 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 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 engaged the independent accounting firm Anastasi Moore & Martin, PLLC, to conduct the annual "Agreed Upon Procedures Audit." Their latest review, conducted in accordance with the National Credit Union Administration (NCUA) Rules and Regulations, dated December 31, 2016, indicated that the overall records and operations of the Credit Union were found to be in good condition.

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

The Supervisory Committee takes its 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.

Marcus Garbarino, CPA
Supervisory Committee Chair
2017

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