

Statement of Financial Condition

| Assets | 2018 | 2017 | \$ Change | % Change |
|-------------------------------|-------------------|-------------------|--------------------|--------------|
| Loans | 58,763,992 | 54,783,931 | 3,980,061 | 7.27% |
| Less: Allowance for Loan Loss | (130,534) | (154,848) | 24,314 | 15.70% |
| Loans Net of Allowance | 58,633,458 | 54,629,083 | \$4,004,375 | 7.33% |
| Cash & Cash Equivalents | 3,880,452 | 3,953,149 | (72,697) | -1.84% |
| Investments | 6,540,291 | 6,049,969 | 490,322 | 8.10% |
| Fixed Assets | 818,742 | 1,135,182 | (316,440) | -27.88% |
| Other Assets | 1,592,370 | 1,245,754 | 346,616 | 27.82% |
| Total Assets | 71,465,313 | 67,013,137 | \$4,452,176 | 6.64% |

Liabilities and Members' Equity

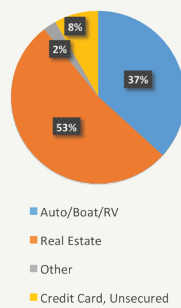
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|--|-------------------|-------------------|--------------------|----------------|
| Shares | 34,810,363 | 31,867,241 | 2,943,122 | 9.24% |
| Certificates | 1,010,122 | 892,898 | 117,224 | 13.13% |
| Money Market | 12,772,514 | 11,451,563 | 1,320,951 | 11.54% |
| Share Drafts | 14,879,668 | 15,492,599 | (612,931) | -3.96% |
| IRAs | 1,974,051 | 1,850,803 | 123,248 | 6.66% |
| Total Member Share Accounts | 65,446,718 | 61,555,104 | \$3,891,614 | 6.32% |
| Total Notes Payable & Other Liabilities | 553,634 | 630,662 | (77,028) | -12.21% |
| Regular Reserves | 1,137,843 | 1,137,843 | - | 0.00% |
| Undivided Earnings | 4,327,118 | 3,689,528 | 637,590 | 17.28% |
| Total Reserves | 5,464,961 | 4,827,371 | \$637,590 | 13.21% |
| Total Liabilities and Members' Equity | 71,465,313 | 67,013,137 | \$4,452,176 | 6.64% |

Statement of Earnings

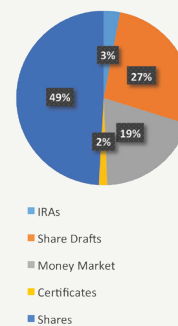
| | | | | |
|---|------------------|------------------|------------------|---------------|
| Interest Income on Loans | 2,840,776 | 2,529,225 | 311,551 | 12.32% |
| Interest Income on Investments | 223,557 | 94,555 | 129,002 | 136.43% |
| Interest Income | 3,064,333 | 2,623,780 | \$440,553 | 16.79% |
| Members' Shares & Savings | 63,428 | 61,326 | 2,102 | 3.43% |
| Borrowed Funds | 1,405 | 20 | 1,385 | 0.00% |
| Interest Expense | 64,833 | 61,346 | \$3,487 | 5.68% |
| Provision for Loan Losses | 134,484 | 139,628 | (5,144) | -3.68% |
| Non-Interest Income | 1,287,394 | 1,166,352 | 121,042 | 10.38% |
| Operating Expenses | 3,514,820 | 3,221,051 | 293,769 | 9.12% |
| Net Income Before NCUSIF Expense | 637,590 | 368,107 | \$269,483 | 73.21% |
| NCUSIF Expense | - | - | - | n/a |
| Net Income | 637,590 | 368,107 | \$269,483 | 73.21% |

(Unaudited Financials)

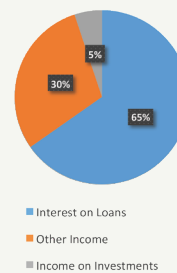
Distribution of Loans



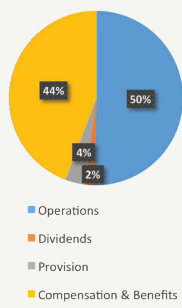
Distribution of Shares



Sources of Income



Distribution of Income



2018

Annual Report



A MESSAGE FROM THE PRESIDENT & CEO AND THE BOARD CHAIR



2018 was another banner year for Sno Falls Credit Union, as we started to realize the benefits and rewards of the investments we've made over the past couple of years. As we continue growing, we will remain steadfast in ensuring our members are enjoying the best service by continually enhancing our product offerings, creating innovative new services and optimizing our digital platforms. We are absolutely committed to delivering an exceptional, member-focused experience—in our branches, online, and via your mobile device—consistently and without reservation. Our employees are dedicated to meeting the needs of our members with quality guidance and support, and always with a personal touch.

WE ARE PLEASED TO SHARE A FEW HIGHLIGHTS FROM THIS PAST YEAR:

Optimizing our technology and improving convenience

- Launched mobile lending
- Delivered online & mobile banking enhancements
- Introduced Mobile Wallets available via Apple, Google and Samsung Pay

Community support and sponsorships

We participated in and sponsored 17 different organizations and groups throughout the Snoqualmie Valley.

Financial performance

Net Income

\$637,590 up 73%

Net Worth Ratio / Equity

7.65% - \$5,464,961 up 13%

Return on Average Assets

.92% up 59%

Operating Expenses /

Gross Income

80.50% down 4.5%

Total Assets

\$71,465,313 up \$4,452,418

Total Loans

\$58,763,992 up \$3,979,973

We provided \$18,675,009 in new loans to our members during the year.

All of our efforts over this past year have given us new-found momentum and growth with our financial performance. Confidence and trust in a financial institution is paramount. Rest assured that Sno Falls performance in 2018 reinforces that your credit union remains safe, sound, and secure.

Thanks to the loyal support of Sno Falls members and the continued dedication of our staff, we're proud to say that 2018 wasn't just a great year—it was an outstanding year!

Best,

Timothy W. Williams
President and CEO

Dennis Arriaga
Board Chair

SUPERVISORY COMMITTEE REPORT

Your Supervisory Committee is charged with representing the members' interests and validating the results of operations each year. In 2018, the Supervisory Committee retained the independent public accounting firm of Hauser, Jones & Sas LLC to assist the Supervisory Committee in completing the requirement for a Supervisory Committee Annual Audit for 2018 as required by the NCUA.

In carrying out its responsibilities, the Supervisory Committee believes that appropriate internal controls are in place at SFCU and that the 2018 financial statements accurately reflect the financial position of the credit union.

Bart Kelly
Chairman, Supervisory Committee

BOARD OF DIRECTORS

Dennis Arriaga, Chairman
Shelly Inman, Vice Chair
Carol Lawrence, Secretary
E. Steve Collins, Director
Bart Kelly, Director
Susan Hankins, Director

2018 SUPERVISORY COMMITTEE

Bart Kelly, Chairman
Susan Hankins
Chris Grina

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