

Statement of Financial Condition

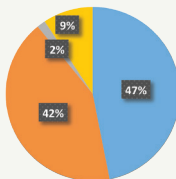
Assets	2016	2015	\$ Change	% Change
Loans	51,105,640	38,881,342	12,224,298	31.44%
Less: Allowance for Loan Loss	(195,966)	(213,405)	17,439	-8.17%
Loans Net of Allowance	50,909,674	38,667,937	\$12,241,737	31.66%
Cash on Hand	3,388,410	3,894,919	(506,509)	-13.00%
Investments	4,305,733	9,346,451	(5,040,718)	-53.93%
Fixed Assets	1,127,642	881,900	245,742	27.87%
Other Assets	1,201,882	1,148,369	53,513	4.66%
Total Assets	60,933,341	53,939,576	\$6,993,765	12.97%
Liabilities and Members' Equity				
Shares	29,253,584	24,353,964	4,899,620	20.12%
Certificates	594,896	222,965	371,931	166.81%
Money Market	11,659,226	11,355,209	304,017	2.68%
Share Drafts	12,442,715	11,253,824	1,188,891	10.56%
IRAs	1,928,787	1,980,542	(51,755)	-2.61%
Total Member Share Accounts	55,879,208	49,166,504	\$6,712,704	13.65%
Total Notes Payable & Other Liabilities	594,869	290,964	303,905	104.45%
Regular Reserves	1,137,843	1,137,843	-	0.00%
Undivided Earnings	3,321,421	3,344,265	(22,844)	-0.68%
Total Reserves	4,459,264	4,482,108	\$(22,844)	-0.51%
Total Liabilities and Members' Equity	60,933,341	53,939,576	\$6,993,765	12.97%

Statement of Earnings

Interest Income on Loans	2,131,919	1,808,014	323,905	17.91%
Interest Income on Investments	89,332	64,754	24,578	37.96%
Interest Income	2,221,251	1,872,768	\$348,483	18.61%
Members' Shares & Savings	40,884	37,022	3,862	10.43%
Borrowed Funds	12	38	(26)	0.00%
Interest Expense	40,896	37,060	\$3,836	10.35%
Provision for Loan Losses	147,232	34,520	112,712	326.51%
Non-Interest Income	1,016,722	987,819	28,903	2.93%
Operating Expenses	3,072,689	2,521,447	551,242	21.86%
Net Income Before NCUSIF Expense	(22,844)	267,560	\$(290,404)	-108.54%
NCUSIF Expense	-	-	-	n/a
Net Income	(22,844)	267,560	\$(290,404)	-108.54%

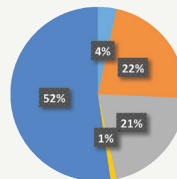
(Unaudited Financials)

Distribution of Loans



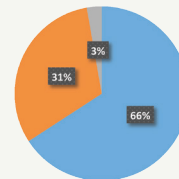
■ Auto/Boat/RV
■ Real Estate
■ Other
■ Credit Card, Unsecured

Distribution of Shares



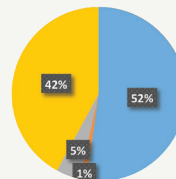
■ IRAs
■ Share Drafts
■ Money Market
■ Certificates
■ Shares

Sources of Income



■ Interest on Loans
■ Other Income
■ Income on Investments

Distribution of Income



■ Operations
■ Dividends
■ Provision
■ Compensation & Benefit

SNO FALLS
CREDIT UNION



ANNUAL REPORT



President's Message



Dear Fellow Members,

Sno Falls Credit Union enjoyed extraordinary growth in 2016. We experienced a significant increases in our deposits and loans. Our total assets increased over 13% to \$60.8M—a record high. Our loan portfolio grew an astounding 31.5% to \$51.1M—a record high. Our credit cards accounts were up 14% and we had a second consecutive year of membership growth which increased 4.3%.

We also continued to make major investments in our technology, branches and infrastructure which caused a temporary increase in operating expenses. We simultaneously relocated our North Bend and Snoqualmie Ridge branches. These new branches allow us to offer you the convenience of a full-service branch experience. We installed new full-service ATM's which allows check and cash deposits. We have seen enormous growth in the usage of these new ATM's. Our ATM and remote deposit technology now process more than \$1M in deposits quarterly. In June 2016, we launched a full-service mortgage program that offers a wide variety of mortgage programs and options. In the last six months of 2016 we processed over \$12M in first mortgage loans.

In reflecting on 2016—it was a very successful year for Sno Falls Credit Union. Because of your continued membership

and loyalty, the future is bright for Sno Falls. As we continue to grow—we will always be mindful and strive to strike a balance and remain true to the mission of a member-owned financial cooperative. You can count on Sno Falls Credit Union to offer you great products, low rates, low fees and local personalized service.

On behalf of our Board of Directors and our team, I would like to thank you for your continued membership and trust you place in us in being your financial partner.

Best,

Timothy W. Williams, President and CEO

2016 Highlights

- Total Assets **\$60.8M up over 13%** (record high)
- Total Loans **\$51.1M up 31.5%** (record high)
- Credit card accounts **grew 14%**
- Membership **grew 4.3%**
- Installed **full service ATM's**
- **Relocated** our North Bend and Snoqualmie Ridge branches
- **Voted #1 Financial Services provider** for the 14th straight year—Best of the Valley
- **Voted Best Place to Work—3rd** straight year—Best of the Valley

Chairman's Message

The Board of Directors is pleased with the phenomenal growth Sno Falls achieved in 2016. The future will bring exciting times with many more member improvements.

In 2016, we continued to grow and position Sno Falls for a bright future. We look forward to continuing to deliver the great member service you have come to know and expect from Sno Falls. In fact, we were again just voted the Best Financial Services provider in the annual Best of the Valley competition for the 14th straight year—and were also voted the Best Place to Work for the 3rd straight year.

Many thanks go to our members. Without you, Sno Falls would not exist.

Dennis Arriaga, Chairman of the Board

Supervisory Committee Report

The mission of our Supervisory Committee is to ensure that Sno Falls' financial records are in order, and that internal control practices are in place to protect the assets of the Credit Union and its members.

In 2016, the Supervisory Committee engaged the CPA firm of Hauser, Jones & Sas LLC to perform an audit of the financial condition of Sno Falls Credit Union.

It is the opinion of the Supervisory Committee that the Credit Union is conducting its affairs in an appropriate manner and is in compliance with the Credit Union bylaws, and all relevant state and federal regulations.

Bart Kelly, Chairman, Supervisory Committee

Board of Directors

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

2016 Supervisory Committee

Bart Kelly, Chairman
Susan Hankins
Chris Grina

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