



# 1934-2010

76th ANNUAL MEETING

March 11, 2010

**HELPING  
MAKE  
THE MOST  
OF YOUR  
MONEY**

**AVISTA**<sup>®</sup> *Corp.*  
*Credit Union*

# 2009

YOUR ANNUAL REPORT

## Supervisory Committee Report

The Supervisory Committee serves the Board of Directors and the members of the Credit Union. The Supervisory Committee is responsible for assuring that audits of the Credit Union are conducted and the results are reported to the Board of Directors. The Supervisory Committee is also available to assist any member of the Credit Union with inquiries.

The members of the Supervisory Committee conduct reviews of Credit Union operations and records at various times during the year.

The Credit Union is periodically examined for regulatory purposes by the Washington State Division of Credit Unions. The Division's latest examination report, dated November 26, 2008, was provided to the Board of Directors and the Supervisory Committee.

Berreth, Lochmiller & Associates, PLLC completed the Supervisory Committee Audit, as of October 31, 2009. There were no reportable conditions.

It is the opinion of the Supervisory Committee that the records of the Credit Union are well and accurately maintained; operations comply with applicable laws, regulations and the bylaws of the Credit Union; and the statement of condition in this annual report reflects fairly the condition of the Credit Union.

The Supervisory Committee appreciates the assistance of Ralphine Fallquist and the Credit Union staff, and the efforts of the Board of Directors during the past year.

Teresa Carter, CPA  
Supervisory Committee Chairman  
February 1, 2010

## Board of Directors

Al Fisher, President.....	Director of Operations, WA & ID
Bryan Cox, Vice President .....	Director, Gas Delivery
Ralphine Fallquist, Secretary-Treasurer .....	Credit Union
Timothy Carlberg.....	Director of GP & SS
Randy Cloward .....	Retired
Russ Feist .....	Contract Manager
Patrice Gorton .....	Manager, Risk/Energy Resources
Scott Kinney.....	Director of Transmission Operations
Pat Maher.....	Senior Hydro Operations Engineer
Camille Mallon .....	Information Services
William Phipps, Jr. ....	Retired
Laura Vickers.....	Manager, Operation/Budget Technology
* * * L.O. Falk – Attorney * * *	

## Supervisory Committee

Teresa Carter, <i>Chairman</i> .....	Internal Auditor
John Emerson .....	Energy Analyst
Don Falkner .....	Assistant Treasurer & Tax Director
Catherine Mueller.....	Project & Fixed Asset Accounting Manager
Tracy Townley.....	Executive Assistant, State & Federal Regulation

## Credit Committee

Timothy Carlberg, <i>Chairman</i> .....	Director of GP & SS
Randy Cloward .....	Retired
Ralphine Fallquist .....	Credit Union
Russ Feist .....	Contract Manager
William Fuglevand, .....	Vice President, Technology - ReliOn, Inc
Patrice Gorton .....	Manager, Risk/Energy Resources
Nancy Holmes .....	Spokane Regional Business Manager
Pat Maher.....	Senior Hydro Operations Engineer
Camille Mallon .....	Information Services
Laura Vickers.....	Manager, Operation/Budget Technology

## Loan Policy Committee

Al Fisher, <i>Chairman</i> .....	Director of Operations , WA & ID
Randy Cloward .....	Retired
Timothy Carlberg.....	Director of GP & SS
Ralphine Fallquist .....	Credit Union
Nancy Holmes .....	Spokane Regional Business Manager
Scott Kinney.....	Director of Transmission Operations
William Phipps, Jr. ....	Retired

## Investment Committee

Russ Feist, <i>Chairman</i> .....	Contract Manager
Ralphine Fallquist .....	Credit Union
Al Fisher .....	Director of Operations , WA & ID
Patrice Gorton .....	Manager, Risk/Energy Resources
Pat Maher.....	Senior Hydro Operations Engineer

## Asset Liability Committee

Randy Cloward, <i>Chairman</i> .....	Retired
Bryan Cox .....	Director, Gas Delivery
Patrice Gorton .....	Manager, Risk/ Energy Resources
Timothy Carlberg.....	Director of GP & SS
Ralphine Fallquist .....	Credit Union
Russ Feist .....	Contract Manager
Nancy Holmes .....	Spokane Regional Business Manager
Scott Kinney.....	Director of Transmission Operations
Camille Mallon .....	Information Services
Richard Vermeers .....	Chief Electrical Engineer

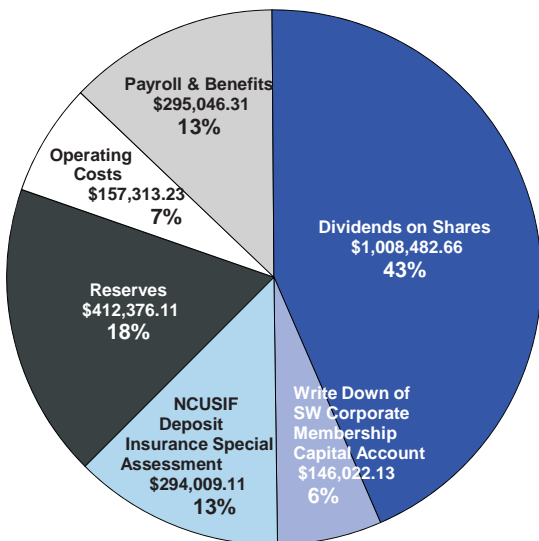
## Technology Committee

Bryan Cox, <i>Chairman</i> .....	Director, Gas Delivery
Randy Cloward .....	Retired
Ralphine Fallquist.....	Credit Union
Al Fisher.....	Director of Operations , WA & ID
Terri Hayes .....	Credit Union
Camille Mallon.....	Information Services
Kurt Schubach.....	RAD Analyst

## Staff

Ralphine Fallquist .....	Manager
Terri Hayes .....	Loan Specialist
Cheri Kelley.....	Member Services Representative

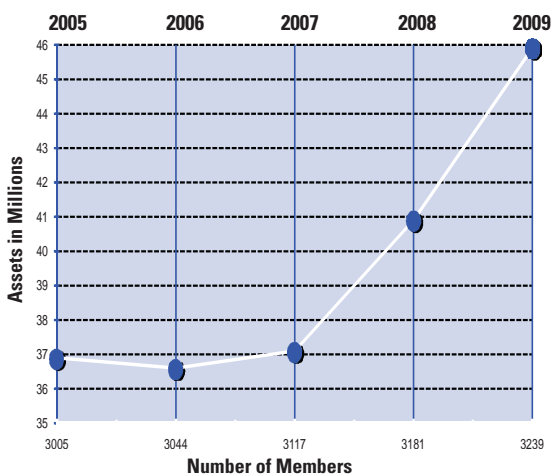
## Distribution of Income



## Balance Sheet

ASSETS	2009	2008
Cash on Hand & in Banks.....	\$ 733,463.19	\$ 222,679.67
Investments.....	19,845,921.52	13,637,005.20
Loans – Personal.....	12,322,055.08	13,265,753.49
Loans – Real Estate.....	12,591,852.29	13,337,615.41
Allowance for Loan Loss.....	(35,825.00)	(30,000.00)
Office Furniture & Equipment.....	6,347.19	171.53
NCUA Insurance.....	348,133.66	314,499.52
Other Assets.....	185,036.75	186,591.36
<b>Total Assets.....</b>	<b>45,996,984.68</b>	<b>\$ 40,934,316.18</b>
<b>LIABILITIES AND CAPITAL</b>		
Shares.....	\$ 39,190,253.65	\$ 34,481,148.98
Debit Card.....	378,206.03	354,832.29
Dividend Payable 1-1-2008.....	221,723.88	304,078.74
Accounts Payable and other Liabilities.....	5,165.78	4,996.94
<b>RESERVES</b>		
Regular Reserves.....	1,067,987.35	1,067,987.35
Undivided Earnings.....	5,133,647.99	4,721,271.88
<b>Total Reserves.....</b>	<b>6,201,635.34</b>	<b>\$ 5,789,259.23</b>
<b>Total Liabilities, Capital &amp; Reserves.....</b>	<b>\$ 45,996,984.68</b>	<b>\$ 40,934,316.18</b>

## Our 5-Year Growth



## Operating Statement

<b>INCOME</b>	<b>2009</b>	<b>2008</b>
Interest on Loans .....	\$ 1,419,372.71	\$ 1,587,413.67
Investment Income .....	613,418.43	496,367.81
Other Income .....	40,246.18	15,864.05
NCUSIF Deposit Insurance Special Reimbursement.....	<u>240,212.23</u>	<u>0</u>
Total Income .....	<u>\$ 2,313,249.55</u>	<u>\$ 2,099,645.53</u>
 <b>EXPENSES</b>		
Payroll, Salaries, Related Expenses .....	\$ 295,046.31	266,909.61
Travel & Conference.....	11,563.84	12,159.61
Office Occupancy .....	1,039.14	603.56
Office Operations .....	51,711.93	52,122.76
Education & Advertising .....	5,820.38	5,900.53
Loan Servicing.....	6,494.72	6,641.82
Visa® Debit Card.....	12,428.50	11,034.12
Professional Services .....	9,915.71	10,298.31
Examination Fees .....	9,757.70	8,397.04
Annual Meeting.....	5,481.59	5,324.94
Bond Insurance.....	10,078.00	9,633.00
Allowance for Loan Loss .....	33,021.72	30,267.20
NCUSIF Deposit Insurance Special Assessment.....	<u>294,009.11</u>	<u>0</u>
Total Expenses.....	<u>\$ 746,368.65</u>	<u>419,292.50</u>
Net Income.....	<u>\$ 1,566,880.90</u>	<u>1,680,353.03</u>
 Additions to Reserves .....		
	0	0
Dividends on Shares.....	<u>1,008,482.66</u>	<u>1,198,775.79</u>
Write Down of SW Corp CU Membership Capital Account.....	<u>240,212.23</u>	<u>0</u>
Additions to Undivided Earnings.....	<u>\$ 481,577.24</u>	<u>481,577.24</u>

# The Purpose of Avista Corp. Credit Union

The Avista Corp. Credit Union exists to provide services to its members – to help you meet your financial needs. We strive to provide you with efficient, professional, friendly service and assistance.

We are dedicated to serving our members and are guided by our Mission Statement:

- To serve the needs of the members of the Avista Corp. Credit Union in the areas of deposits and loans.
- To promote savings.
- To provide a balance of competitive dividends and loan interest rates.
- To minimize financial risk.

In fulfilling this mission, we will pursue the following goals:

- To aggressively select and develop member services that are beneficial to both our members and the Credit Union.
- To maintain, as our first priority, the service of existing members, while making a concerted effort to attract new members.
- To keep members and potential members aware of our services.
- To encourage innovation from Credit Union management and staff, members and directors.
- To maintain facilities and equipment that project a positive image, enhance member service and enable cost-effective operation.

We are committed to serving our members and to the continued success of the Avista Corp. Credit Union.

## ***Your Board of Directors***

## President's Report

The Avista Corp. Credit Union remains a strong and healthy financial institution in the midst of the turmoil and chaos that emerged in the financial markets of 2008-2009. Your Credit Union ended the year with reserves exceeding 13% of Assets, a key indicator of financial strength. This high percentage was obtained even as asset growth was over \$5 million to \$45.9 million from \$40.9 million at the end of 2008. Share growth increased by \$4.7 million. Loan growth did not keep this pace and loan growth will be a continued focus as we move through 2010.

With interest rates, both on savings and loans, at all time lows; Board and staff focused on managing our loan-to-share ratio and competitive dividend rates. To do this, we offered several loan promotions during the year, ending with our popular Holiday Loan Special. The Credit Union also had a special savings program for youth, teaching Savings Magic and encouraging a lifetime of good saving habits. Look for this program again in April.

In 2009, Credit Bureau reporting was added to the services your Credit Union provides. We are diligently working on ACH capabilities so access to your accounts will be even more readily available. We also would like to encourage you to take advantage of our Visa debit card which also helps in accessing your account at ATM's and point of sale purchases.

I would like to thank you, the member, for your support and participation this past year. Each of you has choices and we appreciate the trust you give us each time you choose to do business with the Credit Union. We look forward to the opportunity to serve you in 2010.

Al Fisher,  
President

## Services and Benefits for You and Your Family

Excellent Dividends on Savings Accounts

Children's Accounts

Second Accounts

Visa® Debit Cards

Excellent Dividends

No Monthly Fees

Low-Cost Loans

Signature

Debt Consolidation

Home Remodeling

Employee Tuition Aid

Car, Boat, RV, Motorcycle

Real Estate

First Mortgages

Primary residence

Vacation home

Second Mortgages

Credit Life Insurance on Loans

Credit Disability Insurance on Loans

Payroll Deductions and Direct Deposit for Savings,

Loan Payments and Debit Card Accounts

American Express Travelers Cheques (No Fee),

American Express Cheques for Two (Fee Applies)

American Express Gift Cheques (Fee Applies)

Financial Counseling

Free Notary Service

New Auto Cost Guide

Used Auto, Boat, Motorcycle, Recreational

Vehicle NADA Guides

Consumer Reports Publications

IVR 24-Hour Audio Teller – (509) 495-8862

Auto Solution – An Auto Buying Service

(Fee Applies)

ATM-Cash Machine



Your savings federally insured to at least \$250,000  
and backed by the full faith and credit of the United States Government

# NCUA

National Credit Union Administration, a U.S. Government Agency

1411 East Mission Avenue

PO Box 3727

Spokane, Washington 99220

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**AVISTA** Corp.  
Credit Union