

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

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

* NEW SERVICE - Electronic Funds Transfer



Helping Make the Most of Your Money

YOUR 2010 ANNUAL REPORT

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
(509) 495-8067

AVISTA Corp.
Credit Union

1934-2011
77th Annual Meeting
MARCH 10, 2011

AVISTA Corp.
Credit Union

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 March 31, 2010, was provided to the Board of Directors and the Supervisory Committee.

Anastasi & Moore, PLLC completed the Supervisory Committee Audit, as of October 31, 2010. 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.

Catherine Mueller
Supervisory Committee Chair
February 4, 2011

President's Report

The Avista Corp. Credit Union successfully completed 2010 with strong financials with an increase in assets of over \$2.4 million and a reserve ratio of 13.4%. The financial climate in the United States continues to be one of uneasiness and your Credit Union continues to provide a safe haven for your funds. As our share balances increased, the Board and staff worked diligently to increase our loan portfolio so that a competitive dividend could be paid. Growth of our loan portfolio will continue to be in the forefront of our efforts in 2011.

During 2010, loan growth was encouraged by offering several loan promotions ending with our popular Holiday Loan Special in November and December. We also offer no-fee real estate loans at competitive rates. Check out our specials at our website www.avistacu.com, our advertising posters or our new lobby monitor. You may see your picture on it! We want to extend a special thanks to our Marketing Partners throughout the company who have worked hard to "get the word out" to our members on special activities and events.

After extensive testing, we are very excited to offer an electronic funds transfer (EFT) program whereby members can transfer funds to and from ACCU to other financial institutions. This will be especially helpful to members who don't have ready access to our main office. Another easy way to access your funds in ACCU is with our Visa® debit card which can be used at ATM's and for point of sale purchases.

Another emphasis in 2010 was our youth savings program which encourages the development of money management skills at an early age. This year the theme is Money Rocks. Watch for the announcement in early April.

I would like to take this opportunity to thank the Staff, the Board and especially, you the member, for your continued support of the Credit Union during this past year. We know you have choices for your financial business and we appreciate your support of the Credit Union. We appreciate the trust you have placed in us; without it the Credit Union would not be able to maintain the competitive loan rates, dividends and high level of service that you have come to expect ~ and deserve. Our sincere thanks to each one of you!

Al Fisher,
President
February 17, 2011

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

Board of Directors

Al Fisher, President	Director of Operations
Bryan Cox, Vice President	Director, Gas Delivery
Ralphine Fallquist, Secretary-Treasurer	Credit Union
Timothy Carlberg	Director of GPSS
Randy Cloward	Retired
Russ Feist	Contract Manager
Patrice K. Gorton	Manager, Risk-Energy Resources
Scott Kinney	Director of Transmission Operations
Patrick Maher	Senior Hydro Operations Engineer
Camille Mallon	Information Services
William Phipps, Jr.	Retired
Laura Vickers	Manager / Operations Analytics

* * * L.O. Falk – Attorney * * *

Supervisory Committee

Catherine Mueller, Chair	Project & Fixed Asset Accounting Manager
John Emerson	Energy Analyst
Don Falkner	Assistant Treasurer & Tax Director
Ryan Krasselt	Treasury Financing Manager
Kellee Quick	Accounting Analyst
Tracy Townley	Transmission Services Specialist

Credit Committee

Timothy Carlberg, Chairman	Director of GPSS
Randy Cloward	Retired
Ralphine Fallquist	Credit Union
Russ Feist	Contract Manager
William Fuglevand	Vice President, Technology - ReliOn, Inc
Patrice K. Gorton	Manager, Risk-Energy Resources
Nancy Holmes	Regional Business Manager
Patrick Maher	Senior Hydro Operations Engineer
Camille Mallon	Information Services
Laura Vickers	Manager / Operations Analytics

Loan Policy Committee

Scott Kinney, Chairman	Director of Transmission Operations
Randy Cloward	Retired
Timothy Carlberg	Director of GPSS
Ralphine Fallquist	Credit Union
Al Fisher	Director of Operations
Nancy Holmes	Regional Business Manager
William Phipps, Jr.	Retired

Investment Committee

Russ Feist, Chairman	Contract Manager
Ralphine Fallquist	Credit Union
Al Fisher	Director of Operations
Patrice K. Gorton	Manager, Risk-Energy Resources
Patrick Maher	Senior Hydro Operations Engineer

Asset Liability Committee

Randy Cloward, Chairman	Retired
Bryan Cox	Director, Gas Delivery
Patrice K. Gorton	Manager, Risk-Energy Resources
Timothy Carlberg	Director of GPSS
Ralphine Fallquist	Credit Union
Russ Feist	Contract Manager
Nancy Holmes	Regional Business Manager
Scott Kinney	Director of Transmission Operations
Camille Mallon	Information Services
Richard Vermeers	Director of Electrical Engineering

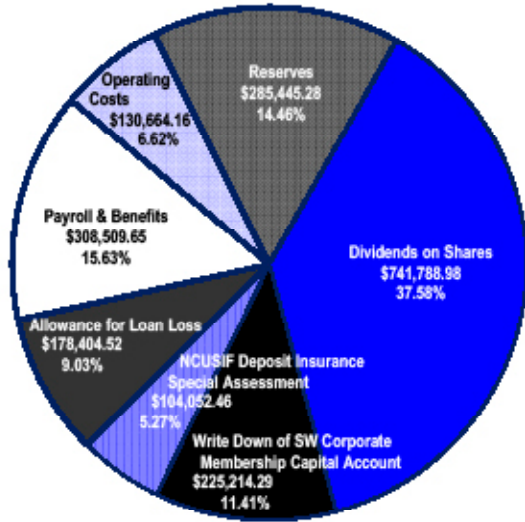
Technology Committee

Bryan Cox, Chairman	Director, Gas Delivery
Randy Cloward	Retired
Ralphine Fallquist	Credit Union
Al Fisher	Director of Operations
Terri Hayes	Credit Union
Cheri Kelley	Credit Union
Camille Mallon	Information Services
Kurt Schubach	RAD Analyst

Staff

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

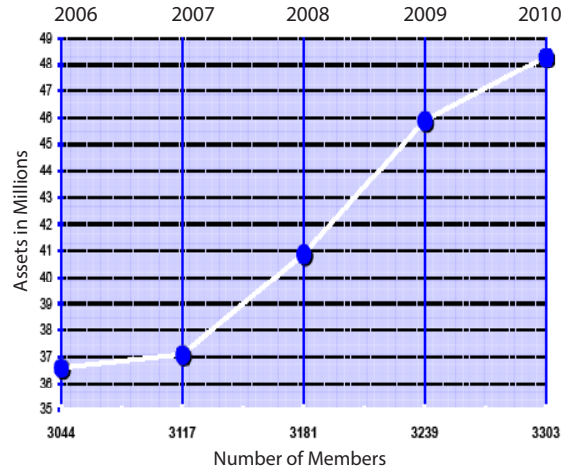
Distribution of Income



Balance Sheet

ASSETS	2010	2009
Cash on Hand & in Banks	\$ 2,246,628.71	\$ 733,463.19
Investments	21,790,690.45	19,845,921.52
Loans – Personal	11,185,055.58	12,322,055.08
Loans – Real Estate.....	12,628,327.89	12,591,852.29
Allowance for Loan Loss.....	(99,778.23)	(35,825.00)
Office Furniture & Equipment.....	6,169.84	6,347.19
NCUA Insurance	395,684.60	348,133.66
Other Assets	154,942.23	185,036.75
Total Assets	\$48,307,721.07	\$45,996,984.68
LIABILITIES AND CAPITAL		
Shares.....	\$41,230,651.93	\$39,190,253.65
Debit Card	404,037.16	378,206.03
Dividend Payable 1-1-2011	182,196.35	221,723.88
Accounts Payable and other Liabilities.....	3,755.01	5,165.78
RESERVES		
Regular Reserves.....	1,067,987.35	1,067,987.35
Undivided Earnings	5,419,093.27	5,133,647.99
Total Reserves	\$ 6,487,080.62	\$ 6,201,635.34
Total Liabilities, Capital & Reserves	\$48,307,721.07	\$45,996,984.68

Our 5-Year Growth



Operating Statement

	2010	2009
INCOME		
Interest on Loans.....	\$ 1,338,915.08	\$ 1,419,372.71
Investment Income.....	617,303.45	613,418.43
Other Income.....	17,860.81	40,246.18
NCUSIF Deposit Insurance Special Reimbursement.....	0	240,212.23
Total Income.....	\$ 1,974,079.34	\$ 2,313,249.55
EXPENSES		
Payroll, Salaries, Related Expenses.....	\$ 308,509.65	\$ 295,046.31
Travel & Conference.....	11,669.46	11,563.84
Office Occupancy.....	723.23	1,039.14
Office Operations	47,588.86	51,711.93
Education & Advertising	4,859.11	5,820.38
Loan Servicing	12,140.05	6,494.72
Visa® Debit Card	12,503.21	12,428.50
Professional Services.....	12,847.77	9,915.71
Examination Fees	10,839.08	9,757.70
Annual Meeting	5,501.65	5,481.59
Bond Insurance / VSI Blanket	11,991.74	10,078.00
Allowance for Loan Loss	178,404.52	33,021.72
NCUSIF Deposit Insurance Special Assessments.....	104,052.46	294,009.11
Total Expenses	\$ 721,630.79	\$ 746,368.65
Net Income	\$ 1,252,448.55	\$ 1,566,880.90
Additions to Reserves.....	0	0
Dividends on Shares.....	741,788.98	1,008,482.66
Write Down of SW Corp CU Membership Capital Account	225,214.29	146,022.13
Additions to Undivided Earnings	\$ 285,445.28	\$ 412,376.11