

## Services and Benefits for You and Your Family

High Yield Dividends on Savings Accounts  
Children's Accounts  
Second Accounts

Visa® Debit Cards  
Same Dividends as Your Savings Account  
No Monthly Fees

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Signature  
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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

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Free Notary Service

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Used Auto, Boat, Motorcycle, Recreational  
Vehicle NADA Guides

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(Fee Applies)

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Discount Tickets to Local Attractions

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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) 495-2236



**AVISTA**® Corp.  
Credit Union

1934-2013

Helping  
Make the  
Most  
of Your  
Money

79TH ANNUAL MEETING APRIL 25TH, 2013

YOUR 2012  
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 the 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 June 30, 2011, was provided to the Board of Directors and the Supervisory Committee.

Anastasi & Moore, PLLC completed the Supervisory Committee Audit, as of October 31, 2012. 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, statement of condition in this annual report reflects fairly the condition of the Credit Union.

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

Catherine Mueller  
Supervisory Committee Chair  
February 27, 2013

## President's Report

The Avista Corp. Credit Union completed 2012 with strong financials increasing assets to \$50.9 million with a reserve ratio of 14.63%. The financial climate in the world is interesting 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; and this will continue to be a key focus area in 2013 so a competitive dividend can be paid.

Each year brings change and in the spring of 2012 Ralphine informed the board of her plans to retire after a long and distinguished service to the credit union. We are sad and will miss her as she heads into the next chapter of her life. This led to the selection of our new credit union manager Mike Grabicki. He has a wealth of experience in banking and credit union management. I am confident you will appreciate his focus on continuing the personal service you are accustomed to receiving. He will be reaching out to members in 2013 through visits to offices around our service territory.

Also of note last year was a move to our temporary location to accommodate the HVAC project on the 1st floor. Thank you for your patience, we appreciate your efforts to "find us". We anticipate moving back to our original location in remodeled facilities in the Fall of 2013.

Throughout 2012 we offered several loan promotions, ending with our popular Holiday Loan. The credit union added a new product; a 10 year 2.99% fixed real estate loan that proved popular. We continue to offer no-fee real estate loans at competitive rates. Check out our specials at [www.avistacu.com](http://www.avistacu.com). We want to extend a special thanks to our marketing partners who worked hard to "get the word out" to our members on special activities and events.

The Avista Credit Union team is always looking to enhance service to our members. In 2012 we began offering online access to your accounts through the [www.avistacu.com](http://www.avistacu.com) web-site. You are able to manage your accounts from your home computer. Our goal is to make the Credit Union convenient, and we welcome suggestions.

I would like to take this opportunity to thank the Staff, the Board and especially you as a 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 you choosing Avista Corp. Credit Union. We take seriously the trust you have placed in us. Without it the Credit Union would not be able to continue to deliver the excellent service and competitive products that you have come to expect. Thank you and we look forward to serving you in the year ahead.

Bryan Cox  
President  
April 25, 2013

## 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

Bryan Cox, President .....	Director of Operations West
Scott Kinney, Vice President.....	Director of Power supply
Mike Grabicki, Secretary-Treasurer .....	Credit Union Manager
Timothy Carlberg .....	Retired
Randy Cloward .....	Retired
Russ Feist .....	Supply Chain Manager
Al Fisher.....	Director of Operations
Patrice K. Gorton.....	Manager of Risk-Energy Resources
Patrick Maher.....	Senior Hydro Operations Engineer II
Chuck Milani .....	Retired
Don Falkner .....	Director Tax - Assistant Treasurer
Laura Vickers.....	Manager Operations Analytics

#### Supervisory Committee

Catherine Mueller, <i>Chairperson</i> .....	Energy Delivery Accounting Manager
John Emerson .....	Senior Risk & Energy Analyst
Don Falkner .....	Director Tax - Assistant Treasurer
Ryan Krasselt.....	Director of Finance
Kellee Quick .....	Accounting Analyst III
Tracy Townley.....	Transmission Services Specialist

#### Credit Committee

Laura Vickers, <i>Chairperson</i> .....	Manager of Operations Analytics
Mike Grabicki .....	Credit Union
Timothy Carlberg .....	Retired
Russ Feist .....	Supply Chain Manager
Patrice K. Gorton.....	Manager of Risk-Energy Resources
Mary Inman .....	Manager of Systems Projects
Patrick Maher.....	Senior Hydro Operations Engineer II
William Fuglevand.....	Vice President of Technology - Relion Inc

#### Loan Policy Committee

Chuck Milani, <i>Chairperson</i> .....	Retired
Scott Kinney .....	Director of Power Supply
Randy Cloward .....	Retired
Timothy Carlberg .....	Retired
Mike Grabicki .....	Credit Union Manager
Al Fisher.....	Director of Operations
Don Falkner .....	Director Tax - Assistant Treasurer

#### Investment Committee

Russ Feist, <i>Chairperson</i> .....	Supply Chain Manager
Mike Grabicki.....	Credit Union Manager
Al Fisher .....	Director of Operations
Patrice K. Gorton.....	Manager of Risk-Energy Resources
Patrick Maher.....	Senior Hydro Operations Engineer II
Don Falkner.....	Director Tax - Assistant Treasurer

#### Asset Liability Committee

Randy Cloward, <i>Chairperson</i> .....	Retired
Bryan Cox .....	Director of Operations West
Timothy Carlberg .....	Retired
Mike Grabicki .....	Credit Union Manager
Russ Feist.....	Supply Chain Manager
Patrice K. Gorton .....	Manager, Risk-Energy Resources
Scott Kinney .....	Director of Power Supply

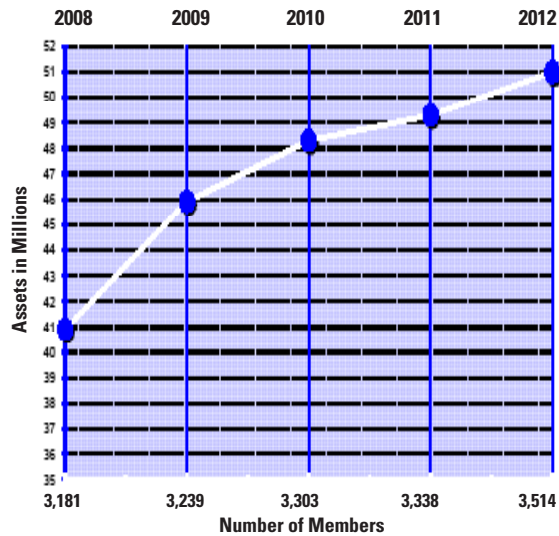
#### Technology Committee

Jacob Reidt, <i>Chairperson</i> .....	Manager of Network Engineering
Bryan Cox .....	Director of Operations West
Mike Grabicki.....	Credit Union Manager
Al Fisher.....	Director of Operations
Randy Cloward .....	Retired
Scott Kinney .....	Director of Power Supply
Cheri Kelley.....	Member Services Representative
Kurt Schubach.....	Software Developer

#### Staff

Mike Grabicki .....	Credit Union Manager
Pat Graham .....	Member Services Representative
Karrie Hess .....	Member Services Representative
Cheri Kelley .....	Member Services Representative

## Our 5-Year Growth

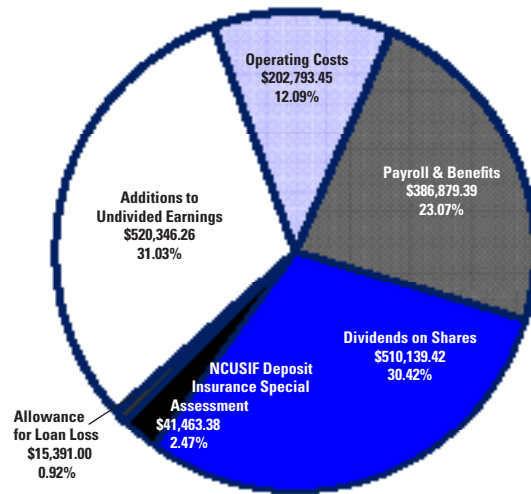


## Balance Sheet

as of December 31, 2012

	2012	2011
<b>ASSETS</b>		
Cash on Hand & in Banks .....	\$ 1,099,480.55	\$ 656,932.49
Investments .....	24,126,802.04	23,716,423.99
Loans – Personal .....	14,150,651.78	13,075,614.55
Loans – Real Estate .....	11,093,420.09	11,305,848.75
Allowance for Loan Loss .....	(116,532.82)	(108,453.21)
Office Furniture & Equipment .....	44,500.73	55,505.39
NCUA Insurance .....	436,456.67	416,346.89
Other Assets .....	132,576.52	135,340.87
Assets Acquired Real Estate .....	24,100.00	63,876.64
<b>Total Assets .....</b>	<b>\$50,991,455.56</b>	<b>\$49,317,436.36</b>
<b>LIABILITIES AND CAPITAL</b>		
Shares .....	\$43,016,997.35	\$41,797,334.40
Debit Card .....	386,504.70	418,666.43
Dividend Payable		
1-1-2012 .....	125,287.88	159,860.71
Accounts Payable and Other Liabilities .....	2,863.45	2,118.90
<b>RESERVES</b>		
Regular Reserves .....	1,067,987.35	1,067,987.35
Undivided Earnings .....	6,391,814.83	5,871,468.57
Total Reserves .....	7,459,802.18	6,939,455.92
Total Liabilities, Capital & Reserves .....	\$50,991,455.56	\$49,317,436.36

## Distribution of Income



## Income Statement

as of December 31, 2012

	2012	2011
<b>INCOME</b>		
Interest on Loans .....	\$ 1,170,791.66	\$ 1,225,899.21
Investment Income .....	504,395.18	564,572.43
Other Income .....	23,814.73	20,764.29
<b>Total Income .....</b>	<b>1,699,001.57</b>	<b>1,811,235.93</b>
<b>EXPENSES</b>		
Payroll, Salaries, Related Expenses .....	386,879.39	333,794.28
Travel & Conference .....	19,721.88	11,485.02
Office Occupancy .....	527.98	569.89
Office Operations .....	98,947.53	74,460.41
Education & Advertising .....	4,584.83	5,637.71
Loan Servicing .....	11,355.58	10,372.32
Visa® Debit Card .....	13,133.65	13,173.31
Professional Services .....	20,410.85	14,937.41
Examination Fees .....	11,734.72	11,429.26
Annual Meeting .....	5,600.85	6,051.31
Bond Insurance / VSI Blanket .....	16,775.58	13,522.00
Allowance for Loan Loss .....	15,391.00	49,132.00
NCUSIF Deposit Insurance Special Assessments .....	41,463.38	107,250.40
<b>Total Expenses .....</b>	<b>646,527.22</b>	<b>651,815.32</b>
<b>Net Income .....</b>	<b>\$ 1,052,474.35</b>	<b>\$ 1,159,420.61</b>
Additions to Reserves .....	0.00	0.00
Dividends on Shares .....	510,139.42	705,634.28
Other Non-Operating Income/Expense .....	21,988.67	0.00
Additions to Undivided Earnings .....	\$ 520,346.26	\$ 453,786.33