e-FILING REPORT COVER SHEET

Send completed Cover Sheet and the Report in an email addressed to:
PUC.FilingCenter@state.or.us

REPORT NAME: 2016 Annual Budget of Expenditures and Construction Budget

COMPANY NAME: Avista Corporation

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? ☐No ☒Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: ☐RE (Electric) ☒RG (Gas) ☐RW (Water) ☐RO (Other)

Report is required by: ☒OAR 860-027-0005 and 860-027-0015
☐Statute
☐Order Enter PUC Order No
☐Other Enter reason

Is this report associated with a specific docket/case? ☐No ☒Yes

If yes, enter docket number: RG 42

List applicable Key Words for this report to facilitate electronic search:
Annual budget of expenditures, Construction Budget

DO NOT electronically file with the PUC Filing Center:

- Annual Fee Statement form and payment remittance or
- OUS or RSPF Surcharge form or surcharge remittance or
- Any other Telecommunications Reporting or
- Any daily safety or safety incident reports or
- Accident reports required by ORS 654.715

Please file the above reports according to their individual instructions.

Avista Corp.
1411 East Mission P.O. Box 3727
Spokane. Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

AVISTA Corp.

March 31, 2016

Public Utility Commission of Oregon
Administrative Regulatory Operations
201 High Street SE
Suite 100
Salem, OR 97301

RE: Annual Compliance with OAR 860-027-0005 and 860-027-0015

Avista Corporation d/b/a/ Avista Utilities, hereby submits for electronic filing its annual budget reports in compliance with OAR 860-027-0005 and 860-027-0015.

Provided are the 2016 annual budget reports with the exception of the report "Annual salary and other compensation of officers and retired executives". Due to its confidential nature it is being mailed in an envelope marked confidential in accordance with OAR 860-001-0070.

If you have any questions regarding this report please contact me at (509) 495-4584.

Sincerely,

Paul Kimball
Regulatory Analyst
Avista Utilities

Enclosure

cc (Email):

PUBLIC UTILITY COMMISSION OF OREGON
PO BOX 1088, SALEM, OR 97308-1088
PUC.FilingCenter@state.or.us

GAS UTILITY NEW CONSTRUCTION BUDGET FOR 2016

GENERAL INSTRUCTIONS

1. Each energy utility operating within the State of Oregon and having gross operating revenues of $50,000 or more per year is required to file a New Construction Budget annually on or before December 31st and report information on new construction, extensions, and new additions to property of the utility in accordance with Oregon Administrative Rule 860-027-0015.

2. The New Construction Budget report should be completed and filed with the Public Utility Commission of Oregon Filing Center. Complete the e-Filing Report Cover Sheet found at http://egov.oregon.gov/PUC/eFiling/eReports/efiling_report_cover_sheet.docx. Email both the report and cover sheet to PUC.FilingCenter@state.or.us no later than December 31st of the year preceding that for which the budget is made.

For major projects (total project cost greater than $300,000) a narrative supplying the following information is required:

PROJECT NARRATIVE

1. Project Description: Include a brief technical specification of the project, ownership, if jointly owned, operating date, stage of construction, and other relevant information.

2. Need for the Project: Attach all prepared information documenting the need for the project, including the specific need the project is intended to fill. Economic comparisons with alternatives are to be provided. All the underlying assumptions of the economic analyses are to be specified.

3. Contingencies: Provide a listing of existing or potential future problems which might impact the final cost or successful completion and operation of the project, such as licensing problems, labor difficulties, litigation, etc.

4. Reconciliation with Prior Budget: Each successive year's budget can be expected to reflect differing estimates of project costs as the project progresses. For each major project, prepare a reconciliation with the prior budget's estimates and provide specific reasons for the changes.

In addition, please attach copies of prepared documentation or plans describing transmission, distribution, and general plant projects located in Oregon exceeding $100,000 in total cost and for which construction will commence in the budget year. Information submitted should contain a brief project description, location, and total budgeted cost.

FULL NAME OF GAS UTILITY Avista Corporation			
ADDRESS: PO BOX OR STREET NUMBER PO Box 3727	CITY Spokane	STATE WA	ZIP CODE 99202-3727

CERTIFICATION: I CERTIFY THAT THE INFORMATION REPORTED IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

SIGNATURE	TITLE	DATE
	Chief Financial Officer	3/30/16

Schedule B: Gas Utility New Construction Budget (System)	COMPANY: Avista Corporation	BUDGET YEAR: 2016

INSTRUCTIONS

1. Report percent ownership, scheduled operating dates, and expenditures required to complete project for major production, transmission, and general plant projects.
2. Major projects are defined as those projects having a total estimated cost to completion exceeding $300,000.
3. Under "Distribution," report specific line item expenditures for the budget year only. All expenditures for distribution following the budget year should be aggregated for the year and only total distribution expenditures reported for the period.
4. Non-major project expenditures within each category should be aggregated and only the totals reported.
5. Report all expenditures in thousands of dollars.

DESCRIPTION	PERCENT OWNERSHIP %	SCHEDULED OPERATING DATE (MO / YR)	EXPENDITURES (B.Y. = BUDGET YEAR; B.Y.+ 1 = THE FIRST YEAR AFTER THE BUDGET YEAR, ETC.)							
			PRIOR TO B.Y.	B.Y. 2016	B.Y. + 1 2017	B.Y. + 2 2018	B.Y. + 3 2019	B.Y. + 4 2020	REQUIRED TO COMPLETE	TOTAL
Major Production and Storage Projects:										
Non-Major Production and Storage Projects										
Total Production and Storage Projects				74,839	69,884	45,368	55,669	56,386		$302,146
Major Transmission Projects:										
Non-Major Transmission Projects										
Total Transmission Projects				47,797	47,681	44,591	40,305	33,230		$213,603
Distribution (See Instruction 3):										
Mains										
Measuring & Reg. Sta. Equipment										
Compressor Station Equipment										
Services										
Meters and Regulators										
Meter Installations										
Other (Land, Equipment, Structures)										
Total Distribution				173,204	201,444	218,028	218,146	219,306		$1,030,127
Major General Plant Projects:										
Non-Major General Plant Projects										
Total General Plant Projects				79,161	85,992	97,014	90,880	96,078		$449,124
Total New Construction Budget				375,000	405,000	405,000	405,000	405,000		$1,995,000

Schedule C: Gas Utility New Construction Budget (Oregon)	COMPANY: Avista Corporation	BUDGET YEAR: 2016

INSTRUCTIONS

1. **Report percent ownership, scheduled operating dates, and expenditures required to complete project for major production, transmission, and general plant projects.**
2. **Major projects are defined as those projects having a total estimated cost to completion exceeding $300,000.**
3. **Under "Distribution," report specific line item expenditures for the budget year only. All expenditures for distribution following the budget year should be aggregated for the year and only total distribution expenditures reported for the period.**
4. **Non-major project expenditures within each category should be aggregated and only the totals reported.**
5. **Report all expenditures in thousands of dollars**

DESCRIPTION	PERCENT OWNERSHIP %	SCHEDULED OPERATING DATE (MO / YR)	EXPENDITURES (B.Y. = BUDGET YEAR; B.Y.+ 1 = THE FIRST YEAR AFTER THE BUDGET YEAR, ETC.) PRIOR TO B.Y.	B.Y. 2016	B.Y. + 1 2017	B.Y. + 2 2018	B.Y. + 3 2019	B.Y. + 4 2020	REQUIRED TO COMPLETE	TOTAL
Major Production and Storage Projects:										
Non-Major Production and Storage Projects				118	112	121	109	120		
Total Production and Storage Projects				118	112	121	109	120		$579
Major Transmission Projects:										
Non-Major Transmission Projects										
Total Transmission Projects										
Distribution (See Instruction 3):										
Mains				13,071						
Measuring & Reg. Sta. Equipment										
Compressor Station Equipment										
Services				6,518						
Meters and Regulators				2,977						
Meter Installations										
Other (Land, Equipment, Structures)										
Total Distribution				22,566	23,138	23,862	24,202	24,690		$118,458
Major General Plant Projects:										
Pierce Rd La Grande HP Reinforcement (formerly Elgin 6" HP Main Reinf)				10	3,490					
Non-Major General Plant Projects										
Total General Plant Projects				10	3,490					
Total New Construction Budget				22,694	26,740	23,983	24,310	24,810		$122,537

Avista Utilities Oregon Large Project Summary – 2016 Capital Plan

ER 3209 – Pierce Rd La Grande HP Reinforcement (formerly Elgin Line HP Reinforcement)

Project Description: Install 16,800' of 6" stl gas main to reinforce the supply line to Elgin, OR. This last phase will connect the existing 6" main at Gekeler and Pierce to the 4" main on Hwy 82. Additionally, this project will add reliability to the area by providing two sources to the supply system in La Grande and Elgin.

Need for the Project: Currently, the Elgin line is fed from the 12th St regulator station. This station also feeds the entire town of La Grande, and this line is tapped in numerous places before it ends in Elgin. The proposed reinforcement would provide improved pressure East of Island City, providing a better feed for this line and the ability to reliably serve firm gas customers on design day conditions.

Budget Year	2016	2017	2018	2019	2020
($000)	10	3,490			

PUBLIC UTILITY COMMISSION OF OREGON
3930 FAIRVIEW INDUSTRIAL DR SE, SALEM, OR
PO BOX 1088, SALEM, OR 97308-1088
PUC.FilingCenter@state.or.us

BUDGET OF EXPENDITURES REPORT FOR THE YEAR 2016

GENERAL INSTRUCTIONS

1. A Budget of Expenditures Report must be submitted by all utilities operating within the State of Oregon in accordance with Oregon Revised Statute 757.105.
2. The Budget of Expenditures Report should be completed and filed with the Public Utility Commission of Oregon Filing Center. Complete the e-Filing Report Cover Sheet found at: http://www.puc.state.or.us/eFiling/eReports/efiling_report_cover_sheet_FM050.pdf. Email both the report and cover sheet to PUC.FilingCenter@state.or.us by November 1st of the year preceding that for which the report is made.
3. Each section should be completed fully and accurately. Where the words "None" or "Not Applicable" truly and completely state the fact, they should be given as the answer.
4. Any additional statements or explanatory remarks should be included in the email as an attachment in Microsoft Word document format or text-searchable PDF.
5. Expenditures should be referenced by the applicable account number of the Uniform System of Accounts, adopted by the Commission, and to which the utility is subject.
6. All entries should be typewritten or made with permanent ink.
7. Report all amounts in whole dollars only, omit cents.

FULL NAME OF UTILITY				
Avista Corporation				
ADDRESS OF PRINCIPAL OFFICE		CITY	STATE	ZIP CODE
East 1411 Mission Avenue		Spokane	WA	99202
ADDRESS OF PRINCIPAL OFFICE IN OREGON (IF OTHER THAN ABOVE)		CITY	STATE	ZIP CODE
580 Business Park Drive		Medford	OR	97504
STATE OF INCORPORATION	DATE OF INCORPORATION	TYPE OF ORGANIZATION IF NOT INCORPORATED		DATE ORGANIZED
Washington	March 15, 1889	N/A		N/A

STATE THE CLASSES OF UTILITY AND OTHER SERVICES FURNISHED BY THE UTILITY IN EACH STATE IN WHICH THE UTILITY OPERATES

Washington: Electric, Natural Gas
Idaho: Electric, Natural Gas
Oregon: Natural Gas

DIRECTORS AT DATE OF BUDGET			
NAME OF DIRECTOR	CITY AND STATE OF RESIDENCE	LENGTH OF TERM	TERM EXPIRES
Erik J. Anderson	Kirkland, WA	1 Year	2016
Kristianne Blake	Spokane, WA	1 Year	2016
Donald C. Burke	Langhorne, PA	1 Year	2016
John F. Kelly	Winter Park, FL	1 Year	2016
Rebecca A. Klein	Austin, TX	1 Year	2016
Scott L. Morris	Spokane, WA	1 Year	2016
Marc F. Racicot	Bigfork, MT	1 Year	2016
Heidi B. Stanley	Spokane, WA	1 Year	2016
R. John Taylor	Lewiston, ID	1 Year	2016
Janet D. Widmann	Lafayette, CA	1 Year	2016

CONFIDENTIAL

Annual Salary and Other Compensation of Officers and Retired Executives

Next 5 Pages

DONATIONS AND MEMBERSHIPS

INSTRUCTIONS: List all donations and membership expenditures proposed to be made by the utility during the coming year and the accounts to be charged. Give the name of each organization to whom a payment is to be made except that items less than $1000 may be consolidated by category stating the number of organizations included. Group expenditures under headings such as:

1. Contributions to and memberships in charitable organizations
2. Organizations of the utility industry
3. Technical and professional organizations
4. Commercial and trade organizations
5. All other organizations and kinds of donations and contributions

List by type and group the accounts charged. Report whole dollars only. Provide a total for each group.

NAME OF ORGANIZATION, CITY AND STATE		ACCOUNT NUMBER	TOTAL AMOUNT	AMOUNT ASSIGNED TO OREGON
2016 Estimated Donations				
Charitable Organizations				
TREVA HOFFMAN FOUNDATION		426	1,000	1,000
UMPQUA COMMUNITY COLLEGE FOUNDATION			5,000	5,000
KLAMATH COMMUNITY COLLEGE			1,750	1,750
OREGON INSTITUTE OF TECHNOLOGY			1,000	1,000
Organizations (28) less than $1000 ea		426	12,425	12,425
	Subtotal		21,175	21,175
Other Donations/Contributions				
ASHLAND CHAMBER OF COMMERCE		426	1,000	1,000
GRANTS PASS & JOSEPHINE COUNTY			1,000	1,000
SOREDI			1,000	1,000
ROSS RAGLAND THEATER			1,000	1,000
LIVING OPPORTUNITIES			1,000	1,000
ACCESS			1,000	1,000
UNION COUNTY EXTENSION			1,623	1,623
EASTERN OREGON LIVESTOCK			1,878	1,878
ROGUE COMMUNITY HEALTH			1,000	1,000
TALENT HARVEST FESTIVAL			1,000	1,000
TOWN OF BONANZA			1,000	1,000
THE CHAMBER OF MEDFORD / JACKSON COUNTY		930	3,000	3,000
Organizations (46) less than $1000 ea		426	18,853	18,853
Organizations (1) less than $1000 ea		880	75	75
Organizations (2) less than $1000 ea		930	303	303
	Subtotal		34,732	34,732
	TOTAL		**55,907**	**55,907**
2016 Estimated Dues				
Utility Organizations:				
Western Energy Institute		930	30,000	2,615
	Subtotal		30,000	2,615
Technical/Professional Organizations:				
Northwest Gas Assn.		930	62,814	5,475
American Gas Assn			208,025	18,131
	Subtotal		270,839	23,606
Other Organizations:				
SOREDI		426	2,500	2,500
THE PARTNERSHIP			1,250	1,250
OREGON ECONOMIC DEVELOPMENT ASSOC			5,000	5,000
KCEDA			1,667	1,667
THE PARTNERSHIP		930	1,250	1,250
Organizations (2) less than $1000 each		107	552	
Organizations (15) less than $1000 each		426	3,558	3,558
Organizations (2) less than $1000 each		874	395	
Organizations (3) less than $1000 each		880	1,131	
Organizations (3) less than $1000 each		921	1,143	
Organizations (1) less than $1000 each		908	260	
Organizations (11) less than $1000 each		930	1,953	127
	Subtotal		20,658	15,352
	TOTAL		**321,497**	**41,573**

EXPENDITURES FOR PENSIONS OR A TRUST TO PROVIDE PENSIONS

INSTRUCTIONS: List all proposed payments to persons or trusts to provide pensions for employees and officers. Show all administrative and actuarial costs for formal pension plan. Give a brief description of the plan and show charges for current service costs, past service costs, and future service costs. Report whole dollars only.

PENSION FUND PAYMENTS MADE TO	ACCOUNT NUMBER	TOTAL AMOUNT	AMOUNT ASSIGNED TO OREGON
2016 Pension, Pension Administration and Actuarial Costs: An audited copy of the Trustee's Financial Statements for the Plan Year ended 12/31/14 is attached. Contributions to the plan for 2016 have not yet been determined. All administrative and actuarial costs will be paid directly from the pension fund. The details of administrative and actuarial costs for 2016 are not yet available.			

THE RETIREMENT PLAN FOR EMPLOYEES OF AVISTA CORPORATION

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2014 AND 2013

THE RETIREMENT PLAN FOR EMPLOYEES OF AVISTA CORPORATION
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Compensation and Organization Committee
The Retirement Plan for Employees of Avista Corporation
Spokane, Washington

Report on the Financial Statements

We have audited the accompanying financial statements of The Retirement Plan for Employees of Avista Corporation (the Plan), which comprise the statements of net assets available for benefits (modified cash basis) as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits (modified cash basis) for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of December 31, 2014 and 2013, and the changes in financial status for the years then ended, in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 2 to the financial statements which describes the basis of accounting. The financial statements were prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified in respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2014 and schedule of reportable transactions for the year then ended are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Spokane, Washington
October 14, 2015

THE RETIREMENT PLAN FOR EMPLOYEES OF AVISTA CORPORATION
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS (MODIFIED CASH BASIS)
DECEMBER 31, 2014 AND 2013

	2014	2013
ASSETS		
INVESTMENTS (at Fair Value)		
Cash Equivalents and Temporary Investments	$ 324,875	$ -
Bonds	153,309,186	-
Mutual Funds	319,610,641	349,163,594
Partnership / Closely Held Interests	43,709,825	56,058,600
Collective Trust	21,747,241	75,520,493
NET ASSETS AVAILABLE FOR BENEFITS	$ 538,701,768	$ 480,742,687

See accompanying Notes to Financial Statements.

THE RETIREMENT PLAN FOR EMPLOYEES OF AVISTA CORPORATION
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)
YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
ADDITIONS TO (DEDUCTIONS FROM) NET ASSETS AVAILABLE FOR BENEFITS ATTRIBUTED TO:		
INVESTMENT INCOME		
Interest and Dividends	$ 13,470,631	$ 10,507,210
Net Appreciation in Fair Value of Investments	43,194,540	41,646,223
Total Investment Income	56,665,171	52,153,433
COMPANY CONTRIBUTIONS	32,000,000	44,262,460
BENEFITS PAID TO PARTICIPANTS	(30,165,079)	(21,324,065)
ADMINISTRATIVE FEES	(541,011)	(485,667)
NET INCREASE	57,959,081	74,606,161
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of Year	480,742,687	406,136,526
End of Year	$ 538,701,768	$ 480,742,687

See accompanying Notes to Financial Statements.

NOTE 1 DESCRIPTION OF PLAN

The following description of The Retirement Plan for Employees of Avista Corporation (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined benefit plan established by Avista Corporation (the Company) for the benefit of the employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and all statutory revisions thereto. The Plan was originally effective March 1, 1948, and has most recently been amended effective April 1, 2014. Employees become participants in the Plan after completing one year of continuous service in which at least 1,000 hours of service are credited. The Plan excludes leased employees, nonresident aliens, and employees covered by a collective bargaining agreement.

Effective January 1, 2014, the Plan was amended to exclude non-collectively bargained employees hired on or after that date. As of same date, the Plan was also amended to modify the lump sum distribution calculations and clarify eligible compensation and crediting methods. Effective April 1, 2014, the Plan was amended to exclude certain collectively bargained employees.

The Plan is administered by the Company's Benefit Plan Administrative Committee (BPAC). The Committee has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Company's board of directors (compensation and organization committee).

Pension Benefits

The Plan provides for normal annual retirement benefits equal to 1.5% or 1.2% of the Member's Final Average Earnings (as defined) multiplied by the participant's years of Benefit Service (as defined). Earnings taken into consideration in the calculation of benefits are limited to amounts allowed by federal statute. Early retirement options, subject to Plan provisions, are available as early as age 55. Benefits are paid under several options specified in the Plan. Employees become fully vested after attaining five years of service with the Company.

Effective January 1, 2006, the annual retirement benefits formula changed to 1.2% of the Member's Final Average Earnings (as defined) for non-bargained newly-hired employees and rehired employees. Also, included in this change are the newly-hired and rehired employees of Local 659. Effective January 1, 2011, Local 77 agreed to this formula for newly-hired and rehired employees.

As a pension plan subject to Internal Revenue Code Section 412, participants receive their accrued vested benefits in the form of a lump sum payment, Life Annuity, or a Qualified Joint and Survivor Annuity depending on traditional or cash balance participant. Under the terms of the Plan, a Qualified Joint and Survivor Annuity is a joint and 50% survivor annuity.

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Pension Benefits (Continued)

As defined by the Plan, participants become fully vested in the Plan upon their normal retirement date or early retirement date. Normal retirement date is defined as the later date on which a participant attains age 65 or the fifth anniversary of their employment. A participant's early retirement date is the first day of the month on which the participant ceases to be an employee and has attained age 55 and completed 15 years of vesting service.

Death and Disability Benefits

The Plan provides a death benefit if a member has completed at least five years of vesting service and if there is an eligible spouse or eligible child (children). A disability (as defined) retirement benefit is available to a member who has five or more years of vesting service and becomes disabled.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting records of the Plan are maintained on a modified cash basis wherein certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

Use of Estimates

The preparation of financial statements requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Investment income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Administrative Costs

Certain administrative functions are performed by officers or employees of the Company (BPAC) appointed by the Company's board of directors (compensation and organization committee). No such officer or employee receives compensation from the Plan. Substantially all administrative expenses (consisting of actuarial, audit, and trust administration fees) are ordinarily borne by the Plan.

Reclassifications

Certain amounts in the 2013 financial statements have been reclassified to conform with the 2014 presentation. These reclassifications do not affect net assets available for benefits as previously reported.

Subsequent Events

In preparing these financial statements, the Plan has evaluated events and transactions for potential recognition or disclosure through October 14, 2015, the date the financial statements were available to be issued.

NOTE 3 FUNDING POLICY

The Company's funding policy is to contribute at least the minimum amounts that are required to be funded under ERISA, but not more than the maximum amounts that are currently deductible for income tax purposes. Under the projected unit credit cost method, which was used to value all benefits (including ancillary benefits), the Plan's benefit obligations to participants for past services are computed on a present value basis using actual service as of the valuation date and projected future compensation. All contributions to the Plan, which are made by the Company only, are determined based on recommendations by an independent actuary. The Company contributions for the years ended December 31, 2014 and 2013, met the minimum funding requirements of ERISA.

Although it has not expressed an intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to provisions set form in ERISA.

NOTE 4 INVESTMENTS

The Plan's investments are held in bank-administered trust funds and managed by investment management firms. The finance committee of the Company's board of directors has established a formal investment policy that includes selecting professional investment advisors to manage investments, diversifying the investment portfolio between domestic and foreign investments and fixed-income and equity securities, and utilizing both short-term and long-term investments to help realize a consistent return.

NOTE 4 INVESTMENTS (CONTINUED)

The following presents investments that represent 5% or more of the Plan's net assets as of December 31:

	2014		2013	
	Cost	Current Value	Cost	Current Value
Mutual Funds:				
PIMCO Long-Term Credit	$ 107,511,446	$ 110,232,619	$ 66,834,115	$ 62,192,845
Vanguard Institutional Index Fund	48,699,721	77,411,693	68,309,457	98,449,012
AQR International Equity Fund LP	*	*	30,928,790	33,839,616
Vanguard Developed Markets Index Fund	*	*	24,202,873	33,567,648
Vanguard Small-Cap Index Fund	*	*	16,253,660	26,437,959
Collective Trust:				
Prudential U.S. Long-Term Corp. Bond	*	*	54,447,640	55,871,788

* Represents less than 5% in year presented

During 2014 and 2013, the Plan's investments (including gains and losses on investments bought and sold as well as held during the year) appreciated (depreciated) as follows:

	2014	2013
Bonds	$ 4,228,004	$ -
Mutual Funds	25,834,336	40,944,154
Partnership / Closely Held Interests	4,921,107	2,145,356
Collective Trust Funds	8,211,093	(1,443,287)
Total Appreciation	$ 43,194,540	$ 41,646,223

NOTE 5 FAIR VALUE OF INVESTMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

NOTE 5 FAIR VALUE OF INVESTMENTS (CONTINUED)

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the valuation methodologies used at December 31, 2014 and 2013.

Mutual funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Collective trust funds – Investments in collective trust funds are presented at estimated fair value, which is determined based on the unit value of the fund. Unit value is determined by an independent trustee, which sponsors the fund, by dividing the fund's net assets by its units outstanding at the valuation date (net asset value or NAV).

Closely held investments and partnership interests – The fair value of the closely held investments and partnership interests is based upon the allocated share of the fair value of the underlying assets as well as the allocated share of the undistributed profits and losses, including realized and unrealized gains and losses.

NOTE 5 FAIR VALUE OF INVESTMENTS (CONTINUED)

Real estate investments – Included in the “Collective trust funds” and “Closely held investments and partnership interests” categories above are various real estate holdings. The market-related value of Plan assets invested in real estate was determined by the investment manager based on three basic approaches:

- Current cost of reproducing a property less deterioration and functional economic obsolescence,
- Capitalization of the property’s net earnings power, and
- Value indicated by recent sales of comparable properties in the market.

Government, Agency, and Corporate Obligations: Valued using methodologies that utilize actual market transactions, broker-dealer supplied valuations, or other formula-driven valuation techniques. These techniques generally consider such factors as yields or prices of bonds of comparable quality, type of issue, coupon, maturity, ratings, and general market conditions.

The following tables set forth by level, within the fair value hierarchy, the Plan’s assets at fair value as of December 31:

	2014			
	Level 1	Level 2	Level 3	Total
Cash Equivalents and Temporary Investments	$ -	$ 324,875	$ -	$ 324,875
Bonds:				
U.S. Government	19,471,895	-	-	19,471,895
Corporate Issues	104,524,484	-	-	104,524,484
Foreign Issues	19,790,025	-	-	19,790,025
Municipal Issues	-	9,522,782	-	9,522,782
Total Bonds	143,786,404	9,522,782	-	153,309,186
Mutual Funds:				
Fixed Income Securities	157,414,860	2,821,020	-	160,235,880
U.S. Equity Securities	103,203,011	-	-	103,203,011
International Equity Securities	40,838,261	-	-	40,838,261
Absolute Return (1)	15,333,489	-	-	15,333,489
Total Mutual Funds	316,789,621	2,821,020	-	319,610,641
Partnership / Closely Held Interests:				
Absolute Return (1)	-	-	36,499,084	36,499,084
Private Equity (3)	-	-	73,386	73,386
Real Estate	-	-	7,137,355	7,137,355
Total Partnership Interests	-	-	43,709,825	43,709,825
Collective Trusts:				
Real Estate	-	-	21,747,241	21,747,241
Total Collective Trusts	-	-	21,747,241	21,747,241
Total Investments at Fair Value	$460,576,025	$ 12,668,677	$ 65,457,066	$538,701,768

NOTE 5 FAIR VALUE OF INVESTMENTS (CONTINUED)

	2013			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Fixed Income Securities	$ 86,480,482	$ 310,223	$ -	$ 86,790,705
U.S. Equity Securities	152,830,989	-	-	152,830,989
International Equity Securities	85,942,436	-	-	85,942,436
Absolute Return [1]	23,599,464	-	-	23,599,464
Total Mutual Funds	348,853,371	310,223	-	349,163,594
Partnership / Closely Held Interests:				
Absolute Return [1]	-	-	34,155,703	34,155,703
Private Equity [3]	-	-	409,311	409,311
Real Estate	-	-	3,162,764	3,162,764
Commodities	-	-	18,330,822	18,330,822
Total Partnership Interests	-	-	56,058,600	56,058,600
Collective Trusts:				
Real Estate	-	-	19,648,705	19,648,705
Fixed Income Securities	-	-	55,871,788	55,871,788
Total Collective Trusts	-	-	75,520,493	75,520,493
Total Investments at Fair Value	$348,853,371	$ 310,223	$131,579,093	$480,742,687

[1] This category invests in multiple strategies to diversify risk and reduce volatility. The strategies include: (a) event driven, relative value, convertible, and fixed income arbitrage, (b) distressed investments, (c) long/short equity and fixed income, and (d) market neutral strategies.

[2] The fund primarily invests in derivatives linked to commodity indices to gain exposure to the commodity markets. The fund manager fully collateralizes these positions with debt securities.

[3] This category includes several private equity funds that invest primarily in U.S. companies.

The following tables set forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31:

	2014			
	Closely Held	Partnerships	Collective Trusts	Total
Balance, Beginning of Year	$ 9,914,326	$ 46,144,274	$ 75,520,493	$ 131,579,093
Total Gains or Losses (Realized/ Unrealized) Relating to Instruments Still Held at the Reporting Date	423,788	3,797,837	1,412,622	5,634,247
Purchases, Issuances, Sales and Settlements:				
Purchases	-	6,220,606	804,003	7,024,609
Sales	-	(22,791,006)	(55,989,877)	(78,780,883)
Balance, End of Year	$ 10,338,114	$ 33,371,711	$ 21,747,241	$ 65,457,066

NOTE 5 FAIR VALUE OF INVESTMENTS (CONTINUED)

	2013			
	Closely Held	Partnerships	Collective Trusts	Total
Balance, Beginning of Year	$ 8,991,241	$ 9,137,872	$ 17,516,617	$ 35,645,730
Total Gains or Losses (Realized/ Unrealized) Relating to Instruments Still Held at the Reporting Date	923,085	963,831	1,518,352	3,405,268
Purchases, Issuances, Sales and Settlements:				
Purchases	-	36,665,711	56,580,684	93,246,395
Sales	-	(623,140)	(95,160)	(718,300)
Balance, End of Year	$ 9,914,326	$ 46,144,274	$ 75,520,493	$ 131,579,093

The following tables set forth additional disclosures for the fair value measurement of investments in certain entities that calculate NAV per share (or its equivalent) as of December 31:

	2014			
Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Partnership / Closely Held Interests:				
Euclid Partners SR LTD Partnership	$ 73,386	$ -	Daily	Daily
BPIF Non-Taxable LP	10,110,286	-	Semi-annual	95 days
Oaktree RE Opp Fund VI LP	7,137,355	-	Daily	Daily
AQR Delta XN Offshore LP	16,050,684	-	Monthly	75 days
Aetos Capital Growth Port	10,338,114	-	Quarterly	60 Days
Collective Trusts:				
JPMCB Strategic Property Fund	11,886,199	-	Quarterly	45 Days
UBS Trumbull Property Fund	9,861,042	-	Quarterly	60 Days

	2013			
Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Partnership / Closely Held Interests:				
Euclid Partners SR LTD Partnership	$ 409,311	$ -	Daily	Daily
BPIF Non-Taxable LP	9,558,989	-	Semi-annual	95 days
Oaktree RE Opp Fund VI LP	3,162,764	-	Daily	Daily
AQR Delta XN Offshore LP	14,682,388		Monthly	75 days
Schroder Commodity Port	18,330,822	-	Monthly	30 days
Aetos Capital Growth Port	9,914,326	-	Quarterly	60 Days
Collective Trusts:				
JPMCB Strategic Property Fund	10,799,533	-	Quarterly	45 Days
Prudential U.S. Long Duration Corp. Bond	55,871,788	-	Daily	Daily
UBS Trumbull Property Fund	8,849,172	-	Quarterly	60 Days

NOTE 5 FAIR VALUE OF INVESTMENTS (CONTINUED)

Partnership / Closely Held Interests

Absolute Return:

BPIF Non-Taxable LP uses nontraditional investment strategies focusing on market inefficiencies and valuation discrepancies. The fair value is determined based upon quoted market prices for marketable securities and estimated fair value for nonmarketable securities. Generally, a limited partner may, on each June 30 and December 31, request a withdrawal of all or part of its capital account, with a minimum of 95 days notice. Gates may be put in place if a certain percentage of assets are being requested for redemption by investors.

The closely held investment included in the table above is the Aetos Capital Growth Portfolio, LLC (the Portfolio). The Portfolio is designed to provide U.S. and offshore investors a consistent absolute return with lower volatility versus traditional markets. The Portfolio incorporates a fundamentally based investment process with a disciplined approach to strategy allocation, manager selection, and portfolio monitoring. The fair value is determined based upon quoted market prices for marketable securities and estimated fair value for nonmarketable securities. The Portfolio allows for quarterly redemption with a minimum of 60 days written notice. Up to 10% of the Plan's assets could be held until the Portfolio's yearly audit is complete. The Portfolio may suspend redemptions at any time.

The AQR Delta SN Offshore Fund, LP's stated investment objective is to seek to efficiently capture a diversified set of classic hedge fund strategies and deliver them to investors in a transparent and liquid vehicle with little or no correlation to traditional asset classes. Using a bottom-up, clearly defined investment process, the fund seeks to provide exposure to more than sixty "hedge fund risk premiums" across nine broad strategy groups with a dynamic and disciplined investment process that aims to provide risk-balanced exposure to the underlying strategies. The result is a high risk-adjusted expected return stream with low correlation to traditional asset classes. The Fund also allows for redemptions on the 15th of every month and, with 75 calendar days notice, may make a full withdrawal from the fund.

Private Equity:

The partnerships in this investment category typically invest in nonmarketable fixed income and equity securities. The general partners determine the fair value of the investments based upon the sales price of recent transactions in similar securities, restrictions on transfer, recent trading volume, the current financial position of the issuer, significant recent events affecting the issuer, and any other factors affecting value.

NOTE 5 FAIR VALUE OF INVESTMENTS (CONTINUED)

Partnership / Closely Held Interests (Continued)

Real Estate:

The primary objective of the Oaktree Real Estate Opportunities Fund VI, LP is to achieve superior risk-adjusted returns without subjecting principal to undue risk of loss primarily through investments in real estate and real estate-related debt, companies, securities, and other assets on a global basis, with an emphasis on investments in the United States.

Commodities:

The Schroder Commodity Portfolio seeks long-term total return through investments in commodity-related instruments around the world. Full or partial withdrawals may be made at the end of each month, with at least 30 days written notice.

Collective Trusts

Fixed Income Securities:

Prudential U.S. Long Duration Corporate Bond Fund invests in marketable fixed income securities. The investment's fair value is determined based on quoted market prices of the underlying assets, quoted prices for similar securities, interest rates, prepayment, credit risk, etc.

Real Estate:

JPMCB Strategic Property Fund and UBS Trumbull Property Fund invest in office, retail, residential, and industrial real estate. The properties are externally appraised on an annual basis by independent appraisers. Additional appraisals may be performed as warranted by specific asset or market conditions. Property valuations are reviewed quarterly and adjusted as necessary. Loans are reflected at fair value.

NOTE 6 PLAN TERMINATION

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Annuity benefits former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.

NOTE 6 PLAN TERMINATION (CONTINUED)

2. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. governmental agency) up to the applicable limitations (discussed subsequently).

3. All other vested benefits (that is, vested benefits not insured by the PBGC).

4. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial level of benefits guaranteed by the PBGC.

NOTE 7 ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to:

a) retired or terminated employees or their beneficiaries

b) present employees or their beneficiaries.

Benefits under the Plan are accumulated based on the employee's final average pay, a benefit percentage based on when an employee was hired and what type of employee they were, and years of benefit service. Benefits payable under all circumstances – retirement, death, and termination of employment – are included to the extent they are deemed attributable to employee service rendered to the valuation date.

An independent actuary, Towers Watson, determines the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

NOTE 7 ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (CONTINUED)

The following is a summary of actuarial present value of accumulated plan benefits as of December 31:

	2014	2013
Actuarial Present Value of Accumulated Plan Benefits:		
Vested Benefits:		
Participants Currently Receiving Payments	$ 243,969,282	$ 204,061,102
Other Participants	182,957,095	145,850,127
Total Vested Benefits	426,926,377	349,911,229
Nonvested Benefits	39,317,428	32,502,236
Total Actuarial Present Value of Accumulated Plan Benefits	$ 466,243,805	$ 382,413,465

The changes in the actuarial present value of accumulated plan benefits are summarized as follows for the years ended December 31:

	2014	2014
Actuarial Present Value of Accumulated Plan Benefits - Beginning of Year	$ 382,413,465	$ 370,878,172
Increase (Decrease) During the Year Attributable to:		
Change in Actuarial Assumptions	72,297,431	(5,085,141)
Actuary (Gains) Losses	3,858,407	(223,656)
Benefits Accumulated	12,705,058	12,404,104
Change in Discount Period	25,082,375	24,592,936
Benefits Paid	(30,165,079)	(21,324,065)
Plan Amendments	52,148	1,171,115
Actuarial Present Value of Accumulated Plan Benefits - End of Year	$ 466,243,805	$ 382,413,465

Significant assumptions underlying the actuarial computations relating to accumulated plan benefits as of December 31, 2014 and 2013 are as follows:

Discount Rate:	2014:	5.30%
	2013:	6.60%
Salary Increase:	2014:	4.93% weighted average
	2013:	4.92% weighted average
Mortality Basis:	2014:	2014 IRS-prescribed static Annuitant and Non-Annuitant tables for males and females.
	2013:	RP-2000 Combined Healthy Mortality Tables for males and females, with mortality improvements projected to 2014 using Scale AA.

NOTE 7 ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (CONTINUED)

Termination Rates: Rates at various ages:

Attained Age	Rate
Less than 25	13.0%
25-29	3.5
30-34	3.5
35-39	1.5
40-44	3
45-49	1.5
50-54	1.5
55-59	3
60-64	6
65 and Over	-

Retirement Rates:

Age	Rate
55	7%
56	5
57	8
58-60	11
61	18
62	30
63	25
64	20
65	40
66	50
67-68	25
69	75
70	100

Disability Rates: Rates of disability incidence are based on experience from 1976 to 1980 under group long-term disability insurance plans as reported under the transactions of the Society of Actuaries.

Spouse Benefit: It is assumed 85% of all male participants and 70% of all female participants are married. Wives are assumed to be three years younger than husbands.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2015. Had the valuations been performed as of December 31, there would be no material differences.

NOTE 8 PLAN TAX STATUS

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated October 22, 2012, that the Plan and related trust are designed in accordance with the applicable requirements of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2011.

NOTE 9 RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 10 PARTY-IN-INTEREST TRANSACTIONS

The Plan pays certain investment managers' fees and custodial fees, which are netted against investment income. Fees paid by the Plan for these services were $517,131 and $528,648 for the years ended December 31, 2014 and 2013, respectively. These fees are considered party-in-interest transactions.

NOTE 11 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31:

	2014	2013
Net Assets Available for Benefits per the Financial Statements	$ 538,701,768	$ 480,742,687
Company Contributions Receivable	12,000,000	32,000,000
Net Assets Available for Benefits per Form 5500	$ 550,701,768	$ 512,742,687

The following is a reconciliation of net increase in net assets available for benefits per the financial statements to net increase per Form 5500 for the year ended December 31, 2014:

Net Increase per the Financial Statements	$ 57,959,081
Prior Year Contributions Receivable	(32,000,000)
Current Year Contributions Receivable	12,000,000
Net Increase per Form 5500	$ 37,959,081

THE RETIREMENT PLAN FOR EMPLOYEES OF AVISTA CORPORATION
E.I.N. 91-04262470 PLAN NO. 001
SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2014

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
		Cash		
		Cash	$ 24,875	$ 24,875
		Collateral Cash Held	300,000	300,000
			324,875	324,875
		Mutual Funds		
	AQR Funds	AQR International Equity Fund LP	22,034,246	20,657,551
	Dodge & Cox	Dodge & Cox Stock Fund	4,809,098	8,682,985
	T. Rowe Price	T. Rowe Price Institutional Large Cap Growth Fund	4,932,668	9,008,992
	Vanguard	Vanguard Developed Markets Index Fund	16,212,388	20,180,711
	Vanguard	Vanguard Institutional Index Fund	48,699,721	77,411,693
	Vanguard	Vanguard Small Cap Index	4,745,655	8,099,340
	PIMCO	PIMCO Extended Duration Fund	20,020,135	21,139,026
	PIMCO	PIMCO Long-Term Credit	107,511,446	110,232,619
	Vanguard	Vanguard Long-Term Govt Bond Index	22,467,895	26,043,215
	Fidelity	Daily Income Money Market Portfolio	2,821,020	2,821,020
	PIMCO	PIMCO All Asset	15,858,156	15,333,489
		Total Mutual Funds	270,112,428	319,610,641
		Bonds		
	US Government Issues	See Attached Schedule	18,383,619	19,471,895
	Corporate Issues	See Attached Schedule	101,500,710	104,524,484
	Foreign Issues	See Attached Schedule	19,798,737	19,790,025
	Municipal Issues	See Attached Schedule	9,169,670	9,522,782
			148,852,736	153,309,186
		Partnership / Closely Held Interests		
	Aetos Alternatives Management LLC	Aetos Capital Growth Portfolio LLC	7,703,726	10,338,114
	Private Equity Partnership	Euclid Partners SR LTD Partnership	858,983	73,386
	Private Equity Partnership	BPIF Non-Taxable LP	8,000,000	10,110,286
	Private Equity Partnership	Oaktree RE Opportunities Fund VI LP	7,137,355	7,137,355
	Private Equity Partnership	AQR Delta XN Offshore LP	14,000,000	16,050,684
		Total Partnership Interests	37,700,064	43,709,825
		Collective Trusts		
	UBS	UBS Trumbull Property Fund	8,147,111	9,861,042
	JP Morgan	JPMCB Strategic Property Fund	9,065,206	11,886,199
		Total Collective Trusts	17,212,317	21,747,241
	Total		$474,202,420	$538,701,768

THE RETIREMENT PLAN FOR EMPLOYEES OF AVISTA CORPORATION
E.I.N. 91-04262470 PLAN NO. 001
SCHEDULE H, LINE 4j—SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 2014

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(g) Cost	(h) Current Value	(i) Net Gain (Loss)
Category (i) - A Single Transaction Exceeds 5% of Plan Assets						
Daily Income Mmkt Port Fid	1 sale	$ -	$ 29,000,000	$ 29,000,000	$ 29,000,000	$ -
Daily Income Mmkt Port Fid	1 purchase	40,692,899	-	-	40,692,899	-
Daily Income Mmkt Port Fid	1 sale	-	40,961,816	40,961,816	40,961,816	-
Daily Income Mmkt Port Fid	1 purchase	-	41,132,714	41,132,714	41,132,714	-
Daily Income Mmkt Port Fid	1 purchase	-	41,132,714	41,132,714	41,132,714	-
Daily Income Mmkt Port Fid	1 sale	41,132,714	-	-	41,132,714	-
Daily Income Mmkt Port Fid	1 sale	37,669,175	-	-	37,669,175	-
Pimco Long Term Credit Inst	1 purchase	30,000,000	-	-	30,000,000	-
Pru US Long Duration Corp Bond	1 purchase	29,000,000	-	-	29,000,000	-
Category (ii) - A Series of Transactions with Same Broker Exceeds 5% of Value						
Citigroup Global Markets Inc.	9 sales, 10 purchases	$ 41,954,077	$ 42,082,840	$ 41,954,077	$ 42,082,840	$ 128,761
Category (iii) - A Series of Transactions in Excess of 5% of Plan Assets						
Daily Income Mmkt Port Fid	110 purchases	$240,455,407	$ -	$ -	$240,455,407	$ -
Daily Income Mmkt Port Fid	97 sales	-	237,944,607	237,944,607	237,944,607	-
Lazard Emerging Markets Port In	2 purchases	2,729,208	-	-	2,729,208	-
Lazard Emerging Markets Port In	2 sales	-	22,661,816	20,490,790	22,661,816	2,171,026
Pimco Long Term Credit Inst	16 purchases	49,198,050	-	-	49,198,050	-
Pimco Long Term Credit Inst	28 sales	-	8,586,637	8,520,717	8,586,637	65,920
Prudential US Long Duration Corp Bd	4 purchases	47,050,000	-	-	47,050,000	-
Prudential US Long Duration Corp Bd	18 sales	-	189,881	180,868	189,881	9,011

THE RETIREMENT PLAN FOR EMPLOYEES OF AVISTA CORPORATION
E.I.N. 91-04262470 PLAN NO. 001
SCHEDULE H, LINE 4j—SCHEDULE OF REPORTABLE TRANSACTIONS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(g) Cost	(h) Current Value	(i) Net Gain (Loss)
Category (iii) - A Series of Transactions in Excess of 5% of Plan Assets (continued)						
US Treasury Bd 3.375% 5/15/44	24 purchases	$ 29,121,420	$ -	$ -	$ 29,121,420	$ -
US Treasury Bd 3.375% 5/15/44	28 sales	-	29,254,768	29,121,421	29,254,768	133,346
US Treasury Nt 2.375% 8/15/24	3 purchases	15,735,895	-	-	15,735,895	-
US Treasury Nt 2.375% 8/15/24	12 sales	-	15,857,226	15,735,895	15,857,226	121,332
Vanguard Instl Index #94	4 purchases	1,780,295	-	-	1,780,295	-
Vanguard Instl Index #94	29 sales	-	32,436,606	21,390,033	32,436,606	11,046,574
Schroder Commodity Portfolio	4 purchases	3,284,230	-	-	3,284,230	-
Schroder Commodity Portfolio	5 sales	-	21,615,053	21,615,053	21,615,053	-

Columns (e) and (f) are omitted as they are not applicable.

There were no category (iv) transactions during the year ended December 31, 2014.

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US Bank Statement January 1, 2014 to December 31, 2014