

Iowa Association of Electric Cooperatives

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**2009
ANNUAL
REPORT**

**WHAT'S
NEXT?**

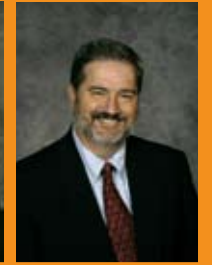


WHAT'S NEXT?

WHILE THE ANSWER TO “WHAT’S NEXT?” ISN’T COMPLETELY CLEAR, WE CAN COUNT ON – THAT JUST LIKE DURING THE GREAT DEPRESSION, THE FARM CRISIS, NATURAL DISASTERS AND THE CURRENT ECONOMIC HARDSHIP – THE VISION OF THE COOPERATIVE BUSINESS MODEL WILL HELP SEE US THROUGH.



Marion Denger



Brian Kading

WHAT'S NEXT?

We face unique and unprecedented change in the electric utility industry, and the statewide association is pleased to be in a position to help you and your co-op manage this change.

These are challenging times. There are signs that the nation is coming out of the worst economic crisis in nearly thirty years, some say the worst since the Great Depression.

What new energy policy will look like and how it will impact electric co-ops and member-consumers is unclear, at best, right now.

What we do know for sure is that we are going to need new power plants and sources of electric generation to keep up with a growing economy, regardless of how successful we are at energy efficiency, and it's going to be expensive.

The cost of power is just one of the many increasing costs of doing business, which require all of us to find ways to do more with less.

Higher priced electricity is inevitable, and that will require better and better communication with member-consumers.

WHAT'S NEXT?

In the absence of information, human nature will assume the worst, especially when it feels to member-consumers like they have little to no control over rising electric rates.

While there are a lot of forces at work that are beyond our collective control, we can control how we engage with member-consumers and policy makers.

The more than 75,000 postcards signed by member-consumers in Iowa and delivered to the district offices of Sens. Grassley and Harkin this fall show that we are effectively engaged with member-consumers. Those postcards made electric co-op member-consumers' concerns clear to Harkin and Grassley, so much so that they're lobbying their senate colleagues to make changes based on what we discussed with them about climate legislation discriminating against the Midwest.

We have their attention, and the increased presence of Iowa electric co-ops in federal energy policy and face-to-face engagement with Iowa's Congressional delegation will continue in 2010.

There's a lot at stake for all of us, but we are in this together.

While the answer to "What's next?" isn't completely clear, we can count on – that just like during the Great Depression, the farm crisis, natural disasters and the current economic hardship – the vision of the cooperative business model will help see us through.

Thank you, and thank you for being here.

Marion Denger



President, Board of Directors

Brian Kading



Executive Vice President
and General Manager

**IOWA ASSOCIATION OF ELECTRIC COOPERATIVES
STATEMENTS OF FINANCIAL POSITION**

AUG. 31, 2009 AND 2008

ASSETS

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$ 1,761,980	\$ 1,125,530
Accounts receivable	122,201	82,875
Prepaid expenses	38,921	47,731
Investment securities	434,702	496,603
Other investments	166,538	55,241
Property and equipment, net of accumulated depreciation	<u>306,189</u>	<u>328,837</u>
Total assets	<u><u>\$ 2,830,531</u></u>	<u><u>\$ 2,136,817</u></u>

LIABILITIES AND NET ASSETS

Liabilities

	<u>2009</u>	<u>2008</u>
Accounts payable and accrued expenses	\$ 331,508	\$ 278,271
Healthcare plan subscriber premiums payable	<u>745,216</u>	<u>217,818</u>
Total liabilities	1,076,724	496,089

Net assets

Membership certificates, \$5 stated value; 44 certificates authorized and issued	220	220
Allocated deferred patronage	86,391	122,412
Board designated:		
Contingency reserve	1,125,266	1,125,266
Educational assistance reserve	119,265	119,265
Undesignated	<u>422,665</u>	<u>273,565</u>
Total net assets	1,753,807	1,640,728
Total liabilities and net assets	<u><u>\$ 2,830,531</u></u>	<u><u>\$ 2,136,817</u></u>

**IOWA ASSOCIATION OF ELECTRIC COOPERATIVES
STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED
AUG. 31, 2009 AND 2008**

REVENUE AND SUPPORT

	2009	2008
Assessments	\$ 1,925,673	\$ 1,846,753
Rent	40,154	40,454
Subscriptions	456,758	432,502
Advertising	95,875	94,342
Special pages and inserts	79,301	83,707
Education and training	388,673	376,636
Safety and loss control	538,457	567,914
Communications programs	169,784	195,456
Regulatory affairs	33,600	32,200
Investment income	32,110	73,872
Other	124,116	7,135
Total revenue and support	\$ 3,884,501	\$ 3,750,971

The preceding condensed presentation of the 2009 and 2008 financial statements of the Iowa Association of Electric Cooperatives has been extracted from the organization's annual financial statements. The complete presentation of those financial statements, along with the independent auditor's report of LWBJ LLP, is available by contacting the Iowa Association of Electric Cooperatives.

EXPENSES

Program services

Education and training	\$ 484,313	\$ 407,390
Regulatory affairs	401,895	466,896
Safety and loss control	492,021	514,295
Communications	381,094	404,620
Government relations	482,989	565,525
<i>Living with Energy in Iowa</i>	603,101	581,230

Total program services

2,845,413 **2,939,956**

General and administrative expenses

General office	623,583	592,002
Accounting	193,955	175,034

Total general and administrative

817,538 **767,036**

Total expenses

3,662,951 **3,706,992**

Increase in net assets before

unrealized gains (loss) on investments	221,550	43,979
Unrealized gain (loss) on investments	(28,471)	(39,103)

Increase in net assets

\$ 193,079 **\$ 4,876**

BACK ROW LEFT TO RIGHT:

Larry Quinn, L. Kirby Range, Jon Leerar, Larry Tjaden, Brian Kading, Steve Seidl

FRONT ROW LEFT TO RIGHT:

Carroll Baker, Marion Denger, Larry Rohach



**IOWA ASSOCIATION OF ELECTRIC COOPERATIVES
BOARD OF DIRECTORS**

- Marion Denger, President
- Carroll Baker, Vice President
- Larry Rohach, Secretary-Treasurer
- Steve Seidl, Assistant Secretary-Treasurer
- Larry Quinn
- L. Kirby Range
- Larry Tjaden
- Jon Leerar

DISTRICT 1

Larry Quinn, Eastern Iowa Light and Power Cooperative

- Access Energy Cooperative
- Chariton Valley Electric Cooperative
- Eastern Iowa Light and Power Cooperative
- Farmers Electric Cooperative, Kalona
- Northeast Missouri Electric Power Cooperative
- Southern Iowa Electric Cooperative

DISTRICT 2

Larry Rohach, Grundy County REC

- Central Iowa Power Cooperative
- Consumers Energy
- East-Central Iowa REC
- Grundy County REC
- Linn County REC
- Maquoketa Valley Electric Cooperative
- T.I.P. REC

DISTRICT 3

Larry Tjaden, Heartland Power Cooperative

- Allamakee-Clayton Electric Cooperativ
- Butler County REC

- Dairyland Power Cooperative
- Hawkeye REC
- Heartland Power Cooperative

DISTRICT 4

Carroll Baker, Southwest Iowa REC

- Clarke Electric Cooperative
- Farmers Electric Cooperative, Inc., Greenfield
- Guthrie County Rural Electric Cooperative Association
- Pella Cooperative Electric Association
- Southwest Iowa REC

DISTRICT 5

Steve Seidl, Glidden REC

- Basin Electric Power Cooperative
- Calhoun County Electric Cooperative
- Glidden REC
- Harrison County REC
- Nishnabotna Valley REC
- Sac County REC
- Western Iowa Power Cooperative

DISTRICT 6

Marion Denger, Prairie Energy Cooperative

- Boone Valley Electric Cooperative
- Corn Belt Power Cooperative
- Franklin REC
- Humboldt County REC
- Midland Power Cooperative
- Pleasant Hill Community Line
- Prairie Energy Cooperative

DISTRICT 7

L. Kirby Range, Iowa Lakes Electric Cooperative

- Iowa Lakes Electric Cooperative
- Lyon REC
- North West REC
- Northwest Iowa Power Cooperative
- Osceola Electric Cooperative
- Woodbury County REC

MANAGERS' REPRESENTATIVE

Jon Leerar, Heartland Power Cooperative