

in **Focus**

2005 Annual Report



**Iowa Association of
Electric Cooperatives**

* A Touchstone Energy® Cooperative



in FOCUS >



Initiatives

Relationships

Issues

Community

Education

This statement could mean many things to different people. But, for Iowa's electric cooperatives, *focus* is synonymous with energy. It defines who we are and where we're going. It's the foundation upon which electric cooperatives were established in Iowa.

Seventy years ago, through the creation of electric cooperatives, a determined group of people *focused* their energy on one mission — to light up the rural



Gerald Klemme and Brian Kading

landscape of Iowa. *Focus* meant harnessing the skills, vision and passion of cooperation. It meant bridging the gap between miles of land and bringing power to people on farms, homes and business. It meant energy, growth and a future filled with promise.

Today, that same *focused* energy remains a pivotal element in the way Iowa's electric cooperatives do business. We're *focused* on the cooperative difference — member equity, input and value. *Focused* on initiatives that bring stability and vitality to the communities we serve. *Focused* on relationships, which enable us to fulfill our core mission — providing power that is safe, reliable, environmentally responsible and affordable. *Focused* on communicating the cooperative difference to member-consumers and other key audiences.

For Iowa's electric cooperatives, *focus* keeps our sights set on being more than just energy providers. We're integral parts of the communities we live in and serve. And, because we're owned by the very members we serve, it gives us local control. For cooperatives, this local control translates into an asset for our member-owners and communities that extend far beyond the dollars and cents of doing business. It means we're *focused* on meeting their unique needs through energy solutions.

For decades, Iowa's electric cooperatives have been *focused* on educating, encouraging and assisting member-consumers on energy efficiency matters. As we see more emphasis placed on this topic on a state and national level, we're proud of the fact cooperatives have given this issue prominence for so many years.

Our *focus* motivates us to extend our energy beyond what's obvious and into what's possible. We know that it takes energy to turn a long-term *focus* into progressive action today. That's where cooperative directors and employees come in — *focused* on the proven strengths of the cooperative way of doing business and delivering value to the members we serve.

Iowa's electric cooperatives ... *Energy in Focus*.

Gerald Klemme



President, Board of Directors

Brian Kading



**Executive Vice President
and General Manager**

Financial Statements

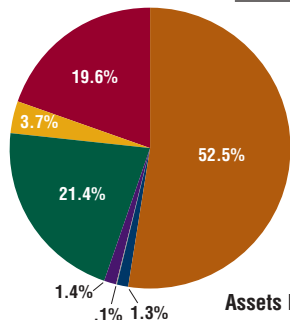
IOWA ASSOCIATION OF ELECTRIC COOPERATIVES STATEMENTS OF FINANCIAL POSITION — AUGUST 31, 2005 AND 2004

ASSETS

	2005*	2004
Assets		
■ Cash and cash equivalents	\$ 946,899	\$ 997,113
■ Accounts receivable	24,031	60,657
■ Accrued interest	622	1,064
■ Prepaid expenses	25,049	23,384
■ Investment securities	386,580	307,227
■ Other investments	66,140	65,770
■ Property and equipment, net of accumulated depreciation	353,869	403,099

TOTAL ASSETS

\$1,803,190 \$1,858,314



Assets by percentage

LIABILITIES AND NET ASSETS

	2005	2004
Liabilities		
Accounts payable and accrued expenses	\$ 237,784	\$ 271,225
Deferred revenue	—	117,252
Health care plan subscriber premiums payable	39,542	48,402
Total Liabilities	<u>277,326</u>	<u>436,879</u>

Net Assets – Unrestricted

Membership certificates, \$5 stated value; 44 certificates authorized and issued	\$ 220	\$ 220
Allocated deferred patronage	132,611	132,611
Board designated:		
Contingency reserve	965,662	870,287
Educational assistance reserve	102,923	97,903
Undesignated	324,448	320,414
Total Unrestricted Net Assets	<u>1,525,864</u>	<u>1,421,435</u>

TOTAL LIABILITIES AND NET ASSETS

\$1,803,190 \$1,858,314

* Chart represents 2005 assets only

STATEMENTS OF ACTIVITIES

	2005	2004
Revenue and Support		
Assessments	\$ 1,465,352	\$ 1,410,272
Rent	36,337	39,867
Subscriptions	376,541	393,079
Advertising	118,566	125,920
Special pages and inserts	65,420	66,705
Education and training	296,802	315,474
Safety and loss control	511,637	489,115
Communications programs	263,392	160,765
Rates and member services	6,400	33,425
Investment income	57,326	35,427
Other	14,794	16,961
Total Revenue and Support	<u>3,212,567</u>	<u>3,087,010</u>

Expenses

	2005	2004
Program services:		
Education and training	\$ 329,684	\$ 350,574
Rates and member services	261,549	219,907
Safety	507,017	479,599
Communications	491,509	317,285
Government relations	277,482	276,979
Iowa REC News	543,501	560,924
<i>Total program services</i>	<u>2,410,742</u>	<u>2,205,268</u>
General and administrative expenses:		
General office	533,425	643,215
Accounting	163,971	137,659
Interest expense	—	471
<i>Total general and administrative</i>	<u>697,396</u>	<u>781,345</u>
Total expenses	<u>3,108,138</u>	<u>2,986,613</u>

INCREASE IN UNRESTRICTED NET ASSETS

\$ 104,429 \$ 100,397

The preceding condensed presentation of the 2005 and 2004 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 McGowen, Hurst, Clark & Smith, P. C. is available by contacting the Iowa Association of Electric Cooperatives.

Board of Directors



IAEC Board of Directors

Pictured from left to right: **Carroll Baker**, Southwest Iowa REC; **Larry Rohach**, Grundy County REC; **Lyle Korver**, North West REC (managers' representative); **Joy Evans**, Southern Iowa Electric Cooperative (secretary/treasurer); **Nancy Carlson**, Western Iowa Power Cooperative (assistant secretary/treasurer); **Gerald Klemme**, North West REC (president); **Roger Arthur**, Allamakee-Clayton Electric Cooperative; and **Christian Nygaard**, Humboldt County REC (vice president)

Regional Districts

District 1

Joy Evans, Director
Access Energy Cooperative
Chariton Valley Electric Cooperative
Eastern Iowa Light
& Power Cooperative
Farmers Electric Cooperative, Kalona
Northeast Missouri Electric
Power Cooperative
Southern Iowa Electric Cooperative

District 2

Larry Rohach, Director
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

Roger Arthur, Director
Allamakee-Clayton
Electric Cooperative
Butler County REC
Dairyland Power Cooperative
Hawkeye REC
Heartland Power Cooperative

District 4

Carroll Baker, Director
Clarke Electric Cooperative
Farmers Electric
Cooperative, Inc., Greenfield
Guthrie County REC
Pella Cooperative Electric
Southwest Iowa REC

District 5

Nancy Carlson, Director
Basin Electric Power Cooperative
Calhoun County REC
Gliidden REC
Harrison County REC
Nishnabotna Valley REC
Sac County REC
Western Iowa Power Cooperative

District 6

Christian Nygaard, Director
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

Gerald Klemme, Director
Iowa Lakes Electric Cooperative
Lyon REC
North West REC
Northwest Iowa Power Cooperative
Osceola Electric Cooperative
Woodbury County REC

When you visit www.iowarec.org,
click on the cover icon for the 2005 Annual Report.

On the site, you can read more about some of the *initiatives* the IAEC is working on, including strengthening *relationships* with lawmakers through our new grassroots pilot project.

You'll also learn about some of the important *issues* that impact Iowa's electric cooperatives. There is also information about the electric cooperatives' *commitment to community* and *education and training* — two cooperative principles that guide our organization on an ongoing basis.

Go online today, to learn more!





**Iowa Association of
Electric Cooperatives**

® A Touchstone Energy® Cooperative 

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