

charting  our future

# Annual Report

## 2015

## Charting Our Future

The past year has been a remarkable time of change for both the electric utility industry and for the Iowa Association of Electric Cooperatives. With issues like the Clean Power Plan and distributed generation dominating board room discussions and headlines across the country, it's more important than ever to move forward in a clear, unified direction.

In the summer of 2015, Brian Kading retired after 33 years of dedicated service at IAEC, with 20 years as the association's executive vice president. Marion Denger, IAEC board president for the past eight years, will step down in early 2016 while continuing to serve on the statewide board as Iowa's NRECA representative. Under their helm, the services and resources provided by the association have adapted and grown to meet the needs of our members. Their legacy lives on as the departments of IAEC work hard to carry on the cooperative purpose.

A change in leadership provides an opportunity to reevaluate the needs of our members and reaffirm our mission. When Chuck Soderberg joined the association as the next executive vice president in September, one of his main goals was to meet with the member co-ops to learn more about the challenges they're facing and how the statewide association can provide unparalleled assistance and direction. Relationships are one of the cornerstones of our success and IAEC will continue to look ahead to ensure we're delivering optimal value, support and services

to our members. Working together, we can chart a bright future.

We would like to share these department highlights from the past year:

### Communications

The IAEC Communications Department continues to provide valuable resources to our members while promoting the cooperative business model throughout the state. With issues like distributed generation, EPA's Clean Power Plan and communicating the complexities of the evolving electric industry, establishing Iowa's electric cooperatives as a trusted partner is critical to our future success. Crisis communications and media training for member co-ops will receive strong attention as we work to equip Iowa's co-ops for challenges that lie ahead. Keeping member cooperatives informed of industry headlines through e-newsletters and other channels is also a top priority.

We're also helping IAEC member cooperatives engage with their member-owners and stakeholders through social media, traditional media channels, and in face-to-face interactions and events. With strategic communication initiatives in place, the cooperative advantage continues to shine bright in Iowa.

### Education & Training

As we look towards the future, education and training will be an important step to improving the knowledge of Iowa's electric cooperative employees and directors. The topics covered

at conferences, workshops and hands-on training provided over 1,000 cooperative employees and directors the skills they need to be informed and educated on complex issues including distributed generation, crisis communications, safety, EPA 111(d) and rate structure, among others.

We also work to nurture opportunities for employees and directors to network, share and discuss ideas and challenges so they can better serve their member-owners. Our department's goal is to continue educating and training on the latest industry trends while reinforcing cooperative fundamentals and principles.

### Government Relations

The Iowa Rural Power caucus project has successfully made contact with all presidential candidates on the campaign trail through the active engagement of co-op employees, directors and Youth Tour students across the state. NRECA will use our efforts and model to launch a national Rural Power Campaign highlighting electric cooperative concerns throughout the presidential primaries.

Grassroots participation continued to grow this year due in part to the full deployment of our new mobilization technology, making it easier for co-op directors and employees to send activations to their legislators. Additionally, our political action committee, Iowa FORE, received a record amount of financial support.

Two of our IAEC agenda items were signed into law in 2015: Iowa legislators voted to

encourage utility-owned solar generation through tax credits, and a second bill passed into law regarding the safety of our line personnel as it relates to distributed generation facilities.

### Regulatory Affairs

Throughout the past fiscal year, the Regulatory Affairs team addressed significant policy issues that transcended across the judicial, executive and legislative branches of state and federal government while ensuring that the cooperative principles were the cornerstone of all efforts. The department proactively worked on diverse issues ranging from President Obama's Clean Power Plan to assisting member cooperatives with individual issues, such as disconnections for nonpayment of an electric bill.

As interest in solar generation increases throughout Iowa and the nation, the team worked with IAEC's strategic distributed generation task force on policy and communications issues. In addition, IAEC and other stakeholders are working with the Iowa Energy Center on the collaborative development of an Iowa solar PV guide for homeowners and small businesses.

The IAEC Regulatory Affairs department also worked on new regulations passed by the Iowa Legislature related to renewable tax credits as well as disconnect devices. In addition, focus was placed on managing other highly relevant issues, such as providing affidavits for the FEMA appeal, integrating the Iowa Stray Voltage Guide into IAEC model policy

documents, compiling the energy efficiency joint filing for electric cooperatives, developing an efficiency technical resource manual, and monitoring timely issues, such as cybersecurity and smart grid advancements.

### Safety & Loss Control

IAEC's Safety & Loss Control department continued to promote a proactive safety culture by adding two technical workshops this past year: a meter workshop with components for beginners and advanced sessions, and a breaker and sectionalizing workshop. Both training workshops, along with our overhead, underground, and chainsaw workshops, were well attended by Iowa co-op employees. New in 2015, we relocated the IAEC Superintendents' and Foremen's Conference to the Airport Holiday Inn in Des Moines, which is better suited to house large equipment displays and vendor demonstrations.

We continued to promote safety through instruction on OSHA required information and industry best practices. We held an operating procedures review, going through each section with managers, superintendents, foremen and linemen. IAEC's involvement with the updated Rural Electric Safety Achievement Program (RESAP) has now spanned five years as we reinforce safety leadership, examination of current practices, and planning for improved safety performance. A strong safety culture doesn't just happen; it's a product of intentional training and proactive education and IAEC is proud to be a partner to ensure co-op employees and member-owners are as safe as possible.



*Marion Denger*

**Marion Denger**  
President



*Charles J. Soderberg*

**Chuck Soderberg**  
Executive Vice  
President

## BOARD OF DIRECTORS

### PRESIDENT

Marion Denger – Dows

### VICE PRESIDENT

Steve Seidl – Coon Rapids

### SECRETARY-TREASURER

Frank Riley – Osceola

### ASSISTANT SECRETARY-TREASURER

Larry White – Mount Pleasant

Shirley Benson – Remsen

Vince Morische - Osage

Don Shonka – Independence

## MANAGERS' REPRESENTATIVE

Roxanne Carisch – Calhoun County Electric  
Cooperative Association

## NRECA BOARD REPRESENTATIVE

Sam Nichols – Pella Cooperative  
Electric Association

## GENERAL OFFICE



**Chuck Soderberg**  
Executive Vice  
President



**Shelly York**  
Executive  
Assistant



**Megan Lyman**  
Administrative  
Assistant

## BENEFITS



**Tim Falk**  
Director



**Christine Crone**  
Benefits  
Assistant

## COMMUNICATIONS



**Erin Campbell**  
Manager



**Debra Smith**  
Communications  
Assistant

## EDUCATION & TRAINING



**Katrina Davis**  
Manager

## GOVERNMENT RELATIONS



**Tim Coonan**  
Director



**Jenica Lensmeyer**  
Advocacy  
Coordinator

## REGULATORY AFFAIRS



**Regi Goodale**  
Director



**Ethan Hohenadel**  
Data Analyst



**John Dvorak**  
Director



**Matt Pociask**  
Job Training &  
Safety  
Instructor



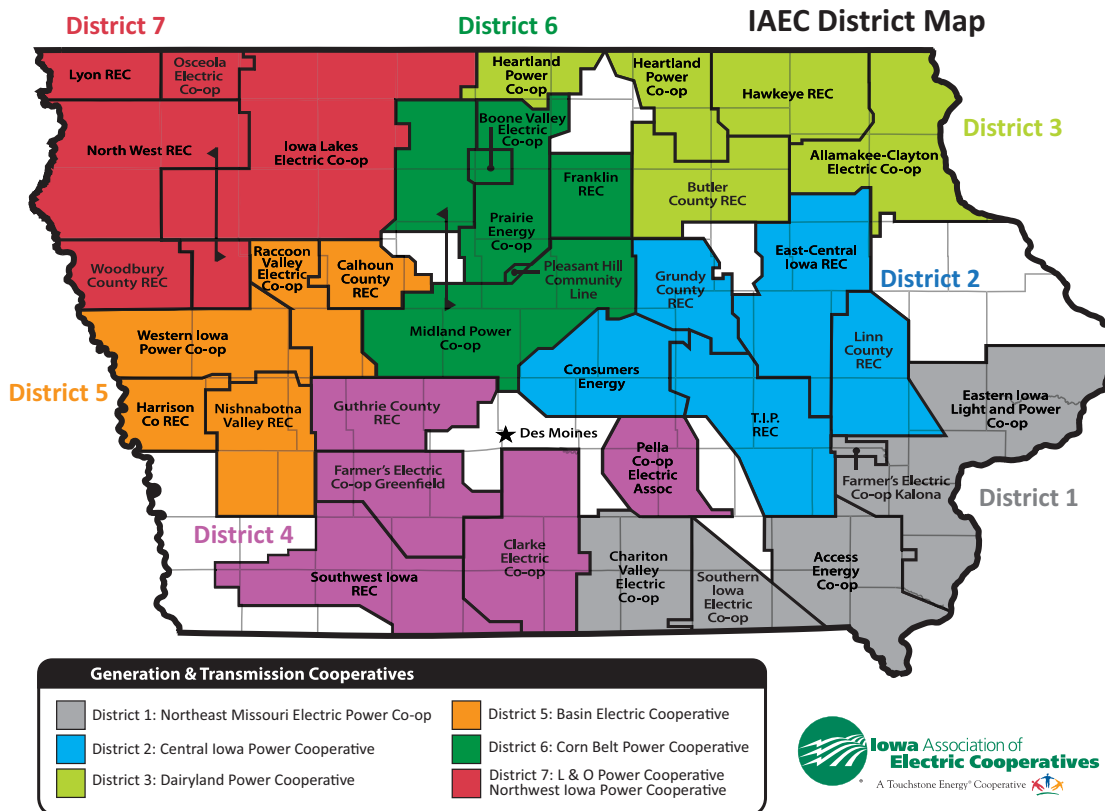
**Jim Wolfe**  
Job Training &  
Safety  
Instructor



**Carol Schulz**  
Administrative  
Assistant

## SAFETY & LOSS CONTROL

## The Iowa Association of Electric Cooperatives is divided into seven districts.



### District 1

**Larry White, 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

**Don Shonka, Director**

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

### District 3

**Vince Morishe, Director**

Allamakee-Clayton Electric Cooperative  
Butler County Rural Electric Cooperative  
Dairyland Power Cooperative  
Franklin Rural Electric Cooperative  
Hawkeye Rural Electric Cooperative  
Heartland Power Cooperative

### District 4

**Frank Riley, Director**

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

### District 5

**Steve Seidl, Director**

Basin Electric Power Cooperative  
Calhoun County Rural Electric Cooperative  
Harrison County Rural Electric Cooperative  
Nishnabotna Valley Electric Cooperative  
Raccoon Valley Electric Cooperative  
Western Iowa Power Cooperative

### District 6

**Marion Denger, Director**

Boone Valley Electric Cooperative  
Corn Belt Power Cooperative  
Franklin Rural Electric Cooperative  
Midland Power Cooperative  
Pleasant Hill Community Line  
Prairie Energy Cooperative

### District 7

**Shirley Benson, Director**

Iowa Lakes Electric Cooperative  
L & O Power Cooperative  
Lyon Rural Electric Cooperative  
North West Rural Electric Cooperative  
Northwest Iowa Power Cooperative  
Osceola Electric Cooperative  
Woodbury County Rural Electric Cooperative



# STATEMENTS OF FINANCIAL POSITION

For the years ended Aug. 31, 2015, and 2014

<b>ASSETS</b>	<b>2015</b>	<b>2014</b>
Cash and cash equivalents	\$1,498,953	\$1,452,472
Accounts receivable	141,873	243,897
Prepaid expenses	52,511	44,842
Investment securities	575,367	631,712
Other investments	179,434	177,297

## Property and equipment

Office building	857,019	857,019
Automobiles	192,667	166,376
Office furniture and equipment	397,010	353,936
Less accumulated depreciation	1,227,569	1,135,157
Net property and equipment	219,127	242,174

<b>Total Assets</b>	<b>\$ 2,667,265</b>	<b>\$ 2,792,394</b>
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<b>LIABILITIES</b>	<b>2015</b>	<b>2014</b>
Accounts payable and accrued expenses	\$ 377,553	\$ 317,089
Deferred revenue	26,800	8,701
Healthcare plan subscriber premiums payable	498,178	312,060
<b>Total Liabilities</b>	<b>\$ 902,531</b>	<b>\$ 637,850</b>

<b>NET ASSETS</b>	<b>2015</b>	<b>2014</b>
Membership certificates \$5 stated value; 42 certificates authorized and issued at Aug. 31, 2015, and 2014.	\$ 210	\$ 210
Board designated:		
Contingency reserve	1,527,346	1,527,346
Educational assistance reserve	119,265	119,265
Undesignated	117,913	507,723
<b>Total Net Assets</b>	<b>\$ 1,764,734</b>	<b>\$ 2,154,544</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,667,265</b>	<b>\$ 2,792,394</b>

## Total Assets

\$ 2,667,265
\$ 2,792,394

## Total Liabilities

\$ 902,531
\$ 637,850

## Total Net Assets

\$ 1,746,734
\$ 2,154,544

# STATEMENTS OF ACTIVITIES

charting our future

For the years ended Aug. 31, 2015, and 2014

## REVENUE AND SUPPORT

	<b>2015</b>	<b>2014</b>
Assessments	\$ 2,317,310	\$ 2,248,007
Subscriptions	264,057	270,554
Public Service Announcements – <i>Living with Energy</i>	11,280	11,340
Special pages and inserts	84,178	84,634
Education and training	454,374	485,760
Safety and loss control	686,606	653,485
Communications programs	199,828	205,715
Regulatory affairs	90,801	279,544
Investment income	40,939	25,471
Government relations	13,515	6,000
Rent	4,600	–
Other	32,373	23,690

### Total Revenue and Support

**\$ 4,199,861**                      **\$ 4,294,200**

## EXPENSES

Program services:		
Education and training	526,806	528,160
Regulatory affairs	596,477	717,665
Safety and loss control	690,346	609,055
Communications programs	436,168	329,750
Government relations	643,572	606,063
<i>Living with Energy</i>	348,441	365,474

### Total Program Services

**\$ 3,241,810**                      **\$ 3,156,167**

### General and administrative:

General office	790,034	638,072
Accounting	253,147	230,247

### Total General and Administrative

**\$ 1,043,181**                      **\$ 868,319**

### Total Expenses

**\$ 4,284,991**                      **\$ 4,024,486**

Increase in net assets before unrealized loss on investments	(85,130)	269,714
Unrealized gain (loss) on investments	(34,966)	53,265

## INCREASE IN NET ASSETS

**\$ (120,096)**                      **\$ 322,979**

The preceding condensed presentation of the 2015 and 2014 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.



**Iowa** Association of  
**Electric Cooperatives**

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