The image features two stylized wind turbines, one on the left and one on the right, set against a light green background. The turbines are rendered in a dark green color. Several bright white, curved light streaks sweep across the scene from the top left towards the bottom right, creating a sense of motion and energy. The overall aesthetic is clean and modern, emphasizing renewable energy.

# *Winds of Change*

2007 Annual Report  
Indian Electric Cooperative

*The winds that come sweeping down the plains today are winds of change.*

*The demand for electricity continues to increase at a steady, yet rapid, pace, while the system that generates and delivers that electricity is strained and hindered by economic, environmental and regulatory constraints.*

*The solution to our energy dilemma is multi-faceted. At each level of energy generation and production, co-ops across the country are diligently searching for ways to remain true to our core values of always looking out for the consumer by keeping the lights on and the rates down. We are developing and utilizing new technology, and actively investing in biofuels, wind and solar generation.*

*We know that today electric power is not the luxury it was yesterday, it is a necessity and will remain so tomorrow.*

*Facing obstacles today to ensure a bright tomorrow is not new to cooperatives. Know that your trustees and employees are working today to make your tomorrow bright with reliable electric service at a reasonable price.*

## Mission Statement

*Indian Electric Cooperative is a member-owned organization dedicated to the delivery of quality electric power, related to value-added services and the investment in our communities that contribute to the quality of life for the membership.*

## Official Notice

2008 Annual Meeting

Notice is hereby given that the 2008 Annual Meeting of Members of Indian Electric Cooperative, Inc. will be held at 10 a.m. Saturday, Oct. 25, 2008, at the Cleveland High School Event Center located in Cleveland, Pawnee County, Oklahoma.

Purpose of the meeting is to act on the following matters:

1. Reports of Officers and Trustees;
2. Election of Cooperative Trustees from Districts 1, 4, and 7;
3. Vote on Proposed Changes to Cooperative Bylaws;
4. All other business that may come before the meeting or any adjournments thereof.

Registration for the 2008 Annual Meeting will commence at 8:15 a.m., Saturday, Oct. 25, and the meeting will be called to order at 10 a.m.

Each membership, whether it is a single membership or a joint membership, shall be entitled to one vote in any matter that may come before the meeting.

Memberships other than residential must present a letter on organizational stationery, signed by a recognized official of the organization, indicating the bearer as the official voting representative of the organization. The bearer must present the letters at the time of registration.



18,863 is the number of meters IEC serves

# Future Brings Changes and Challenges

The energy industry in the United States is experiencing the greatest period of change seen in many decades. Extreme volatility in the price of natural gas, coal, coal transportation costs, petroleum products and goods and services has led to extreme price hikes to end-use consumers. The electric industry is slowly reaching a crisis point that must be addressed with calm and logical forward-minded thinking.

Due to high construction costs, lack of a guaranteed rate of return and the extreme difficulty in obtaining right-of-way and necessary approvals, very few new electric transmission lines have been built in this country in recent years. For many years, we had an abundance of power being produced nationally, and again, due to costs and environmental constraints, very few new large-scale power plants were built. During that same period, our electric power use as a nation has increased significantly every year for the past decade with no end in sight. We are slowly but surely reaching the point where demand will exceed supply. If not addressed, this will lead to shortages and continued price hikes.

The presidential campaign will invariably bring forth spirited debate on the national energy policy. Some want to focus only on renewable energy sources to decrease our dependence on foreign energy, while some want to concentrate on increased exploration and drilling within the U.S. to accomplish the same goal. In reality, a mix of both ideologies must be implemented. Renewable energy is the power

of the future. While great strides in developing commercial renewable energy have been made, it cannot meet our growing demand in time to avert a crisis. Wind energy is exciting, but it cannot replace fossil fuel power plants because the wind does not blow all the time, but the demand for power is constant regardless of whether the wind blows or not. The same can be said for solar power; the future is promising, but it cannot meet the current need. The country must keep developing these clean, renewable sources of energy, but also remain practical and address the current critical need for power.

The theory of global warming must also be addressed in any energy debate. Global warming is just that – a theory. While some accept it as fact, there is no clear consensus that we are heading toward a catastrophe. For every credible scientist (and former vice-president) that proclaims impending disaster, another credible scientist says it is not so. No matter what your personal belief, congress and the new administration will address this issue in 2009. Calm and logical thinking and extreme caution must be exercised in any policy decisions. Some proposals will have immediate and severe impacts on the retail cost of electricity. If the wrong path is followed, electricity prices could soar.

IEC is positioned to meet these challenges and continue to provide quality service to its members. IEC is a member of and purchases wholesale power from KAMO Electric Power Cooperative. KAMO is a member

**Greg Fielding**, *President*  
**Jack Clinkscale**, *General Manager*

of and purchases power from Associated Electric Cooperative (AECI) in Springfield, Missouri. AECI provides power for 54 electric cooperatives in southern Missouri and northeast Oklahoma. They have a mix of reliable coal and natural gas plants throughout their service territories and that, along with federally supplied hydropower, allow them to deliver economical and reliable power over a strong and well maintained transmission system.

While AECI and KAMO have provided quality, reliable service to IEC, they are not immune to rising prices that have affected all utilities. IEC had a wholesale rate increase in April of slightly over 23%. Your cooperative was forced to pass this along to members in the form of a 13.5% increase. Even with this increase, AECI and KAMO continue to be a low cost provider in today's market. While the future of IEC power cost is not as bleak as some, wholesale power costs will remain volatile and subject to change.

The board of trustees, management and employees are dedicated to providing reliable electric power to IEC members at reasonable costs. We are also dedicated to maintaining your distribution system that has been built and improved over the past 67 years. While the future will bring changes and challenges, we will meet those challenges and continue to serve our your needs.

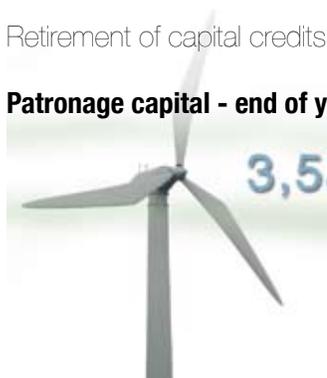
12,854 members own IEC



# Revenue and Patronage Capital

For the years ended December 31, 2007 and 2006

	2007	2006
<b>Operating revenues</b>	<b>\$29,231,107</b>	<b>\$29,966,522</b>
<b>Operating expenses:</b>		
Cost of power	16,572,323	15,206,197
Distribution expense - operations	1,795,987	1,991,939
Distribution expense - maintenance	1,351,097	1,544,899
Consumer accounts	1,319,636	1,469,842
Customer service and information	326,907	357,077
Administrative and general	2,595,927	3,244,028
Depreciation	2,662,275	2,432,168
Taxes	616,452	579,183
Interest on long-term debt	1,590,234	1,676,989
Other interest and deductions	117,823	112,419
<b>Total operating expenses</b>	<b>\$28,948,661</b>	<b>\$28,614,741</b>
<b>Net operating expenses</b>	<b>282,446</b>	<b>1,351,781</b>
<b>Non-operating margins:</b>		
Interest income	477,015	483,639
Other	119,222	268,697
<b>Total non-operating margins</b>	<b>\$596,237</b>	<b>\$752,337</b>
<b>Generation and transmission cooperative and other capital credits</b>	470,108	464,563
<b>Net margins for year</b>	<b>\$1,348,791</b>	<b>\$2,568,681</b>
<b>Patronage capital - beginning of year</b>	33,040,631	30,850,227
Retirement of capital credits	(614,381)	(378,277)
<b>Patronage capital - end of year</b>	<b><u>\$33,775,041</u></b>	<b><u>\$33,040,631</u></b>



3,530 miles of line bring power to IEC members

# Balance Sheet

as of December 31, 2007

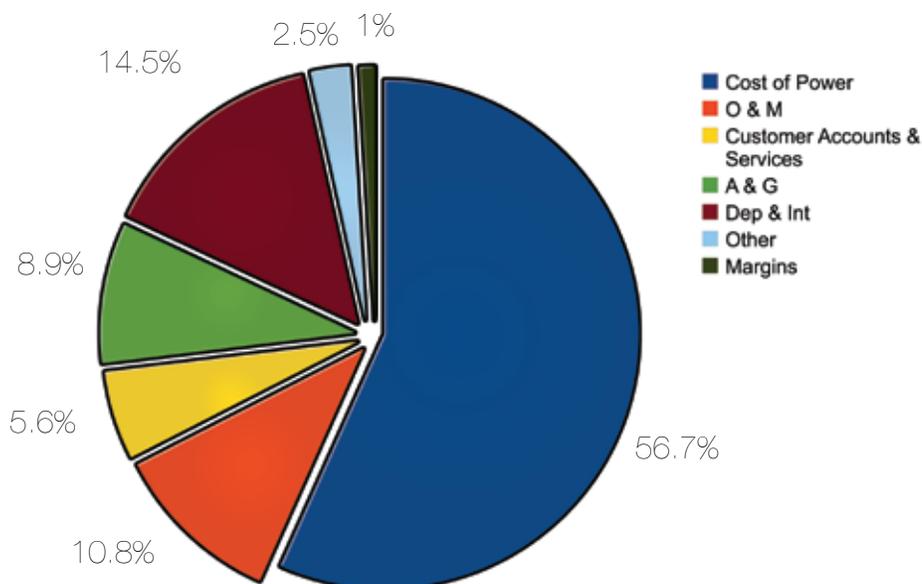
## Assets:

	<b>Electric plant in service</b>	<b>\$93,245,630</b>	
	<b>Less depreciation</b>	<b>30,970,545</b>	<b>62,275,085</b>
WHAT WE OWN	Cash		2,488,163
	Investments		14,837,691
	Receivables		2,183,596
	Material and supplies		553,388
	Prepayments, other accrued assets and deferred debits		110,006
	<b>Total</b>		<b><u>\$82,447,929</u></b>

## Liabilities:

WHAT WE OWE	Long term debt		38,522,401
	Current maturities of long term debt		2,032,851
	Member deposits		1,803,519
	Accounts payable		3,978,404
	Deferred credits		336,513
	Other liabilities		604,084
OUR NET WORTH	Membership fees		772,475
	Patronage capital		33,775,041
	Other equities		622,641
	<b>Total</b>		<b><u>\$82,447,929</u></b>

## Use of Revenue



I am pleased to present the 2007 financial results for Indian Electric Cooperative. The cooperative's 2007 financial statements were audited by Briscoe, Burke & Grigsby, LLP, Certified Public Accountants, and George Nobles, CPA, audited the Operation Round Up financial records reported on page 6 of this annual report. In the opinions, the 2007 financial statements present fairly, in all material respects, the financial position and results of operation for Indian Electric Cooperative and the IEC Foundation in conformity and generally accepted accounting principles.

Secretary, Board of Trustees

# Operation Round Up<sup>®</sup>

Financial Statements for years ended December 31

	2007	2006
<b>Changes in unrestricted net assets:</b>		
Revenues:		
Operation Round Up <sup>®</sup>	\$47,291.27	\$42,757.74
Investment income	2,572.52	2,188.06
Total	\$49,863.79	\$44,945.80
Expenses:		
<b>Grants to:</b>		
Fire and police agencies	540.00	3,895.00
Educational organizations	2,500.00	2,500.00
Religious organizations	0.00	500.00
Health care organizations	1,540.00	1,000.00
Civic organizations	2,742.40	1,800.00
Public libraries	- 0 -	- 0 -
Total	\$7,322.40	\$9,695.00
<b>Neighbor Assistance:</b>		
Food and household staples	4,082.60	3,416.19
Medical and dental care	3,306.88	4,286.60
Clothing	200.00	108.51
Home improvements	1,984.41	2,005.06
House and car payments	12,735.85	17,122.71
Miscellaneous	1,380.91	1,916.39
Total	\$23,690.65	\$28,855.46
<b>Support Expenses:</b>		
Audit fees	1,175.00	1,175.00
Office supplies	43.18	63.75
Travel expense	2,494.81	2,904.35
Postage	0.00	42.27
Miscellaneous	10.00	100.00
Total	\$3,722.99	\$4,285.37
<b>Increase (Decrease) in unrestricted net assets</b>	15,127.75	2,109.97
<b>Net assets at beginning of year</b>	55,793.71	53,683.74
<b>Net assets at end of year</b>	<u>\$70,921.46</u>	<u>\$55,793.71</u>
<b>Assets:</b>		
Checking	15,228.67	2,673.44
Investments	55,692.79	53,120.27
Total Assets	70,921.46	55,793.71
<b>Net assets:</b>		
Unrestricted	<u>\$70,921.46</u>	<u>\$55,793.71</u>

# Minutes of 2007 Annual Meeting

Cleveland Event Center  
Saturday, October 20, 2007

The 68th Annual Meeting of Members of Indian Electric Cooperative, Inc. was held at the Cleveland High School Event Center on Saturday, October 20, 2007. At approximately 10:00 a.m., Board President Bill Boone called the meeting to order. Mr. Boone introduced Rev. Connie Taylor of the Cleveland First United Methodist Church, who delivered the invocation. Members of the Cleveland American Legion Post #3 were introduced and led a salute to the Flag of the United States. The Wiskey Bent Band, joined by the audience, sang the National Anthem.

Mr. Boone informed members Dr. Greg Fielding, Secretary-Treasurer of the Board of Trustees, would serve as Secretary of the Meeting. Mr. Boone then asked Dr. Fielding to conduct several prize drawings. Following the prize drawings, Secretary Fielding informed the membership the Cooperative currently has 12,854 members and bylaws require five percent, or 642 of the members, must register their attendance to constitute a quorum and have a legal meeting. He reported 720 had registered and declared a quorum in attendance.

A true copy of the official Notice of the Annual Meeting of Members for 2007 was mailed to all members in accordance with the Bylaws of the Cooperative. The Bylaws further state minutes of the previous Annual Meeting of Members will be read. Motion was duly made and seconded to dispense with the reading of the minutes and approve them as written. Motion carried. Dr. Fielding turned the meeting to Robert Burk, Vice President of the Board of Trustees. Mr. Burk introduced honored guests and visiting Cooperative representatives. He then introduced Corporate Counsel Ron Barber and the Board of Trustees.

The next order of business was the

introduction of District 9 candidates. Mr. Burke turned the chair over to Ron Barber who introduced both candidates. Mr. Barber introduced incumbent and petition nominee Rock Reese. Mr. Reese addressed the audience. Mr. Barber introduced district nominee Jim Hadlock. Mr. Hadlock addressed the audience. Mr. Barber informed members of the voting booths' location and stated the polls would remain open for an additional 12 minutes. Mr. Barber encouraged those members who had not yet voted to do so and stated results would be announced at the end of the meeting. Mr. Barber turned the chair over to President Boone.

Mr. Boone invited Veterans and individuals supporting the armed forces to stand and be recognized for their commitment and service. Mr. Boone next recognized the Blue Star Mothers of America, Chapter 9 and invited representatives to come to the stage. Mr. Boone expressed sincere appreciation for the exemplary job they have done and continue doing and presented the organization with a check from IEC.

Mr. Boone turned the chair over to J.W. Casper, IEC Foundation Trustee. Mr. Casper discussed the Operation Round-Up® program and encouraged additional participation in the program. The meeting was turned to Barry Keeler and Rock Reese who conducted several prize drawings. Mr. Keeler then introduced IEC General Manager Jack Clinkscale. Mr. Clinkscale addressed the audience, conveying appreciation for the opportunity to serve members in the area and shared appreciation for the exemplary work exhibited by IEC staff.

Mr. Clinkscale informed members that 2006 was a good year and that 2007 is looking even better. Mr. Clinkscale discussed the history of rural electric cooperatives and highlighted IEC's non-profit status. He then discussed factors leading to increased utility costs, stating

power costs are expected to increase. He added 2008 would see a significant increase that will need to be passed to members.

Trustees Wanda Foster and Mike Spradling conducted more prize drawings. Mr. Spradling encouraged members to stay for the grand prize drawing to be held at the end of the meeting. Mr. Spradling then turned the chair over to Ron Barber. Mr. Barber explained results of the previously held elections for District 3 and District 6, which resulted in incumbents Berry Keeler and Loris Peckenpaugh, respectively, being selected as official candidates for their districts. Incumbent Trustee Berry Keeler was unopposed and by reason thereof, is the official nominee for District 3. Incumbent Trustee Loris Peckenpaugh was elected as official nominee by a quorum of members at the District 6 meeting. Mr. Barber called for a motion to elect those nominees by acclamation. Motion was made, seconded and carried. Berry Keeler will represent District 3, and Loris Peckenpaugh will represent District 6 for the next three years.

Mr. Barber next announced results of the District 9 elections. District nominee Jim Hadlock received 330 votes and incumbent and nominee by petition Rock Reese received 286 votes. Mr. Hadlock won the election by majority vote and will represent District 9 for the next three years. Howard Seay of Midwest Printing provided the voting ballots, voting equipment and final election results. Mr. Barber thanked Mr. Reese for his service and turned the chair over to Mike Spradling and Wanda Foster.

Mr. Spradling and Mrs. Foster conducted the grand prize drawings with two \$500 cash prizes and one \$1,000 cash prize.

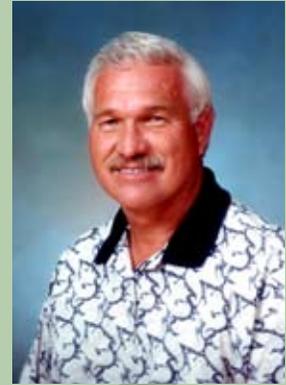
There being no further business, the 2006 Annual Meeting of Members adjourned.



**Greg Fielding**  
President  
District 8



**Wanda Foster**  
Vice-President  
District 5



**Berry Keeler**  
Secretary-Treasurer  
District 3



**Robert Burk**  
District 1



**Mike Spradling**  
District 2



**Loris Peckenpaugh**  
District 6



**Bill Boone**  
District 7



**Jim Hadlock**  
District 9



**Jack Clinkscale**  
General Manager