

Supplement to Oklahoma Living

THE LAMP

Indian Electric Cooperative, Inc 2010 Annual Report



Advancing Services, Affordable Power

The past year has been another good year for your cooperative. 2010 was a year with no rate increases and continuing advances in service reliability and technological capabilities. Indian Electric Cooperative can now remotely read over 98% of all meters from the office thus eliminating the



Jack Clinkscale
General Manager



Greg Fielding
President

communication capabilities and allows us to work safely and optimize communications with the office and truck-to-truck. As you can see, it has been a busy year at your cooperative.

Several new services are available for IEC members, including Prepay. Prepay allows members to prepay for electric service which can alleviate the need for a large deposit. Consumers can now go to

the need for costly manual meter reading. Our system is now entirely surveyed which has allowed us to enter the GPS coordinates for every pole and structure throughout the entire distribution system and we can now create, update and maintain system maps at the cooperative rather than outsourcing this to a vendor. We are now beginning to integrate computers into our service trucks to allow for quicker, more efficient transfer of information between service crews and the office. This leads to faster communication, less paper, and increased accuracy and efficiency. Due to a federal mandate, we have upgraded the cooperative mobile radio system to 450 megahertz which has increased our

the cooperative website, www.iecok.com, and find a map showing all current system outages. We have upgraded our phone system to function better during high volume call days. You can now view your bill and make payments online or by phone. We will continue to strive to make your contact with IEC as smooth, quick and hassle-free as possible.

As always, there are a few dark clouds on the horizon. We continue to face the specter of pending federal regulations that could substantially alter the way we produce power. Proposed rules regarding coal-fired power plants could lead to substantial cost increases that will ultimately come out of your pocket. Whether you believe the regulations are needed or not, the fact remains that any cost increases will ultimately hit you right in the pocketbook. About 70% of the power IEC purchases is currently produced with coal. While we are transitioning to wind and natural gas to produce energy, this takes time and money. While we can all probably agree that we need to pursue sources of clean, renewable energy, this transition is not going to happen overnight. While addressing the long-term solution, we cannot ignore the short-term, ever increasing demand for energy now and into the next decade.

As always, we remember our mission is to provide you, our member, with reliable electric power at the lowest possible price. We remember that mission and work every day to meet this task. As always, your Board of Trustees sets the direction and insures that the employees perform the job to keep Indian Electric Cooperative strong, safe, reliable and economical. If you like the direction the cooperative is going, let your Trustee know. If you don't like the way the cooperative is going, let your Trustee know that as well. Trustees are members of the cooperative and are elected by the members to represent them. They need to hear from you so that they can perform their job to meet your expectations. Good communications between members, trustees and employees are the backbone of the cooperative form of business and make it one of the best and long enduring business models the world has ever known.

Greg Fielding *Jack Clinkscale*

Minutes of the 71st Annual Meeting

Cleveland Event Center Thursday, August 26, 2010

The 71st Annual Meeting of Members of Indian Electric Cooperative, Inc. was held at the Cleveland High School Event Center on Thursday, August 26, 2010. At approximately 7:00 p.m., Board President Dr. Greg Fielding called the meeting to order. Mr. Fielding introduced George Weston of the Christian Church in Fairfax, who delivered the invocation. Bob Ellis and members of the Cleveland American Legion Post #3 were introduced and led a salute to the Flag of the United States. Ed Turley, joined by the audience, sang the National Anthem. Mr. Fielding turned the chair over to Board Vice-President Wanda Foster and Trustee Robert Burk, who conducted prize drawings.

Mr. Fielding informed the members that Berry Keeler, Secretary-Treasurer of the Board of Trustees, would serve as Secretary of the Annual Meeting. Secretary Keeler informed the membership that the Cooperative currently has 12,957 members and the Bylaws require that five percent, or 648, of the members must register their attendance in order to constitute a quorum and have a legal meeting. He reported that 1014 had registered and declared a quorum in attendance.

A true copy of the official Notice of the Annual Meeting of Members for 2010 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 to approve them as written. Motion carried. Mr. Keeler turned the meeting to Corporate Counsel Ron Barber for district meeting election results and bylaw amendment voting.

Mr. Barber explained the results of the previously held elections for Districts 1, 2 and 3 which resulted in incumbents, Berry Keeler (District 1), Jim Hadlock (District 2) and Loris Peckenpaugh (District 3), were each unopposed and thus reelected as Trustees for their respective districts for the next three years.

Mr. Barber next conducted voting on recommended amendments to the IEC bylaws. Mr. Barber presented a summary of the recommended bylaw

amendments and stated that the changes are intended to make the voting process at IEC meetings more accessible to members which should allow more IEC members to participate in the democratic process of governing IEC. Motion was made to approve the IEC bylaw amendments as presented, was seconded and passed. Mr. Barber turned the chair over to District 7 Trustee, Mike Spradling.

Mr. Spradling introduced honored guests and visiting Cooperative representatives. He further introduced Corporate Counsel, all members of the Board of Trustees and the Board of Trustees for the IEC Foundation, Inc., Operation RoundUp® Program. Mr. Spradling turned the chair over to Chris Cariker, Executive Vice-President and CEO of KAMO Power. Mr. Cariker commented on issues relating to potential carbon dioxide taxation (more commonly known as cap and trade legislation) and the impacts this legislation could have on IEC members. Mr. Cariker returned the chair to Wanda Foster and Mike Spradling who conducted more prize drawings. Mr. Spradling and Mrs. Foster conducted the grand prize drawing for one Ford F150 pick-up truck.

There being no further business, the 2010 Annual Meeting of Members adjourned.

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.

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IEC Foundation, Inc. - Operation RoundUp®

As of December 31	2010	2009
Changes in unrestricted net assets:		
Revenues:		
Operation RoundUp®	\$42,965.43	\$48,345.20
Investment Income	<u>643.23</u>	<u>1,246.54</u>
Total	43,608.66	49,591.74
Expenses:		
Grants to:		
Fire and police agencies	0.00	2,469.89
Educational organizations	3,655.00	4,752.00
Religious organizations	1,700.00	0.00
Healthcare organizations	1,500.10	1,619.00
Civic organizations	2,850.00	1,200.69
Public Libraries	<u>0.00</u>	<u>0.00</u>
Total	9,705.10	10,041.58
Neighbor Assistance:		
Food and household staples	1,061.46	1,655.02
Medical and dental care	7,250.00	5,325.41
Clothing	0.00	100.00
Home improvements	1,586.94	1,548.80
House and car payments	17,314.34	21,307.61
Miscellaneous	<u>4,583.13</u>	<u>4,541.63</u>
Total	31,795.87	34,478.47
Support services:		
Audit fees	1,500.00	1,175.00
Office supplies	0.00	57.25
Travel expenses	3,515.50	4,034.51
Postage	0.00	126.00
Miscellaneous	<u>100.00</u>	<u>0.00</u>
Total	5,115.50	5,392.76
Increase (Decrease) in unrestricted net assets	(3,007.81)	(321.07)
Net assets at beginning of year	<u>56,610.11</u>	<u>56,931.18</u>
Net assets at end of year	<u>\$53,602.30</u>	<u>\$56,610.11</u>

IEC Annual Meeting Information



IEC's annual meeting will be held Thursday, August 11th, 2011, 7 p.m. at the Cleveland Event Center located at 324 N Gilbert in Cleveland, OK.

Registration doors will open at 5:00 p.m. The registration gift this year will be \$20.00 cash given to the first 800 registered members. Registered members are entered into door-prize drawings totaling over \$5,500.00. The grand prize for this year's annual meeting is a Dixon SpeedZTR 42 SE. The winner takes possession as is at the end of the meeting. The winner is responsible for all applicable state and local taxes.

Two special drawings will be held this year. Both drawings will be for a \$100 bill credit. Bring in your July IEC power bill and expedite your registration. All members who use their IEC power bill to register will be entered into a drawing. Members who complete and return the annual meeting survey, received when you register, will be entered into a second drawing.

After registering, members may browse the food court and The Business and Arts Spotlight in front of the Event Center. The food vendors are a great addition to our meeting. The food court and spotlight will be located in front of the Cleveland Event Center.

For the meeting, members will be delighted by comedian Matt Jernigan. Matt Jernigan is a talented performer who believes that comedy doesn't have to be crude.

The Capital Credits will appear as a credit on your bill. Crediting the amount to your bill helps reduce the cost of distributing capital credits.

Shuttles will be available for attendees requiring assistance and will be traveling the parking areas. Wheel chair assistance will be provided at the door for those who need assistance with stairs.

If you have any questions feel free to call (918) 358-2514 and ask for Member Services.

Corporate Profile

*Incorporated on April 14th, 1939, IEC serves **13,927** members in over **19,017** homes and businesses through **3,545** miles of line covering a service territory of **2,500** square miles.*

*IEC employs **85** individuals and has its headquarters in Cleveland, a district office in Fairfax, and a warehouse in Pawnee.*

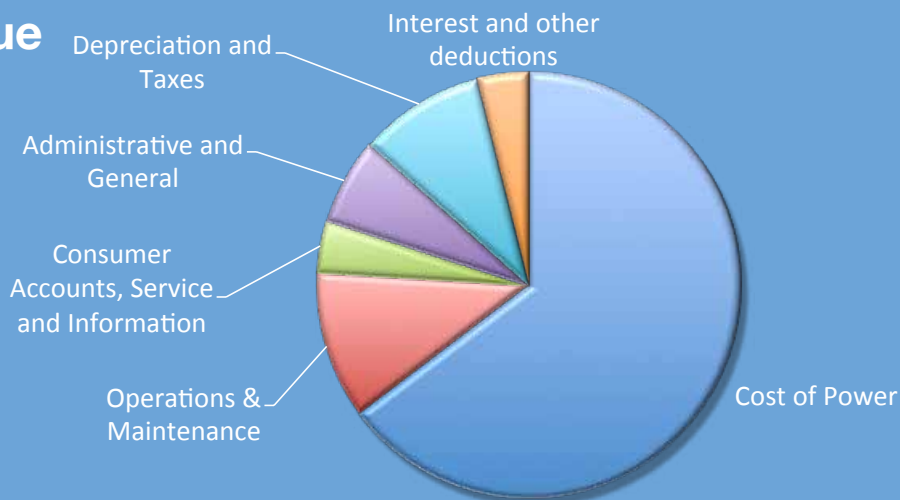


Revenue and Patronage Capital

For the years ended December 31, 2010 and 2009

	2010	2009
Operating Revenue	\$43,445,925	\$40,077,503
Operating Expenses		
Cost of Power	\$26,856,368	\$25,388,337
Operations & Maintenance	\$4,652,089	\$4,189,245
Consumer Accounts, Service and Information	\$1,631,802	\$1,783,086
Administrative and General	\$2,742,520	\$2,858,586
Depreciation and Taxes	\$3,999,170	\$3,858,695
Interest and other deductions	<u>\$1,615,448</u>	<u>\$1,536,843</u>
Total Operating Expense	\$41,497,397	\$39,614,792
Net Operating Margins	<u>\$1,948,528</u>	<u>\$462,711</u>
Non operating Margins	\$235,689	\$187,631
G&T Cooperative and other capital credits	\$1,624,147	\$1,984,653
Net Margins for year	<u>\$3,808,364</u>	<u>\$2,634,995</u>
Patronage capital - beginning of year	\$39,134,090	\$37,449,812
Retirement of capital credits	(\$652,236)	(\$950,717)
PATRONAGE CAPITAL - END OF YEAR	<u>\$42,290,218</u>	<u>\$39,134,090</u>

Use of Revenue



Balance Sheet as of December 31, 2010

	2010	2009
Electric Plant in Service	\$104,766,876	\$101,034,312
Less Depreciation	<u>\$34,893,926</u>	<u>\$33,911,311</u>
Net Utility Plant	\$69,872,950	\$67,123,001
Other Property and Investments	<u>\$14,097,577</u>	<u>\$12,952,059</u>
Cash	\$3,437,892	\$2,673,888
Investments	\$3,454,316	\$2,119,000
Receivables	\$1,138,248	\$4,704,833
Materials and Supplies	\$269,264	\$265,715
Other current and accrued assets	<u>\$96,025</u>	<u>\$84,305</u>
Total current assets	\$8,395,745	\$9,847,741
TOTAL ASSETS	<u>\$92,366,272</u>	<u>\$89,922,801</u>
Memberships	\$757,975	\$792,115
Patronage Capital	\$42,290,218	\$39,134,090
Other Equities	<u>\$1,669,016</u>	<u>\$797,481</u>
Total equities and margins	\$44,717,209	\$40,723,686
Long-term Liabilities	\$38,949,924	\$40,634,174
Current Liabilities	\$8,439,152	\$8,331,815
Deferred Credits	\$259,987	\$233,126
TOTAL LIABILITIES	<u>\$92,366,272</u>	<u>\$89,922,801</u>

WHAT WE OWN

WHAT WE OWE

I am pleased to present the 2010 financial results for Indian Electric Cooperative. The cooperative's 2010 financial statements were audited by Briscoe, Burke & Grigsby, LLP, Certified Public Accountants. John Herring, CPA, audited the Operation RoundUp® financial records reported on page 4 of this annual report. In the opinions, the 2010 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 with generally accepted accounting principles.



Secretary, Board of Trustees



From Left to Right: Greg Fielding - President, Mike Spradling, Wanda Foster - Vice President, Bill Boone, Berry Keeler - Secretary/Treasurer, Jim Hadlock, Loris Peckenpaugh - Assistant Secretary/Treasurer, Robert Burk

Official Notice

Notice is hereby given that the 2011 Annual Meeting of Members of Indian Electric Cooperative, Inc. will be held at 7:00 p.m., Thursday, August 11, 2011, 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. All other business that may come before the meeting or any adjournments thereof.

Registration for the 2011 Annual Meeting will commence at 5:00 p.m., Thursday, August 11, and the meeting will be called to order at 7:00 p.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.

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