

KILOWATT



An Oklahoma Living Supplement

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May, 2005

Kiwash Electric Cooperative, Inc. Annual Report



2004

66th Annual Meeting
Monday, May 23, 2005
6:30 p.m.
Cordell High School
Auditorium



The Oklahoma Council of Economic Advisors
The power of human connections

The 7 Cooperative Principles

1st Principle

Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2nd Principle

Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions.

3rd Principle

Members' Economic Participation

Members contribute equally to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative.

4th Principle

Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agree-

ments with other organizations, including governments, raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5th Principle

Education, Training, and Information

Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives.

6th Principle

Cooperation Among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

7th Principle

Concern For Community

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

Notice of Annual Meeting

An Annual Meeting of the members (Stockholders) of Kiwash Electric Cooperative, Inc., will be held at the Cordell High School Auditorium, Third Street and Massingale Drive, Cordell, Oklahoma at 7:00 p.m. on Monday, May 23, 2005 for the following purposes:

1. Introduction of elected trustees.
2. Receiving and considering reports of officers.
3. Any other business.

Dated this 30th day of April, 2005

Signed: Robert Travis, President
SEAL

Signed: Stan Funkhouser, Secretary

Mark Your Calendar! Kiwash Electric Cooperative's 66th Annual Meeting

Monday, May 23, 2005

6:30 p.m.

Cordell High School Auditorium

Registrations Gifts

Free Health Fair

Entertainment

Cash Prizes

\$10.00 Credit on Your Electric Bill

(must be present to receive)

Watch the Mail for Your Colored Card
Your Ticket for a Chance to Win Cash Prizes

Grand Prize
Dell Home Computer

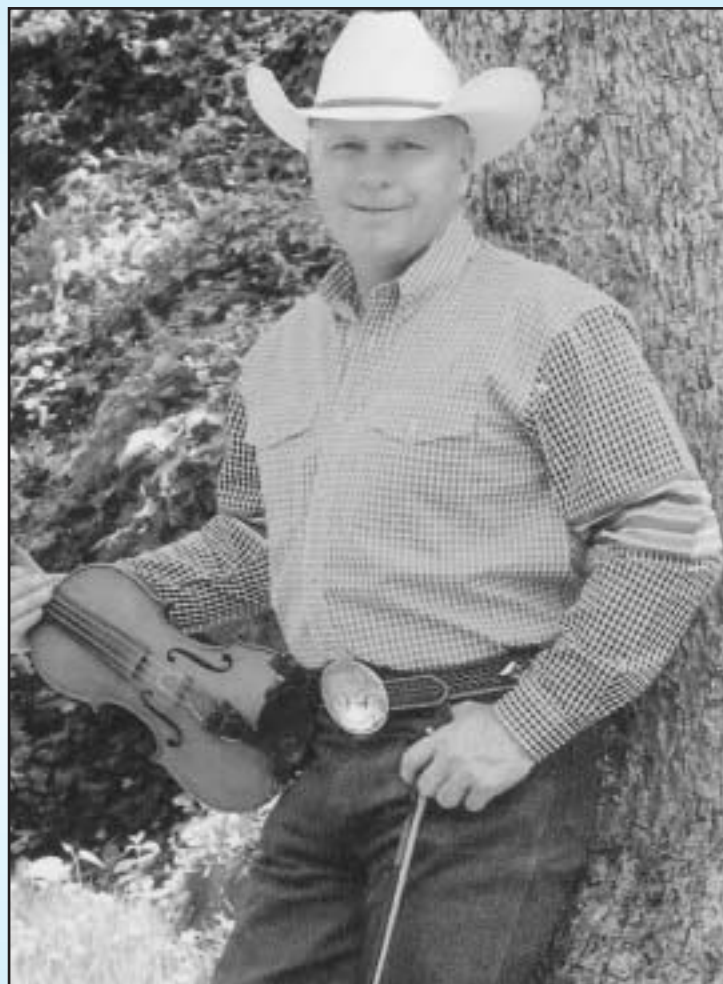
66th Annual Meeting Entertainment Pake McEntire Show

In the 1970's, Pake, Reba, and Susie became "The Singing McEntires" with their first living room hit single – a song about their Grand Pap, "The Ballad of John McEntire."

Fomer RCA recording artist, Pake McEntire has toured the United States and parts of Canada since the early 1980's landing three Top-Twenty hits on Billboard's Country Charts: "Saving my Love For You," "Every Night," and "Bad Love."

Pake has performed at rodeos, fairs, stage shows, and dances of all kinds, with entertainers such as Garth Brooks, George Strait, Reba McEntire, Vince Gill, The Judds, Alabama, Ronnie Milsap, Keith Whitley, The Bellamy Brothers, Sawyer Brown, Exile, Earl Thomas Conley, Shenandoah, David Ball, Marie Osmond, John Anderson, Glen Campbell, Ed Bruce and many more. Pake has made TV appearances on Hee Haw, Nashville Now, Inside Fame, A&E Biography, and the Tommy Hunter Show in Canada. Pake has an easy going attitude, and is easy to work with, which has earned him repeated shows throughout the country. Pake is a singing fiddle player and loves real country songs with a lot of good, easy-listening country ballads.

As a successful rancher and Professional Rodeo Cowboy Association steer roper, Pake has won rodeos such as Prescott, Arizona, Stephenville, Texas, Sheridan, Wyoming and Pendleton, Oregon, qualifying him two times for the National Finals Steer Roping.



Certificate of Secretary

I, Stan Funkhouser, do hereby certify that I am the duly elected, qualified and acting Secretary/Treasurer of the Kiwash Electric Cooperative, Inc., (hereinafter called the "Cooperative,") and the keeper of its records, that the attached and foregoing is a true and correct copy of the original minutes entered in the minute book of the Cooperative of the annual meeting of the members thereof convened and held pursuant to and in accordance with the laws of the State of Incorporation of the Cooperative and the Articles of Incorporation and By-Laws of the Cooperative on the 27th day of May, 2004; that at said meeting, a quorum of the members of the Cooperative were present in person; that said meeting was held after notice thereof duly given to all of the members of the Cooperative in accordance with the Laws of the aforesaid State and the Articles of Incorporation and By-Laws of the Cooperative; that the copies of said notice and said meeting and of my affidavit as Secretary with respect to the mailing of said notice annexed to the aforesaid copy of said minutes are true and correct copies of the original of said notice and of said affidavit.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of this Cooperative this 27th day of May, 2004.

Signed: Stan Funkhouser, Secretary/Treasurer

TREASURER'S REPORT And Statement of Condition for 2004

The financial records of Kiwash Electric Cooperative, Inc. were audited at the close of the year ending December 31, 2004, by the Certified Public Accounting Firm of Briscoe, Burke, & Grigsby LLP.

It was the auditor's opinion that the financial statements fairly present, in all material respects, the financial position of the Cooperative. A condensed financial statement is on the two following pages for your information.

Stan Funkhouser
Secretary/Treasurer

STATEMENT OF INCOME & EXPENSE

OPERATING REVENUE	<u>2004</u>	<u>Percent of Total</u>
Farm & Residential	\$4,542,583.00	56.51%
Small Commercial	1,988,325.00	24.74%
Large Commercial	1,399,691.00	17.41%
Other Revenue	107,2560	1.33%
TOTAL	\$8,037,855.00	100.00%

EXPENSES CONTROLLED BY OTHER ENTITIES		
Purchased Power	\$5,190,844.00	63.99%
Depreciation	511,158.00	6.30%
Taxes	145,685.00	1.80%
Interest	288,502.00	3.56%
TOTAL	\$6,136,189.00	75.64%

EXPENSES CONTROLLED BY KEC		
Operations & Maintenance	\$886,222.00	10.92%
Consumer Accounts	347,865.00	4.29%
Administrative & General	742,071.00	9.15%
TOTAL	\$1,976,158.00	24.36%
TOTAL EXPENSES	\$8,112,347.00	100.00%
OPERATING INCOME	-\$74,492.00	
NON-OPERATING INCOME	176,034.00	
NET MARGINS	\$101,542.00	

BALANCE SHEET

December 31, 2004 and 2003

ASSETS

WHAT	UTILITY PLANT	2004	2003
WE	Electric Plant in Service	\$19,709,715	\$18,968,364
OWN	Construction Work in Progress	511,242	747,864
	Less: Accumulated Depreciation	8,013,818	7,642,772
	Net Utility Plant	12,207,139	12,073,456
	INVESTMENTS IN ASSOCIATED COMPANIES	1,858,620	1,749,364
	CURRENT ASSETS		
	Cash	900,575	3,058,498
	Accounts Receivable	1,025,602	915,636
	Notes Receivable - current portion	67,000	82,000
	Notes Receivable - subsidiary		
	Material and Supplies	303,949	276,392
	Other Current & Accrued Assets	62,103	54,272
	Total Current Assets	2,359,229	4,386,798
	Deferred Debits	157,691	174,301
	TOTAL ASSETS	\$16,582,679	\$18,383,919

LIABILITIES & EQUITIES

WHAT	LONG TERM DEBT		
WE	RUS	\$7,701,183	\$8,461,942
OWE	CFC	1,750,315	1,380,904
	Liability from past service cost	267,470	280,833
	Less: Current Maturities of LT Debt	437,000	381,000
	Total Long Term Debt	9,281,968	9,742,679
	CURRENT LIABILITIES		
	Accounts Payable	439,563	2,159,626
	Current maturities of long-term debt	437,000	381,000
	Consumer Deposits	54,915	53,440
	Other Current & Accrued Liabilities	25,949	34,724
	Total Current Liabilities	957,427	2,628,790
	Deferred Credits	319,606	81,803
	OUR EQUITIES		
NET	Membership Fees	29,015	28,790
WORTH	Patronage Capital	5,888,684	5,795,491
	Other Equities	105,979	106,366
	Total Equities	6,023,678	5,930,647
	TOTAL LIABILITIES AND EQUITIES	\$16,582,679	\$18,383,919

Serving the Consumer's Needs



Marketing Department - Left to Right, Lisa Willard, Michele Celsor



General Manager
Dennis Krueger



Finance Department - Seated Left to Right, Brad Jones, Gene Smith, Standing Left to Right, Lisa Dailey, Linda Waldrop, and Wendy Putman



Operations Department - Seated Left to Right, Roy Dewees, Dwayne Hurliman, Standing Left to Right - Rick Wiest, Mike Beach, and Jerry Black



Construction Crew - Left to Right, Jim Weber, Robert Parsons, Manny Macias, and David Gray



District #1 Maintenance Crew - Jared Baldwin



District #6 Maintenance Crew - Left to Right, Mike Miller and Mark Lawson



District #1 Maintenance Crew - Johnny Jones



District #8 Maintenance Crew - Left to Right, Bob Thompson and Brad Hardwick



District #2 Maintenance Crew - Left to Right, Jason Smith and Larry Dowty

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**ELECTRIC
COOPERATIVE, INC.**

**Meeting of the Members
Kiwash Electric Cooperative, Inc.
Annual Meeting
Monday, May 23, 2005**

Agenda

- 5:00 p.m. Health Fair
Registration Begins
- 6:30 p.m. Entertainment – Pake McEntire
- 7:00 p.m. Welcome by the Kiwash Board President Mr. Robert Travis
- Invocation
- Welcome – Mayor of Cordell, Alex Damon
- Introduction of Guests – General Manager, Mr. Dennis Krueger
- Guest Speaker: (Tentative) Representative Frank Lucas
- Business Meeting – Conducted by Mr. Travis
- Call to Order
 - Notice of Meeting and Business Agenda:
 1. Request for a motion to consider and vote on the approval of the Notice of Meeting and Affidavit of Mailing as they appeared in the May edition of the monthly newsletter, *Kilowatt*.
 2. Request for a motion to consider and vote on the approval of the 2004 Annual Meeting Minutes as it appeared in the May edition of the monthly newsletter, *Kilowatt*.
 3. Request for a motion to consider and vote on the approval of the Financial Statement as it appeared in the May edition of the monthly newsletter, *Kilowatt*.
 4. State the results of the District Meeting Elections for the Board of Directors in District numbers 2, 4 and 6.
 5. Motion to Adjournment the Business Portion of the meeting.
- Youth Tour Moments: Lisa Willard, Director of Marketing
- Entertainment – Pake McEntire
- Cash Prize Drawing per District
- Cash Prize Drawing for Attendance
- Grand Prize Winner Announcement – Home Computer
- Adjournment

The Rochdale Principles: Keys to Success for Co-ops

All cooperatives were formed out of what is known as the “Rochdale Principles.” Stated simply, they are:

- **Open Membership:** Those who may reasonably use the co-op’s services – within the practical limits imposed by existing facilities, geography, etc., - must be permitted to join. None may be barred for such reasons as race, religion, sex, nationality or economic situation.
- **Democratic Control:** Effective means to control the organization must rest in the hands of the members on the basis of one member, one vote. In order to provide capital, members are urged to invest. No amount of investment, however, can earn more than one vote for any member.
- **Limited Return on Investment:** Dividends paid on invested dollars should provide a fair “rental” for the members’ money, but a nominal ceiling on interest prevents speculation in co-op stock. Fundamentally, the cooperative exists to provide services to its members, not to return the dollars of profit to investors.
- **Return of margins to members:** Dollars left over after all expenses would be regarded as profit for other organizations. In this case, however, they do not belong to the cooperative, but to the members, and must be so allocated on the co-op books. Such dollars are returned to members, on a basis decided by the member-elected board, in proportion to each member’s use of the services.

Any organization failing to measure up to any one of these four “principle” tests cannot be considered a cooperative. Beyond these, the International Cooperative Alliance believes two more practices to be so essential to cooperative success that they have proclaimed them to be principles also. They are:

1. Continuing Education
2. Cooperation among Cooperatives

MINUTES OF THE 65th ANNUAL MEETING

The 65th Annual Meeting of the members of the Kiwash Electric Cooperative, Inc., was held at the Frisco Conference Center, Clinton, Oklahoma on May 27, 2004, with Mr. Robert Travis, President of the Cooperative presiding chairman.

At 6:30 p.m., prelude music was provided by "The Bonham Revue."

Mr. Travis thanked "The Bonham Revue" for their great entertainment.

At this time, Reverend John Nolt of the Zion Amish Mennonite Church of Thomas brought the invocation.

Next, Mayor Lynn Norman of Clinton welcomed KEC's members to Clinton and the Frisco Center.

Next, Mr. Krueger introduced all of the special guests and thanked them for taking time out of their schedules to attend this special meeting.

Next, The WindWorks Video was shown.

At this time, Mr. Krueger introduced the guest speaker, Mr. Glenn English, CEO of the National Rural Electric Cooperative Association. Mr. English stated how important cooperatives are to rural communities.

Next, Mr. Travis declared a quorum of members was registered and present, and that the meeting was officially open for the transaction of business. Mr. Travis requested a series of motions to approve the 2003 Annual Meeting Minutes, Notice of Meeting and Affidavit of Mailing and the 2003 Financial Statement and he stated that all of these documents were included in the monthly publication, the Kilowatt, and sent to each member of Kiwash Electric. The motions of acceptance of these documents were seconded and approved unanimously.

Mr. Travis then declared the business meeting to be concluded.

Mr. Travis then stated the results of the District Meeting Elections for the Board of Directors in District numbers 1, 5 and 7.

Mr. Travis then introduced the KEC board of directors and their spouses.

At this time, Ms. Willard introduced the 2004 Youth Tour Winners.

Next, The Bonham Revue took the stage and performed.

To start the prize drawing, the winner of the Grand Prize was drawn followed by three members from each of the nine districts were selected. Each district had a \$ 100 winner, and two \$50 winners. Each Board of Director announced the winners from their district. Next, 30 additional \$25 winners and one winner of an electric grill donated by a WFEC were randomly selected. The final winner to be announced was the winner of the grand prize, which was a Dixon Zeeter Lawn Tractor.

At the conclusion of the drawing, the meeting adjourned.

The Cordell Memorial Hospital will conduct a health fair for Kiwash Electric members and guests at Kiwash Electric Cooperative's 66th Annual Meeting, Monday, May 23.

The Health Fair will include:

Free Blood Pressure Check
Cholesterol Screening

The Health fair will begin at 5:00 p.m. at the Cordell High School and will wrap up prior to the KEC Annual Meeting. Don't miss this opportunity!

AFFIDAVIT OF MAILING

I, Stan Funkhouser do hereby certify that I am the duly elected, qualified and acting Secretary of the Kiwash Electric Cooperative, Inc., (hereinafter called the Cooperative) and the keeper of its records, that the attached and foregoing is a true and correct copy of the Notice of the Annual Meeting of the members, pursuant to, and in accordance with, the Laws of the State of Incorporation of the Cooperative and the Articles of Incorporation and By-laws of the Cooperative, and said Notice was addressed to each member of the Cooperative, with the address of the member as it appears on the records of the Cooperative and that said Notices were deposited in the United States mail at its Post Office in the City of Cordell on the 5th day of May, 2005.

Signed: _____
Secretary