

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2006

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2006 calendar year, or tax year beginning 2006, and ending

- B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

C Okanogan Co. Electric Cooperative PO Box 69 Winthrop, WA 98862

D Employer identification number 91-0344665 E Telephone number F Accounting method: Cash, Accrual, Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

- H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? H(b) If 'Yes,' enter number of affiliates. H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number. M Check if the organization is not required to attach Schedule B

G Web site: N/A

J Organization type (check only) 501(c) 12 (insert no.) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 4,598,226.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Table with columns for Revenue, Expenses, and Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss) (attach schedule); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less: direct expenses other than fundraising expenses; 9c Net income or (loss) from special events; 10a Gross sales of inventory, less returns and allowances; 10b Less: cost of goods sold; 10c Gross profit or (loss) from sales of inventory; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash \$ _____) non-cash \$ _____ If this amount includes foreign grants, check here <input type="checkbox"/>	22a				
22b Other grants and allocations (att sch) (cash \$ _____) non-cash \$ _____ If this amount includes foreign grants, check here <input type="checkbox"/>	22b				
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc listed in Part V-A (attach sch). See Stmt. 2.	25a	158,306.	158,306.	0.	0.
b Compensation of former officers, directors, key employees, etc listed in Part V-B (attach sch)	25b	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c	0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	26				
27 Pension plan contributions not included on lines 25a, b, and c	27				
28 Employee benefits not included on lines 25a - 27	28	87,604.	87,604.		
29 Payroll taxes	29	37,953.	37,953.		
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33				
34 Telephone	34				
35 Postage and shipping	35				
36 Occupancy	36				
37 Equipment rental and maintenance	37				
38 Printing and publications	38				
39 Travel	39				
40 Conferences, conventions, and meetings	40				
41 Interest	41	138,186.	138,186.		
42 Depreciation, depletion, etc (attach schedule)	42	428,266.	428,266.		
43 Other expenses not covered above (itemize):					
a See Statement 3	43a	2,907,805.	2,907,805.		
b _____	43b				
c _____	43c				
d _____	43d				
e _____	43e				
f _____	43f				
g _____	43g				
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	3,758,120.	3,758,120.	0.	0.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ <u>Sale of electric energy</u> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)
a <u>Provide electricity to approximately 3,000 patrons.</u> ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	3,758,120.
b ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
c ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
d ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
e Other program services..... (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)..... ▶	3,758,120.

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Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash – non-interest-bearing	291,832.	45	390,935.
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	47a 475,675.		
	b Less: allowance for doubtful accounts	47b	466,218.	47c 475,675.
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b		48c
	49 Grants receivable			49
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b
	51a Other notes and loans receivable (attach schedule)	51a 214,552.		
	b Less: allowance for doubtful accounts	51b	202,450.	51c 214,552.
	52 Inventories for sale or use		201,290.	52 279,652.
	53 Prepaid expenses and deferred charges			53
	54a Investments – publicly-traded securities	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a
	b Investments – other securities (attach sch)	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b
	55a Investments – land, buildings, & equipment: basis	55a		
	b Less: accumulated depreciation (attach schedule)	55b		55c
	56 Investments – other (attach schedule)	See Stmt. 4.	396,418.	56 412,564.
	57a Land, buildings, and equipment: basis	57a 7,841,521.		
b Less: accumulated depreciation (attach schedule)	Statement 5.	4,903,471.	57c 5,656,598.	
58 Other assets, including program-related investments (describe ▶ _____).			58	
59 Total assets (must equal line 74). Add lines 45 through 58		6,461,679.	59 7,429,976.	
LIABILITIES	60 Accounts payable and accrued expenses	610,858.	60	556,758.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)			63
	64a Tax-exempt bond liabilities (attach schedule)			64a
	b Mortgages and other notes payable (attach schedule)		2,140,661.	64b 3,051,764.
	65 Other liabilities (describe ▶ <u>See Statement 6</u>			65 1.
	66 Total liabilities. Add lines 60 through 65		2,751,519.	66 3,608,523.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds	14,225.	70	14,565.
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds	3,695,935.	72	3,806,888.
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)		3,710,160.	73 3,821,453.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		6,461,679.	74 7,429,976.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	3,793,625.
b	Amounts included on line a but not on Part I, line 12:			
	1 Net unrealized gains on investments	b1		
	2 Donated services and use of facilities	b2		
	3 Recoveries of prior year grants	b3		
	4 Other (specify): _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	3,793,625.
d	Amounts included on Part I, line 12, but not on line a:			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify): See Stmt 7	d2		804,601.
	Add lines d1 and d2		d	804,601.
e	Total revenue (Part I, line 12). Add lines c and d		e	4,598,226.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements		a	3,577,362.
b	Amounts included on line a but not on Part I, line 17:			
	1 Donated services and use of facilities	b1		
	2 Prior year adjustments reported on Part I, line 20	b2		
	3 Losses reported on Part I, line 20	b3		
	4 Other (specify): _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	3,577,362.
d	Amounts included on Part I, line 17, but not on line a:			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify): See Stmt 8	d2		180,758.
	Add lines d1 and d2		d	180,758.
e	Total expenses (Part I, line 17). Add lines c and d		e	3,758,120.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
See Statement 9		124,277.	34,029.	0.

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

Table with 3 columns: Question, Yes, No. Rows 75a-75d. 75a: 10; 75b: X; 75c: X; 75d: X.

Part V-E Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits

(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation, (D) Contributions to employee benefit plans, (E) Expense account and other allowances. Row 1: None.

Part VI Other Information (See the instructions.)

Table with 3 columns: Question, Yes, No. Rows 76-81b. 76: X; 77: X; 78a: X; 78b: X; 79: X; 80a: X; 81a: 0; 81b: X.

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Part V Other Information (continued)

		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
82b			N/A
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?		N/A
83b			N/A
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
84b			N/A
85a	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		N/A
85b			N/A
If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c	Dues, assessments, and similar amounts from members.		N/A
85c			N/A
d	Section 162(e) lobbying and political expenditures.		N/A
85d			N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices.		N/A
85e			N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e).		N/A
85f			N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
85g			N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		N/A
85h			N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12.		N/A
86a			N/A
b	Gross receipts, included on line 12, for public use of club facilities.		N/A
86b			N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders.		4,530,700.
87a			4,530,700.
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		67,526.
87b			67,526.
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX.		X
88a			X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI.		X
88b			X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>N/A</u> ; section 4912 <u>N/A</u> ; section 4955 <u>N/A</u>		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction.		N/A
89b			N/A
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958.		N/A
89c			N/A
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization.		N/A
89d			N/A
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89e			X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89f			X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
89g			X
90a	List the states with which a copy of this return is filed <u>None</u>		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)		13
90b			13
91a	The books are in care of <u>The Cooperative</u> Telephone number <u>509 996-2228</u> Located at <u>Winthrop, WA,</u> ZIP + 4 <u>98862</u>		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country <u></u>		X
91b			X

See the instructions for exceptions and filing requirements for **Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.**

Part VI Other Information (continued)

	Yes	No
c At any time during the calendar year, did the organization maintain an office outside of the United States?	91 c	X

If 'Yes,' enter the name of the foreign country ▶

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here. N/A ▶
 and enter the amount of tax-exempt interest received or accrued during the tax year. ▶ 92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a CIAC					804,601.
b Sale of electricity					3,726,099.
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies ...					
94 Membership dues and assessments ..					
95 Interest on savings & temporary cash invmnts ..					28,914.
96 Dividends & interest from securities ..					21,621.
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					16,991.
98 Net rental income or (loss) from pers prop ..					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory ..					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))					4,598,226.
105 Total (add line 104, columns (B), (D), and (E))					4,598,226.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93	Supply electric energy to members

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
 b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
	X

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer _____ Date _____
 Type or print name and title _____

Paid Preparer's Use Only

Preparer's signature ▶ B. Dale H. CPA Date 6/13/07 Check if self-employed
 Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ LeMaster & Daniels, PLLC
646 Okoma Drive, Suite A
Omak, WA 98841-9525 Preparer's SSN or PTIN (See General Instruction W) P00035311
 EIN ▶ 91-0292442
 Phone no. ▶ (509) 826-1270

BAA

**Depreciation and Amortization
(Including Information on Listed Property)**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

Okanogan Co. Electric Cooperative

Identifying number

91-0344665

Business or activity to which this form relates

Form 4562 only

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses.	1	\$108,000.
2	Total cost of section 179 property placed in service (see instructions).	2	
3	Threshold cost of section 179 property before reduction in limitation.	3	\$430,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	
10	Carryover of disallowed deduction from line 13 of your 2005 Form 4562.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	
13	Carryover of disallowed deduction to 2007. Add lines 9 and 10, less line 12.	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) placed in service during the tax year (see instructions).	14	
15	Property subject to section 168(f)(1) election.	15	
16	Other depreciation (including ACRS).	16	428,266.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2006.	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2006 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2006 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28.	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions.	22	428,266.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	23	

Statement 1
Form 990, Part I, Line 20
Other Changes in Net Assets or Fund Balances

Schedule attached Total \$ -728,813.

Statement 2
Form 990, Part II, Line 25a
Compensation of Officers, Directors, Etc.

Compensation Received	(A)	(B)	(C)	(D)
Name	Total	Program Services	Management & General	Fundraising
Lee Pilkinton	3,448.	3,448.	0.	0.
Jeromy Titcomb	2,852.	2,852.	0.	0.
Leanna Melton	3,062.	3,062.	0.	0.
Craig Boesel	2,536.	2,536.	0.	0.
Robert Phillips	2,591.	2,591.	0.	0.
Richard Erickson	5,220.	5,220.	0.	0.
Kenneth Westman	9,880.	9,880.	0.	0.
Bruce P Wood	2,528.	2,528.	0.	0.
Don Hover	3,286.	3,286.	0.	0.
Ray Ellis	88,874.	88,874.	0.	0.
Total	\$ 124,277.	\$ 124,277.	0.	0.

Employee Benefit Plan Contribution	(A)	(B)	(C)	(D)
Name	Total	Program Services	Management & General	Fundraising
Lee Pilkinton	0.	0.	0.	0.
Jeromy Titcomb	0.	0.	0.	0.
Leanna Melton	0.	0.	0.	0.
Craig Boesel	0.	0.	0.	0.
Robert Phillips	0.	0.	0.	0.
Richard Erickson	0.	0.	0.	0.
Kenneth Westman	0.	0.	0.	0.
Bruce P Wood	0.	0.	0.	0.
Don Hover	0.	0.	0.	0.
Ray Ellis	34,029.	34,029.	0.	0.
Total	\$ 34,029.	\$ 34,029.	0.	0.

Expense Acct. & Other Allowances	(A)	(B)	(C)	(D)
Name	Total	Program Services	Management & General	Fundraising
Lee Pilkinton	0.	0.	0.	0.
Jeromy Titcomb	0.	0.	0.	0.
Leanna Melton	0.	0.	0.	0.
Craig Boesel	0.	0.	0.	0.
Robert Phillips	0.	0.	0.	0.
Richard Erickson	0.	0.	0.	0.
Kenneth Westman	0.	0.	0.	0.
Bruce P Wood	0.	0.	0.	0.
Don Hover	0.	0.	0.	0.
Ray Ellis	0.	0.	0.	0.
Total	\$ 0.	\$ 0.	0.	0.

Statement 3
Form 990, Part II, Line 43
Other Expenses

	(A) Total	(B) Program Services	(C) Management & General	(D) Fundraising
Administrative & general	338,174.	338,174.		
Consumer accounts	263,122.	263,122.		
Cost of Power	1,773,281.	1,773,281.		
Distribution, maintenance	356,908.	356,908.		
Distribution, operations	60,210.	60,210.		
Property and other taxes	116,110.	116,110.		
Total	\$ 2,907,805.	\$ 2,907,805.	\$ 0.	\$ 0.

Statement 4
Form 990, Part IV, Line 56
Investments - Other

Description of Investment	Valuation Method	Book Value
Investments in associated organizations	Cost	\$ 412,564.
	Total	<u>\$ 412,564.</u>

Statement 5
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Miscellaneous	\$ 7,841,521.	\$ 2,184,923.	\$ 5,656,598.
Total	<u>\$ 7,841,521.</u>	<u>\$ 2,184,923.</u>	<u>\$ 5,656,598.</u>

Statement 6
Form 990, Part IV, Line 65
Other Liabilities

Rounding.....	\$ 1.
Total	<u>\$ 1.</u>

Statement 7
Form 990, Part IV-A, Line d(2)
Other Amounts

CIAC.....	\$ 804,601.
Total	<u>\$ 804,601.</u>

Statement 8
Form 990, Part IV-B, Line d(2)
Other Amounts

Depreciation..... \$ 180,758.
Total \$ 180,758.

Statement 9
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compensation	Contribution to EBP & DC	Expense Account/Other
Lee Pilkinton 523 E Chewuch Rd B Winthrop, WA 98862	Director 2	\$ 3,448.	\$ 0.	\$ 0.
Jeromy Titcomb 41B Wandling Rd Winthrop, WA 98862	Director 2	2,852.	0.	0.
Leanna Melton P.O. Box 395 Winthrop, WA 98862	Director 2	3,062.	0.	0.
Craig Boesel 14 Bear Creek Road Winthrop, WA 98862	President 2	2,536.	0.	0.
Robert Phillips 880 B Wolf Creek Rd Winthrop, WA 98862	Director 2	2,591.	0.	0.
Richard Erickson 972 Twisp River Road Twisp, WA 98856	Director 2	5,220.	0.	0.
Kenneth Westman 95 W Chewuch Rd Winthrop, WA 98862	Director 2	9,880.	0.	0.
Bruce P Wood P.O. Box 666 Winthrop, WA 98862	Director 2	2,528.	0.	0.
Don Hover 179 Wolf Creek Road Winthrop, WA 98862	Director 2	3,286.	0.	0.
Ray Ellis P.O. Box 69 Winthrop, WA 98862	CEO 40	88,874.	34,029.	0.
Total		\$ <u>124,277.</u>	\$ <u>34,029.</u>	\$ <u>0.</u>

OKANOGAN COUNTY ELECTRIC
COOPERATIVE, INC.
91-0344665

FORM 990
YEAR 2006

Page 1, Line 20 -- Other Changes in Net Assets:

Increase in memberships	340
Retirement of capital credits	(105,310)
Contribution in aid of construction sec. 824 of TRA '86	(804,601)
Depreciation on CIAC after Dec. 31, 1986	<u>180,758</u>
	<u>(728,813)</u>