



RURAL
MISSOURI

Sac Osage Electric Cooperative

P.O. Box 111, 4815 E HWY 54
El Dorado Springs, MO 64744
Telephone: 800-876-2701

June 2012

News

Visit us on the Web - www.sacosage.com

Official Notice

Sac Osage Electric Cooperative, Inc.

72nd Annual Meeting of the Members

Sac Osage Electric Headquarters • Tuesday, June 12, 2012

Featured Entertainment

Randy Newman... **Doofus**
"Great comedy and world class fiddling!"

From Branson, Missouri to the Stage of the Grand Ole Opry

Take Notice!
This year's Annual Meeting will start at 6:30 p.m.

The 2012 Annual Meeting of the Members Sac Osage Electric Cooperative, Inc., will be held at the Sac Osage Electric Headquarters, 4815 E. HWY 54, El Dorado Springs, Missouri, at 6:30 p.m., Tuesday, June 12, 2012, to take action upon the following matters:

- 1). Report of officers, directors and committees;
- 2). Such other business as may properly come before the meeting or any adjournment thereof.

There were two (2) nominees from district 8 and one (1) nominee from district 7 and 9. According to the Bylaws, Article IV, Section 4, if only one (1) person is nominated for the position of director in any district, ballots shall not be mailed and the person nominated shall be deemed elected at the Annual Meeting of the Members.

Therefore, pursuant to the Bylaws, Article IV, Section 4, members in District 8 will receive a ballot and District 7 and 9 will not receive a ballot.

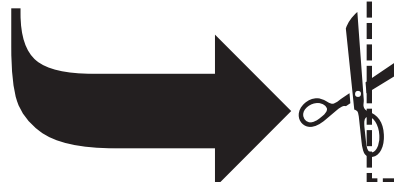
The director nominees and biographical sketches are located inside the back cover of the Rural Missouri.

By order of the Board of Directors of Sac Osage Electric Cooperative, Inc.
Don Levi, Secretary



Registration Card
SOEC's 72nd Annual Meeting
Tuesday, June 12, 2012
(must be present to win prizes)

Be sure to cut out and bring this registration card to the Annual Meeting to receive door prizes and meal.





Summary of 2011 Annual Meeting Minutes

The 2011 Annual Meeting of the Members of Sac Osage Electric Cooperative, Inc. was held Tuesday, June 8, 2010, at the offices of the Cooperative, 4815 East Highway 54, El Dorado Springs.

Tables for member registration were open from 5:00 p.m. to 6:30 p.m. Names of those who registered were entered into a drawing for prizes to be awarded later in the meeting. Entertainment was provided by "Duke Mason Band". Following the Pledge of Allegiance, the National Anthem and the prayer of invocation, Jim Murray,

President of the Board, called the meeting to order. He announced Chris Hoberock, attorney, was appointed by the board to conduct the business portion of the meeting.

Mr. Hoberock announced that 232 registered members were required for a quorum.

A total of 391 members had registered, so the meeting proceeded.

The Inspectors of Election/Credentials Committee Members were introduced and administered an oath. Candidates for the three positions on the board were introduced:

District 4: Ray Higgins, District 5: Bradley Thompson and District 6: Ronald (Gene) Brockus. Mr. Hoberock stated that according to the Bylaws unopposed candidates are automatically elected without a vote; therefore, Ray Higgins, Bradley Thompson and Ronald (Gene) Brockus were declared elected.

Upon motion, second, and voice vote, the Minutes of the 2010 Annual Meeting were approved. Copies of the minutes were available at the meeting to any member.

While votes were tabulated, members

heard reports from the Cooperative's President, Treasurer and General Manager.

Having found that all members had been given a sufficient opportunity to vote, Mr. Hoberock declared the polls closed. Following the tabulation of votes, Chris Hoberock announced the following ballot results for the proposed amendment to Article IV, Section 8 of the Cooperative's Bylaws had been counted and showed 140 votes in favor of the proposal and 201 votes against the proposal. During the business meeting the floor was opened for any unfinished business and or new business.

No member requested recognition for unfinished business or new business. Following the adjournment of the meeting, additional drawings were made for cash gifts and other prizes.

Consolidated Balance Sheet

ASSETS:	
Net Plant in Service	\$33,871,082
Investments and Other Property	\$5,987,248
Current Assets	\$3,515,000
Deferred Debits	\$89,079
Total Assets	\$43,462,409
LIABILITIES & CAPITAL:	
Capital Equities	\$18,046,727
Total Long-Term Liabilities & Obligations	\$23,181,426
Current Liabilities	\$2,151,310
Deferred Credits	\$82,946
Total Liabilities & Capital	\$43,462,409

Consolidated Statement

REVENUES:	
Operating, Capital & Other Revenues	\$16,901,048
EXPENSES AND OTHER DEDUCTIONS:	
Purchased Power Expense	\$8,638,280
Operating & Maintenance Expenses	\$2,453,950
Accounting and Collection Expenses	\$600,724
Other Customer Expenses	\$176,561
Administrative & General Expenses	\$1,331,538
Depreciation	\$1,428,660
Taxes and Provision for Taxes	\$7,893
Interest on Long-Term Debt	\$1,247,628
Total Expenses & Other Deductions	\$15,885,234
Net Margin	\$1,015,814

2012 Annual Meeting Program Schedule

5:00 - 6:30 Registration of Members
 5:15 - 6:15 Entertainment "Randy Newman"
 6:30 p.m. Business Meeting Call to Order
 Children's Prize Drawings
 National Anthem
 Invocation
 2011 Youth Tour & CYCLE
 Representatives-
 Jenna Durnell & Kala Hopkins
 Treasurers Report
 Presidents Report
 General Manager's Report
 Election Results
 Adjournment
 Grand Prizes: Large Flat Screen TV, Apple iPad, Kindle, Garmin GPS and other prizes.
 Free Lion Burgers, Chips & Drink • Door Prizes & Children's Prizes



Candidates for Sac Osage Electric Cooperative Board of Directors

District 7

I have been a long time resident in the Iconium area where my wife of 50 years, Audrey and I presently raise cattle and farm. I began serving on the Sac Osage Electric Board of Directors in 2005 when I was appointed to fulfill the unexpired term of Jack Wood. This district re-elected me as a director at the 2006 Annual Meeting. As a result, I am the senior director on the Board. I have served the cooperative as President of the Board for five years, Vice President for one year and currently represent the cooperative on the KAMO POWER Board of Trustees where I serve on the Technical Advisory Committee.



Jim Murray

I completed my Credentialed Cooperative Director training program in 2007 and last year attended an advanced board leadership class on Rate Strategies for 21st Century Challenges. I am presently seeking a third term as your representative for District 7. The Cooperative faces many challenges in the coming years as the cost of doing business continually rises. As your director, my objective will be to provide reliable, safe, and affordable electricity for our membership. I appreciate your trust in me.

District 8

I, along with my husband retired dentist Dr. Bill Neale, have lived in the area since 1960. We have been members of Sac Osage Electric since 1966. We have two adult married sons and four grandchildren. I have an Associate's degree in dental hygiene and retired from practice in 1987. Both my husband and I have been involved in civic and church activities during the time we have lived here. Bill is presently serving as the Cedar County Coroner. I have served as President on various board locally and as well as the Missouri State Hospital Auxiliary Board from 1995-1996.



Jan Neal

During my first term as a board member, I learned a great deal about the operation of Sac Osage Electric through classes taught in Jefferson City. Upon completing the courses and achieving successful exam scores, I became a Certified Credential Director. Through these classes and the experiences I have gained in the board room during my second term have helped me gain greater confidence that I can continue to serve the members of my district well. I better understand the complexities of the electric distribution industry and appreciate working with the Board of Directors and employees in serving our members with safe and reliable electricity.

I am a candidate for election for my third and final term as directed in our By-laws. It would be a privilege to serve the members of District 8 for this last term. I appreciate the confidence that you have placed in me in the past, and I continue to ask for your comments and your support.

My goal is to be a vital asset to Sac Osage Electric Board of Directors for the next three years. I have been a citizen in the El Dorado Springs area since 1977.



Vanessa Hardy

I have been involved in our community in many ways from volunteering with youth groups like Scouts, Fairs, Church, MDS telethons and helped with the original remodeling and planning of the Arc of Hope Women's Shelter. I am self-motivated to work hard to learn more about our area's needs. I am the Committee Woman for Box Township and currently serve as Vice Chair of the Cedar County Democrat Committee.

I also have been elected to attend this year's Congressional Caucus as a Delegate from our County and plan to join the caucus sessions pertaining to renewable energy and transportation needs for this area. In my current position as the Site Supervisor for Durham School Services, I oversee the operations, maintenance and safety of the 18 bus fleet of school buses that transport students for the El Dorado Springs R-II School District.

District 9

I am a life-long resident of Cedar County and live near Caplinger Mills. I attended elementary school in Caplinger Mills and graduated from Stockton High School in 1965. After graduating from Drury College, I attended the University of Missouri-Kansas City School of Dentistry receiving a Doctor of Dental Surgery degree. I practiced general dentistry in Stockton for 34 years and retired from an active practice in 2007. My wife Frances and I have two children and five grandchildren. Community service has always played an important role in my life and has been an honor to serve on the boards or committees of several civic, professional, business and church organizations over the years.

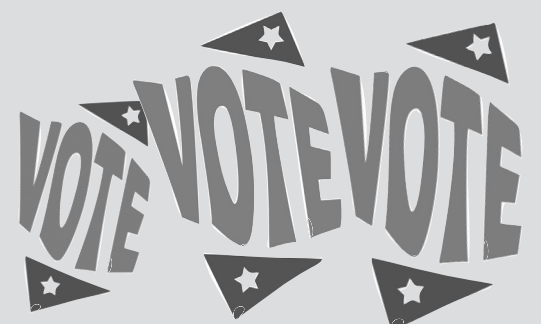


Neale Johnson

I was appointed to fill the remaining term of Mr. John Griffith in 2010 and am now seeking election for a three year term representing District 9. I completed my Credentialed Cooperative Director training in 2011 and will continue to pursue additional training programs. There is much to learn about the electric cooperative business and there are many concerns with government regulation and how it relates to the cost of power generation and dependability. Sustainable and renewable energy sources and energy conservation are also issues that impact all of us. I am committed to being an informed director and will be responsive to members' needs, concerns and comments. With your support I hope to serve the Sac Osage Electric Cooperative and its members for another term.

**It is your
Cooperative!
You're Vote
Counts!**

Join us at the
72nd Annual Meeting
on June 12, 2012





News

~ Serving our members' needs since 1940 ~

2012 ANNUAL MEETING PRESIDENT'S REPORT



Brad Thompson

Sac Osage Electric Cooperative will hold its 72nd Annual Meeting of the membership on Tuesday, June 12 2012, at the Cooperative's office building two miles east of El Dorado Springs on Highway 54. Registration will begin at 5:00 p.m. and entertainment will be provided by Branson comedian and entertainer Randy Newman. As always, the famous "Lion-burger" with all the trimmings will be served by the El Dorado Springs Lions Club. **THE BUSINESS MEETING WILL BEGIN PROMPTLY AT 6:30 P.M.**

Sac Osage has completed another successful year in providing our members with safe, reliable power for farms, homes, and businesses. The Cooperative's Annual Meeting provides you, our electric energy consumer-member, to act as if you own the organization—because you do. Each year dis-

trict members vote to elect one third of the Board of Directors. Each director is limited to a maximum of three consecutive terms. This year only District 8 has two candidates running for the Director's position. In Districts 7 and 9 the incumbents do not face opposition as no one chose to submit a nomination petition in those districts. Cooperative By-law rules require that each director live in the district they represent. Sac Osage Electric Cooperative is governed by locally elected directors, assuring the membership that this organization will act in the best interest of our members in providing the service and reliability that you can depend on today and in the years ahead.

In 2011, our wholesale electricity provider, KAMO Power, was able to control costs well enough that we did not have to increase our electric rates in 2011. In fact, our energy sales

differentiated only 1% from the previous year. Generally speaking, our revenues will ebb and flow depending upon how hot the summers are and how cold the winters are. Since over 95% of our members are classified as farm or residential consumers, our cooperative's annual revenue can fluctuate greatly depending on the weather extremes we experience. The cooperative must operate within the confines of the revenue that is produced annually from its members. Fortunately, in 2011, we did not experience any major storms or costly extended outages. As a result of achieving our federally mandated financial criteria, the Board of Directors authorized the return of over \$503,542 to our members at the end of last year. Despite experiencing higher costs in materials and transportation, we were able to maintain a 41.5% equity level. When our 2011 books were closed, our

total utility plant was valued at \$46,493,006.

Sac Osage Electric Cooperative is determined to continue to provide the reliable service and competitively priced power that our members require. While the pressures of today's economy greatly affect each one of us, the Board of Directors pledge to continue the cooperative's tradition of working for the best interests of our members, while maintaining a strong and financially healthy organization that is capable of serving our members today and tomorrow.

Please make a special effort to attend this year's Annual Meeting on Tuesday, June 12.



See you at the Annual Meeting!