

72ND ANNUAL MEETING

TUESDAY, SEPTEMBER 20, 2011

FARMERS ELECTRIC'S NEW OFFICE BUILDING

(LOCATED ONE MILE EAST OF GREENFIELD ON HWY. 92)

72nd Annual Meeting Agenda Farmers Electric's Office

3:00 to 5:00 p.m.

Open House Tour of Building

5:00 - 6:30 p.m.

Registration and Meal

6:30 p.m. – Welcome

Dan Westphal, President

Invocation

Pastor Keith Schweitzer

Call to Order and Introduction of Guests

Dan Westphal

Notice of Annual Meeting

Fred Dorr, Attorney

Minutes of 2010 Annual Meeting

Bill Adams, Secretary

Manager's Remarks

Clarence Moshier Jr., Manager

Youth Tour Report

Joey Wilbourne, 2011 Winner

Announcement of Election Results

Other Business

Dan Westphal

Adjournment

Dan Westphal

- DRAWING FOR PRIZES -

Free Popcorn and Displays

OFFICIAL NOTICE

The 72nd Annual Meeting of the Farmers Electric Cooperative, Inc. will be held at Farmers Electric Office Building at 6:30 p.m. to take action on the following matters:

1. Officers, directors, and committee reports.
2. Election of three (3) directors of the Cooperative.
3. All other business that may come before the meeting or any adjournment thereof.

In connection with the election of directors scheduled for this meeting, the following members have been nominated for director by the Committee on Nominations appointed by the Board of Directors pursuant to the By-Laws: (Director Candidates are listed alphabetically within district.)

Eastern District – Three Year Term

Robert Newton

Central District – Three Year Term

Leon Schwartz

Western District – Three Year Term

Betty Lents



**Farmers Electric
Cooperative, Inc.**

A Touchstone Energy® Cooperative 

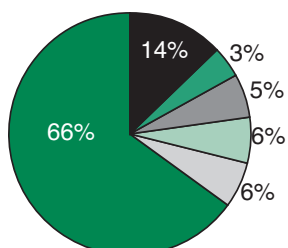
Farmers Electric Cooperative, Inc. 2009 Financial Report

BALANCE SHEET as of December 31

	2010	2009
ASSETS		
Net Utility Plant	\$ 20,738,830	\$ 19,417,021
Other Property & Investments	3,537,575	3,173,794
Current Assets/Deferred Charges	<u>3,394,855</u>	<u>3,407,519</u>
Total Assets and Other Debits	<u>\$ 27,671,260</u>	<u>\$ 25,998,333</u>
LIABILITIES		
Margins & Equities	\$ 10,912,189	\$ 10,404,040
Long Term Debt	12,732,132	13,621,597
Current & Accrued Liabilities/Deferred Credits	4,026,939	1,972,696
Total Liabilities and Equity	<u>\$ 27,671,260</u>	<u>\$ 25,998,333</u>
	Audited	Audited

STATEMENT OF REVENUE AND EXPENSE as of December 31

	2010	2009
Operating Revenue & Patronage Capital	<u>\$ 12,158,589</u>	<u>\$ 12,051,242</u>
EXPENSES		
Cost of Power	\$ 7,890,585	\$ 7,828,740
Operations & Maintenance	1,705,164	1,524,449
Consumer Accounts & Services	392,417	487,925
Administrative & General	604,622	577,637
Depreciation	741,640	719,294
Interest & Other	<u>713,615</u>	<u>700,066</u>
Total Expenses	<u>\$ 12,048,043</u>	<u>\$ 11,838,111</u>
Operating Margins	\$ 110,546	\$ 213,131
Non-Operating Margins	25,659	67,908
Generation & Transmission Capital Credits	540,193	335,507
Other Capital Credits	25,337	18,119
Extraordinary Items	<u>—</u>	<u>—</u>
TOTAL OPERATING & NONOPERATING MARGINS	<u>\$ 701,735</u>	<u>\$ 634,665</u>
	Audited	Audited



2010 Expenses

- Cost of Power
- Operations & Maintenance
- Consumer Accounts & Services
- Administrative & General
- Depreciation
- Interest & Other

2011 Director Candidates

EASTERN DISTRICT – 3 YEAR TERM

ROBERT D. NEWTON



- Rural Winterset
- Wife Elaine
- Has 3 daughters and 4 grandchildren
- REC member 20 years/director 6 years
- Retired Veterinarian/Cow Calf operation/Hay
- Member of Presbyterian Church, Rotary
- Enjoys golfing

CENTRAL DISTRICT – 3 YEAR TERM

LEON J. SCHWARTZ



- Rural Greenfield
- Wife Judy
- Has 3 adult children and 6 grandchildren
- REC member since 1987
- Chief Operations Officer for the Iowa Public Employees' Retirement System (IPERS) since 1988. Prior to that was with Iowa Dept of Economic Development for 19 years.
- Master of Public Administrations degree with an emphasis in Financial Resource management from Drake University and undergraduate degree from Iowa State Univ.
- Member of St. Paul Lutheran Church in Winterset
- Coordinator of the Middle Ridge Food Coop., Past President of the Adair County Extension Council, Chair of the State of IA Chief Information Officer's Council, and President of PRIAM, an international pension industry organization.

WESTERN DISTRICT – 3 YEAR TERM

BETTY LENTS



- Rural Greenfield
- Husband Jim
- Son Mark (Jayne), 3 daughters Cindy (Brian) Shelley, Jan (Vance) Temeyer, Kara (Mike) Ladd, 10 grandchildren, and 5 great grandchildren
- Member of REC since 1999/director 9 years
- Housewife/ helps with farming operation
- Member of Greenfield Methodist Church
- Enjoys grandchildren's sports and music events, reading, traveling,

2011 Rebate Incentives

- New Home Construction
- Water Heaters
- Drain Water Heat Recovery Systems
- Appliances and Electronics
- Pull the Plug Appliance Recycling
- Interior Lighting
- Outdoor Security Lighting
- Heating and Cooling
- Weatherization

As always, you can use our website www.farmersrec.com to view and print our rebate forms.

Patronage Capital Credit refunds are a membership benefit that is unique to cooperatives. If you were merely a customer, you would never get money back for purchasing electricity – ever. Soon, you will be receiving a notice of 2010 Patronage Capital Allocation and the retirement of 1995 allocations. The retirement amount will show as a credit on your next bill. By applying the refund to your bill, we are able to save a substantial amount on postage, envelopes, forms, and the amount of time it takes to get the refund processed.

Farmers Electric Cooperative, Inc. 2010 Annual Meeting of Members

The 71st Annual Meeting of the Members of Farmers Electric Cooperative, Inc. was held at the Adair County 4-H Building, at 1:00 P.M., on the 21st day of September, 2010. The meeting was called to order by Dan Westphal, President of the Cooperative, who presided; Bill Adams, Secretary of the Cooperative, acted as Secretary for the meeting.

Attorney Fred Dorr referenced the Notice of Meeting and reported that he had checked the registration and at least fifty (50) members were present, thus constituting a quorum of the members of the Cooperative.

The minutes of the Annual Meeting of Members held September 22, 2009, was printed in the program. Upon a motion duly made, seconded and unanimously carried, the reading of said minutes was waived. The minutes were accepted and the Secretary was directed to file the same in the records of the Cooperative.

The President called for any remaining ballots. At this time the President also declared registration for the meeting closed.

The annual report of the Treasurer was printed in the program and on motion duly made, seconded and unanimously carried, such report was accepted and directed to be filed in the records of the Cooperative.

President Westphal called upon Manager Clarence Moshier Jr. for his report. Manager Moshier reviewed the 2009 operations activities and discussed plans for the future.

Youth Tour participant Rob Mensing of Nodaway Valley High School gave a report on his Washington, D.C. experience and thanked the membership for sponsoring him.

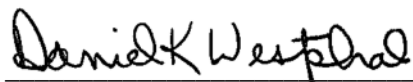
The President then read the Certificate of the Inspectors of Election certifying that the following members, having received the highest number of votes cast, had been duly elected directors of the Cooperative to hold office for the term specified and until their successors shall have been elected and qualified: Steve Chandler (East District), Darrell Jensen (Central District) and Dan Westphal (West District).

The President directed the Secretary to annex the Certificate of the Inspectors of Election to the minutes of this meeting and thereupon declared such members duly elected directors of the Cooperative to hold office for the term specified and until their successors shall have been elected and qualified.

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting adjourned.

Drawings for prizes were held.

APPROVED:



Dan Westphal, President



Bill Adams, Secretary