

THE CIRCUIT!

2018 Annual Meeting Official Notice

A Publication of Southeastern Electric Cooperative, Inc.

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Annual Meeting Registration

Registration will take place at Durant High School beginning at 2:00 p.m. on August 7th. Businesses and other non-residential accounts should designate someone to represent them at the annual meeting. These individuals should bring written authorization to represent their organization to the meeting. Residential members should be prepared to provide the name that the **service is listed under.** **If possible, please bring this newsletter to the meeting with you.**

2018 Entertainment

Emalea Hudgens

at 4:00

Tanner Young

at 5:30

DOOR PRIZES!!

NOTICE OF ANNUAL MEETING OF THE MEMBERS OF SOUTHEASTERN ELECTRIC COOPERATIVE OF DURANT, OKLAHOMA

**To: The Members of Southeastern Electric Cooperative
of Durant, Oklahoma**

NOTICE IS HEREBY GIVEN that the Annual meeting of the Members of Southeastern Electric Cooperative of Durant, Oklahoma will be held at the Durant High School, 950 Gerlach Avenue, Durant, Oklahoma. Members may begin to register and vote beginning at 2:00 p.m. and registration will remain open throughout the day. The business section of the meeting will begin at 6:30 p.m.

All members are invited to attend the Annual Meeting in person on Tuesday, August 7th, 2018.

Lloyd Owens, Secretary

TRUSTEES & CANDIDATES

The following members have filed notice of their candidacy to the Board of Trustees in accordance with Article IV, Section 3 of the Cooperative's By Laws:

District 1: Patrick Latona; Tracy Rogers (I)

District 2: Dennis Bowen (I)

District 3: Steve Kelso; Chris Tubbs; Josh Weaver

SOUTHEASTERN ELECTRIC COOPERATIVE, INC.

BALANCE SHEET
DECEMBER 31, 2017 AND 2016

ASSETS	<u>2017</u>	<u>2016</u>
Utility Plant		
Electric plant in service-at cost	\$ 59,937,241	\$ 56,779,573
Construction work in progress	1,883,442	1,837,658
	<u>61,820,683</u>	<u>58,617,231</u>
Less accumulated provision for depreciation and amortization	<u>18,591,615</u>	<u>18,054,036</u>
Net utility plant	<u>43,229,068</u>	<u>40,563,195</u>
Investments in associated organizations	12,390,590	12,010,233
Other investments	-	-
	<u>12,390,590</u>	<u>12,010,233</u>
Current Assets:		
Cash	1,128,948	4,882,902
Temporary cash investments	-	-
Accounts receivable-less allowance for doubtful accounts: 2016 - \$198,992 2015 - \$189,744	988,081	1,010,391
Accounts receivable unbilled	1,145,000	913,000
Material and Supplies (at average cost)	303,823	324,950
Other current and accrued assets	91,549	90,016
Total current assets	<u>3,657,401</u>	<u>7,221,259</u>
Deferred Debits	<u>623,229</u>	<u>741,939</u>
TOTAL ASSETS	<u>\$ 59,900,288</u>	<u>\$ 60,536,626</u>
LIABILITIES AND MEMBERS' EQUITY		
	<u>2017</u>	<u>2016</u>
Equities and margins:		
Memberships	\$ 53,615	\$ 52,795
Patronage capital	35,277,350	35,150,036
Other equities	1,184,859	1,025,124
Total equities and margins	<u>36,515,824</u>	<u>36,227,955</u>
Long-term debt:		
Long-term debt less current maturities	<u>17,942,662</u>	<u>19,251,399</u>
Current Liabilities:		
Current maturities of long-term debt	1,123,000	1,081,000
Accounts Payable	2,245,820	1,986,026
Consumer Deposits	444,720	448,786
Accrued liabilities	1,397,752	1,306,992
Total current liabilities	<u>5,211,292</u>	<u>4,822,804</u>
Deferred credits	230,510	234,198
TOTAL LIABILITIES and MEMBERS' EQUITY	<u>\$ 59,900,288</u>	<u>\$ 60,536,356</u>

SOUTHEASTERN ELECTRIC COOPERATIVE, INC.

STATEMENT OF REVENUE AND PATRONAGE CAPITAL FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Operating revenues	\$ 28,526,153	\$ 29,151,479
Operating expenses:		
Cost of power	19,190,257	18,380,295
Distribution expense-operations	434,275	477,384
Distribution expense-maintenance	3,518,796	3,393,065
Consumer accounts	982,482	922,090
Customer service and information	277,333	266,464
Sales	106,196	69,758
Administrative and general	1,433,083	1,357,586
Depreciation	1,939,305	1,843,228
Interest	707,799	641,585
Other interest and deductions	<u>4,200</u>	<u>7,089</u>
Total operating expenses	<u>28,593,726</u>	<u>27,358,544</u>
Net operating margins	<u>(67,573)</u>	<u>1,792,935</u>
Nonoperating margins:		
Interest income	251,471	223,504
Other revenue	<u>4,189</u>	<u>19,343</u>
Total nonoperating margins	<u>255,660</u>	<u>242,847</u>
Net operating & nonoperating margins	<u>188,087</u>	<u>2,035,782</u>
Generation & transmission capital credits & other Cooperative capital credits	577,846	942,889
Total capital credits	<u>577,846</u>	<u>942,889</u>
Net margins for year	<u>765,933</u>	<u>2,978,671</u>
Patronage capital-beginning of year	<u>35,150,036</u>	<u>33,030,102</u>
Retirement of patronage capital	(638,619)	(858,737)
Patronage capital-end of year	<u><u>35,277,350</u></u>	<u><u>35,150,036</u></u>

Capital Credit Allocation

The Patronage Capital Credit Allocation Notice is issued in accordance with the Bylaws of Southeastern Electric Cooperative. The total amount allocated from Southeastern Electric Cooperative for the calendar year of 2017 is \$188,086.00. The allocation factor is .00838746 for residential accounts, .01209298 for irrigation accounts, .00882249 for small commercial accounts, .00675503 for large commercial, and .00075026 for large power accounts.

To determine your amount of capital credit allocation, multiply the allocation factor by the total amount of your electric bill for 2017. The amount of your allocation is available from the Cooperative upon request.

This amount is not available as either cash or credit on your electric bill. Refund of this amount, in full or in part, at any time in the future, shall be based on the decision of the Board of Trustees that the financial condition of the Cooperative shall not be impaired by making such refund. This notice is for your information only. If you cease to be a member, please keep us advised of your current address.

Southeastern Electric Cooperative, Inc.

PO Box 1370

Durant, Oklahoma 74702

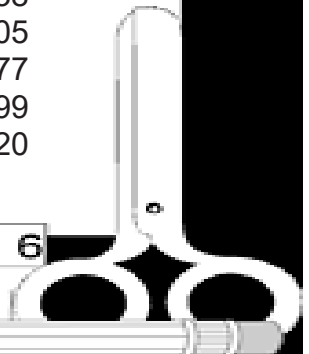
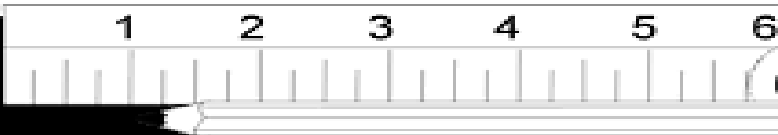
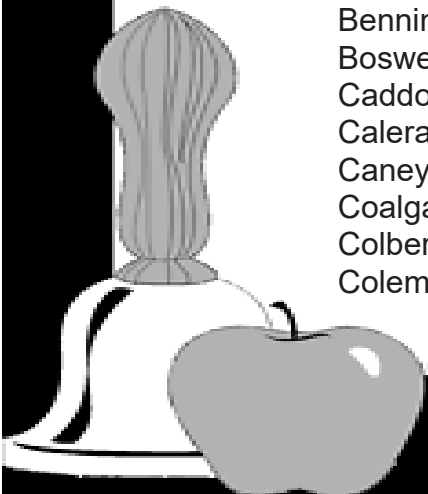
A Touchstone Energy[®] Cooperative 

Area Schools Benefit From Taxes

**Southeastern Electric and Western Farmers Electric Cooperatives
paid \$987,889.49 in taxes for area schools.**

Listed below are the area school districts receiving gross receipts taxes that Southeastern Electric Cooperative and Western Farmers Electric Cooperative paid the Oklahoma Tax Commission in 2017. These taxes are based on the miles of line in each school district. The state keeps five percent and remits the balance to the school districts.

Achille	\$105,038.06	Durant	\$29,033.88
Atoka	\$36,895.08	Harmony	\$72,835.28
Bennington	\$52,512.98	Lane	\$54,218.92
Boswell	\$47,405.26	Milburn	\$17,814.18
Caddo	\$59,972.93	Rock Creek	\$109,021.99
Calera	\$30,439.12	Silo	\$37,551.38
Caney	\$29,079.42	Stringtown	\$29,394.05
Coalgate	\$86,718.21	Tishomingo	\$24,689.77
Colbert	\$30,816.68	Tushka	\$14,849.99
Coleman	\$37,534.52	Wapanucka	\$7,932.20



MANAGER'S ANNUAL REPORT

August 7, 2018

Southeastern Electric Cooperative's Financial Statement for year ending December 31, 2017, was published in the Cooperative's Newsletter and mailed to all members in July 2018.

The 2017 Financial Statement was printed in comparison to 2016 and the Cooperative's 2017 financial records were audited by the firm of Briscoe, Burke & Grigsby, Certified Public Accountants of Tulsa, Oklahoma.

During 2017, approximately 56 miles of distribution lines were constructed to provide electric service to 281 new connections. Net Utility plant increased approximately \$2,665,943 over 2016.

One Thousand One Hundred Seventy-Four miles of right-of-way were cut, trimmed, or sprayed at a cost of approximately \$2,189,182.

The average wholesale cost per Kwh purchased from Western Farmers was 5.70 cents in 2017 compared to 5.80 cents in 2016.

In 2017, twenty schools throughout the Cooperative's service area received a total of \$987,889 which consisted of gross receipt taxes paid by Southeastern Electric as well as Western Farmer's; of which, \$399,948 was contributed by Southeastern Electric.

Southeastern Electric participates in numerous Community events and activities throughout its service area, as Mr. Coleman has reported earlier.

The cooperative's financial condition is strong, and all loan obligations are being met at the present time. All necessary financial ratios required by our lenders were met for the year 2017. We intend to continue present maintenance programs in order to provide good, dependable electric service. The Board of Directors and Employees of Southeastern Electric Cooperative will continue to strive to give the best quality of service to our members in the future.

Candidate Spotlight

My name is **Dennis Bowen** and I am currently your Board Member for **District 2**. I am a life-long resident of Silo. I have been married for 39 years to my wife, Pam. We have three children and three grandchildren.

I own and operate Tetrachem Seal Co Inc. along with Star Creek Angus. I currently serve on the Silo School Board and am an active member of Emmanuel Baptist Church.

Patrick Latona-Candidate for **District 1**. Graduated Grayson County College with an Associate Degree in Business; he has extensive experience in the utilities field.

He worked 30.5 years with General Telephone Company, which included climbing poles and installing phones and telephone lines both inside and outside. Patrick has knowledge of operating heavy equipment and other types of construction equipment.

Four years' military experience as a jet aircraft mechanic and serving one year in Vietnam. Honorable Discharge, Air Force. Former member of the Grayson County Sheriff's Posse; he rode in the Tournament of Roses Parade 1979. Resident of Calera.

My name is **Christopher Tubbs** and I am a candidate running for **District 3**. I have been a resident of Bryan County for 39 years. I graduated from Durant High School and attended SOSU. While in college, I married my wife of 30 years, Mendy. We have two children, Kristen and Blake.

While in college I began a career with Wal-Mart. I ended my career with Wal-Mart in Durant after 18 years of service. I am currently working for Shamrock Bank and have been employed as VP/ Loan Officer for 13 years. If given the opportunity, I would love to serve the people of Southeastern Electric Cooperative.

My name is **Steve Kelso**. I have been a resident of Caddo for many years where I own and operate my farm.

I graduated from SOSU and I have managed my demolition business for 23 years. For 17 years, I have served on the Caddo School Board and I have worked at the Durant Fire Department for 25 years. I am currently a Battalion Chief.

I am also a Member of the Mason and Shriner's. With my experience and affiliations, I feel I can offer you the support you deserve in **District 3**. I appreciate your support.

My name is **Tracy Rogers** and I am a 3rd Generation Southeastern Electric Member from Calera. Currently, I am your **District 1** Board Member and have served in this position for one year.

Recently I have retired from First United Bank and my wife, Kim, is a 1st Grade teacher at Calera Public Schools. We have three daughters, Kaitlin, Kirsten, and Madison.

I greatly appreciate the support and look forward in continuing to learn more about this Cooperative. Any questions or concerns, please contact me at (580) 434-2020.

My name is **Josh Weaver** and I am running as a candidate for **District 3**. I have lived in the district for over 10 years and have lived my entire life within 30 miles of Durant.

I have been married to Kimberley Weaver for going on 23 years and we have two children.

I have been owning and operating a small used car business for the past 5 years along with an auto repair facility. I spent 13 years working in the satellite installation industry where I progressed my way up from a technician to becoming the Vice President of Operations running field operations, dispatching, and warehousing for a company that had 26 locations and over 1,200 employees.

I would appreciate your vote for my position as a Trustee for Southeastern Electric.