



October 2024 CURRENT CONVERSATIONS



Looking Forward: The Next Six Months

There has been a lot of past-tense thinking in the past few months, which is understandable given what Tri-County Electric Cooperative has endured during the past few years. I won't sugarcoat the past, and no one can change what has happened. However, as we approach the 2024 Annual Meeting this week, we can decide to move forward together to build a worthwhile future.

We recognize that some people still feel frustrated and even angry about past problems. I also felt strongly about the past situations that you and Tri-County Electric have experienced. What we have found is focusing on the solutions enables us to work toward the best outcomes possible.

As you know, a strong strategy does not change a lot from year to year. That's why our two-part strategy, introduced in May, will not change in the foreseeable future. Improved Financial Health and Enhanced Member Service & Communications will continue to guide Tri-County in the years to come. We understand that, like most decisions and strategies in life, simple does not always equal easy.

The cooperative mission to provide safe and reliable power at the lowest possible cost is a worthy one. Our strategy enables us to achieve that mission, regardless of historical or current circumstances. Today, I want to preview upcoming topics you will learn more about in the next few months in Current Conversations.

This member newsletter was launched in August to increase transparency for you. The August and September editions of Current Conversations highlighted new information added to the website thus far. And we are just getting started—more information will continue to be shared with you.

This month, we have included the newly approved financial audit for the previous fiscal year. Like other recent financial audits on our website, these are available [here](#).

The November issue of Current Conversations will include more details about Winter Storm Uri and the subsequent 2022 Brazos bankruptcy debt. This edition will also be a forward-looking update.

In December, we will share the Tri-County power supply strategy for 2025 through 2029 and explain why this strategy makes sense during these critical years.

As part of ongoing efforts to be transparent, we will share regular updates and important information about progress in this newsletter and the website. We also will continue to explore other ways to make the Cooperative's progress more transparent and accessible to you. The annual meeting is one of the channels we are using to provide you with additional clarity on the state of the Cooperative.

For those able to participate in the 85th Annual Meeting this Thursday, October 3, at 7 p.m., you will hear directly from the Board's new aior, Moss Adams, receive updates on recent events, and hear why I am optimistic for Tri-County's future.

Statement of Income and Expenses

12 MONTHS ENDED MARCH 31, 2024

	2024	2023
OPERATING INCOME		
Electric Energy Revenue	\$45,593,819	\$44,190,268
TOTAL OPERATING INCOME	\$45,593,819	\$44,190,268
OPERATING EXPENSES		
Electric Power Cost	\$28,702,218	\$27,096,368
Electric Operating Expense	\$55,155,181	\$55,327,419
Electric System Depreciation	\$29,879,213	\$28,289,937
Taxes and Other	\$13,370,370	\$13,312,222
TOTAL OPERATING EXPENSES	\$309,638,183	\$417,494,081
NET OPERATING MARGINS	\$45,914,636	\$24,456,267
Interest Expense	\$41,221,885	\$30,229,721
OPERATING MARGIN BEFORE CAPITAL CREDITS	\$4,692,751	\$4,126,536
GS&I and Other Capital Credit Allocations	\$10,638,210	\$2,339,577
OPERATING MARGINS	\$15,230,961	\$7,066,113
NON-OPERATING INCOME		
Interest Income	\$46,207	\$11,388
Non-Operating Income	\$29,660	\$20,623
Other extraordinary revenue	\$4,948,596	\$5
Taxes and Other Income	\$5,020,099	\$22,284
TOTAL NON-OPERATING INCOME	\$1,746,899	\$1,568,407
NET MARGINS	\$16,977,860	\$8,634,520

Condensed Balance Sheets

AS OF MARCH 31

	2024	2023
ASSETS		
Utility and Non-Utility Plant, Net of Depreciation	\$761,392,111	\$646,708,915
Investments in Associated Organizations	\$70,792,260	\$16,080,778
Cash	\$5,424,765	\$5,432,058
Accounts Receivable	\$25,820,067	\$18,524,338
Unpaid Revenue	\$7,341,987	\$9,988,947
Prepaid Expenses and Other	\$2,198,737	\$2,075,744
Deferred Tax Asset	\$480,662,119	\$488,711,187
Deferred Credits	\$446,188,732	\$420,434,329
TOTAL ASSETS	\$1,464,518,728	\$1,374,873,826
EQUITIES		
Membership Fees	\$2,248,018	\$2,008,814
Patronage Capital	\$48,226,226	\$47,167,722
Other Deficit Reserves	(\$5,084,302)	(\$5,721,228)
Reserves for Other Comprehensive Income	\$9,952,790	\$7,661,178
TOTAL EQUITIES	\$465,182,732	\$420,434,329
LONG-TERM LIABILITIES		
Long-Term Debt, Less Current Portion	\$636,672,567	\$703,748,971
Accumulated Postretirement Benefit Obligation	\$9,196,876	\$13,997,881
TOTAL LONG-TERM LIABILITIES	\$645,869,443	\$717,746,852
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$75,789,270	\$16,518,000
Line of Credit	\$182,806,000	\$17,500,000
Accounts Payable	\$2,838,124	\$29,189,000
Overhead Allocation Power Cost Adjustment	\$7,319,322	\$4,239,056
Consumer Deposits	\$6,630,016	\$6,106,962
Accrued Expenses	\$8,394,450	\$5,391,129
Accrued Interest	\$75,079	\$61,388
TOTAL LIABILITIES	\$378,659,260	\$218,624,185
Deferred Credits	\$4,646,501	\$6,268,260
TOTAL LIABILITIES AND EQUITIES	\$1,464,518,728	\$1,374,873,826

Last year's financial statement reflected unaudited numbers due to Texas Co-op Power publishing deadlines. This year, with Current Conversations more timely communication with members, we are able to provide final and approved audited financial numbers.



The aftermath of Hurricane Helene is a powerful reminder of the resilience of the American people when we come together in times of crisis.

While much work remains ahead for the communities impacted by the storm, slowly, the lights are coming back on for the millions of Americans who lost power during Hurricane Helene.

Thousands of electric line workers from cooperatives across the country have traveled to Florida, Georgia, South Carolina, North Carolina, and Tennessee to help restore the power in the communities affected. We are proud to say that among those answering the call for help were linemen from Tri-County Electric Cooperative. These men and women give up precious time with their family and friends to take on this dangerous job.

For those impacted in Georgia, the sight of our crew offers a beacon of hope for a brighter tomorrow. For our crew, their work is a reminder of the importance of the work we do every day to keep the lights on.

The crew's dedication and commitment is indicative of the power of community and exemplifies the cooperative principles of Cooperation among Cooperatives and Concern for Community, which we celebrate during National Co-op Month.

As locally owned and member-run non-profit organizations, cooperatives have been a positive force, driving economic growth and improving the quality of life for millions of Americans. Our team members, working in Georgia, and here in North Texas exemplify that promise.



Tri-County Electric Cooperative is offering 50 scholarships, each worth \$5,000, to high school seniors who plan to pursue a degree or certification from an accredited university, college, junior college, or technical school. Applications open on October 7, 2024. For more details and to apply, visit tcectexas.com/2025-scholarships.

The TCEC Scholarship Program is funded by unclaimed capital credit checks. TCEC is required to send unclaimed money to the state after it remains unclaimed for three years. Under Texas law, a portion of the money is returned to electric cooperatives to use for specific purposes only, like scholarships. If these funds were not returned to Tri-County to invest in local communities, they would go to the state's general fund. So, in allocating these dollars to scholarships, TCEC is able to ensure the money is put to good use to help fund our children's futures.

Scholarship applications will be reviewed by an independent third-party organization and awarded in the spring.

Cybersecurity Awareness Month

Cybersecurity Awareness Month is an annual campaign that takes place in October. First held in 2004, this campaign is co-led by the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency and the National Cybersecurity Alliance to raise awareness about cybersecurity. The initiative seeks to highlight cybersecurity risks and improve the nation's preparedness for potential cyber incidents by sharing information and best practices.

Learn More About Cybersecurity Month

Use Strong Passwords

Update Software

Member Service Week

Tri-County member service representatives recently spoke about what it means to work at Tri-County Electric Cooperative.

I make it a priority to find a resolution for any situation my members are having. To be able to work with a member and turn a bad or awkward situation into overwhelming gratitude warms my heart.

Virginia Bullock

An MWR is dedicated to going above and beyond to assist our members. An MWR is someone who has compassion for the public and who understands the burdens that monthly bills can bring during hard times.

Merri Jenkins

Every member's interaction is important, and they are more than just a transaction. It is an opportunity to connect, learn and grow together as a cooperative community.

Pamela Martinez

I know life has been harder for some of our members and by providing great customer service and going above and beyond as much as we can, our members will always be able to count on us and to help them with everything we can.

Aaron Worth

I love to help people. I strive to make a difference. It makes my heart happy to help a member as they go for being so nice, kind, or patient.

Crystal Farmer

I cherish our members, and my Tri-County Electric Co-op family, they make me happy.

Wendy Meyer

I want to provide members with the best care I can, so they have confidence and trust in it. It also brings me great personal joy and a sense of accomplishment to help others.

Lisa Blagg

My heart has always been for people, our members are our people. We watch out for them, we help them, we pray for them, we relate with them during tough times by showing compassion.

Shonda Powell

I take pride in where I work. This is more than a job, it's family. If supporting my community and the other sixteen counties we serve to help them receive the quality utility service they expect and showing compassion in times of need.

Kathleen Hagan

Making a member smile after helping them is my goal and makes me very proud to serve Tri-County Electric.

Juanne Stacker

I enjoy building a good relationship with our members and to be able to create a positive, helpful, and friendly impression when I am on the phone with them. Members are important to me and I want to ensure that I leave a good impression on them when our interaction ends.

Rachael Rouse

We are patient, attentive and empathetic to our members and strive to provide the best possible support. We are knowledgeable and willing to improve our services through communicating our member needs and working towards a common goal to consistently improve our service.

Jacinda Moore

I have had several members tell me they need help with me as a particular day but the real answer is I need them more. My job is to make when I can help someone out and hear their smile and they can hear mine.

Michelle Woods

I have served many customers throughout my career. Now more than ever we are in a prime position to assist members with not only their electric account, but sometimes lend an ear and provide a little encouragement.

Tammy Edmondson

How You Can Help!

By enrolling in paperless billing, you can make a meaningful impact on reducing costs. Switching from paper billing statements to paperless could help save nearly \$1 million annually in printing and postage.

CLICK FOR MORE INFORMATION ON HOW TO SIGN UP FOR PAPERLESS BILLING TODAY!

New this month in the

MEMBER INFORMATION CENTER

FINANCIAL STATEMENTS: FISCAL YEAR ENDING MARCH 31, 2024

Upcoming Events

85TH ANNUAL MEETING
THURSDAY | OCTOBER 3
VIRTUALLY | 7 P.M.

How to Stream
Link: tcectexas.com/annual-meeting
Phone: 855.718.8229

Tri-County Electric Cooperative

Applications Open
Monday, October 7, 2024

For more information,
tcectexas.com/2025-scholarships

Helpful Links

- PCRF Tracker
- Cooperative Giving
- Outage Center
- Prepaid Billing
- Member Information Center
- Current Conversations

Have Feedback?
Email CurrentConversations@tcectexas.com