

FOR YOUR INFORMATION

Trinity Valley Electric Cooperative, Inc.
Office Locations:

HEADQUARTERS & KAUFMAN DISTRICT OFFICE

1800 East Highway 243, P. O. Box 888
Kaufman, Texas 75142
(972) 932-2214 or 1-800-766-9576
Member Service Fax
(972) 932-6876
Hours: 8:15 AM to 4:45 PM
Monday - Friday

ATHENS DISTRICT OFFICE

909 W. Larkin Street. (Hwy. 175W)
Athens, Texas
Hours: 8:15 AM to 4:45 PM
Monday - Friday

CEDAR CREEK DISTRICT OFFICE

1012 West Main Street, Suite 102
Gun Barrel Village Shopping Center
Gun Barrel City, Texas
Hours: 8:15 AM to 4:45 PM
Monday - Friday

WILLS POINT DISTRICT OFFICE

582 North Fourth Street
Wills Point, Texas
Hours: 8:15 AM to 4:45 PM
Monday - Friday



**2013
ANNUAL
MEMBERSHIP
MEETING**

October 10, 2013

**Cain Center
Athens, Texas**

Celebrating **75** *Years of Service*

The articles of incorporation for Kaufman County Electric Cooperative were issued on January 5, 1938. The certificate gave a green light to begin the process of bringing electricity to the rural areas of Kaufman County. Just a few short years later in 1941, New Era Electric Cooperative incorporated bringing power to Henderson and Anderson counties.

In 1997 Kaufman County merged with New Era Electric Cooperative to form Trinity Valley Electric Cooperative.

By the end of 2012, 75 years from its inception, Trinity Valley Electric Cooperative had a total of 48,419 members. TVEC has also built an astonishing 7,346 miles of overhead and underground distribution line and serves 63,027 active meters.

“We are so pleased to have been a part of these communities for 75 years,” said Jerry Boze, general manager/CEO of TVEC. “A huge debt of gratitude is due to the founding members who came together 75 years ago and to all the members and employees who have helped keep the lights on since.”

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

CAIN CENTER – ATHENS, TEXAS

Business Meeting..... 7:00 PM

Drawing of Door Prizes

MESSAGE FROM THE GENERAL MANAGER/CEO

I want to thank you for attending this year's Annual Membership Meeting. Though we communicate with our members throughout the year via the Co-op Power magazine, and website, this meeting gives us the opportunity to gather with many of the folks in person that own Trinity Valley Electric Cooperative.

In 2013 the cooperative celebrated its 75th anniversary of providing electric service to its members. The principles the electric cooperatives were founded on 75 years ago still exist today. It is these principles in which the board of directors, management and employees run the day-to-day affairs of your cooperative.

This past year was a successful year for your cooperative. We have included for your review the 2012 year-end financial statements, along with the independent auditors' report. We have also provided other statistical information as well.

At this meeting you will hear reports and updates regarding the operations of the cooperative and what can be expected in the future.

Annual membership meetings are held by electric cooperatives all over the country each year. Today there are more than 900 electric cooperatives providing reliable, affordable and technologically advanced service to 42 million Americans across the country.

As an electric cooperative member, you are part of a very special group that is rich in history and started with a dream, and that dream was to electrify rural America.

I hope you enjoy this year's Annual Meeting.

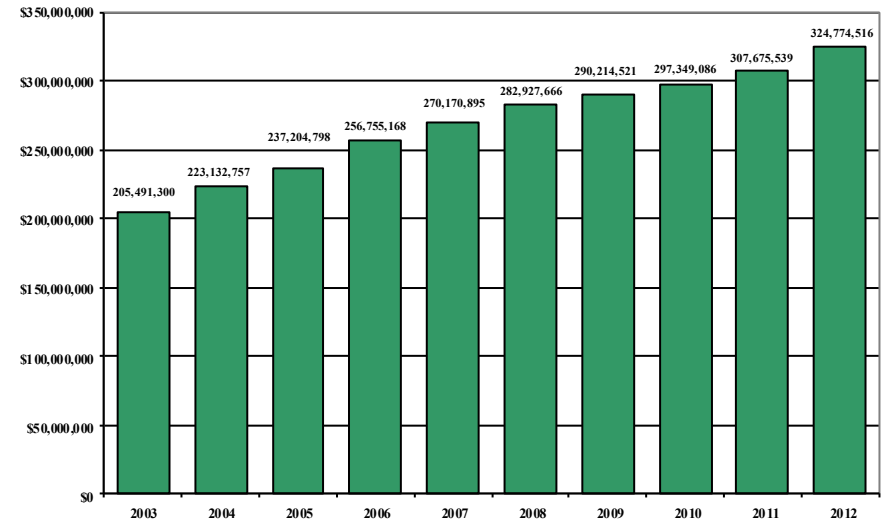
Yours truly,

Jerry Boze

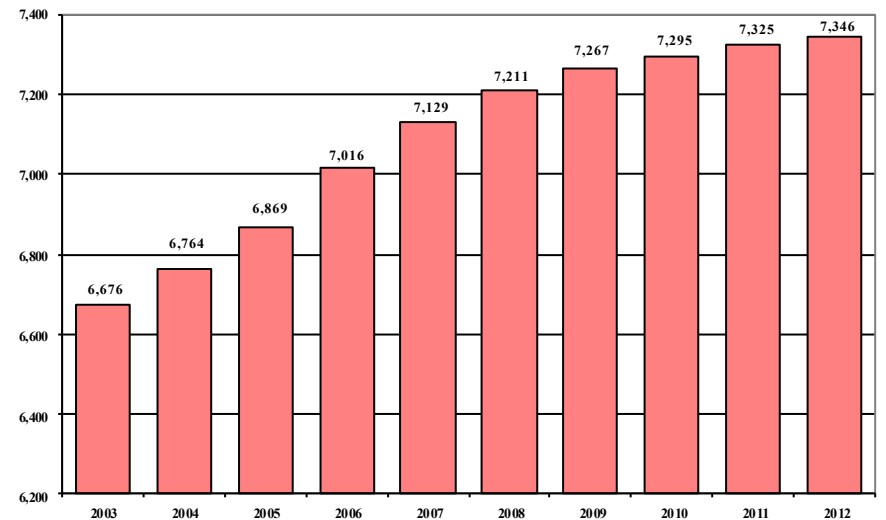
General Manager/CEO

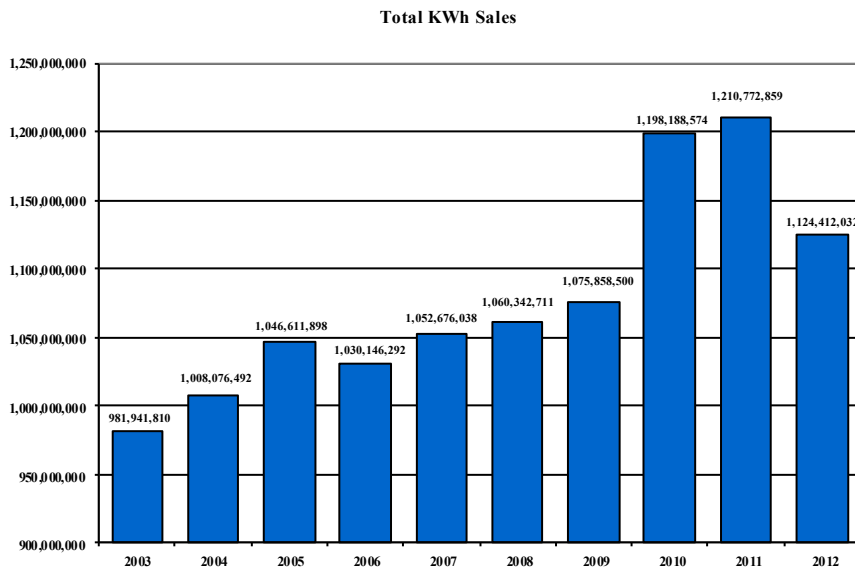
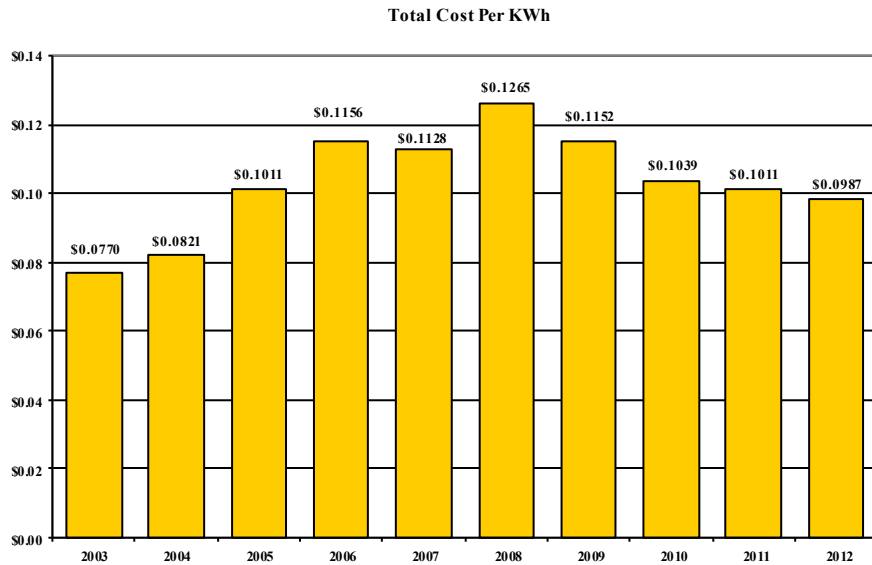
MISSION STATEMENT: At Trinity Valley Electric Cooperative, we are committed to our member-owners to deliver safe and reliable electric power at a competitive price, with a strong emphasis on member service, community and sound business practices.

Total Utility Plant in Dollars



Total Miles of Line





TRINITY VALLEY ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS & ATTORNEY

Carolyn Minor, Vice-Chairwoman.....District 1

Jerry Priest.....District 2

Paul Weatherford.....District 3

Jo Ann Hanstrom, Secretary.....District 4

Ed Reeve.....District 5

Howard Tillison, ChairmanDistrict 6

David Lang.....District 7

John Mosley.....Attorney

SEVEN GUIDING COOPERATIVE PRINCIPLES

Voluntary and Open Membership — Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Democratic Member Control — Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

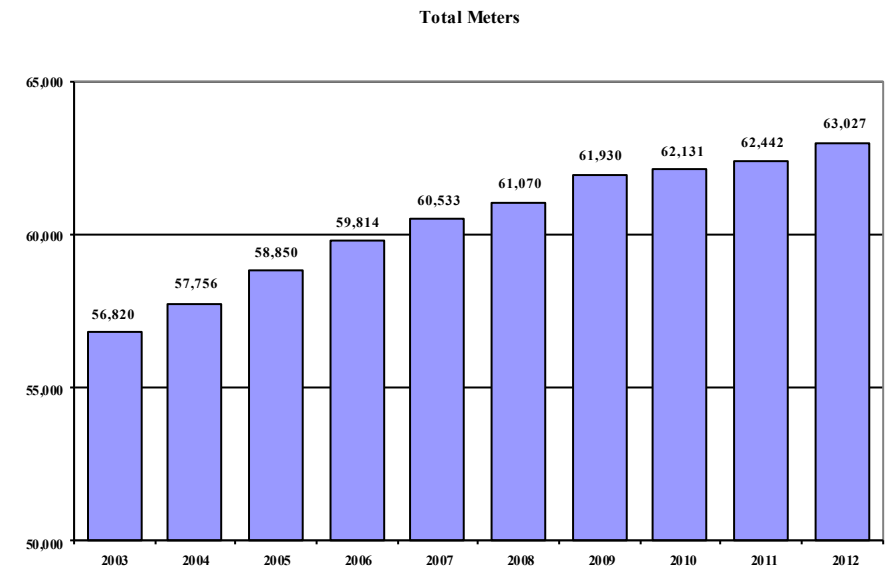
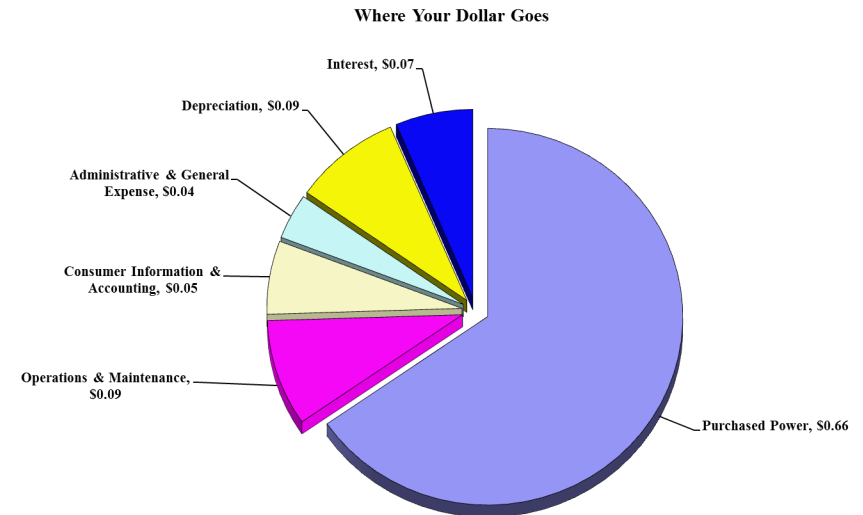
Members' Economic Participation — Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

Autonomy and Independence — Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

Education, Training and Information — Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

Cooperation Among Cooperatives — Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

Concern for Community — While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.



BALANCE SHEET
December 31, 2012

Net Utility Plant	\$251,413,421
Other Investments	33,842,422
Cash and Temporary Investments	3,127,412
Accounts Receivable and Accrued Utility Revenues	15,902,262
Materials and Supply	1,692,024
Other Current and Accrued Assets	870,225
Deferred Charges	393,940
Total Assets	<u>\$307,241,706</u>

Membership Fees	\$571,530
Patronage Capital and Other Equity	107,210,072
Accumulated Comprehensive Loss (FASB 158)	(2,023,252)
Long-Term Debt	144,795,035
Accumulated Provisions for Pension Benefits	18,546,719
Accounts and Notes Payable	24,998,930
Consumer Advance Deposits	3,276,729
Other Current and Accrued Liabilities	2,680,133
Deferred Credits	7,185,810
Total Liabilities and Equities	<u>\$307,241,706</u>

INCOME STATEMENT
For The Year Ended December 31, 2012

Sales of Electric Power and Other Operating Income	\$118,786,796
Purchased Power	73,243,657
Operations and Maintenance	10,227,430
Consumer Information and Accounting	5,947,701
Administration and General Expense	4,376,441
Depreciation	9,964,768
Interest	7,173,728
Other Deductions	16,905
Total Cost of Electrical Service	\$110,950,630
Operating Margins	\$7,836,166
Non-Operating Margins (Interest, etc.)	1,056,362
Capital Credits	6,278,153
Total Net Margins	\$15,170,681
Other Comprehensive Income (Loss)	
Adjustment for Application of FASB 158	(2,517,659)
Comprehensive Income	\$12,653,022
Add Patronage Capital - Beginning of Period	103,908,804
Adjustment for Application of FASB 158	2,517,659
Transfer Non-Operating Margins to Other Equities	(1,056,362)
Patronage Capital Retired	(2,237,658)
Total Patronage Capital – End of Period	<u>\$115,785,465</u>

NOMINATING COMMITTEE REPORT 2013

In accordance with the bylaws of Trinity Valley Electric Cooperative, Inc. the nominating committee, duly appointed by the board of directors of the cooperative, met at the cooperative's Athens Office on Tuesday, July 30, 2013.

The nominating committee consisted of Harold Manire, John Clark, Glen Walker, Chuck Cade, Foy Kirkland, Maxie Turner, John Hacker, Robbye Grissom, David Cadden, Ben Childress, James McGehee, Jennifer Burns and Marvin Holcomb.

The nominating committee nominated one candidate for a director of District 2 of Trinity Valley Electric Cooperative, Inc. to be voted at the Annual Meeting.

The nominating committee submitted the following name as a candidate for the board of directors.

DISTRICT 2
Jerry Priest

The nominating committee nominated one candidate for a director of District 6 of Trinity Valley Electric Cooperative, Inc. to be voted at the Annual Meeting.

The nominating committee submitted the following name as a candidate for the board of directors.

DISTRICT 6
Howard Tillison

The nominating committee nominated one candidate for a director of District 7 of Trinity Valley Electric Cooperative, Inc. to be voted at the Annual Meeting.

The nominating committee submitted the following name as a candidate for the board of directors.

DISTRICT 7
David Lang

Foy Kirkland
Nominating Committee Chairman



DISTRICT-DIRECTOR-MEMBER COUNT

- 1-Carolyn Minor-6852
- 2-Jerry Priest-6814
- 3-Paul Weatherford-7061
- 4-Jo Ann Hanstrom-6880
- 5-Edward Reeve-6901
- 6-Howard Tillison-6832
- 7-David Lang-6985

DISTRICT-DIRECTOR-MEMBER COUNT

- 1-Carolyn Minor-6852
2-Jerry Priest-6814
3-Paul Weatherford-7061
4-Jo Ann Hanstrom-6880
5-Edward Reeve-6901
6-Howard Tillison-6832
7-David Lang-6985