

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



TRINITY VALLEY ELECTRIC COOPERATIVE

2016 ANNUAL MEMBERSHIP MEETING

November 10, 2016

Canton Civic Center
Canton, Texas

accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Trinity Valley Electric Cooperative, Inc. as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of electric plant, accumulated provision for depreciation-electric plant, patronage capital, CFC mortgage notes, and five year comparative data are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Balinger, Segars, Gilbert & Moss LLP
Certified Public Accountants

Lubbock, Texas

March 17, 2016

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
PHONE: (806) 747-3806
FAX: (806) 747-3815
8215 Nashville Avenue
LUBBOCK, TEXAS 79423-1954

Independent Auditor’s Report

Board of Directors
Trinity Valley Electric Cooperative, Inc.
Kaufman, Texas

We have audited the financial statements of Trinity Valley Electric Cooperative, Inc. (the Cooperative), which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of income, comprehensive income and patronage capital, and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of

TRINITY VALLEY ELECTRIC COOPERATIVE, INC.

ANNUAL MEMBERSHIP MEETING PROGRAM

November 10, 2016

CANTON CIVIC CENTER – CANTON, TEXAS

Registration of Members6:00 PM

Business Meeting7:00 PM

Welcome

Invocation

Posting of Colors and Pledge of Allegiance

Determination of a Required Quorum

Reading of Notice of Annual Meeting

Call to Order

Reading of Unapproved Minutes

General Manager/CEO Report

Auditor’s Report

Report of Nominating Committee

Election Results

Unfinished Business

New Business

Meeting Adjournment

Drawing of Door Prizes

MESSAGE FROM THEN GENERAL MANAGER/CEO

I want to thank you for attending this year's Annual Membership Meeting. This meeting gives the Board of Directors and employees of TVEC the opportunity to meet many of the cooperative members for the first time and renew acquaintances with those who attend each year.

This past year was a successful year for your cooperative. We have included for your review the 2015 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.

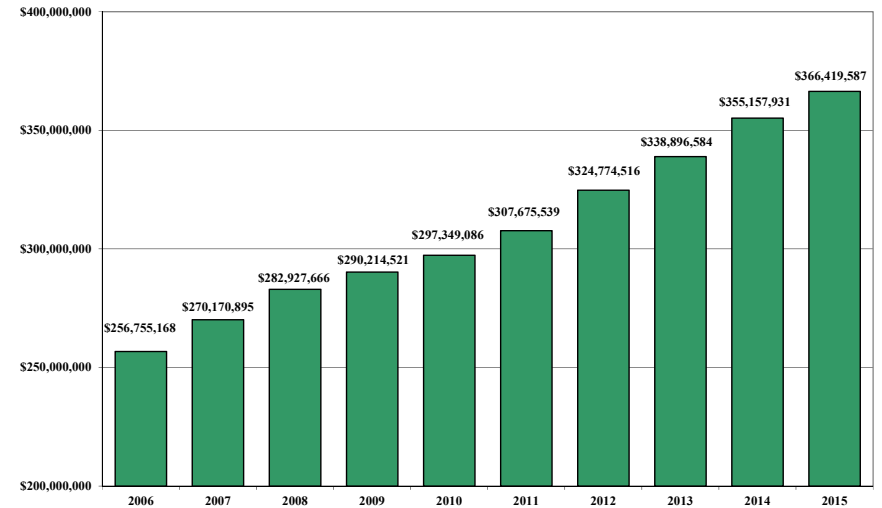
Yours truly,

Jerry Boze

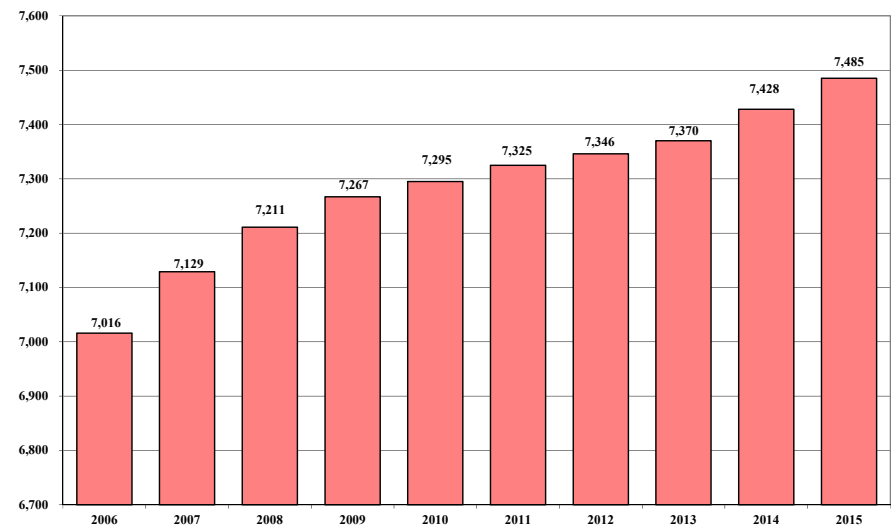
General Manager/CEO

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.

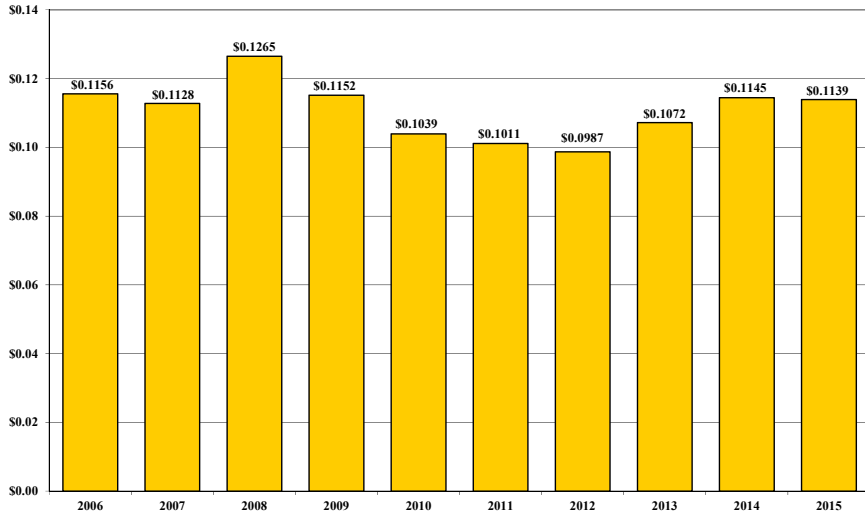
Total Utility Plant in Dollars



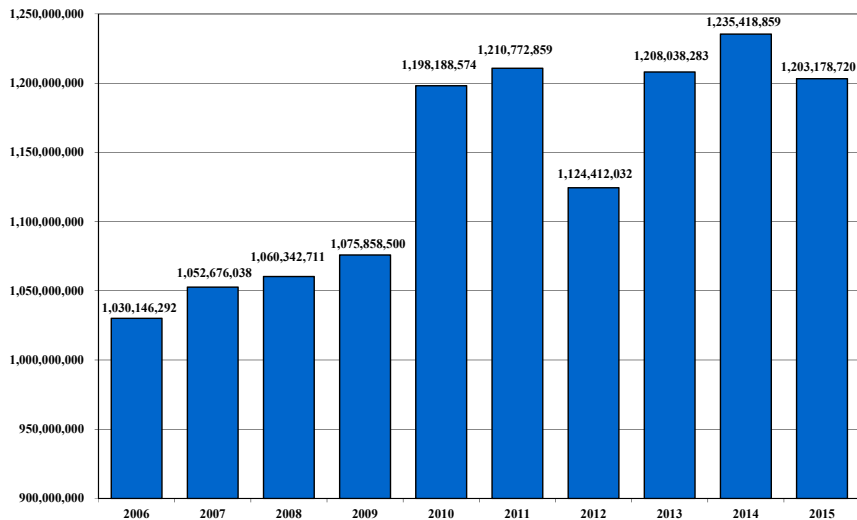
Total Miles of Line



Total Cost Per KWh



Total KWh Sales



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.

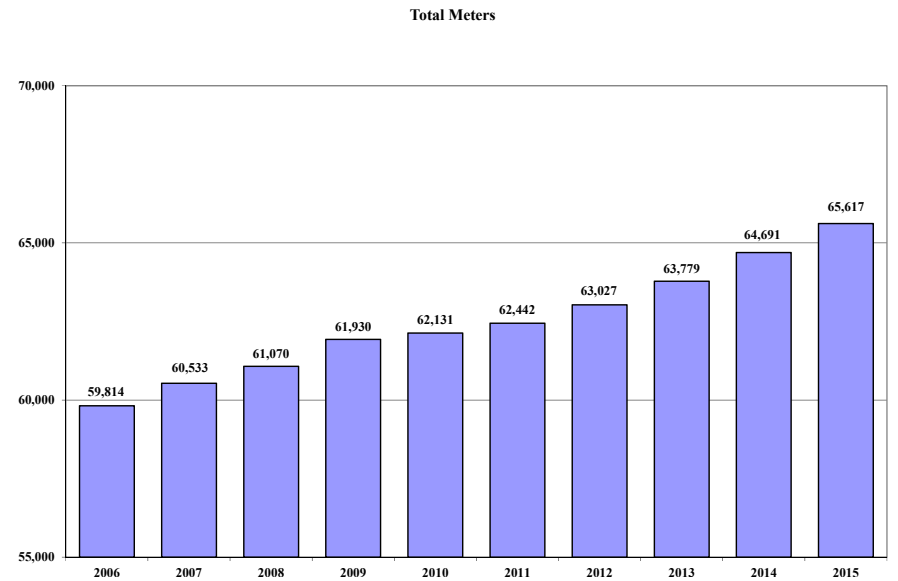
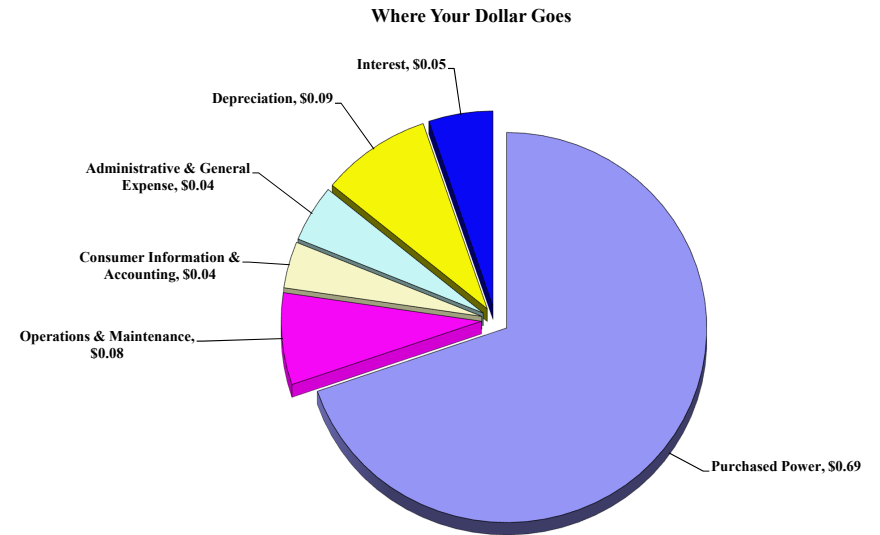
Cooperation Among Cooperatives — Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

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

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, Chairman.....	District 6
David Lang.....	District 7
John Mosley.....	Attorney



BALANCE SHEET
December 31, 2015

Net Utility Plant.....	\$272,189,560
Other Investments.....	39,376,744
Cash and Temporary Investments.....	2,892,548
Accounts Receivable and Accrued Utility Revenues.....	8,291,527
Materials and Supply.....	1,132,697
Other Current and Accrued Assets.....	1,190,090
Deferred Charges.....	3,082,395
Total Assets.....	<u>\$328,155,561</u>

Membership Fees.....	\$575,575
Patronage Capital and Other Equity.....	138,907,366
Accumulated Comprehensive Loss (FASB 158).....	(3,978,510)
Long-Term Debt.....	138,568,738
Accumulated Provisions for Pension Benefits.....	24,131,954
Accounts and Notes Payable.....	21,856,646
Consumer Advance Deposits.....	3,624,716
Other Current and Accrued Liabilities.....	2,391,757
Deferred Credits.....	2,077,319
Total Liabilities and Equities.....	<u>\$328,155,561</u>

INCOME STATEMENT
For The Year Ended December 31, 2015

Sales of Electric Power and Other Operating Income.....	\$143,006,547
Purchased Power.....	94,640,986
Operations and Maintenance.....	11,666,134
Consumer Information and Accounting.....	5,203,889
Administration and General Expense.....	6,382,926
Depreciation.....	12,100,731
Interest.....	7,046,045
Other Deductions.....	21,218
Total Cost of Electrical Service.....	<u>\$137,061,929</u>
Operating Margins.....	\$5,944,618
Non-Operating Margins (Interest, etc.).....	192,998
Capital Credits.....	6,035,684
Net Margins.....	12,173,300
Other Comprehensive Income (Loss)	
Application of FASB 158.....	(992,538)
Comprehensive Income.....	11,180,762
Add Patronage Capital - Beginning of Period.....	138,143,025
Adjustment for Application of FASB 158.....	992,538
Transfer Non-Operating Margins to Other Equities.....	(192,998)
Patronage Capital Retired.....	(4,366,519)
Total Patronage Capital—End of Period.....	<u>\$145,756,808</u>

Nominating Committee Report

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 Cain Center in Athens on Tuesday, August 30, 2016.

The nominating committee consisted of Bonny Draper, Ken Roberts, Chuck Cade, Tommy Raymond, Foy Kirkland, Maxie Turner, Dorene Watts, Ralph Fortner, David Cadden, Ben Childress, James McGehee, Jennifer Burns, Jerry Kelley and Gary Douglas.

The nominating committee nominated candidates for directors of District 2, 6 and 7 of Trinity Valley Electric Cooperative, Inc. to be voted at the Annual Meeting.

The nominating committee submitted the following names as candidates for the board of directors.

District 2	District 6	District 7
Jerry Priest	Howard Tillison	David Lang
Don Mzyk		
Robert Fair		
Roy Don Rand		

