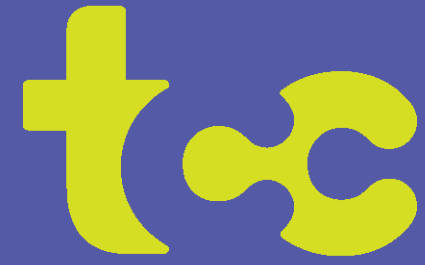
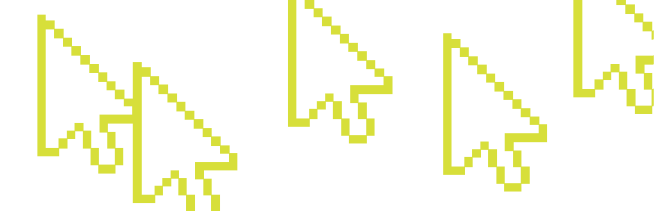


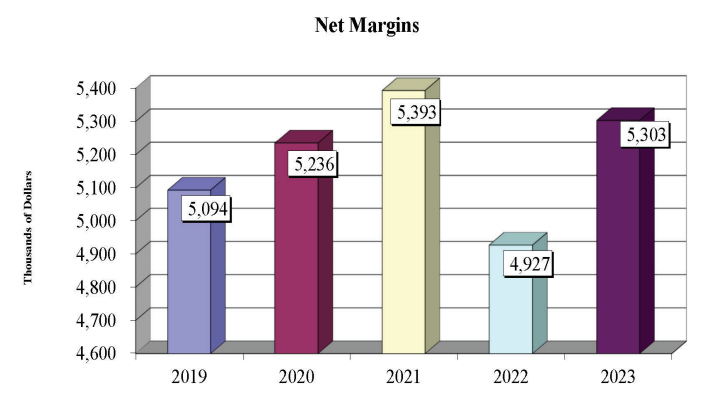
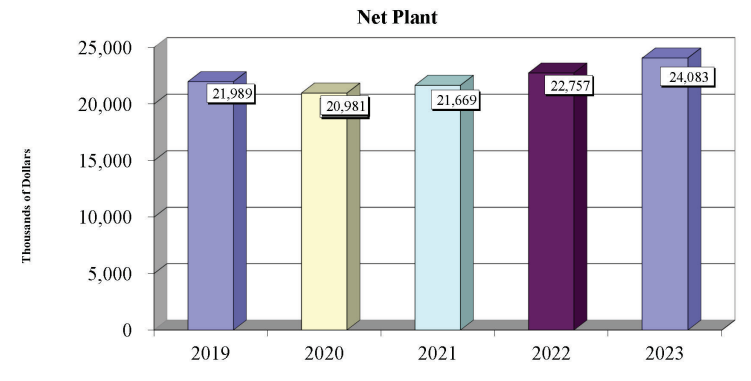
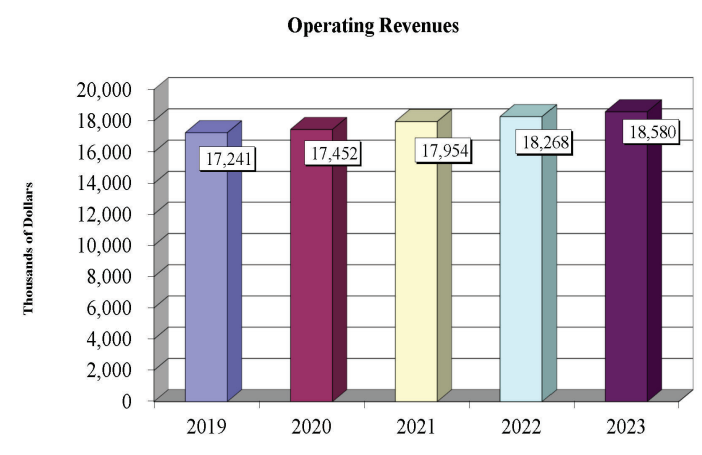
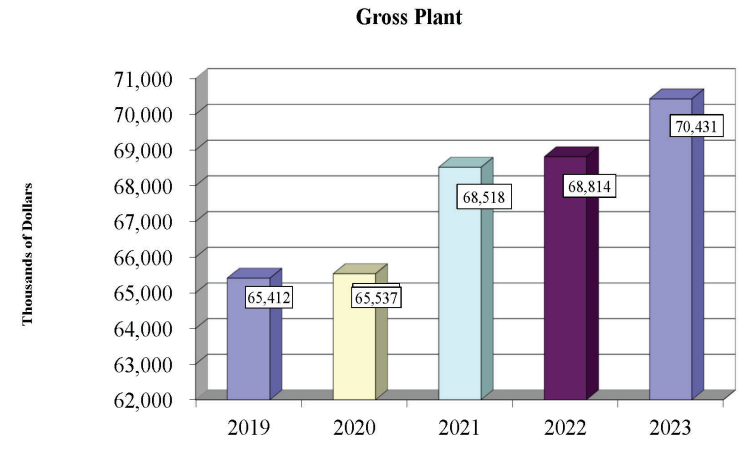
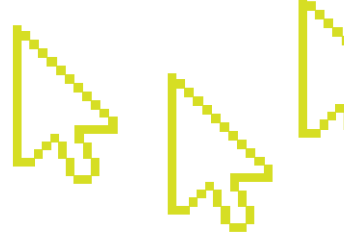
See the **2024 Scholarship Winners**, including a video collage, on our website: <https://tccpro.net>



The Connection

May 2024

Cooperative Report Presented by CEO, Cheryl Rue



In this issue:

TCC Annual Meeting
Cooperative Report by CEO
Cheryl Rue

TCC Annual Meeting Minutes
[approved at the 2024 meeting]

TCC Board Members, Officers
and Staff

TCC Annual Meeting Financials

This month:

May 5 - Cinco de Mayo

May 12 - Mother's Day

May 27 - Memorial Day
TCC offices will be closed

TCC en español:

Tenemos el boletín en español en nuestro sitio web y en nuestras oficinas locales.

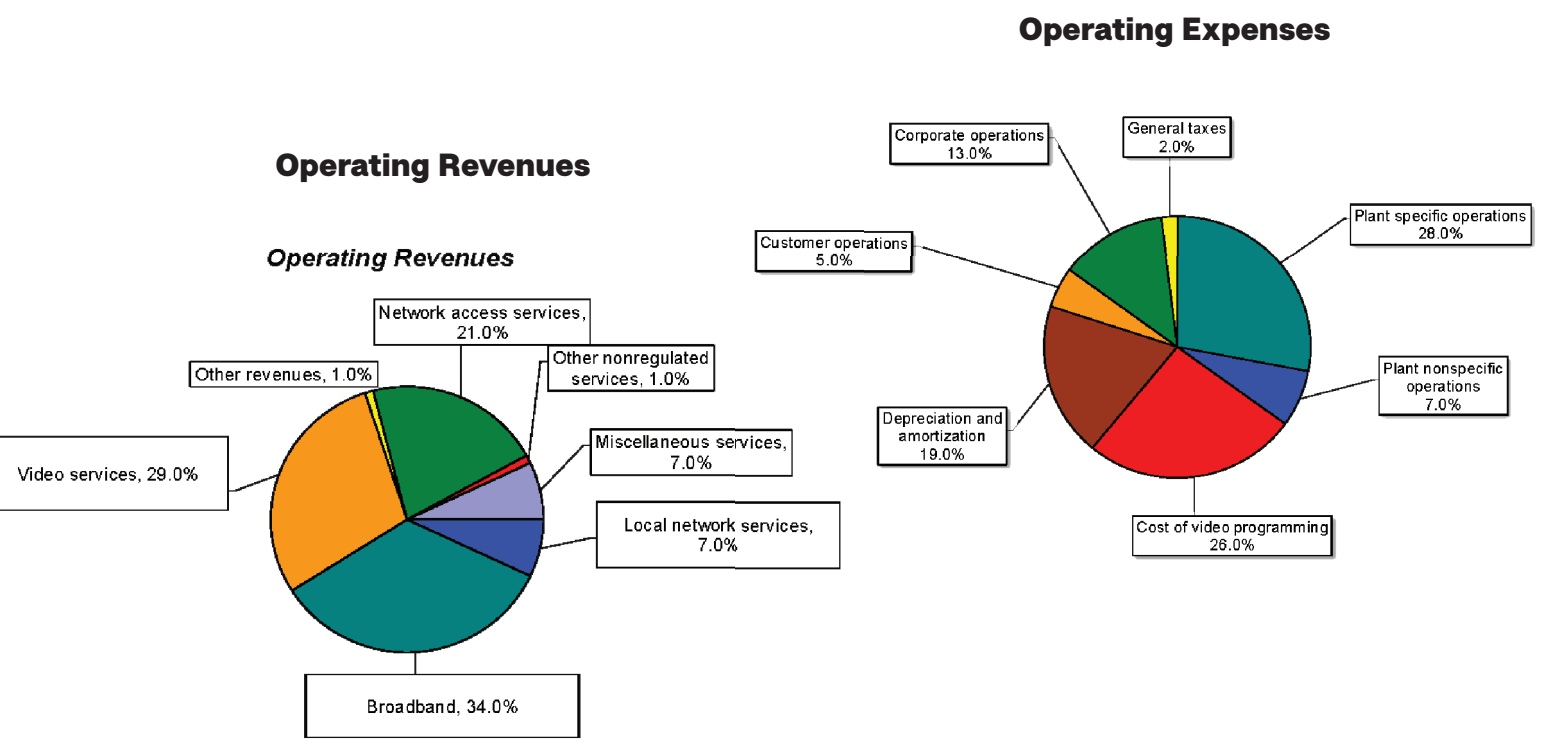
También contamos con una nueva línea telefónica en español para que pueda hablar directamente con nuestros empleados que hablan español. Es 715-985-6203.

Hello, welcome to the 60th membership meeting. I want to extend a warm welcome to all members and thank our new members for joining us and participating in the Annual Meeting for their first time. We have 483 members registered for the Annual Meeting either virtually or by the call-in option. The virtual Annual Meeting has given us the opportunity to reach a broader audience of our membership. As a reminder, those who join us virtually or call in, will receive a \$25 bill credit for an attendance gift on their May 1st billing statement.

Our membership grew by 406 members or nearly 4% ending the year 9691 members strong. In 2023, we ended the year with 15,407 revenue generating units. Of which there were: 2,838 voice units, 3,423 CATV units and 9,146 Internet units. Due to the shift from traditional CATV to video streaming, we have seen over a 4.4% decline in CATV subscribers. As people migrate to other platforms to view their video content, the growth in Internet subscribers has grown by 505 or 5.8%. Over the years we have seen CATV programming prices continually rise more than the Consumer Price Index. CATV rates for 2024 increased significantly at the highest jump we have seen to date, \$14 per month, to cover the programming costs. Video Programming continues to be one of the largest expenses of the cooperative and has grown to over \$4.1 million in fees for the year. These pass-through fees are turned over directly to the video programming companies. TCC has since rolled out our streaming CATV platform offering which allows you, the viewer, to choose which package best suites your needs as well as potentially save on CATV equipment rental by utilizing your own internet connected devices at home. To learn more about our new streaming platform we encourage you to visit our website or call or stop into the office. This past year, the bandwidth usage on our Internet backbone increased by 7.5% with the additional Internet subscribers and streaming only options of programming including more and more sporting events.

Reliable and high-speed broadband is crucial for modern connectivity, whether it is for work, education, entertainment, or communication. Fiber optic networks are known for their speed and reliability, and the cooperative has worked hard to ensure all members are enjoying the highest broadband speeds through our growing fiber optic network. Access to high-speed internet can significantly enhance the quality of life and economic opportunities for our rural communities. TCC is working hard expanding into underserved competitive territories with State grants, partnerships and TCC capital as well as replacing our existing coaxial plant. In the fall of 2021, TCC was awarded WI-PSC-ARPA Expansion Grants for the Town of Naples in Buffalo County and the Town of Alma in Jackson County. Town of Naples project is complete and we are happy to be serving the area with an 80% take rate on the expansion project. Construction and connections in the Town of Alma continue and we are looking to complete the project in 2024. This Spring, construction will start in 3 new areas where TCC was awarded Wisconsin State Broadband Expansion Grants. Parts of the Town of Pleasant Valley, Town of Clear Creek and Town of Fairchild, all in Eau Claire County, will have access to high-speed fiber optic broadband connections. As part of the expansion, TCC will be upgrading its current coaxial broadband facilities in the Village of Fairchild to a new, state-of-the-art fiber optic network as well.

Network security remains a complex yet crucial concern. At TCC, our management oversees a proficient team trained to implement every available precautionary measure to uphold the integrity of our network and safeguard our data. We are continuously enhancing a comprehensive, company wide strategy to manage cyber risks effectively, ensuring our network remains resilient against potential cyber-attacks. Ongoing education of our staff plays a pivotal role in our risk management efforts, enabling us to stay vigilant against emerging threats. Securing the core of our business and your services is paramount. With reports of scams and cyberattacks surfacing daily, it is imperative to take proactive steps to protect yourself. This includes setting robust passwords and updating them regularly, maintaining up-to-date... [continued on next page]



Cooperative Report - Continued ...operating systems, browsers, and antivirus software to fortify defenses against fraudulent activities. Always exercise caution and verify the authenticity of requests from companies or individuals by directly contacting them. This year TCC accepted the Enhanced Alternative Connect America Cost Model otherwise known as "Enhanced A-CAM." This model is a tool utilized by telecommunication providers to determine the cost of deploying and maintaining broadband infrastructure in rural and underserved areas. The A-CAM model incorporates a subsidization mechanism wherein telecommunication providers receive financial support or incentives to offset the high costs of deploying broadband infrastructure in rural areas. This support aims to make broadband expansion economically viable for providers while ensuring affordable access for residents in underserved communities. The impact of the A-CAM program is focused on rural communities, including improved access to essential services such as healthcare, education, economic development, and emergency communications. Access to reliable broadband infrastructure can bridge the digital divide and enhance the overall quality of life in underserved areas. Through accepting this new model, TCC is no longer utilizing the A-CAM II model and while we took a yearly loss of \$333,270.00, TCC felt this was the best route as it guaranteed us additional revenue for a longer period of time. On behalf of the board of directors and employees, it is an honor and privilege to serve our membership, and we will continue to provide the best member experience possible. If you have any questions about my report or any of our products and services, please contact me. THANK YOU.

Minutes of the 2023 Annual Meeting

Approved at the 2024 Annual Meeting

The 59th Annual Membership Meeting of Tri-County Communications Cooperative, Inc. was held on Tuesday, March 28, 2023. The annual member meeting was held electronically via a Perigon webcast platform.

President Russell Carlisle called the meeting to order at 7:00 p.m. and welcomed those in attendance. He declared a quorum had been established, with more than 50 members registered and attending. President Carlisle and Chief Executive Officer Cheryl Rue introduced the directors and candidates for director. The candidates nominated by the Nominating Committee for the (i) Eleva/Strum District were Russ Carlisle and Gary Gibson; and (ii) Independence District were Robert "Ottie" Baecker and Robert "Bob" Gunderson.

President Carlisle called upon Chief Executive Officer Cheryl Rue to present the Meeting Notice and Proof of Mailing. Ms. Rue presented the Meeting Notice and Proof of Mailing Notice. President Carlisle then called for a vote to accept the minutes from the 2022 Annual Meeting. A vote was held electronically. Motion carried.

President Carlisle called upon Chief Financial Officer Kristen Carroll for her financial report. Ms. Carroll reviewed the 2022 consolidated financial information for the Cooperative. President Carlisle then called for a vote to accept the financial report. A vote was held electronically. Motion carried. President Carlisle called upon Chief Executive Officer Cheryl Rue to present the Cooperative Report. Ms. Rue reported on developments at the Cooperative during the past year and provided an update on Cooperative operations and member services. President Carlisle then called for a vote to accept the Cooperative Report. A vote was held electronically. Motion carried.

President Carlisle called upon the Cooperative's legal counsel, Attorney Dustin Von Ruden, to report the results for the director elections. Attorney Von Ruden reported that Russ Carlisle was elected director for the Eleva/Strum District, and that Robert "Ottie" Baecker was elected director for the Independence District. President Carlisle then called for a vote to accept the director election results. A vote was held electronically. Motion carried.

There was no old business.
There was no new business.

Chief Financial Officer Kristen Carroll congratulated the winners of the Cooperative scholarship awards and advised that a roster of the winners would be announced in the Cooperative newsletter.

President Carlisle adjourned the meeting at 7:31 p.m.
Robert Baecker, Secretary

TCC Board, Officers, and Staff

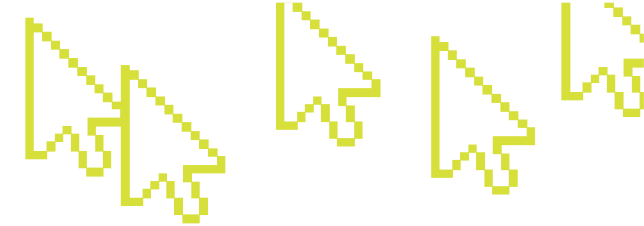
Russ Carlisle, President
Lynn Nelson, Vice President
Robert Baecker, Sec/Treasurer
Tom Goller, Director
Kathy Sieg, Director
Aaron Kidd, Director
Christine Howard, Director

Cheryl Rue, CEO
Buck Webb, COO
Kristen Carroll, CFO
Jon Higley, Business Acct Mgr
Kevin Schroeder, Network Mgr
Matt Sluga, Video Mgr

Jeremy Allemann
Gavin Bistodeau
Tess Caturia
Riley Cegielski
Aracely Esteban
Dan Feuling
Chad Fjelstad
Johanna Flores
Ben Gumz
Andrew Hanson
Adam Kohnert
Jay Konsela
Rich Kostner
Jake Mai
Cody Moen
Stephanie Monson
Matt Nelson
Jeff Norby
Ana Oropeza
Jennifer Perry
Mary Peterson
Jake Runkel
Nick Semingson
Sarah Skoyen
Dan Sluga
Marcus Steffenson
Jeff Van Pelt
Kandi Weltzien
Mike Yapp

TRI-COUNTY COMMUNICATIONS COOPERATIVE, INC. CONSOLIDATED BALANCE SHEETS December 31, 2023 and 2022

ASSETS	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$6,075,802	\$8,109,946
Temporary investments	23,737,656	19,044,433
Accounts receivable	1,759,400	1,179,501
Prepaid income taxes	271,340	6,695
Materials and supplies	844,961	982,202
Prepayments	424,583	429,355
	<u>33,113,742</u>	<u>29,752,132</u>
NONCURRENT ASSETS		
Investments	5,057,013	3,371,093
Deferred income taxes	0	373,760
Prepayments	879,510	964,412
Right of Use Asset	146,109	164,503
	<u>6,082,632</u>	<u>4,873,768</u>
PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment	70,231,971	68,724,318
Less accumulated depreciation	46,347,613	46,056,550
	<u>23,884,358</u>	<u>22,667,768</u>
Plant under construction	198,549	89,518
	<u>24,082,907</u>	<u>22,757,286</u>
TOTAL ASSETS	\$63,279,281	\$57,383,186
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	658,476	1,057,782
Other	428,362	382,916
Deferred revenue	338,388	68,849
	<u>1,425,226</u>	<u>1,509,547</u>
LONG-TERM DEBT, LESS CURRENT PORTION		
	<u>0</u>	<u>0</u>
OTHER NONCURRENT LIABILITIES AND DEFERRED CREDITS		
Deferred revenue	4,090,844	2,187,617
Lease liability	146,109	164,503
Other	298,507	261,894
	<u>4,535,460</u>	<u>2,614,014</u>
MEMBERS' EQUITY		
Patronage capital	20,071,644	18,578,534
Accumulated other comprehensive loss	(24,586)	(30,354)
Retained earnings	37,271,537	34,711,445
	<u>57,318,595</u>	<u>53,259,625</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$63,279,281	\$57,383,186



TRI-COUNTY COMMUNICATIONS COOPERATIVE, INC. CONSOLIDATED STATEMENTS OF OPERATIONS December 31, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Local communication services	\$13,363,236	\$13,014,418
Network access services	3,898,794	3,975,099
Other nonregulated services	156,371	165,476
Miscellaneous services	1,161,299	1,112,718
	<u>18,579,700</u>	<u>18,267,711</u>
OPERATING EXPENSES		
Plant specific operations	4,549,348	4,851,234
Plant nonspecific operations	1,148,904	1,037,268
Cost of video programming	4,177,430	4,227,331
Depreciation	3,091,473	2,861,073
Customer operations	882,478	752,493
Corporate operations	2,046,216	1,899,696
General taxes	241,952	259,611
	<u>16,137,801</u>	<u>15,888,706</u>
OPERATING MARGINS	2,441,899	2,379,005
OTHER INCOME (EXPENSE)		
Investment income	966,093	240,523
Cellular partnership distribution	2,807,140	3,514,282
Equity income (loss) in LLC investments	11,111	(21,043)
Gain on sale of equipment	12,721	14,606
Unrealized gain on sale of marketable securities	50,983	0
Other, net	34,191	(246,399)
	<u>3,882,239</u>	<u>3,501,969</u>
MARGINS BEFORE INCOME TAXES	6,324,138	5,880,974
INCOME TAX EXPENSE	1,020,857	954,256
NET MARGINS	\$5,303,281	\$4,926,718

