

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2004

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2004 calendar year, or tax year beginning and ending

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization
DENTON COUNTY ELECTRIC COOPERATIVE, INC.
DBA COSERV ELECTRIC

D Employer identification number
75-0233075

E Telephone number
(940) 321-7800

F Accounting method: Cash Accrual
 Other (specify) _____

G Website: **WWW.COSERVELECTRIC.COM**

J Organization type (check only one) 501(c) (12) (insert no.) 4947(a)(1) or 527

K Check here If the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **240,233,862.**

H and **I** are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates _____
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number _____

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Direct public support	1a		
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c		
	d	Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	1d		0.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		233,717,993.
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4		426,833.
	5	Dividends and interest from securities	5		
	6a	Gross rents	6a	1,997,710.	
	6b	Less: rental expenses	6b	1,266,895.	
	6c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		730,815.
7	Other investment income (describe SEE STATEMENT 1)	7		3,911,396.	
Revenue	8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	
	8b	Less: cost or other basis and sales expenses	8a	130,530.	
	8c	Gain or (loss) (attach schedule)	8b	93,112.	
8d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c	37,418.		
9	Net gain or (loss) from special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>	9		37,418.	
Revenue	a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a		
	b	Less: direct expenses other than fundraising expenses	9b		
	c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
	10a	Gross sales of inventory, less returns and allowances	10a	49,400.	
Revenue	b	Less: cost of goods sold	10b	5,890.	
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		43,510.
11	Other revenue (from Part VII, line 103)	11			
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		238,867,965.	
Expenses	13	Program services (from line 44, column (B))	13		
	14	Management and general (from line 44, column (C))	14		
	15	Fundraising (from line 44, column (D))	15		
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses (add lines 16 and 44, column (A))	17		225,431,427.
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		13,436,538.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		92,595,371.
	20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 6	20		<944,615.>
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		105,087,294.

RECEIVED
NOV 22 2005
ODDEN, UT

DEC 20 2005
 990
 13-05

2/10

DENTON COUNTY ELECTRIC COOPERATIVE, INC.
DBA COSERV ELECTRIC

75-0233075

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (each \$ _____ noncash \$ _____)	22			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc.	25	1,310,749.		
26 Other salaries and wages	26			
27 Pension plan contributions	27			
28 Other employee benefits	28			
29 Payroll taxes	29			
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33			
34 Telephone	34			
35 Postage and shipping	35			
36 Occupancy	36			
37 Equipment rental and maintenance	37			
38 Printing and publications	38			
39 Travel	39			
40 Conferences, conventions, and meetings	40			
41 Interest	41	24,954,734.		
42 Depreciation, depletion, etc. (attach schedule)	42	12,961,403.		
43 Other expenses not covered above (itemize):				
a	43a			
b	43b			
c	43c			
d	43d			
e SEE STATEMENT 7	43e	186,204,541.		
44 <small>Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.</small>	44	225,431,427.		

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? **SEE STATEMENT 8**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts, but optional for others.)

a THE COOPERATIVE PROVIDED ELECTRICITY TO 106,129 ACTIVE MEMBER SERVICES AT YEAR END. THE ELECTRICITY AND RELATED SERVICES WERE PROVIDED AT COST ON A COOPERATIVE BASIS THROUGH THE ALLOCATION OF PATRONAGE CAPITAL. (Grants and allocations \$ _____)
b _____ (Grants and allocations \$ _____)
c _____ (Grants and allocations \$ _____)
d _____ (Grants and allocations \$ _____)
e Other program services (attach schedule) (Grants and allocations \$ _____)
f Total of Program Service Expenses (should equal line 44, column (B), Program services) _____

Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year	
Assets	45 Cash - non-interest-bearing	18,164,388.	45 11,625,485.	
	46 Savings and temporary cash investments	12,043,722.	46 13,857,204.	
	47 a Accounts receivable	47a 17,389,663.		
	b Less: allowance for doubtful accounts	47b 3,117,216.	47c 14,272,447.	
	48 a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable	51a 4,299,513.		
	b Less: allowance for doubtful accounts	51b	51c 4,299,513.	
	52 Inventories for sale or use	499,325.	52 814,064.	
	53 Prepaid expenses and deferred charges	929,779.	53 370,857.	
	54 Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55 a Investments - land, buildings, and equipment basis	55a		
	b Less: accumulated depreciation	55b	55c	
56 Investments - other	SEE STATEMENT 9	63,934,910.	56 68,331,441.	
57 a Land, buildings, and equipment: basis	57a 430,078,887.			
b Less: accumulated depreciation	57b 71,251,744.	341,111,023.	57c 358,827,143.	
58 Other assets (describe <input type="checkbox"/> SEE STATEMENT 10)		10,366,617.	58 12,843,191.	
59 Total assets (add lines 45 through 58) (must equal line 74)		463,888,556.	59 485,241,345.	
Liabilities	60 Accounts payable and accrued expenses	15,220,848.	60 21,343,627.	
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable	STMT 11	338,736,699.	64b 339,377,424.
	65 Other liabilities (describe <input type="checkbox"/> SEE STATEMENT 12)		17,335,638.	65 19,433,000.
66 Total liabilities (add lines 60 through 65)		371,293,185.	66 380,154,051.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds	1,128,700.	70 1,317,590.	
	71 Paid-in or capital surplus, or land, building, and equipment fund	13,849,175.	71 22,349,783.	
	72 Retained earnings, endowment, accumulated income, or other funds	77,617,496.	72 81,419,921.	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)		92,595,371.	73 105,087,294.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)		463,888,556.	74 485,241,345.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

DENTON COUNTY ELECTRIC COOPERATIVE, INC.
DBA COSERV ELECTRIC

Form 990 (2004)

75-0233075

Page 5

Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization SEE STATEMENT 14 _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct or indirect political expenditures. See line 81 instructions	81a	0.
b	Did the organization file Form 1120-POL for this year?	81b	X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	N/A
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	234,553,110.
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	17,478,500.
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under: section 4911 N/A ; section 4912 N/A ; section 4955 N/A		
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	N/A
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		N/A
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		N/A
90 a	List the states with which a copy of this return is filed N/A		
b	Number of employees employed in the pay period that includes March 12, 2004	90b	245
91	The books are in care of DONNIE CLARY, SENIOR VP & CFO Telephone no. (940) 321-7800		
	Located at 7701 SOUTH STEMMONS FREEWAY, CORINTH, TX ZIP + 4 76210		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

DENTON COUNTY ELECTRIC COOPERATIVE, INC.
DBA COSERV ELECTRIC

Form 990 (2004)

75-0233075 Page 6

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a SALE OF ELCTRICITY					233,717,993.
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	426,833.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property	531120	189,556.	16	61,711.	199,870.
b not debt-financed property	900003	<25,325.>			
98 Net rental income or (loss) from personal property	900002	25,073.	11	279,930.	
99 Other investment income	900003	94,570.	14	99,906.	3,716,920.
100 Gain or (loss) from sales of assets other than inventory			18	37,418.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					43,510.
103 Other revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		283,874.		905,798.	237,678,293.
105 Total (add line 104, columns (B), (D), and (E))					▶ 238,867,965.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	SEE STATEMENT 15

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
SEE ATTACHED STATEMENT	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 706 and Form 720 (see instructions).

Under penalty of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. I am not aware of any information of which preparer has any knowledge.

Date: 1/7/05 Type or print name and title: Danniel Clary CFO

Preparer's SSN or PTIN: _____

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

- ▶ If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box
 - If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile.

Type or print	Name of Exempt Organization DENTON COUNTY ELECTRIC COOPERATIVE, INC. DBA COSERV ELECTRIC	Employer identification number 75-0233075
File by the due date for filing your return See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 7701 SOUTH STEMMONS FREEWAY	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. CORINTH, TX 76210	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ **DONNIE CLARY, SENIOR VP & CFO**
 Telephone No. ▶ **(940) 321-7800** FAX No. ▶ **(940) 270-7795**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6-months for a Form 990-T corporation) extension of time until **AUGUST 15, 2005** to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 - ▶ calendar year **2004** or
 - ▶ tax year beginning _____, and ending _____
- 2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions _____ \$ _____
- b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit _____ \$ _____
- c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions _____ \$ **N/A**

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

- If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box
- Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II: Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.

Type or print. File by the extended due date for filing the return. See instructions.	Name of Exempt Organization DENTON COUNTY ELECTRIC COOPERATIVE, INC. DBA COSERV ELECTRIC	Employer identification number 75-0233075
	Number, street, and room or suite no. If a P.O. box, see instructions. 7701 SOUTH STEMMONS FREEWAY	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. CORINTH, TX 76210	

Check type of return to be filed (File a separate application for each return):

Form 990 Form 990-EZ Form 990-T (sec. 401(a) or 408(a) trust) Form 1041-A Form 5227 Form 8870

Form 990-BL Form 990-PF Form 990-T (trust other than above) Form 4720 Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of **▶ DONNIE CLARY, SENIOR VP & CFO**
Telephone No. **▶ (940) 321-7800** FAX No. **▶ (940) 270-7795**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **NOVEMBER 15, 2005.**

5 For calendar year **2004**, or other tax year beginning _____ and ending _____.

6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS NECESSARY TO GATHER THE INFORMATION REQUIRED TO FILE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ _____

c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ **N/A**

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature **▶ [Handwritten Signature]** Title **▶ CPA** Date **▶ 7/25/05**

Notice to Applicant - To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
- Other _____

By: _____ Date _____

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
	Number and street (include suite, room, or apt. no.) or a P.O. box number 1623 10TH STREET
	City or town, province or state, and country (including postal or ZIP code) LUBBOCK, TEXAS 79401

423832 01-10-05

EXTENSION APPROVED
AUG 16 2005
FIELD DIRECTOR,
PROCESSING OGDEN

FORM 990	OTHER INVESTMENT INCOME	STATEMENT 1
----------	-------------------------	-------------

DESCRIPTION	AMOUNT
PATRONAGE DIVIDENDS	3,716,920.
NOTES RECEIVABLE	94,570.
NOTES RECEIVABLE - CONSTRUCTION OF ELECTRIC FACILITIES	99,906.
TOTAL TO FORM 990, PART I, LINE 7	3,911,396.

FORM 990	RENTAL INCOME	STATEMENT 2
----------	---------------	-------------

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
JOINT POLE RENTAL	1	279,930.
REAL PROPERTY RENTAL - OFFICE & WAREHOUSE	2	1,587,627.
TOWER SITE RENTAL	3	25,440.
PERSONAL PROPERTY LEASE	4	104,713.
TOTAL TO FORM 990, PART I, LINE 6A		1,997,710.

FORM 990	RENTAL EXPENSES	STATEMENT 3
----------	-----------------	-------------

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
DEPRECIATION		303,704.	
INSURANCE		13,192.	
INTEREST		337,483.	
MANAGEMENT FEES		95,468.	
MAINTENANCE CONTRACTS		70,017.	
PROPERTY TAX		177,960.	
REPAIR & MAINTENANCE		76,231.	
UTILITIES		57,316.	
OTHER OPERATING EXPENSE		14,284.	
OVERHEAD		16,160.	
- SUBTOTAL -	2		1,161,815.
DEPRECIATION		105,080.	
- SUBTOTAL -	4		105,080.
TOTAL TO FORM 990, PART I, LINE 6B			1,266,895.

FORM 990

GAIN (LOSS) FROM SALE OF OTHER ASSETS

STATEMENT 4

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
FURNITURE	VARIOUS	VARIOUS	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
UNRELATED PARTY	6,810.	223,140.	0.	136,271.	<80,059.>
DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
COMPUTER EQUIPMENT	VARIOUS	VARIOUS	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
UNRELATED PARTY	0.	25,034.	0.	22,894.	<2,140.>
DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
TRANSPORTATION EQUIPMENT	VARIOUS	VARIOUS	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
UNRELATED PARTY	123,720.	773,312.	0.	769,209.	119,617.
TO FM 990, PART I, LN 8	130,530.	1,021,486.	0.	928,374.	37,418.

FORM 990

INCOME AND COST OF GOODS SOLD
INCLUDED ON PART I, LINE 10

STATEMENT 5

INCOME

1. GROSS RECEIPTS	49,400	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		49,400
4. COST OF GOODS SOLD (LINE 13)	5,890	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		43,510

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR		
7. MERCHANDISE PURCHASED	5,890	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		5,890
12. INVENTORY AT END OF YEAR		
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12).		5,890

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	6
----------	--	-----------	---

DESCRIPTION	AMOUNT
EQUITY METHOD INCOME (LOSS) FROM SUBSIDIARY COMPANY	<1,465,733.>
NET CHANGE IN MEMBERSHIPS	188,890.
RETIREMENT OF PATRONAGE CAPITAL - TOTAL	<8,168,380.>
CONTRIBUTION TO CAPITAL - PATRONAGE CAPITAL RETIREMENT DISCOUNT	6,298,999.
CORRECTION OF EQUITY METHOD INCOME/LOSS OF SUBSIDIARY FROM PRIOR PERIOD	2,201,609.
TOTAL TO FORM 990, PART I, LINE 20	<944,615.>

FORM 990	OTHER EXPENSES	STATEMENT	7
----------	----------------	-----------	---

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
COST OF PURCHASED POWER	158,569,744.			
DISTRIBUTION OF ELECTRICITY - OPERATIONS	4,224,473.			
DISTRIBUTION OF ELECTRICITY - MAINTENANCE	4,864,873.			
CUSTOMER ACCOUNTS EXPENSE	4,770,278.			
CUSTOMER SERVICE AND INFORMATION	1,434,359.			
SALES	543,990.			
ADMINISTRATIVE & GENERAL	5,840,130.			
OTHER OPERATING EXPENSES	210,627.			
OTHER DEDUCTIONS/FRANCHISE FEES	3,964,759.			
TAXES	1,537,360.			
MISCELLANEOUS EXPENSE	49,922.			
DONATIONS	32,741.			
UNRELATED BUSINESS INCOME TAXES	161,285.			
TOTAL TO FM 990, LN 43	186,204,541.			

FORM 990	OTHER LIABILITIES	STATEMENT 12
DESCRIPTION		AMOUNT
CONSUMER DEPOSITS		3,734,620.
ACCRUED COMPENSATED ABSENCES		537,880.
ACCRUED INTEREST		20,415.
ACCRUED UNBILLED POWER COST		5,135,085.
ACCRUED PAYROLL		227,670.
OPERATING TAXES PAYABLE		4,335,673.
PATRONAGE CAPITAL PAYABLE		<7.>
OTHER CURRENT & ACCRUED LIABILITIES		923,285.
POST RETIREMENT HEALTH INSURANCE BENEFITS		2,828,400.
DEFERRED CREDIT - SCHOLARSHIP FUND		70,311.
DEFERRED CREDIT - OTHER		1,386,999.
DEFERRED REVENUE		232,669.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B		19,433,000.

FORM 990	PART V - LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES	STATEMENT 13
----------	---	--------------

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
CURTIS TALLY 7701 SOUTH STEMMONS FREEWAY CORINTH, TX 76210	CHAIRMAN 4	12,150.	12,257.	0.
VAUGHN ANDRUS 7701 SOUTH STEMMONS FREEWAY CORINTH, TX 76210	VICE-CHAIRMAN 4	10,950.	12,257.	0.
MARK GLOVER 7701 SOUTH STEMMONS FREEWAY CORINTH, TX 76210	SECRETARY/TREASURER 4	18,150.	12,257.	0.
JERRY COBB 7701 SOUTH STEMMONS FREEWAY CORINTH, TX 76210	DIRECTOR 4	12,150.	4,097.	0.
MARVIN ELLIS 7701 SOUTH STEMMONS FREEWAY CORINTH, TX 76210	DIRECTOR 4	13,650.	12,257.	0.

CLYDE GEER 7701 SOUTH STEMMONS FREEWAY CORINTH, TX 76210	DIRECTOR 4	13,650.	12,257.	0.
LEON PETZEL 7701 SOUTH STEMMONS FREEWAY CORINTH, TX 76210	DIRECTOR 4	10,050.	12,257.	0.
MICHAEL DREYSPRING 7701 SOUTH STEMMONS FREEWAY CORINTH, TX 76210	CEO 40	236,335.	0.	0.
DONNIE CLARY 7701 SOUTH STEMMONS FREEWAY CORINTH, TX 76210	SENIOR VP & CFO 40	219,252.	0.	0.
JIM CHISM 7701 SOUTH STEMMONS FREEWAY CORINTH, TX 76210	SENIOR VP 40	208,704.	0.	0.
JODY FORMAN 7701 SOUTH STEMMONS FREEWAY CORINTH, TX 76210	SENIOR VP 40	199,025.	0.	0.
CURTIS TRIVITT 7701 SOUTH STEMMONS FREEWAY CORINTH, TX 76210	SENIOR VP 40	202,732.	0.	0.
STACIA SIMS 7701 SOUTH STEMMONS FREEWAY CORINTH, TX 76210	SENIOR VP 40	153,951.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V		<u>1,310,749.</u>	<u>77,639.</u>	<u>0.</u>

FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS STATEMENT 14
PART VI, LINE 80B

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
COSERV UTILITIES SERVICES, INC.		X
COSERV INVESTMENTS, LP		X
COSERV NATURAL, LLC		X
COSERV GAS, LTD		X
COSERV SECURITY, LLC		X
COSERV LLANO, LLC		X
COLLIN COUNTY EQUIPMENT, LTD		X
LLANO UTILITY SERVICES, INC.		X

FORM 990

PART VIII - RELATIONSHIP OF ACTIVITIES TO
ACCOMPLISHMENT OF EXEMPT PURPOSES

STATEMENT 15

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	THE COOPERATIVE SOLD AND DISTRIBUTED ELECTRICITY AND RELATED SERVICES TO ITS MEMBERS ON A COOPERATIVE BASIS, WHICH IS ITS EXEMPT PURPOSE.
97	THE COOPERATIVE LEASES ITS WAREHOUSE FACILITIES TO ITS INVENTORY SUPPLIER IN ORDER TO MAINTAIN A JUST IN TIME INVENTORY SYSTEM. THE COOPERATIVE ENGAGES IN THIS TYPE OF LEASE IN LIEU OF OPERATING ITS OWN INVENTORY SYSTEM DUE TO OPERATIONAL EFFICIENCIES AND COST EFFECTIVENESS.
99	PATRONAGE DIVIDENDS RESULT FROM THE PURCHASE OF WHOLESALE POWER FROM A GENERATION AND TRANSMISSION COOPERATIVE AND FROM THE PAYMENT OF INTEREST TO ITS LENDERS. THE EXPENSES ASSOCIATED WITH PURCHASES FROM THESE ASSOCIATED COOPERATIVES ARE A VITAL PART OF PROVIDING ELECTRICITY TO THE MEMBERS.
102	THE SALE OF METER BASES TO MEMBERS AND CONSUMERS TO WHOM THE COOPERATIVE WILL PROVIDE ELECTRICITY, ENABLE THE COOPERATIVE TO PROVIDE SUCH SERVICE IN FURTHERANCE OF ITS EXEMPT PURPOSE.

**ACCUMULATED PROVISION FOR DEPRECIATION
 FOR THE YEAR ENDED DECEMBER 31, 2004**

	Balance 1/1/2004	Depreciation Accruals	Retirements	Transfers	Balance 12/31/2004
Transmission Plant	\$ 0	\$	\$	\$	\$ 0
Distribution Plant	\$ 50,789,507	\$ 11,289,688	\$ 3,517,383	\$	\$ 58,561,812
General Plant					
Structures and Improvements	\$ 2,977,420	\$ 573,692	\$	\$	\$ 3,551,112
Office Furniture and Equipment	1,398,938	271,517	136,271	\$	1,534,184
Transportation Equipment	4,082,489	450,699	621,185	\$	3,912,003
Computer Equipment	3,205,259	880,693	22,894	\$	4,063,058
Communication Equipment	8,529	4,450	\$	\$	12,979
Stores Equipment	\$	\$	\$	\$	0
Tools, Shop, and Garage Equipment	264,867	39,378	\$	\$	304,245
Laboratory Equipment	\$	\$	\$	\$	0
Miscellaneous Equipment	9,258	589	\$	\$	9,847
Gain or Loss	\$	\$	\$	\$	0
Total General Plant	\$ 11,946,760	\$ 2,221,018	\$ 780,350	\$ -	\$ 13,387,428
Total Classified Electric Plant in Service	\$ 62,736,267	\$ 13,510,706	\$ 4,297,733	\$ -	\$ 71,949,240
Retirement Work in Progress	(402,659)	\$	294,837	\$	(697,496)
Total Utility Plant	\$ 62,333,608	\$ 13,510,706	\$ 4,592,570	\$ -	\$ 71,251,744

(1)

(1) Charged to Depreciation Expense	\$ 13,370,187
Allocated to Building Rental	(303,704)
Allocated to Equipment & Furniture Lease	(105,080)
Form 990, Part II, Line 42	12,961,403
Allocated to Rental & Lease Activities	408,784
Charged to Clearing Accounts	140,519
	\$ 13,510,706

**ELECTRIC PLANT
 FOR THE YEAR ENDED DECEMBER 31, 2004**

	Balance 1/1/2004	Additions	Retirements	Balance 12/31/2004
CLASSIFIED ELECTRIC PLANT IN SERVICE				
Intangible Plant	\$ 2,625	\$ 0	\$ 0	\$ 2,625
Transmission Plant				
Land and Land Rights	\$ 0	\$	\$	\$ 0
Poles, Towers, and Fixtures	0			0
Overhead Conductors and Devices	0			0
Total	\$ 0	\$ 0	\$ 0	\$ 0
Distribution Plant				
Land and Land Rights	\$ 21,894	\$	\$	\$ 21,894
Station Equipment	635,968	67,022		702,990
Poles, Towers, and Fixtures	26,425,697	1,550,737	216,968	27,759,466
Overhead Conductors and Devices	21,574,776	2,094,025	285,004	23,383,797
Underground Conductors and Devices	77,890,376	2,240,082	54,471	80,075,987
Underground Conduit	107,428,502	5,177,808	2,652	112,603,658
Line Transformers	44,867,254	885,598	177,778	45,575,074
Services	32,636,028	1,898,500	43,700	34,490,828
Meters	15,998,066	697,511	2,490,793	14,204,784
Installations on Consumers' Premises	20,212,776	645,942	12,041	20,846,677
Street Lighting and Signal System				0
Total	\$ 347,691,337	\$ 15,257,225	\$ 3,283,407	\$ 359,665,155
General Plant				
Land and Land Rights	\$ 2,303,511	\$	\$	\$ 2,303,511
Structures and Improvements	20,222,272	22,251		20,244,523
Office Furniture and Equipment	3,978,602	7,879	223,140	3,763,341
Transportation and Power Operated	5,095,855	768,131	625,289	5,238,697
Computer Equipment	5,030,236	2,216,470	25,034	7,221,672
Tools, Shop, and Garage Equipment	16,840			16,840
Laboratory Equipment	428,838	19,871		448,709
Power Operated Equipment				0
Communications Equipment	17,800			17,800
Miscellaneous Equipment	12,890	0		12,890
Total	\$ 37,106,844	\$ 3,034,602	\$ 873,463	\$ 39,267,983
Total Classified Electric Plant in Service	\$ 384,800,806	\$ 18,291,827	\$ 4,156,870	\$ 398,935,763
Construction Work in Progress	18,643,824	12,499,300		31,143,124
Total Utility Plant	\$ 403,444,630	\$ 30,791,127	\$ 4,156,870	\$ 430,078,887

Denton County Electric Cooperative, Inc. dba Coserv Electric
 FEIN: 75-0233075
 2004 Form 990

Part IV - Line 51(a) Other Notes and Loans Receivable

<u>Name of Borrower</u>	<u>Relationship of Borrower</u>	<u>Security, Payment Terms & Purpose</u>	<u>Original Principal</u>	<u>Date of Note</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Ending Balance</u>
Coserv Gas, Ltd	Affiliate - Indirect Ownership	Promissory Note Principal and accrued interest is due on the earlier of the maturity date or demand of lender	\$ 3,058,324	7/31/2002	9/15/2007	Variable	\$ 3,058,324
Fnsco Office Development, LLC	Consumer	Demand Loan - for short-term supplemental financing Asset Lien on HVAC Unit Monthly principal & interest payments of \$2,063 Purchase of HVAC unit for development to which lender will provide electric service	\$ 295,000	10/23/1997	10/23/2027	7.25%	\$ 278,185
Experian	Consumer	Asset lien on constructed electric distribution facilities Monthly principal and interest payments of \$5,185 Financing of aid to construction for construction of electric distribution facilities	\$ 700,000	5/6/2000	5/6/2003	8.10%	\$ 669,472
Chelsea Allen Development	Consumer	Asset lien on constructed electric distribution facilities Monthly principal and interest payments of \$3,961 Financing of aid to construction for construction of electric distribution facilities	\$ 312,847	1/1/2002	8/1/2011	8.35%	\$ 243,077
CRH Golf LP	Consumer	Asset lien on constructed electric distribution facilities Monthly principal and interest payments of \$208.01 Financing of aid to construction for construction of electric distribution facilities	\$ 16,777	9/28/2002	8/27/2012	8.50%	\$ 14,028

Donton County Electric Cooperative, Inc. dba Coserv Electric
 FEIN: 75-0233075
 2004 Form 990

Part IV - Line 51(a) Other Notes and Loans Receivable

<u>Name of Borrower</u>	<u>Relationship of Borrower</u>	<u>Security, Payment Terms & Purpose</u>	<u>Original Principal</u>	<u>Date of Note</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Ending Balance</u>
CRH Hospitality LP	Consumer	Assot lion on constructed electric distribution facilities Monthly principal and interest payments of \$570 Financing of aid to construction for construction of electric distribution facilities	\$ 45,968	8/28/2002	8/28/2012	8.50%	\$ 38,429

Total per Form 990, Part IV, Line 51(a)

\$ 4,299,513

Denton County Electric Cooperative, Inc. dba Coserv Electric
 FEIN: 75-0233075
 2004 Form 990

Part IX - Information Regarding Taxable Subsidiaries and Disregarded Entities

<u>Name, address & EIN of Corporation, partnership or disregarded entity</u>	<u>Percentage of Ownership Interest</u>	<u>Nature of Activities</u>	<u>Total Income</u>	<u>End of Year Assets</u>
1 Coserv Utilities Services, Inc 7701 South Stemmons Freeway; Corinth, EIN. 75-2766000	100%	General partner for limited partnership	\$ -	\$ 520,774
1 Coserv Investments, LP 7701 South Stemmons Freeway; Corinth, EIN 75-2729645	99%	Investment in and management of operations of companies in the utility or related industries (natural gas, security, electric distribution line construction)	\$ 2,032,988	\$ 52,349,339