

Tri-County Electric Membership Corporation

Name of Organization

405 College Street LaFayette, TN 37083-0040

Address


Tennessee Valley Authority  
1101 Market Street  
Chattanooga, Tennessee 37402-2801

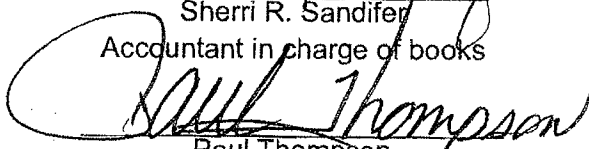
Gentlemen:

We are transmitting herewith our annual report for the year ended June 30, 2010. The report is in agreement with the books of account, and to the best of our knowledge and belief the statements therein contained are true and correctly reflect the financial condition at June 30, 2010, and the results of our electric operations for the year ended on that date.

Our books of account have been kept in accordance with the provisions of the power contract between this organization and the Tennessee Valley Authority, and are consistent with the requirements of the Federal Energy Regulatory Commission's system of accounts.

(Signed)

  
 Sherri R. Sandifer  
 Accountant in charge of books

  
 Paul Thompson  
 Manager

8/18/2010  
Date transmitted

TVA Act of 1933

In fulfilling the responsibilities of the TVA Act of 1933 [16 U.S.C. #831i and 831n-4(f)], TVA requires each distributor to provide certain financial and accounting information to TVA to ensure that electric power produced by TVA is being sold at rates which are as low as feasible. This form (TVA 3957) is for that purpose.

Public reporting burden for this collection of information is estimated to vary from ten to forty hours per response, with an average of nineteen hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Agency Clearance Officer, Tennessee Valley Authority, 1101 Market Street, Chattanooga, TN 37402; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Distributor Number 374

<b>BALANCE SHEET</b>				
<b>ASSETS AND OTHER DEBITS</b>	<b>SEE PAGE NO</b>	<b>ITEM NO</b>	<b>JUNE 30</b>	
			<b>THIS YEAR</b>	<b>LAST YEAR</b>
<b>UTILITY PLANT</b>				
Electric Plant. ....	10	1	160,717,744.91	158,443,177.69
Less Depreciation. ....	10	2	56,738,146.21	57,897,320.41
<b>Total. ....</b>	10	3	103,979,598.70	100,545,857.28
Unamortized acq. adj. ....	13	4		
Other utility plant - net. ....	----	5		
<b>Total Plant - net. ....</b>	----	6	103,979,598.70	100,545,857.28
<b>OTHER PROPERTY AND INVESTMENTS</b>				
Nonutility property - net. ....	15	7		
Other investments. ....	14	8	2,723,786.66	2,614,098.82
Sinking funds. ....	15	9		
Depreciation funds. ....	15	10		
Other special funds. ....	15	12		
<b>Total. ....</b>	----	13	2,723,786.66	2,614,098.82
<b>CURRENT AND ACCRUED ASSETS</b>				
General cash and temporary cash investments. ....	14	14	9,444,092.68	7,353,480.46
Accounts receivable. ....	16	15	14,371,911.77	6,532,016.74
Materials and supplies. ....	17	16	1,789,868.32	2,035,588.99
Prepayments. ....	17	17	612,381.19	592,442.83
Other current assets. ....	17	18	669,548.06	614,764.29
<b>Total. ....</b>	----	19	26,887,802.02	17,128,293.31
<b>DEFERRED DEBITS</b>				
Debt expense. ....	17	20	1,826.29	3,196.21
Preliminary survey. ....	----	21		
Clearing accounts. ....	----	22		
Energy Service Loans Receivables. ....	----	24	1,442,963.09	1,192,299.82
Deferred costs on TVA Leases. ....	17	25		
Other deferred debits. ....	17	26	875,162.86	1,148,364.81
<b>Total. ....</b>	----	27	2,319,952.24	2,343,860.84
<b>TOTAL ASSETS AND OTHER DEBITS. ....</b>	----	28	135,911,139.62	122,632,110.25
<b>LIST UNRECORDED AND CONTINGENT ASSETS AND LIABILITIES OTHER THAN ACCRUED UTILITY REVENUE AND UNBILLED PURCHASED POWER</b>				

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<b>BALANCE SHEET</b>				
<b>LIABILITIES AND OTHER CREDITS</b>	<b>SEE PAGE NO</b>	<b>ITEM NO</b>	<b>JUNE 30</b>	
			<b>THIS YEAR</b>	<b>LAST YEAR</b>
<b>CAPITAL</b>				
Membership certificates.....	----	30	195,620.05	195,960.10
<b>EARNINGS REINVESTED IN SYSTEM ASSETS</b>				
Beginning of year.....	----	33	76,632,073.43	72,986,529.36
Current year.....	3	34	5,257,801.84	4,149,610.00
<b>Total</b> .....	----	35	81,889,875.27	77,136,139.36
<b>LONG-TERM DEBT</b>				
RUS.....	23	36	7,288,945.55	7,303,544.49
CFC.....	23	37	3,643,313.04	4,359,355.36
CoBank.....	23	38		
Bonds and other long-term debt.....	25	39.1	16,882,702.80	17,366,589.49
TVA.....	25	39.3		
Debt premium and discount.....	----	40		
<b>Total</b> .....	----	41	27,814,961.39	29,029,489.34
<b>OTHER NON-CURRENT LIABILITIES</b>				
Postretirement Benefits.....	25	39.2	4,053,198.38	3,467,423.07
Energy Service Loans - Advances.....	----	42	1,473,910.56	1,223,250.89
Energy Service Loans - Other.....	----	43		
<b>Total</b> .....	----	44	5,527,108.94	4,690,673.96
<b>CURRENT AND ACCRUED LIABILITIES</b>				
TVA notes payable.....	26	45.1		
Other notes payable.....	26	45.2		
Accounts payable.....	26	46	15,526,577.85	6,893,997.83
Customer deposits.....	26	47	2,012,367.95	1,780,263.03
Taxes and equivalents accrued.....	29	48	586,417.75	556,174.57
Interest accrued - RUS.....	23	49	17,800.37	
Interest accrued - CFC.....	23	50	33,400.00	39,000.00
Interest accrued -CoBank.....	23	51		
Interest accrued -TVA.....	26	52.1		
Interest accrued - other.....	26	52.2	62,918.24	55,611.11
Other current liabilities.....	26	53	2,244,091.81	2,254,800.95
<b>Total</b> .....	----	54	20,483,573.97	11,579,847.49
<b>DEFERRED CREDITS</b>				
Advances for construction - refundable.....	18	55		
Other deferred credits.....	26	56		
<b>Total</b> .....	----	57		
<b>TOTAL LIABILITIES AND OTHER CREDITS.....</b>	----	58	135,911,139.62	122,632,110.25

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

REVENUE AND EXPENSE STATEMENT	SEE PAGE NO	ITEM NO	THIS YEAR	LAST YEAR
<b>OPERATING REVENUE</b>				
Electric sales revenue (page 7, item 332) . . . . .	----	59	108,446,971.96	113,205,715.80
Revenue from late payments . . . . .	----	60	693,531.22	792,485.51
Misc. service revenue . . . . .	----	61	505,170.46	543,839.23
Rent from electric property . . . . .	----	62	1,410,825.51	1,238,968.64
Other electric revenue . . . . .	----	63	15,666.45	23,013.31
<b>Total operating revenue . . . . .</b>	----	64	<b>111,072,165.60</b>	<b>115,804,022.49</b>
<b>PURCHASED POWER</b>				
<b>Total power cost (page 7, item 342) . . . . .</b>	7	65	<b>84,294,397.75</b>	<b>90,739,846.14</b>
<b>OPERATION EXPENSE</b>				
Transmission expense . . . . .	5	66	66,049.27	50,403.17
Distribution expense . . . . .	5	67	4,125,490.84	3,921,956.08
Customer accounts expense . . . . .	5	68	2,670,177.65	2,747,416.05
Customer service and informational expense . . . . .	5	69	542,297.98	625,574.33
Sales expense . . . . .	5	70	4,812.97	34,770.88
Administrative and general expense . . . . .	6	71	1,513,227.54	1,451,911.27
<b>Operation expense . . . . .</b>	6	72	<b>8,922,056.25</b>	<b>8,832,031.78</b>
<b>MAINTENANCE EXPENSE</b>				
Transmission expense . . . . .	6	73	13,608.87	46,204.94
Distribution expense . . . . .	6	74	4,513,376.57	3,954,688.80
Administrative and general expense . . . . .	6	75	560,101.38	497,470.74
<b>Maintenance expense . . . . .</b>	6	76	<b>5,087,086.82</b>	<b>4,498,364.48</b>
<b>OTHER OPERATING EXPENSE</b>				
Depreciation expense . . . . .	12	77	5,248,554.73	5,199,220.95
Amortization of acquisition adjustment . . . . .	13	78		
Taxes and tax equivalents . . . . .	29	79	963,820.20	1,107,407.55
<b>Other operating expense . . . . .</b>	----	80	<b>6,212,374.93</b>	<b>6,306,628.50</b>
<b>TOTAL OPERATING EXPENSE AND PURCHASED POWER . . . . .</b>	----	81	<b>104,515,915.75</b>	<b>110,376,870.90</b>
<b>INCOME</b>				
Operating income (item 64, less item 81) . . . . .	----	82	6,556,249.85	5,427,151.59
Other income . . . . .	16	83	161,662.33	346,661.02
<b>Total income . . . . .</b>	----	84	<b>6,717,912.18</b>	<b>5,773,812.61</b>
Miscellaneous income deductions . . . . .	16	85	98,032.16	164,575.69
<b>Net income before debt expense . . . . .</b>	----	86	<b>6,619,880.02</b>	<b>5,609,236.92</b>
<b>DEBT EXPENSE</b>				
Interest on long-term debt - RUS . . . . .	23	87	218,895.80	313,866.77
Interest on long-term debt - CFC . . . . .	23	88	211,886.22	386,536.95
Interest on long-term debt - CoBank . . . . .	23	89		
Interest on long-term debt - other . . . . .	26	90.1	929,926.24	746,084.90
Interest - TVA . . . . .	26	90.2		
Other interest expense . . . . .	----	92		578.56
Amortization of debt discount and expense . . . . .	----	93	1,369.92	12,559.74
Amortization of premium on debt - credit . . . . .	----	94		
<b>Total debt expense . . . . .</b>	----	95	<b>1,362,078.18</b>	<b>1,459,626.92</b>
<b>NET INCOME</b>				
Net income before extraordinary items (item 86, less item 95) . . . . .	----	96	5,257,801.84	4,149,610.00
Extraordinary items . . . . .	33	97		
<b>Net Income . . . . .</b>	2	98	<b>5,257,801.84</b>	<b>4,149,610.00</b>

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**STATEMENT OF CASH FLOWS**

Increase (Decrease) in Cash and Cash Equivalents

	THIS YEAR	LAST YEAR
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Net Income . . . . .	5,257,801.84	4,149,610.00
<b>Adjustments to Reconcile Net Income to Net Cash:</b>		
Depreciation . . . . .	5,886,135.86	5,797,105.34
<b>Amortization of:</b>		
Acquisition Adjustment . . . . .		
Additions to TVA Leases . . . . .		
Debt Premium or Discount . . . . .	1,369.92	1,369.92
(Gain) or Loss on Sale of Plant . . . . .		
<b>Changes in Current and Deferred Items:</b>		
Accounts Receivable . . . . .	(7,839,895.03)	(1,805,211.16)
Materials and Supplies . . . . .	245,720.67	(390,642.08)
Prepayments and Other Current Assets . . . . .	(74,722.13)	(16,881.96)
Deferred Debits . . . . .	273,201.95	78,422.37
Accounts Payable . . . . .	8,632,580.02	146,532.02
Customer Deposits . . . . .	232,104.92	451,375.81
Taxes and Interest Accrued . . . . .	49,750.68	(22,093.36)
Other Current Liabilities . . . . .	(10,709.14)	103,786.70
Deferred Credits . . . . .		
Other . . . . .	(504,065.93)	
<b>Net Cash Provided by (Used in) Operating Activities . . . . .</b>	<b>12,149,273.63</b>	<b>8,493,373.60</b>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:</b>		
Additions to Plant . . . . .	(7,521,700.16)	(8,985,174.29)
Removal Cost . . . . .	(2,289,296.78)	(1,327,836.33)
Salvage . . . . .	491,119.66	1,892,255.80
Net Change in Other Property and Investment . . . . .	(109,687.84)	122,222.16
Energy Service Loans Receivable . . . . .	(250,663.27)	(145,536.68)
Plant Sold (Purchased) - Noninstallment Method . . . . .		17,552.00
Deferred Costs on TVA Leases (excluding amortization) . . . . .		
Other . . . . .		
<b>Net Cash Provided by (Used in) Investing Activities . . . . .</b>	<b>(9,680,228.39)</b>	<b>(8,426,517.34)</b>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Additional Long-Term Borrowings . . . . .	253,000.00	8,000,000.00
Payment of Principal on Long-Term Debt . . . . .	(1,467,527.95)	(9,447,870.46)
Notes Payable . . . . .		
Memberships . . . . .	(340.05)	(924.95)
Energy Service Loans Advances . . . . .	250,659.67	139,031.49
Receipt for Plant Sold - Installment Method . . . . .		
Payment for Plant Purchased - Installment Method . . . . .		
Other . . . . .	585,775.31	222,493.00
<b>Net Cash Provided by (Used in) Financing Activities . . . . .</b>	<b>(378,433.02)</b>	<b>(1,087,270.92)</b>
<b>NET INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS . . . . .</b>	<b>2,090,612.22</b>	<b>(1,020,414.66)</b>
CASH AND TEMPORARY INVESTMENTS BEGINNING OF YEAR . . . . .	7,353,480.46	8,373,895.12
CASH AND TEMPORARY INVESTMENTS END OF YEAR . . . . .	9,444,092.68	7,353,480.46

**NOTE:** Cash and Temporary Cash Investments include cash on hand and in demand deposits, and those investments which are generally a part of the power distributor's short-term cash management activities.

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

ACCT. NO.	DESCRIPTION	EXPENSES		PAYROLL DISTRIBUTION	
		THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
<b>OPERATING EXPENSE</b>					
<b>1. TRANSMISSION</b>					
560	Supervision and engineering.....				
561	Load dispatching.....				
562	Station expense.....	55,318.72	47,041.07		
563	Overhead line expense.....	2,309.65	2,894.90		
564	Underground line expense.....				
566	Miscellaneous.....	8,420.90	467.20		
567	Rents.....				
(600)	<b>Total transmission operating expense (page 3, item 66)</b>	<b>66,049.27</b>	<b>50,403.17</b>		
<b>2. DISTRIBUTION</b>					
580	Supervision and engineering.....	392,109.43	354,902.63		
581	Load dispatching.....				
582	Station expense.....	236,787.92	196,000.24		
583	Overhead line expense.....	1,442,236.91	1,282,215.85		
584	Underground line expense.....	53,319.09	47,589.32		
585	Street lighting and signal system expense.....	65,929.20	67,847.33		
586	Meter expense.....	923,486.95	929,322.96		
587	Customer installation expense.....	249,538.58	238,766.25		
588	Miscellaneous.....	743,044.91	788,000.01		
589	Rents.....	19,037.85	17,311.49		
(605)	<b>Total distribution operating expense (page 3, item 67)</b>	<b>4,125,490.84</b>	<b>3,921,956.08</b>		
<b>3. CUSTOMER ACCOUNTS EXPENSE</b>					
901	Supervision.....	36,773.39	19,992.11		
902	Meter reading expense.....	138,747.90	104,282.54		
903	Customer records and collection expense.....	2,265,089.66	2,248,946.49		
904	Uncollectible accounts.....	229,566.70	374,194.91		
905	Miscellaneous.....				
(610)	<b>Total customer accounts expense (page 3, item 68)</b>	<b>2,670,177.65</b>	<b>2,747,416.05</b>		
<b>4. CUSTOMER SERVICES &amp; INFORMATIONAL EXPENSE</b>					
907	Supervision.....	28,672.54	27,150.33		
908	Customer assistance expense.....	234,667.22	336,422.72		
909	Informational and instructional advertising expense.....	254,172.27	238,429.34		
910	Miscellaneous customer service and informational expense.....	24,785.95	23,571.94		
(615)	<b>Total customer services and informational expense (page 3, item 69)</b>	<b>542,297.98</b>	<b>625,574.33</b>		
<b>5. SALES EXPENSE</b>					
911	Supervision.....				
912	Demonstrating and selling expense.....	(3,952.03)	14,176.82		
913	Advertising expense.....				
916	Miscellaneous.....	8,765.00	20,594.06		
(620)	<b>Total sales expense (page 3, item 70)</b>	<b>4,812.97</b>	<b>34,770.88</b>		

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

ACCT. NO.	DESCRIPTION	EXPENSES		PAYROLL DISTRIBUTION	
		THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
<b>6. ADMINISTRATIVE &amp; GENERAL</b>					
920	Administrative and general salaries.....	779,424.05	736,993.79		
921	Office supplies and expense.....	422,174.37	417,593.19		
922	Administrative expense transferred - credit*				
923	Outside services employed.....	29,893.74	25,105.43		
924	Property insurance.....				
925	Injuries and damages.....				
926	Employee pensions and benefits.....				
927	Franchise requirements*.....				
928	Regulatory commission expense*.....				
929	Duplicate charges - credit.....	(110,449.97)	(118,296.44)		
930	Miscellaneous general expense.....	392,185.35	390,515.30		
931	Rents.....				
(625)	<b>Total administrative and general expense (page 3, item 71).....</b>	<b>1,513,227.54</b>	<b>1,451,911.27</b>		
(630)	<b>Total operating expense (Page 3 Item 72).....</b>	<b>8,922,056.25</b>	<b>8,832,031.78</b>		
<b>MAINTENANCE EXPENSE</b>					
<b>1. TRANSMISSION</b>					
568	Supervision and engineering.....	309.80			
569	Maintenance of structures.....				
570	Maintenance of station equipment.....				
571	Maintenance of overhead lines.....	13,299.07	46,204.94		
572	Maintenance of underground lines.....				
573	Miscellaneous.....				
(635)	<b>Total transmission maintenance expense (page 3, item 73).....</b>	<b>13,608.87</b>	<b>46,204.94</b>		
<b>2. DISTRIBUTION</b>					
590	Supervision and engineering.....	375,052.29	354,771.76		
591	Maintenance of structures.....				
592	Maintenance of station equipment.....	101,803.76	70,956.24		
593	Maintenance of overhead lines.....	3,942,787.75	3,449,013.32		
594	Maintenance of underground lines.....	7,971.87	5,285.29		
595	Maintenance of line transformers.....	64,822.91	67,460.43		
596	Street lighting and signal systems.....	7,531.13	6,050.19		
597	Maintenance of meters.....	13,406.86	1,151.57		
598	Maintenance of miscellaneous distribution plant.....				
(640)	<b>Total distribution maintenance expense (page 3, item 74).....</b>	<b>4,513,376.57</b>	<b>3,954,688.80</b>		
<b>3. ADMINISTRATIVE &amp; GENERAL</b>					
935	Maintenance of general plant (page 3, items 75).....	560,101.38	497,470.74		
(645)	<b>Total maintenance expense (page 3, item 76).....</b>	<b>5,087,086.82</b>	<b>4,498,364.48</b>		
(650)	<b>Total operating and maintenance expense.....</b>	<b>14,009,143.07</b>	<b>13,330,396.26</b>		
(655)	Total direct and indirect payroll charged to construction and retirements.....				
(660)	Payroll charged to other accounts.....				
(662)	Fiscal year net change in accrued leave account - (increase) decrease.....				
(665)	<b>Total payroll distribution for year.....</b>				

\*FURNISH DETAILS OF THESE ACCOUNTS ON PAGES 32 AND 33.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**STATISTICAL DATA**

CLASS OF SERVICE	ITEM NO	REVENUE		ITEM NO	KILOWATT-HOURS SOLD	
		THIS YEAR	LAST YEAR		THIS YEAR	LAST YEAR
Residential. . . . .	100	58,018,117.09	64,092,809.09	107	697,401,792	646,623,438
Gen. Power - 50 kW & under. . . . .	101	9,725,118.89	10,344,794.50	108	91,832,598	84,934,678
Gen. Power - Over 50 kW. . . . .	102	30,745,151.01	36,116,836.17	109	422,424,483	419,478,162
Street and athletic. . . . .	103	640,828.27	692,354.62	110	6,407,591	6,262,050
Outdoor lighting. . . . .	104	1,759,630.95	1,958,921.42	111	16,149,751	15,211,951
<b>Subtotal. . . . .</b>	<b>330</b>	<b>100,888,846.21</b>	<b>113,205,715.80</b>			
Unbilled revenue*. . . . .	331	7,558,125.75				
<b>Total (page 3, item 59). . . . .</b>	<b>332</b>	<b>108,446,971.96</b>	<b>113,205,715.80</b>	335	1,234,216,215	1,172,510,279
Kilowatt-hours for own use. . . . .				113	1,604,393	1,512,320
<b>Total kilowatt-hours sold and used. . . . .</b>				114	1,235,820,608	1,174,022,599
Kilowatt-hours in unbilled revenue (items 331) above* . . . . .	336				84,063,467	

STATE	SALES TAX	TO ABOVE CLASSES OF REVENUE	CREDITS	GREEN POWER REVENUE
	TN	569,442.72	Gen. Power - 50 kW & under. . . . .	1,344.00
			Gen. Power - Over 50kW. . . . .	771,725.48
	<b>Total</b>	<b>1,876,226.94</b>		

**PURCHASED POWER**

TVA	ITEM NO	AMOUNT		ITEM NO	KILOWATT-HOURS PURCHASED	
		THIS YEAR	LAST YEAR		THIS YEAR	LAST YEAR
Purchased Power. . . . .	115	84,064,754.02	90,481,537.50	119	1,288,222,608	1,234,239,807
Facilities Rental. . . . .	116	229,643.73	258,308.64			
Other Charges/Credits. . . . .	117					
<b>Total from TVA. . . . .</b>	<b>118</b>	<b>84,294,397.75</b>	<b>90,739,846.14</b>	122	1,288,222,608	1,234,239,807
Other Purchased Power**. . . . .	218			222		
<b>Subtotal. . . . .</b>	<b>340</b>	<b>84,294,397.75</b>	<b>90,739,846.14</b>			
Unbilled Purchases*. . . . .	341					
<b>Total (page 3, item 65). . . . .</b>	<b>342</b>	<b>84,294,397.75</b>	<b>90,739,846.14</b>	345	1,288,222,608	1,234,239,807
Less kilowatt hours sold and used (Item 114). . . . .				123	1,235,820,608	1,174,022,599
Line losses and kilowatt-hours unaccounted for. . . . .				124	52,402,000	60,217,208
Percent of losses to purchases (2 decimal places). . . . .				125	4.07	4.88
Kilowatt-hours in unbilled purchases (Item 341) above* . . . . .	346					

\*\*Purchased other power under contract number \_\_\_\_\_ from \_\_\_\_\_

**NUMBER OF CUSTOMERS**

**MISCELLANEOUS DATA**

CLASS OF SERVICE	MONTH OF JUNE		MISCELLANEOUS DATA	THIS YEAR	LAST YEAR
	THIS YEAR	LAST YEAR			
Residential. . . . . (675)	40,696	40,539	Pole Line Miles: (2 decimal places) (715)	5,455.39	5,473.04
Gen. Power - 50 kW & under. . (680)	8,949	8,872	Individual Outdoor Lts.		
Gen. Power - Over 50 kW. . . (685)	578	580	No. in plant. . . . . (720)	13,337	13,664
Street and athletic. . . . . (690)	106	105	Total investment. . . . . (725)	3,582,458.67	3,641,797.16
Outdoor Lighting - Excl. Code 77. . . . . (693)	332	355	O&M expense. . . . . (730)	249,538.58	238,766.25
<b>Total. . . . . (695)</b>	<b>50,661</b>	<b>50,451</b>	St. Ltg-Invest. Base. . . (735)	1,486,398.44	1,462,922.84
Outdoor Lighting - Code 77. . . (697)	10,454	10,579	O&M expense. . . . . (740)	73,460.33	73,897.52
			Lamps & Glassware. . . (745)		

\*Item nos. 331, 336, 341, and 346 are to be filled in only if distributor chooses the option to estimate unbilled electric sales.



**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**MODIFIED STREET LIGHTING COMPUTATION**

Give computation of modified street lighting rate relative to lamps and glassware by customers, if applicable:

TOWN	COST OF LAMPS AND GLASSWARE	KWH	ALLOWANCE	EXCESS TO BE BILLED
		FROM STAT. REPT.	KWH X .003	
TOTAL:				

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

ACCT. NO.	DESCRIPTION	BALANCE BEG. OF YEAR	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS		BALANCE END OF YEAR
					DEBIT	CREDIT	
<b>ELECTRIC PLANT</b>							
<b>INTANGIBLE</b>							
301	Organization.....						
302	Franchises and consents.....						
303	Miscellaneous.....						
(750)	<b>Total intangible.....</b>						
<b>PRODUCTION</b>							
755	<b>Total production.....</b>						
<b>TRANSMISSION</b>							
350	Land and land rights.....	218,503.79					218,503.79
351	Clearing land and rights of way.....						
352	Structures and improvements.....						
353	Station equipment.....	1,715,986.23					1,715,986.23
354	Towers and fixtures.....	119,349.78					119,349.78
355	Poles and fixtures.....	3,163,385.87	640,888.61	276,819.60			3,527,454.88
356	Overhead conductors and devices.....	1,012,089.09					1,012,089.09
357	Underground conduit.....						
358	Underground conductors and devices.....						
359	Roads and trails.....						
(760)	<b>Total transmission.....</b>	<b>6,229,314.76</b>	<b>640,888.61</b>	<b>276,819.60</b>			<b>6,593,383.77</b>
<b>DISTRIBUTION</b>							
360	Land and land rights.....	250,779.57					250,779.57
361	Structures and improvements.....	3,955,671.64	10,258.83				3,965,930.47
362	Station equipment.....	14,541,745.91	29,546.20				14,571,292.11
363	Storage battery equipment.....						
364	Poles, towers, and fixtures.....	46,687,770.18	3,163,046.36	3,150,622.10			46,700,194.44
365	Overhead conductors and devices.....	21,992,286.79	1,327,134.88	325,312.92			22,994,108.75
366	Underground conduit.....						
367	Underground conductors and devices.....						
368	Line transformers.....	23,732,972.71	488,285.31	552,005.72			23,669,252.30
369	Services.....	10,641,433.38	555,014.30	165,609.85			11,030,837.83
370	Meters.....	9,706,777.57	184,713.85	76,618.65			9,814,872.77
371	Inst. on customers' premises.....	3,641,797.16	174,679.69	234,018.18			3,582,458.67
372	Leased prop. on cust. premises.....						
373	St. lighting and signal systems.....	1,345,836.58	28,780.98	10,713.16			1,363,904.40
(765)	<b>Total distribution.....</b>	<b>136,497,071.49</b>	<b>5,961,460.40</b>	<b>4,514,900.58</b>			<b>137,943,631.31</b>

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

		<b>ELECTRIC PLANT</b>					
ACCT. NO.		BALANCE BEG. OF YEAR	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS		BALANCE END OF YEAR
					DEBIT	CREDIT	
	<b>GENERAL</b>						
389	Land and land rights.....	649,475.07	96,310.40				745,785.47
390	Structures and improvements.....	3,287,340.76	6,950.00				3,294,290.76
391	Office furniture and equipment.....	1,877,769.26	194,257.57	5,422.24			2,066,604.59
392	Transportation equipment.....	5,929,815.87	768,999.00	444,569.66			6,254,245.21
393	Stores equipment.....	31,761.20					31,761.20
394	Tools, shop, and garage equip.....	221,680.02	1,000.00				222,680.02
395	Laboratory equipment.....	120,372.43					120,372.43
396	Power operated equipment.....	236,203.99	16,636.68	5,187.60			247,653.07
397	Communication equipment.....	1,016,905.65					1,016,905.65
398	Miscellaneous equipment.....	179,233.56					179,233.56
399	Other tangible property.....						
(770)	<b>Total general.....</b>	<b>13,550,557.81</b>	<b>1,084,153.65</b>	<b>455,179.50</b>			<b>14,179,531.96</b>
101	<b>Total plant in service.....</b>	<b>156,276,944.06</b>	<b>7,686,502.66</b>	<b>5,246,899.68</b>			<b>158,716,547.04</b>
102	Electric plant purchased or sold.....						
104	Electric plant leased to others.....						
105	Electric plant for future use.....						
107	Construction work in progress.....	2,166,233.63	(164,802.50)				2,001,431.13
(775)	<b>Total other electric plant.....</b>	<b>2,166,233.63</b>	<b>(164,802.50)</b>				<b>2,001,431.13</b>
(780)	<b>Total electric plant (page 1, item 1).....</b>	<b>158,443,177.69</b>	<b>7,521,700.16</b>	<b>5,246,899.68</b>			<b>160,717,978.17</b>
	<b>RESERVES</b>		(Item 140)				
108	Accumulated provision for depreciation of electric plant in service.....					56,738,379.47	
109	Accumulated provision for depreciation of electric plant leased to others.....						
110	Accumulated provision for depreciation of electric plant held for future use.....						
	<b>Total accumulated provision for depreciation (page 1, item 2 and page 11).....</b>					<b>56,738,379.47</b>	
	<b>Total electric plant, less accumulated provision for depreciation (page 1, item 3).....</b>						<b>103,979,598.70</b>
<b>Reclassification Columns</b>		<b>Explanations of entries shown in the Reclassification Columns:</b>					
Includes major corrections to prior years additions and retirements, transfers between accounts classified in prior years, and classification of plant purchased and/or sold.							

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

ACCUMULATED PROVISION FOR DEPRECIATION (Page 10)										
ACCT. NO.	DEPR. RATE	BALANCE BEG. OF YEAR	ACCRUAL	ORIGINAL COST	REMOVAL COST	SALVAGE	OTHER ENTRIES*		BALANCE END OF YEAR	% DEPR.
							DEBIT	CREDIT		
350										
351										
352										
353	3	607,187.10	32,630.16						639,817.26	37
354	3	25,293.54	3,580.44						28,873.98	24
355	4	1,344,658.12	123,001.68	276,819.60	105,840.10	14,745.93			1,099,746.03	31
356	3	906,791.38	30,362.64						937,154.02	93
357										
358										
359										
<b>(785) TOTAL</b>		<b>2,883,930.14</b>	<b>189,574.92</b>	<b>276,819.60</b>	<b>105,840.10</b>	<b>14,745.93</b>			<b>2,705,591.29</b>	<b>41</b>
360										
361	2	725,183.93	79,323.03						804,506.96	20
362	4	7,751,567.31	581,776.85						8,333,344.16	57
363										
364	4	15,642,719.63	1,740,408.27	3,150,622.10	1,636,818.91	156,528.62			12,752,215.51	27
365	3	8,398,367.12	612,982.49	325,312.92	196,932.13	67,838.27			8,556,942.83	37
366										
367										
368	2.5	7,479,997.87	583,930.59	552,005.72	83,013.25	68,879.50			7,497,788.99	32
369	3.75	3,854,549.34	370,593.47	165,609.85	105,044.33	15,128.65			3,969,617.28	36
370	3.5	1,345,542.20	343,423.42	76,618.65					1,612,346.97	16
371	6	538,606.12	218,263.95	234,018.18	132,662.53	12,408.47			402,597.83	11
372										
373	4	955,145.19	54,177.51	10,713.16	28,955.53	2,867.22			972,491.23	71
<b>(790) TOTAL</b>		<b>46,691,678.71</b>	<b>4,584,879.58</b>	<b>4,514,900.58</b>	<b>2,183,456.68</b>	<b>323,650.73</b>			<b>44,901,851.76</b>	<b>33</b>
389										
390	2	1,346,758.26	65,713.76						1,412,472.02	43
391	VAR	1,576,004.57	259,608.17	5,422.24					1,830,190.50	89
392	20	4,032,588.35	637,581.13	444,569.66		152,723.00			4,378,322.82	70
393	10	33,817.57							33,817.57	106
394	10	171,064.39	22,167.65						193,232.04	87
395	8	59,154.12	9,620.04						68,774.16	57
396	20	212,922.31	8,178.69	5,187.60					215,913.40	87
397	10	842,027.64	101,649.84						943,677.48	93
398	4	47,374.35	7,162.08						54,536.43	30
399										
<b>(795) TOTAL</b>		<b>8,321,711.56</b>	<b>1,111,681.36</b>	<b>455,179.50</b>		<b>152,723.00</b>			<b>9,130,936.42</b>	<b>64</b>
<b>(800) OTHER</b>										
<b>(805) TOTALS</b>		<b>57,897,320.41</b>	<b>5,886,135.86</b>	<b>5,246,899.68</b>	<b>2,289,296.78</b>	<b>491,119.66</b>			<b>56,738,379.47</b>	<b>36</b>

\*Use other entries to report depreciation on property purchased, classifying accruals, unusual entries - explain on page 33.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**ACCUMULATED PROVISION FOR DEPRECIATION - CONTINUED**

Depreciation expense (403 and 404) (page 3, item 77).....	(810)	5,248,554.73
Depreciation charged to transportation expense - clearing.....	(815)	637,581.13
Depreciation charged to building expense - clearing.....	(820)	
Depreciation charged to other accounts (list each account number).....	(825)	
.....	(830)	
.....	(835)	
.....	(840)	
<b>Total accrual (page 11).....</b>	<b>(Item 128)</b>	<b>5,886,135.86</b>

Explanations (continue on page 33 if necessary)

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<b>ELECTRIC PLANT ACQUISITION ADJUSTMENTS (Account 114)</b>	
DESCRIPTION	AMOUNT
Balance beginning of year .....	
Additions during year (as below) .....	
<b>Total</b> .....	
Charged to expense (Account 406) (page 3, item 78) .....	
Other reductions (explain below) .....	
<b>Balance end of year (page 1, item 4)</b> .....	

<b>ELECTRIC PLANT PURCHASED THIS YEAR*</b>			
From whom property acquired (abbreviate) .....			<b>TOTAL</b>
Date acquired .....			
Original cost .....			
Corrections to date .....			
<b>Total original cost</b> .....			
Depreciation reserve at acquisition .....			
Corrections to date .....			
<b>Total depreciation reserve</b> .....			
Base contract purchase price .....			
Net additions .....			
Acquisition expense .....			
Other (explain below) .....			
<b>Total purchase cost</b> .....			
<b>(Item 141)</b>			
Acquisition adjustment (purchase cost, less original cost, net of depreciation)			

\*If the original cost and depreciation at acquisition have not been determined for plant purchased this year, report the purchase information only and complete the schedule in the year the purchased plant is classified.

**EXPLANATIONS**

Give the method of amortizing the acquisition adjustment and other information as required:

**CLASSIFICATION OF ELECTRIC PLANT PURCHASED OR SOLD**

Furnish aging of plant purchased and sold on separate worksheet

ELECTRIC PLANT PURCHASED				ELECTRIC PLANT SOLD			
ACCT. NO.	ORIGINAL COST	DEPRECIATION RESERVE	NET PLANT	ACCT. NO.	ORIGINAL COST	DEPRECIATION RESERVE	NET PLANT
389	80,456.60		80,456.60				
389	13,426.80		13,426.80				
<b>Total</b>	<b>93,883.40</b>	<b>.00</b>	<b>93,883.40</b>	<b>Total</b>			

**GAIN OR LOSS ON SALE OF ELECTRIC PLANT**

Selling price .....	(Item 130) .....	
Less net plant sold (as above) .....		
Difference .....		
Less selling expense .....	(Item 131) .....	
Gain or loss on sale .....	(Item 129) .....	

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<b>INVESTMENTS IN ASSOCIATED COMPANIES</b> (Report only the investments not considered as current assets)			
<b>OTHER INVESTMENTS - GENERAL FUNDS</b>			
Investments included in Accounts 123 and 124			
DESCRIPTION OF INVESTMENTS (GROUP BY TYPE OF INVESTMENT AND SHOW NO. OF INVESTMENTS)	BALANCE END OF YEAR	INCOME	GAIN OR (LOSS) ON SALES
NRUCFC Capital Term Certificates	1,702,782.00	80,814.23	
TVPPA/GENCO DEVELOPMENT	11,779.66		
REDL Stephens Mfg. Company	350,000.24		
REDL Grandview Welding	231,910.00		
REDL Loy Properties	427,314.76		
Subtotal	2,723,786.66	80,814.23	
	(page 1, item 8)	(account 419, page 16)	
<b>INVESTMENTS OF FUNDS OTHER THAN GENERAL FUNDS</b>			
(Investments included in Accounts 125, 126, and 128 - page 15)			
Subtotal			
	(page 15)	(account 419, page 16)	
<b>CASH AND TEMPORARY CASH INVESTMENTS - GENERAL FUNDS</b>			
(Report only investments considered as current assets)			
KAEC - CD	5,000.00	24.64	
NRUCFC Commercial Paper	6,586,000.00	12,576.95	
Total Temporary Cash Investments	6,591,000.00	12,601.59	
CASH (Accounts 131 - 135)	2,853,092.68		
Subtotal	9,444,092.68	12,601.59	
	(page 1, item 14)	(account 419, page 16)	
Grand Total	12,167,879.34	93,415.82	

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

SPECIAL FUNDS				
ACCOUNT 125	ACCOUNT 126	ACCOUNT 128	ACCOUNT 128	TOTAL OF ALL SPECIAL FUNDS
TOTAL SINKING FUNDS	DEPRECIATION FUNDS	CONSTRUCTION FUNDS	TOTAL OTHER SPECIAL FUNDS	
Cash included in fund end of year . . . . .				
Investments in fund end of year (page 14) . . . . .				
Balance of fund end of year (page 1) . . . . .	(page 1, item 9)	(page 1, item 10)	(page 1, item 12)	
Minimum balance required* . . . . .				
Authority creating fund**				
* Explain difference if fund balance is less than minimum required.				
** State whether fund is required by bond contract, board action, etc.				
Total Sinking				
Depreciation				
Construction				
Other				
Note: Report all debt service funds as sinking funds.				
Report all funds for renewals and replacements as depreciation funds.				
NONUTILITY PROPERTY (Account 121)				
DESCRIPTION AND LOCATION OF PROPERTY	DATE ACQUIRED	BOOK COST	NET INCOME (ACCOUNT 418)	
Total . . . . .				(page 16)
Less accumulated provision for depreciation (account 122) . . . . .				
Total net of depreciation (page 1, item 7) . . . . .				





**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

ACCT. NO.	<b>MATERIALS AND SUPPLIES</b>	
154	Plant materials and operating supplies.....	1,774,277.92
155	Merchandise.....	15,590.40
156	Other materials and supplies.....	
163	Stores expense undistributed.....	
(855)	<b>Total materials and supplies (page 1, item 16).....</b>	<b>1,789,868.32</b>

Give dates of physical inventories this year: 06/01/2010  
**Total of adjustments: \$** 41,608.99 over, or \$ \_\_\_\_\_ short

<b>PREPAYMENTS - Account No. 165</b>	
Prepaid insurance.....	483,782.94
Prepaid employee pension plan.....	
Prepaid taxes (page 29).....	
Prepaid rents.....	
Other prepayments.....	128,598.25
<b>Total prepayments (page 1, item 17).....</b>	<b>612,381.19</b>

ACCT. NO.	<b>OTHER CURRENT ASSETS</b>	
171	Interest and dividends receivable.....	21,112.82
172	Rents receivable.....	648,435.24
173	Accrued utility revenue.....	
174	Miscellaneous current and accrued assets.....	
	<b>Total other current assets (page 1, item 18).....</b>	<b>669,548.06</b>

ACCT. NO.	<b>DEFERRED DEBITS</b>	
181	Unamortized debt expense (page 1, item 20).....	1,826.29

Give method and period of amortization:  
 Straight Line

186	Deferred costs on TVA leases (page 1, item 25)	
	Additions	
	Removal Costs	
	Salvage	
	Accumulated Amortization	
	<b>Total as above</b>	
186	Miscellaneous deferred debits (page 1, item 26)	875,162.86

List of Items:

Receivables from plant sales (item 148)	
Other items (list):	
Special Pay Arrangements on Delinquent Accounts	12,932.05
Past Pension Cost	606,225.28
Special Pay Arrangements CIA	2,325.87
Sick Leave Policy Change-Amortize over 5 yr period	248,888.01
Long Term Advertising Expenditure	2,470.65
DEPOSITS RECEIVABLE	2,321.00
<b>Total as above</b>	<b>875,162.86</b>

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<b>CUSTOMER ADVANCES FOR CONSTRUCTION - REFUNDABLE (Account 252)</b>					
BEGINNING BALANCE	ADDITIONS	REFUNDS	CONFISCATIONS*	ENDING BALANCE	AMOUNT MATURING NEXT YEAR
				(page 2, item 55)	

\*Please list the FERC account numbers and amounts credited when advances were confiscated:

The refundable customer advances for construction policy is as follows:  
 DEPOSITS TO SUB-DIVISIONS MAY BE REQUIRED AND ARE REFUNDED ON A PRO-RATA BASIS AS PERMANENT DWELLINGS ARE CONNECTED.

**NONREFUNDABLE CONTRIBUTIONS**

The nonrefundable contribution in aid of construction policy is as follows:

Show the amounts of nonrefundable contributions and the FERC account numbers credited during the fiscal year.

**INSURANCE**

PROPERTY OR CONTINGENCY COVERED	HAZARD INSURED AGAINST	AMOUNT OF COVERAGE
Employee Injury	Worker's Compensation	1,000,000
Public Liability	Bodily Injury	1000000/2,000,000
Public Liability	Property Damage	1000000/2,000,000
Excess Public Liability	Catastrophes	5,000,000
Automobiles and Trucks	Property Damage & Bodily Injury	1,000,000
Buildings and Contents	Property Damage	38,216,316
Theft and Embezzlement	Crime	875,000
Directors and Officers	Personal Liability	10,000,000
Other: Forgery or Alteration		500,000
Boiler	Machinery & Equipment	4,000,000
Pollution		1,000,000
Umbrella		1,000,000
Inland Marine		418,126

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE						
DETAILS REGARDING BONDS ON PAGE						
MATURITIES: MONTH AND DAY 100						
NAME OF ISSUE 200		Accum Prov for FASB 158	FEDERAL FINANCING BANK - RUS	National Cooperative Services Corporation		
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE
2010						
2011						
2012						
2013						
2014						
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
2044						
2045						
2046						
2047						
2048						
2049						
2050						
2051						
2052						
2053						
2054						
<b>OUTSTANDING END OF YEAR</b>	300					

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE					
DETAILS REGARDING BONDS ON PAGE					
MATURITIES: MONTH AND DAY 100		0/0			
NAME OF ISSUE 200		POST RETIREMENT BENEFITS			
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	TOTAL MATURITIES
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
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2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					
2048					
2049					
2050					
2051					
2052					
2053					
2054					
<b>OUTSTANDING END OF YEAR</b>	300				

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE NUMBER	DATE OF NOTE	INT. RATE	TERM OF NOTE (YR)	DATE REPAYMENTS BEGIN MO/YEAR	AMOUNT OF ALLOTMENT	BALANCE DUE ON ALLOTMENT (ACCOUNT 224.2)	AMOUNT REPAID THIS YEAR			OUTSTANDING END OF YEAR EXCLUDING CUSHION OF CREDIT
							PRINCIPAL	INTEREST	DEFERRED INTEREST	
01-REDL-E	6/28/06		10	06/2007	650,000.00		72,222.24			427,314.76
02-REDL-F	6/1/07		10	07/2007	500,000.00		49,999.92			350,000.24
03-1B310	3/10/08	4.53	35	04/2008	6,500,000.00	4,000,000.00	44,165.77	100,759.23		2,398,020.37
04-1B311	3/31/09	2.78	10	03/2009	4,000,000.00		93,703.80	100,336.20		3,881,040.51
05-REDL-G	11/30/09		10	11/2010	253,000.00		20,430.33			232,569.67
06-				/						
07-				/						
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37-				/						
38-				/						
39-				/						
40-				/						
<b>(860) Total</b>					<b>11,903,000.00</b>	<b>4,000,000.00</b>	<b>280,522.06</b>	<b>201,095.43</b>		<b>7,288,945.55</b>

List Note Numbers Paid Monthly: REDL-E 1B310 REDL-F 1B311 REDL-G  
 \*EXCLUDING CUSHION OF CREDIT.

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE NUMBER	DATE OF NOTE	INT. RATE	CFC OR COBANK	TERM OF NOTE (YR)	AMOUNT OF LOAN APPROVED	UNADVANCED LOAN	AMT. REPAID THIS YEAR FOR REGULAR BILLINGS		OUTSTANDING END OF YEAR	RUS LOAN SUPPLEMENTED	
							PRINCIPAL	INTEREST		NOTE NUMBER	%
01-9003	1/14/76	6.15	CFC	35	216,000.00		12,386.09	375.03		1B250/252	.30
02-9006	3/9/77	4.95	CFC	35	323,000.00		21,346.51	2,426.62	35,059.55	1B260/262	.30
03-9008	4/8/79	6.35	CFC	35	1,742,000.00		113,799.45	28,600.13	387,755.22	1B270/272	.30
04-9015006	8/29/03	4.45	CFC	6	558,006.00		141,825.04	1,533.48			
05-9015007	8/29/03	4.70	CFC	7	572,269.00		426,685.23	21,392.90	145,583.77		
06-9015008	8/29/03	5.00	CFC	8	559,947.00			27,297.43	559,947.00		
07-9015009	8/29/03	5.20	CFC	9	564,673.00			28,657.14	564,673.00		
08-9015010	8/29/03	5.40	CFC	10	569,219.00			30,026.33	569,219.00		
09-9015011	8/29/03	5.65	CFC	11	343,351.00			18,970.13	343,351.00		
10-9015012	8/29/03	5.65	CFC	12	355,495.00			19,641.09	355,495.00		
11-9015013	8/29/03	5.70	CFC	13	211,883.00			11,812.47	211,883.00		
12-9015014	8/29/03	5.80	CFC	14	347,719.00			19,733.05	347,719.00		
13-9015015	8/29/03	5.85	CFC	15	122,627.50			7,020.42	122,627.50		
14-											
15-											
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39-											
40-											
41-											
<b>(865) Total</b>					<b>6,486,189.50</b>		<b>716,042.32</b>	<b>217,486.22</b>	<b>3,643,313.04</b>		

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<b>LONG-TERM DEBT - RUS</b>		
<b>ACCT.</b>	<b>PRINCIPAL DATA</b>	<b>AMOUNT</b>
224.1	Long-term debt - RUS. . . . .	11,288,945.55
224.2	Unadvanced RUS allotment - debit (page 21) . . . . .	(4,000,000.00)
224.3	Deferred interest - RUS. . . . .	
224.4	Long-term debt - RUS - matured and deferred. . . . .	
224.5	Cushion of credit - RUS - debit. . . . .	
	Net balance due RUS as above (page 2, item 36). . . . .	7,288,945.55
	Total additions to RUS long-term debt this year. . . . . (Item 132)	253,000.00
	Repayments for the year excluding advance payments. . . . . (Item 143)	280,522.06
<b>INTEREST ACCRUED - RUS (Account 237.1)</b>		
		<b>AMOUNT</b>
	Balance beginning of year (matured \$.00). . . . .	
	Accrued during year (Account 427.1) (page 3, item 87) (page 26 summary). . . . .	218,895.80
	Repayments this year. . . . .	201,095.43
	Balance end of year (matured \$17,800.37) (page 2, item 49)(page 26 summary). . . . .	17,800.37
<b>LONG-TERM DEBT - CFC</b>		
<b>ACCT.</b>	<b>PRINCIPAL DATA</b>	<b>AMOUNT</b>
223.1	Subscriptions to CFC capital term certificates - debit. . . . .	-
223.2	Unpaid subscriptions to CFC capital term certificates - credit. . . . .	
223.4	CFC loan approved - unadvanced - debit (page 22). . . . .	-
223.5	Long-term debt - CFC credit. . . . .	3,643,313.04
223.61	Patronage capital certificates - debit. . . . .	220,958.08
223.62	Deferred patronage dividends - credit. . . . .	220,958.08
	Net CFC account (account 223) ( page 2, item 37). . . . .	4,085,229.20
	Total additions to CFC long-term debt this year. . . . . (Item 135)	
	Repayments for the year excluding advance payments. . . . . (Item 144)	716,042.32
<b>INTEREST ACCRUED - CFC (Account 237.2)</b>		
		<b>AMOUNT</b>
	Balance beginning of year (matured \$.00). . . . .	39,000.00
	Accrued during year (Account 427.1) (page 3, item 88) (page 26 summary). . . . .	211,886.22
	Repayments this year. . . . .	217,486.22
	Balance end of year (matured \$.00) (page 2, item 50)(page 26 summary). . . . .	33,400.00
<b>LONG-TERM DEBT - COBANK</b>		
<b>ACCT.</b>	<b>PRINCIPAL DATA</b>	<b>AMOUNT</b>
229.10	Long Term Debt - CoBank - credit. . . . .	
229.20	Unadvanced allotment - CoBank - debit. . . . .	-
229.30	Subscription to class "C" stock - CoBank - debit. . . . .	
229.40	Unpaid subscription to class "C" stock - CoBank - credit. . . . .	
229.50	Allocated earnings receivable - CoBank - debit. . . . .	-
229.51	Allocated earnings deferred - CoBank - credit. . . . .	
	Net CoBank account (account 229) (page 2, item 38). . . . .	
	Amount received on allotment this year. . . . . (Item 136)	
	Repayments this year. . . . . (Item 145)	
<b>INTEREST ACCRUED - COBANK (Account 237.6)</b>		
		<b>AMOUNT</b>
	Balance beginning of year (matured \$.00). . . . .	
	Accrued during year (Account 427.4) (page 3, item 89) (page 26 summary). . . . .	
	Repayments this year. . . . .	
	Balance end of year (matured \$.00) (page 2, item 51)(page 26 summary). . . . .	



**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)**

Name of issue: FEDERAL FINANCING BANK - RUS  
 Date of issue: 01/26/2001 Amount of original issue: \$ 6,200,000.00  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: 6\30 Quarterly Principal due dates: \ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: NRUCFC  
 Revenue or general obligation bonds: Other - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ 14,335,278.51  
 Purpose of issue: \_\_\_\_\_

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year . . . . .	13,366,589.49	Accrued beginning of year . . . . .	
Issued during year . . . . .		Accrued during year (427.3) . . . . .	674,067.38
Total . . . . .	13,366,589.49	Total . . . . .	674,067.38
Bonds retired this year . . . . .	355,778.53	Payments during year . . . . .	674,067.38
Balance end of year . . . . .	13,010,810.96	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	13,010,810.96	Balance less matured (237.3) . . . . .	

Name of issue: POST RETIREMENT BENEFITS  
 Date of issue: \_\_\_\_\_ Amount of original issue: \$ \_\_\_\_\_  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: \ Principal due dates: \ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: PostRetirement - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: \_\_\_\_\_

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year . . . . .	3,467,423.07	Accrued beginning of year . . . . .	
Issued during year . . . . .	254,236.00	Accrued during year (427.3) . . . . .	
Total . . . . .	3,721,659.07	Total . . . . .	
Bonds retired this year . . . . .	172,526.62	Payments during year . . . . .	
Balance end of year . . . . .	3,549,132.45	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	3,549,132.45	Balance less matured (237.3) . . . . .	

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)**

Name of issue: National Cooperative Services Corporation  
 Date of issue: 04/14/2009 Amount of original issue: \$ 4,000,000.00  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments:  
 Interest due dates: 6\30 Quarterly Principal due dates: 6\30 Quarterly Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: Other - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: Capital Projects

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year . . . . .	4,000,000.00	Accrued beginning of year . . . . .	55,611.11
Issued during year . . . . .		Accrued during year (427.3) . . . . .	255,858.86
Total . . . . .	4,000,000.00	Total . . . . .	311,469.97
Bonds retired this year . . . . .	128,108.16	Payments during year . . . . .	248,551.73
Balance end of year . . . . .	3,871,891.84	Balance end of Year . . . . .	62,918.24
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	3,871,891.84	Balance less matured (237.3) . . . . .	62,918.24

Name of issue: Accum Prov for FASB 158  
 Date of issue: \_\_\_\_\_ Amount of original issue: \$ \_\_\_\_\_  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments:  
 Interest due dates: \ Principal due dates: \ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: PostRetirement - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: \_\_\_\_\_

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year . . . . .		Accrued beginning of year . . . . .	
Issued during year . . . . .	504,065.93	Accrued during year (427.3) . . . . .	
Total . . . . .	504,065.93	Total . . . . .	
Bonds retired this year . . . . .		Payments during year . . . . .	
Balance end of year . . . . .	504,065.93	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	504,065.93	Balance less matured (237.3) . . . . .	

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)**

Name of issue: \_\_\_\_\_  
 Date of issue: \_\_\_\_\_ Amount of original issue: \$ \_\_\_\_\_  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: \ \_\_\_\_\_ Principal due dates: \ \_\_\_\_\_ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: \_\_\_\_\_ Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: \_\_\_\_\_

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

**PRINCIPAL DATA**

**INTEREST ACCRUED**

Balance beginning of year .....		Accrued beginning of year .....	
Issued during year .....		Accrued during year (427.3) .....	
<b>Total</b> .....		<b>Total</b> .....	
Bonds retired this year .....		Payments during year .....	
Balance end of year .....		Balance end of Year .....	
Including matured of (239) .....		Including matured of (240) .....	
Balance less matured (221) .....		Balance less matured (237.3) .....	

**SUMMARY OF LONG-TERM DEBT - BONDS (Account 221) AND OTHER (Account 228)**

	ACCOUNT 221	OTHER* ACCOUNT 228	TOTAL*	POST- RETIREMENT BENEFITS ACCOUNT 228	TVA ACCOUNT 228
Balance beginning of year .....		17,366,589.49	17,366,589.49	3,467,423.07	
Issued during year .....				758,301.93	
<b>Total</b> .....		17,366,589.49	17,366,589.49	4,225,725.00	
Bonds retired this year .....		483,886.69	483,886.69	172,526.62	
Balance end of year .....		16,882,702.80	16,882,702.80	4,053,198.38	
Including matured of (239) .....					
Balance less matured (221) .....		16,882,702.80	16,882,702.80	4,053,198.38	

(page 2, item 39.1) (page 2, item 39.2) (page 2, item 39.3)

**SUMMARY OF INTEREST ACCRUED - LONG-TERM DEBT (Account 237)**

Accrued beginning of year .....	<b>TOTAL</b>
Accrued during year (427.3) (page 26) .....	55,611.11
<b>Total</b> .....	929,926.24
Payments during year .....	985,537.35
Balance end of year .....	922,619.11
Including matured of (240) .....	62,918.24
Balance less matured (237.3) (page 26) .....	62,918.24

\*Less TVA Long-term Debt and Postretirement Benefits

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<b>NOTES PAYABLE (Account 231)</b>										
<b>PRINCIPAL DATA</b>						<b>INTEREST ACCRUED</b>				
Balance beginning of year .....						Accrued beginning of year .....				
New notes issued during year .....						Accrued during year (as below) .....				
<b>Total</b> .....						<b>Total</b> .....				
Notes retired this year .....						Payments during year .....				
<b>Balance end of year</b> .....						<b>Balance end of year (as below)</b> .....				
Portion of balance TVA (page 2, item 45.1) .....										
Portion of balance non-TVA (page 2, item 45.2) .....										
<b>CUSTOMER DEPOSITS (Account 235)</b>										
Balance accrued interest on customer deposits end of year .....										149.95
Balance customer deposits end of year (Account 235) .....										2,012,218.00
<b>Total customer deposits (page 2, item 47)</b> .....										<b>2,012,367.95</b>
<b>SUMMARY OF ACCRUED INTEREST AND INTEREST EXPENSE</b>										
ACCT. NO.	DESCRIPTION	FROM PAGE NO.	REPORT ON BALANCE SHEET AS INDICATED BELOW				REPORT ON REVENUE AND EXPENSE STATEMENT AS INDICATED BELOW			
			ACCT. NO.	PAGE NO.	ITEM NO.	ACCRUED END OF YEAR	ACCT. NO.	PAGE NO.	ITEM NO.	EXPENSE FOR YEAR
221	Bonds	25	237.3	2	52.2		427.3	3	90.1	
223	CFC	23	237.2	2	50	33,400.00	427.2	3	88	211,886.22
224	RUS	23	237.1	2	49	17,800.37	427.1	3	87	218,895.80
229	CoBank	23	237.6	2	51		427.4	3	89	
228	TVA long term	25	237.3	2	52.1		427.3	3	90.2	
228	Other long term	25	237.3	2	52.2	62,918.24	427.3	3	90.1	929,926.24
231	TVA Notes Payable	Above	237.5	2	52.1		431	3	90.2	
231	Other notes payable	Above	237.5	2	52.2		431	3	92	
235	Customer Deposits	Above	235	Above	---		431	3	92	
---	Delinquent taxes	---	237.5	2	52.2		431	3	92	
<b>Total interest accrued end of year</b> .....						<b>114,118.61</b>	<b>Net expense for year</b> .....			<b>1,360,708.26</b>
Total item 49 (page 2) .....						17,800.37	Total item 87 (page 3) .....			218,895.80
Total item 50 (page 2) .....						33,400.00	Total item 88 (page 3) .....			211,886.22
Total item 51 (page 2) .....							Total item 89 (page 3) .....			
Total item 52.1 (page 2) .....							Total item 90.1 (page 3) .....			929,926.24
Total item 52.2 (page 2) .....						62,918.24	Total item 90.2 (page 3) .....			
							Total item 92 (page 3) .....			
ACCT. NO.	<b>ACCOUNTS PAYABLE</b>									
232	Accounts payable - general (includes \$14,341,362.45 to TVA for purchased power and Fac.Rental) .....									15,526,577.85
232	Accrued purchased power .....									
233	Accounts payable - spec. const. ....									
234	Payable to municipal - utility revenue .....									
234	Other payables to municipality .....									
<b>Total accounts payable - general (page 2, item 46)</b> .....										<b>15,526,577.85</b>
ACCT. NO.	<b>OTHER CURRENT AND ACCRUED LIABILITIES</b>									
239	Matured long-term debt (pages 23, 24, and 25) .....									
240	Matured interest (pages 23, 24, and 25) .....									17,800.37
241	Tax collections payable .....									170,700.04
242	Miscellaneous - accrued insurance .....									
242	Miscellaneous - employees' accrued leave .....									1,705,725.66
242	Miscellaneous - other .....									349,865.74
<b>Total other current and accrued liabilities (page 2, item 53)</b> .....										<b>2,244,091.81</b>
<b>OTHER DEFERRED CREDITS (Account 253)</b>										
Payables for plant purchases; (item 149) .....										
Other items (List): .....										
Total other deferred credits (page 2, item 56) .....										
<b>Total other deferred credits (page 2, item 56)</b> .....										

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

TO WHOM PAID		PERIOD COVERED	AMOUNT	TO WHOM PAID	PERIOD COVERED	AMOUNT
States (list):				Cities (list):		
KY		1/1/09 12/31/09	147,389.76	LAFAYETTE, TN	1/1/09 12/31/09	26,175.00
				CELINA, TN	1/1/09 12/31/09	4,837.19
				WESTMORELAND, TN	1/1/09 12/31/09	9,546.98
				RED BOILING SPRINGS, TN	1/1/09 12/31/09	6,926.12
				SCOTTSMILLE, KY	1/1/09 12/31/09	2,342.34
				EDMONTON, KY	1/1/09 12/31/09	277.17
				TOMPKINSVILLE, KY	1/1/09 12/31/09	2,174.84
				FOUNTAIN RUN, KY	1/1/09 12/31/09	
				GAMALIEL, KY	1/1/09 12/31/09	136.02
				BURKESVILLE, KY	1/1/09 12/31/09	907.67
				HARTSMILLE, TN	1/1/09 12/31/09	10,492.00
Total states.....			147,389.76			
Counties (list):						
MACON (TN)		1/1/09 12/31/09	231,356.00			
ALLEN (KY)		1/1/09 12/31/09	111,048.88			
CLINTON (KY)		1/1/09 12/31/09	494.32			
BARREN (KY)		1/1/09 12/31/09	10,431.52			
ADAIR (KY)		1/1/09 12/31/09	883.94			
MONROE (KY)		1/1/09 12/31/09	71,782.39			
JACKSON (TN)		1/1/09 12/31/09	101.00			
WARREN, KY		1/1/09 12/31/09	20.64			
SMITH (TN)		1/1/09 12/31/09	1,334.02			
OVERTON (TN)		1/1/09 12/31/09	1,495.65			
CLAY (TN)		1/1/09 12/31/09	144,960.00			
TROUSDALE (TN)		1/1/09 12/31/09	96,817.00			
SUMNER (TN)		1/1/09 12/31/09	101,859.96			
METCALFE (KY)		1/1/09 12/31/09	18,637.69			
CUMBERLAND (KY)		1/1/09 12/31/09	43,731.55			
Total counties.....			834,954.56			
				Total cities.....		63,815.33
						1,046,159.65

Total paid.....  
 If all the tax equivalent is paid to a city and the city makes redistribution payments to states or counties, show these redistribution payments above and mark them with an \*.  
 Also give method of determining amounts redistributed.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

BASIS FOR COMPUTATION OF ACCRUAL FOR AD VALOREM PROPERTY TAX OR TAX EQUIVALENT								
● TAX, OR ○ TAX EQUIVALENT	PERIOD	DISTRICT	TN. EQUAL- IZATION RATIO	STATE ASSESS- MENT RATIO	TAX ASSESSMENT OR VALUATION	RATE PER \$100	TAX OR EQUIVALENT FOR TAX PERIOD	AMOUNT APPLICABLE FOR FISCAL YEAR
	1/1/09 12/31/09	MACON			10,285,254.00	2.2500	231,356.00	
	1/1/09 12/31/09	JACKSON			3,955.00	2.5600	101.00	
	1/1/09 12/31/09	SMITH			60,914.00	2.1900	1,334.02	
	1/1/09 12/31/09	OVERTON			79,556.00	1.8800	1,495.65	
	1/1/09 12/31/09	CLAY			4,676,132.00	3.1000	144,960.00	
	1/1/09 12/31/09	TROUSDALE			2,951,741.00	3.2800	96,817.00	
	1/1/09 12/31/09	SUMNER			5,040,576.00	2.0200	101,859.96	
	1/1/09 12/31/09	TOTAL COUNTIES					577,923.63	288,961.82
	1/1/09 12/31/09	LAFAYETTE			3,686,683.00	.7100	26,175.00	
	1/1/09 12/31/09	CELINA			525,782.00	.9200	4,837.19	
	1/1/09 12/31/09	WESTMORELAND			681,927.00	1.4000	9,546.98	
	1/1/09 12/31/09	HARTSVILLE			765,852.00	1.3700	10,492.00	
	1/1/09 12/31/09	RED BOILING SPRINGS			596,616.00	1.1600	6,926.12	
	1/1/09 12/31/09	TOTAL CITIES					57,977.29	28,988.65
	1/1/09 12/31/09	TOTAL STATE					635,900.92	317,950.47
		ADJ. FOR OVER ACCRUAL 6/30/09 COUNTIES						35,667.47
		ADJ. FOR OVER ACCRUAL 6/30/09 CITIES						6,573.46
		ESTIMATED TAX 1/1/09-6/30/09 COUNTIES						273,453.01
		ESTIMATED TAX 1/1/09-6/30/09 CITIES						27,441.59
		TOTAL EXPENSE FY - TENNESSEE						661,086.00
	1/1/09 12/31/09	MANUFACTURING MACHINERY			9,435,305.00		14,152.96	
	1/1/09 12/31/09	REAL ESTATE			1,566,305.00		1,910.89	
	1/1/09 12/31/09	TANGIBLE PROPERTY			29,183,535.00		131,325.91	
	1/1/09 12/31/09	TOTAL STATE			40,185,145.00		147,389.76	73,694.88
	1/1/09 12/31/09	METCALFE			2,389,100.00	.7800	18,637.69	
	1/1/09 12/31/09	ALLEN			10,427,046.00	1.0600	111,048.88	
	1/1/09 12/31/09	CLINTON			81,108.00	.6095	494.32	
	1/1/09 12/31/09	CUMBERLAND			6,613,036.00	.6613	43,731.55	
	1/1/09 12/31/09	BARREN			1,367,724.00	.7627	10,431.52	
	1/1/09 12/31/09	ADAIR			116,870.00	.7600	883.94	
	1/1/09 12/31/09	MONROE			8,909,261.00	.8057	71,782.39	
	1/1/09 12/31/09	WARREN			3,114.00	.6628	20.64	
	1/1/09 12/31/09	TOTAL COUNTIES					257,030.93	128,515.27
	1/1/09 12/31/09	SCOTTSVILLE			1,251,381.00	.1872	2,342.34	
	1/1/09 12/31/09	TOMPKINSVILLE			973,342.00	.2234	2,174.84	
	1/1/09 12/31/09	BURKESVILLE			582,312.00	.1559	907.67	
	1/1/09 12/31/09	EDMONTON			359,970.00	.1066	277.17	
	1/1/09 12/31/09	FOUNTAIN RUN			58,423.00			
	1/1/09 12/31/09	GAMALIEL			60,347.00	.2254	136.02	
	1/1/09 12/31/09	TOTAL CITIES					5,838.04	2,919.02
	1/1/09 12/31/09	TOTAL STATE					410,258.73	205,129.17
		ADJ. FOR OVER ACCRUAL 6/30/09 STATE						1,317.56
		ADJ. FOR OVER ACCRUAL 6/30/09 COUNTIES						2,731.71
		ADJ. FOR OVER ACCRUAL 6/30/09 CITIES						(5,122.91)
		EST. TAX 01/01/08 - 06/30/09 STATE						73,784.04
		EST. TAX 01/01/08 - 06/30/09 COUNTIES						128,654.90
		ESTIMATED TAX 01/01/08 - 06/30/09 CITIES						2,916.04
		TOTAL EXPENSE FY - KENTUCKY						409,410.51
		TOTAL TAX REPORT 2009						1,070,496.51

Where more than one tax period is applicable to the current fiscal year, show beginning and ending dates of each tax period. Compute tax or tax equivalent for each tax period and show amount prorated to this fiscal year. For tax equivalents show all the components of the tax base and applicable tax equivalent by taxing districts. When tax equivalent payments are determined other than by applying applicable tax rates to net plant, describe basis, explain any change from previous period, and include data showing breakdown of net plant by taxing districts and applicable tax rates. Use extra sheets if needed.



**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**GENERAL INFORMATION**

1. Give the form of management of municipal system. (Power board, Mayor and council, etc.)
  
2. In the case of a Power Board (or Utilities Board), list any other departments of the city over which it exercises control.
  
3. (a) Give the statutes under which the electric system was created.  
 TENNESSEE ELECTRIC MEMBERSHIP CORPORATION ACT OF 1937
  
- (b) Give the statutes under which the electric system is currently operating if different from the above.  
 RURAL ELECTRIC & COMMUNITY SERVICE COOPERATIVE ACT OF 1937
  
4. (a) Are customers' accounts billed by an outside organization?           N            
 If so, give name. If not, give the type in-house hardware. HP9000, SERIES3440;SEDC IS OUR SOFTWARE PROVIDER
- (b) At June 30:
  - 1) What percentage is added to customer bills for late payments?           5.00           %
  - 2) How many days are allowed between date of bill and last day before gross billing applies?           15           days
  - 3) Is an "Even Monthly Payment" (budget billing) plan available for electric consumers?           Y           Yes            No
  - 4) Amount of security deposit required for residential service:
 

Owner with Electric Heat	2 1/2 times avg. location history w/mim \$200
Owner without Electric Heat	2 1/2 times avg. location history w/mim \$200
Tenant with Electric Heat	2 1/2 times avg. location history w/mim \$200
Tenant without Electric Heat	2 1/2 times avg. location history w/mim \$200
Other (describe)	2 1/2 times avg. location history w/mim \$200
  - 5) Are there any customer deposits that qualify (deposits exceeding 1 month's average bill and held longer than 6 months) for the payment of interest under the service practice standard entitled Deposit? If yes, what rate of interest is paid?
 

Class	Yes/No	Interest Rate
Residential	N	%
C & I Part A	N	%
C & I Part B	N	%
  - 6) Is interest on deposits:
 

Refunded by check annually? .....	<u>          </u> Yes	<u>          </u> N	<u>          </u> No
Credited on customer's power bill annually? .....	<u>          </u> Yes	<u>          </u> N	<u>          </u> No
Credited to a deposit account annually? .....	<u>          </u> Yes	<u>          </u> N	<u>          </u> No
Handled differently (Explain)			
  - 7) Are prior written notice and due process afforded to customers before termination for nonpayment?
 

Prior written notice? .....	<u>          </u> Y	<u>          </u> Yes	<u>          </u> No
Due process? .....	<u>          </u> Y	<u>          </u> Yes	<u>          </u> No
  - 8) Is information about policies and rates available upon request and application for service?
 

Upon request? .....	<u>          </u> Y	<u>          </u> Yes	<u>          </u> No
Upon application for service? .....	<u>          </u> Y	<u>          </u> Yes	<u>          </u> No
  - 9) Are the media used to inform customers about policies and rates?
 

Policies? .....	<u>          </u> Yes	<u>          </u> N	<u>          </u> No
If yes, how many times during the past 12 months? .....	<u>          0          </u> Times		
Rates? .....	<u>          </u> Y	<u>          </u> Yes	<u>          </u> No
If yes, how many times during the past 12 months? .....	<u>          2          </u> Times		
  - 10) Is the most recent 12 months' prior usage available to customers upon request? .....
  - 11) The cost of a membership certificate is           \$5.00



**GENERAL INFORMATION (CONTINUED)**

5. Give the name of the audit firm conducting this year's audit:  
 WINNETT ASSOCIATES PLLC
6. If water, gas, or other services are operated in connection with electric services, furnish the following information in connection with joint operations.


- (a) Indicate the joint operations with the Electric Utility:
- (b) Indicate the % of non-electric ownership of any jointly owned buildings:
- (c) Percentage of building space rented to others \_\_\_\_\_ %
- (d) Percentage of building space rented from others \_\_\_\_\_ %
- (e) 1) Date of last joint expense study: \_\_\_\_\_
- 2) Joint expense study was prepared by: \_\_\_\_\_ TVA \_\_\_\_\_ Distributor \_\_\_\_\_ Other
- 3) Indicate the amount of the unresolved annual inequity as reflected by the TVA study:
- 4) Give the current status of the latest joint expense study:

**GOVERNING BOARD**

AMOUNT PAID\*

DIRECTORS OR MEMBERS OF GOVERNING BOARD NAME AND PRINCIPAL OCCUPATION	TERM EXPIRES	AMOUNT PAID*	
		FEES	TRAVEL
TONY BENTLE RETIRE	05/01/2013	9,750.00	4,271.31
DARACE TABOR - PRESIDENT FARMER	05/11/2011	7,750.00	780.59
RAY GOAD - SEC.-TREAS. BANKER	05/01/2012	9,250.00	2,357.78
JEFF DOWNING FARMER	05/01/2013	8,250.00	2,472.08
RONALD BAILEY MERCHANT	05/01/2012	6,750.00	569.40
T P THOMPSON DISTRICT ATTORNEY	05/01/2013	9,750.00	4,254.26
BOYD ALEXANDER MERCHANT	05/01/2012	9,750.00	5,111.75
GEORGE COWAN INSURANCE BROKER	05/01/2011	7,250.00	1,946.20
JACK OSGATHARP FARMER	05/11/2011	7,500.00	806.19
VEACHEL HARLAN - VICE RETIRE	05/01/2013	8,500.00	1,712.14
Total. . . . .		84,500.00	24,281.70

\*Show total amounts paid from electric system funds for fiscal year.  
 Method of determining amounts paid to board members is as follows:  
 BOARD MEMBERS RECEIVE \$500.00 PER DAY FOR BOARD MEETINGS AND \$250.00 PER DAY FOR ALL OTHER MEETINGS AND TRAINING.

**Tri-County Electric Membership Corporation**  
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

GENERAL INFORMATION (CONTINUED)	
Detail of Account 930 - Miscellaneous General Expense	EXPENSE
TOTAL	

**GENERAL INFORMATION (CONTINUED)**

EXPLAIN UNUSUAL INCREASES OR DECREASES IN OPERATING EXPENSES AND INCOME OVER LAST YEAR'S FIGURES; EXTRAORDINARY ITEMS PAGE 3; ITEMS MARKED \* ON PAGES 5 AND 6; AND OTHER ENTRIES TO THE ACCUMULATED PROVISION FOR DEPRECIATION ON PAGE 11.

Accumulated Provision for Depreciation Page 11:

Other entries credit \$233.26 labor in 108.00 not cleared. Will be cleared to 107.00 in July 2010.

Difference between FY '10 beginning Retained Earnings and FY '09 Ending Retained Earnings:

Prior period adjustment recommended by external auditors to record accumulated other comprehensive income that had not been recognized in net periodic benefit cost.

Change in Wholesale Meter Reading Date:

The wholesale meter reading date was changed in April 2010 from the 12th of the month to the end of the month. Additional kWh of 57,319,087 was added to the Schedule 1. Additional Revenue of \$4,918,211.46 was recorded less additional Power Cost of \$3,517,383.95 generating additional Gross Margin for the month of \$1,400,827.57.

FY'10 True up amount was (\$1,723,325.28).

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

KEY PERSONNEL		
KEY PERSONNEL	TITLE OR OCCUPATIONS	PERCENTAGE OF WAGES CHARGED TO THE ELECTRIC DEPARTMENT
PAUL THOMPSON	EXEC VP & GEN MGR	100.00
JIM BEECHAM	DIR OF ENGINEERING	100.00
GLENN HALE	DIR OF FINANCE & ADMIN	100.00
RALPH LAW	DIR OF OPERATIONS	100.00
RUSSELL CHERRY	MANAGER OF PURCHASING	100.00
TAMMY DIXON	MANAGER OF MARKETING	100.00
LAURA KIRBY	HUMAN RESOURCES COORDINATOR	100.00
SHERRI SANDIFER	SR ACCOUNTANT	100.00
JERRY WILMORE	OPERATIONS SUPERINTENDENT	100.00
MIKE DAVIS	OPERATIONS SUPERINTENDENT	100.00
SAMMY FARLEE	OPERATIONS SUPERINTENDENT	100.00
JAMES GRAY	OPERATIONS SUPERINTENDENT	100.00
JASON SHORT	NETWORK/COMMUNICATION ADMINISTRATOR	100.00
ANNETTE EATON	CONSUMER ACCOUNTS SUPERVISOR	100.00
BLANTON CALVERT	OPERATIONS SUPERTENDENT	100.00
<b>(895) TOTAL NUMBER OF EQUIVALENT FULL-TIME EMPLOYEES: 139</b>		

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

EFFECTIVE DATE		RATE SCHEDULES	
<b>RESIDENTIAL RATE - SCHEDULE RS</b>			
7/1/10	CUSTOMER CHARGE..	\$ 19.71	per month less \$1.71 Hydro allocation credit.
7/1/10	ENERGY CHARGE.....	First 300	kWh per month at 0.09022 per kWh
		Additional kWh at 0.08461	per month
<b>GENERAL POWER RATE - SCHEDULE GSA</b>			
<b>PART 1.</b>			
7/1/10	CUSTOMER CHARGE..	\$ 25.00	per delivery point per month
7/1/10	ENERGY CHARGE.....	First 300	kWh per month at 0.10332 per kWh
		Additional kWh at 0.09750	per month
<b>PART 2.</b>			
10/1/06	CUSTOMER CHARGE..	\$ 50.00	per delivery point per month
10/1/09	DEMAND CHARGE.....	First 50 kW	of billing demand per month, no charge
		Excess over 50 kW	of billing demand per month, at \$ 13.98 per kW
7/1/10	ENERGY CHARGE.....	All 15,000 kWh	per month at 0.09782 per kWh
		Additional kWh per month at 0.05203	per kWh
<b>PART 3.</b>			
10/1/06	CUSTOMER CHARGE..	\$ 100.00	per delivery point per month
7/1/09	DEMAND CHARGE.....	First 1,000 kW	of billing demand per month, at \$ 14.08 per kW
		Excess over 1,000 kW	of billing demand per month, at 15.83 per kW, plus an additional
		\$ 16.33	per kW per month for each, if any, of the amount by which the customer's
		billing demand exceeds the higher of 2,500 kW	or its contract demand
7/1/10	ENERGY CHARGE.....	All	kWh per month at 0.05303 per kWh
		Additional kWh per month at	per kWh
<b>GENERAL POWER RATE - SCHEDULE GSB</b>			
10/1/09	CUSTOMER CHARGE..	\$ 1,500.00	per delivery point per month
10/1/09	DEMAND CHARGE.....	\$ 13.27	per kW of billing demand per month, plus an additional
		\$ 13.27	per kW per month for each kW, if any, of the amount by which the customer's
		billing demand exceeds its contract demand	
7/1/10	ENERGY CHARGE.....	0.03933	per kWh for up to 620 hours use of metered demand per month
		0.03286	per kWh for all additional kWh per month
<b>GENERAL POWER RATE - SCHEDULE GSC</b>			
10/1/09	CUSTOMER CHARGE..	\$ 1,500.00	per delivery point per month
10/1/09	DEMAND CHARGE.....	\$ 15.40	per kW of billing demand per month, plus an additional
		\$ 2.29	per kW per month for each kW, if any, of the amount by which the customer's
		billing demand exceeds its contract demand	
7/1/10	ENERGY CHARGE.....	0.59820	per kWh for up to 620 hours use of metered demand per month
		0.03701	per kWh for all additional kWh per month
<b>GENERAL POWER RATE - SCHEDULE GSD</b>			
	CUSTOMER CHARGE..	\$	per delivery point per month
	DEMAND CHARGE.....	\$	per kW of billing demand per month, plus an additional
		\$	per kW per month for each kW, if any, of the amount by which the customer's
		billing demand exceeds its contract demand	
	ENERGY CHARGE.....		per kWh per month
<b>OUTDOOR LIGHTING RATE - SCHEDULE LS</b>			
7/1/10	CUSTOMER CHARGE..	\$ 17.50	
7/1/10	ENERGY CHARGE.....	0.06481	per kWh
10/1/03	FACILITY CHARGE.....	LS ( 15.00 )%	$\frac{A}{A \text{ or } B}$

Tri-County Electric Membership Corporation

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Name of Organization

405 College Street LaFayette, TN 37083-0040

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AddressTennessee Valley Authority  
1101 Market Street  
Chattanooga, Tennessee 37402-2801

Gentlemen:

We are transmitting herewith our annual report for the year ended June 30, 2011. The report is in agreement with the books of account, and to the best of our knowledge and belief the statements therein contained are true and correctly reflect the financial condition at June 30, 2011, and the results of our electric operations for the year ended on that date.

Our books of account have been kept in accordance with the provisions of the power contract between this organization and the Tennessee Valley Authority, and are consistent with the requirements of the Federal Energy Regulatory Commission's system of accounts.

(Signed)



Glenn Hale

Accountant in charge of books



Paul Thompson

Manager

8/29/2011  
Date transmitted

TVA Act of 1933

In fulfilling the responsibilities of the TVA Act of 1933 [16 U.S.C. #831i and 831n-4(f)], TVA requires each distributor to provide certain financial and accounting information to TVA to ensure that electric power produced by TVA is being sold at rates which are as low as feasible. This form (TVA 3957) is for that purpose.

Public reporting burden for this collection of information is estimated to vary from ten to forty hours per response, with an average of nineteen hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Agency Clearance Officer, Tennessee Valley Authority, 1101 Market Street, Chattanooga, TN 37402; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<b>BALANCE SHEET</b>				
<b>ASSETS AND OTHER DEBITS</b>	<b>SEE PAGE NO</b>	<b>ITEM NO</b>	<b>JUNE 30</b>	
			<b>THIS YEAR</b>	<b>LAST YEAR</b>
<b>UTILITY PLANT</b>				
Electric Plant. . . . .	10	1	167,542,108.95	160,717,744.91
Less Depreciation. . . . .	10	2	58,542,500.23	56,738,146.21
<b>Total. . . . .</b>	10	3	108,999,608.72	103,979,598.70
Unamortized acq. adj. . . . .	13	4		
Other utility plant - net. . . . .	----	5		
<b>Total Plant - net. . . . .</b>	----	6	108,999,608.72	103,979,598.70
<b>OTHER PROPERTY AND INVESTMENTS</b>				
Nonutility property - net. . . . .	15	7		
Other investments. . . . .	14	8	2,276,256.18	2,723,786.66
Sinking funds. . . . .	15	9		
Depreciation funds. . . . .	15	10		
Other special funds. . . . .	15	12		
<b>Total. . . . .</b>	----	13	2,276,256.18	2,723,786.66
<b>CURRENT AND ACCRUED ASSETS</b>				
General cash and temporary cash investments. . . . .	14	14	8,611,010.11	9,444,092.68
Accounts receivable. . . . .	16	15	13,596,473.84	14,371,911.77
Materials and supplies. . . . .	17	16	1,631,034.88	1,789,868.32
Prepayments. . . . .	17	17	932,733.08	612,381.19
Other current assets. . . . .	17	18	707,712.05	669,548.06
<b>Total. . . . .</b>	----	19	25,478,963.96	26,887,802.02
<b>DEFERRED DEBITS</b>				
Debt expense. . . . .	17	20	456.37	1,826.29
Preliminary survey. . . . .	----	21		
Clearing accounts. . . . .	----	22		
Energy Service Loans Receivables. . . . .	----	24	1,523,805.59	1,442,963.09
Deferred costs on TVA Leases. . . . .	17	25		
Other deferred debits. . . . .	17	26	727,754.47	875,162.86
<b>Total. . . . .</b>	----	27	2,252,016.43	2,319,952.24
<b>TOTAL ASSETS AND OTHER DEBITS. . . . .</b>	----	28	139,006,845.29	135,911,139.62
<b>LIST UNRECORDED AND CONTINGENT ASSETS AND LIABILITIES OTHER THAN ACCRUED UTILITY REVENUE AND UNBILLED PURCHASED POWER</b>				

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<b>BALANCE SHEET</b>				
<b>LIABILITIES AND OTHER CREDITS</b>	<b>SEE</b>	<b>ITEM</b>	<b>JUNE 30</b>	
	<b>PAGE NO</b>	<b>NO</b>	<b>THIS YEAR</b>	<b>LAST YEAR</b>
<b>CAPITAL</b>				
Membership certificates.....	----	30	195,340.00	195,620.05
<b>EARNINGS REINVESTED IN SYSTEM ASSETS</b>				
Beginning of year.....	----	33	81,893,357.27	76,632,073.43
Current year.....	3	34	5,952,167.80	5,257,801.84
<b>Total</b> .....	----	35	87,845,525.07	81,889,875.27
<b>LONG-TERM DEBT</b>				
RUS.....	23	36	6,135,078.20	7,288,945.55
CFC.....	23	37	2,936,240.58	3,643,313.04
CoBank.....	23	38		
Bonds and other long-term debt.....	25	39.1	16,281,489.33	16,882,702.80
TVA.....	25	39.3		
Debt premium and discount.....	----	40		
<b>Total</b> .....	----	41	25,352,808.11	27,814,961.39
<b>OTHER NON-CURRENT LIABILITIES</b>				
Postretirement Benefits.....	25	39.2	4,183,069.94	4,053,198.38
Energy Service Loans - Advances.....	----	42	1,570,610.50	1,473,910.56
Energy Service Loans - Other.....	----	43		
<b>Total</b> .....	----	44	5,753,680.44	5,527,108.94
<b>CURRENT AND ACCRUED LIABILITIES</b>				
TVA notes payable.....	26	45.1		
Other notes payable.....	26	45.2		
Accounts payable.....	26	46	14,866,213.03	15,526,577.85
Customer deposits.....	26	47	2,128,372.95	2,012,367.95
Taxes and equivalents accrued.....	29	48	527,619.23	586,417.75
Interest accrued - RUS.....	23	49		17,800.37
Interest accrued - CFC.....	23	50	27,351.48	33,400.00
Interest accrued -CoBank.....	23	51		
Interest accrued -TVA.....	26	52.1		
Interest accrued - other.....	26	52.2		62,918.24
Other current liabilities.....	26	53	2,298,038.98	2,244,091.81
<b>Total</b> .....	----	54	19,847,595.67	20,483,573.97
<b>DEFERRED CREDITS</b>				
Advances for construction - refundable.....	18	55		
Other deferred credits.....	26	56	11,896.00	
<b>Total</b> .....	----	57	11,896.00	
<b>TOTAL LIABILITIES AND OTHER CREDITS.....</b>	----	<b>58</b>	<b>139,006,845.29</b>	<b>135,911,139.62</b>



**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

REVENUE AND EXPENSE STATEMENT	SEE PAGE NO	ITEM NO	THIS YEAR	LAST YEAR
<b>OPERATING REVENUE</b>				
Electric sales revenue (page 7, item 332) . . . . .	----	59	118,419,575.73	108,446,971.96
Revenue from late payments . . . . .	----	60	728,821.79	693,531.22
Misc. service revenue . . . . .	----	61	486,760.91	505,170.46
Rent from electric property . . . . .	----	62	1,413,968.09	1,410,825.51
Other electric revenue . . . . .	----	63	21,077.11	15,666.45
<b>Total operating revenue . . . . .</b>	----	64	<b>121,070,203.63</b>	<b>111,072,165.60</b>
<b>PURCHASED POWER</b>				
<b>Total power cost (page 7, item 342) . . . . .</b>	7	65	<b>92,983,234.46</b>	<b>84,294,397.75</b>
<b>OPERATION EXPENSE</b>				
Transmission expense . . . . .	5	66	57,138.66	66,049.27
Distribution expense . . . . .	5	67	4,367,264.32	4,125,490.84
Customer accounts expense . . . . .	5	68	2,331,107.95	2,670,177.65
Customer service and informational expense . . . . .	5	69	548,504.31	542,297.98
Sales expense . . . . .	5	70	9,819.90	4,812.97
Administrative and general expense . . . . .	6	71	1,596,489.98	1,513,227.54
<b>Operation expense . . . . .</b>	6	72	<b>8,910,325.12</b>	<b>8,922,056.25</b>
<b>MAINTENANCE EXPENSE</b>				
Transmission expense . . . . .	6	73	5,361.26	13,608.87
Distribution expense . . . . .	6	74	4,915,202.04	4,513,376.57
Administrative and general expense . . . . .	6	75	578,195.41	560,101.38
<b>Maintenance expense . . . . .</b>	6	76	<b>5,498,758.71</b>	<b>5,087,086.82</b>
<b>OTHER OPERATING EXPENSE</b>				
Depreciation expense . . . . .	12	77	5,384,421.04	5,248,554.73
Amortization of acquisition adjustment . . . . .	13	78		
Taxes and tax equivalents . . . . .	29	79	1,127,377.66	963,820.20
<b>Other operating expense . . . . .</b>	----	80	<b>6,511,798.70</b>	<b>6,212,374.93</b>
<b>TOTAL OPERATING EXPENSE AND PURCHASED POWER . . . . .</b>	----	81	<b>113,904,116.99</b>	<b>104,515,915.75</b>
<b>INCOME</b>				
Operating income (item 64, less item 81) . . . . .	----	82	7,166,086.64	6,556,249.85
Other income . . . . .	16	83	174,921.76	161,662.33
<b>Total income . . . . .</b>	----	84	<b>7,341,008.40</b>	<b>6,717,912.18</b>
Miscellaneous income deductions . . . . .	16	85	83,914.74	98,032.16
<b>Net income before debt expense . . . . .</b>	----	86	<b>7,257,093.66</b>	<b>6,619,880.02</b>
<b>DEBT EXPENSE</b>				
Interest on long-term debt - RUS . . . . .	23	87	213,780.03	218,895.80
Interest on long-term debt - CFC . . . . .	23	88	176,432.52	211,886.22
Interest on long-term debt - CoBank . . . . .	23	89		
Interest on long-term debt - other . . . . .	26	90.1	902,460.63	929,926.24
Interest - TVA . . . . .	26	90.2		
Other interest expense . . . . .	----	92	11,910.20	
Amortization of debt discount and expense . . . . .	----	93	342.48	1,369.92
Amortization of premium on debt - credit . . . . .	----	94		
<b>Total debt expense . . . . .</b>	----	95	<b>1,304,925.86</b>	<b>1,362,078.18</b>
<b>NET INCOME</b>				
Net income before extraordinary items (item 86, less item 95) . . . . .	----	96	5,952,167.80	5,257,801.84
Extraordinary items . . . . .	33	97		
<b>Net income . . . . .</b>	2	98	<b>5,952,167.80</b>	<b>5,257,801.84</b>

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<b>STATEMENT OF CASH FLOWS</b>		
Increase (Decrease) in Cash and Cash Equivalents		
	THIS YEAR	LAST YEAR
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Net Income. . . . .	5,952,167.80	5,257,801.84
<b>Adjustments to Reconcile Net Income to Net Cash:</b>		
Depreciation. . . . .	6,089,988.60	5,886,135.86
<b>Amortization of:</b>		
Acquisition Adjustment. . . . .		
Additions to TVA Leases. . . . .		
Debt Premium or Discount. . . . .	342.48	1,369.92
(Gain) or Loss on Sale of Plant. . . . .		
<b>Changes in Current and Deferred Items:</b>		
Accounts Receivable. . . . .	775,437.93	(7,839,895.03)
Materials and Supplies. . . . .	158,833.44	245,720.67
Prepayments and Other Current Assets. . . . .	(358,515.88)	(74,722.13)
Deferred Debits. . . . .	148,435.83	273,201.95
Accounts Payable. . . . .	(660,364.82)	8,632,580.02
Customer Deposits. . . . .	116,005.00	232,104.92
Taxes and Interest Accrued. . . . .	(145,565.65)	49,750.68
Other Current Liabilities. . . . .	53,947.17	(10,709.14)
Deferred Credits. . . . .	11,896.00	
Other. . . . .	151,797.01	(504,065.93)
<b>Net Cash Provided by (Used in) Operating Activities. . . . .</b>	<b>12,294,404.91</b>	<b>12,149,273.63</b>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:</b>		
Additions to Plant. . . . .	(10,170,998.64)	(7,521,700.16)
Removal Cost. . . . .	(1,418,926.81)	(2,289,296.78)
Salvage. . . . .	331,611.82	491,119.66
Net Change in Other Property and Investment. . . . .	447,530.48	(109,687.84)
Energy Service Loans Receivable. . . . .	(80,842.50)	(250,663.27)
Plant Sold (Purchased) - Noninstallment Method. . . . .		
Deferred Costs on TVA Leases (excluding amortization). . . . .		
Other. . . . .		
<b>Net Cash Provided by (Used in) Investing Activities. . . . .</b>	<b>(10,891,625.65)</b>	<b>(9,680,228.39)</b>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:</b>		
Additional Long-Term Borrowings. . . . .		253,000.00
Payment of Principal on Long-Term Debt. . . . .	(2,462,153.28)	(1,467,527.95)
Notes Payable. . . . .		
Memberships. . . . .	(280.05)	(340.05)
Energy Service Loans Advances. . . . .	96,699.94	250,659.67
Receipt for Plant Sold - Installment Method. . . . .		
Payment for Plant Purchased - Installment Method. . . . .		
Other. . . . .	129,871.56	585,775.31
<b>Net Cash Provided by (Used in) Financing Activities. . . . .</b>	<b>(2,235,861.83)</b>	<b>(378,433.02)</b>
<b>NET INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS. . . . .</b>	<b>(833,082.57)</b>	<b>2,090,612.22</b>
CASH AND TEMPORARY INVESTMENTS BEGINNING OF YEAR. . . . .	9,444,092.68	7,353,480.46
CASH AND TEMPORARY INVESTMENTS END OF YEAR. . . . .	8,611,010.11	9,444,092.68
<p><b>NOTE: Cash and Temporary Cash Investments include cash on hand and in demand deposits, and those investments which are generally a part of the power distributor's short-term cash management activities.</b></p>		

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

ACCT. NO.	DESCRIPTION	EXPENSES		PAYROLL DISTRIBUTION	
		THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
<b>OPERATING EXPENSE</b>					
<b>1. TRANSMISSION</b>					
560	Supervision and engineering.....				
561	Load dispatching.....				
562	Station expense.....	56,108.78	55,318.72		
563	Overhead line expense.....	1,029.88	2,309.65		
564	Underground line expense.....				
566	Miscellaneous.....		8,420.90		
567	Rents.....				
(600)	<b>Total transmission operating expense (page 3, item 66)</b>	<b>57,138.66</b>	<b>66,049.27</b>		
<b>2. DISTRIBUTION</b>					
580	Supervision and engineering.....	403,419.86	392,109.43		
581	Load dispatching.....				
582	Station expense.....	239,234.40	236,787.92		
583	Overhead line expense.....	1,407,432.66	1,442,236.91		
584	Underground line expense.....	37,210.32	53,319.09		
585	Street lighting and signal system expense.....	87,994.48	65,929.20		
586	Meter expense.....	978,350.23	923,486.95		
587	Customer installation expense.....	248,618.83	249,538.58		
588	Miscellaneous.....	947,055.98	743,044.91		
589	Rents.....	17,947.56	19,037.85		
(605)	<b>Total distribution operating expense (page 3, item 67)</b>	<b>4,367,264.32</b>	<b>4,125,490.84</b>		
<b>3. CUSTOMER ACCOUNTS EXPENSE</b>					
901	Supervision.....	39,390.02	36,773.39		
902	Meter reading expense.....	50,845.89	138,747.90		
903	Customer records and collection expense.....	2,273,576.14	2,265,089.66		
904	Uncollectible accounts.....	(32,704.10)	229,566.70		
905	Miscellaneous.....				
(610)	<b>Total customer accounts expense (page 3, item 68)</b>	<b>2,331,107.95</b>	<b>2,670,177.65</b>		
<b>4. CUSTOMER SERVICES &amp; INFORMATIONAL EXPENSE</b>					
907	Supervision.....	32,210.71	28,672.54		
908	Customer assistance expense.....	258,753.46	234,667.22		
909	Informational and instructional advertising expense.....	238,538.04	254,172.27		
910	Miscellaneous customer service and informational expense.....	19,002.10	24,785.95		
(615)	<b>Total customer services and informational expense (page 3, item 69)</b>	<b>548,504.31</b>	<b>542,297.98</b>		
<b>5. SALES EXPENSE</b>					
911	Supervision.....				
912	Demonstrating and selling expense.....	1,054.86	(3,952.03)		
913	Advertising expense.....				
916	Miscellaneous.....	8,765.04	8,765.00		
(620)	<b>Total sales expense (page 3, item 70)</b>	<b>9,819.90</b>	<b>4,812.97</b>		

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

ACCT. NO.	DESCRIPTION	EXPENSES		PAYROLL DISTRIBUTION	
		THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
<b>6. ADMINISTRATIVE &amp; GENERAL</b>					
920	Administrative and general salaries.....	800,490.78	779,424.05		
921	Office supplies and expense.....	383,562.33	422,174.37		
922	Administrative expense transferred - credit*				
923	Outside services employed.....	60,280.58	29,893.74		
924	Property insurance.....	5,822.33			
925	Injuries and damages.....	(24,411.97)			
926	Employee pensions and benefits.....	83,396.42			
927	Franchise requirements*.....				
928	Regulatory commission expense*				
929	Duplicate charges - credit.....	(122,892.53)	(110,449.97)		
930	Miscellaneous general expense.....	410,242.04	392,185.35		
931	Rents.....				
(625)	<b>Total administrative and general expense (page 3, item 71).....</b>	<b>1,596,489.98</b>	<b>1,513,227.54</b>		
(630)	<b>Total operating expense (Page 3 Item 72).....</b>	<b>8,910,325.12</b>	<b>8,922,056.25</b>		
<b>MAINTENANCE EXPENSE</b>					
<b>1. TRANSMISSION</b>					
568	Supervision and engineering.....		309.80		
569	Maintenance of structures.....				
570	Maintenance of station equipment.....	437.96			
571	Maintenance of overhead lines.....	4,923.30	13,299.07		
572	Maintenance of underground lines.....				
573	Miscellaneous.....				
(635)	<b>Total transmission maintenance expense (page 3, item 73).....</b>	<b>5,361.26</b>	<b>13,608.87</b>		
<b>2. DISTRIBUTION</b>					
590	Supervision and engineering.....	394,558.78	375,052.29		
591	Maintenance of structures.....				
592	Maintenance of station equipment.....	95,477.63	101,803.76		
593	Maintenance of overhead lines.....	4,350,861.47	3,942,787.75		
594	Maintenance of underground lines.....	8,943.68	7,971.87		
595	Maintenance of line transformers.....	59,152.45	64,822.91		
596	Street lighting and signal systems.....	6,084.41	7,531.13		
597	Maintenance of meters.....	123.62	13,406.86		
598	Maintenance of miscellaneous distribution plant.....				
(640)	<b>Total distribution maintenance expense (page 3, item 74).....</b>	<b>4,915,202.04</b>	<b>4,513,376.57</b>		
<b>3. ADMINISTRATIVE &amp; GENERAL</b>					
935	Maintenance of general plant (page 3, items 75).....	578,195.41	560,101.38		
(645)	<b>Total maintenance expense (page 3, item 76).....</b>	<b>5,498,758.71</b>	<b>5,087,086.82</b>		
(650)	<b>Total operating and maintenance expense.....</b>	<b>14,409,083.83</b>	<b>14,009,143.07</b>		
(655)	Total direct and indirect payroll charged to construction and retirements.....				
(660)	Payroll charged to other accounts.....				
(662)	Fiscal year net change in accrued leave account - (increase) decrease.....				
(665)	<b>Total payroll distribution for year.....</b>				

\*FURNISH DETAILS OF THESE ACCOUNTS ON PAGES 32 AND 33.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**STATISTICAL DATA**

CLASS OF SERVICE	ITEM NO	REVENUE		ITEM NO	KILOWATT-HOURS SOLD	
		THIS YEAR	LAST YEAR		THIS YEAR	LAST YEAR
Residential. ....	100	67,742,238.37	58,018,117.09	107	665,643,136	697,401,792
Gen. Power - 50 kW & under. ....	101	11,273,814.71	9,725,118.89	108	85,137,298	91,832,598
Gen. Power - Over 50 kW. ....	102	35,923,449.14	30,745,151.01	109	415,733,158	422,424,483
Street and athletic. ....	103	719,975.57	640,828.27	110	6,872,474	6,407,591
Outdoor lighting. ....	104	1,864,925.45	1,759,630.95	111	14,650,554	16,149,751
<b>Subtotal. ....</b>	<b>330</b>	<b>117,524,403.24</b>	<b>100,888,846.21</b>			
Unbilled revenue*. ....	331	895,172.49	7,558,125.75			
<b>Total (page 3, item 59). ....</b>	<b>332</b>	<b>118,419,575.73</b>	<b>108,446,971.96</b>	<b>335</b>	<b>1,188,036,620</b>	<b>1,234,216,215</b>
Kilowatt-hours for own use. ....				113	1,526,349	1,604,393
<b>Total kilowatt-hours sold and used. ....</b>				<b>114</b>	<b>1,189,562,969</b>	<b>1,235,820,608</b>
Kilowatt-hours in unbilled revenue (items 331) above*. ...				<b>336</b>	<b>(4,874,479)</b>	<b>84,063,467</b>

STATE	SALES TAX	TO ABOVE CLASSES OF REVENUE	CREDITS	GREEN POWER REVENUE
	TN 679,386.55	Gen. Power - 50 kW & under. ....		1,220.00
		Gen. Power - Over 50kW. ...	783,242.57	
<b>Total</b>	<b>2,145,409.20</b>			

**PURCHASED POWER**

CLASS OF SERVICE	ITEM NO	AMOUNT		ITEM NO	KILOWATT-HOURS PURCHASED	
		THIS YEAR	LAST YEAR		THIS YEAR	LAST YEAR
TVA Purchased Power. ....	115	92,734,655.18	84,064,754.02	119	1,252,445,513	1,288,222,608
Facilities Rental. ....	116	248,579.28	229,643.73			
Other Charges/Credits. ....	117					
<b>Total from TVA. ....</b>	<b>118</b>	<b>92,983,234.46</b>	<b>84,294,397.75</b>	<b>122</b>	<b>1,252,445,513</b>	<b>1,288,222,608</b>
Other Purchased Power**. ....	218			222		
<b>Subtotal. ....</b>	<b>340</b>	<b>92,983,234.46</b>	<b>84,294,397.75</b>			
Unbilled Purchases*. ....	341					
<b>Total (page 3, item 65). ....</b>	<b>342</b>	<b>92,983,234.46</b>	<b>84,294,397.75</b>	<b>345</b>	<b>1,252,445,513</b>	<b>1,288,222,608</b>
Less kilowatt hours sold and used (item 114). ....				123	1,189,562,969	1,235,820,608
Line losses and kilowatt-hours unaccounted for. ....				124	62,882,544	52,402,000
Percent of losses to purchases (2 decimal places). ....				125	5.02	4.07
Kilowatt-hours in unbilled purchases (Item 341) above*. ...				<b>346</b>		

\*\*Purchased other power under contract number \_\_\_\_\_ from \_\_\_\_\_

**NUMBER OF CUSTOMERS**

**MISCELLANEOUS DATA**

CLASS OF SERVICE	MONTH OF JUNE		THIS YEAR	LAST YEAR
	THIS YEAR	LAST YEAR		
Residential. .... (675)	40,739	40,696	5,452.96	5,455.39
Gen. Power - 50 kW & under. . (680)	8,827	8,949		
Gen. Power - Over 50 kW. ... (685)	611	578		
Street and athletic. .... (690)	105	106		
Outdoor Lighting - Excl. Code 77. .... (693)	317	332		
<b>Total. .... (695)</b>	<b>50,599</b>	<b>50,661</b>		
Outdoor Lighting - Code 77. . . (697)	10,351	10,454		
			Pole Line Miles: (2 decimal places) (715)	
			<b>Individual Outdoor Lts.</b>	
			No. in plant. .... (720)	13,226 13,337
			Total investment. .... (725)	3,619,416.25 3,582,458.67
			O&M expense. .... (730)	248,618.83 249,538.58
			St. Ltg-Invest. Base. . . (735)	1,441,449.29 1,486,398.44
			O&M expense. .... (740)	94,078.89 73,460.33
			Lamps & Glassware. . . (745)	87,994.48

\*Item nos. 331, 336, 341, and 346 are to be filled in only if distributor chooses the option to estimate unbilled electric sales.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**MODIFIED STREET LIGHTING COMPUTATION**

Give computation of modified street lighting rate relative to lamps and glassware by customers, if applicable:

TOWN	COST OF LAMPS AND GLASSWARE	KWH	ALLOWANCE	EXCESS TO BE BILLED
		FROM STAT. REPT.	KWH X .003	
TOTAL:				

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		ELECTRIC PLANT					
ACCT. NO.	INTANGIBLE	BALANCE BEG. OF YEAR	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS		BALANCE END OF YEAR
					DEBIT	CREDIT	
301	Organization.....						
302	Franchises and consents.....						
303	Miscellaneous.....						
(750)	<b>Total intangible.....</b>						
755	<b>PRODUCTION</b>						
	<b>Total production.....</b>						
350	<b>TRANSMISSION</b>						
351	Land and land rights.....	218,503.79					218,503.79
352	Clearing land and rights of way.....						
353	Structures and improvements.....						
354	Station equipment.....	1,715,986.23					1,715,986.23
355	Towers and fixtures.....	119,349.78					119,349.78
356	Poles and fixtures.....	3,527,454.88	522,218.43	196,678.55			3,852,994.76
357	Overhead conductors and devices.....	1,012,089.09					1,012,089.09
358	Underground conduit.....						
359	Underground conductors and devices.....						
(760)	Roads and trails.....						
	<b>Total transmission.....</b>	<b>6,593,383.77</b>	<b>522,218.43</b>	<b>196,678.55</b>			<b>6,918,923.65</b>
360	<b>DISTRIBUTION</b>						
361	Land and land rights.....	250,779.57					250,779.57
362	Structures and improvements.....	3,965,930.47					3,965,930.47
363	Station equipment.....	14,571,292.11					14,571,292.11
364	Storage battery equipment.....						
365	Poles, towers, and fixtures.....	46,700,194.44	2,717,220.89	1,738,110.15			47,592,283.67
366	Overhead conductors and devices.....	22,994,108.75	1,305,913.15	155,457.89			24,100,782.94
367	Underground conduit.....						
368	Underground conductors and devices.....						
369	Line transformers.....	23,669,252.30	1,073,218.04	341,564.76			24,383,393.15
370	Services.....	11,030,837.83	505,019.12	62,031.28			11,473,825.67
371	Meters.....	9,814,872.77	507,963.22	58,703.08			10,264,132.91
372	Inst. on customers' premises.....	3,582,458.67	171,995.62	135,038.04			3,619,416.25
373	Leased prop. on cust. premises.....						
(765)	St. lighting and signal systems.....	1,363,904.40	21,361.83	11,174.30			1,374,091.93
	<b>Total distribution.....</b>	<b>137,943,631.31</b>	<b>6,302,691.87</b>	<b>2,502,079.50</b>	<b>148,315.01</b>		<b>141,595,928.67</b>

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

ELECTRIC PLANT							
ACCT. NO.	GENERAL	BALANCE BEG. OF YEAR	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS		BALANCE END OF YEAR
					DEBIT	CREDIT	
389	Land and land rights.....	745,785.47	88,590.40				834,375.87
390	Structures and improvements.....	3,294,290.76					3,294,290.76
391	Office furniture and equipment.....	2,066,604.59	60,567.14	144,273.60			1,982,898.13
392	Transportation equipment.....	6,254,245.21	723,546.89	338,378.00			6,639,414.10
393	Stores equipment.....	31,761.20		17,143.20			14,618.00
394	Tools, shop, and garage equip.....	222,680.02					222,680.02
395	Laboratory equipment.....	120,372.43					120,372.43
396	Power operated equipment.....	247,653.07					247,653.07
397	Communication equipment.....	1,016,905.65					1,016,905.65
398	Miscellaneous equipment.....	179,233.56					179,233.56
399	Other tangible property.....						
(770)	<b>Total general.....</b>	<b>14,179,531.96</b>	<b>872,704.43</b>	<b>499,794.80</b>			<b>14,552,441.59</b>
101	<b>Total plant in service.....</b>	<b>158,716,547.04</b>	<b>7,697,614.73</b>	<b>3,198,552.85</b>		<b>148,315.01</b>	<b>163,067,293.91</b>
102	Electric plant purchased or sold.....						
104	Electric plant leased to others.....						
105	Electric plant for future use.....						
107	Construction work in progress.....	2,001,431.13	2,473,383.91				4,474,815.04
(775)	<b>Total other electric plant.....</b>	<b>2,001,431.13</b>	<b>2,473,383.91</b>				<b>4,474,815.04</b>
(780)	<b>Total electric plant (page 1, item 1).....</b>	<b>160,717,978.17</b>	<b>10,170,998.64</b>	<b>3,198,552.85</b>		<b>148,315.01</b>	<b>167,542,108.95</b>
	(Item 140)						
	<b>RESERVES</b>						
108	Accumulated provision for depreciation of electric plant in service.....					58,542,500.23	
109	Accumulated provision for depreciation of electric plant leased to others.....						
110	Accumulated provision for depreciation of electric plant held for future use.....						
	<b>Total accumulated provision for depreciation (page 1, item 2 and page 11).....</b>					<b>58,542,500.23</b>	
	<b>Total electric plant, less accumulated provision for depreciation (page 1, item 3).....</b>						<b>108,999,608.72</b>
	<b>Reclassification Columns</b>						
	Includes major corrections to prior years additions and retirements; transfers between accounts classified in prior years, and classification of plant purchased and/or sold.						
	<b>Explanations of entries shown in the Reclassification Columns:</b>						
	364 - \$87,021.51 FEMA DR 108.64 CR 107.00 to correct 7/31/11;						
	365 - \$43,781.07 FEMA DR 108.65 CR 107.00;						
	366 - \$5,872,269.69 error grounding assembly washout						
	368 - \$17,512.43 FEMA DR 108.68 CR 107.00						



Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

ACCUMULATED PROVISION FOR DEPRECIATION (Page 10)										
ACCT. NO.	DEPR. RATE	BALANCE BEG. OF YEAR	ACCRUAL	ORIGINAL COST	REMOVAL COST	SALVAGE	OTHER ENTRIES*		BALANCE END OF YEAR	% DEPR.
							DEBIT	CREDIT		
350										
351										
352										
353	3	639,817.26	32,630.16						672,447.42	39
354	3	28,873.98	3,580.44						32,454.42	27
355	4	1,099,746.03	151,677.61	196,678.55	100,570.94	20,414.69			974,588.84	25
356	3	937,154.02	30,362.64						967,516.66	96
357										
358										
359										
<b>(785) TOTAL</b>		<b>2,705,591.29</b>	<b>218,250.85</b>	<b>196,678.55</b>	<b>100,570.94</b>	<b>20,414.69</b>			<b>2,647,007.34</b>	<b>38</b>
360										
361	2	804,506.96	79,477.20						883,984.16	22
362	4	8,333,344.16	582,268.80						8,915,612.96	61
363										
364	4	12,752,215.51	1,857,711.62	1,738,110.15	1,002,264.90	93,639.20			11,963,191.28	25
365	3	8,556,942.83	694,495.96	155,457.89	118,330.54	97,801.56			9,075,451.92	38
366										
367										
368	2.5	7,497,788.99	600,960.24	341,564.76	50,191.82	33,725.97			7,740,718.62	32
369	3.75	3,969,617.28	414,791.77	62,031.28	44,244.79	10,056.51			4,288,189.49	37
370	3.5	1,612,346.97	365,492.35	58,703.08					1,919,136.24	19
371	6	402,597.83	215,641.73	135,038.04	71,234.32	7,236.76			419,203.96	12
372										
373	4	972,491.23	54,665.79	11,174.30	32,089.50	8,419.11			992,312.33	72
<b>(790) TOTAL</b>		<b>44,901,851.76</b>	<b>4,865,505.46</b>	<b>2,502,079.50</b>	<b>1,318,355.87</b>	<b>250,879.11</b>			<b>46,197,800.96</b>	<b>33</b>
389										
390	2	1,412,472.02	65,631.79						1,478,103.81	45
391	VAR	1,830,190.50	129,075.12	144,273.60		318.02			1,815,310.04	92
392	20	4,378,322.82	704,754.63	338,378.00		60,000.00			4,804,699.45	72
393	10	33,817.57		17,143.20					16,674.37	114
394	10	193,232.04	8,708.87						201,940.91	91
395	8	68,774.16	9,620.04						78,394.20	65
396	20	215,913.40	10,707.18						226,620.58	92
397	10	943,677.48	70,572.58						1,014,250.06	100
398	4	54,536.43	7,162.08						61,698.51	34
399										
<b>(795) TOTAL</b>		<b>9,130,936.42</b>	<b>1,006,232.29</b>	<b>499,794.80</b>		<b>60,318.02</b>			<b>9,697,691.93</b>	<b>67</b>
<b>(800) OTHER</b>										
<b>(805) TOTALS</b>		<b>56,738,379.47</b>	<b>6,089,988.60</b>	<b>3,198,552.85</b>	<b>1,418,926.81</b>	<b>331,611.82</b>			<b>58,542,500.23</b>	<b>36</b>

\*Use other entries to report depreciation on property purchased, classifying accruals, unusual entries - explain on page 33.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**ACCUMULATED PROVISION FOR DEPRECIATION - CONTINUED**

Depreciation expense (403 and 404) (page 3, item 77) . . . . .	(810)	5,384,421.04
Depreciation charged to transportation expense - clearing. . . . .	(815)	705,567.56
Depreciation charged to building expense - clearing. . . . .	(820)	
Depreciation charged to other accounts (list each account number). . . . .	(825)	
. . . . .	(830)	
. . . . .	(835)	
. . . . .	(840)	
<b>Total accrual (page 11). . . . .</b>	<b>(Item 128)</b>	<b>6,089,988.60</b>

Explanations (continue on page 33 if necessary)

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<b>ELECTRIC PLANT ACQUISITION ADJUSTMENTS (Account 114)</b>							
DESCRIPTION				AMOUNT			
Balance beginning of year .....							
Additions during year (as below) .....							
<b>Total</b> .....							
Charged to expense (Account 406) (page 3, item 78) .....							
Other reductions (explain below) .....							
<b>Balance end of year (page 1, item 4)</b> .....							
<b>ELECTRIC PLANT PURCHASED THIS YEAR*</b>							
From whom property acquired (abbreviate) .....						<b>TOTAL</b>	
Date acquired .....							
Original cost .....							
Corrections to date .....							
<b>Total original cost</b> .....							
Depreciation reserve at acquisition .....							
Corrections to date .....							
<b>Total depreciation reserve</b> .....							
Base contract purchase price .....							
Net additions .....							
Acquisition expense .....							
Other (explain below) .....							
<b>Total purchase cost</b> .....							
<b>(Item 141)</b> .....							
Acquisition adjustment (purchase cost, less original cost, net of depreciation)							
<p>*If the original cost and depreciation at acquisition have not been determined for plant purchased this year, report the purchase information only and complete the schedule in the year the purchased plant is classified.</p>							
<b>EXPLANATIONS</b>							
Give the method of amortizing the acquisition adjustment and other information as required:							
<b>CLASSIFICATION OF ELECTRIC PLANT PURCHASED OR SOLD</b>							
Furnish aging of plant purchased and sold on separate worksheet							
ELECTRIC PLANT PURCHASED				ELECTRIC PLANT SOLD			
ACCT. NO.	ORIGINAL COST	DEPRECIATION RESERVE	NET PLANT	ACCT. NO.	ORIGINAL COST	DEPRECIATION RESERVE	NET PLANT
389	57,593.16		57,593.16				
389	30,204.24		30,204.24				
Total	87,797.40	.00	87,797.40	Total			
<b>GAIN OR LOSS ON SALE OF ELECTRIC PLANT</b>							
Selling price ..... (Item 130) .....							
Less net plant sold (as above) .....							
Difference .....							
Less selling expense ..... (Item 131) .....							
Gain or loss on sale ..... (Item 129) .....							

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<b>INVESTMENTS IN ASSOCIATED COMPANIES</b> (Report only the investments not considered as current assets)			
<b>OTHER INVESTMENTS - GENERAL FUNDS</b>			
Investments included in Accounts 123 and 124			
DESCRIPTION OF INVESTMENTS (GROUP BY TYPE OF INVESTMENT AND SHOW NO. OF INVESTMENTS)	BALANCE END OF YEAR	INCOME	GAIN OR (LOSS) ON SALES
NRUCFC Capital Term Certificates	1,702,782.00	80,814.23	
TVPPA/GENCO DEVELOPMENT	11,779.66		
REDL Grandview Welding	206,602.00		
REDL Loy Properties	355,092.52		
Subtotal	2,276,256.18	80,814.23	
	(page 1, item 8)	(account 419, page 16)	
<b>INVESTMENTS OF FUNDS OTHER THAN GENERAL FUNDS</b>			
(Investments included in Accounts 125, 126, and 128 - page 15)			
Subtotal			
	(page 15)	(account 419, page 16)	
<b>CASH AND TEMPORARY CASH INVESTMENTS - GENERAL FUNDS</b>			
(Report only investments considered as current assets)			
KAEC - CD	5,000.00	12.00	
NRUCFC Commercial Paper	6,988,015.00	9,879.99	
Total Temporary Cash Investments	6,993,015.00	9,891.99	
CASH (Accounts 131 - 135)	1,617,995.11		
Subtotal	8,611,010.11	9,891.99	
	(page 1, item 14)	(account 419, page 16)	
Grand Total	10,887,266.29	90,706.22	

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

SPECIAL FUNDS				
	ACCOUNT 125	ACCOUNT 126	ACCOUNT 128	
	TOTAL SINKING FUNDS	DEPRECIATION FUNDS	CONSTRUCTION FUNDS	TOTAL OTHER SPECIAL FUNDS
	(page 1, item 9)	(page 1, item 10)	(page 1, item 12)	TOTAL OF ALL SPECIAL FUNDS
Cash included in fund end of year . . . . .				
Investments in fund end of year (page 14) . . . . .				
Balance of fund end of year (page 1) . . . . .				
Minimum balance required* . . . . .				
Authority creating fund**				
* Explain difference if fund balance is less than minimum required.				
** State whether fund is required by bond contract, board action, etc.				
Total Sinking				
Depreciation				
Construction				
Other				
Note: Report all debt service funds as sinking funds.				
Report all funds for renewals and replacements as depreciation funds.				
NONUTILITY PROPERTY (Account 121)				
DESCRIPTION AND LOCATION OF PROPERTY	DATE ACQUIRED	BOOK COST	NET INCOME (ACCOUNT 418)	
Total . . . . .				(page 16)
Less accumulated provision for depreciation (account 122) . . . . .				
Total net of depreciation (page 1, item 7) . . . . .				



**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

ACCT. NO.	<b>MATERIALS AND SUPPLIES</b>	
154	Plant materials and operating supplies.....	1,597,867.42
155	Merchandise.....	33,167.46
156	Other materials and supplies.....	
163	Stores expense undistributed.....	
(855)	<b>Total materials and supplies (page 1, item 16).....</b>	<b>1,631,034.88</b>
Give dates of physical inventories this year: <u>06/01/2011</u> <b>Total of adjustments: \$</b> _____ <b>over, or \$</b> <u>88,322.70</u> <b>short</b>		
<b>PREPAYMENTS - Account No. 165</b>		
	Prepaid insurance.....	804,932.71
	Prepaid employee pension plan.....	
	Prepaid taxes (page 29).....	
	Prepaid rents.....	
	Other prepayments.....	127,800.37
	<b>Total prepayments (page 1, item 17).....</b>	<b>932,733.08</b>
ACCT. NO.	<b>OTHER CURRENT ASSETS</b>	
171	Interest and dividends receivable.....	20,243.99
172	Rents receivable.....	687,468.06
173	Accrued utility revenue.....	
174	Miscellaneous current and accrued assets.....	
	<b>Total other current assets (page 1, item 18).....</b>	<b>707,712.05</b>
ACCT. NO.	<b>DEFERRED DEBITS</b>	
181	Unamortized debt expense (page 1, item 20).....	456.37
Give method and period of amortization: Straight Line		
186	Deferred costs on TVA leases (page 1, item 25)	
	Additions	
	Removal Costs	
	Salvage	
	Accumulated Amortization	
	<b>Total as above</b>	
186	Miscellaneous deferred debits (page 1, item 26)	727,754.47
List of Items:		
	Receivables from plant sales (item 148)	
	Other items (list):	
	Special Pay Arrangements on Delinquent Accounts	26,421.39
	Past Pension Cost	575,136.44
	Special Pay Arrangements CIA	658.83
	Sick Leave Policy Change-Amortize over 5 yr period	124,437.81
	Long Term Advertising Expenditure	
	DEPOSITS RECEIVABLE	1,100.00
	<b>Total as above</b>	<b>727,754.47</b>

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<b>CUSTOMER ADVANCES FOR CONSTRUCTION - REFUNDABLE (Account 252)</b>					
BEGINNING BALANCE	ADDITIONS	REFUNDS	CONFISCATIONS*	ENDING BALANCE	AMOUNT MATURING NEXT YEAR
				(page 2, item 55)	

\*Please list the FERC account numbers and amounts credited when advances were confiscated:

The refundable customer advances for construction policy is as follows:  
 DEPOSITS TO SUB-DIVISIONS MAY BE REQUIRED AND ARE REFUNDED ON A PRO-RATA BASIS AS PERMANENT DWELLINGS ARE CONNECTED.

**NONREFUNDABLE CONTRIBUTIONS**

The nonrefundable contribution in aid of construction policy is as follows:

Show the amounts of nonrefundable contributions and the FERC account numbers credited during the fiscal year.

<b>INSURANCE</b>		
PROPERTY OR CONTINGENCY COVERED	HAZARD INSURED AGAINST	AMOUNT OF COVERAGE
Employee Injury	Worker's Compensation	1,000,000
Public Liability	Property Damage	1000000/2,000,000
Public Liability	Bodily Injury	1000000/2,000,000
Excess Public Liability	Catastrophes	5,000,000
Automobiles and Trucks	Property Damage & Bodily Injury	1,000,000
Buildings and Contents	Property Damage	48,329,690
Theft and Embezzlement	Crime	875,000
Directors and Officers	Personal Liability	10,000,000
Other: Forgery or Alteration		500,000
Boiler	Machinery & Equipment	4,000,000
Pollution		1,000,000
Umbrella		1,000,000
Inland Marine		423,638



**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE						
DETAILS REGARDING BONDS ON PAGE						
MATURITIES: MONTH AND DAY 100						
NAME OF ISSUE 200		Accum Prov for FASB 158	FEDERAL FINANCING BANK - RUS	National Cooperative Services Corporation		
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE
2011						
2012						
2013						
2014						
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
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2044						
2045						
2046						
2047						
2048						
2049						
2050						
2051						
2052						
2053						
2054						
2055						
<b>OUTSTANDING END OF YEAR</b> 300						

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE					
<b>DETAILS REGARDING BONDS ON PAGE</b>					
<b>MATURITIES:</b>					
<b>MONTH AND DAY</b> 100	0/0				
POST RETIREMENT BENEFITS					
<b>NAME OF ISSUE</b> 200					
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	TOTAL MATURITIES
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
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2044					
2045					
2046					
2047					
2048					
2049					
2050					
2051					
2052					
2053					
2054					
2055					
<b>OUTSTANDING END OF YEAR</b> 300					

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE NUMBER	DATE OF NOTE	INT. RATE	TERM OF NOTE (YR)	DATE REPAYMENTS BEGIN MO/YEAR	AMOUNT OF ALLOTMENT	BALANCE DUE ON ALLOTMENT (ACCOUNT 224.2)	AMOUNT REPAID THIS YEAR		OUTSTANDING END OF YEAR EXCLUDING CUSHION OF CREDIT
							PRINCIPAL	DEFERRED INTEREST	
01-REDL-E	6/28/06		10	06/2007	650,000.00		78,240.76		349,074.00
02-REDL-F	6/1/07		10	07/2007	500,000.00		350,000.24		
03-1B310	3/10/08	4.53	35	04/2008	6,500,000.00		54,886.59	116,388.41	2,343,133.78
04-1B311	3/31/09	2.78	10	03/2009	4,000,000.00	4,000,000.00	114,128.01	115,191.99	3,766,912.50
05-REDL-G	11/30/09		10	11/2010	253,000.00		27,417.00		205,152.67
06-				/					
07-				/					
08-				/					
09-				/					
10-				/					
11-				/					
12-				/					
13-				/					
14-				/					
15-				/					
16-				/					
17-				/					
18-				/					
19-				/					
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27-				/					
28-				/					
29-				/					
30-				/					
31-				/					
32-				/					
33-				/					
34-				/					
35-				/					
36-				/					
37-				/					
38-				/					
39-				/					
40-				/					
<b>(860) Total</b>					<b>11,903,000.00</b>	<b>4,000,000.00</b>	<b>624,672.60</b>	<b>231,580.40</b>	<b>6,664,272.95</b>

List Note Numbers Paid Monthly: REDL-E 1B310 REDL-F 1B311 REDL-G 1B311  
 \*EXCLUDING CUSHION OF CREDIT.

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

SUMMARY OF LONG-TERM DEBT - CFC AND/OR COBANK

NOTE NUMBER	DATE OF NOTE	INT. RATE	CFC OR COBANK	TERM OF NOTE (YR)	AMOUNT OF LOAN APPROVED	UNADVANCED LOAN	AMT REPAID THIS YEAR FOR REGULAR BILLINGS		OUTSTANDING END OF YEAR	RUS LOAN SUPPLEMENTED	
							PRINCIPAL	INTEREST		NOTE NUMBER	%
01-9006	3/9/77	4.95	CFC	35	323,000.00		22,947.99	1,319.39	12,111.56	1B260/262	.30
02-9008	4/8/79	6.35	CFC	35	1,742,000.00		121,199.62	21,345.64	266,555.60	1B270/272	.30
03-9015007	8/29/03	4.70	CFC	7	572,269.00		145,583.77	1,646.11			
04-9015008	8/29/03	5.00	CFC	8	559,947.00		417,341.08	22,309.29	142,605.92		
05-9015009	8/29/03	5.20	CFC	9	564,673.00			28,657.14	564,673.00		
06-9015010	8/29/03	5.40	CFC	10	569,219.00			30,026.33	569,219.00		
07-9015011	8/29/03	5.65	CFC	11	343,351.00			18,970.13	343,351.00		
08-9015012	8/29/03	5.65	CFC	12	355,495.00			19,641.09	355,495.00		
09-9015013	8/29/03	5.70	CFC	13	211,883.00			11,812.47	211,883.00		
10-9015014	8/29/03	5.80	CFC	14	347,719.00			19,733.05	347,719.00		
11-9015015	8/29/03	5.85	CFC	15	122,627.50			7,020.42	122,627.50		
12-											
13-											
14-											
15-											
16-											
17-											
18-											
19-											
20-											
21-											
22-											
23-											
24-											
25-											
26-											
27-											
28-											
29-											
30-											
31-											
32-											
33-											
34-											
35-											
36-											
37-											
38-											
39-											
40-											
41-											
<b>(865) Total</b>					<b>5,712,183.50</b>		<b>707,072.46</b>	<b>182,481.06</b>	<b>2,936,240.58</b>		

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<b>LONG-TERM DEBT - RUS</b>		
<b>ACCT.</b>	<b>PRINCIPAL DATA</b>	<b>AMOUNT</b>
224.1	Long-term debt - RUS.....	10,664,272.95
224.2	Unadvanced RUS allotment - debit (page 21).....	(4,000,000.00)
224.3	Deferred interest - RUS.....	
224.4	Long-term debt - RUS - matured and deferred.....	
224.5	Cushion of credit - RUS - debit.....	(529,194.75)
	Net balance due RUS as above (page 2, item 36).....	6,135,078.20
	Total additions to RUS long-term debt this year..... (Item 132)	<input type="text"/>
	Repayments for the year excluding advance payments.... (Item 143)	624,672.60
<b>INTEREST ACCRUED - RUS (Account 237.1)</b>		
	Balance beginning of year (matured \$17,800.37).....	17,800.37
	Accrued during year (Account 427.1) (page 3, item 87) (page 26 summary).....	213,780.03
	Repayments this year.....	231,580.40
	Balance end of year (matured \$.00) (page 2, item 49)(page 26 summary).....	
<b>LONG-TERM DEBT - CFC</b>		
<b>ACCT.</b>	<b>PRINCIPAL DATA</b>	<b>AMOUNT</b>
223.1	Subscriptions to CFC capital term certificates - debit.....	-
223.2	Unpaid subscriptions to CFC capital term certificates - credit.....	
223.4	CFC loan approved - unadvanced - debit (page 22).....	-
223.5	Long-term debt - CFC credit.....	2,936,240.58
223.61	Patronage capital certificates - debit.....	(250,543.20)
223.62	Deferred patronage dividends - credit.....	250,543.20
	Net CFC account (account 223) (page 2, item 37).....	2,936,240.58
	Total additions to CFC long-term debt this year..... (Item 135)	<input type="text"/>
	Repayments for the year excluding advance payments.... (Item 144)	707,072.46
<b>INTEREST ACCRUED - CFC (Account 237.2)</b>		
	Balance beginning of year (matured \$.00).....	33,400.00
	Accrued during year (Account 427.1) (page 3, item 88) (page 26 summary).....	176,432.52
	Repayments this year.....	182,481.06
	Balance end of year (matured \$.00) (page 2, item 50)(page 26 summary).....	27,351.46
<b>LONG-TERM DEBT - COBANK</b>		
<b>ACCT.</b>	<b>PRINCIPAL DATA</b>	<b>AMOUNT</b>
229.10	Long Term Debt - CoBank - credit.....	
229.20	Unadvanced allotment - CoBank - debit.....	-
229.30	Subscription to class "C" stock - CoBank - debit.....	
229.40	Unpaid subscription to class "C" stock - CoBank - credit.....	
229.50	Allocated earnings receivable - CoBank - debit.....	-
229.51	Allocated earnings deferred - CoBank - credit.....	
	Net CoBank account (account 229) (page 2, item 38).....	
	Amount received on allotment this year..... (Item 136)	<input type="text"/>
	Repayments this year..... (Item 145)	<input type="text"/>
<b>INTEREST ACCRUED - COBANK (Account 237.6)</b>		
	Balance beginning of year (matured \$.00).....	
	Accrued during year (Account 427.4) (page 3, item 89) (page 26 summary).....	
	Repayments this year.....	
	Balance end of year (matured \$.00) (page 2, item 51)(page 26 summary).....	

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)**

Name of issue: FEDERAL FINANCING BANK - RUS  
 Date of issue: 01/26/2001 Amount of original issue: \$ 6,200,000.00  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: 6\30 Quarterly Principal due dates: \ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: NRUCFC  
 Revenue or general obligation bonds: Other - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ 14,335,278.51  
 Purpose of issue: \_\_\_\_\_

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year . . . . .	13,010,810.96	Accrued beginning of year . . . . .	
Issued during year . . . . .		Accrued during year (427.3) . . . . .	655,955.40
Total . . . . .	13,010,810.96	Total . . . . .	655,955.40
Bonds retired this year . . . . .	373,440.05	Payments during year . . . . .	655,955.40
Balance end of year . . . . .	12,637,370.91	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	12,637,370.91	Balance less matured (237.3) . . . . .	

Name of issue: POST RETIREMENT BENEFITS  
 Date of issue: \_\_\_\_\_ Amount of original issue: \$ \_\_\_\_\_  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: \ Principal due dates: \ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: PostRetirement - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: \_\_\_\_\_

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year . . . . .	3,549,132.45	Accrued beginning of year . . . . .	
Issued during year . . . . .	324,638.81	Accrued during year (427.3) . . . . .	
Total . . . . .	3,873,771.26	Total . . . . .	
Bonds retired this year . . . . .	191,285.25	Payments during year . . . . .	
Balance end of year . . . . .	3,682,486.01	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	3,682,486.01	Balance less matured (237.3) . . . . .	

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)**

Name of issue: National Cooperative Services Corporation  
 Date of issue: 04/14/2009 Amount of original issue: \$ 4,000,000.00  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: 6\30 Quarterly Principal due dates: 6\30 Quarterly Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: Other - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: Capital Projects

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year . . . . .	3,871,891.84	Accrued beginning of year . . . . .	62,918.24
Issued during year . . . . .		Accrued during year (427.3) . . . . .	246,505.23
Total . . . . .	3,871,891.84	Total . . . . .	309,423.47
Bonds retired this year . . . . .	227,773.42	Payments during year . . . . .	309,423.47
Balance end of year . . . . .	3,644,118.42	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	3,644,118.42	Balance less matured (237.3) . . . . .	

Name of issue: Accum Prov for FASB 158  
 Date of issue: \_\_\_\_\_ Amount of original issue: \$ \_\_\_\_\_  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: \ \_\_\_\_\_ Principal due dates: \ \_\_\_\_\_ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: PostRetirement - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: \_\_\_\_\_

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year . . . . .	504,065.93	Accrued beginning of year . . . . .	
Issued during year . . . . .		Accrued during year (427.3) . . . . .	
Total . . . . .	504,065.93	Total . . . . .	
Bonds retired this year . . . . .	3,482.00	Payments during year . . . . .	
Balance end of year . . . . .	500,583.93	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	500,583.93	Balance less matured (237.3) . . . . .	

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)**

Name of issue: \_\_\_\_\_  
 Date of issue: \_\_\_\_\_ Amount of original issue: \$ \_\_\_\_\_  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: \ \_\_\_\_\_ Principal due dates: \ \_\_\_\_\_ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: \_\_\_\_\_ Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: \_\_\_\_\_

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year. ....		Accrued beginning of year. ....	
Issued during year. ....		Accrued during year (427.3). ....	
Total. ....		Total. ....	
Bonds retired this year. ....		Payments during year. ....	
Balance end of year. ....		Balance end of Year. ....	
Including matured of (239). ....		Including matured of (240). ....	
Balance less matured (221). ....		Balance less matured (237.3). ....	

**SUMMARY OF LONG-TERM DEBT - BONDS (Account 221) AND OTHER (Account 228)**

	ACCOUNT 221	OTHER* ACCOUNT 228	TOTAL*	POST- RETIREMENT BENEFITS ACCOUNT 228	TVA ACCOUNT 228
Balance beginning of year. ....		16,882,702.80	16,882,702.80	4,053,198.38	
Issued during year. .... (Item 137)				324,638.81	
<b>Total. ....</b>		16,882,702.80	16,882,702.80	4,377,837.19	
Bonds retired this year. .... (Item 146)		601,213.47	601,213.47	194,767.25	
Balance end of year. ....		16,281,489.33	16,281,489.33	4,183,069.94	
Including matured of (239). .... (Item 147)					
Balance less matured (221). ....		16,281,489.33	16,281,489.33	4,183,069.94	

(page 2, item 39.1) (page 2, item 39.2) (page 2, item 39.3)

**SUMMARY OF INTEREST ACCRUED - LONG-TERM DEBT (Account 237)**

	TOTAL
Accrued beginning of year. ....	62,918.24
Accrued during year (427.3) (page 26). ....	902,460.63
<b>Total. ....</b>	965,378.87
Payments during year. ....	965,378.87
Balance end of year. ....	
Including matured of (240). ....	
Balance less matured (237.3) (page 26). ....	

\*Less TVA Long-term Debt and Postretirement Benefits



**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<b>NOTES PAYABLE (Account 231)</b>										
<b>PRINCIPAL DATA</b>						<b>INTEREST ACCRUED</b>				
Balance beginning of year. ....						Accrued beginning of year. ....				
New notes issued during year. ....						Accrued during year (as below). ....				
<b>Total. ....</b>						<b>Total. ....</b>				
Notes retired this year. ....						Payments during year. ....				
<b>Balance end of year. ....</b>						<b>Balance end of year (as below). ....</b>				
Portion of balance TVA (page 2, item 45.1). ....										
Portion of balance non-TVA (page 2, item 45.2). ...										
<b>CUSTOMER DEPOSITS (Account 235)</b>										
Balance accrued interest on customer deposits end of year. ....										149.95
Balance customer deposits end of year (Account 235). ....										2,128,223.00
<b>Total customer deposits (page 2, item 47). ....</b>										<b>2,128,372.95</b>
<b>SUMMARY OF ACCRUED INTEREST AND INTEREST EXPENSE</b>										
ACCT. NO.	DESCRIPTION	FROM PAGE NO.	REPORT ON BALANCE SHEET AS INDICATED BELOW				REPORT ON REVENUE AND EXPENSE STATEMENT AS INDICATED BELOW			
			ACCT. NO.	PAGE NO.	ITEM NO.	ACCRUED END OF YEAR	ACCT. NO.	PAGE NO.	ITEM NO.	EXPENSE FOR YEAR
221	Bonds	25	237.3	2	52.2		427.3	3	90.1	
223	CFC	23	237.2	2	50	27,351.46	427.2	3	88	176,432.52
224	RUS	23	237.1	2	49		427.1	3	87	213,780.03
229	CoBank	23	237.6	2	51		427.4	3	89	
228	TVA long term	25	237.3	2	52.1		427.3	3	90.2	
228	Other long term	25	237.3	2	52.2		427.3	3	90.1	902,460.63
231	TVA Notes Payable	Above	237.5	2	52.1		431	3	90.2	
231	Other notes payable	Above	237.5	2	52.2		431	3	92	
235	Customer Deposits	Above	235	Above	---		431	3	92	
---	Delinquent taxes	---	237.5	2	52.2		431	3	92	
<b>Total interest accrued end of year. ....</b>						<b>27,351.46</b>	<b>Net expense for year. ...</b>			<b>1,292,673.18</b>
<b>Total item 49 (page 2) . . . . .</b>							<b>Total item 87 (page 3). . .</b>			<b>213,780.03</b>
<b>Total item 50 (page 2) . . . . .</b>						<b>27,351.46</b>	<b>Total item 88 (page 3). . .</b>			<b>176,432.52</b>
<b>Total item 51 (page 2) . . . . .</b>							<b>Total item 89 (page 3). . .</b>			
<b>Total item 52.1 (page 2) . . . . .</b>							<b>Total item 90.1 (page 3). . .</b>			<b>902,460.63</b>
<b>Total item 52.2 (page 2) . . . . .</b>							<b>Total item 90.2 (page 3). . .</b>			
							<b>Total item 92 (page 3). . .</b>			
ACCT. NO.	<b>ACCOUNTS PAYABLE</b>									
232	Accounts payable - general (includes \$13,818,031.80 to TVA for purchased power and Fac.Rental). ....									14,866,213.03
232	Accrued purchased power. ....									
233	Accounts payable - spec. const. ....									
234	Payable to municipal - utility revenue. ....									
234	Other payables to municipality. ....									
	<b>Total accounts payable - general (page 2, item 46). ....</b>									<b>14,866,213.03</b>
ACCT. NO.	<b>OTHER CURRENT AND ACCRUED LIABILITIES</b>									
239	Matured long-term debt (pages 23, 24, and 25). ....									
240	Matured interest (pages 23, 24, and 25). ....									
241	Tax collections payable. ....									169,107.46
242	Miscellaneous - accrued insurance. ....									
242	Miscellaneous - employees' accrued leave. ....									1,712,527.01
242	Miscellaneous - other. ....									421,708.27
	<b>Total other current and accrued liabilities (page 2, item 53). ....</b>									<b>2,303,342.74</b>
<b>OTHER DEFERRED CREDITS (Account 253)</b>										
Payables for plant purchases; (item 149) . . . . .										
Other items (List): . . . . .										
Total other deferred credits (page 2, item 56) . . . . .										
<b>Total other deferred credits (page 2, item 56) . . . . .</b>										

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

TO WHOM PAID		PERIOD COVERED	AMOUNT	TO WHOM PAID	PERIOD COVERED	AMOUNT
States (list):		1/1/10 12/31/10	162,192.47	Cities (list):	1/1/10 12/31/10	27,608.00
KY				LAFAYETTE, TN	1/1/10 12/31/10	7,277.14
				CELINA, TN	1/1/10 12/31/10	16,771.55
				WESTMORELAND, TN	1/1/10 12/31/10	3,596.58
				RED BOILING SPRINGS, TN	1/1/10 12/31/10	2,931.57
				SCOTTSMILLE, KY	1/1/10 12/31/10	370.17
				EDMONTON, KY	1/1/10 12/31/10	3,274.93
				TOMPKINSVILLE, KY	1/1/10 12/31/10	150.19
				FOUNTAIN RUN, KY	1/1/10 12/31/10	1,570.65
				GAMALIEL, KY	1/1/10 12/31/10	10,206.00
				BURKESVILLE, KY	1/1/10 12/31/10	
				HARTSMILLE, TN	1/1/10 12/31/10	
Total states.....			162,192.47			
Counties (list):		1/1/10 12/31/10	241,106.00			
MACON (TN)		1/1/10 12/31/10	121,696.13			
ALLEN (KY)		1/1/10 12/31/10	522.88			
CLINTON (KY)		1/1/10 12/31/10	12,468.43			
BARREN (KY)		1/1/10 12/31/10	1,013.31			
ADAIR (KY)		1/1/10 12/31/10	81,431.23			
MONROE (KY)		1/1/10 12/31/10	106.00			
JACKSON (TN)		1/1/10 12/31/10	18.15			
WARREN, KY		1/1/10 12/31/10	1,403.00			
SMITH (TN)		1/1/10 12/31/10	1,346.33			
OVERTON (TN)		1/1/10 12/31/10	161,872.00			
CLAY (TN)		1/1/10 12/31/10	107,077.00			
TROUSDALE (TN)		1/1/10 12/31/10	107,273.28			
SUMNER (TN)		1/1/10 12/31/10	22,665.73			
METCALFE (KY)		1/1/10 12/31/10	52,438.69			
CUMBERLAND (KY)		1/1/10 12/31/10				
Total counties.....			912,438.16			
				Total paid.....		73,756.78
				If all the tax equivalent is paid to a city and the city makes redistribution payments to states or counties, show these redistribution payments above and mark them with an *.		1,148,387.41
				Also give method of determining amounts redistributed.		
				Total cities.....		

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

BASIS FOR COMPUTATION OF ACCRUAL FOR AD VALOREM PROPERTY TAX OR TAX EQUIVALENT								
● TAX, OR ○ TAX EQUIVALENT	PERIOD	DISTRICT	TN. EQUAL- IZATION RATIO	STATE ASSESS- MENT RATIO	TAX ASSESSMENT OR VALUATION	RATE PER \$100	TAX OR EQUIVALENT FOR TAX PERIOD	AMOUNT APPLICABLE FOR FISCAL YEAR
	1/1/10 12/31/10	MACON			10,718,635.00	2.2500	241,106.00	
	1/1/10 12/31/10	JACKSON			4,134.00	2.5600	106.00	
	1/1/10 12/31/10	SMITH			64,064.00	2.1900	1,403.00	
	1/1/10 12/31/10	OVERTON			74,796.00	1.8000	1,346.33	
	1/1/10 12/31/10	CLAY			5,221,665.00	3.1000	161,872.00	
	1/1/10 12/31/10	TROUSDALE			3,569,227.00	3.0000	107,077.00	
	1/1/10 12/31/10	SUMNER			5,308,456.00	2.0200	107,273.28	
	1/1/10 12/31/10	TOTAL COUNTIES					620,183.61	310,091.81
	1/1/10 12/31/10	LAFAYETTE			3,888,439.00	.7100	27,608.00	
	1/1/10 12/31/10	CELINA			790,993.00	.9200	7,277.14	
	1/1/10 12/31/10	WESTMORELAND			1,197,968.00	1.4000	16,771.55	
	1/1/10 12/31/10	HARTSVILLE			895,365.00	1.1300	10,206.00	
	1/1/10 12/31/10	RED BOILING SPRINGS			619,566.00	.5800	3,596.58	
	1/1/10 12/31/10	TOTAL CITIES					65,459.27	32,729.64
	1/1/10 12/31/10	TOTAL STATE					685,642.88	342,821.45
		ADJ. FOR OVER ACCRUAL 6/30/09 COUNTIES						36,638.70
		ADJ. FOR OVER ACCRUAL 6/30/09 CITIES						5,288.04
		ESTIMATED TAX 1/1/09-6/30/09 COUNTIES						246,093.75
		ESTIMATED TAX 1/1/09-6/30/09 CITIES						25,983.36
		TOTAL EXPENSE FY - TENNESSEE						656,825.40
	1/1/10 12/31/10	MANUFACTURING MACHINERY			9,589,809.00		14,384.71	
	1/1/10 12/31/10	REAL ESTATE			1,641,767.00		2,002.96	
	1/1/10 12/31/10	TANGIBLE PROPERTY			32,401,066.00		145,804.80	
	1/1/10 12/31/10	TOTAL STATE			43,632,642.00		162,192.47	81,096.24
	1/1/10 12/31/10	METCALFE			2,647,930.00	.8560	22,665.73	
	1/1/10 12/31/10	ALLEN			11,263,967.00	1.0800	121,696.13	
	1/1/10 12/31/10	CLINTON			86,270.00	.6060	522.88	
	1/1/10 12/31/10	CUMBERLAND			7,567,524.00	.6929	52,438.69	
	1/1/10 12/31/10	BARREN			1,630,159.00	.7648	12,468.43	
	1/1/10 12/31/10	ADAIR			127,149.00	.7970	1,013.31	
	1/1/10 12/31/10	MONROE			9,878,292.00	.8243	81,431.23	
	1/1/10 12/31/10	WARREN			2,674.00	.6787	18.15	
	1/1/10 12/31/10	TOTAL COUNTIES					292,254.55	146,127.28
	1/1/10 12/31/10	SCOTTSVILLE			1,510,807.00	.1940	2,931.57	
	1/1/10 12/31/10	TOMPKINSVILLE			1,380,900.00	.2372	3,274.93	
	1/1/10 12/31/10	BURKESVILLE			935,047.00	.1880	1,570.65	
	1/1/10 12/31/10	EDMONTON			474,577.00	.0780	370.17	
	1/1/10 12/31/10	FOUNTAIN RUN			56,620.00			
	1/1/10 12/31/10	GAMALIEL			64,666.00	.2322	150.19	
	1/1/10 12/31/10	TOTAL CITIES					8,297.51	4,148.76
	1/1/10 12/31/10	TOTAL STATE					462,744.53	231,372.28
		ADJ. FOR OVER ACCRUAL 6/30/09 STATE						7,312.19
		ADJ. FOR OVER ACCRUAL 6/30/09 COUNTIES						17,472.37
		ADJ. FOR OVER ACCRUAL 6/30/09 CITIES						1,232.71
		EST. TAX 01/01/08 - 06/30/09 STATE						61,274.67
		EST. TAX 01/01/08 - 06/30/09 COUNTIES						110,416.79
		ESTIMATED TAX 01/01/08 - 06/30/09 CITIES						3,129.29
		TOTAL EXPENSE FY - KENTUCKY						432,210.30
		TOTAL TAX REPORT 2009						1,089,035.70

Where more than one tax period is applicable to the current fiscal year, show beginning and ending dates of each tax period. Compute tax or tax equivalent for each tax period and show amount prorated to this fiscal year. For tax equivalents show all the components of the tax base and applicable tax equivalent by taxing districts. When tax equivalent payments are determined other than by applying applicable tax rates to net plant, describe basis, explain any change from previous period, and include data showing breakdown of net plant by taxing districts and applicable tax rates. Use extra sheets if needed.

## Tri-County Electric Membership Corporation

### REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<b>PREPAID TAXES</b>							
Do not report any taxes listed in schedule of Account 236 below as prepaid - if prepaid show debit balance in Account 236.							
TAXING JURISDICTION	% OF GROSS REVENUE	BALANCE BEGINNING OF YEAR	PAYMENTS	PERIOD COVERED	ACCT. NO.	WRITEOFF AMOUNT	BALANCE END OF YEAR
Total							

<b>ACCRUED TAXES (Account 236)</b>							
ACCT. NO.	KIND OF TAX	BALANCE BEG. OF YEAR	PAYMENTS	TAX EXPENSE (ACCOUNT 408)	TRANSFERRED	BALANCE END OF YEAR	
408.1	Property	506,249.58	1,148,387.41		1,089,035.70	446,897.87	
408.2	U.S. Social Security - unemployment	241.10	8,109.71		8,199.65	331.04	
408.3	U.S. Social Security - FICA						
408.4	State Social Security - unemployment	103.01	16,134.27		14,976.70	(1,054.56)	
408.5	Gross receipts - state	79,824.06	1,125,756.84	1,127,377.66		81,444.88	
408.6	Income - state						
408.7	Other: (list below)						
	State Annual Report Fee		20.00	20.00			
<b>Total</b>		586,417.75	2,298,408.23	1,127,397.66	1,112,212.05	527,619.23	(page 2, item 48)
(885)	Tax expense from the writeoff of prepaid privilege taxes (as above)						
(890)	<b>Total tax expense for the year (page 3, item 79)</b>			<b>1,127,397.66</b>			

Social Security and Federal and State unemployment taxes paid should be reported under payments, and the portion not charged to tax expense should be reported as "Transferred".

(Page 17)

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**GENERAL INFORMATION**

1. Give the form of management of municipal system. (Power board, Mayor and council, etc.)
  
2. In the case of a Power Board (or Utilities Board), list any other departments of the city over which it exercises control.
  
3. (a) Give the statutes under which the electric system was created.  
 TENNESSEE ELECTRIC MEMBERSHIP CORPORATION ACT OF 1937
  
- (b) Give the statutes under which the electric system is currently operating if different from the above.  
 RURAL ELECTRIC & COMMUNITY SERVICE COOPERATIVE ACT OF 1937
  
4. (a) Are customers' accounts billed by an outside organization?           N            
 If so, give name. If not, give the type in-house hardware. HP9000, SERIES3440;SEDC IS OUR SOFTWARE PROVIDER
- (b) At June 30:
  - 1) What percentage is added to customer bills for late payments?           5.00           %
  - 2) How many days are allowed between date of bill and last day before gross billing applies?           15           days
  - 3) Is an "Even Monthly Payment" (budget billing) plan available for electric consumers?           Y           Yes            No
  - 4) Amount of security deposit required for residential service:
 

Owner with Electric Heat	2 1/2 times avg. location history w/mim \$200
Owner without Electric Heat	2 1/2 times avg. location history w/mim \$200
Tenant with Electric Heat	2 1/2 times avg. location history w/mim \$200
Tenant without Electric Heat	2 1/2 times avg. location history w/mim \$200
Other (describe)	2 1/2 times avg. location history w/mim \$200
  - 5) Are there any customer deposits that qualify (deposits exceeding 1 month's average bill and held longer than 6 months) for the payment of interest under the service practice standard entitled Deposit? If yes, what rate of interest is paid?
 

Class	Yes/No	Interest Rate
Residential	N	%
C & I Part A	N	%
C & I Part B	N	%
  - 6) Is interest on deposits:
 

Refunded by check annually? .....	<u>          </u> Yes	<u>          </u> N	<u>          </u> No
Credited on customer's power bill annually? .....	<u>          </u> Yes	<u>          </u> N	<u>          </u> No
Credited to a deposit account annually? .....	<u>          </u> Yes	<u>          </u> N	<u>          </u> No
Handled differently (Explain)			
  - 7) Are prior written notice and due process afforded to customers before termination for nonpayment?
 

Prior written notice? .....	<u>          </u> Y	<u>          </u> Yes	<u>          </u> No
Due process? .....	<u>          </u> Y	<u>          </u> Yes	<u>          </u> No
  - 8) Is information about policies and rates available upon request and application for service?
 

Upon request? .....	<u>          </u> Y	<u>          </u> Yes	<u>          </u> No
Upon application for service? .....	<u>          </u> Y	<u>          </u> Yes	<u>          </u> No
  - 9) Are the media used to inform customers about policies and rates?
 

Policies? .....	<u>          </u> Yes	<u>          </u> N	<u>          </u> No
If yes, how many times during the past 12 months? .....	<u>          0          </u> Times		
Rates? .....	<u>          </u> Y	<u>          </u> Yes	<u>          </u> No
If yes, how many times during the past 12 months? .....	<u>          2          </u> Times		
  - 10) Is the most recent 12 months' prior usage available to customers upon request? .....
  - 11) The cost of a membership certificate is           \$5.00

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**GENERAL INFORMATION (CONTINUED)**

5. Give the name of the audit firm conducting this year's audit:  
 WINNETT ASSOCIATES PLLC
6. If water, gas, or other services are operated in connection with electric services, furnish the following information in connection with joint operations.


- (a) Indicate the joint operations with the Electric Utility:
- (b) Indicate the % of non-electric ownership of any jointly owned buildings:
- (c) Percentage of building space rented to others \_\_\_\_\_ %
- (d) Percentage of building space rented from others \_\_\_\_\_ %
- (e) 1) Date of last joint expense study: \_\_\_\_\_
- 2) Joint expense study was prepared by: \_\_\_\_\_ TVA \_\_\_\_\_ Distributor \_\_\_\_\_ Other
- 3) Indicate the amount of the unresolved annual inequity as reflected by the TVA study:
- 4) Give the current status of the latest joint expense study:

**GOVERNING BOARD**

AMOUNT PAID\*

DIRECTORS OR MEMBERS OF GOVERNING BOARD NAME AND PRINCIPAL OCCUPATION		TERM EXPIRES	AMOUNT PAID*	
			FEES	TRAVEL
TONY BENTLE	RETIRED	05/01/2013	10,500.00	4,503.73
DARACE TABOR	FARMER	05/11/2011	6,750.00	553.76
RAY GOAD - SEC.-TREAS.	BANKER	05/01/2012	11,250.00	2,862.75
JEFF DOWNING	FARMER	05/01/2013	8,250.00	883.57
RONALD BAILEY	MERCHANT	05/01/2012	7,250.00	739.85
T P THOMPSON - VICE PRESIDENT	DISTRICT ATTORNEY	05/01/2013	9,750.00	3,520.95
BOYD ALEXANDER	MERCHANT	05/01/2012	9,500.00	3,065.29
GEORGE COWAN	INSURANCE BROKER	05/01/2014	7,750.00	1,613.83
JACK OSGATHARP	FARMER	05/11/2014	7,250.00	232.38
VEACHEL HARLAN - VICE	RETIRED	05/01/2013	9,000.00	1,502.11
MIKE MILLER	ELECTRICAL CONTRACTOR	05/01/2014	1,500.00	93.24
Total. ....			88,750.00	19,571.46

\*Show total amounts paid from electric system funds for fiscal year.  
 Method of determining amounts paid to board members is as follows:  
 BOARD MEMBERS RECEIVE \$500.00 PER DAY FOR BOARD MEETINGS AND \$250.00 PER DAY FOR ALL OTHER MEETINGS AND TRAINING.

**Tri-County Electric Membership Corporation**  
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<b>GENERAL INFORMATION (CONTINUED)</b>	
Detail of Account 930 - Miscellaneous General Expense	EXPENSE
TOTAL	

**GENERAL INFORMATION (CONTINUED)**

EXPLAIN UNUSUAL INCREASES OR DECREASES IN OPERATING EXPENSES AND INCOME OVER LAST YEAR'S FIGURES; EXTRAORDINARY ITEMS PAGE 3; ITEMS MARKED \* ON PAGES 5 AND 6; AND OTHER ENTRIES TO THE ACCUMULATED PROVISION FOR DEPRECIATION ON PAGE 11.

Difference between FY '11 beginning Retained Earnings and FY '10 Ending Retained Earnings

Prior period adjustment recommended by external auditors to record accumulated other comprehensive income that had not been recognized in net periodic benefit cost.



**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

KEY PERSONNEL		
KEY PERSONNEL	TITLE OR OCCUPATIONS	PERCENTAGE OF WAGES CHARGED TO THE ELECTRIC DEPARTMENT
PAUL THOMPSON	EXEC VP & GEN MGR	100.00
JIM BEECHAM	DIR OF ENGINEERING	100.00
GLENN HALE	DIR OF FINANCE & ADMIN	100.00
RALPH LAW	DIR OF OPERATIONS	100.00
RUSSELL CHERRY	MANAGER OF PURCHASING	100.00
TAMMY DIXON	MANAGER OF MARKETING	100.00
LAURA KIRBY	HUMAN RESOURCES COORDINATOR	100.00
JERRY WILMORE	OPERATIONS SUPERINTENDENT	100.00
MIKE DAVIS	OPERATIONS SUPERINTENDENT	100.00
SAMMY FARLEE	OPERATIONS SUPERINTENDENT	100.00
JAMES GRAY	OPERATIONS SUPERINTENDENT	100.00
JASON SHORT	NETWORK/COMMUNICATION ADMINISTRATOR	100.00
ANNETTE EATON	CONSUMER ACCOUNTS SUPERVISOR	100.00
BLANTON CALVERT	OPERATIONS SUPERTENDENT	100.00
<b>(895) TOTAL NUMBER OF EQUIVALENT FULL-TIME EMPLOYEES: 140</b>		

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

EFFECTIVE DATE		RATE SCHEDULES	
<b>RESIDENTIAL RATE - SCHEDULE RS</b>			
7/1/10	CUSTOMER CHARGE..	\$ 19.71	per month less \$1.71 Hydro allocation credit.
7/1/11	ENERGY CHARGE.....	All	kWh per month at 0.09220 per kWh Additional kWh at _____ per month
<b>GENERAL POWER RATE - SCHEDULE GSA</b>			
<b>PART 1.</b>			
7/1/10	CUSTOMER CHARGE..	\$ 25.00	per delivery point per month
7/1/11	ENERGY CHARGE.....	All	kWh per month at 0.10322 per kWh Additional kWh at _____ per month
<b>PART 2.</b>			
7/1/10	CUSTOMER CHARGE..	\$ 50.00	per delivery point per month
6/1/11	DEMAND CHARGE.....	First 50 kW of billing demand per month, no charge	Excess over 50 kW of billing demand per month, at \$ 12.58 per kW
7/1/11	ENERGY CHARGE.....	All 15,000 kWh per month at 0.10246 per kWh	Additional kWh per month at 0.06306 per kWh
<b>PART 3.</b>			
10/1/06	CUSTOMER CHARGE..	\$ 100.00	per delivery point per month
6/1/11	DEMAND CHARGE.....	First 1,000 kW of billing demand per month, at \$ 11.58 per kW	Excess over 1,000 kW of billing demand per month, at 13.39 per kW, plus an additional \$ _____ per kW per month for each, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand
7/1/11	ENERGY CHARGE.....	All	kWh per month at 0.06406 per kWh Additional kWh per month at _____ per kWh
<b>GENERAL POWER RATE - SCHEDULE GSB</b>			
10/1/09	CUSTOMER CHARGE..	\$ 1,500.00	per delivery point per month
6/1/11	DEMAND CHARGE.....	\$ 18.22	per kW of billing demand per month, plus an additional \$ 18.22 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
7/1/11	ENERGY CHARGE.....	0.04503	per kWh for up to 620 hours use of metered demand per month _____ per kWh for all additional kWh per month
<b>GENERAL POWER RATE - SCHEDULE GSC</b>			
10/1/09	CUSTOMER CHARGE..	\$ 1,500.00	per delivery point per month
6/1/11	DEMAND CHARGE.....	\$ 16.00	per kW of billing demand per month, plus an additional \$ 3.92 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
7/1/11	ENERGY CHARGE.....	0.09467	per kWh for up to 620 hours use of metered demand per month _____ per kWh for all additional kWh per month
<b>GENERAL POWER RATE - SCHEDULE GSD</b>			
	CUSTOMER CHARGE..	\$ _____	per delivery point per month
	DEMAND CHARGE.....	\$ _____	per kW of billing demand per month, plus an additional \$ _____ per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
	ENERGY CHARGE.....	_____	per kWh per month
<b>OUTDOOR LIGHTING RATE - SCHEDULE LS</b>			
7/1/10	CUSTOMER CHARGE..	\$ 17.50	
7/1/11	ENERGY CHARGE.....	0.06979	per kWh
10/1/03	FACILITY CHARGE.....	LS ( 15.00 )%	A A or B

## Tri-County Electric Membership Corporation

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Name of Organization

405 College Street LaFayette, TN 37083-0040

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Address

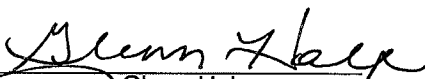
Tennessee Valley Authority  
1101 Market Street  
Chattanooga, Tennessee 37402-2801

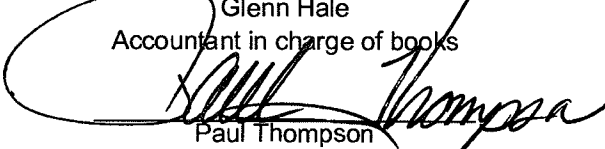
Gentlemen:

We are transmitting herewith our annual report for the year ended June 30, 2012. The report is in agreement with the books of account, and to the best of our knowledge and belief the statements therein contained are true and correctly reflect the financial condition at June 30, 2012, and the results of our electric operations for the year ended on that date.

Our books of account have been kept in accordance with the provisions of the power contract between this organization and the Tennessee Valley Authority, and are consistent with the requirements of the Federal Energy Regulatory Commission's system of accounts.

(Signed)

  
Glenn Hale  
Accountant in charge of books

  
Paul Thompson  
Manager

08/15/2012

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Date transmittedTVA Act of 1933

In fulfilling the responsibilities of the TVA Act of 1933 [16 U.S.C. #831i and 831n-4(f)], TVA requires each distributor to provide certain financial and accounting information to TVA to ensure that electric power produced by TVA is being sold at rates which are as low as feasible. This form (TVA 3957) is for that purpose.

Public reporting burden for this collection of information is estimated to vary from ten to forty hours per response, with an average of nineteen hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Agency Clearance Officer, Tennessee Valley Authority, 1101 Market Street, Chattanooga, TN 37402; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<b>BALANCE SHEET</b>				
<b>ASSETS AND OTHER DEBITS</b>	<b>SEE PAGE NO</b>	<b>ITEM NO</b>	<b>JUNE 30</b>	
			<b>THIS YEAR</b>	<b>LAST YEAR</b>
<b>UTILITY PLANT</b>				
Electric Plant .....	10	1	171,492,132.21	167,542,108.95
Less Depreciation .....	10	2	58,608,834.29	58,542,500.23
<b>Total</b> .....	10	3	112,883,297.92	108,999,608.72
Unamortized acq. adj. ....	13	4		
Other utility plant - net .....	----	5		
<b>Total Plant - net</b> .....	----	6	112,883,297.92	108,999,608.72
<b>OTHER PROPERTY AND INVESTMENTS</b>				
Nonutility property - net .....	15	7		
Other investments .....	14	8	2,170,598.42	2,276,256.18
Sinking funds .....	15	9		
Depreciation funds .....	15	10		
Other special funds .....	15	12		
<b>Total</b> .....	----	13	2,170,598.42	2,276,256.18
<b>CURRENT AND ACCRUED ASSETS</b>				
General cash and temporary cash investments .....	14	14	8,834,309.88	8,611,010.11
Accounts receivable .....	16	15	11,861,710.24	13,596,473.84
Materials and supplies .....	17	16	1,690,827.42	1,631,034.88
Prepayments .....	17	17	883,671.51	932,733.08
Other current assets .....	17	18	688,396.94	707,712.05
<b>Total</b> .....	----	19	23,958,915.99	25,478,963.96
<b>DEFERRED DEBITS</b>				
Debt expense .....	17	20	992,347.67	456.37
Preliminary survey .....	----	21		
Clearing accounts .....	----	22		
Energy Service Loans Receivables .....	----	24	1,563,237.94	1,523,805.59
Deferred costs on TVA Leases .....	17	25		
Other deferred debits .....	17	26	688,152.41	727,754.47
<b>Total</b> .....	----	27	3,243,738.02	2,252,016.43
<b>TOTAL ASSETS AND OTHER DEBITS</b> .....	----	28	142,256,550.35	139,006,845.29
<b>LIST UNRECORDED AND CONTINGENT ASSETS AND LIABILITIES OTHER THAN ACCRUED UTILITY REVENUE AND UNBILLED PURCHASED POWER</b>				

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<b>BALANCE SHEET</b>				
<b>LIABILITIES AND OTHER CREDITS</b>	<b>SEE PAGE NO</b>	<b>ITEM NO</b>	<b>JUNE 30</b>	
			<b>THIS YEAR</b>	<b>LAST YEAR</b>
<b>CAPITAL</b>				
Membership certificates.....	----	30	196,540.00	195,340.00
<b>EARNINGS REINVESTED IN SYSTEM ASSETS</b>				
Beginning of year.....	----	33	87,847,266.03	81,893,357.27
Current year.....	3	34	4,681,569.84	5,952,167.80
<b>Total</b> .....	----	35	92,528,835.87	87,845,525.07
<b>LONG-TERM DEBT</b>				
RUS.....	23	36	5,486,761.71	6,135,078.20
CFC.....	23	37	2,231,684.05	2,936,240.58
CoBank.....	23	38		
Bonds and other long-term debt.....	25	39.1	16,350,222.12	16,281,489.33
TVA.....	25	39.3		
Debt premium and discount.....	----	40		
<b>Total</b> .....	----	41	24,068,667.88	25,352,808.11
<b>OTHER NON-CURRENT LIABILITIES</b>				
Postretirement Benefits.....	25	39.2	4,259,740.93	4,183,069.94
Energy Service Loans - Advances.....	----	42	1,598,689.97	1,570,610.50
Energy Service Loans - Other.....	----	43		
<b>Total</b> .....	----	44	5,858,430.90	5,753,680.44
<b>CURRENT AND ACCRUED LIABILITIES</b>				
TVA notes payable.....	26	45.1		
Other notes payable.....	26	45.2		
Accounts payable.....	26	46	14,346,566.24	14,866,213.03
Customer deposits.....	26	47	2,212,498.58	2,128,372.95
Taxes and equivalents accrued.....	29	48	731,595.93	527,619.23
Interest accrued - RUS.....	23	49		
Interest accrued - CFC.....	23	50	20,975.76	27,351.48
Interest accrued -CoBank.....	23	51		
Interest accrued -TVA.....	26	52.1		
Interest accrued - other.....	26	52.2	183,394.61	
Other current liabilities.....	26	53	2,109,044.58	2,298,038.98
<b>Total</b> .....	----	54	19,604,075.70	19,847,595.67
<b>DEFERRED CREDITS</b>				
Advances for construction - refundable.....	18	55		
Other deferred credits.....	26	56		11,896.00
<b>Total</b> .....	----	57		11,896.00
<b>TOTAL LIABILITIES AND OTHER CREDITS.....</b>	----	58	142,256,550.35	139,006,845.29

**Tri-County Electric Membership Corporation**  
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

REVENUE AND EXPENSE STATEMENT	SEE PAGE NO	ITEM NO	THIS YEAR	LAST YEAR
<b>OPERATING REVENUE</b>				
Electric sales revenue (page 7, item 332) . . . . .	----	59	108,438,365.34	118,419,575.73
Revenue from late payments . . . . .	----	60	662,592.10	728,821.79
Misc. service revenue . . . . .	----	61	473,033.27	486,760.91
Rent from electric property . . . . .	----	62	1,296,882.21	1,413,968.09
Other electric revenue . . . . .	----	63	7,965.21	21,077.11
<b>Total operating revenue . . . . .</b>	----	64	<b>110,878,838.13</b>	<b>121,070,203.63</b>
<b>PURCHASED POWER</b>				
<b>Total power cost (page 7, item 342) . . . . .</b>	7	65	<b>83,590,964.82</b>	<b>92,983,234.46</b>
<b>OPERATION EXPENSE</b>				
Transmission expense . . . . .	5	66	64,707.27	57,138.66
Distribution expense . . . . .	5	67	4,498,553.68	4,367,264.32
Customer accounts expense . . . . .	5	68	2,374,490.90	2,331,107.95
Customer service and informational expense . . . . .	5	69	569,069.23	548,504.31
Sales expense . . . . .	5	70	10,967.65	9,819.90
Administrative and general expense . . . . .	6	71	1,687,481.11	1,596,489.98
<b>Operation expense . . . . .</b>	6	72	<b>9,205,269.84</b>	<b>8,910,325.12</b>
<b>MAINTENANCE EXPENSE</b>				
Transmission expense . . . . .	6	73	108,783.34	5,361.26
Distribution expense . . . . .	6	74	5,326,880.14	4,915,202.04
Administrative and general expense . . . . .	6	75	459,285.65	578,195.41
<b>Maintenance expense . . . . .</b>	6	76	<b>5,894,949.13</b>	<b>5,498,758.71</b>
<b>OTHER OPERATING EXPENSE</b>				
Depreciation expense . . . . .	12	77	5,454,509.65	5,384,421.04
Amortization of acquisition adjustment . . . . .	13	78		
Taxes and tax equivalents . . . . .	29	79	990,366.40	1,127,377.66
<b>Other operating expense . . . . .</b>	----	80	<b>6,444,876.05</b>	<b>6,511,798.70</b>
<b>TOTAL OPERATING EXPENSE AND PURCHASED POWER . . . . .</b>	----	81	<b>105,136,059.84</b>	<b>113,904,116.99</b>
<b>INCOME</b>				
Operating income (item 64, less item 81) . . . . .	----	82	5,742,778.29	7,166,086.64
Other income . . . . .	16	83	169,426.03	174,921.76
<b>Total income . . . . .</b>	----	84	<b>5,912,204.32</b>	<b>7,341,008.40</b>
Miscellaneous income deductions . . . . .	16	85	57,089.54	83,914.74
<b>Net income before debt expense . . . . .</b>	----	86	<b>5,855,114.78</b>	<b>7,257,093.66</b>
<b>DEBT EXPENSE</b>				
Interest on long-term debt - RUS . . . . .	23	87	208,758.37	213,780.03
Interest on long-term debt - CFC . . . . .	23	88	140,071.85	176,432.52
Interest on long-term debt - CoBank . . . . .	23	89		
Interest on long-term debt - other . . . . .	26	90.1	817,318.85	902,460.63
Interest - TVA . . . . .	26	90.2		
Other interest expense . . . . .	----	92		11,910.20
Amortization of debt discount and expense . . . . .	----	93	7,395.87	342.48
Amortization of premium on debt - credit . . . . .	----	94		
<b>Total debt expense . . . . .</b>	----	95	<b>1,173,544.94</b>	<b>1,304,925.86</b>
<b>NET INCOME</b>				
Net income before extraordinary items (item 86, less item 95) . . . . .	----	96	4,681,569.84	5,952,167.80
Extraordinary items . . . . .	33	97		
<b>Net Income . . . . .</b>	2	98	<b>4,681,569.84</b>	<b>5,952,167.80</b>

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

PAGE 4

<b>STATEMENT OF CASH FLOWS</b>		
Increase (Decrease) in Cash and Cash Equivalents		
	<b>THIS YEAR</b>	<b>LAST YEAR</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Net Income .....	4,681,569.84	5,952,167.80
<b>Adjustments to Reconcile Net Income to Net Cash:</b>		
Depreciation .....	6,142,475.15	6,089,988.60
<b>Amortization of:</b>		
Acquisition Adjustment .....		
Additions to TVA Leases .....		
Debt Premium or Discount .....	7,395.87	342.48
(Gain) or Loss on Sale of Plant .....		
<b>Changes in Current and Deferred Items:</b>		
Accounts Receivable .....	1,734,763.60	775,437.93
Materials and Supplies .....	(59,792.54)	158,833.44
Prepayments and Other Current Assets .....	68,376.68	(358,515.88)
Deferred Debits .....	(959,685.11)	148,435.83
Accounts Payable .....	(519,646.79)	(660,364.82)
Customer Deposits .....	84,125.63	116,005.00
Taxes and Interest Accrued .....	380,995.59	(145,565.65)
Other Current Liabilities .....	(188,994.40)	53,947.17
Deferred Credits .....	(11,896.00)	11,896.00
Other .....	1,740.96	151,797.01
<b>Net Cash Provided by (Used in) Operating Activities .....</b>	<b>11,361,428.48</b>	<b>12,294,404.91</b>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:</b>		
Additions to Plant .....	(8,752,749.77)	(10,170,998.64)
Removal Cost .....	(1,711,074.97)	(1,418,926.81)
Salvage .....	437,660.39	331,611.82
Net Change in Other Property and Investment .....	105,657.76	447,530.48
Energy Service Loans Receivable .....	(39,432.35)	(80,842.50)
Plant Sold (Purchased) - Noninstallment Method .....		
Deferred Costs on TVA Leases (excluding amortization) .....		
Other .....		
<b>Net Cash Provided by (Used in) Investing Activities .....</b>	<b>(9,959,938.94)</b>	<b>(10,891,625.65)</b>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Additional Long-Term Borrowings .....	4,000,000.00	
Payment of Principal on Long-Term Debt .....	(5,284,140.23)	(2,462,153.28)
Notes Payable .....		
Memberships .....	1,200.00	(280.05)
Energy Service Loans Advances .....	28,079.47	96,699.94
Receipt for Plant Sold - Installment Method .....		
Payment for Plant Purchased - Installment Method .....		
Other .....	76,670.99	129,871.56
<b>Net Cash Provided by (Used in) Financing Activities .....</b>	<b>(1,178,189.77)</b>	<b>(2,235,861.83)</b>
<b>NET INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS ..</b>	<b>223,299.77</b>	<b>(833,082.57)</b>
CASH AND TEMPORARY INVESTMENTS BEGINNING OF YEAR .....	8,611,010.11	9,444,092.68
CASH AND TEMPORARY INVESTMENTS END OF YEAR .....	8,834,309.88	8,611,010.11

NOTE: Cash and Temporary Cash Investments include cash on hand and in demand deposits, and those investments which are generally a part of the power distributor's short-term cash management activities.

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

ACCT. NO.	DESCRIPTION	EXPENSES		PAYROLL DISTRIBUTION	
		THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
	<b>OPERATING EXPENSE</b>				
	<b>1. TRANSMISSION</b>				
560	Supervision and engineering . . . . .	147.40			
561	Load dispatching . . . . .				
562	Station expense . . . . .	64,266.72	56,108.78		
563	Overhead line expense . . . . .	293.15	1,029.88		
564	Underground line expense . . . . .				
566	Miscellaneous . . . . .				
567	Rents . . . . .				
(600)	<b>Total transmission operating expense (page 3, item 66).</b>	<b>64,707.27</b>	<b>57,138.66</b>		
	<b>2. DISTRIBUTION</b>				
580	Supervision and engineering . . . . .	385,936.98	403,419.86		
581	Load dispatching . . . . .				
582	Station expense . . . . .	244,438.58	239,234.40		
583	Overhead line expense . . . . .	1,509,684.87	1,407,432.66		
584	Underground line expense . . . . .	40,430.88	37,210.32		
585	Street lighting and signal system expense . . . . .	83,576.71	87,994.48		
586	Meter expense . . . . .	1,125,776.65	978,350.23		
587	Customer installation expense . . . . .	239,650.03	248,618.83		
588	Miscellaneous . . . . .	851,071.04	947,055.98		
589	Rents . . . . .	17,987.94	17,947.56		
(605)	<b>Total distribution operating expense (page 3, item 67).</b>	<b>4,498,553.68</b>	<b>4,367,264.32</b>		
	<b>3. CUSTOMER ACCOUNTS EXPENSE</b>				
901	Supervision . . . . .	53,409.08	39,390.02		
902	Meter reading expense . . . . .	13,785.78	50,845.89		
903	Customer records and collection expense . . . . .	2,249,493.99	2,273,576.14		
904	Uncollectible accounts . . . . .	57,802.05	(32,704.10)		
905	Miscellaneous . . . . .				
(610)	<b>Total customer accounts expense (page 3, item 68).</b>	<b>2,374,490.90</b>	<b>2,331,107.95</b>		
	<b>4. CUSTOMER SERVICES &amp; INFORMATIONAL EXPENSE</b>				
907	Supervision . . . . .	33,432.04	32,210.71		
908	Customer assistance expense . . . . .	256,537.32	258,753.46		
909	Informational and instructional advertising expense . . . . .	261,407.27	238,538.04		
910	Miscellaneous customer service and informational expense . . . . .	17,692.60	19,002.10		
(615)	<b>Total customer services and informational expense (page 3, item 69).</b>	<b>569,069.23</b>	<b>548,504.31</b>		
	<b>5. SALES EXPENSE</b>				
911	Supervision . . . . .				
912	Demonstrating and selling expense . . . . .	2,202.69	1,054.86		
913	Advertising expense . . . . .				
916	Miscellaneous . . . . .	8,764.96	8,765.04		
(620)	<b>Total sales expense (page 3, item 70).</b>	<b>10,967.65</b>	<b>9,819.90</b>		



Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

ACCT. NO.	DESCRIPTION	EXPENSES		PAYROLL DISTRIBUTION	
		THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
<b>6. ADMINISTRATIVE &amp; GENERAL</b>					
920	Administrative and general salaries.....	849,063.15	800,490.78		
921	Office supplies and expense.....	391,021.90	383,562.33		
922	Administrative expense transferred - credit*				
923	Outside services employed.....	45,975.99	60,280.58		
924	Property insurance.....	(282.00)	5,822.33		
925	Injuries and damages.....	51,981.66	(24,411.97)		
926	Employee pensions and benefits.....	35,821.10	83,396.42		
927	Franchise requirements*.....				
928	Regulatory commission expense*				
929	Duplicate charges - credit.....	(100,053.96)	(122,892.53)		
930	Miscellaneous general expense.....	413,953.27	410,242.04		
931	Rents.....				
(625)	<b>Total administrative and general expense (page 3, item 71).....</b>	<b>1,687,481.11</b>	<b>1,596,489.98</b>		
(630)	<b>Total operating expense (Page 3 item 72).....</b>	<b>9,205,269.84</b>	<b>8,910,325.12</b>		
<b>MAINTENANCE EXPENSE</b>					
<b>1. TRANSMISSION</b>					
568	Supervision and engineering.....				
569	Maintenance of structures.....		437.96		
570	Maintenance of station equipment.....		4,923.30		
571	Maintenance of overhead lines.....	108,783.34			
572	Maintenance of underground lines.....				
573	Miscellaneous.....				
(635)	<b>Total transmission maintenance expense (page 3, item 73).....</b>	<b>108,783.34</b>	<b>5,361.26</b>		
<b>2. DISTRIBUTION</b>					
590	Supervision and engineering.....	404,622.44	394,558.78		
591	Maintenance of structures.....				
592	Maintenance of station equipment.....	50,189.93	95,477.63		
593	Maintenance of overhead lines.....	4,808,704.76	4,350,861.47		
594	Maintenance of underground lines.....	12,142.14	8,943.68		
595	Maintenance of line transformers.....	46,568.66	59,152.45		
596	Street lighting and signal systems.....	4,652.21	6,084.41		
597	Maintenance of meters.....		123.62		
598	Maintenance of miscellaneous distribution plant.....				
(640)	<b>Total distribution maintenance expense (page 3, item 74).....</b>	<b>5,326,880.14</b>	<b>4,915,202.04</b>		
<b>3. ADMINISTRATIVE &amp; GENERAL</b>					
935	Maintenance of general plant (page 3, items 75).....	459,285.65	578,195.41		
(645)	<b>Total maintenance expense (page 3, item 76).....</b>	<b>5,894,949.13</b>	<b>5,498,758.71</b>		
(650)	<b>Total operating and maintenance expense.....</b>	<b>15,100,218.97</b>	<b>14,409,083.83</b>		
(655)	Total direct and indirect payroll charged to construction and retirements.....				
(660)	Payroll charged to other accounts.....				
(662)	Fiscal year net change in accrued leave account - (increase) decrease.....				
(665)	<b>Total payroll distribution for year.....</b>				

\*FURNISH DETAILS OF THESE ACCOUNTS ON PAGES 32 AND 33.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**STATISTICAL DATA**

CLASS OF SERVICE	ITEM NO	REVENUE		ITEM NO	KILOWATT-HOURS SOLD	
		THIS YEAR	LAST YEAR		THIS YEAR	LAST YEAR
Residential. . . . .	100	62,209,548.04	67,742,238.37	107	589,083,751	665,643,136
Gen. Power - 50 kW & under. . . . .	101	10,924,808.56	11,273,814.71	108	80,885,161	85,137,298
Gen. Power - Over 50 kW. . . . .	102	33,887,217.26	35,923,449.14	109	351,523,609	415,733,158
Street and athletic. . . . .	103	761,759.46	719,975.57	110	6,694,520	6,872,474
Outdoor lighting. . . . .	104	1,776,169.71	1,864,925.45	111	13,906,112	14,650,554
<b>Subtotal. . . . .</b>	<b>330</b>	<b>109,559,503.03</b>	<b>117,524,403.24</b>			
Unbilled revenue*. . . . .	331	(1,121,137.69)	895,172.49			
<b>Total (page 3, item 59). . . . .</b>	<b>332</b>	<b>108,438,365.34</b>	<b>118,419,575.73</b>	<b>335</b>	<b>1,042,093,153</b>	<b>1,188,036,620</b>
Kilowatt-hours for own use. . . . .				113	1,184,179	1,526,349
<b>Total kilowatt-hours sold and used. . . . .</b>				<b>114</b>	<b>1,043,277,332</b>	<b>1,189,562,969</b>
Kilowatt-hours in unbilled revenue (items 331) above*. . . . .				336	(14,146,763)	(4,874,479)

STATE	SALES TAX		TO ABOVE CLASSES OF REVENUE	CREDITS	GREEN POWER REVENUE
	KY	TN			
State and local sales tax on above revenue. . . . .			Residential. . . . .	1,874.73	2,356.00
			Gen. Power - 50 kW & under. . . . .	2,277.27	1,152.00
			Gen. Power - Over 50kW. . . . .	635,878.58	
<b>Total</b>		1,990,531.28			

**PURCHASED POWER**

TVA	ITEM NO	AMOUNT		ITEM NO	KILOWATT-HOURS PURCHASED	
		THIS YEAR	LAST YEAR		THIS YEAR	LAST YEAR
Purchased Power. . . . .	115	83,358,233.46	92,734,655.18	119	1,102,330,341	1,252,445,513
Facilities Rental. . . . .	116	232,731.36	248,579.28			
Other Charges/Credits. . . . .	117					
<b>Total from TVA. . . . .</b>	<b>118</b>	<b>83,590,964.82</b>	<b>92,983,234.46</b>	<b>122</b>	<b>1,102,330,341</b>	<b>1,252,445,513</b>
Other Purchased Power**. . . . .	218			222	87,939	
<b>Subtotal. . . . .</b>	<b>340</b>	<b>83,590,964.82</b>	<b>92,983,234.46</b>			
Unbilled Purchases*. . . . .	341					
<b>Total (page 3, item 65). . . . .</b>	<b>342</b>	<b>83,590,964.82</b>	<b>92,983,234.46</b>	<b>345</b>	<b>1,102,418,280</b>	<b>1,252,445,513</b>
Less kilowatt hours sold and used (item 114). . . . .				123	1,043,277,332	1,189,562,969
Line losses and kilowatt-hours unaccounted for. . . . .				124	59,140,948	62,882,544
Percent of losses to purchases (2 decimal places). . . . .				125	5.37	5.02
Kilowatt-hours in unbilled purchases (Item 341) above*. . . . .				346		

\*\*Purchased other power under contract number \_\_\_\_\_ from \_\_\_\_\_

**NUMBER OF CUSTOMERS**

**MISCELLANEOUS DATA**

CLASS OF SERVICE	MONTH OF JUNE		MISCELLANEOUS DATA	THIS YEAR	LAST YEAR
	THIS YEAR	LAST YEAR			
Residential. . . . . (675)	40,902	40,739	Pole Line Miles: (2 decimal places). (715)	5,449.96	5,452.96
Gen. Power - 50 kW & under. . . (680)	8,849	8,827	Individual Outdoor Lts.		
Gen. Power - Over 50 kW. . . . (685)	615	611	No. in plant. . . . . (720)	13,686	13,226
Street and athletic. . . . . (690)	104	105	Total investment. . . . . (725)	3,622,456.92	3,619,416.25
Outdoor Lighting - Excl. Code 77. . . . . (693)	320	317	O&M expense. . . . . (730)	239,650.03	248,618.83
<b>Total. . . . . (695)</b>	<b>50,790</b>	<b>50,599</b>	St. Ltg-Invest. Base. . . . (735)	1,502,765.04	1,441,449.29
Outdoor Lighting - Code 77. . . . (697)	10,323	10,351	O&M expense. . . . . (740)	88,228.92	94,078.89
			Lamps & Glassware. . . . (745)	83,576.61	87,994.48

\*Item nos. 331, 336, 341, and 346 are to be filled in only if distributor chooses the option to estimate unbilled electric sales.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**MODIFIED STREET LIGHTING COMPUTATION**

Give computation of modified street lighting rate relative to lamps and glassware by customers, if applicable:

TOWN	COST OF LAMPS AND GLASSWARE	KWH	ALLOWANCE	EXCESS TO BE BILLED
		FROM STAT. REPT.	KWH X .003	
TOTAL:				

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

		ELECTRIC PLANT					
ACCT. NO.		BALANCE BEG. OF YEAR	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS		BALANCE END OF YEAR
					DEBIT	CREDIT	
	<b>INTANGIBLE</b>						
301	Organization.....						
302	Franchises and consents.....						
303	Miscellaneous.....						
(750)	<b>Total intangible.....</b>						
	<b>PRODUCTION</b>						
755	<b>Total production.....</b>						
	<b>TRANSMISSION</b>						
350	Land and land rights.....	218,503.79					218,503.79
351	Clearing land and rights of way.....						
352	Structures and improvements.....						
353	Station equipment.....	1,715,986.23					1,715,986.23
354	Towers and fixtures.....	119,349.78					119,349.78
355	Poles and fixtures.....	3,852,994.76	459,466.74	184,338.06			4,128,123.44
356	Overhead conductors and devices.....	1,012,089.09					1,012,089.09
357	Underground conduit.....						
358	Underground conductors and devices.....						
359	Roads and trails.....						
(760)	<b>Total transmission.....</b>	<b>6,918,923.65</b>	<b>459,466.74</b>	<b>184,338.06</b>			<b>7,194,052.33</b>
	<b>DISTRIBUTION</b>						
360	Land and land rights.....	250,779.57					250,779.57
361	Structures and improvements.....	3,965,930.47	9,478.98	2,088.00			3,973,321.45
362	Station equipment.....	14,571,292.11	30,843.11				14,602,135.22
363	Storage battery equipment.....						
364	Poles, towers, and fixtures.....	47,592,283.67	2,598,183.34	2,991,269.05			47,199,197.96
365	Overhead conductors and devices.....	24,100,782.94	1,339,990.95	236,964.49			25,203,809.40
366	Underground conduit.....						
367	Underground conductors and devices.....						
368	Line transformers.....	24,383,393.15	1,040,419.02	481,663.96			24,942,148.21
369	Services.....	11,473,825.67	464,393.09	72,241.94			11,865,976.82
370	Meters.....	10,264,132.91	382,093.34	42,265.07			10,603,961.18
371	Inst. on customers' premises.....	3,619,416.25	199,129.01	196,088.34			3,622,456.92
372	Leased prop. on cust. premises.....						
373	St. lighting and signal systems.....	1,374,091.93	70,303.39	94,164.50			1,350,230.82
(765)	<b>Total distribution.....</b>	<b>141,595,928.67</b>	<b>6,134,834.23</b>	<b>4,116,745.35</b>			<b>143,614,017.55</b>

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

ELECTRIC PLANT						
ACCT. NO.	BALANCE BEG. OF YEAR	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS		BALANCE END OF YEAR
				DEBIT	CREDIT	
	<b>GENERAL</b>					
389	834,375.87	1,905.00				836,280.87
390	3,294,290.76	92,894.00	697.50			3,386,487.26
391	1,982,898.13	44,799.44	44,227.62			1,983,469.95
392	6,639,414.10	441,598.00	442,487.98			6,638,524.12
393	14,618.00					14,618.00
394	222,680.02	19,120.56				241,800.58
395	120,372.43	42,302.63				162,675.06
396	247,653.07	27,476.00	14,230.00			260,899.07
397	1,016,905.65	2,309.00				1,019,214.65
398	179,233.56					179,233.56
399						
(770)	<b>14,552,441.59</b>	<b>672,404.63</b>	<b>501,643.10</b>			<b>14,723,203.12</b>
101	<b>163,067,293.91</b>	<b>7,266,705.60</b>	<b>4,802,726.51</b>			<b>165,531,273.00</b>
102						
104						
105						
107	4,474,815.04	1,486,044.17				5,960,859.21
(775)	<b>4,474,815.04</b>	<b>1,486,044.17</b>				<b>5,960,859.21</b>
(780)	<b>167,542,108.95</b>	<b>8,752,749.77</b>	<b>4,802,726.51</b>			<b>171,492,132.21</b>
	<b>RESERVES</b>					
108						
109						
110					58,608,834.29	
					<b>58,608,834.29</b>	
						<b>112,883,297.92</b>
<p>Explanations of entries shown in the Reclassification Columns:</p> <p>Includes major corrections to prior years additions and retirements; transfers between accounts classified in prior years, and classification of plant purchased and/or sold.                      W/P: Installation for Fiber Optics cabling - \$433k; Burkesville substation upgrade - \$280.5k;                      Summer Shade substation upgrade - \$976k.</p>						

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

ACCUMULATED PROVISION FOR DEPRECIATION (Page 10)										
ACCT. NO.	DEPR. RATE	BALANCE BEG. OF YEAR	ACCRUAL	ORIGINAL COST	REMOVAL COST	SALVAGE	OTHER ENTRIES*		BALANCE END OF YEAR	% DEPR.
							DEBIT	CREDIT		
350										
351										
352										
353	3	672,447.42	32,630.16						705,077.58	41
354	3	32,454.42	3,580.44						36,034.86	30
355	4	974,588.84	159,101.77	184,338.06	77,244.74	3,408.31			875,516.12	21
356	3	967,516.66	30,362.64						997,879.30	99
357										
358										
359										
<b>(785) TOTAL</b>		<b>2,647,007.34</b>	<b>225,675.01</b>	<b>184,338.06</b>	<b>77,244.74</b>	<b>3,408.31</b>			<b>2,614,507.86</b>	<b>36</b>
360										
361	2	883,984.16	79,532.07	2,088.00					961,428.23	24
362	4	8,915,612.96	583,044.58						9,498,657.54	65
363										
364	4	11,963,191.28	1,890,557.23	2,991,269.05	1,175,111.57	115,241.92			9,802,609.81	21
365	3	9,075,451.92	747,091.39	236,964.49	174,721.23	42,138.78			9,452,996.37	38
366										
367										
368	2.5	7,740,718.62	614,904.75	481,663.96	56,414.32	79,095.91			7,896,641.00	32
369	3.75	4,288,189.49	438,687.68	72,241.94	54,966.95	8,287.16			4,607,955.44	39
370	3.5	1,919,136.24	364,633.77	42,265.07		156.30			2,241,661.24	21
371	6	419,203.96	216,313.52	196,088.34	72,822.55	6,996.72			373,603.31	10
372										
373	4	992,312.33	53,773.31	94,164.50	96,624.36	60,525.01			915,821.79	68
<b>(790) TOTAL</b>		<b>46,197,800.96</b>	<b>4,988,538.30</b>	<b>4,116,745.35</b>	<b>1,630,660.98</b>	<b>312,441.80</b>			<b>45,751,374.73</b>	<b>32</b>
389										
390	2	1,478,103.81	66,832.97	697.50					1,544,239.28	46
391	VAR	1,815,310.04	133,313.92	44,227.62		216.14			1,904,612.48	96
392	20	4,804,699.45	687,965.50	442,487.98	3,169.25	117,094.14			5,164,101.86	78
393	10	16,674.37							16,674.37	114
394	10	201,940.91	4,660.60						206,601.51	85
395	8	78,394.20	11,267.20						89,661.40	55
396	20	226,620.58	16,258.78	14,230.00		4,500.00			233,149.36	89
397	10	1,014,250.06	800.79						1,015,050.85	100
398	4	61,698.51	7,162.08						68,860.59	38
399										
<b>(795) TOTAL</b>		<b>9,697,691.93</b>	<b>928,261.84</b>	<b>501,643.10</b>	<b>3,169.25</b>	<b>121,810.28</b>			<b>10,242,951.70</b>	<b>70</b>
<b>(800) OTHER</b>										
<b>(805) TOTALS</b>		<b>58,542,500.23</b>	<b>6,142,475.15</b>	<b>4,802,726.51</b>	<b>1,711,074.97</b>	<b>437,660.39</b>			<b>58,608,834.29</b>	<b>35</b>

\*Use other entries to report depreciation on property purchased, classifying accruals, unusual entries - explain on page 33.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**ACCUMULATED PROVISION FOR DEPRECIATION - CONTINUED**

Depreciation expense (403 and 404) (page 3, item 77) . . . . .	(810)	5,454,509.65
Depreciation charged to transportation expense - clearing . . . . .	(815)	687,965.50
Depreciation charged to building expense - clearing . . . . .	(820)	
Depreciation charged to other accounts (list each account number) . . . . .	(825)	
.....	(830)	
.....	(835)	
.....	(840)	
<b>Total accrual (page 11) . . . . .</b>	<b>(Item 128)</b>	<b>6,142,475.15</b>

Explanations (continue on page 33 if necessary)

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<b>ELECTRIC PLANT ACQUISITION ADJUSTMENTS (Account 114)</b>	
DESCRIPTION	AMOUNT
Balance beginning of year .....	
Additions during year (as below).....	
<b>Total</b> .....	
Charged to expense (Account 406) (page 3, item 78).....	
Other reductions (explain below).....	
<b>Balance end of year (page 1, item 4)</b> .....	

<b>ELECTRIC PLANT PURCHASED THIS YEAR*</b>			
			TOTAL
From whom property acquired (abbreviate).....			
Date acquired.....			
Original cost.....			
Corrections to date.....			
<b>Total original cost</b> .....			
Depreciation reserve at acquisition.....			
Corrections to date.....			
<b>Total depreciation reserve</b> .....			
Base contract purchase price.....			
Net additions.....			
Acquisition expense.....			
Other (explain below).....			
<b>Total purchase cost</b> ..... (Item 141)			
Acquisition adjustment (purchase cost, less original cost, net of depreciation).....			

\*If the original cost and depreciation at acquisition have not been determined for plant purchased this year, report the purchase information only and complete the schedule in the year the purchased plant is classified.

**EXPLANATIONS**

Give the method of amortizing the acquisition adjustment and other information as required:

**CLASSIFICATION OF ELECTRIC PLANT PURCHASED OR SOLD**

Furnish aging of plant purchased and sold on separate worksheet

<b>ELECTRIC PLANT PURCHASED</b>				<b>ELECTRIC PLANT SOLD</b>			
ACCT. NO.	ORIGINAL COST	DEPRECIATION RESERVE	NET PLANT	ACCT. NO.	ORIGINAL COST	DEPRECIATION RESERVE	NET PLANT
Total				Total			

**GAIN OR LOSS ON SALE OF ELECTRIC PLANT**

Selling price..... (Item 130).....	
Less net plant sold (as above).....	
Difference.....	
Less selling expense..... (Item 131).....	
Gain or loss on sale..... (Item 129).....	



**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<b>INVESTMENTS IN ASSOCIATED COMPANIES</b> (Report only the investments not considered as current assets)			
<b>OTHER INVESTMENTS - GENERAL FUNDS</b>			
Investments included in Accounts 123 and 124			
DESCRIPTION OF INVESTMENTS (GROUP BY TYPE OF INVESTMENT AND SHOW NO. OF INVESTMENTS)	BALANCE END OF YEAR	INCOME	GAIN OR (LOSS) ON SALES
NRUCFC Capital Term Certificates	1,702,782.00	80,980.56	
TVPPA/GENCO DEVELOPMENT	11,779.66		
REDL Grandview Welding	179,185.00		
REDL Loy Properties	276,851.76		
Subtotal	2,170,598.42 (page 1, item 8)	80,980.56 (account 419, page 16)	
<b>INVESTMENTS OF FUNDS OTHER THAN GENERAL FUNDS</b>			
(Investments included in Accounts 125, 126, and 128 - page 15)			
Subtotal	(page 15)	(account 419, page 16)	
<b>CASH AND TEMPORARY CASH INVESTMENTS - GENERAL FUNDS</b>			
(Report only investments considered as current assets)			
KAEC - CD	5,000.00	12.00	
NRUCFC Commercial Paper	6,241,015.00	6,724.95	
Total Temporary Cash Investments	6,246,015.00	6,736.95	
CASH (Accounts 131 - 135)	2,588,294.88		
Subtotal	8,834,309.88 (page 1, item 14)	6,736.95 (account 419, page 16)	
Grand Total	11,004,908.30	87,717.51	

**Tri-County Electric Membership Corporation**

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

SPECIAL FUNDS				
	ACCOUNT 125 TOTAL SINKING FUNDS	ACCOUNT 126 DEPRECIATION FUNDS	ACCOUNT 128 CONSTRUCTION FUNDS	TOTAL OF ALL SPECIAL FUNDS
Cash included in fund end of year . . . . .				
Investments in fund end of year (page 14) . . . . .				
Balance of fund end of year (page 1) . . . . .	(page 1, item 9)	(page 1, item 10)	(page 1, item 12)	
Minimum balance required* . . . . .				
Authority creating fund**				
<p>* Explain difference if fund balance is less than minimum required.                      ** State whether fund is required by bond contract, board action, etc.</p>				
Total Sinking				
Depreciation				
Construction				
Other				
<p>Note: Report all debt service funds as sinking funds.                      Report all funds for renewals and replacements as depreciation funds.</p>				
NONUTILITY PROPERTY (Account 121)				
DESCRIPTION AND LOCATION OF PROPERTY	DATE ACQUIRED	BOOK COST	NET INCOME (ACCOUNT 418)	
Total . . . . .				
Less accumulated provision for depreciation (account 122) . . . . .				(page 16)
Total net of depreciation (page 1, item 7) . . . . .				

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

ACCT. NO.	OTHER INCOME	
415	Revenue from merchandising, jobbing, etc.....	3,997.00
416	Cost and expense of merchandising, etc.....	
417*	Income from nonutility operations - net of expense.....	
418	Nonoperating rental income - net of expense (page 15).....	
419	Interest and dividend income (page 14).....	87,717.51
419.1	Interest charged to construction.....	
421*	Misc. nonoperating income - net of expense.....	77,711.52
(845)	<b>Total other income (page 3, item 83).....</b>	<b>169,426.03</b>

\*Explain these items briefly:

<p>417 Extended service contracts on water heaters - \$3,997.00</p>	<p>421 Sales of water heaters - \$5835.08; REDL Admin Fees - \$5,592.77; SEDC Patronage - \$15,170.59; CFC Capital Credits - \$9,412.85; UUS - \$960.00; Gift Certificate Sales - \$1,229.98; Surge Protector Sales - \$711.25; Inventory Adjustments - \$5,898.00; Pole Rental Late Pymt Fees - \$617.44; Voided Refund Checks - \$5297.31; Cushion of Credit - \$26998.25.</p>
-------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

ACCT. NO.	MISCELLANEOUS INCOME DEDUCTIONS	
425*	Miscellaneous amortization.....	
426*	Miscellaneous income deductions.....	57,089.54
(850)	<b>Total misc. income deductions (page 3, item 85).....</b>	<b>57,089.54</b>

\*Explain these items briefly:

<p>425</p>	<p>426 Donation Labor/Transportation to Athletic Fields - \$11,274.63; Misc. Community Programs - \$42,098.46; Voided Work Orders - \$3,716.45</p>
------------	--------------------------------------------------------------------------------------------------------------------------------------------------------

**INVESTMENT PROCEDURES**

Are investments in excess of \$100,000 secured?     Yes     No    If yes, how?  
 NRUCFC Commercial Paper is secured by Coop ownership only.

ACCT. NO.	RECEIVABLES	
141	Notes receivable (Explain on page 33).....	
142	Customer accounts receivable.....	11,571,016.09
143	Other accounts receivable.....	383,403.33
146	Accounts receivable municipality (Explain on page 33 if over 45 days past due).....	
	<b>Total.....</b>	<b>11,954,419.42</b>
144	Accumulated provision for uncollectible accounts.....	125,000.00
	Accounts receivable net of reserve (page 1, item 15).....	11,861,710.24

**AGE OF RECEIVABLES AT JUNE 30**

	ACCOUNT 141	ACCOUNT 142	ACCOUNT 143	ACCOUNT 146
Accounts with credit balances.....		569,977.27		
Due after June 30.....		12,061,168.65	383,403.33	
From 1 to 30 days past due.....				
From 31 to 60 days past due.....		51,255.25		
From 61 to 90 days past due.....		14,518.34		
Over 90 days past due.....		14,051.12		
<b>Totals (as above).....</b>		<b>11,571,016.09</b>	<b>383,403.33</b>	

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

ACCT. NO.	MATERIALS AND SUPPLIES	
154	Plant materials and operating supplies. . . . .	1,664,240.78
155	Merchandise. . . . .	26,586.64
156	Other materials and supplies. . . . .	
163	Stores expense undistributed. . . . .	
(855)	<b>Total materials and supplies (page 1, item 16). . . . .</b>	<b>1,690,827.42</b>
Give dates of physical inventories this year: <u>06/01/2012</u>		
Total of adjustments: \$ <u>30,196.47</u> over, or \$ _____ short		
PREPAYMENTS - Account No. 165		
	Prepaid insurance. . . . .	741,371.91
	Prepaid employee pension plan. . . . .	
	Prepaid taxes (page 29). . . . .	
	Prepaid rents. . . . .	
	Other prepayments. . . . .	142,299.60
	<b>Total prepayments (page 1, item 17). . . . .</b>	<b>883,671.51</b>
ACCT. NO.	OTHER CURRENT ASSETS	
171	Interest and dividends receivable. . . . .	19,784.90
172	Rents receivable. . . . .	668,612.04
173	Accrued utility revenue. . . . .	
174	Miscellaneous current and accrued assets. . . . .	
	<b>Total other current assets (page 1, item 18). . . . .</b>	<b>688,396.94</b>
ACCT. NO.	DEFERRED DEBITS	
181	Unamortized debt expense (page 1, item 20). . . . .	992,347.67
Give method and period of amortization: Straight Line		
186	Deferred costs on TVA leases (page 1, item 25)	
	Additions	
	Removal Costs	
	Salvage	
	Accumulated Amortization	
	<b>Total as above</b>	
186	Miscellaneous deferred debits (page 1, item 26)	
List of Items:		
	Receivables from plant sales (item 148)	
	Other items (list):	
	Special Pay Arrangements on Delinquent Accounts	28,935.69
	Past Pension Cost	544,048.00
	Special Pay Arrangements CIA	73,023.51
	Unallocated Overhead	41,945.21
	Deposits Receivable	200.00
	<b>Total as above</b>	<b>688,152.41</b>

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<b>CUSTOMER ADVANCES FOR CONSTRUCTION - REFUNDABLE (Account 252)</b>					
BEGINNING BALANCE	ADDITIONS	REFUNDS	CONFISCATIONS*	ENDING BALANCE	AMOUNT MATURING NEXT YEAR
				(page 2, item 55)	

\*Please list the FERC account numbers and amounts credited when advances were confiscated:

The refundable customer advances for construction policy is as follows:  
 DEPOSITS TO SUB-DIVISIONS MAY BE REQUIRED AND ARE REFUNDED ON A PRO-RATA BASIS AS PERMANENT DWELLINGS ARE CONNECTED.

**NONREFUNDABLE CONTRIBUTIONS**

The nonrefundable contribution in aid of construction policy is as follows:

Show the amounts of nonrefundable contributions and the FERC account numbers credited during the fiscal year.

**INSURANCE**

PROPERTY OR CONTINGENCY COVERED	HAZARD INSURED AGAINST	AMOUNT OF COVERAGE
Employee Injury	Worker's Compensation	1,000,000
Public Liability	Property Damage	1000000/2,000,000
Public Liability	Bodily Injury	1000000/2,000,000
Excess Public Liability	Catastrophes	5,000,000
Automobiles and Trucks	Property Damage & Bodily Injury	1,000,000
Buildings and Contents	Property Damage	48,329,690
Theft and Embezzlement	Crime	875,000
Directors and Officers	Personal Liability	10,000,000
Other: Forgery or Alteration		500,000
Boiler	Machinery & Equipment	4,000,000
Pollution		1,000,000
Umbrella		1,000,000
Inland Marine		423,638

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE						
DETAILS REGARDING BONDS ON PAGE						
MATURITIES: MONTH AND DAY 100						
NAME OF ISSUE 200	Accum Prov for FASB 158		FEDERAL FINANCING BANK - RUS		National Cooperative Services Corporation	
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE
2012						
2013						
2014						
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
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2044						
2045						
2046						
2047						
2048						
2049						
2050						
2051						
2052						
2053						
2054						
2055						
2056						
OUTSTANDING END OF YEAR 300						

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE					
DETAILS REGARDING BONDS ON PAGE					
MATURITIES: MONTH AND DAY 100		0/0			
NAME OF ISSUE 200		POST RETIREMENT BENEFITS			
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	TOTAL MATURITIES
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
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2045					
2046					
2047					
2048					
2049					
2050					
2051					
2052					
2053					
2054					
2055					
2056					
<b>OUTSTANDING END OF YEAR</b>	300				

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE NUMBER	DATE OF NOTE	INT. RATE	TERM OF NOTE (YR)	DATE REPAYMENTS BEGIN MO/YEAR	AMOUNT OF ALLOTMENT	BALANCE DUE ON ALLOTMENT (ACCOUNT 224.2)	SUMMARY OF LONG-TERM DEBT - RUS			OUTSTANDING END OF YEAR EXCLUDING CUSHION OF CREDIT
							PRINCIPAL	INTEREST	DEFERRED INTEREST	
01-REDL-E	6/28/2006		10	06/2007	650,000.00		72,222.24			276,851.76
02-1B310	3/10/2008	4.53	35	04/2008	6,500,000.00		52,841.33	105,258.67		2,290,292.45
03-1B311	3/31/2009	2.78	10	03/2009	4,000,000.00	4,000,000.00	108,180.30	103,499.70		3,658,732.20
04-REDL-G	11/30/2009		10	11/2010	253,000.00		25,308.00			179,844.67
05-				/						
06-				/						
07-				/						
08-				/						
09-				/						
10-				/						
11-				/						
12-				/						
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29-				/						
30-				/						
31-				/						
32-				/						
33-				/						
34-				/						
35-				/						
36-				/						
37-				/						
38-				/						
39-				/						
40-				/						
<b>(860) Total</b>					<b>11,403,000.00</b>	<b>4,000,000.00</b>	<b>258,551.87</b>	<b>208,758.37</b>		<b>6,405,721.08</b>

List Note Numbers Paid Monthly: 1B310 1B311 REDL-E REDL-G

\*EXCLUDING CUSHION OF CREDIT.



Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE NUMBER	DATE OF NOTE	INT. RATE	CFC OR COBANK	TERM OF NOTE (YR)	AMOUNT OF LOAN APPROVED	UNADVANCED LOAN	AMT REPAID THIS YEAR FOR REGULAR BILLINGS		OUTSTANDING END OF YEAR	RUS LOAN SUPPLEMENTED	
							PRINCIPAL	INTEREST		NOTE NUMBER	%
01-9006	3/9/1977	4.95	CFC	35	323,000.00		12,111.56	209.48	137,474.61	1B260/262	.30
02-9008	4/8/1979	6.35	CFC	35	1,742,000.00		129,080.99	13,619.41	137,474.61	1B270/272	.30
03-9015008	8/29/2003	5.00	CFC	8	559,947.00		142,605.92	1,738.02	143,914.94		
04-9015009	8/29/2003	5.20	CFC	9	564,673.00		420,758.06	23,423.64	143,914.94		
05-9015010	8/29/2003	5.40	CFC	10	569,219.00			30,068.41	569,219.00		
06-9015011	8/29/2003	5.65	CFC	11	343,351.00			19,022.11	343,351.00		
07-9015012	8/29/2003	5.65	CFC	12	355,495.00			19,694.90	355,495.00		
08-9015013	8/29/2003	5.70	CFC	13	211,883.00			11,844.83	211,883.00		
09-9015014	8/29/2003	5.80	CFC	14	347,719.00			19,787.11	347,719.00		
10-9015015	8/29/2003	5.85	CFC	15	122,627.50			7,039.64	122,627.50		
11-											
12-											
13-											
14-											
15-											
16-											
17-											
18-											
19-											
20-											
21-											
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33-											
34-											
35-											
36-											
37-											
38-											
39-											
40-											
41-											
<b>(865) Total</b>					5,139,914.50		704,556.53	146,447.55	2,231,684.05		

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<b>LONG-TERM DEBT - RUS</b>		
<b>ACCT.</b>	<b>PRINCIPAL DATA</b>	<b>AMOUNT</b>
224.1	Long-term debt - RUS. ....	10,405,721.08
224.2	Unadvanced RUS allotment - debit (page 21) . . . . .	(4,000,000.00)
224.3	Deferred interest - RUS. ....	
224.4	Long-term debt - RUS - matured and deferred. ....	
224.5	Cushion of credit - RUS - debit. ....	(918,959.37)
	Net balance due RUS as above (page 2, item 36). ....	5,486,761.71
	Total additions to RUS long-term debt this year. .... (Item 132)	<input type="text"/>
	Repayments for the year excluding advance payments. .... (Item 143)	258,551.87
<b>INTEREST ACCRUED - RUS (Account 237.1)</b>		
	Balance beginning of year (matured \$.00). ....	
	Accrued during year (Account 427.1) (page 3, item 87) (page 26 summary). ....	208,758.37
	Repayments this year. ....	208,758.37
	Balance end of year (matured \$.00) (page 2, item 49)(page 26 summary). ....	
<b>LONG-TERM DEBT - CFC</b>		
<b>ACCT.</b>	<b>PRINCIPAL DATA</b>	<b>AMOUNT</b>
223.1	Subscriptions to CFC capital term certificates - debit. ....	
223.2	Unpaid subscriptions to CFC capital term certificates - credit. ....	
223.4	CFC loan approved - unadvanced - debit (page 22). ....	
223.5	Long-term debt - CFC credit. ....	2,231,684.05
223.61	Patronage capital certificates - debit. ....	(250,543.20)
223.62	Deferred patronage dividends - credit. ....	250,543.20
	Net CFC account (account 223) ( page 2, item 37). ....	2,231,684.05
	Total additions to CFC long-term debt this year. .... (Item 135)	<input type="text"/>
	Repayments for the year excluding advance payments. .... (Item 144)	704,556.53
<b>INTEREST ACCRUED - CFC (Account 237.2)</b>		
	Balance beginning of year (matured \$.00). ....	27,351.46
	Accrued during year (Account 427.1) (page 3, item 88) (page 26 summary). ....	140,071.85
	Repayments this year. ....	146,447.55
	Balance end of year (matured \$.00) (page 2, item 50)(page 26 summary). ....	20,975.76
<b>LONG-TERM DEBT - COBANK</b>		
<b>ACCT.</b>	<b>PRINCIPAL DATA</b>	<b>AMOUNT</b>
229.10	Long Term Debt - CoBank - credit. ....	
229.20	Unadvanced allotment - CoBank - debit. ....	
229.30	Subscription to class "C" stock - CoBank - debit. ....	
229.40	Unpaid subscription to class "C" stock - CoBank - credit. ....	
229.50	Allocated earnings receivable - CoBank - debit. ....	
229.51	Allocated earnings deferred - CoBank - credit. ....	
	Net CoBank account (account 229) (page 2, item 38). ....	
	Amount received on allotment this year. .... (Item 136)	<input type="text"/>
	Repayments this year. .... (Item 145)	<input type="text"/>
<b>INTEREST ACCRUED - COBANK (Account 237.6)</b>		
	Balance beginning of year (matured \$.00). ....	
	Accrued during year (Account 427.4) (page 3, item 89) (page 26 summary). ....	
	Repayments this year. ....	
	Balance end of year (matured \$.00) (page 2, item 51)(page 26 summary). ....	

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)**

Name of issue: FEDERAL FINANCING BANK - RUS  
 Date of issue: 01/26/2001 Amount of original issue: \$ 6,200,000.00  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: 6\30 Quarterly Principal due dates: \ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: NRUCFC  
 Revenue or general obligation bonds: Other - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ 14,335,278.51  
 Purpose of issue: \_\_\_\_\_

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year . . . . .	12,637,370.91	Accrued beginning of year . . . . .	
Issued during year . . . . .	4,000,000.00	Accrued during year (427.3) . . . . .	700,311.07
Total . . . . .	16,637,370.91	Total . . . . .	700,311.07
Bonds retired this year . . . . .	287,148.79	Payments during year . . . . .	516,916.46
Balance end of year . . . . .	16,350,222.12	Balance end of Year . . . . .	183,394.61
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	16,350,222.12	Balance less matured (237.3) . . . . .	183,394.61

Name of issue: POST RETIREMENT BENEFITS  
 Date of issue: \_\_\_\_\_ Amount of original issue: \$ \_\_\_\_\_  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: \ Principal due dates: \ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: PostRetirement - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: \_\_\_\_\_

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year . . . . .	3,682,486.01	Accrued beginning of year . . . . .	
Issued during year . . . . .	365,439.47	Accrued during year (427.3) . . . . .	
Total . . . . .	4,047,925.48	Total . . . . .	
Bonds retired this year . . . . .	287,027.52	Payments during year . . . . .	
Balance end of year . . . . .	3,760,897.96	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	3,760,897.96	Balance less matured (237.3) . . . . .	

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)**

Name of issue: National Cooperative Services Corporation  
 Date of issue: 04/14/2009 Amount of original issue: \$ 4,000,000.00  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: 6\30 Quarterly Principal due dates: 6\30 Quarterly Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: Other - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: Capital Projects

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year . . . . .	3,644,118.42	Accrued beginning of year . . . . .	
Issued during year . . . . .		Accrued during year (427.3) . . . . .	117,007.78
Total . . . . .	3,644,118.42	Total . . . . .	117,007.78
Bonds retired this year . . . . .	3,644,118.42	Payments during year . . . . .	117,007.78
Balance end of year . . . . .		Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .		Balance less matured (237.3) . . . . .	

Name of issue: Accum Prov for FASB 158  
 Date of issue: \_\_\_\_\_ Amount of original issue: \$ \_\_\_\_\_  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: \ Principal due dates: \ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: PostRetirement - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: \_\_\_\_\_

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year . . . . .	500,583.93	Accrued beginning of year . . . . .	
Issued during year . . . . .		Accrued during year (427.3) . . . . .	
Total . . . . .	500,583.93	Total . . . . .	
Bonds retired this year . . . . .	1,740.96	Payments during year . . . . .	
Balance end of year . . . . .	498,842.97	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	498,842.97	Balance less matured (237.3) . . . . .	

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)**

Name of issue: \_\_\_\_\_  
 Date of issue: \_\_\_\_\_ Amount of original issue: \$ \_\_\_\_\_  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: \ \_\_\_\_\_ Principal due dates: \ \_\_\_\_\_ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: \_\_\_\_\_ Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: \_\_\_\_\_  
  
 Conditions under which bonds may be called: \_\_\_\_\_  
  
 If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year . . . . .		Accrued beginning of year . . . . .	
Issued during year . . . . .		Accrued during year (427.3) . . . . .	
<b>Total</b> . . . . .		<b>Total</b> . . . . .	
Bonds retired this year . . . . .		Payments during year . . . . .	
Balance end of year . . . . .		Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .		Balance less matured (237.3) . . . . .	

**SUMMARY OF LONG-TERM DEBT - BONDS (Account 221) AND OTHER (Account 228)**

	ACCOUNT 221	OTHER* ACCOUNT 228	TOTAL*	POST- RETIREMENT BENEFITS ACCOUNT 228	TVA ACCOUNT 228
Balance beginning of year . . . . .		16,281,489.33	16,281,489.33	4,183,069.94	
Issued during year . . . . . (Item 137)		4,000,000.00	4,000,000.00	365,439.47	
<b>Total</b> . . . . .		20,281,489.33	20,281,489.33	4,548,509.41	
Bonds retired this year . . . . . (Item 146)		3,931,267.21	3,931,267.21	288,768.48	
Balance end of year . . . . .		16,350,222.12	16,350,222.12	4,259,740.93	
Including matured of (239) . . . . . (Item 147)					
Balance less matured (221) . . . . .		16,350,222.12	16,350,222.12	4,259,740.93	
		(page 2, item 39.1)	(page 2, item 39.2)	(page 2, item 39.3)	

**SUMMARY OF INTEREST ACCRUED - LONG-TERM DEBT(Account 237)**

	TOTAL
Accrued beginning of year . . . . .	.
Accrued during year (427.3) (page 26) . . . . .	817,318.85
<b>Total</b> . . . . .	817,318.85
Payments during year . . . . .	633,924.24
Balance end of year . . . . .	183,394.61
Including matured of (240) . . . . .	.
Balance less matured (237.3) (page 26) . . . . .	183,394.61

\*Less TVA Long-term Debt and Postretirement Benefits

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<b>NOTES PAYABLE (Account 231)</b>										
<b>PRINCIPAL DATA</b>						<b>INTEREST ACCRUED</b>				
Balance beginning of year.....						Accrued beginning of year.....				
New notes issued during year.....						Accrued during year (as below).....				
<b>Total.....</b>						<b>Total.....</b>				
Notes retired this year.....						Payments during year.....				
<b>Balance end of year.....</b>						<b>Balance end of year (as below).....</b>				
Portion of balance TVA (page 2, item 45.1).....										
Portion of balance non-TVA (page 2, item 45.2).....										
<b>CUSTOMER DEPOSITS (Account 235)</b>										
Balance accrued interest on customer deposits end of year.....										149.95
Balance customer deposits end of year (Account 235).....										2,212,348.63
<b>Total customer deposits (page 2, item 47).....</b>										<b>2,212,498.58</b>
<b>SUMMARY OF ACCRUED INTEREST AND INTEREST EXPENSE</b>										
ACCT. NO.	DESCRIPTION	FROM PAGE NO.	REPORT ON BALANCE SHEET AS INDICATED BELOW				REPORT ON REVENUE AND EXPENSE STATEMENT AS INDICATED BELOW			
			ACCT. NO.	PAGE NO.	ITEM NO.	ACCRUED END OF YEAR	ACCT. NO.	PAGE NO.	ITEM NO.	EXPENSE FOR YEAR
221	Bonds	25	237.3	2	52.2		427.3	3	90.1	
223	CFC	23	237.2	2	50	20,975.76	427.2	3	88	140,071.85
224	RUS	23	237.1	2	49		427.1	3	87	208,758.37
229	CoBank	23	237.6	2	51		427.4	3	89	
228	TVA long term	25	237.3	2	52.1		427.3	3	90.2	
228	Other long term	25	237.3	2	52.2	183,394.61	427.3	3	90.1	817,318.85
231	TVA Notes Payable	Above	237.5	2	52.1		431	3	90.2	
231	Other notes payable	Above	237.5	2	52.2		431	3	92	
235	Customer Deposits	Above	235	Above	---		431	3	92	
---	Delinquent taxes	---	237.5	2	52.2		431	3	92	
<b>Total interest accrued end of year.....</b>						<b>204,370.37</b>	<b>Net expense for year.....</b>		<b>1,166,149.07</b>	
Total item 49 (page 2).....							Total item 87 (page 3).....		208,758.37	
Total item 50 (page 2).....						20,975.76	Total item 88 (page 3).....		140,071.85	
Total item 51 (page 2).....							Total item 89 (page 3).....			
Total item 52.1 (page 2).....							Total item 90.1 (page 3).....		817,318.85	
Total item 52.2 (page 2).....						183,394.61	Total item 90.2 (page 3).....			
							Total item 92 (page 3).....			
<b>ACCOUNTS PAYABLE</b>										
232	Accounts payable - general (includes \$.00 to TVA for purchased power and Fac.Rental).....									870,595.42
232	Accrued purchased power.....									13,475,970.82
233	Accounts payable - spec. const.....									
234	Payable to municipal - utility revenue.....									
234	Other payables to municipality.....									
<b>Total accounts payable - general (page 2, item 46).....</b>										<b>14,346,566.24</b>
<b>OTHER CURRENT AND ACCRUED LIABILITIES</b>										
239	Matured long-term debt (pages 23, 24, and 25).....									
240	Matured interest (pages 23, 24, and 25).....									
241	Tax collections payable.....									165,361.56
242	Miscellaneous - accrued insurance.....									
242	Miscellaneous - employees' accrued leave.....									1,716,365.73
242	Miscellaneous - other.....									227,317.29
<b>Total other current and accrued liabilities (page 2, item 53).....</b>										<b>2,109,044.58</b>
<b>OTHER DEFERRED CREDITS (Account 253)</b>										
Payables for plant purchases; (item 149).....										
Other items (List):.....										
Total other deferred credits (page 2, item 56).....										
<b>Total other deferred credits (page 2, item 56).....</b>										

# Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

TO WHOM PAID	PERIOD COVERED	AMOUNT	TO WHOM PAID	PERIOD COVERED	AMOUNT
States (list): KY	1/1/2011 12/31/2011	168,126.15	Cities (list): LAFAYETTE, TN CELINA, TN WESTMORELAND, TN RED BOILING SPRINGS, TN SCOTTSDALE, KY EDMONTON, KY TOMPKINSVILLE, KY FOUNTAIN RUN, KY GAMALIEL, KY BURKESVILLE, KY HARTSVILLE, TN	1/1/2011 12/31/2011	26,652.00
	Total states.....	168,126.15		1/1/2011 12/31/2011	6,258.00
Counties (list): MACON (TN) ALLEN (KY) CLINTON (KY) BARREN (KY) ADAIR (KY) MONROE (KY) JACKSON (TN) WARREN, KY SMITH (TN) OVERTON (TN) CLAY (TN) TROUSDALE (TN) SUMNER (TN) METCALFE (KY) CUMBERLAND (KY)	1/1/2011 12/31/2011	246,716.00		1/1/2011 12/31/2011	19,159.45
	1/1/2011 12/31/2011	129,766.24		1/1/2011 12/31/2011	7,513.19
	1/1/2011 12/31/2011	576.57		1/1/2011 12/31/2011	3,215.77
	1/1/2011 12/31/2011	11,920.80		1/1/2011 12/31/2011	372.63
	1/1/2011 12/31/2011	1,122.86		1/1/2011 12/31/2011	141.52
	1/1/2011 12/31/2011	83,787.86		1/1/2011 12/31/2011	1,681.37
	1/1/2011 12/31/2011	119.00		1/1/2011 12/31/2011	8,956.00
	1/1/2011 12/31/2011	19.89			
	1/1/2011 12/31/2011	1,149.00			
	1/1/2011 12/31/2011	1,219.34			
	1/1/2011 12/31/2011	139,530.00			
	1/1/2011 12/31/2011	112,260.00			
	1/1/2011 12/31/2011	112,864.12			
	1/1/2011 12/31/2011	24,792.75			
	1/1/2011 12/31/2011	58,179.24			
Total counties.....		924,023.67		Total cities.....	73,949.93
				Total paid.....	1,166,099.75

Total paid. .... If all the tax equivalent is paid to a city and the city makes redistribution payments to states or counties, show these redistribution payments above and mark them with an \*. Also give method of determining amounts redistributed.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

BASIS FOR COMPUTATION OF ACCRUAL FOR AD VALOREM PROPERTY TAX OR TAX EQUIVALENT							
<input checked="" type="checkbox"/> TAX, OR <input type="checkbox"/> TAX EQUIVALENT		TN. EQUAL- IZATION RATIO	STATE ASSESS- MENT RATIO	TAX ASSESSMENT OR VALUATION	RATE PER \$100	TAX OR EQUIVALENT FOR TAX PERIOD	AMOUNT APPLICABLE FOR FISCAL YEAR
PERIOD	DISTRICT						
1/1/2011 12/31/2011	MACON			10,718,635.00	2.2494	246,716.00	
1/1/2011 12/31/2011	JACKSON			4,410.00	2.6984	119.00	
1/1/2011 12/31/2011	SMITH			50,376.00	2.2808	1,149.00	
1/1/2011 12/31/2011	OVERTON			67,741.00	1.8000	1,219.34	
1/1/2011 12/31/2011	CLAY			4,500,988.00	3.1000	139,530.00	
1/1/2011 12/31/2011	TROUSDALE			3,741,989.00	3.0000	112,260.00	
1/1/2011 12/31/2011	SUMNER			5,585,121.00	2.0208	112,864.12	
1/1/2011 12/31/2011	TOTAL COUNTIES					613,857.46	306,928.73
1/1/2011 12/31/2011	LAFAYETTE			3,753,771.00	.7100	26,652.00	
1/1/2011 12/31/2011	CELINA			680,235.00	.9200	6,258.00	
1/1/2011 12/31/2011	WESTMORELAND			1,368,532.00	1.4000	19,159.45	
1/1/2011 12/31/2011	HARTSVILLE			785,721.00	1.1398	8,956.00	
1/1/2011 12/31/2011	RED BOILING SPRINGS			647,187.00	1.1609	7,513.19	
1/1/2011 12/31/2011	TOTAL CITIES					68,538.64	34,269.32
1/1/2011 12/31/2011	TOTAL STATE					682,396.10	341,198.05
	ADJ. FOR OVER ACCRUAL 6/30/09 COUNTIES						60,834.98
	ADJ. FOR OVER ACCRUAL 6/30/09 CITIES						8,285.96
	ESTIMATED TAX 1/1/09-6/30/09 COUNTIES						139,960.23
	ESTIMATED TAX 1/1/09-6/30/09 CITIES						15,620.28
	TOTAL EXPENSE FY - TENNESSEE						565,899.50
1/1/2011 12/31/2011	MANUFACTURING MACHINERY			9,603,915.00		14,405.87	
1/1/2011 12/31/2011	REAL ESTATE			1,616,935.00		1,972.66	
1/1/2011 12/31/2011	TANGIBLE PROPERTY			33,721,694.00		151,747.62	
1/1/2011 12/31/2011	TOTAL STATE			44,942,544.00		168,126.15	84,063.08
1/1/2011 12/31/2011	METCALFE			2,826,881.00	.8770	24,792.75	
1/1/2011 12/31/2011	ALLEN			12,070,717.00	1.0750	129,766.24	
1/1/2011 12/31/2011	CLINTON			92,532.00	.6231	576.57	
1/1/2011 12/31/2011	CUMBERLAND			7,375,445.00	.7888	58,179.24	
1/1/2011 12/31/2011	BARREN			1,559,361.00	.7645	11,920.80	
1/1/2011 12/31/2011	ADAIR			127,149.00	.7970	1,013.31	
1/1/2011 12/31/2011	MONROE			9,745,452.00	.8598	83,787.76	
1/1/2011 12/31/2011	WARREN			2,867.00	.6938	19.89	
1/1/2011 12/31/2011	TOTAL COUNTIES					310,166.21	155,083.11
1/1/2011 12/31/2011	SCOTTSVILLE			1,691,441.00	.1901	3,215.77	
1/1/2011 12/31/2011	TOMPKINSVILLE			1,296,715.00			
1/1/2011 12/31/2011	BURKESVILLE			783,592.00	.2146	1,681.37	
1/1/2011 12/31/2011	EDMONTON			83,943.00	.4439	372.63	
1/1/2011 12/31/2011	FOUNTAIN RUN			59,185.00	.2391	141.52	
1/1/2011 12/31/2011	GAMALIEL			68,290.00			
1/1/2011 12/31/2011	TOTAL CITIES					5,411.29	2,705.65
1/1/2011 12/31/2011	TOTAL STATE					483,703.65	241,851.83
	ADJ. FOR OVER ACCRUAL 6/30/09 STATE						22,788.41
	ADJ. FOR OVER ACCRUAL 6/30/09 COUNTIES						44,666.31
	ADJ. FOR OVER ACCRUAL 6/30/09 CITIES						(423.65)
	EST. TAX 01/01/08 - 06/30/09 STATE						128,872.42
	EST. TAX 01/01/08 - 06/30/09 COUNTIES						236,548.53
	ESTIMATED TAX 01/01/08 - 06/30/09 CITIES						4,152.39
	TOTAL EXPENSE FY - KENTUCKY						678,456.24
	TOTAL TAX REPORT 2009						1,244,355.74
1/1/2011 12/31/2011	ADAIR			133,428.00	.8415	1,122.86	

Where more than one tax period is applicable to the current fiscal year, show beginning and ending dates of each tax period. Compute tax or tax equivalent for each tax period and show amount prorated to this fiscal year. For tax equivalents show all the components of the tax base and applicable tax equivalent by taxing districts. When tax equivalent payments are determined other than by applying applicable tax rates to net plant, describe basis, explain any change from previous period, and include data showing breakdown of net plant by taxing districts and applicable tax rates. Use extra sheets if needed.



### Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<b>PREPAID TAXES</b>							
Do not report any taxes listed in schedule of Account 236 below as prepaid - if prepaid show debit balance in Account 236.							
TAXING JURISDICTION	% OF GROSS REVENUE	BALANCE BEGINNING OF YEAR	PAYMENTS	PERIOD COVERED	WRITEOFF		BALANCE END OF YEAR
					ACCT. NO.	AMOUNT	
<b>Total</b>							

<b>ACCRUED TAXES (Account 236)</b>						
ACCT. NO.	KIND OF TAX	BALANCE BEG. OF YEAR	PAYMENTS	TAX EXPENSE (ACCOUNT 408)	TRANSFERRED	BALANCE END OF YEAR
408.2	U.S. Social Security - unemployment	331.04	8,741.19		6,042.52	(2,367.63)
408.3	U.S. Social Security - FICA		511,608.90		532,200.81	20,591.91
408.4	State Social Security - unemployment	(1,054.56)	15,725.40		17,164.67	384.71
408.5	Gross receipts - state	81,444.88	926,582.59	990,366.40		145,228.69
408.6	Income - state					
408.7	Other: (list below)					
408.7	State Annual Report Fee					
	<b>Total</b>	527,619.23	2,628,757.83	990,366.40	1,842,368.13	731,595.93
(885)	Tax expense from the writeoff of prepaid privilege taxes (as above)					(page 2, item 48)
(890)	<b>Total tax expense for the year (page 3, item 79)</b>			990,366.40		

(Page 17)

(Add below)

Social Security and Federal and State unemployment taxes paid should be reported under payments, and the portion not charged to tax expense should be reported as "Transferred".

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**GENERAL INFORMATION**

1. Give the form of management of municipal system. (Power board, Mayor and council, etc.)
  
2. In the case of a Power Board (or Utilities Board), list any other departments of the city over which it exercises control.
  
3. (a) Give the statutes under which the electric system was created.  
 TENNESSEE ELECTRIC MEMBERSHIP CORPORATION ACT OF 1937
  
- (b) Give the statutes under which the electric system is currently operating if different from the above.  
 RURAL ELECTRIC & COMMUNITY SERVICE COOPERATIVE ACT OF 1937
  
4. (a) Are customers' accounts billed by an outside organization?       N        
 If so, give name. If not, give the type in-house hardware. HP9000, SERIES3440;SEDC IS OUR SOFTWARE PROVIDER
  
- (b) At June 30:
  - 1) What percentage is added to customer bills for late payments?       5.00       %
  - 2) How many days are allowed between date of bill and last day before gross billing applies?       15       days
  - 3) Is an "Even Monthly Payment" (budget billing) plan available for electric consumers?       Y       Yes       \_\_\_\_\_       No
  - 4) Amount of security deposit required for residential service:
 

Owner with Electric Heat	2 1/2 times avg. location history w/mim \$200
Owner without Electric Heat	2 1/2 times avg. location history w/mim \$200
Tenant with Electric Heat	2 1/2 times avg. location history w/mim \$200
Tenant without Electric Heat	2 1/2 times avg. location history w/mim \$200
Other (describe)	2 1/2 times avg. location history w/mim \$200
  - 5) Are there any customer deposits that qualify (deposits exceeding 1 month's average bill and held longer than 6 months) for the payment of interest under the service practice standard entitled Deposit? If yes, what rate of interest is paid?
 

Class	Yes/No	Interest Rate
Residential	N	%
C & I Part A	N	%
C & I Part B	N	%
  - 6) Is interest on deposits:
 

Refunded by check annually? .....	Yes	N	No
Credited on customer's power bill annually? .....	Yes	N	No
Credited to a deposit account annually? .....	Yes	N	No
Handled differently (Explain)			
  - 7) Are prior written notice and due process afforded to customers before termination for nonpayment?
 

Prior written notice? .....	Y	Yes	No
Due process? .....	Y	Yes	No
  - 8) Is information about policies and rates available upon request and application for service?
 

Upon request? .....	Y	Yes	No
Upon application for service? .....	Y	Yes	No
  - 9) Are the media used to inform customers about policies and rates?
 

Policies? .....	Yes	N	No
If yes, how many times during the past 12 months? .....	0	Times	
Rates? .....	Y	Yes	No
If yes, how many times during the past 12 months? .....	2	Times	
  - 10) Is the most recent 12 months' prior usage available to customers upon request? .....
 Y | Yes | No |  
  - 11) The cost of a membership certificate is       \$5.00

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**GENERAL INFORMATION (CONTINUED)**

5. Give the name of the audit firm conducting this year's audit:  
 ALEXANDER THOMPSON ARNOLD PLLC

6. If water, gas, or other services are operated in connection with electric services, furnish the following information in connection with joint operations.


(a) Indicate the joint operations with the Electric Utility:

(b) Indicate the % of non-electric ownership of any jointly owned buildings:

(c) Percentage of building space rented to others \_\_\_\_\_ %

(d) Percentage of building space rented from others \_\_\_\_\_ %

(e) 1) Date of last joint expense study: \_\_\_\_\_

2) Joint expense study was prepared by: \_\_\_\_\_ TVA \_\_\_\_\_ Distributor \_\_\_\_\_ Other

3) Indicate the amount of the unresolved annual inequity as reflected by the TVA study:

4) Give the current status of the latest joint expense study:

**GOVERNING BOARD**

AMOUNT PAID\*

DIRECTORS OR MEMBERS OF GOVERNING BOARD NAME AND PRINCIPAL OCCUPATION		TERM EXPIRES	AMOUNT PAID*	
			FEES	TRAVEL
JACK OSGATHARP - PRESIDENT	FARMER	05/01/2014	8,000.00	576.91
TOMMY THOMPSON	DISTRICT ATTORNEY	05/11/2013	7,250.00	567.17
RAY GOAD - SEC.-TREAS.	BANKER	05/01/2015	9,250.00	1,430.78
JEFF DOWNING	FARMER	05/01/2013	7,000.00	952.91
RONALD BAILEY	MERCHANT	05/01/2015	6,750.00	522.86
GEORGE COWAN	INSURANCE BROKER	05/01/2014	7,500.00	1,876.38
BOYD ALEXANDER	MERCHANT	05/01/2012	6,000.00	1,523.19
VEACHEL HARLAN	RETIRED	05/01/2013	8,000.00	1,185.66
TONY BENTLE	RETIRED	05/11/2013	8,500.00	904.70
MIKE MILLER	ELECTRICAL CONTRACTOR	05/01/2014	9,000.00	1,347.52
BRET CARVER	FARMER	05/01/2015	1,500.00	161.84
		Total . . . . .	78,750.00	11,049.92

\*Show total amounts paid from electric system funds for fiscal year.  
 Method of determining amounts paid to board members is as follows:  
 BOARD MEMBERS RECEIVE \$500.00 PER DAY FOR BOARD MEETINGS AND \$250.00 PER DAY FOR ALL OTHER MEETINGS AND TRAINING.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<b>GENERAL INFORMATION (CONTINUED)</b>	
Detail of Account 930 - Miscellaneous General Expense	EXPENSE
Annual Meeting Expense	37,384.34
Director Per Diem Expense	78,750.00
Director Benefits Expense	113,545.11
Director Travel Expense	11,049.92
Director Subscriptions Expense	430.00
Association Dues Expenses	147,258.42
Directors & Officers Insurance Expense	21,742.00
Director Board Meeting Meals	3,793.48
TOTAL	413,953.27

GENERAL INFORMATION (CONTINUED)

EXPLAIN UNUSUAL INCREASES OR DECREASES IN OPERATING EXPENSES AND INCOME OVER LAST YEAR'S FIGURES; EXTRAORDINARY ITEMS PAGE 3; ITEMS MARKED \* ON PAGES 5 AND 6; AND OTHER ENTRIES TO THE ACCUMULATED PROVISION FOR DEPRECIATION ON PAGE 11.

Page 1, item 20: Prepayment penalty for early payoff of NCSC loan. Amount to be amortized over remaining life of original loan.

Page 2, item 33: Prior Period Adjustment - Amortization of Past Service Cost.

Page 2, item 48: Increases in Accrued Taxes due to timing of payroll tax payments, increase in property taxes, and error in reporting gross receipts taxes to the State of Kentucky.

Page 2, item 52.2: Increase due to timing of loan payment to FFB as compared to prior year.

Page 3, item 29 & Page 29: The distributor follows functional accounting procedures by allocating tax expense to the individual expense accounts based on the plant investment in accounts 352 thru 373 on their plant records. The transfer column on page 29 of the annual report reflects this process and therefore does not show any tax expense on the income statement.

Page 3, item 63: Reduction in vendor compensation received related to filing of KY Sales Tax returns.

Page 3, item 73: Transmission expense increase is due to right-of-way clearing related to transmission lines.

Page 3, item 75: Decrease due to normal fluctuations in maintenance expenses. FY '11 included roof repairs costs not needed in FY '12.

Page 3, item 92: FY '11 amount included interest on Line of Credit loan and interest assessed as part of TN sales tax audit.

Page 3, item 93: FY '12 amortization expense related to prepayment penalty on long term debt.

Page 3, item 98: Net income decrease attributed to milder temperatures during FY '12 and excess demand charges due to short term demand peaks.

Page 4, Other Cash Provided by Operating Activities - Prior period adjustment

Page 4, Other Cash Provided by Financing Activities - Change in accrual for Post Retirement Benefits

Page 5, Acct 588: Expenses fluctuate from year to year based on allocation of personnel to repair & maintenance type work or work order type.

Page 5, Acct 902: Less time devoted to quality control meter reading during FY '12 than FY '11.

Page 5, Acct 904: Significant decrease in write-offs leaving an unnecessarily high reserve leading up to FY '11 year end therefore reserve was adjusted downward and credited to Acct 904 @ 06/30/2011.

Page 5, Acct 916: Represents Economic Development Expenditures. Will change future posting of EDE to account 912.

Page 6, Acct 925: Received worker's comp refund and vehicle damage refunds during FY '11.

Page 6, Acct 926: Paid Retirement & Security cost adjustment during FY '11.

Page 6, Acct 571: Herbicide spraying to clear right-of-way for transmission lines.

Page 7, Item 735: Includes both Acct 373 amount and a portion of Acct 364. Consistent with prior year.

Page 10, Acct 390: Additions - Building renovations (2 offices# including conversion of flat roofs to sloped metal roofs; new heat pump units, new storage building.

Page 10, WIP: Installation for Fiber Optics cabling - \$433k; Burkesville substation upgrade - \$280.5k; Summer Shade substation upgrade - \$976k.

Page 11, Acct 370: Costs for meter removal have not been capitalized. This is consistent with prior years.

Page 11, Acct 393: Over accrual of depreciation dating back to FY '07. Correction to be made in FY '13.

Page 16, Acct 142: Includes Accrued Utility Revenues #unbilled revenue# of \$7,242,430.29. This is consistent with prior year presentation.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

KEY PERSONNEL		
KEY PERSONNEL	TITLE OR OCCUPATIONS	PERCENTAGE OF WAGES CHARGED TO THE ELECTRIC DEPARTMENT
PAUL THOMPSON	EXEC VP & GEN MGR	100.00
JIM BEECHAM	DIR OF ENGINEERING	100.00
GLENN HALE	DIR OF FINANCE & ADMIN	100.00
RALPH LAW	DIR OF OPERATIONS	100.00
RUSSELL CHERRY	MANAGER OF PURCHASING	100.00
TAMMY DIXON	MANAGER OF MARKETING	100.00
LAURA KIRBY	HUMAN RESOURCES COORDINATOR	100.00
JERRY WILMORE	OPERATIONS SUPERINTENDENT	100.00
MIKE DAVIS	OPERATIONS SUPERINTENDENT	100.00
SAMMY FARLEE	OPERATIONS SUPERINTENDENT	100.00
JAMES GRAY	OPERATIONS SUPERINTENDENT	100.00
JASON SHORT	NETWORK/COMMUNICATION ADMINISTRATOR	100.00
ANNETTE EATON	CONSUMER ACCOUNTS SUPERVISOR	100.00
BLANTON CALVERT	OPERATIONS SUPERTENDENT	100.00
<b>(895) TOTAL NUMBER OF EQUIVALENT FULL-TIME EMPLOYEES: 126</b>		

Tri-County Electric Membership Corporation

Name of Organization

405 College Street LaFayette, TN 37083-0040

Address


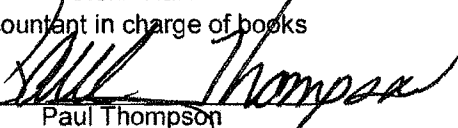
Tennessee Valley Authority  
1101 Market Street  
Chattanooga, Tennessee 37402-2801

Gentlemen:

We are transmitting herewith our annual report for the year ended June 30, 2013. The report is in agreement with the books of account, and to the best of our knowledge and belief the statements therein contained are true and correctly reflect the financial condition at June 30, 2013, and the results of our electric operations for the year ended on that date.

Our books of account have been kept in accordance with the provisions of the power contract between this organization and the Tennessee Valley Authority, and are consistent with the requirements of the Federal Energy Regulatory Commission's system of accounts.

(Signed)

  
Glenn Hale  
Accountant in charge of books  
  
Paul Thompson  
Manager

08/09/2013

Date transmitted

TVA Act of 1933

In fulfilling the responsibilities of the TVA Act of 1933 [16 U.S.C. #831i and 831n-4(f)], TVA requires each distributor to provide certain financial and accounting information to TVA to ensure that electric power produced by TVA is being sold at rates which are as low as feasible. This form (TVA 3957) is for that purpose.

Public reporting burden for this collection of information is estimated to vary from ten to forty hours per response, with an average of nineteen hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Agency Clearance Officer, Tennessee Valley Authority, 1101 Market Street, Chattanooga, TN 37402; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<b>BALANCE SHEET</b>				
<b>ASSETS AND OTHER DEBITS</b>	<b>SEE PAGE NO</b>	<b>ITEM NO</b>	<b>JUNE 30</b>	
			<b>THIS YEAR</b>	<b>LAST YEAR</b>
<b>UTILITY PLANT</b>				
Electric Plant. ....	10	1	185,508,962.72	171,492,132.21
Less Depreciation. ....	10	2	65,547,719.37	58,608,834.29
<b>Total. ....</b>	10	3	119,961,243.35	112,883,297.92
Unamortized acq. adj. ....	13	4		
Other utility plant - net. ....	----	5		
<b>Total Plant - net. ....</b>	----	6	119,961,243.35	112,883,297.92
<b>OTHER PROPERTY AND INVESTMENTS</b>				
Nonutility property - net. ....	15	7		
Other investments. ....	14	8	2,073,068.18	2,170,598.42
Sinking funds. ....	15	9		
Depreciation funds. ....	15	10		
Other special funds. ....	15	12		
<b>Total. ....</b>	----	13	2,073,068.18	2,170,598.42
<b>CURRENT AND ACCRUED ASSETS</b>				
General cash and temporary cash investments. ....	14	14	10,837,705.04	8,834,309.88
Accounts receivable. ....	16	15	4,995,476.09	11,861,710.24
Materials and supplies. ....	17	16	1,635,290.80	1,690,827.42
Prepayments. ....	17	17	870,824.34	883,671.51
Other current assets. ....	17	18	7,741,248.64	688,396.94
<b>Total. ....</b>	----	19	26,080,544.91	23,958,915.99
<b>DEFERRED DEBITS</b>				
Debt expense. ....	17	20	909,073.67	992,347.67
Preliminary survey. ....	----	21		
Clearing accounts. ....	----	22		
Energy Service Loans Receivables. ....	----	24	1,532,046.28	1,563,237.94
Deferred costs on TVA Leases. ....	17	25		
Other deferred debits. ....	17	26	4,114,431.52	688,152.41
<b>Total. ....</b>	----	27	6,555,551.47	3,243,738.02
<b>TOTAL ASSETS AND OTHER DEBITS. ....</b>	----	28	154,670,407.91	142,256,550.35
<b>LIST UNRECORDED AND CONTINGENT ASSETS AND LIABILITIES OTHER THAN ACCRUED UTILITY REVENUE AND UNBILLED PURCHASED POWER</b>				



**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<b>BALANCE SHEET</b>				
<b>LIABILITIES AND OTHER CREDITS</b>	<b>SEE PAGE NO</b>	<b>ITEM NO</b>	<b>JUNE 30</b>	
			<b>THIS YEAR</b>	<b>LAST YEAR</b>
<b>CAPITAL</b>				
Membership certificates.....	----	30	197,100.00	196,540.00
<b>EARNINGS REINVESTED IN SYSTEM ASSETS</b>				
Beginning of year.....	----	33	91,369,952.84	87,847,266.03
Current year.....	3	34	6,114,351.75	4,681,569.84
<b>Total.....</b>	----	35	<b>97,484,304.59</b>	<b>92,528,835.87</b>
<b>LONG-TERM DEBT</b>				
RUS.....	23	36	4,629,152.70	5,486,761.71
CFC.....	23	37	4,877,368.30	2,231,684.05
CoBank.....	23	38		
Bonds and other long-term debt.....	25	39.1	21,255,213.70	16,350,222.12
TVA.....	25	39.3		
Debt premium and discount.....	----	40		
<b>Total.....</b>	----	41	<b>30,761,734.70</b>	<b>24,068,667.88</b>
<b>OTHER NON-CURRENT LIABILITIES</b>				
Postretirement Benefits.....	25	39.2	5,536,828.06	4,259,740.93
Energy Service Loans - Advances.....	----	42	1,575,518.69	1,598,689.97
Energy Service Loans - Other.....	----	43		
<b>Total.....</b>	----	44	<b>7,112,346.75</b>	<b>5,858,430.90</b>
<b>CURRENT AND ACCRUED LIABILITIES</b>				
TVA notes payable.....	26	45.1		
Other notes payable.....	26	45.2		
Accounts payable.....	26	46	13,936,973.05	14,346,566.24
Customer deposits.....	26	47	2,275,909.31	2,212,498.58
Taxes and equivalents accrued.....	29	48	718,004.83	731,595.93
Interest accrued - RUS.....	23	49		
Interest accrued - CFC.....	23	50	14,496.82	20,975.76
Interest accrued -CoBank.....	23	51		
Interest accrued -TVA.....	26	52.1		
Interest accrued - other.....	26	52.2		183,394.61
Other current liabilities.....	26	53	2,169,537.86	2,109,044.58
<b>Total.....</b>	----	54	<b>19,114,921.87</b>	<b>19,604,075.70</b>
<b>DEFERRED CREDITS</b>				
Advances for construction - refundable.....	18	55		
Other deferred credits.....	26	56		
<b>Total.....</b>	----	57		
<b>TOTAL LIABILITIES AND OTHER CREDITS.....</b>	----	58	<b>154,670,407.91</b>	<b>142,256,550.35</b>

**Tri-County Electric Membership Corporation**  
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

REVENUE AND EXPENSE STATEMENT	SEE PAGE NO	ITEM NO	THIS YEAR	LAST YEAR
<b>OPERATING REVENUE</b>				
Electric sales revenue (page 7, item 332) . . . . .	----	59	109,322,391.29	108,438,365.34
Revenue from late payments . . . . .	----	60	630,391.67	662,592.10
Misc. service revenue . . . . .	----	61	470,277.08	473,033.27
Rent from electric property . . . . .	----	62	1,627,917.45	1,296,882.21
Other electric revenue . . . . .	----	63	19,946.45	7,965.21
<b>Total operating revenue . . . . .</b>	----	64	<b>112,070,923.94</b>	<b>110,878,838.13</b>
<b>PURCHASED POWER</b>				
<b>Total power cost (page 7, item 342) . . . . .</b>	7	65	<b>83,053,182.50</b>	<b>83,590,964.82</b>
<b>OPERATION EXPENSE</b>				
Transmission expense . . . . .	5	66	63,312.41	64,707.27
Distribution expense . . . . .	5	67	4,444,093.75	4,498,553.68
Customer accounts expense . . . . .	5	68	2,423,704.06	2,374,490.90
Customer service and informational expense . . . . .	5	69	595,766.30	569,069.23
Sales expense . . . . .	5	70	18,430.96	10,967.65
Administrative and general expense . . . . .	6	71	1,811,262.97	1,687,481.11
<b>Operation expense . . . . .</b>	6	72	<b>9,356,570.45</b>	<b>9,205,269.84</b>
<b>MAINTENANCE EXPENSE</b>				
Transmission expense . . . . .	6	73	(126,375.88)	108,783.34
Distribution expense . . . . .	6	74	5,566,626.74	5,326,880.14
Administrative and general expense . . . . .	6	75	432,284.66	459,285.65
<b>Maintenance expense . . . . .</b>	6	76	<b>5,872,535.52</b>	<b>5,894,949.13</b>
<b>OTHER OPERATING EXPENSE</b>				
Depreciation expense . . . . .	12	77	5,756,366.21	5,454,509.65
Amortization of acquisition adjustment . . . . .	13	78		
Taxes and tax equivalents . . . . .	29	79	916,532.33	990,366.40
<b>Other operating expense . . . . .</b>	----	80	<b>6,672,898.54</b>	<b>6,444,876.05</b>
<b>TOTAL OPERATING EXPENSE AND PURCHASED POWER . . . . .</b>	----	81	<b>104,955,187.01</b>	<b>105,136,059.84</b>
<b>INCOME</b>				
Operating income (item 64, less item 81) . . . . .	----	82	7,115,736.93	5,742,778.29
Other income . . . . .	16	83	194,311.45	169,426.03
<b>Total income . . . . .</b>	----	84	<b>7,310,048.38</b>	<b>5,912,204.32</b>
Miscellaneous income deductions . . . . .	16	85	70,191.04	57,089.54
<b>Net income before debt expense . . . . .</b>	----	86	<b>7,239,857.34</b>	<b>5,855,114.78</b>
<b>DEBT EXPENSE</b>				
Interest on long-term debt - RUS . . . . .	23	87	202,684.65	208,758.37
Interest on long-term debt - CFC . . . . .	23	88	111,398.70	140,071.85
Interest on long-term debt - CoBank . . . . .	23	89		
Interest on long-term debt - other . . . . .	26	90.1	721,019.71	817,318.85
Interest - TVA . . . . .	26	90.2		
Other interest expense . . . . .	----	92	7,128.53	
Amortization of debt discount and expense . . . . .	----	93	83,274.00	7,395.87
Amortization of premium on debt - credit . . . . .	----	94		
<b>Total debt expense . . . . .</b>	----	95	<b>1,125,505.59</b>	<b>1,173,544.94</b>
<b>NET INCOME</b>				
Net income before extraordinary items (Item 86, less Item 95) . . . . .	----	96	6,114,351.75	4,681,569.84
Extraordinary items . . . . .	33	97		
<b>Net Income . . . . .</b>	2	98	<b>6,114,351.75</b>	<b>4,681,569.84</b>

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

PAGE 4

<b>STATEMENT OF CASH FLOWS</b>		
Increase (Decrease) in Cash and Cash Equivalents		
	THIS YEAR	LAST YEAR
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Net Income.....	6,114,351.75	4,681,569.84
<b>Adjustments to Reconcile Net Income to Net Cash:</b>		
Depreciation.....	6,410,581.67	6,142,475.15
<b>Amortization of:</b>		
Acquisition Adjustment.....		
Additions to TVA Leases.....		
Debt Premium or Discount.....	83,274.00	7,395.87
(Gain) or Loss on Sale of Plant.....		
<b>Changes in Current and Deferred Items:</b>		
Accounts Receivable.....	6,866,234.15	1,734,763.60
Materials and Supplies.....	55,536.62	(59,792.54)
Prepayments and Other Current Assets.....	(7,040,004.53)	68,376.68
Deferred Debits.....	(3,426,279.11)	(959,685.11)
Accounts Payable.....	(409,593.19)	(519,646.79)
Customer Deposits.....	63,410.73	84,125.63
Taxes and Interest Accrued.....	(203,464.65)	380,995.59
Other Current Liabilities.....	60,493.28	(188,994.40)
Deferred Credits.....		(11,896.00)
Other: Prior Period Adjustment - Post Retirement Benefits.....	(1,158,883.03)	1,740.96
<b>Net Cash Provided by (Used in) Operating Activities.....</b>	<b>7,415,657.69</b>	<b>11,361,428.48</b>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:</b>		
Additions to Plant.....	(17,230,554.64)	(8,752,749.77)
Removal Cost.....	(1,438,215.34)	(1,711,074.97)
Salvage.....	303,919.22	437,660.39
Net Change in Other Property and Investment.....	97,530.24	105,657.76
Energy Service Loans Receivable.....	31,191.66	(39,432.35)
Plant Sold (Purchased) - Noninstallment Method.....		
Deferred Costs on TVA Leases (excluding amortization).....		
Other: Accumulated Depreciation Adjustment.....	4,876,323.66	
<b>Net Cash Provided by (Used in) Investing Activities.....</b>	<b>(13,359,805.20)</b>	<b>(9,959,938.94)</b>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Additional Long-Term Borrowings.....	8,851,113.00	4,000,000.00
Payment of Principal on Long-Term Debt.....	(2,158,046.18)	(5,284,140.23)
Notes Payable.....		
Memberships.....	560.00	1,200.00
Energy Service Loans Advances.....	(23,171.28)	28,079.47
Receipt for Plant Sold - Installment Method.....		
Payment for Plant Purchased - Installment Method.....		
Other: Increase in Post Retirement Liability.....	1,277,087.13	76,670.99
<b>Net Cash Provided by (Used in) Financing Activities.....</b>	<b>7,947,542.67</b>	<b>(1,178,189.77)</b>
<b>NET INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS..</b>	<b>2,003,395.16</b>	<b>223,299.77</b>
CASH AND TEMPORARY INVESTMENTS BEGINNING OF YEAR.....	8,834,309.88	8,611,010.11
CASH AND TEMPORARY INVESTMENTS END OF YEAR.....	10,837,705.04	8,834,309.88
<p>NOTE: Cash and Temporary Cash Investments Include cash on hand and In demand deposits, and those investments which are generally a part of the power distributor's short-term cash management activities.</p>		

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

ACCT. NO.	DESCRIPTION	EXPENSES		PAYROLL DISTRIBUTION	
		THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
	<b>OPERATING EXPENSE</b>				
	<b>1. TRANSMISSION</b>				
560	Supervision and engineering. . . . .		147.40		
561	Load dispatching. . . . .				
562	Station expense. . . . .	63,312.41	64,266.72		
563	Overhead line expense. . . . .		293.15		
564	Underground line expense. . . . .				
566	Miscellaneous. . . . .				
567	Rents. . . . .				
(600)	<b>Total transmission operating expense (page 3, item 66).</b>	<b>63,312.41</b>	<b>64,707.27</b>		
	<b>2. DISTRIBUTION</b>				
580	Supervision and engineering. . . . .	388,185.35	385,936.98		
581	Load dispatching. . . . .				
582	Station expense. . . . .	240,804.35	244,438.58		
583	Overhead line expense. . . . .	1,425,137.64	1,509,684.87		
584	Underground line expense. . . . .	35,796.70	40,430.88		
585	Street lighting and signal system expense. . . . .	104,093.68	83,576.71		
586	Meter expense. . . . .	1,076,080.46	1,125,776.65		
587	Customer installation expense. . . . .	185,816.31	239,650.03		
588	Miscellaneous. . . . .	968,254.58	851,071.04		
589	Rents. . . . .	19,924.68	17,987.94		
(605)	<b>Total distribution operating expense (page 3, item 67).</b>	<b>4,444,093.75</b>	<b>4,498,553.68</b>		
	<b>3. CUSTOMER ACCOUNTS EXPENSE</b>				
901	Supervision. . . . .	62,244.15	53,409.08		
902	Meter reading expense. . . . .	14,123.21	13,785.78		
903	Customer records and collection expense. . . . .	2,227,336.70	2,249,493.99		
904	Uncollectible accounts. . . . .	120,000.00	57,802.05		
905	Miscellaneous. . . . .				
(610)	<b>Total customer accounts expense (page 3, item 68).</b>	<b>2,423,704.06</b>	<b>2,374,490.90</b>		
	<b>4. CUSTOMER SERVICES &amp; INFORMATIONAL EXPENSE</b>				
907	Supervision. . . . .	34,777.50	33,432.04		
908	Customer assistance expense. . . . .	272,703.91	256,537.32		
909	Informational and instructional advertising expense. . . . .	262,360.42	261,407.27		
910	Miscellaneous customer service and informational expense. . . . .	25,924.47	17,692.60		
(615)	<b>Total customer services and informational expense (page 3, item 69).</b>	<b>595,766.30</b>	<b>569,069.23</b>		
	<b>5. SALES EXPENSE</b>				
911	Supervision. . . . .				
912	Demonstrating and selling expense. . . . .	18,430.96	2,202.69		
913	Advertising expense. . . . .				
916	Miscellaneous. . . . .		8,764.96		
(620)	<b>Total sales expense (page 3, item 70).</b>	<b>18,430.96</b>	<b>10,967.65</b>		

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

ACCT. NO.	DESCRIPTION	EXPENSES		PAYROLL DISTRIBUTION	
		THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
<b>6. ADMINISTRATIVE &amp; GENERAL</b>					
920	Administrative and general salaries.....	857,633.72	849,063.15		
921	Office supplies and expense.....	424,641.63	391,021.90		
922	Administrative expense transferred - credit*				
923	Outside services employed.....	58,517.11	45,975.99		
924	Property insurance.....	500.00	(282.00)		
925	Injuries and damages.....	139.00	51,981.66		
926	Employee pensions and benefits.....	118,204.10	35,821.10		
927	Franchise requirements*.....				
928	Regulatory commission expense*				
929	Duplicate charges - credit.....	(113,442.60)	(100,053.96)		
930	Miscellaneous general expense.....	465,070.01	413,953.27		
931	Rents.....				
(625)	<b>Total administrative and general expense (page 3, item 71).....</b>	<b>1,811,262.97</b>	<b>1,687,481.11</b>		
(630)	<b>Total operating expense (Page 3 Item 72).....</b>	<b>9,356,570.45</b>	<b>9,205,269.84</b>		
<b>MAINTENANCE EXPENSE</b>					
<b>1. TRANSMISSION</b>					
568	Supervision and engineering.....				
569	Maintenance of structures.....				
570	Maintenance of station equipment.....				
571	Maintenance of overhead lines.....	(126,375.88)	108,783.34		
572	Maintenance of underground lines.....				
573	Miscellaneous.....				
(635)	<b>Total transmission maintenance expense (page 3, item 73).....</b>	<b>(126,375.88)</b>	<b>108,783.34</b>		
<b>2. DISTRIBUTION</b>					
590	Supervision and engineering.....	406,843.73	404,622.44		
591	Maintenance of structures.....				
592	Maintenance of station equipment.....	67,813.72	50,189.93		
593	Maintenance of overhead lines.....	5,042,044.57	4,808,704.76		
594	Maintenance of underground lines.....	4,748.85	12,142.14		
595	Maintenance of line transformers.....	40,395.81	46,568.66		
596	Street lighting and signal systems.....	4,780.06	4,652.21		
597	Maintenance of meters.....				
598	Maintenance of miscellaneous distribution plant.....				
(640)	<b>Total distribution maintenance expense (page 3, item 74).....</b>	<b>5,566,626.74</b>	<b>5,326,880.14</b>		
<b>3. ADMINISTRATIVE &amp; GENERAL</b>					
935	Maintenance of general plant (page 3, items 75).....	432,284.66	459,285.65		
(645)	<b>Total maintenance expense (page 3, item 76).....</b>	<b>5,872,535.52</b>	<b>5,894,949.13</b>		
(650)	<b>Total operating and maintenance expense.....</b>	<b>15,229,105.97</b>	<b>15,100,218.97</b>		
(655)	Total direct and indirect payroll charged to construction and retirements.....				
(660)	Payroll charged to other accounts.....				
(662)	Fiscal year net change in accrued leave account - (increase) decrease.....				
(665)	<b>Total payroll distribution for year.....</b>				

\*FURNISH DETAILS OF THESE ACCOUNTS ON PAGES 32 AND 33.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**STATISTICAL DATA**

CLASS OF SERVICE	ITEM NO	REVENUE		ITEM NO	KILOWATT-HOURS SOLD	
		THIS YEAR	LAST YEAR		THIS YEAR	LAST YEAR
Residential. . . . .	100	65,383,869.15	62,209,548.04	107	622,058,515	589,083,751
Gen. Power - 50 kW & under. . . . .	101	11,089,465.06	10,924,808.56	108	82,205,670	80,885,161
Gen. Power - Over 50 kW. . . . .	102	30,636,212.41	33,887,217.26	109	316,432,129	351,523,609
Street and athletic. . . . .	103	671,764.38	761,759.46	110	5,642,583	6,694,520
Outdoor lighting. . . . .	104	1,806,610.91	1,776,169.71	111	13,841,604	13,906,112
<b>Subtotal. . . . .</b>	<b>330</b>	<b>109,587,921.91</b>	<b>109,559,503.03</b>			
Unbilled revenue*. . . . .	331	(265,530.62)	(1,121,137.69)			
<b>Total (page 3, item 59). . . . .</b>	<b>332</b>	<b>109,322,391.29</b>	<b>108,438,365.34</b>	<b>335</b>	<b>1,040,180,501</b>	<b>1,042,093,153</b>
				113	1,418,424	1,184,179
				114	1,041,598,925	1,043,277,332
				336	(4,819,639)	(14,146,763)

Kilowatt-hours for own use. . . . .

**Total kilowatt-hours sold and used. . . . .**

Kilowatt-hours in unbilled revenue (Items 331) above\* . . . . .

	STATE	SALES TAX
State and local sales tax on above revenue. . . . .	KY	2,028,106.47
	TN	669,962.96
	<b>Total</b>	<b>2,698,069.43</b>

	TO ABOVE CLASSES OF REVENUE	CREDITS	GREEN POWER REVENUE
Residential. . . . .		2,954.85	2,268.00
Gen. Power - 50 kW & under. . . . .		2,161.88	1,152.00
Gen. Power - Over 50kW. . . . .		582,594.72	

**PURCHASED POWER**

	ITEM NO	AMOUNT		ITEM NO	KILOWATT-HOURS PURCHASED	
		THIS YEAR	LAST YEAR		THIS YEAR	LAST YEAR
TVA						
Purchased Power. . . . .	115	82,841,552.18	83,358,233.46	119	1,090,798,233	1,102,330,341
Facilities Rental. . . . .	116	211,630.32	232,731.36			
Other Charges/Credits. . . . .	117					
<b>Total from TVA. . . . .</b>	<b>118</b>	<b>83,053,182.50</b>	<b>83,590,964.82</b>	<b>122</b>	<b>1,090,798,233</b>	<b>1,102,330,341</b>
Other Purchased Power**. . . . .	218			222		87,939
<b>Subtotal. . . . .</b>	<b>340</b>	<b>83,053,182.50</b>	<b>83,590,964.82</b>			
Unbilled Purchases*. . . . .	341					
<b>Total (page 3, item 65). . . . .</b>	<b>342</b>	<b>83,053,182.50</b>	<b>83,590,964.82</b>	<b>345</b>	<b>1,090,798,233</b>	<b>1,102,418,280</b>
				123	1,041,598,925	1,043,277,332
				124	49,199,308	59,140,948
				125	4.51	5.37
				346		

Less kilowatt hours sold and used (item 114). . . . .

Line losses and kilowatt-hours unaccounted for. . . . .

Percent of losses to purchases (2 decimal places). . . . .

Kilowatt-hours in unbilled purchases (Item 341) above\* . . . . .

\*\*Purchased other power under contract number \_\_\_\_\_ from \_\_\_\_\_

**NUMBER OF CUSTOMERS**

**MISCELLANEOUS DATA**

CLASS OF SERVICE	MONTH OF JUNE			THIS YEAR	LAST YEAR
	THIS YEAR	LAST YEAR			
Residential. . . . . (675)	40,958	40,902	Pole Line Miles: (2 decimal places). (715)	5,478.11	5,449.96
Gen. Power - 50 kW & under. . . (680)	8,825	8,849	Individual Outdoor Lts.		
Gen. Power - Over 50 kW. . . . (685)	617	615	No. in plant. . . . . (720)	13,416	13,686
Street and athletic. . . . . (690)	120	104	Total investment. . . . . (725)	3,736,142.00	3,622,456.92
Outdoor Lighting - Excl. Code 77. . . . . (693)	294	320	O&M expense. . . . . (730)	185,816.31	239,650.03
<b>Total. . . . . (695)</b>	<b>50,814</b>	<b>50,790</b>	St. Ltg-Invest. Base. . . . . (735)	1,612,878.68	1,502,765.04
Outdoor Lighting - Code 77. . . . (697)	10,106	10,323	O&M expense. . . . . (740)	108,873.74	88,228.92
			Lamps & Glassware. . . . . (745)		83,576.61

\*Item nos. 331, 336, 341, and 346 are to be filled in only if distributor chooses the option to estimate unbilled electric sales.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**MODIFIED STREET LIGHTING COMPUTATION**

Give computation of modified street lighting rate relative to lamps and glassware by customers, if applicable:

TOWN	COST OF LAMPS AND GLASSWARE	KWH	ALLOWANCE	EXCESS TO BE BILLED
		FROM STAT. REPT.	KWH X .003	
TOTAL:				

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

ELECTRIC PLANT							
ACCT. NO.		BALANCE BEG. OF YEAR	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS		BALANCE END OF YEAR
					DEBIT	CREDIT	
	<b>INTANGIBLE</b>						
301	Organization.....						
302	Franchises and consents.....						
303	Miscellaneous.....						
(750)	<b>Total intangible.....</b>						
	<b>PRODUCTION</b>						
755	<b>Total production.....</b>						
	<b>TRANSMISSION</b>						
350	Land and land rights.....	218,503.79					218,503.79
351	Clearing land and rights of way.....						
352	Structures and improvements.....						
353	Station equipment.....	1,715,986.23					1,715,986.23
354	Towers and fixtures.....	119,349.78					119,349.78
355	Poles and fixtures.....	4,128,123.44	82,954.78	25,337.15			4,185,741.07
356	Overhead conductors and devices.....	1,012,089.09					1,012,089.09
357	Underground conduit.....						
358	Underground conductors and devices.....						
359	Roads and trails.....						
(760)	<b>Total transmission.....</b>	<b>7,194,052.33</b>	<b>82,954.78</b>	<b>25,337.15</b>			<b>7,251,669.96</b>
	<b>DISTRIBUTION</b>						
360	Land and land rights.....	250,779.57			6,277.82		257,057.39
361	Structures and improvements.....	3,973,321.45	5,297.70	6,098.52			3,972,520.63
362	Station equipment.....	14,602,135.22	3,616.31				14,605,751.53
363	Storage battery equipment.....						
364	Poles, towers, and fixtures.....	47,199,197.96	7,646,827.21	1,674,129.64			53,171,895.53
365	Overhead conductors and devices.....	25,203,809.40	1,863,869.40	293,853.79			26,773,825.01
366	Underground conduit.....						
367	Underground conductors and devices.....						
368	Line transformers.....	24,942,148.21	1,358,038.82	244,965.25			26,055,221.78
369	Services.....	11,865,976.82	332,706.86	51,679.19			12,147,004.49
370	Meters.....	10,603,961.18	967,244.70	290,819.05			11,280,386.83
371	Inst. on customers' premises.....	3,622,456.92	381,443.45	267,758.37			3,736,142.00
372	Leased prop. on cust. premises.....						
373	St. lighting and signal systems.....	1,350,230.82	171,396.38	64,298.76			1,457,328.44
(765)	<b>Total distribution.....</b>	<b>143,614,017.55</b>	<b>12,730,440.83</b>	<b>2,893,602.57</b>	<b>6,277.82</b>		<b>153,457,133.63</b>



Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

ELECTRIC PLANT							
ACCT. NO.	GENERAL	BALANCE BEG. OF YEAR	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS		BALANCE END OF YEAR
					DEBIT	CREDIT	
389	Land and land rights.....	836,280.87	8,610.00				838,613.05
390	Structures and improvements.....	3,386,487.26	190,478.30	83,498.58		6,277.82	3,493,466.98
391	Office furniture and equipment.....	1,983,469.95	43,203.50	21,300.10			2,005,373.35
392	Transportation equipment.....	6,638,524.12	356,084.36	96,579.61			6,898,028.87
393	Stores equipment.....	14,618.00					14,618.00
394	Tools, shop, and garage equip.....	241,800.58	1,520.59				243,321.17
395	Laboratory equipment.....	162,675.06					162,675.06
396	Power operated equipment.....	260,899.07	7,506.46				268,405.53
397	Communication equipment.....	1,019,214.65	550,125.65	93,406.12			1,475,934.18
398	Miscellaneous equipment.....	179,233.56					179,233.56
399	Other tangible property.....						
(770)	<b>Total general.....</b>	<b>14,723,203.12</b>	<b>1,157,528.86</b>	<b>294,784.41</b>		<b>6,277.82</b>	<b>15,579,669.75</b>
101	<b>Total plant in service.....</b>	<b>165,531,273.00</b>	<b>13,970,924.47</b>	<b>3,213,724.13</b>	<b>6,277.82</b>	<b>6,277.82</b>	<b>176,288,473.34</b>
102	Electric plant purchased or sold.....						
104	Electric plant leased to others.....						
105	Electric plant for future use.....						
107	Construction work in progress.....	5,960,859.21	3,259,630.17				9,220,489.38
(775)	<b>Total other electric plant.....</b>	<b>5,960,859.21</b>	<b>3,259,630.17</b>				<b>9,220,489.38</b>
(780)	<b>Total electric plant (page 1, item 1).....</b>	<b>171,492,132.21</b>	<b>17,230,554.64</b>	<b>3,213,724.13</b>	<b>6,277.82</b>	<b>6,277.82</b>	<b>185,508,962.72</b>
	(Item 140)						
	<b>RESERVES</b>						
108	Accumulated provision for depreciation of electric plant in service.....					65,547,719.37	
109	Accumulated provision for depreciation of electric plant leased to others.....						
110	Accumulated provision for depreciation of electric plant held for future use.....						
	<b>Total accumulated provision for depreciation (page 1, item 2 and page 11).....</b>					<b>65,547,719.37</b>	
	<b>Total electric plant, less accumulated provision for depreciation (page 1, item 3).....</b>						<b>119,961,243.35</b>
<b>Reclassification Columns</b>		<b>Explanations of entries shown in the Reclassification Columns:</b>					
Includes major corrections to prior years additions and retirements, transfers between accounts classified in prior years, and classification of plant purchased and/or sold.		Reclassified \$6,277.82 from General Plant, Account 389 to Distribution Plant, Account 360. Coded to incorrect account.					

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

ACCT. NO.	DEPR. RATE	BALANCE BEG. OF YEAR	ACCRUAL	ORIGINAL COST	REMOVAL COST	SALVAGE	OTHER ENTRIES*		BALANCE END OF YEAR	% DEPR.
							DEBIT	CREDIT		
350										
351										
352										
353	3	705,077.58	32,630.16						737,707.74	43
354	3	36,034.86	3,580.44						39,615.30	33
355	4	875,516.12	166,458.96	25,337.15	7,870.27	1,608.21			1,010,375.87	24
356	3	997,879.30	30,362.64						1,028,241.94	102
357										
358										
359										
<b>(785) TOTAL</b>		<b>2,614,507.86</b>	<b>233,032.20</b>	<b>25,337.15</b>	<b>7,870.27</b>	<b>1,608.21</b>			<b>2,815,940.85</b>	<b>39</b>
360										
361	2	961,428.23	79,589.83	6,098.52					1,034,919.54	26
362	4	9,498,657.54	583,513.36						10,082,170.90	69
363										
364	4	9,802,609.81	2,072,123.20	1,674,129.64	831,983.39	80,446.38			14,325,390.02	27
365	3	9,452,996.37	785,099.47	293,853.79	199,256.90	101,112.99		4,876,323.66	9,846,098.14	37
366										
367										
368	2.5	7,896,641.00	638,343.04	244,965.25	87,817.99	35,818.09			8,238,018.89	32
369	3.75	4,607,955.44	451,299.42	51,679.19	57,161.34	6,653.06			4,957,067.39	41
370	3.5	2,241,661.24	384,440.53	290,819.05		23,107.50			2,358,390.22	21
371	6	373,603.31	220,533.87	267,758.37	162,285.30	16,463.08			180,556.59	5
372										
373	4	915,821.79	57,459.70	64,298.76	86,702.91	6,918.35			829,198.17	57
<b>(790) TOTAL</b>		<b>45,751,374.73</b>	<b>5,272,402.42</b>	<b>2,893,602.57</b>	<b>1,425,207.83</b>	<b>270,519.45</b>		<b>4,876,323.66</b>	<b>51,851,809.86</b>	<b>34</b>
389										
390	2	1,544,239.28	68,958.12	83,498.58		849.45			1,530,548.27	44
391	VAR	1,904,612.48	132,764.94	21,300.10	13.08	26.60			2,016,090.84	101
392	20	5,164,101.86	654,090.18	96,579.61		11,495.00			5,733,107.43	83
393	10	16,674.37			2,913.57				13,760.80	94
394	10	206,601.51	5,678.34						212,279.85	87
395	8	89,661.40	13,000.92						102,662.32	63
396	20	233,149.36	14,180.76						247,330.12	92
397	10	1,015,050.85	9,311.71	93,406.12	2,210.59	19,420.51			948,166.36	64
398	4	68,860.59	7,162.08						76,022.67	42
399										
<b>(795) TOTAL</b>		<b>10,242,951.70</b>	<b>905,147.05</b>	<b>294,784.41</b>	<b>5,137.24</b>	<b>31,791.56</b>			<b>10,879,968.66</b>	<b>70</b>
<b>(800) OTHER</b>										
<b>(805) TOTALS</b>		<b>58,608,834.29</b>	<b>6,410,581.67</b>	<b>3,213,724.13</b>	<b>1,438,215.34</b>	<b>303,919.22</b>		<b>4,876,323.66</b>	<b>65,547,719.37</b>	<b>37</b>

\*Use other entries to report depreciation on property purchased, classifying accruals, unusual entries - explain on page 33.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**ACCUMULATED PROVISION FOR DEPRECIATION - CONTINUED**

Depreciation expense (403 and 404) (page 3, item 77) . . . . .	(810)	5,756,366.21
Depreciation charged to transportation expense - clearing . . . . .	(815)	654,215.46
Depreciation charged to building expense - clearing . . . . .	(820)	
Depreciation charged to other accounts (list each account number) . . . . .	(825)	
.....	(830)	
.....	(835)	
.....	(840)	
<b>Total accrual (page 11) . . . . .</b>	<b>(Item 128)</b>	<b>6,410,581.67</b>

Explanations (continue on page 33 if necessary)

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<b>ELECTRIC PLANT ACQUISITION ADJUSTMENTS (Account 114)</b>	
DESCRIPTION	AMOUNT
Balance beginning of year .....	
Additions during year (as below).....	
<b>Total</b> .....	
Charged to expense (Account 406) (page 3, item 78).....	
Other reductions (explain below).....	
<b>Balance end of year (page 1, item 4)</b> .....	

<b>ELECTRIC PLANT PURCHASED THIS YEAR*</b>			
From whom property acquired (abbreviate).....			<b>TOTAL</b>
Date acquired.....			
Original cost.....			
Corrections to date.....			
<b>Total original cost</b> .....			
Depreciation reserve at acquisition.....			
Corrections to date.....			
<b>Total depreciation reserve</b> .....			
Base contract purchase price.....			
Net additions.....			
Acquisition expense.....			
Other (explain below).....			
<b>Total purchase cost</b> ..... (Item 141).			
Acquisition adjustment (purchase cost, less original cost, net of depreciation)			

\*If the original cost and depreciation at acquisition have not been determined for plant purchased this year, report the purchase information only and complete the schedule in the year the purchased plant is classified.

**EXPLANATIONS**

Give the method of amortizing the acquisition adjustment and other information as required:

**CLASSIFICATION OF ELECTRIC PLANT PURCHASED OR SOLD**

Furnish aging of plant purchased and sold on separate worksheet

<b>ELECTRIC PLANT PURCHASED</b>				<b>ELECTRIC PLANT SOLD</b>			
ACCT. NO.	ORIGINAL COST	DEPRECIATION RESERVE	NET PLANT	ACCT. NO.	ORIGINAL COST	DEPRECIATION RESERVE	NET PLANT
<b>Total</b>				<b>Total</b>			

**GAIN OR LOSS ON SALE OF ELECTRIC PLANT**

Selling price ..... (Item 130).....	
Less net plant sold (as above).....	
Difference.....	
Less selling expense ..... (Item 131).....	
Gain or loss on sale ..... (Item 129).....	

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<b>INVESTMENTS IN ASSOCIATED COMPANIES</b> (Report only the investments not considered as current assets)			
<b>OTHER INVESTMENTS - GENERAL FUNDS</b>			
Investments included in Accounts 123 and 124			
DESCRIPTION OF INVESTMENTS (GROUP BY TYPE OF INVESTMENT AND SHOW NO. OF INVESTMENTS)	BALANCE END OF YEAR	INCOME	GAIN OR (LOSS) ON SALES
NRUCFC Capital Term Certificates	1,702,782.00	80,647.70	
TVPPA/GENCO DEVELOPMENT	11,779.66		
REDL Grandview Welding	153,877.00		
REDL Loy Properties	204,629.52		
Subtotal	2,073,068.18	80,647.70	
	(page 1, item 8)	(account 419, page 16)	
<b>INVESTMENTS OF FUNDS OTHER THAN GENERAL FUNDS</b>			
(Investments included in Accounts 125, 126, and 128 - page 15)			
Subtotal			
	(page 15)	(account 419, page 16)	
<b>CASH AND TEMPORARY CASH INVESTMENTS - GENERAL FUNDS</b>			
(Report only investments considered as current assets)			
KAEC - CD	5,000.00	12.78	
NRUCFC Commercial Paper	9,846,140.77	4,635.11	
Total Temporary Cash Investments	9,851,140.77	4,647.89	
CASH (Accounts 131 - 135)	986,564.27		
Subtotal	10,837,705.04	4,647.89	
	(page 1, item 14)	(account 419, page 16)	
Grand Total	12,910,773.22	85,295.59	

**Tri-County Electric Membership Corporation**

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SPECIAL FUNDS				
	ACCOUNT 125	ACCOUNT 126	ACCOUNT 128	
	TOTAL SINKING FUNDS	DEPRECIATION FUNDS	CONSTRUCTION FUNDS	TOTAL OTHER SPECIAL FUNDS
	(page 1, item 9)	(page 1, item 10)	(page 1, item 12)	TOTAL OF ALL SPECIAL FUNDS
Cash included in fund end of year . . . . .				
Investments in fund end of year (page 14) . . . . .				
Balance of fund end of year (page 1) . . . . .				
Minimum balance required* . . . . .				
Authority creating fund**				
* Explain difference if fund balance is less than minimum required.				
** State whether fund is required by bond contract, board action, etc.				
Total Sinking				
Depreciation				
Construction				
Other				
Note: Report all debt service funds as sinking funds.				
Report all funds for renewals and replacements as depreciation funds.				
NONUTILITY PROPERTY (Account 121)				
	DESCRIPTION AND LOCATION OF PROPERTY	DATE ACQUIRED	BOOK COST	NET INCOME (ACCOUNT 418)
Total . . . . .				
Less accumulated provision for depreciation (account 122) . . . . .				(page 16)
Total net of depreciation (page 1, item 7) . . . . .				



**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

ACCT. NO.	MATERIALS AND SUPPLIES	
154	Plant materials and operating supplies. ....	1,604,104.85
155	Merchandise. ....	28,298.69
156	Other materials and supplies. ....	
163	Stores expense undistributed. ....	2,887.26
(855)	<b>Total materials and supplies (page 1, item 16).</b> .....	<b>1,635,290.80</b>
Give dates of physical inventories this year: <u>06/01/2012</u>		
<b>Total of adjustments: \$</b> <u>60,159.07</u> <b>over, or \$</b> _____ <b>short</b>		
PREPAYMENTS - Account No. 165		
	Prepaid insurance. ....	706,333.04
	Prepaid employee pension plan. ....	
	Prepaid taxes (page 29). ....	
	Prepaid rents. ....	
	Other prepayments. ....	164,491.30
	<b>Total prepayments (page 1, item 17).</b> .....	<b>870,824.34</b>
ACCT. NO.	OTHER CURRENT ASSETS	
171	Interest and dividends receivable. ....	21,868.23
172	Rents receivable. ....	742,480.74
173	Accrued utility revenue. ....	6,976,899.67
174	Miscellaneous current and accrued assets. ....	
	<b>Total other current assets (page 1, item 18).</b> .....	<b>7,741,248.64</b>
ACCT. NO.	DEFERRED DEBITS	
181	Unamortized debt expense (page 1, item 20). ....	909,073.67
Give method and period of amortization: Straight Line		
186	Deferred costs on TVA leases (page 1, item 25)	
	Additions	
	Removal Costs	
	Salvage	
	Accumulated Amortization	
	<b>Total as above</b>	
186	Miscellaneous deferred debits (page 1, item 26)	4,114,431.52
List of Items:		
	Receivables from plant sales (item 148)	
	Other items (list):	
	Special Pay Arrangements on Delinquent Accounts	43,612.98
	Past Pension Cost	512,959.36
	Special Pay Arrangements CIA	288,713.35
	Unallocated Overhead	1,510.65
	Deposits Receivable	300.00
	NRECA RS Plan Prepayment	3,267,335.18
	<b>Total as above</b>	<b>4,114,431.52</b>



**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<b>CUSTOMER ADVANCES FOR CONSTRUCTION - REFUNDABLE (Account 252)</b>					
BEGINNING BALANCE	ADDITIONS	REFUNDS	CONFISCATIONS*	ENDING BALANCE	AMOUNT MATURING NEXT YEAR
				(page 2, item 55)	

\*Please list the FERC account numbers and amounts credited when advances were confiscated:

The refundable customer advances for construction policy is as follows:  
 DEPOSITS TO SUB-DIVISIONS MAY BE REQUIRED AND ARE REFUNDED ON A PRO-RATA BASIS AS PERMANENT DWELLINGS ARE CONNECTED.

**NONREFUNDABLE CONTRIBUTIONS**

The nonrefundable contribution in aid of construction policy is as follows:

Show the amounts of nonrefundable contributions and the FERC account numbers credited during the fiscal year.

**INSURANCE**

PROPERTY OR CONTINGENCY COVERED	HAZARD INSURED AGAINST	AMOUNT OF COVERAGE
Employee Injury	Worker's Compensation	1,000,000
Public Liability	Bodily Injury	1000000/2,000,000
Public Liability	Property Damage	1000000/2,000,000
Excess Public Liability	Catastrophes	5,000,000
Automobiles and Trucks	Property Damage & Bodily Injury	1,000,000
Buildings and Contents	Property Damage	48,329,690
Theft and Embezzlement	Crime	875,000
Directors and Officers	Personal Liability	10,000,000
Other: Forgery or Alteration		500,000
Boiler	Machinery & Equipment	4,000,000
Pollution		1,000,000
Umbrella		1,000,000
Inland Marine		423,638

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE						
DETAILS REGARDING BONDS ON PAGE						
MATURITIES: MONTH AND DAY 100						
NAME OF ISSUE 200	Accum Prov for FASB 158		FEDERAL FINANCING BANK - RUS		POST RETIREMENT BENEFITS	
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE
2013						
2014						
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
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2043						
2044						
2045						
2046						
2047						
2048						
2049						
2050						
2051						
2052						
2053						
2054						
2055						
2056						
2057						
OUTSTANDING END OF YEAR 300						

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE					
DETAILS REGARDING BONDS ON PAGE					
MATURITIES: MONTH AND DAY 100					
NAME OF ISSUE 200					
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	TOTAL MATURITIES
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
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2050					
2051					
2052					
2053					
2054					
2055					
2056					
2057					
OUTSTANDING END OF YEAR 300					

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE NUMBER	DATE OF NOTE	INT. RATE	TERM OF NOTE (YR)	DATE REPAYMENTS BEGIN MO/YEAR	AMOUNT OF ALLOTMENT	BALANCE DUE ON ALLOTMENT (ACCOUNT 224.2)	SUMMARY OF LONG-TERM DEBT - RUS			DEFERRED INTEREST	OUTSTANDING END OF YEAR EXCLUDING CUSHION OF CREDIT
							AMOUNT PAID THIS YEAR	PRINCIPAL	INTEREST		
01-REDL-E	6/28/2006		10	06/2007	650,000.00		72,222.24			204,629.52	
02-1B310	3/10/2008	4.53	35	04/2008	6,500,000.00		55,581.99	102,518.01		2,234,710.46	
03-1B311	3/31/2009	2.78	10	03/2009	4,000,000.00	4,000,000.00	111,513.36	100,166.64		3,547,218.84	
04-REDL-G	11/30/2009		10	11/2010	253,000.00		25,308.00			153,877.00	
05-				/							
06-				/							
07-				/							
08-				/							
09-				/							
10-				/							
11-				/							
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38-				/							
39-				/							
40-				/							
<b>(860) Total</b>					<b>11,403,000.00</b>	<b>4,000,000.00</b>	<b>264,625.59</b>	<b>202,684.65</b>		<b>6,140,435.82</b>	

List Note Numbers Paid Monthly: REDL-E 1B310 1B311 REDL-G  
 \*EXCLUDING CUSHION OF CREDIT.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE NUMBER	DATE OF NOTE	INT. RATE	CFC OR COBANK	TERM OF NOTE (YR)	AMOUNT OF LOAN APPROVED	UNADVANCED LOAN	AMT REPAID THIS YEAR FOR REGULAR BILLINGS		OUTSTANDING END OF YEAR	RUS LOAN SUPPLEMENTED	
							PRINCIPAL	INTEREST		NOTE NUMBER	%
01-9008	4/8/1979	6.35	CFC	35	1,742,000.00		137,474.61	5,390.74		1B270/272	.30
02-9015009	8/29/2003	5.20	CFC	9	564,673.00		143,914.94	1,825.92			
03-9015010	8/29/2003	5.40	CFC	10	569,219.00		424,039.20	24,545.99	145,179.80		
04-9015011	8/29/2003	5.65	CFC	11	343,351.00			18,970.13	343,351.00		
05-9015012	8/29/2003	5.65	CFC	12	355,495.00			19,641.09	355,495.00		
06-9015013	8/29/2003	5.70	CFC	13	211,883.00			11,812.47	211,883.00		
07-9015014	8/29/2003	5.80	CFC	14	347,719.00			19,733.05	347,719.00		
08-9015015	8/29/2003	5.85	CFC	15	122,627.50			7,020.42	122,627.50		
09-9016001	3/13/2013	2.95	CFC	10	3,351,113.00			8,937.83	3,351,113.00		
10-											
11-											
12-											
13-											
14-											
15-											
16-											
17-											
18-											
19-											
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32-											
33-											
34-											
35-											
36-											
37-											
38-											
39-											
40-											
41-											
<b>(865) Total</b>					<b>7,608,080.50</b>		<b>705,428.75</b>	<b>117,877.64</b>	<b>4,877,368.30</b>		

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<b>LONG-TERM DEBT - RUS</b>		
<b>ACCT.</b>	<b>PRINCIPAL DATA</b>	<b>AMOUNT</b>
224.1	Long-term debt - RUS. . . . .	10,140,435.82
224.2	Unadvanced RUS allotment - debit (page 21) . . . . .	(4,000,000.00)
224.3	Deferred interest - RUS. . . . .	
224.4	Long-term debt - RUS - matured and deferred. . . . .	
224.5	Cushion of credit - RUS - debit. . . . .	(1,511,283.12)
	Net balance due RUS as above (page 2, item 36). . . . .	4,629,152.70
	Total additions to RUS long-term debt this year. . . . . (Item 132)	
	Repayments for the year excluding advance payments. . . . . (Item 143)	264,625.59
<b>INTEREST ACCRUED - RUS (Account 237.1)</b>		<b>AMOUNT</b>
	Balance beginning of year (matured \$.00). . . . .	
	Accrued during year (Account 427.1) (page 3, item 87) (page 26 summary). . . . .	202,684.65
	Repayments this year. . . . .	202,684.65
	Balance end of year (matured \$.00) (page 2, item 49)(page 26 summary). . . . .	
<b>LONG-TERM DEBT - CFC</b>		
<b>ACCT.</b>	<b>PRINCIPAL DATA</b>	<b>AMOUNT</b>
223.1	Subscriptions to CFC capital term certificates - debit. . . . .	
223.2	Unpaid subscriptions to CFC capital term certificates - credit. . . . .	
223.4	CFC loan approved - unadvanced - debit (page 22). . . . .	
223.5	Long-term debt - CFC credit. . . . .	4,877,368.30
223.61	Patronage capital certificates - debit. . . . .	(250,543.20)
223.62	Deferred patronage dividends - credit. . . . .	250,543.20
	Net CFC account (account 223) ( page 2, item 37). . . . .	4,877,368.30
	Total additions to CFC long-term debt this year. . . . . (Item 135)	3,351,113.00
	Repayments for the year excluding advance payments. . . . . (Item 144)	705,428.75
<b>INTEREST ACCRUED - CFC (Account 237.2)</b>		<b>AMOUNT</b>
	Balance beginning of year (matured \$.00). . . . .	20,975.76
	Accrued during year (Account 427.1) (page 3, item 88) (page 26 summary). . . . .	111,398.70
	Repayments this year. . . . .	117,877.64
	Balance end of year (matured \$.00) (page 2, item 50)(page 26 summary). . . . .	14,496.82
<b>LONG-TERM DEBT - COBANK</b>		
<b>ACCT.</b>	<b>PRINCIPAL DATA</b>	<b>AMOUNT</b>
229.10	Long Term Debt - CoBank - credit. . . . .	
229.20	Unadvanced allotment - CoBank - debit. . . . .	
229.30	Subscription to class "C" stock - CoBank - debit. . . . .	
229.40	Unpaid subscription to class "C" stock - CoBank - credit. . . . .	
229.50	Allocated earnings receivable - CoBank - debit. . . . .	
229.51	Allocated earnings deferred - CoBank - credit. . . . .	
	Net CoBank account (account 229) (page 2, item 38). . . . .	
	Amount received on allotment this year. . . . . (Item 136)	
	Repayments this year. . . . . (Item 145)	
<b>INTEREST ACCRUED - COBANK (Account 237.6)</b>		<b>AMOUNT</b>
	Balance beginning of year (matured \$.00). . . . .	
	Accrued during year (Account 427.4) (page 3, item 89) (page 26 summary). . . . .	
	Repayments this year. . . . .	
	Balance end of year (matured \$.00) (page 2, item 51)(page 26 summary). . . . .	

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)**

Name of issue: FEDERAL FINANCING BANK - RUS  
 Date of issue: 01/26/2001 Amount of original issue: \$ 6,200,000.00  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: Q30 Quarterly Principal due dates: \ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: NRUCFC  
 Revenue or general obligation bonds: Other - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ 14,335,278.51  
 Purpose of issue: \_\_\_\_\_

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

**PRINCIPAL DATA**

**INTEREST ACCRUED**

Balance beginning of year . . . . .	16,350,222.12	Accrued beginning of year . . . . .	183,394.61
Issued during year . . . . .	5,500,000.00	Accrued during year (427.3) . . . . .	721,019.71
Total . . . . .	21,850,222.12	Total . . . . .	904,414.32
Bonds retired this year . . . . .	595,008.42	Payments during year . . . . .	904,414.32
Balance end of year . . . . .	21,255,213.70	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	21,255,213.70	Balance less matured (237.3) . . . . .	

Name of issue: POST RETIREMENT BENEFITS  
 Date of issue: \_\_\_\_\_ Amount of original issue: \$ \_\_\_\_\_  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: \ Principal due dates: \ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: PostRetirement - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: \_\_\_\_\_

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

**PRINCIPAL DATA**

**INTEREST ACCRUED**

Balance beginning of year . . . . .	3,760,897.96	Accrued beginning of year . . . . .	
Issued during year . . . . .	118,204.10	Accrued during year (427.3) . . . . .	
Total . . . . .	3,879,102.06	Total . . . . .	
Bonds retired this year . . . . .		Payments during year . . . . .	
Balance end of year . . . . .	3,879,102.06	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	3,879,102.06	Balance less matured (237.3) . . . . .	

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)**

Name of issue: Accum Prov for FASB 158  
 Date of issue: \_\_\_\_\_ Amount of original issue: \$ \_\_\_\_\_  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: \ \_\_\_\_\_ Principal due dates: \ \_\_\_\_\_ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: PostRetirement - 228 Issued or assumed:  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue:

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

**PRINCIPAL DATA**

**INTEREST ACCRUED**

Balance beginning of year . . . . .	498,842.97	Accrued beginning of year . . . . .	
Issued during year . . . . .	1,160,623.99	Accrued during year (427.3) . . . . .	
Total . . . . .	1,659,466.96	Total . . . . .	
Bonds retired this year . . . . .	1,740.96	Payments during year . . . . .	
Balance end of year . . . . .	1,657,726.00	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	1,657,726.00	Balance less matured (237.3) . . . . .	

**SUMMARY OF LONG-TERM DEBT - BONDS (Account 221) AND OTHER (Account 228)**

	ACCOUNT 221	OTHER* ACCOUNT 228	TOTAL*	POST- RETIREMENT BENEFITS ACCOUNT 228	TVA ACCOUNT 228
Balance beginning of year . . . . .		16,350,222.12	16,350,222.12	4,259,740.93	
Issued during year . . . . . (Item 137)		5,500,000.00	5,500,000.00	1,278,828.09	
<b>Total . . . . .</b>		21,850,222.12	21,850,222.12	5,538,569.02	
Bonds retired this year . . . . . (Item 146)		595,008.42	595,008.42	1,740.96	
Balance end of year . . . . .		21,255,213.70	21,255,213.70	5,536,828.06	
Including matured of (239) . . . . . (Item 147)					
Balance less matured (221) . . . . .		21,255,213.70	21,255,213.70	5,536,828.06	

(page 2, item 39.1) (page 2, item 39.2) (page 2, item 39.3)

**SUMMARY OF INTEREST ACCRUED - LONG-TERM DEBT(Account 237)**

	TOTAL
Accrued beginning of year . . . . .	183,394.61
Accrued during year (427.3) (page 26) . . . . .	721,019.71
<b>Total . . . . .</b>	904,414.32
Payments during year . . . . .	904,414.32
Balance end of year . . . . .	
Including matured of (240) . . . . .	
Balance less matured (237.3) (page 26) . . . . .	

\*Less TVA Long-term Debt and Postretirement Benefits



**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<b>NOTES PAYABLE (Account 231)</b>										
<b>PRINCIPAL DATA</b>						<b>INTEREST ACCRUED</b>				
Balance beginning of year. ....						Accrued beginning of year. ....				
New notes issued during year. ....						Accrued during year (as below). ....				
<b>Total. ....</b>						<b>Total. ....</b>				
Notes retired this year. ....						Payments during year. ....				
<b>Balance end of year. ....</b>						<b>Balance end of year (as below). ....</b>				
Portion of balance TVA (page 2, item 45.1). ....										
Portion of balance non-TVA (page 2, item 45.2). ..										
<b>CUSTOMER DEPOSITS (Account 235)</b>										
Balance accrued interest on customer deposits end of year. ....										
Balance customer deposits end of year (Account 235). ....										2,275,909.31
<b>Total customer deposits (page 2, item 47). ....</b>										<b>2,275,909.31</b>
<b>SUMMARY OF ACCRUED INTEREST AND INTEREST EXPENSE</b>										
ACCT. NO.	DESCRIPTION	FROM PAGE NO.	REPORT ON BALANCE SHEET AS INDICATED BELOW				REPORT ON REVENUE AND EXPENSE STATEMENT AS INDICATED BELOW			
			ACCT. NO.	PAGE NO.	ITEM NO.	ACCRUED END OF YEAR	ACCT. NO.	PAGE NO.	ITEM NO.	EXPENSE FOR YEAR
221	Bonds	25	237.3	2	52.2		427.3	3	90.1	
223	CFC	23	237.2	2	50	14,496.82	427.2	3	88	111,398.70
224	RUS	23	237.1	2	49		427.1	3	87	202,684.65
229	CoBank	23	237.6	2	51		427.4	3	89	
228	TVA long term	25	237.3	2	52.1		427.3	3	90.2	
228	Other long term	25	237.3	2	52.2		427.3	3	90.1	721,019.71
231	TVA Notes Payable	Above	237.5	2	52.1		431	3	90.2	
231	Other notes payable	Above	237.5	2	52.2		431	3	92	
235	Customer Deposits	Above	235	Above	---		431	3	92	7,128.53
---	Delinquent taxes	---	237.5	2	52.2		431	3	92	
<b>Total interest accrued end of year. ....</b>						<b>14,496.82</b>	<b>Net expense for year. ...</b>			<b>1,042,231.59</b>
Total item 49 (page 2) .....							Total item 87 (page 3)...			202,684.65
Total item 50 (page 2) .....						14,496.82	Total item 88 (page 3)...			111,398.70
Total item 51 (page 2) .....							Total item 89 (page 3)...			
Total Item 52.1 (page 2) .....							Total item 90.1 (page 3)...			721,019.71
Total Item 52.2 (page 2) .....							Total item 90.2 (page 3)...			
							Total item 92 (page 3)...			7,128.53
ACCT. NO.	<b>ACCOUNTS PAYABLE</b>									
232	Accounts payable - general (includes \$12,367,773.28 to TVA for purchased power and Fac.Rental). ....									1,627,419.51
232	Accrued purchased power. ....									12,309,553.54
233	Accounts payable - spec. const. ....									
234	Payable to municipal - utility revenue. ....									
234	Other payables to municipality. ....									
<b>Total accounts payable - general (page 2, item 46). ....</b>										<b>13,936,973.05</b>
ACCT. NO.	<b>OTHER CURRENT AND ACCRUED LIABILITIES</b>									
239	Matured long-term debt (pages 23, 24, and 25). ....									
240	Matured interest (pages 23, 24, and 25). ....									
241	Tax collections payable. ....									143,047.81
242	Miscellaneous - accrued insurance. ....									
242	Miscellaneous - employees' accrued leave. ....									1,762,532.86
242	Miscellaneous - other. ....									263,957.19
<b>Total other current and accrued liabilities (page 2, item 53). ....</b>										<b>2,169,537.86</b>
<b>OTHER DEFERRED CREDITS (Account 253)</b>										
Payables for plant purchases; (item 149) .....										
Other items (List): .....										
Total other deferred credits (page 2, item 56) .....										
<b>Total other deferred credits (page 2, item 56) .....</b>										

Tri-County Electric Membership Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

TO WHOM PAID		PERIOD COVERED	AMOUNT	TO WHOM PAID	PERIOD COVERED	AMOUNT
States (list):		1/1/2012 12/31/2012	165,991.59	Cities (list):	1/1/2012 12/31/2012	27,724.00
KY				LAFAYETTE, TN	1/1/2012 12/31/2012	6,910.00
				CELINA, TN	1/1/2012 12/31/2012	14,766.35
				WESTMORELAND, TN	1/1/2012 12/31/2012	7,426.31
				RED BOILING SPRINGS, TN	1/1/2012 12/31/2012	2,404.37
				SCOTTSMILLE, KY	1/1/2012 12/31/2012	308.04
				EDMONTON, KY	1/1/2012 12/31/2012	3,239.43
				TOMPKINSVILLE, KY	1/1/2012 12/31/2012	152.23
				FOUNTAIN RUN, KY	1/1/2012 12/31/2012	1,387.28
				BURKESVILLE, KY	1/1/2012 12/31/2012	10,762.00
				HARTSMILLE, TN	1/1/2012 12/31/2012	
Total states.....			165,991.59		Total cities.....	75,080.01
Counties (list):		1/1/2012 12/31/2012	268,030.00			1,206,770.67
MACON (TN)		1/1/2012 12/31/2012	120,690.75			
ALLEN (KY)		1/1/2012 12/31/2012	575.11			
CLINTON (KY)		1/1/2012 12/31/2012	12,237.10			
BARREN (KY)		1/1/2012 12/31/2012	1,150.30			
ADAIR (KY)		1/1/2012 12/31/2012	84,280.80			
MONROE (KY)		1/1/2012 12/31/2012	126.00			
JACKSON (TN)		1/1/2012 12/31/2012	19.31			
WARREN, KY		1/1/2012 12/31/2012	1,683.00			
SMITH (TN)		1/1/2012 12/31/2012	1,890.90			
OVERTON (TN)		1/1/2012 12/31/2012	159,810.00			
CLAY (TN)		1/1/2012 12/31/2012	120,583.00			
TROUSDALE (TN)		1/1/2012 12/31/2012	109,334.69			
SUMNER (TN)		1/1/2012 12/31/2012	27,047.88			
METCALFE (KY)		1/1/2012 12/31/2012	58,240.23			
CUMBERLAND (KY)						
Total counties.....			965,699.07			

Total paid.....  
 If all the tax equivalent is paid to a city and the city makes redistribution payments to states or counties, show these redistribution payments above and mark them with an \*.  
 Also give method of determining amounts redistributed.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

BASIS FOR COMPUTATION OF ACCRUAL FOR AD VALOREM PROPERTY TAX OR TAX EQUIVALENT							
<input checked="" type="checkbox"/> TAX, OR <input type="checkbox"/> TAX EQUIVALENT		TN. EQUAL- IZATION RATIO	STATE ASSESS- MENT RATIO	TAX ASSESSMENT OR VALUATION	RATE PER \$100	TAX OR EQUIVALENT FOR TAX PERIOD	AMOUNT APPLICABLE FOR FISCAL YEAR
PERIOD	DISTRICT						
1/1/2013 12/31/2013	MACON			11,167,935.00	2.4000	268,030.00	
1/1/2013 12/31/2013	JACKSON			4,432.00	2.8430	126.00	
1/1/2013 12/31/2013	SMITH			75,456.00	2.2304	1,683.00	
1/1/2013 12/31/2013	VERTON			95,020.00	1.9900	1,890.90	
1/1/2013 12/31/2013	CLAY			5,155,176.00	3.1000	159,810.00	
1/1/2013 12/31/2013	TROUSDALE			3,864,820.00	3.1200	120,583.00	
1/1/2013 12/31/2013	SUMNER			5,410,474.00	2.0208	109,334.69	
1/1/2013 12/31/2013	TOTAL COUNTIES					661,457.59	330,728.80
1/1/2013 12/31/2013	LAFAYETTE			3,904,844.00	.7100	27,724.00	
1/1/2013 12/31/2013	CELINA			791,369.00	.8732	6,910.00	
1/1/2013 12/31/2013	WESTMORELAND			1,054,739.00	1.4000	14,766.35	
1/1/2013 12/31/2013	HARTSVILLE			944,158.00	1.1399	10,762.00	
1/1/2013 12/31/2013	RED BOILING SPRINGS			639,703.00	1.1609	7,426.31	
1/1/2013 12/31/2013	TOTAL CITIES					67,588.66	33,794.33
1/1/2013 12/31/2013	TOTAL STATE					729,046.25	364,523.13
	ADJ. FOR OVER ACCRUAL 6/30/12 COUNTIES						190,768.56
	ADJ. FOR OVER ACCRUAL 6/30/12 CITIES						18,174.05
	ESTIMATED TAX 1/1/13-6/30/13 COUNTIES						307,568.12
	ESTIMATED TAX 1/1/13-6/30/13 CITIES						31,207.51
	TOTAL EXPENSE FY - TENNESSEE						912,241.37
1/1/2013 12/31/2013	MANUFACTURING MACHINERY			8,987,021.00		13,480.53	
1/1/2013 12/31/2013	REAL ESTATE			1,622,119.00		1,978.99	
1/1/2013 12/31/2013	TANGIBLE PROPERTY			33,451,572.00		150,532.07	
1/1/2013 12/31/2013	TOTAL STATE			44,060,712.00		165,991.59	82,995.80
1/1/2013 12/31/2013	METCALFE			3,017,552.00	.8964	27,047.88	
1/1/2013 12/31/2013	ALLEN			11,811,284.00	1.0218	120,690.75	
1/1/2013 12/31/2013	CLINTON			92,640.00	.6208	575.11	
1/1/2013 12/31/2013	CUMBERLAND			7,507,761.00	.7757	58,240.23	
1/1/2013 12/31/2013	BARREN			1,554,917.00	.7870	12,237.10	
1/1/2013 12/31/2013	ADAIR			134,309.00	.8565	1,150.30	
1/1/2013 12/31/2013	MONROE			9,671,062.00	.8715	84,280.80	
1/1/2013 12/31/2013	WARREN			2,914.00	.6627	19.31	
1/1/2013 12/31/2013	TOTAL COUNTIES					304,241.48	152,120.74
1/1/2013 12/31/2013	SCOTTSVILLE			1,277,833.00	.1882	2,404.37	
1/1/2013 12/31/2013	TOMPKINSVILLE			1,202,013.00	.2695	3,239.43	
1/1/2013 12/31/2013	BURKESVILLE			7,656,049.00	.0181	1,387.28	
1/1/2013 12/31/2013	EDMONTON			291,129.00	.1058	308.04	
1/1/2013 12/31/2013	FOUNTAIN RUN			58,181.00	.2616	152.23	
1/1/2013 12/31/2013	GAMALIEL						
1/1/2013 12/31/2013	TOTAL CITIES					7,491.35	3,745.68
1/1/2013 12/31/2013	TOTAL STATE					477,724.42	238,862.21
	ADJ. FOR OVER ACCRUAL 6/30/12 STATE						(45,876.63)
	ADJ. FOR OVER ACCRUAL 6/30/12 COUNTIES						(84,427.79)
	ADJ. FOR OVER ACCRUAL 6/30/12 CITIES						(406.72)
	EST. TAX 01/01/13 - 06/30/13 STATE						77,169.52
	EST. TAX 01/01/13 - 06/30/13 COUNTIES						141,436.55
	ESTIMATED TAX 01/01/13 - 06/30/13 CITIES						3,464.29
	TOTAL EXPENSE FY - KENTUCKY						330,221.43
	TOTAL TAX REPORT 2013						1,242,462.80

Where more than one tax period is applicable to the current fiscal year, show beginning and ending dates of each tax period. Compute tax or tax equivalent for each tax period and show amount prorated to this fiscal year. For tax equivalents show all the components of the tax base and applicable tax equivalent by taxing districts. When tax equivalent payments are determined other than by applying applicable tax rates to net plant, describe basis, explain any change from previous period, and include data showing breakdown of net plant by taxing districts and applicable tax rates. Use extra sheets if needed.



**GENERAL INFORMATION**

1. Give the form of management of municipal system. (Power board, Mayor and council, etc.)
  
2. In the case of a Power Board (or Utilities Board), list any other departments of the city over which it exercises control.
  
3. (a) Give the statutes under which the electric system was created.  
 TENNESSEE ELECTRIC MEMBERSHIP CORPORATION ACT OF 1937
  
- (b) Give the statutes under which the electric system is currently operating if different from the above.  
 RURAL ELECTRIC & COMMUNITY SERVICE COOPERATIVE ACT OF 1937
  
4. (a) Are customers' accounts billed by an outside organization?           N            
 If so, give name. If not, give the type in-house hardware. HP9000, SERIES3440;SEDC IS OUR SOFTWARE PROVIDER
- (b) At June 30:
  - 1) What percentage is added to customer bills for late payments?           5.00           %
  - 2) How many days are allowed between date of bill and last day before gross billing applies?           15           days
  - 3) Is an "Even Monthly Payment" (budget billing) plan available for electric consumers?           Y           Yes            No
  - 4) Amount of security deposit required for residential service:
 

Owner with Electric Heat	2 1/2 times avg. location history w/mim \$200
Owner without Electric Heat	2 1/2 times avg. location history w/mim \$200
Tenant with Electric Heat	2 1/2 times avg. location history w/mim \$200
Tenant without Electric Heat	2 1/2 times avg. location history w/mim \$200
Other (describe)	2 1/2 times avg. location history w/mim \$200
  - 5) Are there any customer deposits that qualify (deposits exceeding 1 month's average bill and held longer than 6 months) for the payment of interest under the service practice standard entitled Deposit? If yes, what rate of interest is paid?
 

Class	Yes/No	Interest Rate
Residential	N	%
C & I Part A	N	%
C & I Part B	N	%
  - 6) Is interest on deposits:
 

Refunded by check annually? .....	<u>          </u> Yes	<u>          </u> N	<u>          </u> No
Credited on customer's power bill annually? .....	<u>          </u> Yes	<u>          </u> N	<u>          </u> No
Credited to a deposit account annually? .....	<u>          </u> Yes	<u>          </u> N	<u>          </u> No
Handled differently (Explain)			
  - 7) Are prior written notice and due process afforded to customers before termination for nonpayment?
 

Prior written notice? .....	<u>          </u> Y	<u>          </u> Yes	<u>          </u> No
Due process? .....	<u>          </u> Y	<u>          </u> Yes	<u>          </u> No
  - 8) Is information about policies and rates available upon request and application for service?
 

Upon request? .....	<u>          </u> Y	<u>          </u> Yes	<u>          </u> No
Upon application for service? .....	<u>          </u> Y	<u>          </u> Yes	<u>          </u> No
  - 9) Are the media used to inform customers about policies and rates?
 

Policies? .....	<u>          </u> Yes	<u>          </u> N	<u>          </u> No
If yes, how many times during the past 12 months? .....	<u>          0          </u> Times		
Rates? .....	<u>          </u> Y	<u>          </u> Yes	<u>          </u> No
If yes, how many times during the past 12 months? .....	<u>          2          </u> Times		
  - 10) Is the most recent 12 months' prior usage available to customers upon request? .....
  - 11) The cost of a membership certificate is           \$5.00

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**GENERAL INFORMATION (CONTINUED)**

5. Give the name of the audit firm conducting this year's audit:  
 ALEXANDER THOMPSON ARNOLD PLLC
6. If water, gas, or other services are operated in connection with electric services, furnish the following information in connection with joint operations.


- (a) Indicate the joint operations with the Electric Utility:
- (b) Indicate the % of non-electric ownership of any jointly owned buildings:
- (c) Percentage of building space rented to others \_\_\_\_\_ %
- (d) Percentage of building space rented from others \_\_\_\_\_ %
- (e) 1) Date of last joint expense study: \_\_\_\_\_
- 2) Joint expense study was prepared by: \_\_\_\_\_ TVA \_\_\_\_\_ Distributor \_\_\_\_\_ Other
- 3) Indicate the amount of the unresolved annual inequity as reflected by the TVA study:
- 4) Give the current status of the latest joint expense study:

**GOVERNING BOARD**

AMOUNT PAID\*

DIRECTORS OR MEMBERS OF GOVERNING BOARD NAME AND PRINCIPAL OCCUPATION		TERM EXPIRES	AMOUNT PAID*	
			FEES	TRAVEL
JACK OSGATHARP	FARMER	05/01/2014	7,250.00	521.96
TOMMY THOMPSON - PRESIDENT	DISTRICT ATTORNEY	05/11/2016	7,250.00	621.56
RAY GOAD - SEC.-TREAS.	BANKER	05/01/2015	8,500.00	806.64
JEFF DOWNING	FARMER	05/01/2016	6,500.00	942.06
RONALD BAILEY	MERCHANT	05/01/2015	6,750.00	598.74
GEORGE COWAN	INSURANCE BROKER	05/01/2014	7,000.00	1,480.57
VEACHEL HARLAN	RETIRED	05/01/2016	8,000.00	1,661.49
TONY BENTLE	RETIRED	05/11/2016	9,000.00	1,789.78
MIKE MILLER - VICE PRESIDENT	ELECTRICAL CONTRACTOR	05/01/2014	10,500.00	2,970.55
BRET CARVER	FARMER	05/01/2015	8,750.00	2,127.29
Total. ....			79,500.00	13,520.64

\*Show total amounts paid from electric system funds for fiscal year.  
 Method of determining amounts paid to board members is as follows:  
 BOARD MEMBERS RECEIVE \$500.00 PER DAY FOR BOARD MEETINGS AND \$250.00 PER DAY FOR ALL OTHER MEETINGS AND TRAINING.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

GENERAL INFORMATION (CONTINUED)	
Detail of Account 930 - Miscellaneous General Expense	EXPENSE
Annual Meeting Expense	37,590.01
Director Per Diem Expense	79,500.00
Director Benefits Expense	116,875.78
Director Travel Expense	13,520.64
Director Subscriptions Expense	766.00
Association Dues Expenses	184,589.19
Directors & Officers Insurance Expense	21,742.43
Director Board Meeting Meals	4,626.96
Director Training	5,859.00
TOTAL	465,070.01

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013****GENERAL INFORMATION (CONTINUED)**

EXPLAIN UNUSUAL INCREASES OR DECREASES IN OPERATING EXPENSES AND INCOME OVER LAST YEAR'S FIGURES; EXTRAORDINARY ITEMS PAGE 3; ITEMS MARKED \* ON PAGES 5 AND 6; AND OTHER ENTRIES TO THE ACCUMULATED PROVISION FOR DEPRECIATION ON PAGE 11.

Page 1, item 14: Cash and temporary investment increase due to recent draw of \$5,500,000 against Long-Term RUS/FFB approved loan.

Page 1, items 15 & 18: Accounts Receivable decrease and Other Current Assets increase due to reclassification of Unbilled Revenue per TVA instructions.

Page 1, item 20: Prepayment penalty for early payoff of NCSC loan. Amount to be amortized over the remaining life of the original loan.

Page 1, item 26: Other Deferred Debit increase due to NRECA RS retirement plan prepayment. The amount of the deferred debit on 6/30/2013 is \$3,267,335.18.

Page 2, item 33: Prior Period Adjustment - Amortization of Past Service Cost.

Page 2, item 37: Increase in CFC loan balance of \$3,351,113 to finance of RS retirement plan prepayment.

Page 2, item 39.1: Increase in RUS/FFB loan balance resulting from recent draw of \$5,500,000 against approved loan.

Page 2, item 39.2: Increase in liability based on updated actuarial calculation.

Page 2, item 50: Decrease due to timing of loan payment to CFC as compared to prior year.

Page 2, item 52.2: Decrease due to timing of payment to RUS/FFB as compared to prior year.

Page 3, item 79 & Page 29: The distributor follows functional accounting procedures by allocating tax expense to the individual expense accounts based on the plant investment in accounts 352 thru 373 on their plant records. The transfer column on page 29 of the annual report reflects this process and therefore does not show any tax expense on the income statement.

Page 3, item 62: Increase in Pole Rental due to rate increase and increase in attachments of \$293,121.24 and billing of TVA for \$37,914 for joint use of transmission line.

Page 3, item 70: Increase due to change from prior year with the reporting of Economic Development costs. The amount of the change is \$12,505.89.

Page 3, item 73: Decrease in expense due to billing of TVA for one half portion of prior years maintenance of joint use transmission line (\$132,471.58) plus current year billing of \$314.33.

Page 3, item 85: Increase in donations to community organizations of \$4,798.00 and increase in donations of labor to cities for Christmas lighting etc \$8,822.05.

Page 3, item 88: Decrease in interest cost due to lower total loan balance for the majority of the year.

Page 3, item 90.1: Decrease in interest cost due to lower total loan balance for majority of year.

Page 3, item 92: Other Interest Expense - interest cost resulting from using the CFC Line of Credit to support cash flow needs.

Page 3, item 93: Amortization of debt discount and expense - Full year of amortization of prepayment penalty in 2013 vs only one month of amortization in FY 2012. The CFC loan was paid off early during FY 2012.

Page 3 item 98: Net income increase attributed to higher gross margin due to having a year without excess demand charges resulting from short term demand peaks. Net income also increased due to reduction in Total Operating Expenses.

Page 4, Operating Activities - Other: Adjustment for Post Retirement Benefit based on updated actuarial report and suggested by auditors.

Page 4, Investing Activities - Other: Correction for error related to the closing of Plant Retirement work orders. This error was decreasing (crediting) Acct 364 and decreasing (debiting) Acct 108.64. This error had occurred over a period of 4-5 years. This had a zero impact on Net Income and Net Plant. Dollar amount of correction equals \$4,876,323.66.

Page 4, Financing Activities - Other: Increase in Post Retirement Liability based on updated actuarial report and suggested by auditors.

Page 5, Acct 585: Normal fluctuation within expenses from year-to-year.



GENERAL INFORMATION (CONTINUED)

EXPLAIN UNUSUAL INCREASES OR DECREASES IN OPERATING EXPENSES AND INCOME OVER LAST YEAR'S FIGURES; EXTRAORDINARY ITEMS PAGE 3; ITEMS MARKED \* ON PAGES 5 AND 6; AND OTHER ENTRIES TO THE ACCUMULATED PROVISION FOR DEPRECIATION ON PAGE 11.

Page 5, Acct 587: Normal fluctuation within expenses from year-to-year.

Page 5, Acct 904: Reserve for Uncollectible Accounts was higher than necessary and was reduced and credited back to expense account.

Page 5 & 6, Accts 909, 913, & 930.10: Total Advertising Expense - \$262,360.42.

Page 5, Acct 910: Expense increase due to timing of purchase of promotional materials.

Page 5, Accts 912 & 916: Change as requested by TVA as to where expenses associated with Economic Development should be posted.

Page 6, Acct 923: Increase in legal expenses and benefits paid to corporate attorney as well as an increase in the fees paid to external auditors.

Page 6, Acct 924: Unallocated deductible resulting from insurance proceeds related to theft of materials and equipment from the Scottsville, KY warehouse location.

Page 6, Acct 925: Decrease results from change made as compared to prior year to fully allocate insurance costs charged to this account.

Page 6, Acct 926: Represents adjustment made to Post Retirement Benefit Allocation as suggested by auditor. Adjustment was made post-allocation and could not be distributed work orders and other expense categories as other benefit costs.

Page 6, Acct 571: Decrease in expense due to billing of TVA for one half portion of prior years maintenance of joint use transmission line (\$132,471.58) plus current year billing of \$314.33.

Page 6, Acct 592: Normal fluctuation within expenses from year-to-year.

Page 6, Acct 594: Normal fluctuation within expenses from year-to-year.

Page 7, item 335: Does not tie to Distributor's Stats. Item 335 includes kWh for unbilled revenue that is booked monthly to each class. Difference of 4,819,639 kWh is shown in Item 336.

Page 7, item 118: Does not tie to TVA Purchased Power Reconciliation by \$42,455.28 due to prior years correction of EGC & SMC credits made in July, billing error for September adjusted by TVA in November, and miscoding of ESDP premium in December.

Page 7, item 119: Does not tie to TVA Purchased Power Reconciliation due to billing error of 4,704,996 kWh in September and adjusted by TVA in November on the wholesale invoice.

Page 7, item 735: Includes both Acct 373 amount and a portion of Acct 364. Consistent with prior year.

Page 7, item 745: No amount in 745 due to Tri-County EMC billing lamps and glassware replacements under Paragraph A per LS Rate Schedule.

Page 7 - The amount of Gross Receipts added to sales revenue for KY is \$916,590.98

Page 10, Acct 364: Unusual increase due to correction as described above in Page 4, Investing Activities - Other section.

Page 10, Acct 370: Going through meter change out process to convert system from electromechanical meters to solid state digital meters.

Page 10, Acct 397: Increase due to installation of Fiber Optics cable for purposes of improved communication between offices and substations. Project was started during FY '12 and continues thru FY '13. As phases are completed, work orders are closed to move costs from WIP to plant.

Page 10, WIP: Additions - Installation of Fiber Optics cabling - \$598k; Burkesville substation upgrade - \$3,084k.

Page 11, Accts 356 and 391: Accounts over depreciated by a total of \$26,870.34. Depreciation entries are setup as fixed entries in General Accounting system. System does not automatically stop depreciation when assets are fully depreciated. Correction will be made in FY '14.

Page 11, Acct 364 Other Credit: Due to correction as described above in Page 4, Investing Activities - Other section.

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**GENERAL INFORMATION (CONTINUED)**

EXPLAIN UNUSUAL INCREASES OR DECREASES IN OPERATING EXPENSES AND INCOME OVER LAST YEAR'S FIGURES; EXTRAORDINARY ITEMS PAGE 3; ITEMS MARKED \* ON PAGES 5 AND 6; AND OTHER ENTRIES TO THE ACCUMULATED PROVISION FOR DEPRECIATION ON PAGE 11.

Page 17, Other Prepayments: Prepaid Dues - \$64,542.00; Prepaid Software Maintenance - \$51,885.30; and Prepaid KY Sales and Use Tax - \$48064.00.

Page 26, Acct 242 (Miscellaneous - other): Accrued Employment Taxes (Employee portion) - \$121,886.87; Accrued Employee United Way Donations - \$677.00; Accrued Payroll - \$130,578.44; Accrued Pole Rental - \$10,814.88.

Economic Development Expenses - \$12,505.89.

Line of Credit: National Rural Utilities Cooperative Finance Corporation - \$5,000,000.00.

Tennessee Electric Cooperative Corporation: Paid \$48,681.90 and expensed full amount to Acct 930.20 in June 2013.

Customer Deposits are not held in a restricted account. Funds are included in general cash

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

KEY PERSONNEL		
KEY PERSONNEL	TITLE OR OCCUPATIONS	PERCENTAGE OF WAGES CHARGED TO THE ELECTRIC DEPARTMENT
PAUL THOMPSON	EXEC VP & GEN MGR	100.00
JIM BEECHAM	DIR OF ENGINEERING	100.00
GLENN HALE	DIR OF FINANCE & ADMIN	100.00
RALPH LAW	DIR OF OPERATIONS	100.00
RUSSELL CHERRY	MANAGER OF PURCHASING	100.00
TAMMY DIXON	MANAGER OF MARKETING	100.00
LAURA KIRBY	HUMAN RESOURCES COORDINATOR	100.00
JERRY WILMORE	OPERATIONS SUPERINTENDENT	100.00
MIKE DAVIS	OPERATIONS SUPERINTENDENT	100.00
SAMMY FARLEE	OPERATIONS SUPERINTENDENT	100.00
JAMES GRAY	OPERATIONS SUPERINTENDENT	100.00
JASON SHORT	NETWORK/COMMUNICATION ADMINISTRATOR	100.00
ANNETTE EATON	CONSUMER ACCOUNTS SUPERVISOR	100.00
BLANTON CALVERT	OPERATIONS SUPERTENDENT	100.00
<b>(895) TOTAL NUMBER OF EQUIVALENT FULL-TIME EMPLOYEES: 125</b>		

**Tri-County Electric Membership Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<b>RETAINED EARNINGS ADJUSTMENT(S)</b>			
<b>Order</b>	<b>Amount</b>	<b>Description</b>	<b>Reason</b>
1	(\$1,158,883.03)	Prior Period Adjustment for Post Retirement Benefits	Audit Adjusting Entry
<b>Total</b>	<b>(\$1,158,883.03)</b>		