

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

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

OMB No 1545-0047

2010**Open to Public
Inspection**

A For the 2010 calendar year, or tax year beginning 7/1/2010, and ending 6/30/2011

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

C Name of organization DUCK RIVER ELECTRIC MEMBERSHIP CORP
 Doing Business As _____
 Number and street (or P O box if mail is not delivered to street address) Room/suite
P O BOX 89
 City or town, state or country, and ZIP + 4
SHELBYVILLE TN 37162

D Employer identification number
62-0186725

E Telephone number
(931) 684-4621

G Gross receipts \$ 178,562,844

H(a) Is this a group return for affiliates? ☐ Yes ☒ No
H(b) Are all affiliates included? ☐ Yes ☐ No
 If "No," attach a list (see instructions)

I Tax-exempt status ☐ 501(c)(3) ☒ 501(c) (12) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www.dremc.com

K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1936

M State of legal domicile TN

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities Rural electric distribution to 70,847 members located primarily in Bedford, Coffee, Franklin, Giles, Marshall, Maury and Moore counties in Middle Tennessee

2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a) 3 13

4 Number of independent voting members of the governing body (Part VI, line 1b) 4 13

5 Total number of individuals employed in calendar year 2010 (Part V, line 2a) 5 166

6 Total number of volunteers (estimate if necessary) 6

7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 0

b Net unrelated business taxable income from Form 990-T, line 34 7b 0

Revenue

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	300,000	0
9 Program service revenue (Part VIII, line 2g)	155,159,919	178,032,130
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	372,122	440,552
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	76,419	89,959
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	155,908,460	178,562,641

Expenses

	Prior Year	Current Year
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
14 Benefits paid to or for members (Part IX, column (A), line 4)		0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	11,703,658	11,843,227
16a Professional fundraising fees (Part IX, column (A), line 11e)		0
b Total fundraising expenses (Part IX, column (D), line 25) ▶ <u>0</u>		
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	140,760,024	163,864,373
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	152,463,682	175,707,600
19 Revenue less expenses. Subtract line 18 from line 12	3,444,778	2,855,041

Net Assets or Fund Balances

	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	181,952,367	204,819,789
21 Total liabilities (Part X, line 26)	100,149,338	118,278,689
22 Net assets or fund balances. Subtract line 21 from line 20	81,803,029	86,541,100

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Shelia R. Roark
 Signature of officer
11-14-11
 Date
SHELIA R. ROARK, DIRECTOR OF FINANCIAL SERVICES
 Type or print name and title

Paid Preparer's Use Only

Print/Type preparer's name Preparer's signature Date Check ☒ if self-employed PTIN
C ANTHONY EDWARDS C ANTHONY EDWARDS 11/8/2011
 Firm's name ▶ C ANTHONY EDWARDS Firm's EIN ▶
 Firm's address ▶ P O BOX 334, COLUMBIA, TN 38402-0334 Phone no (931) 381-0667

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2010)

SCANNED DEC 15 2011

913 7

Part III**Statement of Program Service Accomplishments**Check if Schedule O contains a response to any question in this Part III ☐**1** Briefly describe the organization's mission:

Providing electric service to 70,847 members primarily in Bedford, Coffee, Franklin, Giles, Marshall, Maury and Moore counties in Middle Tennessee.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code:) (Expenses \$ 175,707,600 including grants of \$ 0) (Revenue \$ 178,562,641)

Providing electric service to 70,847 members primarily in Bedford, Coffee, Franklin, Giles, Marshall, Maury and Moore counties in Middle Tennessee since the formation of the cooperative in May of 1936

4b (Code:) (Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)**4c** (Code:) (Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)**4d** Other program services. (Describe in Schedule O)

(Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)

4e Total program service expenses 175,707,600

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A		X
2 Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	X	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		X
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H		X
b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)		

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
28a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?		X
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	X	

☐ Yes ☒ No

Part V**Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response to any question in this Part V. ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	80
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a	166
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. (see instructions)	2b	X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b	If "Yes," enter the name of the foreign country See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.	11a	176,849,291
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	1,713,350
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI. ☒

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year.	1a	13
b Enter the number of voting members included in line 1a, above, who are independent.	1b	13
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6 Does the organization have members or stockholders?	6	X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a	X
b Each committee with authority to act on behalf of the governing body?	8b	X
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.	9	X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?	10a	X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b	
11a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13.	12a	X
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done.	12c	X
13 Does the organization have a written whistleblower policy?	13	X
14 Does the organization have a written document retention and destruction policy?	14	X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a	X
b Other officers or key employees of the organization	15b	X
If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed. **TN**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☒ Own website ☒ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:
 ▶ **SHELIA R. ROARK, DIRECTOR OF FINANCIAL SERVIC** (931) 684-4621
 305 LEARNING WAY, SHELBYVILLE, TN 37160

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response to any question in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ANTHONY KIMBROUGH DIRECTOR	0	X						0	0	0
(2) JAMES BRENT WILLIS CHAIRMAN	5.5	X		X				12,380	0	0
(3) MIKE ENGLAND DIRECTOR	4.3	X						9,100	0	0
(4) ROBERT DUBOIS DIRECTOR	6	X						10,210	0	0
(5) JOHN MOSES TREASURER	7	X		X				9,570	0	0
(6) BUFORD JENNINGS VICE-CHAIRMAN	4.5	X		X				10,480	0	0
(7) PHILIP DUNCAN DIRECTOR	4	X						7,360	0	0
(8) BARRY COOPER SECRETARY	3.5	X		X				10,420	0	0
(9) KENNETH STACY DIRECTOR	2.5	X						9,540	0	0
(10) LAURA WILLIS DIRECTOR	2.5	X						9,840	0	0
(11) NELSON CROUCH DIRECTOR	6	X						7,150	0	0
(12) WAYNE TUCKER DIRECTOR	4.5	X						7,950	0	0
(13) BAXTER WHITE DIRECTOR	5.5	X						4,320	0	0
(14) JAMES M. ALLISON PRESIDENT/CEO	50			X				178,590	0	89,882
(15) JAMES H. MARTIN DIRECTOR OF FINANCE	43			X				126,874	0	66,712
(16) MICHAEL WATSON DIRECTOR OF OPERATIONS	46					X		125,232	0	22,423

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(17) BLAKE BUTLER DIRECTOR OF ENGINEERING	45					X		124,769	0	40,973
(18) CHARLES MCDONALD DIRECTOR OF MEMBER SERVICES	47					X		121,921	0	65,880
(19) DAVID YOUNG DISTRICT MANAGER	45					X		120,483	0	29,376
(20) RONALD ALDRIDGE DISTRICT MANAGER	51					X		117,972	0	56,252
(21) CHARLES GRISSOM FORMER GENERAL MANAGER	0						X	0	0	2,167
(22) DWIGHT FOX DIRECTOR	3						X	9,320	0	0
(23) GLENN NORFLEET DIRECTOR	15						X	4,280	0	0
(24)								0	0	0
(25)										
(26)										
(27)										
(28)										
1b Sub-total								1,037,761	0	373,665
c Total from continuation sheets to Part VII, Section A								0	0	0
d Total (add lines 1b and 1c)								1,037,761	0	373,665

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **9**

3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual

	Yes	No
3	X	

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual

	Yes	No
4	X	

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
SERVICE ELECTRIC CO P O BOX 11154, CHATTANOOGA, TN 37401	ELECTRIC LINE CONSTRU	1,032,754
WOLF TREE SERVICE P O BOX 415000-0046, NASHVILLE, TN 372	TREE TRIMMING	921,934
DILLARD SMITH CONSTR P O BOX 277790, ATLANTA, GA 30384	METER READING SERVIC	608,585
ABC PROFESSIONAL TRE 4831 OLD GALVESTON RD, HOUSTON, TX	TREE TRIMMING	569,303
J L MALONE ASSOCIATE! P O BOX 3367, ALBANY, GA 31706-3367	SUBSTATION CONSTRUCT	560,248

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **13**

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a 0				
	b Membership dues	1b 0				
	c Fundraising events	1c 0				
	d Related organizations	1d 0				
	e Government grants (contributions)	1e 0				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 0				
	g Noncash contributions included in lines 1a-1f:	\$ 0				
	h Total. Add lines 1a-1f		0			
Program Service Revenue		Business Code				
	2a SALE OF ELECTRICITY	221000	174,671,322	174,671,322		
	b POLE RENTAL	531190	2,302,081			2,302,081
	c MISCELLANEOUS	221000	2,088,010	2,088,010		
	d ACCRUED UTILITY REVENUE (UNB ILLEI	221000	-1,029,283	-1,029,283		
	e		0			
	f All other program service revenue		0			
	g Total. Add lines 2a-2f		178,032,130			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		431,127			431,127
	4 Income from investment of tax-exempt bond proceeds		0			
	5 Royalties		0			
		(i) Real (ii) Personal				
	6a Gross Rents					
	b Less: rental expenses					
	c Rental income or (loss)	0 0				
	d Net rental income or (loss)		0			
	7a Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
		0 9,628				
	b Less: cost or other basis and sales expenses	0 203				
	c Gain or (loss)	0 9,425				
	d Net gain or (loss)		9,425	9,425		
	8a Gross income from fundraising events (not including \$ 0 of contributions reported on line 1c) See Part IV, line 18	a 0				
	b Less: direct expenses	b 0				
	c Net income or (loss) from fundraising events		0			
	9a Gross income from gaming activities. See Part IV, line 19	a 0				
	b Less: direct expenses	b 0				
	c Net income or (loss) from gaming activities		0			
	10a Gross sales of inventory, less returns and allowances	a 0				
b Less: cost of goods sold	b 0					
c Net income or (loss) from sales of inventory		0				
Miscellaneous Revenue		Business Code				
11a PATRONAGE CAPITAL REFUND	221000	89,959	89,959			
b		0				
c		0				
d All other revenue						
e Total. Add lines 11a-11d		89,959				
12 Total revenue. See instructions		178,562,641	175,829,433	0	2,733,208	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	577,625			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	6,760,976			
7 Other salaries and wages	0			
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,171,736			
9 Other employee benefits	1,817,819			
10 Payroll taxes	515,071			
11 Fees for services (non-employees)				
a Management	0			
b Legal	137,669			
c Accounting	19,988			
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	0			
g Other	0			
12 Advertising and promotion	180,756			
13 Office expenses	227,423			
14 Information technology	304,302			
15 Royalties	0			
16 Occupancy	0			
17 Travel	0			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	247,094			
20 Interest	3,345,270			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	6,855,658	0	0	0
23 Insurance	530,998			
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a COST OF ELECTRICITY SOLD	139,755,148			
b DISTRIBUTION MAINTENANCE EXPENSE	3,373,784			
c DISTRIBUTION OPERATIONS EXPENSE	3,199,607			
d ADMINISTRATIVE & GENERAL	3,041,075			
e CUSTOMER ACCOUNTS EXPENSE	2,120,834			
f All other expenses	524,767			
25 Total functional expenses. Add lines 1 through 24f	175,707,600	0	0	0
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	2,921,630	1	3,538,511
	2 Savings and temporary cash investments	10,000,000	2	20,300,000
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	8,375,463	4	11,644,486
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net	360,000	7	360,000
	8 Inventories for sale or use	1,677,950	8	1,437,541
	9 Prepaid expenses and deferred charges	6,128,011	9	6,248,145
	10a Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	10a 217,149,116		
	b Less: accumulated depreciation	10b 63,460,195		
		149,501,034	10c	153,688,921
	11 Investments—publicly traded securities	0	11	0
	12 Investments—other securities. See Part IV, line 11	0	12	0
	13 Investments—program-related. See Part IV, line 11	0	13	0
	14 Intangible assets	0	14	0
15 Other assets. See Part IV, line 11	2,988,279	15	7,602,185	
16 Total assets. Add lines 1 through 15 (must equal line 34)	181,952,367	16	204,819,789	
Liabilities	17 Accounts payable and accrued expenses	13,726,025	17	25,461,214
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	68,295,138	23	74,346,714
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities. Complete Part X of Schedule D	18,128,175	25	18,470,761
	26 Total liabilities. Add lines 17 through 25	100,149,338	26	118,278,689
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds	737,720	30	736,430
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds	81,065,309	32	85,804,670
	33 Total net assets or fund balances	81,803,029	33	86,541,100
	34 Total liabilities and net assets/fund balances	181,952,367	34	204,819,789

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI. ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	178,562,641
2	Total expenses (must equal Part IX, column (A), line 25)	2	175,707,600
3	Revenue less expenses. Subtract line 2 from line 1	3	2,855,041
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	81,803,029
5	Other changes in net assets or fund balances (explain in Schedule O)	5	1,883,030
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	86,541,100

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII. ☒

	Yes	No
1 Accounting method used to prepare the Form 990. <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b Were the organization's financial statements audited by an independent accountant?	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	X	
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Financial Statements

- ▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2010

**Open to Public
Inspection**

DUCK RIVER ELECTRIC MEMBERSHIP CORP

Employer identification number

62-0186725

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$

(ii) Assets included in Form 990, Part X ▶ \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ \$

b Assets included in Form 990, Part X ▶ \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition

d ☐ Loan or exchange programs

b ☐ Scholarly research

e ☐ Other

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	
1d	
1e	
1f	0

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☒ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	0	0	0		

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ☐ %

b Permanent endowment ☐ %

c Term endowment ☐ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations

(ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	1,683,190		1,683,190
b Buildings	0	11,640,516	4,338,326	7,302,190
c Leasehold improvements	0	0	0	0
d Equipment	0	8,480,789	5,336,938	3,143,851
e Other	0	195,344,621	53,784,931	141,559,690
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				153,688,921

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial denvatives . . .	0	
(2) Closely-held equity interests	0	
(3) Other	0	
(A)	0	
(B)	0	
(C)	0	
(D)	0	
(E)	0	
(F)	0	
(G)	0	
(H)	0	
(I)	0	
Total. (Column (b) must equal Form 990, Part X, col (B) line 12)	0	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)	0	
(2)	0	
(3)	0	
(4)	0	
(5)	0	
(6)	0	
(7)	0	
(8)	0	
(9)	0	
(10)	0	
Total. (Column (b) must equal Form 990, Part X, col (B) line 13)	0	

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	0
(2)	0
(3)	0
(4)	0
(5)	0
(6)	0
(7)	0
(8)	0
(9)	0
(10)	0
Total. (Column (b) must equal Form 990, Part X, col (B) line 15)	0

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	0
(2) OTHER LIABILITIES	2,104,030
(3) PENSION LIABILITY - FASB158	7,278,512
(4) CUSTOMER DEPOSITS	6,063,898
(5) ADVANCES FOR CONSTRUCTION	3,024,321
(6)	0
(7)	0
(8)	0
(9)	0
(10)	0
(11)	0
Total. (Column (b) must equal Form 990, Part X, col (B) line 25)	18,470,761

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	178,562,641
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	175,707,600
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	2,855,041
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	1,883,030
9	Total adjustments (net). Add lines 4 through 8	9	1,883,030
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	4,738,071

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	178,562,641
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	178,562,641
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	178,562,641

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	175,707,600
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	175,707,600
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	175,707,600

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4, Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information

Part XI Line 8 DECREASE IN MEMBERSHIPS (\$1,290); AMORTIZATION OF POST RETIREMENT BENEFITS

(\$377,040) AND MEDICAL (\$65,280) - FASB71, UNREALIZED GAIN (LOSS) ON PENSION (\$2,691,276)

& MEDICAL (\$30,827); ACTUARIAL PENSION ADJUSTMENT - FASAB 87 - \$2,003,004; AMORTIZATION OF

PRIOR SERVICE COST/NET GAIN - LOSS - FASAB 106 MEDICAL \$121,596 & PENSION (\$486,304)

ADJUST SETTLEMENT LOSS - PENSION EXPENSE - \$1,102,472; UNBILLED REVENUE (NET) SEPT 2010 -

\$2,307,975

Part XIV **Supplemental Information** *(continued)*

Area for supplemental information with horizontal dashed lines.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

► Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2010

**Open to Public
Inspection**

DUCK RIVER ELECTRIC MEMBERSHIP CORP.

Employer identification number

62-0186725

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items <div style="display: flex; justify-content: space-between;"><div><input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input checked="" type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)</div></div>		
b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.	1b X	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2 X	
3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. <div style="display: flex; justify-content: space-between;"><div><input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input checked="" type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization: a Receive a severance payment or change-of-control payment from the organization or a related organization?	4a	X
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b X	
c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III	4c	X
Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.		
5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: a The organization? b Any related organization? If "Yes" to line 5a or 5b, describe in Part III	5a 5b	
6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: a The organization? b Any related organization? If "Yes" to line 6a or 6b, describe in Part III.	6a 6b	
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

For Paperwork Reduction Act Notice, see the Instructions for Form 990.
(HTA)

Schedule J (Form 990) 2010

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 JAMES M. ALLISON	(i) 178,590	0	0	0	89,882	268,472	260,215
(ii)	0	0	0	0	0	0	0
2 JAMES H. MARTIN	(i) 126,874	0	0	0	66,712	193,586	187,537
(ii)	0	0	0	0	0	0	0
3 BLAKE BUTLER	(i) 124,769	0	0	0	40,973	165,742	163,790
(ii)	0	0	0	0	0	0	0
4 CHARLES MCDONALD	(i) 121,921	0	0	0	65,880	187,801	188,474
(ii)	0	0	0	0	0	0	0
5 RONALD ALDRIDGE	(i) 117,972	0	0	0	56,252	174,224	168,167
(ii)	0	0	0	0	0	0	0
6 DAVID YOUNG	(i) 120,483	0	0	0	29,376	149,859	0
(ii)	0	0	0	0	0	0	0
7 MICHAEL WATSON	(i) 125,232	0	0	0	22,423	147,655	152,069
(ii)	0	0	0	0	0	0	0
8 CHARLES GRISSOM	(i) 0	0	0	0	2,167	2,167	2,600
(ii)	0	0	0	0	0	0	0
9	(i) 0	0	0	0	0	0	0
(ii)	0	0	0	0	0	0	0
10	(i) 0	0	0	0	0	0	0
(ii)	0	0	0	0	0	0	0
11	(i) 0	0	0	0	0	0	0
(ii)	0	0	0	0	0	0	0
12	(i) 0	0	0	0	0	0	0
(ii)	0	0	0	0	0	0	0
13	(i) 0	0	0	0	0	0	0
(ii)	0	0	0	0	0	0	0
14	(i) 0	0	0	0	0	0	0
(ii)	0	0	0	0	0	0	0
15	(i) 0	0	0	0	0	0	0
(ii)	0	0	0	0	0	0	0
16	(i) 0	0	0	0	0	0	0
(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Part I Line 1A EMPLOYEE REIMBURSEMENT OF HEALTH CLUB MEMBERSHIP DUES ALLOWANCE OF 50% OF DUES PAID TO A MAXIMUM OF \$200 PER YEAR
PER EMPLOYEE UPON PRESENTATION OF A PAID RECEIPT. NO HEALTH CLUB DUES WERE REIMBURSED TO ANY OFFICERS, DIRECTORS, TRUSTEES, OR THE
PRESIDENT AND CEO.

Part I Line 4B NO PAYMENTS WERE MADE TO ANY PARTICIPANT OF THE SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN FOR THE YEAR ENDING

6-30-2011.

Part 7 Line 3 Charles Grissom was a former employee who received more than \$100,000.00 reportable compensation at Duck River
Electric Membership Corporation. He received insurance benefit in the amount of \$2,167.00 in FY 2011. Dwight Fox and Glenn
Norfleet are former directors whose terms ended within the fiscal year reported yet received reportable compensation as stated in

Part 7 Section A.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service
Name of the organization

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public
Inspection

DUCK RIVER ELECTRIC MEMBERSHIP CORP

Employer identification number
62-0186725

Form 990 Part IV Section A Line 6 The cooperative has members that pay a \$10 membership fee

when establishing metered service for electricity

Form 990 Part X Section A Line 7A Members are entitled to vote for the directors on the ballot

who represent the service area in which the members reside

Form 990 Part VI Section A Line 7b Decisions to sell the cooperative require member approval

Changes to the Bylaws may be submitted for members approval

Form 990 Part VI Section B Line 11 The cooperative's board members completed questionnaires

which were then used for completion of Sections of IRS Form 990. The board also reviewed the

cooperative's prior year IRS Form 990, information regarding change by IRS for the current

year, and a completed IRS Form 990 for the current year at a series of board meetings, the

last of which was held on October 26, 2011.

Form 990 Part VI Section B Line 12c All board members completed a questionnaire on various

matters to be used in completing IRS Form 990. The questionnaire contained questions

pertaining to potential conflicts of interest that would require disclosure

Form 990 Part VI Section B Line 15 Compensation for the President and CEO is set by the Board

based upon recommendations from a committee consisting of board officers and directors. The

committee and the board rely on studies and reviews performed by an independent compensation

consultant selected by the board as well as on data from the U. S. Bureau of Labor Statistics,

a survey performed by various trade organizations and surveys performed at the committee's

request. The board, based on recommendations from the independent compensation consultant and

the committee, sets the compensation for the President and CEO, approves salary ranges and a

budget for adjustments thereto for all employees. The President and CEO then makes specific

individual salary decisions for the employees

Form 990 Part VI Section C Line 19 Governing documents such as the Bylaws are provided to each

new member requesting electric service. Governing documents are provided to any current

members who request such documents at the cooperative's offices. The governing documents are

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

(HTA)

Schedule O (Form 990 or 990-EZ) (2010)

Name of the organization

DUCK RIVER ELECTRIC MEMBERSHIP CORP

Employer identification number

62-0186725

also posted and available to all members and the general public on the cooperative's website

The cooperative's financial information is published annually in the Tennessee magazine, which

is a monthly periodical provided to the cooperative's membership. The annual financial

information is provided to each member attending the cooperative's annual meeting. The

cooperative's conflict of interest policies are also posted on the cooperative's website

Form 990 Part XI Line 5 \$1,883,030 Unbilled revenue (net) \$2,307,975, decrease in memberships

(\$1,290), amortization of post-retirement benefits (\$377,040); actuarial pension adjustment

(\$2,691,276), amortization of prior service cost (net services \$2,003,004, assumption change

on recalculation (\$486,304); settlement loss \$1,102,472, unrealized gain (loss) medical plan

(\$30,827); amortize medical plan (\$65,280); amortize prior service costs \$121,596

Form 990 Part XII Line 2c The cooperative has an audit committee composed of five members of

the cooperative's board of directors. This committee is responsible for the oversight of the

cooperative's audit and recommends the independent auditor to the Board of Directors which

makes the selection. This process has been in place for several years

Depreciation and Amortization
(Including Information on Listed Property)

OMB No 1545-0172

2010

Attachment

Sequence No **67**

▶ See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return

Business or activity to which this form relates

Identifying number

DUCK RIVER ELECTRIC MEMBERSHIP CORP 990

62-0186725

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0- If married filing separately, see instructions	5	0

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	0
9	Tentative deduction Enter the smaller of line 5 or line 8	9	0
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562.	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	0
13	Carryover of disallowed deduction to 2011 Add lines 9 and 10, less line 12	13	0

Note: Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	6,855,658
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B - Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C - Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20 a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return Partnerships and S corporations - see instructions	22	6,855,658
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form 4562 (2010)