

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)

OMB No 1545-0047

2010**Open to Public Inspection**

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

A For the 2010 calendar year, or tax year beginning**and ending****B** Check if applicable

- ☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization

TRI-COUNTY ELECTRIC COOPERATIVE, INC.

Doing Business As

Number and street (or P O box if mail is not delivered to street address) Room/suite
P.O. BOX 208 2862 WEST US 90

City or town, state or country, and ZIP + 4

MADISON, FL 32341-0208

F Name and address of principal officer: JULIUS HACKETT
SAME AS C ABOVE**D Employer identification number**

59-0485704

E Telephone number

(850) 973-2285

G Gross receipts \$ 39,426,288.**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)**H(c) Group exemption number** ▶**I Tax-exempt status:** ☐ 501(c)(3) ☒ 501(c) (12) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527**J Website:** ▶ WWW.TCEC.COM**K Form of organization** ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L Year of formation** 1941 **M State of legal domicile** FL**Part I Summary****1** Briefly describe the organization's mission or most significant activities: PROVIDE MEMBERS WITH ELECTRICITY**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 9

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

4 9

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

5 75

6 Total number of volunteers (estimate if necessary)

6 0

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.

8 Contributions and grants (Part VIII, line 1h)

Prior Year

Current Year

0. 0.

9 Program service revenue (Part VIII, line 2g)

35,418,830. 39,355,079.

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)

55,503. 14,896.

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)

0. 42.

12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)

35,474,333. 39,370,017.

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)

0. 0.

14 Benefits paid to or for members (Part IX, column (A), line 4)

0. 0.

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)

422,897. 284,766.

16a Professional fundraising fees (Part IX, column (A), line 11e)

0. 0.

b Total fundraising expenses (Part IX, column (D), line 25)

0. 0.

17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-14f)

33,445,650. 37,712,675.

18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)

33,868,547. 37,997,441.

19 Revenue less expenses. Subtract line 18 from line 12

1,605,786. 1,372,576.

20 Total assets (Part X, line 16)

Beginning of Current Year

End of Year

64,492,249. 69,722,793.

21 Total liabilities (Part X, line 26)

37,447,347. 41,971,631.

22 Net assets or fund balances. Subtract line 21 from line 20

27,044,902. 27,751,162.

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

Signature of officer

Date

JULIUS HACKETT, GENERAL MANAGER

Type or print name and title

Paid

Print/Type preparer's name

LENN L HALL

Preparer's signature

Lenn L Hall, CPA

Date

11/03/11

Check if self-employed

PTIN

Preparer Use Only

Firm's name ▶ NICHOLS, CAULEY & ASSOCIATES, LLC

Firm's EIN ▶

Firm's address ▶ 400 CORDER ROAD
WARNER ROBINS, GA 31088-7166

Phone no 478-929-3888

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

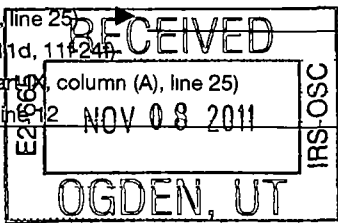
SCANNED DEC 02 2011

Activities & Governance

Revenue

Expenses

Net Assets or Fund Balances



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Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III ☐**1** Briefly describe the organization's mission:PROVIDE MEMBERS WITH ELECTRICITY**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 \$ 37997441. including grants of \$) (Revenue \$)
SALE OF ELECTRICITY TO COOPERATIVE MEMBERS**4b** (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4c** (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4d** Other program services. (Describe in Schedule O.)

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

4e Total program service expenses 37,997,441.

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)? <i>If "Yes," complete Schedule A</i>		X
2 Is the organization required to complete Schedule B, Schedule of Contributors?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</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? <i>If "Yes," complete Schedule C, Part II</i>		
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? <i>If "Yes," complete Schedule C, Part III</i>		
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? <i>If "Yes," complete Schedule D, Part I</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? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		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? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		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? <i>If "Yes," complete Schedule D, Part VI</i>	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? <i>If "Yes," complete Schedule D, Part VII</i>		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? <i>If "Yes," complete Schedule D, Part VIII</i>	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? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	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)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		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? <i>If "Yes," complete Schedule G, Part I</i>		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? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		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? If "Yes," complete Schedule I, Parts I and II		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? If "Yes," complete Schedule I, Parts I and III		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? If "Yes," complete Schedule J	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? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25		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? If "Yes," complete Schedule L, Part 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? If "Yes," complete Schedule L, Part 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? If "Yes," complete Schedule L, Part II		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? If "Yes," complete Schedule L, Part III		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? If "Yes," complete Schedule L, Part IV		X
28b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		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? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		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? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1		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)? If "Yes," complete Schedule R, Part V, line 2 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		
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? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck 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	22	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
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	75	
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)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
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)?		X
b	If "Yes," enter the name of the foreign country: <u>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.</u>		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
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?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
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?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
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?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	38,051,159.	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	1318858.	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
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.		
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		
c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

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	9	
1b Enter the number of voting members included in line 1a, above, who are independent	9	
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?		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?		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6 Does the organization have members or stockholders?	X	
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	X	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	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		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?		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?		
11a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	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	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	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	X	
13 Does the organization have a written whistleblower policy?	X	
14 Does the organization have a written document retention and destruction policy?	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	X	
b Other officers or key employees of the organization	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?		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?		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **NONE**

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: **JULIUS HACKETT, GENERAL MANAGER - 800-999-2285**
P.O. BOX 208, 2862 WEST US 90, MADISON, FL 32341-0208

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			
1b Sub-total								222,028.	0.	62,738.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								222,028.	0.	62,738.

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 **1**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		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? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>		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
WHITESTONE UTILITY SERVICES P.O. BOX 129, LINCOLNTON, GA 30817	RIGHT-OF-WAY MAINTENANCE	477,975.
THE DAVEY TREE EXPERT CO. 1500 NORTH MANTUA STREET, KENT, OH 44240	RIGHT-OF-WAY MAINTENANCE	249,328.
MUSGROVE CONSTRUCTION CO., INC. 8707 US HIGHWAY 90, LIVE OAK, FL 32060	LINE EXTENSIONS/WORK PLAN IMPROVEMENTS	185,905.
ANDERSON COLUMBIA CO., INC. P.O. BOX 1829, LAKE CITY, FL 32056	POLE REPLACEMENT	119,986.

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 **4**

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	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f					
	g Noncash contributions included in lines 1a-1f \$						
h Total. Add lines 1a-1f							
Program Service Revenue	2 a <u>ELECTRICITY SALES</u>	<u>Business Code</u> 221000	37,471,660.	37,471,660.			
	b <u>CAPITAL CREDITS</u>	221000	1181680.	1181680.			
	c <u>HOOK-UP & SERVICE CHGS</u>	221000	579,499.	579,499.			
	d <u>POLE RENTAL</u>	221000	122,240.			122,240.	
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f		39,355,079.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		51,217.			51,217.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross Rents	(i) Real (ii) Personal					
	b Less: rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss)						
	7 a Gross amount from sales of assets other than inventory	(i) Securities (ii) Other	19,950.				
	b Less: cost or other basis and sales expenses		56,271.				
	c Gain or (loss)		<36,321.>	<36,321.>			
	d Net gain or (loss)						
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
	b Less: direct expenses	b					
	c Net income or (loss) from fundraising events						
	9 a Gross income from gaming activities. See Part IV, line 19	a					
	b Less: direct expenses	b					
	c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a						
b Less: cost of goods sold	b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue			Business Code				
11 a <u>MISCELLANEOUS NONOPERA</u>	221000	42.	42.				
b							
c							
d All other revenue							
e Total. Add lines 11a-11d		42.					
12 Total revenue. See instructions		39,370,017.	39,196,560.	0.	173,457.		

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				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	284,766.	284,766.		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	1,614,777.	1,614,777.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	2,406,210.	2,406,210.		
23 Insurance				
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 POWER	25,885,351.	25,885,351.		
b OPERATIONS & MAINTENANC	3,732,245.	3,732,245.		
c GENERAL & ADMINISTRATIV	2,253,274.	2,253,274.		
d CONSUMER ACCOUNTS	1,820,818.	1,820,818.		
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	37,997,441.	37,997,441.	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	498,730.	1	716,765.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	3,210,963.	4	3,705,352.
	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		7	
	8 Inventories for sale or use	452,913.	8	507,384.
	9 Prepaid expenses and deferred charges	185,593.	9	239,206.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 83,173,284.		
	b Less: accumulated depreciation	10b 25,717,108.		
		55,409,071.	10c	57,456,176.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11	4,012,481.	13	5,144,689.
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11	722,498.	15	1,953,221.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	64,492,249.	16	69,722,793.	
Liabilities	17 Accounts payable and accrued expenses	3,391,504.	17	4,325,973.
	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	33,083,363.	23	36,609,070.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	972,480.	25	1,036,588.
	26 Total liabilities. Add lines 17 through 25	37,447,347.	26	41,971,631.
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	63,670.	30	63,975.
	31 Paid-in or capital surplus, or land, building, or equipment fund	0.	31	0.
	32 Retained earnings, endowment, accumulated income, or other funds	26,981,232.	32	27,687,187.
	33 Total net assets or fund balances	27,044,902.	33	27,751,162.
34 Total liabilities and net assets/fund balances	64,492,249.	34	69,722,793.	

Form 990 (2010)

Part XI Reconciliation of Net Assets

Check 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	39,370,017.
2	Total expenses (must equal Part IX, column (A), line 25)	2	37,997,441.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,372,576.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	27,044,902.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	<666,316.>
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	27,751,162.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

☒1 Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ 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?

b Were the organization's financial statements audited by an independent accountant?

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.

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:

☒ Separate basis ☐ Consolidated basis ☐ 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?

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.

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

Form 990 (2010)

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**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****Name of the organization**

TRI-COUNTY ELECTRIC COOPERATIVE, INC.

Employer identification number

59-0485704

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
 b ☐ Scholarly research
 c ☐ Preservation for future generations
 d ☐ Loan or exchange programs
 e ☐ Other _____

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	

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					

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				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other		83,173,284.	25,717,108.	57,456,176.
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				57,456,176.

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 derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ►		

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) PATRONAGE CAPITAL -		
(2) SEMINOLE ELECTRIC	3,305,078.	COST
(3) PATRONAGE CAPITAL -		
(4) NRUCFC	1,233,083.	COST
(5) PATRONAGE CAPITAL -		
(6) GRESCO	165,002.	COST
(7) PATRONAGE CAPITAL - SEDC	88,630.	COST
(8) OTHER INVESTMENTS IN		
(9) ASSOC. ORGAN.	352,896.	COST
(10)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 13.) ►		

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

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

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

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) CONSUMER DEPOSITS	988,271.
(3) CONSUMER ADVANCES FOR CONSTRUCTION	48,317.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ►	

1,036,588.

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	39,370,017.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	37,997,441.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	1,372,576.
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	<666,316.>
9	Total adjustments (net). Add lines 4 through 8	9	<666,316.>
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	706,260.

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	39,370,017.
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	39,370,017.
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	39,370,017.

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

1	Total expenses and losses per audited financial statements	1	37,997,441.
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	37,997,441.
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	37,997,441.

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 X, LINE 2: THE COOPERATIVE OPERATES UNDER THE INTERNAL REVENUE

CODE, SECTION 501(C)(12), AS A TAX-EXEMPT COOPERATIVE. ACCORDINGLY, NO

PROVISION FOR INCOME TAXES HAS BEEN MADE IN THE FINANCIAL STATEMENTS. THE

COOPERATIVE BELIEVES IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS

TAKEN, AND AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE

MATERIAL TO THE FINANCIAL STATEMENTS.

PART XI, LINE 8 - OTHER ADJUSTMENTS:

Part XIV Supplemental Information (continued)

RETIREMENT OF MEMBERS' PATRONAGE CAPITAL	-666,621.
INCREASE IN MEMBERSHIPS	305.
TOTAL TO SCHEDULE D, PART XI, LINE 8	-666,316.

PART X, LINE 2 - OTHER LIABILITIES:

THE ORGANIZATION'S AUDITED FINANCIAL STATEMENTS INCLUDE THE FOLLOWING FOOTNOTE THAT ADDRESSES THE ORGANIZATION'S LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48 (ASC 740):

THE COOPERATIVE OPERATES UNDER THE INTERNAL REVENUE CODE SECTION 501(C)(12) AS A TAX-EXEMPT COOPERATIVE. ACCORDINGLY, NO PROVISION FOR INCOME TAXES HAS BEEN MADE IN THE FINANCIAL STATEMENTS. THE COOPERATIVE BELIEVES IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN, AND AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENTS.

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

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**

Name of the organization

TRI-COUNTY ELECTRIC COOPERATIVE, INC.

Employer identification number

59-0485704

Part I Questions Regarding Compensation

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.

☐ First-class or charter travel

☐ Housing allowance or residence for personal use

☐ Travel for companions

☐ Payments for business use of personal residence

☐ Tax indemnification and gross-up payments

☐ Health or social club dues or initiation fees

☐ Discretionary spending account

☐ Personal services (e.g., maid, chauffeur, chef)

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

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?

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.

☐ Compensation committee

☐ Written employment contract

☐ Independent compensation consultant

☐ Compensation survey or study

☐ Form 990 of other organizations

☒ Approval by the board or compensation committee

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?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

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.

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.

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.

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

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

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

X

X

X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

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 H. JULIUS HACKETT	(i) 160,676.	0.	752.	41,848.	20,890.	224,166.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
2	(i)						
	(ii)						
3	(i)						
	(ii)						
4	(i)						
	(ii)						
5	(i)						
	(ii)						
6	(i)						
	(ii)						
7	(i)						
	(ii)						
8	(i)						
	(ii)						
9	(i)						
	(ii)						
10	(i)						
	(ii)						
11	(i)						
	(ii)						
12	(i)						
	(ii)						
13	(i)						
	(ii)						
14	(i)						
	(ii)						
15	(i)						
	(ii)						
16	(i)						
	(ii)						

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

Name of the organization

TRI-COUNTY ELECTRIC COOPERATIVE, INC.

Employer identification number

59-0485704

FORM 990, PART VI, SECTION A, LINE 6: INDIVIDUAL AND ENTITIES REQUESTING
SERVICE ARE REQUIRED TO PAY A ONE-TIME MEMBERSHIP FEE.

FORM 990, PART VI, SECTION A, LINE 7A: THE COOPERATIVE'S BOARD OF TRUSTEES
ARE ELECTED BY ITS MEMBERS. THE BOARD ELECTION IS HELD ANNUALLY IN
CONJUNCTION WITH THE CORPORATION'S ANNUAL MEMBER MEETING. THE MEMBERS ARE
THE ONLY ONES ALLOWED TO VOTE IN THE ANNUAL ELECTION OF BOARD MEMBERS.

FORM 990, PART VI, SECTION A, LINE 7B: CERTAIN DECISIONS, SUCH AS BY-LAWS
CHANGES, MUST BE APPROVED BY THE MEMBERS.

FORM 990, PART VI, SECTION B, LINE 11: THE FILING REQUIREMENTS OF FORM 990
IN GENERAL AND THIS FORM 990 SPECIFICALLY WERE REVIEWED WITH THE BOARD OF
TRUSTEES AND CERTAIN MEMBERS OF MANAGEMENT BY THE CERTIFIED PUBLIC
ACCOUNTING FIRM THAT PREPARED THE FORM 990.

FORM 990, PART VI, SECTION B, LINE 12C: AN ANNUAL DISCLOSURE OF ANY
CONFLICTS OF INTEREST IS REQUIRED BY ALL OFFICERS, TRUSTEES AND KEY
EMPLOYEES, AND THE BOARD OF TRUSTEES REVIEWS THE DISCLOSURES.

FORM 990, PART VI, SECTION B, LINE 15: THE GENERAL MANAGER'S ANNUAL
COMPENSATION IS BASED ON VARIOUS CRITERIA THAT ARE REVIEWED BY THE BOARD OF
TRUSTEES IN APPROVING SUCH COMPENSATION. ANNUAL COMPENSATION FOR CERTAIN
OTHER EMPLOYEES IS INITIALLY SET BY THE GENERAL MANAGER AND IS THEN SUBJECT
TO TRUSTEE APPROVAL.

Name of the organization

TRI-COUNTY ELECTRIC COOPERATIVE, INC.

Employer identification number

59-0485704

FORM 990, PART VI, SECTION C, LINE 19: SUCH INFORMATION IS AVAILABLE TO
THE PUBLIC UPON RECEIPT OF A REASONABLE REQUEST.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

RETIREMENT OF MEMBERS' PATRONAGE CAPITAL -666,621.

INCREASE IN MEMBERSHIPS 305.

TOTAL TO FORM 990, PART XI, LINE 5 -666,316.

FORM 990, PART XII, LINE 2C:

THE BOARD OF DIRECTORS AND ITS DESIGNEES ASSUME RESPONSIBILITY FOR
OVERSIGHT OF THE COOPERATIVE'S FINANCIAL AUDITS AND THE SELECTION OF
THE COOPERATIVE'S AUDITORS. THIS PROCESS HAS NOT CHANGED SINCE THE
PRIOR YEAR.

BYLAWS
of
TRI-COUNTY ELECTRIC
COOPERATIVE, INC.

ARTICLE I

MEMBERSHIP

Section 1. Requirements for Membership. Any person, firm, association, corporation or body politic or subdivision thereof may become a member in Tri-County Electric Cooperative, Inc., (hereinafter called the "Cooperative") by:

- (a) Filing a written application for membership therein;
- (b) Agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- (c) Agreeing to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the Board of Trustees, and
- (d) Paying the membership fee hereinafter specified, provided, however, that no person, firm, association, corporation or body politic or subdivision thereof shall become a member unless and until he or it has been accepted for membership by the Board of Trustees or the members. No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable.

At each meeting of the members held subsequent to the expiration of a

period of six months from the date of incorporation of the Cooperative, all applications received more than ninety days prior to such meeting and which have not been accepted or which have been rejected by the Board of Trustees shall be submitted by the Secretary to such meeting and, subject to compliance by the applicant with the requirements hereinabove set forth, such applications or any one or more of them may be accepted by vote of the members. The Secretary shall give each such applicant at least ten days notice of the date of the members' meeting to which his application will be submitted and such applicant shall be entitled to be present and heard at the meeting.

Section 2. Membership Certificates. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board of Trustees. Such certificate shall be signed by the President and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto. No membership certificate shall be issued for less than the membership fee fixed in these bylaws, nor until such membership fee has been fully paid for in cash. In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative as the Board of Trustees may prescribe.

Section 3. Joint Membership. A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect to the holders of a joint membership shall be as follows:

- (a) The vote of either separately or both jointly shall constitute one joint vote;
- (b) A waiver of notice signed by either or both shall constitute a joint waiver,
- (c) Notice to either shall constitute notice to both,

- (d) Expulsion of either shall terminate the joint membership,
- (e) Withdrawal of either shall terminate the joint membership,
- (f) Either but not both may be elected or appointed as an officer or trustee, provided that both meet the qualifications for such office

Section 4. Conversion of Membership.

- (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the articles of incorporation, bylaws and rules and regulations adopted by the Board of Trustees. The outstanding membership certificate shall be surrendered, and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status.
- (b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered, and shall be reissued in such manner as shall indicate the changed membership status, provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

Section 5. Membership and Service Connection Fees. The membership fee shall be five dollars. Upon the payment of the membership fee and such service charge and deposit as may from time to time be set by the Board of Trustees of the Cooperative, the member shall be eligible for service.

Section 6. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in his application for membership, and shall pay therefore monthly at rates which shall from time to time be fixed by the Board of Trustees, provided, however, that the Board of Trustees may limit the amount of electric energy which the Cooperative shall be required to furnish to any one member. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members.

as capital and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board of Trustees from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable. Payment for electricity shall include for each member a subscription to a publication or newsletter published on a periodic basis and consisting primarily of matters pertaining to rural electrification and to matters of interest to members of rural electric cooperatives.

Section 7. Termination of Membership. Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Trustees may prescribe. The Board of Trustees of the Cooperative may, by the affirmative vote of not less than two-thirds of all the trustees, expel any member who shall have refused or failed to comply with any of the provisions of the articles of incorporation, bylaws or rules or regulations adopted by the Board of Trustees, but only if such member shall have been given written notice by the Secretary of the Cooperative that such refusal or failure makes him liable to expulsion and such refusal or failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the Board of Trustees or by vote of the members at any annual or special meeting.

Upon the withdrawal, death, cessation of existence or expulsion of a member the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

ARTICLE II

RIGHTS AND LIABILITIES OF MEMBERS

Section 1. Property interest of Members. Upon dissolution, after (a) all debts and liabilities of the Cooperative shall have been paid, and (b) all capital furnished through patronage shall have been retired as provided in these bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former

members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the seven years next preceding the date of the filing of the certificate of dissolution, or, if the Cooperative shall not have been in existence for such period, during the period of its existence.

Section 2. Non-Liability for Debts of the Cooperative. The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the members shall be held on the third Saturday in September of each year beginning with the year 1941, at such place in the County of Madison, Jefferson or Taylor of the State of Florida, as shall be designated in the notice of the meeting, for the purpose of electing trustees, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings. Special meetings of the members may be called by resolution of the Board of Trustees, or upon a written request signed by any three trustees, by the President, or by ten per centum or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the County of Madison, Jefferson or Taylor, State of Florida, specified in the notice of the special meeting

Section 3. Notice of Members' Meetings. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, a district meeting or an annual meeting at which business other than that listed in Section 8 of this

article is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than forty-five (45) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon pre-paid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Section 4. Quorum. Three percent, or such other lesser percent as may be from time to time hereafter provided for by the Laws of the State of Florida, of all members present in person shall constitute a quorum for the transaction of business at all meetings of the members. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

Section 5. Voting. Each member shall be entitled to only one vote. All questions shall be decided by a vote of a majority of the members voting thereon in person, except as otherwise provided by law, the articles of incorporation or these bylaws. No voting by mail or by proxy shall be permitted.

Section 6. Voting Districts. The territory served or to be served by the Cooperative shall be divided into nine districts, each of which shall contain as nearly as possible the same number of members*. Each district shall be represented by one trustee. The original nine Districts shall be as follows:

District No. 1; District No. 2, District No. 3,
District No. 4, District No. 5, District No. 6;
District No. 7, District No. 8, District No. 9.

Not less than sixty days before any meeting of the members at which trustees are to be elected, the Board of Trustees shall review the composition of the several districts and, if it should be found that inequalities in representation have developed which can be corrected by a redelineation of districts, the Board of Trustees shall reconstitute the districts.

so that each shall contain as nearly as possible the same number of members

**Division into districts may be on the basis of the distribution line layout without regard to political subdivision Or, the basic unit for the delineation of districts may be the township, the county commissioner's district, or any other suitable political subdivision If the latter plan is used, the basic unit shall be small enough so that serious inequalities in the membership of the various districts can be avoided*

Section 7. Nomination and Election of Trustees.

(a) Nomination at District Meetings. Not less than thirty days nor more than sixty days before any meeting at which trustees are to be elected, the Board of Trustees shall call a separate meeting of the members of each district at a suitable place in such district for the purpose of selecting two persons as candidates for trustee to represent the members located within such district The notice of such meeting shall be delivered to each member located in such district as provided in Section 3 of this Article and shall indicate the district to which such member belongs The notice shall state that nominations for trustees are to be made at the meeting. The meeting shall, however, be open for discussion of any other matters pertaining to the business of the Cooperative, regardless of whether or not such matters were listed in the notice of the meeting, and recommendations with respect thereto may be submitted to the Board of Trustees or the entire membership.

The district meeting shall be called to order by the trustee representing the district or by another designated representative of the Board of Trustees, or, in his absence, by any member residing within the district. The members shall then proceed to elect a chairman, who shall be someone other than a trustee, and who shall appoint a secretary to act for the duration of the meeting Fifteen members residing in the District present at such duly called district meeting shall constitute a quorum. Members of other districts present at the meeting may be heard but shall have no vote. Nominations for candidates for trustee shall be made from the floor at the meeting, and any member residing in the district shall have the right to nominate one candidate The meeting shall remain open for nominations until no further nominations are forthcoming Candidates must be members residing in the district and must possess the qualifications for trustee specified in Section

2 of Article IV of these bylaws.

Voting shall be by ballot. Each member may vote for one candidate. If more than one candidate is nominated, the two candidates receiving the highest number of votes shall be declared the official candidates of the district. The minutes of such district meeting shall set forth, among other matters, the name of each person nominated at the meeting and the number of votes received by each, and shall specify the two official candidates of the district. A certified copy of the minutes, signed by the secretary and the chairman of the district meeting, shall be delivered to the Secretary of the Cooperative within five days after such district meeting.

(b) Election of Trustees. Not less than ten days before an annual or special meeting of the members at which trustees are to be elected, the Secretary of the Cooperative shall mail to each member a list of the candidates selected at all district meetings, the names to be arranged by districts and in the order of preference indicated by the respective district vote. This list may be included with the notice of the meeting. At the meeting the Secretary of the Cooperative shall place in nomination the names of the official candidates of each district. Additional nominations for trustees for a particular district may be made from the floor; provided, however, that the person making the nomination must reside in the same voting district as the person whose name he places in nomination and provided further, that any member desiring to make an additional nomination for trustee from the floor must, at least fifteen (15) days prior to an Annual or Special Meeting of the members at which trustees are to be elected, file at the Main Headquarters Building of the Cooperative in Madison County, Florida, with the Secretary of the Cooperative, or a person designated in writing by the Secretary of the Cooperative, a written statement of the intention of such member to make such additional nomination from the floor and list in such written statement the name of the member he intends to nominate from the floor. Election of trustees shall be by printed or xerographically prepared ballot. The ballots shall list the candidates selected at the district meetings, the names to be arranged by districts and in the order of preference indicated by the respective district vote. A candidate nominated from the floor of the meeting may be voted for by writing in the name of such candidate beneath the names of the official candidates of the particular

district Each member of the Cooperative present at the meeting shall be entitled to vote for one candidate from the district in which he receives service The candidate from each district receiving the highest number of votes at this meeting shall be considered elected as trustee

Section 8. Order of Business. The order of business at the annual meeting of the members and, so far as possible at all other meetings of the members, shall be essentially as follows:

- a. Report as to the number of members present in order to determine the existence of a quorum
- b. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be
- c. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- d. Presentation and consideration of reports of officers, trustees and committees.
- e. Election of trustees.
- f. Unfinished business.
- g. New business.
- h. Adjournment.

ARTICLE IV

TRUSTEES

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of nine trustees which shall exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation or these bylaws conferred upon or reserved to the members.

Section 2. Qualification and Tenure. The persons named as trustees

in the articles of incorporation shall compose the Board of Trustees until the first annual meeting or until their successors shall have been elected and shall have qualified. At the annual meeting in the year 1955, the trustees from districts 3, 5 and 6 shall be elected from the members to serve until the annual meeting of the members in 1956 or until the election of their respective successors; the trustees from districts numbered 7, 8 and 9 shall be elected from the members to serve until the annual meeting of the members in 1957 or until the election of their respective successors, and the trustees from districts numbered 1, 2 and 4 shall be elected from the members to serve until the annual meeting of the members in 1958, or until the election of their respective successors. Trustees elected at the annual meeting of the members in 1956 and all subsequent annual meetings of the members shall hold office for a term of three years, or until the election of their respective successors. The trustees elected at the annual meeting of the members in the year 1954 shall hold office until the annual meeting of the members in the year 1955. If the election of trustees has not been held on the day designated herein for the annual meeting, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

No person shall be eligible to become or remain a trustee or to hold any position of trust in the Cooperative who:

- (a) is not a member of the Cooperative purchasing electric energy used at his usual bona fide place of residence, from the Cooperative, and a bona fide resident of the particular district which he is to represent; or
- (b) is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative.

Upon establishment of the fact that a trustee is holding office in violation of any of the foregoing provisions, it shall immediately become incumbent upon the Board of Trustees to remove such trustee from office.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Trustees.

Section 3. Removal of Trustees by Members. Any member may bring charges against a trustee by filing such charges in writing with the Secretary, together with a petition signed by at least ten per centum of the members and request the removal of such trustee by reason thereof. The trustee against whom such charges have been brought shall be informed in writing of the charges at least five days prior to the meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges, and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such trustees shall be considered and voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations, except that the new trustee must reside in the same district as the trustee in respect of whom the vacancy occurs.

Section 4. Vacancies. Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of trustees by the members, a vacancy occurring in the Board of Trustees shall be filled by the affirmative vote of a majority of the remaining trustees for the unexpired portion of the term of the trustee in respect of whom the vacancy occurs. The member elected as trustee to fill the vacancy must reside in the same district as the trustee to whose office he succeeds.

Section 5. Compensation. Trustees as such shall not receive any salary for their services. By resolution of the Board of Trustees a fixed fee and expenses of attendance, if any, may be allowed to each trustee for attendance at each meeting of the Board of Trustees, and such may be allowed for the performance of other Cooperative business provided it has the prior approval of the Board of Trustees. Changes in the level of the fixed fee shall be approved by the members of the Cooperative at an annual or special meeting of the members. Except as provided herein, no trustee shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a trustee receive compensation for serving the Cooperative, unless the payment of compensation shall be specifically authorized by a vote of the members or the service of such trustee or close relative shall have been certified by the Board of Trustees as an

emergency measure The provisions of this Section regarding any close relative of a trustee shall not apply to a close relative of a trustee who was employed by the Cooperative prior to the election of such trustee

ARTICLE V

MEETINGS OF TRUSTEES

Section 1. Regular Meetings. A regular meeting of the Board of Trustees shall be held without notice other than this bylaw, immediately after, and at the same place as the annual meeting of the members. A regular meeting of the Board of Trustees shall also be held monthly at such time and place in Madison, Jefferson or Taylor County, Florida, as the Board of Trustees may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

Section 2. Special Meetings. Special meetings of Board of Trustees may be called by the President or by any three trustees, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the trustees calling the meeting shall fix the time and place for the holding of such meeting.

Section 3. Notice of Trustees' Meetings. Written notice of the time, place and purpose of any special meeting of the Board of Trustees shall be delivered not less than five days previous thereto, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the trustees calling the meeting, to each trustee. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the trustee at his address as it appears on the records of the Cooperative, with postage thereon prepaid.

Section 4. Quorum. A majority of the Board of Trustees shall constitute a quorum, provided, that if less than such majority of the trustees is present at said meeting, a majority of the trustees present may adjourn the meeting from time to time; and

provided further, that the Secretary shall notify any absent trustees of the time and place of such adjourned meeting. The act of the majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees

ARTICLE VI

OFFICERS

Section 1. Number. The officers of the Cooperative shall be a President, Vice-President, Secretary and Treasurer, and such other officers as the Board of Trustees may determine from time to time. The offices of Secretary and of Treasurer may be held by the same person.

Section 2. Election and Term of Office. The officers shall be elected, by ballot, annually by and from the Board of Trustees at the meeting of the Board of Trustees held directly after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Trustees following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board of Trustees for the unexpired portion of the term.

Section 3. Removal of Officers and Agent by Trustees. Any officer or agent elected or appointed by the Board of Trustees may be removed by the Board of Trustees whenever in its judgment the best interest of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer by filing such charges in writing with the Secretary together with a petition signed by ten per centum of the members and request the removal of the particular officer by reason thereof. The officer against whom such charges have been brought shall be informed in writing of the charges at least five days prior to the meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the

removal of such officer shall be considered and voted upon at the next regular or special meeting of the members

Section 4. President. The President shall.

- (a) be the principal executive officer of the Cooperative and, unless otherwise determined by the members of the Board of Trustees, shall preside at all meetings of the members and the Board of Trustees,
- (b) sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the Board of Trustees or the members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Trustees to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Trustees or by these bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed, and
- (c) in general perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Trustees from time to time.

Section 5. Vice President. In the absence of the President, or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall also perform such other duties as from time to time may be assigned to him by the Board of Trustees.

Section 6. Secretary. The Secretary shall

- (a) keep the minutes of the meetings for the members and of the Board of Trustees in one or more books provided for that purpose,
- (b) see that all notices are duly given in accordance with these bylaws or as required by law,
- (c) be custodian of the corporate records and of the seal of the Cooperative and affix the seal of the Cooperative to all certificates of

membership prior to the issue thereof and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws,

- (d) keep a register of the names and post office addresses of all members;
- (e) sign, with the President, certificates of membership, the issue of which shall have been authorized by the Board of Trustees or the members,
- (f) have general charge of the books of the Cooperative in which a record of the members is kept,
- (g) keep on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member, and at the expense of the Cooperative, forward a copy of the bylaws and of all amendments thereto to each member, and
- (h) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Trustees

Section 7. Treasurer. The Treasurer shall

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative,
- (b) be responsible for the receipt of and the issuance of receipts for moneys due and payable to the Cooperative from any source whatsoever, and for the deposit of all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws, and
- (c) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Trustees.

Section 8. Manager. The Board of Trustees may appoint a manager who may be, but who shall not be required to be, a member of the Cooperative The manager

shall perform such duties and shall exercise such authority as the Board of Trustees may from time to time vest in him.

Section 9. Bonds of Officers. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall give bond in such sum and with such surety as the Board of Trustees shall determine. The Board of Trustees at its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine.

Section 10. Compensation. The powers, duties and compensation of any officers, agents and employees shall be fixed by the Board of Trustees, subject to the provisions of these bylaws with respect to compensation for trustees and close relative of trustees

Section 11. Reports. The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII

NON-PROFIT OPERATION

Section 1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

Section 2. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure

that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account on a patronage basis to all its patrons, members and non-members alike, for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons, members and non-members alike, as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Trustees shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the Board of Trustees, acting under policies of general application, shall determine otherwise. In the event that a non-member patron shall elect to become a member of the Cooperative the capital credited to the account of such non-member

patron may be applied by the Cooperative toward the payment of a membership fee on behalf of such non-member patron

Notwithstanding any other provision of these bylaws, the Board of Trustees, at its discretion, shall have the power at any time upon death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Trustees, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon, provided, however, that the financial condition of the Cooperative will not be impaired thereby

No member of the Cooperative shall be entitled to receive any retirement of capital credits if such member is delinquent in any indebtedness to the Cooperative in any manner. Any indebtedness due to the Cooperative by any member shall be set off against the capital credits of such member at the time of the cash payment of such capital credits, whether the Statute of Limitations has run against such indebtedness of the member or not

Notwithstanding any other bylaw provision or provisions in the membership agreement, if a member ("member" as used in this paragraph shall include a former member) fails to claim any cash retirement of capital credits or other payment due the member within 7 years after payment of the same has been declared payable to such member by a notice or check mailed to the member at the last known address of the member, then such failure shall be, and constitutes an absolute and irrevocable contribution of the payment due the member to the Cooperative, less any charges for maintaining the member's accounts approved by the Board of Trustees, which charges are hereby specifically authorized. The Cooperative's notice obligation to the member shall be satisfied by a good faith attempt to deliver a notice or payment to the member at the last address furnished by the member to the Cooperative.

The patrons of the Cooperative, by dealing with the Cooperative acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article

of the bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office

Section 3. Patronage Refunds in Connection with Furnishing

Other Services. In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons, members and non-members alike, from whom such amounts were obtained.

Section 4. Voluntary Contributions for Educational

Scholarships. The Board of Trustees may in its discretion establish a post-secondary educational scholarship program for the benefit of Cooperative Members and their families to be funded through voluntary contributions from Members through monthly bills or otherwise with the administrative cost of such program being borne by the Cooperative.

ARTICLE VIII

DISPOSITION OF PROPERTY

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds of all of the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of Trustees of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom all upon

such terms and conditions as the Board of Trustees shall determine, to secure any indebtedness of the Cooperative to United States of America or any instrumentality or agency thereof, or to any financing institution, organized on a Cooperative plan for the purpose of financing its members' programs, projects and undertakings, in which the Cooperative holds membership

ARTICLE IX

SEAL

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Florida"

ARTICLE X

FINANCIAL TRANSACTIONS

Section 1. Contracts. Except as otherwise provided in these bylaws, the Board of Trustees may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

Section 3. Deposits. All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board of Trustees may select.

Section 4. Change in Rates. Written notice shall be given to the Administrator of the Rural Utilities Service of the United States of America not less than

ninety days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.

Section 5. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and end on the thirty-first day of December of the same year.

ARTICLE XII

MISCELLANEOUS

Section 1. Membership in Other Organizations. The Cooperative shall not become a member of any other organization without an affirmative vote of the members at a meeting called as provided in these bylaws, and the notice of said meeting shall specify that action is to be taken upon such proposed membership as an item of business, provided, however, that the trustees shall have full power and authority on behalf of the Cooperative to purchase stock in or to become a member of, any corporation or cooperative organized on a non-profit basis for the purpose of engaging in rural electrification

Section 2. Waiver of Notice. Any member or trustee may waive in writing, any notice of a meeting required to be given by these bylaws. The attendance of a member or trustee at any meeting shall constitute a waiver of notice of such meeting by such member or trustee, except in case a member or trustee shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

Section 3. Rules and Regulations. The Board of Trustees shall have power to make and adopt such rules and regulations, not inconsistent with law, the articles of incorporation or these bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative

Section 4. Accounting System and Reports. The Board of Trustees shall cause to be established and maintained a complete accounting system which, among

other things, subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. All accounts of the Cooperative shall be examined by a committee of the Board of Trustees which shall render reports to the Board of Trustees at least four times a year at regular meetings of the Board of Trustees. The Board of Trustees shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall be submitted to the members at the following annual meeting

ARTICLE XIII

AMENDMENTS

These bylaws may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal or an accurate summary explanation thereof. Voting on proposed changes to the bylaws shall be done in a manner insuring that only members or persons authorized to vote on behalf of an entity member vote

C E R T I F I C A T E

I, Albert Thomas, Jr , do hereby certify that I am Secretary of **TRI-COUNTY ELECTRIC COOPERATIVE, INC.**, and that the foregoing is a true and correct copy of the By-Laws of **TRI-COUNTY ELECTRIC COOPERATIVE, INC.**, including all amendments, additions and revisions through September 15, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal
of **TRI-COUNTY ELECTRIC COOPERATIVE, INC.** this 8th day of October 2007.

Albert Thomas, Jr

S E A L

I. SUBJECT: CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS

II. OBJECTIVE:

To designate those areas where the Trustees and employees of Tri-County Electric Cooperative, Inc., should avoid conflicts of interest, related party transactions, or any appearance of conflict of interest, in order that the affairs of Tri-County Electric Cooperative, Inc., will always be conducted in a proper, honest, business-like and ethical manner.

III. POLICY:

- A. Directors and employees are prohibited from receiving gifts, fees, loans or favors from suppliers, contractors, consultants or financial institutions which would appear to obligate or induce them to compromise their responsibilities to negotiate, obligate, inspect or audit, or award contracts to the best interests of Tri-County Electric Cooperative, Inc. This does not prohibit receiving gifts or favors of nominal value or casual entertainment which meet all normal standards of ethical business conduct and involve no element of concealment.
- B. Trustees and employees are prohibited from using information available to them as a result of their office or employment with Tri-County Electric Cooperative, Inc., for personal gain or to the detriment of Tri-County Electric Cooperative, Inc. Unless authorized, they are also prohibited from negotiating on behalf of Tri-County Electric Cooperative, Inc.
- C. Trustees and employees are prohibited from acquiring or having a financial interest in any property which Tri-County Electric Cooperative, Inc., acquires or a direct or indirect financial interest in a supplier, contractor, consultant, or other entity with which Tri-County Electric Cooperative, Inc., does business. This does not prohibit the ownership of securities in a publicly-owned company except in a substantial amount by those in a position to materially influence or affect the business relationship between Tri-County Electric Cooperative, Inc., and such publicly-owned company. Any interest in or relationship with an outside organization or individual having business dealings with Tri-County Electric Cooperative, Inc., is prohibited if such interest or relationship might tend to impair the ability of the trustees or the employee to serve the best interests of Tri-County Electric Cooperative, Inc. If a relative of a Trustee or employee has a financial interest as specified above, such interest shall be fully disclosed to the Board of Trustees which shall decide if such interest should prevent Tri-County Electric Cooperative, Inc., from entering into a particular transaction, purchase or employment of services. The term relative means a person who is related to the principal person as a child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece by blood, spouse, or an in-law. "In-law" shall mean not only such persons as father-in-law, mother-in-law, brother-in-law, sister-in-law, daughter-in-law or son-in-law but shall also include any step relatives, adoptive, half and foster persons.
- D. Every Trustee and employee of Tri-County Electric Cooperative, Inc., is expected to avoid situations which might be construed as conflicts of interest. It is not feasible

to describe all the circumstances and conditions that might have the potential of being considered conflicts of interest in a policy statement such as this.

- E. All related party transactions shall be approved or ratified in accordance with this policy by the General Manager. A "Related Party Transaction" is defined as any transaction, or a series of similar transactions, which is currently proposed or has been in effect at any time since the beginning of the last fiscal year in which the cooperative was, or is proposed to be, a participant, in which a related party had, or will have a direct or indirect material interest.

The review of Related Party Transactions will include:

- 1) The terms of the transaction
- 2) The business purpose of the transaction
- 3) The benefits to the cooperative and to the related party

A "Related Party" means any person:

- 1) Who is at any time since the beginning of the cooperative's last fiscal period was an employee or trustee of the cooperative.
- 2) Who is a relative to include any child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece by blood, spouse, or an in-law. "In-law" shall mean not only such persons as father-in-law, mother-in-law, brother-in-law, sister-in-law, daughter-in-law or son-in-law but shall also include any step relatives, adoptive, half and foster persons.

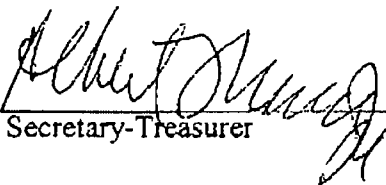
The General Manager will analyze the following factors, in addition to any other factors the General Manager deems appropriate in determining whether to approve a Related Party Transaction.

- Fairness of the terms for the cooperative.
- Role of the Related Party in the transaction.
- Interests of all Related Parties in the transaction.
- Business reasons for the cooperative to enter into the Related Party Transaction.
- Whether the terms of the Related Party Transaction are fair to the cooperative and such terms would be on the same basis if the transaction did not involve a Related Party.

IV. RESPONSIBILITY:

- A. Each Trustee and employee of Tri-County Electric Cooperative, Inc., shall make every reasonable effort to comply with the letter and spirit of this policy.
- B. Each Trustee and employee must disclose any situation which, in his opinion, violates, may violate or could appear to violate the intent of this policy.
- C. The Policy Committee of the Board is responsible for reviewing all policy interpretations or violations. Interpretations or violations considered inconsistent with these policies are to be reported to the entire Board.

Attested:



Secretary-Treasurer

Approved: June 10, 1991
Revised: February 9, 2009; February 14, 2011
Effective: June 10, 1991; February 9, 2009, February 14, 2011
Reference: Minutes, Board of Trustees' Meeting, June 10, 1991; February 9, 2009; February 14, 2011

I. SUBJECT: WHISTLEBLOWER

II. OBJECTIVE:

This policy is intended to set forth guidance concerning Tri-County Electric Cooperative, Inc. (TCEC) whistleblower complaint procedures and the anti-retaliation protections afforded to personnel of TCEC. TCEC is committed to full compliance with applicable state and federal laws or unethical conduct in all aspects of its operations. TCEC encourages reporting (following Complaint Procedures, below) of truthful information regarding violations or potential violations of federal or state laws. All complaints brought in good faith will be investigated and all legal noncompliance will be corrected promptly. TCEC prohibits retaliation against any person who utilizes this Complaint Procedure or who participates in an investigation pursuant to this policy. TCEC also complies fully with all state and federal laws that protect employees from retaliation for reporting truthful information to state or federal law enforcement or for testifying, participating in, or otherwise assisting with investigations or enforcement actions against TCEC.

III. POLICY:

(a) Reporting Information Regarding Federal/State Law Violations, TCEC Bylaws and/ or TCEC Policies, Questionable or Improper Accounting or Auditing Practices

- (1) Individuals who reasonably believe they have information regarding a violation of Federal or State law, TCEC Bylaws and/or TCEC Policies, shall bring their complaint as follows:**
 - (I) Employee:** Allegations relative to employee activities are to be made to the General Manager. The General Manager will notify TCEC's retained attorney to determine the applicable course of action.
 - (ii) General Manager:** Allegations relative to the General Manager shall be made to the Chairman of the Board of Trustees.
 - (iii) Member of the Board of Trustee other than Chairman:** Allegations relative to a member of the Board of Trustees other than its Chairman shall be made to the Chairman of the Board of Trustees.
 - (iv) Chairman of the Board of Trustees:** Allegations relative to activities of the Chairman of the Board shall be made to the TCEC retained attorney. The retained attorney shall make adequate inquiry into the allegations and advise the proper person or entity as to the appropriate procedure to be taken.
- (2) Any complaint brought in good faith will be investigated promptly and, if required, corrective action will be taken promptly. Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate**

investigation. The recipient of a complaint will notify the complainant within seven (7) business days acknowledging the receipt of the complaint.

- (3) Retaliation against an individual who reports violations or potential violations of state or federal law that the individual reasonably believed to be true and accurate is a serious violation of this policy and will be subject to disciplinary action. This whistleblower protection against retaliation extends to any individual who makes reports that the individual reasonably believed to be true and accurate internally at TCEC who makes such reports externally to state or federal law enforcement, or who testifies, participates in, or otherwise assists with any such internal or external investigation or enforcement activities against TCEC.
- (4) Acts of retaliation should be reported immediately to the General Manager and such acts will be promptly investigated and addressed.
- (5) Misconduct constituting retaliation for whistleblower activities will be dealt with appropriately. Responsive action may include: training, referral to counseling and/or disciplinary action such as warning, reprimand, withholding of a promotion or pay increase, reassignment, temporary suspension without pay or termination of employment as TCEC believes appropriate under the circumstances.
- (6) Individuals who make false and malicious complaints under this policy (as opposed to complaints which, even if erroneous, are made in good faith based on a reasonable belief in the truth and accuracy of such information) may be subject to appropriate disciplinary action, including termination of employment.
- (7) Complaints or reports of alleged unlawful activity must be in writing and signed by the person making the complaint or report.
- (8) If the investigation concludes that fraudulent or dishonest conduct has not occurred, the investigating representative will explain to the employee who reported the concern the reason for the determination. The complaining employee may then appeal the findings to the Board of Trustees within thirty (30) days of receiving the report from the investigating representative.

(b) Conclusion

TCEC has developed this policy so that all TCEC personnel will work together to maintain the highest level of compliance with all state and federal laws, bylaws and policies. TCEC will make every reasonable effort to ensure that all concerned are familiar with these policies and that any violation of such policies will be investigated and resolved appropriately. Any trustee or employee who has any questions or concerns about this policy should talk with the General Manager or with the retained TCEC Attorney.

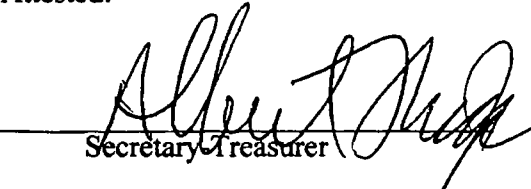
IV. APPLICABILITY

It is the responsibility of all trustees and employees to comply with this policy and report concerns in accordance with this policy.

V. RESPONSIBILITY:

The Board Chairman/General Manager shall ensure that this policy is implemented.

Attested:



Secretary-Treasurer

Reviewed: April 11, 2011
Approved: December 8, 2008
Revised:
Effective: December 8, 2008
Reference: Minutes, Board of Trustees' Meeting, December 8, 2008

I. SUBJECT: **RECORD RETENTION AND PRESERVATION**

II. OBJECTIVE:

To insure the retention of all records created by or for the cooperative, whether paper or electronic, that are necessary or advisable to retain for business operations; accounting, audit, tax and financial purposes; compliance with applicable laws; possible future use in litigation involving the Cooperative; and possible future use in and official proceeding or governmental investigation or other matter. Other records that are not necessary to retain for these reasons shall be destroyed in accordance with the guidelines set forth in this policy.

III. POLICY AND PROCEDURES:

- A. Records of the Cooperative, which may be in paper or electronic form, shall be classified as set forth below and retained in accordance with the following:
1. Records required to be kept by applicable federal, state or local laws.
 2. Records necessary to document the cooperative's compliance with applicable laws and regulations.
 3. Records that are advisable to keep because of unusual events such as litigation or government investigation.
 4. Records critical to the operations of the business or necessary for other business reasons.
 5. Records not necessary for business or legal or business reasons, and therefore appropriate for destruction at some point in time.

B. Retention time frames for special categories of records.*:

The following category of documents shall be retained in accordance with the schedules set forth in 18 CFR Part 125 – Preservation – which is attached hereto and hereby incorporated by reference

1. General correspondence and internal memoranda.
2. General Corporate records (e.g. articles, bylaws and amendments to them, business license, minutes, annual reports, financing documents, etc.)
3. Legal files and papers (e.g. litigation files, legal memorandum and opinions, etc.)
4. Contracts.
5. Pension documents and supporting employee data.
6. Personnel records (e.g. union contracts, attendance records, performance evaluations, job descriptions, safety or injury reports, employee handbooks, etc.)
7. Insurance records (e.g. policies, certificates, group insurance plans and claims files, etc.)
8. Accounting and financial records (e.g. annual audited financial statements, general ledgers, monthly financials, bank statements, accounts receivable invoices, budgets, inventory records, etc.)
9. Tax records (e.g. Form 990 returns, payroll tax records, sales and use tax records, property tax records, etc.)
10. Payroll documents (e.g. time cards, employee deduction authorizations, etc.)
11. Plant and property records (e.g. original purchase, sale or lease agreements or purchase orders, property deeds, easements/right-of-way, original trademarks or copyrights, etc.)
12. Safety and environmental documents (e.g. OSHA records, environmental monitoring, inspection, spill or disposal records, etc.)

13. Operational documents (e.g. work orders, construction plans and progress reports, etc.)
 14. Service reports (e.g. connections and disconnections, service complaints, inspection reports, incident reports, etc.)
 15. Sales and marketing records (e.g. advertising, marketing and informational program materials, sales reports, etc.)
 16. General/Other (e.g. consultant reports, charitable contributions, major speeches or press statements by board or management, trade association information, project files, items of historical significance, etc.)
- C. Tapes of the Cooperative's Annual and Special Meetings of members, Board of Trustee Meetings, Trustee Committee Meetings or Special Called Meetings of the Board of Trustees shall be retained until such time as the minutes from the meeting have been approved by the members or trustees as applicable and then erased and used again as practical to tape future meetings. It is not necessary to tape workshop meetings of the Board of Trustees at which no official actions will be taken.
- D. Legal Hold Procedures. Notwithstanding the foregoing retention and destruction schedules, upon receipt of notice of a claim against the cooperative or the filing of a lawsuit, and in any event at the direction of the general manager or cooperative attorney, the Cooperative shall identify, segregate and preserve against destruction any and all documents relevant to the claim or action until such time as the action has been completed or the applicable time for filing the claim has expired.

IV. APPLICABILITY

- A. This policy is applicable to all paper, electronic and tape recorded records of the Tri-County Electric Cooperative, Inc.

V. RESPONSIBILITY:

- A. Every employee, director and agent of Tri-County Electric Cooperative, Inc. shall be responsible for compliance of this policy.

Attested:

Secretary-Treasurer

*Rural Utilities Service (RUS) Bulletin 180-2 and 18 Code of Federal Register (CFR), Part 125 for retaining records for specific time periods for retaining records

Approved: March 14, 2005
Revised:
Effective: March 14, 2005
Reference: Minutes, Board of Trustees' Meeting, March 14, 2005