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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

2008

Open to Public
Inspection

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

A For the 2008 calendar year, or tax year beginning

and ending

<input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input checked="" type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization LAGRANGE COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION	D Employer identification number 35-0457973	
	Doing Business As		
	Number and street (or P.O. box if mail is not delivered to street address) 1995 E US HIGHWAY 20		Room/suite
	City or town, state or country, and ZIP + 4 LAGRANGE, IN 46761		
	F Name and address of principal officer:		

I Tax-exempt status: 501(c) (12) (insert no.) 4947(a)(1) or 527

J Website: ► N/A

K Type of organization: Corporation Trust Association Other ► L Year of formation: 1936 M State of legal domicile: IN

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: TO PROVIDE EFFICIENT AND RELIABLE ELECTRIC SERVICE TO OUR MEMBERS		
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	7
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	7
	5 Total number of employees (Part V, line 2a)	5	21
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	22,000.
	b Net unrelated business taxable income from Form 990-T, line 34	7b	21,000.
Revenue	8 Contributions and grants (Part VIII, line 1a)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	9,780,473.	10,333,681.
	10 Investment income (Part VIII, column (A), lines 3-4 and 2d)	43,260.	221,987.
	11 Other revenue (Part VIII, column (A), lines 5-6b-6c-7d-8d-9d and 11e)	184,617.	348,686.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	10,008,350.	10,904,354.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	285,315.	401,978.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25)		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	9,475,377.	10,123,072.
	18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	9,760,692.	10,525,050.
	19 Revenue less expenses. Subtract line 18 from line 12	247,655.	379,304.
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Year	End of Year
	21 Total liabilities (Part X, line 26)	20,864,603.	21,191,160.
	22 Net assets or fund balances Subtract line 21 from line 20	10,290,166.	10,365,487.
	10,574,437.	10,825,673.	

Part II Signature Block

Sign Here	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		
	Date 3-8-10		
► Signature of officer			
► <u>MARK LEU</u>	General Manager		
Type or print name and title			

Paid Preparer's Use Only	Preparer's signature ► <u>Duane C. Wescus CPA</u>	Date 2/25/10	Check if self-employed ► <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4 ► <u>LONDON WITTE GROUP LLC</u> 1776 N MERIDIAN ST, STE 500 INDIANAPOLIS, IN 46202	EIN ►		
		Phone no. ► 317-634-4747		

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

832001 12-18-08 LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

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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>	1	X
2 Is the organization required to complete Schedule B, Schedule of Contributors?	2	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>	3	X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>	4	
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>	5	
6 Did the organization maintain any donor advised funds or any 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>	6	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>	7	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>	8	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>	9	X
10 Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	10	X
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	11	X
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	12	X
13 Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13	X
14a Did the organization maintain an office, employees, or agents outside of the U.S. b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? <i>If "Yes," complete Schedule F, Part I</i>	14a	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, Part II</i>	15	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, Part III</i>	16	X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>	17	X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18	X
19 Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	19	X
20 Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>	20	X
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	X
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	X
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i>	23	X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K.</i> <i>If "No," go to question 25</i> b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24a	X
24b		
24c		
24d		
25a		
25b		
26	26	X
27	27	X

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Part IV Checklist of Required Schedules (continued)

	Yes	No
28 During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV		
b Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV		X
c Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV		
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		
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		
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)? If "Yes," complete Schedule R, Part V, line 2		X
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

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Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0 if not applicable	1a	8
1b		1b	0
1c		X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	21
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	X	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	X	
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: ►		
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	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 question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	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 provide goods or services in exchange for any quid pro quo contribution of more than \$75?		
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?		
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Section 501(c)(3) and other 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: N/A		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	10333681.
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	570,673.
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	N/A	12b

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Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

	Yes	No
For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.		
1a Enter the number of voting members of the governing body	1a	7
b Enter the number of voting members that are independent	1b	7
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a material diversion of the organization's assets?	5	X
6 Does the organization have members or stockholders?	6	X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a	X
b Each committee with authority to act on behalf of the governing body?	8b	X
9a Does the organization have local chapters, branches, or affiliates?	9a	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?	9b	
10 Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	X
11 Is there any officer, director or 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	11	X

Section B. Policies

	Yes	No
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	X
13 Does the organization have a written whistleblower policy?	13	X
14 Does the organization have a written document retention and destruction policy?	14	X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
a The organization's CEO, Executive Director, or top management official?	15a	X
b Other officers or key employees of the organization?	15b	X
Describe the process in Schedule O. (see instructions)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► <input checked="" type="checkbox"/> IN
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
<input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> 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: ► MARK LEU - 260-463-7165
1995 E US HIGHWAY 20, LAGRANGE, IN 46761

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

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

more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

1b Total

206,387.

0.

0.

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization

0

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

	Yes	No
3		X
4		X
5		X

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

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

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

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. **NONE**

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization ► 0

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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 ELECTRIC SALES	Business Code	10333681.	10333681.	
	b				
	c				
	d				
	e				
	f All other program service revenue				
	g Total. Add lines 2a-2f ►		10333681.		
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		43,165.	21,165.	22,000.
	4 Income from investment of tax-exempt bond proceeds ►				
	5 Royalties				
	6 a Gross Rents	(i) Real			
	b Less: rental expenses	(ii) Personal			
	c Rental income or (loss)				
	d Net rental income or (loss)				
	7 a Gross amount from sales of assets other than inventory	(i) Securities			
	b Less: cost or other basis and sales expenses	(ii) Other			
	c Gain or (loss)				
	d Net gain or (loss)		178,822.	178,822.	
	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 PATRONAGE REVENUE		290,320.	290,320.	
	b RENT FROM ELECTRIC PRO		59,773.	59,773.	
	c MISCELLANEOUS		-204.	-204.	
	d All other revenue		-1,203.	-1,203.	
	e Total. Add lines 11a-11d ►		348,686.		
	12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ►		10904354.	10882354.	22,000.
					0.

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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	206,387.	206,387.		
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	182,922.	182,922.		
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	11,571.	11,571.		
9 Other employee benefits				
10 Payroll taxes	1,098.	1,098.		
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	57,188.	57,188.		
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	573,752.	573,752.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	762,233.	762,233.		
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a PURCHASED POWER	6,181,121.	6,181,121.		
b EQUIPMENT RENTAL & MAIN	1,083,906.	1,083,906.		
c CUSTOMER ACCOUNT EXPENS	604,336.	604,336.		
d OPERATIONS EXPENSE	550,905.	550,905.		
e GENERAL & ADMINISTRATIV	167,865.	167,865.		
f All other expenses	141,766.	141,766.		
25 Total functional expenses. Add lines 1 through 24f	10,525,050.	10,525,050.	0.	0.
26 Joint Costs. Check here ► <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

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Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	148,101.	1	284,742.
	2 Savings and temporary cash investments	2		
	3 Pledges and grants receivable, net	3		
	4 Accounts receivable, net	1,210,050.	4	1,219,157.
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L	5		
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L	6		
	7 Notes and loans receivable, net	7		
	8 Inventories for sale or use	294,886.	8	283,245.
	9 Prepaid expenses and deferred charges	14,013.	9	85,239.
	10a Land, buildings, and equipment: cost basis	10a 24,161,405.		
	b Less: accumulated depreciation. Complete Part VI of Schedule D	10b 7,144,380.	17,179,274.	10c 17,017,025.
	11 Investments - publicly traded securities	11		
	12 Investments - other securities. See Part IV, line 11	2,013,403.	12	2,298,974.
	13 Investments - program-related. See Part IV, line 11	13		
	14 Intangible assets	14		
	15 Other assets. See Part IV, line 11	4,876.	15	2,778.
	16 Total assets. Add lines 1 through 15 (must equal line 34)	20,864,603.	16	21,191,160.
Liabilities	17 Accounts payable and accrued expenses	1,198,762.	17	1,294,846.
	18 Grants payable	18		
	19 Deferred revenue	19		
	20 Tax-exempt bond liabilities	20		
	21 Escrow 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	8,765,226.	23	8,710,249.
	24 Unsecured notes and loans payable	24		
	25 Other liabilities. Complete Part X of Schedule D	326,178.	25	360,392.
	26 Total liabilities. Add lines 17 through 25	10,290,166.	26	10,365,487.
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	0.	30	0.
	31 Paid-in or capital surplus, or land, building, or equipment fund	2,682.	31	2,682.
	32 Retained earnings, endowment, accumulated income, or other funds	10,571,755.	32	10,822,991.
	33 Total net assets or fund balances	10,574,437.	33	10,825,673.
	34 Total liabilities and net assets/fund balances	20,864,603.	34	21,191,160.

Part XI Financial Statements and Reporting

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	X
b Were the organization's financial statements audited by an independent accountant?	2b	X
c If "Yes" to lines 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?	2c	X
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?	3a	X
		3b

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

OMB No 1545-0047

2008
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- To be completed by organizations described below.
- Attach to Form 990 or Form 990-EZ.

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations. Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	LAGRANGE COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION	Employer identification number
		35-0457973

Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations.

See the instructions for Schedule C for details.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.	► \$	2,500.
2 Political expenditures	► \$	
3 Volunteer hours	► \$	0.

Part I-B To be completed by all organizations exempt under section 501(c)(3).

See the instructions for Schedule C for details.

1 Enter the amount of any excise tax incurred by the organization under section 4955	► \$	
2 Enter the amount of any excise tax incurred by organization managers under section 4955	► \$	
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4a Was a correction made?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b If "Yes," describe in Part IV.		

Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3).

See the instructions for Schedule C for details.

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities	► \$	
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities	► \$	2,500.
3 Total of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b	► \$	2,500.
4 Did the filing organization file Form 1120-POL for this year?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.		

SEE PART IV FOR CONTINUATION

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0.
MITCH FOR GOVERNOR CAMPAIGN COMMITT	INDIANAPOLIS, IN 46204		500.	0.
FRIENDS OF RURAL ELECTRIFICATION	INDIANAPOLIS, IN 46214	35-1998087	2,000.	0.

LAGRANGE COUNTY RURAL ELECTRIC
MEMBERSHIP CORPORATION

Schedule C (Form 990 or 990-EZ) 2008

35-0457973 Page 2

**Part II-A To be completed by organizations exempt under section 501(c)(3) that filed Form 5768
(election under section 501(h)). See the instructions for Schedule C for details.**

A Check ► if the filing organization belongs to an affiliated group.

B Check ► if the filing organization checked box A and "limited control" provisions apply.

**Limits on Lobbying Expenditures
(The term "expenditures" means amounts paid or incurred.)**

1a Total lobbying expenditures to influence public opinion (grassroots lobbying)

b Total lobbying expenditures to influence a legislative body (direct lobbying)

c Total lobbying expenditures (add lines 1a and 1b)

d Other exempt purpose expenditures

e Total exempt purpose expenditures (add lines 1c and 1d)

f Lobbying nontaxable amount. Enter the amount from the following table in both columns.

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over \$500,000	20% of the amount on line 1e.
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.
Over \$17,000,000	\$1,000,000.

g Grassroots nontaxable amount (enter 25% of line 1f)

h Subtract line 1g from line 1a. Enter -0- if line g is more than line a

i Subtract line 1f from line 1c. Enter -0- if line f is more than line c

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? Yes No

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2008

LAGRANGE COUNTY RURAL ELECTRIC
MEMBERSHIP CORPORATION

Schedule C (Form 990 or 990-EZ) 2008

35-0457973 Page 3

Part II-B To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)). See the instructions for Schedule C for details.

	(a)		(b)	
	Yes	No	Amount	
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:				
a Volunteers?				
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?				
c Media advertisements?				
d Mailings to members, legislators, or the public?				
e Publications, or published or broadcast statements?				
f Grants to other organizations for lobbying purposes?				
g Direct contact with legislators, their staffs, government officials, or a legislative body?				
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?				
i Other activities? If "Yes," describe in Part IV				
j Total lines 1c through 1i				
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?				
b If "Yes," enter the amount of any tax incurred under section 4912				
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912				
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				

Part III-A To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6). See the instructions for Schedule C for details

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes." See Schedule C instructions for details.

1 Dues, assessments and similar amounts from members	1
2 Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).	2a
a Current year	2b
b Carryover from last year	2c
c Total	3
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	4
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	5
5 Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

PART I-A, LINE 1:

CASH CONTRIBUTION TO MITCH DANIELS FOR GOVERNOR AND FRIENDS OF RURAL ELECTRIFICATION.

PART I-C CONTINUATION FOR INCOMPLETE NAME/ADDRESS INFORMATION:

MITCH FOR GOVERNOR CAMPAIGN COMMITTEE

Schedule C (Form 990 or 990-EZ) 2008

LAGRANGE COUNTY RURAL ELECTRIC
MEMBERSHIP CORPORATION

Schedule C (Form 990 or 990-EZ) 2008

35-0457973 Page 4

Part IV Supplemental Information (continued)

47 S MERIDIAN STREET INDIANAPOLIS, IN 46204

FRIENDS OF RURAL ELECTRIFICATION

720 N. HIGH SCHOOL ROAD INDIANAPOLIS, IN 46214

Schedule D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No. 1545-0047

2008

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Name of the organization **LAGRANGE COUNTY RURAL ELECTRIC
MEMBERSHIP CORPORATION** Employer identification number **35-0457973**

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? Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? Yes 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 pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a-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 Year
2a	
2b	
2c	
2d	

a Total number of conservation easements

b Total acreage restricted by conservation easements

c Number of conservation easements on a certified historic structure included in (a)

d Number of conservation easements included in (c) acquired after 8/17/06

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable 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, violations, and enforcement of the conservation easements it holds? Yes No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, and enforcing 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, 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, 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 relating to these items:

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

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

LAGRANGE COUNTY RURAL ELECTRIC
MEMBERSHIP CORPORATION

Schedule D (Form 990) 2008

35-0457973 Page 2

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

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

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

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

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

Part IV Trust, Escrow and Custodial Arrangements. Complete if 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:

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

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

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

Part VI Investments - 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) Depreciation	(d) Book value
1a Land	661,152.			661,152.
b Buildings				
c Leasehold improvements				
d Equipment				
e Other	23,500,253.		7,144,380.	16,355,873.
Total. Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)			►	17,017,025.

Schedule D (Form 990) 2008

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
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
LAGRANGE COOP SERVICES LLC	1,000.	COST
CFC	71,939.	COST
WVPA	1,548,527.	COST
CADP	24,151.	COST
UUS	81,733.	COST
FEDERATED	64,672.	COST
ISWA	7,765.	COST
ISWA BUILDING	43,354.	COST
SEDC	28,026.	COST
Total. (Col (b) should equal Form 990, Part X, col (B) line 12.) ►	2,298,974.	

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

Total. (Col (b) should equal Form 990, Part X, col (B) line 13.) ►

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

Total. (Column (b) should equal Form 990, Part X, col (B) line 15.)

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

(a) Description of liability	(b) Amount
Federal income taxes	
COMPENSATED ABSENCES	123,347.
PATRONAGE CAPITAL PAYABLE	237,045.

In Part XIV, provide the text of the footnote to the organization's f

360,392.

SEE PART XIV FOR CONTINUATIONS

SEE PART XIV FOR CONTINUATIONS

**LAGRANGE COUNTY RURAL ELECTRIC
MEMBERSHIP CORPORATION**

Schedule D (Form 990) 2008

35-0457973 Page 4

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

1	10,904,354.
2	10,525,050.
3	379,304.
4	
5	
6	
7	
8	
9	0.
10	379,304.

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

1	10,904,354.
2	
a	2a
b	2b
c	2c
d	2d
e	2e 0.
3	10,904,354.
4	
a	4a
b	4b
c	4c 0.
5	10,904,354.

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

1	10,525,050.
2	
a	2a
b	2b
c	2c
d	2d
e	2e 0.
3	10,525,050.
4	
a	4a
b	4b
c	4c 0.
5	10,525,050.

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; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

Part XIV Supplemental Information (continued)

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

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

► Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

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Name of the organization	LAGRANGE COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION	Employer identification number 35-0457973
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FORM 990, PART VI, SECTION A, LINE 6: THE REMC'S MEMBERS CONSIST OF THOSE WHO RECEIVE ELECTRICITY FROM THE ORGANIZATION.

FORM 990, PART VI, SECTION A, LINE 7A: THE REMC'S TERRITORY IS DIVIDED UP INTO DISTRICTS AND THERE IS ONE BOARD MEMBER THAT REPRESENTS EACH DISTRICT. THE BOARD IS ELECTED BY THE MEMBERS OF THE REMC.

FORM 990, PART VI, SECTION A, LINE 10: THE 990 WILL BE REVIEWED BY THE BOARD AT THEIR MONTHLY MEETING BEFORE IT IS FILED.

FORM 990, PART VI, SECTION B, LINE 12C: THE EMPLOYEES OF THE ORGANIZATION WERE MADE AWARE OF THE POLICY. THE BOARD OF DIRECTORS AS WELL AS THE OFFICERS PERIODICALLY REVIEW THE POLICY AND EMPLOYEES RELATIONSHIPS TO MAKE SURE THAT THERE IS NOT A BREECH.

FORM 990, PART VI, SECTION B, LINE 15: SALARIES ARE EVALUATED AGAINST THE NRECA NATIONAL COMPENSATION SURVEY TO DETERMINE ANNUAL RAISES.

FORM 990, PART VI, SECTION C, LINE 19: GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIALS STATEMENTS ARE AVAILABLE UPON REQUEST BY MEMBERS. THEY ARE ALL LOCATED AT THE REMC HEADQUARTERS.

Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990 Part IV, lines 33, 34, 35, 36, or 37.

► **See separate instructions.**

Employer identification number
35-0457973

Part I Identification of Disregarded Entities

Part II Identification of Related Tax-Exempt Organizations

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
LAGRANGE COOP SERVICES LLC - 35-2136351	MARKETING OF LONG DISTANCE SERVICE	IN	LAGRANGE COUNTY REMC	C CORP	9.987.	5.640.	100%
1905 E US HIGHWAY 20							
LAGRANGE, TN 46761							

Schedule R (Form 990) 2008 35-0457973 Page 3
**LAGRANGE COUNTY RURAL ELECTRIC
 CORPORATION**

Part V Transactions With Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III, or IV.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity
- b Gift, grant, or capital contribution to other organization(s)
- c Gift, grant, or capital contribution from other organization(s)
- d Loans or loan guarantees to or for other organization(s)
- e Loans or loan guarantees by other organization(s)
- f Sale of assets to other organization(s)
- g Purchase of assets from other organization(s)
- h Exchange of assets
- i Lease of facilities, equipment, or other assets to other organization(s)
- j Lease of facilities, equipment, or other assets from other organization(s)
- k Performance of services or membership or fundraising solicitations for other organization(s)
- l Performance of services or membership or fundraising solicitations by other organization(s)
- m Sharing of facilities, equipment, mailing lists, or other assets
- n Sharing of paid employees
- o Reimbursement paid to other organization for expenses
- p Reimbursement paid by other organization for expenses
- q Other transfer of cash or property to other organization(s)
- r Other transfer of cash or property from other organization(s)

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1) LAGRANGE COUNTY COOP SERVICES LLC	N	3,755.
(2) _____		
(3) _____		
(4) _____		
(5) _____		
(6) _____		

Part VI Unrelated Organizations Taxable as a Partnership

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

FOOTNOTES

STATEMENT 1

SCHEDULE C ON THE 990 WAS AMENDED TO REFLECT A CHANGE IN
POLITICAL CONTRIBUTIONS THAT WERE MADE.