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Form 990

Department of the Treasury  
Internal Revenue Service

## Return of Organization Exempt From Income Tax

OMB No 1545-0047

2011

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

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

## A For the 2011 calendar year, or tax year beginning , and ending

B Check if applicable	C Name of organization LAGRANGE COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION			D Employer identification number 35-0457973
<input type="checkbox"/> Address change	Doing Business As			E Telephone number 260-463-7165
<input type="checkbox"/> Name change	Number and street (or P O box if mail is not delivered to street address) 1995 E US HIGHWAY 20			Room/suite
<input type="checkbox"/> Initial return	City or town, state or country, and ZIP + 4 LAGRANGE IN 46761			G Gross receipts \$ 11,765,681
<input type="checkbox"/> Terminated	F Name and address of principal officer MARK LEU 1995 E US HIGHWAY 20 LAGRANGE IN 46761			H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Amended return				H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)
<input type="checkbox"/> Application pending				H(c) Group exemption number ►
I Tax-exempt status <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) (12) (insert no) 4947(a)(1) or 527				
J Website: ► WWW.LAGRANGEREMC.COM				
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ► L Year of formation 1936 M State of legal domicile IN				

## Part I Summary

1 Briefly describe the organization's mission or most significant activities:

AS A MEMBER OWNED, NON-PROFIT SERVICE ORGANIZATION, OUR MISSION IS TO  
PROVIDE EFFICIENT AND RELIABLE ELECTRIC SERVICE TO OUR MEMBERS.

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)  
4 Number of independent voting members of the governing body (Part VI, line 1b)  
5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)  
6 Total number of volunteers (estimate if necessary)

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

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

3	7
4	7
5	21
6	0
7a	0
7b	0

Activities &amp; Governance

Revenue

Expenses

JUN 12 2012  
Net Assets or  
Fund Balances

441 MAY 14 2012  
IRS-OSC  
ODEN, UT

8 Contributions and grants (Part VIII, line 1h)  
9 Program service revenue (Part VIII, line 2g)  
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)  
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)  
12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)

Prior Year	Current Year
0	0
11,208,409	0
33,023	23,101
369,252	4,632,668
11,610,684	4,655,769

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)  
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-24e)  
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)  
19 Revenue less expenses Subtract line 18 from line 12

Prior Year	Current Year
0	0
0	0
183,671	1,618,738
0	0
0	0
0	0
0	2,667,958
183,671	4,286,696
11,427,013	369,073

Beginning of Current Year	End of Year
21,810,180	21,568,777
10,023,716	9,588,650
11,786,464	11,980,127

## 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

5-9-12

MARK A. LEU, CEO

Type or print name and title

Paid Preparer Use Only	Print/Type preparer's name MARK J. ANDORFER, CPA	Preparer's signature 	Date 04/17/12	Check <input type="checkbox"/> if self-employed	PTIN P00017582
	Firm's name ► LEONARD J. ANDORFER & CO., LLP			Firm's EIN ►	35-1679361
	Firm's address ► 2410 LAKE AVENUE FORT WAYNE, IN 46805			Phone no	260-423-9405

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

For Paperwork Reduction Act Notice, see the separate instructions.

DAA

Form 990 (2011)

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**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response to any question in this Part III 

1 Briefly describe the organization's mission:

AS A MEMBER OWNED, NON-PROFIT SERVICE ORGANIZATION, OUR MISSION IS TO PROVIDE EFFICIENT AND RELIABLE ELECTRIC SERVICE TO OUR MEMBERS.

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 organization's program service accomplishments for each of its three largest program services, as measured 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 \$	including grants of \$	) (Revenue \$ )
DISTRIBUTION OF ELECTRICITY TO RURAL CUSTOMERS		

4b (Code. ) (Expenses \$	including grants of \$	) (Revenue \$ )
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4c (Code ) (Expenses \$	including grants of \$	) (Revenue \$ )
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4d Other program services (Describe in Schedule O.) (Expenses \$	including grants of \$	) (Revenue \$ )
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4e Total program service expenses ►		
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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)? If "Yes," complete Schedule A	1	X
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	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? If "Yes," complete Schedule C, Part I	3	X
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	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? If "Yes," complete Schedule D, Part II	7	X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	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? If "Yes," complete Schedule D, Part IV	9	X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a	X
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b	X
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c	X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d	X
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e	X
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f	X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12a	X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b	X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	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? If "Yes," complete Schedule F, Parts III and IV	16	X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	X
20a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

**Part IV Checklist of Required Schedules (continued)**

21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II

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

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

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

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?

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

b 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

27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III

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)

a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV

b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV

c 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

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

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

35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?

b 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

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

38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O

	Yes	No
21		X
22		X
23		X
24a		X
24b		
24c		
24d		
25a		
25b		
26		X
27		X
28a		X
28b		X
28c		X
29		X
30		X
31		X
32		X
33		X
34	X	
35a	X	
35b	X	
36		
37		X
38	X	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

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

1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable  
 1a 8  
 1b 0

1c  Yes  No

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  Yes  No

3a Did the organization have unrelated business gross income of \$1,000 or more during the year?  
 3a  Yes  No

3b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O  
 3b  Yes  No

4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?  
 4a  Yes  No

b If "Yes," enter the name of the foreign country: ►  
 See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.

5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?  
 5a  Yes  No

b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?  
 5b  Yes  No

c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?  
 5c  Yes  No

6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?  
 6a  Yes  No

b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?  
 6b  Yes  No

7 **Organizations that may receive deductible contributions under section 170(c).**  
 7a  Yes  No

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?  
 7b  Yes  No

b If "Yes," did the organization notify the donor of the value of the goods or services provided?  
 7c  Yes  No

c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?  
 7d  Yes  No

d If "Yes," indicate the number of Forms 8282 filed during the year  
 7e  Yes  No

e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  
 7f  Yes  No

f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  
 7g  Yes  No

g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?  
 7h  Yes  No

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?  
 8  Yes  No

9 **Sponsoring organizations maintaining donor advised funds.**  
 9a  Yes  No

a Did the organization make any taxable distributions under section 4966?  
 9b  Yes  No

b Did the organization make a distribution to a donor, donor advisor, or related person?  
 10 **Section 501(c)(7) organizations.** Enter:  
 10a  Yes  No

a Initiation fees and capital contributions included on Part VIII, line 12  
 10b  Yes  No

b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities  
 11 **Section 501(c)(12) organizations.** Enter:  
 11a  Yes  No  
 11,742,580  
 11b  Yes  No  
 23,101

12a **Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?  
 12b  Yes  No

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.**  
 13a  Yes  No

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  
 13b  Yes  No

c Enter the amount of reserves on hand  
 13c  Yes  No

14a Did the organization receive any payments for indoor tanning services during the tax year?  
 14b  Yes  No

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 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O	1a	7
1b		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 governing documents since the prior Form 990 was filed?	4	X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6	Did the organization have members or stockholders?	6	X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7a	X
7b		7b	X
8a	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body?	8a	X
8b	b Each committee with authority to act on behalf of the governing body?	8b	X
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	X

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

	Yes	No	
10a	Did the organization have local chapters, branches, or affiliates? b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10a	X
10b		10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? b Describe in Schedule O the process, if any, used by the organization to review this Form 990.	11a	X
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13 b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12a	X
12b		12b	X
12c		12c	X
13	Did the organization have a written whistleblower policy?	13	X
14	Did 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 b Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)	15a	X
15b		15b	X
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? b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16a	X
16b		16b	

### Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► IN

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made 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 made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► DEBRA GOULD  
LAGRANGE

1995 E US HIGHWAY 20  
IN 46761

260-463-7165

Form 990 (2011)

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

 Check if Schedule O contains a response to any question in this Part VII 
**Section A Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(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			
(1) JEFF HAMPSHIRE PRESIDENT	3.00	X		X			19,070	0	0
(2) LARRY FETTERS VICE PRESIDENT	7.00	X		X			15,875	0	0
(3) ROGER DOMER DIRECTOR	4.00	X					15,475	0	0
(4) JEFF BRILL DIRECTOR	3.00	X					15,325	0	0
(5) JAMES NORTH SECRETARY/TREASURER	4.00	X		X			14,800	0	0
(6) TERRY HOLSINGER DIRECTOR	3.00	X					14,625	0	0
(7) MARK BONTRAGER DIRECTOR	2.00	X					13,925	0	0
(8) MARK LEU CEO	40.00			X			93,389	0	32,347
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									

## 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 (do not check more than one box, unless person is both an officer and a director/trustee)					(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
		Former Officer or director or director or director	Individual trustee or director	Institutional trustee or director	Key employee or director	Highest compensated employee or director			
(15)									
(16)									
(17)									
(18)									
(19)									
(20)									
(21)									
(22)									
(23)									
(24)									
(25)									
<b>1b Sub-total</b>							<b>► 202,484</b>		<b>32,347</b>
<b>c Total from continuation sheets to Part VII, Section A</b>									
<b>d Total (add lines 1b and 1c)</b>							<b>► 202,484</b>		<b>32,347</b>

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 ► 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

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 or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3		X
4		X
5		X

## Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

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

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ► 0

## 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
Grants Contributions, Gifts, and Other Similar Amounts	1a Federated campaigns 1b Membership dues 1c Fundraising events 1d Related organizations 1e Government grants (contributions) 1f All other contributions, gifts, grants, and similar amounts not included above g Noncash contributions included in lines 1a-1f h Total. Add lines 1a-1f ►				
Program Service Revenue	2a b c d e f All other program service revenue g Total. Add lines 2a-2f ►	Busn. Code			
	3 Investment income (including dividends, interest, and other similar amounts) ►		23,101		23,101
	4 Income from investment of tax-exempt bond proceeds ►				
	5 Royalties ►				
	6a Gross rents b Less rental exps c Rental inc or (loss) d Net rental income or (loss) ►	(i) Real (ii) Personal			
	7a Gross amount from sales of assets other than inventory b Less cost or other basis & sales exps c Gain or (loss) d Net gain or (loss) ►	(i) Securities (ii) Other			
Other Revenue	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18 b Less: direct expenses c Net income or (loss) from fundraising events ►	a b			
	9a Gross income from gaming activities See Part IV, line 19 b Less: direct expenses c Net income or (loss) from gaming activities ►	a b			
	10a Gross sales of inventory, less returns and allowances b Less: cost of goods sold c Net income or (loss) from sales of inventory ►	a 11,363,595 b 7,109,912	4,253,683	4,253,683	
	Miscellaneous Revenue	Busn. Code			
	11a PATRONAGE REVENUE b RENT FROM ELECTRIC PRO c d All other revenue e Total. Add lines 11a-11d ►		303,110 75,875 378,985		303,110 75,875
	12 Total revenue. See instructions. ►		4,655,769	4,253,683	0 402,086

**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).

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

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	<b>(A) Total expenses</b>	<b>(B) Program service expenses</b>	<b>(C) Management and general expenses</b>	<b>(D) Fundraising expenses</b>
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	202,484			
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	924,128			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	202,224			
9 Other employee benefits	211,604			
10 Payroll taxes	78,298			
11 Fees for services (non-employees)				
a Management				
b Legal	20,790			
c Accounting	14,225			
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	42,537			
12 Advertising and promotion	11,830			
13 Office expenses	88,038			
14 Information technology	42,861			
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	35,953			
20 Interest	512,777			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	765,634			
23 Insurance	100,864			
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MAINTENANCE DISTRIBUTION	282,974			
b TAXES - UTILITY RECEIPTS	152,468			
c SALES EXPENSE	149,568			
d CUSTOMER ACCOUNTS EXP	140,838			
e All other expenses	306,601			
25 Total functional expenses. Add lines 1 through 24e	4,286,696	0	0	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ► <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

## Part X | Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest bearing	1,137,291	1	957,310
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	1,213,727	4	1,121,352
	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	250,673	8	243,870
	9 Prepaid expenses and deferred charges	87,812	9	84,422
	10a Land, buildings, and equipment: cost or other basis Complete Part VI of Schedule D	25,144,631		
	b Less accumulated depreciation	10b 9,179,183	10c 16,189,117	15,965,448
	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	2,929,781	13	3,192,445
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	1,779	15	3,930
	16 Total assets. Add lines 1 through 15 (must equal line 34)	21,810,180	16	21,568,777
Liabilities	17 Accounts payable and accrued expenses	1,401,345	17	1,351,939
	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	8,214,856	23	7,883,052
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	407,515	25	353,659
	26 Total liabilities. Add lines 17 through 25	10,023,716	26	9,588,650
	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		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund	2,682	31	30,980
	32 Retained earnings, endowment, accumulated income, or other funds	11,783,782	32	11,949,147
	33 Total net assets or fund balances	11,786,464	33	11,980,127
	34 Total liabilities and net assets/fund balances	21,810,180	34	21,568,777

**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)
- 2 Total expenses (must equal Part IX, column (A), line 25)
- 3 Revenue less expenses Subtract line 2 from line 1
- 4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))
- 5 Other changes in net assets or fund balances (explain in Schedule O)
- 6 Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))

1	4,655,769
2	4,286,696
3	369,073
4	11,786,464
5	-175,410
6	11,980,127

**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		

**SCHEDULE D**  
**(Form 990)**Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements**

OMB No 1545-0047

**2011**Open to Public  
Inspection

► Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
► Attach to Form 990. ► See separate instructions.

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?		<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.		
		<b>Held at the End of the Tax Year</b>
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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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)?		<input type="checkbox"/> Yes <input type="checkbox"/> 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	
1b 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 <input type="checkbox"/> Public exhibition	d <input type="checkbox"/> Loan or exchange programs
b <input type="checkbox"/> Scholarly research	e <input type="checkbox"/> Other
c <input type="checkbox"/> Preservation for future generations	

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

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

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

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

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

c Beginning balance  
 d Additions during the year  
 e Distributions during the year  
 f Ending balance

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.

	Amount
1c	
1d	
1e	
1f	

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

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

(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a Board designated or quasi-endowment ► %

b Permanent endowment ► %

c Temporarily restricted endowment ► %

The percentages in lines 2a, 2b, and 2c should equal 100%.

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?

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		676,493		676,493
b Buildings		2,959,559	358,362	2,601,197
c Leasehold improvements				
d Equipment		21,508,579	8,820,821	12,687,758
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				► 15,965,448

**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. (Column (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) WABASH VALLEY POWER ASSOC - PATRONAG	2,255,972	COST
(2) CAPITAL TERM AND LOAN CERTIFICATES C	484,385	COST
(3) PATRONAGE CAPITAL CERTIFICATES CFC	154,315	COST
(4) UNITED UTILITY SUPPLY PATRONAGE	84,855	COST
(5) FEDERATED INSURANCE	71,492	COST
(6) INDIANA STATEWIDE PATRONAGE	63,815	COST
(7) SOUTHEASTERN DATA COOPERATIVE	41,185	COST
(8) NISC PATRONAGE	24,151	COST
(9) SERVICE CONCEPTS LLC	10,000	COST
(10) ALL OTHER	2,275	COST

Total. (Column (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) Book value
(1) Federal income taxes	
(2) PATRONAGE CAPITAL PAYABLE	232,659
(3) COMPENSATED ABSENCES	121,000
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	

Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►

353,659

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
2 Total expenses (Form 990, Part IX, column (A), line 25)	2
3 Excess or (deficit) for the year. Subtract line 2 from line 1	3
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
9 Total adjustments (net) Add lines 4 through 8	9
10 Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10

**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
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
3 Subtract line 2e from line 1	3
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
5 Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5

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

1 Total expenses and losses per audited financial statements	1
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
3 Subtract line 2e from line 1	3
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
5 Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5

**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 - FIN 48 FOOTNOTE**

THE CORPORATION IS EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(12) OF THE INTERNAL REVENUE CODE. THE CORPORATION HAS ADOPTED FASB ASC 740-10-25 (PRIOR AUTHORITATIVE LITERATURE FIN 48 - ACCOUNTING FOR UNCERTAINTY OF INCOME TAXES), AND DETERMINED NO MATERIAL UNRECOGNIZED TAX BENEFITS OR LIABILITIES EXIST AS OF DECEMBER 31, 2011. THE ADOPTION OF FASB ASC 740-10-25 DID NOT IMPACT THE CORPORATION'S FINANCIAL POSITION OR

**Part XIV** Supplemental Information (continued)

RESULTS OF OPERATIONS. IF APPLICABLE, THE CORPORATION WILL RECOGNIZE INTEREST AND PENALTIES RELATED TO UNDERPAYMENT OF INCOME TAXES AS INCOME TAX EXPENSE. AS OF DECEMBER 31, 2011, THE CORPORATION HAD NO AMOUNTS RELATED TO UNRECOGNIZED INCOME TAX BENEFITS AND NO AMOUNTS RELATED TO ACCRUED INTEREST AND PENALTIES. THE CORPORATION DOES NOT ANTICIPATE ANY SIGNIFICANT CHANGES TO UNRECOGNIZED INCOME TAX BENEFITS OVER THE NEXT YEAR. THE CORPORATION IS GENERALLY NO LONGER SUBJECT TO EXAMINATION BY FEDERAL AND STATE AGENCIES FOR YEARS BEFORE 2008.

**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

**2011**

Open to Public  
Inspection

Name of the organization	LAGRANGE COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION	Employer identification number 35-0457973
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FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS

ALL CONSUMERS PURCHASING ELECTRIC POWER ARE MEMBERS OF THE LAGRANGE COUNTY  
REMC.

FORM 990, PART VI, LINE 7A - ELECTION OF MEMBERS AND THEIR RIGHTS

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, LINE 7B - DECISIONS SUBJECT TO APPROVAL OF MEMBERS  
DECISIONS OF THE GOVERNING BODY IS SUBJECT TO THE MEMBERS' APPROVAL AND ARE  
REVIEWED AT THE ANNUAL MEEETING.

FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990  
THE 990 IS REVIEWED BY THE BOARD AT THEIR MONTHLY MEETING PRIOR TO FILING.

FORM 990, PART VI, LINE 12C - ENFORCEMENT OF CONFLICTS POLICY

THE BOARD OF DIRECTORS AS WELL AS THE OFFICERS REVIEW THE CONFLICT OF  
INTEREST POLICY AND EMPLOYEES' RELATIONSHIPS ANNUALLY TO VERIFY THERE IS  
NOT A BREACH OF POLICY. THE BOARD COMPLETES AND SIGNS THE STATEMENT OF  
DISCLOSURE ANNUALLY.

FORM 990, PART VI, LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL  
SALARIES ARE EVALUATED AGAINST THE NRECA NATIONAL COMPENSATION SURVEY TO  
DETERMINE ANNUAL RAISES.

## Schedule O (Form 990 or 990-EZ) (2011)

Page 2

Name of the organization

LAGRANGE COUNTY RURAL ELECTRIC

Employer identification number

35-0457973

FORM 990, PART VI, LINE 15B - COMPENSATION PROCESS FOR OFFICERS  
SALARIES ARE EVALUATED AGAINST THE NRECA NATIONAL COMPENSATION SURVEY TO  
DETERMINE ANNUAL RAISES.

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION  
GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS  
ARE AVAILABLE UPON REQUEST BY MEMBERS. THEY ARE ALL LOCATED AT THE REMC  
HEADQUARTERS.

FORM 990, PART XI, LINE 5 - OTHER CHANGES IN NET ASSETS EXPLANATION  
ADJUSTMENTS TO PATRONAGE CAPITAL ARE FOR CHANGE IN OTHER COMPREHENSIVE  
INCOME AND PATRONAGE PAID IN CURRENT YEAR.

**SCHEDULE R**  
**(Form 990)**

OMB No 1545-0047

**2011.****Open to Public  
Inspection****Related Organizations and Unrelated Partnerships**

► Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.

► Attach to Form 990.

► See separate instructions.

Department of the Treasury  
Internal Revenue ServiceName of the organization  
LAGRANGE COUNTY RURAL ELECTRIC  
MEMBERSHIP CORPORATION**Part I****Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)**

	(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)						
(2)						
(3)						
(4)						
(5)						

**Part II** **Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)**

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?
(1)							No
(2)							
(3)							
(4)							
(5)							

**Part III** **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34  
 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Dispro- portionate alloc.?	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	(k) Percentage ownership
										Yes
(1)										No
(2)										
(3)										
(4)										

**Part IV** **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

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

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 or (IV) rent from a controlled entity
- b Gift, grant, or capital contribution to related organization(s)
- c Gift, grant, or capital contribution from related organization(s)
- d Loans or loan guarantees to or for related organization(s)
- e Loans or loan guarantees by related organization(s)
- f Sale of assets to related organization(s)
- g Purchase of assets from related organization(s)
- h Exchange of assets with related organization(s)
- i Lease of facilities, equipment, or other assets to related organization(s)
- j Lease of facilities, equipment, or other assets from related organization(s)
- k Performance of services or membership or fundraising solicitations for related organization(s)
- l Performance of services or membership or fundraising solicitations by related organization(s)
- m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- n Sharing of paid employees with related organization(s)
- o Reimbursement paid to related organization(s) for expenses
- p Reimbursement paid by related organization(s) for expenses

q Other transfer of cash or property to related organization(s)

r Other transfer of cash or property from related 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	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)	LAGRANGE COUNTY COOP SERVICES LLC	N	3,535	ACTUAL TIME
(2)				
(3)				
(4)				
(5)				
(6)				

**Part VI** **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

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.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
									Yes	No	
(1)											
(2)											
(3)											
(4)											
(5)											
(6)											
(7)											
(8)											
(9)											
(10)											
(11)											

**Part VII Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Forms  
**990 / 990-PF****Mortgages and Other Notes Payable****2011**

For calendar year 2011, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

Name

LAGRANGE COUNTY RURAL ELECTRIC  
MEMBERSHIP CORPORATION

Employer Identification Number

35-0457973

**FORM 990, PART X, LINE 23 - ADDITIONAL INFORMATION**

Name of lender		Relationship to disqualified person
(1) CFC		
(2) CFC		
(3) CFC		
(4) CFC		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)		04/30/37		7.710
(2)		01/31/30		6.250
(3)		10/31/29		6.850
(4)		10/31/38		7.450
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower		Purpose of loan
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1)	2,901,229	2,865,633
(2)	1,229,590	1,014,782
(3)	1,685,856	1,639,710
(4)	2,398,181	2,362,927
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	8,214,856	7,883,052

377900 LAGRANGE COUNTY RURAL ELECTRIC  
35-0457973  
FYE: 12/31/2011

4/17/2012 10:28 AM

## Federal Statements

### Taxable Interest on Investments

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	Acquired after 6/30/75	US Obs (\$ or %)
	\$ 23,101			14		
TOTAL	\$ 23,101					

377900 LAGRANGE COUNTY RURAL ELECTRIC  
35-0457973  
FYE: 12/31/2011

**Federal Statements**

4/17/2012 10:28 AM

**Form 990, Part IX, Line 11g - Other Fees for Service (Non-employee)**

<u>Description</u>	<u>Total Expenses</u>	<u>Program Service</u>	<u>Management &amp; General</u>	<u>Fund Raising</u>
OTHER	\$ 42,537	\$ 42,537	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 42,537</b>	<b>\$ 42,537</b>	<b>\$ 0</b>	<b>\$ 0</b>

**Form 990, Part IX, Line 24e - All Other Expenses**

<u>Description</u>	<u>Total Expenses</u>	<u>Program Service</u>	<u>Management &amp; General</u>	<u>Fund Raising</u>
OPERATIONS	\$ 112,171	\$ 112,171	\$ 0	\$ 0
MAINTENANCE GENERAL, PLANT	94,717	94,717	0	0
ADMINISTRATIVE	84,780	84,780	0	0
TAXES - OTHER	10,855	10,855	0	0
LOSS DISPOSAL FIXED ASSET	4,016	4,016	0	0
MISCELLANEOUS	62	62	0	0
<b>TOTAL</b>	<b>\$ 306,601</b>	<b>\$ 306,601</b>	<b>\$ 0</b>	<b>\$ 0</b>