

Introduction to the Form 990

As a not-for-profit member-owned cooperative, Surry-Yadkin Electric Membership Corporation is required to file an IRS Form 990 annually, which is made available as public record once it is completed by the cooperative's auditing firm and filed with the IRS.

The Form 990 includes information on the mission of the cooperative, its finances and compensation amounts for all members of the board of directors. The directors' compensation is determined based on information provided from an independent consultant.

Elected by the SYEMC membership, the 10 directors are tasked with overseeing the governance and operations of the cooperative. Along with many other responsibilities, the board retains and works with outside consultants to review short and long range operational and financial plans, the cooperative's rate schedule, service rules and regulations, and policies.

The board also works with outside consultants and sets the compensation for the Executive Vice President and General Manager, which is comparable to other industry leaders. Employee compensation ranges are set by the Executive Vice President and General Manager, who also uses an outside consultant to ensure employees' salaries are based on fair market values for the industry and region.

Each director works an average of five hours a week on cooperative business. They attend a monthly board meeting and are expected to gain and maintain training to keep them abreast of and knowledgeable about the electric industry and issues affecting SYEMC operations and its members.

The compensation also includes hours for training for members, as well as the individual director's participation in SYEMC representation in state and national cooperative-related organizations.

All 10 directors have earned their Credentialed Cooperative Director certificate. In addition, five earned a Board Leadership certificate, and two have their Director Gold Credential certificate.

The average annual compensation for SYEMC's board of directors for 2019 was \$19,647.90.

Schedule O of the 990 provides additional information about the Surry-Yadkin EMC Form 990 financials provided.

Copies of the previous two years' Form 990s are available upon request by contacting Debbie Benge, executive assistant, at debbiebenge@syemc.com or calling 336-356-5262.

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.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2019

**Open to Public
Inspection**

| | |
|---|---|
| Name of the organization SURRY-YADKIN ELECTRIC MEMBERSHIP CORPORATION | Employer identification number 56-0421795 |
|---|---|

FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS

THE COOPERATIVE HAS MEMBERS AS PROVIDED FOR IN ITS BYLAWS WHICH ARE INCLUDED AS A PART OF THIS RETURN.

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

THE COOPERATIVE HAS MEMBERS WHO ELECT MEMBERS OF THE GOVERNING BODY AS PROVIDED FOR IN ITS BYLAWS WHICH ARE INCLUDED AS A PART OF THIS RETURN.

FORM 990, PART VI, LINE 7B - DECISIONS SUBJECT TO APPROVAL OF MEMBERS

CERTAIN DECISIONS OF THE GOVERNING BODY ARE SUBJECT TO APPROVAL BY MEMBERS AS PROVIDED FOR IN ITS BYLAWS WHICH ARE INCLUDED AS A PART OF THIS RETURN.

FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990

FORM 990 IS REVIEWED BY THE BOARD WITH ALL SUPPORTING DOCUMENTATION MADE AVAILABLE TO THEM.

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

THE COOPERATIVE REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THEIR CONFLICT OF INTEREST POLICY AS PROVIDED FOR IN ITS POLICY WHICH IS INCLUDED AS A PART OF THIS RETURN.

FORM 990, PART VI, LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL

SALARIES ARE REVIEWED BY THE BOARD OF DIRECTORS AND FILES ARE MAINTAINED FOR THE REVIEW PROCESS BY WHICH MERIT RAISES ARE GRANTED.

Name of the organization

Employer identification number

SURRY-YADKIN ELECTRIC MEMBERSHIP**56-0421795**

FORM 990, PART VI, LINE 15B - COMPENSATION PROCESS FOR OFFICERS

SALARIES ARE REVIEWED BY THE BOARD OF DIRECTORS AND FILES ARE MAINTAINED FOR THE REVIEW PROCESS BY WHICH MERIT RAISES ARE GRANTED.

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION

A COPY OF THE BYLAWS ARE PROVIDED TO NEW MEMBERS. A FINANCIAL STATEMENT IS PROVIDED TO THE MEMBERS AS A PART OF THE ORGANIZATION'S ANNUAL REPORT.

GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, FORM 990 AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST AT THE ORGANIZATIONS'S HEADQUARTERS.

FORM 990, PART VII - ADDITIONAL INFORMATION

SYEMC BYLAWS:

SECTION 5.11 - DIRECTOR COMPENSATION.

THE BOARD SHALL DETERMINE THE MANNER AND METHOD OF ANY REASONABLE DIRECTOR REIMBURSEMENT AND COMPENSATION. SUCH COMPENSATION MAY INCLUDE PAYING DIRECTORS A MONTHLY STIPEND AND/OR A FIXED PER DIEM FEE, PLUS DOCUMENTED BUSINESS EXPENSES, AS DETERMINED IN THE BOARD'S REASONABLE DISCRETION, FOR ATTENDING OR ATTENDING TO:

1. THE ONGOING NEEDS OF THE COOPERATIVE, DUTIES OF THE POSITION, AND COMMUNICATIONS WITH MEMBERS;
2. BOARD MEETING;
3. FUNCTION INVOLVING THE COOPERATIVE; OR
4. MEETING OF STATE, NATIONAL OR OTHER COOPERATIVE OR INDUSTRY ORGANIZATION, OR
5. FUNCTION REASONABLY ENHANCING THE DIRECTOR'S ABILITY TO SERVE AS A DIRECTOR.

Name of the organization

Employer identification number

SURRY-YADKIN ELECTRIC MEMBERSHIP

56-0421795

FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS EXPLANATION

ACCUM OTHER COMPREHENSIVE INCOME \$ **-1,770,098**

DONATED CAPITAL \$ **36,611**

CAPITAL CREDIT RETIREMENT \$ **-677,913**

BENEFITS PAID TO MEMBERS \$ **8,081,334**

ASC 980 DEFERRED REVENUE DEFERRED \$ **-3,000,000**

TOTAL \$ **2,669,934**

Form **990**
(Rev. January 2020)
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 private foundations)

OMB No. 1545-0047

2019
Open to Public Inspection

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

A For the 2019 calendar year, or tax year beginning , **and ending**

| | | | |
|--|---|--|---|
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | C Name of organization SURRY-YADKIN ELECTRIC MEMBERSHIP CORPORATION | | D Employer identification number 56-0421795 |
| | Doing business as | | E Telephone number 336-356-8241 |
| | Number and street (or P.O. box if mail is not delivered to street address) P.O. BOX 305 | | Room/suite |
| | City or town, state or province, country, and ZIP or foreign postal code DOBSON NC 27017-0305 | | G Gross receipts\$ 61,048,986 |
| F Name and address of principal officer: WILLIAM GREGORY PUCKETT P.O. BOX 305 DOBSON NC 27017 | | | H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) |
| I Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) (12) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | | |
| J Website: ▶ WWW.SYEMC.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: 1940 |
| | | | M State of legal domicile: NC |

Part I Summary

| | | | | |
|---|--|-------------------|---------------------------|--------------------|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: PROVIDE OUTSTANDING SERVICE THAT POWERS OUR RURAL COMMUNITIES | | | |
| | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. | | | |
| | 3 Number of voting members of the governing body (Part VI, line 1a) | 3 | 10 | |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 10 | |
| | 5 Total number of individuals employed in calendar year 2019 (Part V, line 2a) | 5 | 73 | |
| | 6 Total number of volunteers (estimate if necessary) | 6 | 0 | |
| | 7a Total unrelated business revenue from Part VIII, column (C), line 12 | 7a | 0 | |
| b Net unrelated business taxable income from Form 990-T, line 39 | 7b | 0 | | |
| Revenue | 8 Contributions and grants (Part VIII, line 1h) | | Prior Year | Current Year |
| | 9 Program service revenue (Part VIII, line 2g) | | 60,181,558 | 59,784,471 |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | | 734,120 | 1,204,100 |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | | 130,429 | 60,415 |
| | 12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12) | | 61,046,107 | 61,048,986 |
| Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) | | | 0 |
| | 14 Benefits paid to or for members (Part IX, column (A), line 4) | | 7,574,707 | 8,081,334 |
| | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) | | 527,863 | 559,658 |
| | 16a Professional fundraising fees (Part IX, column (A), line 11e) | | | 0 |
| | b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0 | | | |
| | 17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) | | 52,943,537 | 52,407,994 |
| 18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) | | 61,046,107 | 61,048,986 | |
| 19 Revenue less expenses. Subtract line 18 from line 12 | | | 0 | |
| Net Assets or Fund Balances | 20 Total assets (Part X, line 16) | | Beginning of Current Year | End of Year |
| | 21 Total liabilities (Part X, line 26) | | 134,790,890 | 141,913,227 |
| | 22 Net assets or fund balances. Subtract line 21 from line 20 | | 87,787,812 | 92,240,215 |

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 WILLIAM GREGORY PUCKETT | | Date EXECUTIVE VP & GM | |
| | Type or print name and title | | | |
| Paid Preparer Use Only | Print/Type preparer's name BRYAN A. ISGETT | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed PTIN P01441928 |
| | Firm's name ▶ MCNAIR, MCLEMORE, MIDDLEBROOKS & CO, LLC | | | Firm's EIN ▶ 58-1094351 |
| | Firm's address ▶ POST OFFICE BOX ONE MACON, GA 31202-0001 | | | Phone no. 478-746-6277 |

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

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2019)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:

TO PROVIDE THE BEST POSSIBLE ELECTRIC SERVICE TO ALL WHO DESIRE IT WITHIN THE SYSTEM SERVICE AREA AT A REASONABLE COST CONSISTENT WITH THE HIGHEST STANDARDS OF SERVICE.

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 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 \$)
N/A

4b (Code:) (Expenses \$ including grants of\$) (Revenue \$)
N/A

4c (Code:) (Expenses \$ including grants of\$) (Revenue \$)
N/A

4d Other program services (Describe on Schedule O.)
(Expenses \$ including grants of\$) (Revenue \$)

4e Total program service expenses ▶

Part IV Checklist of Required Schedules

| | | Yes | No |
|-----|--|----------|----------|
| 1 | Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> | | X |
| 2 | Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? | | X |
| 3 | Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> | | X |
| 4 | Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> | | |
| 5 | Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> | | 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? <i>If "Yes," complete Schedule D, Part I</i> | | X |
| 7 | Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> | | X |
| 8 | Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> | | X |
| 9 | Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> | | X |
| 10 | Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i> | | X |
| 11 | If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. | | |
| a | Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> | X | |
| b | Did the organization report an amount for investments—other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> | | X |
| c | Did the organization report an amount for investments—program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> | X | |
| d | Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> | | X |
| e | Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> | X | |
| f | Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> | | X |
| 12a | Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> | X | |
| b | Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> | | X |
| 13 | Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> | | X |
| 14a | Did the organization maintain an office, employees, or agents outside of the United States? | | X |
| b | Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> | | X |
| 15 | Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> | | X |
| 16 | Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> | | X |
| 17 | Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> (see instructions) | | X |
| 18 | Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> | | X |
| 19 | Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> | | X |
| 20a | Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> | | X |
| b | If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | | |
| 21 | Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> | | X |

Part IV Checklist of Required Schedules (continued)

| | | Yes | No |
|-----|--|-----|----|
| 22 | Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III | | X |
| 23 | Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J | X | |
| 24a | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a | | X |
| 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), 501(c)(4), and 501(c)(29) 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 | Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part II | | X |
| 27 | Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? If "Yes," complete Schedule L, Part III | | X |
| 28 | Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions, for applicable filing thresholds, conditions, and exceptions): | | |
| a | A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? If "Yes," complete Schedule L, Part IV | | X |
| b | A family member of any individual described in line 28a? If "Yes," complete Schedule L, Part IV | | X |
| c | A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? If "Yes," complete Schedule L, Part IV | | X |
| 29 | Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M | | X |
| 30 | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M | | X |
| 31 | Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I | | X |
| 32 | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II | | X |
| 33 | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I | | X |
| 34 | Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1 | | X |
| 35a | Did the organization have a controlled entity within the meaning of section 512(b)(13)? | | X |
| b | If "Yes" to line 35a, 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 | | X |
| 38 | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note: All Form 990 filers are required to complete Schedule O. | X | |

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V

| | | Yes | No |
|----|--|-----|----|
| 1a | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable | | |
| b | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable | | |
| c | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | X | |

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

| | | 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 | 73 | | |
| b | If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) | 2b | X | | |
| 3a | Did the organization have unrelated business gross income of \$1,000 or more during the year? | 3a | | X | |
| b | If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O | 3b | | | |
| 4a | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | 4a | | X | |
| b | If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). | | | | |
| 5a | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | 5a | | X | |
| b | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 5b | | X | |
| c | If "Yes" to line 5a or 5b, did the organization file Form 8886-T? | 5c | | | |
| 6a | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? | 6a | | X | |
| b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | 6b | | | |
| 7 | Organizations that may receive deductible contributions under section 170(c). | | | | |
| a | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | 7a | | | |
| b | If "Yes," did the organization notify the donor of the value of the goods or services provided? | 7b | | | |
| c | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | 7c | | | |
| d | If "Yes," indicate the number of Forms 8282 filed during the year | 7d | | | |
| e | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | 7e | | | |
| f | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 7f | | | |
| g | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | 7g | | | |
| h | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | 7h | | | |
| 8 | Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? | 8 | | | |
| 9 | Sponsoring organizations maintaining donor advised funds. | | | | |
| a | Did the sponsoring organization make any taxable distributions under section 4966? | 9a | | | |
| b | Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? | 9b | | | |
| 10 | Section 501(c)(7) organizations. Enter: | | | | |
| a | Initiation fees and capital contributions included on Part VIII, line 12 | 10a | | | |
| b | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | 10b | | | |
| 11 | Section 501(c)(12) organizations. Enter: | | | | |
| a | Gross income from members or shareholders | 11a | 58,285,559 | | |
| b | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) | 11b | 1,422,017 | | |
| 12a | Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | 12a | | | |
| b | If "Yes," enter the amount of tax-exempt interest received or accrued during the year | 12b | | | |
| 13 | Section 501(c)(29) qualified nonprofit health insurance issuers. | | | | |
| a | Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O. | 13a | | | |
| b | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans | 13b | | | |
| c | Enter the amount of reserves on hand | 13c | | | |
| 14a | Did the organization receive any payments for indoor tanning services during the tax year? | 14a | | X | |
| b | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O | 14b | | | |
| 15 | Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N. | 15 | | X | |
| 16 | Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O. | 16 | | X | |

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 on Schedule O. See instructions. Check if Schedule O contains a response or note to any line 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 on Schedule O. | | |
| | 10 | | |
| b | Enter the number of voting members included on line 1a, above, who are independent | | |
| | 10 | | |
| 2 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | | X |
| 3 | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person? | | X |
| 4 | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | | X |
| 5 | Did the organization become aware during the year of a significant diversion of the organization's assets? | | X |
| 6 | Did the organization have members or stockholders? | 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? | X | |
| b | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? | X | |
| 8 | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| a | The governing body? | X | |
| b | Each committee with authority to act on behalf of the governing body? | X | |
| 9 | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O. | | 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? | | X |
| 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? | | |
| 10b | | | |
| 11a | Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? | X | |
| b | Describe in Schedule O the process, if any, used by the organization to review this Form 990. | | |
| 12a | Did the organization have a written conflict of interest policy? If "No," go to line 13 | X | |
| b | Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | X | |
| c | Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done | X | |
| 12c | | X | |
| 13 | Did the organization have a written whistleblower policy? | X | |
| 14 | Did the organization have a written document retention and destruction policy? | X | |
| 15 | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? | | |
| a | The organization's CEO, Executive Director, or top management official | X | |
| b | Other officers or key employees of the organization | X | |
| | If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions). | | |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | | X |
| b | If "Yes," 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? | | |
| 16b | | | |

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► **NONE**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, 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 Other (explain on Schedule O)
- 19** Describe on 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, address, and telephone number of the person who possesses the organization's books and records ►

SURRY-YADKIN EMC
DOBSON

510 SOUTH MAIN STREET

NC 27017

336-356-8241

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line 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. See instructions for the order in which to list the persons above.

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

| (A) Name and title | (B) Average hours per week per week (list any hours for related organizations below dotted line) | (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 employee | Former | | | |
| (1) LEE VON SPEAKS PRESIDENT | 6.00 0.00 | X | | X | | | | 23,138 | 0 | 0 |
| (2) WILLARD SWIFT VICE PRESIDENT | 5.00 0.00 | X | | X | | | | 17,610 | 0 | 0 |
| (3) KAROLINE OVERBY SECRETARY | 5.00 0.00 | X | | X | | | | 20,003 | 0 | 0 |
| (4) DAVID MILLER TREASURER | 4.00 0.00 | X | | X | | | | 18,600 | 0 | 0 |
| (5) ALVIN REID JR. DIRECTOR | 5.00 0.00 | X | | | | | | 19,590 | 0 | 0 |
| (6) BRENDA HARDY DIRECTOR | 3.00 0.00 | X | | | | | | 17,280 | 0 | 0 |
| (7) EDDIE CAMPBELL DIRECTOR | 5.00 0.00 | X | | | | | | 20,580 | 0 | 0 |
| (8) STEPHEN JOYCE DIRECTOR | 6.00 0.00 | X | | | | | | 21,735 | 0 | 0 |
| (9) DAVID PENDRY DIRECTOR | 5.00 0.00 | X | | | | | | 19,920 | 0 | 0 |
| (10) STEPHEN HUTSON DIRECTOR | 4.00 0.00 | X | | | | | | 18,023 | 0 | 0 |
| (11) WILLIAM GREGORY PUCKETT EXECUTIVE VP & GM | 50.00 0.00 | | | X | | | | 267,445 | 0 | 95,735 |

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

| (A) Name and title | (B) Average hours per week per week (list any hours for related organizations below dotted line) | (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 employee | Former | | | | |
| (12) DONNA MARION V.P. OF ADMIN. | 45.00 0.00 | | | | | X | | | 138,117 | 0 | 61,489 |
| (13) MISTY UTT VP OF FINANCE & ACCT | 45.00 0.00 | | | | | X | | | 129,866 | 0 | 59,160 |
| (14) RICKY BOWMAN VP OF OPERATIONS | 45.00 0.00 | | | | | X | | | 108,972 | 0 | 51,528 |
| (15) SAM KIDD ENGINEERING TECH. | 45.00 0.00 | | | | | X | | | 112,904 | 0 | 43,343 |
| 1b Subtotal | | | | | | | | 953,783 | | 311,255 | |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | | | | |
| d Total (add lines 1b and 1c) | | | | | | | | 953,783 | | 311,255 | |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **5**

| | Yes | No |
|--|----------|----------|
| 3 Did the organization list any former officer, director, trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> | | X |
| 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> | X | |
| 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> | | X |

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. 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 |
|--|---|----------------------------------|
| BELLWETHER MANAGEMENT SOLUTION CORNELIUS JESSE GRANVILLE BRANCH ELKIN | P.O. BOX 2176 COLL/METER INSP 325 LASTER RD TRANSPORTATION | 254,771 162,579 |
| | | |
| | | |
| | | |

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 **2**

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

| | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512-514 | |
|---|--|----------------------|--|--------------------------------------|---|--|
| Contributions, Gifts, Grants and Other Similar Amounts | 1a 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 | 1g \$ | | | | |
| | h Total. Add lines 1a-1f | | | | | |
| Program Service Revenue | Business Code | | | | | |
| | 2a ELECTRIC REVENUE | 221000 | 58,285,559 | 58,285,559 | | |
| | b OTHER CAPITAL CREDITS | 221000 | 1,212,232 | 1,212,232 | | |
| | c POLE RENTAL | 221000 | 286,680 | | 286,680 | |
| | d | | | | | |
| | e | | | | | |
| | f All other program service revenue | | | | | |
| g Total. Add lines 2a-2f | | 59,784,471 | | | | |
| Other Revenue | 3 Investment income (including dividends, interest, and other similar amounts) | | 1,159,778 | | 1,159,778 | |
| | 4 Income from investment of tax-exempt bond proceeds | | | | | |
| | 5 Royalties | | | | | |
| | 6a Gross rents | (i) Real | | | | |
| | | (ii) Personal | | | | |
| | | 6a | | | | |
| | b Less: rental expenses | 6b | | | | |
| | c Rental inc. or (loss) | 6c | | | | |
| | d Net rental income or (loss) | | | | | |
| | 7a Gross amount from sales of assets other than inventory | (i) Securities | | | | |
| | | (ii) Other | | 44,322 | | |
| | | 7a | | 44,322 | | |
| | b Less: cost or other basis and sales exps. | 7b | | | | |
| | c Gain or (loss) | 7c | | 44,322 | | |
| d Net gain or (loss) | | 44,322 | | 44,322 | | |
| 8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 | 8a | | | | | |
| | b Less: direct expenses | 8b | | | | |
| c Net income or (loss) from fundraising events | | | | | | |
| 9a Gross income from gaming activities. See Part IV, line 19 | 9a | | | | | |
| | b Less: direct expenses | 9b | | | | |
| c Net income or (loss) from gaming activities | | | | | | |
| 10a Gross sales of inventory, less returns and allowances | 10a | | | | | |
| | b Less: cost of goods sold | 10b | | | | |
| c Net income or (loss) from sales of inventory | | | | | | |
| Miscellaneous Revenue | Business Code | | | | | |
| | 11a EARNINGS OR LOSS- DIVERSIFIED | 221000 | 60,415 | | 60,415 | |
| | b | | | | | |
| | c | | | | | |
| | d All other revenue | | | | | |
| e Total. Add lines 11a-11d | | 60,415 | | | | |
| 12 Total revenue. See instructions | | 61,048,986 | 59,497,791 | 0 | 1,551,195 | |

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).

Check if Schedule O contains a response or note to any line in this Part IX **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 domestic organizations and domestic governments. See Part IV, line 21 | | | | |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22 | | | | |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | 8,081,334 | 8,081,334 | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 559,658 | 559,658 | | |
| 6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 Other salaries and wages | | | | |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | | | | |
| 9 Other employee benefits | | | | |
| 10 Payroll taxes | | | | |
| 11 Fees for services (nonemployees): | | | | |
| a Management | | | | |
| b Legal | | | | |
| c Accounting | | | | |
| d Lobbying | | | | |
| e Professional fundraising services. See Part IV, line 7 | | | | |
| f Investment management fees | | | | |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) | | | | |
| 12 Advertising and promotion | | | | |
| 13 Office expenses | | | | |
| 14 Information technology | | | | |
| 15 Royalties | | | | |
| 16 Occupancy | | | | |
| 17 Travel | | | | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | | | | |
| 20 Interest | 2,792,723 | 2,792,723 | | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 4,209,978 | 4,209,978 | | |
| 23 Insurance | | | | |
| 24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) | | | | |
| a PURCHASED POWER | 31,043,246 | 31,043,246 | | |
| b DISTRIBUTION MAINTENANCE | 5,615,528 | 5,615,528 | | |
| c ADMIN. & GENERAL EXP. | 3,614,341 | 3,614,341 | | |
| d DISTRIBUTION OPERATIONS | 2,923,033 | 2,923,033 | | |
| e All other expenses | 2,209,145 | 2,209,145 | | |
| 25 Total functional expenses. Add lines 1 through 24e | 61,048,986 | 61,048,986 | 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 SheetCheck if Schedule O contains a response or note to any line in this Part X

| | | (A) | | (B) |
|---|--|------------------------|--------------------|--------------------|
| | | Beginning of year | | End of year |
| Assets | 1 Cash—non-interest-bearing | 1,484,319 | 1 | 1,833,431 |
| | 2 Savings and temporary cash investments | 3,333,043 | 2 | 3,613,417 |
| | 3 Pledges and grants receivable, net | | 3 | |
| | 4 Accounts receivable, net | 10,078,985 | 4 | 8,555,894 |
| | 5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons | | 5 | |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) | | 6 | |
| | 7 Notes and loans receivable, net | 757,333 | 7 | 671,333 |
| | 8 Inventories for sale or use | 568,237 | 8 | 687,132 |
| | 9 Prepaid expenses and deferred charges | 999,022 | 9 | 907,343 |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 146,848,725 | | |
| | b Less: accumulated depreciation | 10b 33,116,528 | 10c | 113,732,197 |
| | 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 | 10,816,711 | 13 | 11,896,426 |
| | 14 Intangible assets | | 14 | |
| | 15 Other assets. See Part IV, line 11 | 14,262 | 15 | 16,054 |
| 16 Total assets. Add lines 1 through 15 (must equal line 33) | 134,790,890 | 16 | 141,913,227 | |
| Liabilities | 17 Accounts payable and accrued expenses | 4,753,273 | 17 | 3,970,168 |
| | 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 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons | | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties | 66,526,077 | 23 | 69,704,742 |
| | 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 | 16,508,462 | 25 | 18,565,305 |
| | 26 Total liabilities. Add lines 17 through 25 | 87,787,812 | 26 | 92,240,215 |
| Net Assets or Fund Balances | Organizations that follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 27, 28, 32, and 33. | | | |
| | 27 Net assets without donor restrictions | | 27 | |
| | 28 Net assets with donor restrictions | | 28 | |
| | Organizations that do not follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 29 through 33. | | | |
| | 29 Capital stock or trust principal, or current funds | | 29 | |
| | 30 Paid-in or capital surplus, or land, building, or equipment fund | | 30 | |
| | 31 Retained earnings, endowment, accumulated income, or other funds | 47,003,078 | 31 | 49,673,012 |
| 32 Total net assets or fund balances | 47,003,078 | 32 | 49,673,012 | |
| 33 Total liabilities and net assets/fund balances | 134,790,890 | 33 | 141,913,227 | |

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI

| | | | |
|-----------|--|-----------|-------------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 61,048,986 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 61,048,986 |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | 0 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A)) | 4 | 47,003,078 |
| 5 | Net unrealized gains (losses) on investments | 5 | |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain on Schedule O) | 9 | 2,669,934 |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B)) | 10 | 49,673,012 |

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII

| | | Yes | No |
|-----------|---|----------|----------|
| 1 | Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O. | | |
| 2a | Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | X |
| 2b | Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | X | |
| 2c | 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 on Schedule O. | 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? | | X |
| 3b | If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits | | |

Form **990** (2019)

SCHEDULE D (Form 990)

Supplemental Financial Statements

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

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Name of the organization

SURRY-YADKIN ELECTRIC MEMBERSHIP CORPORATION

Employer identification number

56-0421795

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, aggregate value of grants, and questions about donor advisement.

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose of easements, total number of easements, acreage restricted, and monitoring expenses.

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

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

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include questions about reporting art and historical treasures.

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 make significant use of its collection items (check all that apply):
- a** Public exhibition
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange program
 - e** Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 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" on 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 XIII and complete the following table:
- | | Amount |
|--|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds.

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

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

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a** Board designated or quasi-endowment ▶ %
 - b** Permanent endowment ▶ %
 - c** Term endowment ▶ %
- The percentages on 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:
- | | Yes | No |
|--|---------------|----|
| (i) Unrelated organizations | 3a(i) | |
| (ii) Related organizations | 3a(ii) | |
- b** If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?
- 4** Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. 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 | | 1,752,618 | | 1,752,618 |
| b Buildings | | 145,096,107 | 33,116,528 | 111,979,579 |
| c Leasehold improvements | | | | |
| d Equipment | | | | |
| e Other | | | | |
| Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) | | | | 113,732,197 |

Part VII Investments – Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. 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) | | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) | | |

Part VIII Investments – Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

| (a) Description of investment | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|-------------------|--|
| (1) INVESTMENT IN ASSOC. - NCEMC | 8,370,065 | |
| (2) INVESTMENT IN ASSOC. - CFC | 1,303,077 | |
| (3) INVESTMENT IN ASSOC. - TEMA | 1,013,415 | |
| (4) OTHER | 709,630 | |
| (5) INVESTMENT IN ASSOC. - FEDERATED | 267,647 | |
| (6) INVESTMENT IN ASSOC. - NISC | 232,592 | |
| (7) | | |
| (8) | | |
| (9) | | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) | 11,896,426 | |

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

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

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

| 1. (a) Description of liability | (b) Book value |
|---|-------------------|
| (1) Federal income taxes | |
| (2) ACCUM PROV FOR PENSION & BENEFITS | 10,203,597 |
| (3) ASC-980 REGULATORY LIABILITY - DEF R | 7,500,250 |
| (4) CONSUMER DEPOSITS | 861,458 |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) | 18,565,305 |

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

| | | | | |
|----------|--|-----------|------------------|-------------------|
| 1 | Total revenue, gains, and other support per audited financial statements | | 1 | 58,048,986 |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | | | |
| a | Net unrealized gains (losses) on investments | 2a | | |
| b | Donated services and use of facilities | 2b | | |
| c | Recoveries of prior year grants | 2c | | |
| d | Other (Describe in Part XIII.) | 2d | | |
| e | Add lines 2a through 2d | | 2e | |
| 3 | Subtract line 2e from line 1 | | 3 | 58,048,986 |
| 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 XIII.) | 4b | 3,000,000 | |
| c | Add lines 4a and 4b | | 4c | 3,000,000 |
| 5 | Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.) | | 5 | 61,048,986 |

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

| | | | | |
|----------|---|-----------|------------------|-------------------|
| 1 | Total expenses and losses per audited financial statements | | 1 | 52,967,652 |
| 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 XIII.) | 2d | | |
| e | Add lines 2a through 2d | | 2e | |
| 3 | Subtract line 2e from line 1 | | 3 | 52,967,652 |
| 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 XIII.) | 4b | 8,081,334 | |
| c | Add lines 4a and 4b | | 4c | 8,081,334 |
| 5 | Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.) | | 5 | 61,048,986 |

Part XIII Supplemental Information.

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, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART XI, LINE 4B - REVENUE AMOUNTS INCLUDED ON RETURN - OTHER**ASC 980 - DEFERRED REVENUE** \$ **3,000,000****PART XII, LINE 4B - EXPENSE AMOUNTS INCLUDED ON RETURN - OTHER****PATRONAGE CAPITAL CREDITS** \$ **8,081,334**

SCHEDULE J
(Form 990)

Compensation Information

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

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

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization

SURRY-YADKIN ELECTRIC MEMBERSHIP CORPORATION

Employer identification number

56-0421795

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5–9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

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

| | Yes | No |
|-----------|-----|----------|
| 1b | | |
| 2 | | |
| 4a | | X |
| 4b | | X |
| 4c | | X |
| 5a | | |
| 5b | | |
| 6a | | |
| 6b | | |
| 7 | | |
| 8 | | |
| 9 | | |

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

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

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation in column (B) reported as deferred on prior Form 990 |
|--|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| 1 WILLIAM GREGORY PUCKETT EXECUTIVE VP & GM | (i) | 241,365 | 12,529 | 13,551 | 70,202 | 25,533 | 363,180 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 DONNA MARION V.P. OF ADMIN. | (i) | 127,060 | 6,765 | 4,292 | 37,545 | 23,944 | 199,606 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 MISTY UTT VP OF FINANCE & ACCT | (i) | 118,258 | 6,355 | 5,253 | 35,382 | 23,778 | 189,026 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 RICKY BOWMAN VP OF OPERATIONS | (i) | 97,293 | 5,350 | 6,329 | 28,278 | 23,250 | 160,500 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 SAM KIDD ENGINEERING TECH. | (i) | 107,045 | 3,606 | 2,253 | 20,661 | 22,682 | 156,247 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 7 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 8 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 9 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 10 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 11 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 12 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 13 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 14 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 15 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 16 | (i) | | | | | | | |
| | (ii) | | | | | | | |

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2019

**Open to Public
Inspection**

| | |
|---|---|
| Name of the organization SURRY-YADKIN ELECTRIC MEMBERSHIP CORPORATION | Employer identification number 56-0421795 |
|---|---|

FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS

THE COOPERATIVE HAS MEMBERS AS PROVIDED FOR IN ITS BYLAWS WHICH ARE INCLUDED AS A PART OF THIS RETURN.

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

THE COOPERATIVE HAS MEMBERS WHO ELECT MEMBERS OF THE GOVERNING BODY AS PROVIDED FOR IN ITS BYLAWS WHICH ARE INCLUDED AS A PART OF THIS RETURN.

FORM 990, PART VI, LINE 7B - DECISIONS SUBJECT TO APPROVAL OF MEMBERS

CERTAIN DECISIONS OF THE GOVERNING BODY ARE SUBJECT TO APPROVAL BY MEMBERS AS PROVIDED FOR IN ITS BYLAWS WHICH ARE INCLUDED AS A PART OF THIS RETURN.

FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990

FORM 990 IS REVIEWED BY THE BOARD WITH ALL SUPPORTING DOCUMENTATION MADE AVAILABLE TO THEM.

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

THE COOPERATIVE REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THEIR CONFLICT OF INTEREST POLICY AS PROVIDED FOR IN ITS POLICY WHICH IS INCLUDED AS A PART OF THIS RETURN.

FORM 990, PART VI, LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL

SALARIES ARE REVIEWED BY THE BOARD OF DIRECTORS AND FILES ARE MAINTAINED FOR THE REVIEW PROCESS BY WHICH MERIT RAISES ARE GRANTED.

Name of the organization

Employer identification number

SURRY-YADKIN ELECTRIC MEMBERSHIP

56-0421795

FORM 990, PART VI, LINE 15B - COMPENSATION PROCESS FOR OFFICERS

SALARIES ARE REVIEWED BY THE BOARD OF DIRECTORS AND FILES ARE MAINTAINED FOR THE REVIEW PROCESS BY WHICH MERIT RAISES ARE GRANTED.

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION

A COPY OF THE BYLAWS ARE PROVIDED TO NEW MEMBERS. A FINANCIAL STATEMENT IS PROVIDED TO THE MEMBERS AS A PART OF THE ORGANIZATION'S ANNUAL REPORT.

GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, FORM 990 AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST AT THE ORGANIZATIONS'S HEADQUARTERS.

FORM 990, PART VII - ADDITIONAL INFORMATION

SYEMC BYLAWS:

SECTION 5.11 - DIRECTOR COMPENSATION.

THE BOARD SHALL DETERMINE THE MANNER AND METHOD OF ANY REASONABLE DIRECTOR REIMBURSEMENT AND COMPENSATION. SUCH COMPENSATION MAY INCLUDE PAYING DIRECTORS A MONTHLY STIPEND AND/OR A FIXED PER DIEM FEE, PLUS DOCUMENTED BUSINESS EXPENSES, AS DETERMINED IN THE BOARD'S REASONABLE DISCRETION, FOR ATTENDING OR ATTENDING TO:

1. THE ONGOING NEEDS OF THE COOPERATIVE, DUTIES OF THE POSITION, AND COMMUNICATIONS WITH MEMBERS;
2. BOARD MEETING;
3. FUNCTION INVOLVING THE COOPERATIVE; OR
4. MEETING OF STATE, NATIONAL OR OTHER COOPERATIVE OR INDUSTRY ORGANIZATION, OR
5. FUNCTION REASONABLY ENHANCING THE DIRECTOR'S ABILITY TO SERVE AS A DIRECTOR.

Name of the organization

Employer identification number

SURRY-YADKIN ELECTRIC MEMBERSHIP

56-0421795

FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS EXPLANATION

ACCUM OTHER COMPREHENSIVE INCOME \$ **-1,770,098**

DONATED CAPITAL \$ **36,611**

CAPITAL CREDIT RETIREMENT \$ **-677,913**

BENEFITS PAID TO MEMBERS \$ **8,081,334**

ASC 980 DEFERRED REVENUE DEFERRED \$ **-3,000,000**

TOTAL \$ **2,669,934**

Federal Statements

Form 990 - Federal General Footnote

Description

SURRY-YADKIN ELECTRIC MEMBERSHIP CORPORATION (SURRY-YADKIN) IS A MEMBER OF A NUMBER OF ORGANIZATIONS WHERE AN SURRY-YADKIN OFFICER OR DIRECTOR MAY SERVE AS SURRY-YADKIN'S REPRESENTATIVE ON THE BOARD OF DIRECTORS. THESE INDIVIDUALS SERVE AT THE PLEASURE OF SURRY-YADKIN AND CAN SERVE ONLY AS LONG AS THEY REPRESENT SURRY-YADKIN. THE FOLLOWING INDIVIDUALS SERVED IN SUCH POSITIONS:

W. GREGORY PUCKETT - SECRETARY (DIRECTOR) OF NORTH CAROLINA ELECTRIC MEMBERSHIP CORPORATION (NCEMC); DIRECTOR OF NORTH CAROLINA ASSOCIATION OF ELECTRIC COOPERATIVES, INC. (NCAEC); DIRECTOR OF THE TARHEEL ELECTRIC MEMBERSHIP ASSOCIATION, INC.

LEE VON SPEAKS - DIRECTOR OF NCEMC; CHAIRMAN (DIRECTOR) OF NCAEC

NCEMC IS A POWER SUPPLIER FOR MOST OF THE STATE OF NORTH CAROLINA'S MEMBER COOPERATIVES. NCEMC PROVIDES RELIABLE, AFFORDABLE AND SAFE ELECTRIC AND RELATED SERVICES INCLUDING OPERATION OF A LOAD MANAGEMENT SYSTEM, POWER SUPPLY PLANNING AND DEMAND SIDE MANAGEMENT PLANNING.

NCAEC IS A MEMBER-OWNED COOPERATIVE OF 26 ELECTRIC MEMBERSHIP COOPERATIVES IN NORTH CAROLINA. NCAEC PROGRAMS SERVE THE NEEDS OF THEIR MEMBER COOPERATIVES INCLUDING:

- GOVERNMENT RELATIONS
- MONTHLY MAGAZINE PUBLISHED FOR CONSUMER-MEMBERS
- TRAINING PROGRAMS AND CONFERENCES FOR COOPERATIVE DIRECTORS, MANAGERS AND STAFF
- YOUTH SCHOLARSHIPS, EDUCATION PROGRAMS AND TOURS
- SAFETY AND JOB TRAINING FOR LINE WORKERS
- STRATEGIC COMMUNICATIONS PLANNING, ADVERTISING AND BRANDING, AND COMMUNITY RELATIONS EFFORTS ON BEHALF OF THE MEMBER COOPERATIVES.

TEMA IS A CORPORATION OWNED BY 28 ELECTRICAL MEMBERSHIP COOPERATIVES IN NORTH CAROLINA AND VIRGINIA. THE COMPANY OPERATES AS THE CENTRAL PURCHASING WAREHOUSE FACILITY OF CONSTRUCTION AND MAINTENANCE SUPPLIES FOR ITS MEMBERS.

FORM 990, PART VIII

IN 2019, THE CORPORATION DEFERRED REVENUE IN THE AMOUNT OF \$3,000,000. THE \$3,000,000 WAS APPROVED BY THE RURAL UTILITIES SERVICE AND ADHERES TO U.S. GAAP UNDER ASC 980. THE FORM 990 DOES NOT RECOGNIZE ASC 980. AS A RESULT, THE \$3,000,000 DEFERRAL HAS BEEN REPORTED AS A CURRENT YEAR INCREASE IN REVENUE ON THE FORM 990, PART VIII.

SCHEDULE D, PART XII, LINE 4B (DISCLOSURE FOR SCHEDULE D, PART XIII) FORM 990 REQUIRES 501(C)(12) ORGANIZATIONS TO REPORT PATRONAGE CAPITAL CREDITS AS AN EXPENSE. U.S. GAAP DOES NOT RECOGNIZE THIS AMOUNT AS AN EXPENSE. THE RESULT WAS \$8,081,334 MORE EXPENSE ON FORM 990, PART IX THAN REPORTED IN THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019.