

Form **990**
Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

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.

OMB No 1545-0047
2018
Open to Public Inspection

A For the 2019 calendar year, or tax year beginning 01-01-2018, and ending 12-31-2018

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return/terminated
 Amended return
 Application pending

C Name of organization: POWERSOUTH ENERGY COOPERATIVE
 Doing business as:
 Number and street (or P O box if mail is not delivered to street address) Room/suite: PO BOX 550
 City or town, state or province, country, and ZIP or foreign postal code: ANDALUSIA, AL 36420

D Employer identification number: 63-0238274
E Telephone number: (334) 427-3000
G Gross receipts \$ 621,114,877

F Name and address of principal officer: ELIZABETH C WOODARD, PO BOX 550, ANDALUSIA, AL 36420

H(a) Is this a group return for subordinates? Yes No
H(b) Are all subordinates included? Yes No
 If "No," attach a list (see instructions)
H(c) Group exemption number ▶

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

J Website: WWW POWERSOUTH COM

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: 1941 **M** State of legal domicile: AL

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
COOPERATIVE UTILITY SYSTEM - PRODUCING & DISTRIBUTING WHOLESALE ELECTRIC POWER TO & FOR COOPERATIVE MEMBERS UNDER THE PROVISIONS OF THE RURAL ELECTRIFICATION ACT OF 1936

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)	40
4 Number of independent voting members of the governing body (Part VI, line 1b)	40
5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	677
6 Total number of volunteers (estimate if necessary)	0
7a Total unrelated business revenue from Part VIII, column (C), line 12	0
7b Net unrelated business taxable income from Form 990-T, line 34	0

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	0	0
9 Program service revenue (Part VIII, line 2g)	588,641,708	612,556,144
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,119,417	6,225,501
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,108,876	2,240,576
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	595,870,001	621,022,221
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	75,306,318	81,262,015
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	510,942,077	527,687,697
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	586,248,395	608,949,712
19 Revenue less expenses Subtract line 18 from line 12	9,621,606	12,072,509

	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	1,731,764,417	1,738,635,908
21 Total liabilities (Part X, line 26)	1,376,367,366	1,371,166,348
22 Net assets or fund balances Subtract line 21 from line 20	355,397,051	367,469,560

Part II Signature Block

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

Sign Here

Signature of officer: ***** Date: 2019-11-12
 BETH WOODARD CFO / EVP Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: Preparer's signature: Date: Check if self-employed PTIN: P00090514
 Firm's name: BMSS LLC Firm's EIN: 46-1498870
 Firm's address: 1121 RIVERCHASE OFFICE ROAD BIRMINGHAM, AL 35244 Phone no: (205) 982-5500

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

POWERSOUTH ENERGY COOPERATIVE IS AN ALABAMA COOPERATIVE CORPORATION PRODUCING AND TRANSMITTING WHOLESALE ELECTRIC POWER TO AND FOR ITS COOPERATIVE AND MUNICIPAL MEMBERS UNDER THE PROVISIONS OF THE RURAL ELECTRIFICATION ACT OF 1936

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 \$)
See Additional Data

4b (Code) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)

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

4e Total program service expenses ▶

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 1 through 22 regarding organizational requirements, such as political activities, lobbying, and financial reporting.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, and Yes/No columns. Rows include questions 23 through 38 regarding compensation, bond issues, escrow accounts, 501(c)(3) organizations, and other IRS filings.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V []

Table with 3 columns: Question ID, Question Text, and Yes/No columns. Rows include questions 1a, 1b, and 1c regarding Form 1096, Forms W-2G, and backup withholding rules.

<p>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</p>	2a	677			
<p>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)</p>			2b	Yes	
<p>3a Did the organization have unrelated business gross income of \$1,000 or more during the year?</p>			3a		No
<p>b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O</p>			3b		
<p>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)?</p>			4a		No
<p>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)</p>					
<p>5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?</p>			5a		No
<p>b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?</p>			5b		No
<p>c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?</p>			5c		
<p>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?</p>			6a		No
<p>b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?</p>			6b		
7 Organizations that may receive deductible contributions under section 170(c).					
<p>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?</p>			7a		
<p>b If "Yes," did the organization notify the donor of the value of the goods or services provided?</p>			7b		
<p>c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?</p>			7c		
<p>d If "Yes," indicate the number of Forms 8282 filed during the year</p>	7d				
<p>e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?</p>			7e		
<p>f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?</p>			7f		
<p>g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?</p>			7g		
<p>h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?</p>			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		
<p>9a Did the sponsoring organization make any taxable distributions under section 4966?</p>			9a		
<p>b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?</p>			9b		
10 Section 501(c)(7) organizations. Enter					
<p>a Initiation fees and capital contributions included on Part VIII, line 12</p>	10a				
<p>b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities</p>	10b				
11 Section 501(c)(12) organizations. Enter					
<p>a Gross income from members or shareholders</p>	11a	609,340,196			
<p>b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)</p>	11b	11,682,025			
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?					
<p>b If "Yes," enter the amount of tax-exempt interest received or accrued during the year</p>	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		
<p>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</p>	13b				
<p>c Enter the amount of reserves on hand</p>	13c				
<p>14a Did the organization receive any payments for indoor tanning services during the tax year?</p>			14a		No
<p>b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O</p>			14b		
<p>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</p>			15	Yes	
<p>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</p>			16		No

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

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year (40); 1b Enter the number of voting members included in line 1a, above, who are independent (40); 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? (No); 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? (No); 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? (No); 5 Did the organization become aware during the year of a significant diversion of the organization's assets? (No); 6 Did the organization have members or stockholders? (Yes); 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? (Yes); 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? (Yes); 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? (Yes); b Each committee with authority to act on behalf of the governing body? (Yes); 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 (No)

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates? (No); 10b 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? (No); 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? (Yes); 11b 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 (No); 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (No); 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done; 13 Did the organization have a written whistleblower policy? (Yes); 14 Did the organization have a written document retention and destruction policy? (No); 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 (Yes); b Other officers or key employees of the organization (Yes); 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? (No); 16b 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?

Section C. Disclosure

Table with 2 columns: Question, Answer. Rows include: 17 List the States with which a copy of this Form 990 is required to be filed; 18 Section 6104 requires an organization to make its Form 1023 (or 1024-A if applicable), 990, and 990-T (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 in Schedule O); 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, address, and telephone number of the person who possesses the organization's books and records: ELIZABETH C WOODARD 2027 EAST THREE NOTCH STREET ANDALUSIA, AL 36421 (334) 427-3000

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 \$ _____						
	h Total. Add lines 1a-1f ▶						
Program Service Revenue	2a SALES OF ELECTRICITY	Business Code					
		221000	612,556,144	612,556,144			
	b _____						
	c _____						
	d _____						
	e _____						
	f All other program service revenue						
g Total. Add lines 2a-2f ▶		612,556,144					
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		6,150,310			6,150,310	
	4 Income from investment of tax-exempt bond proceeds ▶						
	5 Royalties ▶						
	6a Gross rents	(i) Real	(ii) Personal				
		b Less rental expenses					
		c Rental income or (loss)					
		d Net rental income or (loss) ▶					
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less cost or other basis and sales expenses		167,847			
		c Gain or (loss)		92,656			
		d Net gain or (loss) ▶		75,191			75,191
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a						
		b Less direct expenses b					
		c Net income or (loss) from fundraising events ▶					
	9a Gross income from gaming activities See Part IV, line 19 a						
b Less direct expenses b							
c Net income or (loss) from gaming activities ▶							
10a Gross sales of inventory, less returns and allowances a							
	b Less cost of goods sold b						
	c Net income or (loss) from sales of inventory ▶						
Miscellaneous Revenue	Business Code						
11a CAPITAL CREDITS	221000	1,281,912	1,281,912				
b AFUDC	221000	793,080	793,080				
c OTHER MISCELLANEOUS INCOME	221000	165,584	165,584				
d All other revenue							
e Total. Add lines 11a-11d ▶		2,240,576					
12 Total revenue. See Instructions ▶		621,022,221	614,796,720	0	6,225,501		

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

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.				
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, line 15 and 16.				
4 Benefits paid to or for members.				
5 Compensation of current officers, directors, trustees, and key employees	7,176,099			
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	55,786,014			
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)	13,262,886			
9 Other employee benefits	906,431			
10 Payroll taxes	4,130,585			
11 Fees for services (non-employees)				
a Management				
b Legal	1,699,019			
c Accounting	396,316			
d Lobbying				
e Professional fundraising services. See Part IV, line 17.				
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)	74,945			
12 Advertising and promotion	6,009,685			
13 Office expenses	670,424			
14 Information technology				
15 Royalties				
16 Occupancy	3,190,945			
17 Travel	1,164,131			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	56,631,597			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	69,424,322			
23 Insurance				
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 POWER PRODUCTION - FUEL	177,024,644			
b PURCHASED POWER	110,686,706			
c TRANSMISSIONS - OPERATI	36,843,088			
d POWER PRODUCTION - MAIN	30,524,120			
e All other expenses	33,347,755			
25 Total functional expenses. Add lines 1 through 24e	608,949,712			
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

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	58,817,543	1	72,705,855
	2 Savings and temporary cash investments	6,020,802	2	3,584,863
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	60,709,460	4	63,050,314
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Loans and other 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) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	104,429,383	8	73,495,160
	9 Prepaid expenses and deferred charges	72,436,940	9	64,824,789
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 2,411,063,158		
	b Less accumulated depreciation	10b 1,062,615,630	1,353,896,540	10c 1,348,447,528
	11 Investments—publicly traded securities		11	
	12 Investments—other securities See Part IV, line 11	18,098,160	12	18,601,568
	13 Investments—program-related See Part IV, line 11	19,366,438	13	19,058,092
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	37,989,151	15	74,867,739
16 Total assets. Add lines 1 through 15 (must equal line 34)	1,731,764,417	16	1,738,635,908	
Liabilities	17 Accounts payable and accrued expenses	94,982,598	17	93,301,983
	18 Grants payable		18	
	19 Deferred revenue	14,116,723	19	32,600,000
	20 Tax-exempt bond liabilities	98,621,829	20	95,099,625
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Loans and other 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	856,452,954	23	930,842,148
	24 Unsecured notes and loans payable to unrelated third parties	229,695,956	24	115,460,998
	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	82,497,306	25	103,861,594
	26 Total liabilities. Add lines 17 through 25	1,376,367,366	26	1,371,166,348
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), 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 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds	110	30	110
	31 Paid-in or capital surplus, or land, building or equipment fund	0	31	0
	32 Retained earnings, endowment, accumulated income, or other funds	355,396,941	32	367,469,450
33 Total net assets or fund balances	355,397,051	33	367,469,560	
34 Total liabilities and net assets/fund balances	1,731,764,417	34	1,738,635,908	

Part XI Reconciliation of Net Assets

Check 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	621,022,221
2	Total expenses (must equal Part IX, column (A), line 25)	2	608,949,712
3	Revenue less expenses Subtract line 2 from line 1	3	12,072,509
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	355,397,051
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 in Schedule O)	9	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	367,469,560

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line 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?
 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
 Separate basis Consolidated basis Both consolidated and separate basis
- b** 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
 Separate basis Consolidated basis Both consolidated and separate basis
- 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
- 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		No
2b	Yes	
2c	Yes	
3a		No
3b		

Additional Data

Software ID:

Software Version:

EIN: 63-0238274

Name: POWERSOUTH ENERGY COOPERATIVE

Form 990 (2018)

Form 990, Part III, Line 4a:

POWERSOUTH ENERGY COOPERATIVE SERVES THE WHOLESALE ENERGY NEEDS OF 20 UTILITY DISTRIBUTION MEMBERS IN ALABAMA AND NORTHWEST FLORIDA

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours 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			
CLAY CAMPBELL BOARD MEMBER	7 00	X						18,903	0	0
ED SHORT BOARD MEMBER	7 00	X						19,601	0	0
JAMES WILSON BOARD MEMBER	7 00	X						16,703	0	0
RANDY BRANNON BOARD MEMBER	7 00	X						20,403	0	0
GARY HARRISON BOARD MEMBER	7 00	X						18,403	0	0
TOM STACKHOUSE BOARD MEMBER	7 00	X						19,203	0	0
JAMES HALL BOARD MEMBER	7 00	X						16,001	0	0
EARL JOHNSON BOARD MEMBER	7 00	X						12,602	0	0
BRITT THOMAS BOARD MEMBER	7 00	X						19,203	0	0
STACEY PARKER BOARD MEMBER	7 00	X						18,403	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours 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			
JIM WINN BOARD MEMBER	7 00	X						11,603	0	0
COOSA VALLEY ELECTRIC BOARD MEMBER	7 00	X						18,100	0	0
VINCE JOHNSON BOARD MEMBER	7 00	X						16,900	0	0
TALLAPOOSA RIVER ELECTRIC BOARD MEMBER	7 00	X						19,603	0	0
THOMAS DUNCAN BOARD MEMBER	7 00	X						20,003	0	0
MICKEY MURDOCK BOARD MEMBER	7 00	X						14,101	0	0
RICKY JONES BOARD MEMBER	7 00	X						13,703	0	0
TERRY MOSELEY BOARD MEMBER	7 00	X						20,003	0	0
WILLIE SMITH BOARD MEMBER	7 00	X						18,802	0	0
STEPHEN RHODES BOARD MEMBER	7 00	X						19,203	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours 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			
JOSEPH COLEMAN BOARD MEMBER	7 00	X						22,003	0	0
WIREGRASS ELECTRIC COOPERATIVE BOARD MEMBER	7 00	X						20,803	0	0
VAN SMITH BOARD MEMBER	7 00	X						21,203	0	0
RUSSELL DUNAWAY BOARD MEMBER	7 00	X						17,803	0	0
JIMMY SHAVER BOARD MEMBER	7 00	X						25,373	0	0
KAREN MOORE BOARD MEMBER	7 00	X						17,303	0	0
DOUG BIRMINGHAM BOARD MEMBER	7 00	X						7,502	0	0
ANDREW CALLAWAY BOARD MEMBER	7 00	X						10,802	0	0
DAVID BAILEY BOARD MEMBER	7 00	X						20,003	0	0
BECKY BRACKE BOARD MEMBER	7 00	X						16,003	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours 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			
ISABELL BOYD BOARD MEMBER	7 00	X						15,202	0	0
TIM JOHNSON BOARD MEMBER	7 00	X						25,193	0	0
JACK BAILEY BOARD MEMBER	7 00	X						4,900	0	0
JOHN BARTLEY BOARD MEMBER	7 00	X						18,403	0	0
GERALD EDMONDSON BOARD MEMBER	7 00	X						20,003	0	0
ALAN SCHOTT BOARD MEMBER	7 00	X						1,100	0	0
HOWARD DAUGHERTY BOARD MEMBER	7 00	X						12,302	0	0
LEE PETERS BOARD MEMBER	7 00	X						12,103	0	0
AARON WHITE BOARD MEMBER	7 00	X						19,602	0	0
TRACY REEDER BOARD MEMBER	7 00	X						19,603	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours 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			
LELAND FULLER BOARD MEMBER	7 00	X						1,501	0	0
BRUCE BOSWELL BOARD MEMBER	7 00	X						20,403	0	0
RANDY BUSH BOARD MEMBER	7 00	X						20,803	0	0
TY PEEL BOARD MEMBER	7 00	X						1,100	0	0
STEVEN SHEFFIELD BOARD MEMBER	7 00	X						4,500	0	0
JAMES SIKES BOARD MEMBER	7 00	X						4,801	0	0
EDWARD JONES BOARD MEMBER	7 00	X						10,102	0	0
GARY SMITH CEO/PRESIDENT	50 00			X				1,281,654	0	237,059
SETH HAMMETT VP OF BUSINESS DEVELOPMENT	50 00			X				340,557	0	81,953
HORACE HORN VP OF EXTERNAL AFFAIRS	50 00			X				531,782	0	94,975

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours 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			
DAMON MORGAN COO	50 00			X				715,500	0	159,849
ELIZABETH WOODARD CFO	50 00			X				423,491	0	118,990
LEIGH GRANTHAM VP OF MEMBER SERVICES AND	50 00			X				319,268	0	103,664
RICK KYLE CFO	50 00			X				1,035,278	0	37,511
JOHN MATHESON VP OF POWER PRODUCTIONS	50 00			X				230,028	0	68,901
RON GRAHAM VP OF POWER SUPPLY	50 00			X				241,002	0	76,827
ART BRUNSON VP OF LEGAL AND COMPLIANCE	50 00			X				254,198	0	81,746
TERRY WILSON DIRECTOR OF T&D OPERATIONS	50 00					X		213,372	0	67,684
JJ FARRINGTON MANAGER OF PLANNING, COMPLIANCE & REGULATORY	50 00					X		181,991	0	62,231
DAVID WYATT CENTRAL GENERATION PLANT MANAGER	50 00					X		183,087	0	52,631

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours 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	Insttutional Trustee	Officer	Key employee	Highest compensated employee	Former				
TIM HATTAWAY ENERGY SERVICES MANAGER	50 00					X		179,589	0	60,928	
JOE ARMSTRONG DIRECTOR OF ENGINEERING	50 00					X		194,198	0	56,858	

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

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 the latest information.

OMB No 1545-0047
2018
Open to Public Inspection

Name of the organization
POWERSOUTH ENERGY COOPERATIVE

Employer identification number
63-0238274

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.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of 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" on Form 990, Part IV, line 7.

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

Preservation of land for public use (e g , recreation or education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

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

	Held at the End of the Year	
a Total number of conservation easements	2a	
b Total acreage restricted by conservation easements	2b	
c Number of conservation easements on a certified historic structure included in (a)	2c	
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d	

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

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

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

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

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

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

9 In Part XIII, 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" on 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 XIII, the text of the footnote to its financial statements that describes these items

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

(i) Revenue included on 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 Revenue included on Form 990, Part VIII, line 1 ▶ \$ _____

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

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

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)
- a** Public exhibition
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part 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 |
|---|--------|
| 1c Beginning balance | |
| 1d Additions during the year | |
| 1e Distributions during the year | |
| 1f Ending balance | |
- 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 in 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** Temporarily restricted 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
- | | | |
|--|-----|----|
| (i) unrelated organizations | Yes | No |
| (ii) related organizations | | |
| b If "Yes" on 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		18,859,508		18,859,508
b Buildings		150,802,048	86,817,053	63,984,995
c Leasehold improvements				
d Equipment		2,203,941,892	956,391,100	1,247,550,792
e Other		37,459,710	19,407,477	18,052,233
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶				1,348,447,528

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)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 13.)		

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.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
FMV OF INTEREST RATE SWAPS	30,128,097
ACCUM PROV FOR PROPERTY INSURANCE	5,207,307
ASSET RETIREMENT OBLIGATIONS	35,378,477
REG LIAB DEFERRED GAIN ON INTEREST RATE SWAPS	31,862
ACCRUED POST RETIREMENT BENEFIT COST	27,590,397
FMV OF GAS HEDGES	5,525,454
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)	103,861,594

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 FIN 48 (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	620,784,022
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	0
3	Subtract line 2e from line 1		3	620,784,022
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	238,199	
c	Add lines 4a and 4b		4c	238,199
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)		5	621,022,221

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	608,720,034
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	8,523	
e	Add lines 2a through 2d		2e	8,523
3	Subtract line 2e from line 1		3	608,711,511
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	238,201	
c	Add lines 4a and 4b		4c	238,201
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)		5	608,949,712

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

Return Reference	Explanation
See Additional Data Table	

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

Software ID:

Software Version:

EIN: 63-0238274

Name: POWERSOUTH ENERGY COOPERATIVE

Supplemental Information

Return Reference	Explanation
PART XI, LINE 4B - OTHER ADJUSTMENTS	FINANCIAL STATEMENT NETTING OF EXPENSES IN INCOME 238,199

Supplemental Information

Return Reference	Explanation
PART XII, LINE 2D - OTHER ADJUSTMENTS	CONSOLIDATED FINANCIAL STATEMENT LOSSES ON WHOLLY OWNED SUBSIDIARIES 8,523

Supplemental Information

Return Reference	Explanation
PART XII, LINE 4B - OTHER ADJUSTMENTS	FINANCIAL STATEMENT NETTING OF INCOME IN EXPENSES 238,201

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" 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

2018

Open to Public Inspection

Name of the organization
POWERSOUTH ENERGY COOPERATIVE

Employer identification number
63-0238274

Part I Questions Regarding Compensation

		Yes	No		
<p>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</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) </td> </tr> </table>	<input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)			
<input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)				
<p>b If any of the boxes in 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</p>	1b				
<p>2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</p>	2				
<p>3 Indicate which, if any, of the following the filing 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</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee </td> </tr> </table>	<input checked="" type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations	<input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee			
<input checked="" type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations	<input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee				
<p>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</p> <p>a Receive a severance payment or change-of-control payment?</p> <p>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p> <p>c Participate in, or receive payment from, an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</p>	4a		No		
	4b	Yes			
	4c		No		
<p>Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</p>					
<p>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</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes," on line 5a or 5b, describe in Part III</p>	5a				
	5b				
<p>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</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes," on line 6a or 6b, describe in Part III</p>	6a				
	6b				
<p>7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III</p>	7				
<p>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</p>	8				
<p>9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>	9				

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Return Reference	Explanation
PART I, LINE 4B	THE FOLLOWING PERSONS PARTICIPATE IN A SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN: GARY SMITH CEO/PRESIDENT, SETH HAMMETT VP OF BUSINESS DEVELOPMENT, HORACE HORN VP OF EXTERNAL AFFAIRS, DAMON MORGAN COO, ELIZABETH WOODARD CFO, LEIGH GRANTHAM VP OF MEMBER SERVICES AND COMMUNICATIONS, RICK KYLE VP/CFO. DURING 2018, THE FOLLOWING PAYMENTS WERE MADE TO EMPLOYEES FROM A SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN: GARY SMITH \$180,636, SETH HAMMETT \$34,532, HORACE HORN \$183,726, RICK KYLE \$914,487.



Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

Schedule K (Form 990)

Supplemental Information on Tax-Exempt Bonds

Complete if the organization answered "Yes" to Form 990, Part VI, line 24a. Provide descriptions, explanations, and any additional information in Part VI. Attach to Form 990. Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Name of the organization POWERSOUTH ENERGY COOPERATIVE

Employer identification number 63-0238274

Part I Bond Issues

Table with 10 columns: (a) Issuer name, (b) Issuer EIN, (c) CUSIP #, (d) Date issued, (e) Issue price, (f) Description of purpose, (g) Defeased (Yes/No), (h) On behalf of issuer (Yes/No), (i) Pool financing (Yes/No). Rows include INDUSTRIAL DEV BD TOWN OF CHATOM SERIES 2007A and 2010A.

Part II Proceeds

Table with 13 rows and 8 columns (A-D). Rows include Amount of bonds retired, Amount of bonds legally defeased, Total proceeds of issue, Gross proceeds in reserve funds, Capitalized interest from proceeds, Proceeds in refunding escrows, Issuance costs from proceeds, Credit enhancement from proceeds, Working capital expenditures from proceeds, Capital expenditures from proceeds, Other spent proceeds, Other unspent proceeds, and Year of substantial completion.

Part III Private Business Use

Table with 2 rows and 8 columns (A-D). Rows include Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? and Are there any lease arrangements that may result in private business use of bond-financed property?

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?								
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?								
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6 Total of lines 4 and 5								
7 Does the bond issue meet the private security or payment test?								
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?								
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?								

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X				
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X		X				
b Exception to rebate?	X		X					
c No rebate due?	X		X					
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?	X			X				
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

Part IV Arbitrage (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X				
7 Has the organization established written procedures to monitor the requirements of section 148?	X		X					

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?		X		X				

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
SCHEDULE K PART IV, ARBITRAGE, LINE 2C ADDITIONAL INFORMATION	(A) ISSUER NAME INDUSTRIAL DEV BD TOWN OF CHATOM SERIES 2007A DATE THE REBATE COMPUTATION LAST WAS PERFORMED 04/01/2017 (A) ISSUER NAME INDUSTRIAL DEV BD TOWN OF CHATOM SERIES 2010A DATE THE REBATE COMPUTATION WAS LAST PERFORMED 09/30/2015

Return Reference	Explanation
SCHEDULE K PART III - OTHER QUALIFIED PRIVATE ACTIVITY BOND INFORMATION	PART I, ROW A IDB OF TOWN OF CHATOM SERIES 2007A - GO ZONE BONDS PART I, ROW B IDB OF TOWN OF CHATOM SERIES 2010A - GO ZONE BONDS

Additional Data

Software ID:
Software Version:
EIN: 63-0238274
Name: POWERSOUTH ENERGY COOPERATIVE

Return Reference	Explanation
SCHEDULE K PART IV, ARBITRAGE, LINE 2C ADDITIONAL INFORMATION	(A) ISSUER NAME INDUSTRIAL DEV BD TOWN OF CHATOM SERIES 2007A DATE THE REBATE COMPUTATION LAST WAS PERFORMED 04/01/2017 (A) ISSUER NAME INDUSTRIAL DEV BD TOWN OF CHATOM SERIES 2010A DATE THE REBATE COMPUTATION WAS LAST PERFORMED 09/30/2015
SCHEDULE K PART III - OTHER QUALIFIED PRIVATE ACTIVITY BOND INFORMATION	PART I, ROW A IDB OF TOWN OF CHATOM SERIES 2007A - GO ZONE BONDS PART I, ROW B IDB OF TOWN OF CHATOM SERIES 2010A - GO ZONE BONDS

SCHEDULE O
(Form 990 or 990-EZ)**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.

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Department of the Treasury

Name of the organization

POWERSOUTH ENERGY COOPERATIVE

Employer identification number

63-0238274

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	THE ORGANIZATION HAS 20 MEMBERS

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	EACH MEMBER HAS THE POWER TO NOMINATE TWO TRUSTEES TO THE BOARD

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	UNDER POWERSOUTH'S BYLAWS, CERTAIN ACTIONS ARE VOTED ON BY THE MEMBERS INCLUDING THE SALE OF SUBSTANTIALLY ALL OF ITS PROPERTY, EXPULSION OF A MEMBER AS WELL AS MATTERS DEALING WITH MERGERS AND OTHER ISSUES

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11B	THE PRESIDENT/CEO REVIEWS THE FORM 990 WITH THE EXECUTIVE COMMITTEE WHO THEN REPORTS TO THE BOARD OF TRUSTEES THE BOARD MEMBERS RECEIVE A COPY OF THE FORM 990 FOR REVIEW ONCE THE FORM 990 HAS BEEN REVIEWED BY THE GOVERNING BODY, THE RETURN IS FILED WITH THE INTERNAL REVENUE SERVICE

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, LINE 12A	THE ORGANIZATION DOES NOT HAVE A FORMAL CONFLICT OF INTEREST POLICY HOWEVER INTERNAL PROCESSES AND OTHER POLICIES PROVIDE THE ORGANIZATION WITH GUIDANCE ON CONFLICTS OF INTEREST

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, LINE 14	THE ORGANIZATION DOES NOT HAVE A FORMAL POLICY HOWEVER INTERNAL PROCEDURES PROVIDE THE ORGANIZATION WITH GUIDANCE ON DOCUMENT RETENTION AND DESTRUCTION PER THE USDA GUIDELINES FOR RURAL UTILITY SERVICE

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	COMPENSATION PROCESS POWERSOUTH'S SYSTEMATIC SALARY COMPENSATION PLAN FOR MANAGEMENT, SUPERVISORY, TECHNICAL AND CLERICAL EMPLOYEES WAS DEVELOPED BY THE HAY GROUP AND HAS BEEN USED SINCE THE 1980'S THE HAY METHODOLOGY EVALUATES JOBS ON THREE MAJOR FACTORS (1) REQUIRED JOB KNOWLEDGE AND SKILLS (2) THE DEGREE OF THINKING AND PROBLEM SOLVING REQUIRED FOR DECISION MAKING AND (3) THE DEGREE OF ACCOUNTABILITY FOR ACTIONS AND THE CONSEQUENCES OF THOSE ACTIONS AFTER EVALUATION, EACH JOB IS ASSIGNED A POINT VALUE AND A SALARY RANGE EACH YEAR, HAY REVIEWS THE SALARY RANGES OF OUR JOBS AND COMPARES THEM TO THE MARKET TO DETERMINE WHERE WE RELATE TO OTHERS IN OUR INDUSTRY FROM THE INFORMATION OBTAINED THROUGH EXTENSIVE SURVEYS CONDUCTED BY HAY (HAY GROUP ENERGY INDUSTRY AND LOCAL AREA SURVEY DATABASES), IT WILL DETERMINE IF OUR MIDPOINTS ARE BELOW, ABOVE OR EQUAL TO THE MARKET AVERAGE THIS ENSURES INTERNAL EQUITY AND EXTERNAL COMPETITIVENESS IF NEEDED, HAY MAKES A RECOMMENDATION TO ADJUST OUR PAY STRUCTURE (SALARY RANGES) BASED ON THE MARKET AND ITS MOVEMENT POWERSOUTH'S BOARD OF TRUSTEES IS INFORMED OF THIS INFORMATION AND HAS THE FINAL DECISION AS TO WHAT ACTION IS TAKEN WE PROCEED AS THE BOARD OF TRUSTEES ADVISE

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	FORM 990 AND AUDITED FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST CERTAIN GOVERNANCE DOCUMENTS ARE AVAILABLE VIA ALABAMA SECRETARY OF STATE WEBSITE AS WELL AS POSTED TO EMMA OPERATED BY THE MUNICIPAL SECURITIES RULEMAKING BOARD

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XII, LINE 2C	THERE WAS NO CHANGE IN THE AUDIT OVERSIGHT PROCESS OR SELECTION PROCESS DURING THE YEAR

990 Schedule O, Supplemental Information

Return Reference	Explanation
SECTION 1 263(A)-1(F) DE MINIMIS SAFE HARBOR ELECTION	POWERSOUTH ENERGY COOPERATIVE P O BOX 550 ANDALUSIA, AL 36420 EMPLOYER IDENTIFICATION NUMBER 63-0238274 FOR THE YEAR ENDING DECEMBER 31, 2018 POWERSOUTH ENERGY COOPERATIVE IS MAKING THE DE MINIMIS SAFE HARBOR ELECTION UNDER REG SEC 1 263(A)-1(F)

990 Schedule O, Supplemental Information

Return Reference	Explanation
SECTION 1 263(A)-3 (N) ELECTION	POWERSOUTH ENERGY COOPERATIVE P O BOX 550 ANDALUSIA, AL 36420 EMPLOYER IDENTIFICATION NUMBER 63-0238274 FOR THE YEAR ENDING DECEMBER 31, 2018 POWERSOUTH ENERGY COOPERATIVE IS MAKING THE ELECTION TO CAPITALIZE REPAIR AND MAINTENANCE COSTS UNDER REG SEC 1 263(A)-3(N)

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2018

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- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
- ▶ Attach to Form 990.
- ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization
POWERSOUTH ENERGY COOPERATIVE

Employer identification number

63-0238274

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) 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

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on 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?	
						Yes	No

Part III Identification of Related Organizations Taxable as a Partnership Complete if the organization answered "Yes" on 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) 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		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust 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) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) ANDALUSIA AND CONECUH RAILROAD CO INC PO BOX 550 ANDALUSIA, AL 36420 63-0844945	RAILROAD	AL	POWERSOUTH ENERGY COOPERATIVE	C	-1,900	283,147	100 000 %	Yes	
(2) POWERSOUTH DEVELOPMENT CORP PO BOX 550 ANDALUSIA, AL 36420 72-1361165	ECONOMIC DEVELOPMENT	AL	POWERSOUTH ENERGY COOPERATIVE	C		1,657,667	100 000 %	Yes	
(3) COOPERATIVE SERVICES INC PO BOX 550 ANDALUSIA, AL 36420 63-1236941	HOLDING COMPANY	AL	POWERSOUTH ENERGY COOPERATIVE	C	-6,623	101,951	100 000 %	Yes	

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

	Yes	No
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	1a	No
b Gift, grant, or capital contribution to related organization(s)	1b	No
c Gift, grant, or capital contribution from related organization(s)	1c	No
d Loans or loan guarantees to or for related organization(s)	1d	No
e Loans or loan guarantees by related organization(s)	1e	No
f Dividends from related organization(s)	1f	No
g Sale of assets to related organization(s)	1g	No
h Purchase of assets from related organization(s)	1h	No
i Exchange of assets with related organization(s)	1i	No
j Lease of facilities, equipment, or other assets to related organization(s)	1j	No
k Lease of facilities, equipment, or other assets from related organization(s)	1k	No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	No
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	No
o Sharing of paid employees with related organization(s)	1o	No
p Reimbursement paid to related organization(s) for expenses	1p	No
q Reimbursement paid by related organization(s) for expenses	1q	No
r Other transfer of cash or property to related organization(s)	1r	No
s Other transfer of cash or property from related organization(s)	1s	No

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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation