

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
CARROLL ELECTRIC COOPERATIVE CORPORATION

Doing business as

Number and street (or P O box if mail is not delivered to street address) Room/suite
PO BOX 4000

City or town, state or province, country, and ZIP or foreign postal code
BERRYVILLE, AR 72616

D Employer identification number
71-0027635

E Telephone number
(870) 423-2161

G Gross receipts \$ 194,712,319

F Name and address of principal officer
ROB BOAZ
PO BOX 4000
BERRYVILLE, AR 72616

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)

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

J Website: WWW CARROLLECC COM

H(c) Group exemption number ▶

K Form of organization Corporation Trust Association Other ▶

L Year of formation 1937

M State of legal domicile AR

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO SERVE OUR MEMBERS WITH SAFE, RELIABLE, AND AFFORDABLE ELECTRICITY

2 Check this box if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a)	9
4 Number of independent voting members of the governing body (Part VI, line 1b)	9
5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	291
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)	174,698,689	189,911,727
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,557,075	3,433,493
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,071,384	1,073,700
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	179,327,148	194,418,920
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	28,768	32,523
14 Benefits paid to or for members (Part IX, column (A), line 4)	8,809,349	9,027,301
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	20,889,792	21,739,756
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)	149,599,239	163,619,340
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	179,327,148	194,418,920
19 Revenue less expenses Subtract line 18 from line 12	0	0

	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	562,634,209	590,748,186
21 Total liabilities (Part X, line 26)	317,379,842	337,777,657
22 Net assets or fund balances Subtract line 21 from line 20	245,254,367	252,970,529

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: 2019-11-11
ROB BOAZ PRESIDENT/CEO
Type or print name and title

Paid Preparer Use Only
Print/Type preparer's name: Preparer's signature: Date: 2019-11-07
Check if self-employed PTIN: P00439459
Firm's name: BOLINGER SEGARS GILBERT AND MOSS LLP Firm's EIN: 75-0882037
Firm's address: 8215 NASHVILLE AVENUE LUBBOCK, TX 79423 Phone no: (806) 747-3806

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

WE EXIST TO SERVE OUR MEMBERS WITH SAFE, RELIABLE, AND AFFORDABLE ELECTRICITY

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the 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. Contains 22 numbered questions regarding organizational requirements and reporting.

Part IV Checklist of Required Schedules (continued)

		Yes	No
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? <i>If "Yes," complete Schedule J</i>	23	Yes
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
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?	24c	
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
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? <i>If "Yes," complete Schedule L, Part I</i>	25a	
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? <i>If "Yes," complete Schedule L, Part I</i>	25b	
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>	26	No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	No
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? <i>If "Yes," complete Schedule R, Part I</i>	33	No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	No
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)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	
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? <i>If "Yes," complete Schedule R, Part VI</i>	37	No
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	38	Yes

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	109
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	

<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	291			
<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	186,283,080			
<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	9,367,964			
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.					
<p>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</p>			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		No
<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; 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?; 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?; 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?; 5 Did the organization become aware during the year of a significant diversion of the organization's assets?; 6 Did the organization have members or stockholders?; 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?; 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?; 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following; 8a The governing body?; 8b Each committee with authority to act on behalf of the governing body?; 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.

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?; 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?; 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?; 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; 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?; 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?; 14 Did the organization have a written document retention and destruction policy?; 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?; 15a The organization's CEO, Executive Director, or top management official; 15b Other officers or key employees of the organization; 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?; 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 [x] 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. CHAD ALLEN 920 HWY 62 SPUR BERRYVILLE, AR 72616 (870) 423-2161

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

Check 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, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

(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			
(1) ALAN HUNNICUTT CHAIRMAN	9 60	X		X				33,933	0	-14,982
(2) CARLA HATHORN VICE CHAIRMAN	6 10	X		X				31,763	0	-17,326
(3) WINFRED PRIER SECRETARY/TREASURER	3 80	X		X				33,414	0	0
(4) J NEFF BASORE DIRECTOR	6 00	X						26,533	0	-15,185
(5) KRISTY NOBLE DIRECTOR	6 00	X						48,158	0	-8,199
(6) DAVID GLASS DIRECTOR	8 30	X						51,033	0	-6,752
(7) CHARLES R SHINN DIRECTOR	4 90	X						32,033	0	-14,677
(8) JOSEPH R SPIVEY DIRECTOR	6 70	X						39,158	0	-11,437
(9) BOBBY G RAULSTON DIRECTOR	6 20	X						41,033	0	-2,209
(10) ROB BOAZ PRESIDENT/CEO	50 00			X				491,957	0	369,747
(11) CHAD ALLEN VP FINANCIAL SERVICES	45 00			X				177,847	0	130,975
(12) JAMES SANDERS VP EXECUTIVE SERVICES	45 00					X		302,052	0	151,787
(13) KEAN STEELY VP ENGINEERING & OPERATION	46 00					X		232,153	0	118,450
(14) MICHAEL DODGE VP BENTONVILLE DISTRICT	55 00					X		225,805	0	135,549
(15) DAVID BROCK VP OFFICE SERVICES	51 00					X		175,513	0	108,303
(16) JOHN WORLEY VP BENTON COUNTY LINES SERVICES	50 00					X		177,887	0	195,825

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			Business Code				
	2a SALES OF ELECTRICITY		221000	184,071,155	184,071,155		
b PATRONAGE DIVIDENDS		221000	4,471,032	4,471,032			
c SERVICE FEES		221000	1,066,731	1,066,731			
d SURGE SUPPRESSOR REVENUE		221000	225,312	225,312			
e OTHER PROGRAM REVENUE		221000	77,497	77,497			
f All other program service revenue							
g Total. Add lines 2a-2f			189,911,727				

Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			3,289,210			3,289,210
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6a Gross rents	(i) Real	(ii) Personal				
	b Less rental expenses	2,900					
	c Rental income or (loss)		2,900				
	d Net rental income or (loss)			2,900			2,900
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
	b Less cost or other basis and sales expenses		312,751				
	c Gain or (loss)		168,468				
	d Net gain or (loss)		144,283	144,283			144,283
	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	143,033					
b Less cost of goods sold	b	124,931					
c Net income or (loss) from sales of inventory			18,102	18,102			
Miscellaneous Revenue	Business Code						
11a POLE ATTACHMENT INCOME	221000		1,052,698			1,052,698	
b _____							
c _____							
d All other revenue							
e Total. Add lines 11a-11d			1,052,698				
12 Total revenue. See Instructions			194,418,920	189,929,829	0	4,489,091	

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	18,423			
2 Grants and other assistance to domestic individuals See Part IV, line 22	14,100			
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	9,027,301			
5 Compensation of current officers, directors, trustees, and key employees	1,416,817			
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	13,541,714			
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)	2,757,634			
9 Other employee benefits	3,067,259			
10 Payroll taxes	956,332			
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (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	10,046,048			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	17,670,792			
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 PURCHASED POWER	117,509,729			
b DISTRIBUTION EXPENSE	11,113,156			
c ADMIN & GENERAL EXPENSE	6,068,730			
d CONSUMER EXPENSE	679,889			
e All other expenses	530,996			
25 Total functional expenses. Add lines 1 through 24e	194,418,920			
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	762,868	1	1,140,505
	2 Savings and temporary cash investments	3,373,398	2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	14,562,748	4	14,983,576
	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	4,366,363	8	6,754,990
	9 Prepaid expenses and deferred charges	5,960,894	9	4,485,089
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 648,162,861		
	b Less accumulated depreciation	10b 170,364,876	450,797,589	10c 477,797,985
	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	66,896,612	13	67,432,960
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	15,913,737	15	18,153,081
16 Total assets. Add lines 1 through 15 (must equal line 34)	562,634,209	16	590,748,186	
Liabilities	17 Accounts payable and accrued expenses	10,731,878	17	21,824,239
	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 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	287,413,302	23	296,491,434
	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	19,234,662	25	19,461,984
	26 Total liabilities. Add lines 17 through 25	317,379,842	26	337,777,657
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	1,893,043	30	1,953,390
	31 Paid-in or capital surplus, or land, building or equipment fund	0	31	0
	32 Retained earnings, endowment, accumulated income, or other funds	243,361,324	32	251,017,139
33 Total net assets or fund balances	245,254,367	33	252,970,529	
34 Total liabilities and net assets/fund balances	562,634,209	34	590,748,186	

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	194,418,920
2	Total expenses (must equal Part IX, column (A), line 25)	2	194,418,920
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 33, column (A))	4	245,254,367
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	7,716,162
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	252,970,529

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		No
2c		
3a		No
3b		

Additional Data

Software ID:

Software Version:

EIN: 71-0027635

Name: CARROLL ELECTRIC COOPERATIVE CORPORATION

Form 990 (2018)

Form 990, Part III, Line 4a:

SALES OF ELECTRIC POWER TO MEMBERS - 100,466 ACTIVE SERVICES WERE PROVIDED POWER AT YEAR END AT COST ON A COOPERATIVE BASIS THROUGH THE ALLOCATION OF PATRONAGE CAPITAL

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
CARROLL ELECTRIC COOPERATIVE CORPORATION

Employer identification number
71-0027635

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 |
|--|--------|
| c Beginning balance | |
| d Additions during the year | |
| e Distributions during the year | |
| f Ending balance | |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, 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		6,900,067		6,900,067
b Buildings		65,035,520	6,779,329	58,256,191
c Leasehold improvements				
d Equipment		514,937,586	163,585,547	351,352,039
e Other		61,289,688		61,289,688
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶				477,797,985

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
See Additional Data Table		
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 13)	67,432,960	

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	
ACCUMULATED PROVISION FOR POST RETIREMENT BENEFITS	5,605,929
CONSUMER DEPOSITS	6,087,280
ACCRUED OPERATING TAXES	5,687,248
DEFERRED CREDITS	2,081,527
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25)	19,461,984

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	
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	
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		
c	Add lines 4a and 4b		4c	
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)		5	

Part 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	
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	
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		
c	Add lines 4a and 4b		4c	
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)		5	

Part 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: 71-0027635

Name: CARROLL ELECTRIC COOPERATIVE CORPORATION

Form 990, Schedule D, Part VIII - Investments Program Related

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)CAPITAL TERM CERTIFICATES	1,795,518	C
(2)PATRONAGE CAPITAL - AECC	58,472,738	C
(3)PATRONAGE CAPITAL - AECI	4,110,794	C
(4)PATRONAGE CAPITAL - CFC	1,056,811	C
(5)PATRONAGE CAPITAL - COBANK	707,058	C
(6)PATRONAGE CAPITAL - FEDERATED	1,047,991	C
(7)PATRONAGE CAPITAL - ARESIT	235,334	C
(8)MEMBERSHIPS & OTHER	3,420	C
(9)PATRONAGE CAPITAL - FARMERS	354	C
(10)PATRONAGE CAPITAL - SOUTH COOP	41	C
(11)PATRONAGE CAPITAL - SEDC	2,901	C

Supplemental Information

Return Reference	Explanation
PART X, LINE 2	THE COOPERATIVE FOLLOWS THE "UNCERTAIN TAX POSITIONS" PROVISIONS OF ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA THE PRIMARY TAX POSITION OF THE COOPERATIVE IS ITS FILING STATUS AS A TAX EXEMPT ENTITY THE COOPERATIVE DETERMINED THAT IT IS MORE LIKELY THAN NOT THAT ITS TAX POSITION WILL BE SUSTAINED UPON EXAMINATION BY THE INTERNAL REVENUE SERVICE (IRS) AND THAT ALL TAX BENEFITS ARE LIKELY TO BE REALIZED UPON SETTLEMENT WITH TAXING AUTHORITIES

Supplemental Information

Return Reference	Explanation
PART IX	THE AMOUNT OF OTHER ASSETS ON FORM 990, PAGE 11, PART X, LINE 15 DOES NOT EQUAL OR EXCEED 5% OF THE TOTAL ASSETS ON FORM 990, PAGE 11, PART X, LINE 16, COLUMN B CONSEQUENTLY, IN ACCORDANCE WITH IRS INSTRUCTIONS, SCHEDULE D, PART IX HAS BEEN LEFT BLANK

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

Schedule I (Form 990)

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

OMB No 1545-0047

2018

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," on Form 990, Part IV, line 21 or 22.

Attach to Form 990.

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

Name of the organization CARROLL ELECTRIC COOPERATIVE CORPORATION

Employer identification number 71-0027635

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance...
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000 Part II can be duplicated if additional space is needed

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC section (if applicable), (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation (book, FMV, appraisal, other), (g) Description of noncash assistance, (h) Purpose of grant or assistance. Rows 1-12.

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table.
3 Enter total number of other organizations listed in the line 1 table.

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22

Part III can be duplicated if additional space is needed

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of noncash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
(1) SCHOLARSHIPS FOR POST-SECONDARY EDUCATION	31	14,100			
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					

Part IV Supplemental Information. Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

Return Reference	Explanation
PART II	ALL GRANTS, SPONSORSHIPS, AND/OR DONATIONS ARE MADE TO NON-PROFIT AND CIVIC ORGANIZATIONS THAT ARE LOCATED IN THE COOPERATIVE'S SERVICE AREA, AND ARE INTENDED TO IMPROVE THE COMMUNITIES IN WHICH OUR MEMBERS RESIDE EACH GRANT, SPONSORSHIP, AND/OR DONATION MADE DURING THE YEAR WAS BELOW THE REPORTING THRESHOLD OF SCHEDULE I, PART II
PART III	EACH HIGH SCHOOL IN THE COOPERATIVE'S SERVICE TERRITORY SELECTS ONE SCHOLARSHIP RECIPIENT THAT IS CHOSEN BY THE COUNSELOR OF EACH RESPECTIVE HIGH SCHOOL UPON ENROLLMENT BY THE SCHOLARSHIP RECIPIENT, THE COOPERATIVE PAYS THE COLLEGE OR UNIVERSITY DIRECTLY

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
CARROLL ELECTRIC COOPERATIVE CORPORATION

Employer identification number
71-0027635

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 checked="" 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 checked="" 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 checked="" 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	Yes			
<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	Yes			
<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 type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input checked="" 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 type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input checked="" 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 type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input checked="" 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>	4a		No		
<p>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p>	4b	Yes			
<p>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</p>	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>	5a				
<p>b Any related organization? If "Yes," on line 5a or 5b, describe in Part III</p>	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>	6a				
<p>b Any related organization? If "Yes," on line 6a or 6b, describe in Part III</p>	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 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 are not 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 ROB BOAZ PRESIDENT/CEO	(i)	474,047	15,734	2,176	350,660	19,087	861,704	0
	(ii)	0	0	0	0	0	0	0
2 CHAD ALLEN VP FINANCIAL SERVICES	(i)	169,506	6,997	1,344	112,578	18,397	308,822	0
	(ii)	0	0	0	0	0	0	0
3 JAMES SANDERS VP EXECUTIVE SERVICES	(i)	225,479	37,551	39,022	133,005	18,782	453,839	28,800
	(ii)	0	0	0	0	0	0	0
4 KEAN STEELY VP ENGINEERING & OPERATION	(i)	225,834	3,884	2,435	99,683	18,767	350,603	0
	(ii)	0	0	0	0	0	0	0
5 MICHAEL DODGE VP BENTONVILLE DISTRICT	(i)	212,731	8,602	4,472	116,853	18,696	361,354	0
	(ii)	0	0	0	0	0	0	0
6 DAVID BROCK VP OFFICE SERVICES	(i)	166,548	6,707	2,258	89,912	18,391	283,816	0
	(ii)	0	0	0	0	0	0	0
7 JOHN WORLEY VP BENTON COUNTY LINES SERVICES	(i)	164,288	9,393	4,206	177,455	18,370	373,712	0
	(ii)	0	0	0	0	0	0	0

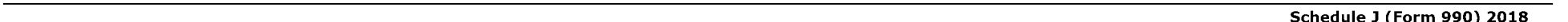
Part III Supplemental Information

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 II, COLUMNS B, C, & D	<p>THE AMOUNTS REPORTED ON SCHEDULE J ARE NOT ALL EXPENSE ITEMS TO THE COOPERATIVE IN THE FILING PERIOD, AND IF REPORTED ON A CASH OR ACCRUAL BASIS, THESE AMOUNTS WOULD VARY. THE AMOUNTS REPORTED IN SCHEDULE J, AS REQUIRED BY THE IRS, MEASURE THE VESTING OF BENEFITS PAYABLE AND NOT THE ACTUAL EXPENSE TO THE COOPERATIVE. IN EARLY YEARS OF EMPLOYMENT, VESTING IS LOW. IN LATER YEARS, AS EMPLOYEES APPROACH RETIREMENT, VESTING IS HIGH. WITH VERY LIMITED EXCEPTION, ALL RETIREMENT PLANS IN COLUMN C ARE THE SAME PLANS OFFERED TO ALL EMPLOYEES OF THE COOPERATIVE. THE ACTUAL COST AND/OR EXPENSE OF REPORTABLE COMPENSATION TO THE COOPERATIVE FOR THE FORM 990 FILING PERIOD IS DISPLAYED AS FOLLOWS:</p> <p>ROB BOAZ: COLUMN B (I-III) - BOX 5, W-2 WAGES \$ 491,957; COLUMN C - EMPLOYER RETIREMENT PLAN EXPENSE \$ 160,273; COLUMN D - EMPLOYER PROVIDED NON-TAXABLE BENEFITS EXPENSE \$ 19,087.</p> <p>CHAD ALLEN: COLUMN B (I-III) - BOX 5, W-2 WAGES \$ 177,847; COLUMN C - EMPLOYER RETIREMENT PLAN EXPENSE \$ 59,324; COLUMN D - EMPLOYER PROVIDED NON-TAXABLE BENEFITS EXPENSE \$ 18,397.</p> <p>JAMES SANDERS: COLUMN B (I-III) - BOX 5, W-2 WAGES \$ 302,052; COLUMN C - EMPLOYER RETIREMENT PLAN EXPENSE \$ 105,728; COLUMN D - EMPLOYER PROVIDED NON-TAXABLE BENEFITS EXPENSE \$ 18,782.</p> <p>KEAN STEELY: COLUMN B (I-III) - BOX 5, W-2 WAGES \$ 232,153; COLUMN C - EMPLOYER RETIREMENT PLAN EXPENSE \$ 78,996; COLUMN D - EMPLOYER PROVIDED NON-TAXABLE BENEFITS EXPENSE \$ 18,767.</p> <p>MICHAEL DODGE: COLUMN B (I-III) - BOX 5, W-2 WAGES \$ 225,805; COLUMN C - EMPLOYER RETIREMENT PLAN EXPENSE \$ 75,160; COLUMN D - EMPLOYER PROVIDED NON-TAXABLE BENEFITS EXPENSE \$ 18,696.</p> <p>DAVID BROCK: COLUMN B (I-III) - BOX 5, W-2 WAGES \$ 175,513; COLUMN C - EMPLOYER RETIREMENT PLAN EXPENSE \$ 58,945; COLUMN D - EMPLOYER PROVIDED NON-TAXABLE BENEFITS EXPENSE \$ 18,391.</p> <p>JOHN WORLEY: COLUMN B (I-III) - BOX 5, W-2 WAGES \$ 177,887; COLUMN C - EMPLOYER RETIREMENT PLAN EXPENSE \$ 57,885; COLUMN D - EMPLOYER PROVIDED NON-TAXABLE BENEFITS EXPENSE \$ 18,370.</p>

Return Reference	Explanation
PART I, LINE 1A	<p>TRAVEL FOR COMPANIONS - PURSUANT TO COOPERATIVE POLICY, THE PRESIDENT/CEO (R BOAZ) RECEIVES THE TRAVEL FOR COMPANION BENEFIT AS APPROVED BY THE BOARD ON AN AS NEEDED BASIS NO EXPENSES WERE PAID DURING THE YEAR PART I, LINE 4B QUALIFYING DIRECTORS PARTICIPATE IN A PLAN PURSUANT TO BOARD POLICY BENEFITS VEST BASED ON CONDITIONS WITHIN THE POLICY AND BOARD APPROVAL AT THAT TIME THE ACTUARIAL INCREASE/(DECREASE) OF BENEFITS POTENTIALLY PAYABLE UNDER THE PLAN ARE REPORTED ON FORM 990, PART VII, SECTION A, COLUMN F AND ARE SUMMARIZED AS FOLLOWS DIRECTORS - \$ (90,767) BECAUSE CERTAIN EMPLOYEES ARE PROHIBITED BY IRS RULES FROM FULLY PARTICIPATING IN CONVENTIONAL RETIREMENT PLANS, THE COOPERATIVE SPONSORS A SECTION 457(F) NON-QUALIFIED DEFERRED COMPENSATION (NQDC) PLAN WHERE, FOR PLAN PARTICIPANTS, BENEFITS UNDER THE PLAN ARE CURRENTLY ACCRUED AND PARTIALLY VESTED IN THE SAME YEAR TOTAL BENEFITS PAID TO VP EXECUTIVE SERVICES (J SANDERS) DURING THE YEAR WERE \$28,800 THE COOPERATIVE ALSO SPONSORS A SECTION 457(F) NON-QUALIFIED DEFERRED COMPENSATION (NQDC) PLAN WHERE, FOR THE PLAN PARTICIPANT, BENEFITS ACCRUE ANNUALLY BUT ARE NOT VESTED/PAYABLE UNTIL NORMAL RETIREMENT AGE THE ACTUARIAL INCREASE ASSOCIATED WITH PARTICIPATION IN THE PLAN FOR PRESIDENT/CEO (R BOAZ) IS \$235,096</p>

Return Reference	Explanation
SCHEDULE J	THE FOLLOWING DISCLOSURES ARE AN INTEGRAL PART OF UNDERSTANDING COMPENSATION REPORTED IN SCHEDULE J THESE ADDITIONAL DISCLOSURES FURTHER EXPLAIN BENEFITS PROVIDED BY THE COOPERATIVE TO ITS EMPLOYEES AND, IN GENERAL, AMOUNTS ACCRUED UNDER APPLICABLE PLANS PLEASE NOTE, HOWEVER, WITH RESPECT TO CERTAIN RETIREMENT BENEFITS, THE AMOUNTS REPORTED PURSUANT TO FORM 990 INSTRUCTIONS ARE NOT REPRESENTATIVE OF THE ACTUAL COST/EXPENSE TO THE COOPERATIVE



Schedule J (Form 990) 2018

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.

2018
Open to Public Inspection

Department of the Treasury

Name of the organization

CARROLL ELECTRIC COOPERATIVE CORPORATION

Employer identification number

71-0027635

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 1	THE COOPERATIVE HAS 9 BOARD MEMBERS, ALL 9 ARE ALLOWED TO VOTE, HOWEVER THE BOARD CHAIRMAN VOTES ONLY IN THE CASE OF A TIE

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	BUSINESS RELATIONSHIP ALAN HUNNICUTT (DIRECTOR) AND KRISTY NOBLE (DIRECTOR) SHARE A BUSINESS RELATIONSHIP ROB BOAZ (PRESIDENT/CEO) AND ALAN HUNNICUTT (DIRECTOR) BOTH SERVE ON THE BOARD OF ARKANSAS ELECTRIC COOPERATIVE CORPORATION AT THE REQUEST OF AND FOR THE BENEFIT OF THE COOPERATIVE ROB BOAZ (PRESIDENT/CEO) AND CARLA HATHORN (DIRECTOR) BOTH SERVE ON THE BOARD OF ARKANSAS ELECTRIC COOPERATIVE, INC AT THE REQUEST OF AND FOR THE BENEFIT OF THE COOPERATIVE

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 4	<p>DURING THE YEAR, THE BYLAWS OF THE COOPERATIVE WERE AMENDED AS FOLLOWS ARTICLE III - BOARD MEMBERS SECTION 4, SUBSECTIONS A, B, AND C WERE AMENDED TO CLARIFY NOMINATING COMMITTEE REQUIREMENTS ARTICLE VI - NONPROFIT OPERATION SECTION 2 WAS AMENDED TO STATE IF COSTS AND EXPENSES EXCEED THE AMOUNTS RECEIVED AND RECEIVABLE FROM THE FURNISHING OF ELECTRIC ENERGY, REFERRED TO AS A "LOSS", THEN THE BOARD OF DIRECTORS SHALL HAVE THE AUTHORITY UNDER ACCEPTED ACCOUNTING PRACTICES, LOAN COVENANTS, AND FEDERAL COOPERATIVE TAX LAW, TO PRESCRIBE THE ACCOUNTING PROCEDURES UNDER WHICH SUCH LOSS MAY BE ADDRESSED ADDITIONALLY, THE BOARD OF DIRECTORS, ACTING UNDER POLICIES OF GENERAL APPLICATION TO SITUATIONS OF LIKE KIND MAY APPROVE AN EARLY RETIREMENT PRIOR TO WHEN SUCH CAPITAL CREDITS WOULD GENERALLY BE RETIRED PROVIDED THE FINANCIAL CONDITION OF THE COOPERATIVE WILL NOT BE IMPAIRED THE PAYMENT PORTION OF SUCH EARLY RETIREMENT SHALL BE ON A DISCOUNTED AND NET PRESENT VALUE BASIS TO REFLECT THE TIME VALUE OF MONEY DUE THE COOPERATIVE SUCH POLICIES SHALL ESTABLISH THE CRITERIA USED IN DETERMINING THE DISCOUNTED AND NET PRESENT VALUE OF EARLY RETIREMENTS THE DIFFERENCE BETWEEN THE TOTAL AMOUNT OF CAPITAL CREDITS RETIRED AND THE CASH PAYMENT OF SUCH EARLY RETIREMENT SHALL BE CONSIDERED A CONTRIBUTION OF CAPITAL TO AND PART OF THE NET SAVINGS OF THE COOPERATIVE ARTICLE X - MISCELLANEOUS A NEW SECTION 4 WAS ADDED REGARDING MEMBER COMMUNICATION WHICH STATES THE COOPERATIVE WILL MAKE AVAILABLE TO MEMBERS GENERAL MEMBER-CONSUMER INFORMATION, CERTAIN PLANS, PROGRAMS AND INITIATIVES OF THE COOPERATIVE, AS WELL AS UPDATES, IF ANY, TO THESE BYLAWS EXCEPT AS OTHERWISE PROVIDED HEREIN, INFORMATION AND UPDATES MAY BE DELIVERED BY (A) U S MAIL, (B) THROUGH PUBLICATIONS PROVIDED BY THE COOPERATIVE, (C) ELECTRONICALLY THROUGH EMAIL, TEXT, OR THE COOPERATIVE'S WEBSITE, OR (D) IN PERSON A MEMBER'S ELECTION TO REFUSE DELIVERY OF ANY/ALL OF THESE COMMUNICATION MEDIUMS DOES NOT INVALIDATE THE COOPERATIVE'S EFFORT TO PROVIDE THE ENTIRE MEMBERSHIP COMPLETE INFORMATION OR ENTITLE INDIVIDUAL MEMBERS TO A REDUCTION IN THEIR ELECTRIC BILL</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	THE COOPERATIVE WAS FORMED BY THE MEMBERS TO PROVIDE ELECTRIC SERVICE AT COST ON A COOPERATIVE BASIS

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	THE MEMBERS OF THE COOPERATIVE VOTE ON THE BOARD OF DIRECTORS ELECTIONS ARE DONE VIA UNITED STATES MAIL ON A ONE MEMBER ONE VOTE BASIS MEMBERS COMPLETE AND RETURN WRITTEN BALLOTS IN A SEALED ENVELOPE ADDRESSED TO THE SECRETARY OF THE COOPERATIVE

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	THE FOLLOWING ACTS REQUIRE APPROVAL OF THE MEMBERS OF THE COOPERATIVE 1 DISSOLUTION/LIQUIDATION OF THE COOPERATIVE 2 MERGER OR CONSOLIDATION OF THE COOPERATIVE WITH ANOTHER ORGANIZATION 3 DISPOSAL OF A SUBSTANTIAL PORTION OF THE COOPERATIVE'S ASSETS 4 AMENDMENT TO THE ARTICLES OF INCORPORATION

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 8B	THE COOPERATIVE HAS NO COMMITTEES WITH AUTHORITY TO ACT ON BEHALF OF THE GOVERNING BODY T HEREFORE, AND PURSUANT TO FORM 990 INSTRUCTIONS, THE QUESTION HAS BEEN ANSWERED "NO"

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11B	MANAGEMENT PROVIDED A COPY OF THE FORM 990 TO THE BOARD FOR DISCUSSION AND REVIEW PRIOR TO FILING

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	OFFICIALS MUST COMPLETE AND SIGN A CONFLICT OF INTEREST CERTIFICATION AND DISCLOSURE FORM ATTACHED TO THE CONFLICT OF INTEREST POLICY EACH OFFICIAL IS RESPONSIBLE FOR ENSURING THAT THE FORM IS KEPT CURRENT AND MUST IMMEDIATELY SUBMIT AN UPDATED FORM TO THE APPROPRIATE ETHICS COMMITTEE IF THERE IS ANY MATERIAL CHANGE TO ANY OF THE INFORMATION CONTAINED IN THE FORM PER THE POLICY DEFINITION, OFFICIAL MEANS A DIRECTOR, OFFICER, AN EMPLOYEE WHO IS RESPONSIBLE FOR THE PROCUREMENT OF GOODS AND SERVICES INCLUDING THE SELECTION, AWARD, OR ADMINISTRATION OF CONTRACTS DURING NORMAL OR EMERGENCY SITUATIONS, OR KEY EMPLOYEE AS DEFINED BY THE INTERNAL REVENUE SERVICE

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	THE BOARD OF DIRECTORS USE A COMPENSATION SURVEY AND COMPARE COMPENSATION REPORTED ON OTHER COOPERATIVE'S IRS FORMS 990 WHEN DETERMINING THE COMPENSATION OF THE PRESIDENT/CEO THE SURVEY SHOWS COMPARATIVE SALARIES FOR PRESIDENTS/CEOS FROM SIMILARLY SITUATED COOPERATIVES LOCATED IN ARKANSAS AND THE NATION THE BOARD AND THE PRESIDENT/CEO USE A COMPENSATION SURVEY AND COMPARE COMPENSATION REPORTED ON OTHER COOPERATIVES' IRS FORMS 990 WHEN DETERMINING THE COMPENSATION OF THE COOPERATIVE'S OTHER EMPLOYEES MEETING THE DEFINITION OF OFFICER AND KEY EMPLOYEES, IF ANY THE SURVEY INCLUDES SALARIES FROM SIMILARLY SITUATED COOPERATIVES THROUGHOUT ARKANSAS AND THE NATION

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE ARTICLES OF INCORPORATION AND THE BYLAWS OF THE COOPERATIVE ARE PROVIDED IN WRITTEN OR ELECTRONIC FORM UPON REQUEST THE BYLAWS ARE AVAILABLE ON THE COOPERATIVE'S WEBSITE THE ANNUAL FINANCIAL REPORT IS DISTRIBUTED TO ALL MEMBERS IMMEDIATELY PRIOR TO THE ANNUAL MEETING OF THE MEMBERS ANY MEMBER, UPON REQUEST, IS PROVIDED A COMPLETE COPY OF THE COOPERATIVE'S AUDIT REPORT

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VIII, LINE 2B	PATRONAGE DIVIDENDS RESULT FROM THE PURCHASE OF WHOLESAL POWER FROM A GENERATION & TRANSMISSION COOPERATIVE PATRONAGE DIVIDENDS ALSO RESULT FROM THE PAYMENT OF INTEREST FROM COOPERATIVE BANKS AND THE PURCHASE OF SUPPLIES AND SERVICES FROM OTHER COOPERATIVE ORGANIZATIONS THE EXPENSES ASSOCIATED WITH PURCHASES FROM AND PAYMENTS TO SUCH COOPERATIVE ORGANIZATIONS ARE A DIRECT COMPONENT OF COST OF THE ELECTRIC SERVICE PROVIDED BY THE COOPERATIVE TO ITS MEMBERS

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX	THE ACCOUNTING RECORDS OF THE COOPERATIVE ARE MAINTAINED IN ACCORDANCE WITH THE RUS UNIFORM SYSTEM OF ACCOUNTS (USOA) PRESCRIBED FOR RUS ELECTRIC BORROWERS. THE USOA DOES NOT RECORD EXPENSES IN THE GENERAL EXPENSE CATEGORIES PROVIDED ON PART IX LINES 1 - 23. THE COOPERATIVE SEPARATELY REPORTS SALARIES AND WAGES, EMPLOYEE BENEFITS AND PAYROLL TAXES THAT ARE ALLOCATED IN ACCORDANCE WITH THEIR ACCOUNTING SYSTEM, BUT OTHER EXPENSES THAT ARE DESCRIBED IN LINES 1 - 23 ARE REPORTED ON LINE 24 UNDER THE EXPENSE CATEGORIES REQUIRED BY THE USOA.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX, LINES 5-7	SALARIES AND WAGES ARE ALLOCATED TO ASSET, LIABILITY, AND EXPENSE ACCOUNTS BASED ON THE ACCOUNTING SYSTEM DESCRIBED ABOVE THE FOLLOWING SCHEDULE RECONCILES AMOUNTS REPORTED ON LINES 5-7 TO TOTAL WAGES ACCRUED AND/OR PAID TOTAL PER LINES 5-7 \$14,958,531 LESS DIRECTOR FEES REPORTED ON FORMS 1099-MISC (337,058) PLUS DIRECTOR RETIREMENT BENEFITS INCLUDED IN LINE 5 90,767 LESS OFFICER BENEFITS REPORTED ON LINE 5 (500,722) PLUS SALARIES AND WAGES CAPITALIZED DIRECTLY TO PLANT 5,731,429 PLUS SALARIES AND WAGES CAPITALIZED/EXPENSED INDIRECTLY THROUGH CLEARING AND OTHER ACCOUNTS 1,881,104 TOTAL WAGES ACCRUED AND/OR PAID \$21,824,051

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX, LINE 24	ADMINISTRATIVE AND GENERAL EXPENSE IS COMPRISED OF THE FOLLOWING ADMINISTRATIVE & GENERAL \$ 4,114,055 OFFICE SUPPLIES 1,059,469 OUTSIDE SERVICES 217,836 PENSION & BENEFITS 1,590,517 REGULATORY COMMISSION 297,810 DUPLICATE CHARGES (CREDIT) (164,531) MISCELLANEOUS GENERAL 3,559,640 DIRECTORS 392,608 MAINTENANCE OF GENERAL PLANT 2,045,896 TOTAL ADMIN & GENERAL EXP PER FINANCIAL STATEMENTS \$13,113,300 LESS RECLASS OF DONATIONS TO PART IX, LINE 1 (32,523) LESS RECLASS OF DIRECTOR FEES TO PART IX, LINE 5 (246,294) LESS RECLASS OF LABOR T O PART IX, LINES 5 & 7 (4,473,530) LESS RECLASS OF BENEFITS TO PART IX, LINES 8-10 (2,292,226) TOTAL ADMIN & GENERAL EXPENSE PER FORM 990, PART IX \$ 6,068,730

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX, LINE 4	<p>PURSUANT TO THE FORM 990 INSTRUCTIONS, THE AMOUNT OF PATRONAGE DIVIDENDS PAID TO THE MEMBERS (HEREINAFTER REFERRED TO AS "PATRONS") SHOULD BE REPORTED ON PART IX, LINE 4. THE PHRASE "PATRONAGE DIVIDENDS PAID" REFERS TO THE PROCESS, SUBSEQUENT TO YEAR-END, BY WHICH THE COOPERATIVE ALLOCATES PATRONAGE CAPITAL TO AND, THEREFORE, OPERATES AT COST WITH ITS PATRONS. THE COOPERATIVE'S TAX EXEMPT PURPOSE IS TO PROVIDE ELECTRICITY TO ITS PATRONS AND TO DO SO ON A COOPERATIVE BASIS. TAX LAW DEFINES "OPERATING ON A COOPERATIVE BASIS" AS SUBORDINATION OF CAPITAL, DEMOCRATIC CONTROL, AND OPERATION AT COST. THE COOPERATIVE OPERATES AT COST THROUGH THE ALLOCATION OF TRUE PATRONAGE DIVIDENDS (ALSO REFERRED TO AS ALLOCATIONS OF PATRONAGE CAPITAL) TO ITS PATRONS. PATRONAGE DIVIDENDS ARE CONSIDERED PAID IF THE ALLOCATION IS MADE (1) PURSUANT TO A PRE-EXISTING OBLIGATION, (2) FROM THE MARGINS PRODUCED FROM THE TRANSACTIONS DONE WITH OR FOR PATRONS, AND (3) IN A FAIR AND EQUITABLE MANNER ON THE BASIS OF PATRONAGE (I.E. PURCHASES). ADDITIONALLY, THE ALLOCATION OF PATRONAGE DIVIDENDS SHOULD BE MADE WITHIN A REASONABLE TIME PERIOD AFTER THE CLOSE OF THE COOPERATIVE'S YEAR-END OF DECEMBER 31. EACH ONE OF THESE REQUIREMENTS FOR A TRUE PATRONAGE DIVIDEND IS PROVIDED FOR IN THE NON-PROFIT OPERATION ARTICLE OF THE COOPERATIVE'S BYLAWS. THE AMOUNT REPORTED ON PART IX, LINE 4 REPRESENTS THE AMOUNT OF PATRONAGE CAPITAL THAT IS EITHER ALLOCATED OR TO BE ALLOCATED TO THE PATRONS RESULTING FROM THEIR PURCHASE OF ELECTRICITY FROM THE COOPERATIVE FOR THE 2018 CALENDAR YEAR. BECAUSE PATRONAGE DIVIDENDS ARE THE PROCESS BY WHICH THE COOPERATIVE OPERATES AT COST WITH ITS PATRONS AND THEREBY A KEY COMPONENT TO ACCOMPLISHING ITS EXEMPT PURPOSE, THE COOPERATIVE HAS REPORTED SUCH AMOUNTS AS AN EXPENSE FOR FORM 990 REPORTING. PATRONAGE DIVIDENDS ARE NOT AN EXPENSE FOR FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, HOWEVER.</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX, LINE 24E	OTHER EXPENSES ARE COMPRISED OF THE FOLLOWING TRANSMISSION \$ 466,092 OTHER DEDUCTIONS 64, 904 TOTAL OTHER EXPENSES PER FORM 990, LINE 24E \$ 530,996

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XI, LINE 9	NET CHANGE IN MEMBERSHIPS 60,347 PATRONAGE CAPITAL ALLOCATED OR TO BE ALLOCATED 9,027,301 PATRONAGE CAPITAL RETIRED - DECLARED -4,976,002 UNCLAIMED PATRONAGE RETIREMENTS RETAINED PER STATE LAW 3,229,958 OTHER COMPREHENSIVE INCOME(LOSS) 374,558

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XII, LINE 2B	AUDITED FINANCIAL STATEMENTS WERE PREPARED BY AN INDEPENDENT ACCOUNTANT FOR THE COOPERATIVE'S FINANCIAL STATEMENT AUDIT YEAR END OF FEBRUARY 28TH THE TAX RETURN HAS BEEN AND CONTINUES TO BE PREPARED BASED ON A CALENDAR TAX YEAR END OF DECEMBER 31

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XII, LINE 2C	THE BOARD AS A WHOLE IS RESPONSIBLE FOR OVERSEEING THE FINANCIAL STATEMENT AUDIT AND SELECTING THE INDEPENDENT FINANCIAL STATEMENT AUDITOR PROCEDURAL CHANGES DID NOT OCCUR DURING THE YEAR