

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
MID-SOUTH ELECTRIC COOPERATIVE ASSOCIATION

Doing business as
MID-SOUTH SYNERGY

Number and street (or P O box if mail is not delivered to street address) Room/suite
PO BOX 970

City or town, state or province, country, and ZIP or foreign postal code
NAVASOTA, TX 778680970

D Employer identification number
74-0783753

E Telephone number
(936) 825-5100

G Gross receipts \$ 87,531,047

F Name and address of principal officer
KERRY KELTON
PO BOX 970
NAVASOTA, TX 778680970

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 MIDSOUTHSYNERGY COM

H(c) Group exemption number ▶

K Form of organization Corporation Trust Association Other ▶

L Year of formation 1940

M State of legal domicile TX

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO PROVIDE QUALITY AND RELIABLE ELECTRIC SERVICE TO MEMBERS OF THE COOPERATIVE

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)	8
4 Number of independent voting members of the governing body (Part VI, line 1b)	7
5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	161
6 Total number of volunteers (estimate if necessary)	0
7a Total unrelated business revenue from Part VIII, column (C), line 12	-4,177
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)	79,732,369	87,013,388
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	123,848	199,335
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	301,538	213,380
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	80,157,755	87,426,103
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	99	212
14 Benefits paid to or for members (Part IX, column (A), line 4)	6,563,151	7,114,368
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	7,273,157	7,479,416
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)	64,202,351	71,429,626
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	78,038,758	86,023,622
19 Revenue less expenses Subtract line 18 from line 12	2,118,997	1,402,481
	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	273,994,511	294,662,972
21 Total liabilities (Part X, line 26)	170,214,007	181,853,418
22 Net assets or fund balances Subtract line 21 from line 20	103,780,504	112,809,554

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: 2019-11-05
KERRY KELTON GENERAL MANAGER/CEO
Type or print name and title

Paid Preparer Use Only
Print/Type preparer's name: Preparer's signature: Date: 2019-11-05
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

THE COOPERATIVE'S AND ITS SUBSIDIARIES' MISSION IS TO PROVIDE QUALITY SERVICE (ELECTRICITY, WATER, WASTEWATER, INTERNET, & SOLAR) AT A REASONABLE PRICE, BRINGING VITAL SERVICES TO INCREASE BOTH THE QUALITY OF LIFE AND ECONOMIC HEALTH IN THE MID-SOUTH SYNERGY SERVICE AREA

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)

		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>	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>		No
24b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		
25b	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>		
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>		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>		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)		
28a	a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		No
28b	b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	Yes	
28c	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>		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		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>		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		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>		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>		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>	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	Yes	
35b	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>		No
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>		
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>		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	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		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		

<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	161			
<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	Yes	
<p>b If "Yes," has it filed a Form 990-T for this year?<i>If "No" to line 3b, provide an explanation in Schedule O</i></p>			3b	Yes	
<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	86,031,479			
<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	3,854,123			
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?<i>If "No," provide an explanation in Schedule O</i></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; 1b Enter the number of voting members included in line 1a, above, who are independent; 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: ANDREW DALLMEYER SR VP FINANCE & ACCOUNTING 7625 HIGHWAY 6 NAVASOTA, TX 77868 (936) 825-5175

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) MARSHALL SHIRLEY PRESIDENT	7 20 1 00	X		X				24,488	0	0
(2) JAMES MORRISON VICE PRESIDENT	5 80 1 00	X		X				19,763	0	0
(3) JACK SHEPHERD SECRETARY/TREASURER	3 50 1 00	X		X				14,775	0	0
(4) PAUL MALEK DIRECTOR	5 40 1 00	X						17,400	0	0
(5) KENNETH MCDUGALD DIRECTOR	4 10 1 00	X						15,825	0	0
(6) DENNIS MCWHORTER DIRECTOR	7 20 1 00	X						25,013	0	0
(7) DANNY PIERCE DIRECTOR	3 90 1 00	X						14,500	0	0
(8) RUSSELL WATSON DIRECTOR	6 90 1 00	X						22,913	0	0
(9) KERRY KELTON GENERAL MANAGER/CEO	55 00 1 00			X				387,056	0	88,737
(10) MIKE MCDUGALD SR VICE PRESIDENT	55 00 1 00			X				227,207	0	51,463
(11) TROY MORRIS VP BUSINESS RELATIONS	55 00 1 00			X				222,340	0	49,931
(12) ANDREW DALLMEYER SR VP FINANCE & ACCOUNTING	50 00 1 00			X				192,416	0	31,871
(13) MELANIE CABALLERO VP ADMINISTRATION	55 00 1 00			X				137,895	0	46,704
(14) DENNIS GILMORE VP MEMBER SERVICES	55 00 1 00			X				139,422	0	23,572
(15) DIANNE SECHELSKI VP BILLING	45 00 1 00			X				145,526	0	56,439
(16) DAVID WILLIAMS VP OPERATIONS	45 00 1 00			X				166,395	0	43,792
(17) MICHAEL LONG SR MGR WATER	40 00 1 00					X		114,017	0	28,246

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

(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			
(18) LARRY FINLEY LINEMAN FOREMAN	40 00					X		107,217	0	23,503
(19) JAUN ARREDONDO BUSINESS RELATIONS	40 00					X		118,366	0	32,832
(20) JONATHAN BLAKLEY SEC OPERATIONS	40 00					X		107,640	0	28,221
(21) MICHAEL MCKINNEY SR MANAGER IT	40 00					X		109,044	0	23,440
1b Sub-Total										
1c Total from continuation sheets to Part VII, Section A										
1d Total (add lines 1b and 1c)								2,329,218	0	528,751

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 20

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
CM JOSLIN CO INC PO BOX 647 CONROE, TX 73196	RIGHT OF WAY CLEARING	1,905,418
BURLIN POWER LINES LLC 1079 COUNTY ROAD 418 LEXINGTON, TX 78947	CONSTRUCTION	1,820,374
LINETEC SERVICES INC PO BOX 13650 ALEXANDRIA, LA 71315	CONSTRUCTION	1,710,166
FINWAY PO BOX 682 CONROE, TX 77305	CONSTRUCTION	1,475,494
MCCORD ENGINEERING INC 916 SOUTHWEST PARKWAY EAST COLLEGE STATION, TX 77840	ENGINEERING	1,462,356

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶ 16

Part VIII Statement of Revenue

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

Table for Contributions, Gifts, Grants and Other Similar Amounts. Includes lines 1a through 1g and 1h Total. Columns: (A) Total revenue, (B) Related or exempt function revenue, (C) Unrelated business revenue, (D) Revenue excluded from tax.

Table for Program Service Revenue. Includes lines 2a through 2f and 2g Total. Columns: Business Code, (A) Total revenue, (B) Related or exempt function revenue, (C) Unrelated business revenue, (D) Revenue excluded from tax.

Table for Other Revenue. Includes lines 3 through 12. Columns: (A) Total revenue, (B) Related or exempt function revenue, (C) Unrelated business revenue, (D) Revenue excluded from tax.

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	212			
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	7,114,368			
5 Compensation of current officers, directors, trustees, and key employees	2,165,443			
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	3,759,208			
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)	491,833			
9 Other employee benefits	665,548			
10 Payroll taxes	397,384			
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	5,423,645			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	7,484,118			
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	48,606,755			
b DISTRIBUTION EXPENSE	5,174,607			
c ADMIN & GENERAL EXPENSE	2,659,498			
d CONSUMER EXPENSE	1,209,056			
e All other expenses	871,947			
25 Total functional expenses. Add lines 1 through 24e	86,023,622			
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	2,039,743	1	1,917,042
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	6,116,666	4	6,531,267
	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	73,630	7	73,630
	8 Inventories for sale or use	310,958	8	225,174
	9 Prepaid expenses and deferred charges	1,975,744	9	1,942,524
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 262,227,509		
	b Less accumulated depreciation	10b 29,614,754	213,991,284	10c 232,612,755
	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	43,791,741	13	45,918,835
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	5,694,745	15	5,441,745
16 Total assets. Add lines 1 through 15 (must equal line 34)	273,994,511	16	294,662,972	
Liabilities	17 Accounts payable and accrued expenses	7,245,658	17	7,287,566
	18 Grants payable		18	
	19 Deferred revenue	9,437,024	19	9,106,582
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D	32,440	21	33,973
	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	144,773,188	23	158,156,444
	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	8,725,697	25	7,268,853
	26 Total liabilities. Add lines 17 through 25	170,214,007	26	181,853,418
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	2,462,215	30	2,687,465
	31 Paid-in or capital surplus, or land, building or equipment fund	0	31	0
	32 Retained earnings, endowment, accumulated income, or other funds	101,318,289	32	110,122,089
33 Total net assets or fund balances	103,780,504	33	112,809,554	
34 Total liabilities and net assets/fund balances	273,994,511	34	294,662,972	

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	87,426,103
2	Total expenses (must equal Part IX, column (A), line 25)	2	86,023,622
3	Revenue less expenses Subtract line 2 from line 1	3	1,402,481
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	103,780,504
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	7,626,569
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	112,809,554

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		No
3a		No
3b		

Additional Data

Software ID:

Software Version:

EIN: 74-0783753

Name: MID-SOUTH ELECTRIC COOPERATIVE
ASSOCIATION

Form 990 (2018)

Form 990, Part III, Line 4a:

PROVIDING ELECTRIC ENERGY TO OUR MEMBERS - 31,693 ACTIVE SERVICES AT YEAR END WERE PROVIDED ELECTRICITY 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
MID-SOUTH ELECTRIC COOPERATIVE ASSOCIATION

Employer identification number
74-0783753

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		3,270,829		3,270,829
b Buildings		26,734,923	2,376,809	24,358,114
c Leasehold improvements				
d Equipment		205,739,379	27,237,945	178,501,434
e Other		26,482,378		26,482,378
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶				232,612,755

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) PATRONAGE CAPITAL - CFC	188,278	C
(2) PATRONAGE CAPITAL - TEC	566,175	C
(3) PATRONAGE CAPITAL - BEPC	25,993,604	C
(4) CAPITAL TERM CERTIFICATES - CFC	493,833	C
(5) COBANK E-STOCK	5,458,597	C
(6) SCHOLARSHIP FUND	10,229	C
(7) ECONOMIC DEVELOPMENT FUND	10,724	C
(8) OTHER INVESTMENTS	359,615	C
(9) INVESTMENTS IN AFFILIATED COMPANY - MSEC	12,837,780	C
Total. (Column (b) must equal Form 990, Part X, col (B) line 13.)	45,918,835	

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

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

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
CONSUMER DEPOSITS	2,087,826
UNBILLED POWER COST	991,000
OTHER CURRENT AND ACCRUED LIABILITIES	435,932
DEFERRED CREDIT - UNCLAIMED PROPERTY	420,720
DUE TO AFFILIATED COMPANIES	208,888
POWER COST RECOVERY - OVERCOLLECTED	2,031,203
ACCRUED OPERATING TAXES	1,093,284
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)	7,268,853

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: 74-0783753

Name: MID-SOUTH ELECTRIC COOPERATIVE
ASSOCIATION

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) PATRONAGE CAPITAL - CFC	188,278	C
(2) PATRONAGE CAPITAL - TEC	566,175	C
(3) PATRONAGE CAPITAL - BEPC	25,993,604	C
(4) CAPITAL TERM CERTIFICATES - CFC	493,833	C
(5) COBANK E-STOCK	5,458,597	C
(6) SCHOLARSHIP FUND	10,229	C
(7) ECONOMIC DEVELOPMENT FUND	10,724	C
(8) OTHER INVESTMENTS	359,615	C
(9) INVESTMENTS IN AFFILIATED COMPANY - MSEC	12,837,780	C

Supplemental Information

Return Reference	Explanation
PART IV, LINE 2B	<p>PURSUANT TO SECTION 74 3013 OF THE TEXAS PROPERTY CODE, THE COOPERATIVE HAS ESTABLISHED A RURAL SCHOLARSHIP FUND WITH RETIREMENTS OF PATRONAGE CAPITAL, WHICH HAVE REMAINED UNCLAIMED FOR A PERIOD OF THREE YEARS THE AMOUNTS DEPOSITED INTO THE RURAL SCHOLARSHIP FUND ARE APPROVED BY THE STATE OF TEXAS AND CAN ONLY BE USED FOR SCHOLARSHIPS TO ENABLE STUDENTS FROM RURAL AREAS TO ATTEND COLLEGE, TECHNICAL SCHOOL OR OTHER POST SECONDARY EDUCATION INSTITUTION ANY AMOUNTS SO DEPOSITED INTO THE RURAL SCHOLARSHIP FUND ARE STILL PAYABLE TO THE PERSON TO WHOM THE ORIGINAL PAYMENT WAS MADE BUT UNCLAIMED ALSO PURSUANT TO SECTION 74 3013 OF THE TEXAS PROPERTY CODE, THE COOPERATIVE HAS ESTABLISHED AN ECONOMIC DEVELOPMENT FUND WITH RETIREMENTS OF PATRONAGE CAPITAL, WHICH HAVE REMAINED UNCLAIMED FOR A PERIOD OF THREE YEARS THE AMOUNTS DEPOSITED INTO THE ECONOMIC DEVELOPMENT FUND ARE APPROVED BY THE STATE OF TEXAS AND CAN ONLY BE USED FOR THE STIMULATION AND IMPROVEMENT OF BUSINESS AND COMMERCIAL ACTIVITY FOR ECONOMIC DEVELOPMENT IN RURAL COMMUNITIES ANY AMOUNTS SO DEPOSITED INTO THE ECONOMIC DEVELOPMENT FUND ARE STILL PAYABLE TO THE PERSON TO WHOM THE ORIGINAL PAYMENT WAS MADE BUT UNCLAIMED ALSO PURSUANT TO SECTION 74 3013 OF THE TEXAS PROPERTY CODE, THE COOPERATIVE HAS ESTABLISHED AN ENERGY EFFICIENCY ASSISTANCE FUND WITH RETIREMENTS OF PATRONAGE CAPITAL, WHICH HAVE REMAINED UNCLAIMED FOR A PERIOD OF THREE YEARS THE AMOUNTS DEPOSITED INTO THE ENERGY EFFICIENCY ASSISTANCE FUND ARE APPROVED BY THE STATE OF TEXAS AND CAN ONLY BE USED TO ASSIST MEMBERS OF AN ELECTRIC COOPERATIVE IN REDUCING THEIR ENERGY CONSUMPTION AND ELECTRICITY BILLS ANY AMOUNTS SO DEPOSITED INTO THE ENERGY EFFICIENCY ASSISTANCE FUND ARE STILL PAYABLE TO THE PERSON TO WHOM THE ORIGINAL PAYMENT WAS MADE BUT UNCLAIMED</p>

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), OR OTHER STATE TAXING AUTHORITY, 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

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
MID-SOUTH ELECTRIC COOPERATIVE ASSOCIATION

Employer identification number
74-0783753

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 type="checkbox"/> Compensation committee <input checked="" 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 checked="" 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 checked="" 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> <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	No		
	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 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.

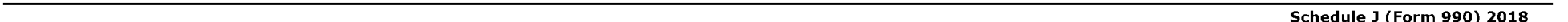
Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(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 KERRY KELTON GENERAL MANAGER/CEO	(i)	277,320	27,083	82,653	80,443	8,294	475,793	0
	(ii)	0	0	0	0	0	0	0
2 MIKE MCDUGALD SR VICE PRESIDENT	(i)	167,634	12,495	47,078	42,346	9,117	278,670	0
	(ii)	0	0	0	0	0	0	0
3 TROY MORRIS VP BUSINESS RELATIONS	(i)	166,852	11,983	43,505	40,652	9,279	272,271	0
	(ii)	0	0	0	0	0	0	0
4 ANDREW DALLMEYER SR VP FINANCE & ACCOUNTING	(i)	131,102	9,734	51,580	23,866	8,005	224,287	0
	(ii)	0	0	0	0	0	0	0
5 MELANIE CABALLERO VP ADMINISTRATION	(i)	98,738	10,960	28,197	35,767	10,937	184,599	0
	(ii)	0	0	0	0	0	0	0
6 DENNIS GILMORE VP MEMBER SERVICES	(i)	103,644	9,196	26,582	18,381	5,191	162,994	0
	(ii)	0	0	0	0	0	0	0
7 DIANNE SECHELSKI VP BILLING	(i)	111,045	10,963	23,518	49,998	6,441	201,965	0
	(ii)	0	0	0	0	0	0	0
8 DAVID WILLIAMS VP OPERATIONS	(i)	117,451	10,778	38,166	34,457	9,335	210,187	0
	(ii)	0	0	0	0	0	0	0
9 JAUN ARREDONDO BUSINESS RELATIONS	(i)	89,811	23,927	4,628	29,018	3,814	151,198	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, COLUMN C	<p>INCLUDED IN THIS AMOUNT IS THE INCREASE IN ACTUARIAL VALUE OF BENEFITS PAYABLE UNDER A DEFINED BENEFIT RETIREMENT PLAN. THE CONTRIBUTION RATE FOR PARTICIPANTS IN THE NRECA R&S DEFINED BENEFIT PENSION PLAN ARE THE SAME FOR ALL INDIVIDUALS IN THIS MULTI-EMPLOYER PLAN. THE CHANGE IN ACTUARIAL VALUE FOR EACH PARTICIPANT, HOWEVER, VARIES WITH AGE, YEARS OF SERVICE AND THE CURRENT INTEREST RATE ENVIRONMENT. IN OTHER WORDS, THE OLDER A PLAN PARTICIPANT IS, THE GREATER THE INCREASE IN THAT INDIVIDUAL'S CHANGE IN ACTUARIAL VALUE, ALL OTHER THINGS BEING EQUAL. BECAUSE THIS RELATES TO A MULTI-EMPLOYER PLAN, CASH CONTRIBUTIONS TO THE PLAN IN LIEU OF THE ACTUARIAL INCREASE ARE EXPENSED IN THE FINANCIAL STATEMENTS.</p> <p>KERRY KELTON ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 69,487 EMPLOYER CONTRIBUTION TO 401(K) PLAN 10,956 TOTAL REPORTED IN COLUMN C \$ 80,443 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (69,487) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 45,016 EXPENSE TO THE COOPERATIVE \$ 55,972</p> <p>MIKE MCDUGALD ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 33,033 EMPLOYER CONTRIBUTION TO 401(K) PLAN 9,313 TOTAL REPORTED IN COLUMN C \$ 42,346 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (33,033) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 27,270 EXPENSE TO THE COOPERATIVE \$ 36,583</p> <p>TROY MORRIS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 33,220 EMPLOYER CONTRIBUTION TO 401(K) PLAN 7,432 TOTAL REPORTED IN COLUMN C \$ 40,652 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (33,220) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 25,535 EXPENSE TO THE COOPERATIVE \$ 32,967</p> <p>ANDREW DALLMEYER ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 17,853 EMPLOYER CONTRIBUTION TO 401(K) PLAN 6,013 TOTAL REPORTED IN COLUMN C \$ 23,866 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (17,853) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 21,395 EXPENSE TO THE COOPERATIVE \$ 27,408</p> <p>MELANIE CABALLERO ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 29,956 EMPLOYER CONTRIBUTION TO 401(K) PLAN 5,811 TOTAL REPORTED IN COLUMN C \$ 35,767 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (29,956) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 17,278 EXPENSE TO THE COOPERATIVE \$ 23,089</p> <p>DENNIS GILMORE ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 12,654 EMPLOYER CONTRIBUTION TO 401(K) PLAN 5,727 TOTAL REPORTED IN COLUMN C \$ 18,381 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (12,654) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 16,566 EXPENSE TO THE COOPERATIVE \$ 22,293</p> <p>DIANNE SECHELSKI ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 44,067 EMPLOYER CONTRIBUTION TO 401(K) PLAN 5,931 TOTAL REPORTED IN COLUMN C \$ 49,998 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (44,067) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 18,887 EXPENSE TO THE COOPERATIVE \$ 24,818</p> <p>DAVID WILLIAMS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 27,530 EMPLOYER CONTRIBUTION TO 401(K) PLAN 6,927 TOTAL REPORTED IN COLUMN C \$ 34,457 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (27,530) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 19,653 EXPENSE TO THE COOPERATIVE \$ 26,580</p> <p>JUAN ARREDONDO ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 24,359 EMPLOYER CONTRIBUTION TO 401(K) PLAN 4,659 TOTAL REPORTED IN COLUMN C \$ 29,018 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (24,359) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 14,689 EXPENSE TO THE COOPERATIVE \$ 19,348</p>



Additional Data

Software ID:

Software Version:

EIN: 74-0783753

Name: MID-SOUTH ELECTRIC COOPERATIVE
ASSOCIATION

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(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				
KERRY KELTON GENERAL MANAGER/CEO	(i)	277,320	27,083	82,653	80,443	8,294	475,793	0
	(ii)	0	0	0	0	0	0	0
MIKE MCDUGALD SR VICE PRESIDENT	(i)	167,634	12,495	47,078	42,346	9,117	278,670	0
	(ii)	0	0	0	0	0	0	0
TROY MORRIS VP BUSINESS RELATIONS	(i)	166,852	11,983	43,505	40,652	9,279	272,271	0
	(ii)	0	0	0	0	0	0	0
ANDREW DALLMEYER SR VP FINANCE & ACCOUNTING	(i)	131,102	9,734	51,580	23,866	8,005	224,287	0
	(ii)	0	0	0	0	0	0	0
MELANIE CABALLERO VP ADMINISTRATION	(i)	98,738	10,960	28,197	35,767	10,937	184,599	0
	(ii)	0	0	0	0	0	0	0
DENNIS GILMORE VP MEMBER SERVICES	(i)	103,644	9,196	26,582	18,381	5,191	162,994	0
	(ii)	0	0	0	0	0	0	0
DIANNE SECHELSKI VP BILLING	(i)	111,045	10,963	23,518	49,998	6,441	201,965	0
	(ii)	0	0	0	0	0	0	0
DAVID WILLIAMS VP OPERATIONS	(i)	117,451	10,778	38,166	34,457	9,335	210,187	0
	(ii)	0	0	0	0	0	0	0
JAUN ARREDONDO BUSINESS RELATIONS	(i)	89,811	23,927	4,628	29,018	3,814	151,198	0
	(ii)	0	0	0	0	0	0	0

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
 ▶ **Attach to Form 990 or Form 990-EZ.**
 ▶ **Go to www.irs.gov/Form990 for the latest information.**

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization MID-SOUTH ELECTRIC COOPERATIVE ASSOCIATION	Employer identification number 74-0783753
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Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only)
 Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 ▶ \$ _____

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons.
 Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
Total						▶	\$					

Part III Grants or Assistance Benefiting Interested Persons.
 Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) MIKE MCDUGALD	FAMILY RELATIONSHIP	227,207	MIKE MCDUGALD RECEIVED COMPENSATION AS AN EMPLOYEE OF THE COOPERATIVE HE AND BOARD MEMBER, KENNETH MCDUGALD, ARE FAMILY MEMBERS PER THE 990 DEFINITION OF FAMILY MEMBERS		No
(2) KENNETH MCDUGALD	FAMILY RELATIONSHIP	15,825	KENNETH MCDUGALD RECEIVED COMPENSATION AS A BOARD MEMBER OF THE COOPERATIVE HE AND MIKE MCDUGALD, EMPLOYEE OFFICER, ARE FAMILY MEMBERS PER THE 990 DEFINITION OF FAMILY MEMBERS		No

Part V Supplemental Information

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

Return Reference	Explanation
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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

MID-SOUTH ELECTRIC COOPERATIVE ASSOCIATION

Employer identification number

74-0783753

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	KENNETH MCDOUGALD, DIRECTOR, HAS A FAMILY RELATIONSHIP WITH MICHAEL MCDOUGALD, EMPLOYEE OFFICER

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 ON A ONE MEMBER ONE VOTE BASIS

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 B, LINE 11B	MANAGEMENT PRESENTED 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	ON AN ANNUAL BASIS, THE COOPERATIVE WILL REQUIRE THE BOARD OF DIRECTORS AND ITS OFFICERS TO COMPLETE AND SIGN A CONFLICT OF INTEREST CERTIFICATION AND DISCLOSURE FORM THE BOARD OF DIRECTORS WILL ALSO COMPLETE AND SIGN THE FORM 990 DISCLOSURE QUESTIONNAIRE THE SIGNED COPIES WILL BE KEPT IN THE PERSONNEL FILE FOR EACH INDIVIDUAL

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	THE BOARD OF DIRECTORS USE THE EXPERTISE OF AN INDEPENDENT COMPENSATION CONSULTANT, A COMPENSATION SURVEY AND COMPARE COMPENSATION REPORTED ON OTHER COOPERATIVE'S IRS FORMS 990 WHEN DETERMINING THE COMPENSATION OF THE GENERAL MANAGER/CEO THE SURVEY SHOWS COMPARATIVE SALARIES FOR GENERAL MANAGERS/CEOS FROM COOPERATIVES LOCATED IN TEXAS AND THE NATION THE GENERAL MANAGER/CEO USES THE EXPERTISE OF AN INDEPENDENT COMPENSATION CONSULTANT, A COMPENSATION SURVEY AND COMPARE COMPENSATION REPORTED ON OTHER COOPERATIVE'S 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 SIMILAR COOPERATIVES THROUGHOUT TEXAS AND THE NATION

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE COOPERATIVE WILL PROVIDE A COMPLETE COPY OF THE AUDITED FINANCIAL STATEMENTS, CONFLICT OF INTEREST POLICY, OR GOVERNING DOCUMENTS TO ANY MEMBER WHO REQUESTS A COPY

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VII, COLUMN F	<p>IN ORDER TO PROVIDE RETIREMENT BENEFITS TO ITS EMPLOYEES, THE COOPERATIVE HAS ESTABLISHED A DEFINED CONTRIBUTION PLAN UNDER SECTION 401(K) OF THE INTERNAL REVENUE CODE EMPLOYER CONTRIBUTIONS TO THE PLAN ARE MADE PURSUANT TO THE PLAN DOCUMENT ADDITIONALLY, THE COOPERATIVE PARTICIPATES IN A MULTI-EMPLOYER DEFINED BENEFIT PLAN CONTRIBUTIONS TO THIS PLAN ARE BASED ON THE FULL FUNDING LIMITATION OF SUCH PLAN EMPLOYER CONTRIBUTIONS FOR BOTH PLANS ARE AVAILABLE TO PARTICIPATING EMPLOYEES, INCLUDING OFFICERS AND HIGHLY COMPENSATED EMPLOYEES, MEETING THE ELIGIBILITY REQUIREMENTS OF SUCH PLANS THE COOPERATIVE ALSO PROVIDES HEALTH AND LIFE INSURANCE TO ALL EMPLOYEES, INCLUDING OFFICERS AND HIGHLY COMPENSATED EMPLOYEES, THROUGH A QUALIFIED PLAN THE AMOUNTS REPORTED ON PART VII, COLUMN (F) FOR THE EMPLOYEE OFFICERS AND HIGHLY COMPENSATED EMPLOYEES IS COMPRISED OF THE ACTUARIAL INCREASE IN THE DEFINED BENEFIT PLAN, THE TOTAL AMOUNT CONTRIBUTED BY THE COOPERATIVE TO THE DEFINED CONTRIBUTION PLAN AND INSURANCE PAID ON BEHALF OF AND FOR THEIR BENEFIT ALL BENEFITS ARE FOR EMPLOYEES ONLY THE BOARD OF DIRECTORS DO NOT RECEIVE ANY OF THE BENEFITS LISTED ABOVE</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VIII, LINE 2	PATRONAGE DIVIDENDS RESULT FROM THE PURCHASE OF WHOLESale 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	ALTHOUGH THE COOPERATIVE IS NO LONGER A RURAL UTILITIES SERVICE (RUS) BORROWER, ITS ACCOUNTING RECORDS 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 \$ 5,924,651 LESS DIRECTOR FEES REPORTED ON FORM 1099-MISC (154,677) LESS EMPLOYEE OFFICER BENEFITS INCLUDED IN LINE 5 (392,509) PLUS SALARIES AND WAGES CAPITALIZED DIRECTLY TO PLANT 2,848,037 PLUS SALARIES AND WAGES CAPITALIZED/EXPENSED INDIRECTLY THROUGH CLEARING AND OTHER ACCOUNTS 2,637,248 TOTAL WAGES ACCRUED AND/OR PAID \$10,862,750

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX, LINE 24	ADMINISTRATIVE & GENERAL EXPENSE IS COMPRISED OF THE FOLLOWING ADMINISTRATIVE & GENERAL \$ 2,743,052 OFFICE SUPPLIES 249,184 OUTSIDE SERVICES 76,465 DIRECTORS 301,458 SAFETY/TRAINING 1,533,626 MEETINGS 191,589 REGULATORY COMMISSION EXPENSES 136,214 MAINTENANCE OF GENERAL PLANT 714,641 MISCELLANEOUS GENERAL EXPENSE 168,767 TOTAL ADMIN & GENERAL EXP PER FINANCIAL STATEMENTS \$ 6,114,996 LESS RECLASS OF TOWER EXPENSE TO PART VIII, LINE 6B (3,492) LESS RECLASS OF DIRECTOR FEES TO PART IX, LINE 5 (154,677) LESS RECLASS OF LABOR TO PART IX, LINES 5 & 7 (2,420,833) LESS RECLASS OF BENEFITS TO PART IX, LINES 8-10 (876,627) TOTAL ADMIN & GENERAL EXPENSE PER FORM 990, PART IX \$ 2,659,367

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 SALES \$ 727,017 OTHER DEDUCTIONS 144,930 TO TAL OTHER EXPENSES PER FORM 990, LINE 24E \$ 871,947

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XI, LINE 9	NET CHANGE IN MEMBERSHIPS 225,250 NET INCOME FROM EQUITY METHOD INVESTMENTS 751,274 PATR ONAGE CAPITAL ALLOCATED OR TO BE ALLOCATED 7,114,368 PATRONAGE CAPITAL RETIRED - TOTAL -1 ,675,943 PATRONAGE CAPITAL RETIRED - DISCOUNTED 1,211,620

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

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2018

**Open to Public
Inspection**

▶ **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
MID-SOUTH ELECTRIC COOPERATIVE
ASSOCIATION

Employer identification number

74-0783753

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
(1)MID-SOUTH SYNERGY CHARITABLE FOUNDATION 7625 HWY 6 NAVASOTA, TX 77868 27-4376574	GRANTS AND SCHOLARSHIPS	TX	501(C)(3)	LINE 7	MID-SOUTH ELECTRIC COOPERATIVE ASSOCIATION	Yes	

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) MSEC ENTERPRISES INC & SUBSIDIARIES PO BOX 970 NAVASOTA, TX 77868 74-2847683	WATER DISTRIBUTION, RETRO FITTING METERS	TX	MID-SOUTH ELECTRIC COOPERATIVE	C	6,564,600	50,786,042	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	Yes
p Reimbursement paid to related organization(s) for expenses	1p	No
q Reimbursement paid by related organization(s) for expenses	1q	Yes
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
(1)MID-SOUTH CHARITABLE FOUNDATION INC	O		N/A - LESS THAN \$50,000
(2)MID-SOUTH CHARITABLE FOUNDATION INC	Q		N/A - LESS THAN \$50,000
(3)MSEC ENTERPRISES INC & SUBSIDIARY	O	1,839,787	DIRECT LABOR \$ & HOURS
(4)MSEC ENTERPRISES INC & SUBSIDIARY	Q	5,875,715	INVOICES & OTHER SUPPORT

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

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

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

Part VII **Supplemental Information**

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

Return Reference	Explanation