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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2017

Open to Public Inspection

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

Information about Form 990 and its instructions is at [www.irs.gov/form990](#)

Department of the Treasury
Internal Revenue Service

990

A For the 2017 calendar year, or tax year beginning 01-01-2017 , and ending 12-31-2017

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Final return/terminated

☐ Amended return

☐ Application pending

C Name of organization

DENTON COUNTY ELECTRIC COOPERATIVE INC
DBA COSERV ELECTRIC

Doing business as

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

7701 SOUTH STEMMONS FREEWAY

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

CORINTH, TX 76210

F Name and address of principal officer

DONALD CLARY
7701 SOUTH STEMMONS FREEWAY
CORINTH, TX 76210

H(a) Is this a group return for subordinates?

☐ Yes ☒ No

H(b) Are all subordinates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶

D Employer identification number

75-0233075

E Telephone number

(940) 321-7800

G Gross receipts \$ 490,165,503

I Tax-exempt status

☐ 501(c)(3) ☒ 501(c) (12) ◀(insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW COSERV COM

K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1938

M State of legal domicile TX

Part I Summary

Activities & Governance

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

TO PROVIDE ELECTRIC POWER TO MEMBERS AT COST ON A COOPERATIVE BASIS

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

3 Number of voting members of the governing body (Part VI, line 1a)

4 Number of independent voting members of the governing body (Part VI, line 1b)

5 Total number of individuals employed in calendar year 2017 (Part V, line 2a)

6 Total number of volunteers (estimate if necessary)

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

7b Net unrelated business taxable income from Form 990-T, line 34

Revenue

8 Contributions and grants (Part VIII, line 1h)

9 Program service revenue (Part VIII, line 2g)

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)

12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)

14 Benefits paid to or for members (Part IX, column (A), line 4)

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)

16a Professional fundraising fees (Part IX, column (A), line 11e)

b Total fundraising expenses (Part IX, column (D), line 25) ▶0

17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)

18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)

19 Revenue less expenses Subtract line 18 from line 12

Net Assets or Fund Balances

20 Total assets (Part X, line 16)

21 Total liabilities (Part X, line 26)

22 Net assets or fund balances Subtract line 21 from line 20

Prior Year

0

450,459,962

1,761,195

1,054,961

453,276,118

52,692

40,071,506

35,180,484

0

375,996,969

451,301,651

1,974,467

Current Year

0

487,791,651

408,805

1,031,892

489,232,348

50,490

44,823,498

39,048,641

0

404,804,540

488,727,169

505,179

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

2018-11-13

Date

BRENT BISHOP SENIOR VP & CFO

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

WILLIAM M MILLER

Preparer's signature

WILLIAM M MILLER

Date

2018-11-08

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

Phone no (806) 747-3806

LUBBOCK, TX 79423

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2017)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission

TO DELIVER EXCELLENT SERVICE TO OUR MEMBERS AND CUSTOMERS BY PROVIDING SAFE AND RELIABLE ENERGY SOLUTIONS

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

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

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	20a	No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	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	Yes
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	Yes
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes
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	Yes
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 ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	84	
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
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	427	
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)	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	Yes	
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)?		No
b	If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
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?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		
d	If "Yes," indicate the number of Forms 8282 filed during the year		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders	459,770,013	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	34,272,387	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to 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**

			Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	1a	7		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b Enter the number of voting members included in line 1a, above, who are independent	1b	7		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			No
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3			No
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		Yes	
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5			No
6 Did the organization have members or stockholders?	6		Yes	
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		Yes	
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		Yes	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a The governing body?	8a		Yes	
b Each committee with authority to act on behalf of the governing body?	8b		Yes	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.	9			No

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

		Yes	No	
10a Did the organization have local chapters, branches, or affiliates?	10a		No	
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b			
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes		
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.				
12a Did the organization have a written conflict of interest policy? If "No," go to line 13.	12a	Yes		
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes		
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done.	12c	Yes		
13 Did the organization have a written whistleblower policy?	13	Yes		
14 Did the organization have a written document retention and destruction policy?	14		No	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?				
a The organization's CEO, Executive Director, or top management official	15a	Yes		
b Other officers or key employees of the organization	15b	Yes		
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).				
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No	
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b			

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed:►	
18 Section 6104 requires an organization to make its Form 1023 (or 1024 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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> 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. ►BRENT BISHOP SENIOR VP & CFO 7701 SOUTH STEMMONS FREEWAY CORINTH, TX 76210 (940) 321-7800	

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII ☒**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, 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) RICHARD MUIR CHAIRMAN	10 40	X		X				46,068	0	0
(2) BILL RAGSDALE VICE CHAIRMAN	11 70	X		X				48,768	0	0
(3) CHRISTOPHER MCCRAW SECRETARY/TREASURER	13 50	X		X				55,118	0	0
(4) CURTIS TALLY DIRECTOR	12 20	X						51,418	0	0
(5) LEON PELZEL DIRECTOR	11 90	X						50,168	0	0
(6) CLINTON BEDSOLE DIRECTOR	13 30	X						54,018	0	0
(7) ANNE VADEN DIRECTOR	14 60	X						56,745	0	0
(8) DONALD CLARY PRESIDENT & CEO	50 00			X				422,481	0	180,263
(9) CURTIS TRIVITT SENIOR VP - ENERGY SERVICE	40 00			X				454,685	0	159,232
(10) JOE FORMAN JAN - AUG SENIOR VP - CORPORATE RELATIONS	50 00			X				260,670	0	27,494
(11) STACIA SIMS SENIOR VP - INFORMATION SERVICES	45 00			X				281,875	0	93,943
(12) DENISE SMITHERS SENIOR VP - EMPLOYEE RELATIONS	45 00			X				260,111	0	96,456
(13) BRENT BISHOP SENIOR VP & CFO	45 00			X				250,983	0	98,273
(14) GREG WARD SENIOR VP - FIELD OPERATIONS	45 00			X				234,534	0	89,758
(15) ROBBY HAMLIN SENIOR VP - ENGINEERING SERVICES	45 00			X				230,740	0	87,032
(16) JEFFREY MCNEAL SENIOR VP - INFORMATION TECHNOLOGY	45 00			X				212,488	0	61,052
(17) JAMES LAMIRAND SENIOR VP - MARKETING & CUST CARE	50 00			X				218,209	0	19,839

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) BRUCE BOUTILIER SR DIRECTOR OF CUSTOMER OPERATIONS	45 00					X		186,995	0	92,628
(19) CHARLES TURNER DIRECTOR OF FINANCE	40 00					X		180,444	0	88,043
(20) WAYNE FRANCIS DIRECTOR OF INFORMATION TECHNOLOGY	40 00					X		171,940	0	75,921
(21) RUTH ANN SICKING DIRECTOR OF INFORMATION SYSTEMS	50 00					X		160,450	0	60,860
(22) VICKI SARGENT DIRECTOR OF COMMUNITY RELATIONS	45 00					X		157,594	0	37,285

1b Sub-Total	▶			
c Total from continuation sheets to Part VII, Section A	▶			
d Total (add lines 1b and 1c)	▶	4,046,502	0	1,268,079

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 ▶ 75

	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
WILLBROS T&D SERVICES LLC 1432 CHURCH STREET MCKINNEY, TX 75069	UTILITY LINE CONTRACTOR	14,705,057
TEXAS STATE UTILITIES INC 3112 WICHITA COURT FORT WORTH, TX 76140	UTILITY LINE CONTRACTOR	7,171,602
MASTEC NORTH AMERICA INC PO BOX 70 SHEVLIN, MN 56676	UTILITY LINE CONTRACTOR	6,712,009
DATAPROSE 1122 WEST BETHEL ROAD STE 100 COPPELL, TX 75019	PRINTING	1,859,097
USIC LOCATING SERVICES INC PO BOX 713359 CINCINNATI, OH 45271	UNDERGROUND LOCATING	1,751,786

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 ▶ 40

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	463,596,950	463,596,950			
	b	PATRONAGE DIVIDENDS	221000	18,205,922	18,205,922			
	c	SERVICE FEES	221000	5,988,779	5,988,779			
	d	_____						
	e	_____						
	f	All other program service revenue						
	g	Total. Add lines 2a-2f ▶	487,791,651					
Other Revenue	3		Investment income (including dividends, interest, and other similar amounts) ▶	383,086		383,086		
	4		Income from investment of tax-exempt bond proceeds ▶					
	5		Royalties ▶					
	6a	(i) Real		(ii) Personal				
		1,319,167		45,888				
		b Less rental expenses		696,831				13,100
		c Rental income or (loss)		622,336				32,788
	d	Net rental income or (loss) ▶		655,124	315,449	37,251	302,424	
	7a	(i) Securities		(ii) Other				
				248,943				
		b Less cost or other basis and sales expenses						223,224
		c Gain or (loss)						25,719
	d	Net gain or (loss) ▶		25,719			25,719	
	8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b		Less direct expenses b					
	c		Net income or (loss) from fundraising events ▶					
	9a		Gross income from gaming activities See Part IV, line 19 a					
	b		Less direct expenses b					
	c		Net income or (loss) from gaming activities ▶					
	10a		Gross sales of inventory, less returns and allowances a					
b		Less cost of goods sold b	10,851					
c		Net income or (loss) from sales of inventory ▶	10,851	10,851				
		Miscellaneous Revenue	Business Code					
11a		POLE ATTACHMENT INCOME	221000	365,917		365,917		
b		_____						
c		_____						
d		All other revenue						
e		Total. Add lines 11a-11d ▶	365,917					
12		Total revenue. See Instructions ▶	489,232,348	488,117,951	37,251	1,077,146		

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.	50,490			
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.	44,823,498			
5 Compensation of current officers, directors, trustees, and key employees.	4,102,401			
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.	20,975,678			
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions).	4,007,383			
9 Other employee benefits.	7,708,924			
10 Payroll taxes.	2,254,255			
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.	26,481,717			
21 Payments to affiliates.				
22 Depreciation, depletion, and amortization.	31,396,890			
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	324,355,019			
b ADMIN & GENERAL EXPENSE	9,472,315			
c TAXES- PROPERTY & OTHER	6,057,052			
d UBIT EXPENSE	5,472			
e All other expenses	7,036,075			
25 Total functional expenses. Add lines 1 through 24e.	488,727,169			
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part IX ☐

				(A) Beginning of year		(B) End of year	
Assets	1	Cash—non-interest-bearing		20,185,356	1	20,013,867	
	2	Savings and temporary cash investments		38,000,000	2	39,000,000	
	3	Pledges and grants receivable, net			3		
	4	Accounts receivable, net		16,039,686	4	23,148,769	
	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		638,036	8	1,064,077	
	9	Prepaid expenses and deferred charges		119,483,971	9	113,168,539	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a	1,025,088,188			
	b	Less: accumulated depreciation	10b	265,350,417	710,185,193	10c	759,737,771
	11	Investments—publicly traded securities			11		
	12	Investments—other securities. See Part IV, line 11		85,675,668	12	86,167,322	
	13	Investments—program-related. See Part IV, line 11		162,604,471	13	174,905,770	
	14	Intangible assets			14		
	15	Other assets. See Part IV, line 11		16,853,088	15	19,085,410	
16	Total assets. Add lines 1 through 15 (must equal line 34)		1,169,665,469	16	1,236,291,525		
Liabilities	17	Accounts payable and accrued expenses		49,805,955	17	47,708,468	
	18	Grants payable			18		
	19	Deferred revenue		70,979	19	63,111	
	20	Tax-exempt bond liabilities			20		
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		732,691	21	668,842	
	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		573,285,000	23	592,510,000	
	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		46,527,851	25	52,877,825	
	26	Total liabilities. Add lines 17 through 25		670,422,476	26	693,828,246	
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		2,709,560	30	2,880,560	
	31	Paid-in or capital surplus, or land, building or equipment fund		117,185,335	31	125,569,414	
	32	Retained earnings, endowment, accumulated income, or other funds		379,348,098	32	414,013,305	
33	Total net assets or fund balances		499,242,993	33	542,463,279		
34	Total liabilities and net assets/fund balances		1,169,665,469	34	1,236,291,525		

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	489,232,348
2	Total expenses (must equal Part IX, column (A), line 25)	2	488,727,169
3	Revenue less expenses Subtract line 2 from line 1	3	505,179
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	499,242,993
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	42,715,107
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	542,463,279

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

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
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 <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
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	Yes	
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?		No
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		

Additional Data

Software ID:

Software Version:

EIN: 75-0233075

Name: DENTON COUNTY ELECTRIC COOPERATIVE INC
DBA COSERV ELECTRIC

Form 990 (2017)

Form 990, Part III, Line 4a:

THE COOPERATIVE PROVIDED ELECTRICITY TO 222,654 ACTIVE MEMBER SERVICES AT YEAR END THE ELECTRICITY AND RELATED SERVICES WERE PROVIDED AT COST ON A COOPERATIVE BASIS THROUGH THE ALLOCATION OF PATRONAGE CAPITAL

efile GRAPHIC print - DO NOT PROCESS		As Filed Data -		DLN: 93493317030568	
<div>SCHEDULE D (Form 990)</div> <div>Department of the Treasury Internal Revenue Service</div>		<div>Supplemental Financial Statements</div> <div>► 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. Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.</div>			<div>OMB No 1545-0047</div> <div>2017</div> <div>Open to Public Inspection</div>
<div>Name of the organization DENTON COUNTY ELECTRIC COOPERATIVE INC DBA COSERV ELECTRIC</div>				<div>Employer identification number 75-0233075</div>	
<div>Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.</div> <div>Complete if the organization answered "Yes" on Form 990, Part IV, line 6.</div>					
		(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?			
		<div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>			
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?			
		<div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>			
<div>Part II Conservation Easements.</div> <div>Complete if the organization answered "Yes" on Form 990, Part IV, line 7.</div>					
1 Purpose(s) of conservation easements held by the organization (check all that apply)					
<div><input type="checkbox"/> Preservation of land for public use (e g , recreation or education)</div> <div><input type="checkbox"/> Preservation of an historically important land area</div> <div><input type="checkbox"/> Protection of natural habitat</div> <div><input type="checkbox"/> Preservation of a certified historic structure</div> <div><input type="checkbox"/> Preservation of open space</div>					
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 8/17/06, and not on a historic structure listed in the National Register				2d	
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►					
4 Number of states where property subject to conservation easement is located ►					
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?					
<div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>					
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)?					
<div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>					
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					
<div>Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.</div> <div>Complete if the organization answered "Yes" on Form 990, Part IV, line 8.</div>					
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 ► \$					
For Paperwork Reduction Act Notice, see the Instructions for Form 990.					
		Cat No 52283D		Schedule D (Form 990) 2017	

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?

☒ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided 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

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R?

3b

Yes

No

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	3,117,142	2,868,309		5,985,451
b Buildings		33,062,740	11,610,312	21,452,428
c Leasehold improvements				
d Equipment	1,274,804	918,404,497	253,740,105	665,939,196
e Other	3,025	66,357,671		66,360,696
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				759,737,771

Schedule D (Form 990) 2017

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) INVESTMENT IN SUBSIDIARY CORPORATION - EQUITY METHOD	86,167,322	C
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12) ▶	86,167,322	

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) MEMBERSHIPS IN ASSOCIATED ORGANIZATIONS	2,365	C
(2) PATRONAGE CAPITAL - BEPCI	172,954,113	C
(3) PATRONAGE CAPITAL - CFC	357,632	C
(4) PATRONAGE CAPITAL - COBANK	433,239	C
(5) PATRONAGE CAPITAL - NRTC	708	C
(6) PATRONAGE CAPITAL - TEC	1,157,713	C
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 13) ▶	174,905,770	

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	
POST RETIREMENT HEALTH INSURANCE BENEFITS	12,750,770
DEFERRED COMPENSATION	669,317
CONSUMER DEPOSITS	10,491,940
ACCRUED OPERATING TAXES & MUNICIPAL FRANCHISE FEES	16,204,552
ACCRUED UNBILLED POWER COST	10,701,169
DEFERRED CREDITS	1,889,955
OTHER CURRENT & ACCRUED LIABILITIES	170,122
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	52,877,825

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: 75-0233075
Name: DENTON COUNTY ELECTRIC COOPERATIVE INC
DBA COSERV ELECTRIC

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 SCHOLARSHIP FUND WITH AMOUNTS DESIGNATED UNCLAIMED UNDER STATE LAW THE AMOUNTS DEPOSITED INTO THE SCHOLARSHIP FUND ARE APPROVED BY THE STATE OF TEXAS AND CAN ONLY BE USED FOR SCHOLARSHIPS TO ENABLE STUDENTS WITHIN AREAS SERVED BY THE COOPERATIVE TO ATTEND COLLEGE, TECHNICAL SCHOOL OR OTHER POST SECONDARY EDUCATION INSTITUTION ANY AMOUNTS SO DEPOSITED INTO THE 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 AMOUNTS DESIGNATED UNCLAIMED UNDER STATE LAW 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 WITHIN AREAS SERVED BY THE COOPERATIVE 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 AMOUNTS DESIGNATED UNCLAIMED UNDER STATE LAW 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 THEIR TAX POSITIONS WILL BE SUSTAINED UPON EXAMINATION BY THE INTERNAL REVENUE SERVICE 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 I
(Form 990)

Department of the
Treasury
Internal Revenue Service

Name of the organization
DENTON COUNTY ELECTRIC COOPERATIVE INC
DBA COSERV ELECTRIC

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

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

▶ Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2017

Open to Public
Inspection

Employer identification number
75-0233075

Part I

General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No
- 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

(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
(1) COSERV CHARITABLE FOUNDATION 7701 SOUTH STEMMONS FREEWAY CORINTH, TX 76210	13-4281766	501(C)(3)	50,390				TO SUPPORT THE FOUNDATION'S OPERATIONS

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table 1
- 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)					
(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 I, LINE 2	ALL DONATIONS WERE MADE TO A NON-PROFIT ORGANIZATION, AS SUCH, ALL DONATIONS MADE TO THE ORGANIZATION SUPPORT THE FOUNDATION'S OPERATIONS

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

Department of the Treasury
Internal Revenue Service

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.
▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

2017

Open to Public Inspection

Name of the organization DENTON COUNTY ELECTRIC COOPERATIVE INC DBA COSERV ELECTRIC	Employer identification number 75-0233075
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Part I Questions Regarding Compensation

	Yes	No								
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. <table border="0"> <tr> <td><input type="checkbox"/> First-class or charter travel</td> <td><input type="checkbox"/> Housing allowance or residence for personal use</td> </tr> <tr> <td><input type="checkbox"/> Travel for companions</td> <td><input type="checkbox"/> Payments for business use of personal residence</td> </tr> <tr> <td><input type="checkbox"/> Tax indemnification and gross-up payments</td> <td><input type="checkbox"/> Health or social club dues or initiation fees</td> </tr> <tr> <td><input type="checkbox"/> Discretionary spending account</td> <td><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)</td> </tr> </table>	<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use	<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence	<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees	<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use									
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence									
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees									
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)									
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	1b									
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?	2									
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. <table border="0"> <tr> <td><input type="checkbox"/> Compensation committee</td> <td><input type="checkbox"/> Written employment contract</td> </tr> <tr> <td><input checked="" type="checkbox"/> Independent compensation consultant</td> <td><input checked="" type="checkbox"/> Compensation survey or study</td> </tr> <tr> <td><input checked="" type="checkbox"/> Form 990 of other organizations</td> <td><input checked="" type="checkbox"/> Approval by the board or compensation committee</td> </tr> </table>	<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract	<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study	<input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee				
<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract									
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study									
<input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee									
4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:										
a Receive a severance payment or change-of-control payment?	4a	No								
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes								
c Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No								
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.										
Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.										
5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:										
a The organization?	5a									
b Any related organization?	5b									
If "Yes," on line 5a or 5b, describe in Part III.										
6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:										
a The organization?	6a									
b Any related organization?	6b									
If "Yes," on line 6a or 6b, describe in Part III.										
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III.	7									
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.	8									
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9									

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.

See Additional Data Table**Schedule J (Form 990) 2017**

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 4B	THE FOLLOWING INDIVIDUALS PARTICIPATE IN A SECTION 457(F) NON-QUALIFIED DEFERRED COMPENSATION (NQDC) PLAN. THE AMOUNTS LISTED REPRESENT THE ACTUARIAL INCREASE ASSOCIATED WITH PARTICIPATION IN THE PLAN. DONALD CLARY - \$ 71,074 CURTIS TRIVITT - \$ 33,624
PART II, COLUMN C	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. 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. DONALD CLARY ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 64,275 ACTUARIAL INCREASE IN NQDC PLAN 71,074 401(K) EMPLOYER CONTRIBUTION 8,100 TOTAL COLUMN C \$ 143,449 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT & NQDC PLANS (135,349) ADD CASH CONTRIBUTION TO DEFINED BENEFIT & NQDC PLANS 48,482 EXPENSE TO THE COOPERATIVE \$ 56,582 CURTIS TRIVITT ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 91,176 ACTUARIAL INCREASE IN NQDC PLAN 33,624 401(K) EMPLOYER CONTRIBUTION 8,100 TOTAL COLUMN C \$ 132,900 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT & NQDC PLANS (124,800) ADD CASH CONTRIBUTION TO DEFINED BENEFIT & NQDC PLAN 38,584 EXPENSE TO THE COOPERATIVE \$ 46,684 JOE FORMAN ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 0 401(K) EMPLOYER CONTRIBUTION 7,200 TOTAL COLUMN C \$ 7,200 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN 0 ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 35,356 EXPENSE TO THE COOPERATIVE \$ 42,556 STACIA SIMS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 70,206 401(K) EMPLOYER CONTRIBUTION 7,734 TOTAL COLUMN C \$ 77,940 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (70,206) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 33,371 EXPENSE TO THE COOPERATIVE \$ 41,105 DENISE SMITHERS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 53,225 401(K) EMPLOYER CONTRIBUTION 7,308 TOTAL COLUMN C \$ 60,533 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (53,225) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 31,287 EXPENSE TO THE COOPERATIVE \$ 38,595 BRENT BISHOP ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 56,105 401(K) EMPLOYER CONTRIBUTION 7,053 TOTAL COLUMN C \$ 63,158 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (56,105) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 29,672 EXPENSE TO THE COOPERATIVE \$ 36,725 GREG WARD ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 49,068 401(K) EMPLOYER CONTRIBUTION 6,571 TOTAL COLUMN C \$ 55,639 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (49,068) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 28,182 EXPENSE TO THE COOPERATIVE \$ 34,753 ROBBY HAMLIN ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 46,149 401(K) EMPLOYER CONTRIBUTION 6,497 TOTAL COLUMN C \$ 52,646 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (46,149) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 24,069 EXPENSE TO THE COOPERATIVE \$ 30,566 JEFFREY MCNEAL ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 28,346 401(K) EMPLOYER CONTRIBUTION 0 TOTAL COLUMN C \$ 28,346 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (28,346) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 24,788 EXPENSE TO THE COOPERATIVE \$ 24,788 JAMES LAMIRAND ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 10,741 401(K) EMPLOYER CONTRIBUTION 6,028 TOTAL COLUMN C \$ 16,769 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (10,741) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 10,803 EXPENSE TO THE COOPERATIVE \$ 16,831 BRUCE BOUTILIER ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 54,588 401(K) EMPLOYER CONTRIBUTION 3,458 TOTAL COLUMN C \$ 58,046 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (54,588) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 21,773 EXPENSE TO THE COOPERATIVE \$ 25,231 CHARLES TURNER ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 56,395 401(K) EMPLOYER CONTRIBUTION 5,245 TOTAL COLUMN C \$ 61,640 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (56,395) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 22,378 EXPENSE TO THE COOPERATIVE \$ 27,623 WAYNE FRANCIS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 44,556 401(K) EMPLOYER CONTRIBUTION 5,009 TOTAL COLUMN C \$ 49,565 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (44,556) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 20,861 EXPENSE TO THE COOPERATIVE \$ 25,870 RUTH ANN SICKING ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 21,517 401(K) EMPLOYER CONTRIBUTION 4,825 TOTAL COLUMN C \$ 26,342 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (21,517) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 20,235 EXPENSE TO THE COOPERATIVE \$ 25,060 VICKI SARGENT ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 21,439 401(K) EMPLOYER CONTRIBUTION 4,229 TOTAL COLUMN C \$ 25,668 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (21,439) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 15,467 EXPENSE TO THE COOPERATIVE \$ 19,696

Additional Data

Software ID:
Software Version:
EIN: 75-0233075
Name: DENTON COUNTY ELECTRIC COOPERATIVE INC
DBA COSERV ELECTRIC

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				
1DONALD CLARY PRESIDENT & CEO	(i)	369,782	37,000	15,699	143,449	36,814	602,744	0
	(ii)	0	0	0	0	0	0	0
1CURTIS TRIVITT SENIOR VP - ENERGY SERVICE	(i)	295,763	11,795	147,127	132,900	26,332	613,917	125,704
	(ii)	0	0	0	0	0	0	0
2JOE FORMAN JAN - AUG SENIOR VP - CORPORATE RELATIONS	(i)	235,618	10,967	14,085	7,200	20,294	288,164	0
	(ii)	0	0	0	0	0	0	0
3STACIA SIMS SENIOR VP - INFORMATION SERVICES	(i)	254,100	10,130	17,645	77,940	16,003	375,818	0
	(ii)	0	0	0	0	0	0	0
4DENISE SMITHERS SENIOR VP - EMPLOYEE RELATIONS	(i)	236,209	9,509	14,393	60,553	35,903	356,567	0
	(ii)	0	0	0	0	0	0	0
5BRENT BISHOP SENIOR VP & CFO	(i)	228,345	9,210	13,428	63,158	35,115	349,256	0
	(ii)	0	0	0	0	0	0	0
6GREG WARD SENIOR VP - FIELD OPERATIONS	(i)	212,906	8,243	13,385	55,639	34,119	324,292	0
	(ii)	0	0	0	0	0	0	0
7ROBBY HAMLIN SENIOR VP - ENGINEERING SERVICES	(i)	209,782	7,563	13,395	52,646	34,386	317,772	0
	(ii)	0	0	0	0	0	0	0
8JEFFREY MCNEAL SENIOR VP - INFORMATION TECHNOLOGY	(i)	193,711	7,596	11,181	28,346	32,706	273,540	0
	(ii)	0	0	0	0	0	0	0
9JAMES LAMIRAND SENIOR VP - MARKETING & CUST CARE	(i)	200,930	4,206	13,073	16,769	3,070	238,048	0
	(ii)	0	0	0	0	0	0	0
10BRUCE BOUTILIER SR DIRECTOR OF CUSTOMER OPERATIONS	(i)	165,507	6,734	14,754	58,046	34,582	279,623	0
	(ii)	0	0	0	0	0	0	0
11CHARLES TURNER DIRECTOR OF FINANCE	(i)	168,255	6,873	5,316	61,640	26,403	268,487	0
	(ii)	0	0	0	0	0	0	0
12WAYNE FRANCIS DIRECTOR OF INFORMATION TECHNOLOGY	(i)	160,393	6,443	5,104	49,565	26,356	247,861	0
	(ii)	0	0	0	0	0	0	0
13RUTH ANN SICKING DIRECTOR OF INFORMATION SYSTEMS	(i)	153,437	6,273	740	26,342	34,518	221,310	0
	(ii)	0	0	0	0	0	0	0
14VICKI SARGENT DIRECTOR OF COMMUNITY RELATIONS	(i)	139,808	4,941	12,845	25,668	11,617	194,879	0
	(ii)	0	0	0	0	0	0	0

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

DENTON COUNTY ELECTRIC COOPERATIVE INC
DBA COSERV ELECTRIC

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.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at
www.irs.gov/form990.

OMB No 1545-0047

2017

**Open to Public
Inspection**

Employer identification number

75-0233075

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART I, LINE 19	REVENUE LESS EXPENSES AS REPORTED ON PAGE 1, PART I, LINE 19 DIFFERS FROM THE TOTAL NET MARGINS REPORTED ON THE COOPERATIVE'S AUDITED FINANCIAL STATEMENTS DUE TO BOOK TO TAX ADJUSTMENTS REQUIRED TO CONFORM TO THE FORM 990 INSTRUCTIONS THE FIRST ADJUSTMENT IS FOR THE EQUITY METHOD INCOME RECORDED ON THE COOPERATIVE'S BOOKS AND INCLUDED IN TOTAL NET MARGINS U S GAAP REQUIRES THE COOPERATIVE TO RECORD ON ITS BOOKS THE EQUITY METHOD INCOME FROM ITS WHOLLY OWNED SUBSIDIARY EQUITY METHOD INCOME IS NOT INCOME FOR IRS FORM 990 PURPOSES AND AS SUCH HAS BEEN REPORTED AS AN OTHER CHANGE IN NET ASSETS THE SECOND ADJUSTMENT IS FOR THE PATRONAGE DIVIDENDS ALLOCATED OR TO BE ALLOCATED BY THE COOPERATIVE TO MEMBERS WHERE AS THE FORM 990 REQUIRES SUCH AMOUNTS TO BE REPORTED AS AN EXPENSE, PATRONAGE DIVIDENDS ALLOCATED OR TO BE ALLOCATED ARE AN INCREASE IN CAPITAL AND EQUITY, SPECIFICALLY PATRONAGE CAPITAL, ON U S GAAP BASIS FINANCIAL STATEMENTS

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 I - MEMBERSHIP SECTION 1 3 - JOINT MEMBERSHIP - THIS SECTION WAS CLARIFIED TO DEFINE THE TERM "MEMBER" SECTION 1 8 - TERMINATION OF MEMBERSHIP - THIS SECTION WAS CLARIFIED DUE TO THE NEW DEFINITION OF THE TERM "MEMBER" ARTICLE III - MEETINGS OF MEMBERS SECTION 3 1 - ANNUAL MEETING - THIS SECTION WAS AMENDED TO REMOVE A SPECIFIC DATE FOR THE ANNUAL MEETING THE ANNUAL MEETING OF THE MEMBERS SHALL BE HELD ON THE DATE ESTABLISHED BY RESOLUTION ADOPTED BY THE BOARD ARTICLE IV - BOARD OF DIRECTORS SECTION 4 4 - TERMS OF DIRECTORS - THIS SECTION WAS CLARIFIED TO STATE THAT A CURRENT DIRECTOR'S TERM WILL CONTINUE UNTIL THE LAST DAY OF THE CALENDAR MONTH IN WHICH THE DIRECTOR'S SUCCESSOR SHALL HAVE BEEN ELECTED SECTION 4 6 - QUALIFICATIONS - THIS SECTION WAS AMENDED TO CHANGE CONSECUTIVE MONTHS OF BEING A MEMBER AND MAINTAINING A PRINCIPAL PLACE OF RESIDENCE IN THE DISTRICT THAT THE PERSON REPRESENTS OR WOULD REPRESENT AS A DIRECTOR TO TWENTY-FOUR MONTHS PRIOR TO ELECTION SECTION 4 10 - VACANCIES - THIS SECTION WAS AMENDED TO ADD THAT IF THE BOARD IS FILLING A VACANCY IN ACCORDANCE WITH THIS SECTION AND THE VACANCY OCCURS NOT MORE THAN TWELVE MONTHS PRIOR TO THE ANNUAL MEETING IMMEDIATELY PRIOR TO THE DATE ON WHICH THE FORMER DIRECTOR'S TERM WOULD HAVE OTHERWISE EXPIRED, THE DIRECTOR ELECTED BY THE BOARD TO FILL THE VACANCY SHALL NOT BE REQUIRED TO SATISFY THE QUALIFICATIONS OF A DIRECTOR SET FORTH IN SECTIONS 4 6 (E), (G) AND (J) OF THE BYLAWS</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 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 AMENDMENTS TO THE ARTICLES OF INCORPORATION 2 DISPOSAL OF A SUBSTANTIAL PORTION OF THE COOPERATIVE'S ASSETS 3 DISSOLUTION/LIQUIDATION OF THE COOPERATIVE 4 MERGER OR CONSOLIDATION OF THE COOPERATIVE WITH ANOTHER ORGANIZATION

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	ALL DIRECTORS, OFFICERS, AND EMPLOYEES OF THE COOPERATIVE ARE REQUIRED TO ANNUALLY CERTIFY THAT THEY HAVE COMPLIED WITH THE CODE OF CONDUCT AND ARE NOT AWARE OF ANY UNREPORTED VIOLATIONS OF THE CODE THAT MAY HAVE OCCURRED

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	<p>THE CEO IS SUBJECT TO AN ANNUAL EVALUATION BY A COMPENSATION COMMITTEE, WHICH IS COMPRISED OF THE BOARD OF DIRECTORS A COMPENSATION SURVEY, FORMS 990 OF OTHER COOPERATIVES, AND AN INDEPENDENT COMPENSATION CONSULTANT ARE USED WHEN DETERMINING THE COMPENSATION OF THE CEO</p> <p>THE SURVEY SHOWS COMPARATIVE SALARIES FOR CEOS FROM SIMILARLY SITUATED COOPERATIVES, UTILITIES, AND OTHER BUSINESSES LOCATED IN THE DALLAS/FT WORTH METROPLEX AREA, TEXAS AND THE NATION THE CEO USES A WAGE AND SALARY PLAN APPROVED BY THE BOARD, WHICH IS BASED ON A COMPENSATION SURVEY, WHEN DETERMINING THE COMPENSATION OF THE COOPERATIVE'S OTHER EMPLOYEES MEETING THE DEFINITION OF OFFICER AND KEY EMPLOYEE, IF ANY, FROM SIMILARLY SITUATED COOPERATIVES, UTILITIES, AND OTHER BUSINESSES LOCATED IN THE DALLAS/FT WORTH METROPLEX AREA, TEXAS AND THE NATION</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	ANNUALLY, THE COOPERATIVE PROVIDES A CONDENSED SET OF AUDITED FINANCIAL STATEMENTS TO THE MEMBERS OF THE COOPERATIVE BY PUBLISHING THE COOPERATIVE'S ANNUAL REPORT IN THE CO-OP POWER MAGAZINE THE BY-LAWS AND ANNUAL REPORT, WHICH INCLUDE THE CONDENSED FINANCIAL STATEMENTS, CAN ALSO BE FOUND ON THE COOPERATIVE'S WEBSITE

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, DENTAL, VISION, LONGTERM DISABILITY, ACCIDENTAL DEATH & DISMEMBERMENT AND GROUP TERM LIFE INSURANCE TO ALL EMPLOYEES, INCLUDING OFFICERS, THROUGH A QUALIFIED PLAN. THE AMOUNTS REPORTED ON PART VII, COLUMN (F) FOR THE OFFICERS AND HIGHLY COMPENSATED EMPLOYEES IS COMPOSED OF THE ACTUARIAL INCREASE IN THE DEFINED BENEFIT PLAN, THE TOTAL AMOUNT CONTRIBUTED TO THE 401(K) PENSION PLAN AND EMPLOYER PAID INSURANCE PREMIUMS. IN ADDITION TO THE ABOVE PENSION PLANS, THE COOPERATIVE ALSO PROVIDES POST-RETIREMENT HEALTH INSURANCE BENEFITS THROUGH AN UNFUNDED WELFARE BENEFIT PLAN. THE VALUE OF THESE BENEFITS PER INDIVIDUAL HAS NOT BEEN ESTIMATED.</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 TO 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 NO LONGER A BORROWER OF THE RURAL UTILITIES SERVICE (RUS), THE ACCOUNTING RECORDS OF THE COOPERATIVE ARE MAINTAINED IN ACCORDANCE WITH THE UNIFORM SYSTEM OF ACCOUNTS (USOA) AS PRESCRIBED FOR RUS 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 ITS 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 THE TOTAL WAGES ACCRUED AND/OR PAID TOTAL PER LINES 5-7 \$ 25,078,079 LESS DIRECTOR FEES REPORTED ON FORM 1099-MISC (362,303) LESS EMPLOYEE OFFICER BENEFITS INCLUDED IN LINE 5 (913,322) PLUS SALARIES AND WAGES CAPITALIZED DIRECTLY TO PLANT 8,638,091 TOTAL WAGES ACCRUED AND/OR PAID \$ 32,440,545

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 \$ 1,800,387 OUTSIDE SERVICES 1,193,048 PROPERTY INSURANCE 818,496 LOSS/DAMAGES 343,561 RE NTS 66,268 MAINTENANCE OF GENERAL PLANT 14,946 MISCELLANEOUS GENERAL EXPENSE 5,235,609 TOT AL ADMINISTRATIVE AND GENERAL EXPENSE PER 990 \$ 9,472,315

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 2017 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 IS COMPRISED OF THE FOLLOWING DISTRIBUTION - OPERATION & MAINTENANCE \$ 5,232,614 SALES 1,592,179 MISCELLANEOUS 211,282 TOTAL OTHER EXPENSES PER FORM 990, LINE 24E \$ 7,036,075

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XI, LINE 9	PATRONAGE CAPITAL ASSIGNED 44,823,498 PATRONAGE CAPITAL RETIRED - TOTAL -20,595,292 PATR ONAGE CAPITAL RETIRED - DISCOUNT 8,384,079 EQUITY METHOD INCOME (LOSS) FROM SUBSIDIARY CO MPANY 10,781,377 NET CHANGE IN MEMBERSHIPS 171,000 OTHER COMPREHENSIVE INCOME - POST EMP LOYMENT BENEFITS & AFFILIATES -849,555

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XII, LINE 2C	PURSUANT TO BOARD POLICY, THE BOARD OF DIRECTORS IS THE AUDIT COMMITTEE AND IS RESPONSIBLE FOR OVERSEEING THE FINANCIAL STATEMENT AUDIT AND SELECTING THE INDEPENDENT FINANCIAL STATEMENT AUDITOR PROCEDURES REMAINED UNCHANGED DURING THE YEAR

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

► Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
► Attach to Form 990.
► Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization
DENTON COUNTY ELECTRIC COOPERATIVE INC
DBA COSERV ELECTRIC

Employer identification number
75-0233075

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
(1) QUAIL RUN REALTY LLC 7701 SOUTH STEMMONS FWY CORINTH, TX 76210	REAL ESTATE	TX		747,151	DENTON COUNTY ELECTRIC COOPERATIVE INC
(2) COSERV PROPERTY HOLDINGS LLC 7701 SOUTH STEMMONS FWY CORINTH, TX 76210	REAL ESTATE	TX	220,298	3,754,616	DENTON COUNTY ELECTRIC COOPERATIVE INC

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)COSERV ELECTRIC GROUP HEALTH BENEFIT PLAN TRUST 7701 SOUTH STEMMONS FWY CORINTH, TX 76210 30-0403374	MEDICAL SELF INSURANCE FUND	TX	501(C)(9)	N/A	DENTON COUNTY ELECTRIC COOPERATIVE INC	Yes	
(2)COSERV CHARITABLE FOUNDATION 7701 SOUTH STEMMONS FWY CORINTH, TX 76210 13-4281766	COMMUNITY CHARITABLE CONTRIBUTIONS	TX	501(C)(3)	7	DENTON COUNTY ELECTRIC COOPERATIVE INC	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) COSERV UTILITY SERVICES INC 7701 SOUTH STEMMONS FWY CORINTH, TX 76210 75-2766000	GP FOR COSERV INVESTMENTS	TX	DENTON COUNTY ELECTRIC COOPERATIVE INC	C		858,177	100 000 %	Yes	
(2) COSERV INVESTMENTS LP 7701 SOUTH STEMMONS FWY CORINTH, TX 76210 75-2729645	INVESTMENTS	TX	DENTON COUNTY ELECTRIC COOPERATIVE INC	C	53,161,128	191,201,376	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**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?

	Yes	No
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a Yes	
b Gift, grant, or capital contribution to related organization(s)	1b Yes	
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 Yes	
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 Yes	
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 Yes	
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 Yes	
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

See Additional Data Table

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

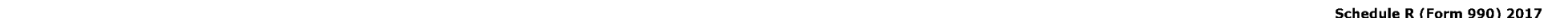
Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII **Supplemental Information**

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

Return Reference	Explanation
PART IV & V	THE DISCLOSURES PERTAINING TO COSERV INVESTMENTS LP INCLUDE THE FOLLOWING ENTITIES WHICH WERE DISREGARDED OF ITS SOLE OWNER FOR FEDERAL TAX REPORTING PURPOSES, AS OF DECEMBER 31, 2017 COSERV NATURAL LLC COSERV GAS LTD RENEWABLE ENERGY ALTERNATIVES LLC THIRTY SEVEN REALTY GP LLC THIRTY SEVEN REALTY HOLDINGS LP



Additional Data

Software ID:

Software Version:

EIN: 75-0233075

Name: DENTON COUNTY ELECTRIC COOPERATIVE INC
DBA COSERV ELECTRIC

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of related organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
COSERV INVESTMENTS LP AND SUBSIDIARY	A	436,192	INVOICES AND OTHER RECORDS
COSERV INVESTMENTS LP AND SUBSIDIARY	F	250,000	DIVIDEND DECLARED & RECEIVED
COSERV INVESTMENTS LP AND SUBSIDIARY	Q	7,197,963	INVOICES AND OTHER RECORDS
COSERV ELECTRIC GROUP HEALTH BENEFIT PLAN	R	5,948,687	INVOICES AND OTHER RECORDS
COSERV ELECTRIC GROUP HEALTH BENEFIT PLAN	O	0	N/A - LESS THAN \$50,000
COSERV CHARITABLE FOUNDATION	B	50,390	CASH CONTRIBUTION
COSERV CHARITABLE FOUNDATION	N	0	N/A - LESS THAN \$50,000
COSERV CHARITABLE FOUNDATION	O	0	N/A - LESS THAN \$50,000
COSERV CHARITABLE FOUNDATION	L	0	N/A - LESS THAN \$50,000