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Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable

☒ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE INC

Doing Business As

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

Room/suite

350 N HASKELL

City or town, state or country, and ZIP + 4

WILLCOX, AZ 85643

F Name and address of principal officer

CREDEN HUBER

350 N HASKELL

WILLCOX, AZ 85643

D Employer identification number

86-0059728

E Telephone number

(520) 384-2221

G Gross receipts \$ 108,860,472

I Tax-exempt status

☐ 501(c)(3)

☒ 501(c) (12)

☐ (insert no)

☐ 4947(a)(1) or

☐ 527

J Website: WWW SSVEC ORG

K Form of organization

☒ Corporation

☐ Trust

☐ Association

☐ Other

L Year of formation 1938

M State of legal domicile AZ

Part I	Summary																																										
Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO PROVIDE QUALITY AND RELIABLE ELECTRIC SERVICE TO MEMBERS OF THE COOPERATIVE																																										
Revenue	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets																																										
	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>3</td><td>12</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>4</td><td>12</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2011 (Part V, line 2a)</td><td>5</td><td>257</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>6</td><td>0</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>7a</td><td>303,830</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>7b</td><td>185,405</td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	3	12	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	12	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	257	6	Total number of volunteers (estimate if necessary)	6	0	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	303,830	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	185,405																		
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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

2012-11-09

Date

CREDEN HUBER CEO/GENERAL MANAGER

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

Matt R Willis

Date

2012-11-09

Check if self-employed ☐

Preparer's taxpayer identification number (see instructions)

P00419741

Firm's name (or yours if self-employed), address, and ZIP + 4

BOLINGER SEGARS GILBERT AND MOSS LLP

8215 NASHVILLE AVENUE

LUBBOCK, TX 79423

EIN

75-0882037

Phone no

(806) 747-3806

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 (2011)

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1

Briefly describe the organization's mission

THE COOPERATIVE'S RESPONSIBILITY AND AIM IS TO PROVIDE EXCELLENT AND INNOVATIVE CUSTOMER SERVICE AS REFLECTED IN TOP QUALITY ELECTRIC SERVICE RELIABILITY, AFFORDABLE RATES, EMPLOYEE TEAMWORK AND THE HIGHEST DEGREE OF INTEGRITY IN ALL COOPERATIVE ENDEAVORS

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 and section 4947(a)(1) trusts 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 \$)

PROVIDING ELECTRIC ENERGY TO OUR MEMBERS - 50,983 ACTIVE SERVICES AT YEAR END WERE PROVIDED ELECTRICITY ON A COOPERATIVE BASIS THROUGH THE ALLOCATION OF PATRONAGE CAPITAL

4b

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

ELECTRIC DISTRIBUTION SERVICES (THE DELIVERY, BUT NOT THE SALE OF ELECTRICITY, TO A CUSTOMER OVER LINES OWNED, OPERATED AND MAINTAINED BY THE COOPERATIVE) WERE PROVIDED TO THE CLASS B MEMBERSHIP ON A COOPERATIVE BASIS

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

\$

Form 990 (2011)

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, 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	No
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	No
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, XII, and XIII</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, XII, and XIII is optional</i> 	12b	No
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, Part I</i>	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? <i>If "Yes," complete Schedule F, Part 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 assistance to individuals located outside the U S ? <i>If "Yes," complete Schedule F, Part 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>	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
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>	20a	No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States 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 and other assistance to individuals in the United States 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, questions 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 questions 24b–24d and complete Schedule K. If "No," go to line 25</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) and 501(c)(4) 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	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <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 a grant selection committee member, or to a person related to such an individual? <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 owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	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 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V ☐			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a	304
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return.	2a	257
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	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 or securities account)?	4a	No
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7 Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8	
9 Sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10 Section 501(c)(7) organizations. Enter			
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11 Section 501(c)(12) organizations. Enter			
a	Gross income from members or shareholders.	11a	104,277,952
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	1,022,906
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.	13a	
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the aggregate amount of reserves on hand.	13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?		14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

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

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	AZ
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. ☐ Own website ☐ Another's website ☒ Upon request	
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. See Additional Data Table.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization.	CREDEN HUBER 350 N HASKELL AVE WILLCOX, AZ 85643 (520) 384-2221

Part VII

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

Check if Schedule O contains a response to any question 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, and **current** key employees. 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 organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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) DANIEL BARRERA PRESIDENT	8.00	X		X				6,675	0	0
(2) PAT ENGLISH VICE-PRESIDENT	6.00	X		X				12,075	0	0
(3) JOSEPH FURNO SECRETARY	6.00	X		X				12,225	0	0
(4) HAROLD HINKLEY TREASURER	6.00	X		X				10,275	0	0
(5) DONALD GENE MANRING DIRECTOR	7.50	X						11,200	0	0
(6) KATHRYN THATCHER DIRECTOR	15.00	X						12,325	0	0
(7) DONALD KYTE DIRECTOR	8.00	X						4,550	0	0
(8) CECIL CARLILE DIRECTOR	8.00	X						12,525	0	0
(9) ANDREW MAYBERRY DIRECTOR	6.00	X						12,600	0	0
(10) DAVID LUNA DIRECTOR	8.00	X						13,025	0	0
(11) CURTIS NOLAN DIRECTOR	8.00	X						7,400	0	0
(12) ARCHIE SMITH DIRECTOR	8.00	X						12,875	0	0
(13) CREDEN HUBER CEO/GENERAL MANAGER	48.00			X				320,235	0	36,258
(14) KIRBY CHAPMAN CFO & ADMINISTRATIVE OFFICER	50.00			X				190,504	0	25,017
(15) ANSELMO TORRES CHIEF OPERATIONS & ENGINEERING OFFICER	45.00				X			177,492	0	26,417
(16) JACK BLAIR CHIEF MEMBER SERVICES	45.00				X			157,844	0	17,280
(17) RON OROZCO ENGINEERING MANAGER	45.00					X		139,706	0	17,753

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 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	ELECTRICITY SALES	221000	101,407,213	101,407,213					
	b	PATRONAGE DIVIDENDS	221000	3,364,881	3,364,728	153				
	c	DISTRIBUTION SERVICES	221000	2,267,042	2,267,042					
	d	SERVICE FEES	221000	477,043	477,043					
	e									
	f	All other program service revenue								
	g	Total. Add lines 2a-2f		107,516,179						
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		254,159			254,159			
	4	Income from investment of tax-exempt bond proceeds . .								
	5	Royalties								
	6a	Gross rents	(i) Real	(ii) Personal						
			7,535	698,208						
			969	0						
			6,566	698,208						
	b	Less rental expenses								
	c	Rental income or (loss)								
	d	Net rental income or (loss)		704,774						704,774
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other						
	b	Less cost or other basis and sales expenses								
	c	Gain or (loss)								
	d	Net gain or (loss)								
	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	145,142							
b	Less cost of goods sold	b	80,714							
c	Net income or (loss) from sales of inventory . .		64,428			64,428				
Miscellaneous Revenue		Business Code								
11a	INTERNET COMMISSIONS	519100	214,053		214,053					
b	OUTSIDE SERVICES	811000	24,707		24,707					
c	PHONE CARD REVENUE	517000	489		489					
d	All other revenue									
e	Total. Add lines 11a-11d		239,249							
12	Total revenue. See Instructions		108,778,789	107,516,026	303,830	958,933				

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) but are not required to complete columns (B), (C), and (D)
Check if Schedule O contains a response to any question 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 governments and organizations in the United States See Part IV, line 21	177,327			
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members	7,057,710			
5	Compensation of current officers, directors, trustees, and key employees	1,078,797			
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	5,934,132			
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,557,917			
9	Other employee benefits	1,352,925			
10	Payroll taxes	517,049			
11	Fees for services (non-employees)				
a	Management				
b	Legal				
c	Accounting				
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other				
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	7,276,225			
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	9,490,441			
23	Insurance				
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	PURCHASED POWER	62,639,414			
b	DISTRIBUTION EXPENSE	5,826,171			
c	ADMIN & GENERAL EXP	2,379,743			
d	UNRELATED BUS INC TAX	89,842			
e					
f	All other expenses	3,103,743			
25	Total functional expenses. Add lines 1 through 24f	108,481,436			
26	Joint costs. Check here ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			1,045,742	1	902,356
	2	Savings and temporary cash investments				2	2,115,000
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			6,509,818	4	5,752,048
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net			206,668	7	206,433
	8	Inventories for sale or use			3,007,529	8	2,734,735
	9	Prepaid expenses and deferred charges			2,389,358	9	2,300,509
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	302,402,362			
	b	Less accumulated depreciation	10b	97,646,970	197,565,549	10c	204,755,392
	11	Investments—publicly traded securities				11	
	12	Investments—other securities See Part IV, line 11				12	
	13	Investments—program-related See Part IV, line 11			36,897,370	13	39,989,515
	14	Intangible assets				14	
	15	Other assets See Part IV, line 11			10,404,017	15	9,778,004
	16	Total assets. Add lines 1 through 15 (must equal line 34)			258,026,051	16	268,533,992
Liabilities	17	Accounts payable and accrued expenses			4,834,139	17	5,921,582
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D				21	
	22	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			154,123,758	23	163,504,282
	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			26,200,321	25	19,628,054
	26	Total liabilities. Add lines 17 through 25			185,158,218	26	189,053,918
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☐ 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, check here ☒ and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds			192,850	30	190,305
	31	Paid-in or capital surplus, or land, building or equipment fund			0	31	0
	32	Retained earnings, endowment, accumulated income, or other funds			72,674,983	32	79,289,769
	33	Total net assets or fund balances			72,867,833	33	79,480,074
	34	Total liabilities and net assets/fund balances			258,026,051	34	268,533,992

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	108,778,789
2	Total expenses (must equal Part IX, column (A), line 25)	2	108,481,436
3	Revenue less expenses Subtract line 2 from line 1	3	297,353
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	72,867,833
5	Other changes in net assets or fund balances (explain in Schedule O)	5	6,314,888
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	79,480,074

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

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

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
Attach to Form 990. See separate instructions.

Name of the organization
SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE INC

Employer identification number
86-0059728

Part I

Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate 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?	
	☐ Yes ☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may 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	
	☐ Yes ☐ No	

Part II

Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure) ☐ Preservation of an historically importantly land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a–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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

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

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

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

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

7 Amount of expenses incurred in monitoring, inspecting, 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 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, 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 XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, 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) Revenues included in 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 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

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

Part III

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

3

Using the organization's 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 XIV

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" to 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 XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to 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	Investment earnings or 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 year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i)

unrelated organizations

(ii)

related organizations

b

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

	Yes	No
3a(i)		
3a(ii)		
3b		

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Land, Buildings, and Equipment. 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		2,296,554		2,296,554
b Buildings		11,420,757	3,294,366	8,126,391
c Leasehold improvements				
d Equipment		264,661,295	94,352,604	170,308,691
e Other		24,023,756		24,023,756
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				204,755,392

Schedule D (Form 990) 2011

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1
2	Total expenses (Form 990, Part IX, column (A), line 25)	2
3	Excess or (deficit) for the year Subtract line 2 from line 1	3
4	Net unrealized gains (losses) on investments	4
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	8
9	Total adjustments (net) Add lines 4 - 8	9
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
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 on investments	2a
b	Donated services and use of facilities	2b
c	Recoveries of prior year grants	2c
d	Other (Describe in Part XIV)	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 XIV)	4b
c	Add lines 4a and 4b	4c
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
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 XIV)	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 XIV)	4b
c	Add lines 4a and 4b	4c
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5

Part XIV Supplemental Information

Complete this part to 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, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
Description of Uncertain Tax Positions Under FIN 48	Part X	THE COOPERATIVE ADOPTED THE "UNCERTAIN TAX POSITIONS" PROVISIONS OF ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA. THE PRIMARY TAX POSITION OF THE COOPERATIVE IS ITS FILING STATUS AS A TAX EXEMPT ENTITY. THE COOPERATIVE DETERMINED THAT IT IS MORE LIKELY THAN NOT THAT ITS TAX POSITION WILL BE SUSTAINED UPON EXAMINATION BY THE INTERNAL REVENUE SERVICE, AND THAT ALL TAX BENEFITS ARE LIKELY TO BE REALIZED UPON SETTLEMENT WITH TAXING AUTHORITIES.
		Part IX THE AMOUNT OF OTHER ASSETS ON FORM 990, PAGE 11, PART X, LINE 15 DOES NOT EQUAL OR EXCEED 5 PERCENT 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.

Additional Data

Software ID:

Software Version:

EIN: 86-0059728

Name: SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE
INC

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
PATRONAGE CAPITAL - AEPCO	31,251,930	C
PATRONAGE CAPITAL - CFC	1,887,644	C
PATRONAGE CAPITAL - NISC	13,808	C
PATRONAGE CAPITAL - NRTC	41,992	C
PATRONAGE CAPITAL - FEDERATED	242,183	C
PATRONAGE CAPITAL - CRC	12,261	C
COBANK EQUITY INVESTMENT	1,000	C
ASSOCIATED ORGANIZATIONS - GENERAL FUNDS	2,001,010	C
ASSOCIATED ORGANIZATIONS - GCSECA BLDG	203,931	C
CAPITAL TERM CERTIFICATES-CFC	4,333,756	C

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 Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ▶

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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 non-cash assistance	(h) Purpose of grant or assistance
(1) BUENA HARMONY4226 AVENIDA COCHISE SUITE 5 SIERRA VISTA,AZ 85635	27-3382815	501(C)(3)	10,610				WRESTLING FUNDRAISER SPONSOR FOR PROFESSIONAL WRESTLING EVENT
(2) SIERRA VISTA CHAMBER OF COMMERCE 21 EAST WILCOX DRIVE SIERRA VISTA,AZ 85635	74-2586694	501(C)(6)	15,150				SPONSORING LOCAL ACTIVITIES HOSTED BY THE CHAMBER OF COMMERCE
(3) SIERRA VISTA REGIONAL HEALTH INC 300 EL CAMINO REAL SIERRA VISTA,AZ 85635	86-0186064	501(C)(3)	6,400				SPONSORSHIP OF ACTIVITIES HOSTED BY SIERRA VISTA REGIONAL HEALTH INCLUDING THE KEY WEST NIGHT, CARTER CLASSIC GOLF TOURNAMENT, AND FESTIVAL OF TREES

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV

Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
		ALL GRANTS, SPONSORSHIPS AND DONATIONS ARE MADE TO NON-PROFIT AND CIVIC ORGANIZATIONS THAT ARE LOCATED IN THE COOPERATIVE'S SERVICE AREA ALL DONATIONS ARE INTENDED TO IMPROVE THE COMMUNITIES IN WHICH OUR MEMBERS RESIDE

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE INC

Employer identification number

86-0059728

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 in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☒ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ 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 the expenses described above? If "No," complete Part III to explain	1b	Yes
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	☐ Compensation committee ☐ Written employment contract ☒ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☒ Approval by the board or compensation committee		
4	During the year, did any person listed in 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	No
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) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in 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," to line 5a or 5b, describe in Part III		
6	For persons listed in 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," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	
9	If "Yes" to 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 in 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, columns (D) and (E) for that individual.

[illegible]

Part III **Supplemental Information**

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

Identifier	Return Reference	Explanation
Supplemental Information	Part III	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 CONTRIBUTION TO THE PLAN IN LIEU OF THE ACTUARIAL INCREASE ARE EXPENSED IN THE FINANCIAL STATEMENTS. CREDEN HUBER ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$7,935 401(K) EMPLOYER MATCH 8,509 TOTAL COLUMN C 16,444 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (7,935) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 80,144 TOTAL COOPERATIVE CASH CONTRIBUTION 88,653 KIRBY CHAPMAN ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$6,371 401(K) EMPLOYER MATCH 4,436 TOTAL COLUMN C 10,807 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (6,371) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 43,136 TOTAL COOPERATIVE CASH CONTRIBUTION 47,572 ANSELMO TORRES ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$8,700 401(K) EMPLOYER MATCH 4,364 TOTAL COLUMN C 13,064 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (8,700) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 38,699 TOTAL COOPERATIVE CASH CONTRIBUTION 43,063 JACK BLAIR ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$3,649 401(K) EMPLOYER MATCH 3,903 TOTAL COLUMN C 7,552 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (3,649) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 36,183 TOTAL COOPERATIVE CASH CONTRIBUTION 40,086 RON OROZCO ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$3,330 401(K) EMPLOYER MATCH 4,085 TOTAL COLUMN C 7,415 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (3,330) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 36,858 TOTAL COOPERATIVE CASH CONTRIBUTION 40,943

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons
▶ Complete if the organization answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization
SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE INC

Employer identification number
86-0059728

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

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

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b)Relationship between interested person and the organization	(c)Amount of grant or type of assistance

Part IV

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) FEDERATED RURAL ELECTRIC INSURANCE EXCHANGE	THE COOPERATIVE'S CEO/GM, CREDEN HUBER, SERVES ON FEDERATED'S BOARD	346,127	THE COOPERATIVE OBTAINED INSURANCE THROUGH FEDERATED RURAL ELECTRIC INSURANCE EXCHANGE AND PAYS INSURANCE PREMIUMS TO FEDERATED RURAL ELECTRIC INSURANCE		No

Part V

Supplemental Information
Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
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SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ****Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.**
▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

2011**Open to Public
Inspection**Name of the organization
SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE INC**Employer identification number**

86-0059728

Identifier	Return Reference	Explanation
RECLASSIFICATION OF BENEFITS PAID TO MEMBERS	Form 990, Part I, Line 14	THE INSTRUCTIONS FOR THE 2011 FORM 990 CLARIFY THAT "BENEFITS PAID TO MEMBERS" SHOULD INCLUDE THE AMOUNT OF PATRONAGE DIVIDENDS PAID TO THE MEMBERS OF SECTION 501(C)(12) COOPERATIVES. CONSISTENT WITH THIS CLARIFICATION IN THE INSTRUCTIONS, THE COOPERATIVE HAS REPORTED ON PART I, LINE 14 FOR THE CURRENT YEAR THE AMOUNT OF PATRONAGE DIVIDENDS PAID AND/OR ALLOCATED TO THE COOPERATIVE'S MEMBERS FOR THE 2011 CALENDAR YEAR. SINCE PART I SUMMARIZES BOTH PRIOR AND CURRENT YEAR DATA, THE COOPERATIVE HAS CHOSEN TO ALSO REPORT ON PART I, LINE 14 FOR THE PRIOR YEAR THE AMOUNT OF PATRONAGE DIVIDENDS PAID AND/OR ALLOCATED TO THE MEMBERS FOR THE 2010 CALENDAR YEAR. BECAUSE THE INSTRUCTIONS FOR THE 2010 FORM 990 DID NOT PROVIDE FOR SUCH A CLARIFICATION, THE 2010 FORM 990 WAS NOT PREPARED IN THIS MANNER. HOWEVER, SINCE THE COOPERATIVE DID IN FACT ALLOCATE PATRONAGE DIVIDENDS TO ITS MEMBERS FOR THE 2010 CALENDAR YEAR, IT BELIEVES THAT BOTH THE PRIOR YEAR AND CURRENT YEAR COLUMNS OF PART I SHOULD BE PREPARED CONSISTENTLY IN ORDER TO REFLECT THAT THE COOPERATIVE HAS A PRE-EXISTING OBLIGATION TO ALLOCATE, AND DOES ALLOCATE, PATRONAGE DIVIDENDS TO ITS MEMBERS FOR EACH YEAR THAT IT OPERATES FOR THE BENEFIT OF THE MEMBERS.

Identifier	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

Identifier	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

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7b	THE FOLLOWING ACTS REQUIRE APPROVAL OF THE MEMBERS OF THE COOPERATIVE 1 DISSOLUTION/LIQUIDATION OF THE COOPERATIVE, 2 MERGER OR CONSOLIDATION OF THE COOPERATIVE WITH ANOTHER ORGANIZATION, 3 THE DISPOSAL OF A SUBSTANTIAL PORTION OF THE COOPERATIVES ASSETS, AND 4 CHANGES TO THE BYLAWS OR ARTICLES OF INCORPORATION

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 11	MANAGEMENT PRESENTED A COPY OF THE FORM 990 TO THE BOARD FOR REVIEW AND APPROVAL PRIOR TO FILING

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	THE DIRECTORS REVIEW THE CONFLICT OF INTEREST POLICY ANNUALLY, AND IMMEDIATELY ADDRESS ANY QUESTIONS OR CONCERNS IF THEY ARISE. THE BOARD OF DIRECTORS AND OFFICERS ARE ALSO REQUIRED TO DISCLOSE ANY ACTION OR SITUATION THAT MIGHT VIOLATE THE POLICY TO THE FULL BOARD OF DIRECTORS AS SOON AS POSSIBLE.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	THE BOARD OF DIRECTORS USE THE EXPERTISE OF AN INDEPENDENT COMPENSATION CONSULTANT WHEN DETERMINING THE COMPENSATION OF THE GENERAL MANAGER THE BOARD AND THE GENERAL MANAGER USE THE EXPERTISE OF AN INDEPENDENT COMPENSATION CONSULTANT WHEN DETERMINING THE COMPENSATION OF THE COOPERATIVE'S OTHER EMPLOYEES MEETING THE DEFINITION OF OFFICER AND KEY EMPLOYEES, IF ANY

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	THE COOPERATIVE ANNUALLY MAILES A SUMMARIZED COPY OF THE AUDITED FINANCIAL STATEMENTS TO THE MEMBERS OF THE COOPERATIVE. THE COOPERATIVE ALSO PROVIDES COPIES OF THEIR CURRENT AND PAST ANNUAL REPORTS AND GOVERNING DOCUMENTS ON THEIR WEBSITE. THE COOPERATIVE WILL PROVIDE A COMPLETE COPY OF THE AUDITED FINANCIAL STATEMENTS, CONFLICT OF INTEREST POLICY , OR GOVERNING DOCUMENTS TO ANY MEMBER WHO REQUESTS A COPY

Identifier	Return Reference	Explanation
TO PROVIDE DETAIL REGARDING OFFICER BENEFITS	Form 990, Part VII, Column F	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. AS PART OF THE PLAN DOCUMENT, THE COOPERATIVE PROVIDES A MATCHING CONTRIBUTION UP TO 3% OF A PARTICIPATING EMPLOYEE'S SALARY. 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 KEY EMPLOYEES, MEETING THE ELIGIBILITY REQUIREMENTS OF SUCH PLANS. THE COOPERATIVE ALSO PROVIDES HEALTH, DENTAL, VISION AND LIFE INSURANCE TO ALL EMPLOYEES, INCLUDING OFFICERS AND KEY EMPLOYEES, THROUGH A QUALIFIED PLAN. THE AMOUNTS REPORTED ON PART VII, COLUMN (F) FOR THE OFFICER OR KEY EMPLOYEE IS COMPRISED OF THE ACTUARIAL INCREASE IN THE DEFINED BENEFIT PLAN FOR THE OFFICER OR KEY EMPLOYEE, THE TOTAL AMOUNT CONTRIBUTED TO THE 401(K) PENSION PLAN AND THE INSURANCE PREMIUMS PAID FOR THE BENEFIT OF THE OFFICER OR KEY EMPLOYEE. 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 HAS NOT BEEN ESTIMATED.

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

Identifier	Return Reference	Explanation
ACCOUNTING SYSTEM	Form 990, Part IX	THE ACCOUNTING RECORDS OF THE COOPERATIVE ARE MAINTAINED IN ACCORDANCE WITH THE UNIFORM SYSTEM OF ACCOUNTS AS PRESCRIBED BY THE FEDERAL ENERGY REGULATORY COMMISSION FOR CLASS A AND B ELECTRIC UTILITIES MODIFIED FOR ELECTRIC BORROWERS OF THE RURAL UTILITIES SERVICE(RUS) THE UNIFORM SYSTEM OF ACCOUNTING DOES NOT RECORD EXPENSES IN THE GENERAL EXPENSE CATEGORIES PROVIDED ON PART IX LINES 1 - 23 THE COOPERATIVE WILL BREAK OUT SALARIES AND WAGES, EMPLOYEE BENEFITS AND PAYROLL TAXES THAT ARE ALLOCATED IN ACCORDANCE WITH THEIR ACCOUNTING SYSTEM, BUT OTHER EXPENSES THAT ARE DESCRIBED IN LINES 1 - 23 WILL BE REPORTED ON LINE 24 UNDER THE EXPENSE CATEGORIES REQUIRED BY THE UNIFORM SYSTEM OF ACCOUNTS

Identifier	Return Reference	Explanation
RECONCILIATION OF WAGES PER RETURN TO FORM W-3	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. IN AN EFFORT TO EXPLAIN WHY THE AMOUNTS REPORTED ON LINES 5-7 DO NOT AGREE TO THE W-3 THE FOLLOWING RECONCILIATION IS PROVIDED. TOTAL PER LINES 5-7 \$7,012,929 LESS DIRECTORS FEES REPORTED ON 1099-MISC (127,750) LESS EMPLOYEE OFFICER BENEFITS INCLUDED IN LINE 5 (61,275) LESS KEY EMPLOYEE BENEFITS INCLUDED IN LINE 5 (43,697) PLUS SALARIES AND WAGES ALLOCATED TO ASSET ACCOUNTS 7,909,728 RECONCILIATION TO W-3 \$14,689,935

Identifier	Return Reference	Explanation
BREAKDOWN OF EXPENSES INCLUDED IN ADMINISTRATIVE AND GENERAL	Form 990, Part IX, Line 24	THE FOLLOWING IS A BREAKDOWN OF THE EXPENSES REPORTED AS ADMINISTRATIVE AND GENERAL EXPENSE ON FORM 990, PART IX, LINE 24 OFFICE SUPPLIES AND EXPENSE \$312,950 OUTSIDE SERVICES EMPLOYED 476,133 INSURANCE - INJURIES AND DAMAGES 88,774 DUES PAID ASSOCIATED ORGANIZATIONS 165,982 FORT HUACHUCA EXPENSES 76,718 SAFETY 36,216 DIRECTORS EXPENSES 91,132 EMPLOYEE ACTIVITIES 82,649 MAINTENANCE OF GENERAL PLANT 22,011 CAPITAL CREDITS 3,009 MISCELLANEOUS GENERAL EXPENSE 148,857 ADMINISTRATIVE & GENERAL EXPENSE -OTHER 875,312 TOTAL ADMINISTRATIVE AND GENERAL EXPENSE PER 990 \$2,379,743

Identifier	Return Reference	Explanation
TO PROVIDE DETAIL REGARDING OTHER EXPENSES	Form 990, Part IX, Line 24e	THE FOLLOWING IS A BREAKDOWN OF THE EXPENSES REPORTED AS OTHER EXPENSES ON FORM 990, PART IX, LINE 24E. TAX - OTHER \$1,037,623. CONSUMER ACCOUNT AND SERVICE 1,472,199. SALES EXPENSE 180,989. TRANSMISSION EXPENSE 325,573. INTERNET EXPENSES 87,018. PHONE CARD EXPENSES 341. TOTAL OTHER EXPENSES PER FORM 990 LINE 24E \$3,103,743.

Identifier	Return Reference	Explanation
BENEFITS PAID TO MEMBERS	Form 990, Part IX, Line 4	THE FORM 990 INSTRUCTIONS FOR THE CURRENT YEAR CLARIFIES THAT THE AMOUNT OF PATRONAGE DIVIDENDS PAID TO THE MEMBERS 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 MEMBERS. THE COOPERATIVE'S TAX EXEMPT PURPOSE IS TO PROVIDE ELECTRICITY TO ITS MEMBERS 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 MEMBERS. 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 MEMBERS, AND (3) IN A FAIR AND EQUITABLE BASIS 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 AND IS SUMMARIZED AS FOLLOWS: (A) IN ORDER TO INDUCE PATRONAGE AND TO ASSURE THAT THE COOPERATIVE WILL OPERATE ON A NONPROFIT BASIS, THE COOPERATIVE IS OBLIGATED TO ACCOUNT ON A PATRONAGE BASIS TO ALL ITS MEMBERS FOR ALL AMOUNTS RECEIVED AND RECEIVABLE FROM THE FURNISHING OF ELECTRIC ENERGY IN EXCESS OF OPERATING COSTS AND EXPENSES PROPERLY CHARGEABLE AGAINST SUCH SERVICES (I.E. MARGINS FROM THE PROVISION OF ELECTRIC ENERGY); (B) THE MARGINS FROM THE PROVISION OF ELECTRIC ENERGY ARE RECEIVED WITH THE UNDERSTANDING THAT THEY ARE FURNISHED BY THE MEMBERS AS CAPITAL; (C) THE COOPERATIVE IS OBLIGATED TO PAY BY CREDITS TO A CAPITAL ACCOUNT FOR EACH MEMBER FOR ALL SUCH MARGINS; AND (D) ALL SUCH AMOUNTS CREDITED TO THE CAPITAL ACCOUNT OF ANY MEMBER SHALL HAVE THE SAME STATUS AS THOUGH THEY HAD BEEN PAID TO THE MEMBER IN CASH IN PURSUANCE OF A LEGAL OBLIGATION TO DO SO AND THE MEMBER HAD THEN FURNISHED TO THE COOPERATIVE CORRESPONDING AMOUNTS OF CAPITAL. THE AMOUNT REPORTED ON PART IX, LINE 4 REPRESENTS THE AMOUNT OF PATRONAGE CAPITAL THAT IS EITHER ALLOCATED OR TO BE ALLOCATED TO THE MEMBERS RESULTING FROM THEIR PURCHASE OF ELECTRICITY FROM THE COOPERATIVE FOR THE 2011 CALENDAR YEAR. AS NOTED ABOVE, SUCH AMOUNTS ARE ALLOCATED SUBSEQUENT TO YEAR-END IN A FAIR AND EQUITABLE MANNER ON THE BASIS OF PATRONAGE (I.E. PURCHASES). THE AMOUNTS ALLOCATED ARE REPRESENTATIVE OF THE MARGINS FROM THE PROVISION OF ELECTRIC ENERGY TO THE MEMBERS AND ARE DONE PURSUANT TO THE OBLIGATION THAT EXISTED IN THE BYLAWS PRIOR TO THE COOPERATIVE PROVIDING ELECTRICITY TO ITS MEMBERS. THEREFORE, THESE AMOUNTS MEET THE DEFINITION OF THE TERM "PATRONAGE DIVIDENDS PAID". PLEASE NOTE, HOWEVER, THAT BECAUSE PATRONAGE DIVIDENDS IS THE PROCESS BY WHICH THE COOPERATIVE OPERATES AT COST WITH ITS MEMBERS AND THEREBY A KEY COMPONENT TO ACCOMPLISHING ITS EXEMPT PURPOSE, THE COOPERATIVE HAS REPORTED THE AMOUNT OF ITS 2011 MARGIN THAT HAS BEEN OR IS TO BE ALLOCATED TO THE MEMBERS SUBSEQUENT TO YEAR-END. SUCH AMOUNTS ARE AN EXPENSE FOR FORM 990 REPORTING AND IS NOT AN EXPENSE FOR FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. AS A RESULT, THE DIFFERENCE BETWEEN THE COOPERATIVE'S GAAP BASIS FINANCIAL STATEMENTS AND THE REVENUE LESS EXPENSES REPORTED ON PART I, LINE 19 IS THE AMOUNT OF PATRONAGE DIVIDENDS REPORTED AS BENEFITS PAID TO MEMBERS.

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	NET CHANGE IN MEMBERSHIPS -2,545 PATRONAGE CAPITAL CREDIT RETIREMENTS -792,392 GAIN ON RETIREMENT OF ESTATE CAPITAL CREDITS 52,115 PATRONAGE CAPITAL ASSIGNABLE 7,057,710 Total to Form 990, Part XI, Line 5 6,314,888

Identifier	Return Reference	Explanation
INDEPENDENT AUDIT AND AUDIT COMMITTEE	Form 990, Part XII, Line 2	AUDITED FINANCIAL STATEMENTS WERE PREPARED BY AN INDEPENDENT ACCOUNTANT FOR THE COOPERATIVE'S FISCAL YEAR END OF JUNE 30TH. ADDITIONALLY, AS A RESULT OF A FEDERAL AWARD, THE ORGANIZATION WAS REQUIRED AND UNDERWENT AN AUDIT AS SET FORTH IN THE SINGLE AUDIT ACT AND OMB CIRCULAR A-133 FOR THE FISCAL YEAR END OF JUNE 30TH. THE TAX RETURN HAS BEEN AND CONTINUES TO BE PREPARED BASED ON A CALENDAR YEAR END OF DECEMBER 31. THE BOARD OF DIRECTORS HAVE ASSIGNED MEMBERS TO AN AUDIT COMMITTEE TO OVERSEE THE FINANCIAL STATEMENT AUDIT AND SELECT THE INDEPENDENT FINANCIAL STATEMENT AUDITOR.

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE INC

Employer identification number
86-0059728

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE FOUNDATION PO BOX 820 WILLCOX, AZ 856440820 86-0488826	FUND EDUCATIONAL YOUTH ACTIVIES AND QUALIFIED PROGRAMS	AZ	501(c)(3)	PF	N/A	Yes	
(2) SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE CHARITABLE TRUST 311 E WILCOX DRIVE SIERRA VISTA, AZ 85635 86-0993649	ASSISTANCE TO NATURAL DISASTER VICTIMS AND FAMILIES	AZ	501(c)(3)	Line 7	N/A	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

Part V

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

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

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to related organization(s)

c

Gift, grant, or capital contribution from related organization(s)

d

Loans or loan guarantees to or for related organization(s)

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

Lease of facilities, equipment, or other assets to related organization(s)

j

Lease of facilities, equipment, or other assets from related organization(s)

k

Performance of services or membership or fundraising solicitations for related organization(s)

l

Performance of services or membership or fundraising solicitations by related organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

Other transfer of cash or property to related organization(s)

r

Other transfer of cash or property from related organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

Yes

No

No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) SULPHUR SPRINGS VALLEY ELECTRIC COOP FOUNDATION - NA LESS THAN 50000	P		CASH
(2)			
(3)			
(4)			
(5)			
(6)			

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

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation	
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Additional Data

Software ID:
Software Version:
EIN: 86-0059728
Name: SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE
INC

Form 990, Special Condition Description:

Special Condition Description
