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2014

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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 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

A For the 2014 calendar year, or tax year beginning 01-01-2014, and ending 12-31-2014

B Check if applicable	C Name of organization ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE INC		D Employer identification number 4 2-0110380
<input type="checkbox"/> Address change			
<input type="checkbox"/> Name change	Doing business as		E Telephone number (563) 864-7611
<input type="checkbox"/> Initial return			
<input type="checkbox"/> Final return/terminated	Number and street (or P O box if mail is not delivered to street address) PO BOX 715	Room/suite	
<input type="checkbox"/> Amended return	City or town, state or province, country, and ZIP or foreign postal code POSTVILLE, IA 52162		G Gross receipts \$ 19,315,468
<input type="checkbox"/> Application pending	F Name and address of principal officer PAUL FOXWELL PO BOX 715 POSTVILLE, IA 52162		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

I Tax-exempt status 501(c)(3) 501(c) (12) (insert no) 4947(a)(1) or 527J Website: ► WWWACREC.COMK Form of organization Corporation Trust Association Other ► L Year of formation 1938 M State of legal domicile IA

Part I Summary

1 Briefly describe the organization's mission or most significant activities PROVIDE SAFE, RELIABLE AND AFFORDABLE ELECTRIC SERVICES AND RELATED INNOVATIONS IN TECHNOLOGY	
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)	3 9
4 Number of independent voting members of the governing body (Part VI, line 1b)	4 9
5 Total number of individuals employed in calendar year 2014 (Part V, line 2a)	5 46
6 Total number of volunteers (estimate if necessary)	6 0
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a 232,793
b Net unrelated business taxable income from Form 990-T, line 34	7b -81,002

8 Contributions and grants (Part VIII, line 1h)	Prior Year 0 0
9 Program service revenue (Part VIII, line 2g)	18,789,578 19,182,904
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	112,189 130,643
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0 0
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	18,901,767 19,313,547

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	7,108 8,050
14 Benefits paid to or for members (Part IX, column (A), line 4)	1,104,119 812,446
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	3,516,305 3,545,467
16a Professional fundraising fees (Part IX, column (A), line 11e)	0 0
b Total fundraising expenses (Part IX, column (D), line 25) ►0	
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	13,729,235 14,652,584
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	18,356,767 19,018,547
19 Revenue less expenses Subtract line 18 from line 12	545,000 295,000

20 Total assets (Part X, line 16)	Beginning of Current Year 46,892,245	End of Year 48,506,347
21 Total liabilities (Part X, line 26)	22,064,383	23,122,062
22 Net assets or fund balances Subtract line 21 from line 20	24,827,862	25,384,285

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	*****	2015-08-04
	Signature of officer PAUL FOXWELL EXECUTIVE VICE-PRESIDENT	Date
	Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name LAURIE HANSON	Preparer's signature LAURIE HANSON	Date 2015-08-04	Check <input type="checkbox"/> if self-employed	PTIN P00851848
	Firm's name ► EIDE BAILLY LLP	Firm's EIN ► 45-0250958			
	Firm's address ► 200 EAST 10TH ST PO BOX 5125 SIOUX FALLS, SD 571175125	Phone no (605) 339-1999			

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 (2014)

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

ALLAMAKEE- CLAYTON ELECTRIC COOPERATIVE IS DEDICATED TO ENHANCING THE QUALITY OF LIFE FOR OUR MEMBERS, PARTNERS AND NEIGHBORS BY PROVIDING SAFE, RELIABLE AND AFFORDABLE ELECTRIC SERVICES AND OTHER INNOVATIVE 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 \$)

ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE WAS ORGANIZED IN 1938 BY MEMBERS BECAUSE INVESTOR-OWNED UTILITIES BYPASSED RURAL IOWA DUE TO ITS SPARSE POPULATION. ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE PROVIDES ELECTRIC POWER TO MORE THAN 9,900 CUSTOMERS ON 2,500 MILES OF LINE IN PORTIONS OF EIGHT COUNTIES: ALLAMAKEE, CLAYTON, FAYETTE, WINNESHEK, CHICKASAW, BREMER, DELAWARE AND DUBUQUE. OUR CUSTOMER BASE IS 95% FARM AND RURAL RESIDENTIAL AND MAINTAINS 24-HOUR AROUND-THE-CLOCK ELECTRIC SERVICE. CREWS ARE AVAILABLE TO ENSURE QUALITY SERVICE AT ALL TIMES.

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

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A

2 Is the organization required to complete Schedule B, *Schedule of Contributors* (see instructions)?

3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I

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? If "Yes," complete Schedule C, Part II

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? If "Yes," complete Schedule C, Part III

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? If "Yes," complete Schedule D, Part I

7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III

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? If "Yes," complete Schedule D, Part IV

10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V

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? If "Yes," complete Schedule D, Part VI
- 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? If "Yes," complete Schedule D, Part VII
- 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? If "Yes," complete Schedule D, Part VIII
- 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? If "Yes," complete Schedule D, Part IX
- e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X
- 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)? If "Yes," complete Schedule D, Part XI

12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII

- b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

14a Did the organization maintain an office, employees, or agents outside of the United States?

- 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? If "Yes," complete Schedule F, Parts I and IV

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? If "Yes," complete Schedule F, Parts II and IV

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? If "Yes," complete Schedule F, Parts III and IV

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? If "Yes," complete Schedule G, Part I (see instructions)

18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II

19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III

20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H

- b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?

	Yes	No
1		No
2		No
3		No
4		
5		No
6		No
7		No
8		No
9		No
10		No
11a	Yes	
11b		No
11c	Yes	
11d		No
11e	Yes	
11f	Yes	
12a	Yes	
12b		No
13		No
14a		No
14b		No
15		No
16		No
17		No
18		No
19		No
20a		No
20b		

Part IV Checklist of Required Schedules (continued)

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? If "Yes," complete Schedule I, Parts I and II	21		No
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? If "Yes," complete Schedule I, Parts I and III	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? If "Yes," complete Schedule J	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? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a	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? If "Yes," complete Schedule L, Part 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? If "Yes," complete Schedule L, Part 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? If "Yes," complete Schedule L, Part II	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? If "Yes," complete Schedule L, Part III	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)	28a		No
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		No
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28c		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? If "Yes," complete Schedule L, Part IV	29		No
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	30		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	31		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	32		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	33		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? If "Yes," complete Schedule R, Part I	34		No
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	35a		No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35b		
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)? If "Yes," complete Schedule R, Part V, line 2	36		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	37		No
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? If "Yes," complete Schedule R, Part VI	38	Yes	
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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . . .	1a	15	
1b 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	Yes	
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	46	
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? <i>If "No" to line 3b, provide an explanation in Schedule O</i> . . .		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, securities account, or other financial account)? . . .		4a	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? . . .		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 as charitable contributions? . . .		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).		7a	No
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? . . .		7b	
b If "Yes," did the organization notify the donor of the value of the goods or services provided? . . .		7c	No
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . .		7d	
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.		8	
Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? . . .		9a	
9a Did the sponsoring organization make any taxable distributions under section 4966? . . .		9b	
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? . . .			
10 Section 501(c)(7) organizations. Enter		10a	
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		11a	18,535,208
a Gross income from members or shareholders . . .	11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) . . .	11b	347,113	
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.		13a	
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		13b	
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 . . .	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? <i>If "No," provide an explanation in Schedule O</i> . . .		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 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	9	
	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			
1b	Enter the number of voting members included in line 1a, above, who are independent	1b	9	
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		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following	8a	Yes	
a	The governing body?	8b		No
b	Each committee with authority to act on behalf of the governing body?	9		No
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O			

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

		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	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	Yes
a	The organization's CEO, Executive Director, or top management official	15b	Yes
b	Other officers or key employees of the organization		
	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 DAVID DECKER

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 Employee Compensated	Former			
(1) ROGER ARTHUR PRESIDENT	7 50	X		X				8,200	0	0
(2) SARAH D LOPEZ VICE PRESIDENT	2 90	X		X				5,500	0	0
(3) ROBERT V SWENSON SECRETARY - TREASURER	4 30	X						5,800	0	0
(4) BERNARD J WELSH DIRECTOR UNTIL SEPT 2014	3 50	X						3,000	0	0
(5) LARRY P LAMBORN DIRECTOR	5 70	X						6,900	0	0
(6) ARLYN FOSSUM DIRECTOR	3 90	X						5,000	0	0
(7) WILLIAM MOODY DIRECTOR	5 00	X						6,800	0	0
(8) MICHAEL GIBBS DIRECTOR	6 10	X						8,200	0	0
(9) JOHN STORBECK DIRECTOR	4 00	X						5,600	0	0
(10) GEORGE BEARDMORE DIRECTOR	4 90	X						2,000	0	0
(11) DAVID DECKER DIRECTOR OF FINANCE/ADMIN	48 50			X				89,692	0	9,130
(12) PAUL FOXWELL GENERAL MANAGER AND EXECUTIVE VICE-PRESIDENT	45 30			X				138,632	0	25,865
(13) DAN STELPFULG DIRECTOR OF OPERATIONS AND ENGINEERING	42 70				X			106,633	0	2,117

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			

1b Sub-Total	►			
c Total from continuation sheets to Part VII, Section A	►			
d Total (add lines 1b and 1c)	►	391,957	0	37,112

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 ►2

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	3	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? If "Yes," complete Schedule J for such individual	4	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? If "Yes," complete Schedule J for such person	5	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
ELITE TREE SERVICE 1402 WASHINGTON PELLA, IA 50219	TREE CUTTING AND VEGETATION MANAGEMENT	385,103
ASPLUNDH TREE EXPERT COMPANY 1700 SOLUTIONS CENTER CHICAGO, IL 60677	TREE CUTTING AND VEGETATION MANAGEMENT	281,203
LEGACY POWER LINE 12822 HWY 10 WADENA, MN 56482	ELECTRIC LINE CONSTRUCTION	121,435

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 ►3

Part VIII Statement of RevenueCheck 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 ELECTRICITY SALES	221000	18,087,784	18,087,784		
			b COOP CAPITAL CREDITS	221000	633,364	629,207	4,157	
			c OTHER INCOME	517000	462,914	247,207	215,707	
			d EQUITY INVESTMENTS	221000	-1,158		12,929	-14,087
			e					
	f All other program service revenue							
	g Total. Add lines 2a-2f		19,182,904					
Other Revenue	(i) Real							
			3 Investment income (including dividends, interest, and other similar amounts)		132,564		132,564	
			4 Income from investment of tax-exempt bond proceeds					
			5 Royalties					
			6a Gross rents	(ii) Personal				
			b Less rental expenses					
	c Rental income or (loss)							
	d Net rental income or (loss)							
7a Gross amount from sales of assets other than inventory	(i) Securities							
			b Less cost or other basis and sales expenses	1,921				
			c Gain or (loss)		-1,921			
			d Net gain or (loss)				-1,921	-1,921
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a						
	b Less direct expenses	b						
c Net income or (loss) from fundraising events								
9a Gross income from gaming activities See Part IV, line 19	a							
b Less direct expenses	b							
c Net income or (loss) from gaming activities								
10a Gross sales of inventory, less returns and allowances	a							
b Less cost of goods sold	b							
c Net income or (loss) from sales of inventory								
Miscellaneous Revenue		Business Code						
11a								
b								
c								
d All other revenue								
e Total. Add lines 11a-11d								
12 Total revenue. See Instructions		19,313,547	18,964,198	232,793	116,556			

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	8,050			
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, lines 15 and 16				
4 Benefits paid to or for members	812,446			
5 Compensation of current officers, directors, trustees, and key employees	349,160			
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	2,477,622			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	513,021			
9 Other employee benefits				
10 Payroll taxes	205,664			
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	904,717			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,579,413			
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 COST OF POWER	10,559,734			
b DISTRIBUTION MAINTENANC	1,560,793			
c DISTRIBUTION OPERATIONS	1,172,159			
d ADMIN & GENERAL	1,003,663			
e All other expenses	-2,127,895			
25 Total functional expenses. Add lines 1 through 24e	19,018,547			
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 ► 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 X

		(A) Beginning of year	(B) End of year
Assets			
1	Cash—non-interest-bearing	1	
2	Savings and temporary cash investments	391,064	219,880
3	Pledges and grants receivable, net	3	
4	Accounts receivable, net	1,716,481	2,182,161
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	822,498	690,872
9	Prepaid expenses and deferred charges	215,753	203,152
10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	52,406,995
b	Less accumulated depreciation	10b	18,692,977
		33,426,238	10c
		33,714,018	
11	Investments—publicly traded securities	11	
12	Investments—other securities See Part IV, line 11	417,958	1,233,116
13	Investments—program-related See Part IV, line 11	9,874,435	10,241,274
14	Intangible assets	14	
15	Other assets See Part IV, line 11	27,818	21,874
16	Total assets. Add lines 1 through 15 (must equal line 34)	46,892,245	48,506,347
Liabilities			
17	Accounts payable and accrued expenses	2,080,772	17
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	11,603	21
22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	22	
23	Secured mortgages and notes payable to unrelated third parties	17,122,631	23
24	Unsecured notes and loans payable to unrelated third parties	1,521,415	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	1,327,962	25
26	Total liabilities. Add lines 17 through 25	22,064,383	26
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	45,925	30
31	Paid-in or capital surplus, or land, building or equipment fund	11,145,767	31
32	Retained earnings, endowment, accumulated income, or other funds	13,636,170	32
33	Total net assets or fund balances	24,827,862	33
34	Total liabilities and net assets/fund balances	46,892,245	34
		48,506,347	

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	19,313,547
2	Total expenses (must equal Part IX, column (A), line 25)	2	19,018,547
3	Revenue less expenses Subtract line 2 from line 1	3	295,000
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	24,827,862
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	261,423
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	25,384,285

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	2a	No
2b 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 checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2b	Yes
2c 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	2c	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? 3b 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	3a	No
	3b	

2014

Open to Public
Inspection**SCHEDULE D**
(Form 990)**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to 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.Department of the Treasury
Internal Revenue Service**Name of the organization**

ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE INC

Employer identification number

42-0110380

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 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? Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? 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 education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

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

	Held at the End of the Year
2a	
2b	
2c	
2d	

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

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

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

6 Staff and volunteer hours devoted to monitoring, inspecting, 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 section 170(h)(4)(B)(ii)? Yes No

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

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

(i) Revenue included 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 (ASC 958) relating to these items

a Revenue 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 acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

a <input type="checkbox"/> Public exhibition	d <input type="checkbox"/> Loan or exchange programs
b <input type="checkbox"/> Scholarly research	e <input type="checkbox"/> Other
c <input type="checkbox"/> Preservation for future generations	

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" 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 XIII and complete the following table

	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" 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 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 in 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

(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 XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to 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		149,566			149,566
b Buildings		6,018,873	878,249		5,140,624
c Leasehold improvements					
d Equipment		3,460,679	2,212,436		1,248,243
e Other		42,777,877	15,602,292		27,175,585
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)					33,714,018

Part VII Investments—Other Securities. Complete if the organization answered 'Yes' to 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		
Other		
		</td

Part VIII Investments—Program Related. Complete if the organization answered 'Yes' to 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) DAIRYLAND POWER COOPERATIVE	6,199,151	C
(2) NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION	2,398,333	C
(3) NATIONAL RURAL TELECOMMUNICATIONS COOPERATIVE	1,314,528	C
(4) FEDERATED RURAL ELECTRIC INSURANCE CORPORATION	99,198	C
(5) RURAL ELECTRIC SUPPLY COOPERATIVE	105,211	C
(6) OTHER INVESTMENTS	30,030	C
(7) MINNOWA ALLIANCE, LLC	91,465	C
(8) IOWA AREA DEVELOPMENT GROUP	3,358	C
Total. (Column (b) must equal Form 990, Part X, col (B) line 13)	10,241,274	

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

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

1	(a) Description of liability	(b) Book value
Federal income taxes		
POSTRETIREMENT BENEFIT OBLIGATION		1,098,61
DEFERRED CREDITS		69,08
CUSTOMER DEPOSITS		86,49
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)		1,254,19

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' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	18,702,219
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	-611,328
e	Add lines 2a through 2d	2e	-611,328
3	Subtract line 2e from line 1	3	19,313,547
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	0
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	19,313,547

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	17,594,773
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	0
3	Subtract line 2e from line 1	3	17,594,773
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	1,423,774
c	Add lines 4a and 4b	4c	1,423,774
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	19,018,547

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
PART IV, LINE 2B	ALLAMAKEE-CLAYTON ELECTRIC (ACEC) ESTABLISHED RECARE, A CUSTOMER CONTRIBUTION FUND IN WHICH MEMBERS OF ACEC CAN ASSIST OTHER MEMBERS WHO NEED HELP PAYING ELECTRIC BILLS. ACEC COLLECTS CONTRIBUTIONS FROM MEMBERS AND DISBURSES FUNDS TO BENEFICIARIES WHO MEET ELIGIBILITY CRITERIA AS ESTABLISHED BY A RECARE COUNCIL. THE RECARE COUNCIL CONSISTS OF A REPRESENTATIVE OF NORTHEAST IOWA COMMUNITY ACTION, A REPRESENTATIVE OF SHEPHERD OF THE HILLS, AND THE ALLAMAKEE-CLAYTON ELECTRIC GENERAL MANAGER. THE RECARE COUNCIL MEETS ANNUALLY TO REVIEW THE PROGRAM AND MAKE ANY CHANGES TO THE PROGRAM. A BENEFICIARY MUST BE REFERRED BY NORTHEAST IOWA COMMUNITY ACTION CORPORATION, SHEPHERD OF THE HILLS, A PASTOR OF A CHURCH, A VETERAN'S ORGANIZATION OR SIMILAR SOCIAL SERVICES OFFICE. DOCUMENTATION ON THE APPROPRIATE FORM, ALONG WITH THE NAME OF THE REFERRING AGENCY OR PERSON IS REQUIRED BEFORE FUNDS ARE APPROVED FOR DISBURSEMENT. APPLICATIONS FOR FUNDS ARE REVIEWED BY ACEC STAFF AND THE GENERAL MANAGER TO DETERMINE IF THE APPLICANT MEETS QUALIFICATIONS. IF APPROVED, NOTIFICATION OF APPROVAL AND THE AMOUNT OF FUNDS IS PROVIDED TO THE RECIPIENT, RECARE COUNCIL REPRESENTATIVES FROM NORTHEAST IOWA COMMUNITY ACTION AND SHEPHERD OF THE HILLS.
PART X, LINE 2	THE COOPERATIVE IS EXEMPT FROM INCOME TAXES UNDER SECTION 501(C)(12) OF THE INTERNAL REVENUE CODE. THE COOPERATIVE IS SUBJECT TO INCOME TAX ON ANY UNRELATED BUSINESS INCOME ON FEDERAL FORM 990T. THE COOPERATIVE EVALUATES ITS INCOME TAX POSITIONS ON AN ANNUAL BASIS. MANAGEMENT HAS DETERMINED THAT THERE ARE NO UNCERTAIN TAX POSITIONS AT DECEMBER 31, 2014 AND 2013 THAT MEET THE CRITERIA FOR RECOGNITION IN THE FINANCIAL STATEMENTS. THE COOPERATIVE WOULD RECOGNIZE FUTURE ACCRUED INTEREST AND PENALTIES RELATED TO UNRECOGNIZED TAX BENEFITS IN INCOME TAX EXPENSE IF INCURRED. GENERALLY, THE COOPERATIVE IS NO LONGER SUBJECT TO FEDERAL OR STATE TAX EXAMINATIONS BY TAX AUTHORITIES FOR YEARS BEFORE 2011.
PART XI, LINE 2D - OTHER ADJUSTMENTS	OTHER EXPENSES NETTED TO REVENUE FOR GAAP -611,328
PART XII, LINE 4B - OTHER ADJUSTMENTS	ALLOCATION OF 2014 MARGINS IN 2015 812,446 OTHER EXPENSES NETTED TO REVENUE FOR GAAP 611,328

Part XIII Supplemental Information (continued)

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 42-0110380
Name: ALLAMAKEE-CLAYTON 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
(1) DAIRYLAND POWER COOPERATIVE	6,199,151	C
(2) NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION	2,398,333	C
(3) NATIONAL RURAL TELECOMMUNICATIONS COOPERATIVE	1,314,528	C
(4) FEDERATED RURAL ELECTRIC INSURANCE CORPORATION	99,198	C
(5) RURAL ELECTRIC SUPPLY COOPERATIVE	105,211	C
(6) OTHER INVESTMENTS	30,030	C
(7) MINNOWA ALLIANCE, LLC	91,465	C
(8) IOWA AREA DEVELOPMENT GROUP	3,358	C

Schedule J
(Form 990)**Compensation Information**

OMB No 1545-0047

2014**Open to Public
Inspection**Department of the Treasury
Internal Revenue ServiceFor certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees► Complete if the organization answered "Yes" to 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.

Name of the organization

ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE INC

Employer identification number

42-0110380

Part I Questions Regarding Compensation**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

<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**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?**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

<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract
<input type="checkbox"/> Independent compensation consultant	<input type="checkbox"/> Compensation survey or study
<input 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 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?**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?**c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations 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?**b** Any related organization?

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?**b** Any related organization?

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**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 Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		No
4b		No
4c		No
5a		
5b		
6a		
6b		
7		
8		
9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported 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, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column(B) reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 PAUL FOXWELL, GENERAL MANAGER AND EXECUTIVE VICE-P	(i) 132,591 0	(ii) 0 0	(iii) 6,041 0	(C) 6,479 0	(D) 20,440 0	(E) 165,551 0	(F) 0 0

Part III Supplemental Information

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

Return Reference	Explanation
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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 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.****2014****Open to Public
Inspection**

Name of the organization

ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE INC

Employer identification number

42-0110380

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 4	THE COOPERATIVE CHANGED FROM HAVING ONE CLASS OF VOTING MEMBERS TO TWO CLASSES. BOTH CLASSES HAVE EQUAL VOTING RIGHTS. THE COOPERATIVE DIFFERENTIATES BETWEEN CLASS A MEMBERS (TRADITIONAL MEMBER OF THE COOPERATIVE) AND CLASS B MEMBERS (MUNICIPAL UTILITIES). CLASS DISTINCTION IS FOR THE PURPOSE OF ALLOCATION OF COOPERATIVE PATRONAGE

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE HAS TWO CLASSES OF MEMBERS CLASSES OF MEMBERS ARE CLASS A MEMBERS (TRADITIONAL MEMBERS OF THE COOPERATIVE) AND CLASS B MEMBERS (MUNICIPAL UTILITIES) CLASS DISTINCTION IS FOR THE PURPOSE OF ALLOCATION OF COOPERATIVE PATRONAGE

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE HAS TWO CLASSES OF MEMBERS WITH, EACH CLASS HAVING EQUAL VOTING RIGHTS

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 8B	NO COMMITTEES OF THE ORGANIZATION HAVE BROAD AUTHORITY TO ACT ON BEHALF OF THE GOVERNING BODY

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	FORM 990 IS REVIEWED BY THE EXECUTIVE VICE PRESIDENT AND GENERAL MANAGER, COOPERATIVE ATTORNEY AND DIRECTOR OF FINANCE BEFORE IT IS FILED. THE BOARD OF DIRECTORS WILL BE PROVIDED WITH THE FINAL DRAFT BEFORE IT IS FILED. THE DIRECTOR OF FINANCE REVIEWS AND VERIFIES ALL FINANCIAL NUMBERS AND CALCULATIONS TO ENSURE THEY ACCURATELY REFLECT FINANCIAL STATEMENT INFORMATION. A QUESTIONNAIRE IS PROVIDED BY THE FORM 990 PREPARER WHICH IS COMPLETED BY THE DIRECTOR OF FINANCE. COOPERATIVE BOARD POLICIES AND OPERATING PROCEDURES ARE REVIEWED IN THE PROCESS OF COMPLETING THE QUESTIONNAIRE. THE COOPERATIVE ATTORNEY REVIEWS FORM 990 PRIOR TO ITS BEING FILED TO VERIFY THAT QUESTIONS ARE ANSWERED CORRECTLY AND THE FORM IS COMPLETED PROPERLY.

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	BOARD GOVERNANCE POLICY NO 407, "CONFLICTS OF INTEREST", IMPOSES A SELF-POLICING REQUIREMENT FOR EACH DIRECTOR TO DISCLOSE SITUATIONS OR CIRCUMSTANCES THAT POSE A CONFLICT OF INTEREST OR THE APPEARANCE OF A CONFLICT OF INTEREST ACCORDING TO THE POLICY, A DIRECTOR MAY REQUEST AN OPINION FROM THE COOPERATIVE'S GENERAL COUNSEL TO DETERMINE IF A PARTICULAR SITUATION POSES A CONFLICT OF INTEREST OR THE APPEARANCE THEREOF. THE POLICY FURTHER ASSIGNS RESPONSIBILITY TO THE BOARD OF DIRECTORS AND THE GENERAL MANAGER WITH ADVICE OF THE GENERAL COUNSEL TO ASSURE COMPLIANCE WITH THE POLICY. THE POLICY REQUIRES EACH DIRECTOR TO ANNUALLY SIGN A CONFLICT OF INTEREST DISCLOSURE STATEMENT

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	IN SETTING SALARIES AND WAGES, THE BOARD OF DIRECTORS CONSIDERS CHANGES TO THE CONSUMER PRICE INDEX AS REPORTED BY THE U S DEPARTMENT OF LABOR, THE WAGE ADJUSTMENTS REPORTED BY NEIGHBORING RURAL ELECTRIC COOPERATIVES, LOCAL ECONOMIC CONDITIONS, THE COOPERATIVE'S COMPETITIVE POSITION IN THE COMMUNITY AND WITHIN THE INDUSTRY, AREA EMPLOYMENT INFORMATION, THE COOPERATIVE'S FISCAL CONDITIONS, AND ITS FINANCIAL ABILITY COMPENSATION CHANGES FOR EMPLOYEES ARE REVIEWED BY THE GENERAL MANAGER, DIRECTOR OF FINANCE, AND ACCOUNTANT TO ENSURE COMPENSATION IS IN ACCORDANCE WITH THE COOPERATIVE SALARY AND WAGE PLANS AND/OR UNION CONTRACT. THE SALARY AND WAGE PLAN AND UNION CONTRACT ARE REVIEWED AND APPROVED BY THE BOARD OF DIRECTORS. THE ABOVE PROCESSES WERE UNDERTAKEN IN 2014

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	DOCUMENTS ARE AVAILABLE UPON WRITTEN REQUEST

Return Reference	Explanation
FORM 990, PART VII, COLUMN F, OTHER COMPENSATION	INCLUDED IN OTHER COMPENSATION IS THE ESTIMATED CURRENT YEAR INCREASE OR DECREASE IN THE ACTUARIAL VALUE OF THE DEFINED BENEFIT PLAN FOR THE EXECUTIVE VP/GENERAL MANAGER AND DIRECTOR OF FINANCE/ADMIN SERVICES. THE CURRENT YEAR INCREASE OR DECREASE DOES NOT REPRESENT CURRENT YEAR CONTRIBUTIONS TO THE PLAN RATHER, IT IS AN ESTIMATE OF THE INCREASE OR DECREASE IN THE ACTUARIAL VALUE OF THE PLAN AS CALCULATED BY THE PLAN ADMINISTRATOR

Return Reference	Explanation
FORM 990, PART IX, LINE 24E STATEMENT OF FUNCTIONAL EXPENSES	THE LABOR, PENSION AND PAYROLL TAXES REPORTED ON LINES 6-10 ARE INCLUDED IN DISTRIBUTION EXPENSE, ADMINISTRATIVE & GENERAL EXPENSE AND CUSTOMER EXPENSE THEREFORE, LABOR, PENSION AND PAYROLL TAXES ARE SHOWN AS A REDUCTION TO OTHER EXPENSES ON LINE 24E

Return Reference	Explanation
FORM 990, PART IX, LINE 4, BENEFITS PAID TO OR FOR MEMBERS	THE COOPERATIVE HAS INTERPRETED THE INSTRUCTIONS TO PART IX, LINE 4, TO MEAN PATRONAGE CAPITAL ALLOCATED FOR THE YEAR, RATHER THAN PATRONAGE CAPITAL RETIRED. THIS IS CONSISTENT WITH THE BY-LAWS OF THE COOPERATIVE

Return Reference	Explanation
FORM 990, PART XI, LINE 9	RETIREMENT OF CAPITAL CREDITS -551,113 MEMBERSHIPS - NET CHANGE 90 ALLOCATION OF 2014 MARGINS IN 2015 812,446