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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/foim990	OMB No 1545-0047 2015 Open to Public Inspection
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A For the 2015 calendar year, or tax year beginning 01-01-2015 , and ending 12-31-2015			
B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Final return/terminated ☐ Amended return ☐ Application pending	C Name of organization CHOCTAW ELECTRIC COOPERATIVE INC		D Employer identification number 73-0182325
	Doing business as		
	Number and street (or P O box if mail is not delivered to street address) PO BOX 758	Room/suite	E Telephone number (580) 326-6486
	City or town, state or province, country, and ZIP or foreign postal code HUGO, OK 74743		G Gross receipts \$ 47,340,313
	F Name and address of principal officer KENNETH J GATES PO BOX 758 HUGO, OK 74743		H(a) Is this a group return for subordinates? ☐ Yes ☒ No H(b) Are all subordinates included? ☐ Yes ☐ No If "No," attach a list (see instructions)
I Tax-exempt status ☐ 501(c)(3) ☒ 501(c) (12) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527		H(c) Group exemption number ▶	
J Website: ▶ WWW.CHOCTAWELECTRIC.COOP		L Year of formation 1940 M State of legal domicile OK	
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶			

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		
	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	8
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	8
	5 Total number of individuals employed in calendar year 2015 (Part V, line 2a)	5	98
6 Total number of volunteers (estimate if necessary)	6	0	
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,733	
7b Net unrelated business taxable income from Form 990-T, line 34	7b	-420	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 0	Current Year 0
	9 Program service revenue (Part VIII, line 2g)	48,026,952	46,220,686
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	314,801	845,789
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,518,355	252,780
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	50,860,108	47,319,255
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	8,300	6,785
	14 Benefits paid to or for members (Part IX, column (A), line 4)	2,212,423	4,961,895
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	8,095,136	6,073,517
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) $\blacktriangleright$ 0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	40,690,208	35,204,032
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	51,006,067	46,246,229
	19 Revenue less expenses Subtract line 18 from line 12	-145,959	1,073,026
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	122,717,694	117,462,411
	21 Total liabilities (Part X, line 26)	80,964,695	69,900,636
	22 Net assets or fund balances Subtract line 21 from line 20	41,752,999	47,561,775

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	*****			2016-11-15	
	Signature of officer			Date	
Paid Preparer Use Only	KENNETH GATES CEO				
	Type or print name and title				
	Print/Type preparer's name WILLIAM M MILLER		Preparer's signature WILLIAM M MILLER		Date 2016-11-15
	Check ☒ if self-employed		PTIN P00439459		
Firm's name ► BOLINGER SEGARS GILBERT AND MOSS LLP					Firm's EIN ► 75-0882037
Firm's address ► 8215 NASHVILLE AVENUE LUBBOCK, TX 79423					Phone no (806) 747-3806

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

THE COOPERATIVE'S 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 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 - 18,495 ACTIVE SERVICES AT YEAR END WERE PROVIDED ELECTRICITY ON A COOPERATIVE BASIS THROUGH THE ALLOCATION OF PATRONAGE CAPITAL				

[illegible][illegible]

4d	Other program services (Describe in Schedule O)				
	(Expenses \$		including grants of \$		(Revenue \$)

4e Total program service expenses ►

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1	No
2 Is the organization required to complete Schedule B, Schedule of Contributors (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? If "Yes," complete Schedule C, Part 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? If "Yes," complete Schedule C, Part II	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? If "Yes," complete Schedule C, Part III	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? If "Yes," complete Schedule D, Part 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? If "Yes," complete Schedule D, Part II	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	No
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	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? If "Yes," complete Schedule D, Part VI	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? If "Yes," complete Schedule D, Part VII	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? If "Yes," complete Schedule D, Part VIII	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? If "Yes," complete Schedule D, Part IX	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	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)? If "Yes," complete Schedule D, Part X	11f	Yes
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a	Yes
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	12b	No
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	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? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	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? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
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	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	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)			
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		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	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? If "Yes," complete Schedule R, Part I	33		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	34		No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35b		
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	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? If "Yes," complete Schedule R, Part VI	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	29	
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	98	
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" to line 3b, 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, 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).			
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		No
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		No
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. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9a	Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b	Did the sponsoring 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	44,413,972	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	1,917,119	
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. See the instructions for additional information the organization must report on Schedule O.	13a		
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.	13b		
c	Enter the 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 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 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	1a 8		
b Enter the number of voting members included in line 1a, above, who are independent	1b 8		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	Yes	
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6 Did the organization have members or stockholders?	6	Yes	
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes	
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a The governing body?	8a	Yes	
b Each committee with authority to act on behalf of the governing body?	8b	Yes	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed **OK**

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 ☐ 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
►CRAIG MCBRAIN DIRECTOR OF FIN & ADMIN PO BOX 758 HUGO, OK 74743 (580) 326-6486

Part VII

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

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

☒

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) GEORGE BURNS PRESIDENT (2/2015 - 12/2015)	17.73	X		X				8,350	0	0
(2) JOE M SILK VICE PRESIDENT (2/2015 - 12/2015)	7.20	X		X				7,300	0	0
(3) MIKE BREWER SECRETARY/TREASURER (1/2015 - 12/2015)	15.00	X		X				8,400	0	0
(4) ANDREA SLATON DIRECTOR (2/2015 - 12/2015)	12.00	X						5,200	0	0
(5) NORMAN RANGER DIRECTOR (2/2015 - 12/2015)	12.80	X						9,300	0	0
(6) WILLIAM WOOLSEY DIRECTOR (9/2015- 12/2015)	2.75	X						1,100	0	0
(7) BECKY FRANKS DIRECTOR (9/2015- 12/2015)	10.00	X						1,100	0	0
(8) JAMES L ANDERSON DIRECTOR (1/2015)	2.30	X						1,100	0	0
(9) DANNY ANTWINE DIRECTOR	5.00	X		X				7,600	0	0
(10) JAMES WOODS DIRECTOR	5.00	X						6,000	0	0
(11) DAVID RITCHIE DIRECTOR (1/2015)	5.00	X						1,100	0	0
(12) NEIL BIRCHFIELD DIRECTOR	5.00	X						6,450	0	0
(13) MARCIA WRIGHT DIRECTOR	5.00	X						9,000	0	0
(14) JOE HARRIS INTERIM CEO (1/2015 - 6/2015)	40.00			X				72,459	0	79,156

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			
(15) JON MILES CEO (6/2015 - 12/2015)	40 00			X				103,555	0	40,306
(16) CRAIG MCBRAIN CFO (4/2015 - 12/2015)	45 00			X				63,842	0	18,968
(17) JIMMIE K AINSWORTH CFO (1/2015 - 4/2015)	40 00			X				85,022	0	27,688
(18) JAMES MALONE DIRECTOR OF OPERATIONS	40 00					X		109,703	0	81,810
(19) DARREL WARD SYSTEM SERVICES MANAGER	40 00					X		104,872	0	102,831
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								611,453	0	350,759

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 ▶ 3

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
SOONER POWERLINE CONSTRUCTION PO BOX 593 STRATFORD, OK 74782	UTILITY LINE CONSTRUCTION	728,567
DERRYEBERRY & NAIFEH LLP 4800 N LINCOLN BLVD OKLAHOMA CITY, OK 73105	LEGAL FEES	205,761
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 ▶ 2	

Form **990** (2015)

Part VIII

Statement of Revenue

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

☒

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f					
Program Service Revenue	2a	SALE OF ELECTRICITY	Business Code 221000	43,507,344	43,507,344		
	b	PATRONAGE DIVIDENDS	221000	2,428,325	2,428,325		
	c	SERVICE FEES	221000	285,017	285,017		
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		46,220,686			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		111,818		111,818
4		Income from investment of tax-exempt bond proceeds					
5		Royalties					
6a		Gross rents	(i) Real (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 (ii) Other	681,771 52,200			
		b	Less cost or other basis and sales expenses	0 0			
		c	Gain or (loss)	681,771 52,200			
		d	Net gain or (loss)		733,971		733,971
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	24,750			
		b	Less cost of goods sold	b	21,058		
		c	Net income or (loss) from sales of inventory		3,692	3,692	
		Miscellaneous Revenue		Business Code			
11a		NON-RECURRING INTEREST CORRECTION	221000	225,397		225,397	
b		POLE ATTACHMENT INCOME	221000	21,958		21,958	
c	INTERNET REVENUE	517000	1,733		1,733		
d	All other revenue						
e	Total. Add lines 11a-11d		249,088				
12	Total revenue. See Instructions		47,319,255	46,224,378	1,733	1,093,144	

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.	6,785			
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.	4,961,895			
5	Compensation of current officers, directors, trustees, and key employees.	562,996			
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.	2,741,879			
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	745,096			
9	Other employee benefits.	1,648,225			
10	Payroll taxes.	375,321			
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.	2,440,576			
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	3,614,637			
23	Insurance.				
24	Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a	PURCHASED POWER	25,514,936			
b	ADMINISTRATIVE AND GENE	1,258,676			
c	CUSTOMER SERVICE	1,000,379			
d	DISTRIBUTION EXPENSE	442,668			
e	All other expenses	932,160			
25	Total functional expenses. Add lines 1 through 24e.	46,246,229			
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 Sheet

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

☐

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		494,779	1	562,130
	2	Savings and temporary cash investments		588,054	2	775,811
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		5,285,340	4	3,239,859
	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		595,741	7	426,286
	8	Inventories for sale or use		872,839	8	962,192
	9	Prepaid expenses and deferred charges		43,692	9	42,994
	10a	Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D	10a115,924,591			
	b	Less: accumulated depreciation	10b30,152,960	84,686,492	10c	85,771,631
	11	Investments—publicly traded securities		8,466,299	11	4,175,288
	12	Investments—other securities. See Part IV, line 11		1,624,808	12	
	13	Investments—program-related. See Part IV, line 11		17,459,759	13	19,510,046
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		2,599,891	15	1,996,174
	16	Total assets. Add lines 1 through 15 (must equal line 34)		122,717,694	16	117,462,411
Liabilities	17	Accounts payable and accrued expenses		4,079,422	17	3,039,050
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		70,577,036	23	60,503,113
	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		6,308,237	25	6,358,473
	26	Total liabilities. Add lines 17 through 25		80,964,695	26	69,900,636
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), 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 (ASC 958), check here ☒ and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds		65,987	30	66,432
	31	Paid-in or capital surplus, or land, building or equipment fund		0	31	0
	32	Retained earnings, endowment, accumulated income, or other funds		41,687,012	32	47,495,343
	33	Total net assets or fund balances		41,752,999	33	47,561,775
	34	Total liabilities and net assets/fund balances		122,717,694	34	117,462,411

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	47,319,255
2	Total expenses (must equal Part IX, column (A), line 25)	2	46,246,229
3	Revenue less expenses Subtract line 2 from line 1	3	1,073,026
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	41,752,999
5	Net unrealized gains (losses) on investments	5	-519,043
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	5,254,793
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	47,561,775

Part XII Financial Statements and Reporting

Check 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 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		No
Separate basis Consolidated basis Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both	Yes	
Separate basis Consolidated basis Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O		No
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990.
Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
CHOCTAW ELECTRIC COOPERATIVE INC

Employer identification number
73-0182325

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate value of contributions to (during year)	
3	Aggregate value of grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ 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" on Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space

☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2

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

	Held at the End of the Year
a	Total number of conservation easements
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, and not on a historic structure listed in the National Register

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year
►

7

Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year
► \$

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

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

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

1a

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

b

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

(i)

Revenue included on Form 990, Part VIII, line 1
► \$

(ii)

Assets included in Form 990, Part X
► \$

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a

Revenue included on Form 990, Part VIII, line 1
► \$

b

Assets included in Form 990, Part X
► \$

Part III

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

(continued)

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIII and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

Amount

1c

1d

1e

1f

2a

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

☐ Yes

☐ No

b

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

☐

Part V

Endowment Funds.

Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a	Beginning of year balance				
b	Contributions				
c	Net investment earnings, gains, and losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment

The percentages on lines 2a, 2b, and 2c should equal 100%

3a

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

(i) unrelated organizations

(ii) related organizations

3a(i)

3a(ii)

Yes

No

b

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

3b

Yes

No

4

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

Part VI

Land, Buildings, and Equipment.

Complete if the organization answered "Yes" 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)	Accumulated (c) depreciation	(d) Book value
1a Land		286,779		286,779
b Buildings		3,093,683	1,786,748	1,306,935
c Leasehold improvements				
d Equipment		111,256,329	28,366,212	82,890,117
e Other		1,287,800		1,287,800
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				85,771,631

Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	47,315,670
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII)	2d		
e	Add lines 2a through 2d		2e	0
3	Subtract line 2e from line 1		3	47,315,670
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		3,585
c	Add lines 4a and 4b		4c	3,585
5	Total revenue Add lines 3 and 4c.(This must equal Form 990, Part I, line 12)		5	47,319,255

Part XII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	41,280,749
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	41,280,749
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		4,965,480
c	Add lines 4a and 4b		4c	4,965,480
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)		5	46,246,229

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 X, LINE 2	THE COOPERATIVE APPLIES 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 OR OTHER STATE TAXING AUTHORITY AND THAT ALL TAX BENEFITS ARE LIKELY TO BE REALIZED UPON SETTLEMENT WITH TAXING AUTHORITIES.

Part XIII **Supplemental Information** *(continued)*

Return Reference	Explanation
PART XII, LINE 4B - OTHER ADJUSTMENTS	PATRONAGE CAPITAL ASSIGNABLE 4,961,895 NONOPERATING REVENUE RECLASSED TO EXPENSE 3,585
SCHEDULE D	PART VII THE AMOUNT OF INVESTMENTS - OTHER SECURITIES ON FORM 990, PAGE 11, PART X, LINE 12 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 VII HAS BEEN LEFT BLANK 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 PART XII, LINE 4B FOR THE AUDITED FINANCIAL STATEMENTS, THE AMOUNT OF PATRONAGE DIVIDENDS PAID OR ALLOCATED TO THE MEMBERS IS REPORTED AS AN INCREASE IN EQUITY AND NOT AS AN EXPENSE THEREFORE, NET INCOME PER THE AUDITED FINANCIAL STATEMENTS IS REPORTED GROSS OF THE AMOUNT OF PATRONAGE DIVIDENDS THAT ARE EITHER ALLOCATED OR TO BE ALLOCATED AT THE TIME THE AUDITED FINANCIAL STATEMENTS ARE PREPARED HOWEVER, BECAUSE THE ALLOCATION OF PATRONAGE DIVIDENDS IS ONE ASPECT OF HOW THE COOPERATIVE FULFILLS ITS TAX EXEMPT PURPOSE OF OPERATING ON A COOPERATIVE BASIS, THE AMOUNT OF PATRONAGE DIVIDENDS EITHER ALLOCATED OR TO BE ALLOCATED TO THE MEMBERS IS REPORTED ON FORM 990, PART IX, LINE 4 AS "BENEFITS PAID TO MEMBERS" PATRONAGE DIVIDENDS ARE ALLOCATED ON A PATRONAGE BASIS AND DONE SO PURSUANT TO A PRE-EXISTING OBLIGATION AS PROVIDED FOR IN THE "NON-PROFIT OPERATION" ARTICLE OF THE COOPERATIVE'S BYLAWS

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
▶ Attach to Form 990.
▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
CHOCTAW ELECTRIC COOPERATIVE INC

Employer identification number
73-0182325

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax indemnification 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 of the expenses described above? If "No," complete Part III to explain	1b	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2	
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. ☐ 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 on Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: a Receive a severance payment or change-of-control payment?	4a	No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
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.	4c	No
Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: a The organization?	5a	
b Any related organization? If "Yes," on line 5a or 5b, describe in Part III.	5b	
6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: a The organization?	6a	
b Any related organization? If "Yes," on line 6a or 6b, describe in Part III.	6b	
7 For persons listed on 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 on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.	8	
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column(B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 JOE HARRIS INTERIM CEO (1/2015 - 6/2015)	(i)	72,135 -----	0 -----	324 -----	79,023 -----	133 -----	151,615 -----	0 -----
	(ii)	0	0	0	0	0	0	0
2 JAMES MALONE DIRECTOR OF OPERATIONS	(i)	107,639 -----	0 -----	2,064 -----	69,780 -----	12,030 -----	191,513 -----	0 -----
	(ii)	0	0	0	0	0	0	0
3 DARREL WARD SYSTEM SERVICES MANAGER	(i)	102,899 -----	0 -----	1,973 -----	82,059 -----	20,772 -----	207,703 -----	0 -----
	(ii)	0	0	0	0	0	0	0

Part III **Supplemental Information**

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

Return Reference	Explanation
FORM 990, 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. JON MILES TOTAL COLUMN C \$ 34,034 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (34,034) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 7,179 EXPENSE TO THE COOPERATIVE \$ 7,179. JOE HARRIS TOTAL COLUMN C \$ 79,023 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (79,023) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 86,973 EXPENSE TO THE COOPERATIVE \$ 86,973. CRAIG MCBRAIN TOTAL COLUMN C \$ 6,793 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (6,793) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 11,323 EXPENSE TO THE COOPERATIVE \$ 11,323.

**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.

OMB No 1545-0047

2015**Open to Public
Inspection**Name of the organization
CHOCTAW ELECTRIC COOPERATIVE INC

Employer identification number

73-0182325

**Return
Reference****Explanation**FORM 990,
PART VI,
SECTION A,
LINE 4

AT THE ANNUAL MEETING ON SEPTEMBER 26TH, 2015, THE BYLAWS WERE AMENDED AS FOLLOWS ARTICLE III "MEETINGS OF MEMBERS" WAS AMENDED TO MAKE IT POSSIBLE FOR CEC TO HOLD SIMULTANEOUS ANNUAL MEETINGS ANYWHERE IN CEC SERVICE TERRITORY IT ALSO GIVES MEMBERS THE OPTION TO VOTE BY MAIL-IN BALLOT ARTICLE IV "TRUSTEES" WAS AMENDED TO PREVENT FORMER CO-OP EMPLOYEES FROM SERVING ON THE BOARD OF TRUSTEES, CLARIFY ROTATION OF TRUSTEE ELECTIONS, LIMIT TRUSTEES TO SERVING NO MORE THAN FOUR TERMS, REQUIRE VOTING DISTRICT COMPOSITION TO BE REVIEWED ONCE EVERY FIVE YEARS TO MAINTAIN EQUALITY, REQUIRE INCUMBENT TRUSTEES TO PETITION MEMBERS TO RUN FOR OFFICE, ALLOW TRUSTEES TO DECLARE A SEAT VACANT IF A TRUSTEE FAILS TO ATTEND AT LEAST 75 PERCENT OF BOARD MEETINGS EACH YEAR, AND REQUIRE APPOINTED TRUSTEES TO STAND FOR ELECTION AT THE ANNUAL MEETING FOLLOWING THEIR APPOINTMENT, PREVENT TRUSTEES FROM RECEIVING INSURANCE BENEFITS, BUT WOULD ALLOW THEM THE OPTION TO PARTICIPATE IN CEC'S HEALTH BENEFITS AT THEIR OWN EXPENSE, PREVENT CLOSE RELATIVES OF TRUSTEES OR FORMER TRUSTEES FROM RECEIVING CONTRACTS OR ANY OTHER FINANCIAL COMPENSATION, ALLOW BOARD MEMBERS COMPENSATION FOR EXPENSES INCURRED FROM PERFORMING THEIR DUTIES AS TRUSTEES, AND ALLOW MEMBERS ACCESS TO CO-OP AUDIT REPORTS ARTICLE V "MEETING OF TRUSTEES" WAS AMENDED TO ALLOW MEMBERS TO ATTEND CO-OP BOARD MEETINGS, HOWEVER, THE BOARD MAY ENTER INTO PRIVATE EXECUTIVE SESSION TO DISCUSS LEGAL MATTERS, REAL ESTATE TRANSACTIONS, CONTRACT NEGOTIATIONS, PERSONNEL ISSUES, COMPETITIVE ISSUES, AND CO-OP AND MEMBER SECURITY FINAL ACTION ON MATTERS DISCUSSED IN EXECUTIVE SESSION MUST BE MADE IN THE REGULAR MEETING, EXCEPT WHEN VOTING COULD RESULT IN LEGAL ACTION OR OTHER NEGATIVE FINANCIAL IMPACT ON CEC ARTICLE VI "OFFICERS & MISCELLANEOUS" WAS AMENDED TO PREVENT THE TITLE OF GENERAL MANAGER/CEO TO BE USED INTERCHANGEABLY WITH EXECUTIVE VICE PRESIDENT, AND ELIMINATES A REDUNDANT BYLAW PROVISION ARTICLE XV "AMENDMENTS" WAS AMENDED TO INCLUDE THE CREATION OF A NEW SECTION ON BYLAW AMENDMENTS THE NEW PROVISION REQUIRES THE ANNUAL MEETING NOTICE TO INCLUDE A COPY OF PROPOSED AMENDMENT(S), YET ALLOWS TRUSTEES OR MEMBERS TO REPEAL OR CORRECT ANY BYLAW OR AMENDMENT THAT IS ILLEGAL OR HAS BECOME A LEGAL NULLITY DEADLINES FOR SUBMITTING BYLAW CHANGES ARE MORE CLEARLY DEFINED, AND PROCEDURES CONCERNING PROPOSED AMENDMENTS ARE CLARIFIED TO BRING CEC BYLAWS INTO COMPLIANCE WITH STATE AND FEDERAL LAWS A COMPLETE COPY CEC'S BYLAWS MAY BE FOUND ON THE COOPERATIVE'S WEBSITE

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

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

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	THE FOLLOWING ACTS REQUIRE APPROVAL OF THE MEMBERS OF THE COOPERATIVE 1 AMENDMENTS TO THE ARTICLES OF INCORPORATION, 2 AMENDMENTS TO THE BYLAWS, 3 DISPOSAL OF SUBSTANTIAL PORTION OF THE COOPERATIVE'S ASSETS, 4 DISSOLUTION/LIQUIDATION OF THE COOPERATIVE, AND 5 MERGER OR CONSOLIDATION OF THE COOPERATIVE WITH ANOTHER ORGANIZATION

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	MANAGEMENT PRESENTED A COPY OF THE FORM 990 TO THE BOARD FOR DISCUSSION, REVIEW AND APPROVAL PRIOR TO FILING THE DISCUSSION AND REVIEW WAS PERFORMED AT THE BOARD MEETING IMMEDIATELY BEFORE FILING THE FORM 990

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	THE BOARD OF DIRECTORS ASSESS PERFORMANCE AND ALSO USES A COMPENSATION SURVEY WHEN DETERMINING THE COMPENSATION OF THE CEO. THE SURVEY SHOWS COMPARATIVE SALARIES FOR GENERAL MANAGERS FROM COOPERATIVES LOCATED IN OKLAHOMA. THE CEO ASSESSES PERFORMANCE AND ALSO USES A COMPENSATION SURVEY WHEN DETERMINING THE COMPENSATION OF THE ORGANIZATION'S OTHER OFFICERS. THE SURVEY INCLUDES SALARIES FROM SIMILAR COOPERATIVES THROUGHOUT OKLAHOMA.

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE COOPERATIVE WILL PROVIDE A COMPLETE COPY OF ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND AUDITED FINANCIAL STATEMENTS TO ANY MEMBER WHO REQUESTS A COPY OF ANY SUCH DOCUMENT ANNUALLY THE COOPERATIVE PROVIDES A COPY OF THE AUDITED BALANCE SHEET AND INCOME STATEMENT TO THE MEMBERS OF THE COOPERATIVE WITH THE ANNUAL REPORT FINALLY, THE ANNUAL REPORT AND BYLAWS CAN BE FOUND ON THE COOPERATIVE'S WEBSITE

Return Reference	Explanation
FORM 990, PART VII, COLUMN F	IN ORDER TO PROVIDE RETIREMENT BENEFITS TO ITS EMPLOYEES THE COOPERATIVE PARTICIPATES IN A MULTI-EMPLOYER DEFINED BENEFIT PLAN. CONTRIBUTIONS TO THIS PLAN ARE BASED ON THE FULL FUNDING LIMITATION OF THE PLAN. EMPLOYER CONTRIBUTIONS ARE AVAILABLE TO PARTICIPATING EMPLOYEES, INCLUDING OFFICERS AND HIGHLY COMPENSATED EMPLOYEES, MEETING THE ELIGIBILITY REQUIREMENTS OF THE PLAN. THE COOPERATIVE ALSO PROVIDES HEALTH BENEFITS TO ALL ELIGIBLE EMPLOYEES THROUGH A SELF-INSURANCE PLAN. THE AMOUNTS REPORTED ON PART VII, COLUMN (F) FOR OFFICERS AND HIGHLY COMPENSATED EMPLOYEES ARE COMPRISED OF THE THE ACTUARIAL INCREASE IN THE DEFINED BENEFIT PENSION PLAN AND THE INSURANCE PREMIUM VALUES FOR CONTRIBUTIONS MADE TO THE SELF-INSURANCE PLAN ON BEHALF OF AND FOR THEIR BENEFIT.

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

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

Return Reference	Explanation
FORM 990, PART IX, LINE 24	ADMINISTRATIVE AND GENERAL EXPENSES IS COMPRISED OF THE FOLLOWING OFFICE SUPPLIES AND OTHER EXPENSES \$ 134,685 LEASE PAYMENT 25,469 SHIPPING AND FREIGHT 16,975 DATA PROCESSING 16,299 TELEPHONE & UTILITIES 227,021 OUTSIDE SERVICES EMPLOYED 65,117 IN-HOUSE ATTORNEY FEES & EXP 69,110 COBANK CASH MANAGEMENT FEES 8,721 COMPLIANCE 83,910 ELECTRONIC MAPPING PROGRAM 40,407 BROADBAND GRANT EXPENSE 2,015 GENERAL LIABILITY INSURANCE 77,905 INJURIES AND DAMAGES 633 TRUSTEES' FEES AND EXPENSES 146,707 BY LAW COMMITTEE EXPENSE 5,225 DUES AND SUBSCRIPTIONS 101,265 TRAINING EXPENSE 55,377 MANAGERS EXPENSES 21,243 MAINTENANCE OF GENERAL PLANT 81,747 MEMBER MEETING EXPENSE 76,692 NONOPERATING EXPENSES - INTERNET 2,153 TOTAL ADMINISTRATIVE AND GENERAL EXPENS PER FORM 990 \$1,258,676

Return Reference	Explanation
FORM 990, PART IX, LINES 5-7	SALARIES AND WAGES ARE ALLOCATED TO ASSET, LIABILITY, AND EXPENSE ACCOUNTS BASED ON THE ACCOUNTING SYSTEM DESCRIBED ABOVE THE FOLLOWING SCHEDULE RECONCILES AMOUNTS REPORTED ON LINES 5-7 TO THE TOTAL WAGES ACCRUED AND/OR PAID TOTAL PER LINES 5-7 \$3,304,875 LESS DIRECTORS FEES REPORTED ON 1099-MISC (72,000) LESS EMPLOYEE OFFICER BENEFITS INCLUDED IN LINE 5 (166,118) PLUS SALARIES AND WAGES CAPITALIZED DIRECTLY TO PLANT 1,077,859 PLUS SALARIES AND WAGES CAPITALIZED/EXPENSED INDIRECTLY THROUGH CLEARING & OTHER ACCOUNTS 929,802 TOTAL WAGES ACCRUED AND/OR PAID \$5,074,418

Return Reference	Explanation
FORM 990, PART IX, LINE 4	PURSUANT TO THE FORM 990 INSTRUCTIONS, THE AMOUNT OF PATRONAGE DIVIDENDS PAID TO THE MEMBERS (HEREINAFTER REFERRED TO AS "PATRONS") SHOULD BE REPORTED ON PART IX, LINE 4 THE PHRASE "PATRONAGE DIVIDENDS PAID" REFERS TO THE PROCESS, SUBSEQUENT TO YEAR-END, BY WHICH THE COOPERATIVE ALLOCATES PATRONAGE CAPITAL TO AND, THEREFORE, OPERATES AT COST WITH ITS PATRONS THE COOPERATIVE'S TAX EXEMPT PURPOSE IS TO PROVIDE ELECTRICITY TO ITS PATRONS AND TO DO SO ON A COOPERATIVE BASIS TAX LAW DEFINES "OPERATING ON A COOPERATIVE BASIS" AS SUBORDINATION OF CAPITAL, DEMOCRATIC CONTROL, AND OPERATION AT COST THE COOPERATIVE OPERATES AT COST THROUGH THE ALLOCATION OF TRUE PATRONAGE DIVIDENDS (ALSO REFERRED TO AS ALLOCATIONS OF PATRONAGE CAPITAL) TO ITS PATRONS PATRONAGE DIVIDENDS ARE CONSIDERED PAID IF THE ALLOCATION IS MADE (1) PURSUANT TO A PRE-EXISTING OBLIGATION, (2) FROM THE MARGINS PRODUCED FROM THE TRANSACTIONS DONE WITH OR FOR PATRONS, AND (3) IN A FAIR AND EQUITABLE MANNER ON THE BASIS OF PATRONAGE (IE PURCHASES) ADDITIONALLY, THE ALLOCATION OF PATRONAGE DIVIDENDS SHOULD BE MADE WITHIN A REASONABLE TIME PERIOD AFTER THE CLOSE OF THE COOPERATIVE'S YEAR-END OF DECEMBER 31 EACH ONE OF THESE REQUIREMENTS FOR A TRUE PATRONAGE DIVIDEND IS PROVIDED FOR IN THE NON-PROFIT OPERATION ARTICLE OF THE COOPERATIVE'S BYLAWS THE AMOUNT REPORTED ON PART IX, LINE 4 REPRESENTS THE AMOUNT OF PATRONAGE CAPITAL THAT IS EITHER ALLOCATED OR TO BE ALLOCATED TO THE PATRONS RESULTING FROM THEIR PURCHASE OF ELECTRICITY FROM THE COOPERATIVE FOR THE 2015 CALENDAR YEAR BECAUSE PATRONAGE DIVIDENDS ARE THE PROCESS BY WHICH THE COOPERATIVE OPERATES AT COST WITH ITS PATRONS AND THEREBY A KEY COMPONENT TO ACCOMPLISHING ITS EXEMPT PURPOSE, THE COOPERATIVE HAS REPORTED SUCH AMOUNTS AS AN EXPENSE FOR FORM 990 REPORTING PATRONAGE DIVIDENDS ARE NOT AN EXPENSE FOR FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, HOWEVER

Return Reference	Explanation
FORM 990, PART IX, LINE 1	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 EACH GRANT, SCHOLARSHIP AND/OR DONATION MADE DURING THE YEAR WAS BELOW THE REPORTING THRESHOLD OF SCHEDULE I, PART II

Return Reference	Explanation
FORM 990, PART XI, LINE 9	DONATED CAPITAL 142 NET CHANGE IN MEMBERSHIP 445 OTHER COMPREHENSIVE INCOME (LOSS) - PROVISION FOR PENSIONS & BENEFITS 367,000 PATRONAGE CAPITAL ASSIGNED 4,961,895 PATRONAGE CAPITAL RETIRED -72,152 UNCLAIMED PATRONAGE CAPITAL RETAINED -2,537

Return Reference	Explanation
FORM 990, PART X, LINES 17 AND 25	THE COOPERATIVE PREVIOUSLY INCLUDED ACCRUED EXPENSES COMPRISED OF ACCRUED EMPLOYEE BENEFITS AND OTHER ACCRUED EXPENSES AND DEFERRED CREDITS AS COMPONENTS OF OTHER LIABILITIES ON LINE 25 OF PART X HOWEVER, FOR THE 2015 CALENDAR YEAR, THE COOPERATIVE BEGAN REPORTING THESE AMOUNTS ON LINE 17 IN ACCORDANCE WITH FORM 990 INSTRUCTIONS TO INCREASE CONSISTENCY, ACCRUED EXPENSES IN THE AMOUNT OF \$987,179 FOR THE 2014 CALENDAR YEAR HAVE BEEN RECLASSIFIED FROM LINE 25 TO LINE 17