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Form **990****Return of Organization Exempt From Income Tax**

OMB No 1545-0047

2016**Open to Public Inspection**Department of the Treasury
Internal Revenue Service

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 2016 calendar year, or tax year beginning , 2016, and ending , 20	
B Check if applicable: ☐ Address change ☒ Name change ☐ Initial return ☐ Final return/terminated ☐ Amended return ☐ Application pending	C Name of organization <u>Cooperative Energy</u> Doing business as _____ Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>P.O. Box 15849</u> City or town, state or province, country, and ZIP or foreign postal code <u>Hattiesburg, MS 39404</u> D Employer identification number <u>64-0367992</u> E Telephone number <u>601-268-2083</u> G Gross receipts \$ <u>822,059,999</u> H(a) Is this a group return for subordinates? ☐ Yes ☐ No H(b) Are all subordinates included? ☐ Yes ☐ No If "No," attach a list (see instructions) H(c) Group exemption number ▶ _____ I Tax-exempt status ☐ 501(c)(3) ☐ 501(c) (12) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527 J Website: ▶ <u>www.cooperativeenergy.com</u> K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶ _____ L Year of formation <u>1941</u> M State of legal domicile <u>MS</u>
F Name and address of principal officer: <u>James Compton (Same as C above)</u>	

Part I Summary	
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>PROVIDE AND TRANSMIT THROUGH GENERATION AND PURCHASE OF ELECTRICITY, WHOLESALE ELECTRICITY TO 11 MEMBER OWNED DISTRIBUTION COOPERATIVES, EACH SERVING RETAIL CONSUMERS.</u>
	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) <u>24</u>
	4 Number of independent voting members of the governing body (Part VI, line 1b) <u>24</u>
	5 Total number of individuals employed in calendar year 2016 (Part V, line 2a) <u>493</u>
	6 Total number of volunteers (estimate if necessary) <u>0</u>
	7a Total unrelated business revenue from Part VIII, column (C), line 12 <u>0</u> 7b Net unrelated business taxable income from Form 990-T, line 34 <u>0</u>
Revenue	8 Contributions and grants (Part VIII, line 1h) <u>855,892,847</u>
	9 Program service revenue (Part VIII, line 2g) <u>822,024,095</u>
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) <u>57,601</u>
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) <u>0</u>
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) <u>855,950,448</u>
	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) <u>146,000</u>
	14 Benefits paid to or for members (Part IX, column (A), line 4) <u>24,654,000</u>
Expenses	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) <u>49,947,614</u>
	16a Professional fundraising fees (Part IX, column (A), line 11e) <u>0</u>
	b Total fundraising expenses (Part IX, column (D), line 25) <u>0</u>
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) <u>781,202,834</u>
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) <u>855,950,448</u>
	19 Revenue less expenses. Subtract line 18 from line 12 <u>0</u>
	20 Total assets (Part X, line 16) <u>1,709,665,875</u>
Net Assets or Fund Balances	21 Total liabilities (Part X, line 26) <u>1,355,032,823</u>
	22 Net assets or fund balances. Subtract line 21 from line 20 <u>354,633,052</u>

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer <u>Raymond Haley</u>	Date <u>5/17/2017</u>
	Type or print name and title <u>RAYMOND HALEY, SR VICE PRESIDENT & CHIEF FINANCIAL OFFICER</u>	

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no			

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** (2016)

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2

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:
**PROVIDE AND TRANSMIT THROUGH GENERATION AND PURCHASE OF ELECTRICITY,
WHOLESALE ELECTRICITY TO 11 MEMBER OWNER COOPERATIVES, EACH SERVING
RETAIL CONSUMERS.**
- 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 \$)
**PROVIDE AFFORDABLE AND RELIABLE ELECTRIC ENERGY TO MEMBER COOPERATIVES.
THE 11 MEMBER COOPERATIVES PROVIDE SERVICE TO APPROXIMATELY 423,000
METERS IN MISSISSIPPI. COOPERATIVE ENERGY AND THE 11 MEMBER
SYSTEMS ARE CONSUMER-OWNED, NON-PROFIT BUSINESSES. DURING 2016 COOPERATIVE
ENERGY PROVIDED MEMBER SYSTEMS WITH 9,984,821 MWH OF ENERGY.**

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 ▶

3

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	✓
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2	✓
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	✓
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	✓
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	✓
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	✓
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	✓
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	✓
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	✓
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 ✓	
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	✓
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	✓
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	✓
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e ✓	
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	✓
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a ✓	
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	✓
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	✓
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	✓
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	✓
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	✓
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	✓
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	✓
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	✓
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	✓

Part IV Checklist of Required Schedules (continued)

	Yes	No
20 a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	✓
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	✓
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	✓
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	✓
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	✓
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	✓
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	✓
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	✓
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b	✓
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	✓
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29	✓
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30	✓
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31	✓
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	✓
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	✓
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	✓
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	✓
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	✓
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	✓

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 0		
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 493		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b ✓	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		3a	✓
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	
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	✓
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	✓
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b	
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	✓
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b	
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		7a	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c	
d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e	
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f	
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g	
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h	
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		8	
9 Sponsoring organizations maintaining donor advised funds.			
a 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 727,968,660		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b 94,055,435		
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?		13a	
Note. See the instructions for additional information the organization must report on Schedule O.			
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	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	✓
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 line 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	24	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
b Enter the number of voting members included in line 1a, above, who are independent	24	
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	✓
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	✓
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	✓
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5	✓
6 Did the organization have members or stockholders?	6	✓
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	✓
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	✓
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a	✓
b Each committee with authority to act on behalf of the governing body?	8b	✓
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	✓

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	✓
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	✓
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	✓
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	✓
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	✓
13 Did the organization have a written whistleblower policy?	13	✓
14 Did the organization have a written document retention and destruction policy?	14	✓
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	✓
b Other officers or key employees of the organization	15b	✓
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	✓
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 ► **MS**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 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: ►

RAYMOND HALEY - 7037 HWY 49 N, HATTIESBURG, MS 39402 PHONE(601)268-2083

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, and 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) Billy Berry Director	1.5	✓						24,000	0	0
(2) Kevin Bonds Director	6.3	✓						29,500	0	0
(3) O. Howard Davis Director	2.8	✓						24,400	0	0
(4) James Ginn Director	1.0	✓						23,200	0	0
(5) William Hardin Director	6.1			✓				26,800	0	0
(6) Keith Hurt Director	8.6	✓						30,400	0	0
(7) Don Jordan Director	3.8			✓				30,400	0	0
(8) Mack Mauldin Director	2.4			✓				24,700	0	0
(9) Odell McKenzie Director	5.3	✓						24,400	0	0
(10) Charles Moore Director	1.7	✓						14,800	0	0
(11) Elizabeth Mosby Director	4.0	✓						19,600	0	0
(12) John Mosley Director	4.8	✓						31,200	0	0
(13) David O'Bryan Director	5.3	✓						30,400	0	0
(14) Bob Occhi Director	4.5	✓						29,900	0	0

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, and 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) Henry C. Waterer, Jr. Director	7.0			✓				36,550	0	0
(2) Ronald White Director	4.0	✓						28,800	0	0
(3) James Compton President/CEO	50.0			✓				834,912	0	102,411
(4) Raymond Haley Sr Vice President/CFO	50.0			✓				395,984	0	108,927
(5) Terry Lee Executive Vice President	43.9				✓			284,315	0	87,190
(6) Nathan Brown Sr Vice President/Chief Operating Officer	50.0				✓			400,440	0	81,913
(7) Jeff Bowman Sr Vice President/Chief Administrative Officer	45.0					✓		364,833	0	57,982
(8) Brad Edwards Vice President/Power Production	50.0					✓		268,249	0	103,437
(9) Steve McElhaney Sr Vice President/Compliance	42.0					✓		211,981	0	75,020
(10) Trip Farris Plant Superintendent	41.6					✓		188,113	0	47,856
(11) Gary Hutson Vice President/Power Supply	50.0					✓		187,273	0	48,225
(12) Brad Wolfe Sr Vice President/ Power Delivery	42.0				✓			259,939	0	89,389
(13)										
(14)										

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) Harold Pittman Director	3.5	✓						800	0	0
(16) John Reed Director	3.1	✓						22,400	0	0
(17) Michael Smith Director	4.2	✓						28,000	0	0
(18) Randy Smith Director	4.4	✓						37,600	0	0
(19) William D. Smith Director	8.8	✓						30,300	0	0
(20) William K. Smith Director	2.7	✓						8,900	0	0
(21) Lonnie Thigpen Director	3.5	✓						2,800	0	0
(22) Louis Thompson Director	2.6	✓						24,800	0	0
(23) James Ventress Director	2.8	✓						19,600	0	0
(24) Randy Wallace Director	4.4	✓						30,300	0	0
(25) Lawrence Warren Director	1.1	✓						20,800	0	0
1b Sub-total								590,000	0	0
c Total from continuation sheets to Part VII, Section A								3,461,389	0	802,350
d Total (add lines 1b and 1c)								4,051,389	0	802,350

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 **57**

- 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
- 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
- 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

	Yes	No
3		✓
4	✓	
5		✓

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
SIEMENS ENERGY 4400 ALAFAYA TRAIL, ORLANDO, FL 32826	POWER PLANT MAINT & REP	13,502,449
SIEMENS DEMAG DELAVAL TURBOMACHINERY 840 NOTTINGHAM WAY, HAMILTO	TURBINE PARTS	7,624,174
ETHOS ENERGY POW. PLT. SVC 12600 DEERFIELD PARKWAY, ALPHARETTA, GA	TURBINE INSP/REPAIR	2,413,517
GE PACKAGED POWER, 16415 JACINTOPORT BLVD, HOUSTON, TX 77015	TURBINE INSP/REPAIR	2,410,591
BURNS AND MCDONNELL ENGINEERING 9400 WARD PARKWAY, KANSAS CITY, M	ENGINEERING & CAP PROJE	1,783,556
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	98	

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	2a	REVENUE FROM MEMBERS	Business Code 221000	727,968,660	727,968,660		
	b	REVENUE FROM NON-MEMBERS	221000	83,329,598	83,329,598		
	c	PROGRAM RELATED INVESTMENTS	221000	10,725,837	10,725,837		
	d						
	e						
	f	All other program service revenue .					
	g	Total. Add lines 2a-2f		822,024,095			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)					
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents					
	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			
				35,904			
	b	Less: cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)		35,904	35,904		
	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.		822,059,999	822,059,999			

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	140,500			
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	23,305,999			
5 Compensation of current officers, directors, trustees, and key employees	3,226,601			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	34,334,711			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	6,572,204			
9 Other employee benefits	5,357,001			
10 Payroll taxes	3,005,941			
11 Fees for services (non-employees):				
a Management	0			
b Legal	2,195,062			
c Accounting	226,055			
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	240,760			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	572,131			
12 Advertising and promotion	474,808			
13 Office expenses	2,194,846			
14 Information technology	769,330			
15 Royalties	0			
16 Occupancy	0			
17 Travel	628,043			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	46,545,104			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	83,773,771			
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 for Resale to Members	343,135,718			
b Nat. Gas, Nuclear Fuel, Coal	160,841,870			
c Generation Plt. Operating&Maint. Expense	52,351,141			
d Transmission Sys. Oper. & Maint. Expense	38,680,689			
e All other expenses	13,487,714			
25 Total functional expenses. Add lines 1 through 24e	822,059,999			
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	9,050,142	1	14,954,757
	2 Savings and temporary cash investments	16,063,667	2	26,394,351
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	68,621,576	4	64,605,326
	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	65,828,925	8	48,936,921
	9 Prepaid expenses and deferred charges	106,966,151	9	107,523,933
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 2,351,248,229		
	b Less: accumulated depreciation	10b 1,007,844,823	10c	1,343,403,406
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11	68,633,438	13	78,027,449
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	87,464	15	97,871
16 Total assets. Add lines 1 through 15 (must equal line 34)	1,709,665,875	16	1,683,944,014	
Liabilities	17 Accounts payable and accrued expenses	149,721,667	17	143,402,752
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	35,430,000	20	34,405,000
	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	948,862,117	23	842,447,030
	24 Unsecured notes and loans payable to unrelated third parties	12,853,091	24	84,018,747
	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	208,165,948	25	206,134,632
	26 Total liabilities. Add lines 17 through 25	1,355,032,823	26	1,310,408,161
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	0	30	
	31 Paid-in or capital surplus, or land, building, or equipment fund	0	31	
	32 Retained earnings, endowment, accumulated income, or other funds	354,633,052	32	373,535,853
33 Total net assets or fund balances	354,633,052	33	373,535,853	
34 Total liabilities and net assets/fund balances	1,709,665,875	34	1,683,944,014	

13

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	822,059,999
2	Total expenses (must equal Part IX, column (A), line 25)	2	822,059,999
3	Revenue less expenses. Subtract line 2 from line 1	3	0
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	354,633,052
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	18,902,801
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	373,535,853

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: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . . If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		✓
b Were the organization's financial statements audited by an independent accountant? . . . If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	✓	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	✓	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . .	✓	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	✓	

**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

2016

**Open to Public
Inspection**

Name of the organization

Employer identification number

Cooperative Energy

64-0367992

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) ☐ Preservation of a 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 Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►	
4 Number of states where property subject to conservation easement is located ►	
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?	☐ 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 **d** ☐ Loan or exchange programs
- b** ☐ Scholarly research **e** ☐ Other _____
- c** ☐ 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" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ **Yes** ☐ **No**
- b** If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|--|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 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 on Part XIII ☐

Part V Endowment Funds.

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

- | | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|---|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | | | | | |
| b Contributions | | | | | |
| c Net investment earnings, gains, and losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |
- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a** Board designated or quasi-endowment %
- b** Permanent endowment %
- c** Temporarily restricted endowment %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|---------------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 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" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	41,459,397			41,459,397
b Buildings	329,718,120		186,182,186	143,535,934
c Leasehold improvements	843,925		475,905	368,020
d Equipment	1,711,614,283		703,754,093	1,007,860,190
e Other	267,612,504		117,432,639	150,179,865
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				1,343,403,406

Part VII Investments—Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		

Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶

Part VIII Investments—Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation. Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		

Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶

Part IX Other Assets.

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	

Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶

Part X Other Liabilities.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Accum. Provision for Pensions&Benefits	13,219,791
(3) Asset Retirement Obligations	100,850,025
(4) Capital Lease -dissolved	1,019,456
(5) Deferred Credit-Power Cost Adjustment	24,775,968
(6) Deferred Credit-Economic Development Grants	4,256,952
(7) Def. Credit-Power Supply Development Fund	35,000,000
(8) Def. Credit-Depr.&Amortization Fund	10,000,000
(9) Def. Credit-Medical Insurance Contribution Acct	1,928,347
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	206,134,632

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

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

1	Total revenue, gains, and other support per audited financial statements	1	811,298,258
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	10,761,741
c	Add lines 4a and 4b	4c	10,761,741
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	822,059,999

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	798,754,000
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	23,305,999
c	Add lines 4a and 4b	4c	23,305,999
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	822,059,999

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.

Part XI, Line 4b-Other Adjustments: Interest income in the amount of \$9,815,003, net gain on sale of assets in the amount of \$35,904, and patronage income in the amount of \$910,834 are shown as non-operating margins in the audited financials, but included as revenue on Form 990 .

Part XII, Line 4b-Other Adjustments: 2016 net margin of \$23,305,999 is reflected as expense on the Form 990 since the margin is allocated to the 11 members as patronage capital, though no payment was made to the members in 2016 for this allocated patronage capital.

18

Part XIII Supplemental Information (continued)

Part X-Other Liabilities(continued)

Def. Credit-Quality of Life Fund \$18,553

Unrealized Gain Decommissioning Trust \$4,584,087

Unrealized Gain Natural Gas Hedges \$9,167,130

Unrealized Gain- Financial Transmission Rights \$1,314,323

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service
Name of the organization

Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States
Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

► Attach to Form 990.

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

OMB No 1545-0047

2016

Open to Public
Inspection

Name of the organization

Employer identification number

Cooperative Energy

64-0367992

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☒ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) CITY OF NEWTON P.O. BOX 60 TAYLORSVILLE, MS 391	64-0243969	501(c)(12)	25,000	0 0			ECONOMIC DEVELOPMENT
(2) JACKSON COU. ECON. DEV. FOUN. P.O. BOX 767 LUCEDALE, MS 39452	64-0239641	501(c)(12)	10,000	0 0			ECONOMIC DEVELOPMENT
(3) ECONOMIC DEV. AUTH. JONES P.O. BOX 88 LAUREL, MS 39441-0088	64-0183177	501(c)(12)	7,500	0 0			ECONOMIC DEVELOPMENT
(4) Greenwood Leflore Carroll Econg P.O. Box 9399 Greenwood, MS 38930	64-0146265	501(c)(12)	25,000	0 0			ECONOMIC DEVELOPMENT
(5) DELTA STRONG P.O. Box 9399 Greenwood, MS 38930	64-0146265	501(c)(12)	25,000	0 0			ECONOMIC DEVELOPMENT
(6) AREA DEV. PARTNERSHIP ONE CONV. CNTR PLAZA 39401	57-0884979	501(c)(3)	20,000	0 0			ECONOMIC DEVELOPMENT
(7) MS. ECONOMIC COUNCIL PO BOX 23276 JACKSON, MS	64-0293716	501(c)(6)	10,000	0 0			ECONOMIC DEVELOPMENT
(8) NRECA INTL. FOUNDATION 4301 WILSON BLVD. ARLINGTON, VA	52-1409279	501(c)(3)	10,000	0 0			ELECTRICITY IN DEV. NATI
(9) MS. Gulf Coast Comm College P.O. Box 99 Perkinston, MS 39573	64-0588668	501(c)(3)	8,000	0 0			Lineman Training Program
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table 3

3 Enter total number of other organizations listed in the line 1 table 6

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 50056P

Schedule I (Form 990) (2016)

Part III **Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of noncash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
1					
2					
3					
4					
5					
6					
7					

Part IV **Supplemental Information.** Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

PART I, LINE 2:

THE COOPERATIVE ENERGY BOARD OF DIRECTORS EVALUATES REQUESTS, SUBSEQUENT TO SCREENING BY MEMBER SYSTEM BOARD OF

DIRECTORS, FOR PROJECTS THAT WILL ENHANCE OR STIMULATE ECONOMIC GROWTH IN

MEMBER SYSTEM AREAS. THE COOPERATIVE ENERGY BOARD APPROVES THESE REQUESTS PRIOR TO DISBURSEMENT.

PART II, ITEMS 1-5

COOPERATIVE ENERGY ISSUED PAYMENT TO MEMBER DISTRIBUTION COOPERATIVES. THE MEMBER DISTRIBUTION COOPERATIVE IN TURN

ISSUED PAYMENT TO ENTITIES DENOTED IN COLUMN 1 (A). EIN, ADDRESS, AND IRC SECTION REPORTED IN PART II ARE THOSE FOR THE

MEMBER DISTRIBUTION COOPERATIVE.

SCHEDULE J
(Form 990)

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.

2016
Open to Public Inspection

OMB No 1545-0047

Department of the Treasury
Internal Revenue Service

Name of the organization

Cooperative Energy

Part I Questions Regarding Compensation

Employer identification number

64-0367992

	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 ☐ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (such as, maid, chauffeur, chef)		
b If any of the boxes on 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, and officers, including the CEO/Executive Director, regarding the items checked on 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. ☐ Compensation committee ☒ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☒ Compensation survey or study ☒ 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? 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	4a	✓
	4b	✓
	4c	✓
5 Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9. 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? b Any related organization? If "Yes" on line 5a or 5b, describe in Part III	5a	
	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? b Any related organization? If "Yes" on line 6a or 6b, describe in Part III	6a	
	6b	
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on 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 aren't 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				
James Compton, General Manager/CEO	(i) (ii)	729,955	98,953	6,004	85,261	17,150	937,323	0
Raymond Haley, Sr. Vice President/CFO	(i) (ii)	358,654	31,859	5,471	91,780	17,147	504,911	0
Terry Lee, Executive Vice President	(i) (ii)	267,597	11,916	4,802	70,947	16,243	371,505	0
Nathan Brown, Sr. Vice President/Chief OP. Officer	(i) (ii)	374,752	17,550	8,138	64,864	17,049	482,353	0
Brad Wolfe, Sr. Vice President / Power Delivery	(i) (ii)	242,195	11,639	6,105	73,440	15,949	349,328	0
Jeff Bowman, Sr. Vice President/ Chief Administrative Officer	(i) (ii)	340,451	16,304	8,078	41,091	16,891	422,815	0
Brad Edwards, Vice President/ Power Production	(i) (ii)	252,369	11,484	4,396	87,424	16,013	371,686	0
Steve McElhaney, Sr. Vice President/Compliance	(i) (ii)	196,852	9,672	5,457	60,077	14,943	287,001	0
9 Trip Farris, Plant Superintendent	(i) (ii)	173,157	8,660	6,296	33,946	13,910	235,969	0
Gary Hutson, Vice President/ Power Supply	(i) (ii)	175,620	8,759	2,894	33,687	14,538	235,498	0
11	(i) (ii)							
12	(i) (ii)							
13	(i) (ii)							
14	(i) (ii)							
15	(i) (ii)							
16	(i) (ii)							

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.

23

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

► Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

► Attach to Form 990.

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

OMB No 1545-0047

2016

Open to Public
Inspection

Name of the organization

Cooperative Energy

Employer identification number

64-0367992

Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A MISSISSIPPI BUSINESS FINANCE CORPORATI	64-0679132	60528BAP7	10/08/08	24,530,000	SEE PART VI		✓		✓		✓
B MISSISSIPPI BUSINESS FINANCE CORPORATI	64-0679132	60528BAN2	10/08/08	11,890,000	SEE PART VI		✓		✓		✓
C											
D											

Part II Proceeds

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue		24,530,000		11,890,000				
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds		309,794		150,161				
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds		76,276		36,972				
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds		24,143,930		11,702,867				
11 Other spent proceeds								
12 Other unspent proceeds								
13 Year of substantial completion	2009		2009					
14 Were the bonds issued as part of a current refunding issue?	✓		✓					
15 Were the bonds issued as part of an advance refunding issue?		✓		✓				
16 Has the final allocation of proceeds been made?	✓		✓					
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	✓		✓					

Part III Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		✓		✓				
2 Are there any lease arrangements that may result in private business use of bond-financed property?		✓		✓				

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 50193E

Schedule K (Form 990) 2016

24

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		✓		✓				
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		✓		✓				
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government . . . ▶		0 %		0 %				%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government . . . ▶		0 %		0 %				%
6 Total of lines 4 and 5		0 %		0 %				%
7 Does the bond issue meet the private security or payment test?		✓		✓				
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		✓		✓				
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								%
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?								

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		✓		✓				
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		✓		✓				
b Exception to rebate?		✓		✓				
c No rebate due?		✓		✓				
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		✓		✓				
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		✓						
b Name of provider		LEHMAN BROTHERS S		LEHMAN BROTHERS S				
c Term of hedge		30.00		30.00				
d Was the hedge superintegrated?		✓		✓				
e Was the hedge terminated?		✓		✓				

Part IV Arbitrage (Continued)

5a Were gross proceeds invested in a guaranteed investment contract (GIC)?

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
b Name of provider		✓		✓				
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		✓		✓				
7 Has the organization established written procedures to monitor the requirements of section 148?		✓		✓				

Part V Procedures To Undertake Corrective Action

Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation isn't available under applicable regulations?

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K. See instructions

PART I (FPURPOSE)

THE PURPOSE OF THE BOND ISSUE IS FOR COOPERATIVE ENERGY

TO CONSTRUCT AND INSTALL APPROXIMATELY 2.3 MILES OF NEW

115KV POWER LINES AND SWITCHING STATIONS IN YAZOO CITY, MS AND 2.8

MILES OF NEW 115KV POWER LINES AND SWITCHING STATIONS IN ADAMS COUNTY,

MS. BOND PROCEEDS HAVE ALSO BEEN USED FOR THE PURPOSE OF CONSTRUCTION

AND/OR PURCHASE AND INSTALLATION OF FIXED IMPROVEMENTS IN CONNECTION

THEREWITH OF THE FOLLOWING PROJECTS LOCATED AT THE FOLLOWING ADDRESSES:

1. HEADQUARTERS EXPANSION LOCATED AT 7037 US HWY 49, HATTIESBURG, MS

2. FIELD OPERATIONS CENTER LOCATED AT 3492 HWY 42, HATTIESBURG, MS

3. PLANT MORROW FACILITIES, BUILDING AND OFFICE RENOVATION LOCATED AT

304 OLD OKAHOLA ROAD, PURVIS, MS

27

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

2016

**Open to Public
Inspection**

Name of the organization

COOPERATIVE ENERGY

Employer identification number

64-0367992

FORM 990, PART VI, SECTION A, LINE 2:

THE BOARD OF DIRECTORS OF COOPERATIVE ENERGY CONSISTS OF 2 DIRECTORS FROM EACH OF THE 11 MEMBER

NONPROFIT DISTRIBUTION COOPERATIVES THAT OWN COOPERATIVE ENERGY, PLUS 2 AT-LARGE DIRECTORS WHO ALSO SERVE

ON THE BOARD OF DIRECTORS OF THE MEMBER COOPERATIVE FOR A TOTAL OF 24 DIRECTORS. ELEVEN DIRECTORS

SERVING ON COOPERATIVE ENERGY'S BOARD OF DIRECTORS ARE GENERAL MANAGER OF THE MEMBER COOPERATIVE.

THUS THE GENERAL MANAGER AND DIRECTOR FROM EACH MEMBER COOPERATIVE HAVE A BUSINESS RELATIONSHIP

WITH EACH OTHER WHILE SERVING AS DIRECTORS FOR COOPERATIVE ENERGY.

FORM 990, PART VI, SECTION A, LINE 6:

SEE RESPONSE TO PART VI SECTION A QUESTION 2 ABOVE.

FORM 990, PART VI, SECTION A, LINE 7A:

SEE RESPONSE TO PART VI SECTION A QUESTION 2 ABOVE.

FORM 990, PART VI, SECTION B, LINE 11:

COPY OF THE 2016 FORM 990 WAS REVIEWED WITH THE BUDGET AND FINANCE

COMMITTEE AND REPORTED TO THE BOARD OF DIRECTORS. ON THE BUDGET AND

FINANCE COMMITTEE'S RECOMMENDATION, THE BOARD AUTHORIZED THE EXECUTION AND

FILING OF THE RETURN.

FORM 990, PART VI, SECTION B, LINE 12C:

CONFLICT OF INTEREST POLICY ENFORCEMENT - DIRECTORS, OFFICERS, AND KEY

EMPLOYEES ANNUALLY COMPLETE, AND SIGN, A QUESTIONNAIRE RELATIVE TO

INDEPENDENCE, BUSINESS RELATIONSHIPS, ETC.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Cat No 51056K

Schedule O (Form 990 or 990-EZ) (2016)

28

Name of the organization

Employer identification number

COOPERATIVE ENERGY

64-0367992

FORM 990, PART VI, SECTION B, LINE 15:

Cooperative Energy uses several means to inform management and the board of market changes in compensation so as to offer competitive pay to technical and managerial employees. In 2015 Cooperative Energy participated in a survey by Old Dominion Electric Cooperative which covered the CEO and top management positions. That survey was shared with the board.

In 2016, the job descriptions of all salaried positions were updated and evaluated in conjunction with an outside electric industry consultant.

Part of that review included comparing salary grades with market in the industry. Using the surveys, the board sets the CEO's salary.

The CEO sets top management's salaries subject to the payroll budget as approved by the budget and finance committee and the board.

Approval of the payroll portion of the budget is part of the budget approval process, and documented in the Budget & Finance committee minutes and board approval documented in the minutes.

FORM 990, PART VI, SECTION C, LINE 19:

RECEPTIONISTS HAVE BEEN INFORMED THAT THE FORM 990 WILL BE MADE AVAILABLE. A FORM IS UTILIZED FOR PARTIES REQUESTING A COPY OF THE FORM 990. THIS FORM ADVISES REQUESTING PARTIES THAT PHOTOCOPIES WILL BE MADE AVAILABLE UPON RECEIPT OF COPYING FEES (ALSO SPECIFIED IN THE REQUEST FORM). FINANCIAL STATEMENTS ARE AVAILABLE ON THE ORGANIZATION'S WEBSITE.

FORM 990, PART XI, LINE 9 - OTHER CHANGE IN ASSET OR FUND BALANCE

EXCESS OF REVENUES OVER EXPENSES, OR NET MARGIN OF \$23,305,999, IS ALLOCATED TO THE 11 MEMBER COOPERATIVES BASED ON SALES. THIS IS ONLY AN ALLOCATION OF PATRONAGE CAPITAL. NO ACTUAL PAYMENT IS MADE TO THE MEMBERS. THIS ALLOCATION OF PATRONAGE CAPITAL IS SHOWN AS A FUNCTIONAL EXPENSE IN PART IX, NUMBER 4, PER FORM 990 INSTRUCTIONS EFFECTIVE FOR 2012 REPORTING. COOPERATIVE ENERGY DOES NOT INCLUDE THIS ALLOCATION OF PATRONAGE CAPITAL AS AN EXPENSE FOR FINANCIAL REPORTING. DURING 2016, PATRONAGE CAPITAL AMOUNTING TO \$4,403,198 WAS RETIRED.

FORM 990, PART XII, LINE 2C:

THERE WERE NO CHANGES IN THE PROCESS FOR THE 2016 TAX YEAR.

F0012

2016261574

Fee: \$ 50



DELBERT HOSEMAN
Secretary of State

**P.O. BOX 136
JACKSON, MS 39205-0136**

TELEPHONE: (601) 359-1633

Articles/Certificate of Amendment

Business Details

Business ID: 402243

Business Name: SOUTH MISSISSIPPI ELECTRIC POWER
ASSOCIATION

Future Effective Date: 11/10/2016

Current Business Name

Business Name: SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

Amended Business Name

Business Name: Cooperative Energy, a Mississippi electric cooperative

Adoption and Approval Voting

The amendment(s) was(were) adopted on 05/18/2016.

- ☐ The Incorporators.
- ☒ Board of directors without member action and member action was not required.
- ☐ The members pursuant to statute and the results of the voting on the amendment are attached. (The option to attach a file will be displayed on the next screen)

Signature

By entering my name in the space provided, I certify that I am authorized to file this document on behalf of this entity, have examined the document and, to the best of my knowledge and belief, it is true, correct and complete as of this day **11/08/2016**.

Name:
James Compton
Chief Executive Officer

Address:
7037 Highway 49 North
Hattiesburg, MS 39402