

Form 990

## Return of Organization Exempt From Income Tax

OMB No 1545-0047

2018

Open to Public  
InspectionDepartment 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.

► Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

## A For the 2018 calendar year, or tax year beginning

, 2018, and ending

, 20

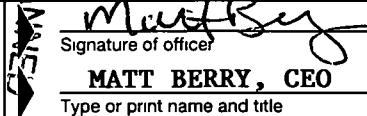
B Check if applicable	C Name of organization <b>Midwest Electric, Inc.</b>		D Employer identification number <b>34-4304217</b>
<input type="checkbox"/> Address change	Doing business as		E Telephone number <b>(419) 394-4110</b>
<input type="checkbox"/> Name change	Number and street (or P.O. box if mail is not delivered to street address)		Room/suite
<input type="checkbox"/> Initial return	06029 County Road 33A		
<input type="checkbox"/> Final return/terminated	City or town, state or province, country, and ZIP or foreign postal code		
<input type="checkbox"/> Amended return	Saint Marys, Ohio 45885-9762		G Gross receipts \$ <b>33,364,052</b>
<input type="checkbox"/> Application pending	F Name and address of principal officer <b>Matt Berry, CEO</b> 06029 County Road 33A, Saint Marys, Ohio 45885-9762		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
I Tax-exempt status	<input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) ( 12 ) ▲ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>N/A</b>
J Website: ► <a href="http://www.midwestrec.com">www.midwestrec.com</a>			H(c) Group exemption number ► <b>N/A</b>
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►	L Year of formation <b>1936</b>		M State of legal domicile <b>OH</b>

## Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <b>Purchase electric power as a member-owned electric cooperative and effectively deliver that power to our members who are located throughout rural west-central Ohio.</b>			
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
3 Number of voting members of the governing body (Part VI, line 1a)	4 Number of independent voting members of the governing body (Part VI, line 1b)	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	6 Total number of volunteers (estimate if necessary)	
7a Total unrelated business revenue from Part VIII, column (C), line 12	7b Net unrelated business taxable income from Form 990-T, line 36	7a <b>58,474</b>	7b <b>NONE</b>	
8 Contributions and grants (Part VIII, line 1h)	9 Program service revenue (Part VIII, line 2g)	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, 11d, 11f-24e)	
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	B627 NOV 15 2019 RS-OSC	Prior Year	Current Year	
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	14 Benefits paid to or for members (Part IX, column (A), line 4)	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	16a Professional fundraising fees (Part IX, column (A), line 11e)	
16b Total fundraising expenses (Part IX, column (D), line 25) ► 0	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	19 Revenue less expenses. Subtract line 18 from line 12	
20 Total assets (Part X, line 16)	21 Total liabilities (Part X, line 26)	22 Net assets or fund balances. Subtract line 21 from line 20	Beginning of Current Year	End of Year
			65,116,822	64,494,237
			33,247,362	31,207,863
			31,869,460	33,286,374

## 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		Date <b>11-18-19</b>
	Signature of officer <b>MATT BERRY, CEO</b>	
	Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name <b>N/A - none utilized</b>	Preparer's signature	Date	Check <input type="checkbox"/> 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 (2018)

**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.

**To provide our member-owners with reliable electricity, superior customer service, and innovative energy solutions at competitive prices.**

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 \$ 29,742,968 including grants of \$ 114,821) (Revenue \$ 31,225,059)

**Cooperative providing electricity to rural customers on a non-profit basis to over 10,800 meters and ensuring effective delivery of the same. All of the meters are located in rural west-central Ohio.**

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 ►

N/A

D1 IJL0R

**Part IV Checklist of Required Schedules**

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

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

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

4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II . . . . .

5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III . . . . .

6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I . . . . .

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

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

9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV . . . . .

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

11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.

a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI . . . . .

b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII . . . . .

c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII . . . . .

d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX . . . . .

e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X . . . . .

f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X . . . . .

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

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

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

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

b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV . . . . .

15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV . . . . .

16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV . . . . .

17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) . . . . .

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

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

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

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

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 . . . . .

	Yes	No
1	✓	
2	✓	
3	✓	
4		
5	✓	
6	✓	
7	✓	
8	✓	
9	✓	
10	✓	
11a	✓	
11b	✓	
11c	✓	
11d	✓	
11e	✓	
11f	✓	
12a	✓	
12b	✓	
13	✓	
14a	✓	
14b	✓	
15	✓	
16	✓	
17	✓	
18	✓	
19	✓	
20a	✓	
20b	N/A	
21	✓	

**Part IV Checklist of Required Schedules (continued)**

		Yes	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 ✓	
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	<b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> 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	<b>Section 501(c)(3) organizations.</b> 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 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 40	
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 ✓	

**Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)**

		Yes	No	
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	33	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? . . . . .	2b	✓	
<b>Note.</b> 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: ► <b>Not applicable.</b> 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 8666-T? . . . . .	5c	N/A	
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	N/A	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>	7a		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? . . . . .	7b		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .	7c		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .	7d		
d	If "Yes," indicate the number of Forms 8282 filed during the year . . . . .	7e		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .	7f		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .	7g		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . . . .	7h		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . . . .	8		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? . . . . .	9a		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>	9b		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:	10a		
a	Initiation fees and capital contributions included on Part VIII, line 12 . . . . .	10b		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . . . .	11a	31,225,059	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:	11b	1,114,875	
a	Gross income from members or shareholders . . . . .	12a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . .	12b		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041? . . . . .	13a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year . . . . .	13b		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>	13c		
a	Is the organization licensed to issue qualified health plans in more than one state? . . . . .	14a	✓	
<b>Note.</b> 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 . . . . .	14b	N/A	
c	Enter the amount of reserves on hand . . . . .	15	✓	
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year? . . . . .	16	✓	
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O . . . . .			
<b>15</b>	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? . . . . .			
If "Yes," see instructions and file Form 4720, Schedule N.				
<b>16</b>	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? . . . . .			
If "Yes," complete Form 4720, Schedule O.				

**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

1a Enter the number of voting members of the governing body at the end of the tax year. . . . . **1a** 9

If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.

1b Enter the number of voting members included in line 1a, above, who are independent . . . . . **1b** 9

2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . . **2** ✓

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.)

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** N/A

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? . . . . . **15a** ✓

a The organization's CEO, Executive Director, or top management official . . . . . **15b** ✓

b Other officers or key employees of the organization . . . . .

If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions). . . . .

16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . . **16a** ✓

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** N/A

### Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► **Not required to file with any state.**

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A 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 ► **Kevin Schmidt, c/o Midwest Electric, Inc., 06029 County Road 33A, Saint Marys, Ohio 45885-9762; (419) 394-4110**

**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	
		Or director	Individual trustee	Institutional trustee	Officer	Key employee				
(1) Barnt, Robert, Trustee	10	✓					11,250	0	0	0
(2) Bauer, Steven, Trustee	9	✓					10,150	0	0	0
(3) Brake, Kathy, Trustee	9	✓					10,250	0	0	0
(4) Knapke, Gary, Trustee	12	✓					13,250	0	0	0
(5) Profit, Gary, Trustee	10	✓					11,750	0	0	0
(6) Rank, Roger, Trustee	10	✓					11,050	0	0	0
(7) Heinl, Randy, Trustee, Secretary - Treasurer	13	✓	✓				13,850	0	0	0
(8) Vandemark, Larry, Trustee, President	15	✓	✓				15,950	0	0	0
(9) Wiechart, James, Trustee, Vice - President	15	✓	✓				16,550	0	0	0
(10) Berry, Matthew, CEO, Assistant Secretary - Treasurer	45			✓			143,588	0	79,292	
(11) Schmidt, Kevin, Manager of Finance and Customer Service	45 0.1			✓			123,387	0	54,039	
(12) Klaus, Chad, Lineman - Crew Leader	47.1				✓		108,121	0	38,710	
(13) Pottkotter, Travis, Lineman First Class	45.6				✓		111,550	0	11,845	
(14) Roettger, Andrew, Lineman First Class	44.3				✓		101,504	0	21,845	

## 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	
		Or director	Individual trustee	Institutional trustee	Officer	Key employee	Highest compensated	Former		
(15) Rogers, Paul, Manager of Engineering and Operations	45					✓		126,585	0	41,691
(16) Schmerge, Kecia, Customer Service Supervisor	45					✓		100,710	0	41,389
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b Sub-total . . . . .							►	929,495	0	288,811
c Total from continuation sheets to Part VII, Section A . . . . .							►	0	0	0
d Total (add lines 1b and 1c) . . . . .							►	929,495	0	288,811
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 ►								7		

	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
New River Electrical Corp, 15 Cloverdale Place, Cloverdale, VA 24077	Line rebuilding contractor	267,974
Fitzwater Tree and Lawn Care, 4617 Jaysville - St Johns Road, Greenville, OH, 45331	Right-of-way clearing	234,313
Altec Industries, PO Box 11407, Birmingham, AL 35246	Truck purchase and repair	231,821
National Information Solutions Coop, PO Box 1147, Mandan, ND 58554	Computer support and billing	186,917
NetGain Information Systems, 128 W. Columbus Ave, Bellefontaine, OH 43311	Info technology support	120,553
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 ►	6	

## **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	0			
	b Membership dues . . . . .	1b	0			
	c Fundraising events . . . . .	1c	0			
	d Related organizations . . . . .	1d	0			
	e Government grants (contributions)	1e	0			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	0			
	g Noncash contributions included in lines 1a-1f \$		0			
	<b>h Total. Add lines 1a-1f</b>		0			
Program Service Revenue		Business Code				
	<b>2a Sale of electricity</b>	221122	31,225,059	31,225,059	0	0
	b					
	c					
	d					
	e					
	f All other program service revenue .					
	<b>g Total. Add lines 2a-2f</b>		31,225,059			
	<b>3 Investment income (including dividends, interest, and other similar amounts)</b>		211,180	0	0	211,180
	<b>4 Income from investment of tax-exempt bond proceeds</b>		0	0	0	0
	<b>5 Royalties</b>		0	0	0	0
		(i) Real	(ii) Personal			
	<b>6a Gross rents</b>	0	87,224			
	b Less rental expenses	0	0			
	c Rental income or (loss)	0	87,224			
	d Net rental income or (loss)		87,224	0	0	87,224
	<b>7a Gross amount from sales of assets other than inventory</b>	(i) Securities	(ii) Other			
	b Less cost or other basis and sales expenses .	0	20,653			
	c Gain or (loss) .	0	0			
	d Net gain or (loss)	0	20,653	0	0	20,653
Other Revenue	<b>8a Gross income from fundraising events (not including \$</b>	0				
	of contributions reported on line 1c).					
	See Part IV, line 18	a	0			
	b Less: direct expenses . . . . .	b	0			
	c Net income or (loss) from fundraising events .		0		0	0
	<b>9a Gross income from gaming activities.</b>					
	See Part IV, line 19	a	0			
	b Less: direct expenses . . . . .	b	0			
	c Net income or (loss) from gaming activities .		0	0	0	0
	<b>10a Gross sales of inventory, less returns and allowances</b>	a	38			
	b Less: cost of goods sold . . . . .	b	45			
	c Net income or (loss) from sales of inventory .		(7)	0	(7)	0
	Miscellaneous Revenue	Business Code				
	<b>11a Patronage capital earned</b>	221122	1,761,417	0	0	1,761,417
	b Subcontract jobbing	237130	58,308	0	58,308	0
	c Phone commission revenue	517911	173	0	173	0
	d All other revenue . . . . .		0	0	0	0
	<b>e Total. Add lines 11a-11d</b>		1,819,898			
	<b>12 Total revenue. See instructions</b>		33,364,007	31,225,059	58,474	2,080,474

**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 

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	<b>(A) Total expenses</b>	<b>(B) Program service expenses</b>	<b>(C) Management and general expenses</b>	<b>(D) Fundraising expenses</b>
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 . . .	45,916			
2 Grants and other assistance to domestic individuals. See Part IV, line 22 . . .	68,905			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 . . .	0			
4 Benefits paid to or for members . . .	1,455,215			
5 Compensation of current officers, directors, trustees, and key employees . . .	514,356			
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 . . .	2,422,640			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	575,292			
9 Other employee benefits . . .	576,386			
10 Payroll taxes . . .	197,339			
11 Fees for services (non-employees):				
a Management . . .	16,093			
b Legal . . .	29,636			
c Accounting . . .	15,200			
d Lobbying . . .	0			
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees . . .	0			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) . . .	985,707			
12 Advertising and promotion . . .	39,299			
13 Office expenses . . .	259,587			
14 Information technology . . .	287,619			
15 Royalties . . .	0			
16 Occupancy . . .	64,381			
17 Travel . . .	77,107			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings . . .	96,739			
20 Interest . . .	980,380			
21 Payments to affiliates . . .	0			
22 Depreciation, depletion, and amortization . . .	1,629,988			
23 Insurance . . .	64,156			
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Cost of power sold	20,194,896			
b kWh usage tax - Ohio	1,161,866			
c Personal property tax - Ohio	836,895			
d USDA functionalized accounting	(2,852,630)			
e All other expenses	0			
25 Total functional expenses. Add lines 1 through 24e	29,742,968	<b>N/A - THESE COLUMNS ARE NOT REQUIRED</b>		
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ► <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) . . .				

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

		(A) Beginning of year	(B) End of year
	1 Cash—non-interest-bearing	619,833	561,957
	2 Savings and temporary cash investments	815,375	2,332,180
	3 Pledges and grants receivable, net	0	0
	4 Accounts receivable, net	2,302,038	2,229,985
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	110	0
	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 <del>sponsoring organizations of section 501(c)(9) voluntary employees' benefit plan</del> organizations (see instructions). Complete Part II of Schedule L	0	0
Assets	7 Notes and loans receivable, net	504,100	622,161
	8 Inventories for sale or use	474,644	411,215
	9 Prepaid expenses and deferred charges	4,339,753	630,087
	10a Land, buildings, and equipment. cost or other basis. Complete Part VI of Schedule D	10a	57,619,067
	b Less: accumulated depreciation	10b	17,925,287
		39,141,560	39,693,780
	11 Investments—publicly traded securities	0	11
	12 Investments—other securities. See Part IV, line 11	0	12
	13 Investments—program-related. See Part IV, line 11	0	13
	14 Intangible assets	271,061	450,993
	15 Other assets. See Part IV, line 11	16,648,348	17,561,879
	16 Total assets. Add lines 1 through 15 (must equal line 34)	65,116,822	64,494,237
Liabilities	17 Accounts payable and accrued expenses	2,985,490	3,139,412
	18 Grants payable	0	18
	19 Deferred revenue	1,434	19
	20 Tax-exempt bond liabilities	0	20
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0	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	0	22
	23 Secured mortgages and notes payable to unrelated third parties	27,525,224	25,308,491
	24 Unsecured notes and loans payable to unrelated third parties	0	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	2,735,214	2,759,243
	26 Total liabilities. Add lines 17 through 25	33,247,362	31,207,863
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ► <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		
	27 Unrestricted net assets	0	27
	28 Temporarily restricted net assets	0	28
	29 Permanently restricted net assets	0	29
	Organizations that do not follow SFAS 117 (ASC 958), check here ► <input checked="" type="checkbox"/> and complete lines 30 through 34.		
	30 Capital stock or trust principal, or current funds	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	31,869,460	33,286,374
	33 Total net assets or fund balances	31,869,460	33,286,374
	34 Total liabilities and net assets/fund balances	65,116,822	64,494,237

**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	33,364,007
2	Total expenses (must equal Part IX, column (A), line 25) . . . . .	2	29,742,968
3	Revenue less expenses. Subtract line 2 from line 1 . . . . .	3	3,621,039
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	4	31,869,460
5	Net unrealized gains (losses) on investments . . . . .	5	0
6	Donated services and use of facilities . . . . .	6	0
7	Investment expenses . . . . .	7	0
8	Prior period adjustments . . . . .	8	0
9	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	9	(2,204,125)
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) . . . . .	10	33,286,374

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response or note to any line in this Part XII 

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

2b Were the organization's financial statements audited by an independent accountant? . . . . .  
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis

2c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?  
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .

3b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a	✓	
2b	✓	
2c	✓	
3a		✓
3b		N/A

**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.  
 ► Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No 1545-0047

**2018**Open to Public  
Inspection

Name of the organization

Midwest Electric, Inc.

Employer identification number

34-4304217

**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. **N/A – PART II IS NOT APPLICABLE**

1 Purpose(s) of conservation easements held by the organization (check all that apply).	
<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> 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.	
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 7/25/06, 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      **N/A - PART III IS NOT APPLICABLE**      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.

**N/A - PART IV IS NOT APPLICABLE**

	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 on Part XIII . . . . .

**Part V Endowment Funds.**

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

1a	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
b	<b>N/A - PART V IS NOT APPLICABLE</b>				
c					
d					
e					
f					
g					

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 . . . . .

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

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

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

**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.

	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .	0	234,977		234,977
b Buildings . . . . .	0	2,937,070	1,196,813	1,740,257
c Leasehold improvements . . . . .	0	0	0	0
d Equipment . . . . .	0	54,447,020	16,728,474	37,718,546
e Other . . . . .	0	0	0	0
<b>Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)</b> . . . . .				<b>39,693,780</b>

**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
<b>(1) Financial derivatives</b>		
<b>(2) Closely-held equity interests</b>		
<b>(3) Other</b>		
(A)		
(B) <b>N/A – PART VII IS NOT APPLICABLE</b>		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ►</b>		

**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
<b>(1)</b>		
<b>(2)</b>		
<b>(3) N/A – PART VIII IS NOT APPLICABLE</b>		
<b>(4)</b>		
<b>(5)</b>		
<b>(6)</b>		
<b>(7)</b>		
<b>(8)</b>		
<b>(9)</b>		
<b>Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ►</b>		

**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
<b>(1) Patronage invested in Buckeye Power and its' related organizations</b>	<b>14,813,178</b>
<b>(2) Unbilled revenue - revenue earned in the latter half of December 2018</b>	<b>1,057,347</b>
<b>(3) Investment in long-term capital certificates with NRUCFC</b>	<b>573,730</b>
<b>(4) Work-in-progress - line rebuilding projects and new services</b>	<b>427,311</b>
<b>(5) Patronage investment in other cooperatives (Federated, CoBank, CRC, NISC, and NRTC)</b>	<b>238,436</b>
<b>(6) Patronage investment in NRUCFC</b>	<b>218,207</b>
<b>(7) Equity investment in Heartland Emergency</b>	<b>159,567</b>
<b>(8) Pole attachment rent revenue earned but not yet billed</b>	<b>61,902</b>
<b>(9) Interest receivable from NRUCFC</b>	<b>12,201</b>
<b>Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►</b>	<b>17,561,879</b>

**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
<b>(1) Federal income taxes</b>	<b>0</b>
<b>(2) Accrued post-retirement medical insurance</b>	<b>2,056,300</b>
<b>(3) Unclaimed retired patronage capital</b>	<b>416,608</b>
<b>(4) Consumer deposits and related interest</b>	<b>281,586</b>
<b>(5) Payable to Midwest Electric Community</b>	<b>4,749</b>
<b>(6) Connection Fund Inc.</b>	
<b>(7)</b>	
<b>(8)</b>	
<b>(9)</b>	
<b>Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►</b>	<b>2,759,243</b>

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	33,305,846
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments . . . . .	2a	0
b	Donated services and use of facilities . . . . .	2b	0
c	Recoveries of prior year grants . . . . .	2c	0
d	Other (Describe in Part XIII.) . . . . .	2d	0
e	Add lines 2a through 2d . . . . .	2e	0
3	Subtract line 2e from line 1 . . . . .	3	33,305,486
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	0
b	Other (Describe in Part XIII.) . . . . .	4b	58,161
c	Add lines 4a and 4b . . . . .	4c	58,161
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) . . . . .	5	33,364,007

**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	29,686,004
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities . . . . .	2a	0
b	Prior year adjustments . . . . .	2b	0
c	Other losses . . . . .	2c	0
d	Other (Describe in Part XIII.) . . . . .	2d	0
e	Add lines 2a through 2d . . . . .	2e	0
3	Subtract line 2e from line 1 . . . . .	3	29,686,004
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	0
b	Other (Describe in Part XIII.) . . . . .	4b	56,964
c	Add lines 4a and 4b . . . . .	4c	56,964
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) . . . . .	5	29,742,968

**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 X, Other Liabilities, Line 2: The footnote in the audited financial statements for the year ended December 31, 2018 in regards to**

uncertain tax positions reads: "The Cooperative complies with Accounting Standards Codification (ASC) 740-10 related to uncertain tax positions. ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return. Management is not aware of any tax positions taken by the Cooperative on its tax returns that they consider to be uncertain or that would jeopardize its tax exempt status. Tax returns for the years ended 2015, 2016, and 2017 are still open and subject to examination by the Internal Revenue Service."

**Part XI, Line 4b, Other Adjustments to Revenue: For purposes of creating a condensed income statement on our audited financial**

statements, our auditors chose to net \$56,964 of unrelated business expense directly against the revenue generated from the same unrelated business activity in the "Non-Operating Margins (Expense)" section of the income statement. Additionally, there was an immaterial \$1,197 difference reported on the audited financial statements as compared to the corporate final trial balance.

**Part XIII      Supplemental Information (continued)**

**Part XII, Line 4b, Other Adjustments to Expense:** For purposes of creating a condensed income statement on our audited financial statements, our auditors chose to net \$56,964 of unrelated business expense directly against the revenue generated from the same unrelated business activity in the "Non-Operating Margins (Expense)" section of the income statement.

**SCHEDULE I**  
(Form 990)**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.

► Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.Department of the Treasury  
Internal Revenue Service  
Name of the organizationOMB No. 1545-0047  
**2018**  
Open to Public  
Inspection

Name of the organization

Midwest Electric, Inc.

**Part I General Information on Grants and Assistance**

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

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

(a) Name and address of organization or government	(b) EIN	(c) IFC 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)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

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

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

Cat No 50055P

Schedule I (Form 990) (2018)

**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
<b>1</b> College scholarships to consumer/member's children.	7	11,500	0	Cash value.	Not applicable.
<b>2</b>					
<b>3</b> Consumer/member's rebate for building and certifying an energy-efficient home.	1	200	0	Cash value.	Not applicable.
<b>4</b>					
<b>5</b> Consumer/member's rebate for having a home energy audit performed on their residence.	21	5,680	0	Cash value.	Not applicable.
<b>6</b>					
<b>7</b>					

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

College scholarships. High school seniors of our consumer/members fill out a provided application to apply for the scholarship. Applicants are then reviewed by a team that includes management of Midwest Electric and Wright State University staff members. Of the applications received (this past year around fifty), only seven applicants will receive a scholarship. Checks are made out directly to the award recipient.

Energy efficient home rebate: Only future home owners of new construction that will be served by Midwest Electric may apply for this rebate. They contact Midwest Electric with their intent and Midwest Electric staff reviews the rebate parameters with the future homeowner. To receive the rebate, the newly built home must pass all Ohio building code requirements including those for energy efficiency. The new home must also have an electric water heater and an air-source heat pump or geothermal system.

Energy audit rebate: Midwest Electric members who wish to have a home or commercial energy audit performed will contact the office. Midwest will have an independent energy auditor meet the homeowner (or business owner) and conduct an audit of their home (or business) and provide the homeowner with a report that identifies ways (and expected payback) to address energy losses to help lower their energy bill. Midwest Electric will pay one-half of the audit fee. If the homeowner makes some of the improvements suggested, Midwest Electric will pay the entire audit fee.

**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 Lighting rebate for having inefficient lighting replaced in a business setting.	4	7,298	0 Cash value.	Not applicable.	
2					
3					
4 Tree seedling reimbursement program.	29	427	0 Cash value.	Not applicable.	
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.

Lighting rebate: In addition to offering a rebate to commercial members who upgrade their inefficient lighting, Midwest Electric will extend the same offer to residential members who operate a business enterprise as an individual (i.e. a small farm). For every watt of lighting load that is reduced, Midwest Electric will rebate the project cost \$1 up to the lesser of

\$5,000 or 50% of the total project cost. Some residents had multiple projects in multiple locations.

Tree seedling program: All Midwest Electric members are invited to submit reimbursement requests for invoices from newly planted trees. Each member is limited to a maximum reimbursement of \$15 each calendar year.

(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 Rebate program for in-home appliances and weatherization.	129	43,800	0	Cash value.	Not applicable.
2 weatherization.					
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.

In-Home Appliance and Weatherization - rebate program: Cooperative members were invited throughout the calendar year to have certain major appliances upgraded that consume large amounts of electricity. Eligible appliances included water heaters, geothermal systems, and dual fuel heating systems. To receive the rebate, (1) the appliance had to be installed in the calendar year, (2) each water heater had to allow a load-control device to be wired into the appliance's electrical supply, and (3) each geothermal and dual fuel heating system must be accompanied with an electric water heater (with a load control device). The cooperative's power supplier, Buckeye Power, would then cycle through the load control devices whenever their power peak was coincidental with the regional transmission operator's critical peaks. The program is designed to help the homeowner lower their energy consumption with modern appliances and help the cooperative lower its' contribution to critical peak pricing. By reducing some/all of the coincidental peaks, we were able to pass that avoided cost savings back to the ultimate consumer/member with a reduction in the power cost adjustment revenue rider. Each qualified water heater received a \$200 rebate and the approved heating systems received a \$500 rebate. Since 2013, members with electric heat sources were encouraged to add insulation and conduct air sealing projects. Each qualified insulation/air sealing project was eligible for a \$200 rebate. Beginning in 2017, members were eligible to receive a \$50 rebate if they provided proof that they upgraded their refrigerator or freezer with a new one that has an Energy Star rating. Some consumers were able to qualify for multiple rebates.

**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.  
► Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No 1545-0047

**2018**

Open to Public  
Inspection

Name of the organization

Midwest Electric, Inc.

Employer identification number

34-4304217

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input checked="" type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (such as maid, chauffeur, chef)

	Yes	No

**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.

1b	✓

**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?

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.

<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee


**4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

**a** Receive a severance payment or change-of-control payment? . . . . .  
**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	✓

**Only section 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? . . . . .  
**b** Any related organization? . . . . .

If "Yes" on line 5a or 5b, describe in Part III.

5a	N/A
5b	N/A

**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	N/A
6b	N/A

**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	N/A

**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	N/A

**9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? . . . . .

9	N/A

**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 to column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC 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			
Berry, Matthew, CEO, Assistant Secretary-Treasurer	(i) 141,966	(ii) 775	(iii) 847	52,808	224,664	0
Schmidt, Kevin, Manager of Finance and Customer Service	(i) 116,582	(ii) 3,275	(iii) 3,530	36,077	19,571	179,035
Rogers, Paul, Manager of Engineering and Operations	(i) 119,039	(ii) 2,125	(iii) 5,439	30,653	2,648	169,886
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						

**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.

**No additional information was needed.**

**SCHEDULE L**  
(Form 990 or 990-EZ)

**Transactions With Interested Persons**

OMB No 1545-0047

**2018**

Open To Public  
Inspection

Department of the Treasury  
Internal Revenue Service

► Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.  
► Attach to Form 990 or Form 990-EZ.  
► Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Name of the organization

Midwest Electric, Inc.

Employer identification number

34-4304217

**Part I Excess Benefit Transactions** (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).  
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction		(d) Corrected?
			Yes	No	
(1)					
(2)	<b>PART I IS NOT APPLICABLE</b>				
(3)					
(4)					
(5)					
(6)					

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958. ► \$ \_\_\_\_\_

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

**Part II Loans to and/or From Interested Persons.**

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1) Profit, Gary	Trustee	Travel adv		✓	110	0	✓	✓				✓
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												

Total ► \$ 0

**Part III Grants or Assistance Benefiting Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1) Vandemark, Larry	Trustee, President	500	Rebate for dual fuel	Marketing program to increase energy sales
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

**Part IV Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1)					
(2) <b>PART IV IS NOT APPLICABLE</b>					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

**Part V Supplemental Information.**

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

**Part II, Loan to Interested Person, Travel Advance, Gary Profit:** In the registration for a meeting attended in the first quarter of 2018, the cooperative had also purchased entertainment tickets for Mr. Profit at that same event. Mr. Profit repaid the cooperative in January 2018 for this personal expenditure. Due to the immateriality of the advance, the related business nature of the associated trip, and the quick repayment of the advance, these temporary travel advances have never been required to have board pre-approval.

**Part III, Grants or Assistance Benefiting Interested Persons, Larry Vandemark, Rebate for Dual Fuel:** The cooperative has several marketing programs to help every member modernize their electrical appliances and, which may at the same time, help increase the cooperative's ability to sell additional energy and/or lower its' average cost of power by avoiding certain critical demand peaks. Board members are allowed to participate in these same marketing programs.

**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.
- Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

Name of the organization

**Midwest Electric, Inc.**

Employer identification number

**34-4304217**

**990 Core, Page 1, Item H(b): Not applicable since there are no affiliates.**

**990 Core, Page 2, Part III, Item 4e: Since functionalized break-outs are not required on Part IX, the total on Part IX, Line 25, column (B)  
is not available. Additionally, the entity is not a 501(c)(3) or a 501(c)(4) entity.**

**990 Core, Page 3, Part IV, Item 4: Not applicable, this is not a 501(c)(3) entity.**

**990 Core, Page 3, Part IV, Item 20b: Not applicable, this organization does not operate any hospitals.**

**990 Core, Page 4, Part IV, Item 25a: Not applicable, this is not a 501(c)(3) or a 501(c)(4) or a 501(c)(29) entity.**

**990 Core, Page 4, Part IV, Item 25b: Not applicable, this is not a 501(c)(3) or a 501(c)(4) or a 501(c)(29) entity.**

**990 Core, Page 4, Part IV, Item 36: Not applicable, this is not a 501(c)(3) entity.**

**990 Core, Page 5, Part V, Item 5c: Not applicable - the filing of Form 8886-T was not required.**

**990 Core, Page 5, Part V, Item 6b: Not applicable - no tax deductible charitable contributions were received.**

**990 Core, Page 5, Part V, Items 7a-h: Not applicable - this entity can not receive tax deductible contributions under section 170(c).**

**990 Core, Page 5, Part V, Item 8: Not applicable - this entity does not maintain donor advised funds.**

**990 Core, Page 5, Part V, Item 9a: Not applicable - this entity does not maintain donor advised funds.**

**990 Core, Page 5, Part V, Item 9b: Not applicable - this entity does not maintain donor advised funds.**

**990 Core, Page 5, Part V, Item 10a: Not applicable, this is not a 501(c)(7) entity.**

**990 Core, Page 5, Part V, Item 10b: Not applicable, this is not a 501(c)(7) entity.**

**990 Core, Page 5, Part V, Item 12a: Not applicable, this is not a section 4947(a)(1) non-exempt charitable trust.**

**990 Core, Page 5, Part V, Item 12b: Not applicable, this is not a section 4947(a)(1) non-exempt charitable trust.**

**990 Core, Page 5, Part V, Item 13a: Not applicable, this is not a 501(c)(29) qualified nonprofit health insurance issuer.**

**990 Core, Page 5, Part V, Item 13b: Not applicable, this is not a 501(c)(29) qualified nonprofit health insurance issuer.**

**990 Core, Page 5, Part V, Item 13c: Not applicable, this is not a 501(c)(29) qualified nonprofit health insurance issuer.**

**990 Core, Page 5, Part V, Item 14b: Not applicable - the filing of Form 720 was not required.**

**990 Core, Page 6, Part VI, Section A, Item 4. During the run-up to the cooperative annual meeting in June, twenty bylaw changes were**

**presented to the membership and all twenty amendments were approved and ratified. Although sixteen of the amendments were**

**needed to modernize the vernacular or remove antiquated processes, four of the changes were approved which rose to the necessity**

**of being included on this 990. Those changes are:**

Name of the organization

**Midwest Electric, Inc.**

Employer identification number

**34-4304217****990 Core, Page 6, Part VI, Section A, Item 4. (continued) ...Those changes are:****1. The Articles of Incorporation, Eighth Article: The eighth article details the process on how members can vote to change the****Cooperative's Articles of Incorporation. In addition to the traditional methods of voting by mail, in person, or proxy, this wording change clarifies that this voting process can be done by electronic means as well.****2. Code of Regulations, Article IV, Directors, Section 7, Compensation: This paragraph had allowed the Cooperative to provide medical****insurance for the active directors. For decades, active and inactive directors have not requested medical insurance as an element of their renumeration. This change removes that benefit potential for current and future directors.****3. Code of Regulations, Article IV, Directors, Section 9, Trustee Emeritus: This section allowed board members who attained the age of****seventy-two a permanent designation as "trustee emeritus" and even after they were no longer an active board member, could still attend board meetings and functions at the discretion of the then-active Board. This provision was never utilized and the Board felt the provision was not necessary and this section was removed from the Code of Regulations.****4. Code of Regulations, Article VI, Officers, Sections 7 and 9, Duties of the President and Secretary: Because the Cooperative no****longer issues membership certificates, the duties of signing and sealing membership certificates have become obsolete and those duties have been removed from both the President and the Secretary.****990 Core, Page 6, Part VI, Section A, Item 6: Each customer who receives power from our distribution network becomes a voting member****of the cooperative. After the year-end audit, any excess margins are allocated back to the members from the year just closed based upon their contributions to the margins.****990 Core, Page 6, Part VI, Section A, Item 7a: The same members who are identified in question six have the opportunity to vote for the****nine board member seats that come up for re-election, board members have three-year terms. Voting is handled by an independent third party and is done through the mail and an online website.****990 Core, Page 6, Part VI, Section A, Item 7b: The same members who are identified in question six have the opportunity to vote for any****proposed changes in the organization's Articles of Incorporation and Code of Regulations. It takes a majority of the votes cast to approve any of the proposed regulation changes. Board members can not change the Articles of Incorporation or the Code of Regulations without a consenting membership vote.****990 Core, Page 6, Part VI, Section B, Item 10b: This entity has no local chapters, branches, or affiliates.**

Name of the organization

Midwest Electric, Inc.

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990 Core, Page 6, Part VI, Section B, Item 11b: Prior to a monthly board meeting, a digital version of Form 990 and the required schedules

were made available on the board member's computer tablet. At the board meeting, the return was again reviewed by the board

members, the corporate attorney, the CEO, the Manager of Finance and Customer Service, and the Manager of Human Resources. All

present were asked if they had any questions or disagreements with the proposed filing. No changes were suggested.

990 Core, Page 6, Part VI, Section B, Item 12c: Annually, the board members and officers are required to complete a conflict of

interest and disclosure questionnaire. Based upon the results of that questionnaire, any reported conflicts with third parties or

internal parties are identified and may affect the board member's status. If a conflict is small, the board member must recuse himself

from decisions involved with that entity/person. If the conflict is substantial or prohibitive based upon the Code of Regulations, the

board member would be subject to removal as detailed in Article IV and Article VI of the Code of Regulations.

990 Core, Page 6, Part VI, Section B, Item 15: Annually, the board pays for an independent consultant to perform a wage and salary

comparison of cooperative wages against those of local, state, and national businesses of like-kind size. The compensation goal of

the board is to set pay within a standard deviation of the average wage paid for that position in these similar-sized organizations. The

CEO will then use the same wage study and techniques to set the individual wages for management personnel of the cooperative. Each

year the board of directors will conduct a performance review of the CEO to review past performance and set short-term and long-term

goals. The board will then have an executive session to discuss and arrive at the CEO's salary for the upcoming year.

990 Core, Page 6, Part VI, Section B, Item 16b: Not applicable - this entity did not invest in any joint venture or any other similar

arrangement with a taxable entity during the calendar year.

990 Core, Page 6, Part VI, Section C, Item 19: The cooperative gives the Articles of Incorporation and the Code of Regulations to all new

members (either by mail or e-mail), any current member may also request a copy of these documents. The conflict of interest policy

will be given to members upon request. The cooperative's financial statements are made available upon request but are also

published annually in the member's monthly publication of the Ohio Cooperative Living magazine. The audited statements are

typically displayed in the magazine in the month preceding the June annual meeting.

990 Core, Page 7, Part VII, Section A, Item 1a, Column A: Prior to the 990 completion, each board member, officer, and key employee was

given an information-gathering questionnaire to complete. The questionnaire explained reportable conditions and gave the IRS'

definition on key terms. Upon receipt of all eleven questionnaires, they were reviewed to identify any reportable situation.

Additionally, if any reportable situation was known or observed by another governing member, they were expressed with the

necessity to come forward with that information.

Name of the organization

**Midwest Electric, Inc.**

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**990 Core, Page 10, Part IX, Line 4:** In adhering to IRS 990 instructions, patronage capital retired to active and former members for the calendar year is reported on this line. Conceptually, patronage capital represents a member's ownership in a cooperative and any retirement of patronage capital is, in fact, a return of that investment and not a traditional expense as viewed in standard accounting rules. By including this amount on the statement of functional expenses, we have overstated our current year's expense by \$1,455,215 and we had to create a balancing adjustment on Line 24d to properly adjust our expenses back to GAAP and USDA accounting methodology.

**990 Core, Page 10, Part IX, Line 24d:** In adhering to the IRS 990 instructions for expense disclosures on Part IX, Statement of Functional Expenses, items that are not treated as current year expenses on our audited statements have been overstated on this tax return. For instance, large portions of labor, labor overhead, and subcontracted labor are capitalized in the cooperative's fixed assets in accordance with USDA accounting procedures. These assets have a multi-year life and are either depreciated or amortized over their useful life. Therefore, by reporting our gross payrolls in lines 5, 7, 8, 9, and 10, we need to recognize an offsetting amount in line 24d to properly identify these labor costs that have been capitalized as an element of fixed assets. In addition, as stated above in Line 4, the retirement of patronage capital is not viewed as a traditional expense but rather as a return of invested capital. Therefore, the entire amount on line 4 (\$1,455,215) is not considered an expense for GAAP or USDA standards and by including this amount on Line 4, we need to create an offset amount on line 24d to successfully adjust our Total Functional Expenses back to the audited balance of \$29,742,968.

**990 Core, Page 10, Part IX, Columns B-D:** Since this entity is not a 501(c)(3) or a 501(c)(4) entity, Columns B, C, and D were not required to be filled out and were not completed on this return.

**990 Core, Page 10, Part IX, Line 26:** This entity has no joint costs from column B to report.

**990 Core, Page 12, Part XI, Item 9:** Other changes in fund balances for the year included:

Refund of member patronage capital with general retirement	(1,435,726)
Other comprehensive income - change of FAS106 valuation	( 704,900)
Refund of member patronage due to special estate retirements	( 147,461)
Discount on early retirement of estate patronage	56,812
Forfeiture of unclaimed patronage capital	27,150
<b>Total other changes in fund balance</b>	<b>(2,204,125)</b>

**990 Core, Page 12, Part XII, Item 1:** This entity did not change its' accounting method.

**990 Core, Page 12, Part XII, Item 2c:** The board of directors has a sub-committee that has the responsibility of selecting an independent auditor to annually audit the cooperative's financial statements. The committee has the ability to meet with the auditor prior to and after the audit has been completed. This process has been consistent from year-to-year.

Name of the organization <b>Midwest Electric, Inc.</b>	Employer identification number <b>34-4304217</b>
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**990 Core, Page 12, Part XII, Item 3b: No Single Audit Act or OMB Circular A-133 audit was required this year.**

**990 Schedule D, Part I: This section was not applicable.**

**990 Schedule D, Part II: This section was not applicable.**

**990 Schedule D, Part III: This section was not applicable.**

**990 Schedule D, Part IV: This section was not applicable.**

**990 Schedule D, Part V: This section was not applicable.**

**990 Schedule D, Part VII: This section was not applicable.**

**990 Schedule D, Part VIII: This section was not applicable.**

**990 Schedule I, Part II: No domestic organization or domestic governmental entity received a grant or assistance of more than \$5,000;**

**therefore, this section was not applicable.**

**990 Schedule J, Part I, Items 5-9: Not applicable - this is not a 501(c)(3), a 501(c)(4), or a 501(c)(29) entity.**

**990 Schedule L, Part I: This section was not applicable.**

**990 Schedule L, Part IV: This section was not applicable.**

**990 Schedule R, Part I: This section was not applicable.**

**990 Schedule R, Part III: This section was not applicable.**

**990 Schedule R, Part IV: This section was not applicable.**

**990 Schedule R, Part VI: This section was not applicable.**

**SCHEDULE R**  
(Form 990)

Department of the Treasury  
Internal Revenue Service  
Name of the organization

Midwest Electric, Inc.

**Related Organizations and Unrelated Partnerships**

► Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

► Attach to Form 990.  
► Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No 1545-0047  
**2018**

Open to Public  
Inspection

Employer identification number

34-4304217

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

	(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)	<b>N/A - PART I IS NOT APPLICABLE</b>					
(2)						
(3)						
(4)						
(5)						
(6)						

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

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?
	Yes	No					
(1)	Midwest Electric Community Connection Fund, Inc. 34-1872769 06029 County Road 33A, Saint Marys, Ohio 45885-9762	Helping the local community	Ohio	501 (c) 3	7	Midwest	✓
(2)							
(3)						Electric	
(4)							
(5)							
(6)							
(7)							

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

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Schedule R (Form 990) 2018

**Part III Identification of Related Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income related, unrelated, excluded from tax under sections 512–514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?	(i) Code V–UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
									Yes	No	
(1).....											
(2) <b>N/A – PART III IS NOT APPLICABLE</b>											
(3).....											
(4).....											
(5).....											
(6).....											
(7).....											

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	(j) Yes No	
									Yes	No
(1).....										
(2) <b>N/A – PART IV IS NOT APPLICABLE</b>										
(3).....										
(4).....										
(5).....										
(6).....										
(7).....										

**Part V****Transactions With Related Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

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

- a Receipt of **(i)** interest, **(ii)** annuities, **(iii)** royalties, or **(iv)** rent from a controlled entity
- b Gift, grant, or capital contribution to related organization(s)
- c Gift, grant, or capital contribution from related organization(s)
- d Loans or loan guarantees to or for related organization(s)
- e Loans or loan guarantees by related organization(s)
- f Dividends from related organization(s)
- g Sale of assets to related organization(s)
- h Purchase of assets from related organization(s)
- i Exchange of assets with related organization(s)
- j Lease of facilities, equipment, or other assets to related organization(s)
- k Lease of facilities, equipment, or other assets from related organization(s)
- l Performance of services or membership or fundraising solicitations for related organization(s)
- m Performance of services or membership or fundraising solicitations by related organization(s)
- n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o Sharing of paid employees with related organization(s)
- p Reimbursement paid to related organization(s) for expenses
- q Reimbursement paid by related organization(s) for expenses
- r Other transfer of cash or property to related organization(s)
- s Other transfer of cash or property from related organization(s)

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Midwest Electric Inc. paid for the annual audit of Midwest Electric Community Connection Fund Inc.	-	800	Invoiced amount.
(2) Midwest Electric Inc. paid for incidental expenses (travel, food) for board member meetings of the	-	181	Detailed expenses.
(3) Midwest Electric Community Connection Fund Inc.			
(4) Midwest Electric Inc. donated staff time (several hours each quarter) reviewing potential award	0	2,321	Loaded pay rate of hours devoted.
(5) applications and administering board meetings. Time was recorded and value calculated			
(6) using the employee's pay rate with payroll overhead included.			

**Part VI Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512–514)	(e) Are all partners section 501(c)(3) organizations?	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?	(i) Code V–UBI amount in box 20 of Schedule K-1 (Form 1065)	(k) Percentage ownership partner?	
									Yes	No
(1)										
(2) <b>N/A—PART VI IS NOT APPLICABLE</b>										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										
(15)										
(16)										

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**Part VII** **Supplemental Information.**

**Supplemental Information:** Provide additional information for responses to questions on Schedule R. See instructions.

**N/A - This section was not needed on this return.**