

Form **990**  
Department of the Treasury  
Internal Revenue Service

# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public

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

**A For the 2019 calendar year, or tax year beginning 01-01-2018, and ending 12-31-2018**

**B** Check if applicable  
 Address change  
 Name change  
 Initial return  
 Final return/terminated  
 Amended return  
 Application pending

**C** Name of organization  
PETIT JEAN ELECTRIC COOPERATIVE CORPORATION

Doing business as

Number and street (or P O box if mail is not delivered to street address) Room/suite  
PO BOX 37

City or town, state or province, country, and ZIP or foreign postal code  
CLINTON, AR 72031

**D** Employer identification number  
71-0139955

**E** Telephone number  
(501) 745-2493

**G** Gross receipts \$ 34,986,207

**F** Name and address of principal officer  
MICHAEL KIRKLAND  
PO BOX 37  
CLINTON, AR 72031

**H(a)** Is this a group return for subordinates?  Yes  No

**H(b)** Are all subordinates included?  Yes  No  
If "No," attach a list (see instructions)

**H(c)** Group exemption number ▶

**I** Tax-exempt status  501(c)(3)  501(c) ( 12 ) ◀ (insert no )  4947(a)(1) or  527

**J** Website: ▶ WWW.PJECC.COM

**K** Form of organization  Corporation  Trust  Association  Other ▶

**L** Year of formation 1940

**M** State of legal domicile AR

## Part I Summary

**1** Briefly describe the organization's mission or most significant activities  
TO PROVIDE QUALITY AND RELIABLE ELECTRIC SERVICE TO MEMBERS AT COST ON A COOPERATIVE BASIS

**2** Check this box  if the organization discontinued its operations or disposed of more than 25% of its net assets

<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	9
<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	9
<b>5</b> Total number of individuals employed in calendar year 2018 (Part V, line 2a)	<b>5</b>	65
<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	0
<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	0
<b>7b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	0

	Prior Year	Current Year
<b>8</b> Contributions and grants (Part VIII, line 1h)	0	0
<b>9</b> Program service revenue (Part VIII, line 2g)	30,067,124	34,215,432
<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	534,232	572,653
<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	536,718	196,502
<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	31,138,074	34,984,587
<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3)	14,114	13,834
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	1,162,555	3,648,847
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	4,734,480	5,248,224
<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	0	0
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶0		
<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	25,254,888	26,137,582
<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	31,166,037	35,048,487
<b>19</b> Revenue less expenses Subtract line 18 from line 12	-27,963	-63,900
	Beginning of Current Year	End of Year
<b>20</b> Total assets (Part X, line 16)	96,419,426	100,142,677
<b>21</b> Total liabilities (Part X, line 26)	59,385,311	60,687,002
<b>22</b> Net assets or fund balances Subtract line 21 from line 20	37,034,115	39,455,675

## Part II Signature Block

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

**Sign Here**  
Signature of officer: \*\*\*\*\*  
Date: 2019-10-17  
DONNIE COLLINS PRESIDENT  
Type or print name and title

**Paid Preparer Use Only**  
Print/Type preparer's name: Preparer's signature: Date: 2019-10-16  
Check  if self-employed PTIN: P00439459  
Firm's name: ▶ BOLINGER SEGARS GILBERT AND MOSS LLP Firm's EIN: ▶ 75-0882037  
Firm's address: ▶ 8215 NASHVILLE AVENUE LUBBOCK, TX 79423 Phone no: (806) 747-3806

**Part III Statement of Program Service Accomplishments**

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

**1** Briefly describe the organization's mission

TO PROVIDE RELIABLE AND QUALITY ELECTRIC SERVICE AT FAIR AND COMPETITIVE PRICES WE PROVIDE LEADERSHIP WITHIN LOCAL COMMUNITIES TO FACILITATE POSITIVE GROWTH WITHIN OUR SERVICE AREA

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No

If "Yes," describe these new services on Schedule O

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No

If "Yes," describe these changes on Schedule O

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

**4a** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )  
See Additional Data

**4b** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4c** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

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

**4e** Total program service expenses ▶

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 1 through 22 regarding organizational requirements, such as political activities, lobbying, and financial reporting.

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

		Yes	No
<b>23</b>	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? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes
<b>24a</b>	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> . . . . .	24a	No
<b>b</b>	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	24b	
<b>c</b>	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	
<b>d</b>	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	24d	
<b>25a</b>	<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? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a	
<b>b</b>	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b	
<b>26</b>	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? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	26	No
<b>27</b>	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? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27	No
<b>28</b>	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)		
<b>a</b>	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a	No
<b>b</b>	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b	No
<b>c</b>	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? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c	No
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	29	No
<b>30</b>	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30	No
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31	No
<b>32</b>	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32	No
<b>33</b>	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33	No
<b>34</b>	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .	34	No
<b>35a</b>	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	No
<b>b</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)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	35b	
<b>36</b>	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36	
<b>37</b>	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	No
<b>38</b>	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

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

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable . . . . .	1a	54
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable . . . . .	1b	0
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .	1c	

<b>2a</b> 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 . . . . .		<b>2a</b>	65		
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	<b>2b</b>		Yes	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year? . . . . .	<b>3a</b>			No
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? <i>If "No" to line 3b, provide an explanation in Schedule O . . . . .</i>	<b>3b</b>			
<b>4a</b>	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)? . . . . .	<b>4a</b>			No
<b>b</b>	If "Yes," enter the name of the foreign country <b>▶</b> _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)				
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . .	<b>5a</b>			No
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>			No
<b>c</b>	If "Yes," to line 5a or 5b, did the organization file Form 8886-T? . . . . .	<b>5c</b>			
<b>6a</b>	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? . . . . .	<b>6a</b>			No
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .	<b>6b</b>			
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>					
<b>a</b>	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? . . . . .	<b>7a</b>			
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .	<b>7b</b>			
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .	<b>7c</b>			
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year . . . . .	<b>7d</b>			
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>			
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .	<b>7f</b>			
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . . . .	<b>7g</b>			
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . . . .	<b>7h</b>			
<b>8 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? . . . . .	<b>8</b>			
<b>9a</b>	Did the sponsoring organization make any taxable distributions under section 4966? . . . . .	<b>9a</b>			
<b>b</b>	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? . . . . .	<b>9b</b>			
<b>10 Section 501(c)(7) organizations.</b> Enter					
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12 . . . . .	<b>10a</b>			
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10b</b>			
<b>11 Section 501(c)(12) organizations.</b> Enter					
<b>a</b>	Gross income from members or shareholders . . . . .	<b>11a</b>		33,703,627	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them ) . . . . .	<b>11b</b>		1,613,915	
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?					
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>			
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>					
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O	<b>13a</b>			
<b>b</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 . . . . .	<b>13b</b>			
<b>c</b>	Enter the amount of reserves on hand . . . . .	<b>13c</b>			
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year? . . . . .	<b>14a</b>			No
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation in Schedule O . . . . .</i>	<b>14b</b>			
<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>15</b>			No
<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 . . . . .	<b>16</b>			No

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O See instructions Check if Schedule O contains a response or note to any line in this Part VI



Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year; 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?; 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?; 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?; 5 Did the organization become aware during the year of a significant diversion of the organization's assets?; 6 Did the organization have members or stockholders?; 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?; 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?; 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following; 8a The governing body?; 8b Each committee with authority to act on behalf of the governing body?; 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates?; 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?; 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?; 11b 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; 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?; 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done; 13 Did the organization have a written whistleblower policy?; 14 Did the organization have a written document retention and destruction policy?; 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?; 15a The organization's CEO, Executive Director, or top management official; 15b Other officers or key employees of the organization; 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?; 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

Table with 2 columns: Question, Answer. Rows include: 17 List the States with which a copy of this Form 990 is required to be filed; 18 Section 6104 requires an organization to make its Form 1023 (or 1024-A if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. [ ] Own website [ ] Another's website [X] 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: SHERRY BETTIS CFO 270 QUALITY DR CLINTON, AR 72031 (501) 745-2493

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DONNIE COLLINS PRESIDENT	2 40	X		X				22,324	0	0
(2) CARROL BRADFORD VICE PRESIDENT	4 50	X		X				22,100	0	0
(3) FREDERICK HERMAN SECRETARY/TREASURER	3 40	X		X				24,424	0	0
(4) WILLIAM DERICKSON DIRECTOR	2 10	X						22,000	0	0
(5) DARRELL ALLEN DIRECTOR	5 80	X						21,631	0	0
(6) JEREL BROWN DIRECTOR	3 00	X						20,924	0	0
(7) ADDISON WOOD DIRECTOR	2 50	X						20,641	0	0
(8) TERRY KIRKENDOLL DIRECTOR	2 90	X						22,037	0	0
(9) RICHARD COLLINS JR DIRECTOR	4 90	X						26,425	0	0
(10) BILL CONINE CEO	45 00			X				233,004	0	100,289
(11) SHERRY BETTIS CFO	41 30			X				99,575	0	76,851
(12) WILLIAM TESTER BRANCH OFFICE MANAGER	50 00					X		106,053	0	63,863
(13) MICHAEL GARBOW MANAGER OF ENGINEERING	42 00					X		100,599	0	61,292
(14) JOHNNY MOORE MANAGER OF OPERATIONS	50 00					X		101,271	0	61,734



**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
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>			
	<b>b</b> Membership dues . . . . .	<b>1b</b>			
	<b>c</b> Fundraising events . . . . .	<b>1c</b>			
	<b>d</b> Related organizations . . . . .	<b>1d</b>			
	<b>e</b> Government grants (contributions) . . . . .	<b>1e</b>			
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above . . . . .	<b>1f</b>			
	<b>g</b> Noncash contributions included in lines 1a - 1f \$ _____				
	<b>h Total.</b> Add lines 1a-1f . . . . .				

<b>Program Service Revenue</b>			Business Code				
	<b>2a</b> SALES OF ELECTRICITY		221000	33,408,924	33,408,924		
<b>b</b> PATRONAGE DIVIDENDS		221000	631,353	631,353			
<b>c</b> SERVICE FEES		221000	149,265	149,265			
<b>d</b> OTHER PROGRAM REVENUE		221000	25,890	25,890			
<b>e</b> _____							
<b>f</b> All other program service revenue							
<b>g Total.</b> Add lines 2a-2f . . . . .			34,215,432				

<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . .			572,653			572,653	
	<b>4</b> Income from investment of tax-exempt bond proceeds . . . . .							
	<b>5</b> Royalties . . . . .			6,814			6,814	
	<b>6a</b> Gross rents	(i) Real	(ii) Personal					
		<b>b</b> Less rental expenses						
		<b>c</b> Rental income or (loss)						
		<b>d</b> Net rental income or (loss) . . . . .						
	<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
		<b>b</b> Less cost or other basis and sales expenses						
		<b>c</b> Gain or (loss)						
		<b>d</b> Net gain or (loss) . . . . .						
	<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	<b>a</b>						
		<b>b</b> Less direct expenses . . . . .	<b>b</b>					
		<b>c</b> Net income or (loss) from fundraising events . . . . .						
	<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . .	<b>a</b>						
<b>b</b> Less direct expenses . . . . .		<b>b</b>						
<b>c</b> Net income or (loss) from gaming activities . . . . .								
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>		1,933					
	<b>b</b> Less cost of goods sold . . . . .	<b>b</b>	1,620					
	<b>c</b> Net income or (loss) from sales of inventory . . . . .			313	313			
Miscellaneous Revenue	Business Code							
<b>11a</b> POLE ATTACHMENT INCOME	221000		189,375			189,375		
<b>b</b> _____								
<b>c</b> _____								
<b>d</b> All other revenue . . . . .								
<b>e Total.</b> Add lines 11a-11d . . . . .			189,375					
<b>12 Total revenue.</b> See Instructions . . . . .			34,984,587	34,215,745	0	768,842		

**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)</b> Total expenses	<b>(B)</b> Program service expenses	<b>(C)</b> Management and general expenses	<b>(D)</b> Fundraising expenses
<b>1</b> Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21	13,834			
<b>2</b> Grants and other assistance to domestic individuals See Part IV, line 22				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, line 15 and 16				
<b>4</b> Benefits paid to or for members	3,648,847			
<b>5</b> Compensation of current officers, directors, trustees, and key employees . . . . .	712,225			
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .				
<b>7</b> Other salaries and wages	2,588,992			
<b>8</b> Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions) . . . . .	796,577			
<b>9</b> Other employee benefits . . . . .	934,744			
<b>10</b> Payroll taxes . . . . .	215,686			
<b>11</b> Fees for services (non-employees)				
<b>a</b> Management . . . . .				
<b>b</b> Legal . . . . .				
<b>c</b> Accounting . . . . .				
<b>d</b> Lobbying . . . . .				
<b>e</b> Professional fundraising services See Part IV, line 17				
<b>f</b> Investment management fees . . . . .				
<b>g</b> Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)				
<b>12</b> Advertising and promotion . . . . .				
<b>13</b> Office expenses . . . . .				
<b>14</b> Information technology . . . . .				
<b>15</b> Royalties . . . . .				
<b>16</b> Occupancy . . . . .				
<b>17</b> Travel . . . . .				
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
<b>19</b> Conferences, conventions, and meetings . . . . .				
<b>20</b> Interest . . . . .	2,039,845			
<b>21</b> Payments to affiliates . . . . .				
<b>22</b> Depreciation, depletion, and amortization . . . . .	3,314,254			
<b>23</b> Insurance . . . . .				
<b>24</b> 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.)				
<b>a</b> PURCHASED POWER	16,760,718			
<b>b</b> DISTRIBUTION EXPENSE	2,362,899			
<b>c</b> OPERATING TAXES	697,235			
<b>d</b> ADMIN & GENERAL EXPENSE	461,431			
<b>e</b> All other expenses	501,200			
<b>25</b> Total functional expenses. Add lines 1 through 24e	35,048,487			
<b>26</b> 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 IX

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	592,430	<b>1</b>	385,012
	<b>2</b> Savings and temporary cash investments . . . . .		<b>2</b>	613,152
	<b>3</b> Pledges and grants receivable, net . . . . .		<b>3</b>	
	<b>4</b> Accounts receivable, net . . . . .	2,760,068	<b>4</b>	3,699,504
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>	
	<b>8</b> Inventories for sale or use . . . . .	580,770	<b>8</b>	588,327
	<b>9</b> Prepaid expenses and deferred charges . . . . .	1,386,711	<b>9</b>	1,142,443
	<b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	<b>10a</b> 115,635,014		
	<b>b</b> Less accumulated depreciation	<b>10b</b> 35,976,973	76,827,797	<b>10c</b> 79,658,041
	<b>11</b> Investments—publicly traded securities . . . . .		<b>11</b>	
	<b>12</b> Investments—other securities See Part IV, line 11 . . . . .		<b>12</b>	
	<b>13</b> Investments—program-related See Part IV, line 11 . . . . .	13,429,396	<b>13</b>	13,277,844
	<b>14</b> Intangible assets . . . . .		<b>14</b>	
	<b>15</b> Other assets See Part IV, line 11 . . . . .	842,254	<b>15</b>	778,354
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	96,419,426	<b>16</b>	100,142,677	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	3,197,885	<b>17</b>	1,585,969
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities . . . . .		<b>20</b>	
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> 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 . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .	49,020,506	<b>23</b>	52,135,807
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>	
	<b>25</b> 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 . . . . .	7,166,920	<b>25</b>	6,965,226
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	59,385,311	<b>26</b>	60,687,002
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets		<b>27</b>	
	<b>28</b> Temporarily restricted net assets . . . . .		<b>28</b>	
	<b>29</b> Permanently restricted net assets		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .	309,775	<b>30</b>	311,105
	<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .	0	<b>31</b>	0
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds	36,724,340	<b>32</b>	39,144,570
<b>33</b> Total net assets or fund balances . . . . .	37,034,115	<b>33</b>	39,455,675	
<b>34</b> Total liabilities and net assets/fund balances . . . . .	96,419,426	<b>34</b>	100,142,677	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	34,984,587
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	35,048,487
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	<b>3</b>	-63,900
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	37,034,115
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	2,485,460
<b>10</b>	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	39,455,675

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

	Yes	No
<b>2a</b>		No
<b>2b</b>	Yes	
<b>2c</b>		No
<b>3a</b>		No
<b>3b</b>		

## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 71-0139955

**Name:** PETIT JEAN ELECTRIC COOPERATIVE  
CORPORATION

Form 990 (2018)

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### Form 990, Part III, Line 4a:

PROVIDING ELECTRIC ENERGY TO OUR MEMBERS - 20,026 ACTIVE SERVICES AT YEAR END ALL ACTIVE SERVICES DURING THE YEAR WERE PROVIDED ELECTRICITY ON A COOPERATIVE BASIS THROUGH THE ALLOCATION OF PATRONAGE CAPITAL

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**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 the latest information.**

OMB No 1545-0047  
**2018**  
**Open to Public Inspection**

**Name of the organization**  
PETIT JEAN ELECTRIC COOPERATIVE CORPORATION

**Employer identification number**  
71-0139955

**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
<b>1</b> Total number at end of year		
<b>2</b> Aggregate value of contributions to (during year)		
<b>3</b> Aggregate value of grants from (during year)		
<b>4</b> Aggregate value at end of year		

**5** Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?  Yes  No

**6** Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?  Yes  No

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

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

Preservation of land for public use (e g , recreation or education)  Preservation of an historically important land area

Protection of natural habitat  Preservation of a certified historic structure

Preservation of open space

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

	Held at the End of the Year	
<b>a</b> Total number of conservation easements	<b>2a</b>	
<b>b</b> Total acreage restricted by conservation easements	<b>2b</b>	
<b>c</b> Number of conservation easements on a certified historic structure included in (a)	<b>2c</b>	
<b>d</b> Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	<b>2d</b>	

**3** Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

**4** Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

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

**6** Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \_\_\_\_\_

**7** Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

**8** Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

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

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

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

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

**(i)** Revenue included on Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

**(ii)** Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

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

**a** Revenue included on Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

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

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

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)
- a**  Public exhibition
  - b**  Scholarly research
  - c**  Preservation for future generations
  - d**  Loan or exchange programs
  - e**  Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5** During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.**

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

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b** If "Yes," explain the arrangement in Part XIII and complete the following table
- |  | Amount |
|--|--------|
| <b>c</b> Beginning balance             |        |
| <b>d</b> Additions during the year     |        |
| <b>e</b> Distributions during the year |        |
| <b>f</b> Ending balance                |        |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? . . .  Yes  No
- b** If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . .

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

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

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a** Board designated or quasi-endowment ▶
  - b** Permanent endowment ▶
  - c** Temporarily restricted endowment ▶
- The percentages on lines 2a, 2b, and 2c should equal 100%
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- |  |     |    |
|--|-----|----|
| <b>(i)</b> unrelated organizations . . . . .   | Yes | No |
| <b>(ii)</b> related organizations . . . . .  |     |    |
| <b>b</b> If "Yes" on 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

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land . . . . .		1,704,874		1,704,874
<b>b</b> Buildings . . . . .		3,642,219	1,056,730	2,585,489
<b>c</b> Leasehold improvements				
<b>d</b> Equipment . . . . .		108,661,937	34,920,243	73,741,694
<b>e</b> Other . . . . .		1,625,984		1,625,984
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶				79,658,041

**Part VII Investments—Other Securities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives . . . . .		
(2) Closely-held equity interests . . . . .		
(3) Other _____		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 12 )		

**Part VIII Investments—Program Related.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) PATRONAGE CAPITAL - AECC	11,108,567	C
(2) PATRONAGE CAPITAL - AECI	565,603	C
(3) PATRONAGE CAPITAL - CFC	318,639	C
(4) PATRONAGE CAPITAL - FEDERATED	279,046	C
(5) PATRONAGE CAPITAL - NISC	146,665	C
(6) CAPITAL TERM CERTIFICATES - CFC	765,000	C
(7) ARKANSAS RURAL ELECTRIC SELF-INS TRUST	90,145	C
(8) OTHER INVESTMENTS IN ASSOCIATED ORGANIZATIONS	4,179	C
(9)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 13 )	13,277,844	

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15 )	

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
ACCUMULATED PROVISION FOR POST RETIREMENT BENEFITS	3,883,405
CONSUMER DEPOSITS	1,319,292
ACCRUED PROPERTY TAXES	680,000
REFUNDABLE AID TO CONSTRUCTION	115,319
UNCLAIMED CAPITAL CREDIT	967,210
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25 )	6,965,226

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.

<b>1</b>	Total revenue, gains, and other support per audited financial statements . . . . .		<b>1</b>	34,984,587
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
<b>a</b>	Net unrealized gains (losses) on investments . . . . .	<b>2a</b>		
<b>b</b>	Donated services and use of facilities . . . . .	<b>2b</b>		
<b>c</b>	Recoveries of prior year grants . . . . .	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>		
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .		<b>2e</b>	0
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .		<b>3</b>	34,984,587
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>		
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .		<b>4c</b>	0
<b>5</b>	Total revenue Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12 ) . . . . .		<b>5</b>	34,984,587

**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.

<b>1</b>	Total expenses and losses per audited financial statements . . . . .		<b>1</b>	31,399,640
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25			
<b>a</b>	Donated services and use of facilities . . . . .	<b>2a</b>		
<b>b</b>	Prior year adjustments . . . . .	<b>2b</b>		
<b>c</b>	Other losses . . . . .	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>		
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .		<b>2e</b>	0
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .		<b>3</b>	31,399,640
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>	3,648,847	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .		<b>4c</b>	3,648,847
<b>5</b>	Total expenses Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18 ) . . . . .		<b>5</b>	35,048,487

**Part XIII Supplemental Information**

Provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Return Reference	Explanation
See Additional Data Table	



## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 71-0139955

**Name:** PETIT JEAN ELECTRIC COOPERATIVE  
CORPORATION

## Supplemental Information

Return Reference	Explanation
PART X, LINE 2	THE COOPERATIVE FOLLOWS THE "UNCERTAIN TAX POSITIONS" PROVISIONS OF ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA THE PRIMARY TAX POSITION OF THE COOPERATIVE IS ITS FILING STATUS AS A TAX EXEMPT ENTITY THE COOPERATIVE DETERMINED THAT IT IS MORE LIKELY THAN NOT THAT ITS TAX POSITION WILL BE SUSTAINED UPON EXAMINATION BY THE INTERNAL REVENUE SERVICE (IRS) AND THAT ALL TAX BENEFITS ARE LIKELY TO BE REALIZED UPON SETTLEMENT WITH TAXING AUTHORITIES

## Supplemental Information

Return Reference	Explanation
PART XII, LINE 4B - OTHER ADJUSTMENTS	PATRONAGE CAPITAL ASSIGNABLE 3,648,847

## Supplemental Information

Return Reference	Explanation
PART IX	THE AMOUNT OF OTHER ASSETS ON FORM 990, PAGE 11, PART X, LINE 15 DOES NOT EQUAL OR EXCEED 5% OF THE TOTAL ASSETS ON FORM 990, PAGE 11, PART X, LINE 16, COLUMN B CONSEQUENTLY, IN ACCORDANCE WITH IRS INSTRUCTIONS, SCHEDULE D, PART IX HAS BEEN LEFT BLANK

**Supplemental Information**

Return Reference	Explanation
PART XII, LINE 4B	FOR THE AUDITED FINANCIAL STATEMENTS, THE AMOUNT OF PATRONAGE DIVIDENDS PAID OR ALLOCATED TO THE MEMBERS IS REPORTED AS AN INCREASE IN EQUITY AND NOT AS AN EXPENSE THEREFORE, NET INCOME PER THE AUDITED FINANCIAL STATEMENTS IS REPORTED GROSS OF THE AMOUNT OF PATRONAGE DIVIDENDS THAT ARE EITHER ALLOCATED OR TO BE ALLOCATED AT THE TIME THE AUDITED FINANCIAL STATEMENTS ARE PREPARED HOWEVER, BECAUSE THE ALLOCATION OF PATRONAGE DIVIDENDS IS ONE ASPECT OF HOW THE COOPERATIVE FULFILLS ITS TAX EXEMPT PURPOSE OF OPERATING ON A COOPERATIVE BASIS, THE AMOUNT OF PATRONAGE DIVIDENDS EITHER ALLOCATED OR TO BE ALLOCATED TO THE MEMBERS IS REPORTED ON FORM 990, PART IX, LINE 4 AS "BENEFITS PAID TO MEMBERS" PATRONAGE DIVIDENDS ARE ALLOCATED ON A PATRONAGE BASIS AND DONE SO PURSUANT TO A PRE-EXISTING OBLIGATION AS PROVIDED FOR IN THE "NON-PROFIT OPERATION" ARTICLE OF THE COOPERATIVE'S BYLAWS

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

**Schedule I  
(Form 990)**  
  
Department of the  
Treasury  
Internal Revenue Service

**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.

OMB No 1545-0047

**2018**

**Open to Public  
Inspection**

Name of the organization  
PETIT JEAN ELECTRIC COOPERATIVE  
CORPORATION

Employer identification number  
71-0139955

**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) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) OZARK HEALTH FOUNDATION PO BOX 74 CLINTON, AR 72031	86-1078345	501(C)(3)	7,255				MEDICAL & THERAPY EQUIPMENT

- 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 . . . . . ▶ \_\_\_\_\_

**Part III Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22

Part III can be duplicated if additional space is needed

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

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

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

**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  
PETIT JEAN ELECTRIC COOPERATIVE CORPORATION

Employer identification number  
71-0139955

**Part I Questions Regarding Compensation**

	Yes	No		
<p><b>1a</b> 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.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> First-class or charter travel  <input type="checkbox"/> Travel for companions  <input type="checkbox"/> Tax indemnification and gross-up payments  <input type="checkbox"/> Discretionary spending account                 </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Housing allowance or residence for personal use  <input type="checkbox"/> Payments for business use of personal residence  <input type="checkbox"/> Health or social club dues or initiation fees  <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)                 </td> </tr> </table>	<input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)			
<p><b>b</b> If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain</p>	<b>1b</b>			
<p><b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</p>	<b>2</b>			
<p><b>3</b> 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.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Compensation committee  <input type="checkbox"/> Independent compensation consultant  <input type="checkbox"/> Form 990 of other organizations                 </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Written employment contract  <input checked="" type="checkbox"/> Compensation survey or study  <input checked="" type="checkbox"/> Approval by the board or compensation committee                 </td> </tr> </table>	<input type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations	<input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
<input type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations	<input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee			
<p><b>4</b> 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:</p> <p><b>a</b> Receive a severance payment or change-of-control payment?</p> <p><b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p> <p><b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</p>	<b>4a</b>	No		
	<b>4b</b>	No		
	<b>4c</b>	No		
<p><b>Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</b></p> <p><b>5</b> 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:</p> <p><b>a</b> The organization?</p> <p><b>b</b> Any related organization?</p> <p>If "Yes," on line 5a or 5b, describe in Part III.</p>	<b>5a</b>			
	<b>5b</b>			
<p><b>6</b> 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:</p> <p><b>a</b> The organization?</p> <p><b>b</b> Any related organization?</p> <p>If "Yes," on line 6a or 6b, describe in Part III.</p>	<b>6a</b>			
	<b>6b</b>			
<p><b>7</b> For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III.</p>	<b>7</b>			
<p><b>8</b> 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.</p>	<b>8</b>			
<p><b>9</b> If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>	<b>9</b>			

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 BILL CONINE CEO	(i)	224,991	195	7,818	82,770	17,519	333,293	0
	(ii)	0	0	0	0	0	0	0
2 SHERRY BETTIS CFO	(i)	95,420	162	3,993	56,082	20,769	176,426	0
	(ii)	0	0	0	0	0	0	0
3 WILLIAM TESTER BRANCH OFFICE MANAGER	(i)	101,059	249	4,745	41,682	22,181	169,916	0
	(ii)	0	0	0	0	0	0	0
4 MICHAEL GARBOW MANAGER OF ENGINEERING	(i)	97,287	179	3,133	39,151	22,141	161,891	0
	(ii)	0	0	0	0	0	0	0
5 JOHNNY MOORE MANAGER OF OPERATIONS	(i)	99,238	233	1,800	42,813	18,921	163,005	0
	(ii)	0	0	0	0	0	0	0

**Part III Supplemental Information**

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

Return Reference	Explanation
PART II, COLUMN C	<p>INCLUDED IN THIS AMOUNT IS THE INCREASE IN ACTUARIAL VALUE OF BENEFITS PAYABLE UNDER A DEFINED BENEFIT RETIREMENT PLAN. THE CONTRIBUTION RATE FOR PARTICIPANTS IN THE NRECA R&amp;S DEFINED BENEFIT PENSION PLAN ARE THE SAME FOR ALL INDIVIDUALS IN THIS MULTI-EMPLOYER PLAN. THE CHANGE IN ACTUARIAL VALUE FOR EACH PARTICIPANT, HOWEVER, VARIES WITH AGE, YEARS OF SERVICE AND THE CURRENT INTEREST RATE ENVIRONMENT. IN OTHER WORDS, THE OLDER A PLAN PARTICIPANT IS, THE GREATER THE INCREASE IN THAT INDIVIDUAL'S CHANGE IN ACTUARIAL VALUE, ALL OTHER THINGS BEING EQUAL. BECAUSE THIS RELATES TO A MULTI-EMPLOYER PLAN, CASH CONTRIBUTIONS TO THE PLAN IN LIEU OF THE ACTUARIAL INCREASE ARE EXPENSED IN THE FINANCIAL STATEMENTS.</p> <p>BILL CONINE ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 71,367 EMPLOYER CONTRIBUTION TO 401(K) PLAN 11,403 TOTAL REPORTED IN COLUMN C \$ 82,770 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (71,367) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 70,076 EXPENSE TO THE COOPERATIVE \$ 81,479</p> <p>SHERRY BETTIS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 50,995 EMPLOYER CONTRIBUTION TO 401(K) PLAN 5,087 TOTAL REPORTED IN COLUMN C \$ 56,082 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (50,995) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 31,209 EXPENSE TO THE COOPERATIVE \$ 36,296</p> <p>WILLIAM TESTER ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 36,496 EMPLOYER CONTRIBUTION TO 401(K) PLAN 5,186 TOTAL REPORTED IN COLUMN C \$ 41,682 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (36,496) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 31,812 EXPENSE TO THE COOPERATIVE \$ 36,998</p> <p>MICHAEL GARBOW ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 33,965 EMPLOYER CONTRIBUTION TO 401(K) PLAN 5,186 TOTAL REPORTED IN COLUMN C \$ 39,151 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (33,965) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 31,812 EXPENSE TO THE COOPERATIVE \$ 36,998</p> <p>JOHNNY MOORE ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 37,627 EMPLOYER CONTRIBUTION TO 401(K) PLAN 5,186 TOTAL REPORTED IN COLUMN C \$ 42,813 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (37,627) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 31,812 EXPENSE TO THE COOPERATIVE \$ 36,998</p>



Schedule J (Form 990) 2018

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

**Supplemental Information to Form 990 or 990-EZ**

OMB No 1545-0047

**2018**

**Open to Public Inspection**

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.

Department of the Treasury

Name of the organization  
PETIT JEAN ELECTRIC COOPERATIVE CORPORATION

Employer identification number  
71-0139955

**990 Schedule O, Supplemental Information**

Return Reference	Explanation
FORM 990, PART I	<p>IN GENERAL, WHEN AN ELECTRIC COOPERATIVE BASES THE PATRONAGE DIVIDEND CALCULATION ON ITS NET BOOK INCOME/(LOSS), PAGE 1, PART I, LINE 19 - REVENUE LESS EXPENSES - WILL BE \$0 FOR THE CURRENT YEAR, PAGE 1, PART I, LINE 19 REPORTS NET LOSS OF (\$63,900), WHICH IS THE INCOME STATEMENT EFFECT OF ACCRUED UNBILLED REVENUE. THE GAAP BASIS FINANCIAL STATEMENTS INCLUDE AN ACCRUAL FOR UNBILLED REVENUE BECAUSE THE COOPERATIVE'S BILLING CYCLE DOES NOT END ON THE LAST DAY OF THE MONTH. THEREFORE, IT HAS REVENUE IN DECEMBER OF EACH YEAR THAT IT HAS EARNED BUT WILL NOT BILL UNTIL THE FIRST BILLING CYCLE OF THE FOLLOWING YEAR. THE COOPERATIVE ESTIMATES THIS REVENUE AND RECORDS IT AS ACCRUED UNBILLED REVENUE IN ORDER TO MATCH THE REVENUE WITH THE YEAR EARNED. HOWEVER, THE COOPERATIVE ALLOCATES THE REVENUE TO MEMBERS IN THE YEAR IT IS BILLED RATHER THAN WHEN ACCRUED. THIS TIMING DIFFERENCE IS FAIR AND EQUITABLE BECAUSE IT MATCHES THE PATRONAGE DIVIDEND ALLOCATED WITH THE BILLING RECORDS USED TO ALLOCATE THE MARGINS. DUE TO THE TIMING OF WHEN THE COOPERATIVE ALLOCATES ACCRUED UNBILLED REVENUE, PAGE 1, PART I, LINE 19 ANNUALLY REPORTS NET INCOME EQUAL TO THE NET INCREASE IN ACCRUED UNBILLED REVENUE OR A NET LOSS EQUAL TO THE NET DECREASE IN UNBILLED REVENUE. THE FOLLOWING SCHEDULE IS PROVIDED TO FURTHER EXPLAIN THE IMPACT OF THIS TRANSACTION: ADD UNBILLED REVENUE 12/31/18 \$ 770,040 LESS UNBILLED REVENUE 12/31/17 (833,940) NET DECREASE IN UNBILLED REVENUE \$ (63,900) (A) - NET DECREASE EQUALS NET LOSS ON PART I, LINE 19 \$ (63,900) (B) - BENEFITS PAID TO MEMBERS (I.E. PATRONAGE DIVIDENDS), PART I, LINE 14 \$ 3,648,847 TOTAL 2018 NET MARGIN (A + B) \$ 3,584,947</p>

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART VI, SECTION A, LINE 2	BUSINESS RELATIONSHIP DARRELL ALLEN (DIRECTOR), ADDISON WOOD (DIRECTOR), AND BILL CONINE (CEO) SERVED ON THE BOARD OF ARKANSAS ELECTRIC COOPERATIVE CORPORATION (AECC) AT THE REQUEST OF AND FOR THE BENEFIT OF THE COOPERATIVE DARRELL ALLEN WAS REPLACED BY ADDISON WOOD ON THE AECC BOARD DURING THE YEAR TERRY KIRKENDOLL (DIRECTOR), JEREL BROWN (DIRECTOR), AND BILL CONINE (CEO) SERVED ON THE BOARD OF ARKANSAS ELECTRIC COOPERATIVES, INC (AECI) AT THE REQUEST OF AND FOR THE BENEFIT OF THE COOPERATIVE TERRY KIRKENDOLL WAS REPLACED BY JEREL BROWN ON THE AECI BOARD DURING THE YEAR

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART VI, SECTION A, LINE 6	THE COOPERATIVE WAS FORMED BY THE MEMBERS TO PROVIDE ELECTRIC SERVICE AT COST ON A COOPERATIVE BASIS

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART VI, SECTION A, LINE 7A	THE MEMBERS OF THE COOPERATIVE VOTE ON THE BOARD OF DIRECTORS THROUGH VOTING DISTRICTS BASED ON GEOGRAPHICAL LOCATION, THE MEMBERS ARE ASSIGNED TO A DISTRICT AND REPRESENTED BY A DIRECTOR VOTED ON AND LIVING IN THE RESPECTIVE DISTRICT EVERY FIVE YEARS AT THE END OF THE RESPECTIVE DIRECTOR'S TERM, ELECTIONS ARE DONE ON A ONE MEMBER ONE VOTE BASIS PURSUANT TO THE REQUIREMENTS OF ARTICLE IV, SECTION 6 OF THE BYLAWS, MEMBERS ALSO HAVE THE ABILITY TO PETITION AND VOTE FOR THE REMOVAL OF A DIRECTOR

**990 Schedule O, Supplemental Information**

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

# 990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 8B	THE COOPERATIVE HAS NO COMMITTEES WITH AUTHORITY TO ACT ON BEHALF OF THE GOVERNING BODY T HEREFORE, AND PURSUANT TO FORM 990 INSTRUCTIONS, THE QUESTION HAS BEEN ANSWERED "NO"

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART VI, SECTION B, LINE 11B	MANAGEMENT PRESENTED A COPY OF THE FORM 990 TO THE BOARD FOR DISCUSSION AND REVIEW PRIOR TO FILING

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART VI, SECTION B, LINE 12C	THE BOARD OF DIRECTORS AND OFFICERS ARE RESPONSIBLE TO REVIEW AND BE FAMILIAR WITH THE POLICIES OUTLINED IN THE COOPERATIVE'S CONFLICT OF INTEREST POLICY THE BOARD OF DIRECTORS AND OFFICERS ARE REQUIRED TO ANNUALLY COMPLETE A DISCLOSURE OF ANY ACTION OR SITUATION THAT MIGHT VIOLATE THE POLICY

## 990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	THE BOARD OF DIRECTORS IS RESPONSIBLE FOR DETERMINING THE COMPENSATION FOR THE CEO BASED ON AN ANNUAL REVIEW INTERNAL AND/OR EXTERNAL RESOURCES ARE ALSO USED TO COMPARE ANNUAL COMPENSATION WITHIN THE INDUSTRY THE BOARD OF DIRECTORS AND CEO DETERMINES COMPENSATION FOR OFFICERS OF THE COOPERATIVE ANNUALLY BASED ON A COMPENSATION SURVEY

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART VI, SECTION C, LINE 19	THE COOPERATIVE PROVIDES A COPY OF THE BYLAWS AT THE TIME AN APPLICATION FOR SERVICE IS COMPLETED ADDITIONALLY, THE COOPERATIVE WILL PROVIDE A COMPLETE COPY OF ITS GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY TO ANY MEMBER WHO REQUESTS A COPY OF ANY SUCH DOCUMENT ANNUALLY, THE COOPERATIVE MAILES A COPY OF THE ANNUAL REPORT, WHICH INCLUDES FINANCIAL STATEMENTS AND RELEVANT FINANCIAL DATA FOR THE PAST THREE YEARS ADDITIONAL INFORMATION REPORTED TO THE ARKANSAS PUBLIC SERVICE COMMISSION (APSC) IS AVAILABLE TO THE PUBLIC ON THE APSC WEBSITE

**990 Schedule O, Supplemental Information**

Return Reference	Explanation
FORM 990, PART VII, COLUMN F	<p>IN ORDER TO PROVIDE RETIREMENT BENEFITS TO ITS EMPLOYEES, THE COOPERATIVE HAS ESTABLISHED A DEFINED CONTRIBUTION PLAN UNDER SECTION 401(K) OF THE INTERNAL REVENUE CODE. EMPLOYER CONTRIBUTIONS TO THE PLAN ARE MADE PURSUANT TO THE PLAN DOCUMENT. ADDITIONALLY, THE COOPERATIVE PARTICIPATES IN A MULTI-EMPLOYER DEFINED BENEFIT PLAN. CONTRIBUTIONS TO THIS PLAN ARE BASED ON THE FULL FUNDING LIMITATION OF SUCH PLAN. EMPLOYER CONTRIBUTIONS FOR BOTH PLANS ARE AVAILABLE TO PARTICIPATING EMPLOYEES, INCLUDING OFFICERS AND HIGHLY COMPENSATED EMPLOYEES MEETING THE ELIGIBILITY REQUIREMENTS OF SUCH PLANS. THE COOPERATIVE ALSO PROVIDES HEALTH, DENTAL, VISION AND LIFE INSURANCE TO ALL ELIGIBLE EMPLOYEES THROUGH A QUALIFIED PLAN. THE AMOUNTS REPORTED ON PART VII, COLUMN (F) FOR OFFICERS AND THE HIGHLY COMPENSATED EMPLOYEE IS COMPRISED OF ACTUARIAL INCREASE IN THE DEFINED BENEFIT PLAN, THE TOTAL AMOUNT CONTRIBUTED BY THE COOPERATIVE TO THE DEFINED CONTRIBUTION PLAN AND INSURANCE PAID ON BEHALF OF AND FOR THEIR BENEFIT. IN ADDITION TO THE ABOVE PENSION PLANS, THE COOPERATIVE ALSO PROVIDES POST-RETIREMENT HEALTH INSURANCE BENEFITS THROUGH AN UNFUNDED WELFARE BENEFIT PLAN. THE VALUE OF THESE BENEFITS HAS NOT BEEN ESTIMATED.</p>

**990 Schedule O, Supplemental Information**

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

**990 Schedule O, Supplemental Information**

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

**990 Schedule O, Supplemental Information**

Return Reference	Explanation
FORM 990, PART IX, LINE 4	<p>PURSUANT TO THE FORM 990 INSTRUCTIONS, THE AMOUNT OF PATRONAGE DIVIDENDS PAID TO THE MEMBERS (HEREINAFTER REFERRED TO AS "PATRONS") SHOULD BE REPORTED ON PART IX, LINE 4. THE PHRASE "PATRONAGE DIVIDENDS PAID" REFERS TO THE PROCESS, SUBSEQUENT TO YEAR-END, BY WHICH THE COOPERATIVE ALLOCATES PATRONAGE CAPITAL TO AND, THEREFORE, OPERATES AT COST WITH ITS PATRONS. THE COOPERATIVE'S TAX EXEMPT PURPOSE IS TO PROVIDE ELECTRICITY TO ITS PATRONS AND TO DO SO ON A COOPERATIVE BASIS. TAX LAW DEFINES "OPERATING ON A COOPERATIVE BASIS" AS SUBORDINATION OF CAPITAL, DEMOCRATIC CONTROL, AND OPERATION AT COST. THE COOPERATIVE OPERATES AT COST THROUGH THE ALLOCATION OF TRUE PATRONAGE DIVIDENDS (ALSO REFERRED TO AS ALLOCATIONS OF PATRONAGE CAPITAL) TO ITS PATRONS. PATRONAGE DIVIDENDS ARE CONSIDERED PAID IF THE ALLOCATION IS MADE (1) PURSUANT TO A PRE-EXISTING OBLIGATION, (2) FROM THE MARGINS PRODUCED FROM THE TRANSACTIONS DONE WITH OR FOR PATRONS, AND (3) IN A FAIR AND EQUITABLE MANNER ON THE BASIS OF PATRONAGE (I.E. PURCHASES). ADDITIONALLY, THE ALLOCATION OF PATRONAGE DIVIDENDS SHOULD BE MADE WITHIN A REASONABLE TIME PERIOD AFTER THE CLOSE OF THE COOPERATIVE'S YEAR-END OF DECEMBER 31. EACH ONE OF THESE REQUIREMENTS FOR A TRUE PATRONAGE DIVIDEND IS PROVIDED FOR IN THE NON-PROFIT OPERATION ARTICLE OF THE COOPERATIVE'S BYLAWS. THE AMOUNT REPORTED ON PART IX, LINE 4 REPRESENTS THE AMOUNT OF PATRONAGE CAPITAL THAT IS EITHER ALLOCATED OR TO BE ALLOCATED TO THE PATRONS RESULTING FROM THEIR PURCHASE OF ELECTRICITY FROM THE COOPERATIVE FOR THE 2018 CALENDAR YEAR. BECAUSE PATRONAGE DIVIDENDS ARE THE PROCESS BY WHICH THE COOPERATIVE OPERATES AT COST WITH ITS PATRONS AND THEREBY A KEY COMPONENT TO ACCOMPLISHING ITS EXEMPT PURPOSE, THE COOPERATIVE HAS REPORTED SUCH AMOUNTS AS AN EXPENSE FOR FORM 990 REPORTING. PATRONAGE DIVIDENDS ARE NOT AN EXPENSE FOR FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, HOWEVER.</p>

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART IX, LINES 5-7	SALARIES AND WAGES ARE ALLOCATED TO ASSET, LIABILITY, AND EXPENSE ACCOUNTS BASED ON THE ACCOUNTING SYSTEM DESCRIBED ABOVE THE FOLLOWING SCHEDULE RECONCILES AMOUNTS REPORTED ON LINES 5-7 TO TOTAL WAGES ACCRUED AND/OR PAID TOTAL PER LINES 5-7 \$ 3,301,217 LESS DIRECTOR FEES REPORTED ON FORMS 1099-MISC (202,506) LESS EMPLOYEE OFFICER BENEFITS INCLUDED IN LINE 5 (177,140) PLUS SALARIES AND WAGES CAPITALIZED DIRECTLY TO PLANT 1,497,893 PLUS SALARIES AND WAGES CAPITALIZED/EXPENSED INDIRECTLY THROUGH CLEARING AND OTHER ACCOUNTS 129,881 TOTAL WAGES ACCRUED AND/OR PAID \$ 4,549,345

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART IX, LINE 24	ADMINISTRATIVE & GENERAL EXPENSE IS COMPRISED OF THE FOLLOWING ADMINISTRATIVE & GENERAL \$ 1,299,513 OFFICE SUPPLIES 138,884 OUTSIDE SERVICES 86,294 INSURANCES 64,782 DIRECTORS 252 ,126 ANNUAL MEETING 13,453 MISCELLANEOUS GENERAL 106,517 REGULATORY COMMISSION 56,156 MAIN TENANCE OF GENERAL PLANT 127,235 TOTAL ADMIN & GENERAL EXP PER FINANCIAL STATEMENTS \$ 2,144,960 LESS RECLASS OF DIRECTOR FEES TO PART IX, LINE 5 (202,506) LESS RECLASS OF LABOR T O PART IX, LINES 5 & 7 (857,541) LESS RECLASS OF BENEFITS TO PART IX, LINES 8-10 (623,482 ) TOTAL ADMIN & GENERAL EXPENSE PER FORM 990, PART IX \$ 461,431

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART IX, LINE 24E	OTHER EXPENSES IS COMPRISED OF THE FOLLOWING CONSUMER ACCOUNTS \$ 395,004 CUSTOMER SERVICE AND INFORMATION 74,719 OTHER DEDUCTIONS 26,051 TRANSMISSION EXPENSE 5,426 TOTAL OTHER EXPENSES PER FORM 990, PART IX \$ 501,200

**990 Schedule O, Supplemental Information**

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART XI, LINE 9	PATRONAGE CAPITAL ASSIGNABLE 3,648,847 PATRONAGE CAPITAL RETIRED -1,604,829 UNCLAIMED PATRONAGE CAPITAL RETIREMENTS RETAINED PER STATE LAW 414,253 NET CHANGE IN MEMBERSHIPS 1,330 OTHER COMPREHENSIVE INCOME PROVISION FOR POST-RETIREMENT BENEFIT OBLIGATION 25,859