

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 for instructions and the latest information.

A For the **2018** calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization SOUTHWESTERN ELECTRIC COOPERATIVE INC. Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 525 US ROUTE 40 City or town, state or province, country, and ZIP or foreign postal code GREENVILLE, IL 62246 F Name and address of principal officer: BOBBY WILLIAMS, JR SAME AS C ABOVE	D Employer identification number 37-0525575 E Telephone number 618-664-5962 G Gross receipts \$ 61,880,320. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
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		
J Website: ▶ WWW.SWECI.COM		
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: 1939 M State of legal domicile: IL

Part I Summary

	1 Briefly describe the organization's mission or most significant activities: AN ELECTRIC COOPERATIVE THAT PROVIDES ELECTRIC DISTRIBUTION SERVICE TO ITS MEMBERS.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
Activities & Governance	3 Number of voting members of the governing body (Part VI, line 1a)	3	9
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	79
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	b Net unrelated business taxable income from Form 990-T, line 38	7b	0.
	Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year
9 Program service revenue (Part VIII, line 2g)		0.	0.
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		53,815,941.	60,263,464.
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		63,260.	83,582.
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		1,357,531.	1,533,274.
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		55,236,732.	61,880,320.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	26,235.	26,658.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	495,573.	2,075,980.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	1,246,847.	861,307.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	52,416,855.	57,693,293.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	54,185,510.	60,657,238.	
19 Revenue less expenses. Subtract line 18 from line 12	1,051,222.	1,223,082.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	155,203,393.	157,948,344.
	22 Net assets or fund balances. Subtract line 21 from line 20	110,600,594.	110,643,666.
		44,602,799.	47,304,678.

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: 8-19-19
	Type or print name and title: REBECCA JACOBSON, CFO	

Paid Preparer Use Only	Print/Type preparer's name CRAIG POPENHAGEN	Preparer's signature CRAIG POPENHAGEN	Date 07/22/19	Check if self-employed <input type="checkbox"/>	PTIN P01587689
	Firm's name ▶ CLIFTONLARSONALLEN LLP	Firm's EIN ▶ 41-0746479			
	Firm's address ▶ 2689 COMMERCE DRIVE. NW, SUITE 201 ROCHESTER, MN 55901		Phone no. 507-280-2300		

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: THE CORPORATE PURPOSE AND GOAL IS, IN ACCORDANCE WITH AND THROUGH THE AUTHORITY GRANTED BY THE LAWS OF THE STATE OF ILLINOIS AND THE COOPERATIVE'S ARTICLES OF INCORPORATION AND BYLAWS, TO PROVIDE ENERGY AND OTHER SERVICES TO ITS MEMBERS AT THE LOWEST COST CONSISTENT WITH

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 [X] 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 [X] 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 \$) THE COOPERATIVE PROVIDES ELECTRIC SERVICE TO 23,215 MEMBERS IN BOND, MADISON, AND FAYETTE COUNTIES IN ILLINOIS.

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

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>		X
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
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? <i>If "Yes," complete Schedule C, Part II</i>		
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? <i>If "Yes," complete Schedule C, Part III</i>		X
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? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
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? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
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? <i>If "Yes," complete Schedule D, Part VI</i>	X	
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? <i>If "Yes," complete Schedule D, Part VII</i>		X
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? <i>If "Yes," complete Schedule D, Part VIII</i>		X
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? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	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)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
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? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
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? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question, Yes, No. Rows 22-38 detailing various organizational requirements and compliance checks.

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

Table with 3 columns: Question, Yes, No. Rows 1a-1c regarding Form 1096, Forms W-2G, and backup withholding rules.

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

Form with questions 2a through 16 and columns for Yes/No. Includes fields for employee count (79), gross receipts (6,267,483.7), and other financial data.

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

X

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include 1a, 1b, 2, 3, 4, 5, 6, 7a, 7b, 8a, 8b, 9.

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, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed NONE
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.
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

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 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) ANN SCHWARM PRESIDENT	7.50	X		X				23,402.	0.	0.
(2) ALAN LIBBRA DIRECTOR - PART YEAR	2.20	X						16,411.	0.	0.
(3) SANDRA GRAPPERHAUS VICE PRESIDENT	4.50	X		X				22,802.	0.	0.
(4) SANDRA NEVINGER TREASURER	5.80	X		X				22,902.	0.	0.
(5) RICHARD GUSEWELL DIRECTOR	4.90	X						23,287.	0.	0.
(6) THEODORE WILLMAN DIRECTOR	3.30	X						22,402.	0.	0.
(7) RANDALL WOLF DIRECTOR - PART YEAR	2.20	X						17,213.	0.	0.
(8) RONALD SCHAUFELBERGER DIRECTOR - PART YEAR	1.90	X						16,275.	0.	1,098.
(9) ANNETTE HARTLIEB SECRETARY	5.40	X		X				23,402.	0.	0.
(10) JARED STINE DIRECTOR AS OF 12/20/2018	0.01	X						0.	0.	0.
(11) JERRY GAFFNER DIRECTOR	4.50	X						6,191.	0.	0.
(12) WILLIAM JENNINGS DIRECTOR	3.50	X						6,191.	0.	0.
(13) CHARLES JEWELL SENIOR ADVISOR - PART YEAR	40.00			X				119,476.	0.	94,144.
(14) BOBBY WILLIAMS CEO	40.00			X				201,360.	0.	70,776.
(15) REBECCA JACOBSON CFO	40.00			X				129,005.	0.	32,970.
(16) ANDREW JONES VP BUSINESS DEVELOPMENT	40.00					X		150,600.	0.	86,449.
(17) CHRISTOPHER BOTULINSKI VP OF ENGINEERING	40.00					X		149,018.	0.	53,295.

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 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			
(18) MICHAEL WILLMAN VP OF OPERATIONS	40.00					X	143,154.	0.	75,750.	
(19) RICHARD MERSINGER MAINTENANCE FOREMAN	40.00					X	140,115.	0.	86,673.	
(20) LEO DUBLO CONSTRUCTION FOREMAN	40.00					X	138,006.	0.	35,429.	
(21) BARBARA TEDRICK DIRECTOR - FORMER	0.01					X	12,000.	0.	0.	
1b Sub-total							1,383,212.	0.	536,584.	
c Total from continuation sheets to Part VII, Section A							0.	0.	0.	
d Total (add lines 1b and 1c)							1,383,212.	0.	536,584.	

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 **▶**

34

- 3** Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? *If "Yes," complete Schedule J for such individual*
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*

	Yes	No
3	X	
4	X	
5		X

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
ASPLUNDH TREE EXPERT COMPANY 1700 SOLUTIONS CENTER, CHICAGO, IL 60677	RIGHT OF WAY CLEARANCE	1,338,495.
JF ELECTRIC INC PO BOX 570, EDWARDSVILLE, IL 62025	ELECTRICAL CONTRACTING	908,636.
L. KEELEY CONSTRUCTION, 500 S EWING AVE. SUITE G, ST. LOUIS, MO 63103	SUBSTATION CONSTRUCTION CONTRAC	484,794.
TOTH & ASSOCIATES, INC., 830 E PRIMROSE SUITE 200, SPRINGFIELD, MO 65807	ENGINEERING SERVICES	203,236.
USIC LOCATING SERVICES PO BOX 713359, CINCINNATI, OH 45271	JULIE CALL LOCATIONS	162,299.

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 **▶**

5

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	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f					
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f						
Program Service Revenue	2 a SALE OF POWER	Business Code 221000	60,263,464.	60,263,464.			
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f		60,263,464.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		83,582.			83,582.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	(ii) Personal				
		b Less: rental expenses					
		c Rental income or (loss)					
		d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less: cost or other basis and sales expenses					
		c Gain or (loss)					
		d Net gain or (loss)					
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
		b Less: direct expenses	b				
		c Net income or (loss) from fundraising events					
	9 a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses		b					
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue			Business Code				
11 a CAPITAL CREDITS		900099	1,038,428.	1,038,428.			
	b FORFEITED DISCOUNTS & SERVICE REV		900099	393,774.	393,774.		
	c MISCELLANEOUS INCOME		221000	101,072.	101,072.		
	d All other revenue						
e Total. Add lines 11a-11d			1,533,274.				
12 Total revenue. See instructions			61,880,320.	61,796,738.	0.	83,582.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	16,658.			
2 Grants and other assistance to domestic individuals. See Part IV, line 22	10,000.			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members	2,075,980.			
5 Compensation of current officers, directors, trustees, and key employees	861,307.			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)				
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	3,811,063.			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	5,151,760.			
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a COST OF POWER	34,880,047.			
b DISTRIBUTION EXPENSE -	5,016,715.			
c ADMIN & GENERAL EXPENSE	4,296,594.			
d CONSUMER ACCOUNT EXPENS	1,469,620.			
e All other expenses	3,067,494.			
25 Total functional expenses. Add lines 1 through 24e	60,657,238.			
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	-381,874.	1	4,903,853.
	2	Savings and temporary cash investments	4,792,755.	2	321,980.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	5,510,074.	4	5,677,737.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net	48,779.	7	853,668.
	8	Inventories for sale or use	1,361,658.	8	1,564,402.
	9	Prepaid expenses and deferred charges	545,659.	9	577,626.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 190,465,275.		
	b	Less: accumulated depreciation	10b 55,901,747.	10c	134,563,528.
	11	Investments - publicly traded securities	353,514.	11	228,120.
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11	3,261,036.	13	3,490,840.
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	8,544,865.	15	5,766,590.
16	Total assets. Add lines 1 through 15 (must equal line 34)	155,203,393.	16	157,948,344.	
Liabilities	17	Accounts payable and accrued expenses	4,327,255.	17	5,746,687.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	88,307,647.	23	88,893,391.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	17,965,692.	25	16,003,588.
	26	Total liabilities. Add lines 17 through 25	110,600,594.	26	110,643,666.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets		27	
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds	0.	30	0.
	31	Paid-in or capital surplus, or land, building, or equipment fund	0.	31	0.
	32	Retained earnings, endowment, accumulated income, or other funds	44,602,799.	32	47,304,678.
33	Total net assets or fund balances	44,602,799.	33	47,304,678.	
34	Total liabilities and net assets/fund balances	155,203,393.	34	157,948,344.	

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	61,880,320.
2	Total expenses (must equal Part IX, column (A), line 25)	2	60,657,238.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,223,082.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	44,602,799.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	1,478,797.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	47,304,678.

Part XII Financial Statements and Reporting

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

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:		
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
b Were the organization's financial statements audited by an independent accountant?	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:		
<input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
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?	X	
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?		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**
▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization

SOUTHWESTERN ELECTRIC COOPERATIVE INC.

Employer identification number

37-0525575

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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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?		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

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

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

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

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

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

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

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

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

Yes No

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

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

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

Yes No

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

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

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

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

(i) Revenue included on Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

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

a Revenue included on Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

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

Schedule D (Form 990) 2018

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
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No

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

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

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

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

- a** Board designated or quasi-endowment _____ %
- b** Permanent endowment _____ %
- c** Temporarily restricted endowment _____ %

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

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b	

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

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		688,383.		688,383.
b Buildings		3,597,600.	1,083,737.	2,513,863.
c Leasehold improvements				
d Equipment		176,197,429.	53,077,497.	123,119,932.
e Other		9,981,863.	1,740,513.	8,241,350.

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) ▶ 134,563,528.

Part VII Investments - Other Securities.

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

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

Part VIII Investments - Program Related.

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

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

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

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

Part X Other Liabilities.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ACCUMULATED OPERATING PROVISIONS	2,892,936.
(3) ACCUMULATED PROVISION FOR PENSION	
(4) & BENEFITS	228,120.
(5) CONSUMER DEPOSITS	766,123.
(6) DEFERRED CREDITS	12,116,409.
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶ 16,003,588.	

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	61,880,320.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	0.
3	Subtract line 2e from line 1		3	61,880,320.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5	61,880,320.

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	58,581,258.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	0.
3	Subtract line 2e from line 1		3	58,581,258.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b	2,075,980.	
c	Add lines 4a and 4b		4c	2,075,980.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5	60,657,238.

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, LINE 2:

THE COOPERATIVE IS EXEMPT FROM INCOME TAXES UNDER SECTION 501(C)(12) OF THE INTERNAL REVENUE CODE (THE CODE).

THE COOPERATIVE EVALUATED ITS TAX POSITIONS AND DETERMINED THAT IT HAS NO UNCERTAIN TAX POSITIONS AS OF DECEMBER 31, 2018 AND 2017.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

PATRONAGE DIVIDENDS ALLOCATED 2,075,980.

Part XIII Supplemental Information *(continued)*

Lined area for supplemental information.

**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 for the latest information.

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Name of the organization

SOUTHWESTERN ELECTRIC COOPERATIVE INC.

Employer identification number

37-0525575

Part I General Information on Grants and Assistance

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

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
ANDERSON HOSPITAL FOUNDATION 6800 STATE ROUTE 162 MARYVILLE , IL 62062	27-4548522	501(C)(3)	5,500.	0.			THE COOPERATIVE SPONSORS A TABLE AT THE ANNUAL CHARITY AUCTION AND A TEAM AT THE ANNUAL

- 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 ▶ _____

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

Schedule I (Form 990) (2018)

SEE PART IV FOR COLUMN (H) DESCRIPTIONS

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 non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
COLLEGE SCHOLARSHIPS	10	10,000.	0.		

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

PART I, LINE 2:

FUNDS ARE GIVEN TO QUALIFYING RECIPIENTS THAT HAVE EFFECTIVE OVERSIGHT IN THE USE OF THE ASSISTANCE GIVEN. THE BOARD OF DIRECTORS ALSO FOLLOWS UP WITH THE RECIPIENTS TO ENSURE THAT THE FUNDS ARE BEING USED APPROPRIATELY.

PART II, LINE 1, COLUMN (H):

NAME OF ORGANIZATION OR GOVERNMENT: ANDERSON HOSPITAL FOUNDATION

(H) PURPOSE OF GRANT OR ASSISTANCE: THE COOPERATIVE SPONSORS A TABLE AT THE ANNUAL CHARITY AUCTION AND A TEAM AT THE ANNUAL CHARITY GOLF

Part IV Supplemental Information

TOURNAMENT

Lined area for supplemental information.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2018

**Open to Public
Inspection**

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 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization

SOUTHWESTERN ELECTRIC COOPERATIVE INC.

Employer identification number

37-0525575

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 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) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|---|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input checked="" 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.

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.

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.

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

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

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

	Yes	No
1a		
1b		
2		
3		
4a		X
4b	X	
4c		X
5a		
5b		
6a		
6b		
7		
8		
9		

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

Schedule J (Form 990) 2018

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) CHARLES JEWELL SENIOR ADVISOR - PART YEAR	(i)	38,266.	0.	81,210.	89,966.	4,178.	213,620.	18,031.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) BOBBY WILLIAMS CEO	(i)	193,187.	0.	8,173.	49,735.	21,041.	272,136.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) REBECCA JACOBSON CFO	(i)	128,773.	0.	232.	10,322.	22,648.	161,975.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) ANDREW JONES VP BUSINESS DEVELOPMENT	(i)	141,469.	0.	9,131.	65,578.	20,871.	237,049.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) CHRISTOPHER BOTULINSKI VP OF ENGINEERING	(i)	139,751.	1,000.	8,267.	30,525.	22,770.	202,313.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) MICHAEL WILLMAN VP OF OPERATIONS	(i)	134,681.	0.	8,473.	54,917.	20,833.	218,904.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) RICHARD MERSINGER MAINTENANCE FOREMAN	(i)	139,796.	0.	319.	56,403.	30,270.	226,788.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) LEO DUBLO CONSTRUCTION FOREMAN	(i)	137,843.	0.	163.	15,865.	19,564.	173,435.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) BARBARA TEDRICK DIRECTOR - FORMER	(i)	12,000.	0.	0.	0.	0.	12,000.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

PART I, LINE 4B:

FORMER SENIOR ADVISOR, CHARLES JEWELL, RECEIVED A PAYMENT FROM A 457(B)

PLAN OF \$18,031.

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 for instructions and the latest information.**

Name of the organization

SOUTHWESTERN ELECTRIC COOPERATIVE INC.

Employer identification number

37-0525575

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

- 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

Total ▶ \$ _____

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

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
KERRY SLOAN DBA MANAGEMENT	FORMER CEO	59,500.	CONSULTING		X

Part V Supplemental Information.

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

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF INTERESTED PERSON:

KERRY SLOAN DBA MANAGEMENT CONSULTING SERVICES

(D) DESCRIPTION OF TRANSACTION: CONSULTING

CONSULTING SERVICES PERFORMED IN DEC '17 WERE PAID IN JAN '18. NO

CONSULTING SERVICES WERE PERFORMED IN 2018.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization

SOUTHWESTERN ELECTRIC COOPERATIVE INC.

Employer identification number

37-0525575

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

PRUDENT UTILITY PRACTICES.

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

MEMBERSHIP IS REQUIRED. ANY PERSON WHO MEETS THE QUALIFICATIONS FOR
MEMBERSHIP, AS OUTLINED IN SECTION 2 OF THE BYLAWS, HAS THE RIGHT TO
PARTICIPATE IN THE ORGANIZATION'S GOVERNANCE OR TO RECEIVE DISTRIBUTION OF
INCOME OR ASSETS FROM THE ORGANIZATION.

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

PER SECTION 2(A)(2) OF THE BYLAWS "MEMBERS SHALL BE ENTITLED TO VOTE AT ANY
MEETING OF THE COOPERATIVE AND SHALL BE ENTITLED TO BE ELECTED A DIRECTOR
OF THE COOPERATIVE SUBJECT TO COMPLIANCE WITH THE QUALIFICATIONS STATED IN
SECTION 5".

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

SECTION 4(C) OF THE BYLAWS COVERS VOTING ON ISSUES DULY PRESENTED TO THE
MEMBERS.

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

THE 990 IS PREPARED BY THE INDEPENDENT ACCOUNTING FIRM WITH ASSISTANCE FROM
THE CFO, REVIEWED AND APPROVED BY THE CEO AND CFO, AND THEN PRESENTED TO
THE BOARD FOR APPROVAL PRIOR TO FILING.

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

BY THE INHERENT INTIMATE NATURE AMONG ITS MEMBERS, THE BOARD REGULARLY

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

Schedule O (Form 990 or 990-EZ) (2018)

832211 10-10-18

Name of the organization

SOUTHWESTERN ELECTRIC COOPERATIVE INC.

Employer identification number

37-0525575

MONITORS THIS POLICY THROUGH DISCUSSION AND INTERACTION WITH THE PUBLIC AND THE MEMBERS OF THE COOPERATIVE.

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

THE COOPERATIVE PARTICIPATES ANNUALLY IN A NATIONAL COMPENSATION STUDY CONDUCTED BY NRECA IN ORDER TO MONITOR AND COMPARE THE RATE OF COMPENSATION FOR ITS CEO. THE BOARD OF DIRECTORS EVALUATES THE PERFORMANCE OF THE CEO AND DETERMINES THE RATE OF COMPENSATION.

THE CEO AND A COMPENSATION COMMITTEE SETS THE STAFF SALARIES USING DATA FROM THE NATIONAL COMPENSATION STUDY CONDUCTED BY THE NRECA.

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

THE COOPERATIVE MAKES GOVERNING DOCUMENTS AND POLICIES AVAILABLE TO ITS MEMBERS UPON REQUEST AT THE CORPORATE HEADQUARTERS. THE COOPERATIVE ALSO PLACES BYLAWS/MEMBER GUIDES AND FINANCIALS ON ITS WEBSITE FOR INSPECTION.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

CAPITAL CREDITS RETIRED	-729,178.
OTHER ADJUSTMENTS	131,995.
PATRONAGE DIVIDENDS ALLOCATED	2,075,980.
TOTAL TO FORM 990, PART XI, LINE 9	1,478,797.

FORM 990, PART IX, LINE 4

THE IRS INSTRUCTIONS STATE THAT PATRONAGE DIVIDENDS PAID BY SECTION 501(C)(12) ORGANIZATIONS TO THEIR MEMBERS SHOULD BE REPORTED ON LINE 4. THE ORGANIZATION HAS INTERPRETED PATRONAGE DIVIDENDS PAID TO MEAN PATRONAGE DIVIDENDS ALLOCATED OR TO BE ALLOCATED FOR THE CURRENT YEAR.

Name of the organization

SOUTHWESTERN ELECTRIC COOPERATIVE INC.

Employer identification number

37-0525575

SINCE THIS ALLOCATION IS NOT AN EXPENSE UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP), THIS HAS RESULTED IN A RECONCILING ITEM TO NET ASSETS IN PART XI, ON PAGE 12 OF THE FORM 990.

FORM 990, PART XII, LINE 2C

THE PROCESS FOR OVERSIGHT OF THE ANNUAL FINANCIAL STATEMENT AUDIT AND SELECTION OF AN INDEPENDENT ACCOUNTANT HAS NOT CHANGED.