

**2017 TAX RETURN**

Government Copy

**Client:** KY30-990

**Prepared for:** Shelby Energy Cooperative  
620 Old Finchville Road  
Shelbyville, KY 40065  
502-633-4420

**Prepared by:** Alan Zumstein  
ALAN ZUMSTEIN  
1032 CHETFORD DRIVE  
LEXINGTON, KY 40509  
(859) 264-7147

**Date:** April 2, 2018

**Comments:**

**Route to:** \_\_\_\_\_

**ALAN ZUMSTEIN  
1032 CHETFORD DRIVE  
LEXINGTON, KY 40509  
(859) 264-7147**

April 2, 2018

Shelby Energy Cooperative  
620 Old Finchville Road  
Shelbyville, KY 40065

Dear Client:

Your 2017 Federal Return of Organization Exempt from Income Tax will be electronically filed with the Internal Revenue Service upon receipt of a signed Form 8879-EO - IRS e-file Signature Authorization. No tax is payable with the filing of this return.

Enclosed is your 2017 Federal Exempt Organization Business Income Tax Return. The original should be signed at the bottom of page two. No tax is payable with the filing of this return. Mail your Federal return on or before May 15, 2018 to:

DEPARTMENT OF TREASURY  
INTERNAL REVENUE SERVICE  
OGDEN, UT 84201-0027

Your estimated tax schedule for 2018 is listed below:

Due Date		990-T
4/17/18	\$	10,000
6/15/18		10,000
9/17/18		10,000
12/17/18		10,000
		-----
	\$	40,000

All federal estimated tax payments must be electronically deposited through the Electronic Federal Tax Payment System (EFTPS).

Please be sure to call us if you have any questions.

Sincerely,

Alan Zumstein

**ALAN ZUMSTEIN**  
1032 CHETFORD DRIVE  
LEXINGTON, KY 40509  
(859) 264-7147

Client KY30-990  
April 2, 2018

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**Shelby Energy Cooperative**  
620 Old Finchville Road  
Shelbyville, KY 40065  
502-633-4420

**FEDERAL FORMS**

Form 990	2017 Return of Organization Exempt from Income Tax
Schedule D	Schedule D
Schedule J	Schedule J
Schedule O	Supplemental Information
Form 990-T	2017 Exempt Organization Bus. Income Tax Return
Form 8879-EO	IRS e-file Signature Authorization

**FEE SUMMARY**

Preparation Fee

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**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.

**2017**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

**A For the 2017 calendar year, or tax year beginning** , 2017, and ending ,

<b>B</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	<b>C</b> <b>Shelby Energy Cooperative</b> 620 Old Finchville Road Shelbyville, KY 40065		<b>D</b> Employer identification number 61-0337665
	<b>F</b> Name and address of principal officer: Same As C Above		<b>E</b> Telephone number 502-633-4420
<b>I</b> 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		<b>G</b> Gross receipts \$ 45,316,764.	
<b>J</b> Website: ▶ <a href="http://www.shelbyenergy.com">www.shelbyenergy.com</a>		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If 'No,' attach a list. (see instructions)	
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: 1937	<b>M</b> State of legal domicile: KY
<b>H(c)</b> Group exemption number ▶			

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: Provide electric service to member owners on a patronage basis. Provide electric service to over 16,100 consumers monthly.		
	<b>2</b> Check this box <input type="checkbox"/> 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>	6
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) .....	<b>4</b>	6
	<b>5</b> Total number of individuals employed in calendar year 2017 (Part V, line 2a) .....	<b>5</b>	46
	<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>b</b> Net unrelated business taxable income from Form 990-T, line 34 .....	<b>7b</b>	0.	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h) .....	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g) .....	44,361,564.	43,637,904.
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) .....	38,060.	34,739.
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) .....	2,561,117.	1,644,121.
	<b>12</b> Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12) .....	46,960,741.	45,316,764.
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) .....		
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) .....	1,550,088.	960,341.
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) .....	2,803,163.	2,700,893.
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) .....		
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ .....		
<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) .....	42,607,490.	41,655,530.	
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) .....	46,960,741.	45,316,764.	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12 .....		0.	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16) .....	<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26) .....	105,762,179.	110,047,493.
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20 .....	64,101,783.	67,229,178.
		41,660,396.	42,818,315.

**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.

<b>Sign Here</b>	Signature of officer <b>Debra J. Martin</b>	Date President & CEO			
	Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>Alan Zumstein</b>	Preparer's signature <b>Alan Zumstein</b>	Date	Check <input checked="" type="checkbox"/> if self-employed	PTIN <b>P00641130</b>
	Firm's name ▶ <b>ALAN ZUMSTEIN</b>	Firm's EIN ▶ <b>35-1877201</b>		Phone no. <b>(859) 264-7147</b>	
	Firm's address ▶ <b>1032 CHETFORD DRIVE LEXINGTON, KY 40509</b>				

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

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

Provide electric service to member owners on a patronage basis. Provide electric service to over 16,100 consumers monthly.

**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 \$ 44,356,423. including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

Provide electric service to member owners on a patronage basis. Provides electric service to over 16,100 consumers monthly.

**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 **▶** 44,356,423.

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> 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
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? .....		X
<b>3</b> 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
<b>4 Section 501(c)(3) organizations.</b> 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> .....		
<b>5</b> 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
<b>6</b> 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
<b>7</b> 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
<b>8</b> 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
<b>9</b> 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
<b>10</b> 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
<b>11</b> 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.		
<b>a</b> 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>b</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
<b>c</b> 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	
<b>d</b> 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
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If 'Yes,' complete Schedule D, Part X.</i> .....	X	
<b>f</b> 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
<b>12a</b> 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>b</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
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If 'Yes,' complete Schedule E.</i> .....		X
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? .....		X
<b>b</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
<b>15</b> 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
<b>16</b> 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
<b>17</b> 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> (see instructions). .....		X
<b>18</b> 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
<b>19</b> 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

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

	Yes	No
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If 'Yes,' complete Schedule H.</i> .....		X
<b>b</b> If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return? .....		
<b>21</b> 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
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III.</i> .....		X
<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> .....	X	
<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> .....		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
<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? .....		
<b>d</b> Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year? .....		
<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> .....		
<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> .....		
<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> .....		X
<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> .....		X
<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> .....		X
<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> .....		X
<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> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M.</i> .....		X
<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> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I.</i> .....		X
<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> .....		X
<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> .....		X
<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> .....		X
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....		X
<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> .....		
<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> .....		
<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> .....		X
<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. ....	X	

BAA

Form 990 (2017)

**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>1 a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. <span style="float:right">44</span>		
<b>1 b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. <span style="float:right">0</span>		
<b>1 c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
<b>2 a</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. <span style="float:right">46</span>		
<b>2 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)	X	
<b>3 a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
<b>3 b</b>	If 'Yes,' has it filed a Form 990-T for this year? If 'No' to line 3b, provide an explanation in Schedule O.		
<b>4 a</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)?		X
<b>4 b</b>	If 'Yes,' enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
<b>5 a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
<b>5 b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>5 c</b>	If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?		
<b>6 a</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?		X
<b>6 b</b>	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>7 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>7 b</b>	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		
<b>7 c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		
<b>7 d</b>	If 'Yes,' indicate the number of Forms 8282 filed during the year. <span style="float:right"></span>		
<b>7 e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
<b>7 f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
<b>7 g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
<b>7 h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>9 a</b>	Did the sponsoring organization make any taxable distributions under section 4966?		
<b>9 b</b>	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>10 a</b>	Initiation fees and capital contributions included on Part VIII, line 12. <span style="float:right"></span>		
<b>10 b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. <span style="float:right"></span>		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>11 a</b>	Gross income from members or shareholders. <span style="float:right">43,637,904.</span>		
<b>11 b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) <span style="float:right">564,790.</span>		
<b>12 a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>12 b</b>	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year. <span style="float:right"></span>		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>13 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>13 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. <span style="float:right"></span>		
<b>13 c</b>	Enter the amount of reserves on hand. <span style="float:right"></span>		
<b>14 a</b>	Did the organization receive any payments for indoor tanning services during the tax year?		X
<b>14 b</b>	If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O.		



**Part VI Governance, Management, and Disclosure** For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

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

**Section A. Governing Body and Management**

		Yes	No
<b>1 a</b>	Enter the number of voting members of the governing body at the end of the tax year. . . . . <b>1 a</b> 6 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>1 b</b>	Enter the number of voting members included in line 1a, above, who are independent. . . . . <b>1 b</b> 6		
<b>2</b>	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? . . . . .		X
<b>3</b>	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? . . . . .		X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .		X
<b>6</b>	Did the organization have members or stockholders? . . . . . See Schedule O	X	
<b>7 a</b>	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? . . . . . See Schedule O	X	
<b>7 b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . . See Sch O	X	
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8 a</b>	a The governing body? . . . . .	X	
<b>8 b</b>	b Each committee with authority to act on behalf of the governing body? . . . . .	X	
<b>9</b>	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. . . . .		X

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

		Yes	No
<b>10 a</b>	Did the organization have local chapters, branches, or affiliates? . . . . .		X
<b>10 b</b>	If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . . .		
<b>11 a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .	X	
<b>11 b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990. See Schedule O		
<b>12 a</b>	Did the organization have a written conflict of interest policy? If 'No,' go to line 13. . . . .	X	
<b>12 b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	X	
<b>12 c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this was done. . . . . See Schedule O	X	
<b>13</b>	Did the organization have a written whistleblower policy? . . . . .	X	
<b>14</b>	Did the organization have a written document retention and destruction policy? . . . . .	X	
<b>15</b>	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?		
<b>15 a</b>	a The organization's CEO, Executive Director, or top management official. See Schedule O	X	
<b>15 b</b>	b Other officers or key employees of the organization. See Schedule O	X	
	If 'Yes' to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16 a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .		X
<b>16 b</b>	If 'Yes,' did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .		

**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 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website     Another's website     Upon request     Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year. See Schedule O
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: ▶  
Jared Routh, SVP, Fin/Coop Svc 620 Old Finchville Road Shelbyville KY 40065 502-633-4

**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**

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Pat Hargadon Director	2 0	X					16,316.	0.	0.	
(2) Ashley Chilton Chairman	2 0	X		X			15,607.	0.	0.	
(3) Roger Taylor Sec/Treas	2 0	X		X			15,616.	0.	0.	
(4) Diana Arnold Director	2 0	X					15,916.	0.	0.	
(5) Wayne Stratton Director	2 0	X					15,616.	0.	0.	
(6) Jeffery Joyce Director	2 0	X					3,904.	0.	0.	
(7) Debra J. Martin President & CEO	58 0				X		142,300.	0.	7,662.	
(8) Jason Ginn VP, Operations/Eng	50 0					X	111,267.	0.	42,122.	
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(15) -----									
(16) -----									
(17) -----									
(18) -----									
(19) -----									
(20) -----									
(21) -----									
(22) -----									
(23) -----									
(24) -----									
(25) -----									

<b>1 b Sub-total</b> .....	336,542.	0.	49,784.
<b>c Total from continuation sheets to Part VII, Section A</b> .....	0.	0.	0.
<b>d Total (add lines 1b and 1c)</b> .....	336,542.	0.	49,784.

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 ▶ 2

	Yes	No
3 Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If 'Yes,' complete Schedule J for such individual.</i> .....	3	X
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? <i>If 'Yes,' complete Schedule J for such individual.</i> .....	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If 'Yes,' complete Schedule J for such person.</i> .....	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

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 ▶ 0

**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>1 a</b> Federated campaigns .....	<b>1 a</b>				
	<b>b</b> Membership dues .....	<b>1 b</b>				
	<b>c</b> Fundraising events .....	<b>1 c</b>				
	<b>d</b> Related organizations .....	<b>1 d</b>				
	<b>e</b> Government grants (contributions) .....	<b>1 e</b>				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above .....	<b>1 f</b>				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$ .....					
	<b>h Total.</b> Add lines 1a-1f .....					
<b>Program Service Revenue</b>	<b>Business Code</b>					
	<b>2 a</b> <u>Electric service</u> .....	221000	43,637,904.	43,637,904.		
	<b>b</b> .....					
	<b>c</b> .....					
	<b>d</b> .....					
	<b>e</b> .....					
	<b>f</b> All other program service revenue .....					
	<b>g Total.</b> Add lines 2a-2f .....		43,637,904.			
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest and other similar amounts) .....		34,739.		34,739.	
	<b>4</b> Income from investment of tax-exempt bond proceeds .....					
	<b>5</b> Royalties .....					
	<b>6 a</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>7 a</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>8 a</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>9 a</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>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>a</b>					
	<b>b</b> Less: cost of goods sold .....	<b>b</b>				
	<b>c</b> Net income or (loss) from sales of inventory .....					
<b>Miscellaneous Revenue</b>		<b>Business Code</b>				
<b>11 a</b> <u>G&amp;T capital credits</u> .....	221000	1,114,070.		1,114,070.		
<b>b</b> <u>Joint use rents</u> .....	221000	355,581.		355,581.		
<b>c</b> <u>Patronage assoc organs</u> .....	221000	124,161.		124,161.		
<b>d</b> All other revenue .....	<b>WKS</b>	50,309.		50,309.		
<b>e Total.</b> Add lines 11a-11d .....		1,644,121.				
<b>12 Total revenue.</b> See instructions .....		45,316,764.	43,637,904.	0.	1,678,860.	

**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.....				
<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, lines 15 and 16.....				
<b>4</b> Benefits paid to or for members.....	960,341.	960,341.		
<b>5</b> Compensation of current officers, directors, trustees, and key employees.....	225,275.	225,275.	0.	0.
<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).....	0.	0.	0.	0.
<b>7</b> Other salaries and wages.....	1,814,441.	1,814,441.		
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).....	217,198.	217,198.		
<b>9</b> Other employee benefits.....	299,205.	299,205.		
<b>10</b> Payroll taxes.....	144,774.	144,774.		
<b>11</b> Fees for services (non-employees):				
<b>a</b> Management.....				
<b>b</b> Legal.....	29,844.	29,844.		
<b>c</b> Accounting.....	72,784.	72,784.		
<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.....	1,817,587.	1,817,587.		
<b>21</b> Payments to affiliates.....				
<b>22</b> Depreciation, depletion, and amortization.....	2,958,561.	2,958,561.		
<b>23</b> Insurance.....	152,490.	152,490.		
<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> <u>Purchase power</u> .....	32,429,954.	32,429,954.		
<b>b</b> <u>Distribution - maintenance</u> .....	3,193,886.	3,193,886.		
<b>c</b> <u>Distribution - operations</u> .....	1,888,097.	1,888,097.		
<b>d</b> <u>Administrative and general</u> .....	1,101,623.	1,101,623.		
<b>e</b> All other expenses.....	-1,989,296.	-1,989,296.		
<b>25</b> Total functional expenses. Add lines 1 through 24e. ....	45,316,764.	45,316,764.	0.	0.
<b>26</b> <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).....				

**Part X Balance Sheet**

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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash – non-interest-bearing.....	1,551,427.	<b>1</b>	1,683,273.
	<b>2</b> Savings and temporary cash investments.....		<b>2</b>	
	<b>3</b> Pledges and grants receivable, net.....		<b>3</b>	
	<b>4</b> Accounts receivable, net.....	4,141,947.	<b>4</b>	4,905,862.
	<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.....	669,486.	<b>8</b>	700,615.
	<b>9</b> Prepaid expenses and deferred charges.....	190,881.	<b>9</b>	229,141.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.....	<b>10a</b> 93,513,669.		
	<b>b</b> Less: accumulated depreciation.....	<b>10b</b> 17,683,024.	73,712,410.	<b>10c</b> 75,830,645.
	<b>11</b> Investments – publicly traded securities.....		<b>11</b>	
	<b>12</b> Investments – other securities. See Part IV, line 11.....	1,775,642.	<b>12</b>	1,845,736.
	<b>13</b> Investments – program-related. See Part IV, line 11.....	23,720,386.	<b>13</b>	24,852,221.
	<b>14</b> Intangible assets.....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11.....		<b>15</b>	
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34).....	105,762,179.	<b>16</b>	110,047,493.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses.....	4,404,754.	<b>17</b>	3,780,350.
	<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.....	54,066,938.	<b>23</b>	56,632,642.
	<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.....	5,630,091.	<b>25</b>	6,816,186.
	<b>26 Total liabilities.</b> Add lines 17 through 25.....	64,101,783.	<b>26</b>	67,229,178.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>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</b> <input checked="" type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds.....		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund.....		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds.....	41,660,396.	<b>32</b>	42,818,315.
	<b>33</b> Total net assets or fund balances.....	41,660,396.	<b>33</b>	42,818,315.
<b>34</b> Total liabilities and net assets/fund balances.....	105,762,179.	<b>34</b>	110,047,493.	

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Form 990 (2017)

**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>	45,316,764.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	45,316,764.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	0.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	41,660,396.
<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) <i>See Schedule O</i>	<b>9</b>	1,157,919.
<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>	42,818,315.

**Part XII Financial Statements and Reporting**

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

		Yes	No
<b>1</b>	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.			
<b>2 a</b>	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>2 b</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			
<b>2 c</b>	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.			
<b>3 a</b>	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>3 b</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.		

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Form **990** (2017)

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2017

Department of the Treasury Internal Revenue Service

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.

Open to Public Inspection

Name of the organization

Employer identification number

Shelby Energy Cooperative

61-0337665

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.

Table with 3 columns: Line number, (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4 for total number, aggregate value of contributions, aggregate value of grants, and 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?
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?

Part II Conservation Easements.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply).
Preservation of land for public use (e.g., recreation or education)
Protection of natural habitat
Preservation of open space
Preservation of a historically important land area
Preservation of a certified historic structure

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

Table with 2 columns: Description, Held at the End of the Tax Year. Rows 2a, 2b, 2c, 2d for total number, total acreage, number of easements on historic structure, and number of easements acquired after 7/25/06.

- 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?
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)?
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.

- 1 a 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.

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

2 a 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
1 a 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%.

3 a 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
1 a Land				
b Buildings				
c Leasehold improvements				
d Equipment		93,513,669.	17,683,024.	75,830,645.
e Other				
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				75,830,645.

BAA

**Part VII Investments – Other Securities.**

N/A

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) -----		
(I) -----		
<b>Total.</b> (Column (b) must equal Form 990, Part X, column (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)		
(10)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, column (B) line 13.)	24,852,221.	

**Part IX Other Assets.**

N/A

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)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, column (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

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Accrued expenses	650,244.
(3) Accumulated postretirement benefits	1,466,991.
(4) Consumer advances for construction	464,496.
(5) Customer deposits	1,541,470.
(6) Short term notes payable	2,692,985.
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, column (B) line 25.)	6,816,186.

**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>	45,316,764.
<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>2 a</b>	
	<b>b</b> Donated services and use of facilities .....	<b>2 b</b>	
	<b>c</b> Recoveries of prior year grants .....	<b>2 c</b>	
	<b>d</b> Other (Describe in Part XIII.) .....	<b>2 d</b>	
	<b>e</b> Add lines <b>2 a</b> through <b>2 d</b> .....	<b>2 e</b>	
<b>3</b>	Subtract line <b>2 e</b> from line <b>1</b> .....	<b>3</b>	45,316,764.
<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>4 a</b>	
	<b>b</b> Other (Describe in Part XIII.) .....	<b>4 b</b>	
	<b>c</b> Add lines <b>4 a</b> and <b>4 b</b> .....	<b>4 c</b>	
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4 c</b> . (This must equal Form 990, Part I, line 12.) .....	<b>5</b>	45,316,764.

**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>	45,316,764.
<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>2 a</b>	
	<b>b</b> Prior year adjustments .....	<b>2 b</b>	
	<b>c</b> Other losses .....	<b>2 c</b>	
	<b>d</b> Other (Describe in Part XIII.) .....	<b>2 d</b>	
	<b>e</b> Add lines <b>2 a</b> through <b>2 d</b> .....	<b>2 e</b>	
<b>3</b>	Subtract line <b>2 e</b> from line <b>1</b> .....	<b>3</b>	45,316,764.
<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>4 a</b>	
	<b>b</b> Other (Describe in Part XIII.) .....	<b>4 b</b>	
	<b>c</b> Add lines <b>4 a</b> and <b>4 b</b> .....	<b>4 c</b>	
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4 c</b> . (This must equal Form 990, Part I, line 18.) .....	<b>5</b>	45,316,764.

**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.

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

**2017**

▶ 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

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization **Shelby Energy Cooperative**

Employer identification number  
**61-0337665**

**Part I Questions Regarding Compensation**

**1 a** 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. Part III

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

**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. ....

	Yes	No
<b>1 b</b>	X	
<b>2</b>		
<b>4 a</b>		X
<b>4 b</b>		X
<b>4 c</b>		X
<b>5 a</b>		
<b>5 b</b>		
<b>6 a</b>		
<b>6 b</b>		
<b>7</b>		
<b>8</b>		
<b>9</b>		

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

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

- a** Receive a severance payment or change-of-control payment? .....
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....
- c** Participate in, or receive payment from, an equity-based compensation arrangement? .....
- If 'Yes' to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**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)? .....

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

**Schedule J (Form 990) 2017**

**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				
Jason Ginn 1 VP, Operations/Eng	(i)	111,267.	0.	0.	0.	42,122.	153,389.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2	(i)							
	(ii)							
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

**Part III Supplemental Information**

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

**Part 1, Line 1a - Relevant Information Regarding Compensation Benefits**

As part of the Cooperative's Health and Wellness program, it pays 75% of an employee and 50% of a family membership, in a fitness facility.

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

Department of the Treasury  
Internal Revenue Service

Name of the organization

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

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

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

OMB No. 1545-0047

**2017**

**Open to Public  
Inspection**

Shelby Energy Cooperative

Employer identification number

61-0337665

**Form 990, Part IX, Line 4 - Benefits paid to or for members**

Represents patronage capital allocated to members in accordance with the bylaws of the Cooperative. This reporting results in a difference between book and income reported on the Form 990 by the same amount.

**Form 990, Part VI, Line 6 - Explanation of Classes of Members or Shareholder**

Must be a member to receive electric service. Each member has 1 vote. May have more than 1 service per membership.

**Form 990, Part VI, Line 7a - How Members or Shareholders Elect Governing Body**

Nominating committee meets every year and a member is selected by the Committee to run for director. Any member may run for director with a petition signed by 100 or more eligible members.

**Form 990, Part VI, Line 7b - Decisions of Governing Body Approval by Members or Shareholders**

Articles of Incorporation can only be changed by a 2/3 majority vote of the members. Bylaws may be altered, amended, or repealed at any special or regular board meeting with a majority vote of the board.

**Form 990, Part VI, Line 11b - Form 990 Review Process**

The Form 990 is provided to the Board of Directors for review approximately a week before the regular board meeting is held. Members of the Board have the opportunity to ask questions prior to the meeting. The Form 990 is then placed on the agenda for review with the full Board at the regular meeting prior to being submitted to the IRS.

**Form 990, Part VI, Line 12c - Explanation of Monitoring and Enforcement of Conflicts**

Should any situation be reported or come to the attention of the Board, it would be addressed immediately. If the situation involves a key employee, it would be reported to and addressed by the President & CEO. Should the situation involve the President & CEO or a member of the Board, it would be reported to the Cooperative's

Name of the organization

Shelby Energy Cooperative

Employer identification number

61-0337665

**Form 990, Part VI, Line 12c - Explanation of Monitoring and Enforcement of Conflicts (continued)**

legal counsel. The Board is provided the applicable board policy on an annual basis to review and sign a conflict of interest statement as does management, key employees, and lead staff members.

**Form 990, Part VI, Line 15a - Compensation Review & Approval Process - CEO & Top Management**

The Board receives compensation data from both local and national surveys of electric cooperatives. The Board uses this data, along with a performance review of the CEO, to set compensation.

**Form 990, Part VI, Line 15b - Compensation Review & Approval Process - Officers & Key Employees**

The Human Resources Generalist performs an annual wage and salary study with assistance and oversight of the applicable manager. An independent human resources consultant conducts a review of the wage information assembled for all employees.

**Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available**

Articles of Incorporation and Bylaws are made available to each new member on the Cooperative's website and available upon request. Annual financial information is provided to all members in the newsletter mailed to each member, at the annual membership meeting, on the Cooperative's website, and on the Kentucky Public Service Commission website.

**Form 990, Part XI, Line 9  
Other Changes In Net Assets Or Fund Balances**

Comprehensive income-postretirement ben.....	\$	559,538.
Margins allocated to members.....		960,341.
Other equities.....		228,054.
Refunds of capital credits.....		-590,014.
	Total	<u>\$ 1,157,919.</u>



Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

2017

For calendar year 2017 or other tax year beginning \_\_\_\_\_, 2017, and ending \_\_\_\_\_,

Go to www.irs.gov/Form990T for instructions and the latest information.

Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury Internal Revenue Service

Section A: Check box if address changed; Section B: Exempt under section 501(c)(12); Section C: Book value of all assets at end of year; Section D: Employer identification number; Section E: Unrelated business activity codes; Section F: Group exemption number; Section G: Check organization type.

Section H: Describe the organization's primary unrelated business activity; Section I: During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsiary controlled group...

Section J: The books are in care of Jared Routh, SVP, Fin/Coop Svc; Telephone number 502-633-4420

Table with 4 columns: (A) Income, (B) Expenses, (C) Net. Rows 1-13 detailing gross receipts, less returns, cost of goods sold, capital gain/loss, and other income.

Table with 4 columns: (A) Income, (B) Expenses, (C) Net. Rows 14-34 detailing deductions such as compensation of officers, salaries, repairs, interest, taxes, and depreciation.

**Part III Tax Computation**

<b>35 Organizations Taxable as Corporations.</b> See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and: <b>a</b> Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____ <b>b</b> Enter organization's share of: (1) Additional 5% tax (not more than \$11,750)..... \$ _____ (2) Additional 3% tax (not more than \$100,000)..... \$ _____ <b>c</b> Income tax on the amount on line 34..... ▶		<b>35 c</b>	0.
<b>36 Trusts Taxable at Trust Rates.</b> See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)..... ▶		<b>36</b>	
<b>37 Proxy tax.</b> See instructions..... ▶		<b>37</b>	
<b>38 Alternative minimum tax.</b> .....		<b>38</b>	
<b>39 Tax on Non-Compliant Facility Income.</b> See instructions.....		<b>39</b>	
<b>40 Total.</b> Add lines 37, 38 and 39 to line 35c or 36, whichever applies.....		<b>40</b>	0.

**Part IV Tax and Payments**

<b>41 a</b> Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116).....	<b>41 a</b>	
<b>b</b> Other credits (see instructions).....	<b>41 b</b>	
<b>c</b> General business credit. Attach Form 3800 (see instructions).....	<b>41 c</b>	
<b>d</b> Credit for prior year minimum tax (attach Form 8801 or 8827).....	<b>41 d</b>	
<b>e Total credits.</b> Add lines 41a through 41d.....	<b>41 e</b>	0.
<b>42</b> Subtract line 41e from line 40.....	<b>42</b>	0.
<b>43</b> Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule).....	<b>43</b>	
<b>44 Total tax.</b> Add lines 42 and 43.....	<b>44</b>	0.
<b>45 a</b> Payments: A 2016 overpayment credited to 2017.....	<b>45 a</b>	
<b>b</b> 2017 estimated tax payments.....	<b>45 b</b>	
<b>c</b> Tax deposited with Form 8868.....	<b>45 c</b>	
<b>d</b> Foreign organizations: Tax paid or withheld at source (see instructions).....	<b>45 d</b>	
<b>e</b> Backup withholding (see instructions).....	<b>45 e</b>	
<b>f</b> Credit for small employer health insurance premiums (Attach Form 8941).....	<b>45 f</b>	
<b>g</b> Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other _____ Total..... ▶	<b>45 g</b>	
<b>46 Total payments.</b> Add lines 45a through 45g.....	<b>46</b>	0.
<b>47</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached..... ▶ <input type="checkbox"/>	<b>47</b>	
<b>48 Tax due.</b> If line 46 is less than the total of lines 44 and 47, enter amount owed..... ▶	<b>48</b>	
<b>49 Overpayment.</b> If line 46 is larger than the total of lines 44 and 47, enter amount overpaid..... ▶	<b>49</b>	
<b>50</b> Enter the amount of line 49 you want: <b>Credited to 2018 estimated tax</b> ▶ _____   <b>Refunded</b> ▶ _____	<b>50</b>	

**Part V Statements Regarding Certain Activities and Other Information** (see instructions)

<b>51</b> At any time during the 2017 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here ▶ _____	Yes	No
<b>52</b> During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.		X
<b>53</b> Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____ 0.		

**Sign Here**

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 taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: \_\_\_\_\_ Date: \_\_\_\_\_ Title: **President & CEO**

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

**Paid Preparer Use Only**

Print/Type preparer's name: **Alan Zumstein** Preparer's signature: **Alan Zumstein** Date: \_\_\_\_\_ Check  if self-employed PTIN: **P00641130**

Firm's name ▶ **ALAN ZUMSTEIN** Firm's EIN ▶ **35-1877201**

Firm's address ▶ **1032 CHETFORD DRIVE**  
**LEXINGTON, KY 40509** Phone no. **(859) 264-7147**

**Schedule A – Cost of Goods Sold.** Enter method of inventory valuation ▶

<b>1</b> Inventory at beginning of year.....	<b>1</b>		<b>6</b> Inventory at end of year.....	<b>6</b>	
<b>2</b> Purchases.....	<b>2</b>		<b>7</b> <b>Cost of goods sold.</b> Subtract line 6 from line 5. Enter here and in Part I, line 2.....		
<b>3</b> Cost of labor.....	<b>3</b>			<b>7</b>	
<b>4 a</b> Additional section 263A costs (attach schedule)	<b>4 a</b>		<b>8</b> Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?.....	<b>Yes</b>	<b>No</b>
<b>b</b> Other costs (attach sch).....	<b>4 b</b>				
<b>5</b> <b>Total.</b> Add lines 1 through 4b.....	<b>5</b>				

**Schedule C – Rent Income (From Real Property and Personal Property Leased With Real Property)** (see instructions)

<b>1</b> Description of property		
(1)		
(2)		
(3)		
(4)		
<b>2</b> Rent received or accrued		
<b>(a)</b> From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	<b>(b)</b> From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	<b>3(a)</b> Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	Total	
<b>(c) Total income.</b> Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)..... ▶		<b>(b) Total deductions.</b> Enter here and on page 1, Part I, line 6, column (B)..... ▶

**Schedule E – Unrelated Debt-Financed Income** (see instructions)

<b>1</b> Description of debt-financed property	<b>2</b> Gross income from or allocable to debt-financed property	<b>3</b> Deductions directly connected with or allocable to debt-financed property	
		<b>(a)</b> Straight line depreciation (attach sch)	<b>(b)</b> Other deductions (attach schedule)
(1)			
(2)			
(3)			
(4)			
<b>4</b> Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	<b>5</b> Average adjusted basis of or allocable to debt-financed property (attach schedule)	<b>6</b> Column 4 divided by column 5	<b>7</b> Gross income reportable (column 2 x column 6)
(1)		%	
(2)		%	
(3)		%	
(4)		%	
<b>Totals</b> ..... ▶		Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
<b>Total dividends-received deductions</b> included in column 8..... ▶			

**Schedule F – Interest, Annuities, Royalties, and Rents From Controlled Organizations** (see instructions)

1 Name of controlled organization	2 Employer identification number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations				
7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
<b>Totals</b> .....			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).

**Schedule G – Investment Income of a Section 501(c)(7), (9), or (17) Organization** (see instructions)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (column 3 plus column 4)
(1)				
(2)				
(3)				
(4)				
<b>Totals</b> .....		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).

**Schedule I – Exploited Exempt Activity Income, Other Than Advertising Income** (see instructions)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute columns 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> .....		Enter here and on page 1, Part I, line 10, column (A).	Enter here and on page 1, Part I, line 10, column (B).			Enter here and on page 1, Part II, line 26.

**Schedule J – Advertising Income** (See instructions)

<b>Part I Income From Periodicals Reported on a Consolidated Basis</b>						
1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (col. 6 minus col. 5, but not more than col. 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> (carry to Part II, line (5)) .....						

**Part II** **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (col. 6 minus col. 5, but not more than col. 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals from Part I</b> .....						
<b>Totals, Part II (lines 1– 5)</b> .....	Enter here and on page 1, Part I, line 11, column (A)	Enter here and on page 1, Part I, line 11, column (B).				Enter here and on page 1, Part II, line 27.

**Schedule K – Compensation of Officers, Directors, and Trustees** (see instructions)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		0%	
		0%	
		0%	
		0%	
<b>Total.</b> Enter here and on page 1, Part II, line 14. ....			