

# What is the IRS Form 990?

Most organizations exempt from income tax under section 501(a) of the Internal Revenue Code are required to file an annual information return. NRECA, a 501(c)(6) tax-exempt organization, files a Form 990 return with the Internal Revenue Service, which is made available to the public, as required by the IRS. Form 990 provides details on the organization's finances, compensation to certain individuals, governance and other information.

## The summary page: An overview of the organization

The first page of Form 990 provides summary information regarding NRECA's mission, governing body, revenue, expenses, assets and liabilities. This information is reported in more detail elsewhere on the form.

### Filing year:

The year for which the Form 990 is filed is shown here.

**Form 990** Return of Organization Exempt From Income Tax  
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)  
 ▶ Do not enter social security numbers on this form as it may be made public.  
 ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

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

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

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Final return/Amendment

**C** Name of organization  
**NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION**  
 Doing business as  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
**4301 WILSON BLVD FIN8-110**  
 City or town, state or province, and ZIP or foreign postal code  
**ARLINGTON VA 22203**  
 Principal officer: **JIM MATHESON**  
 Status:  501(c)(3)  501(c)(6)  501(c)(29) (insert no.) 4947(a)(1) or 527  
 Website: **NRECA.COOP**

**D** Employer identification number

**E** Telephone number

**G** Gross receipts

**H(a)** Is this organization a private operating foundation?

**H(b)** Are there any unrelated business activities?

**H(c)** Gross unrelated business income

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

**L** Year of formal commencement

**M** State of legal domicile: DC

**Name of organization:**  
 The organization's name and address are located here.

**Summary:**  
 Summary information about the organization's activities, including governance, revenue, expenses, assets and liabilities are found throughout Part I on the first page.

Part I Summary			
Activities & Governance	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>MEMBERSHIP ASSOCIATION DEDICATED TO REPRESENTING THE NATIONAL INTEREST OF COOPERATIVE ELECTRIC</b>		
	<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>	47
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	47
	<b>5</b> Total number of individuals employed in calendar year 2018 (Part V, line 2a)	<b>5</b>	838
	<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>	7,238,292.
<b>7b</b> Net unrelated business taxable income from Form 990-T, line 38	<b>7b</b>	1,184,531.	
Revenue	<b>8</b> Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	<b>9</b> Program service revenue (Part VIII, line 2g)	5,545,986.	0.
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	162,355,669.	177,462,598.
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	281,286.	601,637.
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	15,356,520.	16,015,924.
		183,539,461.	194,080,159.
Expenses	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	123,756,111.	125,825,725.
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25)	0.	0.
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	64,068,558.	68,301,585.
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	187,824,669.	194,127,310.	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	-4,285,208.	-47,151.	
Net Assets or Fund Balances	<b>20</b> Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	<b>21</b> Total liabilities (Part X, line 26)	195,222,962.	207,412,991.
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	106,245,414.	115,062,331.
<b>Part II Signature Block</b>		88,977,548.	92,350,660.

# Part X of Form 990: The balance sheet

Part X of the Form 990 provides a detailed breakdown of the organization's balance sheet, including assets, liabilities and the net assets, or members' equity balance.

		(A) Beginning of year	(B) End of year	
Form 990 (2018) <b>NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION</b> 53-0116145 Page 11				
<b>Part X Balance Sheet</b>				
Check if Schedule O contains a response or note to any line in this Part X				
Assets	1	Cash - non-interest-bearing	1	
	2	Savings and temporary cash investments	2 11,343,136.	
	3	Pledges and grants receivable, net	3	
	4	Accounts receivable, net	4 48,458,149.	
	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 4983(c)(3)(B), and contributing organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Sch L	6	
	7	Other assets	7	
	8		8 26,242.	
	9		9 5,437,858.	
	10a	Land, buildings and equipment, net	10a 152,729,039.	
	10b	Leasehold improvements, furniture, fixtures, and equipment, net	10b 64,904,468.	
	10c	Investments in related organizations	10c 88,999,757.	
	11	Investments - publicly traded securities	11 8,105,096.	
	12	Investments - other securities. See Part IV, line 11	12 19,090,319.	
	13	Investments - program-related. See Part IV, line 11	13	
	14	Intangible assets	14	
15	Other assets. See Part IV, line 11	15 13,762,405.		
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	16 195,222,962.	16 207,412,991.	
Liabilities	17	Accounts payable and accrued expenses	17 15,381,745.	
	18	Grants payable	18	
	19	Deferred revenue	19 55,521,003.	
	20	Tax-exempt bond liabilities	20	
	21	Contingent liability. Complete Part V of Schedule D	21 703,617.	
	22	Liabilities payable to current and former officers, directors, trustees, key employees, and disqualified persons.	22	
	23	Liabilities payable to unrelated third parties	23	
	24	Liabilities payable to related third parties	24	
	25	Other liabilities (including related third parties) payable to related third parties, and other liabilities not included on lines 17 through 24. Complete Part X of Schedule D	25 34,639,049.	
	26	<b>Total liabilities.</b> Add lines 17 through 25	26 106,245,414.	26 115,062,331.
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	
	30	Net assets (members' equity) of the organization. Do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> Complete lines 30 through 34.	30 0.	30 0.
	31	Equipment fund	31 0.	31 0.
	32	Investments, or other funds	32 88,977,548.	32 92,350,660.
33		33 88,977,548.	33 92,350,660.	
34	<b>Total net assets or fund balances.</b> Add lines 27 through 33	34 195,222,962.	34 207,412,991.	

**Assets:**  
The organization's assets, such as cash, investments, accounts receivable, prepaid expenses, land, buildings and equipment, are listed at the top of Part X.

**Liabilities:**  
Liabilities, such as accounts payable, accrued expenses and deferred revenue of the organization are listed next.

**Net Assets or Fund Balances:**  
The net assets (members' equity) of the organization is listed at the bottom. Members' equity equals the organization's assets minus its liabilities.

# Part VII and Schedule J of Form 990: Compensation

All organizations filing a Form 990 are required to complete Part VII, and when applicable, Schedule J, relating to the organization’s current and former officers, directors, key employees and highest compensated employees and current independent contractors for the calendar year ending with or within the organization’s tax year. In some cases, reporting on Part VII and Schedule J is required if compensation exceeds certain thresholds.

## Part VII

Reportable compensation generally refers to compensation that is reported on IRS Form W-2 and IRS Form 1099-MISC.

### Part VII, Column D:

Part VII, Column D lists the compensation included on an employee’s Form W-2 and a director’s Form 1099-MISC. This reportable compensation may include salaries, bonuses, taxable employer paid benefits, and per diems paid to directors.

NRECA’s directors receive a daily per diem amount for every day they spend attending authorized board meetings as well as NRECA’s annual and regional meetings, including travel days to and from these meetings.

(A) Name and Title	(B) Reportable compensation from the organization and any related organizations (W-2/1099-MISC)	(C) Position	(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
(1) PHIL CARSON PRESIDENT	19.00 1.00	X X	99,250.	0.	0.
(2) CURTIS WYNN VICE PRESIDENT	14.00 1.00	X X	89,000.	0.	0.
(3) CHRIS CHRISTENSEN SECRETARY-TREASURER	13.00 1.00	X X	76,500.	0.	0.
(4) ANTHONY ANDERSON DIRECTOR	3.00	X	24,250.	0.	0.
(5) LAWRENCE BECKER DIRECTOR	10.60 0.40	X	39,950.	0.	0.
(6) BARRY BERNSTEIN DIRECTOR	5.00	X	33,650.	0.	0.
(7) MARK BROWN DIRECTOR	0.80 0.20	X	0.	0.	0.
(8) BRYAN CASE DIRECTOR	4.60 0.40	X	27,000.	0.	0.
(9) KENNETH COLBURN DIRECTOR	7.60 0.40	X	20,500.	0.	0.
(10) MEL COLEMAN DIRECTOR	4.60 0.40	X	19,000.	0.	0.
(11) MARION DINGER DIRECTOR	24.00	X	24,700.	0.	0.
(12) KEVIN DODDRIDGE DIRECTOR	3.00	X	25,250.	0.	0.
(13) DANIEL DYER DIRECTOR	4.00	X	19,500.	0.	2,500.
(14) ROY FRIEDERSDORF DIRECTOR	5.60	X			
(15) SANDRA GREEN DIRECTOR					

### Part VII, Column F:

Other compensation is reported on Part VII, Column F. For employees, this may include amounts paid or accrued under deferred compensation plans, actuarial increases in defined benefit retirement plans, and non-taxable health and welfare benefit plan premiums. For directors, it represents per diem amounts a director has elected to defer. NRECA has a deferred compensation plan for directors that allows a director to defer all or a portion of his/her per diem in a given year.

# Schedule J

Schedule J of the Form 990 provides a breakdown of compensation for certain individuals listed in Part VII. Compensation is detailed, as applicable, for 1) base compensation, 2) bonus and incentive compensation, 3) other reportable compensation, 4) retirement and other deferred compensation and 5) non-taxable benefits.

Certain retirement benefits may be paid when a senior leader reaches normal retirement age even if the employee has not retired. In these instances, or upon retirement, these retirement payments are reported on the Form 990 in Part VII column D and Schedule J column B (iii). These retirement payments reflect benefits that were earned and accrued over many years that were not previously reported as compensation because they were at risk of forfeiture if the senior leader left or was terminated before normal retirement age.

### Column B:

Columns B (i) through B (iii) of Schedule J breaks down reportable compensation from Form W2 and Form 1099-MISC and totals to column D in Part VII.

(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 (B)
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation			
(1) JIM MATHESON CHIEF EXECUTIVE OFFICER	(i)	1,155,611.	233,600.	55,782.	332,692.	36,835.	1,811,820.
	(ii)	0.	0.	0.	0.	0.	
(2) JEFFREY CONNOR CHIEF OPERATING OFFICER	(i)	494,413.	5,195.	14,518.	67,021.	39,101.	620,248.
	(ii)	0.	0.	0.	0.	0.	
(3) VENEICIA LOCKHART ASST TREAS; SR. VP, FINANC	(i)	359,552.	3,875.	9,592.	240,437.	33,417.	646,873.
	(ii)	0.	0.	0.	0.	0.	
(4) PETER BAXTER SR. VP, INSURANCE & FINANC	(i)	527,277.	5,350.	19,187.	170,910.	37,462.	760,186.
	(ii)	0.	0.	0.	0.	0.	
(5) JIM SPIERS VP, BUSINESS AND TECH. STR	(i)	357,447.	3,800.	28,709.	70,403.	29,853.	490,212.
	(ii)	0.	0.	0.	0.	0.	
(6) TOM STANGROOM SR. VP & CIO	(i)	416,670.	4,400.	12,570.	15,750.	28,313.	477,703.
	(ii)	0.	0.	0.	0.	0.	
(7) KIRK JOHNSON SR. VP, GOVERNMENT RELATIO	(i)	365,704.	3,897.	7,587.	86,658.	31,504.	495,350.
	(ii)	0.	0.	0.	0.	0.	
(8) MARTIN LOWERY EXEC. VP, MEMBER & ASSOC.	(i)	222,617.	0.	626,691.	12,151.	11,014.	862,473.
	(ii)	0.	0.	0.	0.	0.	
(9) RICHARD MEYER SR. VP, GENERAL COUNSEL	(i)	362,222.	200.	56,397.	102,528.	40,933.	562,280.
	(ii)	0.	0.	0.	0.	0.	
(10) STEVE SANKER VP, IF&S RELATIONSHIP MGT.	(i)	355,131.	200.	27,484.	84,356.	29,262.	496,433.
	(ii)	0.	0.	0.	0.	0.	
(11) JOHN SZCZUR VP, INVESTMENT STRAT. & PE	(i)	350,092.	776,146.	10,654.	126,106.	36,735.	1,299,733.
	(ii)	0.	0.	0.	0.	0.	
(12) LANNY RODGERS FORMER DIRECTOR	(i)	14,959.	0.	0.	6,000.	0.	20,959.
	(ii)	0.	0.	0.	0.	0.	
(13) PATRICK GIOFFRE FORMER EXEC VP, INTERNAL S	(i)	0.	0.	140,249.	0.	0.	140,249.
	(ii)	0.	0.	0.	0.	0.	
	(i)						
	(ii)						
	(i)						
	(ii)						

### Columns C and D:

Columns C and D of Schedule J break down other compensation and total to column F in Part VII.

# Schedule O: Supplemental Information to Form 990

Organizations use Schedule O to provide narrative information on data provided elsewhere in the Form 990 and to provide additional information.

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

OMB No. 1545-0047

**2018**

Open to Public  
Inspection

Name of the organization

NATIONAL RURAL ELECTRIC  
COOPERATIVE ASSOCIATION

Employer identification number

53-0116145

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

UTILITIES AND THE CONSUMERS THEY SERVE. NRECA HAS MORE THAN 900 VOTING MEMBERS, A MAJORITY OF WHICH ARE ELECTRIC COOPERATIVES THAT SERVE 42 MILLION CONSUMERS IN 47 STATES.

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

ADVANCEMENT, AND DEVELOPMENT OF RURAL ELECTRIFICATION IN THE UNITED STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS, FOR THE PRIMARY AND MUTUAL BENEFIT OF THE VOTING MEMBERS OF THE ASSOCIATION AND THEIR CONSUMER-MEMBERS. NRECA'S MISSION IS TO PROMOTE, SUPPORT AND PROTECT THE COMMUNITY AND BUSINESS INTERESTS OF ELECTRIC COOPERATIVES.

FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS:

TO MOST NRECA VOTING MEMBERS. THIS VEBA TRUST IS EXEMPT FROM INCOME TAX UNDER IRC SECTION 501(C)(9).

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

BUSINESS RELATIONSHIPS EXIST BETWEEN SOME NRECA OFFICERS AND KEY EMPLOYEES WHO ALSO SERVE AS DIRECTORS OR OFFICERS OF THE FOLLOWING NRECA SUBSIDIARIES AND AFFILIATED ENTITIES:

(A) COOPERATING ENERGY SERVICES - 3 OFFICERS (JEFFREY CONNOR, JIM MATHESON, AND VENEICIA LOCKHART) SERVE AS OFFICERS AND/OR DIRECTORS.

(B) RE ADVISERS CORPORATION AND RE INVESTMENT CORPORATION - 1 OFFICER (JEFFREY CONNOR) SERVES AS A DIRECTOR.

(C) COOPERATING BENEFIT ADMINISTRATORS - 1 OFFICER (VENEICIA LOCKHART) AND