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.

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

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

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
<th>Net Assets or Fund Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong>&lt;br&gt;1. Cash - non-interest-bearing</td>
<td>17. Accounts payable and accrued expenses</td>
<td><strong>Intangible assets</strong>&lt;br&gt;4. Intangible assets</td>
</tr>
<tr>
<td>612,039. 628,576.</td>
<td>20. 703,617.</td>
<td>15. 34,639,049.</td>
</tr>
<tr>
<td><strong>Accounts receivable, net</strong>&lt;br&gt;4. Accounts receivable, net</td>
<td><strong>Deferred revenue</strong>&lt;br&gt;22. Deferred revenue</td>
<td>27. 115,052,331.</td>
</tr>
<tr>
<td>628,576.</td>
<td>32. 703,617.</td>
<td>28. 115,052,331.</td>
</tr>
<tr>
<td><strong>Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees</strong>&lt;br&gt;5. Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees</td>
<td><strong>Accrued expenses</strong>&lt;br&gt;23. Accrued expenses</td>
<td>29. 115,052,331.</td>
</tr>
</tbody>
</table>

**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.

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.

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**Columns 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.

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**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.

<table>
<thead>
<tr>
<th>Name of the organization</th>
<th>Employer identification number</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION</td>
<td>53-0116145</td>
</tr>
</tbody>
</table>

**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...