
2014

ANNUAL COOPERATIVE BUSINESS SURVEY

Final Report

February 13, 2015



Center for Cooperatives
UNIVERSITY OF WISCONSIN-MADISON

*In collaboration with the
National Society of Accountants for Cooperatives*



Background and Acknowledgment

The University of Wisconsin Center for Cooperatives (UWCC), in collaboration with the National Society of Accountants for Cooperatives (NSAC), has completed a year-long pilot of the Annual Cooperative Business Survey. The goal of the project was to develop a methodology for collecting annual financial data, including patronage equity and refund practices, from cooperative firms.

The Annual Cooperative Business Survey is part of the broader Cooperative Economy Data Project, which is comprised of ongoing research efforts by UWCC to more fully describe, analyze and understand the economic behavior and impact of cooperatives across sectors.

- In early summer of this year, a U.S. Census branch Research Data Center (RDC) will be opening on the UW-Madison campus. The RDC process was co-led by Brent Hueth, who will serve as Executive Director, and is supported by six colleges and schools on campus. The RDC grew out of UWCC's successful 2013 proposal to develop a methodology for identifying cooperative business firms within the Economic Census of U.S. industry. The new RDC will facilitate research to 1) more comprehensively identify cooperatives and model their performance; and 2) identify food and agricultural industries, examine the changing structure of food and agricultural markets, and analyze the role that cooperatives play in them.
- Through collaboration with the Division of Entrepreneurship and Economic Development (DEED) of University of Wisconsin-Extension, UWCC has access to the National Establishment Time-Series (NETS) database, which includes longitudinal sales and employment data on business establishments in the U.S.
- The Center has recently been awarded a two-year grant to update the 2009 [Research on the Economic Impact of Cooperatives](#) (REIC) report, which described and quantified for the first time the magnitude of economic activity by U.S. cooperative businesses.
- The [Cooperative Business Study](#), completed in 2012, sampled a set of the cooperatives identified in the REIC study, and used an intensive interview methodology to gather data on governance practices. The next phase of this project will be to analyze these data in relation to financial performance over time.

As enterprises owned by their members and operated to meet their needs, cooperatives have significant impacts on their local economies and in their relevant business sectors. Collaborations such as this one significantly contribute to research efforts to deepen our understanding about the unique role that cooperatives play in our economy.

Brent Hueth

Faculty Director, University of Wisconsin Center for Cooperatives
Associate Professor, Dept. of Agricultural and Applied Economics, University of Wisconsin-Madison
hueth@wisc.edu

Lynn Pitman

Project Manager, University of Wisconsin Center for Cooperatives
pitman@wisc.edu

Summary: Survey Response

In 2014, UWCC completed a year-long pilot of the Annual Cooperative Business Survey. The goal of the project was to develop an instrument and methodology for collecting annual financial data from cooperative firms, including patronage equity and refund practices. The initial online survey was distributed by email in late October/early November 2013 to 546¹ current NSAC members who held financial management positions at their cooperative. The list was reviewed so that only one survey per firm was distributed.

The 2014 survey was slightly modified and twice distributed to subsets same group in 2014 to test the effect of

distribution date
on response.

Depending on
fiscal year
calendar
information

submitted in the

2013 survey, respondents

received the survey in
either July or October.

Non-respondents to the
2013 survey were
contacted twice, and the
October distribution

omitted those who had responded to the July survey.

Summary: Annual Cooperative Business Survey Distribution	#Surveys Distributed	# Surveys Opened	Opened/ Distributed	# Survey		Responses/ Surveys Opened
				Responses Analyzed	Responses/ Distributed	
TOTAL 2014	979	185	19%	119	12%	64%
Past responders	200	80	40%			
Non-responders	779	105	13%			
TOTAL 2013	553	184	33%	123	22%	67%

2014 Annual Cooperative Business Survey Distribution	#Surveys Distributed	# Surveys Opened	Opened/ Distributed	# Survey		Responses/ Surveys Opened
				Responses Analyzed	Responses/ Distributed	
2014 TOTAL	979	185	19%	119	12%	64%
October 2014	479	88	18%	40	8%	45%
July 2014	500	97	19%	79	16%	81%

Responses to the July and October surveys were reviewed to eliminate any duplication or errors, and were combined for analysis. This response set totaled 119, a number comparable to the 123 responses to the 2013 survey.

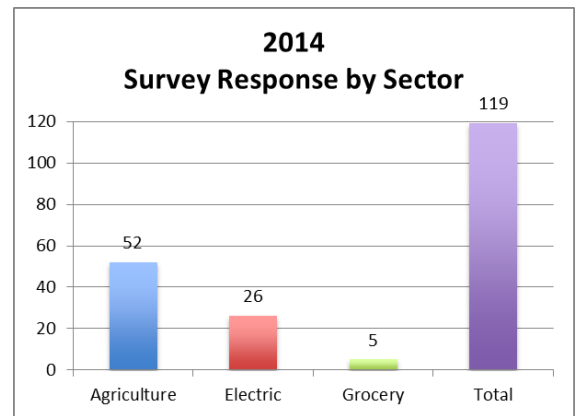
The overall 12% response rate, based on the number of surveys distributed in 2014, was lower than the 22% response in 2013. If the survey email was opened, survey participation was much higher; in both years this percentage was over 60%. Those that answered the 2013 survey were significantly more likely to open the 2014 survey.

The results of the 2014 survey distribution dates indicate that a date earlier than October might produce a higher response. Survey responses to questions about fiscal year calendars show that nearly half of the respondents have fiscal years ending in December, and any future survey efforts might target the first half of the year.

¹ An error in the report on the 2013 survey gave the number of surveys distributed as 663.

The 2014 survey instrument was modified slightly to clarify questions and aid data entry. It also included a variation for the electric co-operative sector that used sector-specific terminology about patronage practices. These minor modifications should not have affected response rate.

The 2014 responses that did not provide sector information were excluded from analysis, since sector financial practices and requirements can vary significantly. A final response set of 83 from the agriculture, electric, and grocery sectors, which represented the majority of response, was used for this report. The agriculture sector included any cooperative that engaged in marketing or farm supply activities. While some of these cooperatives also engage in other business activities such as grocery, these responses are reported in the agriculture category. Not all respondents answered all questions, so the number of responses varies by question.



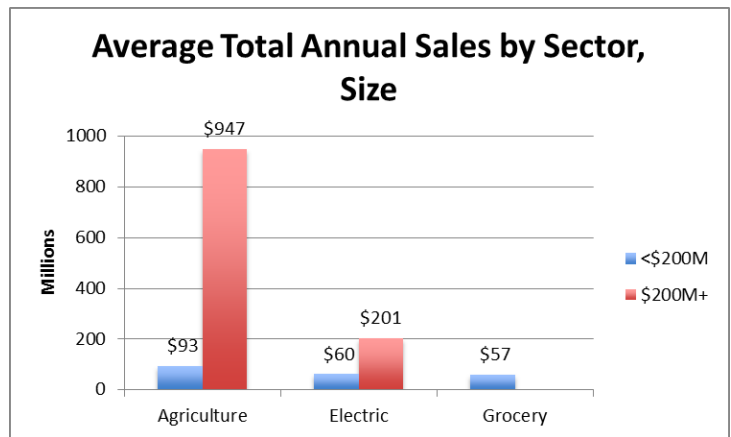
The summarized responses are also divided by firm size as measured by total annual sales. After reviewing the distribution of responses, two size categories were used: sales up to \$200 million, and sales equal or greater than \$200 million. The averages of the responses within each category are used in this summary report. While the responses from the agricultural cooperatives reflect the broad range of firm size in this sector, responses from the electric and grocery reflect the prevalence of firms smaller than \$200M. The report for 2013 used a dividing line of \$333M for small and large; this year's dividing line more accurately reflects the distribution of size of firms.

The following results are based on the respondent's most recent annual financials, and included results from fiscal years ending in both 2013 and 2014.²

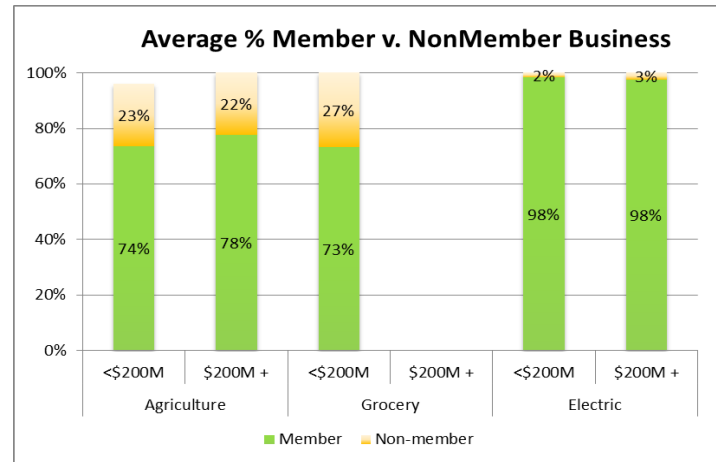
² The 2014 survey instrument is included the Appendix.

Sales and Net Earnings by Source

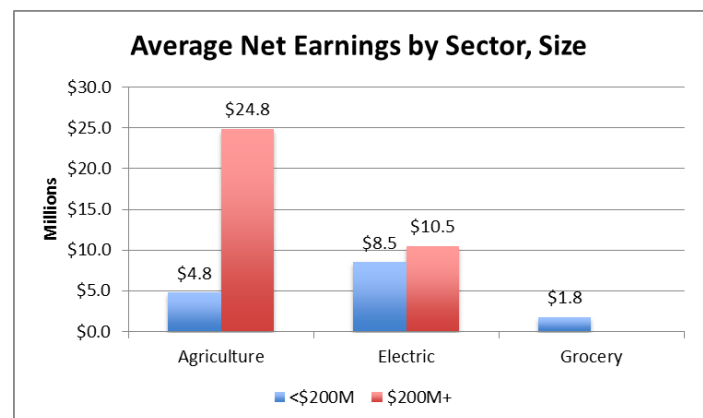
Total sales in the <\$200M category averaged \$93 million and less across sectors. The agriculture sector responses were split between the two size ranges, and the average of over \$947 million for large agricultural cooperatives reflects the wide range of cooperative firm size in this sector.



Across the reported sectors, a substantial portion of cooperative sales comes from members. These percentages are similar to those from the 2013 survey results.

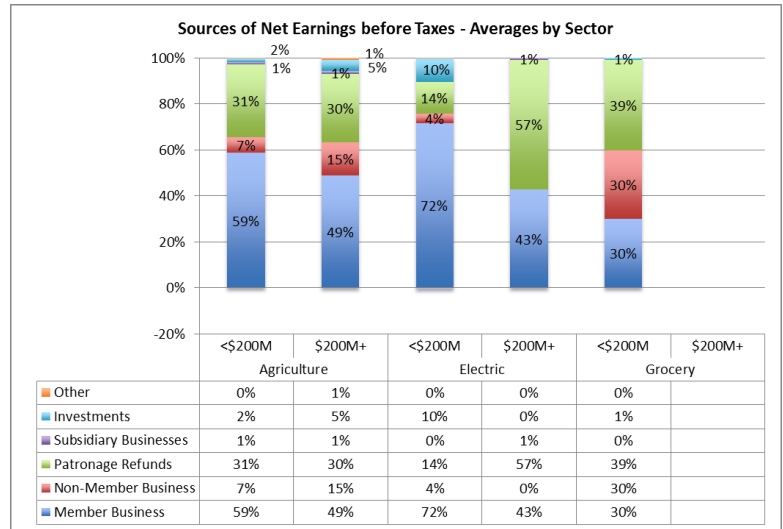


The average net earnings ranged from \$1.8 to close to almost \$25M. As a percentage of total annual sales, average net sales ranged from 2.6% to 14.2%.

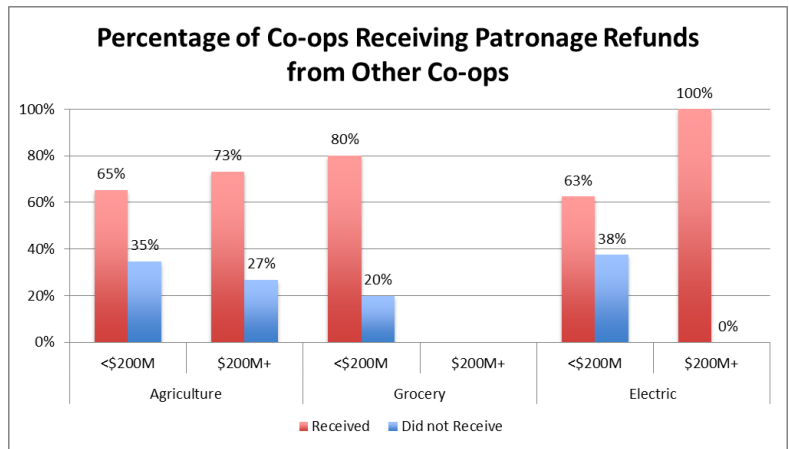


% Net Earnings/ Annual Sales	<\$200M	\$200M+
Agriculture	5.1%	2.6%
Electric	14.2%	5.2%
Grocery	3.2%	0.0%

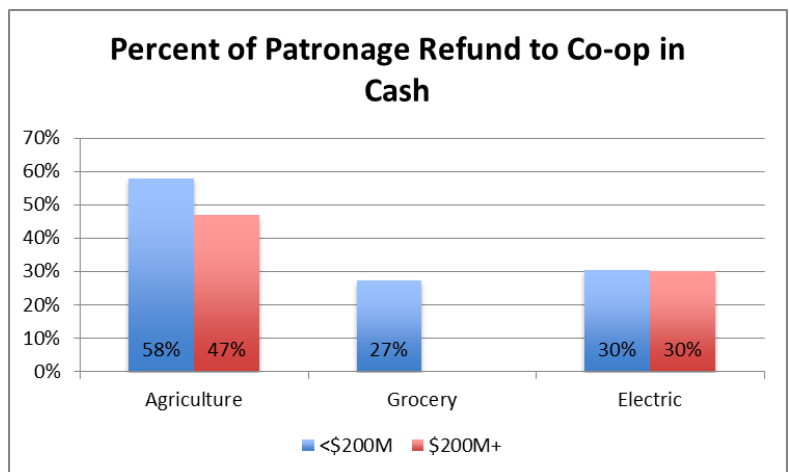
Member business drove 30 - 72% of net earnings. Patronage refunds represented over 30% of net earnings a significant source of net earnings for both agricultural and grocery cooperatives. Within the smaller electric cooperatives, patronage refunds accounted for 14% of net earnings, and 57% for the (small number of) large electric cooperatives.



Over 60% of cooperatives across sectors received patronage refunds from regional co-ops or other sector “co-ops of co-ops. These are smaller percentages than were reported in last year’s surveys.

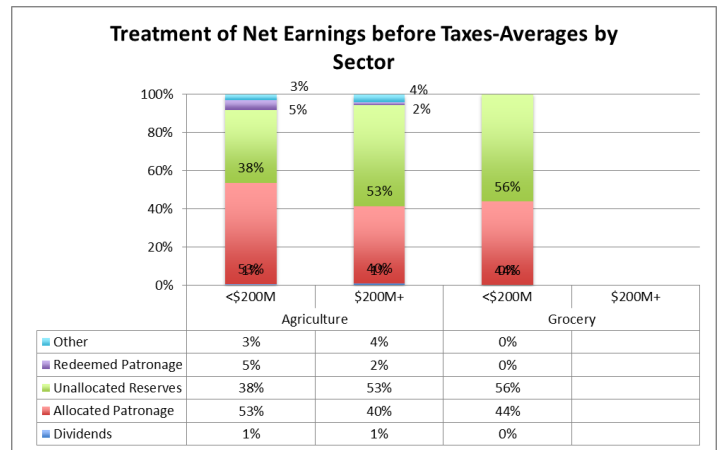


On average, agricultural cooperatives received between 47% - 58% of the patronage refund in. The grocer and electric sector cooperatives received 27-30% of patronage refunds in cash.

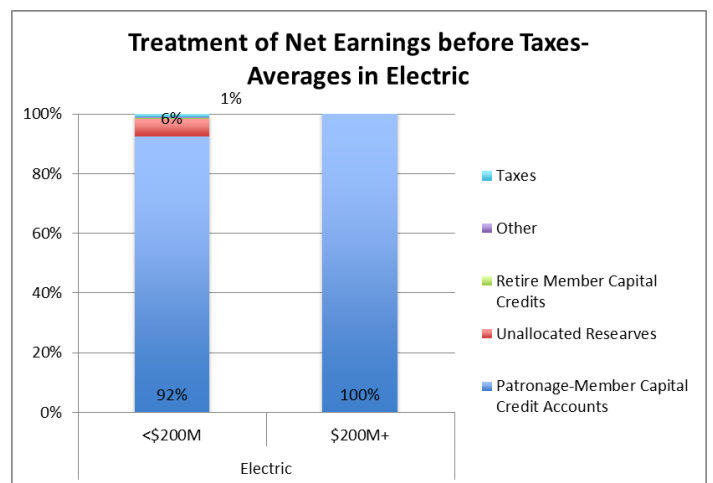


Patronage Allocations

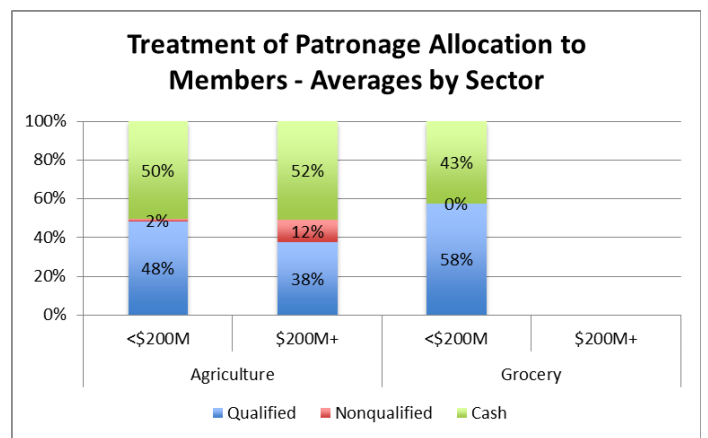
On average, responding cooperatives allocated 40-53% of net earnings to patrons. The percentage treated as unallocated reserves varied across sector; the larger agricultural cooperatives and the grocery cooperatives designated over half of the net earnings as unallocated reserves. Redemption of retained patronage represented a very small percentage of net earnings on average.



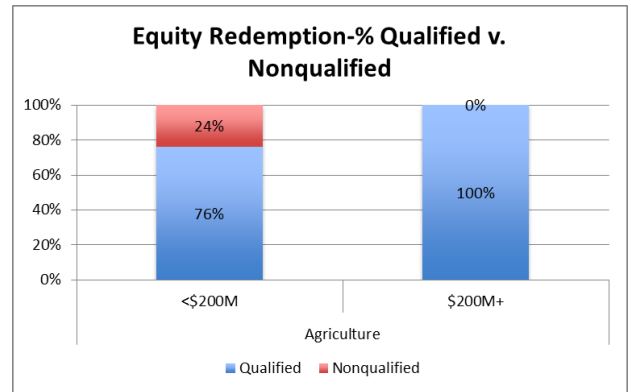
Within the electric co-ops, between 92-100% of the net earnings were allocated to member capital credit accounts.



Agricultural cooperatives paid out an average of 50-52% of the net allocated earnings in cash. Another 38-48% were designated as qualified patronage and retained. Nonqualified patron allocations were predominantly used by larger cooperatives in the agricultural sector.



Of the allocated patronage that was redeemed by agricultural co-ops in the <\$200million category, 24% was for retained nonqualified equity. The remainder of redeemed patronage was for qualified retained patronage allocations.



Survey respondents were asked to describe the situations in which nonqualified allocations were made. Responses included:

Have made annual Non-Qualified Allocations since 2011. Trying to control rapid growth of Retained Earnings (no members name associated)

Matching the revolve of prior years non-qualified equities.

We allocate nonqualified allocated reserves each year, in order to preserve permanent equity for the cooperative

Issued to farmer members as nonqualified preferred stock. this gives them voting rights without having taxable income. since not tax deductible for our coop, we use the retained patronage earnings to use other tax deductions.

Use DPAD to offset tax to conserve cash to make capital expenditures

All remaining patronage net income is allocated in the form of nonqualified notices after deducting cash patronage allocation and preferred stock dividends. Note that members are notified annually that coop has no intention to redeem nonqualified allocations except in liquidation. Thus it is reported as unallocated retained earnings on audited financial statements.

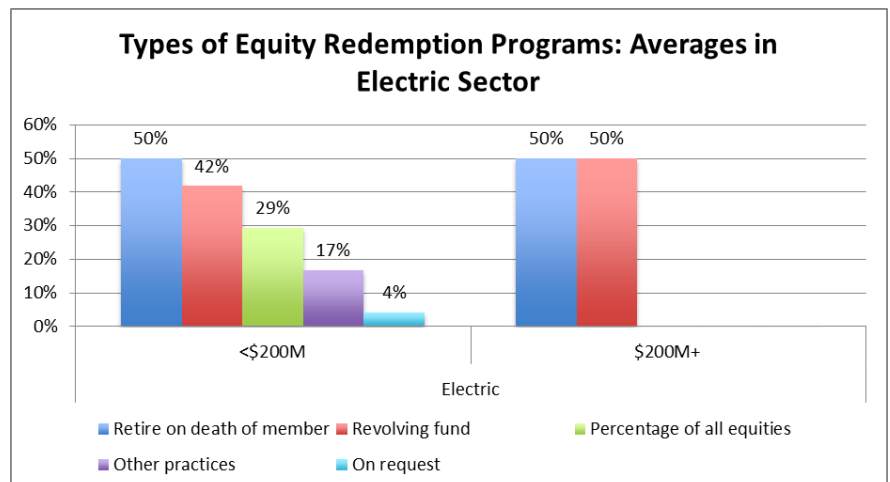
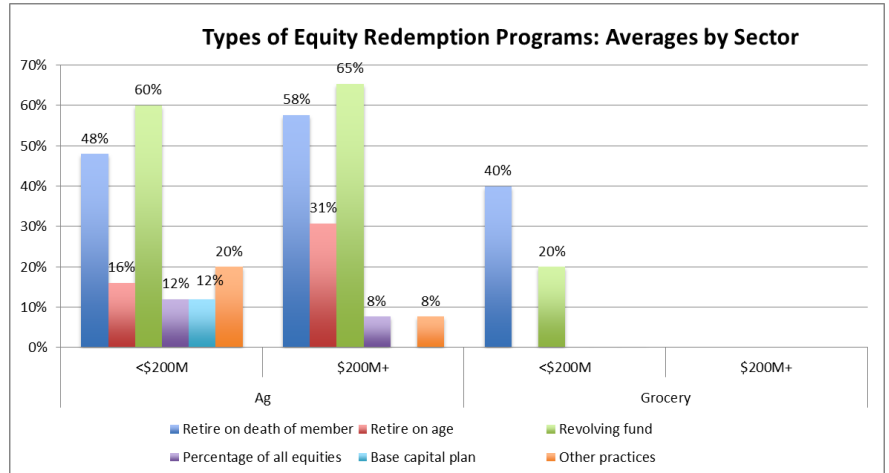
Nonqualified allocation amounts equal amounts attributable to our patronage-sourced, tax-exempt FLCA business.

Equity Redemption Programs

Equity redemption practices vary significantly across sectors, and programs are often used in combination.

Percentage of all equity plans were used by 8-29% of the respondents in the agriculture and electric sectors. Revolving funds are used by 42-65% of the cooperatives in the three sectors. Survey respondents listed redemption cycles that run from 20 to 30 years. Responses in 2013 included the 3-20 year range.

Base equity plans were used by 12% of agriculture cooperative respondents. The “Other” category described hybrids of the program categories listed in the survey.



Respondents were asked about issues or concerns about equity capital and equity redemption. Responses included:

Our management team is challenged with having adequate cash flow to retire equities and also enough cash flow to maintain aging facilities, improve technology for the co-op and expand the footprint of our business market area.

Disproportion capital contribution relative to patronage levels.

Age of membership is 56 years old and has been climbing. This can't continue forever. Where is the new equity going to come from?

Cash flow to retire years with large amount due to customers.

Accumulating equity to fund capital expenditures to compete with non-cooperative entities.

Constant need for more equity in order to expand and upgrade facilities accommodating growth of producers.

We are considering some fundamental changes in our patronage program. As we think about our patrons of today and of the future, they are different from the patrons of yesterday. They demand more immediacy. Some of our proposed changes include making the value of the co-op membership more meaningful & valuable to the patron, having the value be more tangible & immediate instead of a small check our patrons are required to take to the bank to deposit each year.

Locating inactive members.

We are trying to get to a 15 year revolvment. We are constrained by available cash. We revolve at least one year, and when cash is available, more than one year.

One issue would be what to do with patrons that are still actively farming and earning equity and their equity has been redeemed through our age redemption program. We don't have a set plan on this yet, but we keep discussing it at planning sessions. Patrons that are over 79 and still earning are basically getting paid 100%, not all at the time the allocated is issued but as soon as the next age redemption happens.

Would like to shrink the time of the revolve and always a balance to create permanent equity within the cooperative

Our member companies have been consolidating over the years so they are bigger and fewer. Since we are very current with our redemptions the majority of voting interests is with fewer members giving them considerable power.

Keeping the unallocated equity below a board approved 65%

About two-thirds of our equity consists of allocations from our power supply cooperative. They are on a much slower rotation period than we are.

Revolvment is based on board discretion, currently targeted at 7 years

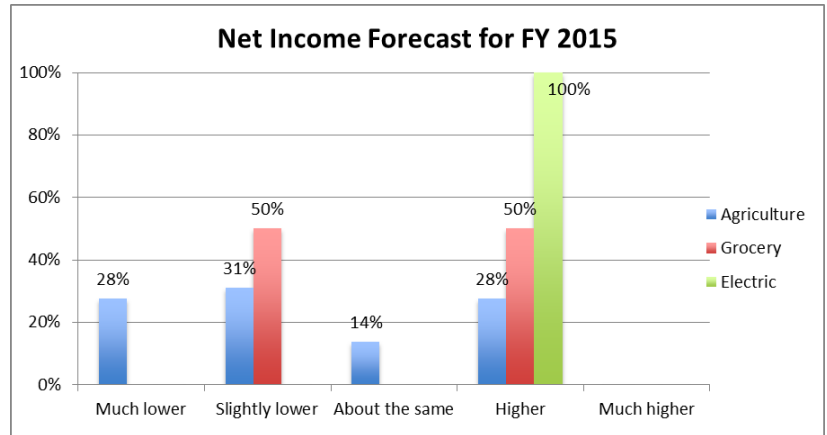
Due to the expansion we have been slow at paying out old equity. Have two more major projects then cash flow can be used to increase annual payouts

Determining balance between a)building sufficient equity and capital to expand the business and b) returning cash to our producer members in keeping with cooperative principles

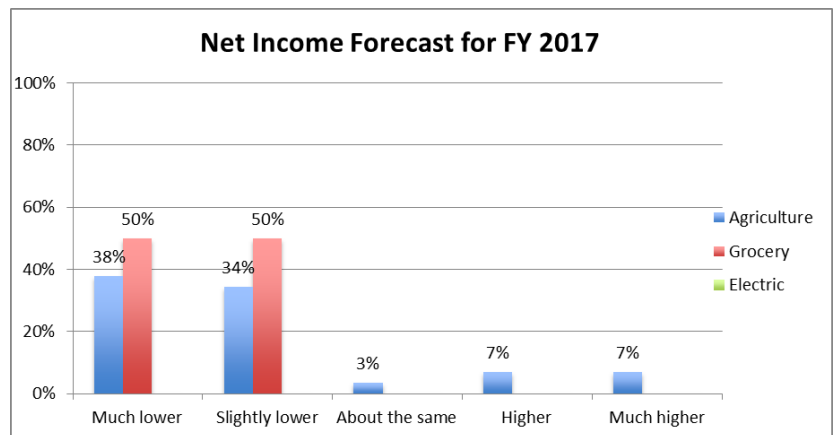
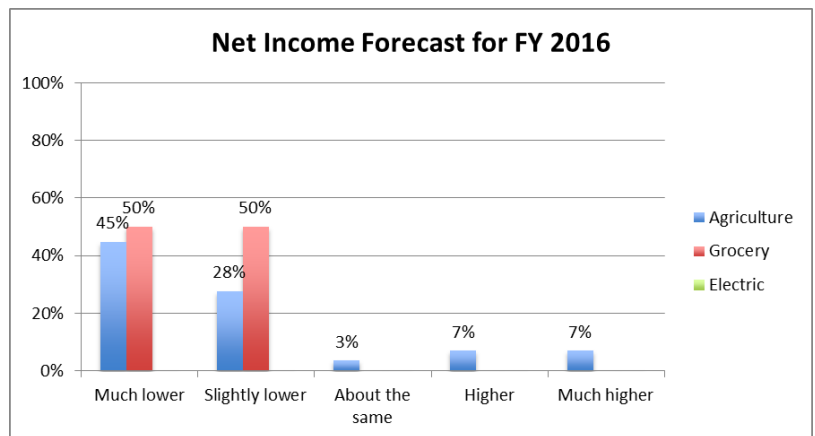
Every year. We make nonqualified allocations to Producers and Businesses.

Outlook and Capital Expenditures

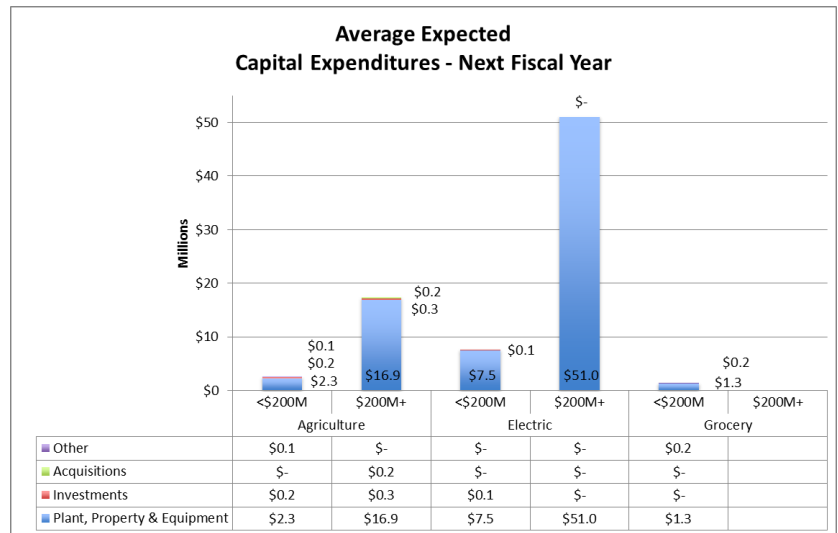
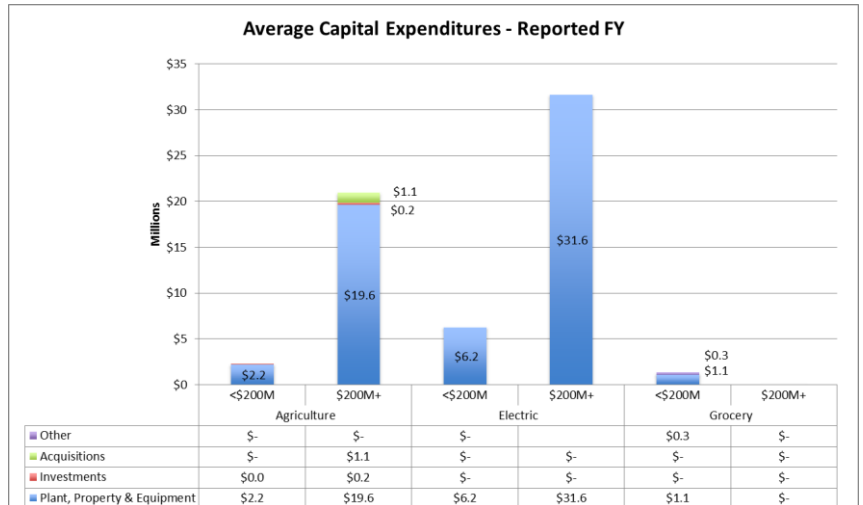
The fewer respondents from the grocery and electric sectors had a mixed outlook for FY 2015, but expected FY 2016 and 2017 to be lower.



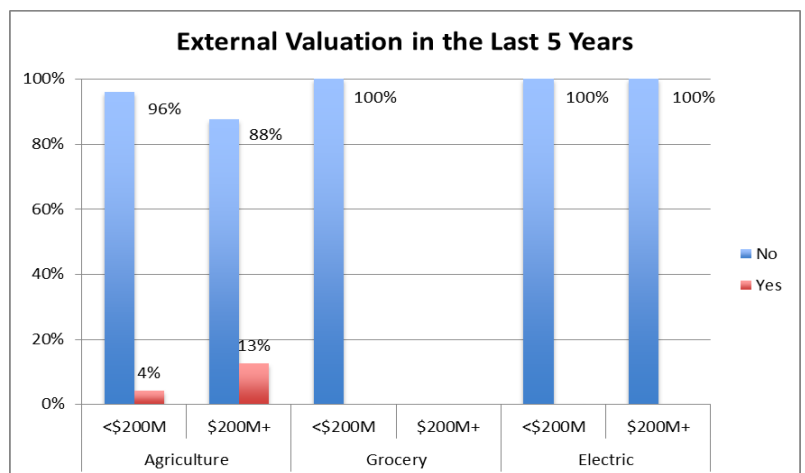
Over 50% of the agricultural respondents expected net income to be the same or lower over the next three fiscal years.



Respondents were asked about expected capital expenditures in both the reported fiscal year, and in the next. In keeping with FY net earnings expectations, average plant expenditures were expected to be slightly lower in the following year within the agricultural cooperatives, but higher in the electric sector.



Few cooperatives reported having paid for an external valuation in the last five years.



Balance Sheet Comparisons

Average balance sheet profiles differed across size and sector break outs. These differences are reflected in the accompanying charts, reported in millions. Unallocated reserves were larger than allocated reserves in the agriculture and grocery sectors, but the reverse was true for the electric survey respondents.

Assets-Averages (millions)		Current	Fixed	Equity in Other Co-ops	Equity in Subsidiaries	Other
Agriculture	<\$200M	\$ 29.6	\$ 13.4	\$ 3.2	\$ 2.0	\$ 2.4
	\$200M+	\$ 182.5	\$ 77.5	\$ 20.4	\$ 13.2	\$ 9.4
Electric	<\$200M	\$ 11.8	\$ 96.6	\$ 13.9	\$ 2.6	\$ 5.5
	\$200M+	\$ 40.2	\$ 397.9		\$ 14.8	\$ 39.4
Grocery	<\$200M	\$ 19.6	\$ 10.0	\$ 2.5		\$ 0.1
	\$200M+					

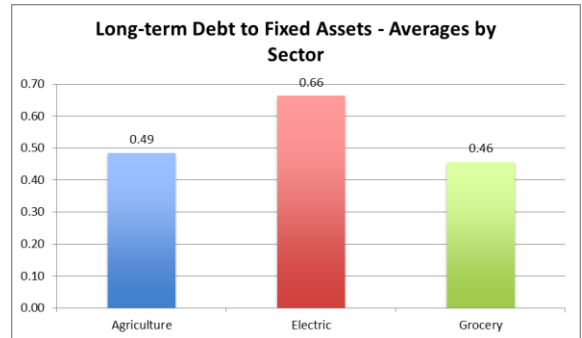
Liabilities-Averages (millions)		Current- Patronage	Current- Other	Long-Term Debt	Long-term Other
Agriculture	<\$200M	\$ 3.2	\$ 18.6	\$ 5.3	\$ 1.0
	\$200M+	\$ 11.4	\$ 101.8	\$ 38.8	\$ 11.1
Electric	<\$200M	\$ 4.1	\$ 13.1	\$ 63.9	\$ 8.9
	\$200M+	\$ -	\$ 48.3	\$ 266.4	\$ 5.1
Grocery	<\$200M	\$ 0.9	\$ 11.8	\$ 4.6	\$ 0.2
	\$200M+				

Equity-Averages (millions)		Common Stock	Preferred Stock	Qualified Allocated Reserves	Nonqualified Allocated Reserves	Unallocated Reserves	Other
Agriculture	<\$200M	\$ 0.2	\$ 0.1	\$ 9.0	\$ 0.7	\$ 10.8	\$ 0.4
	\$200M+	\$ 2.8	\$ 18.3	\$ 42.1	\$ 5.5	\$ 68.7	\$ 2.2
Grocery	<\$200M	\$ 0.8	\$ 0.0	\$ 5.9	\$ -	\$ 7.9	\$ 0.1
	\$200M+						

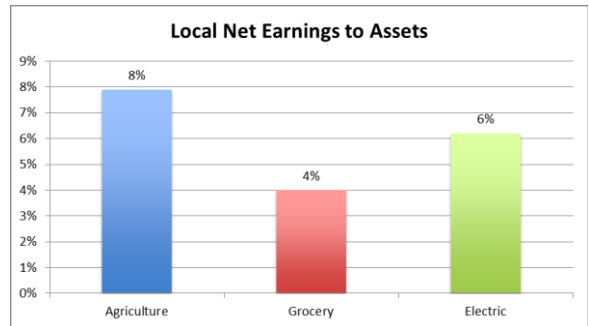
Equity-Averages (millions)		Common Stock	Allocated Patron Accounts	Unallocated Reserves	Other
Electric	<\$200M	\$ 0.4	\$ 40.9	\$ 4.9	\$ 1.0
	\$200M+	\$ -	\$ 148.2	\$ 14.4	\$ 9.9

Financial Ratios

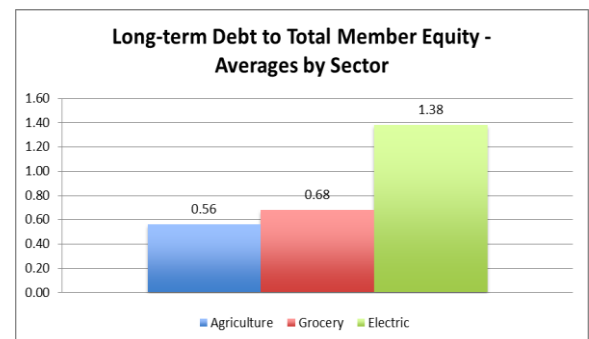
The average financial ratios differ across sectors, and guidelines for analysis may vary by sector.



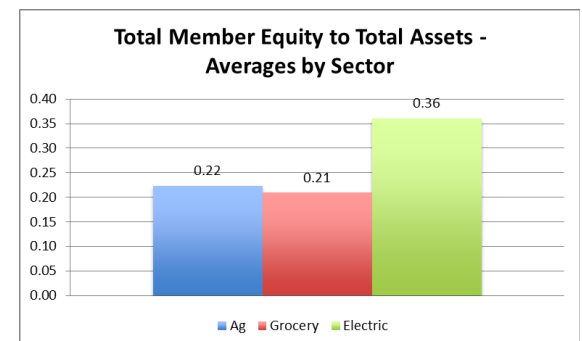
The local net earnings do not include patronage refunds to the cooperative from regionals or other “co-ops of co-ops”.



This leverage ratio reflects major sector differences among respondents. The equity calculations do not include unallocated reserves or other comprehensive/non-controlling equities. Results are very close to those from 2013.



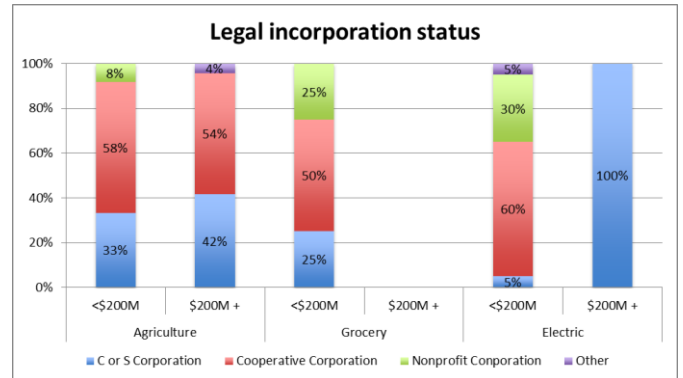
How much of the co-op do the members own? The impact of unallocated equity, patronage redemption programs and long-term debt may be reflected in these sector ratios.



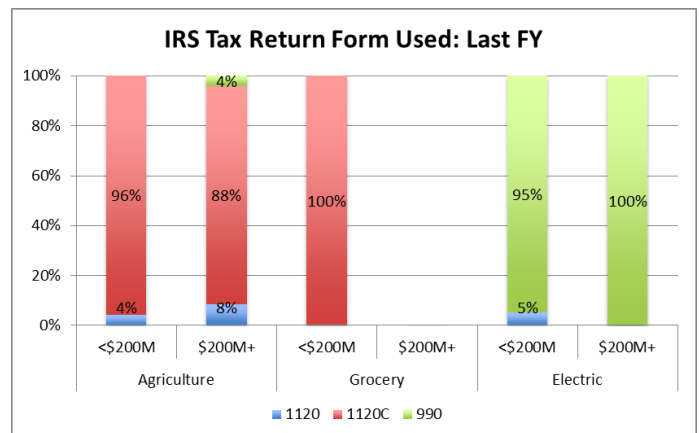
Legal and Tax Status

The survey included several questions designed to provide an overview of the legal and tax status of cooperative respondents and their relationship to operating on a cooperative basis.

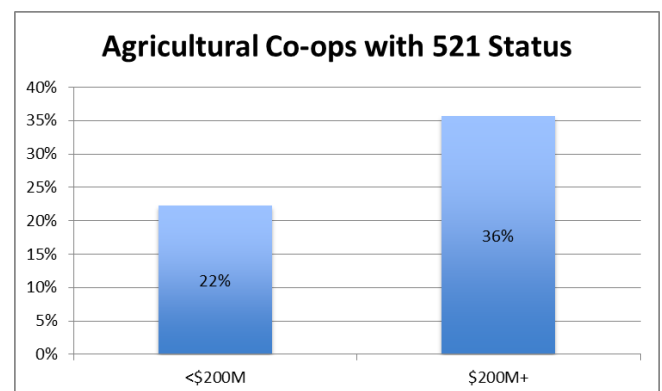
Responding cooperatives were incorporated in states across the U.S. As noted in the previous year, Incorporation status results are mixed, reflecting sector statutory requirements and variations in state incorporation statutes and nomenclature.



There is far more uniformity in federal tax forms used by cooperatives. Most agricultural and all of the grocery cooperatives filed a Form 1120C for the most recent fiscal year. Consistent with their federal nonprofit status, most electric cooperatives filed a Form 990. Tax form use may be one of the most direct ways of identifying a firm as a cooperative.



Section 521 status for agriculture cooperatives was claimed by 22-36% of the responding agricultural cooperatives.



Conclusions and Next Steps

The year-long pilot survey project with the NSAC membership has highlighted the opportunities and challenges of using survey methodology to collect data. The NSAC membership list represents the most qualified group of possible respondents: cooperative financial professionals who are members of a professional organization. While the survey was endorsed by NSAC, under 20% of those receiving the survey invitation opened the survey itself. Of those survey respondents, approximately 20% of the survey respondents answered a survey in both 2013 and 2014. While these response rates are within typical ranges, they would need to be substantially higher to produce enough data to look at results over time, and to produce more in-depth snapshots on an annual basis.

UWCC has been actively pursuing initiatives to develop data resources for researching cooperative financial behavior, and the role cooperatives play in the economy. Since this project was initiated, other larger data sets have become available, and may have some of the data that the survey was designed to collect.

However, the survey does offer opportunities to gather data on financial issues that are unique to cooperatives and is not available elsewhere. It is interesting to note that 45-67% of those who opened the survey invitation email went on to participate in the survey. Any new survey project should be supported by a strong publicity and communication program to encourage participation. In addition, identifying ways to cost-effectively increase the universe of cooperative contacts would also increase the amount of response data available for analysis.

UWCC continues to move forward in its efforts to develop more comprehensive data resources to support research about the cooperative sector. It recognizes that partnerships with key cooperative organizations are critical. UWCC highly values its relationship with NSAC, and looks forward to continued collaborative efforts.

Appendix

2014. Annual Cooperative Business Survey - Text

Q1 To complete this short survey, you will need a copy of your cooperative's audited financial statements from the most recent fiscal year, and a copy of the annual report. Please use information from these financial statements to answer the survey questions.

Please use the arrows on the bottom of the survey to advance or go back a page. Using your browser's back button will take you out of the survey.

Please note that you can partially complete the survey and reopen it later by closing the browser window, and using the unique link in your email to reopen the survey. Any data entered will be saved, and will reappear when you reopen the survey.

Q2 Your cooperative's most recently audited financial statements are from what fiscal year?

- 2013 (1)
- 2014 (2)

Q3 In which month does your cooperative's fiscal year begin?

- January (1)
- February (2)
- March (3)
- April (4)
- May (5)
- June (6)
- July (7)
- August (8)
- September (9)
- October (10)
- November (11)
- December (12)

Q4 Please indicate the type of services that your cooperative provides. (Check all that apply.)

- Agricultural Marketing/Processing (1)
- Banking/Farm Credit (2)
- Electric Distribution/Generation (6)
- Farm Supply/Services (3)
- Retail Grocery (4)
- Insurance (Please specify sector.) (5) _____
- Purchasing (Businesses as members. Please specify sector.) (10) _____
- Telecommunications (11)
- Other (12) _____

Q5 What were your cooperative's total sales?

_____ Total Sales (1)

Q6 Using percentages, indicate the source of your cooperative's total sales. (Answers must total 100%)

_____ Member business (1)

_____ Non-member business (2)

Q7 What were your cooperative's net earnings before taxes?

_____ Net earnings before taxes (1)

Q8 What were the **sources** of your cooperative's **net earnings before taxes**? Total should equal net earnings before taxes.

_____ Member business (1)

_____ Non-member business (2)

_____ Patronage refunds from other cooperatives of which your co-op is a member (3)

_____ Income from subsidiary businesses (4)

_____ Income from investment in other cooperatives or businesses (5)

_____ Other (please describe) (6)

Answer If What was the value of each of the sources of your cooperative's net earnings before taxes? (Total must equal value of Q.7) Patronage refunds from other cooperatives of which your co-op is a member Is Greater Than 0

Q9 You indicated that your cooperative received patronage refunds from other cooperatives. What percent of the refund was in cash?

_____ Cash Received (1)

Answer If Please indicate the type of services that your cooperative provides. (Check all that apply.)
Electric Distribution/Generation Is Not Selected

Q10 How did your cooperative apportion its net earnings before taxes? Total should equal the cooperative's net earnings before taxes.

- _____ Patronage allocations (39)
- _____ Redemption of retained patronage allocations (41)
- _____ Unallocated reserves/retained earnings (40)
- _____ Dividends on preferred stock (38)
- _____ Taxes (43)
- _____ Other (please describe) (42)

Answer If How did your cooperative treat net earnings before taxes? (Total must equal \$... Patronage allocations to members Is Greater Than 0

Q11 You indicated that a portion of cooperative net earnings for the fiscal year were allocated to patrons. Using percentages, indicate how those patron allocations were distributed. (Answers must total 100%).

- _____ Cash refunds (4)
- _____ Qualified written notices of allocation (retained) (2)
- _____ Nonqualified written notices of allocation (retained) (3)

Answer If Using percentages, indicate how your cooperative's net in... Redemption of retained patronage allocations Is Greater Than 0

Q12 You indicated that your cooperative redeemed retained patronage to members. What percentage of that redeemed patronage was for the following? (Answers must total 100%).

- _____ Qualified retained allocations (1)
- _____ Nonqualified retained allocations (2)

Answer If Please indicate the type of services that your cooperative provides. (Check all that apply.)

Electric Distribution/Generation Is Selected

Q14 How did your cooperative **apportion** its net earnings before taxes? Total should equal net earnings before taxes.

- _____ Patronage allocations to member capital credit accounts (39)
- _____ Retire member capital credits (41)
- _____ Unallocated reserves/retained earnings (40)
- _____ Taxes (43)
- _____ Other (42)

Answer If Please indicate the value of the following apportionments of your cooperative's net earnings before taxes. Total should equal net earnings before taxes. Retire member capital credits Is Greater Than 0

Q15 You indicate that your cooperative retired member capital credits in the reported fiscal year. Using percentages, indicated how those allocations were distributed. (Answers must total 100%).

- _____ Checks to members (4)
- _____ Credits applied to member bill (2)

Q16 What was the book value of the cooperative's **assets** in each of the following categories?

- _____ Current assets (1)
- _____ Fixed assets (net) (2)
- _____ Equity in other co-ops (3)
- _____ Equity in other subsidiaries or businesses (4)
- _____ Other assets (please describe) (5)

Q17 What was the book value of the cooperative's **liabilities** in each of the following categories?

- _____ Current liabilities - patronage refunds (1)
- _____ Current liabilities - other (2)
- _____ Long-term liabilities - debt (3)
- _____ Other liabilities (please describe) (4)

Answer If Please indicate the type of services that your cooperative provides. (Check all that apply.)

Electric Distribution/Generation Is Not Selected

Q18 What was the book value of the cooperative's **equity** in each of the following categories?

- _____ Member common stock or shares (1)
- _____ Allocated patron equity - qualified (3)
- _____ Allocated patron equity - nonqualified (4)
- _____ Unallocated reserves/retained earnings (5)
- _____ Preferred stock (2)
- _____ Other (please describe) (6)

Answer If Please indicate the type of services that your cooperative provides. (Check all that apply.)

Electric Distribution/Generation Is Selected

Q19 What was the book value of the cooperative's **equity** in each of the following categories?

- _____ Member common stock or shares (1)
- _____ Allocated patron capital accounts (3)
- _____ Unallocated reserves/retained earnings (5)
- _____ Other (please describe) (6)

Q20 What were the capital expenditures in each of the following categories?

- _____ Plant, property and equipment (1)
- _____ Investment in other businesses (2)
- _____ Acquisitions of other businesses (3)
- _____ Other (Please describe) (4)

Q21 What are the estimated capital expenditures in each of the following categories for the NEXT fiscal year?

- _____ Plant, property and equipment (1)
- _____ Investment in other businesses (2)
- _____ Acquisitions of other businesses (3)
- _____ Other (Please describe) (4)

Answer If Your cooperative's most recently audited financial statements are from what fiscal year? 2013 Is Selected

Q22 For each of the following next three fiscal years, please indicate whether net income is forecast to be higher or lower.

	Much Lower (1)	Slightly Lower (2)	About the Same (3)	Higher (4)	Much Higher (5)	N/A (6)
FY 2014 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
FY 2015 (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
FY 2016 (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Answer If Your cooperative's most recently audited financial statements are from what fiscal year? 2014 Is Selected

Q23 For each of the following next three fiscal years, please indicate whether net income is forecast to be higher or lower.

	Much Lower (1)	Slightly Lower (2)	About the Same (3)	Higher (4)	Much Higher (5)	N/A (6)
FY 2015 (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
FY 2016 (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
FY 2017 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q24 Has the cooperative paid for an external valuation of its assets in the last 5 years?

- Yes (1)
- No (2)
- Comments (3) _____

Answer If Have you paid for an external valuation of your assets in... Yes Is Selected

Q25 Please indicate the year of the valuation.

Answer If Have you paid for an external valuation of your assets in... Yes Is Selected

Q26 Please indicate the valuation of total assets for that year.

_____ Assessed total value (1)

Answer If Has the cooperative paid for an external valuation of its... Yes Is Selected

Q27 Please also indicate the total book value of assets for that year.

_____ Total book value (1)

Answer If Your cooperative allocated $\$$ {q://QID15/ChoiceNumericEntryValue/39} of net earnings as patronage... Nonqualified written notices of allocation (retained) Is Greater Than 0

Q28 In what situations does your cooperative make nonqualified allocations?

Answer If Please indicate the type of services that your cooperative provides. (Check all that apply.)

Electric Distribution/Generation Is Selected

Q29 Which of the following retained equity redemption practices does your cooperative use? (Check all that apply)

- Retire on death of member (1)
- Retire on age (Please specify age) (2) _____
- Revolving fund (Please indicate number of years in current revolving fund cycle) (3)

- Percentage of all equities (4)
- On request (7)
- Other (Please specify) (6) _____

Answer If Please indicate the type of services that your cooperative provides. (Check all that apply.)

Electric Distribution/Generation Is Not Selected

Q30 Which of the following retained equity redemption practices does your cooperative use? (Check all that apply)

- Retire on death of member (1)
- Retire on age (Please specify age) (2) _____
- Revolving fund (Please indicate number of years in current revolving fund cycle) (3)

- Percentage of all equities (4)
- Base capital plan (5)
- Other (Please specify) (6) _____

Q31 Please share with us any issues or concerns about equity capital and equity redemption at your cooperative.

Answer If Please indicate the economic sector in which your coopera... Agricultural
Marketing/Processing/Farm Supply Is Selected

Q32 Has your cooperative been granted section 521 status by the IRS?

- Yes (18)
- No (19)

Q33 In which state is your cooperative incorporated?

- AL (104)
- AK (105)
- AZ (106)
- AR (107)
- CA (108)
- CO (109)
- CT (110)
- DC (111)
- DE (112)
- FL (113)
- GA (114)
- HI (115)
- ID (116)
- IL (117)
- IN (118)
- IA (119)
- KS (120)
- KY (121)
- LA (122)
- ME (123)
- MD (124)
- MA (125)
- MI (126)
- MN (127)
- MS (128)
- MO (129)
- MT (130)
- NE (131)
- NV (132)
- NH (133)
- NJ (134)
- NM (135)
- NY (136)
- NC (137)

- ND (138)
- OH (139)
- OK (140)
- OR (141)
- PA (142)
- RI (143)
- SC (144)
- SD (145)
- TN (146)
- TX (147)
- UT (148)
- VT (149)
- VA (150)
- WA (151)
- WV (152)
- WI (153)
- WY (154)

Q34 Please indicate the legal incorporation status of your cooperative.

- Cooperative Corporation (1)
- C or S Corporation (2)
- Nonprofit corporation (4)
- LLC (3)
- Other (please describe) (5) _____

Q35 Please indicate the form that your cooperative used to file the most recent fiscal year's return with the IRS.

- 1120C (1)
- 1120 (2)
- 990 (3)
- Other (please specify) (4) _____

Q36 Please electronically share a copy of your most recent annual report by uploading the document using the browse button below.

Q37 To submit your survey, hit the forward arrow button at the bottom of this page. Please note that once the survey is submitted, you will not be able to access the survey again.