

Form **990**
Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

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

OMB No. 1545-0047
2022
Open to Public Inspection

A For the 2022 calendar year, or tax year beginning 01-01-2022, and ending 12-31-2022

- B** Check if applicable:
- Address change
 - Name change
 - Initial return
 - Final return/terminated
 - Amended return
 - Application pending

C Name of organization
STEARNS COOPERATIVE ELECTRIC ASSOCIATION

Doing business as
STEARNS ELECTRIC ASSOCIATION

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
900 KRAFT DR SE PO BOX 40

City or town, state or province, country, and ZIP or foreign postal code
MELROSE, MN 56352

D Employer identification number
41-0558175

E Telephone number
(800) 962-0655

G Gross receipts \$ 64,606,320

F Name and address of principal officer:
MATTHEW O'SHEA
900 KRAFT DR SE PO BOX 40
MELROSE, MN 56352

H(a) Is this a group return for subordinates? Yes No

H(b) Are all subordinates included? Yes No
If "No," attach a list. See instructions.

H(c) Group exemption number ▶

I Tax-exempt status: 501(c)(3) 501(c)(12) ◀ (insert no.) 4947(a)(1) or 527

J Website: ▶ WWW.STEARNSELECTRIC.ORG

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: 1937

M State of legal domicile:
MN

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
GENERATION AND PURCHASE OF ELECTRICITY FOR DISTRIBUTION ON A COOPERATIVE BASIS TO MEMBERS.

2 Check this box if the organization discontinued its operations or disposed of more than 25% of its net assets.

3 Number of voting members of the governing body (Part VI, line 1a)	3	9
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	9
5 Total number of individuals employed in calendar year 2022 (Part V, line 2a)	5	82
6 Total number of volunteers (estimate if necessary)	6	0
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	19,273
7b Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	3,773

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	0	0
9 Program service revenue (Part VIII, line 2g)	61,943,099	62,743,968
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	351,430	364,078
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,087,418	1,243,906
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	65,381,947	64,351,952
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14 Benefits paid to or for members (Part IX, column (A), line 4)	5,398,280	4,043,870
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	984,669	977,771
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	58,998,998	59,330,311
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	65,381,947	64,351,952
19 Revenue less expenses. Subtract line 18 from line 12	0	0
Net Assets or Fund Balances	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	153,957,017	157,900,352
21 Total liabilities (Part X, line 26)	80,385,184	82,181,273
22 Net assets or fund balances. Subtract line 21 from line 20	73,571,833	75,719,079

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer
Date 2023-09-29

MATTHEW O'SHEA CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶ CLIFTONLARSONALLEN LLP		2023-09-29		P01760889
Firm's address ▶ 2689 COMMERCE DRIVE NW SUITE 201 ROCHESTER, MN 55901			Firm's EIN ▶ 41-0746749	Phone no. (507) 280-2300

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:

GENERATION AND PURCHASE OF ELECTRICITY FOR DISTRIBUTION AND SALE ON A COOPERATIVE BASIS TO MEMBERS.

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 \$ including grants of \$) (Revenue \$)
See Additional Data

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A		No
2	Is the organization required to complete Schedule B, Schedule of Contributors? See instructions.		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? If "Yes," complete Schedule C, Part III		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi endowments? If "Yes," complete Schedule D, Part V		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
11a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	Yes	
11b	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? If "Yes," complete Schedule D, Part VII	Yes	
11c	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? If "Yes," complete Schedule D, Part VIII		No
11d	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? If "Yes," complete Schedule D, Part IX		No
11e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	Yes	
11f	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)? If "Yes," complete Schedule D, Part X	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII		No
12b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
14b	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? If "Yes," complete Schedule F, Parts I and IV		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV		No
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I. See instructions.		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		No
20a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		No
20b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		No

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question, Yes, No. Rows 22-38 covering various organizational requirements and schedules.

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

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

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

Table with 5 main columns: Question ID, Question Text, Answer Box, Yes/No, and other. Rows include questions 2a through 17, covering topics like employee reporting, federal employment tax returns, unrelated business gross income, foreign accounts, prohibited tax shelter transactions, charitable contributions, and various organizational requirements.

Part VI Governance, Management, and Disclosure. For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 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

Table with 3 columns: Question, Yes, No. Rows include: 1a (Voting members), 1b (Independent members), 2 (Family/Business relationships), 3 (Delegation of control), 4 (Significant changes), 5 (Asset diversion), 6 (Members/stockholders), 7a (Power to elect/appoint), 7b (Governance decisions), 8 (Meeting documentation), 8a (Governing body), 8b (Committees), 9 (Officer reachability).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a (Local chapters), 10b (Policies for chapters), 11a (Copy of Form 990), 11b (Review process), 12a (Conflict of interest policy), 12b (Disclosure of interests), 12c (Monitoring compliance), 13 (Whistleblower policy), 14 (Document retention), 15 (Compensation review), 15a (CEO), 15b (Other officers), 16a (Joint venture investment), 16b (Joint venture policy).

Section C. Disclosure

Table with 2 columns: Question, Answer. Rows include: 17 (States for Form 990), 18 (Public inspection of Form 990), 19 (Disclosure of governing documents), 20 (Books and records).

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

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

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See the 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, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, or 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.

See the instructions for the order in which to list the persons above.

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/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(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) ERIC PETERSON PRESIDENT	7.00 0.00	X		X				14,250	0	0
(2) RANDALL ROTHSTEIN VICE PRESIDENT	5.00 0.00	X		X				12,850	0	0
(3) STEVEN NOTCH SECRETARY/TREASURER - PART YEAR	4.00 0.00	X		X				4,600	0	0
(4) MICHAEL CRAMER DIRECTOR/SECRETARY/TREASURER	6.00 0.00	X		X				13,650	0	0
(5) JEFF KOEHLER DIRECTOR	4.00 0.00	X						8,650	0	0
(6) ARLYN LAWRENZ DIRECTOR	5.00 0.00	X						12,850	0	0
(7) GREG BLAINE DIRECTOR	13.00 0.00	X						12,850	0	0
(8) JEROME FRIES DIRECTOR	9.00 0.00	X						12,850	0	0
(9) LAWRENCE IVERSON DIRECTOR	5.00 0.00	X						12,950	0	0
(10) ROBERT NIEHAUS DIRECTOR	5.00 0.00	X						8,650	0	0
(11) ROBIN C DOEGE CEO - PART YEAR	45.00 0.00			X				226,622	0	88,065
(12) MATTHEW R O'SHEA CEO	46.00 0.00			X				197,399	0	83,052
(13) VICTORIA HERKENHOFF VP OF ADMINISTRATION & FIN	46.00 0.00				X			184,264	0	84,219
(14) GLENN BLOMMEL MANAGER OF OPERATIONS	51.00 0.00					X		166,846	0	79,615
(15) JAMES PACHAN MANAGER OF ENGINEERING	45.00 0.00					X		138,851	0	72,304
(16) RYAN A ZIERDEN MANAGER OF IT	48.00 0.00					X		147,691	0	59,465
(17) CINDY ANDERSON MANGER OF FINANCE	45.00 0.00					X		132,216	0	70,217

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/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) JACOB DOONER	52.00					X		124,368	0	43,698
LINE SUPERINTENDENT	0.00									
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,432,407	0	580,635

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 ► 32

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
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	Yes
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	No

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
CARR'S TREE SERVICE PO BOX 250 OTTERTAIL, MN 56571	TREE CLEARING	1,418,700
INTEGRITY CONTRACTING INC 17827 COUNTY ROAD 2 SHEVLIN, MN 56676	UNDERGROUND POWER LINE UTILITY CONTRACTOR	714,794
NISC PO BOX 1147 MANDAN, ND 58554	SOFTWARE SERVICE/SUPPORT	459,351
LEGACY POWER LINE INC 12822 HWY 10 PO BOX 469 WADENA, MN 56482	OVERHEAD POWER LINE UTILITY CONTRACTOR	308,067
HIGHLINE CONSTRUCTION INC 16124 OLD LAKE RD PAYNESVILLE, MN 56362	OVERHEAD POWER LINE UTILITY CONTRACTOR	239,203

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 ► 8

Part VIII Statement of Revenue

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

Table with columns: (A) Total revenue, (B) Related or exempt function revenue, (C) Unrelated business revenue, (D) Revenue excluded from tax under sections 512 - 514. Rows include Contributions, Gifts, Grants and Other Similar Amounts; Program Service Revenue; and Other Revenue.

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16.				
4 Benefits paid to or for members	4,043,870			
5 Compensation of current officers, directors, trustees, and key employees	977,771			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)				
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	2,023,019			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	4,829,693			
23 Insurance				
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a COST OF POWER	40,533,066			
b OPERATIONS	3,743,662			
c MAINTENANCE	3,576,057			
d GENERAL & ADMIN	2,467,257			
e All other expenses	2,157,557			
25 Total functional expenses. Add lines 1 through 24e	64,351,952			
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <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 IX

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	900,094	1	1,199,557
	2 Savings and temporary cash investments	6,946,676	2	8,079,157
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	6,284,872	4	5,776,005
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	2,505,129	8	3,601,551
	9 Prepaid expenses and deferred charges	386,166	9	406,912
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 152,339,700		
	b Less: accumulated depreciation	10b 48,473,839	100,527,429	10c 103,865,861
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11	35,414,106	12	34,143,702
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	992,545	15	827,607
16 Total assets. Add lines 1 through 15 (must equal line 33)	153,957,017	16	157,900,352	
Liabilities	17 Accounts payable and accrued expenses	8,841,956	17	8,719,251
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties	67,290,880	23	70,628,256
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17 - 24). Complete Part X of Schedule D	4,252,348	25	2,833,766
	26 Total liabilities. Add lines 17 through 25	80,385,184	26	82,181,273
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions		27	
	28 Net assets with donor restrictions		28	
	Organizations that do not follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds	0	29	0
	30 Paid-in or capital surplus, or land, building or equipment fund	0	30	0
	31 Retained earnings, endowment, accumulated income, or other funds	73,571,833	31	75,719,079
32 Total net assets or fund balances	73,571,833	32	75,719,079	
33 Total liabilities and net assets/fund balances	153,957,017	33	157,900,352	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	64,351,952
2	Total expenses (must equal Part IX, column (A), line 25)	2	64,351,952
3	Revenue less expenses. Subtract line 2 from line 1	3	0
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	73,571,833
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	2,147,246
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	75,719,079

Part XII Financial Statements and Reporting

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

- 1** Accounting method used to prepare the Form 990: Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
 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:
 Separate basis Consolidated basis Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant?
 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:
 Separate basis Consolidated basis Both consolidated and separate basis
- c** If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- 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.

	Yes	No
2a		No
2b	Yes	
2c	Yes	
3a		No
3b		

Additional Data

Software ID:

Software Version:

EIN: 41-0558175

Name: STEARNS COOPERATIVE ELECTRIC ASSOCIATION

Form 990 (2022)

Form 990, Part III, Line 4a:

SOLD 550,607,119 KWH'S TO OUR COOPERATIVE MEMBERS IN 2022. THE AVERAGE NUMBER OF TOTAL SERVICES WAS 28,073. WE OPERATE ON A COOPERATIVE BASIS TO GENERATE, PURCHASE, DISTRIBUTE, AND SELL ELECTRICITY TO OUR MEMBERS. NET PATRONAGE MARGINS, OUR NET INCOME, IS USED TO GROW OUR PLANT AND RETIRE CAPITAL CREDITS. NET MARGINS ARE ALLOCATED TO MEMBERS AND RETURNED TO OUR MEMBERS OVER TIME.

SCHEDULE D (Form 990) Department of the Treasury Internal Revenue Service

Supplemental Financial Statements Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047 2022 Open to Public Inspection

Name of the organization STEARNS COOPERATIVE ELECTRIC ASSOCIATION

Employer identification number 41-0558175

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. Includes questions 1-4 about fund values and questions 5-6 about donor notification.

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

Form for Part II Conservation Easements. Includes questions 1-9 about easement types, monitoring, and reporting.

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.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions 1a, 1b, and 2 about reporting on art and historical treasures.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a** Public exhibition
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . **Yes** **No**

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? **Yes** **No**
- b** If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---|--------|
| 1c Beginning balance | |
| 1d Additions during the year | |
| 1e Distributions during the year | |
| 1f Ending balance | |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? . . . **Yes** **No**
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Part V Endowment Funds.

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

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

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a** Board designated or quasi-endowment ▶
 - b** Permanent endowment ▶
 - c** Term endowment ▶
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|--|---------------|----|
| (i) Unrelated organizations | 3a(i) | |
| (ii) Related organizations | 3a(ii) | |
| b If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4** Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		969,166		969,166
b Buildings		6,284,534	2,435,967	3,848,567
c Leasehold improvements				
d Equipment		145,086,000	46,037,872	99,048,128
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) . . . ▶				103,865,861

Part VII Investments - Other Securities.

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other _____		
(A) PATRONAGE CAPITAL	29,278,122	C
(B) INVEST IN CFC-LOAN CTCS	1,093,751	C
(C) INVEST IN ASSOCIATED ORG	13,625	C
(D) INVEST IN ECON DEV PROJECTS	1,261,388	C
(E) OTHER INVESTMENTS	2,496,816	C
(F)		
(G)		
(H)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.)	34,143,702	

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)		
Total. (Column (b) must equal Form 990, Part X, col.(B) line 13.)		

Part IX Other Assets.

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col.(B) line 15.)	

Part X Other Liabilities.

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

(a) Description of liability	(b) Book value
1. (1) Federal income taxes	
DEFERRED CREDITS	2,417,287
ACCUMULATED PROVISION FOR PENSIONS	416,479
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col.(B) line 25.)	2,833,766

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

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

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

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

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.

Return Reference	Explanation
See Additional Data Table	

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

Software ID:

Software Version:

EIN: 41-0558175

Name: STEARNS COOPERATIVE ELECTRIC ASSOCIATION

Supplemental Information

Return Reference	Explanation
PART X, LINE 2:	THE COOPERATIVE IS EXEMPT FROM INCOME TAXES UNDER SECTION 501(C)(12) OF THE INTERNAL REVENUE CODE (IRC). THE COOPERATIVE'S WHOLLY OWNED SUBSIDIARY, SEA DEVELOPMENT, LLC, IS TREATED AS A DISREGARDED ENTITY FOR INCOME TAX PURPOSES. GAINS AND LOSSES FROM THE LLC ARE INCLUDED WITH THE COOPERATIVE'S UNRELATED BUSINESS INCOME FOR TAX REPORTING PURPOSES. THE COOPERATIVE UTILIZES AN ASSET AND LIABILITY APPROACH TO FINANCIAL ACCOUNTING AND REPORTING FOR INCOME TAXES. DEFERRED INCOME TAXES ARE COMPUTED ANNUALLY FOR DIFFERENCES BETWEEN THE FINANCIAL STATEMENT AND TAX BASIS OF ASSETS AND LIABILITIES THAT WILL RESULT IN TAXABLE OR DEDUCTIBLE AMOUNTS IN THE FUTURE BASED ON ENACTED TAX LAWS AND RATES APPLICABLE TO THE PERIODS IN WHICH THE DIFFERENCES ARE EXPECTED TO AFFECT TAXABLE INCOME. AS OF DECEMBER 31, 2022 AND 2021, THE COOPERATIVE HAS A DEFERRED INCOME TAX ASSET OF \$5,163 AND \$8,096, RESPECTIVELY, SEE NOTE 16 IN THE AUDITED FINANCIAL STATEMENTS. VALUATION ALLOWANCES ARE ESTABLISHED WHEN NECESSARY TO REDUCE DEFERRED TAX ASSETS TO THE AMOUNT EXPECTED TO BE REALIZED. THE BENEFIT FOR INCOME TAXES IS THE TAX PAYABLE OR REFUNDABLE FOR THE PERIOD PLUS OR MINUS THE CHANGE DURING THE PERIOD IN DEFERRED TAX ASSETS AND LIABILITIES. THE COOPERATIVE EVALUATED ITS TAX POSITIONS AND DETERMINED THAT IT HAS NO UNCERTAIN TAX POSITIONS AS OF DECEMBER 31, 2022 AND 2021.

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 23.**
▶ **Attach to Form 990.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization
STEARNS COOPERATIVE ELECTRIC ASSOCIATION

Employer identification number
41-0558175

Part I Questions Regarding Compensation

	Yes	No		
<p>1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax idemnification and gross-up payments <input type="checkbox"/> Discretionary spending account </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) </td> </tr> </table>	<input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax idemnification and gross-up payments <input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax idemnification and gross-up payments <input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)			
<p>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</p>	1b			
<p>2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked on Line 1a?</p>	2			
<p>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.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee </td> </tr> </table>	<input type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations	<input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
<input type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations	<input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee			
<p>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:</p> <p>a Receive a severance payment or change-of-control payment?</p> <p>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p> <p>c Participate in, or receive payment from, an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</p>	4a	No		
	4b	No		
	4c	No		
<p>Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</p> <p>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:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes," on line 5a or 5b, describe in Part III.</p>	5a			
	5b			
<p>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:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes," on line 6a or 6b, describe in Part III.</p>	6a			
	6b			
<p>7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III</p>	7			
<p>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</p>	8			
<p>9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>	9			

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 are not 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, 1099-MISC compensation, and/or 1099-NEC			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 ROBIN C DOEGE CEO - PART YEAR	(i)	198,587	7,500	20,535	63,556	24,509	314,687	0
	(ii)	0	0	0	0	0	0	0
2 MATTHEW R O'SHEA CEO	(i)	168,694	6,750	21,955	55,204	27,848	280,451	0
	(ii)	0	0	0	0	0	0	0
3 VICTORIA HERKENHOFF VP OF ADMINISTRATION & FIN	(i)	160,688	6,750	16,826	53,611	30,608	268,483	0
	(ii)	0	0	0	0	0	0	0
4 GLENN BLOMME MANAGER OF OPERATIONS	(i)	148,362	6,000	12,484	50,475	29,140	246,461	0
	(ii)	0	0	0	0	0	0	0
5 JAMES PACHAN MANAGER OF ENGINEERING	(i)	131,971	6,000	880	43,888	28,416	211,155	0
	(ii)	0	0	0	0	0	0	0
6 RYAN A ZIERDEN MANAGER OF IT	(i)	141,148	6,000	543	45,265	14,200	207,156	0
	(ii)	0	0	0	0	0	0	0
7 CINDY ANDERSON MANGER OF FINANCE	(i)	125,427	6,000	789	41,814	28,403	202,433	0
	(ii)	0	0	0	0	0	0	0
8 JACOB DOONER LINE SUPERINTENDENT	(i)	115,706	1,500	7,162	14,600	29,098	168,066	0
	(ii)	0	0	0	0	0	0	0

SCHEDULE O
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ**Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

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

OMB No. 1545-0047

2022**Open to Public
Inspection**

Name of the organization

STEARNS COOPERATIVE ELECTRIC ASSOCIATION

Employer identification number

41-0558175

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	PERSONS AND ENTITIES, INCLUDING JOINT MEMBERS, RECEIVING ELECTRIC SERVICE FROM THE COOPERATIVE, AND HAVING VOTING RIGHTS AS REFLECTED ON THE RECORDS OF THE COOPERATIVE.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	MEMBERS ELECT THE BOARD OF DIRECTORS (GOVERNING BODY) BY BALLOT THROUGH ELECTION PROCESS (9 VOTING DISTRICTS).

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	REMOVAL OF DIRECTORS FOR CAUSE & REINSTATE AN EXPELLED MEMBER. DISPOSAL OF MORE THAN 25% OF THE COOPERATIVE PROPERTY. MERGE OR CONSOLIDATE WITH ANOTHER ENTITY AND FILE BANKRUPTCY. A BYLAW CHANGE MUST BE APPROVED BY THE MEMBERS.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 8B	THE ORGANIZATION DOES NOT HAVE ANY COMMITTEES THAT HAVE AUTHORITY TO ACT ON BEHALF OF THE GOVERNING BODY.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11B	THE CEO AND THE MANAGER OF FINANCE PROVIDE AND REVIEW FORM 990 WITH DIRECTORS BEFORE FILING.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	<p>STEARNS ELECTRIC ASSOCIATION'S "CONFLICT OF INTEREST" POLICY APPLIES TO DIRECTORS, OFFICERS, AND SENIOR MANAGEMENT OF THE COOPERATIVE. ANNUALLY, DIRECTORS, OFFICERS AND SENIOR MANAGEMENT SIGN A GIFT STATEMENT ACKNOWLEDGING THEY UNDERSTAND THE COOPERATIVE'S GIFT POLICY AND THAT THEY HAVE NOT RECEIVED GIFTS OF SUCH NATURE. EACH YEAR, THEY ALSO SIGN A "CONFLICT OF INTEREST CERTIFICATION AND DISCLOSURE STATEMENT AND DISCLOSE ANY POSSIBLE CONFLICTS OF INTEREST AS DEFINED IN THE CONFLICT OF INTEREST POLICY. THE BOARD OF DIRECTORS REVIEWS SIGNED AND COMPLETED "GIFT STATEMENTS AND "CONFLICT OF INTEREST CERTIFICATIONS" EACH YEAR AND TAKES ACTION AS DEEMED NECESSARY BASED UPON THE POLICY. IF THERE WAS A POTENTIAL / ACTUAL CONFLICT OF INTEREST, THE PROCEEDINGS WOULD BE DOCUMENTED IN THE BOARD MINUTES. ANY NUMBER OF RESTRICTIONS MAY BE IMPOSED ON PERSONS WITH A CONFLICT OF INTEREST SUCH AS REQUIRING DIVESTITURE OF PROPERTY, OR INABILITY TO PARTICIPATE IN, DISCUSS, OR VOTE UPON DECISIONS OR ACTIONS TO WHICH THE CONFLICT IS OR MAY BE RELEVANT. VIOLATION OF THE POLICY MAY RESULT IN DISCIPLINARY ACTIONS, INCLUDING BUT NOT LIMITED TO: TERMINATION OF DIRECTORSHIP OR EMPLOYMENT. FINALLY, ALL EMPLOYEES ARE ALSO EXPECTED TO DISCLOSE POSSIBLE CONFLICTS OF INTEREST AS OUTLINED IN THE EMPLOYEE HANDBOOK.</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	A NATIONAL SURVEY IS USED FOR COMPARABILITY DATA. THE BOARD TAKES ACTION INDEPENDENTLY TO ESTABLISH COMPENSATION FOR THE CEO. SALARY ADJUSTMENT FORM IS SIGNED BY BOARD PRESIDENT. THE CEO DETERMINES COMPENSATION FOR KEY EMPLOYEES. A NATIONAL SURVEY IS USED FOR COMPARABILITY DATA. A SALARY FORM IS SIGNED BY EMPLOYEE SUPERVISOR. THIS PROCESS WAS MOST RECENTLY COMPLETED IN 2022.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	GOVERNING DOCUMENTS & CONFLICT OF INTEREST POLICY ARE AVAILABLE ON REQUEST FROM THE PERSON LISTED IN PART VI-C, LINE 20. FINANCIAL STATEMENTS ARE AVAILABLE PER THE PUBLIC INSPECTION RULES.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XI, LINE 9:	CAPITAL CREDITS RETIRED -2,045,083. PATRONAGE MARGINS ALLOCATED 4,043,870. ESTATE DISCOUNTS RETAINED 148,458. ROUNDING 1.

990 Schedule O, Supplemental Information

Return Reference	Explanation
PART XII, LINE 2C:	THE PROCESS FOR OVERSIGHT OF THE ANNUAL FINANCIAL STATEMENT AUDIT AND SELECTION OF AN INDEPENDENT ACCOUNTANT HAS NOT CHANGED.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX, LINE 4:	THE IRS INSTRUCTIONS STATE THAT PATRONAGE MARGINS ALLOCATED BY SECTION 501(C)(12) ORGANIZATIONS TO THEIR MEMBERS SHOULD BE REPORTED ON LINE 4. THE ORGANIZATION HAS INTERPRETED PATRONAGE DIVIDENDS PAID TO MEAN PATRONAGE DIVIDENDS ALLOCATED OR TO BE ALLOCATED FOR THE CURRENT YEAR. SINCE THIS ALLOCATION IS NOT AN EXPENSE UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP), THIS HAS RESULTED IN A RECONCILING ITEM TO NET ASSETS IN PART XI, ON PAGE 12 OF THE FORM 990.

SCHEDULE R (Form 990)

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2022

Open to Public Inspection

Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37. Attach to Form 990. Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury Internal Revenue Service

Name of the organization STEARNS COOPERATIVE ELECTRIC ASSOCIATION

Employer identification number 41-0558175

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

Table with 6 columns: (a) Name, address, and EIN of disregarded entity; (b) Primary activity; (c) Legal domicile; (d) Total income; (e) End-of-year assets; (f) Direct controlling entity. Row 1: SEA DEVELOPMENT LLC, LAND/ECONOMIC DEVELOPMENT, MN, -943, 0, STEARNS COOPERATIVE ELECTRIC ASSOCIATION.

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

Table with 7 columns: (a) Name, address, and EIN of related organization; (b) Primary activity; (c) Legal domicile; (d) Exempt Code section; (e) Public charity status; (f) Direct controlling entity; (g) Section 512(b)(13) controlled entity? (Yes/No).

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a	
b Gift, grant, or capital contribution to related organization(s)	1b	
c Gift, grant, or capital contribution from related organization(s)	1c	
d Loans or loan guarantees to or for related organization(s)	1d	
e Loans or loan guarantees by related organization(s)	1e	
f Dividends from related organization(s)	1f	
g Sale of assets to related organization(s)	1g	
h Purchase of assets from related organization(s)	1h	
i Exchange of assets with related organization(s)	1i	
j Lease of facilities, equipment, or other assets to related organization(s)	1j	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	
o Sharing of paid employees with related organization(s)	1o	
p Reimbursement paid to related organization(s) for expenses	1p	
q Reimbursement paid by related organization(s) for expenses	1q	
r Other transfer of cash or property to related organization(s)	1r	
s Other transfer of cash or property from related organization(s)	1s	Yes

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved

Part VI Unrelated Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R. See instructions.

Return Reference	Explanation