



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2005

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2005 calendar year, or tax year beginning and ending

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization
 SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.
 Number and street (or P O box if mail is not delivered to street address) Room/suite
 P.O. BOX 820
 City or town, state or country, and ZIP + 4
 WILLCOX, AZ 85644-0820

D Employer identification number
 86-0059728

E Telephone number
 (520) 384-2221

F Accounting method: Cash Accrual
 Other (specify) ▶

G Website: ▶ WWW.SSVEC.ORG

J Organization type (check only one) ▶ 501(c) (12) ◀ (insert no) 4947(a)(1) or 527

K Check here ▶ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

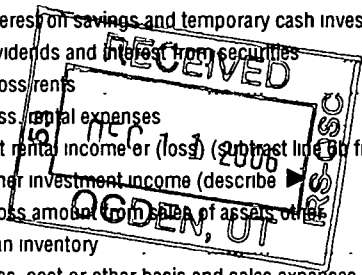
L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **71,543,666.**

H and I are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶ N/A
H(c) Are all affiliates included? N/A Yes No (If "No," attach a list)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶ N/A
M Check ▶ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue		Expenses		Net Assets	
1	Contributions, gifts, grants, and similar amounts received				
a	Direct public support	1a			
b	Indirect public support	1b			
c	Government contributions (grants)	1c			
d	Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	1d			0.
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2			70,046,310.
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4			121,360.
5	Dividends and interest from securities	5			
6a	Gross rents	6a			603,033.
b	Less: rental expenses	6b			4,199.
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			598,834.
7	Other investment income (describe) ▶ SEE STATEMENT 1)	7			289,217.
8a	Gross amount from sale of assets other than inventory	(A) Securities		(B) Other	
b	Less: cost or other basis and sales expenses	8a			
c	Gain or (loss) (attach schedule)	8b			
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c			
9	Special events and activities (attach schedule) If any amount is from gaming, check here ▶ <input type="checkbox"/>	8d			
a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a			
b	Less: direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
10a	Gross sales of inventory, less returns and allowances	10a			456,168.
b	Less: cost of goods sold	10b			346,628.
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			STMT 4 109,540.
11	Other revenue (from Part VII, line 103)	11			27,578.
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12			71,192,839.
13	Program services (from line 44, column (B))	13			
14	Management and general (from line 44, column (C))	14			
15	Fundraising (from line 44, column (D))	15			
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17			66,451,427.
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18			4,741,412.
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19			37,676,871.
20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 5	20			<494,316.>
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			41,923,967.

SCANNED FEB 15 2007



**SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC.**

Form 990 (2005)

86-0059728 Page 2

**Part II Statement of
Functional Expenses**

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ <u>0</u> noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25 Compensation of officers, directors, etc.	335,564.			
26 Other salaries and wages				
27 Pension plan contributions				
28 Other employee benefits				
29 Payroll taxes				
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies				
34 Telephone				
35 Postage and shipping				
36 Occupancy				
37 Equipment rental and maintenance				
38 Printing and publications				
39 Travel				
40 Conferences, conventions, and meetings				
41 Interest	4,161,135.			
42 Depreciation, depletion, etc. (attach schedule)	5,513,746.			
43 Other expenses not covered above (itemize):				
a _____				
b _____				
c _____				
d _____				
e _____				
f _____				
g SEE STATEMENT 6	56,440,982.			
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	66,451,427.			

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A, (ii) the amount allocated to Program services \$ N/A,
 (iii) the amount allocated to Management and general \$ N/A, and (iv) the amount allocated to Fundraising \$ N/A

Form 990 (2005)

**SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC.**

Form 990 (2005)

86-0059728 Page 3

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► <u>SEE STATEMENT 7</u>	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a PROVIDING ELECTRIC POWER TO OUR MEMBERS - 47,529 ACTIVE SERVICES WERE PROVIDED ELECTRIC POWER ON A COOPERATIVE BASIS AT YEAR END THROUGH THE ALLOCATION OF PATRONAGE CAPITAL.	
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
b WIRELESS INTERNET ACCESS AND SERVICE WAS PROVIDED TO OVER 400 MEMBERS ON A COOPERATIVE BASIS AT YEAR END THROUGH THE ALLOCATION OF PATRONAGE CAPITAL.	
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c ELECTRIC DISTRIBUTION SERVICES (THE DELIVERY, BUT NOT THE SALE OF ELECTRICITY, TO A CUSTOMER OVER LINES OWNED, OPERATED AND MAINTAINED BY THE COOPERATIVE) WERE PROVIDED TO THE CLASS B MEMBERSHIP ON A COOPERATIVE BASIS.	
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d	
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	

Form 990 (2005)

**SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC.**

Form 990 (2005)

86-0059728 Page 4

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year	
Assets	45	Cash - non-interest-bearing	11,687.	45	517,490.
	46	Savings and temporary cash investments		46	175,000.
	47 a	Accounts receivable	4,340,242.		
		b Less: allowance for doubtful accounts	561,667.	47c	3,778,575.
	48 a	Pledges receivable			
		b Less: allowance for doubtful accounts		48c	
	49	Grants receivable		49	
	50	Receivables from officers, directors, trustees, and key employees		50	
	51 a	Other notes and loans receivable	67,992.		
		b Less: allowance for doubtful accounts		51c	67,992.
	52	Inventories for sale or use	501,822.	52	648,839.
	53	Prepaid expenses and deferred charges	500,638.	53	803,284.
	54	Investments - securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55 a	Investments - land, buildings, and equipment: basis	115,029.		
		b Less: accumulated depreciation	115,029.	55c	115,029.
56	Investments - other SEE STATEMENT 8	9,791,350.	56	10,265,534.	
57 a	Land, buildings, and equipment: basis	187,335,553.			
	b Less: accumulated depreciation STMT 9	62,383,094.	57c	124,952,459.	
58	Other assets (describe SEE STATEMENT 10)	17,325.	58	406,193.	
59	Total assets (must equal line 74). Add lines 45 through 58	128,704,238.	59	141,730,395.	
Liabilities	60	Accounts payable and accrued expenses	6,148,325.	60	4,932,597.
	61	Grants payable		61	
	62	Deferred revenue	5,474,676.	62	5,488,401.
	63	Loans from officers, directors, trustees, and key employees		63	
	64 a	Tax-exempt bond liabilities		64a	
		b Mortgages and other notes payable STMT 11 STMT 12	74,274,080.	64b	83,908,784.
	65	Other liabilities (describe SEE STATEMENT 13)	5,130,286.	65	5,476,646.
66	Total liabilities. Add lines 60 through 65)	91,027,367.	66	99,806,428.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67	Unrestricted		67	
	68	Temporarily restricted		68	
	69	Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74.				
	70	Capital stock, trust principal, or current funds	178,315.	70	184,000.
	71	Paid-in or capital surplus, or land, building, and equipment fund	0.	71	0.
	72	Retained earnings, endowment, accumulated income, or other funds	37,498,556.	72	41,739,967.
73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	37,676,871.	73	41,923,967.	
74	Total liabilities and net assets/fund balances. Add lines 66 and 73	128,704,238.	74	141,730,395.	

Form 990 (2005)

**SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC.**

Form 990 (2005)

86-0059728 Page 5

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a Total revenue, gains, and other support per audited financial statements		a	N/A
b Amounts included on line a but not on Part I, line 12:			
1 Net unrealized gains on investments	b1		
2 Donated services and use of facilities	b2		
3 Recoveries of prior year grants	b3		
4 Other (specify): _____	b4		
Add lines b1 through b4		b	
c Subtract line b from line a		c	
d Amounts included on Part I, line 12, but not on line a :			
1 Investment expenses not included on Part I, line 6b	d1		
2 Other (specify): _____	d2		
Add lines d1 and d2		d	
e Total revenue (Part I, line 12). Add lines c and d		e	

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a Total expenses and losses per audited financial statements		a	N/A
b Amounts included on line a but not on Part I, line 17:			
1 Donated services and use of facilities	b1		
2 Prior year adjustments reported on Part I, line 20	b2		
3 Losses reported on Part I, line 20	b3		
4 Other (specify): _____	b4		
Add lines b1 through b4		b	
c Subtract line b from line a		c	
d Amounts included on Part I, line 17, but not on line a :			
1 Investment expenses not included on Part I, line 6b	d1		
2 Other (specify): _____	d2		
Add lines d1 and d2		d	
e Total expenses (Part I, line 17). Add lines c and d		e	

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
----- SEE STATEMENT 14 -----		335,564.	0.	0.

**SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC.**

Form 990 (2005)

86-0059728 Page 6

Part V-A Current Officers, Directors, Trustees, and Key Employees <i>(continued)</i>		Yes	No
75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 13			
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b		X
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control? Note. Related organizations include section 509(a)(3) supporting organizations. If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization	75c		X
d Does the organization have a written conflict of interest policy?	75d	X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)				
(A) Name and address	(B) Loans and Advances	(C) Compensation	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
NONE				

Part VI Other Information <i>(See the instructions.)</i>		Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77		X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X	
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	X	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X	
b If "Yes," enter the name of the organization ▶ <u>SEE STATEMENT 15</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt	81a		
81 a Enter direct or indirect political expenditures. (See line 81 instructions.)	81a		0.
b Did the organization file Form 1120-POL for this year?	81b		X

**SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC.**

Form 990 (2005)

86-0059728 Page 7

Part VI Other Information (continued) Yes No

<p>82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?</p> <p>b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)</p>	82a		Yes	No
				X
82b <u>N/A</u>				
<p>83 a Did the organization comply with the public inspection requirements for returns and exemption applications?</p> <p>b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?</p>	83a	X		
83b <u>N/A</u>				
<p>84 a Did the organization solicit any contributions or gifts that were not tax deductible?</p> <p>b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?</p>	84a			X
84b <u>N/A</u>				
<p>85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?</p> <p>b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.</p> <p>c Dues, assessments, and similar amounts from members</p> <p>d Section 162(e) lobbying and political expenditures</p> <p>e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices</p> <p>f Taxable amount of lobbying and political expenditures (line 85d less 85e)</p> <p>g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?</p> <p>h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?</p>	85a			
85b <u>N/A</u>				
85c <u>N/A</u>				
85d <u>N/A</u>				
85e <u>N/A</u>				
85f <u>N/A</u>				
85g <u>N/A</u>				
85h <u>N/A</u>				
<p>86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12</p> <p>b Gross receipts, included on line 12, for public use of club facilities</p>	86a			
86a <u>N/A</u>				
86b <u>N/A</u>				
<p>87 501(c)(12) organizations. Enter: a Gross income from members or shareholders</p> <p>b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)</p>	87a	71,088,587.		
87b <u>891,796.</u>				
<p>88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX</p>	88			X
<p>89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>N/A</u>, section 4912 <u>N/A</u>, section 4955 <u>N/A</u></p> <p>b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction</p> <p>c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958</p> <p>d Enter: Amount of tax on line 89c, above, reimbursed by the organization</p>	89a			
89b <u>N/A</u>				
89c <u>N/A</u>				
89d <u>N/A</u>				
<p>90 a List the states with which a copy of this return is filed <u>AZ</u></p> <p>b Number of employees employed in the pay period that includes March 12, 2005</p>	90b	166		
<p>91 a The books are in care of <u>CREDEN W. HUBER</u> Telephone no. <u>(520) 384-2221</u> Located at <u>350 N. HASKELL AVE., WILLCOX, AZ</u> ZIP + 4 <u>85643</u></p> <p>b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country <u>N/A</u> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.</p> <p>c At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country <u>N/A</u></p>	91b			X
91c <u>N/A</u>				X
<p>92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year</p>	92			<input type="checkbox"/>
92 <u>N/A</u>				

**SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC.**

Form 990 (2005)

86-0059728 Page 8

Part VII Analysis of Income-Producing Activities (See the instructions.)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a <u>SALE OF ELECTRICITY</u>					68,119,203.
b <u>INTERNET ACCESS REVENUE</u>					88,593.
c <u>ELECTRIC DISTRIBUTION</u>					
d <u>SERVICES CONTRACT</u>					
e <u>REVENUE</u>					1,838,514.
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	121,360.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	26,837.	
98 Net rental income or (loss) from personal property			11	571,997.	
99 Other investment income			15	5,692.	283,525.
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory	453000	109,540.			
103 Other revenue:					
a <u>PHONE CARD REVENUES</u>	517000	6,399.			
b <u>OUTSIDE & TECH SERVICE</u>	811000	21,179.			
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		137,118.		725,886.	70,329,835.
105 Total (add line 104, columns (B), (D), and (E))					71,192,839.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	SEE STATEMENT 16

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

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

Signature of officer: Matthew R. Huber Date: 12/18/06 Type or print name and title: CREDEN W HUBER, CEO/GENERAL MA

Preparer's signature: Matthew R. Huber CPA Date: 11/27/06 Check if self-employed: Preparer's SSN or PTIN: _____

Firm's name (or yours if self-employed), address, and ZIP + 4: BOLINGER, SEGARS, GILBERT AND MOSS LLP
1623 10TH STREET
LUBBOCK, TX 79401

EIN: _____ Phone no: (806) 747-3806

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
	TRANSMISSION PLANT											
2	TRANSMISSION PLANT		SL	.000	16	7334041.			7334041.	4282016.		196,845.
	* 990 PAGE 2 TOTAL -											
	TRANSMISSION PLANT					7334041.		0.	7334041.	4282016.	0.	196,845.
	DISTRIBUTION PLANT											
4	DISTRIBUTION PLANT		SL	.000	16	145671399			145671399	42454859.		4945197.
	* 990 PAGE 2 TOTAL -											
	DISTRIBUTION PLANT					145671399		0.	145671399	42454859.	0.	4945197.
	GENERAL PLANT											
6	GENERAL PLANT		SL	.000	16	17970997.			17970997.	10085973.		371,704.
	* 990 PAGE 2 TOTAL -											
	GENERAL PLANT					17970997.		0.	17970997.	10085973.	0.	371,704.
	CONSTRUCTION WORK IN PROGRESS											
	CONSTRUCTION WORK IN PROGRESS											
8	CONSTRUCTION WORK IN PROGRESS		SL	.000	16	16312616.			16312616.			0.
	* 990 PAGE 2 TOTAL -											
	CONSTRUCTION WORK IN PROGRESS					16312616.		0.	16312616.	0.	0.	0.
	INTANGIBLE ASSETS											
10	INTANGIBLE ASSETS		SL	.000	16	46,500.			46,500.	46,500.		0.
	* 990 PAGE 2 TOTAL -											
	INTANGIBLE ASSETS					46,500.		0.	46,500.	46,500.	0.	0.
	* GRAND TOTAL 990 PAGE 2 DEPR					187335553		0.	187335553	56869348.	0.	5513746.

FORM 990	OTHER INVESTMENT INCOME	STATEMENT	1
----------	-------------------------	-----------	---

DESCRIPTION	AMOUNT
PATRONAGE DIVIDENDS	283,525.
CREDIT CARD ROYALTIES	5,692.
TOTAL TO FORM 990, PART I, LINE 7	289,217.

FORM 990	RENTAL INCOME	STATEMENT	2
----------	---------------	-----------	---

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
ELECTRIC PLANT LEASED - NOT DEBT FINANCED	2	31,036.
JOINT POLE RENTAL	3	571,997.
TOTAL TO FORM 990, PART I, LINE 6A		603,033.

FORM 990	RENTAL EXPENSES	STATEMENT	3
----------	-----------------	-----------	---

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
ELECTRIC PLANT LEASED - EXPENSES		4,199.	
- SUBTOTAL -	2		4,199.
TOTAL TO FORM 990, PART I, LINE 6B			4,199.

FORM 990

INCOME AND COST OF GOODS SOLD
INCLUDED ON PART I, LINE 10

STATEMENT 4

INCOME

1. GROSS RECEIPTS	456,168	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		456,168
4. COST OF GOODS SOLD (LINE 13)	346,628	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		109,540

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR	502,177	
7. MERCHANDISE PURCHASED	456,654	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		958,831
12. INVENTORY AT END OF YEAR	612,203	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12).		346,628

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	5
DESCRIPTION		AMOUNT	
INCREASE IN MEMBERSHIPS		5,685.	
CAPITAL CREDIT RETIREMENTS		<500,001.>	
TOTAL TO FORM 990, PART I, LINE 20		<494,316.>	

FORM 990	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
COST OF PURCHASED POWER	39,657,238.				
TRANSMISSION EXPENSE	256,391.				
DISTRIBUTION EXPENSE	8,451,169.				
CUSTOMER ACCOUNTS EXPENSE	3,189,959.				
SALES EXPENSE	444,539.				
ADMINISTRATIVE & GENERAL EXPENSE	2,544,102.				
TAXES	617,202.				
OTHER DEDUCTIONS	108,811.				
ACCESS AND OTHER INTERNET EXPENSES	93,103.				
OUTSIDE & OTHER TECHNICAL SERVICE EXPENSES	37,805.				
PHONE CARD EXPENSES	6,948.				
EXPENSE OF ELECTRICITY SALES TO FORT HUACHUCA ARMY	1,033,715.				
TOTAL TO FM 990, LN 43	56,440,982.				

FORM 990	STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE	STATEMENT	7
	PART III		

EXPLANATION

TO PROVIDE ELECTRIC POWER AND INTERNET SERVICES TO MEMBERS AT COST ON A COOPERATIVE BASIS.

FORM 990	OTHER INVESTMENTS	STATEMENT	8
DESCRIPTION	VALUATION METHOD	AMOUNT	
ASSOCIATED ORGANIZATIONS - PATRONAGE CAPITAL	COST	6,966,981.	
ASSOCIATED ORGANIZATIONS - GENERAL FUNDS	COST	1,010.	
INVESTMENT IN CTCS-CFC	COST	2,937,252.	
OTHER INVESTMENTS	COST	182,255.	
DEFERRED COMPENSATION EMPLOYEE	COST	178,036.	
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		10,265,534.	

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	9
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
TRANSMISSION PLANT	7,334,041.	4,478,861.	2,855,180.
DISTRIBUTION PLANT	145,671,399.	47,400,056.	98,271,343.
GENERAL PLANT	17,970,997.	10,457,677.	7,513,320.
CONSTRUCTION WORK IN PROGRESS	16,312,616.	0.	16,312,616.
INTANGIBLE ASSETS	46,500.	46,500.	0.
TOTAL TO FORM 990, PART IV, LN 57	187,335,553.	62,383,094.	124,952,459.

FORM 990	OTHER ASSETS	STATEMENT	10
DESCRIPTION	AMOUNT		
OTHER CURRENT & ACCRUED ASSETS	406,193.		
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	406,193.		

FORM 990

MORTGAGES PAYABLE

STATEMENT 11

DESCRIPTION

BALANCE DUE

RURAL UTILITIES SERVICE

78,723,535.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64B, COLUMN B

78,723,535.

FORM 990

OTHER NOTES AND LOANS PAYABLE

STATEMENT 12

<u>LENDER'S NAME</u>		<u>TERMS OF REPAYMENT</u>	
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP,		INTEREST IS PAID QUARTERLY. PRINCIPAL IS PAID AS NEEDED	

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
VARIOUS	VARIOUS	5,000,000.	4.50%

<u>SECURITY PROVIDED BY BORROWER</u>	<u>PURPOSE OF LOAN</u>
	LINE OF CREDIT

RELATIONSHIP OF LENDER

NONE

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>BALANCE DUE</u>
	0.	5,185,249.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B		5,185,249.

FORM 990

OTHER LIABILITIES

STATEMENT 13

<u>DESCRIPTION</u>	<u>AMOUNT</u>
CONSUMER DEPOSITS	1,165,701.
ACCUMULATED PROVISION - PENSIONS & BENEFITS	735,695.
OTHER CURRENT & ACCRUED LIABILITIES	3,575,250.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	5,476,646.

FORM 990

PART V-A - LIST OF OFFICERS, DIRECTORS,
TRUSTEES AND KEY EMPLOYEES

STATEMENT 14

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
DONALD GENE MANRING P.O. BOX 820 WILLCOX, AZ 85644-0820	PRESIDENT 4.00	12,100.	0.	0.
KATHRYN THATCHER P.O. BOX 820 WILLCOX, AZ 85644-0820	VICE-PRESIDENT 5.00	10,025.	0.	0.
DANIEL BARRERA P.O. BOX 820 WILLCOX, AZ 85644-0820	TREASURER 4.00	5,400.	0.	0.
CURTIS NOLAN P.O. BOX 820 WILLCOX, AZ 85644-0820	SECRETARY 5.00	9,925.	0.	0.
HARVEY ALLEN P.O. BOX 820 WILLCOX, AZ 85644-0820	RETIRED BOARD PRESIDENT 1.00	2,350.	0.	0.
LANCE HOOPEES P.O. BOX 820 WILLCOX, AZ 85644-0820	RETIRED BOARD VP 1.00	2,450.	0.	0.
DONALD KYTE P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 4.00	6,675.	0.	0.
CECIL CARLILE P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 7.00	15,025.	0.	0.
HAROLD HINKLEY P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 4.00	7,485.	0.	0.
RONALD KLINE P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 3.00	5,950.	0.	0.
ANDREW MAYBERRY P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 4.00	6,725.	0.	0.

SULPHUR SPRINGS VALLEY ELECTRIC COOPERAT

86-0059728

CHARLES BROWN P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 4.00	7,900.	0.	0.
PAT ENGLISH P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 4.00	8,175.	0.	0.
JOSEPH FURNO P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 4.00	8,450.	0.	0.
ROBERT FRESE P.O. BOX 820 WILLCOX, AZ 85644-0820	DIRECTOR 5.00	7,975.	0.	0.
JAMES COOPER P.O. BOX 820 WILLCOX, AZ 85644-0820	RETIRED DIRECTOR 2.00	4,025.	0.	0.
CREDEN W. HUBER P.O. BOX 820 WILLCOX, AZ 85644-0820	GENERAL MANAGER 40.00	214,929.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		335,564.	0.	0.

FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS STATEMENT 15
PART VI, LINE 80B

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE FOUNDATION	X	
SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE TRUST	X	

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO STATEMENT 16
ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	SALE OF ELECTRICITY TO MEMBERS AT COST ON A COOPERATIVE BASIS WAS THE REASON THE COOPERATIVE WAS FORMED
93B	SALE OF INTERNET SERVICES TO MEMBERS IS ONE OF THE EXEMPT PURPOSES OF THE COOPERATIVE.
93C	PROVIDING ELECTRIC DISTRIBUTION SERVICES TO A CLASS B MEMBER ON A COOPERATIVE BASIS ACCOMPLISHES THE COOPERATIVE'S EXEMPT PURPOSE BY DISTRIBUTING ELECTRICITY, WHICH IS PURCHASED BY THE MEMBER, FROM A PRIMARY METERING POINT TO A SECONDARY POINT ACROSS ELECTRIC DISTRIBUTION PLANT OWNED, OPERATED AND MAINTAINED BY THE COOPERATIVE.
99	PATRONAGE DIVIDENDS RESULT FROM THE PURCHASE OF SERVICES FROM OTHER

COOPERATIVES. THESE SERVICES OR PRODUCTS ARE AN INTEGRAL PART OF THE COOPERATIVE PROVIDING ELECTRICITY TO ITS PATRONS AT COST, SUCH AS INTEREST ON LOANS USED TO CONSTRUCT ELECTRIC UTILITY PLANT, SOFTWARE AND DATA PROCESSING SERVICES AND INSURANCE.

Sulphur Springs Valley Electric Cooperative, Inc.

FEIN: 86-0059728

2005 Form 990

Part II, Line 25 – “Compensation of Officers, Directors, etc.”

The detail of officer, director, and key employee compensation required by the instructions to Form 990, Part II, Line 25 is the same information provided by the Organization with respect to Form 990, Part V. Therefore, the detail of officer, director and key employee compensation has not been duplicated for Part II, Line 25. Additionally, as an electric cooperative exempt under Section 501(c)(12) of the Internal Revenue Code, the Organization is not required to complete columns (B), (C), and (D) of Part II. Please note, however, that the amounts paid and reported as officer, director, and key employee compensation are related to the Organization's exempt purpose of providing electric energy to members on a cooperative basis.

If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.

Type or print. File by the extended due date for filing the return See instructions	Name of Exempt Organization SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.	Employer identification number 86-0059728
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 820	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WILLCOX, AZ 85644-0820	

Check type of return to be filed (File a separate application for each return):

- Form 990
- Form 990-EZ
- Form 990-T (sec. 401(a) or 408(a) trust)
- Form 1041-A
- Form 5227
- Form 8870
- Form 990-BL
- Form 990-PF
- Form 990-T (trust other than above)
- Form 4720
- Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

The books are in the care of **CREDEN W. HUBER**
Telephone No. **(520) 384-2221** FAX No. _____

If the organization does not have an office or place of business in the United States, check this box
If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the **whole group**, check this box . If it is for **part of the group**, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **NOVEMBER 15, 2006.**

5 For calendar year **2005**, or other tax year beginning _____ and ending _____.

6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS NECESSARY TO GATHER THE INFORMATION TO FILE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ _____

c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ **N/A**

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature William M. Miller Title CPA Date 7/20/06

Notice to Applicant - To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
- Other _____

Director _____ By _____ Date _____

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name BOLINGER, SEGARS, GILBERT AND MOSS LLP
	Number and street (include suite, room, or apt. no.) or a P.O. box number 1623 10TH STREET
	City or town, province or state, and country (including postal or ZIP code) LUBBOCK, TX 79401

EXTENSION APPROVED
AUG 1 2006
FIELD DIRECTOR,
SUBMISSION PROCESSING, OGDEN