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Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

2007

Open to Public Inspection for 501(c)(3) Organizations Only

Form 990-T Department of the Treasury Internal Revenue Service (77)

For calendar year 2007 or other tax year beginning and ending

Form 990-T header section containing fields for organization name (SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.), address (P.O. BOX 820, WILLCOX, AZ 85644-0820), and identification number (86-0059728).

Section H: Describe the organization's primary unrelated business activity (SEE STATEMENT 20). Section I: During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? (No).

Table for Part I: Unrelated Trade or Business Income. Columns include (A) income, (B) Expenses, and (C) Net. Rows include Gross receipts or sales (342,987), Cost of goods sold (281,517), and Total (86,798).

Table for Part II: Deductions Not Taken Elsewhere. Rows include Compensation of officers, directors, and trustees; Salaries and wages; Repairs and maintenance; and Total deductions (20,881). Unrelated business taxable income is 64,917.

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SULPHUR SPRINGS VALLEY ELECTRIC  
COOPERATIVE, INC.

Form 990-T (2007)

86-0059728

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**Part III Tax Computation**

**35 Organizations Taxable as Corporations.** See instructions for tax computation.  
Controlled group members (sections 1561 and 1563) check here  See instructions and:  
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):  
(1) \$ \_\_\_\_\_ (2) \$ \_\_\_\_\_ (3) \$ \_\_\_\_\_  
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ \_\_\_\_\_  
(2) Additional 3% tax (not more than \$100,000) \$ \_\_\_\_\_  
c Income tax on the amount on line 34 **35c** 11,229.

**36 Trusts Taxable at Trust Rates.** See instructions for tax computation. Income tax on the amount on line 34 from:  
 Tax rate schedule or  Schedule D (Form 1041) **36**

**37 Proxy tax.** See instructions **37**

**38 Alternative minimum tax** **38**

**39 Total.** Add lines 37 and 38 to line 35c or 36, whichever applies **39** 11,229.

**Part IV Tax and Payments**

**40a Foreign tax credit** (corporations attach Form 1118; trusts attach Form 1116) **40a**

**b Other credits** (see instructions) **40b**

**c General business credit.** Check here and indicate which forms are attached:  
 Form 3800  Form(s) (specify) \_\_\_\_\_ **40c**

**d Credit for prior year minimum tax** (attach Form 8801 or 8827) **40d**

**e Total credits.** Add lines 40a through 40d **40e**

**41 Subtract line 40e from line 39** **41** 11,229.

**42 Other taxes.** Check if from:  Form 4255  Form 8511  Form 8697  Form 8866  Other (attach schedule) **42**

**43 Total tax.** Add lines 41 and 42 **43** 11,229.

**44a Payments:** A 2006 overpayment credited to 2007 **44a** 13,722.

**b 2007 estimated tax payments** **44b**

**c Tax deposited with Form 8868** **44c**

**d Foreign organizations: Tax paid or withheld at source** (see instructions) **44d**

**e Backup withholding** (see instructions) **44e**

**f Other credits and payments:**  Form 2439  Form 4136  Other \_\_\_\_\_ **Total** **44f**

**45 Total payments.** Add lines 44a through 44f **45** 13,722.

**46 Estimated tax penalty** (see instructions) Check if Form 2220 is attached  **46**

**47 Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed **47**

**48 Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid **48** 2,493.

**49 Enter the amount of line 48 you want. Credited to 2008 estimated tax** **49** 2,493. Refunded 0.

**Part V Statements Regarding Certain Activities and Other Information** (See instructions on page 18)

**1** At any time during the 2007 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1. If YES, enter the name of the foreign country here  Yes  No

**2** During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file  Yes  No

**3** Enter the amount of tax-exempt interest received or accrued during the tax year **\$**

**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation **COST**

<b>1</b> Inventory at beginning of year	<b>1</b>	634,247.	<b>6</b> Inventory at end of year	<b>6</b>	547,585.
<b>2</b> Purchases	<b>2</b>	194,855.	<b>7</b> Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	<b>7</b>	281,517.
<b>3</b> Cost of labor	<b>3</b>		<b>8</b> Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>4a</b> Additional section 263A costs	<b>4a</b>				
<b>b</b> Other costs (attach schedule)	<b>4b</b>				
<b>5</b> Total. Add lines 1 through 4b	<b>5</b>	829,102.			

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer: *[Signature]* Date: 11/14/08 Title: CEO/GENERAL MANAGER

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

Paid Preparer's Use Only

Preparer's signature: *[Signature]* Date: 11/06/08 Check if self-employed  Preparer's SSN or PTIN: 60041741

Firm's name (or yours if self-employed), address, and ZIP code: BOLINGER, SEGARS, GILBERT AND MOSS LLP  
8215 NASHVILLE AVENUE  
LUBBOCK, TX 79423

EIN: 75-0882037 Phone no: (806) 747-3806

SULPHUR SPRINGS VALLEY ELECTRIC

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COOPERATIVE, INC.

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**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)** (see instr. on pg 20)

<b>1</b> Description of property		
(1)		
(2)		
(3)		
(4)		
<b>2</b> Rent received or accrued		
<b>(a)</b> From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	<b>(b)</b> From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	<b>3</b> Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.
<b>Total income.</b> Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) 0.		<b>Total deductions.</b> Enter here and on page 1, Part I, line 6, column (B) 0.

**Schedule E - Unrelated Debt-Financed Income** (See instructions on page 20)

<b>1</b> Description of debt-financed property		<b>2</b> Gross income from or allocable to debt-financed property	<b>3</b> Deductions directly connected with or allocable to debt-financed property	
			<b>(a)</b> Straight line depreciation (attach schedule)	<b>(b)</b> Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
<b>4</b> Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	<b>5</b> Average adjusted basis of or allocable to debt-financed property (attach schedule)	<b>6</b> Column 4 divided by column 5	<b>7</b> Gross income reportable (column 2 x column 6)	<b>8</b> Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
<b>Totals</b>			0.	0.
<b>Total dividends-received deductions included in column 8</b>			0.	0.

**Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations** (See instructions on page 21)

<b>1</b> Name of Controlled Organization	<b>2</b> Employer Identification Number	<b>Exempt Controlled Organizations</b>			
		<b>3</b> Net unrelated income (loss) (see instructions)	<b>4</b> Total of specified payments made	<b>5</b> Part of column 4 that is included in the controlling organization's gross income	<b>6</b> Deductions directly connected with income in column (5)
(1)					
(2)					
(3)					
(4)					
<b>Nonexempt Controlled Organizations</b>					
<b>7</b> Taxable income	<b>8</b> Net unrelated income (loss) (see instructions)	<b>9</b> Total of specified payments made	<b>10</b> Part of column 9 that is included in the controlling organization's gross income	<b>11</b> Deductions directly connected with income in column 10	
(1)					
(2)					
(3)					
(4)					
			Add columns 5 and 10 Enter here and on page 1, Part I, line 8, column (A)	Add columns 6 and 11 Enter here and on page 1, Part I, line 8, column (B)	
<b>Totals</b>			0.	0.	

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions on page 22)

Table with 5 columns: 1 Description of Income, 2 Amount of Income, 3 Deductions directly connected, 4 Set-asides, 5 Total deductions and set-asides. Totals row shows 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions on page 22)

Table with 7 columns: 1 Description of exploited activity, 2 Gross unrelated business income, 3 Expenses directly connected, 4 Net income (loss), 5 Gross income from activity, 6 Expenses attributable, 7 Excess exempt expenses. Totals row shows 0.

Schedule J - Advertising Income (see instructions on page 22)

Part I Income From Periodicals Reported on a Consolidated Basis

Table with 7 columns: 1 Name of periodical, 2 Gross advertising income, 3 Direct advertising costs, 4 Advertising gain or (loss), 5 Circulation income, 6 Readership costs, 7 Excess readership costs. Totals row shows 0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part I, fill in columns 2 through 7 on a line-by-line basis.)

Table with 7 columns: 1 Name of periodical, 2 Gross advertising income, 3 Direct advertising costs, 4 Advertising gain or (loss), 5 Circulation income, 6 Readership costs, 7 Excess readership costs. Totals row shows 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 23)

Table with 4 columns: 1 Name, 2 Title, 3 Percent of time devoted to business, 4 Compensation attributable to unrelated business. Total row shows 0.

**COMPLETE AND RETURN THE REQUIRED SECTION**

**Section I**

You Filed Form 990-T

Enter the information below exactly as shown on your form.

Name and address: Sulphur Springs Valley Electric Cooperative 311 E. Wilcox Dr Surra Vista AZ 85635	Employer identification number: 86-0059728
Tax period: 2007	Date filed: November 14, 2008

106539

**Section II**

Not Required to File Form 990-T

Please check the box that applies to you:

- The organization ceased operations (terminated, dissolved, etc.)
- The organization's gross income from unrelated trade of business was less than \$1,000.
- Other: Please explain:

**Section III**

Reason for Not Filing Form 990-T on Time

Explain why you did not file on time:

Signature of officer	Title	Date	Telephone

# Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
  - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

*All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.*

**Electronic Filing (e-file).** Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details of the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

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

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

- |                                      |   |                                    |
|--------------------------------------|---|------------------------------------|
| <input type="checkbox"/> Form 990    | <input checked="" type="checkbox"/> Form 990-T (corporation)      | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ **CREDEN HUBER**  
 Telephone No. ▶ **(520) 384-2221** FAX No. ▶ **(520) 384-5223**
- 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 will cover.

1 I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until **NOVEMBER 15, 2008**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
 ▶  calendar year **2007** or  
 ▶  tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

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

3a 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>3a</b>	\$	<b>9,000.</b>
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	<b>13,722.</b>
c <b>Balance Due.</b> Subtract line 3b from line 3a. 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.	<b>3c</b>	\$	<b>0.</b>

FORM 990-T DESCRIPTION OF ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY STATEMENT 20

SALE OF WATER HEATERS, PHONE CARDS, FIRE PLACES, SURGE PROTECTORS ETC.  
 SALE OF ELECTRICAL SERVICES AND MAINTENANCE TO NON-MEMBER

TO FORM 990-T, PAGE 1

FORM 990-T OTHER INCOME STATEMENT 21

DESCRIPTION	AMOUNT
PHONE CARD REVENUE	2,142.
OUTSIDE AND TECH SERVICE REVENUE	23,186.
TOTAL TO FORM 990-T, PAGE 1, LINE 12	25,328.

FORM 990-T OTHER DEDUCTIONS STATEMENT 22

DESCRIPTION	AMOUNT
PHONE CARD EXPENSES	4,342.
OUTSIDE & OTHER TECHNICAL SERVICE EXPENSES: LABOR AND OTHER	16,539.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	20,881.