

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
2019
Open to Public Inspection

A For the 2019 calendar year, or tax year beginning 01-01-2019, and ending 12-31-2019
B Check if applicable: Address change, Name change, Initial return, Final return/terminated, Amended return, Application pending
C Name of organization: BLUE EARTH-NICOLLET-FARIBAULT COOPERATIVE ELECTRIC ASSOCIATION
Doing business as: BENCO ELECTRIC COOPERATIVE
Number and street (or P O box if mail is not delivered to street address): PO BOX 8
Room/suite:
City or town, state or province, country, and ZIP or foreign postal code: MANKATO, MN 560020008
D Employer identification number: 41-0155615
E Telephone number: (507) 387-7963
G Gross receipts \$ 48,636,065
F Name and address of principal officer: DAVID SUNDERMAN, PO BOX 8, MANKATO, MN 560020008
H(a) Is this a group return for subordinates? Yes No
H(b) Are all subordinates included? Yes No
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 BENCO ORG
K Form of organization: Corporation Trust Association Other
L Year of formation 1937
M State of legal domicile MN

Part I Summary

Table with 4 main sections: 1. Briefly describe the organization's mission or most significant activities. TO SAFELY PROVIDE THE BEST POSSIBLE SERVICE, AT THE LOWEST POSSIBLE COST, CONSISTENT WITH SOUND BUSINESS MANAGEMENT. 2. Check this box if the organization discontinued its operations or disposed of more than 25% of its net assets. 3-7b. Summary statistics including voting members, employees, volunteers, and revenue. 8-12. Revenue breakdown by source. 13-19. Expense breakdown by category. 20-22. Net assets or fund balances at beginning and end of year.

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: 2020-07-02
DAVID SUNDERMAN CEO
Type or print name and title

Paid Preparer Use Only
Print/Type preparer's name:
Preparer's signature:
Date: 2020-06-23
Check if self-employed:
PTIN: P01587689
Firm's name: CLIFTONLARSONALLEN LLP
Firm's EIN: 41-0746749
Firm's address: 2689 COMMERCE DRIVE NW SUITE 201, ROCHESTER, MN 55901
Phone no: (507) 280-2300

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No
For Paperwork Reduction Act Notice, see the separate instructions. Cat No 11282Y Form 990 (2019)

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

TO SAFELY PROVIDE THE BEST POSSIBLE SERVICE, AT THE LOWEST POSSIBLE COST, CONSISTENT WITH SOUND BUSINESS MANAGEMENT

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 Revenue Procedure 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 | | No |
| 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 | Yes | |
| 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 | Yes | |
| 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 | | No |
| 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)*

| | | Yes | No |
|------------|--|-----|----|
| 22 | Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> | | No |
| 23 | Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> | Yes | |
| 24a | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> | | No |
| 24b | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | |
| 24c | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | | |
| 24d | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | | |
| 25a | Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> | | |
| 25b | Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> | | |
| 26 | Did the organization report any amount on Part X, line 5 or 22 for receivables from or 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? <i>If "Yes," complete Schedule L, Part II</i> | | No |
| 27 | Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> | | No |
| 28 | Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions) | | |
| 28a | A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i> | | No |
| 28b | A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i> | | No |
| 28c | A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i> | Yes | |
| 29 | Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> | | No |
| 30 | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> | | No |
| 31 | Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> | | No |
| 32 | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> | | No |
| 33 | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> | | No |
| 34 | Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> | Yes | |
| 35a | Did the organization have a controlled entity within the meaning of section 512(b)(13)? | Yes | |
| 35b | If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | No |
| 36 | Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | |
| 37 | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> | | No |
| 38 | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O | Yes | |

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

| | | Yes | No |
|-----------|--|-----|----|
| 1a | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable | | |
| 1b | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable | | |
| 1c | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | | |

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

| | | | | | | | |
|--|---|------------|------------|------------|------------|--|--|
| 2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return | <table border="1"> <tr> <td style="width: 10%;">2a</td> <td style="width: 70%;"></td> <td style="width: 20%; text-align: right;">46</td> </tr> </table> | 2a | | 46 | | | |
| 2a | | 46 | | | | | |
| b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) | | | 2b | Yes | | | |
| 3a Did the organization have unrelated business gross income of \$1,000 or more during the year? | | | 3a | Yes | | | |
| b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O | | | 3b | Yes | | | |
| 4a 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)? | | | 4a | | No | | |
| b If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) | | | | | | | |
| 5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | | | 5a | | No | | |
| b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | | | 5b | | No | | |
| c If "Yes," to line 5a or 5b, did the organization file Form 8886-T? | | | 5c | | | | |
| 6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? | | | 6a | | No | | |
| b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | | | 6b | | | | |
| 7 Organizations that may receive deductible contributions under section 170(c). | | | | | | | |
| a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | | | 7a | | | | |
| b If "Yes," did the organization notify the donor of the value of the goods or services provided? | | | 7b | | | | |
| c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | | | 7c | | | | |
| d If "Yes," indicate the number of Forms 8282 filed during the year | <table border="1"> <tr> <td style="width: 10%;">7d</td> <td style="width: 70%;"></td> <td style="width: 20%;"></td> </tr> </table> | 7d | | | | | |
| 7d | | | | | | | |
| e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | | | 7e | | No | | |
| f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | | | 7f | | No | | |
| g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | | | 7g | | | | |
| h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | | | 7h | | | | |
| 8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? | | | | | | | |
| 9 Sponsoring organizations maintaining donor advised funds. | | | | | | | |
| a Did the sponsoring organization make any taxable distributions under section 4966? | | | 9a | | | | |
| b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? | | | 9b | | | | |
| 10 Section 501(c)(7) organizations. Enter | | | | | | | |
| a Initiation fees and capital contributions included on Part VIII, line 12 | <table border="1"> <tr> <td style="width: 10%;">10a</td> <td style="width: 70%;"></td> <td style="width: 20%;"></td> </tr> </table> | 10a | | | | | |
| 10a | | | | | | | |
| b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | <table border="1"> <tr> <td style="width: 10%;">10b</td> <td style="width: 70%;"></td> <td style="width: 20%;"></td> </tr> </table> | 10b | | | | | |
| 10b | | | | | | | |
| 11 Section 501(c)(12) organizations. Enter | | | | | | | |
| a Gross income from members or shareholders | <table border="1"> <tr> <td style="width: 10%;">11a</td> <td style="width: 70%;"></td> <td style="width: 20%; text-align: right;">47,333,745</td> </tr> </table> | 11a | | 47,333,745 | | | |
| 11a | | 47,333,745 | | | | | |
| b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) | <table border="1"> <tr> <td style="width: 10%;">11b</td> <td style="width: 70%;"></td> <td style="width: 20%; text-align: right;">1,388,101</td> </tr> </table> | 11b | | 1,388,101 | | | |
| 11b | | 1,388,101 | | | | | |
| 12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | | | | | | | |
| b If "Yes," enter the amount of tax-exempt interest received or accrued during the year | <table border="1"> <tr> <td style="width: 10%;">12b</td> <td style="width: 70%;"></td> <td style="width: 20%;"></td> </tr> </table> | 12b | | | 12a | | |
| 12b | | | | | | | |
| 13 Section 501(c)(29) qualified nonprofit health insurance issuers. | | | | | | | |
| a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O | | | 13a | | | | |
| b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans | <table border="1"> <tr> <td style="width: 10%;">13b</td> <td style="width: 70%;"></td> <td style="width: 20%;"></td> </tr> </table> | 13b | | | | | |
| 13b | | | | | | | |
| c Enter the amount of reserves on hand | <table border="1"> <tr> <td style="width: 10%;">13c</td> <td style="width: 70%;"></td> <td style="width: 20%;"></td> </tr> </table> | 13c | | | | | |
| 13c | | | | | | | |
| 14a Did the organization receive any payments for indoor tanning services during the tax year? | | | 14a | | No | | |
| b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O | | | 14b | | | | |
| 15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N | | | 15 | | No | | |
| 16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O | | | 16 | | No | | |

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 (Governing body power), 7b (Reserved decisions), 8 (Meeting documentation), 8a (Governing body), 8b (Committee), 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 (Written policies), 11a (Form 990 distribution), 11b (Review process), 12a (Conflict of interest policy), 12b (Disclosure requirements), 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 methods), 19 (Public availability of documents), 20 (Books and records contact info).

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 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 and/or Box 7 of Form 1099-MISC) 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 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) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (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) DAVID SUNDERMAN CEO | 40 00 | | | X | | | | 223,347 | 0 | 219,058 |
| (2) SANDY SOWIEJA MANAGER OF FINANCE AND ADM | 40 00 | | | X | | | | 127,176 | 0 | 81,687 |
| (3) WADE HENSEL FORMER CEO | 0 01 | | | | | X | | 186,801 | 0 | 0 |
| (4) TIM BRAULICK MANAGER OF OPERATIONS/ENG | 40 00 | | | | | X | | 126,549 | 0 | 50,656 |
| (5) DUANE HAGEN CREW CHIEF | 40 00 | | | | | X | | 125,790 | 0 | 36,686 |
| (6) CLAY HILL CREW CHIEF | 40 00 | | | | | X | | 124,317 | 0 | 33,924 |
| (7) CHRISTOPHER BECTOLD CREW CHIEF | 40 00 | | | | | X | | 114,307 | 0 | 41,486 |
| (8) LENOARD DOHM LINE TECH | 40 00 | | | | | X | | 114,936 | 0 | 39,697 |
| (9) TERRY GENELIN DIRECTOR | 8 60 | X | | | | | | 17,250 | 0 | 0 |
| (10) WARREN JOHNSON DIRECTOR | 9 50 | X | | | | | | 15,938 | 0 | 0 |
| (11) MARILYN LYNCH TREASURER | 10 90 | X | | X | | | | 15,675 | 0 | 0 |
| (12) JOHN WELLS DIRECTOR | 8 60 | X | | | | | | 14,675 | 0 | 0 |
| (13) BRADLEY LEIDING VICE CHAIRMAN | 7 00 | X | | X | | | | 14,325 | 0 | 0 |
| (14) HARLAN LANZ SECRETARY | 9 80 | X | | X | | | | 13,800 | 0 | 0 |
| (15) BLAKE MESHKE CHAIRMAN | 7 20 | X | | X | | | | 13,550 | 0 | 0 |
| (16) GARY STENZEL DIRECTOR | 8 10 | X | | | | | | 10,725 | 0 | 0 |
| (17) DUANE EHRICH DIRECTOR | 5 80 | X | | | | | | 10,350 | 0 | 0 |

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

Table with 6 main columns: (A) Name and title, (B) Average hours per week, (C) Position (with sub-columns: Individual trustee or director, Institutional Trustee, Officer, Key employee, Highest compensated employee, Former), (D) Reportable compensation from the organization (W-2/1099-MISC), (E) Reportable compensation from related organizations (W-2/1099-MISC), (F) Estimated amount of other compensation from the organization and related organizations.

Summary rows for Section A:
1b Sub-Total
1c Total from continuation sheets to Part VII, Section A
1d Total (add lines 1b and 1c) with values: 1,269,511; 0; 503,194

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 ▶ 21

Table with 3 columns: Question, Yes, No.
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual.
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? If "Yes," complete Schedule J for such individual.
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person.

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

Table for Independent Contractors with 3 columns: (A) Name and business address, (B) Description of services, (C) Compensation.
Rows include: ZINNIEL UTILITY CONTRACTING INC (942,948), CARR'S TREE SERVICE (590,177), HIGHLINE CONSTRUCTION INC (545,455), STAR ENERGY SERVICES (270,956), NIELSEN BLACKTOPPING INC (171,089).

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 ▶ 7

Part VIII Statement of Revenue

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

| | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512 - 514 |
|---|---|----------------------|--|---|--|
| Contributions, Gifts, Grants and Other Similar Amounts | 1a Federated campaigns | 1a | | | |
| | b Membership dues | 1b | | | |
| | c Fundraising events | 1c | | | |
| | d Related organizations | 1d | | | |
| | e Government grants (contributions) | 1e | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | | | |
| | g Noncash contributions included in lines 1a - 1f \$ | 1g | | | |
| | h Total. Add lines 1a-1f | | | | |

| Program Service Revenue | | | (A) | (B) | (C) | (D) |
|--|--|---------------|------------|------------|-----|-----|
| | | Business Code | | | | |
| 2a SALE OF POWER | | 221000 | 46,879,250 | 46,879,250 | | |
| b | | | | | | |
| c | | | | | | |
| d | | | | | | |
| e | | | | | | |
| f All other program service revenue | | | | | | |
| g Total. Add lines 2a-2f. | | | 46,879,250 | | | |

| | | | | | | | | |
|---|---|------------|--|------------|---------|---------|--------|--|
| Other Revenue | 3 Investment income (including dividends, interest, and other similar amounts) | | 292,801 | | | 292,801 | | |
| | 4 Income from investment of tax-exempt bond proceeds | | | | | | | |
| | 5 Royalties | | | | | | | |
| | 6a Gross rents | 6a | (i) Real | | | | | |
| | | | (ii) Personal | | | | | |
| | | | b Less rental expenses | 6b | | | | |
| | | | c Rental income or (loss) | 6c | | | | |
| | d Net rental income or (loss) | | | | | | | |
| | 7a Gross amount from sales of assets other than inventory | 7a | (i) Securities | | | | | |
| | | | (ii) Other | 197,094 | | | | |
| | | | b Less cost or other basis and sales expenses | 7b | 160,464 | | | |
| | | | c Gain or (loss) | 7c | 36,630 | | | |
| | d Net gain or (loss) | | | 36,630 | | | 36,630 | |
| | 8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 | 8a | | | | | | |
| | b Less direct expenses | 8b | | | | | | |
| | c Net income or (loss) from fundraising events | | | | | | | |
| | 9a Gross income from gaming activities See Part IV, line 19 | 9a | | | | | | |
| | b Less direct expenses | 9b | | | | | | |
| | c Net income or (loss) from gaming activities | | | | | | | |
| | 10a Gross sales of inventory, less returns and allowances | 10a | 140,467 | | | | | |
| b Less cost of goods sold | 10b | 258,508 | | | | | | |
| c Net income or (loss) from sales of inventory | | | -118,041 | -118,041 | | | | |
| Miscellaneous Revenue | Business Code | | | | | | | |
| 11a CAPITAL CREDITS | 900099 | | 1,098,909 | 1,098,909 | | | | |
| b OTHER NON-OPERATING | 900099 | | 24,649 | 24,649 | | | | |
| c HEARTLAND SECURITY SERVICES K-1 | 561700 | | 21,584 | | 21,584 | | | |
| d All other revenue | | | -18,689 | -18,689 | | | | |
| e Total. Add lines 11a-11d | | | 1,126,453 | | | | | |
| 12 Total revenue. See instructions | | | 48,217,093 | 47,866,078 | 21,584 | 329,431 | | |

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 | 1,108,036 | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 964,357 | | | |
| 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 | 1,963,521 | | | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 3,434,364 | | | |
| 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 | 30,955,926 | | | |
| b DISTRIBUTION EXPENSE - | 2,986,589 | | | |
| c DISTRIBUTION EXPENSE - | 2,476,030 | | | |
| d CONSUMER ACCOUNT EXPENS | 1,061,299 | | | |
| e All other expenses | 1,550,658 | | | |
| 25 Total functional expenses. Add lines 1 through 24e | 46,500,780 | | | |
| 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 | | 1 | |
| | 2 Savings and temporary cash investments | 9,326,952 | 2 | 10,325,550 |
| | 3 Pledges and grants receivable, net | | 3 | |
| | 4 Accounts receivable, net | 4,320,395 | 4 | 3,981,814 |
| | 5 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 | | 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 | 261,246 | 7 | 228,032 |
| | 8 Inventories for sale or use | 889,281 | 8 | 1,236,454 |
| | 9 Prepaid expenses and deferred charges | 113,245 | 9 | 241,847 |
| | 10a Land, buildings, and equipment—cost or other basis—Complete Part VI of Schedule D | 10a 124,990,605 | | |
| | b Less accumulated depreciation | 10b 48,424,359 | 74,351,941 | 10c 76,566,246 |
| | 11 Investments—publicly traded securities | | 11 | |
| | 12 Investments—other securities—See Part IV, line 11 | 1,528,707 | 12 | 1,326,530 |
| | 13 Investments—program-related—See Part IV, line 11 | 19,511,639 | 13 | 20,149,438 |
| | 14 Intangible assets | 8,827 | 14 | 8,827 |
| | 15 Other assets—See Part IV, line 11 | 682,032 | 15 | 535,383 |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | 110,994,265 | 16 | 114,600,121 | |
| Liabilities | 17 Accounts payable and accrued expenses | 6,166,898 | 17 | 6,686,124 |
| | 18 Grants payable | | 18 | |
| | 19 Deferred revenue | 371,144 | 19 | 248,171 |
| | 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 | 62,197,696 | 23 | 63,508,901 |
| | 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 | 1,991,282 | 25 | 1,973,507 |
| | 26 Total liabilities. Add lines 17 through 25 | 70,727,020 | 26 | 72,416,703 |
| 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 | 40,267,245 | 31 | 42,183,418 |
| 32 Total net assets or fund balances | 40,267,245 | 32 | 42,183,418 | |
| 33 Total liabilities and net assets/fund balances | 110,994,265 | 33 | 114,600,121 | |

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 | 48,217,093 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 46,500,780 |
| 3 | Revenue less expenses Subtract line 2 from line 1 | 3 | 1,716,313 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 40,267,245 |
| 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 | 199,861 |
| 10 | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 42,183,418 |

Part XII Financial Statements and Reporting

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

| | | Yes | No |
|---|-----------|-----|----|
| <p>1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____</p> <p>If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O</p> | | | |
| <p>2a Were the organization's financial statements compiled or reviewed by an independent accountant?</p> <p>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</p> <p><input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis</p> | 2a | | No |
| <p>b Were the organization's financial statements audited by an independent accountant?</p> <p>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</p> <p><input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis</p> | 2b | Yes | |
| <p>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?</p> <p>If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O</p> | 2c | Yes | |
| <p>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?</p> | 3a | | No |
| <p>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</p> | 3b | | |

Additional Data

Software ID:

Software Version:

EIN: 41-0155615

Name: BLUE EARTH-NICOLLET-FARIBAULT
COOPERATIVE ELECTRIC ASSOCIATION

Form 990 (2019)

Form 990, Part III, Line 4a:

SALE OF 385,922,643 KWH TO 18,881 ELECTRIC SERVICES MAINTAINED 3,614 MILES OF UNDERGROUND AND OVERHEAD DISTRIBUTION LINES

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2019

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ 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.

Name of the organization
BLUE EARTH-NICOLLET-FARIBAULT
COOPERATIVE ELECTRIC ASSOCIATION

Employer identification number
41-0155615

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.

| | (a) Donor advised funds | (b) Funds and other accounts |
|--|-------------------------|------------------------------|
| 1 Total number at end of year | | |
| 2 Aggregate value of contributions to (during year) | | |
| 3 Aggregate value of grants from (during year) | | |
| 4 Aggregate value at end of year | | |

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? Yes No

Part II Conservation Easements.

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

- 1** Purpose(s) of conservation easements held by the organization (check all that apply)
- Preservation of land for public use (e.g., recreation or education)
 - Preservation of an historically important land area
 - Protection of natural habitat
 - Preservation of a certified historic structure
 - Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

| | Held at the End of the Year |
|---|-----------------------------|
| a Total number of conservation easements | 2a |
| b Total acreage restricted by conservation easements | 2b |
| c Number of conservation easements on a certified historic structure included in (a) | 2c |
| d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register | 2d |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

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.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenue included on Form 990, Part VIII, line 1 ▶ \$ _____
(ii) Assets included in Form 990, Part X ▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenue included on Form 990, Part VIII, line 1 ▶ \$ _____
b Assets included in Form 990, Part X ▶ \$ _____

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
- c** Beginning balance
 - d** Additions during the year
 - e** Distributions during the year
 - f** Ending balance

| | Amount |
|-----------|--------|
| 1c | |
| 1d | |
| 1e | |
| 1f | |

- 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** Temporarily restricted 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 | | |
| (ii) related organizations | | |
| b If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R? | | |

- 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 | | 282,067 | | 282,067 |
| b Buildings | | 4,449,214 | 1,164,804 | 3,284,410 |
| c Leasehold improvements | | | | |
| d Equipment | | 7,192,773 | 4,983,114 | 2,209,659 |
| e Other | | 113,066,551 | 42,276,441 | 70,790,110 |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶ | | | | 76,566,246 |

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) | | |
| (B) | | |
| (C) | | |
| (D) | | |
| (E) | | |
| (F) | | |
| (G) | | |
| (H) | | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 12) | | |

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) PATRONAGE CAPITAL IN ASSOC ORGANIZATIONS | 18,717,361 | C |
| (2) NRUCFC | 1,337,061 | C |
| (3) OTHER INVESTMENTS IN ASSOC ORGANIZATIONS | 95,016 | C |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 13) | 20,149,438 | |

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) | |
| 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.

| 1. (a) Description of liability | (b) Book value |
|--|----------------|
| (1) Federal income taxes | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 25) | 1,973,507 |

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 | 48,195,508 |
| 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 | 0 |
| 3 | Subtract line 2e from line 1 | | 3 | 48,195,508 |
| 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 | 21,584 | |
| c | Add lines 4a and 4b | | 4c | 21,584 |
| 5 | Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12) | | 5 | 48,217,092 |

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 | 45,392,744 |
| 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 | 0 |
| 3 | Subtract line 2e from line 1 | | 3 | 45,392,744 |
| 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 | 1,108,036 | |
| c | Add lines 4a and 4b | | 4c | 1,108,036 |
| 5 | Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18) | | 5 | 46,500,780 |

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 |
|------------------|-------------|
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Additional Data

Software ID:

Software Version:

EIN: 41-0155615

Name: BLUE EARTH-NICOLLET-FARIBAULT
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 ACCORDINGLY, NO PROVISION FOR INCOME TAXES HAS BEEN RECORDED AT DECEMBER 31, 2019 AND 2018 THE COOPERATIVE EVALUATED ITS TAX POSITIONS AND DETERMINED THAT IT HAS NO UNCERTAIN TAX POSITIONS AS OF DECEMBER 31, 2019 AND 2018 |

Supplemental Information

| Return Reference | Explanation |
|---|--|
| PART XI, LINE 4B - OTHER ADJUSTMENTS | HEARTLAND SECURITY SERVICES K-1 21,584 |

Supplemental Information

| Return Reference | Explanation |
|---------------------------------------|---|
| PART XII, LINE 4B - OTHER ADJUSTMENTS | PATRONAGE DIVIDENDS ALLOCATED 1,108,036 |

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

OMB No 1545-0047

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.**

2019

Open to Public Inspection

Name of the organization
BLUE EARTH-NICOLLET-FARIBAULT
COOPERATIVE ELECTRIC ASSOCIATION

Employer identification number
41-0155615

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 checked="" type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification 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 checked="" 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 checked="" type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification 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 checked="" 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 checked="" type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification 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 checked="" 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 | | No | | |
| <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 | Yes | | | |
| <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 checked="" 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 checked="" 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 checked="" 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 and/or 1099-MISC compensation | | | (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 DAVID SUNDERMAN CEO | (i) | 223,347 | 0 | 0 | 193,416 | 25,642 | 442,405 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 SANDY SOWIEJA MANAGER OF FINANCE AND ADM | (i) | 127,176 | 0 | 0 | 57,099 | 24,588 | 208,863 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 WADE HENSEL FORMER CEO | (i) | 186,801 | 0 | 0 | 0 | 0 | 186,801 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 TIM BRAULICK MANAGER OF OPERATIONS/ENG | (i) | 126,549 | 0 | 0 | 26,036 | 24,620 | 177,205 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 DUANE HAGEN CREW CHIEF | (i) | 125,790 | 0 | 0 | 24,302 | 12,384 | 162,476 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 CLAY HILL CREW CHIEF | (i) | 124,317 | 0 | 0 | 21,607 | 12,317 | 158,241 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 CHRISTOPHER BECTOLD CREW CHIEF | (i) | 114,307 | 0 | 0 | 19,775 | 21,711 | 155,793 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 LENOARD DOHM LINE TECH | (i) | 114,936 | 0 | 0 | 18,082 | 21,615 | 154,633 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
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Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

| Return Reference | Explanation |
|---|--|
| PART I, LINE 1A | THE ASSOCIATION PROVIDES TRAVEL FOR THE CEO'S SPOUSE TO THE NRECA ANNUAL MEETING. THE ASSOCIATION REIMBURSES EMPLOYEES \$120 FOR THEIR ANNUAL HEALTH CLUB FEES, AS WELL AS WELLNESS REIMBURSEMENTS SUCH AS FITBITS, EXERCISE EQUIPMENT, ETC. LISTED EMPLOYEES THAT TOOK ADVANTAGE OF THIS REIMBURSEMENT IN 2019 WERE SANDY SOWIEJA & DAVID SUNDERMAN. |
| PART I, LINE 1B | THE BOARD OF DIRECTORS HAS TO APPROVE TRAVEL FOR THE CEO'S SPOUSE. |
| PART I, LINE 3 | SURVEYS OF COMPARABLE MINNESOTA ELECTRIC COOPERATIVES ARE CONDUCTED AND USED TO DETERMINE EXECUTIVE COMPENSATION. THERE ARE NO WRITTEN CONTRACTS FOR EXECUTIVES. THERE IS ALSO A PERFORMANCE REVIEW IN THE COMPENSATION PROCESS. THE BOARD MEETS TO DISCUSS THE SALARY OF THE CEO, USING NRECA'S COMPENSATION DATA ANNUALLY. DOCUMENTATION FOR SALARY DETERMINATIONS ARE KEPT IN THE PERSONNEL FILES. THE MOST RECENT PROCESS WAS COMPLETED IN 2019. |
| FORM 990, SCHEDULE J, PART II, COLUMN C | THE COOPERATIVE HAS INTERPRETED THE INSTRUCTIONS FOR COLUMN C TO INCLUDE THE INCREASE IN THE ACTUARIAL VALUE OF PLAN ASSETS ATTRIBUTABLE TO THE LISTED COOPERATIVE OFFICER OR HIGHLY COMPENSATED EMPLOYEE. THE COOPERATIVE IS A PARTICIPANT IN THE NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION (NRECA) RETIREMENT SECURITY PLAN (RS PLAN) WHICH IS A DEFINED BENEFIT PLAN QUALIFIED UNDER SECTION 401 AND TAX-EXEMPT UNDER SECTION 501(A) OF THE INTERNAL REVENUE CODE. IT IS A MULTI-EMPLOYER PLAN UNDER THE ACCOUNTING STANDARDS. ALL FULL-TIME EMPLOYEES OF THE COOPERATIVE ARE COVERED BY THE PLAN AFTER A 12 MONTH WAITING PERIOD. THE COOPERATIVE MAKES CONTRIBUTIONS TO THE PLAN BASED ON A PERCENTAGE OF THE PRIOR YEAR REGULAR TIME EARNINGS OF EACH EMPLOYEE. FOR 2019, THE COOPERATIVE MAKE CONTRIBUTIONS TO THE PLAN ON BEHALF OF THE LISTED EMPLOYEES. COLUMN C INCLUDES THE ANNUAL INCREASE IN THE ACTUARIAL VALUE OF THE PLAN ASSETS ATTRIBUTABLE TO THESE EMPLOYEES. THE AMOUNTS FOR DAVID SUNDERMAN ARE: RS PENSION CONTRIBUTIONS \$39,536, INCREASE IN ACTUARIAL VALUE OF PLAN ASSETS \$177,182. |

Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2019

Open to Public Inspection

Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b. Attach to Form 990 or Form 990-EZ. Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury Internal Revenue Service

Name of the organization BLUE EARTH-NICOLLET-FARIBAULT COOPERATIVE ELECTRIC ASSOCIATION

Employer identification number

41-0155615

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and section 501(c)(29) organizations only)

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

Table with 5 columns: (a) Name of disqualified person, (b) Relationship between disqualified person and organization, (c) Description of transaction, (d) Corrected? (Yes/No)

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 \$
3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization \$

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

Table with 9 columns: (a) Name of interested person, (b) Relationship with organization, (c) Purpose of loan, (d) Loan to or from the organization? (To/From), (e) Original principal amount, (f) Balance due, (g) In default? (Yes/No), (h) Approved by board or committee? (Yes/No), (i) Written agreement? (Yes/No)

Total \$

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

Table with 5 columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of assistance, (d) Type of assistance, (e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of transaction | (d) Description of transaction | (e) Sharing of organization's revenues? | |
|-------------------------------|---|---------------------------|--|---|----|
| | | | | Yes | No |
| (1) GARY STENZEL | BOARD MEMBER | 24,188,592 | GARY STENZEL WAS A BOARD MEMBER OF GREAT RIVER ENERGY WHICH IS THE COOPERATIVES POWER SUPPLIER | | No |
| | | | | | |
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Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions)

| Return Reference | Explanation |
|------------------|-------------|
| | |

SCHEDULE O
(Form 990 or 990-EZ)**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.

**Open to Public
Inspection**

Department of the Treasury

Name of the organization

BLUE EARTH-NICOLLET-FARIBAULT
COOPERATIVE ELECTRIC ASSOCIATION

Employer identification number

41-0155615

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| FORM 990, PART VI, SECTION A, LINE 6 | THE COOPERATIVE IS COMPRISED OF A SINGLE CLASS OF APPROXIMATELY 18,881 MEMBER-OWNERS, EACH OF WHICH HAS EQUAL RIGHTS IN OWNERSHIP, GOVERNANCE, AND VOTING RIGHTS AT THE ANNUAL MEETING, WITH THE EXCEPTION OF MEMBER-OWNERS WHO ARE ELECTED TO THE BOARD OF DIRECTORS |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|--|
| FORM 990, PART VI, SECTION A, LINE 7A | THE MEMBER-OWNERS OF THE COOPERATIVE HAVE THE AUTHORITY TO ELECT THE MEMBERS OF THE BOARD OF DIRECTORS |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---------------------------------------|--|
| FORM 990, PART VI, SECTION A, LINE 7B | CHANGES TO THE GOVERNING DOCUMENTS (BYLAWS AND ARTICLES OF INCORPORATION) MUST BE APPROVED BY THE MEMBER-OWNERS AFTER THEY HAVE BEEN APPROVED BY THE BOARD OF DIRECTORS APPROVAL OCCURS WHEN AT LEAST 50% OF THE MEMBER-OWNERS VOTING TO APPROVE |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|--|
| FORM 990, PART VI, SECTION A, LINE 8B | THERE ARE NO COMMITTEES WITH BOARD AUTHORITY TO ACT ON BEHALF OF THE GOVERNING BODY ALL C OMMITTEE RECOMMENDATIONS ARE TAKEN TO THE FULL BOARD FOR ACTION |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|--|
| FORM 990, PART VI, SECTION B, LINE 11B | THE LEADERS OF EVERY DEPARTMENT, CEO, AND BOARD OF DIRECTORS WILL REVIEW THE 990 PRIOR TO SUBMITTING IT TO THE IRS |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| FORM 990, PART VI, SECTION B, LINE 12C | THE COOPERATIVE MAINTAINS A WRITTEN POLICY AS TO WHAT INCLUDES A CONFLICT OF INTEREST AND HOW ANY POTENTIAL ISSUES WILL BE HANDLED BOARD POLICY STATES THAT DIRECTORS MUST DISCLOSE ANY POSSIBLE CONFLICTS OF INTEREST THE POLICY COVERS ALL DIRECTORS AND EMPLOYEES DETERMINATIONS OF WHETHER A CONFLICT EXISTS AND REVIEW OF POTENTIAL CONFLICTS ARE MADE BY THE BOARD OF DIRECTORS FOR BOARD MEMBERS AND THE CEO, DEPARTMENT HEADS FOR EMPLOYEES, AND CEO FOR DEPARTMENT HEADS |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|---|
| FORM 990, PART VI, SECTION B, LINE 15 | SURVEYS OF COMPARABLE MINNESOTA ELECTRIC COOPERATIVES ARE CONDUCTED AND USED TO DETERMINE EXECUTIVE COMPENSATION THERE ARE NO WRITTEN CONTRACTS FOR EXECUTIVES THERE IS ALSO A PER FORMANCE REVIEW IN THE COMPENSATION PROCESS THE BOARD MEETS TO DISCUSS THE SALARY OF THE CEO, USING NRECA'S COMPENSATION DATA ANNUALLY DOCUMENTATION FOR SALARY DETERMINATIONS ARE KEPT IN THE PERSONNEL FILES THE MOST RECENT PROCESS WAS COMPLETED IN 2019 |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|---|
| FORM 990, PART VI, SECTION C, LINE 19 | GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST AND PUBLISHED WITH THE ANNUAL REPORT TO MEMBERS |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| FORM 990, PART VII, SECTION A, COLUMN (F) | INCLUDED IN COLUMN F, ESTIMATED AMOUNT OF OTHER COMPENSATION, IS THE ESTIMATED ANNUAL INCREASE IN THE ACTUARIAL VALUE OF THE DEFINED BENEFIT PLAN THE ESTIMATED INCREASE IS \$177,181 FOR DAVID SUNDERMAN THE AMOUNT IS AN ESTIMATE IN THE INCREASE OF THE VALUE OF THE PLAN AND IS NOT CURRENT YEAR EXPENSE OF THE COOPERATIVE THE CURRENT YEAR EXPENSE FOR THIS DEFINED BENEFIT PLAN WAS \$39,536 |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---------------------------------|--|
| FORM 990, PART XI, LINE 9 | CAPITAL CREDITS RETIRED -887,766 MEMBERSHIP CHANGES 1,175 PATRONAGE DIVIDENDS ALLOCATED 1,108,036 HEARTLAND SECURITY SERVICES K-1 -21,584 |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|-----------------------------------|--|
| FORM 990, PART XII, LINE 2C | THE PROCESS FOR OVERSIGHT OF THE ANNUAL FINANCIAL STATEMENT AUDIT AND SELECTION OF AN INDEPENDENT ACCOUNTANT HAS NOT CHANGED FROM THE PRIOR YEAR |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---------------------------------|---|
| FORM 990, PART IX, LINE 4 | THE IRS INSTRUCTIONS STATE THAT PATRONAGE DIVIDENDS PAID 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 AND IN PART XII ON SCHEDULE D |

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2019

**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
BLUE EARTH-NICOLLET-FARIBAULT
COOPERATIVE ELECTRIC ASSOCIATION

Employer identification number

41-0155615

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

| (a) Name, address, and EIN (if applicable) of disregarded entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Total income | (e) End-of-year assets | (f) Direct controlling entity |
|---|-------------------------|--|---------------------|---------------------------|----------------------------------|
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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.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled entity? | |
|--|-------------------------|--|----------------------------|---|----------------------------------|--|----|
| | | | | | | Yes | No |
| (1)BENCO ELECTRIC TRUST PO BOX 8 MANKATO, MN 56002 41-1985835 | CHARITABLE | MN | 501(C)(3) | LINE 7 | BENCO ELECTRIC COOPERATIVE | Yes | |
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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 | |
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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 |
| | | | | | | | | | |
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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 | No |
| b Gift, grant, or capital contribution to related organization(s) | 1b | No |
| c Gift, grant, or capital contribution from related organization(s) | 1c | No |
| d Loans or loan guarantees to or for related organization(s) | 1d | No |
| e Loans or loan guarantees by related organization(s) | 1e | No |
| f Dividends from related organization(s) | 1f | No |
| g Sale of assets to related organization(s) | 1g | No |
| h Purchase of assets from related organization(s) | 1h | No |
| i Exchange of assets with related organization(s) | 1i | No |
| j Lease of facilities, equipment, or other assets to related organization(s) | 1j | No |
| k Lease of facilities, equipment, or other assets from related organization(s) | 1k | No |
| l Performance of services or membership or fundraising solicitations for related organization(s) | 1l | No |
| m Performance of services or membership or fundraising solicitations by related organization(s) | 1m | No |
| n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) | 1n | No |
| o Sharing of paid employees with related organization(s) | 1o | No |
| p Reimbursement paid to related organization(s) for expenses | 1p | No |
| q Reimbursement paid by related organization(s) for expenses | 1q | No |
| r Other transfer of cash or property to related organization(s) | 1r | Yes |
| s Other transfer of cash or property from related organization(s) | 1s | No |

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 |
|-------------------------------------|-------------------------------|------------------------|--|
| (1) NO TRANSACTIONS OVER 50000 | | | |
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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 | |
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Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions)

| Return Reference | Explanation |
|-------------------------|--------------------|
| | |