

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
2018
Open to Public Inspection

A For the 2019 calendar year, or tax year beginning 01-01-2018, and ending 12-31-2018

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

C Name of organization
Dakota Valley Electric Cooperative Inc

Doing business as

Number and street (or P O box if mail is not delivered to street address) Room/suite
7296 Hwy 281

City or town, state or province, country, and ZIP or foreign postal code
Edgeley, ND 584339503

D Employer identification number
45-0454206

E Telephone number
(701) 493-2281

G Gross receipts \$ 62,073,819

F Name and address of principal officer
Mark Kinzler
7296 Hwy 281
Edgeley, ND 584339503

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www.dakotavalley.com

K Form of organization Corporation Trust Association Other ▶

L Year of formation 2000

M State of legal domicile
ND

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Deliver electric energy to rural members

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

3 Number of voting members of the governing body (Part VI, line 1a)	9
4 Number of independent voting members of the governing body (Part VI, line 1b)	7
5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	50
6 Total number of volunteers (estimate if necessary)	0
7a Total unrelated business revenue from Part VIII, column (C), line 12	0
7b Net unrelated business taxable income from Form 990-T, line 34	0

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	0	0
9 Program service revenue (Part VIII, line 2g)	57,198,515	61,643,219
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	345,538	430,600
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-294	-128
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	57,543,759	62,073,691
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
14 Benefits paid to or for members (Part IX, column (A), line 4)	6,812,504	10,144,267
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	4,213,181	4,610,270
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	46,511,639	47,319,157
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	57,537,324	62,073,694
19 Revenue less expenses Subtract line 18 from line 12	6,435	-3
	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	124,930,928	132,559,894
21 Total liabilities (Part X, line 26)	71,559,175	70,676,963
22 Net assets or fund balances Subtract line 21 from line 20	53,371,753	61,882,931

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: [Signature] Date: 2019-08-28

Mark Kinzler General Manager
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: [Name] Preparer's signature: [Signature] Date: 2019-08-28

Check if self-employed PTIN: P01264758

Firm's name ▶ EIDE BAILLY LLP Firm's EIN ▶ 45-0250958

Firm's address ▶ 4310 17TH AVE S PO BOX 2545 FARGO, ND 581082545 Phone no (701) 239-8500

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

Dakota Valley Electric Cooperative will deliver dependable electric power and energy at fair and reasonable prices, Dakota Valley Electric Cooperative will deliver an extended range of convenient customer support services, complimentary to our core electric and energy business, and Dakota Valley Electric Cooperative will provide technical assistance, financial tools and human resources that foster community development

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

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 1 through 22 regarding organizational requirements, such as political campaign activities, lobbying, and financial reporting.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, and Yes/No columns. Rows include questions 23 through 38 regarding compensation, tax-exempt bonds, 501(c)(3) organizations, and other IRS requirements.

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

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

<p>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</p>	2a	50		
<p>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)</p>			2b	Yes
<p>3a Did the organization have unrelated business gross income of \$1,000 or more during the year?</p>			3a	No
<p>b If "Yes," has it filed a Form 990-T for this year? <i>If "No" to line 3b, provide an explanation in Schedule O</i></p>			3b	
<p>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)?</p>			4a	No
<p>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)</p>				
<p>5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?</p>			5a	No
<p>b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?</p>			5b	No
<p>c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?</p>			5c	
<p>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?</p>			6a	No
<p>b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?</p>			6b	
7 Organizations that may receive deductible contributions under section 170(c).				
<p>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?</p>			7a	
<p>b If "Yes," did the organization notify the donor of the value of the goods or services provided?</p>			7b	
<p>c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?</p>			7c	
<p>d If "Yes," indicate the number of Forms 8282 filed during the year</p>	7d			
<p>e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?</p>			7e	
<p>f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?</p>			7f	
<p>g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?</p>			7g	
<p>h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?</p>			7h	
8 Sponsoring organizations maintaining donor advised funds.				
<p>Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?</p>			8	
<p>9a Did the sponsoring organization make any taxable distributions under section 4966?</p>			9a	
<p>b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?</p>			9b	
10 Section 501(c)(7) organizations. Enter				
<p>a Initiation fees and capital contributions included on Part VIII, line 12</p>	10a			
<p>b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities</p>	10b			
11 Section 501(c)(12) organizations. Enter				
<p>a Gross income from members or shareholders</p>	11a	55,602,952		
<p>b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)</p>	11b	451,249		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?				
<p>b If "Yes," enter the amount of tax-exempt interest received or accrued during the year</p>	12b			
13 Section 501(c)(29) qualified nonprofit health insurance issuers.				
<p>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</p>			13a	
<p>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</p>	13b			
<p>c Enter the amount of reserves on hand</p>	13c			
<p>14a Did the organization receive any payments for indoor tanning services during the tax year?</p>			14a	No
<p>b If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation in Schedule O</i></p>			14b	
<p>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</p>			15	No
<p>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</p>			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 Enter the number of voting members of the governing body at the end of the tax year (9); 1b Enter the number of voting members included in line 1a, above, who are independent (7); 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? (Yes); 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? (Yes); 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? (No); 5 Did the organization become aware during the year of a significant diversion of the organization's assets? (No); 6 Did the organization have members or stockholders? (Yes); 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? (Yes); 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? (Yes); 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: 8a The governing body? (Yes); 8b Each committee with authority to act on behalf of the governing body? (No); 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O (No)

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 Did the organization have local chapters, branches, or affiliates? (No); 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?; 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? (Yes); 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 (Yes); 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (Yes); 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done (Yes); 13 Did the organization have a written whistleblower policy? (Yes); 14 Did the organization have a written document retention and destruction policy? (Yes); 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? 15a The organization's CEO, Executive Director, or top management official (No); 15b Other officers or key employees of the organization (No); If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions); 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? (Yes); 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? (Yes)

Section C. Disclosure

- 17 List the States with which a copy of this Form 990 is required to be filed
18 Section 6104 requires an organization to make its Form 1023 (or 1024-A if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply
Own website Another's website [X] Upon request Other (explain in Schedule O)
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20 State the name, address, and telephone number of the person who possesses the organization's books and records
Mark Kinzler 7296 Highway 281 Edgeley, ND 584339503 (701) 968-3315

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

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

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) Richard Schlosser President	7 00 0 50	X		X				18,200	0	0
(2) Arden Fuher Vice President	6 00 0 50	X		X				11,900	0	0
(3) Connie Bitz Secretary	6 00 0 50	X		X				18,900	0	0
(4) John Hauschild Treasurer (Jan-Jun)	6 00 0 50	X						7,000	0	0
(5) Blaine Lundgren Director(Jan-May)/Treasurer(Jun-Dec)	6 00 0 50	X		X				12,250	0	0
(6) David Paulson Director	6 00 0 50	X						15,750	0	0
(7) Kim Rasmussen Director	6 00 0 50	X						11,900	0	0
(8) Mike Hauschild Director (Jun-Dec)	6 00 0 50	X						7,700	0	0
(9) Neil Olerud Director	6 00 0 50	X						14,700	0	0
(10) Richard Johnson Director	6 00 0 50	X						14,700	0	0
(11) Bruce Garber General Manager (Jan-Aug)	20 00 0 50			X				0	349,712	32,412
(12) Mark Kinzler General Manager (Aug-Dec)	40 00			X				66,752	0	23,447
(13) Kelly Wald Business Manager	40 00			X				117,129	0	106,136
(14) Craig Rysavy Operations Manager	40 00					X		123,052	0	29,271
(15) Jon Coleman Edgeley Line Foreman	40 00					X		112,069	0	86,829
(16) Monty Zimmer Oakes Line Foreman	40 00					X		106,151	0	80,535
(17) John Krump Hankinson Line Foreman	40 00					X		102,020	0	18,826

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 \$ _____				
h Total. Add lines 1a-1f					
Program Service Revenue	2a Sale of Electricity	Business Code			
		221000	55,353,499	55,353,499	
	b Capital Credits	221000	6,274,742	6,274,742	
	c Miscellaneous Revenue	900099	14,978	14,978	
	d _____				
	e _____				
	f All other program service revenue				
g Total. Add lines 2a-2f		61,643,219			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		388,247		388,247
	4 Income from investment of tax-exempt bond proceeds				
	5 Royalties				
	6a Gross rents	(i) Real	(ii) Personal		
	b Less rental expenses				
	c Rental income or (loss)				
	d Net rental income or (loss)				
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
	b Less cost or other basis and sales expenses		42,353		
	c Gain or (loss)		0		
	d Net gain or (loss)		42,353		42,353
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a			
	b Less direct expenses	b			
	c Net income or (loss) from fundraising events				
	9a Gross income from gaming activities See Part IV, line 19	a			
b Less direct expenses	b				
c Net income or (loss) from gaming activities					
10a Gross sales of inventory, less returns and allowances	a				
b Less cost of goods sold	b	128			
c Net income or (loss) from sales of inventory		-128	-128		
Miscellaneous Revenue	Business Code				
11a _____					
b _____					
c _____					
d All other revenue					
e Total. Add lines 11a-11d					
12 Total revenue. See Instructions		62,073,691	61,643,091	0	430,600

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

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.				
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, line 15 and 16.				
4 Benefits paid to or for members	10,144,267			
5 Compensation of current officers, directors, trustees, and key employees	534,174			
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	3,157,110			
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)	662,914			
9 Other employee benefits				
10 Payroll taxes	256,072			
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	1,963,020			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	2,652,614			
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	42,592,279			
b Distribution Expense	1,808,551			
c Administrative and Gene	1,520,476			
d Allocated Costs	-4,493,035			
e All other expenses	1,275,252			
25 Total functional expenses. Add lines 1 through 24e	62,073,694			
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	6,856,321	2	5,264,889
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	4,911,441	4	5,262,621
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	99,585	5	87,612
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net	2,585,637	7	1,872,748
	8 Inventories for sale or use	1,084,254	8	1,639,730
	9 Prepaid expenses and deferred charges	1,145,466	9	954,176
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 106,534,557		
	b Less accumulated depreciation	10b 30,317,052	71,306,397	10c 76,217,505
	11 Investments—publicly traded securities	73,079	11	76,393
	12 Investments—other securities See Part IV, line 11	875,319	12	808,730
	13 Investments—program-related See Part IV, line 11	35,841,054	13	40,242,336
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	152,375	15	133,154
16 Total assets. Add lines 1 through 15 (must equal line 34)	124,930,928	16	132,559,894	
Liabilities	17 Accounts payable and accrued expenses	6,450,725	17	5,994,078
	18 Grants payable		18	
	19 Deferred revenue	5,724,453	19	5,638,590
	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 current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	58,817,712	23	58,481,200
	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	566,285	25	563,095
	26 Total liabilities. Add lines 17 through 25	71,559,175	26	70,676,963
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds	0	30	0
	31 Paid-in or capital surplus, or land, building or equipment fund	0	31	0
	32 Retained earnings, endowment, accumulated income, or other funds	53,371,753	32	61,882,931
33 Total net assets or fund balances	53,371,753	33	61,882,931	
34 Total liabilities and net assets/fund balances	124,930,928	34	132,559,894	

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	62,073,691
2	Total expenses (must equal Part IX, column (A), line 25)	2	62,073,694
3	Revenue less expenses Subtract line 2 from line 1	3	-3
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	53,371,753
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	8,511,181
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	61,882,931

Part XII Financial Statements and Reporting

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

- 1** Accounting method used to prepare the Form 990 Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
 If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both
 Separate basis Consolidated basis Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant?
 If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both
 Separate basis Consolidated basis Both consolidated and separate basis
- c** If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

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

Additional Data

Software ID:

Software Version:

EIN: 45-0454206

Name: Dakota Valley Electric Cooperative Inc

Form 990 (2018)

Form 990, Part III, Line 4a:

The Organization delivers electric energy to its members in rural areas. During 2018 there were 4,162 members and 6,600 service locations.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0047
2018
Open to Public Inspection

Name of the organization
Dakota Valley Electric Cooperative Inc

Employer identification number
45-0454206

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
- | | Amount |
|--|--------|
| c Beginning balance | |
| d Additions during the year | |
| e Distributions during the year | |
| f Ending balance | |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? . . . Yes No
- b** If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII

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

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

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a** Board designated or quasi-endowment ▶
 - b** Permanent endowment ▶
 - c** 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
- | | | |
|--|-----|----|
| (i) unrelated organizations | Yes | No |
| (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		186,713		186,713
b Buildings		2,071,907	1,155,803	916,104
c Leasehold improvements				
d Equipment		102,665,275	29,161,249	73,504,026
e Other		1,610,662		1,610,662
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶				76,217,505

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 Credits	33,944,486	C
(2) Memberships	1,550	C
(3) Economic Rural Development Loans	2,204,230	C
(4) Nat'l Utilities Rural Coop Certificates & Notes	305,043	C
(5) Energy Conservation Loans	-1,526	C
(6) Long Term Savings Investments	3,500,000	C
(7) Federal Electric Rural Insurance Corporation	183,753	C
(8) National Information Solutions Cooperative-Promisory Notes	100,000	C
(9) Community Development - Not Publicly Traded	4,800	C
Total. (Column (b) must equal Form 990, Part X, col (B) line 13.) ▶	40,242,336	

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	
Customer Deposits	563,095
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶	563,095

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	62,059,697
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	-13,994	
e	Add lines 2a through 2d		2e	-13,994
3	Subtract line 2e from line 1		3	62,073,691
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII)	4b		
c	Add lines 4a and 4b		4c	0
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)		5	62,073,691

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	51,929,427
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	51,929,427
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	10,144,267	
c	Add lines 4a and 4b		4c	10,144,267
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)		5	62,073,694

Part XIII Supplemental Information

Provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Return Reference	Explanation
See Additional Data Table	

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

Software ID:

Software Version:

EIN: 45-0454206

Name: Dakota Valley Electric Cooperative Inc

Form 990, Schedule D, Part VIII - Investments Program Related

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Patronage Capital Credits	33,944,486	C
(2) Memberships	1,550	C
(3) Economic Rural Development Loans	2,204,230	C
(4) Nat'l Utilities Rural Coop Certificates & Notes	305,043	C
(5) Energy Conservation Loans	-1,526	C
(6) Long Term Savings Investments	3,500,000	C
(7) Federal Electric Rural Insurance Corporation	183,753	C
(8) National Information Solutions Cooperative-Promisory Notes	100,000	C
(9) Community Development - Not Publicly Traded	4,800	C

Supplemental Information

Return Reference	Explanation
Part X, Line 2	The Cooperative is exempt from income taxes under Section 501(c)(12). The Cooperative is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. The Subsidiary is a taxable corporation and provides for income taxes based on income reported in the financial statements. The Cooperative evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2018 and 2017, the unrecognized tax benefit accrual was zero. The Cooperative will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred. Under normal circumstances, the Cooperative is no longer subject to Federal and State tax examinations by tax authorities for years before 2015.

Supplemental Information

Return Reference	Explanation
Part XI, Line 2d - Other Adjustments	Earnings from Wholly Owned Subsidiary -13,994

Supplemental Information

Return Reference	Explanation
Part XII, Line 4b - Other Adjustments	Patronage Capital Credits Allocated During Current Year 10,144,267

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

OMB No 1545-0047

2018

Open to Public Inspection

Name of the organization
Dakota Valley Electric Cooperative Inc

Employer identification number
45-0454206

Part I Questions Regarding Compensation

		Yes	No		
<p>1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax 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 type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) </td> </tr> </table>	<input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax 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 type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)			
<input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax 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 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 in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain</p>	1b				
<p>2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</p>	2				
<p>3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" 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 checked="" 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 checked="" 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	Yes			
	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				

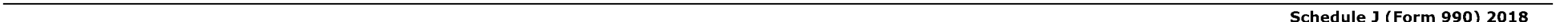
Part III Supplemental Information

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 3	The compensation paid to Bruce Garber as the General Manager from January through August was paid by Cooperative Alliance Management, however, Dakota Valley Electric Cooperative, Inc. does help establish the General Manager's compensation through the use of a compensation committee, review of Form 990 of other organizations, compensation survey or study, and approval by the board or compensation committee. See Schedule O, Part VI, line 15 narrative for a complete description of this process. Mark Kinzler became the General Manager of Dakota Valley Electric Cooperative, Inc. in September 2018. He is employed solely by Dakota Valley Electric Cooperative, Inc. Mark's compensation was determined by the full governing board.

Return Reference	Explanation
Part I, Line 4b	General Manager, Bruce Garber who was employed by Cooperative Alliance Management received a "Top Hat" plan of \$60,000

Return Reference	Explanation
Form 990, Schedule J, Part II, Column C	Compensation of Officers, Directors, Key Employees, Highest Compensated Employees Included in other deferred compensation is the estimated current year increase in the actuarial value of the defined benefit plan These amounts do not represent any current year contributions to the plan They are estimates of the increase in the actuarial value of the plans received from the NRECA The current year expense and the increase in actuarial value for each employee are reflected in the Schedule O statement for Form 990, Part VII, Column f



Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

▶ **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 the latest information.**

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
Dakota Valley Electric Cooperative Inc

Employer identification number
45-0454206

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

1	(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 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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
			Yes	No			Yes	No	Yes	No	Yes	No
(1) Greg Paulson	Son of Board Director David Paulson	Economic Development Loan		X	20,000	2,509		No	Yes		Yes	
(2) David Rasmussen	Son of Board Director Kim Rasmussen	Aid to Construction Loan		X	120,000	85,103		No	Yes		Yes	
Total						▶ \$	87,612					

Part III Grants or Assistance Benefiting Interested Persons.

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

(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

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.

OMB No 1545-0047

2018**Open to Public Inspection**

Department of the Treasury

Name of the organization

Dakota Valley Electric Cooperative Inc

Employer identification number

45-0454206

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 2	All board members and officers have a business relationship with each other as each board member and officer also served on the board of Dakota Valley Services Corporation

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 3	<p>Bruce Garber is employed by Cooperative Alliance Management (CAM), a related management company of which the Cooperative had a 50% ownership thru until August 30, 2018. Part VII includes 100% of the compensation paid by the management company for the entire year of 2018. However, only 50% of the compensation for the first eight months (January thru August) is attributable to duties performed for Dakota Valley Electric Cooperative, Inc. The hours reflected in Part VII are solely attributable to the duties performed for Dakota Valley Electric for the months of January thru August for Dakota Valley Electric Cooperative, Inc. An additional 20 hours a week is spent on duties performed for Northern Plains, an unrelated cooperative. The new General Manager, Mark Kinzler, is employed solely by Dakota Valley Electric Cooperative, Inc. and provides services solely to Dakota Valley Electric Cooperative, Inc.</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 6	There is only one class of members. They all have the same rights, which entitles them to one vote.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 7a	Members elect the Board of Directors. There are nine separate districts, and each district can vote in one person to the Board. The director must live in the district in which he/s he is serving.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 7b	There are several major decisions that require member approval. They include decisions to change the bylaws, elect directors, decisions to merge or consolidate, and the decision to sell, lease, transfer or otherwise dispose of the physical plant in excess of 5% of the C cooperative's value.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 8b	The Cooperative does not have any committees with the authority to act on behalf of the full Board of Directors

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 11b	Copies of the Form 990 will be provided to the board members at a Board meeting. The 990 will be reviewed and approved for filing at the board meeting.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 12c	The employee conflict of interest policy is administered and enforced by the Manager. The Manager would restrict employee involvement in any Cooperative activity for which the employee has a conflict of interest. Directors are covered by the Board conflict of interest policy, the Chairman or Vice-Chairman reviews the responses in order to determine whether issues need to be addressed by the full Board. The Board will determine restrictions on a case by case basis.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 15	<p>From January 1st through August 31st the General Manager's compensation was determined by the Board of Directors of Dakota Valley Electric Cooperative and Northern Plains Electric Cooperative. On an annual basis, each separately conduct a Manager evaluation and address the subject of Manager Compensation prior to the annual Cooperative Alliance Management (CAM) annual meeting. The Boards will routinely consult data on North Dakota REC Manager compensation packages to compare with CAM Managers' compensation. Each Board will instruct their CAM director representatives regarding Manager evaluation and compensation adjustment. The two CAM director representatives from each Board will place the subjects of Manager evaluation and salary on the agenda of the CAM annual meeting. When the four CAM director representatives, following instructions from their separate Boards, are in agreement, they will take action on Manager evaluation and salary issues. The action of the CAM director representatives is subject to further review and ratification by the associated Boards as they approve the monthly billing agreement for CAM. The CAM director officers will document the compensation decision arrived at during the CAM annual meeting. This authorizing document is kept as a record of the CAM annual meeting. There are no written employment contracts. In July of 2018 the Dakota Valley Electric Cooperative board of directors conducted interviews for a new manager. Mark Kinzler was selected on July 18, 2018. The board jointly agreed upon the salary for the General Manager at that time. The Business Manager's compensation is reviewed by management using comparability data as well.</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section C, line 19	The bylaws and articles of incorporation are mailed out to new members. Any changes that are made to the bylaws are mailed to members prior to approval by the members. Year end annual financial statements are provided to all members. The conflict of interest policy, articles of incorporation and bylaws can also be found on Dakota Valley Electric Cooperative's website.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VII, Section A, Column (F)	<p>Compensation of Officers Included in Part VII, Section A, Column "F", estimated amount of other compensation is the estimated annual increase in the actuarial value of the defined benefit plan For the following individuals listed, the estimated increase is Mark Kinzler \$13,895 Kelly Wald \$78,362 Jon Coleman \$74,362 Monty Zimmer \$56,053 Grant Baker \$11,620 This amount is an estimate in the increase of the value of the plan and is not current year expenses of the Cooperative Current year contributions into the defined benefit plan by Cooperative Alliance Management were Bruce Garber \$16,780 Current year contributions into the defined benefit plan by Dakota Valley Electric Cooperative were Mark Kinzler \$17,957 Kelly Wald \$41,763 Jon Coleman \$33,132 Monty Zimmer \$33,132 Grant Baker \$33,132</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VII, Section A	Bruce Garber Compensation Bruce Garber is employed by Cooperative Alliance Management (CAM), a related management company of which the Cooperative has 50% ownership in Part VII includes 100 percent of his compensation paid by the management company However, only 50 percent of the compensation is attributable to duties performed for Dakota Valley Electric Cooperative, Inc The hours reflected in Part VII are solely attributable to the duties performed for Dakota Valley Electric Cooperative, Inc An additional 20 hours a week is spent on duties performed for Northern Plains, an unrelated cooperative Bruce performed the duties of General Manager of Dakota from January through August 31, 2018

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part IX, Statement of Functional Expenses, Line 24d	The labor, pension, and payroll taxes reported on lines 5-10 are already included in distribution expense, administrative & general expense and customer expense. Therefore, these amounts are being subtracted out as an other deduction on line 24d in the amount of \$(4,493,035).

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part IX, Statement of Functional Expenses, Line 4	Benefits Paid to Members The Cooperative has interpreted the instructions to Part IX, Line 4, to mean patronage capital allocated for the year, rather than patronage capital retired This is consistent with the Bylaws of the Cooperative

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part XI, line 9	Earnings from Wholly Owned Subsidiary -13,994 Retirement of Capital Credits -1,619,092 P atronage Capital Credits Allocated During Current Year 10,144,267

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2018

**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
Dakota Valley Electric Cooperative Inc

Employer identification number

45-0454206

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

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) Dakota Valley Electric Operation Round Up Inc 14051 Highway 13 Milnor, ND 58060 75-3002458	Operation Round Up	ND	501(c)(3)	Line 7	Dakota Valley Electric Cooperative Inc	Yes	

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	
(1) Cooperative Alliance Management (dissolved Aug) 1515 West Main Ave Carrington, ND 58421 25-1920416	Management Services	ND	Dakota Valley Electric Cooperative Inc	Related	-19,163			No		Yes		50 000 %

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
(1) Dakota Valley Services Corporation 7296 Highway 281 Edgeley, ND 58433 45-0414071	Electrical and Plumbing Services	ND	Dakota Valley Electric Cooperative Inc	C	185,560	911,224	100 000 %	Yes	

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		No
b Gift, grant, or capital contribution to related organization(s)		No
c Gift, grant, or capital contribution from related organization(s)		No
d Loans or loan guarantees to or for related organization(s)		No
e Loans or loan guarantees by related organization(s)		No
f Dividends from related organization(s)		No
g Sale of assets to related organization(s)		No
h Purchase of assets from related organization(s)	Yes	
i Exchange of assets with related organization(s)		No
j Lease of facilities, equipment, or other assets to related organization(s)		No
k Lease of facilities, equipment, or other assets from related organization(s)		No
l Performance of services or membership or fundraising solicitations for related organization(s)		No
m Performance of services or membership or fundraising solicitations by related organization(s)	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	Yes	
o Sharing of paid employees with related organization(s)	Yes	
p Reimbursement paid to related organization(s) for expenses		No
q Reimbursement paid by related organization(s) for expenses	Yes	
r Other transfer of cash or property to related organization(s)		No
s Other transfer of cash or property from related organization(s)	Yes	

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Dakota Valley Services Corporation	O	590,421	General Ledger
(2) Dakota Valley Services Corporation	Q	567,991	General Ledger
(3) Dakota Valley Services Corporation	H	63,589	General Ledger
(4) Cooperative Alliance Management	S	63,180	General Ledger
(5) Cooperative Alliance Management	M	177,479	General Ledger

Part VII **Supplemental Information**

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

Return Reference	Explanation