

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
BANDERA ELECTRIC COOPERATIVE INC

Doing business as

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
PO BOX 667

City or town, state or province, country, and ZIP or foreign postal code
BANDERA, TX 78003

D Employer identification number
74-0498072

E Telephone number
(866) 226-3372

G Gross receipts \$ 81,063,212

F Name and address of principal officer:
WILLIAM HETHERINGTON
PO BOX 667
BANDERA, TX 78003

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.BANDERAELCTRIC.COM

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: 1938

M State of legal domicile: TX

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
TO PROVIDE QUALITY AND RELIABLE ELECTRIC SERVICE TO MEMBERS OF THE COOPERATIVE.

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

3 Number of voting members of the governing body (Part VI, line 1a)	3	8
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	7
5 Total number of individuals employed in calendar year 2019 (Part V, line 2a)	5	134
6 Total number of volunteers (estimate if necessary)	6	0
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	32,286
b Net unrelated business taxable income from Form 990-T, line 39	7b	0

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	0	0
9 Program service revenue (Part VIII, line 2g)	73,760,415	79,849,414
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	65,865	-268,571
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	911,163	989,104
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	74,737,443	80,569,947
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	88,173	227,650
14 Benefits paid to or for members (Part IX, column (A), line 4)	8,689,958	12,321,102
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	7,028,238	8,891,345
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)	59,047,961	58,916,281
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	74,854,330	80,356,378
19 Revenue less expenses. Subtract line 18 from line 12	-116,887	213,569
	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	205,162,185	245,266,579
21 Total liabilities (Part X, line 26)	130,242,889	159,892,839
22 Net assets or fund balances. Subtract line 21 from line 20	74,919,296	85,373,740

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: 2020-10-15
WILLIAM HETHERINGTON CEO
Type or print name and title

Paid Preparer Use Only
Print/Type preparer's name: Preparer's signature: Date: 2020-10-15
Check if self-employed PTIN: P00439459
Firm's name ▶ BOLINGER SEGARS GILBERT AND MOSS LLP Firm's EIN ▶ 75-0882037
Firm's address ▶ 8215 NASHVILLE AVENUE LUBBOCK, TX 79423 Phone no. (806) 747-3806

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 ENHANCE THE QUALITY OF LIFE BY PROVIDING HIGHLY RELIABLE ELECTRIC AND OTHER RELATED SERVICES, THAT ARE VALUED BY OUR MEMBERS, AT THE LOWEST POSSIBLE COST.

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 \$)
See Additional Data

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

Blank lines for reporting program service accomplishments.

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	Yes	
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		No
11d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		No
11e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	Yes	
11f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	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	Yes	
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	Yes	

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? If "Yes," complete Schedule I, Parts I and III		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? If "Yes," complete Schedule J	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? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	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? If "Yes," complete Schedule L, Part I		
b	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? If "Yes," complete Schedule L, Part 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? If "Yes," complete Schedule L, Part II		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? If "Yes," complete Schedule L, Part III		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):		
a	A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? If "Yes," complete Schedule L, Part IV		No
b	A family member of any individual described in line 28a? If "Yes," complete Schedule L, Part IV	Yes	
c	A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? If "Yes," complete Schedule L, Part IV		No
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		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? If "Yes," complete Schedule R, Part I	Yes	
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	Yes	
b	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)? If "Yes," complete Schedule R, Part V, line 2		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		
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? If "Yes," complete Schedule R, Part VI		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		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		

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 (8), 1b (7), 2, 3, 4, 5, 6, 7a, 7b, 8a, 8b, 9.

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, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b.

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.
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:

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) WILLIAM HETHERINGTON CEO	60.00			X			332,219	0	107,450	
(2) LYNN MIDGETTE CFO/COO	50.00			X			291,000	0	0	
(3) JOHN PADALINO GENERAL COUNSEL/CHIEF ADMIN OFFICER	50.00				X		215,450	0	44,358	
(4) SHANE SCHMIDT MANAGER OF BEC FIBER	55.00				X		187,929	0	46,272	
(5) JOHN RUSH MANAGER OF OPERATIONS	50.00					X	149,834	0	58,985	
(6) SHAWNA FRERICH CONTROLLER	45.00					X	133,597	0	49,314	
(7) ALLEN MARSHALL OUTSIDE PLANT OPERATIONS SUPERVISOR	45.00					X	117,857	0	43,078	
(8) JAMES WARD MANAGER OF DISTRIBUTION DESIGN	50.00					X	119,212	0	41,473	
(9) BILLY SIMPSON NETWORK OPERATIONS SUPERVISOR	52.00					X	117,857	0	39,952	
(10) ZEDA ALVARADO DIRECTOR	10.20	X					20,500	0	0	
(11) MICHAEL EDWARDS CHAIRMAN	4.70	X		X			20,000	0	0	
(12) JERRY PIERCE DIRECTOR	7.20	X					19,250	0	0	
(13) KURT SOLIS SECRETARY/TREASURER	6.70	X		X			19,000	0	0	
(14) RICHARD EARNEST DIRECTOR	10.00	X					19,000	0	0	
(15) JEREMY DILLER DIRECTOR	3.80	X					18,500	0	0	
(16) JERRY WORD SR DIRECTOR	3.20	X					18,000	0	0	
(17) FRANCES LAUE DIRECTOR	7.90	X					16,500	0	0	

Part VIII Statement of Revenue

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

Table with 5 main columns: (A) Total revenue, (B) Related or exempt function revenue, (C) Unrelated business revenue, (D) Revenue excluded from tax under sections 512 - 514. Rows include 1a-1g: Federated campaigns, Membership dues, Fundraising events, Related organizations, Government grants, All other contributions, Noncash contributions, and 1h Total.

Table for Program Service Revenue with columns for Business Code, (A) Total revenue, (B) Related or exempt function revenue, (C) Unrelated business revenue, and (D) Revenue excluded from tax. Rows include 2a-2f: SALES OF ELECTRICITY, SALES OF FIBER INTERNET, LEASE REVENUE - LCRA, SALES OF SOLAR PANELS, PATRONAGE DIVIDENDS, All other program service revenue, and 2g Total.

Table for Other Revenue with columns for (A) Total revenue, (B) Related or exempt function revenue, (C) Unrelated business revenue, and (D) Revenue excluded from tax. Rows include 3-12: Investment income, Income from investment of tax-exempt bond proceeds, Royalties, Rental income, Net gain or loss from sales of assets, Net income from fundraising events, Net income from gaming activities, Net income from sales of inventory, POLE ATTACHMENT INCOME, and 12 Total revenue.

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	127,650			
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.	100,000			
4 Benefits paid to or for members	12,321,102			
5 Compensation of current officers, directors, trustees, and key employees	1,385,828			
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	5,414,976			
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)	832,928			
9 Other employee benefits	827,593			
10 Payroll taxes	430,020			
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	4,141,931			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	7,272,836			
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 PURCHASED POWER	34,606,083			
b ADMIN & GENERAL EXPENSE	4,714,015			
c DISTRIBUTION EXPENSE	3,954,862			
d COST OF SALES - SOLAR	1,537,810			
e All other expenses	2,688,744			
25 Total functional expenses. Add lines 1 through 24e	80,356,378			
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	1,334,696	1	1,666,101
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	2,259,377	4	2,524,136
	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	282,801	7	290,812
	8 Inventories for sale or use	1,308,945	8	1,993,549
	9 Prepaid expenses and deferred charges	496,886	9	855,295
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 306,115,481		
	b Less: accumulated depreciation	10b 76,491,351	193,276,779	10c 229,624,130
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11	4,849,976	13	5,168,443
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	1,352,725	15	3,144,113
16 Total assets. Add lines 1 through 15 (must equal line 34)	205,162,185	16	245,266,579	
Liabilities	17 Accounts payable and accrued expenses	7,812,684	17	9,518,480
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	162,786	21	109,853
	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	117,976,611	23	146,231,680
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17 - 24). Complete Part X of Schedule D	4,290,808	25	4,032,826
	26 Total liabilities. Add lines 17 through 25	130,242,889	26	159,892,839
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	622,910	29	641,290
	30 Paid-in or capital surplus, or land, building or equipment fund	0	30	0
	31 Retained earnings, endowment, accumulated income, or other funds	74,296,386	31	84,732,450
32 Total net assets or fund balances	74,919,296	32	85,373,740	
33 Total liabilities and net assets/fund balances	205,162,185	33	245,266,579	

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	80,569,947
2	Total expenses (must equal Part IX, column (A), line 25)	2	80,356,378
3	Revenue less expenses. Subtract line 2 from line 1	3	213,569
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	74,919,296
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	10,240,875
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	85,373,740

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: 74-0498072

Name: BANDERA ELECTRIC COOPERATIVE INC

Form 990 (2019)

Form 990, Part III, Line 4a:

ELECTRIC DIVISION:PROVIDING ELECTRIC ENERGY TO OUR MEMBERS AT COST ON A COOPERATIVE BASIS THROUGH THE ALLOCATION OF PATRONAGE CAPITAL. THERE WERE 37,131 ACTIVE SERVICES AT YEAR END.

Form 990, Part III, Line 4b:

FIBER DIVISION: A SEPARATE DIVISION OF THE COOPERATIVE WAS CREATED TO PROVIDE BROADBAND INTERNET SERVICES TO ITS MEMBERS THROUGH THE CONSTRUCTION OF A FIBER OPTIC NETWORK. THE FIRST CONNECTIONS BEGAN RECEIVING SERVICE DURING 2017. FIBER OPTIC BROADBAND SERVICES OF THE BEC FIBER DIVISION ARE PROVIDED TO MEMBERS ON A PATRONAGE BASIS THROUGH THE ALLOCATION OF PATRONAGE CAPITAL TO THE EXTENT THAT CUMULATIVE NET MARGINS EXCEED CUMULATIVE NET LOSSES FOR SUCH DIVISION. THERE WERE 4,904 BROADBAND SUBSCRIBERS AT YEAR END.

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

Supplemental Financial Statements

OMB No. 1545-0047 2019 Open to Public Inspection

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 BANDERA ELECTRIC COOPERATIVE INC

Employer identification number 74-0498072

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Line number, (a) Donor advised funds, (b) Funds and other accounts. Includes questions 1-4 and 5-6 regarding donor advised funds.

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

Form for Part II Conservation Easements. Includes questions 1-9 regarding conservation easements, with a sub-table for 'Held at the End of the Year'.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

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

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

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

Part IV Escrow and Custodial Arrangements.

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

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? **Yes** **No**

b If "Yes," explain the arrangement in Part XIII and complete the following table:

- 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:

- (i)** unrelated organizations
- (ii)** related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

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		807,028		807,028
b Buildings		9,359,582	3,550,804	5,808,778
c Leasehold improvements				
d Equipment		260,485,645	72,940,547	187,545,098
e Other		35,463,226		35,463,226
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) . . . ▶				229,624,130

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)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col.(B) line 13.)		

Part IX Other Assets.

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
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	
(2) ACCUMULATED PROVISION FOR POST RETIREMENT BENEFITS	1,389,744
(3) CUSTOMER ADVANCES FOR CONSTRUCTION	1,168,951
(4) CUSTOMER DEPOSITS	782,321
(5) DEFERRED CREDITS - UNCLAIMED PATRONAGE CAPITAL	690,976
(6) OTHER ACCRUED LIABILITIES	834
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col.(B) line 25.)	4,032,826

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	79,155,665
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	79,155,665
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	1,414,282	
c	Add lines 4a and 4b		4c	1,414,282
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5	80,569,947

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	66,620,994
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	66,620,994
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	13,735,384	
c	Add lines 4a and 4b		4c	13,735,384
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5	80,356,378

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: 74-0498072

Name: BANDERA ELECTRIC COOPERATIVE INC

Supplemental Information

Return Reference	Explanation
PART IV, LINE 2B:	<p>PURSUANT TO SECTION 74.3013 OF THE TEXAS PROPERTY CODE, THE COOPERATIVE HAS ESTABLISHED A RURAL SCHOLARSHIP FUND WITH AMOUNTS DESIGNATED UNCLAIMED UNDER STATE LAW. THE AMOUNTS DEPOSITED INTO THE RURAL SCHOLARSHIP FUND ARE APPROVED BY THE STATE OF TEXAS AND CAN ONLY BE USED FOR SCHOLARSHIPS TO ENABLE STUDENTS FROM RURAL AREAS TO ATTEND COLLEGE, TECHNICAL SCHOOL OR OTHER POST SECONDARY EDUCATION INSTITUTION. ANY AMOUNTS SO DEPOSITED INTO THE RURAL SCHOLARSHIP FUND ARE STILL PAYABLE TO THE PERSON TO WHOM THE ORIGINAL PAYMENT WAS MADE BUT UNCLAIMED. ALSO PURSUANT TO SECTION 74.3013 OF THE TEXAS PROPERTY CODE, THE COOPERATIVE HAS ESTABLISHED AN ECONOMIC DEVELOPMENT FUND WITH AMOUNTS DESIGNATED UNCLAIMED UNDER STATE LAW. THE AMOUNTS DEPOSITED INTO THE ECONOMIC DEVELOPMENT FUND ARE APPROVED BY THE STATE OF TEXAS AND CAN ONLY BE USED FOR THE STIMULATION AND IMPROVEMENT OF BUSINESS AND COMMERCIAL ACTIVITY FOR ECONOMIC DEVELOPMENT IN RURAL COMMUNITIES. ANY AMOUNTS SO DEPOSITED INTO THE ECONOMIC DEVELOPMENT FUND ARE STILL PAYABLE TO THE PERSON TO WHOM THE ORIGINAL PAYMENT WAS MADE BUT UNCLAIMED. ALSO PURSUANT TO SECTION 74.3013 OF THE TEXAS PROPERTY CODE, THE COOPERATIVE HAS ESTABLISHED AN ENERGY EFFICIENCY ASSISTANCE FUND WITH AMOUNTS DESIGNATED UNCLAIMED UNDER STATE LAW. THE AMOUNTS DEPOSITED INTO THE ENERGY EFFICIENCY ASSISTANCE FUND ARE APPROVED BY THE STATE OF TEXAS AND CAN ONLY BE USED TO ASSIST MEMBERS OF AN ELECTRIC COOPERATIVE IN REDUCING THEIR ENERGY CONSUMPTION AND ELECTRICITY BILLS. ANY AMOUNTS SO DEPOSITED INTO THE ENERGY EFFICIENCY ASSISTANCE FUND ARE STILL PAYABLE TO THE PERSON TO WHOM THE ORIGINAL PAYMENT WAS MADE BUT UNCLAIMED.</p>

Supplemental Information

Return Reference	Explanation
PART X, LINE 2:	THE COOPERATIVE HAS ADOPTED THE "UNCERTAIN TAX POSITIONS" PROVISIONS OF ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA. THE PRIMARY TAX POSITION OF THE COOPERATIVE IS ITS FILING STATUS AS A TAX EXEMPT ENTITY. THE COOPERATIVE DETERMINED THAT IT IS MORE LIKELY THAN NOT THAT ITS TAX POSITIONS WILL BE SUSTAINED UPON EXAMINATION BY THE INTERNAL REVENUE SERVICE, OR OTHER STATE TAXING AUTHORITY AND THAT ALL TAX BENEFITS ARE LIKELY TO BE REALIZED UPON SETTLEMENT WITH TAXING AUTHORITIES.

Supplemental Information

Return Reference	Explanation
PART XI, LINE 4B - OTHER ADJUSTMENTS:	LOSS ON DISPOSITION OF APPOLWARE RECLASSIFIED PART IX, LINE 24E OTHER EXPENSES 1,414,282.

Supplemental Information

Return Reference	Explanation
PART XII, LINE 4B - OTHER ADJUSTMENTS:	PATRONAGE CAPITAL ALLOCATED OR TO BE ALLOCATED 12,321,102. LOSS ON DISPOSITION OF APPOLOWA RE RECLASSIFIED PART IX, LINE 24E OTHER EXPENSES 1,414,282.

Supplemental Information

Return Reference	Explanation
PART VIII:	THE AMOUNT OF INVESTMENTS - PROGRAM RELATED ON FORM 990, PAGE 11, PART X, LINE 13 DOES NOT EQUAL OR EXCEED 5% OF THE TOTAL ASSETS ON FORM 990, PAGE 11, PART X, LINE 16, COLUMN B. CONSEQUENTLY, IN ACCORDANCE WITH IRS INSTRUCTIONS, SCHEDULE D, PART VII HAS BEEN LEFT BLANK. PART IX: THE AMOUNT OF OTHER ASSETS ON FORM 990, PAGE 11, PART X, LINE 15 DOES NOT EQUAL OR EXCEED 5% OF THE TOTAL ASSETS ON FORM 990, PAGE 11, PART X, LINE 16, COLUMN B. CONSEQUENTLY, IN ACCORDANCE WITH IRS INSTRUCTIONS, SCHEDULE D, PART IX HAS BEEN LEFT BLANK.

Supplemental Information

Return Reference	Explanation
PART XII, LINE 4B:	FOR THE AUDITED FINANCIAL STATEMENTS, THE AMOUNT OF PATRONAGE DIVIDENDS PAID OR ALLOCATED TO THE MEMBERS IS REPORTED AS AN INCREASE IN EQUITY AND NOT AS AN EXPENSE. THEREFORE, NET INCOME PER THE AUDITED FINANCIAL STATEMENTS IS REPORTED GROSS OF THE AMOUNT OF PATRONAGE DIVIDENDS THAT ARE EITHER ALLOCATED OR TO BE ALLOCATED AT THE TIME THE AUDITED FINANCIAL STATEMENTS ARE PREPARED. HOWEVER, BECAUSE THE ALLOCATION OF PATRONAGE DIVIDENDS IS ONE ASPECT OF HOW THE COOPERATIVE FULFILLS ITS TAX EXEMPT PURPOSE OF OPERATING ON A COOPERATIVE BASIS, THE AMOUNT OF PATRONAGE DIVIDENDS EITHER ALLOCATED OR TO BE ALLOCATED TO THE MEMBERS IS REPORTED ON FORM 990, PART IX, LINE 4 AS "BENEFITS PAID TO MEMBERS". PATRONAGE DIVIDENDS ARE ALLOCATED ON A PATRONAGE BASIS AND DONE SO PURSUANT TO A PRE-EXISTING OBLIGATION AS PROVIDED FOR IN THE "NON-PROFIT OPERATION" ARTICLE OF THE COOPERATIVE'S BYLAWS.

**SCHEDULE F
(Form 990)**

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization
BANDERA ELECTRIC COOPERATIVE INC

Employer identification number
74-0498072

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 14b.

- For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No
- For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.
- Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in the region	(d) Activities conducted in region (by type) (such as, fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in the region	(f) Total expenditures for and investments in the region
3a Sub-total	0	0			0
b Total from continuation sheets to Part I	0	0			0
c Totals (add lines 3a and 3b)	0	0			0

Part II Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of noncash assistance	(h) Description of noncash assistance	(i) Method of valuation (book, FMV, appraisal, other)
		WORLDWIDE	SUPPORT OVERSEAS WORK TO HELP PEOPLE AROUND THE WORLD HAVE ELECTRICITY.	100,000	CHECK			

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶ 1

3 Enter total number of other organizations or entities ▶

Part IV Foreign Forms

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* Yes No
- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to separately file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A; don't file with Form 990)* Yes No
- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)* Yes No
- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)* . Yes No
- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships (see Instructions for Form 8865)* Yes No
- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to separately file Form 5713, International Boycott Report (see Instructions for Form 5713; don't file with Form 990).* Yes No

Part V Supplemental Information

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information. See instructions.

990 Schedule F, Supplemental Information

Return Reference	Explanation
PART III ACCOUNTING METHOD:	

990 Schedule F, Supplemental Information

Return Reference	Explanation
PART II, LINE 1:	THE DONATION REPORTED ON PART II, LINE 1 WENT TO NRECA INTERNATIONAL FOUNDATION, A DOMESTIC ORGANIZATION. THE MONEY DONATED IS THEN GIVEN TO COOPERATIVES IN THE U.S. TO COVER THEIR COSTS TO BUILD POWER LINES IN FOREIGN COUNTRIES, AND HELP NRECA INTERNATIONAL FOUNDATION ACHIEVE ITS PROGRAM SERVICE OF PROVIDING ELECTRICITY IN DEVELOPING COUNTRIES AROUND THE WORLD.

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

Schedule I (Form 990)

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

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 21 or 22.

Attach to Form 990.

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

Name of the organization BANDERA ELECTRIC COOPERATIVE INC

Employer identification number 74-0498072

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance...
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000.

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC section (if applicable), (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation, (g) Description of noncash assistance, (h) Purpose of grant or assistance. Row 1: BANDERA ELECTRIC CHARITABLE FOUNDATION, 47-3758376, 501(C)(3), 50,000, YEAR-END DONATION TO BEC FOUNDATION.

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table. 1
3 Enter total number of other organizations listed in the line 1 table.

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.

Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of noncash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					

Part IV Supplemental Information. Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

Return Reference	Explanation
PART II:	ALL GRANTS, SPONSORSHIPS, AND/OR DONATIONS REPORTED ON FORM 990, PART IX, LINE 1 ARE MADE TO DOMESTIC NON-PROFIT AND CIVIC ORGANIZATIONS THAT ARE LOCATED IN THE COOPERATIVE'S SERVICE AREA, AND ARE INTENDED TO IMPROVE THE COMMUNITIES IN WHICH OUR MEMBERS RESIDE.

Schedule J
(Form 990)

Compensation Information

OMB No. 1545-0047
2019
Open to Public Inspection

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.

Department of the Treasury
Internal Revenue Service

Name of the organization
BANDERA ELECTRIC COOPERATIVE INC

Employer identification number
74-0498072

Part I Questions Regarding Compensation

	Yes	No
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.		
<input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax idemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input checked="" 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)		
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	1b	No
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?	2	No
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.		
<input type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
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:		
a Receive a severance payment or change-of-control payment?	4a	No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
c Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
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:		
a The organization?	5a	
b Any related organization?	5b	
If "Yes," on line 5a or 5b, describe in Part III.		
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:		
a The organization?	6a	
b Any related organization?	6b	
If "Yes," on line 6a or 6b, describe in Part III.		
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.	7	
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.	8	
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	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 WILLIAM HETHERINGTON CEO	(i)	271,990	56,120	4,109	83,309	24,141	439,669	0
	(ii)	0	0	0	0	0	0	0
2 LYNN MIDGETTE CFO/COO	(i)	291,000	0	0	0	0	291,000	0
	(ii)	0	0	0	0	0	0	0
3 JOHN PADALINO GENERAL COUNSEL/CHIEF ADMIN OFFICER	(i)	162,404	46,000	7,046	22,927	21,431	259,808	0
	(ii)	0	0	0	0	0	0	0
4 SHANE SCHMIDT MANAGER OF BEC FIBER	(i)	131,559	56,000	370	17,905	28,367	234,201	0
	(ii)	0	0	0	0	0	0	0
5 JOHN RUSH MANAGER OF OPERATIONS	(i)	122,379	25,000	2,455	28,938	30,047	208,819	0
	(ii)	0	0	0	0	0	0	0
6 SHAWNA FRERICH CONTROLLER	(i)	115,838	5,000	12,759	23,025	26,289	182,911	0
	(ii)	0	0	0	0	0	0	0
7 ALLEN MARSHALL OUTSIDE PLANT OPERATIONS SUPERVISOR	(i)	99,059	18,500	298	14,884	28,194	160,935	0
	(ii)	0	0	0	0	0	0	0
8 JAMES WARD MANAGER OF DISTRIBUTION DESIGN	(i)	111,834	6,081	1,297	27,556	13,917	160,685	0
	(ii)	0	0	0	0	0	0	0
9 BILLY SIMPSON NETWORK OPERATIONS SUPERVISOR	(i)	99,059	18,500	298	11,758	28,194	157,809	0
	(ii)	0	0	0	0	0	0	0

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	HOUSING ALLOWANCE - ONE INDIVIDUAL REPORTED ON FORM 990 PART VII, JOHN PADALINO, RECEIVED THIS BENEFIT DURING THE YEAR. ADDITIONALLY, THE VALUE OF THE BENEFIT WAS INCLUDED IN THE RESPECTIVE REPORTABLE COMPENSATION. THE CEO PROVIDED AN OFFER LETTER OF EMPLOYMENT AND APPROVED THE HOUSING ALLOWANCE AS A PART OF THE COMPENSATION PACKAGE.
PART II, COLUMN C:	INCLUDED IN THIS AMOUNT IS THE INCREASE IN ACTUARIAL VALUE OF BENEFITS PAYABLE UNDER A DEFINED BENEFIT RETIREMENT PLAN. THE CONTRIBUTION RATE FOR PARTICIPANTS IN THE NRECA R&S DEFINED BENEFIT PENSION PLAN ARE THE SAME FOR ALL INDIVIDUALS IN THIS MULTI-EMPLOYER PLAN. THE CHANGE IN ACTUARIAL VALUE FOR EACH PARTICIPANT, HOWEVER, VARIES WITH AGE, YEARS OF SERVICE AND THE CURRENT INTEREST RATE ENVIRONMENT. IN OTHER WORDS, THE OLDER A PLAN PARTICIPANT IS, THE GREATER THE INCREASE IN THAT INDIVIDUAL'S CHANGE IN ACTUARIAL VALUE, ALL OTHER THINGS BEING EQUAL. BECAUSE THIS RELATES TO A MULTI-EMPLOYER PLAN, CASH CONTRIBUTIONS TO THE PLAN IN LIEU OF THE ACTUARIAL INCREASE ARE EXPENSED IN THE FINANCIAL STATEMENTS. WILLIAM HETHERINGTON: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 66,608 EMPLOYER CONTRIBUTION TO 401(K) PLAN 16,701 TOTAL REPORTED IN COLUMN C \$ 83,309 LESS: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (66,608) ADD: CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 41,891 EXPENSE TO THE COOPERATIVE \$ 58,592 JOHN PADALINO: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 14,127 EMPLOYER CONTRIBUTION TO 401(K) PLAN 8,800 TOTAL REPORTED IN COLUMN C \$ 22,927 LESS: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (14,127) ADD: CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 16,944 EXPENSE TO THE COOPERATIVE \$ 25,744 SHANE SCHMIDT: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 10,249 EMPLOYER CONTRIBUTION TO 401(K) PLAN 7,656 TOTAL REPORTED IN COLUMN C \$ 17,905 LESS: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (10,249) ADD: CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 19,000 EXPENSE TO THE COOPERATIVE \$ 26,656 JOHN RUSH: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 21,138 EMPLOYER CONTRIBUTION TO 401(K) PLAN 7,800 TOTAL REPORTED IN COLUMN C \$ 28,938 LESS: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (21,138) ADD: CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 19,000 EXPENSE TO THE COOPERATIVE \$ 26,800 SHAWNA FREICH: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 20,322 EMPLOYER CONTRIBUTION TO 401(K) PLAN 2,703 TOTAL REPORTED IN COLUMN C \$ 23,025 LESS: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (20,322) ADD: CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 18,936 EXPENSE TO THE COOPERATIVE \$ 21,639 ALLEN MARSHALL: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 8,584 EMPLOYER CONTRIBUTION TO 401(K) PLAN 6,300 TOTAL REPORTED IN COLUMN C \$ 14,884 LESS: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (8,584) ADD: CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 15,200 EXPENSE TO THE COOPERATIVE \$ 21,500 JAMES WARD: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 20,626 EMPLOYER CONTRIBUTION TO 401(K) PLAN 6,930 TOTAL REPORTED IN COLUMN C \$ 27,556 LESS: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (20,626) ADD: CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 16,720 EXPENSE TO THE COOPERATIVE \$ 23,650 BILLY SIMPSON: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 8,608 EMPLOYER CONTRIBUTION TO 401 (K) PLAN 3,150 TOTAL REPORTED IN COLUMN C \$ 11,758 LESS: ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (8,608) ADD: CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 15,200 EXPENSE TO THE COOPERATIVE \$ 18,350

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 BANDERA ELECTRIC COOPERATIVE INC

Employer identification number 74-0498072

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) ANDREW EDWARDS	FAMILY RELATIONSHIP	91,546	ANDREW EDWARDS RECEIVED COMPENSATION AS AN EMPLOYEE. HE AND MICHAEL EDWARDS, BOARD CHAIRMAN, ARE FAMILY MEMBERS PER THE 990 DEFINITION OF FAMILY MEMBERS.		No
(2) DALTON BLANK	FAMILY RELATIONSHIP	58,306	DALTON BLANK RECEIVED COMPENSATION AS AN EMPLOYEE. HE AND LYNN MIDGETTE, CFO/COO, ARE FAMILY MEMBERS PER THE 990 DEFINITION OF FAMILY MEMBERS.		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

2019**Open to Public Inspection**

Department of the Treasury

Name of the organization

BANDERA ELECTRIC COOPERATIVE INC

Employer identification number

74-0498072

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 3	THE COOPERATIVE HIRED T. LYNN MIDGETTE, P.C., TO BE ITS CFO/COO. TOTAL COMPENSATION PAID T O T. LYNN MIDGETTE FOR THE TAX YEAR 2019 WAS \$291,000.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 4	DURING THE YEAR, THE BOARD APPROVED AMENDMENTS TO THE COOPERATIVE'S BYLAWS. THE FOLLOWING IS A SUMMARY OF CHANGES: ARTICLE III - DIRECTORS SECTION 3(K) WAS AMENDED TO REMOVE THAT A SPOUSE, PARENT, OR CHILD OF A COOPERATIVE EMPLOYEE DOES NOT DISQUALIFY AN INDIVIDUAL FROM BECOMING OR REMAINING A DIRECTOR. ARTICLE IV - MEETINGS OF DIRECTORS SECTION 5 WAS AMENDED TO REMOVE THE REQUIREMENT OF POSTING A NOTICE OF A BOARD MEETING ON THE COOPERATIVE'S WEBSITE. A COMPLETE COPY OF THE BYLAWS CAN BE FOUND ON THE COOPERATIVE'S WEBSITE AT: HTTPS://WWW.BANDERAELECTRIC.COM/EN-US/GOVERNANCE

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	THE COOPERATIVE WAS FORMED BY THE MEMBERS TO PROVIDE ELECTRIC SERVICE AT COST ON A COOPERATIVE BASIS.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	THE MEMBERS OF THE COOPERATIVE VOTE ON THE BOARD OF DIRECTORS. ELECTIONS ARE DONE ON A ONE MEMBER ONE VOTE BASIS.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	THE FOLLOWING ACTS REQUIRE APPROVAL OF THE MEMBERS OF THE COOPERATIVE: 1. DISSOLUTION/LIQUIDATION OF THE COOPERATIVE 2. MERGER OR CONSOLIDATION OF THE COOPERATIVE WITH ANOTHER ORGANIZATION 3. DISPOSAL OF A SUBSTANTIAL PORTION OF THE COOPERATIVE'S ASSETS 4. AMENDMENT TO THE ARTICLES OF INCORPORATION

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 8B	THE COOPERATIVE HAS NO COMMITTEES WITH AUTHORITY TO ACT ON BEHALF OF THE GOVERNING BODY. T HEREFORE, AND PURSUANT TO FORM 990 INSTRUCTIONS, THE QUESTION HAS BEEN ANSWERED "NO".

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11B	MANAGEMENT PRESENTED A COPY OF THE FORM 990 TO THE BOARD FOR DISCUSSION AND REVIEW PRIOR TO FILING. THE DISCUSSION AND REVIEW WAS PERFORMED AT THE BOARD MEETING IMMEDIATELY BEFORE FILING THE FORM 990.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	ANNUALLY, THE COOPERATIVE REQUIRES ALL DIRECTORS, OFFICERS, AND MANAGEMENT TO CERTIFY, VIA A SIGNED CERTIFICATE OF COMPLIANCE, THAT THEY HAVE COMPLIED WITH THE CODE OF ETHICS AND ARE NOT AWARE OF ANY UNREPORTED VIOLATIONS OF THE POLICY THAT MAY HAVE OCCURRED. THESE ACTIONS ARE IN COMPLIANCE WITH THE COOPERATIVE'S CODE OF ETHICS POLICY, C05-4, PART II, #7.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	THE BOARD OF DIRECTORS UTILIZE A COMPENSATION SURVEY WHEN DETERMINING THE COMPENSATION OF THE CEO. THE SURVEY SHOWS COMPARATIVE SALARIES FOR CEOS/ GENERAL MANAGERS FROM SIMILARLY SITUATED COOPERATIVES LOCATED IN TEXAS AND THE NATION. THE CEO UTILIZES A COMPENSATION SURVEY WHEN DETERMINING THE COMPENSATION OF THE COOPERATIVE'S OTHER EMPLOYEES MEETING THE DEFINITION OF OFFICER AND KEY EMPLOYEES, IF ANY. THE SURVEY INCLUDES SALARIES FROM SIMILARLY SITUATED COOPERATIVES LOCATED IN TEXAS AND THE NATION.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE COOPERATIVE PROVIDES A SUMMARIZED COPY OF THE AUDITED FINANCIAL STATEMENTS TO THE MEMBERS OF THE COOPERATIVE AT THE ANNUAL MEETING. THE COOPERATIVE WILL PROVIDE A COMPLETE COPY OF THE AUDITED FINANCIAL STATEMENTS, CONFLICT OF INTEREST POLICY, OR GOVERNING DOCUMENTS TO ANY MEMBER WHO REQUESTS A COPY OF ANY SUCH DOCUMENT. THE BYLAWS AND ARTICLES OF INCORPORATION CAN ALSO BE FOUND ON THE COOPERATIVE'S WEBSITE.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PARTS VI & VII:	THE COOPERATIVE ANNUALLY PROVIDES EACH DIRECTOR WHO SERVED ON THE BOARD DURING THE YEAR A QUESTIONNAIRE AND TIME LOG. THE COMPLETED QUESTIONNAIRES AND TIME LOGS ARE USED TO COMPLETE THE APPLICABLE QUESTIONS ON THE FORM 990 PERTAINING TO BUSINESS RELATIONSHIPS AMONG DIRECTORS, OFFICERS, AND KEY EMPLOYEES, AS WELL AS TO DETERMINE IF THERE ARE ANY TRANSACTIONS WHICH MUST BE REPORTED IN DETAIL ON SCHEDULE L - "TRANSACTIONS WITH INTERESTED PERSONS". IF THE COOPERATIVE WAS UNABLE TO OBTAIN A COMPLETED QUESTIONNAIRE AND/OR TIME LOG, THE COOPERATIVE RELIED UPON THE COMPLETED INFORMATION FOR THE PRIOR YEAR.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VII, COLUMN F:	<p>IN ORDER TO PROVIDE RETIREMENT BENEFITS TO ITS EMPLOYEES, THE COOPERATIVE HAS ESTABLISHED A DEFINED CONTRIBUTION PLAN UNDER SECTION 401(K) OF THE INTERNAL REVENUE CODE. EMPLOYER CONTRIBUTIONS TO THE PLAN ARE MADE PURSUANT TO THE PLAN DOCUMENT. ADDITIONALLY, THE COOPERATIVE PARTICIPATES IN A MULTI-EMPLOYER DEFINED BENEFIT PLAN. CONTRIBUTIONS TO THIS PLAN ARE BASED ON THE FULL FUNDING LIMITATION OF SUCH PLAN. EMPLOYER CONTRIBUTIONS FOR BOTH PLANS ARE AVAILABLE TO PARTICIPATING EMPLOYEES, INCLUDING OFFICERS, MEETING THE ELIGIBILITY REQUIREMENTS OF SUCH PLANS. THE COOPERATIVE ALSO PROVIDES HEALTH, DENTAL, VISION AND LIFE INSURANCE TO ALL EMPLOYEES, INCLUDING OFFICERS, THROUGH A QUALIFIED PLAN. THE AMOUNTS REPORTED ON PART VII, COLUMN (F) FOR THE OFFICERS, KEY EMPLOYEES, AND HIGHLY COMPENSATED EMPLOYEES IS COMPRISED OF ACTUARIAL INCREASE IN THE DEFINED BENEFIT PLAN, THE TOTAL AMOUNT CONTRIBUTED BY THE COOPERATIVE TO THE DEFINED CONTRIBUTION PLAN, AND INSURANCE PAID ON BEHALF OF AN D FOR THEIR BENEFIT. IN ADDITION TO THE ABOVE PENSION PLANS, THE COOPERATIVE ALSO PROVIDES POST-RETIREMENT HEALTH INSURANCE BENEFITS THROUGH AN UNFUNDED WELFARE BENEFIT PLAN. THE VALUE OF THESE BENEFITS HAS NOT BEEN ESTIMATED.</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VIII, LINE 2:	PATRONAGE DIVIDENDS RESULT FROM THE PAYMENT OF INTEREST FROM COOPERATIVE BANKS AND THE PURCHASE OF SUPPLIES AND SERVICES FROM OTHER COOPERATIVE ORGANIZATIONS. THE EXPENSES ASSOCIATED WITH PURCHASES FROM AND PAYMENTS TO SUCH COOPERATIVE ORGANIZATIONS ARE A DIRECT COMPONENT OF COST OF THE ELECTRIC SERVICE PROVIDED BY THE COOPERATIVE TO ITS MEMBERS.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX:	ALTHOUGH THE COOPERATIVE IS NO LONGER AN RUS BORROWER, ITS ACCOUNTING RECORDS ARE MAINTAINED IN ACCORDANCE WITH THE RUS UNIFORM SYSTEM OF ACCOUNTS (USOA) PRESCRIBED FOR RUS ELECTRIC BORROWERS. THE USOA DOES NOT RECORD EXPENSES IN THE GENERAL EXPENSE CATEGORIES PROVIDED ON PART IX LINES 1-23. THE COOPERATIVE SEPARATELY REPORTS SALARIES AND WAGES, EMPLOYEE BENEFITS AND PAYROLL TAXES THAT ARE ALLOCATED IN ACCORDANCE WITH THEIR ACCOUNTING SYSTEM, BUT OTHER EXPENSES THAT ARE DESCRIBED IN LINES 1-23 ARE REPORTED ON LINE 24 UNDER THE EXPENSE CATEGORIES REQUIRED BY THE USOA.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX, LINES 5-7:	SALARIES AND WAGES ARE ALLOCATED TO ASSET, LIABILITY, AND EXPENSE ACCOUNTS BASED ON THE ACCOUNTING SYSTEM DESCRIBED ABOVE. THE FOLLOWING SCHEDULE RECONCILES AMOUNTS REPORTED ON LINES 5-7 TO TOTAL WAGES ACCRUED AND/OR PAID: TOTAL PER LINES 5-7 \$ 6,800,804 LESS: DIRECTOR FEES REPORTED ON FORMS 1099-MISC (161,150) LESS: EMPLOYEE OFFICER BENEFITS INCLUDED IN LINE 5 (107,450) LESS: KEY EMPLOYEE BENEFITS INCLUDED IN LINE 5 (90,630) PLUS: SALARIES AND WAGES ALLOCATED TO NONOPERATING MARGIN 10,246 PLUS: SALARIES AND WAGES CAPITALIZED DIRECTLY TO PLANT 2,336,024 PLUS: SALARIES AND WAGES CAPITALIZED/EXPENSED INDIRECTLY THROUGH CLEARING AND OTHER ACCOUNTS 529,496 TOTAL WAGES ACCRUED AND/OR PAID \$ 9,317,340

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX, LINE 24:	ADMINISTRATIVE & GENERAL EXPENSE IS COMPRISED OF THE FOLLOWING: ADMINISTRATIVE & GENERAL \$ 4,092,614 OFFICE SUPPLIES 657,598 OUTSIDE SERVICES 742,657 INSURANCE 273,568 EMPLOYEE BENEFITS (301,941) DIRECTORS 299,237 ADVERTISING 122,162 DUES TO ASSOCIATED ORGANIZATIONS 205,248 ANNUAL MEETING 100,249 MISCELLANEOUS GERNERAL 1,115,738 REGULATORY COMMISSION 117,130 MAINTENANCE OF GENERAL PLANT 1,130,022 TOTAL ADMIN & GENERAL EXP PER FINANCIAL STATEMENTS \$ 8,554,282 LESS: RECLASS OF DIRECTOR FEES TO PART IX, LINE 5 (161,150) LESS: RECLASS OF LABOR TO PART IX, LINES 5 & 7 (2,698,726) LESS: RECLASS OF BENEFITS TO PART IX, LINES 8-10 (980,391) TOTAL ADMIN & GENERAL EXPENSE PER FORM 990, PART IX \$ 4,714,015

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX, LINE 24E:	OTHER EXPENSES IS COMPRISED OF THE FOLLOWING: CUSTOMER ACCOUNTS \$ 373,622 CUSTOMER SERVICE AND INFORMATION 282,132 TRANSMISSION 322,712 FIBER 251,534 OTHER DEDUCTIONS 44,462 LOSS ON DISPOSITION OF APPOLOWARE 1,414,282 TOTAL OTHER EXPENSES PER FORM 990, PART IX \$ 2,688,744

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX, LINE 4:	<p>PURSUANT TO THE FORM 990 INSTRUCTIONS, THE AMOUNT OF PATRONAGE DIVIDENDS PAID TO THE MEMBERS (HEREINAFTER REFERRED TO AS "PATRONS") SHOULD BE REPORTED ON PART IX, LINE 4. THE PHRASE "PATRONAGE DIVIDENDS PAID" REFERS TO THE PROCESS, SUBSEQUENT TO YEAR-END, BY WHICH THE COOPERATIVE ALLOCATES PATRONAGE CAPITAL TO AND, THEREFORE, OPERATES AT COST WITH ITS PATRONS. THE COOPERATIVE'S TAX EXEMPT PURPOSE IS TO PROVIDE ELECTRICITY TO ITS PATRONS AND TO DO SO ON A COOPERATIVE BASIS. TAX LAW DEFINES "OPERATING ON A COOPERATIVE BASIS" AS SUBORDINATION OF CAPITAL, DEMOCRATIC CONTROL, AND OPERATION AT COST. THE COOPERATIVE OPERATES AT COST THROUGH THE ALLOCATION OF TRUE PATRONAGE DIVIDENDS (ALSO REFERRED TO AS ALLOCATIONS OF PATRONAGE CAPITAL) TO ITS PATRONS. PATRONAGE DIVIDENDS ARE CONSIDERED PAID IF THE ALLOCATION IS MADE (1) PURSUANT TO A PRE-EXISTING OBLIGATION, (2) FROM THE MARGINS PRODUCED FROM THE TRANSACTIONS DONE WITH OR FOR PATRONS, AND (3) IN A FAIR AND EQUITABLE MANNER ON THE BASIS OF PATRONAGE (I.E. PURCHASES). ADDITIONALLY, THE ALLOCATION OF PATRONAGE DIVIDENDS SHOULD BE MADE WITHIN A REASONABLE TIME PERIOD AFTER THE CLOSE OF THE COOPERATIVE'S CALENDAR TAX YEAR-END OF DECEMBER 31. EACH ONE OF THESE REQUIREMENTS FOR A TRUE PATRONAGE DIVIDEND IS PROVIDED FOR IN THE NON-PROFIT OPERATION ARTICLE OF THE COOPERATIVE'S BYLAWS. THE AMOUNT REPORTED ON PART IX, LINE 4 REPRESENTS THE AMOUNT OF PATRONAGE CAPITAL THAT IS EITHER ALLOCATED OR TO BE ALLOCATED TO THE PATRONS RESULTING FROM THEIR PURCHASE OF ELECTRICITY FROM THE COOPERATIVE FOR THE 2019 CALENDAR YEAR. BECAUSE PATRONAGE DIVIDENDS ARE THE PROCESS BY WHICH THE COOPERATIVE OPERATES AT COST WITH ITS PATRONS AND THEREBY A KEY COMPONENT TO ACCOMPLISHING ITS EXEMPT PURPOSE, THE COOPERATIVE HAS REPORTED SUCH AMOUNTS AS AN EXPENSE FOR FORM 990 REPORTING. PATRONAGE DIVIDENDS ARE NOT AN EXPENSE FOR FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, HOWEVER.</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XI, LINE 9:	PATRONAGE CAPITAL ALLOCATED OR TO BE ALLOCATED 12,321,102. PATRONAGE CAPITAL RETIRED - TOTAL -1,704,087. PATRONAGE CAPITAL RETIRED - DISCOUNT 120,049. NET CHANGE IN MEMBERSHIPS 18,380. OCI- PENSIONS AND BENEFITS -514,569.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XII, LINE 2C:	THE BOARD OF DIRECTORS HAVE ASSIGNED MEMBERS TO AN AUDIT COMMITTEE TO OVERSEE THE FINANCIAL STATEMENT AUDIT AND SELECT THE INDEPENDENT FINANCIAL STATEMENT AUDITOR. PROCEDURAL CHANGES DID NOT OCCUR DURING THE YEAR.

**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
BANDERA ELECTRIC COOPERATIVE INC

Employer identification number

74-0498072

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
(1) BEC SOLAR LLC PO BOX 667 BANDERA, TX 78003 81-4073444	SOLAR POWER	TX	1,265,848	0	BANDERA ELECTRIC COOPERATIVE INC

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) BANDERA ELECTRIC CHARITABLE FOUNDATION 3172 STATE HIGHWAY 16 N BANDERA, TX 78003 47-3758376	OPERATION ROUND-UP	TX	501(C)(3)	LINE 10	BANDERA 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	

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

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

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

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

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		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)		No
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)		No
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		No
r Other transfer of cash or property to related organization(s)		No
s Other transfer of cash or property from related organization(s)		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) BANDERA ELECTRIC CHARITABLE FOUNDATION	N		N/A - LESS THAN \$50,000
(2) BANDERA ELECTRIC CHARITABLE FOUNDATION	O		N/A - LESS THAN \$50,000

Part VII **Supplemental Information**

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

Return Reference	Explanation