

Return of Organization Exempt From Income TaxDepartment of the Treasury
Internal Revenue Service

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.**2018**Open to Public
Inspection

A For the 2018 calendar year, or tax year beginning		, 2018, and ending	
B Check if applicable		C Name of organization H-D ELECTRIC COOPERATIVE, INC.	
<input type="checkbox"/> Address change		Doing business as	
<input type="checkbox"/> Name change		Number and street (or P O. box if mail is not delivered to street address)	
<input type="checkbox"/> Initial return		PO BOX 1007	
<input type="checkbox"/> Final return/terminated		Room/suite	
<input type="checkbox"/> Amended return		605-874-2171	
<input type="checkbox"/> Application pending		G Gross receipts \$ 12,362,879	
I Tax-exempt status		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<input type="checkbox"/> 501(c)(3)		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "No," attach a list (see instructions)	
J Website: ► www.h-delectric.coop		H(c) Group exemption number ►	
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►		L Year of formation 1947	M State of legal domicile SD

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: PROVIDE SAFE, RELIABLE, HIGH QUALITY ELECTRIC SERVICE AT THE BEST VALUE POSSIBLE TO OUR MEMBERS.	
	2 Check this box ► <input type="checkbox"/> 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 9
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4 9
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5 27
	6 Total number of volunteers (estimate if necessary) RECEIVED	6 0
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a (928)
	b Net unrelated business taxable income from Form 990-T, line 38	7b (635)
8 Contributions and grants (Part VIII, line 1b) OGDEN UT IRS	Prior Year 0 Current Year 0	

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:

H-D ELECTRIC COOPERATIVE IS COMMITTED TO SAFELY ENHANCE THE QUALITY OF LIFE FOR OUR MEMBERS, EMPLOYEES AND COMMUNITIES.

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.

For each of the organization's programs, provide accomplishments for each of its three largest program services, as measured by the following questions:

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	1	✓
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2	✓
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	3	✓
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	4	
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	5	✓
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	6	✓
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	7	✓
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	✓
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	9	✓
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	10	✓
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.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a	✓
b 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	11b	✓
c 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	11c	✓
d 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	11d	✓
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e	✓
f 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	11f	✓
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a	✓
b 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	12b	✓
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	✓
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	✓
b 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	14b	✓
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	15	✓
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	16	✓
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)	17	✓
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	18	✓
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	19	✓
20 a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	✓
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	
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	21	✓

Part IV Checklist of Required Schedules (continued)

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

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 I

	Yes	No
22	✓	
23	✓	

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

2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return **2a** **27**

b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **2b**

Yes	No

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 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

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	9
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
1b	Enter the number of voting members included in line 1a, above, who are independent	1b	9
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?			
3 Did the organization delegate control over management duties customarily performed by or under the direct		2	✓

1a Enter the number of voting members of the governing body at the end of the tax year

If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.

1b Enter the number of voting members included in line 1a, above, who are independent

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?

3 Did the organization delegate control over management duties customarily performed by or under the direct

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

THE COOPERATIVE BYLAWS ALLOW FOR NON-OPERATING MARGINS TO BE ALLOCATED TO THE MEMBERS OR MAY BE USED BY THE COOPERATIVE AS PERMANENT, NON-ALLOCATED CAPITAL, DETERMINED ANNUALLY. ALLOCATION OF THE 2018 MARGINS AS APPROVED BY THE BOARD OF DIRECTORS WILL BE REPORTED TO OUR MEMBERS IN 2019.

FORM 990, PART XI, LINE 9: OTHER CHANGES IN NET ASSETS OR FUND BALANCES \$1,099,240 IS DUE TO:

2018 NET MARGINS = \$1,374,877

GENERAL, ESTATE AND EARLY RETIREMENT OF CAPITAL CREDITS = (\$294,835)

REACQUIRED CAPITAL STOCK DUE TO EARLY AND ESTATE RETIREMENT OF CAPITAL CREDITS = \$19,198

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

(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			
(15)									
(16)									
(17)									
(18)									
(19)									
(20)									
(21)									
(22)									
(23)									
(24)									
(25)									
1b Sub-total ►							387,801		161,896
c Total from continuation sheets to Part VII, Section A ►									
d Total (add lines 1b and 1c) ►							387,801		161,896

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ► 2

3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

Yes	No
3	✓
4	✓
5	✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
MILLS CONSTRUCTION: 1311 MAIN AVE S; BROOKINGS, SD 57006	HDQTRS CONSTRUCTION	1,643,027

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ► 1

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII

Contributions, Gifts, Grants and Other Similar Amounts			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
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			Business Code			
2a	SALE OF ELECTRICITY	221000	10,864,160	10,864,160		
b	COOP CAPITAL CREDITS	221000	1,068,668	1,068,668		
c						
d						
e						
f	All other program service revenue .					
g	Total. Add lines 2a-2f ►		11,932,828			
3	Investment income (including dividends, interest, and other similar amounts) ►		116,707			116,707
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 .		11,961			
c	Gain or (loss)		119/1			
d	Net gain or (loss) ►		11,961			11,961
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	301,383				
b	Less: cost of goods sold b	278,231				
c	Net income or (loss) from sales of inventory . . ►	23,152	24,080	(928)		
	Miscellaneous Revenue	Business Code				
11a						
b						
c						
d	All other revenue					
e	Total. Add lines 11a-11d ►		12,084,648	11,956,908	(928)	128,668
12	Total revenue. See instructions ►					

Part IX Statement of Functional Expenses

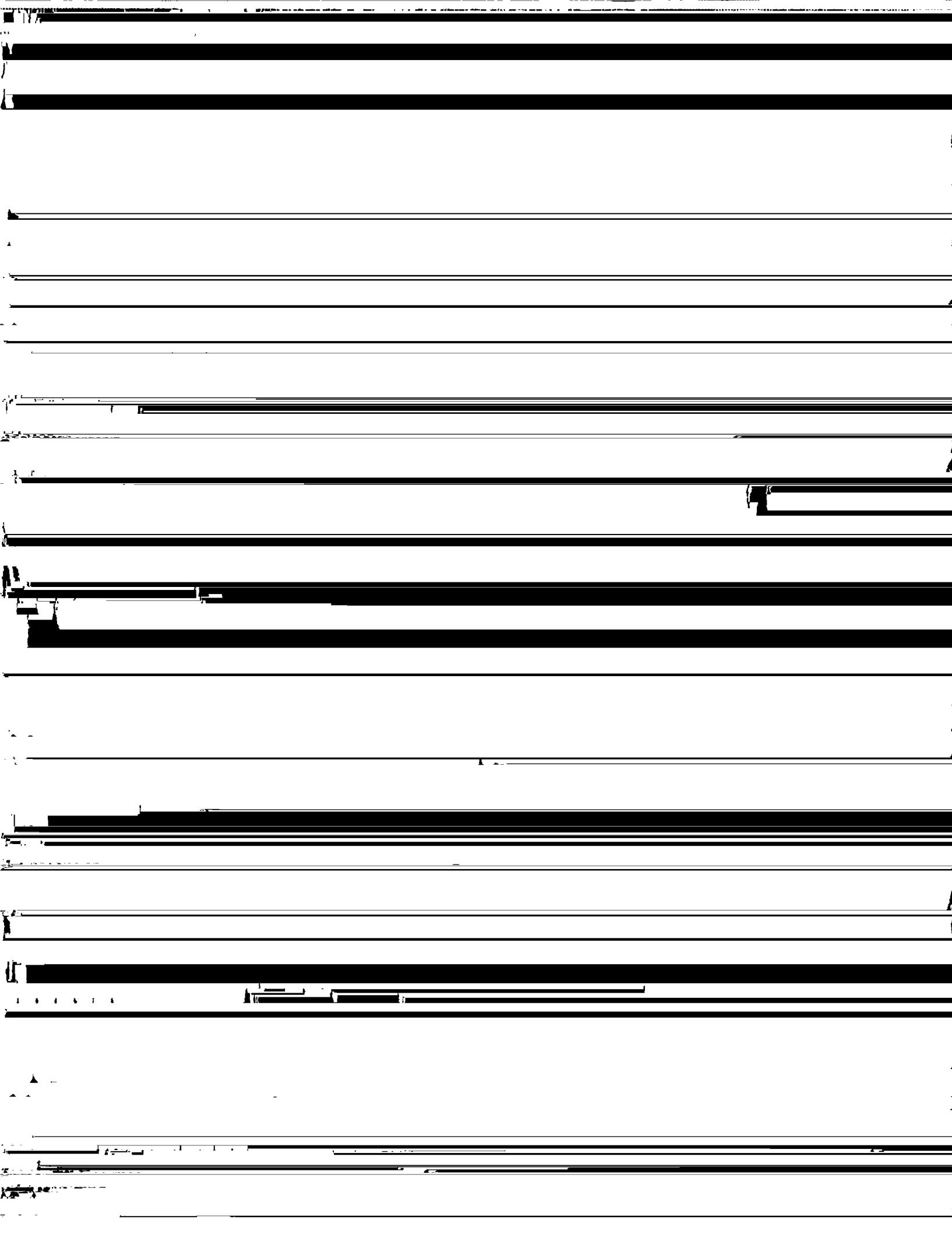
Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22	1,000			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members	1,374,877			
5 Compensation of current officers, directors, trustees, and key employees	433,490			
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	469,562			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	310,287			
9 Other employee benefits	336,436			
10 Payroll taxes	116,023			
11 Fees for services (non-employees):				
a Management				
b Legal	11,952			
c Accounting	16,268			
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.)	56,764			
12 Advertising and promotion	15,744			
13 Office expenses	80,241			
14 Information technology	101,930			
15 Royalties				
16 Occupancy	7,527			
17 Travel	176,762			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	613,001			
21 Payments to affiliates	50,017			
22 Depreciation, depletion, and amortization	1,066,233			
23 Insurance				

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	10,572	1	11,081
	2 Savings and temporary cash investments	78,327	2	196,283
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	1,166,424	4	1,308,039
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			
	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		5	
	7 Notes and loans receivable, net		6	
	8 Inventories for sale or use		7	
	9 Prepaid expenses and deferred charges	929,403	8	920,997
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	676,154	9	1,032,552
	b Less: accumulated depreciation	10a 39,805,562	10b 14,271,952	10c 22,365,697
	11 Investments—publicly traded securities		10c 25,533,610	
	12 Investments—other securities. See Part IV, line 11	1,485,975	11 12	1,865,901
	13 Investments—program-related. See Part IV, line 11	6,046,000	13	6,892,276
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
	16 Total assets. Add lines 1 through 15 (must equal line 34)	32,758,552	16	37,760,739
Liabilities	17 Accounts payable and accrued expenses	1,188,570	17	1,077,204
	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		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and			



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 instructions and the latest information.

OMB No. 1545-0047

2018**Open to Public
Inspection**

Name of the organization

H-D ELECTRIC COOPERATIVE, INC.

Employer identification number

46-0212565

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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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).	
<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> 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.	
a Total number of conservation easements	
b Total acreage restricted by conservation easements	
c Number of conservation easements on a certified historic structure included in (a)	
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	
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 ►	

	Held at the End of the Tax Year
2a	
2b	
2c	
2d	

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 d Loan or exchange programs
 b Scholarly research e Other _____
 c Preservation for future generations

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
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 on 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

b If "Yes" on line 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.

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

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.

	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		59,378		59,378
b Buildings		4,516,938	280,447	4,236,491
c Leasehold improvements				
d Equipment				
e Other		35,229,246	13,991,505	21,237,741

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) ► 25,533,610

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) INVESTMENTS IN ASSOCIATED ORGANIZATIONS	6,892,276	
(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.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DEFERRED CREDITS	1,742,336
(3) ACCUM. PRVISIONS FOR PENSIONS	36,181
(4) CONSUMER DEPOSITS	30,769
(5)	
(6)	
(7)	
(8)	
(9)	

Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ► 1,009,286

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 V Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Part XIII Supplemental Information (continued)**PART XI, LINE 4b:**

TOTAL REVENUE PER AUDITED FINANCIAL STATEMENTS INCLUDES IN NET NONOPERATING MARGINS FOR INTEREST INCOME \$278 FOR INTEREST EXPENSE

AND OTHER NONOPERATING INCOME \$188 FOR LOSS ON DISPOSITION OF ASSETS. THESE AMOUNTS WERE REPORTED ON THE FORM 990

PART IX AS AN EXPENSE ON LINE 20 AND LINE 24e RESPECTIVELY.

PART XII, LINE 4b:

PART XII, LINE 4b: THE COOPERATIVE IS REPORTING PATRONAGE CAPITAL ALLOCATED TO MEMBERS OF 2018 NET MARGINS \$1,374,877 ON

FORM 990, PART IX, LINE 4. THE COOPERATIVE'S AUDITED FINANCIAL STATEMENTS CONFORM TO GAAP. GAAP DOES NOT

RECOGNIZE PATRONAGE CAPITAL OR MARGINS ALLOCATED TO MEMBERS AS AN EXPENSE IN RELATION TO STMT OF FUNCTIONAL EXPENSES.

THE COOPERATIVE IS REPORTING NONOPERATING MARGINS INTEREST EXPENSE \$278 AND LOSS ON DISPOSITION OF ASSETS \$188

ON FORM 990, PART IX, LINE 20 AND LINE 24e RESPECTIVELY. AUDITED FINANCIAL STATEMENTS INCLUDED THESE AMOUNTS IN THE

NET INTEREST INCOME AND NET OTHER NONOPERATING INCOME FOR NONOPERATING MARGINS REVENUE.

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

H-D ELECTRIC COOPERATIVE, INC.

Employer identification number

46-0212565

Part I Questions Regarding Compensation

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.

First-class or charter travel
 Travel for companions

Housing allowance or residence for personal use
 Payments for business use of personal residence

Yes	No

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 aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)–(ii) 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 MATTHEW HOTZLER GENERAL MANAGER	(i) 137,270	626	3,857	42,048	21,511	205,312	
2 TROY KWASNIEWSKI OPERATIONS MANAGER	(i) 96,383	626	5,714	31,672	21,087	155,482	
3	(i)						
4	(i)						
5	(i)						
6	(i)						
7	(i)						
8	(i)						
9	(i)						
10	(i)						
11	(i)						
12	(i)						
13	(i)						
14	(i)						
15	(i)						
16	(i)						

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.

PART II, COLUMN C:

INCLUDED IN RETIREMENT AND DEFERRED COMPENSATION IS THE ESTIMATED CURRENT YEAR INCREASE OR DECREASE IN THE ACTUARIAL VALUE OF THE DEFINED BENEFIT

PLAN. THIS DOES NOT REPRESENT CURRENT YEAR CONTRIBUTIONS TO THE PLAN, RATHER IT IS AN ESTIMATE OF THE INCREASE OR DECREASE IN THE ACTUARIAL VALUE

OF THE PLAN AS CALCULATED BY THE PLAN ADMINISTRATOR

PART I, QUESTION 1 & 2:

THE COOPERATIVE HAS A WELLNESS PLAN WHICH OFFERS A COST SHARE BENEFIT OF HEALTHCLUB DUES. THIS BENEFIT IS OFFERED TO ALL EMPLOYEES. DUES ARE PAID

DIRECTLY TO THE WELLNESS CLUB OR IF PAID BY EMPLOYEE THEY PROVIDE A RECEIPT FROM THE WELLNESS CLUB

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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**

Name of the organization

H-D ELECTRIC COOPERATIVE, INC.

Employer Identification number

46-0212565

FORM 990, PART VI, SECTION A, LINE 6: H-D ELECTRIC IS A PRIVATE, NON-PROFIT ELECTRIC UTILITY OWNED BY THE MEMBERS

IT SERVES. EACH MEMBERSHIP HAS ONE VOTE.

FORM 990, PART VI, SECTION A, LINE 7a: DIRECTORS ARE ELECTED FOR THREE YEAR TERMS IN EACH DISTRICT. ALL MEMBERS ARE

ALLOWED ONE VOTE FOR EACH DIRECTOR DISTRICT.

FORM 990, PART VI, SECTION A, LINE 7b: THE COOPERATIVE BY-LAWS MAY BE ALTERED, AMENDED OR REPEALED BY THE MEMBERS

AT ANY REGULAR SPECIAL MEETING.

FORM 990, PART VI, SECTION B, LINE 11b: THE FORM 990 WILL BE REVIEWED BY ALL DIRECTORS PRESENT AT THE REGULAR

SCHEDULED BOARD MEETING PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12c: EACH DIRECTOR AND MANAGEMENT EMPLOYEES MUST ANNUALLY COMPLETE AND SIGN

THE CONFLICT OF INTEREST CERTIFICATION/DISCLOSURE FORM. COOPERATIVE'S LEGAL COUNSEL ANNUALLY REVIEWS THE POLICY

WITH DIRECTORS AND MANAGEMENT STAFF DURING A REGULAR SCHEDULED BOARD MEETING.

FORM 990, PART VI, SECTION B, LINE 15 (a) & (b): THE SOUTH DAKOTA RURAL ELECTRIC ASSOCIATION'S (SDREA) ANNUAL SALARY

REPORT IS USED IN DETERMINING COMPENSATION RANGES. THE BOARD OF DIRECTORS ANNUALLY REVIEWS AND APPROVES

THE COMPENSATION PLANS.

FORM 990, PART VI, SECTION C, LINE 19: THESE DOCUMENTS WILL BE MADE AVAILABLE UPON REQUEST.

FORM 990, PART VII, SECTION A, COLUMN F:

INCLUDED IN OTHER COMPENSATION IS THE ESTIMATED CURRENT YEAR INCREASE OR DECREASE IN THE ACTUARIAL VALUE OF THE

DEFINED BENEFIT PLAN. THIS DOES NOT REPRESENT CURRENT YEAR CONTRIBUTIONS TO THE PLAN, RATHER IT IS AN ESTIMATE OF

THE INCREASE OR DECREASE IN THE ACTUARIAL VALUE OF THE PLAN AS CALCULATED BY THE PLAN ADMINISTRATOR.

Name of the organization

H-D ELECTRIC COOPERATIVE, INC.

Employer identification number

46-0212565**FORM 990, PART IX, LINE 4; BENEFITS PAID TO OR FOR MEMBERS:****THE COOPERATIVE IS REPORTING PATRONAGE CAPITAL ALLOCATION TO OUR MEMBERS OF 2018 NET MARGINS.****THIS IS DIFFERENT FROM THE COOPERATIVE'S BOOK REPORTING AS THE COOPERATIVE'S FINANCIAL STATEMENTS CONFORM TO****GENERALLY ACCEPTED ACCOUNTING PRINCIPALS (GAAP). GAAP DOES NOT RECOGNIZE PATRONAGE CAPITAL OR MARGINS ALLOCATED****TO MEMBERS AS AN EXPENSE IN RELATION TO THE STATEMENT OF OPERATIONS.**

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 ►
MATTHEW HOTZLER, GENERAL MANAGER; PO BOX 1007, CLEAR LAKE, SD 57226 PHONE: 605-874-2171