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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2018

Open to Public Inspection

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.

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

B Check if applicable

Address change

Name change

Initial return

Final return/terminated

Amended return

Application pending

C Name of organization

LEA COUNTY 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 1447

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

LOVINGTON, NM 882601447

F Name and address of principal officer

BOBBY FERRIS

PO BOX 1447

LOVINGTON, NM 882601447

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)

4947(a)(1) or

527

J Website: WWW LCECNET COM

K Form of organization

Corporation

Trust

Association

Other

L Year of formation

1949

M State of legal domicile

NM

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities

TO PROVIDE ELECTRIC ENERGY TO RURAL AREAS AT COST ON A COOPERATIVE BASIS

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)

4 Number of independent voting members of the governing body (Part VI, line 1b)

5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)

6 Total number of volunteers (estimate if necessary)

7a Total unrelated business revenue from Part VIII, column (C), line 12

7b Net unrelated business taxable income from Form 990-T, line 34

Revenue

8 Contributions and grants (Part VIII, line 1h)

9 Program service revenue (Part VIII, line 2g)

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)

12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)

14 Benefits paid to or for members (Part IX, column (A), line 4)

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)

16a Professional fundraising fees (Part IX, column (A), line 11e)

b Total fundraising expenses (Part IX, column (D), line 25)

17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)

18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)

19 Revenue less expenses Subtract line 18 from line 12

Net Assets or Fund Balances

20 Total assets (Part X, line 16)

21 Total liabilities (Part X, line 26)

22 Net assets or fund balances Subtract line 21 from line 20

Prior Year

0

93,631,952

944,389

322,838

94,899,179

28,170

7,185,758

6,685,216

0

81,000,035

94,899,179

0

Beginning of Current Year

203,854,853

108,078,454

95,776,399

Current Year

0

102,228,424

831,062

211,794

103,271,280

26,854

7,511,385

5,564,902

0

90,168,139

103,271,280

0

End of Year

210,710,019

113,130,375

97,579,644

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

BOBBY FERRIS EVP & GENERAL MANAGER

Type or print name and title

2019-10-28

Date

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date 2019-10-22

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

Phone no (806) 747-3806

LUBBOCK, TX 79423

May the IRS discuss this return with the preparer shown above? (see instructions)

Yes No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2018)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission

NONE

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported**4a** (Code) (Expenses \$ including grants of \$) (Revenue \$)
See Additional Data**4b** (Code) (Expenses \$ including grants of \$) (Revenue \$)**4c** (Code) (Expenses \$ including grants of \$) (Revenue \$)**4d** Other program services (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)**4e** Total program service expenses ►

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1	No
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2	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	3	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	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	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 	6	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 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	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 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	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		
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 Yes	
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	No
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 Yes	
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	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
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 Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a Yes	
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	No
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
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	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	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	16	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)	17	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	18	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	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	No
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 Yes	
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 	22	No

Part IV Checklist of Required Schedules (continued)

		Yes	No	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
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?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		
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? <i>If "Yes," complete Schedule L, Part I</i>	25b		
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		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, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	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)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		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	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck 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	1a	63	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		

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	90			
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				2b	Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?				3a	Yes	
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O				3b	Yes	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?				4a		No
b If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)						
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?				5a		No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?				5b		No
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?				5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?				6a		No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?				6b		
7 Organizations that may receive deductible contributions under section 170(c).						
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?				7a		
b If "Yes," did the organization notify the donor of the value of the goods or services provided?				7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?				7c		
d If "Yes," indicate the number of Forms 8282 filed during the year				7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?				7e		
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?				7f		
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?				7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?				7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?						
				8		
9a Did the sponsoring organization make any taxable distributions under section 4966?				9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?				9b		
10 Section 501(c)(7) organizations. Enter						
a Initiation fees and capital contributions included on Part VIII, line 12				10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities				10b		
11 Section 501(c)(12) organizations. Enter						
a Gross income from members or shareholders				11a	106,558,553	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)				11b	5,124,280	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?						
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year				12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.						
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O				13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans				13b		
c Enter the amount of reserves on hand				13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?				14a		No
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O				14b		
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N				15		No
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O				16		No

Part VI

Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	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			
b	Enter the number of voting members included in line 1a, above, who are independent	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?		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	Yes	
b	Each committee with authority to act on behalf of the governing body?		No
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed: _____

18 Section 6104 requires an organization to make its Form 1023 (or 1024-A if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records:
▶ BOBBY FERRIS EVP & GENERAL MANAGER 1300 W AVENUE D LOVINGTON, NM 882601447 (575) 396-3631

Part VII**Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Check if Schedule O contains a response or note to any line in this Part VII ☒**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JOHN GRAHAM PRESIDENT	12 90	X		X				25,667	0	0
(2) ROBERT CAUDLE VICE PRESIDENT	8 30	X		X				30,676	0	0
(3) DAN HARDIN SECRETARY/TREASURER	3 30	X		X				23,473	0	0
(4) RANDALL MCCORMICK TRUSTEE	10 90	X						25,749	0	0
(5) KENNY WALLACE TRUSTEE	3 10	X						22,267	0	0
(6) TRAVIS GLENN TRUSTEE	5 00	X						19,949	0	0
(7) CHARLES KINSOLVING TRUSTEE	3 60	X						23,467	0	0
(8) CHARLES GARNER JR TRUSTEE	6 10	X						24,267	0	0
(9) JASON SWANN TRUSTEE	7 00	X						25,807	0	0
(10) BOBBY FERRIS GENERAL MANAGER	60 00			X				260,292	0	157,690
(11) BOBBY KIMBRO SYSTEM OPERATING MANAGER	50 00					X		177,237	0	110,469
(12) MICHAEL FARIS ACCOUNTING MANAGER	50 00					X		156,944	0	113,241
(13) JOHN BENARD DISTRIBUTION MANAGER	50 00					X		154,842	0	90,158
(14) JANETTE FARIS ADMIN SERVICE MANAGER	50 00					X		141,585	0	22,287
(15) DOUG GRUENWALD LINE FOREMAN	50 00					X		129,751	0	62,637

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 employee	Former			
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,241,973	0	556,482

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 ► 13

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
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? <i>If "Yes," complete Schedule J for such individual</i>	4	Yes
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

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
HIGHER POWER 14201 CALIBER DR STE 300 OKLAHOMA CITY, OK 73134	DISTRIBUTION LINE	1,572,605
ARC POWER LINE CONSTRUCTION 6551-4 SEVEN RIVERS HWY ARTESIA, NM 88210	DISTRIBUTION LINE	655,717
LASCO POBOX 877 HOBBS, NM 88241	GENERAL CONTRACTOR	298,952
DIXIE ELECTRIC POBOX 842751 DALLAS, TX 75284	DISTRIBUTION LINE	271,343
MCLEAN ENGINEERING POBOX 2587 MOULTRIE, GA 31776	SYSTEM ENGINEERING	234,625

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 ► 12

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 SALES OF ELECTRICITY	221000	99,828,232	99,828,232		
b PATRONAGE DIVIDENDS	221000	2,175,555	2,175,555		
c OTHER PROGRAM REVENUE	221000	117,790	117,790		
d SERVICE FEES	221000	106,847	106,847		
e					
f All other program service revenue					
g Total. Add lines 2a-2f		102,228,424			

Other Revenue

3 Investment income (including dividends, interest, and other similar amounts)		835,853			835,853
4 Income from investment of tax-exempt bond proceeds					
5 Royalties					
6a Gross rents	(i) Real	(ii) Personal			
		5,160			
b Less rental expenses		0			
c Rental income or (loss)		5,160			
d Net rental income or (loss)		5,160		5,160	
7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
		64,821			
b Less cost or other basis and sales expenses		69,612			
c Gain or (loss)		-4,791			
d Net gain or (loss)		-4,791			-4,791
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	47,924			
b Less cost of goods sold	b	25,323			
c Net income or (loss) from sales of inventory		22,601	22,601		
Miscellaneous Revenue	Business Code				
11a POLE ATTACHMENT INCOME	221000	184,033			184,033
b					
c					
d All other revenue					
e Total. Add lines 11a-11d		184,033			
12 Total revenue. See Instructions		103,271,280	102,251,025	5,160	1,015,095

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.	26,854			
2 Grants and other assistance to domestic individuals. See Part IV, line 22.				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, line 15 and 16.				
4 Benefits paid to or for members.	7,511,385			
5 Compensation of current officers, directors, trustees, and key employees.	639,304			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7 Other salaries and wages.	3,372,962			
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions).	769,398			
9 Other employee benefits.	450,109			
10 Payroll taxes.	333,129			
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.	2,063,715			
21 Payments to affiliates.				
22 Depreciation, depletion, and amortization.	4,249,043			
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	75,619,429			
b DISTRIBUTION EXPENSE	2,935,608			
c ADMIN & GENERAL EXPENSE	2,781,910			
d COST OF REMOVAL, NET	1,327,205			
e All other expenses	1,191,229			
25 Total functional expenses. Add lines 1 through 24e.	103,271,280			
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 ☐ if following SOP 98-2 (ASC 958-720).				

Part X Balance SheetCheck 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	944,269	1	971,520
	2 Savings and temporary cash investments	17,943,682	2	14,469,958
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	7,756,706	4	12,352,387
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	2,801,546	8	2,883,552
	9 Prepaid expenses and deferred charges	1,475,966	9	1,189,902
	10a Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D	10a 168,107,115		
	b Less: accumulated depreciation	10b 72,321,227	91,180,901	10c 95,785,888
	11 Investments—publicly traded securities	40,941,420	11	43,566,050
	12 Investments—other securities. See Part IV, line 11	857,942	12	778,790
	13 Investments—program-related. See Part IV, line 11	29,953,111	13	29,284,981
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	9,999,310	15	9,426,991
16 Total assets. Add lines 1 through 15 (must equal line 34)	203,854,853	16	210,710,019	
Liabilities	17 Accounts payable and accrued expenses	9,270,864	17	7,143,715
	18 Grants payable		18	
	19 Deferred revenue	105,451	19	8,838
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	51,462,123	23	56,503,825
	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	47,240,016	25	49,473,997
	26 Total liabilities. Add lines 17 through 25	108,078,454	26	113,130,375
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☐ and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here ☒ and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds	35,640	30	35,865
	31 Paid-in or capital surplus, or land, building or equipment fund	0	31	0
	32 Retained earnings, endowment, accumulated income, or other funds	95,740,759	32	97,543,779
33 Total net assets or fund balances	95,776,399	33	97,579,644	
34 Total liabilities and net assets/fund balances	203,854,853	34	210,710,019	

Part XI Reconciliation of Net AssetsCheck 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	103,271,280
2	Total expenses (must equal Part IX, column (A), line 25)	2	103,271,280
3	Revenue less expenses Subtract line 2 from line 1	3	0
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	95,776,399
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	1,803,245
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	97,579,644

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☒

	Yes	No
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		No
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	Yes	
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		No
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?		No
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		

Additional Data

Software ID:

Software Version:

EIN: 85-0096243

Name: LEA COUNTY ELECTRIC COOPERATIVE INC

Form 990 (2018)

Form 990, Part III, Line 4a:

SALE OF ELECTRIC POWER TO MEMBERS - 16,187 CONNECTED METERS WERE PROVIDED POWER AT YEAR END AT COST ON A COOPERATIVE BASIS THROUGH THE ALLOCATION OF PATRONAGE CAPITAL

efile GRAPHIC print - DO NOT PROCESS		As Filed Data -		DLN: 93493316010149	
SCHEDULE D (Form 990) Department of the Treasury Internal Revenue Service		Supplemental Financial Statements ▶ Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. ▶ Attach to Form 990. ▶ Go to www.irs.gov/Form990 for the latest information.			OMB No 1545-0047 2018 Open to Public Inspection
Name of the organization LEA COUNTY ELECTRIC COOPERATIVE INC				Employer identification number 85-0096243	
Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.					
		(a) Donor advised funds		(b) Funds and other accounts	
1		Total number at end of year			
2		Aggregate value of contributions to (during year)			
3		Aggregate value of grants from (during year)			
4		Aggregate value at end of year			
5		Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No			
6		Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No			
Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.					
1 Purpose(s) of conservation easements held by the organization (check all that apply) ☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area ☐ Protection of natural habitat ☐ Preservation of a certified historic structure ☐ Preservation of open space					
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year					
				Held at the End of the Year	
a Total number of conservation easements				2a	
b Total acreage restricted by conservation easements				2b	
c Number of conservation easements on a certified historic structure included in (a)				2c	
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register				2d	
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶					
4 Number of states where property subject to conservation easement is located ▶					
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No					
6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶					
7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$					
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No					
9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements					
Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.					
1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items					
b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items					
(i) Revenue included on Form 990, Part VIII, line 1 ▶ \$					
(ii) Assets included in Form 990, Part X ▶ \$					
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items					
a Revenue included on Form 990, Part VIII, line 1 ▶ \$					
b Assets included in Form 990, Part X ▶ \$					
For Paperwork Reduction Act Notice, see the Instructions for Form 990.					
		Cat No 52283D		Schedule D (Form 990) 2018	

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

b

If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R?

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

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	46,482	1,025,272		1,071,754
b Buildings		6,409,725	2,630,758	3,778,967
c Leasehold improvements				
d Equipment		155,421,487	69,690,469	85,731,018
e Other		5,204,149		5,204,149
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶				95,785,888

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)EQUITY CONTRIBUTION - WFEC	22,250,222	C
(2)PATRONAGE CAPITAL - WFEC	5,632,249	C
(3)PATRONAGE CAPITAL - FEDERATED	759,687	C
(4)PATRONAGE CAPITAL - CFC	212,626	C
(5)PATRONAGE CAPITAL - TEC	207,208	C
(6)PATRONAGE CAPITAL - COBANK	83,247	C
(7)CAPITAL TERM CERTIFICATES - CFC	137,520	C
(8)OTHER INVESTMENTS IN ASSOCIATED ORGANIZATIONS	2,222	C
(9)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 13)	29,284,981	

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	
COST OF REMOVAL LIABILITY	41,091,037
CONSUMER DEPOSITS	2,455,126
DEFERRED CREDITS	5,160,668
ACCRUED OPERATING TAXES	767,166
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25)	49,473,997

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	103,271,280
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	103,271,280
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	
c	Add lines 4a and 4b	4c	0
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)	5	103,271,280

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	95,759,895
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	95,759,895
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	7,511,385
c	Add lines 4a and 4b	4c	7,511,385
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)	5	103,271,280

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: 85-0096243
Name: LEA COUNTY ELECTRIC COOPERATIVE INC

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 POSITION WILL BE SUSTAINED UPON EXAMINATION BY THE INTERNAL REVENUE SERVICE (IRS), 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 XII, LINE 4B - OTHER ADJUSTMENTS	PATRONAGE CAPITAL ALLOCATED OR TO BE ALLOCATED 7,511,385

Supplemental Information

Return Reference	Explanation
PART VII	THE AMOUNT OF INVESTMENTS - OTHER SECURITIES ON FORM 990, PAGE 11, PART X, LINE 12 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

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

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
LEA COUNTY ELECTRIC COOPERATIVE INC

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

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.

OMB No 1545-0047

2018

Open to Public Inspection

Employer identification number
85-0096243

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☒ No
- 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. Part II can be duplicated if additional space is needed.

(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 (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) UNIVERSITY OF THE SOUTHWEST 6610 N LOVINGTON HWY HOBBS, NM 88240	85-0164940	GOVERNMENT	6,000				ANNUAL DONATION

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

3 Enter total number of other organizations listed in the line 1 table ▶ 1

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 ARE MADE TO 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 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

Department of the Treasury Internal Revenue Service	Name of the organization LEA COUNTY ELECTRIC COOPERATIVE INC	Employer identification number 85-0096243
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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.			
☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
☒ Travel for companions	☐ Payments for business use of personal residence		
☐ Tax indemnification and gross-up payments	☒ Health or social club dues or initiation fees		
☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.	1b	Yes	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes	
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.			
☐ Compensation committee	☐ Written employment contract		
☐ Independent compensation consultant	☒ Compensation survey or study		
☐ Form 990 of other organizations	☒ 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		

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.

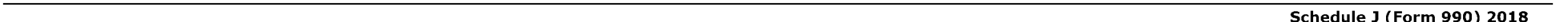
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Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 1A	TRAVEL FOR COMPANIONS - PURSUANT TO APPLICABLE TRAVEL POLICIES, THE COOPERATIVE WILL REIMBURSE TRUSTEES AND EMPLOYEES FOR THE COST OF HIS/HER SPOUSE TO ACCOMPANY HIM/HER ON OFFICIAL BUSINESS OF THE COOPERATIVE. NO REIMBURSEMENTS WERE REPORTED DURING 2018. HEALTH OR SOCIAL CLUB DUES - PURSUANT TO THE COOPERATIVE'S WELLNESS POLICY, THE COOPERATIVE WILL PAY UP TO \$600 ANNUALLY FOR THE COST OF AN EMPLOYEE'S GYM MEMBERSHIP. NO REIMBURSEMENTS WERE REPORTED DURING 2018.

Return Reference	Explanation
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 BOBBY FERRIS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 130,971 EMPLOYER CONTRIBUTION TO 401(K) PLAN 17,067 TOTAL REPORTED IN COLUMN C \$ 148,038 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (130,971) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 22,269 EXPENSE TO COOPERATIVE \$ 39,336 BOBBY KIMBRO ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 95,336 EMPLOYER CONTRIBUTION TO 401 (K) PLAN 5,203 TOTAL REPORTED IN COLUMN C \$ 100,539 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (95,336) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 42,687 EXPENSE TO COOPERATIVE \$ 47,890 MICHAEL FARIS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 93,551 EMPLOYER CONTRIBUTION TO 401(K) PLAN 4,215 TOTAL REPORTED IN COLUMN C \$ 97,766 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (93,551) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 32,317 EXPENSE TO COOPERATIVE \$ 36,532 JOHN BENARD ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 69,856 EMPLOYER CONTRIBUTION TO 401(K) PLAN 4,326 TOTAL REPORTED IN COLUMN C \$ 74,182 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (69,856) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 31,226 EXPENSE TO COOPERATIVE \$ 35,552 JANETTE FARIS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 16,320 EMPLOYER CONTRIBUTION TO 401(K) PLAN 3,894 TOTAL REPORTED IN COLUMN C \$ 20,214 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (16,320) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 29,371 EXPENSE TO COOPERATIVE \$ 33,265 DOUG GRUENWALD ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN \$ 40,923 EMPLOYER CONTRIBUTION TO 401(K) PLAN 3,100 TOTAL REPORTED IN COLUMN C \$ 44,023 LESS ACTUARIAL INCREASE IN DEFINED BENEFIT PLAN (40,923) ADD CASH CONTRIBUTION TO DEFINED BENEFIT PLAN 23,943 EXPENSE TO COOPERATIVE \$ 27,043



SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury

Name of the organization

LEA COUNTY ELECTRIC COOPERATIVE INC

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

Employer identification number

85-0096243

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 TRUSTEES 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/LIQU IDATION OF THE COOPERATIVE 2 MERGER OR CONSOLIDATION OF THE COOPERATIVE WITH ANOTHER ORGA NIZATION 3 DISPOSAL OF A SUBSTANTIAL PORTION OF THE COOPERATIVE'S ASSETS 4 AMENDMENT TO THE ARTICLES OF INCORPORATION 5 AMENDMENT TO THE BYLAWS

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 T O 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 15A	THE BOARD OF TRUSTEES USE A COMPENSATION SURVEY WHEN DETERMINING THE COMPENSATION OF THE G ENERAL MANAGER THE SURVEY SHOWS COMPARATIVE SALARIES FOR GENERAL MANAGERS FROM SIMILARLY SITUATED COOPERATIVES LOCATED IN NEW MEXICO AND THE NATION OTHER THAN THE GENERAL MANAGER , THE COOPERATIVE DID NOT HAVE ANY EMPLOYEES MEETING THE DEFINITION OF OFFICER OR KEY EMPL OYEE THEREFORE, AND PURSUANT TO FORM 990 INSTRUCTIONS, LINE 15B HAS BEEN ANSWERED "NO"

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE COOPERATIVE PROVIDES A COMPLETE COPY OF ITS GOVERNING DOCUMENTS AND AUDITED FINANCIAL STATEMENTS TO ANY MEMBER WHO REQUESTS A COPY OF ANY SUCH DOCUMENT ANNUALLY, THE COOPERATIVE MAILED A COPY OF THE AUDITED BALANCE SHEET AND INCOME STATEMENT TO THE MEMBERS OF THE COOPERATIVE WITH THE ANNUAL REPORT

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VII, COLUMN F	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 AND HIGHLY COMPENSATED EMPLOYEES, MEETING THE ELIGIBILITY REQUIREMENTS OF SUCH PLANS. THE COOPERATIVE ALSO PROVIDES HEALTH, DENTAL, VISION AND LIFE INSURANCE TO ALL ELIGIBLE EMPLOYEES THROUGH A QUALIFIED PLAN. THE AMOUNTS REPORTED ON PART VII, COLUMN (F) FOR OFFICERS AND HIGHLY COMPENSATED EMPLOYEES ARE COMPRISED OF THE ACTUARIAL INCREASE IN THE DEFINED BENEFIT PLAN, THE EMPLOYER CONTRIBUTIONS TO THE 401(K) PENSION PLAN AND THE INSURANCE PAID ON BEHALF OF AND FOR THEIR BENEFIT. IN ADDITION TO THE ABOVE PENSION PLANS, THE COOPERATIVE ALSO PROVIDES POST-RETIREMENT HEALTH INSURANCE BENEFITS THROUGH A FUNDED WELFARE BENEFIT PLAN. THE VALUE OF THESE BENEFITS HAS NOT BEEN ESTIMATED.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VII, SECTION A	THE BOARD OF TRUSTEES CONSIDERS THE GENERAL MANAGER TO BE BOTH THE TOP MANAGEMENT OFFICIAL AND THE TOP FINANCIAL OFFICIAL THEREFORE, ONLY THE GENERAL MANAGER IS LISTED AS AN EMPLO YEE OFFICER

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VIII, LINE 2	PATRONAGE DIVIDENDS RESULT FROM THE PURCHASE OF WHOLESale POWER FROM A GENERATION & TRANSMISSION COOPERATIVE PATRONAGE DIVIDENDS ALSO 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	THE ACCOUNTING RECORDS OF THE COOPERATIVE ARE MAINTAINED IN ACCORDANCE WITH THE RUS UNIFORM SYSTEM OF ACCOUNTS (USOA) AS PRESCRIBED RUS ELECTRIC BORROWERS. THE USOA DOES NOT RECORD EXPENSES IN THE GENERAL EXPENSE CATEGORIES PROVIDED ON PART IX LINES 1 - 23. THE COOPERATIVE SEPARATELY STATES 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 AC COUNTING SYSTEM DESCRIBED ABOVE THE FOLLOWING SCHEDULE RECONCILES AMOUNTS REPORTED ON LIN ES 5-7 TO TOTAL WAGES ACCRUED AND/OR PAID TOTAL PER LINES 5-7 \$ 4,012,266 LESS TRUSTEE F EES REPORTED ON FORMS 1099-MISC (221,322) LESS EMPLOYEE OFFICER BENEFITS INCLUDED IN LINE 5 (157,690) PLUS SALARIES AND WAGES ALLOCATED TO NONOPERATING MARGINS 17 PLUS SALARIES AND WAGES CAPITALIZED DIRECTLY TO PLANT 768,389 PLUS SALARIES AND WAGES CAPITALIZED/EXPEN SED INDIRECTLY THROUGH CLEARING & OTHER ACCOUNTS 784,191 TOTAL WAGES ACCRUED AND/OR PAID \$ 5,185,851

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX, LINE 24	ADMINISTRATIVE AND GENERAL EXPENSE IS COMPRISED OF THE FOLLOWING ADMINISTRATIVE & GENERAL \$ 2,385,707 OFFICE SUPPLIES 288,205 OUTSIDE SERVICES EMPLOYED 367,770 INJURY & DAMAGES 14 ,912 EMPLOYEE BENEFITS (267,874) REGULATORY COMISSION 340,090 TRUSTEES 311,873 ASSOCIATION DUES 147,186 MISCELLANEOUS GENERAL 32,139 ADVERTISING - CONSERVATION & SAFETY 406,062 ANN UAL MEETING 66,547 CAPITAL CREDIT 868 MAINTENANCE OF GENERAL PLANT 221,835 TOTAL ADMIN & G ENERAL EXP PER FINANCIAL STATEMENTS \$ 4,315,320 LESS RECLASS OF DONATIONS TO PART IX, LIN E 1 (26,854) LESS RECLASS OF DIRECTOR FEES TO PART IX, LINE 5 (221,322) LESS RECLASS OF LABOR TO PART IX, LINES 5 & 7 (1,019,426) LESS RECLASS OF BENEFITS TO PART IX, LINES 8-10 (265,808) TOTAL ADMIN & GENERAL EXPENSE PER FORM 990, PART IX \$ 2,781,910

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX, LINE 24E	OTHER EXPENSES ARE COMPRISED OF THE FOLLOWING TRANSMISSION \$ 549,833 CUSTOMER ACCOUNTS & SERVICE 567,932 TAXES - PROPERTY & OTHER 69,474 SALES 3,990 TOTAL OTHER EXPENSES PER FORM 990 LINE 24E \$ 1,191,229

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX, LINE 4	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 2018 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.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XI, LINE 9	PATRONAGE CAPITAL ALLOCATED OR TO BE ALLOCATED 7,511,385 PATRONAGE CAPITAL RETIRED -5,279 ,252 NET CHANGE IN MEMBERSHIPS 225 OTHER COMPREHENSIVE INCOME PROVISION FOR PENSIONS AND BENEIFTS -429,113

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XII, LINE 2C	THE BOARD AS A WHOLE IS RESPONSIBLE FOR OVERSEEING THE AUDIT AND SOLICITING THE CPA WHO WILL PERFORM THE AUDIT PROCEDURAL CHANGES DID NOT OCCUR DURING THE YEAR

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ 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.

OMB No 1545-0047

2018

Open to Public Inspection

Name of the organization
LEA COUNTY ELECTRIC COOPERATIVE INC

Employer identification number
85-0096243

Part I Identification of Disregarded Entities

Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

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

Part II Identification of Related Tax-Exempt Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1)LEA COUNTY ELECTRIC EDUCATION FOUNDATION PO BOX 1447 LOVINGTON, NM 88260 85-0351147	TO PROVIDE COLLEGE SCHOLARSHIPS TO MEMBERS OF THE COOPERATIVE	NM	501(C)(3)	PF	LEA COUNTY ELECTRIC COOPERTIVE 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**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?

	Yes	No
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)		No
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) LEA COUNTY ELECTRIC EDUCATION FOUNDATION	O		N/A - LESS THAN \$50,000

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII **Supplemental Information**

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

Return Reference	Explanation