

Form 990

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

2018

Department of the Treasury Internal Revenue Service

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.

Open to Public Inspection

A For the 2018 calendar year, or tax year beginning and ending
B Check if applicable: Address change, Name change, Initial return, Final return/terminated, Amended return, Application pending
C Name of organization: ILLINOIS ELECTRIC COOPERATIVE
D Employer identification number: 37-0345145
E Telephone number: 217-243-8700
G Gross receipts \$: 34,975,587.
H(a) Is this a group return for subordinates? Yes No
H(b) Are all subordinates included? Yes No
I Tax-exempt status: 501(c)(3) 501(c)(12)
J Website: WWW.E-CO-OP.COM
K Form of organization: Corporation
L Year of formation: 1936
M State of legal domicile: IL

Part I Summary

Table with 3 columns: Description, Prior Year, Current Year. Rows include: 1-7a Activities & Governance, 8-12 Revenue, 13-19 Expenses, 20-22 Net Assets or Fund Balances.

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.

Sign Here: Signature of officer JIM FREEMAN, TREASURER
Date:
Paid: Preparer's name CRAIG POPENHAGEN, Signature CRAIG POPENHAGEN, Date 10/04/19, PTIN P01587689
Preparer Use Only: Firm's name CLIFTONLARSONALLEN LLP, Firm's address 2689 COMMERCE DRIVE. NW, SUITE 201 ROCHESTER, MN 55901, Firm's EIN 41-0746479, Phone no. 507-280-2300

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

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: IN THE COOPERATIVE TRADITION, ILLINOIS ELECTRIC IS DEDICATED TO IMPROVING THE QUALITY OF LIFE FOR OUR MEMBERS THROUGH DEPENDABILITY AND INNOVATION.

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ ) WE PROVIDED 184,024,521 KILOWATT HOURS OF ELECTRICITY TO APPROXIMATELY 7,500 RURAL ACCOUNTS IN ALL OR PART OF TEN COUNTIES IN THE STATE OF ILLINOIS AND WILL CONTINUE THIS IN THE FUTURE.

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ ) WE PROVIDED INTERNET SERVICES TO APPROXIMATELY 4,100 CONSUMERS IN ALL OR PART OF TEN COUNTIES IN THE STATE OF ILLINOIS.

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ ) IN 2015 WE BEGAN OFFERING TV AND PHONE ALONG WITH INTERNET THROUGH OUR NEWLY CONSTRUCTED FIBER INFRASTRUCTURE IN THE TOWNS OF WINCHESTER AND BLUFFS. WE PROVIDED THIS SERVICE TO 550 CONSUMERS. WE EXPECT THIS PROGRAM TO CONTINUE GROWING IN THE FUTURE.

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Yes, No. Rows include questions 1 through 21 regarding organizational requirements and schedules A through H.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question number, Yes, No. Rows 22-38 covering various organizational requirements and schedules.

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Table with 3 columns: Question number, Yes, No. Rows 1a-1c regarding Form 1096, Forms W-2G, and backup withholding rules.

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

Table with columns for question number, question text, and Yes/No columns. Includes questions 2a through 16 regarding employee counts, tax returns, gross income, foreign accounts, prohibited transactions, and charitable contributions.

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 [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include 1a (11), 1b (11), 2 (X), 3 (X), 4 (X), 5 (X), 6 (X), 7a (X), 7b (X), 8a (X), 8b (X), 9 (X).

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

Table with 3 columns: Question, Yes, No. Rows include 10a (X), 10b, 11a (X), 11b, 12a (X), 12b (X), 12c (X), 13 (X), 14 (X), 15a (X), 15b (X), 16a (X), 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed NONE
18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

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

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and 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 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) THOMAS D. MEEHAN III PRESIDENT	7.00 0.50	X		X				11,050.	0.	0.
(2) JULIA EBERLIN VICE-PRESIDENT	3.60 0.50	X		X				9,200.	0.	0.
(3) RONALD K. MYERS TREASURER	4.20 0.50	X		X				6,800.	0.	0.
(4) KEVIN BRANNAN SECRETARY	6.10 0.50	X		X				12,000.	0.	0.
(5) JIM FREEMAN ASSISTANT TREASURER	5.00	X		X				7,850.	0.	0.
(6) JULIE RHOADS ASSISTANT SECRETARY	3.70	X		X				5,700.	0.	0.
(7) JENNA MORROW DIRECTOR	3.60	X						6,350.	0.	0.
(8) LUKE FRALEY DIRECTOR	0.90	X						4,400.	0.	0.
(9) BRYAN HUBBERT DIRECTOR	1.30	X						3,850.	0.	0.
(10) PAT STENDBACK DIRECTOR	1.80	X						5,300.	0.	0.
(11) KEVIN KLEIN DIRECTOR	7.70	X						10,400.	0.	0.
(12) BRUCE GIFFEN DIRECTOR	3.00	X						0.	0.	0.
(13) JENIFFER SELLARS DIRECTOR - PART YEAR	0.10	X						800.	0.	0.
(14) SETH BUSHNELL MANAGER OF FINANCE	40.00			X				131,660.	0.	52,735.
(15) SEAN MIDDLETON MANAGER OF ENGINEERING	40.00					X		145,787.	0.	55,503.
(16) RANDY LONG MANAGER OF OPERATIONS	40.00					X		142,743.	0.	35,734.
(17) JOSEPH KILLDAY SERVICEMAN LINEMAN	46.40					X		114,155.	0.	42,462.



**Part VIII Statement of Revenue**

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns .....	<b>1a</b>					
	<b>b</b> Membership dues .....	<b>1b</b>					
	<b>c</b> Fundraising events .....	<b>1c</b>					
	<b>d</b> Related organizations .....	<b>1d</b>					
	<b>e</b> Government grants (contributions)	<b>1e</b>					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above .....	<b>1f</b>					
	<b>g</b> Noncash contributions included in lines 1a-1f: \$ .....						
	<b>h Total.</b> Add lines 1a-1f .....						
<b>Program Service Revenue</b>	<b>2 a</b> SALE OF POWER	<b>Business Code</b> 221000	30,861,136.	30,861,136.			
	<b>b</b> INTERNET REVENUES	517000	2,511,563.	2,511,563.			
	<b>c</b> OTHER ELECTRIC REVENUE	221000	208,372.	208,372.			
	<b>d</b> .....						
	<b>e</b> .....						
	<b>f</b> All other program service revenue .....						
	<b>g Total.</b> Add lines 2a-2f .....			33,581,071.			
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....		98,892.			98,892.	
	<b>4</b> Income from investment of tax-exempt bond proceeds .....						
	<b>5</b> Royalties .....						
	<b>6 a</b> Gross rents .....	(i) Real	(ii) Personal				
		<b>b</b> Less: rental expenses .....					
		<b>c</b> Rental income or (loss) .....					
		<b>d</b> Net rental income or (loss) .....					
	<b>7 a</b> Gross amount from sales of assets other than inventory .....	(i) Securities	(ii) Other				
		<b>b</b> Less: cost or other basis and sales expenses .....		141,312.			
		<b>c</b> Gain or (loss) .....		67,973.			
		<b>d</b> Net gain or (loss) .....		73,339.			73,339.
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 .....	<b>a</b>					
		<b>b</b> Less: direct expenses .....	<b>b</b>				
		<b>c</b> Net income or (loss) from fundraising events .....					
	<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....	<b>a</b>					
<b>b</b> Less: direct expenses .....		<b>b</b>					
<b>c</b> Net income or (loss) from gaming activities .....							
<b>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>a</b>						
	<b>b</b> Less: cost of goods sold .....	<b>b</b>					
	<b>c</b> Net income or (loss) from sales of inventory .....						
Miscellaneous Revenue		<b>Business Code</b>					
<b>11 a</b> CAPITAL CREDITS		900099	1,152,433.	1,152,433.			
	<b>b</b> MISCELLANEOUS	900099	3,529.	3,529.			
	<b>c</b> MERCHANDISING	900099	-1,650.	-1,650.			
	<b>d</b> All other revenue .....						
	<b>e Total.</b> Add lines 11a-11d .....			1,154,312.			
<b>12 Total revenue.</b> See instructions .....			34,907,614.	34,735,383.	0.	172,231.	

**Part IX Statement of Functional Expenses**

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22 .....				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 .....				
4 Benefits paid to or for members .....	2,313,367.			
5 Compensation of current officers, directors, trustees, and key employees .....	268,095.			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....				
7 Other salaries and wages .....				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits .....				
10 Payroll taxes .....				
11 Fees for services (non-employees):				
a Management .....				
b Legal .....				
c Accounting .....				
d Lobbying .....				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees .....				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion .....				
13 Office expenses .....				
14 Information technology .....				
15 Royalties .....				
16 Occupancy .....				
17 Travel .....				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings .....				
20 Interest .....	1,844,890.			
21 Payments to affiliates .....				
22 Depreciation, depletion, and amortization .....	3,994,764.			
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 <b>COST OF POWER</b>	16,612,516.			
b <b>DIST EXP - MAINTENANCE</b>	3,353,245.			
c <b>INTERNET COST OF SALES</b>	2,421,833.			
d <b>ADMIN &amp; GENERAL EXP</b>	1,895,503.			
e All other expenses	1,808,280.			
25 <b>Total functional expenses.</b> Add lines 1 through 24e	34,512,493.			
26 <b>Joint costs.</b> 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 Sheet**

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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	902,813.	<b>1</b>	944,433.
	<b>2</b> Savings and temporary cash investments .....	1,836,578.	<b>2</b>	2,324,261.
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....	1,913,590.	<b>4</b>	1,852,190.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> 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 instr). Complete Part II of Sch L .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....	3,373,526.	<b>7</b>	3,740,449.
	<b>8</b> Inventories for sale or use .....	783,989.	<b>8</b>	836,397.
	<b>9</b> Prepaid expenses and deferred charges .....	188,681.	<b>9</b>	185,498.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 114,792,953.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 23,439,596.	87,456,382.	<b>10c</b> 91,353,357.
	<b>11</b> Investments - publicly traded securities .....	953,129.	<b>11</b>	808,129.
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	663,251.	<b>12</b>	705,883.
	<b>13</b> Investments - program-related. See Part IV, line 11 .....	11,358,389.	<b>13</b>	11,658,463.
	<b>14</b> Intangible assets .....	9,169.	<b>14</b>	9,169.
	<b>15</b> Other assets. See Part IV, line 11 .....	3,617,349.	<b>15</b>	3,288,468.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	113,056,846.	<b>16</b>	117,706,697.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	2,572,480.	<b>17</b>	2,528,321.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> 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 .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....	66,945,805.	<b>23</b>	67,393,574.
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....	2,016,629.	<b>24</b>	4,391,884.
	<b>25</b> 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 .....	3,192,410.	<b>25</b>	3,272,797.
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	74,727,324.	<b>26</b>	77,586,576.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....		<b>27</b>	
	<b>28</b> Temporarily restricted net assets .....		<b>28</b>	
	<b>29</b> Permanently restricted net assets .....		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds .....	0.	<b>30</b>	0.
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....	0.	<b>31</b>	0.
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....	38,329,522.	<b>32</b>	40,120,121.
<b>33</b> Total net assets or fund balances .....	38,329,522.	<b>33</b>	40,120,121.	
<b>34</b> Total liabilities and net assets/fund balances .....	113,056,846.	<b>34</b>	117,706,697.	

**Part XI Reconciliation of Net Assets**

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	34,907,614.
2	Total expenses (must equal Part IX, column (A), line 25)	2	34,512,493.
3	Revenue less expenses. Subtract line 2 from line 1	3	395,121.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	38,329,522.
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	1,395,478.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	40,120,121.

**Part XII Financial Statements and Reporting**

Check 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: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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?		X
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:		
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
b Were the organization's financial statements audited by an independent accountant?	X	
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:		
<input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
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		

Form 990 (2018)

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: ILLINOIS ELECTRIC COOPERATIVE
Employer identification number: 37-0345145

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

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two yes/no questions about donor property and grant fund usage.

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

Form with multiple questions (1-9) regarding conservation easements, including checkboxes for various purposes, a table for held easements at the end of the tax year, and yes/no questions about monitoring and reporting.

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

Form with questions (1a, 1b, 2) regarding reporting of art and historical treasures, including amounts for revenue and assets.

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

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

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- |                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 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:
- |   | Yes    | No |
|---|--------|----|
| (i) unrelated organizations   | 3a(i)  |    |
| (ii) related organizations  | 3a(ii) |    |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? <input type="checkbox"/> | 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		600,308.		600,308.
b Buildings		2,304,747.	1,077,438.	1,227,309.
c Leasehold improvements				
d Equipment		20,149,135.	9,660,565.	10,488,570.
e Other		91,738,763.	12,701,593.	79,037,170.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				<b>91,353,357.</b>

**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)		
<b>Total.</b> (Col. (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) PRAIRIE STATE PROJECT	2,823,500.	COST
(2) PAT CAP IN ASSOC. ORGS.	7,946,683.	COST
(3) NRUCFC CAPITAL TERM CERTS	786,819.	COST
(4) OTHER INVESTMENTS	27,668.	COST
(5) DEFERRED COMP. FUND	73,793.	COST
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶	11,658,463.	

**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)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) CONSUMER DEPOSITS	372,545.
(3) ACCUM PROV FOR PENSION & BENEFITS	2,762,513.
(4) DEFERRED CREDITS	137,739.
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	3,272,797.

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.

<b>1</b>	Total revenue, gains, and other support per audited financial statements		<b>1</b>
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains (losses) on investments	<b>2a</b>	
<b>b</b>	Donated services and use of facilities	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)		<b>5</b>

**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.

<b>1</b>	Total expenses and losses per audited financial statements		<b>1</b>
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	
<b>b</b>	Prior year adjustments	<b>2b</b>	
<b>c</b>	Other losses	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)		<b>5</b>

**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.

**PART X, LINE 2:**

THE COOPERATIVE HAS BEEN GRANTED TAX EXEMPT STATUS UNDER SECTION 501(C)(12) OF THE INTERNAL REVENUE CODE (IRC).

IRTC UTILIZES AN ASSET AND LIABILITY APPROACH TO FINANCIAL ACCOUNTING AND REPORTING FOR INCOME TAXES. DEFERRED INCOME TAXES ARE COMPUTED ANNUALLY FOR DIFFERENCES BETWEEN THE FINANCIAL STATEMENT AND TAX BASIS OF ASSETS AND LIABILITIES THAT WILL RESULT IN TAXABLE OR DEDUCTIBLE AMOUNTS IN THE FUTURE BASED ON ENACTED TAX LAWS AND RATES APPLICABLE TO THE PERIODS IN WHICH THE DIFFERENCES ARE EXPECTED TO AFFECT TAXABLE INCOME. SUCH DIFFERENCES RELATE PRIMARILY TO THE USE OF ACCELERATED DEPRECIATION METHODS FOR INCOME TAX PURPOSES AS COMPARED TO THE STRAIGHT-LINE METHOD

**Part XIII** Supplemental Information (continued)

FOR FINANCIAL REPORTING AND AMORTIZATION OF GOODWILL FOR INCOME TAX PURPOSES. VALUATION ALLOWANCES ARE ESTABLISHED WHEN NECESSARY TO REDUCE DEFERRED TAX ASSETS TO THE AMOUNT EXPECTED TO BE REALIZED. THE PROVISION FOR INCOME TAXES IS THE TAX PAYABLE OR REFUNDABLE FOR THE PERIOD PLUS OR MINUS THE CHANGE DURING THE PERIOD IN DEFERRED TAX ASSETS AND LIABILITIES.

IRTC FILES A CONSOLIDATED TAX RETURN, WHICH INCLUDES ITS SUBSIDIARIES. THE CONSOLIDATED INCOME TAX PROVISION (BENEFIT) IS RECORDED BY IRTC AND IS NOT ALLOCATED TO ITS SUBSIDIARIES.

THE COOPERATIVE EVALUATED ITS TAX POSITIONS AND DETERMINED THAT IT HAS NO UNCERTAIN TAX POSITIONS AS OF DECEMBER 31, 2018 AND 2017.

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2018**

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees  
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.  
 ▶ Attach to Form 990.  
 ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

Name of the organization: **ILLINOIS ELECTRIC COOPERATIVE**  
 Employer identification number: **37-0345145**

**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.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use   |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence   |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees     |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain ..... **1b**

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a? ..... **2**

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |  |   |
|--|---|
| <input type="checkbox"/> Compensation committee              | <input checked="" type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? ..... **4a**
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? ..... **4b**
- c** Participate in, or receive payment from, an equity-based compensation arrangement? ..... **4c**
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 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 on 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**

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		X
<b>4b</b>	X	
<b>4c</b>		X
<b>5a</b>		
<b>5b</b>		
<b>6a</b>		
<b>6b</b>		
<b>7</b>		
<b>8</b>		
<b>9</b>		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2018

**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)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) SETH BUSHNELL MANAGER OF FINANCE	(i)	131,660.	0.	0.	30,622.	22,113.	184,395.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) SEAN MIDDLETON MANAGER OF ENGINEERING	(i)	145,787.	0.	0.	33,239.	22,264.	201,290.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) RANDY LONG MANAGER OF OPERATIONS	(i)	142,743.	0.	0.	13,470.	22,264.	178,477.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) JOSEPH KILLDAY SERVICEMAN LINEMAN	(i)	114,155.	0.	0.	20,922.	21,540.	156,617.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) SHAWN RENNECKER DIRECTOR OF ECONOMIC DEV	(i)	106,280.	0.	0.	22,981.	21,660.	150,921.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

**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 I, LINE 4B:

BRUCE GIFFIN WAS PAID \$2,954 OUT OF HIS 457 PLAN DURING 2018.



**Part IV Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
BRUCE GIFFIN - SANDS ROAD	SEE BELOW	397,178.	SEE BELOW		X

**Part V Supplemental Information.**

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

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: BRUCE GIFFIN - SANDS ROAD CONSULTING

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: BRUCE GIFFIN

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION: BOARD

MEMBER OF ILLINOIS REC AND CEO OF SANDS ROAD CONSULTING

(D) DESCRIPTION OF TRANSACTION: BRUCE GIFFIN STARTED SANDS ROAD CONSULTING DURING 2016. ILLINIOS ELECTRIC COOPERATIVE WAS ENGAGED TO SANDS ROAD CONSULTING TO PROVIDE CONSULTING AND MANAGEMENT SERVICES.

**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](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2018**

Open to Public  
Inspection

Name of the organization

ILLINOIS ELECTRIC COOPERATIVE

Employer identification number

37-0345145

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

OUR MEMBERS THROUGH DEPENDABILITY AND INNOVATION.

FORM 990, PART VI, SECTION A, LINE 3:

THE COOPERATIVE CONTRACTS WITH SANDS ROAD CONSULTING CO. FOR MANAGEMENT SERVICES. ITS PRINCIPAL CONSULTANT, BRUCE GIFFIN, PROVIDES THOSE SERVICES. THAT INDIVIDUAL HAS FORTY-FIVE YEARS EXPERIENCE IN THE MANAGEMENT OF INVESTOR OWNED UTILITIES AND ELECTRIC COOPERATIVES. ILLINOIS ELECTRIC COOPERATIVE PAID SANDS ROAD CONSULTING \$397,178 FOR MANAGEMENT SERVICES IN 2018.

FORM 990, PART VI, SECTION A, LINE 6:

THE COOPERATIVE HAS TWO CLASSES OF MEMBERS. CLASS A MEMBERS, ELECTRIC MEMBERS, HAVE VOTING RIGHTS, CLASS B MEMBERS INTERNET MEMBERS, DO NOT HAVE VOTING RIGHTS.

FORM 990, PART VI, SECTION A, LINE 7A:

EACH CUSTOMER WHO RECEIVES ELECTRIC SERVICE IS A CLASS A MEMBER. THESE MEMBERS ELECT THE MEMBERS OF THE BOARD OF DIRECTORS AND APPROVE SIGNIFICANT DECISIONS OF THE COOPERATIVE.

FORM 990, PART VI, SECTION A, LINE 7B:

THE COOPERATIVE HAS ONE CLASS OF MEMBERSHIP THAT MUST VOTE ON CHANGES TO THE BYLAWS, ARTICLES OF INCORPORATION, AND SALE OF SUBSTANTIALLY ALL OF THE COOPERATIVE'S ASSETS.

Name of the organization ILLINOIS ELECTRIC COOPERATIVE	Employer identification number 37-0345145
---	--

FORM 990, PART VI, SECTION B, LINE 11B:

EACH MEMBER OF THE BOARD OF DIRECTORS WILL BE PROVIDED AN ELECTRONIC COPY OF THE RETURN PRIOR TO ITS FILING. THE BOARD'S MANAGEMENT CONSULTANT CONDUCTED A REVIEW OF THE RETURN, INCLUDING VERIFYING FINANCIAL AND OTHER INFORMATION AGAINST INTERNAL INFORMATION.

FORM 990, PART VI, SECTION B, LINE 12C:

COUNSEL REVIEWS POLICY ANNUALLY WITH THE BOARD AND SENIOR MANAGEMENT. THE BOARD'S MANAGEMENT CONSULTANT REVIEWS IT ANNUALLY WITH THE EMPLOYEES. DETERMINATIONS FOR THE BOARD ARE AT THE BOARD LEVEL, THE BOARD'S MANAGEMENT CONSULTANT AT THE BOARD LEVEL AND ALL OTHER EMPLOYEES AT THE BOARD'S MANAGEMENT CONSULTANT LEVEL. RESTRICTIONS ON THE BOARD IN THE INSTANCE OF A CONFLICT OF INTEREST DOES NOT ALLOW THEM TO VOTE ON THE MATTER AND EMPLOYEES ARE PROHIBITED FROM HAVING CONFLICTS OF INTEREST.

FORM 990, PART VI, SECTION B, LINE 15:

THE BOARD OF DIRECTORS HAS A CONTRACT WITH SANDS ROAD CONSULTING CO., INC., (SRC) FOR MANAGEMENT SERVICES. THE FEE SCHEDULE IN THE CONTRACT PAYS SRC AN AMOUNT COMPARABLE WITH THE TOTAL COSTS OF COMPENSATION FOR A COOPERATIVE MANAGER AS REPORTED IN BENCHMARK DATA FROM THE NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION AND THE ASSOCIATION OF ILLINOIS ELECTRIC COOPERATIVES. THE PROCESS IS DOCUMENTED IN THE MINUTES OF THE BOARD'S MEETINGS. THE PROCESS OF DETERMINING COMPENSATION FOR OTHER KEY EMPLOYEES IS CARRIED OUT BY THE BOARD'S MANAGEMENT CONSULTANT, USING THE SAME DATA SETS AS NOTED ABOVE. THE PROCESS IS DOCUMENTED IN THE MINUTES OF BOARD MEETINGS AND OF BOARD COMMITTEE MEETINGS.

FORM 990, PART VI, SECTION C, LINE 19:

Name of the organization

ILLINOIS ELECTRIC COOPERATIVE

Employer identification number

37-0345145

THE COOPERATIVE'S GOVERNING DOCUMENTS, CONFLICTS OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE MADE AVAILABLE UPON REQUEST AND ON OUR WEBSITE WWW.E-CO-OP.COM

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

EQUITY IN EARNINGS IN SUBSIDIARY	42,632.
PATRONAGE RETIRED	-937,781.
CHANGE IN OTHER COMPREHENSIVE INCOME	-22,740.
PATRONAGE DIVIDENDS ALLOCATED	2,313,367.
TOTAL TO FORM 990, PART XI, LINE 9	1,395,478.

FORM 990, PART IX, LINE 4

THE IRS INSTRUCTIONS STATE THAT PATRONAGE DIVIDENDS PAID BY SECTION 501(C)(12) ORGANIZATIONS TO THEIR MEMBERS SHOULD BE REPORTED ON LINE 4. THE ORGANIZATION HAS INTERPRETED PATRONAGE DIVIDENDS PAID TO MEAN PATRONAGE DIVIDENDS ALLOCATED OR TO BE ALLOCATED FOR THE CURRENT YEAR. SINCE THIS ALLOCATION IS NOT AN EXPENSE UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP), THIS HAS RESULTED IN A RECONCILING ITEM TO NET ASSETS IN PART XI, ON PAGE 12 OF THE FORM 990.

FORM 990, PART XII, LINE 2C

THE BOARD OF DIRECTORS PROCESS FOR OVERSIGHT OF THE AUDIT AND SELECTION OF AN INDEPENDENT AUDITOR HAS NOT CHANGED IN 2018.

**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](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2018**

Open to Public Inspection

Name of the organization **ILLINOIS ELECTRIC COOPERATIVE** Employer identification number **37-0345145**

**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

**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
ILLINOIS RURAL TELECOMMUNICATION CO - 37-1306087, 2 SOUTH MAIN STREET, WINCHESTER, IL 62694	TELECOMMUNICATIONS	IL	ILLINOIS ELECTRIC COOP	C CORP	42,632.	3,337,734.	100%	X	
PRATHER OIL CO - 37-1112402 2 SOUTH MAIN STREET WINCHESTER, IL 62694	SALE OF PROPANE	IL	ILLINOIS RURAL TELECOMMUNICATI ON CO	C CORP	0.	0.	100%		X
ILLINOIS PROPANE CO - 20-2239550 2 SOUTH MAIN STREET WINCHESTER, IL 62694	SALE OF PROPANE	IL	ILLINOIS RURAL TELECOMMUNICATI ON CO	C CORP	0.	0.	100%		X
MIDSTATE PROPANE, LLC - 37-1413502 2 SOUTH MAIN STREET WINCHESTER, IL 62694	SALE OF PROPANE	IL	ILLINOIS RURAL TELECOMMUNICATI ON CO	C CORP	0.	288,456.	100%		X

**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
<b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity .....		X
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....		X
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....		X
<b>d</b> Loans or loan guarantees to or for related organization(s) .....		X
<b>e</b> Loans or loan guarantees by related organization(s) .....	X	
<b>f</b> Dividends from related organization(s) .....		X
<b>g</b> Sale of assets to related organization(s) .....		X
<b>h</b> Purchase of assets from related organization(s) .....		X
<b>i</b> Exchange of assets with related organization(s) .....		X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....		X
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....	X	
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....		X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....		X
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....		X
<b>o</b> Sharing of paid employees with related organization(s) .....		X
<b>p</b> Reimbursement paid to related organization(s) for expenses .....		X
<b>q</b> Reimbursement paid by related organization(s) for expenses .....		X
<b>r</b> Other transfer of cash or property to related organization(s) .....		X
<b>s</b> Other transfer of cash or property from related organization(s) .....		X

**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) ILLINOIS RURAL TELECOMMUNICATION COMPANY	K	144,000.	ACTUAL
(2)			
(3)			
(4)			
(5)			
(6)			

