

Report of Independent Auditors

Following are excerpts from the audit report. The full report may be accessed at TeamMidwest.com or by calling 800-492-5989.

Opinions

We have audited the consolidated financial statements of Midwest Energy Cooperative (the Cooperative), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, equities and margins, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Cooperative as of December 31, 2025 and 2024, and the changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. We are required to be independent of the Cooperative and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Baker Tilly
March 30, 2026

Directors' Compensation Disclosure

Elected directors are paid a monthly retainer of \$500 and a per diem based on board position, and years of service or credential status for meetings attended on behalf of the cooperative. The chairman is paid a monthly retainer of \$600.

	2025	2024
Operating revenues	\$ 151,832	\$ 140,276
Operating expenses	131,921	124,026
Interest expense	11,023	8,800
Operating margins (deficits)	8,888	7,450
Capital credits	5,480	5,341
Nonoperating margins (deficits)	23,290	25,033
Net margins	\$ 37,658	\$ 37,824

ASSETS	2025	2024
Net electric plant and equipment	\$ 594,048	\$ 496,119
Other assets and investments	49,766	47,327
Current assets	45,903	45,001
Total assets	\$ 689,717	\$ 588,447
LIABILITIES, EQUITIES, AND MARGINS		
Patronage capital and other equities	\$ 211,756	\$ 173,887
Long-term debt	365,562	287,117
Other liabilities	3,752	3,101
Current liabilities	106,898	122,722
Deferred tax liability	1,749	1,620
Deferred credits	-	-
Total liabilities, equities, and margins	\$ 689,717	\$ 588,447

