

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.

We have audited the accompanying consolidated financial statements of Midwest Energy Cooperative, which comprise the consolidated balance sheets as of December 31, 2019, and 2018, 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. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Our responsibility is to express opinions on these consolidated financial statements based on our audits.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the cooperative as of December 31, 2019, and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Moss Adams
March 31, 2019

Director's Compensation Disclosure

Elected directors are paid an annual retainer of \$1,200 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 an annual retainer of \$2,200.

Consolidated Statements of Operations

Years Ended December 31
(Dollars in 000)

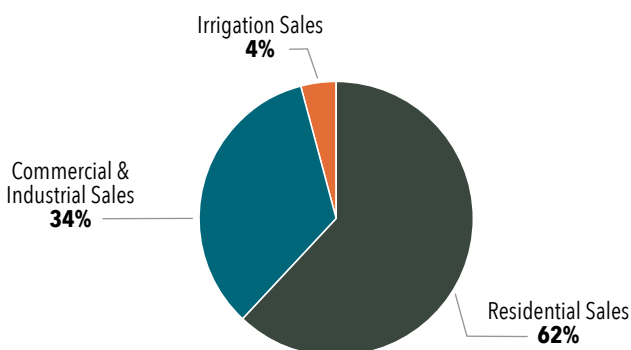
	2019	2018
Operating revenues	\$ 100,615	\$ 96,131
Operating expenses	93,424	91,094
Interest expense	5,461	5,170
Operating margins (deficits)	1,730	(133)
Capital credits	3,355	4,328
Nonoperating margins (deficits)	(110)	(170)
Net margins	\$ 4,975	\$ 4,025

Consolidated Balance Sheets

December 31
(Dollars in 000)

ASSETS	2019	2018
Net electric plant and equipment	\$ 216,851	\$ 204,415
Other assets and investments	30,247	28,178
Current assets	23,837	32,330
Deferred charges	142	142
Total assets	\$ 271,077	\$ 265,065
EQUITIES AND LIABILITIES		
Equities	\$ 65,576	\$ 61,256
Long-term debt	176,670	177,696
Other liabilities	4,191	3,589
Current liabilities	23,685	21,694
Deferred tax liability	940	809
Deferred credits	15	21
Total equity and liabilities	\$ 271,077	\$ 265,065

Where Our Sales Come From



Where Your Dollars Go

