

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.

Opinion

We have audited the consolidated financial statements of Midwest Energy Cooperative (the Cooperative), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, 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, 2023 and 2022, 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 Opinion

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 opinions. 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.

Moss Adams
March 28, 2024

Director's 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.

Consolidated Statements of Operations

Years Ended Dec. 31
(Dollars in 000)

	2023	2022
Operating revenues	\$ 131,747	\$ 126,690
Operating expenses	110,893	109,160
Interest expense	7,354	6,374
Operating margins (deficits)	13,500	11,156
Capital credits	3,971	4,315
Nonoperating margins (deficits)	10,489	3,502
Net margins	\$ 27,960	\$ 18,973

Consolidated Balance Sheets

Dec. 31
(Dollars in 000)

ASSETS	2023	2022
Net electric plant and equipment	\$ 391,428	\$ 304,060
Other assets and investments	43,003	39,792
Current assets	42,260	53,186
Deferred charges	-	-
Total assets	\$ 476,691	\$ 397,038
LIABILITIES, EQUITIES, AND MARGINS		
Patronage capital and other equities	\$ 135,458	\$ 107,388
Long-term debt	270,530	238,226
Other liabilities	2,738	2,166
Current liabilities	66,457	47,885
Deferred tax liability	1,506	1,324
Deferred credits	2	49
Total liabilities, equities, and margins	\$ 476,691	\$ 397,038

