

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, 2022, and 2021, and the related consolidated statements of operations, equities, margins, and cash flows for the years then ended, and the related notes to the 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, 2022, and 2021, 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 opinion.

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 31, 2023

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 Dec. 31
(Dollars in 000)

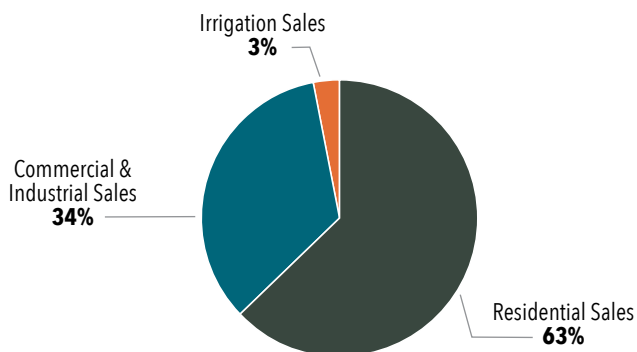
	2022	2021
Operating revenues	\$ 126,690	\$ 112,302
Operating expenses	109,160	100,412
Interest expense	6,374	5,597
Operating margins (deficits)	11,156	6,293
Capital credits	4,315	4,215
Nonoperating margins (deficits)	3,502	2,278
Net margins	\$ 18,973	\$ 12,786

Consolidated Balance Sheets

Dec. 31
(Dollars in 000)

ASSETS	2022	2021
Net electric plant and equipment	\$ 304,060	\$ 252,194
Other assets and investments	39,792	36,647
Current assets	53,186	40,622
Deferred charges	-	80
Total assets	\$ 397,038	\$ 329,543
LIABILITIES, EQUITIES, AND MARGINS		
Patronage capital and other equities	\$107,388	\$88,090
Long-term debt	238,226	204,927
Other liabilities	2,166	3,025
Current liabilities	47,885	32,462
Deferred tax liability	1,324	1,004
Deferred credits	49	35
Total liabilities, equities, and margins	\$ 397,038	\$ 329,543

Where Our Sales Come From



Where Your Dollars Go

