

**WESTERN
COOPERATIVE
ELECTRIC**

Power & People

78th Annual Meeting

WEDNESDAY, MAY 10

Lunch at Noon | Meeting at 1 p.m.

Join us for

Door Prizes | Cooperative Updates | Trustee Election Results

LOCATION WESTERN HEADQUARTERS | 635 S. 13TH STREET | WAKEENEY, KANSAS 67672

Manager's MESSAGE



Tom Ruth

On behalf of the board of trustees, I would like to invite you to join us for Western Cooperative Electric's 78th Annual Meeting at the Western Office on May 10 in WaKeeney. During the meeting, you will have the opportunity to

share a meal, hear a business update, and engage with our employees, board of trustees and other Western members.

For 78 years you, our members, have entrusted us to power your homes, farms and way of life. Although we call this our annual meeting, it is really a recognition of you, our member-owners.

From the beginning, our focus has been on #Power&People. Unlike privately-owned utilities, we're not trying to make a profit for shareholders. Instead, we focus on making the right decisions for the people and communities we serve.

While many of our members may think of us as only providing electric service, we are much more than poles and wires. The Seventh Cooperative Principle, Concern for the Community, incorporates our desire to not only serve power, but also the people for the betterment of our communities.

Western has embraced Concern for the Community in many ways during the last 78 years. One of the most effective ways we have done so is to consistently hire upstanding employees who are actively engaged in improving the communities where we live and work. We are proud to say we've done that.

Western employees exemplify and promote cooperative values through engagement with our communities. Employees serve in many community and civic capacities, such as volunteer firefighters, youth coaches, city council members, and county commissioners. You will also find them volunteering their time for educational events and activities; faith-based organizations; and

community-based organizations, including the chamber, economic development, Kiwanis and Lions clubs. Countless hours are donated by participating in community projects outside of work.

Western also donates time and equipment for community projects, such as hanging Christmas lights, setting poles for emergency warning devices, and other similar activities.

While our employees are great stewards of the communities we serve, consumer-members like you — with whom we share many of the same goals and challenges — are the focus of our cooperative. Western's locally elected board and our staff are members of Western and strive to make decisions based on the best interests of our membership. We work every day with our mission in mind: to provide reliable, affordable power to improve the lives of those we serve.

As a not-for-profit business, our motivation is different. We must meet financial targets to ensure a solid financial foundation, but we're not driven by the need for excessive profits. Our long-term goal is to operate at cost. Excess revenue collected through rates is returned to our members, not a remotely located board of investors. Capital credits represent your economic participation in the cooperative, and in January 2022, Western retired nearly \$1.5 million in capital credits to our members. Since our inception, Western has refunded our members more than \$29 million in capital credits.

While we always want to avoid rate increases, Western's trustees must ensure that electric rates are adequate to maintain a stable financial condition, provide the necessary revenue to deliver reliable electric service, and minimize the subsidization between member rate classes. Due to the increasing economic challenges of higher inflation, higher prices, supply chain delays, and increases in natural gas and fuel costs, our board

made the difficult decision to adjust rates beginning in 2023 to ensure adequate financial recovery. We know rate increases can negatively impact our members, but the increased expenses due to inflation made the rate adjustment unavoidable.

Members create the cooperative difference. I like to think in terms of we, not I or they. We are owners, we are members, but perhaps more importantly, we are parents, grandparents, children, neighbors and friends. In 1945, we came together — not one person, but the collective "we" — to solve the challenge of providing electricity to rural areas. While our current challenges are different, they still require the cooperative spirit, supporting one another and creating value for those within our communities. We are family.

As a Western member, your input is essential to helping us meet upcoming challenges and positioning us to serve you effectively in the future. I encourage you to attend our annual meeting or contact me at any other time with your concerns, questions or suggestions. Our challenges may differ today, but the cooperative spirit — supporting one another and creating value for those within our communities — is as important as ever.

Please join us for the annual meeting on May 10 at 1 p.m. at Western's headquarters, 635 13th Street in WaKeeney. You will hear the manager's report, learn more about Western's 2022 performance, and our plans for 2023. If you cannot attend in person, please join us via YouTube Live at the same date and time. The link to the YouTube Live stream will be found on Western Cooperative Electric's social media pages or at www.westerncoop.com.

Western is connected to you by more than just power lines; we serve #Power&People. We belong to the people we serve, we are your neighbors, and we hope to see you at the 2023 annual meeting.

Financial REPORTS

BALANCE SHEET

AS OF DEC. 31, 2022

ASSETS *(What We Own)*

Original cost of our plant	\$109,311,177.69
Estimated depreciation	(\$31,378,074.02)

NET COST OF OUR PLANT

Cash in the bank	\$918,516.85
Temporary cash investments	\$109.81
Net value of accounts receivable	\$4,163,079.04
The value of our materials and supplies	\$3,075,902.38
Advance payments of insurance, etc	\$138,223.87
Other current and accrued assets	\$646,946.66
Miscellaneous debits	\$2,383,345.82
Investments in associated organizations	\$26,047,703.74
Investments in EcoDevo projects	\$693,542.00
Interest and dividends receivable	\$0.00
TOTAL ASSETS	\$116,000,473.84

LIABILITIES *(What We Owe)*

We have borrowed from the RUS/CFC/CoBank	\$104,953,615.64
We have paid back	(\$48,357,844.68)
We still owe RUS/CFC/CoBank	\$56,595,770.96
Capital Leases Payable	\$0.00
Accumulated Retirement Obligations	\$468,773.87
Other current and accrued liabilities	\$1,031,246.85
Deferred Credits	\$146,621.52
Consumer deposits	\$530,248.76
Accounts payable	\$1,539,022.87
Notes payable	\$2,443,285.97
TOTAL LIABILITIES	\$62,754,970.80

EQUITY *(Net Worth)*

Patronage capital assigned	\$77,600,192.84
Special refunds	(\$3,367,018.23)
Patronage capital refunds 1952-2005	(\$25,906,021.64)

NET PATRONAGE CAPITAL ASSIGNED

Operating margin this year	\$1,510,406.08
Non-Operating margin cumulative	\$2,930,976.67
Other margins and equities	\$476,967.32

TOTAL EQUITY

TOTAL LIABILITIES & EQUITY	\$116,000,473.84
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OPERATING REPORT

FOR THE YEAR ENDING DEC. 31, 2022

REVENUE

We sold electric service amounting to	\$40,662,278.01
Miscellaneous revenue	\$848,388.21
TOTAL REVENUE	\$41,510,666.22

EXPENSES

Electric power cost us	\$27,530,184.07
Expenses operating and maintaining plant	\$8,098,829.21
Estimated depreciation on our system	\$2,837,091.64
Interest charged to operations	\$1,534,155.22
TOTAL EXPENSES	\$40,000,260.14
Operating Margin & Patronage Capital	\$1,510,406.08

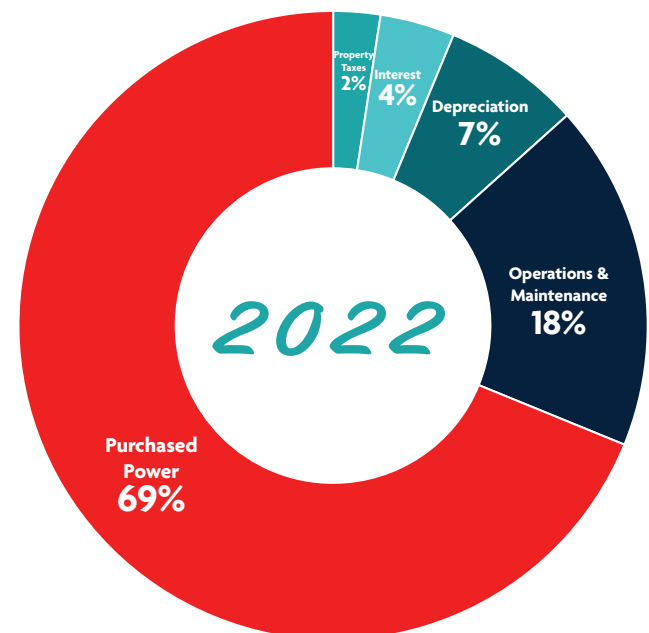
NON-OPERATING ACTIVITY

Income/Loss from investments	\$27,600.48
Merchandising, Gain/Loss on General Plant Sales and Other	(\$16,872.63)
Power supplier equity and patronage capital (non-cash)	\$2,920,248.82
NON-OPERATING MARGIN & PATRONAGE CAPITAL	\$2,930,976.67

TOTAL MARGINS & PATRONAGE CAPITAL

\$4,441,382.75

HOW YOUR DOLLARS WERE SPENT





Sharing Success Program

TOPS \$100,000 IN COMMUNITY GRANTS

In partnership with CoBank, Western Cooperative Electric provides grant opportunities for local nonprofit organizations through the Sharing Success Grant Program. Since 2013, the Sharing Success program has donated more than \$100,000 to local organizations to better the communities Western serves.

“Our Sharing Success Program exists to make a positive difference in the communities Western serves,” said Assistant General Manager/Member Services Manager Nolan Numrich. “Concern for Community is one of the Seven Cooperative Principles and a benefit of being a cooperative member.”

The seventh principle, Concern for Community, is essential to who we are as cooperatives. We serve our community not only by being an essential service, but by helping to power our local economy.

By providing grant opportunities to local community projects, Western is able to work together with community leaders to invest in the future success of our communities and create a brighter future for generations to come.

Concern for Community

Cooperatives work for the sustainable development of their communities through policies supported by the membership.

Jerod Brown, president and co-founder of The Well-Center for Hope, said “It is very easy for us to thank the Western board and members for investing in this program. Since opening in November, we have now had the privilege of serving approximately 8,000 beverages to the people of WaKeeney and western Kansas. This has led to some

amazing conversations, some of which have helped connect individuals to find the help they are seeking for their mental and emotional well-being. The Sharing Success grant was a significant part of making this happen. We would not be able to make good coffee without good equipment. We are extremely grateful that Western Cooperative is willing to work together to improve our communities in all areas of life and invest in our future together!”

“Western Cooperative Electric’s Sharing Success Program has been instrumental in what our community has been able to create these past years,” Kay Haffner, Grainfield Community Development Committee, said. “When you drive down our Main Street and see the new and renovated buildings, you are seeing the benefit of this program. We appreciate that the board believes in our vision. Small communities like Grainfield would not survive without grants like these. Thank you to the board and members of Western Cooperative Electric.”

Apply Today

In 2023, Western plans to award up to four grants totaling \$20,000. Applications for the 2023 cycle will be accepted until July 1, 2023.

The Western Board of Trustees will review the applications and select the winners at the July board meeting. Grants will be presented in August and September.

For more information or to apply, visit www.westerncoop.com/sharing-success-community-grants.

Thanks to a Western Cooperative Sharing Success grant, the Bunker Hill Historical Society was able to build a new restroom facility. The restroom was completed in time for the July 31, 2021, Bunker Hill Founders Day 150th celebration. Thank you, Western Cooperative, for helping to build small-town pride!

KATHY COOK, TREASURER BUNKER HILL HISTORICAL SOCIETY



Power & People

Thank you to the Western board and members for investing in this program and having grant opportunities available for future community projects. WaKeeney Saddle Club has already used the new building for a state KWA horse show and several other shows. When not used by the club, the building has been used by USD 208 for track meets and the 4-H club during the Trego County Fair. Thank you from the WaKeeney Saddle Club.

RON FREEMAN
WAKEENEY SADDLE
CLUB PRESIDENT

Sharing Success GRANT RECIPIENTS

- | | | |
|---|---|---|
| 2013 Graham County Community Foundation
HCHS Ag Issues Debate Team | 2018 Rush County Fire District No. 8
Otis fire equipment | 2021 City of Palco
Playground equipment |
| 2014 National Drivers Hall of Fame
Renovating Ellsworth historical building for theatre and museum | 2019 Gove County Healthcare Endowment
Playground equipment for employee daycare center | 2021 Dorrance Historical Society
Theater Room |
| 2015 Grainfield Opera House
Building restoration | 2019 Grainfield Community Development Committee
Renovating building for satellite medical facility | 2021 DSNWK
Transportation |
| 2016 Ellis County Historical Society
Restoring Ellsworth County Courthouse | 2019 VFW Post 6485
Christmas wreaths for veterans graves | 2021 Ellsworth County EMS
Training classroom |
| 2016 Golden Belt Community Foundation
Olmütz Fire Dept. equipment | 2020 Bunker Hill Historical Society
Demolish and rebuild restrooms | 2021 Greater Salina Community Foundation
Disaster Relief Fund Ellis, Trego, Rooks and Russell counties |
| 2016 Trego County Enhancement Foundation
Trego County Fire Dept. equipment | 2020 City of Otis
Cougar Park renovations | 2021 Smoky Hill Baptist Church
Outdoor worship site |
| 2017 Ellsworth Kiwanis
Splash park | 2020 Grainfield American Legion Post 301
Building door replacements | 2021 St. Anthony
City playground and community space |
| 2017 Goddard Place
Youth camps | 2020 Grainfield Community Development Committee
City Park bathroom renovations | 2021 Trego County
Saddle Club concession stand and restrooms |
| 2017 Grainfield Community Development Committee
Furnishing community building | 2020 Natoma American Legion
Hogan Hall restoration | 2022 Ellsworth Childcare and Learning Center
Developmental playground equipment |
| 2018 Graham County Recreation Commission
Renovating ball fields destroyed in flooding | 2021 Cedar Bluff State Park
Park bench Eagle Scout project | 2022 Sacred Heart
Kitchen remodel and exhaust hood |
| 2018 Grainfield Community Development Committee
Renovating building for satellite medical facility | 2021 City of Collyer
Playground equipment | 2022 Sylvan Historical Society
Historic building renovations |
| | 2021 City of Dorrance
Playground equipment | 2022 The Well & Center for Hope, Inc.
Coffee brewing equipment |

Klein and Lindsey

REPRESENT WESTERN AT THE COOPERATIVE YOUTH LEADERSHIP CAMP



Cameron Lindsey (left) and Greta Klein pose by the Elk River during Cooperative Youth Leadership Camp.

Since the late 1970s, students have been selected to attend Cooperative Youth Leadership Camp (CYLC). In 2022, nearly 80 students attended CYLC near Steamboat Springs, Colorado, from Kansas, Oklahoma, Colorado and Wyoming. While students could not attend camp for the past two years, they were eager to return to the fun.

Western Cooperative sponsors the trip for two students each year. **GRETA KLEIN**, Ellsworth High School, and **CAMERON LINDSEY**, Plainville High School, represented Western in 2022.

At camp, students had the opportunity to view a high-voltage display, learn about electric safety, attend leadership seminars, tour a solar farm, and view a Hawk Quest presentation. In addition to attending camp, both students will receive a \$1,000 college scholarship.

Along with the core curriculum of CYLC, students visited downtown Steamboat Springs, went white-water rafting, and participated in fun camp activities, including a volleyball tournament, talent show and dance. This is the 45th year that Kansas has participated in the camp, sending its first campers to what was then called the Energy Seminar in 1977.

Klein and Lindsey were chosen through the youth program application and interview process.

"We were excited to return to the Cooperative Youth Leadership Camp this year," said Assistant General Manager/Member Services Manager Nolan Numrich. "Engaging with our student leaders ties back to our cooperative principles: Concern for Community and Education, Training and Information."

Cramer and Metzler

ATTEND KANSAS ELECTRIC YOUTH LEADERSHIP CONFERENCE

Seventeen students from Kansas electric cooperatives attended the 2022 Kansas Electric Youth (KEY) Leadership Conference in Topeka. This in-person conference was developed as an educational leadership opportunity for the children of electric co-op members.



Ashlynn Cramer



Dakota Metzler

During the KEY conference, students participated in a variety of activities, including touring FreeState Electric Co-op and the Kansas State Capitol, engaging with government leaders, watching safety demonstrations, going on bucket truck rides, and developing their leadership skills through interactive presentations and workshops.

ASHLYNN CRAMER, Trego Community High School, and **DAKOTA METZLER**, Ellis High School, represented Western Cooperative Electric at the conference. Each participant was chosen through Western Cooperative Electric's annual youth contest and application process.

In addition to attending the KEY conference, both students will receive \$1,000 education scholarships.

"We were excited to offer the KEY Leadership Conference as an in-person event in 2022, and we look forward to 2023 when we will be able to send students back to Washington, D.C., for Electric Cooperative Youth Tour," said Assistant General Manager/Member Services Manager Nolan Numrich. "We continue to strive to find ways to engage with our local youth and encourage high school juniors to apply."



Ashlynn Cramer and Dakota Metzler met with Kansas legislators during the KEY Leadership Conference in Topeka.

Delivering Power

AND SERVING THE PEOPLE

Delivering power to our members is a 24/7 job, but so is serving in our communities. Western employees are more than your electric providers, we are an integral part of the community. Whether working as a lineman or serving on the fire department, city council, Kiwanis, chamber of commerce, Knights of Columbus, helping with 4-H or coaching youth sports, Western employees are proud to work and live in the communities we serve.

#Power & People





THE COOPERATIVE DIFFERENCE

The Power of HUMAN CONNECTIONS

4 VALUES THAT GUIDE OUR EVERY DAY OPERATIONS

1 INTEGRITY — Members first. Every day. That's the power of a not-for-profit electric cooperative.

2 ACCOUNTABILITY — Electric cooperatives belong to the members they serve. You have an equal voice in how the cooperative is run.

3 INNOVATION — Western believes in exploring innovative solutions, cutting-edge programs, and new technologies to serve you better and meet your current and future needs.

4 COMMITMENT TO COMMUNITY — Western Cooperative is dedicated to improving your quality of life by investing time, money and expertise to elevate our communities and strengthen relationships with members.

Electric Cooperatives: Created by Members

- ▶ We aren't your typical electric utility. We are owned by those we serve.
- ▶ That makes you a member, not a customer.
- ▶ Putting people, not profit, first is one powerful difference. A difference that allows us to empower our communities and energize our members.

People aren't just our No. 1 priority, they are the reason we exist.

Western Cooperative: Building on Co-op Strengths

For 78 years, Western Cooperative has served our member's homes, farms, businesses, and way of life. While many of our members may think of us as only providing electric service, we are much more than poles and wires. The seventh

The seventh cooperative principle, Concern for the Community, incorporates our desire to not only provide power but also serve the people for the betterment of our communities.



cooperative principle, Concern for the Community, incorporates our desire to not only provide power but also serve the people for the betterment of our communities.

What Makes Western Cooperative Different?

It's how we treat our members, how we collaborate and our commitment to our communities. We are:

- ▶ **LOOKING OUT FOR YOU.** Members know they can trust their cooperative, because it was created by the people it serves to provide safe, reliable and affordable electricity.
- ▶ **LOCALLY OWNED AND OPERATED.** Western Cooperative is owned by our members. We focus on members' needs and local priorities. Every member has a voice.
- ▶ **RESPONSIVE TO LOCAL NEEDS.** Focused on our communities, Western works hard to support a better quality of life for our members.

You are an Owner of Western Cooperative

Whether you realize it or not, if you receive electric service from Western, you have an ownership stake in the cooperative. When possible, Western allocates capital credits to our members based on how much electricity they purchase. These capital credits represent your owners-equity or ownership stake in the cooperative.

Equity levels are a measure of financial strength. When we talk about equity level, we usually mean equity as a percentage of assets. Most lenders require the borrower to maintain specific equity percentages, and depending on the level of equity, the cooperative may receive more favorable interest rates that save money.

Lenders to electric cooperatives generally expect co-ops to maintain a total equity level between 30% and 50%. Last year, your combined distribution and generation and transmission member equity remained strong at 45.9%.

Board MEMBERS



Craig Crossland
President
District 2



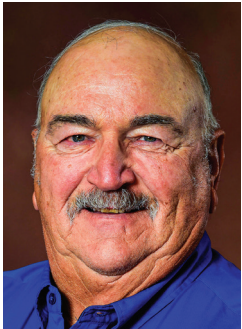
Terry Hobbs
Vice President
District 1



Richard Schaus
Secretary-Treasurer
District 2



Landon Heier
Trustee
District 3



Frank Joy
Trustee
District 2



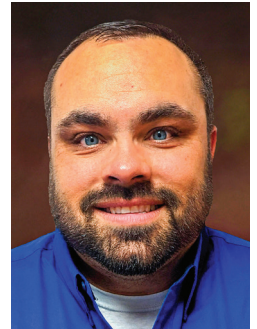
Marvin Keller
Trustee
District 1



Susan Rohleder
Trustee
District 1



Dale Weinhold
Trustee
District 3



Nick Zerr
Trustee
District 3

Western EMPLOYEES

JERRY CASEY | 39 years

KELLYE IRVIN | 38 years

KELLY OWENS | 38 years

MARK KLEIN | 31 years

DAVE CONNESS | 29 years

BRADY BITTEL | 28 years

TONYA KELLER | 26 years

CHAD SCHOENTHALER | 26 years

KURT BROCK | 25 years

ALFRED KATT | 24 years

JAY SCOTT | 24 years

TOM BAYUK | 22 years

CHRISTINA LOWRY | 22 years

RON ASCHENBRENNER | 21 years

JEFF MATTHEYER | 21 years

TYLER RENARD | 20 years

NATHAN BUDIG | 17 years

ASHLEY GARRETT | 17 years

TERRY KUHN | 16 years

JOHNNY HOWARD | 15 years

STACEY MALSAM | 15 years

SHELLI NOWLIN | 15 years

ANDREW SCHULTZ | 15 years

DUSTIN WACKER | 15 years

BOBBY ZEMAN | 15 years

BOB MCCOY | 14 years

VIVIAN RUSS | 14 years

BRAD BARTA | 13 years

KALEB STEFEK | 13 years

DALTON NUTTLE | 12 years

CRAIG CRAMER | 11 years

AARON FRIEB | 10 years

ALAN AUSTIN | 9 years

SETH BITTEL | 9 years

MATTHEW NEFF | 9 years

JAKE ARNOLD | 8 years

CHASE NEWELL | 7 years

NEIL MALSAM | 6 years

CHANCE DEMEL | 5 years

NICHOLAS GEIST | 4 years

DALTON HENSLEY | 4 years

TYLER LANG | 4 years

TOM RUTH | 4 years

LEVI SCHNEIDER | 4 years

VALERIE SCHNEIDER | 4 years

JOSH TESSENDORF | 4 years

BYRON SCHONTHALER | 3 years

GINA DEAVER | 2 years

HUNTER FOLSOM | 2 years

NOLAN NUMRICH | 2 years

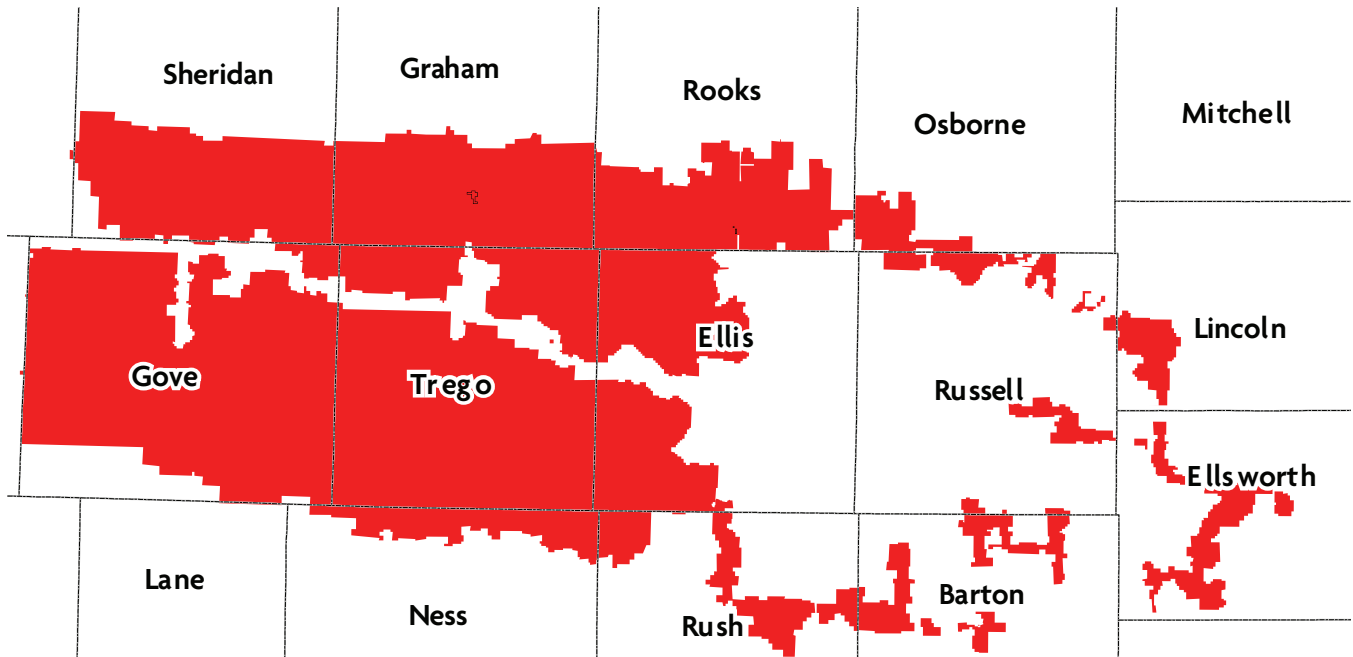
THOMAS (TAP) PENKA | 2 years

CHASE WERNER | 2 years

LINDSAY FLAX | 1 year

DEVIN BROWN | Less than 1 year

Service TERRITORY MAP



FACTS & FIGURES

12,117
METERS

3.01
CONSUMER-MEMBERS PER MILE

4,020
MILES OF LINE

54
EMPLOYEES



*Can't Make it
in Person?*

LIVE STREAMING

OPTION IS AVAILABLE!

VISIT

WWW.WESTERNCOOP.COM